

Aramark  
Form 10-Q  
February 11, 2015

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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FORM 10-Q  
QUARTERLY REPORT PURSUANT TO SECTION 13 or 15(d) OF  
THE SECURITIES EXCHANGE ACT OF 1934

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For the quarterly period ended January 2, 2015

Commission File Number: 001-36223

Aramark  
(Exact name of registrant as specified in its charter)  
Delaware  
(State or other jurisdiction of  
incorporation or organization)  
Aramark Tower  
1101 Market Street  
Philadelphia, Pennsylvania  
(Address of principal executive offices)  
(215) 238-3000  
(Registrant's telephone number, including area code)

20-8236097  
(I.R.S. Employer  
Identification Number)  
19107  
(Zip Code)

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Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company

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Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

As of January 30, 2015, the number of shares of the registrant's common stock outstanding is 236,995,253.

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## PART I

## Item 1. Financial Statements

## ARAMARK AND SUBSIDIARIES

## CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)

(in thousands, except share amounts)

	January 2, 2015	October 3, 2014
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 120,814	\$ 111,690
Receivables (less allowances: 2015 - \$43,537; 2014 - \$37,381)	1,549,801	1,582,431
Inventories	541,431	553,815
Prepayments and other current assets	197,780	217,040
Total current assets	2,409,826	2,464,976
Property and Equipment, net	957,923	997,331
Goodwill	4,574,437	4,589,680
Other Intangible Assets	1,214,044	1,252,741
Other Assets	1,143,519	1,150,965
	<b>\$ 10,299,749</b>	<b>\$ 10,455,693</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current Liabilities:		
Current maturities of long-term borrowings	\$ 93,443	\$ 89,805
Accounts payable	725,670	986,240
Accrued expenses and other current liabilities	1,010,621	1,302,828
Total current liabilities	1,829,734	2,378,873
Long-Term Borrowings	5,714,444	5,355,789
Deferred Income Taxes and Other Noncurrent Liabilities	990,749	993,118
Redeemable Noncontrolling Interest	9,841	9,877
Stockholders' Equity:		
Common stock, par value \$.01 (authorized: 600,000,000 shares; issued: 2015—259,717,687 shares and 2014—256,086,839 shares; and outstanding: 2015—235,864,025 shares and 2014—233,910,487 shares)	2,597	2,561
Capital surplus	2,628,444	2,575,011
Accumulated deficit	(317,417	) (382,463
Accumulated other comprehensive loss	(139,287	) (106,298
Treasury stock (shares held in treasury: 2015—23,853,662 shares and 2014—22,176,352 shares)	(419,356	) (370,775
Total stockholders' equity	1,754,981	1,718,036
	<b>\$ 10,299,749</b>	<b>\$ 10,455,693</b>

The accompanying notes are an integral part of these condensed consolidated financial statements.

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ARAMARK AND SUBSIDIARIES  
 CONDENSED CONSOLIDATED STATEMENTS OF INCOME  
 (Unaudited)  
 (in thousands, except per share data)

	Three Months Ended	
	January 2, 2015	December 27, 2013
Sales	\$3,702,353	\$3,763,081
Costs and Expenses:		
Cost of services provided	3,287,281	3,354,819
Depreciation and amortization	125,283	136,824
Selling and general corporate expenses	87,886	114,216
	3,500,450	3,605,859
Operating income	201,903	157,222
Interest and Other Financing Costs, net	71,923	83,353
Income Before Income Taxes	129,980	73,869
Provision for Income Taxes	44,360	28,953
Net income	85,620	44,916
Less: Net income attributable to noncontrolling interest	123	154
Net income attributable to Aramark stockholders	\$85,497	\$44,762
Earnings per share attributable to Aramark stockholders:		
Basic	\$0.36	\$0.22
Diluted	0.35	0.21
Weighted Average Shares Outstanding:		
Basic	234,621	206,462
Diluted	244,724	215,294

The accompanying notes are an integral part of these condensed consolidated financial statements.

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ARAMARK AND SUBSIDIARIES  
 CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
 (Unaudited)  
 (in thousands)

	Three Months Ended	
	January 2, 2015	December 27, 2013
Net income	\$85,620	\$44,916
Other comprehensive income (loss), net of tax:		
Pension plan adjustments	—	(155 )
Foreign currency translation adjustments	(24,211 )	1,370 )
Fair value of cash flow hedges	(8,778 )	4,336 )
Other comprehensive income (loss), net of tax	(32,989 )	5,551 )
Comprehensive income	52,631	50,467
Less: Net income attributable to noncontrolling interest	123	154
Comprehensive income attributable to Aramark stockholders	\$52,508	\$50,313

The accompanying notes are an integral part of these condensed consolidated financial statements.

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ARAMARK AND SUBSIDIARIES  
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
(Unaudited)  
(in thousands)

Three Months Ended  
January 2, 2015