UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K

x ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended October 3, 2025

OR

o TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number 001-41783

Vestis Corporation

(Exact name of registrant as specified in its charter)

Delaware	**92-2573927**
(State or other jurisdiction of incorporation or organization)	(I.R.S. employer identification number)
1035 Alpharetta Street, Suite 2100, Roswell, Georgia	**30075**
(Address of Principal Executive Offices)	(Zip Code)

(470) 226-3655

Registrant's telephone number, including area code

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.01 per share	VSTS	New York Stock Exchange

Securities registered pursuant to section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes x No o

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes o No x

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 x No o

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted 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 such files). Yes x No o

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

Large accelerated filer	x	Accelerated filer	o
Non-accelerated filer	o	Smaller reporting company	o
		Emerging growth company	o

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. o

Indicate by check mark whether the registrant has filed a report on and attestation to its management’s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262 (b)) by the registered public accounting firm that prepared or issued its audit report. x

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. o

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). o

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

As of March 28, 2025, the aggregate market value of the common stock of the registrant held by non-affiliates of the registrant was approximately $1,146.7 million. The registrant had 131,866,818 shares of common stock outstanding as of November 19, 2025.

DOCUMENTS INCORPORATED BY REFERENCE

The definitive proxy statement relating to the registrant's 2026 Annual Meeting of Stockholders is incorporated by reference into Part III of this Annual Report on Form 10-K to the extent described therein.

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Cautionary Note Regarding Forward-Looking Statements

This Annual Report on Form 10-K contains "forward-looking statements" within the meaning of the securities laws. All statements that reflect our expectations, assumptions or projections about the future, other than statements of historical fact, are forward-looking statements. These statements include, but are not limited to, statements related to our recently announced restructuring plan, and statements of our expectations regarding the performance of our business, our financial results (including volume growth, pricing, sales and cash flows), our operations, our liquidity and capital resources, the conditions in our industry and our growth strategy. In some cases, forward-looking statements can be identified by words such as "believe," "aim," "anticipate," "estimate," "expect," "future," "goal," "have confidence," "intend," "likely," "look to," "may," "outlook," "project," "plan," "seek," "see," "should," "will," "will be," "will continue," "will likely," and other words and terms of similar meaning or the negative versions of such words. These forward-looking statements are subject to risks and uncertainties that may change at any time, and actual results or outcomes may differ materially from those that we expected. Forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties, and changes in circumstances that are difficult to predict. Although we believe that the expectations reflected in any forward-looking statements we make are based on reasonable assumptions, we can give no assurance that these expectations will be attained and it is possible that actual results may differ materially from those indicated by these forward-looking statements due to a variety of risks and uncertainties.

Such risks and uncertainties include, but are not limited to:

- unfavorable macroeconomic conditions, including as a result of government shutdowns, inflationary pressures and higher interest rates;
- the failure to retain current customers, renew existing customer contracts and obtain new customer contracts, which could result in continued stock volatility and potential future goodwill impairment charges;
- competition in our industry;
- our ability to comply with certain financial ratios, tests and covenants in our credit agreement, including the net leverage ratio;
- our significant indebtedness and ability to meet debt obligations and our reliance on an accounts receivable securitization facility;
- our ability to successfully execute or achieve the expected benefits of our restructuring plan and other measures we may take in the future;
- increases in fuel and energy costs and other supply chain challenges and disruptions, including as a result of military conflicts in Ukraine and the Middle East;
- increased operating costs and obstacles to cost recovery due to the pricing and cancellation terms of our support services contracts;
- a determination by our customers to reduce their outsourcing or use of preferred vendors;
- implementation of new or increased tariffs and ongoing changes in U.S. and foreign government trade policies, including potential modifications to existing trade agreements and retaliatory measures by foreign governments;
- the outcome of legal proceedings to which we are or may become subject, including securities litigation claims, that could result in significant legal expenses and settlement or damage awards;
- risks associated with suppliers from whom our products are sourced;
- challenge of contracts by our customers;
- currency risks and other risks associated with international operations, including compliance with a broad range of laws and regulations, including the United States Foreign Corrupt Practices Act;
- increases in labor costs or inability to hire and retain key or sufficient qualified personnel;
- continued or further unionization of our workforce or any labor strikes;
- our expansion strategy and our ability to successfully integrate the businesses we acquire and costs and timing related thereto;
- risks associated with our international operations;
- natural disasters, global calamities, climate change, pandemics, and other adverse incidents;
- liability resulting from our participation in multiemployer-defined benefit pension plans;
- liability associated with noncompliance with applicable law or other governmental regulations;
- laws and governmental regulations including those relating to the environment, wage and hour and government contracting;
- unanticipated changes in tax law;
- new interpretations of or changes in the enforcement of the government regulatory framework;
- a cybersecurity incident or other disruptions in the availability of our computer systems or privacy breaches;

- stakeholder expectations relating to environmental, social and governance (“ESG”) considerations which may expose us to liabilities and other adverse effects on our business;
- any failure by Aramark to perform its obligations under the various separation agreements entered into in connection with the Separation;
- a determination by the IRS that the Separation or certain related transactions are taxable; and
- the other risks described under the heading “Risk Factors” in Part I, Item 1A of this Annual Report on Form 10-K, as may be updated from time to time in subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K that we file with the Securities and Exchange Commission.

The above list of factors is not exhaustive or necessarily in order of importance. For additional information on identifying factors that may cause actual results to vary materially from those stated in forward-looking statements, see the discussions under Item 1A "Risk Factors," Item 3 "Legal Proceedings" and Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations" and other sections of this Annual Report on Form 10-K. Any forward-looking statement speaks only as of the date on which it is made, and we assume no obligation to update or revise such statement, whether as a result of new information, future events or otherwise, except as required by applicable law.

Summary of Risk Factors

An investment in Vestis is subject to a number of risks, including risks relating to its business and indebtedness, risks related to Vestis’ Separation from Aramark and risks related to Vestis’ common stock. Set forth below is a high-level summary of some, but not all, of these risks. Please read the information in the section entitled “Risk Factors” of this Annual Report for a more thorough description of these and other risks.

Risks Related to Vestis’ Business Operations

- Unfavorable economic conditions, including as a result of government shutdowns, inflationary pressures and higher interest rates, have in the past adversely affected, are currently adversely affecting and in the future could adversely affect Vestis’ business, financial condition or results of operations.
- Vestis’ failure to retain its current customers, renew its existing customer contracts on comparable terms and obtain new customer contracts could adversely affect Vestis’ business, financial condition or results of operations.
- An impairment charge of Vestis’ intangible assets, including goodwill, could have a negative impact on its financial condition and results of operations
- Competition in Vestis’ industry could adversely affect Vestis’ business, financial condition or results of operations.
- Vestis may not successfully execute or achieve the expected benefits of its restructuring plan and other measures it may take in the future, and its efforts may adversely affect its business, financial condition or results of operations.
- Increases in fuel and energy costs, including as a result of military conflicts in Ukraine and the Middle East, could materially and adversely affect Vestis’ business, financial condition or results of operations.
- Risks related to implementation of new or increased tariffs and ongoing changes in U.S. and foreign government trade policies, including potential modifications to existing trade agreements and retaliatory measures by foreign governments.
- Vestis may be adversely affected if customers reduce their outsourcing or use of preferred vendors.
- Risks associated with Vestis’ suppliers and service providers could adversely affect Vestis’ business, financial condition or results of operations.
- Vestis’ contracts may be subject to challenge by its customers, which, if determined adversely, could affect Vestis’ business, financial condition or results of operations.
- Vestis’ international business faces risks that could have an effect on Vestis’ business, financial condition or results of operations.
- Vestis’ business may suffer if it is unable to hire and retain sufficient qualified personnel or if labor costs increase.
- Vestis’ expansion strategy involves risks, including its ability to successfully integrate the businesses Vestis acquires and costs and timing related thereto.
- Natural disasters, global calamities, climate change, pandemics, terrorist acts, political unrest and other adverse incidents beyond Vestis’ control could adversely affect Vestis’ business, financial condition or results of operations.

Labor-Related Risks

- Continued or further unionization may increase Vestis’ costs and work stoppages could damage Vestis’ business.
- Vestis may incur significant liability as a result of its participation in multiemployer-defined benefit pension plans.

Legal, Regulatory, Safety and Security Risks

- Vestis is subject to legal proceedings, including securities class action claims, that could result in significant legal expenses and settlement or damage awards and may adversely affect its business, financial condition or results of operations.
- If Vestis fails to comply with requirements imposed by applicable law or regulations, it could significantly and adversely affect Vestis' business, financial condition or results of operations.
- Environmental regulations may subject us to significant liability and limit our ability to grow
- Unanticipated changes in tax law could adversely impact Vestis' financial results
- Vestis' operations and reputation may be adversely affected by disruptions to or breaches of Vestis' information systems or if Vestis' data is otherwise compromised.
- We may use artificial intelligence in our business, which could result in reputational harm, competitive harm, and legal liability.
- Vestis expects that stakeholder expectations relating to environmental, social and governance ("ESG") considerations may expose Vestis to liabilities, increased costs, reputational harm and other adverse effects on our business.

Risks Related to Vestis' Indebtedness

- Vestis' credit agreement contains certain financial ratios, tests and covenants, including a net leverage ratio, as well as restrictions that limit its flexibility in operating its business.
- Vestis has significant indebtedness that could adversely affect its business and profitability and its ability to meet other obligations.
- Vestis is subject to interest rate risk.
- If Vestis' financial performance deteriorates, it may not be able to service its indebtedness.

Risks Related to Accounts Receivable Securitization Facility

- Vestis' reliance on an accounts receivable securitization facility subjects Vestis to certain risks that could adversely affect its financial condition and results of operations.

Risks Related to the Separation

- Vestis has a limited history of operating as an independent company, and its historical financial information prior to the Separation is not necessarily representative of the results that it would have achieved as a separate, publicly traded company and may not be a reliable indicator of its future results.
- Vestis has repositioned its brand to remove the Aramark name, which could adversely affect its ability to attract and maintain customers.
- Vestis may be affected by restrictions under the tax matters agreement in order to avoid triggering significant tax-related liabilities.
- Vestis may be held liable to Aramark if it fails to perform under the agreements with Aramark which may negatively affect the business, financial condition or results of operations.
- If there is a determination that the Separation or certain related transactions are taxable for U.S. federal income tax purposes, Vestis could incur significant liabilities pursuant to the indemnification obligations under the tax matters agreement.
- Satisfaction of indemnification obligations following the Separation could have a material adverse effect on the cash flows and the business, financial condition or results of operations.
- There can be no assurance that Vestis will have access to the capital markets on terms acceptable to Vestis.

Risks Related to Vestis' Common Stock

- Vestis's stock price has recently been volatile and may continue to be volatile in the future, and as a result, the value of its common stock may decline.
- Dividends may not be declared or paid to holders of Vestis's common stock in the future. As a result, you may have to rely on stock appreciation for any return on your investment.
- Your percentage of ownership in Vestis may be diluted in the future.
- Anti-takeover provisions could enable Vestis' Board of Directors to resist a takeover attempt by a third party and limit the power of its stockholders.
- Vestis' amended and restated certificate of incorporation designate the state courts within the State of Delaware as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by Vestis' stockholders, which could discourage lawsuits against Vestis and the directors and officers.

PART I

Item 1. *Business*

Overview

Vestis Corporation, a Delaware Corporation (“Vestis”, the “Company”, “our”, “we” or “us”) is a leading provider of uniform rentals and workplace supplies across the United States and Canada. We provide uniforms, mats, towels, linens, restroom supplies, first-aid supplies, safety products and other workplace supplies. In fiscal year 2025, we generated revenue of approximately $2.7 billion. We are one of the largest companies operating within the United States and Canada in our industry.

We have over 75 years of experience providing uniforms and workplace supplies and a broad footprint that supports efficient delivery of our services and products to more than 300,000 customer accounts (based on unique customer identification numbers) across the United States and Canada. Our customer base participates in a wide variety of industries including manufacturing, hospitality, retail, food processing, pharmaceuticals, healthcare and automotive. We serve customers ranging from small, family-owned operations with a single location to large corporations and national franchises with multiple locations.

Our customers value the uniforms and workplace supplies we deliver as our services and products can help them reduce operating costs, enhance brand image, maintain a safe and clean workplace and focus on their core business. We provide a full range of uniform programs, restroom supply services and first-aid and safety products, as well as ancillary items such as floor mats, towels and linens. Additionally, we provide garments and contamination control supplies that help customers maintain controlled, cleanroom environments commonly used in the manufacturing of electronics, pharmaceuticals and medical equipment.

Our team consists of approximately 18,150 teammates who operate over 325 sites including laundry plants, satellite plants, distribution centers and manufacturing plants. We leverage our broad footprint and our supply chain, delivery fleet and route logistics capabilities to serve customers on a recurring basis, typically weekly, and primarily through multi-year contracts. In addition, we offer customized uniforms through direct sales agreements, typically for large regional or national companies.

On September 30, 2023 (the "Distribution Date"), Vestis Corporation completed its spin-off from Aramark (the "Spin-Off," or the “Separation”). On October 2, 2023 our common stock began regular-way trading on the New York Stock Exchange (“NYSE”) under the ticker symbol “VSTS”. Our corporate headquarters are located in Roswell, Georgia.

Financial Profile

In fiscal year 2025, we generated revenue of approximately $2.7 billion, operating income of $64.4 million, or 2.4% of revenue, and a net loss of $40.2 million, or (1.5)% of revenue. Cash provided from operating activities was $64.2 million. Revenue from our recurring rental business comprised 95% of total revenue, with 5% from direct sales. The contracted and recurring nature of our business provides a meaningful level of predictability to annual revenue. Additionally, the diversity of our customer base and the variety of industries in which our customers participate results in relatively low exposure to discrete industry trends. Our revenue is diversified across numerous sectors and customers operating primarily in manufacturing, hospitality, retail, food processing, automotive and healthcare. These are all sectors where we have decades of expertise. Geographically, 91% of our fiscal year 2025 revenue was from sales in the United States, with the remaining 9% from sales in Canada.

Industry Overview

We operate within the uniforms, mats, towels, linens, restroom supplies, first-aid supplies and safety products industry in the United States and Canada. This includes businesses that outsource these services through rental programs or direct purchases, as well as businesses that maintain these services in-house.

We believe we are well positioned to take advantage of the various key trends and drivers that are impacting our industry. Demand in this industry is influenced primarily by macro-economic conditions, employment levels, increasing standards for workplace hygiene and safety and an ongoing trend of businesses outsourcing non-core, back-end operations.

As noted above, the diversity of our customer base and the variety of industries in which our customers operate results in relatively low exposure to discrete industry trends.

Competition

Our industry is local in nature, fragmented and highly competitive. We believe we are a leading provider within this industry and we compete with national, regional and local providers who vary in size, scale, capabilities and product and service offering. Primary methods of competition include range of products, product quality, service quality and price.

Cintas Corporation and UniFirst Corporation are notable competitors of size, and we also have numerous local and regional competitors. Additionally, many businesses perform certain aspects of our product and service offerings in-house rather than outsourcing them.

Customers

Customers in our industry value the ability of providers to consistently deliver quality products on-time and with a high level of customer service. Additionally, they value trustworthy suppliers who partner with them to resolve workplace challenges that may arise with timely solutions that meet their needs.

We deliver to over 300,000 customer accounts (based on unique customer identification numbers) across the United States and Canada. We serve customers ranging from small, family-owned operations with a single location to large corporations and national franchises with multiple locations. Our revenue is diversified across our many customers as demonstrated by the revenue generated from our 10 largest customers accounting for less than 10% of total revenue in fiscal year 2025.

Our customers represent a diverse array of industries including sectors such as manufacturing, hospitality, retail, government, automotive, healthcare and food processing. The competitive landscape across these sectors for our products and services is highly fragmented and driven primarily by product quality, service quality and pricing of our competitors. We believe our competitive advantages identified below apply to each of the sectors. Across these sectors, we also serve customers who operate cleanrooms, or controlled environments where pollutants like dust, airborne microbes, and aerosol particles are removed to aid in providing clean work environments. Cleanrooms are typically used in the manufacturing of electronics, pharmaceutical products and medical equipment.

The diversity of our customers and the wide variety of industries in which they participate results in the demand for our services and products not being specifically linked to the cyclical nature of any one sector.

The vast majority of our customers are served under multi-year contracts. While customers are not required to make an up-front investment for their rental uniforms or other rented merchandise, a rental customer typically agrees to pay specified exit costs if it terminates its agreement early without cause.

Our Services and Products

We provide a full-service uniform solution on a contracted and recurring basis. Our full-service uniform offering includes the design, sourcing, manufacturing, customization, personalization, delivery, laundering, sanitization, repair and replacement of uniforms. Our uniform options include shirts, pants, outerwear, gowns, scrubs, high visibility garments, particulate-free garments and flame-resistant garments, along with shoes and accessories. In addition to uniforms, we also provide workplace supplies including restroom supply services, first-aid supplies and safety products, floor mats, towels and linens.

We believe our customers value our services and products for a variety of reasons:

- Our full-service programs typically offer a lower-cost solution for customers than if they were serviced in-house, as evidenced by our historical experience and customer feedback, as we leverage our scale and network to achieve procurement and operating efficiencies.
- We enable customers to focus on operating their core businesses as we take care of their needs for clean uniforms, fully stocked restrooms, complete first-aid kits and other workplace supplies.

- We help customers establish corporate identity, foster a sense of team and belonging among employees, project a professional image and enhance brand awareness.
- Our uniforms are reusable and can be assigned to another employee (rather than being discarded) when employees transition to new opportunities.
- We offer a variety of specialty garments that help customers:
    - adhere to applicable regulatory standards;
    - safeguard against contamination in the production or service of items such as food, pharmaceuticals and healthcare products;
    - operate in static-free or low-static environments;
    - enhance visibility and safety in work environments including construction, utility services, waste management and public safety; and
    - promote employee safety in workplace environments that involve heavy soils, heat, flame or chemicals in the production process.

We service our customers on a recurring basis, typically weekly, delivering clean uniforms and, in the same visit, picking up worn uniforms for inspection, cleaning and repair or replacement. In addition, we pick up used and soiled floor mats, towels and linens and replace them with clean products. We also restock restroom supplies, first-aid supplies and safety products as needed.

For our cleanroom customers who operate highly regulated and/or contamination-free processes in the healthcare, pharmaceutical and technology industries, we provide advanced static dissipative garments, sterile garments, barrier apparel and cleanroom application accessories.

We market and sell our services and products through multiple channels including sales representatives, telemarketing sales channels, our delivery drivers (who we refer to as route service representatives), territory managers and digital platforms.

Operations and Supply Chain

We operate a network of over 325 facilities including laundry plants, satellite plants, distribution centers and manufacturing plants along with a fleet of service vehicles that support over 3,300 pick-up and delivery routes. Our services and products are delivered to customers by route service representatives via delivery routes that originate from one of our laundry plants or satellite sites. Approximately 60% of our uniforms and linens are manufactured in our two manufacturing plants in Mexico. Our Mexican operations include approximately 189,000 square feet of manufacturing capacity and a 107,000 square foot distribution facility.

We are committed to operating sustainably with a focus on working to minimize fuel usage on our routes and to minimize energy and water usage in our laundry plant facilities. Additionally, we repair and reuse garments whenever possible to maximize the life cycle of our uniforms and support the circular economy.

We source raw materials as well as finished goods from a variety of domestic and international suppliers. Certain of our raw materials and products are currently limited to a single supplier. We maintain a Corporate Social Compliance Policy and related Vendor Code of Conduct both of which require the international manufacturing of our private label garments to occur under safe, lawful and humane working conditions. To support our Corporate Social Compliance Policy, our international private label garment manufacturers confirm annually their commitment to comply with our Vendor Code of Conduct. Further, the factories used to produce these products are subject to annual third-party social compliance audits.

Our Competitive Advantages

We believe we have significant competitive advantages including our full-service uniform solution offering, size and scale, extensive network footprint and long-tenured customer relationships. Given our robust capabilities, scale and talent, we are well positioned to partner with customers for their future needs across a range of services, use cases and business strategies. Some of our key competitive strengths include:

Full-Service Uniforms and Workplace Supplies Offering: We offer a full-service uniform solution including the ability to design, source, manufacture, customize, personalize, deliver, launder, sanitize, mend and replace uniforms on a regular and recurring basis. Our uniform offerings include shirts, pants, outerwear, gowns, scrubs, high visibility garments and flame-resistant garments, along with shoes and accessories. In addition to uniforms, we also provide workplace supplies including restroom supply services, first-aid supplies and safety products, floor mats, towels, linens and other workplace supplies.

Critical Scale in Growing, Fragmented Industry: We believe the market opportunity for our services is significant and growing. Within the United States and Canada, we are the second largest provider in our industry, based on publicly reported information related to revenue, number of employees and facilities data for each of Cintas, Vestis and Unifirst. We believe our size and scale provide a competitive advantage in purchasing power, route density, operating efficiencies and ability to attract and retain talent as compared to smaller local and regional competitors.

Extensive Network Footprint: We serve over 95% of the largest metropolitan statistical areas in the United States and every province in Canada. Our footprint enables us to serve large, national customers across the United States and Canada.

Long-Tenured Customer Relationships: We deliver to over 300,000 customer accounts (based on unique customer identification numbers) and serve businesses which participate across numerous industries. We maintain long-term relationships with our customers due to the quality of our services and products, our ability to deliver on-time and our ability to provide workplace supplies and services that support our customers' individual strategies and needs.

A key differentiator in our service model is the relationship between our route service representatives and customers. We work to build relationships and trust through weekly, face-to-face interactions with our customers. Retaining existing customers affords us more opportunities to cross-sell high-value workplace supplies.

Value Creation Strategy

We recently reviewed our strategic initiatives and priorities and decided to accelerate our near-term growth strategy in order to build a stronger foundation from which to scale in the future as well as drive sustainable and disciplined growth, profitability and return on invested capital. As a result, during the first quarter of fiscal 2026, we initiated a multi-year business transformation and restructuring plan (the "Plan") that is intended to improve our profitability and cash flow generation. See "Management's Discussion and Analysis of Financial Condition and Results of Operations - Restructuring Plan", and Item 9B. *Other Information*, in this annual report on Form 10-K for additional information.

We are focused on the development, growth and expansion of our business, with increased flexibility to pursue independent strategic and financial plans, adapt quickly to the changing needs of our customers and sector dynamics, effectively allocate capital to invest in growth areas and accelerate decision-making processes. We are executing a long-term strategy built on three strategic priorities:

- Commercial Excellence;
- Operational Excellence; and
- Asset & Network Optimization.

Commercial Excellence

Our strategy will continue to focus on retaining customers, with an increased emphasis on cross-selling, investing in attractive sectors, margin accretive products and service offerings and adding new customers on existing routes to increase our route density. We believe that, by focusing on these areas, we will achieve higher growth rates with more attractive margin profiles.

Customer Retention: We serve an attractive, large and long-tenured customer base with services and products that generate recurring revenue streams that typically allow more predictability of revenue than non-recurring revenue business models. We continue to remain focused on retaining these customers, including by ensuring we are delivering new value through new or updated services and products. We will remain focused on modernizing the customer experience to make it easier for our customers to continue to do business with us. This includes continued investments in technology, such as our digital customer portals, as well as investments in our customer service process to enhance our route check-in process and predictive analytics that help us better anticipate customer service opportunities.

Increase Cross-Selling to Leverage Fixed Costs: On average, our current customers take advantage of approximately 30% to 40% of our full line of services and products. We continue to believe there is a significant opportunity to increase our wallet share with our existing customers through cross-selling additional services and products, including compelling adjacent services such as first aid and restroom supply services. This is expected to result in growth with existing customers by increasing revenue while leveraging our existing delivery costs. We have invested in tools to support our trusted and tenured route service representative teammates as well as certain members of our sales force, and we are incentivizing them to pursue these opportunities with our existing customer base.

Targeting Attractive Sectors, Services and Products: We are implementing more targeted sales tools and strategies to drive growth across high-value sectors, services and products. Using enhanced data analytics and insights will enable us to focus on customer wins that improve our revenue mix at the right price.

Operational Excellence

Our operations currently include significant cost inputs in areas such as labor, merchandise in service costs, plant operating costs and service-related costs. We focus on a continuous improvement mindset in our teammates by instituting disciplined, financial metrics and reporting, key performance indicator monitoring and strengthening our leadership in key functional areas such as supply chain, logistics and plant operations.

We have identified key areas of opportunity to reduce our operating costs and expand margins across our business:

Workforce Management: We are working to reduce our labor costs by using targeted workforce reduction actions, and decreasing frontline turnover to improve plant productivity, reducing general and administrative costs and improving plant operations.

Merchandise Inventory Management: We are focused on managing merchandise in service costs across our system in order to support the profitability of new and existing business. Examples include the targeting of higher levels of garment and product reuse to reduce the issuance of new products and supply chain procurement strategies to reduce purchasing costs.

Performance-driven culture: We are focused on further strengthening our capabilities and enhancing competencies in functional areas that are core to the delivery of our strategy such as sales and marketing, pricing, procurement, logistics, technology, talent acquisition and retention and plant operations. We make decisions that are informed by data and implement performance measurements and incentives that are aligned with the achievement of our strategic objectives.

Asset and Network Optimization

Network Optimization: A comprehensive analysis of our plant network and customer flows (route movements from plant to customer) has revealed a significant opportunity throughout our network to lower our cost to serve. Further, we have identified a portfolio of initiatives related to routing and scheduling efficiencies and transport and logistics improvements. We believe we can deliver margin expansion through this flow optimization.

Increasing Route Density. We are establishing route density metrics to target sales along existing customer routes. We will focus on implementing analytical and geographical prospecting tools that will aid and reward our sales representatives for delivering growth that increases route density and lowers our overall cost to serve per route.

Human Capital Resources

Our success begins with our people, and ensuring a safe workplace is our first priority. Investing in, developing and caring for our teammates is paramount to retaining our teammates. We believe serving our teammates in this manner significantly improves our ability to serve and retain customers, accelerate profitable growth and enhance productivity. This requires an unwavering commitment to safety, diversity and inclusion, professional growth opportunities and competitive total compensation and benefits that meet the needs of our teammates and their families.

We have approximately 18,150 teammates, primarily based in the United States, Canada and Mexico. Approximately 10,750 of our teammates are represented by labor unions. We work to maintain productive working relationships with these unions. During the first quarter of fiscal 2026, we approved and initiated a multi-year business transformation and restructuring plan that is intended to improve our profitability and cash flow generation, and includes certain planned workforce reduction actions (the “Plan”). In addition, during the fourth quarter of fiscal year 2025 and prior to development and approval of the Plan, we took certain workforce reduction actions. See “Management's Discussion and Analysis of Financial Condition and Results of Operations - Restructuring Plan” for additional information.

Inclusion and Belonging. We believe that it is beneficial to align our inclusion and belonging priorities with our business strategy.

We strive to achieve broad representation and an inclusive workforce where 50% of our Board of Directors are from underrepresented groups, including females who represent 40% of our Board of Directors. Additionally, 41% of our senior leadership team are from underrepresented groups including females, who represent 33% of our senior leadership team. We have multiple employee resource groups; examples include those supporting women, veterans, racially and ethnically diverse employees and the LGBTQ+ community.

Talent Acquisition, Development and Retention. Hiring, developing and retaining teammates is critical to our operations and we are focused on creating experiences and programs that foster growth, performance and retention. We sponsor training and education programs for our teammates, from hourly teammates to upper levels of management, designed to enhance leadership and managerial capability, help ensure quality execution of our programs, drive customer satisfaction and increase return on investment.

Community Engagement. We have a strong culture of community engagement and as we move forward as an independent, standalone company, we will continue to build upon it by developing a community engagement program unique to our business that is aligned with our strategy, teammates, the customers we serve and the communities where we operate.

Compensation, Benefits, Safety and Wellness. In addition to offering market competitive salaries and wages, we offer comprehensive health and retirement benefits to our teammates. Our core health and welfare benefits are supplemented with specific programs to manage or improve common health conditions and include a variety of voluntary wellness benefits and paid time away from work programs. We also provide programs designed to promote physical, emotional and financial well-being.

Government Regulation

Our business is subject to various federal, state, international, national, provincial and local laws and regulations, in areas such as environmental, labor, employment, immigration, privacy and data security, tax, transportation, health and safety, antitrust, anti-corruption, import/export, consumer protection, false claims and lobby and procurement laws. In addition, our facilities are subject to periodic inspection by federal, state, provincial, local and international authorities. We have various controls and procedures designed to comply with applicable laws and regulations and we may face increased operating costs or material capital investments to maintain compliance. Our compliance requirements are subject to the nature of our equipment and operations, legislative changes, or changes in regulatory interpretation, implementation or enforcement. If we fail to comply with applicable laws, we may be subject to investigations, criminal sanctions or civil remedies, including fines, penalties, damages, reimbursement, injunctions, seizures, disgorgements or debarments from government contracts.

Our business is subject to various environmental protection laws and regulations, including the United States Federal Clean Water Act, Clean Air Act, Resource Conservation and Recovery Act, Comprehensive Environmental

Response, Compensation, and Liability Act and similar local, provincial, state, federal and international laws and regulations governing the use, treatment, management, transportation, and disposal of wastes and hazardous materials.

We use and manage chemicals and hazardous materials as part of our operations. We are mindful of the environmental concerns surrounding the use, treatment, management, transportation and disposal of these chemicals and hazardous materials, and have taken and continue to take measures to comply with environmental protection laws and regulations. In particular, industrial laundries generate wastewater, air emissions and related wastes as part of operations relating to the laundering of garments and other merchandise. Residues removed from soiled garments and other merchandise laundered at our facilities and from detergents and chemicals used in our wash process may be contained in discharges to air and water (through sanitary sewer systems and publicly owned treatment works) and in waste generated by our wastewater treatment systems. Similar to other companies in our industry, our industrial laundries are subject to certain air and water pollution discharge limits, monitoring, permitting and recordkeeping requirements. Wastewater at our laundry facilities is treated as necessary to comply with local discharge requirements and permits prior to discharge to sanitary sewer systems or publicly owned treatment works. We also own or operate a limited number of aboveground and underground storage tank systems at some locations to store petroleum or propane for use in our operations. Certain of these storage tank systems are subject to performance standards, periodic monitoring, and recordkeeping requirements.

Given the regulated nature of some of our operations, we could face penalties and fines for non-compliance. In the past, we have settled, or contributed to the settlement of, actions or claims relating to the management of underground storage tanks and the handling and disposal of chemicals or hazardous materials, either on- or off-site. We may, in the future, be required to expend material amounts to rectify the consequences of any such events. Under environmental laws, we may be liable for the costs of removal or remediation of certain hazardous materials located on or in or migrating from our owned or leased property or located at sites that we acquired or operated in the past or to which we have sent waste for off-site disposal, as well as related costs of investigation and property damage. Such laws may impose liability without regard to our fault, knowledge or responsibility for the presence of such hazardous materials. We may not know whether our acquired or leased properties have been operated in compliance with environmental laws and regulations or that our future uses or conditions will not result in the imposition of liability upon us under such laws or expose us to third-party actions such as tort suits. We actively manage the sites which we know require remediation and monitoring in conjunction with regulators and relevant partners. Based on these activities and various estimates and assumptions, we determine our estimated costs and liabilities. While environmental compliance is not a material component of our costs, we invest in equipment, technology and operating expenses, primarily for water treatment and waste removal, on a regular basis in order to comply with environmental laws and regulations, and to promote the safety of our teammates, customers, and communities.

Intellectual Property

We have patents, trademarks, trade names and licenses that support the operation of our business. We have positioned our Vestis brand to represent our customer value proposition and value creation strategy as an independent, standalone uniform rental and workplace supplies company. We intend to continue to use trade advertising and targeted digital marketing to promote recognition of the Vestis brand.

Environmental, Social and Governance (ESG)

We have been engaged in actively supporting environmental, social and governance (ESG) efforts. Below are key areas of focus the Company has undertaken and intends to continue to pursue:

- We maintain a Corporate Social Compliance Policy and related Vendor Code of Conduct that address the international manufacturing of our private label garments under safe, lawful and humane working conditions. To support our Corporate Social Compliance Policy, our international private label garment manufacturers annually confirm their commitment to comply with our Vendor Code of Conduct, and the factories used to produce these products are subject to annual third-party social compliance audits.

- We have made enhancements to our wash chemistry that allow us to conserve electricity, natural gas and water. Our most recent chemical enhancement has provided utility resource reductions with shorter washing machine run times (electricity), reduced water temperatures (natural gas) and fewer rinse cycles (water).

- We focus on the efficient use of fossil fuels to reduce related emissions. We seek to increase route efficiency with technology and processes that reduce travel time, distance and fuel consumption. For example, information from our telematics technology gives us the visibility needed to reduce the amount of idling in our fleet.

Our Board of Directors and executive leadership are committed to leading a socially responsible organization that supports the health of our planet, cares for our employees, invests in the communities we work in and conducts business in an ethical manner with appropriate governance.

Available Information

We file annual, quarterly and current reports as well as other information with the Securities and Exchange Commission (“SEC”). These filings are available to the public over the internet at the SEC's website at www.sec.gov. Our principal internet address is www.vestis.com where we make available free of charge our annual, quarterly and current reports, and amendments to those reports, as soon as reasonably practicable after we electronically file such material with, or furnish it, to the SEC. You may request a copy of our SEC filings (excluding exhibits) at no cost by writing or telephoning us at the following address or telephone number:

Vestis Corporation
1035 Alpharetta Street
Suite 2100
Roswell, Georgia 30075
Telephone: 470-226-3655
Attention: Corporate Secretary

The references to our website and the SEC's website are intended to be inactive textual references only and the contents of those websites are not incorporated by reference herein.

Item 1A. ***Risk Factors.***

You should carefully consider the following risks and other information in this Form 10-K in evaluating Vestis and Vestis's common stock. Any of the following risks and uncertainties could materially adversely affect our business, financial condition or results of operations.

Risks Related to Our Business Operations

Unfavorable economic conditions have in the past adversely affected, are currently adversely affecting and in the future could adversely affect our business, financial condition or results of operations.

Unfavorable economic conditions may arise during times of national and international economic downturns, or may be attributed to government shutdowns, implementation of new or increased tariffs and ongoing changes in U.S. and foreign government trade policies (including potential modifications to existing trade agreements and retaliatory measures by foreign governments), inflationary or deflationary pressures, natural disasters, calamities, public health crises, political unrest, terrorist acts and global conflicts. Unfavorable economic conditions may also contribute to supply chain disruptions, geopolitical events, global energy shortages, major central bank policy actions including interest rate increases, public health crises or other factors. Unfavorable economic conditions could adversely affect the demand for our products and services. For example, in the early stages of the COVID-19 pandemic, we were negatively affected by reduced employment levels at our customers' locations and declining levels of business and customer spending. In addition, adverse economic conditions, including increases in labor costs, labor shortages, higher materials and other costs, supply chain disruptions, inflation and other economic factors could increase our costs of selling and providing the products and services we offer, which in turn could have a material adverse impact on our business, financial condition or results of operations. Moreover, the impact of inflation on various areas of our business, including labor and product costs, has affected our business, financial condition and results of operations, and we may not be able to mitigate any future impacts of inflation by increases in pricing for our goods and services. We are unable to predict any future trends in the rate of inflation, and if (and to the extent that) we are unable to recover higher costs in the event of future increases in inflation, such increases in inflation could adversely affect our business, financial condition or results of operations.

Conditions or events that adversely affect our current customers or sales prospects may cause such customers or prospects to restrict expenditures, reduce workforces or even to cease to conduct their businesses. Any of these circumstances would have the effect of reducing the number of employees utilizing our uniform services, which could have a material adverse impact on our business, financial condition or results of operations. In addition, financial distress and insolvency experienced by customers, especially larger customers, has in the past made it difficult and in the future could make it difficult for us to collect amounts we are owed and could result in the voiding, termination or modification of existing contracts. For example, in response to the changed circumstances caused by shutdowns earlier in the COVID-19 pandemic, we worked with customers to renegotiate contracts in order to mitigate lost revenues caused by partial or full closure of customer premises. Similarly, financial distress or insolvency, if experienced by our key vendors and service providers such as insurance carriers, could significantly increase our costs.

Our failure to retain our current customers, renew our existing customer contracts on comparable terms and obtain new customer contracts could adversely affect our business, financial condition or results of operations.

Our success depends on our ability to retain our current customers, renew our existing customer contracts and obtain new business on commercially favorable terms. Our ability to do so generally depends on a variety of factors, including the quality, price and responsiveness of our services, as well as our ability to market these services effectively and differentiate ourself from our competitors. In addition, customers are increasingly focused on and requiring us to set targets and meet standards related to environmental sustainability matters, such as greenhouse gas emissions, packaging, waste and wastewater. We typically incur substantial start-up and operating costs and experience lower profit margin and operating cash flows in connection with the establishment of new business, and in periods with higher rates of new business, we have experienced and expect to continue to experience negative impact to our profit margin and our cash flows. In recent quarters, we have experienced rental revenue declines resulting from lost business in excess of new business, as well as declines in rental revenue related to existing business. There can be no assurance that we will be able to obtain new business, renew existing customer contracts at the current or higher levels of pricing or that our current customers will not turn to competitors, cease operations, elect to in-source or terminate contracts with us. These risks may be exacerbated by current economic conditions due to, among other things, increased cost pressure at our customers, tight labor markets and heightened competition in a contracted marketplace. The failure to renew a significant number of our existing contracts, including on the same or more favorable terms, could have a material adverse effect on our business, financial condition or results of operations, and the failure to obtain new business could have an adverse impact on our growth and financial results.

An impairment charge of our intangible assets, including goodwill, could have a negative impact on our financial condition and results of operations.

Our total assets reflect substantial intangible assets, primarily goodwill. Goodwill and other intangible assets are not amortized and are subject to impairment testing at least annually. Future events may cause impairments of our goodwill or other intangible assets based on factors such as the price of our common stock, projected cash flows, assumptions used or other variables. For example, we determined it was appropriate to perform an interim quantitative impairment assessment of goodwill due to the existence of a possible impairment indicator as of June 27, 2025 resulting from a decline in financial performance, and a sustained decrease in our share price during the quarter ended June 27, 2025. Our analysis was further updated during the quarter ended October 3, 2025 as part of our annual impairment assessment. We did not identify an impairment during these assessments, however if our future operating performance were to continue to decline, or if there are further sustained declines in our stock price, among other things, we could incur, under current applicable accounting rules, goodwill impairment charges. The amount of any potential future impairment charge could be significant and could have a negative impact on our financial condition and results of operations for the period in which the charge is taken.

We may not successfully execute or achieve the expected benefits of our restructuring plan and other measures we may take in the future, and our efforts may adversely affect our business, financial condition or results of operations.

During the first quarter of fiscal 2026, we initiated a business transformation and restructuring plan (the “Plan”), to support Vestis’ initiatives to streamline the organizational structure, improve operational efficiency and optimize both our assets and our network. In addition, prior to development and approval of the Plan, we took certain workforce reduction actions during the fourth quarter of fiscal year 2025. These measures are intended to address our short and long-term objectives and are based on our current estimates, assumptions, and forecasts, which are subject to known and unknown risks and uncertainties. Implementation of the Plan and any other initiatives may not achieve our expected benefits, may be disruptive to our business, the expected costs and charges may be greater than we have forecasted, and the estimated cost savings may be lower than we have forecasted. In addition, the Plan could result in personnel attrition beyond our planned reduction in headcount or could reduce employee morale, which could in turn adversely impact productivity, including through a loss of continuity, loss of accumulated knowledge and/or inefficiency during transitional periods, could affect our ability to attract highly skilled employees, or may otherwise adversely affect our business, financial condition or results of operations.

Increases in fuel and energy costs, including as a result of military conflicts in Ukraine and the Middle East, could adversely affect our business, financial condition or results of operations.

The prices of fuel and energy to run our vehicles, equipment and facilities are volatile and fluctuate based on factors outside of our control. For example, geopolitical developments, such as the ongoing military conflict in Ukraine and the recent military conflict in the Middle East, supply and demand for oil and gas, actions by the Organization of the Petroleum Exporting Countries, or OPEC, and other oil and gas producers, war and unrest in oil producing countries, regional production patterns, limits on refining capacities, natural disasters, environmental concerns, including the impact of legislative and regulatory efforts to limit greenhouse gas emissions, and public health emergencies, have from time to time disrupted supply chains and caused increased fuel prices. Our operating margins have been and may continue to be impacted by such increased fuel prices. Continuing or additional increases in fuel and energy costs could have a material adverse effect on our business, financial condition or our results of operations.

Risks related to implementation of new or increased tariffs and ongoing changes in U.S. and foreign government trade policies, including potential modifications to existing trade agreements and retaliatory measures by foreign governments

Changes in United States trade policy, including the recent imposition of tariffs, could have a material adverse impact on our business, financial condition, and results of operations. In fiscal 2025, the U.S. government imposed additional tariffs on a significant number of countries and threatened to further increase the scope and amount of tariffs in the event of retaliatory countermeasures. The future of existing tariffs, and the possibility of new tariffs, remains uncertain. These new tariffs have had, and may continue to have, an impact on our business, financial condition and results of operations. In addition, new and existing tariffs and other trade measures and retaliations may in the future directly impair our business by increasing costs or disrupting established supply chains. The imposition of new tariffs or increases in existing tariffs on goods imported from countries where we or our suppliers operate could result in increased costs for raw materials, components, or finished goods. These cost increases may reduce our margins, require us to raise prices, or make our products less competitive in the marketplace. Additionally, retaliatory tariffs imposed by other countries on U.S. exports could adversely impact demand for our products in international markets. If we are unable to mitigate these risks through supply chain adjustments, pricing strategies, or other measures, our financial performance and growth prospects could be negatively affected.

Competition in our industry could adversely affect our business, financial condition or results of operations.

The uniform apparel and workplace supply services industry is highly competitive. We face competition from major national competitors with significant financial resources. In addition, there are regional and local uniform suppliers whom we believe have strong customer loyalty. The primary areas of competition within the industry are price, design, quality of products and quality of services. While many customers focus primarily on quality of service, uniform rental is also a price-sensitive service and if existing or future competitors seek to gain customers or accounts by reducing prices, we may be required to lower prices, which would reduce our revenue and profits. Our industry competitors are also competitors for acquisitions, which may increase the cost of acquisitions or lower the number of potential targets. The uniform rental business requires investment capital for growth. Failure to maintain capital investment in this business would put us at a competitive disadvantage. In addition, to maintain a cost structure that allows for competitive pricing, it is important for us to source garments and other products internationally. To the extent we are not able to effectively source such products internationally and gain the related cost savings, we may be at a disadvantage in relation to some of our competitors. An increase in competition, from any of the foregoing or other sources, may require us to reduce prices and/or result in reduced profits and loss of market share, which may have a material adverse impact on our business, financial condition and results of operations.

We may be adversely affected if customers reduce their outsourcing or use of preferred vendors.

Our business and growth strategies depend in large part on the continuation of a current trend toward outsourcing services. Customers will outsource if they perceive that outsourcing may provide quality services at a lower overall cost and permit them to focus on their core business activities. We cannot be certain this trend will continue or not be reversed or that customers that have outsourced functions will not decide to perform these functions themselves. Unfavorable developments with respect to either outsourcing or the use of preferred vendors could have a material adverse effect on our business, financial condition and results of operations.

Risks associated with our suppliers and service providers could adversely affect our business, financial condition or results of operations.

The raw materials we use in our business and the finished products we sell are sourced from a variety of domestic and international suppliers. We seek to require our suppliers and service providers to comply with applicable laws and otherwise meet our quality and/or conduct standards. In addition, customer and stakeholder expectations regarding environmental, social and governance consideration for suppliers are evolving. Our ability to find qualified suppliers who meet our standards and to access raw materials and finished products in a timely and efficient manner can be a challenge, especially with respect to suppliers located and goods sourced outside the United States.

Insolvency or business disruption experienced by suppliers could make it difficult for us to source the items we need to run our business. Political and economic stability in the countries in which foreign suppliers are located, the financial stability of suppliers, suppliers' failure to meet our standards, labor problems experienced by our suppliers, the availability of raw materials and labor to suppliers, cybersecurity issues, currency exchange rates, transport availability and cost, tariffs, inflation and other factors relating to the suppliers and the countries in which they are located are beyond our control. Certain of our raw materials and products are currently and may in the future be limited to a single supplier, and if such a supplier faces any difficulty in supplying the materials or products, we may not be able to find an alternative supplier in a timely manner or at all. Current global supply chain disruptions caused by the current macroeconomic environment, recovery from the COVID-19 pandemic and the ongoing military conflict in Ukraine have resulted, and may continue to result, in delivery delays as well as lower fill rates and higher substitution rates for a wide-range of products. We do not have direct operations in the Middle East, but the recent conflict in Israel and the potential for re-escalation of tensions in the region, may disrupt global markets and impact our supply chain. While we have continued to modify our business model in response to the current environment, including proactively managing inflation and global supply chain disruption, through supply chain initiatives and by implementing pricing, including temporary fees, as appropriate, to cover incremental costs, there is no guarantee that we will be able to continue to do so successfully or on comparable terms in the future if supply chain disruptions continue or worsen.

Domestic foreign trade policies, tariffs and other impositions on imported goods, trade sanctions imposed on certain countries, the limitation on the importation of certain types of goods or of goods containing certain materials from other countries and other factors relating to foreign trade are beyond our control. If one of our suppliers were to violate the law, or engage in conduct that results in adverse publicity, our reputation may be harmed simply due to our association with that supplier. Drought, flood, natural disasters and other extreme weather events caused by climate change or other environmental conditions could also result in supply chain disruptions. These and other factors affecting our suppliers and our access to raw materials and finished products could adversely affect our business, financial condition or results of operations.

Our contracts may be subject to challenge by our customers, which, if determined adversely, could affect our business, financial condition or results of operations.

Our business is contract-intensive, and we are party to many contracts with customers. From time to time, our customers may challenge our contract terms or our interpretation of our contract terms. These challenges could result in disputes between us and our customers. The resolution of these disputes in a manner adverse to our interests could negatively affect revenue and operating results. If a large number of our customer arrangements were modified in response to any such matter, the effect could be materially adverse to our business, financial condition or results of operations.

Our expansion strategy involves risks, including our ability to successfully integrate the businesses we acquire and costs and timing related thereto.

We may seek to acquire companies or interests in companies, or enter into joint ventures that complement our business. Our inability to complete acquisitions, integrate acquired companies successfully or enter into joint ventures may render us less competitive. Our ability to engage in acquisitions, joint ventures and related business opportunities may be subject to additional limitations due to the Separation.

At any given time, we may be evaluating one or more acquisitions or engaging in acquisition negotiations. We cannot be sure that we will be able to continue to identify acquisition candidates or joint venture partners on commercially reasonable terms or at all. If we make acquisitions, we also cannot be sure that any benefits anticipated from the acquisitions will actually be realized. Likewise, we cannot be sure we will be able to obtain necessary financing for acquisitions. Such financing could be restricted by the terms of our debt agreements or it could be more expensive than our current debt. The amount of such debt financing for acquisitions could be significant and the terms of such debt instruments could be more restrictive than our current covenants. In addition, our ability to control the planning and operations of our joint ventures and other less than majority-owned affiliates may be subject to numerous restrictions imposed by the joint venture agreements and majority stockholders. Our joint venture partners may also have interests which differ from ours.

The process of integrating acquired operations into our existing operations may result in operating, contract and supply chain difficulties, such as the failure to retain existing customers or attract new customers, maintain relationships with suppliers and other contractual parties, or retain and integrate acquired personnel. In addition, cost savings that we expect to achieve, for example, from the elimination of duplicative expenses and the realization of economies of scale or synergies, may take longer than expected to realize or may ultimately be smaller than we expect. Also, in connection with any acquisition, we could fail to discover liabilities of the acquired company for which we may be responsible as a successor owner or operator in spite of any investigation we make prior to the acquisition, or significant compliance issues which require remediation, resulting in additional unanticipated costs, risk creation and potential reputational harm. In addition, labor laws in certain countries may require us to retain more employees than would otherwise be optimal from entities we acquire. Such integration difficulties may divert significant financial, operational and managerial resources from our existing operations and make it more difficult to achieve our operating and strategic objectives, which could have a material adverse effect on our business, financial condition or results of operations. Similarly, our business depends on effective information technology and financial reporting systems. Delays in or poor execution of the integration of these systems could disrupt our operations and increase costs, and could also potentially adversely impact the effectiveness of our disclosure controls and internal controls over financial reporting.

Possible future acquisitions could also result in additional contingent liabilities and amortization expenses related to intangible assets being incurred, which could have a material adverse effect on our business, financial condition or results of operations. In addition, goodwill and other intangible assets resulting from business combinations represent a significant portion of our assets. If goodwill or other intangible assets were deemed to be impaired, we would need to take a charge to earnings to write down these assets to their fair value.

Our international business faces risks that could have an effect on our business, financial condition or results of operations.

We operate primarily in the United States and Canada. During fiscal 2025, approximately 91% of our revenue was generated in the United States and approximately 9% of our revenue was generated in Canada. In addition, we operate manufacturing plants and a distribution center in Mexico that collectively employ approximately 1,900 personnel as of October 3, 2025. Our international operations are subject to risks that are different from those we face in the United States, including the requirement to comply with changing or conflicting national and local regulatory requirements and laws, as well as cybersecurity, data protection and supply chain laws; potential difficulties in staffing and labor disputes; managing and obtaining support and distribution for local operations; credit risk or financial condition of local customers; potential imposition of restrictions on investments; potentially adverse tax consequences, including imposition or increase of withholding, value-added tax (“VAT”) and other taxes on remittances and other payments by subsidiaries; foreign exchange controls; local political and social conditions; and the ability to comply with the terms of government assistance programs.

The operating results of our international subsidiaries (which are currently primarily in Canada) are translated into U.S. dollars and such results are affected by movements in foreign currencies relative to the U.S. dollar. Recently, the strength of the U.S. dollar has generally increased as compared to other currencies (including the Canadian dollar), which has had, and may continue to have, an adverse effect on our operating results as reported in U.S. dollars.

We own and operate facilities in Mexico. Violence, crime and instability in Mexico may have an adverse effect on our operations. We are not insured against such criminal attacks and there can be no assurance that losses that could result from an attack on our trucks or personnel would not have a material adverse effect on our business, financial condition or results of operations.

We may continue to consider opportunities to develop our business in emerging countries over the long term. Emerging international operations present several additional risks, including greater fluctuation in currencies relative to the U.S. dollar; economic and governmental instability; civil disturbances; volatility in gross domestic production; and nationalization and expropriation of private assets.

There can be no assurance that the foregoing factors will not have a material adverse effect on our international operations or on our consolidated financial condition and results of operations.

Natural disasters, global calamities, climate change, terrorist acts, political unrest and other adverse incidents beyond our control could adversely affect our business, financial condition or results of operations.

Natural disasters, such as hurricanes, fires, floods, droughts and tornadoes, and other unexpected events, such as fires at or near our facilities, severe weather conditions, geopolitical conflicts, political unrest, war or terrorist activities, unplanned outages, supply disruptions, or failure of equipment or systems, could adversely affect our consolidated results of operations. For example, in the past, due to more geographically isolated natural disasters, such as wildfires in the western United States and hurricanes and extreme cold conditions in the southern United States, we experienced lost and closed customer locations, business disruptions and delays, the loss of inventory and other assets, and asset impairments. The effects of global climate change will likely increase the frequency and severity of such natural disasters and may also impact the availability of water resources, forests or other natural resources.

In addition, political unrest and global conflicts have disrupted, and in the future may further continue to disrupt, global supply chains and heighten volatility and disruption of global financial markets.

While we do not have direct operations within Russia, Ukraine or Israel, conflicts in those regions further disrupted global supply chains and heightened volatility and disruption of global financial markets. The ongoing volatility and disruption of financial markets caused by these global events, as well as other current global economic factors, triggered inflation in labor and energy costs and has driven significant changes in foreign currencies. The impact on our longer-term operational and financial performance will depend on future developments, including our response and governmental response to inflation, the duration and severity of the ongoing volatility and disruption of global financial markets and our ability to effectively hire and retain personnel. Any terrorist attacks or incidents prompted by political unrest also may adversely affect our revenue and operating results. These future developments are outside of our control and are highly uncertain.

Labor-Related Risks

Our business may suffer if we are unable to hire and retain sufficient qualified personnel or if labor costs increase.

We believe much of our future growth and success depends on the continued availability, service and well-being of entry level personnel. We have had and may continue to have difficulty in hiring and retaining qualified personnel, particularly at the entry level. We will continue to have significant requirements to hire such personnel. At times, when the United States or other geographic regions experience reduced levels of unemployment or a general scarcity of labor as has been seen in recent periods, there may be a shortage of qualified workers at all levels. Given that our workforce requires large numbers of entry level and skilled workers and managers, a general difficulty finding sufficient employees or mismatches between the labor markets and our skill requirements can compromise our ability in certain areas of our businesses to continue to provide quality service or compete for new business. We are also impacted by the costs and other effects of compliance with U.S. and international regulations affecting our workforce. These regulations are increasingly focused on employment issues, including wage and hour, healthcare, immigration, retirement and other employee benefits and workplace practices. Compliance and claims of non-compliance with these regulations could result in liability and expense to us. Competition for labor has at times resulted in wage increases in the past and future competition could substantially increase our labor costs. Due to the labor-intensive nature of our businesses, a shortage of labor or increases in wage levels in excess of normal levels could have a material adverse effect on our business, financial condition or results of operations.

Continued or further unionization of our workforce may increase our costs and work stoppages could damage our business.

Approximately 10,750 of our employees were represented by labor unions and covered by over 200 collective bargaining agreements with various terms and dates of expiration. There can be no assurance that any current or future issues with our employees will be resolved or that we will not encounter future strikes, work stoppages or other disputes with labor unions or our employees. A work stoppage or other limitations on our operations and facilities for any reason could have an adverse effect on our business, financial condition or results of operations.

The continued or further unionization of our workforce could increase our overall costs and adversely affect our flexibility to run our business in the most efficient manner, to remain competitive and acquire new business. In addition, any significant increase in the number of work stoppages at any of our operations could adversely affect our business, financial condition or results of operations.

We may incur significant liability as a result of our participation in multiemployer-defined benefit pension plans.

A number of our locations operate under collective bargaining agreements. Under some of these agreements, we are obligated to contribute to multiemployer-defined benefit pension plans. As a contributing employer to such plans, should we trigger either a “complete” or “partial” withdrawal, or should the plan experience a “mass” withdrawal, we could be subject to withdrawal liability for our proportionate share of any unfunded, vested benefits which may exist for the particular plan. In addition, if a multiemployer-defined benefit pension plan fails to satisfy the minimum funding standards, we could be liable to increase our contributions to meet minimum funding standards. Also, if another participating employer withdraws from the plan or experiences financial difficulty, including bankruptcy, our obligation could increase. The financial status of a small number of the plans to which we contribute has deteriorated in the recent past and continues to deteriorate. We proactively monitor the financial status of these and the other multiemployer-defined benefit pension plans in which we participate. In addition, any increased funding obligations for underfunded multiemployer-defined benefit pension plans could have an adverse financial impact on us.

Legal, Regulatory, Safety and Security Risks

We are subject to legal proceedings, including securities class action claims, that could result in significant legal expenses and settlement or damage awards and may adversely affect our business, financial condition or results of operations.

We are subject to various litigation claims and legal proceedings, including securities class actions, personal injury, customer contract, acquisition-related, environmental and employment claims. Certain of these lawsuits, or any potential future lawsuits, if decided adversely to us or settled by us, may result in liability and expense material to our consolidated financial condition and consolidated results of operations. See “Item 3. Legal Proceedings”. We may in the future become subject to additional claims and litigation alleging violations of the securities laws or other related claims, which could harm our business and require us to incur significant costs. We are generally obliged, to the extent permitted by law, to indemnify our current and former directors and officers who are named as defendants in these types of lawsuits. Significant litigation costs could impact our ability to comply with certain financial covenants under our credit agreement. Regardless of the outcome, litigation may require significant attention from management and could result in significant legal expenses, settlement costs or damage awards that could have a material impact on our business, financial condition or results of operations.

If we fail to comply with requirements imposed by applicable law or other governmental regulations, we could become subject to lawsuits, investigations and other liabilities and restrictions on our operations that could significantly and adversely affect our business, financial condition or results of operations.

We are subject to governmental regulation at the federal, state, international, national, provincial and local levels in many areas of our business, such as employment laws, wage and hour laws, discrimination laws, immigration laws, human health and safety laws, import and export controls and customs laws, environmental laws, false claims or whistleblower statutes, tax codes, antitrust and competition laws, customer protection statutes, procurement regulations, intellectual property laws, supply chain laws, the Foreign Corrupt Practices Act and anti-corruption laws, lobbying laws, motor carrier safety laws and data privacy and security laws. We are, from time to time, subject to varied and changing rules and regulations at the federal, state, international, national, provincial and local level, including vaccine and testing mandates, capacity limitations and cleaning and sanitation standards, which may in the future impact our operations across customer locations and business sectors.

From time to time, government agencies have conducted reviews and audits of certain of our practices as part of routine inquiries of providers of services under government contracts, or otherwise. Like others in our industry, we also receive requests for information from government agencies in connection with these reviews and audits.

While we attempt to comply with all applicable laws and regulations, there can be no assurance that we are in full compliance with all applicable laws and regulations or interpretations of these laws and regulations at all times or that we will be able to comply with any future laws, regulations or interpretations of these laws and regulations.

Government agencies may make changes in the regulatory frameworks within which we operate that may require us to incur substantial increases in costs in order to comply with such laws and regulations. For example, during the outbreak of the COVID-19 pandemic, businesses, such as ours, were subject to new, varied and evolving rules and regulations at all levels of government, including vaccine and testing mandates, capacity limitations, cleaning and sanitation standards and travel restrictions, which have impacted, and may in the future, materially impact our operations.

If we fail to comply with applicable laws and regulations, including those referred to above, we may be subject to investigations, criminal sanctions or civil remedies, including fines, penalties, damages, reimbursement, injunctions, seizures, disgorgements or debarments from government contracts or the loss of the ability to operate our motor vehicles. The cost of compliance or the consequences of non-compliance, including debarments, could have a material adverse effect on our business, financial condition or results of operations and cause reputational harm.

Environmental regulations may subject us to significant liability and limit our ability to grow.

We use and manage chemicals and hazardous materials as part of our operations. We are subject to various environmental protection laws and regulations, including the United States Federal Clean Water Act, Clean Air Act, Resource Conservation and Recovery Act, Comprehensive Environmental Response, Compensation, and Liability Act and similar local, provincial, state, federal and international laws and regulations governing the use, treatment, management, transportation, and disposal of wastes and hazardous materials. We are mindful of the environmental concerns surrounding the use, treatment, management, transportation and disposal of these chemicals and hazardous materials, and have taken and continue to take measures to comply with environmental protection laws and regulations.

In particular, industrial laundries generate wastewater, air emissions and related wastes as part of operations relating to the laundering of garments and other merchandise. Residues removed from soiled garments and other merchandise laundered at our facilities and from detergents and chemicals used in our wash process may be contained in discharges to air and water (through sanitary sewer systems and publicly owned treatment works) and in waste generated by our wastewater treatment systems. Similar to other companies in our industry, our industrial laundries are subject to certain air and water pollution discharge limits, monitoring, permitting and recordkeeping requirements.

We also own or operate a limited number of aboveground and underground storage tank systems at some locations to store petroleum or propane for use in our operations. Certain of these storage tank systems are subject to performance standards, periodic monitoring and recordkeeping requirements. We also use and manage hazardous materials, chemicals and wastes in our operations from time to time. In the course of our business, we may be subject to penalties and fines and reputational harm for non-compliance with environmental protection laws and regulations, and we may settle, or contribute to the settlement of, actions or claims relating to the handling and disposal of wastes or hazardous materials. We may, in the future, be required to expend material financial amounts to rectify the consequences of any such events.

In addition, changes to environmental laws may subject us to additional costs or cause us to change aspects of our business. In particular, new laws and regulations related to climate change (including, but not limited to, certain requirements relating to the disclosure of greenhouse gas emissions and associated business risks), could affect our operations or result in significant additional expense and operating restrictions on us. Under environmental laws, we may be liable for the costs of removal or remediation of certain hazardous materials located on or in or migrating from our owned or leased property or located at sites that we operated in the past or to which we have sent waste for off-site disposal, as well as related costs of investigation and property damage. Such laws may impose liability without regard to our fault, knowledge, or responsibility for the presence of such hazardous materials. There can be no assurance that locations that we own, lease, or otherwise operate or operated in the past, or that we may acquire in the future, have been operated in compliance with environmental laws and regulations or that future uses or conditions will not result in the imposition of liability upon us under such laws or expose us to third-party actions such as tort suits. In addition, such regulations may limit our ability to identify suitable sites for new or expanded facilities. In connection with our present or past operations, including those by companies that we have acquired, hazardous substances may migrate from properties on which we operate or which were operated by our predecessors or companies we acquired to other properties. We may be subject to significant liabilities to the extent that human health is adversely affected or the value of such properties is diminished by such migration.

On a quarterly basis, we review each of our environmental sites to determine whether the costs of investigation and remediation of environmental conditions are probable and can be reasonably estimated as well as the adequacy of our reserves with respect to such costs. There can be no assurance that our reserves with respect to our environmental sites will be sufficient or that the costs of remediation and investigation will not substantially exceed our reserves as new facts, circumstances, or estimates arise.

Unanticipated changes in tax law could adversely impact our financial results.

We are subject to taxes in the United States and various foreign jurisdictions within which we conduct business. Considering the unpredictability of changes to tax laws and regulations in the jurisdictions in which we do business, it is difficult to estimate the potential adverse impact of these changes on our business and financial results. Changes in tax laws or regulations in these jurisdictions could increase our effective tax rate, restrict our ability to repatriate undistributed foreign earnings, or impose new restrictions, costs or prohibitions that could reduce our net income and adversely affect our cash flows.

Additionally, we may be under examination by the taxing authorities for historical tax positions, and we regularly assess the likelihood of adverse outcomes resulting from these audits. While we believe that our current tax (benefits)/ provisions are appropriate, there can be no assurance that these items will be settled for the amounts accrued, that additional tax exposures will not be identified in the future or that additional tax reserves will not be necessary for any such exposure. Any increase in the amount of taxation incurred as a result of challenges to our tax filing positions could result in a material adverse effect on our business, consolidated results of operations and consolidated financial condition.

Our operations and reputation may be adversely affected by disruptions to or breaches of our information systems or if our data is otherwise compromised.

We are increasingly utilizing information technology systems, some of which are managed by third parties, to process, summarize, transmit, and store electronic information that is critical to operating our business efficiently and effectively. Our information systems and infrastructure are used to support our operations and manage key business processes, including, but not limited to, administrative functions, financial and operational data, ordering, point-of-sale processing and payment and the management of our supply chain, to enhance the efficiency of our business and to improve the overall experience of our customers. In the ordinary course of business, we directly or indirectly maintain confidential, proprietary and personal information about, or on behalf of, our potential, current and former customers, employees and third parties. Such information may include employee, customer, supplier and other third-party data that may contain personal information, personal health information, and/or personal credit information.

Our systems and the systems of third parties are subject to damage or interruption from power outages, telecommunication failures, state or federal infrastructure failures, natural disasters and other catastrophic events, implementation delays or difficulties, as well as human errors by employees or third-party service providers. These systems are also vulnerable to an increasing threat of cyber-based attacks, including malicious software, denial of service attacks, attempts to gain unauthorized access to data, including social engineering that attempts to fraudulently induce employees or others to improperly disclose confidential information, the exploitation of software and operating vulnerabilities and physical device tampering/skimming at card reader units. Techniques used to obtain unauthorized access, disable or degrade service or sabotage systems evolve rapidly, and may be difficult to detect until after they are already deployed, potentially allowing them to persist within our systems and the systems of third parties for extended periods of time. As a result, we and our third-party vendors may be unable to anticipate these techniques or to implement adequate preventative measures.

We are subject to data privacy, handling, and protection laws and regulations in the United States and internationally where we do business. We also have contractual obligations and security standards, each designed to protect the personal information of customers, employees and other third parties that we directly or indirectly collect and maintain. These laws and regulations and contractual obligations continue to evolve in an effort to keep pace with cyber-attacks and protection programs, which require us to routinely review and amend the legal framework we have in place.

Because we accept debit and credit cards for payment from customers, we are also subject to various industry data protection standards and protocols, such as payment network security operating guidelines and the Payment Card Industry Data Security Standard (PCI - DSS). We are members of PCI, and we maintain a PCI certified Internal Security Assessor (ISA). In certain circumstances, payment card association rules and obligations make us liable to payment card issuers if information in connection with payment cards and payment card transactions that we hold is compromised, the liabilities for which could be substantial.

Cybersecurity related laws, regulations and obligations are increasing in complexity and number, change frequently and may be inconsistent across the various jurisdictions in which we operate. Additionally, the federal government and some states have adopted, are considering or in the future may adopt similar data protection laws. Our systems and the systems maintained or used by third parties to process data on our behalf may not be able to satisfy these changing legal and regulatory requirements or may require significant additional investments or time to do so. If we fail to comply with these laws or regulations, we could be subject to significant litigation, monetary damages, regulatory enforcement actions or fines in one or more jurisdictions and we could experience a material adverse effect on our results of operations, financial condition and business.

During the normal course of business, we have experienced and expect to continue to experience cyber-based attacks and other attempts to compromise our information systems. While we believe that prior compromises of our systems have not had, in the aggregate, a material adverse impact on our business, financial condition or results of operations, we may expect events of this nature to continue as cyber-based attacks become more sophisticated and more frequent. Any damage to, or compromise or breach of, our systems or the systems of our vendors could impair our ability to conduct our business, result in transaction errors, result in corruption or loss of accounting or other data, which could cause delays in our financial reporting, and result in a violation of applicable privacy and other laws, significant legal and financial exposure, reputational damage, adverse publicity and a loss of confidence in our security measures. Any such event could cause us to incur substantial costs, including costs associated with systems remediation, customer protection, litigation, lost revenue or the failure to retain or attract customers following an attack. The failure to properly respond to any such event could also result in similar exposure to liability. The occurrence of some or all of the foregoing could have a material adverse effect on our results of operations, financial condition, business and reputation.

We may use artificial intelligence in our business, which could result in reputational harm, competitive harm, and legal liability, and adversely affect our business, results of operations and financial condition.

We may leverage artificial intelligence, including generative artificial intelligence and machine learning, to support our business operations. We may in the future also use products and services from third parties that use integrated artificial intelligence technology. Our competitors or other third parties may incorporate artificial intelligence into their operational processes more quickly or more successfully than us, which could have a material adverse effect on our competitive position, reputation and operations. In addition, there are significant risks involved in developing and deploying artificial intelligence and there can be no assurance that the usage of artificial intelligence will be beneficial to our business, including our efficiency or profitability. The legal, regulatory and compliance environments surrounding the design and use of artificial intelligence technology - involving federal, state and foreign regulators - are evolving and complex. Our obligation to comply with the evolving regulatory landscape could entail significant costs and negatively affect our business. In addition, there has been a significant increase in artificial intelligence-related litigation and government regulatory actions targeting the design, deployment and other uses of artificial intelligence, and claiming liability under numerous areas of the law, such as consumer protection, product liability, privacy, intellectual property, securities and defamation. Any of these risks could have an adverse effect on our results of operations, financial condition, business and reputation.

We expect that stakeholder expectations relating to environmental, social and governance ("ESG") considerations may expose us to liabilities, increased costs, reputational harm and other adverse effects on our business.

We, along with many governments, regulators, investors, employees, customers and other stakeholders, are increasingly focused on ESG considerations relating to our business, including greenhouse gas emissions, human and civil rights and diversity, equity and inclusion. New laws and regulations in these areas have been proposed and may be adopted, and the criteria used by regulators and other relevant stakeholders to evaluate our ESG practices, capabilities and performance may change rapidly, which in each case could require us to undertake costly initiatives or operational changes. Non-compliance with these emerging rules or standards or a failure to address regulator, stakeholder and societal expectations may result in potential cost increases, litigation, fines, penalties, production and sales restrictions, brand or reputational damage, loss of customers, suppliers and commercial partners, failure to retain and attract talent, lower valuation and higher investor activism activities. In addition, we may make statements about our ESG goals and initiatives through periodic financial and non-financial reports, information provided on our website, press statements and other communications. Managing these considerations and implementing these goals and initiatives involves risks and uncertainties, including increased costs, requires investments and often depends on third-party performance or data that is outside our control. We cannot guarantee that we will achieve any ESG goals and initiatives we may announce, satisfy all stakeholder expectations, or that the benefits of implementing or achieving these goals and initiatives will not surpass their projected costs. Any failure, or perceived failure, to achieve ESG goals and initiatives, as well as to manage ESG risks, adhere to public statements, comply with federal, state or international ESG laws and regulations or meet evolving and varied stakeholder expectations and standards could result in legal and regulatory proceedings against us and materially adversely affect our business, financial condition or results of operations.

Risks Related to Our Indebtedness

Our credit agreement contains certain financial ratios, tests and covenants, including a net leverage ratio, as well as restrictions that limit our flexibility in operating our business.

Our credit agreement requires us to satisfy and maintain specified financial ratios, tests and other covenants, including a net leverage ratio covenant. On May 1, 2025, we entered into an amendment to our credit agreement. The amendment increased the net leverage covenant ratio from 4.50x to (i) 5.25x for any fiscal quarter ending prior to July 3, 2026, (ii) 5.00x for the fiscal quarter ending July 3, 2026 and (iii) 4.75x for the fiscal quarter ending October 2, 2026. Pursuant to the credit agreement, as amended, the net leverage covenant ratio will remain at 4.50x for the first quarter of fiscal 2027 through maturity. Our ability to meet the financial leverage ratio covenant and certain other financial ratios, tests and covenants can be affected by events beyond our control and, in the event of a significant deterioration of our financial performance, there can be no assurance that we will satisfy those ratios, tests and covenants. A breach of any of these covenants could result in a default under the credit agreement. Upon our failure to maintain compliance with these covenants that is not waived by the lenders under the credit agreement, the lenders under the credit facilities could elect to declare all amounts outstanding under the credit facilities to be immediately due and payable and terminate all commitments to extend further credit under such facilities. If we were unable to repay those amounts, the lenders under the credit facilities could proceed against the collateral granted to them to secure that indebtedness. We have pledged a significant portion of our assets as collateral under the credit agreement. If the lenders under the credit agreement accelerate the repayment of borrowings, there can be no assurance that we will have sufficient assets to repay those borrowings, as well as our unsecured indebtedness.

In addition, our credit agreement contains various covenants that limit our ability to engage in specified types of transactions. These covenants limit our and our restricted subsidiaries' ability to, among other things:

- incur additional indebtedness, refinance or restructure indebtedness or issue certain preferred shares;
- pay dividends on, repurchase or make distributions in respect of our capital stock;
- make certain investments;
- sell certain assets;
- create liens;
- consolidate, merge, sell or otherwise dispose of all or substantially all of our assets; and
- enter into certain transactions with our affiliates.

In addition, on May 1, 2025, as part of the amendment to our credit agreement, among other things, we agreed to restrict all dividends and share repurchases until the earlier of (i) any fiscal quarter ending after October 2, 2026 so long as we are then in compliance with the financial covenants and (ii) when we achieve a net leverage ratio below or equal to 4.5x as of the last day of two consecutive quarters through the end of fiscal 2026. Accordingly, the terms of our credit agreement may restrict our current and future operations and could adversely affect our ability to finance our future operations or capital needs. In addition, complying with these covenants may make it more difficult for us to successfully execute our business strategy and compete against companies which are not subject to such restrictions.

We have significant indebtedness that could adversely affect our business and profitability and our ability to meet other obligations.

We have approximately $1,168.5 million of borrowings outstanding as of October 3, 2025 under our senior secured credit agreement (the "Credit Agreement"), and we may incur additional indebtedness in the future. This significant amount of debt could potentially have important consequences to us and our debt and equity investors, including:

- requiring a substantial portion of our cash flow from operations to make interest payments, thereby reducing our ability to use our cash flow to fund operations, capital expenditures and future business opportunities;

- making it more difficult to satisfy debt service and other obligations;

- increasing the risk of a future credit ratings downgrade of our debt, which could increase future debt costs and limit the future availability of debt financing;
- increasing our vulnerability to general adverse economic and industry conditions;
- reducing the cash flow available to fund capital expenditures and other corporate purposes and to grow our business;
- limiting our flexibility in planning for, or reacting to, changes in our business and the industry;
- limiting our ability to adjust to changing market conditions and placing us at a competitive disadvantage relative to our competitors that may not be as highly leveraged with debt; and
- limiting our ability to borrow additional funds as needed or take advantage of business opportunities as they arise.

To the extent that we incur additional indebtedness, the foregoing risks could increase. In addition, our actual cash requirements in the future may be greater than expected. Our cash flow from operations may not be sufficient to repay all of the outstanding debt as it becomes due, and we may not be able to borrow money, sell assets or otherwise raise funds on acceptable terms, or at all, to refinance our debt.

Our variable rate indebtedness subjects us to interest rate risk, which could cause our debt service obligations to increase significantly and potentially limit our ability to effectively refinance our indebtedness as it matures.

Borrowings under the Credit Agreement bear interest at variable rates and expose us to interest rate risk. If interest rates increase and we do not hedge such variable rates, our debt service obligations on the variable rate indebtedness will increase even though the amount borrowed will remain the same, which will negatively impact our net income and operating cash flows, including cash available for servicing our indebtedness.

Additionally, our ability to refinance portions of our indebtedness in advance of their maturity dates depends on securing new financing bearing interest at rates that we are able to service. While we believe that we currently have adequate cash flows to service the interest rates currently applicable to our indebtedness, if interest rates were to continue to rise significantly, we might be unable to maintain a level of cash flows from operating activities sufficient to meet our debt service obligations at such increased rates.

If our financial performance were to deteriorate, we may not be able to generate sufficient cash to service all of our indebtedness and may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful.

Our ability to make scheduled payments on or to refinance our debt obligations depends on our financial condition and operating performance, which is subject to prevailing economic and competitive conditions and to certain financial, business and other factors beyond our control. While we believe that we currently have adequate cash flows to service our indebtedness, if our financial performance were to deteriorate significantly, we might be unable to maintain a level of cash flows from operating activities sufficient to permit us to pay the principal, premium, if any, and interest on our indebtedness.

If, due to such a deterioration in our financial performance, our cash flows and capital resources were to be insufficient to fund our debt service obligations, we may be forced to reduce or delay investments and capital expenditures, or to sell assets, seek additional capital or restructure or refinance our indebtedness. These alternative measures may not be successful and may not permit us to meet our scheduled debt service obligations. In addition, if we were required to raise additional capital in the current financial markets, the terms of such financing, if available, could result in higher costs and greater restrictions on our business. In addition, if we were to need to refinance our existing indebtedness, the conditions in the financial markets at that time could make it difficult to refinance our existing indebtedness on acceptable terms or at all. If such alternative measures proved unsuccessful, we could face substantial liquidity problems and might be required to dispose of material assets or operations to meet our debt service and other obligations. Our Credit Agreement restricts our ability to dispose of assets and use the proceeds from any disposition of assets and to refinance our indebtedness. We may not be able to consummate those dispositions or to obtain the proceeds that we could realize from them and these proceeds may not be adequate to meet any debt service obligations then due.

Risks Related to Accounts Receivable Securitization Facility

Our reliance on an accounts receivable securitization facility subjects us to certain risks that could adversely affect our financial condition and results of operations.

Certain of our subsidiaries utilize a revolving accounts receivable securitization facility for working capital. Under this facility, certain subsidiaries sell certain accounts receivable to a special purpose entity, which then transfers these receivables to one or more financial institutions party to the facility as investors. While this facility allows us to monetize these accounts receivable and reduce our indebtedness, it exposes us to certain risks that could have a material adverse effect on our financial condition and results of operations.

Specifically, if there is a deterioration in the credit quality of our customers, a decline in collections, fewer originations of accounts receivable, or a significant increase in delinquent or defaulted accounts receivable, we may not be able to generate sufficient proceeds to maintain the facility. This could require us to seek alternative financing sources at less favorable terms or reduce our operating cash flow, impacting our ability to meet our financial obligations and invest in growth opportunities.

Additionally, our accounts receivable securitization facility contains restrictive covenants and asset eligibility criteria, including minimum credit quality standards for receivables, which, if violated, could lead to early repayment requirements, increased fees, or even termination of the facility. Any termination could further strain our liquidity and potentially require us to use other, possibly more costly, financing alternatives, adversely affecting our profitability, indebtedness profile and financial flexibility.

Lastly, if the securitization market experiences conditions such as increased risk aversion among investors, liquidity contraction or a tightening of available credit, we may face higher costs or limited access to funding, which could reduce our liquidity and ability to meet our financial obligations. Further, as we sold a substantial portion of our accounts receivable under our securitization facility, while such facility is outstanding, these accounts receivable are not available to secure other sources of funding. Our ability to obtain additional secured or unsecured financing on attractive terms in the future is uncertain. These factors could negatively impact our cash flow, financial condition, and overall business operations.

Risks Related to the Separation

We have limited history of operating as an independent company, and our historical financial information prior to the Separation is not necessarily representative of the results that we would have achieved as a separate, publicly traded company and may not be a reliable indicator of our future results.

The historical information about Vestis in this 10-K for the fiscal year ended September 29, 2023 refers to Vestis as operated by and integrated with Aramark. The historical financial information of Vestis included in this 10-K for the fiscal year ended September 29, 2023 is derived from the Combined Financial Statements and accounting records of Aramark. Accordingly, the historical financial information included in this 10-K for this period does not necessarily reflect the financial condition, results of operations or cash flows that we would have achieved as a separate, publicly traded company during the periods presented or those that we will achieve in the future primarily as a result of the factors described below:

- Generally, our working capital requirements and capital for our general corporate purposes, including capital expenditures and acquisitions, have historically been satisfied as part of the corporate-wide cash management policies of Aramark. Following the completion of the Separation, our results of operations and cash flows have been more volatile, and we may need to obtain additional financing from banks, through public offerings or private placements of debt or equity securities, strategic relationships or other arrangements, which may or may not be available and may be more costly.

- Prior to the Separation, our business was operated by Aramark as part of its broader corporate organization, rather than as an independent company. Aramark or one of its affiliates performed various corporate functions for us, such as legal, treasury, accounting, auditing, human resources, information technology, investor relations and finance. Our historical and financial results reflect allocations of corporate expenses from Aramark for such functions, which are likely to be less than the expenses we would have incurred had we operated as a separate publicly traded company.

- Historically, our business was integrated with the other businesses of Aramark and our business shared economies of scope and scale in costs, employees, vendor relationships and customer relationships. While Aramark has sought to minimize the impact on us when separating these arrangements, there is no guarantee these arrangements will continue to capture these benefits in the future.
- After the Separation, the cost of capital for our business may be higher than Aramark's cost of capital prior to the Separation.
- As an independent public company, we are subject to the reporting requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), the Sarbanes-Oxley Act and the Dodd-Frank Wall Street Reform and Consumer Protection Act and are required to prepare standalone financial statements according to the rules and regulations required by the SEC. We cannot be certain that the measures we have taken to upgrade our systems, implement additional financial and management controls, reporting systems, and procedures, and hire additional accounting and financial staff will ensure that we continue to maintain adequate controls over our financial processes and reporting. Because of its inherent limitations, internal control over financial reporting might not prevent or detect fraud or misstatements. This, in turn, could have an adverse impact on trading prices for shares of our common stock, and could adversely affect our ability to access the capital markets.

We have repositioned our brand to remove the Aramark name, which could adversely affect our ability to attract and maintain customers.

We historically marketed our products and services using the "Aramark" name and logo, which is a globally recognized brand with a strong reputation for high-quality products and services. Following the Separation, subject to limited exceptions, we repositioned our brand and updated, as applicable, our products and services using the "Vestis" name or other names and marks and have discontinued using the "Aramark" name and logo in connection with our service offerings. These new names and brands may not benefit from the same recognition and association with product quality as the Aramark name, which could adversely affect our ability to attract and maintain our customers, who may prefer to use products with a more established brand identity.

We may be affected by restrictions under the tax matters agreement, including on our ability to engage in certain corporate transactions for a two-year period after the Separation, in order to avoid triggering significant tax-related liabilities.

Under current U.S. federal income tax law, a spin-off that otherwise qualifies for tax-free treatment can be rendered taxable to the parent corporation and its stockholders as a result of certain post-spin-off transactions, including certain acquisitions of shares or assets of the spun-off corporation. Under the tax matters agreement that we entered into with Aramark, we are restricted from taking certain actions that could prevent the Separation and certain related transactions from being tax-free for U.S. federal income tax purposes. In particular, under the tax matters agreement, for the two-year period following the Separation we are subject to specific restrictions on our ability to pursue or enter into acquisition, merger, sale and redemption transactions with respect to our stock. These restrictions may limit our ability to pursue certain strategic transactions or other transactions that we may believe to be in the best interests of our stockholders or that might increase the value of our business. In addition, under the tax matters agreement, we may be required to indemnify Aramark and its affiliates against any tax-related liabilities incurred by them as a result of the acquisition of our stock or assets, even if we do not participate in or otherwise facilitate the acquisition. Furthermore, we are subject to specific restrictions on discontinuing the active conduct of our trade or business, the issuance or sale of stock or other securities (including securities convertible into our stock but excluding certain compensatory arrangements), and sales of assets outside the ordinary course of business. Such restrictions may reduce our strategic and operating flexibility.

We may be held liable to Aramark if we fail to perform under our agreements with Aramark which may negatively affect our business, financial condition or results of operations.

In connection with the Separation, the Company and Aramark entered into various agreements, including a separation and distribution agreement, a tax matters agreement, and other transaction agreements. If we do not satisfactorily perform our obligations under these agreements, we may be held liable for any resulting losses suffered by Aramark, subject to certain limits.

If there is a determination that the Separation or certain related transactions are taxable for U.S. federal income tax purposes, we could incur significant liabilities pursuant to our indemnification obligations under the tax matters agreement.

Aramark received a private letter ruling from the IRS and opinions of its outside tax advisors, in each case, satisfactory to the Aramark Board of Directors, regarding certain U.S. federal income tax matters relating to the Separation. The opinion of its outside tax advisors was based upon and relied on, among other things, various facts and assumptions, as well as certain representations, statements and undertakings of Aramark and us, including facts, assumptions, representations, statements and undertakings relating to the past and future conduct of the companies' respective businesses and other matters. If any of these facts, assumptions, representations and statements were or become inaccurate or incomplete, or if any such undertaking is not complied with, Aramark may not be able to rely on the opinions of its outside tax advisors, and the conclusions reached therein could be jeopardized.

Notwithstanding Aramark's receipt of the opinions of its outside tax advisors, the IRS could determine on audit that the Separation or certain related transactions are taxable for U.S. federal income tax purposes if it determines that any of the facts, assumptions, representations, statements and undertakings upon which the opinions were based are incorrect or have been violated, or if it disagrees with any of the conclusions in the opinions. Accordingly, notwithstanding Aramark's receipt of the opinions of its outside tax advisors, there can be no assurance that the IRS will not assert that the Separation or certain related transactions do not qualify for tax-free treatment for U.S. federal income tax purposes, or that a court would not sustain such a challenge. In the event the IRS were to prevail in such a challenge, Aramark and Aramark's stockholders could incur significant tax liabilities. Under the tax matters agreement that we entered into with Aramark, we generally will be required to indemnify Aramark for any taxes incurred by Aramark that arise as a result of (i) any representations made by us being inaccurate; (ii) an acquisition of our stock or assets or (iii) any other action undertaken or failure to act by us. Any such indemnification could materially adversely affect our business, financial condition or results of operations.

Satisfaction of indemnification obligations following the Separation could have a material adverse effect on our cash flows and our business, financial condition or results of operations.

Pursuant to the separation and distribution agreement and certain other agreements we entered into with Aramark in connection with the Separation, Aramark agrees to indemnify us for certain liabilities relating to Aramark's business, and we agree to indemnify Aramark for certain liabilities relating to our business. Indemnities that we may be required to provide Aramark could negatively affect our business.

If we are found responsible for a liability relating to Aramark's business, the indemnity from Aramark may not be sufficient to protect us against the full amount of such liability if, for example, Aramark is not able to fully satisfy its indemnification obligations. Moreover, even if we ultimately succeed in recovering from Aramark any amounts for which we are held liable, we may be temporarily required to bear these losses ourself, requiring us to divert cash that would otherwise have been used in furtherance of our operating business. In addition, third parties could also seek to hold us responsible for any of the liabilities that Aramark has agreed to retain. Each of these risks could have a material adverse effect on our cash flows and our business, financial condition or results of operations.

There can be no assurance that we will have access to the capital markets on terms acceptable to us.

From time to time we may need to access the long-term and short-term capital markets to obtain financing. Although we believe that the sources of capital in place will permit us to finance our operations for the foreseeable future on acceptable terms and conditions, our access to, and the availability of, financing on acceptable terms and conditions in the future will be impacted by many factors, including, but not limited to: (1) our financial performance; (2) our credit ratings; (3) the liquidity of the overall capital markets; and (4) the state of the economy. There can be no assurance that we will have access to the capital markets on terms acceptable to us.

Risks Related to our Common Stock

Our stock price has recently been volatile and may continue to be volatile in the future, and as a result, the value of our common stock may decline.

Our stock price has recently been volatile and may continue to be volatile in the future. As a result of this volatility, investors may experience losses on their investment in our common stock. The market price for our common stock may be influenced by many factors, many of which we cannot control, such as the risk factors described in this report and other factors beyond our control such as such as quarterly fluctuations in financial results, fluctuations in the operations or valuations of companies perceived by investors to be comparable to us, our ability to meet analysts' expectations, our trading volume, and negative conditions or trends in the industry in which we operate. In the past, companies that have experienced volatility in the market price of their stock have been subject to securities class action litigation. For example, descriptions of certain lawsuits that we are currently a party to are included in Note 9 to the consolidated and combined financial statements in Part II, Item 8 of this annual report on Form 10-K, and are incorporated herein by reference. While we intend to vigorously defend these matters, we cannot predict the outcome of these legal matters, nor can we predict whether any outcome may be materially adverse to our business, financial condition, results of operations or cash flows. We may be the target of additional litigation of this type in the future as well. Securities litigation against us could result in substantial costs and divert our management's time and attention from other business concerns, which could harm our business, financial condition or results of operations.

Dividends may not be declared or paid to holders of our common stock in the future. As a result, you may have to rely on stock appreciation for any return on your investment.

While, historically, we have at times paid quarterly dividends, the timing, declaration, amount and payment of any future dividends are within the discretion of our Board of Directors, and will depend upon many factors, including our financial condition, earnings, capital requirements of our operating subsidiaries, covenants associated with certain of our debt service obligations, legal requirements, regulatory constraints, industry practice, ability to access capital markets and other factors deemed relevant by our Board of Directors. For example, on May 1, 2025, we amended our credit agreement. As part of the amendment, among other things, we agreed to restrict all dividends and share repurchases until the earlier of (i) any fiscal quarter ending after October 2, 2026 so long as we are then in compliance with the financial covenants and (ii) when we achieve a net leverage ratio below or equal to 4.5x as of the last day of two consecutive quarters through the end of fiscal 2026. Thus, there can be no assurance that we will in the future pay such dividends or the amount of such dividends. As a result, you may have to rely on stock appreciation for any return on your investment.

Your percentage of ownership in Vestis may be diluted in the future.

In the future, your percentage ownership in Vestis may be diluted because of equity issuances for acquisitions, capital market transactions or otherwise, including any equity awards that we will grant to our directors, officers and employees. Our employees have stock-based awards that correspond to shares of our common stock after the Separation as a result of conversion of their Aramark stock-based awards and have been issued new Vestis stock awards. Such awards will have a dilutive effect on our earnings per share, which could adversely affect the market price of our common stock. From time to time, we will issue additional stock-based awards to our employees under our employee benefits plans.

Anti-takeover provisions could enable our Board of Directors to resist a takeover attempt by a third party and limit the power of our stockholders.

Our amended and restated certificate of incorporation and amended and restated bylaws contain, and Delaware law contains, provisions that are intended to deter coercive takeover practices and inadequate takeover bids by making such practices or bids too expensive to the bidder and to encourage prospective acquirers to negotiate with our Board of Directors rather than to attempt a hostile takeover. These provisions are, among others:

- until the third annual stockholder meeting following the Separation, our Board of Directors will be divided into three classes, with each class consisting, as nearly as may be possible, of one-third of the total number of directors, which could have the effect of making the replacement of incumbent directors more time consuming and difficult;

- as long as the Board of Directors is classified, our directors can be removed by stockholders only for cause;

- vacancies occurring on the Board of Directors can only be filled by a majority of the remaining members of our Board of Directors or by a sole remaining director;
- for two years following the Separation, stockholders do not have the right to call a special meeting;
- stockholders do not have the ability to act by written consent;
- our Board of Directors has the power to designate and issue, without any further vote or action by the our stockholders, shares of preferred stock from time to time in one or more series; and
- stockholders have to follow certain procedures and notice requirements in order to present certain proposals or nominate directors for election at stockholder meetings.

In addition, we are subject to Section 203 of the Delaware General Corporation Law, which could have the effect of delaying or preventing a change of control that you may favor. Section 203 provides that, subject to limited exceptions, persons that acquire, or are affiliated with persons that acquire, more than 15% of the outstanding voting stock of a Delaware corporation may not engage in a business combination with that corporation, including by merger, consolidation or acquisitions of additional shares, for a three-year period following the date on which that person or any of its affiliates becomes the holder of more than 15% of the corporation's outstanding voting stock.

We believe these provisions protect our stockholders from coercive or otherwise unfair takeover tactics by requiring potential acquirers to negotiate with our Board of Directors and by providing the Board with more time to assess any acquisition proposal. These provisions are not intended to make us immune from takeovers; however, these provisions will apply even if the offer may be considered beneficial by some stockholders and could delay or prevent an acquisition that our Board of Directors determines is not in the best interests of Vestis and its stockholders. These provisions may also prevent or discourage attempts to remove and replace incumbent directors. In addition, an acquisition or further issuance of our common stock could trigger the application of Section 355(e) of the Code, causing the Separation to be taxable to Aramark. Under the tax matters agreement, we are required to indemnify Aramark for the resulting tax, and this indemnity obligation might discourage, delay or prevent a change of control that our stockholders may consider favorable.

Our amended and restated certificate of incorporation designate the state courts within the State of Delaware as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by Vestis stockholders, which could discourage lawsuits against Vestis and our directors and officers.

Our amended and restated certificate of incorporation provides that, unless we (through approval of our Board of Directors) consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall be the sole and exclusive forum for (1) any derivative action brought on behalf of Vestis, (2) any action asserting a claim of breach of a fiduciary duty owed by any director or officer or other employee of Vestis to Vestis or Vestis's stockholders, (3) any action asserting a claim against Vestis or any director or officer or other employee of Vestis arising pursuant to, or seeking to enforce any right, obligation or remedy under, any provision of the Delaware General Corporation Law (the "DGCL") or Vestis's amended and restated certificate of incorporation or amended and restated bylaws (as either may be amended from time to time), (4) any action asserting a claim against Vestis or any director or officer or other employee of Vestis governed by the internal affairs doctrine, which is a conflict of laws principle which recognizes that only one state should have the authority to regulate a corporation's internal affairs or (5) any action as to which the DGCL (as it may be amended from time to time) confers jurisdiction on the Court of Chancery of the State of Delaware. If and only if the Court of Chancery of the State of Delaware dismisses any such action for lack of subject matter jurisdiction, such action may be brought in another state court sitting in the State of Delaware (or, if no state court located within the State of Delaware has jurisdiction, the federal district court for the District of Delaware). This exclusive forum provision applies to all covered actions, including any covered action in which the plaintiff chooses to assert a claim or claims under federal law in addition to a claim or claims under Delaware law. However, the exclusive forum provision does not apply to actions asserting only federal law claims under the Securities Act or the Exchange Act, regardless of whether the state courts in the State of Delaware have jurisdiction over those claims. Although we believe the exclusive forum provision benefits us by providing increased consistency in the application of law in the types of lawsuits to which it applies, the provision may limit the ability of our stockholders to bring a claim in a judicial forum that such stockholders find favorable for disputes with Vestis or its directors or officers, and it may be costlier for our stockholders to bring a claim in the Court of Chancery of the State of Delaware than other judicial forums, each of which may discourage such lawsuits against Vestis and its directors and officers.

Although our amended and restated certificate of incorporation includes this exclusive forum provision, it is possible that a court could rule that this provision is inapplicable or unenforceable. Alternatively, if a court were to find this exclusive forum provision inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings described above, we may incur additional costs associated with resolving such matters in other jurisdictions, which could negatively affect our business, financial condition or results of operations.

Item 1B. ***Unresolved Staff Comments.***

None.

Item 1C. ***Cybersecurity.***

Risk Management and Strategy

Cybersecurity risk management is a critical component of the Company's overall risk management. The Company proactively addresses cybersecurity risk through a comprehensive cybersecurity program to identify, protect, respond to, and manage any reasonably foreseeable cybersecurity risks, threats and incidents. The Company's cybersecurity risk management program is aligned with the International Standards Organization (ISO 27001:2022) and mapped to National Institute of Standards Special Publication 800-53 Revision 5 (NIST 800-53). The Company's cybersecurity program is integrated into the Company's overarching enterprise risk management program.

The Company's Chief Information Security Officer (CISO) is responsible for developing and managing the Company's cybersecurity program and reporting on cybersecurity matters to management, the Audit Committee and the Company's Board of Directors. The CISO has over twenty years of cybersecurity and technology experience, originating with cryptography and security experience as a military officer and progressing through senior management roles at prominent global audit and technology consulting corporations. The CISO is supervised by the Company's Chief Information Officer.

The Company has established and maintains a cross-functional Cyber Governance Committee that is responsible for helping the CISO prioritize and manage evolving cyber risks and reports to the Company's Chief Information Officer. The Cyber Governance Committee, which oversees the Company's governance and oversight of information security, meets quarterly and interfaces with other functional areas within the Company, including, but not limited to, legal, internal audit, accounting, risk management, human resources, as well as external third-party partners. The CISO serves as the chair of the Cyber Governance Committee. The CISO also provides response and oversight during any significant cybersecurity incidents and informs the Cyber Governance Committee of all cybersecurity incidents that have been identified by the Company to date.

The Company engages third parties to assist with the monitoring components of the security infrastructure that we have deployed. As required, the Company engages consultants and third parties to assist with penetration testing, tabletop incident response exercises, or other activities necessary to comply with various standards and certifications that are necessary for the Company's business operations. The Company provides regular awareness training to its employees and consultants using its collaboration platforms to help identify, avoid, and mitigate cybersecurity threats, as well as targeted security training for key departments that routinely process, store or handle sensitive data types. Where service providers are materially utilized, the company obtains SOC1 or SOC2 reports and complies with complementary user entity controls to keep those attestations valid. Where needed, the Company requires appropriate certifications and contractually requires adherence to data privacy and security requirements from its vendors.

The Company operates technologies that are exposed to the internet, and although robust cybersecurity programs, technologies, and safeguards are deployed to help protect the Company's operations and assets, the Company, by nature, is exposed to material cybersecurity attacks that are either generally targeted at companies that operate on the internet, or the Company, by nature, remains exposed to attacks that are specifically directed at the Company's technology systems exposed to the internet.

Governance

The Company's Board of Directors recognizes the importance of cybersecurity and has ultimate oversight of the Company's cybersecurity risk management program. As reflected in the Audit Committee's charter, the Audit Committee of the Company's Board of Directors has been delegated certain cybersecurity oversight responsibility and, among other things, monitors the Company's cybersecurity risk profile, receives periodic updates from management on all matters related to cybersecurity and reports to the full Board of Directors. The CISO presents quarterly updates to the Audit

Committee on the Company’s cyber risks and threats, status of projects to strengthen the Company’s information security systems, and emerging threats.

During the normal course of business, the Company has experienced and expects to continue to experience cyber-based attacks and other attempts to compromise its information systems. Based on the information that the Company had as of the end of the fiscal year covered by this Annual Report on Form 10-K, the Company does not believe that it has experienced any cybersecurity incidents that have materially affected the Company. However, the sophistication of cyber threats continues to increase, and the preventative actions the Company has taken and continues to take to reduce the risk of cyber incidents and protect its systems and information may not successfully protect against all cyber incidents. For more information on how cybersecurity risk may materially affect the Company’s business strategy, results of operations, or financial condition, please refer to Item 1A, “Risk Factors.”

Item 2. ***Properties.***

Our principal executive offices are currently leased at 1035 Alpharetta Street, Roswell, GA 30075. As of October 3, 2025, we operated 338 sites including laundry plants, satellite plants, distribution centers and manufacturing plants that are located across the United States, Canada, and Mexico. We own 177 buildings, including distribution centers and satellite plants. We own 149 buildings in the United States and 28 buildings in Canada. We lease 161 premises, consisting of offices, laundry plants, satellite plants, manufacturing plants, and distribution centers. We lease 148 premises in the United States and 13 premises in Canada. No individual parcel of real estate owned or leased is of material significance to our total assets.

Item 3. ***Legal Proceedings.***

From time to time, Vestis and its subsidiaries are a party to various other legal actions, proceedings and investigations, including securities class action claims and claims incidental to the conduct of their business or otherwise related to us, including actions by customers, employees, acquisition counterparties, government entities and third parties, including under federal, state, international, national, provincial and local employment laws, wage and hour laws, discrimination laws, immigration laws, human health and safety laws, import and export controls and customs laws, environmental laws, false claims or whistleblower statutes, tax codes, antitrust and competition laws, customer protection statutes, procurement regulations, intellectual property laws, supply chain laws, the Foreign Corrupt Practices Act and other anti-corruption laws, lobbying laws, motor carrier safety laws, data privacy and security laws, or alleging negligence and/or breaches of contractual and other obligations. Based on information currently available, advice of counsel, available insurance coverage, established reserves and other resources, except as set forth below, we do not believe that any such actions are likely to be, individually or in the aggregate, material to our business, financial condition, results of operations or cash flows. However, in the event of unexpected further developments, it is possible that the ultimate resolution of these matters, or other similar matters, if unfavorable, may be materially adverse to our business, financial condition, results of operations or cash flows.

We discuss significant legal proceedings pending against us in Note 9. *Commitments and Contingencies*, in the “Notes to the Consolidated and Combined Financial Statements” included within Item 8. *Financial Statements and Supplementary Data*, of this annual report on Form 10-K. Please refer to such section, which we incorporate by reference into this Item 3.

Item 4. ***Mine Safety Disclosures.***

Not applicable.

PART II

Item 5. *Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.*

Market Information

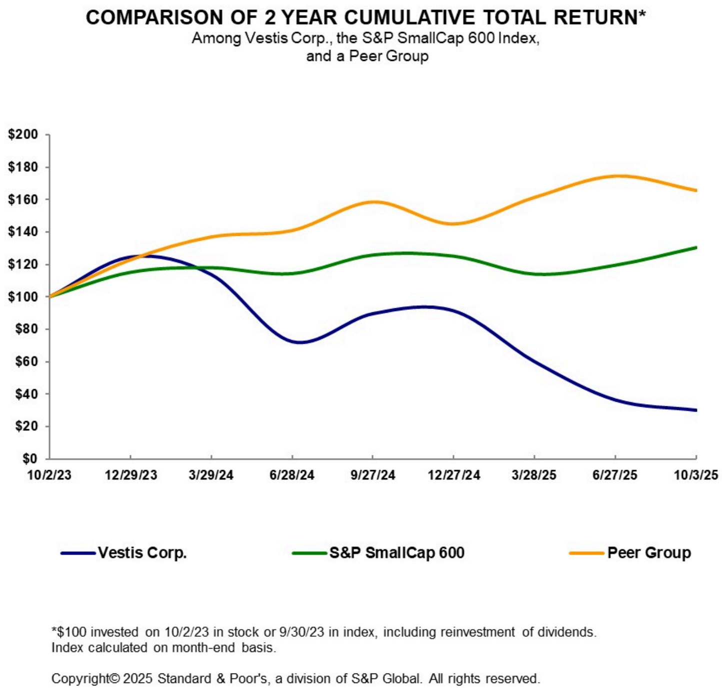
Shares of our common stock began regular-way trading on October 2, 2023 and are quoted on the NYSE under the ticker symbol "VSTS." Prior to October 2, 2023, there was no public market for our common stock. As of November 19, 2025, there were approximately 739 holders of record of our outstanding common stock. This does not include persons who hold our common stock in nominee or "street name" accounts through brokers or banks.

Dividends

We declared and paid a quarterly dividend of $0.035 per share to our shareholders of record for the first and second quarter of fiscal 2025. As part of the May 1, 2025 amendment to the Company's Credit Agreement disclosed in Note 4, *Borrowings,* of the Consolidated and Combined Financial Statements included elsewhere in this annual report on Form 10-K, the Company agreed to restrict all dividends and share repurchases until the earlier of (i) any fiscal quarter ending after October 2, 2026 so long as the Company is then in compliance with the financial covenants and (ii) when the Company achieves a net leverage ratio below or equal to 4.50x as of the last day of two consecutive quarters through the end of fiscal 2026. Accordingly, there can be no assurance that we will pay dividends in the future or the amount of any such dividends.

Stock Performance Graph

The following graph compares the total return on the Company's common stock with the Standard & Poor's SmallCap 600 Index ("S&P 600") and a customized peer group of three companies that includes Cintas Corporation, Rollins, Inc. and UniFirst Corporation. The graph assumes $100 was invested in the S&P 600 and peer group companies on the first day of regular-way trading on October 2, 2023 for our common stock, and that all dividends paid during the period were reinvested. The total return for the peer group companies was weighted according to the market capitalization of each company.



	10/2/23	12/29/23	3/29/24	6/28/24	9/27/24	12/27/24	3/28/25	6/27/25	10/3/25
Vestis Corp.	**100.00**	**124.51**	**113.71**	**72.38**	**89.64**	**91.32**	**60.03**	**36.42**	**30.10**
S&P SmallCap 600	**100.00**	**115.12**	**117.95**	**114.29**	**125.86**	**125.13**	**113.96**	**119.54**	**130.44**
Peer Group	**100.00**	**122.81**	**136.98**	**140.93**	**158.59**	**144.98**	**161.49**	**174.67**	**165.70**

Item 6. ***[Reserved].***

Item 7. ***Management's Discussion and Analysis of Financial Condition and Results of Operations.***

The following discussion and analysis of Vestis Corporation's ("Vestis", the "Company", "our", "we" or "us") financial condition and results of operations for the fiscal years ended October 3, 2025, referred to as fiscal 2025, and September 27, 2024, referred to as fiscal 2024, should be read in conjunction with our audited Consolidated and Combined Financial Statements and the notes to those statements. For additional information on fiscal 2023 and year-over-year comparisons to fiscal 2024, refer to "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in our Annual Report on Form 10-K for fiscal 2024, filed with the Securities and Exchange Commission ("SEC") on November 22, 2024.

This discussion contains forward-looking statements, such as our plans, objectives, opinions, expectations, anticipations, intentions, and beliefs, that are based upon our current expectations but that involve risks and uncertainties. Actual results and the timing of events could differ materially from those anticipated in those forward-looking statements as a result of a number of factors, including those set forth under "Risk Factors," "Cautionary Note Regarding Forward-Looking Statements," the "Business" section and elsewhere in this Annual Report on Form 10-K ("Annual Report").

All amounts discussed are in thousands of U.S. dollars, except where otherwise indicated.

Company Overview

We are a leading provider of uniforms and workplace supplies across the United States and Canada, with over 75 years of experience in the workplace apparel and supplies industry. We provide a full range of uniform programs, restroom supply services, first aid supplies and safety products, as well as ancillary items such as floor mats, towels, and linens, to more than 300,000 customer accounts (based on unique customer identification numbers) across the United States and Canada. We compete with national, regional, and local providers who vary in size, scale, capabilities and product and service offering. Primary methods of competition include product quality, service quality and price. Notable competitors of size include Cintas Corporation and UniFirst Corporation, as well as numerous regional and local competitors. Additionally, many businesses perform certain aspects of our product and service offerings in-house rather than outsourcing them and leveraging the benefits of full-service programs.

With approximately 18,150 employees, we operate a network of over 325 facilities including laundry plants, satellite plants, distribution centers and manufacturing plants along with a fleet of service vehicles that support over 3,300 pick-up and delivery routes. We have two manufacturing facilities in Mexico with approximately 189,000 square feet of manufacturing capacity between both plants that produce approximately 60% of our uniforms and linen products. We source raw materials, finished goods, equipment, and other supplies from a variety of domestic and international suppliers. We leverage our broad footprint, supply chain, delivery fleet and route logistics capabilities to serve customers on a recurring basis, typically weekly, and primarily through multi-year contracts.

Our full-service uniform offering includes the design, sourcing, manufacturing, customization, personalization, delivery, laundering, sanitization, repair, and replacement of uniforms. Our uniform options include shirts, pants, outerwear, gowns, scrubs, high visibility garments, particulate-free garments, and flame-resistant garments, along with shoes and accessories. We service our customers on a recurring rental basis, typically weekly, delivering clean uniforms while, during the same visit, picking up worn uniforms for inspection, cleaning, repair or replacement. In addition to our weekly, recurring customer contracts, we offer customized uniforms through direct sales agreements, typically for large, regional, or national companies.

In addition to uniforms, we also provide workplace supplies including restroom supply services, first aid supplies and safety products, floor mats, towels, and linens. Similar to our uniform offering, on a recurring rental basis, generally weekly, we pick up used and soiled floor mats, towels and linens, replacing them with clean products. We also restock restroom supplies, first aid supplies and safety products as needed.

We manage and operate our business in two reportable segments, United States and Canada. Both segments provide uniforms and workplace supplies, as described above, to customers within their specific geographic territories.

Separation from and Relationship with Aramark

On September 30, 2023 (the "Distribution Date"), Aramark completed the previously announced spin-off of Vestis (the "Spin-Off," or the “Separation”). The Separation was completed through a distribution of our outstanding common stock to stockholders of record of Aramark’s common stock as of the close of business on September 20, 2023. Aramark stockholders of record received one share of Vestis common stock for every two shares of common stock, par value $0.01, of Aramark.

Following the separation, certain functions that Aramark provided to us prior to the separation continued to be provided to us by Aramark under a transition services agreement. No such transition services were performed in fiscal 2025, as they ceased on or prior to September 27, 2024.

Basis of Presentation

Consolidated Financial Statements

The Consolidated Financial Statements reflect the financial position, results of operations, comprehensive income and cash flows of the Company as of and for the years ended October 3, 2025 and September 27, 2024.

Combined Financial Statements

The Combined Financial Statements reflect the combined historical results of operations, comprehensive income and cash flows for the year ended September 29, 2023. The Combined Financial Statements have been derived from Aramark's historical accounting records and were prepared on a standalone basis in accordance with generally accepted accounting principles in the United States ("U.S. GAAP") and pursuant to the rules and regulations of the SEC. The assets, liabilities, revenue, and expenses of Vestis have been reflected in these Combined Financial Statements on a historical cost basis, as included in the Combined Financial Statements of Aramark, using the historical accounting policies applied by Aramark. Prior to the Separation, separate financial statements were not prepared for Vestis and it did not operate as a standalone business from Aramark. The historical results of operations and cash flows of Vestis presented in these Combined Financial Statements may not be indicative of what they would have been had we been an independent standalone public company, nor are they necessarily indicative of our future results of operations, financial position, and cash flows.

Our business historically functioned together with other Aramark businesses. Accordingly, we relied on certain of Aramark's corporate support functions to operate. The Combined Financial Statements for fiscal 2023 include all revenues and costs directly attributable to us and an allocation of expenses related to certain Aramark corporate functions. These expenses have been allocated to us on the basis of direct usage where identifiable, with the remainder allocated on a pro rata basis of revenues, headcount or other drivers. We consider these allocations to be a reasonable reflection of the utilization of services or the benefit received. However, the allocations may not be indicative of the actual expense that would have been incurred had we operated as an independent, standalone public entity, nor are they indicative of our future expenses.

Our cash flows within the United States segment were transferred to Aramark regularly as part of Aramark's centralized cash management program. Our cash flows within the Canada segment were reinvested locally. The cash and cash equivalents held by Aramark at the corporate level were not specifically identifiable to us and therefore were not allocated to any of the periods presented. Transfers of cash, both to and from Aramark's central cash management system, are reflected in "Net cash used in financing activities" on the accompanying Combined Statement of Cash Flows for the year ended September 29, 2023.

All intercompany transactions and balances within Vestis have been eliminated. For certain historical transactions between us and Aramark since the Separation, see Note 15. *Related Party Transactions and Parent Company Investment* in the Notes to Consolidated and Combined Financial Statements.

The "Provision for Income Taxes" in the Combined Statements of Income for fiscal 2023 has been calculated as if we filed a separate tax return and were operating as a standalone company. Therefore, income tax expense, cash tax payments and items of current and deferred income taxes may not be reflective of our actual tax balances prior to or subsequent to the Separation.

Sources of Revenue

We generate and recognize revenue from route servicing contracts on both uniforms, which we generally manufacture, and workplace supplies, such as mats, towels, and linens that are procured from third-party suppliers. In fiscal 2025, total revenue from such route servicing contracts was 95% of our total revenue. Revenue from these contracts represent a single-performance obligation and are recognized over time as services are performed based on the nature of services provided and contractual rates (output method). We generate the remaining revenue primarily from the direct sale of uniforms to customers, with such revenue being recognized when the related performance obligation is satisfied, typically upon the transfer of control of the promised product to the customer. Revenue is recognized in an amount that reflects the consideration we expect to be entitled to in exchange for the services or products described above and is presented net of sales and other taxes that we collect on behalf of governmental authorities.

Costs and Expenses

Our costs and expenses are comprised of cost of services provided (exclusive of depreciation and amortization) (hereafter referred to as "cost of services provided"), depreciation and amortization and selling, general and administrative expenses.

Cost of services provided includes the costs associated with the recurring pickup, processing and delivery of products to rental customers, the amortized cost of merchandise in service for the rental business, and the cost of products sold to customers through our direct sales offerings.

Depreciation and amortization expense reflects the cost of investments in our manufacturing plants, processing facilities, distribution centers and technology capabilities, and the amortization of intangible assets related to acquisitions. More specifically, depreciation expense is related to processing operational assets such as washers, dryers, steam tunnels and related equipment, distribution centers and related product handling and storage equipment, company-owned and financed delivery vehicles, information technologies and other assets for which we expect to receive an economic benefit for greater than one year. The cost of these investments is depreciated on a straight-line basis over 3 to 40 years based upon the estimated useful life of the asset.

Selling, general and administrative expenses include costs attributable to our sales team and the administrative functions required to support our customers and our team members.

Interest Expense, which is net of interest income, primarily consists of interest expense incurred under our Credit Agreement and interest expense recognized on financing leases.

Other Expense (net of other income), is primarily comprised of fees incurred for our accounts receivable securitization facility, and prior to its sale in fiscal 2025, our share of the financial results of an equity method investment.

(Benefit)/Provision for Income Taxes

The (Benefit)/Provision for Income Taxes represents federal, foreign, state, and local income taxes. Our effective tax rate differs from the statutory United States income tax rate due to the effect of state and local income taxes, the tax rate in Canada where we have operations, changes to deferred taxes on foreign investments, tax credits, and certain nondeductible expenses.

Foreign Currency Fluctuations

The impact from foreign currency translation assumes constant foreign currency exchange rates based on the rates in effect for the prior fiscal year period being used in translation for the comparable current year period. We believe that providing the impact of fluctuations in foreign currency rates on certain financial results can facilitate analysis of period-to-period comparisons of business performance.

Fiscal Year

Our fiscal year is the 52- or 53-week period which ends on the Friday nearest to September 30th. The fiscal year ended October 3, 2025, referred to as fiscal 2025, consisted of 53 weeks. The fiscal year ended September 27, 2024 (referred to as fiscal 2024) and the fiscal year ended September 29, 2023 (referred to as fiscal 2023) were both 52-week periods.

Key Trends Affecting Our Results of Operations

We serve the uniforms, mats, towels, linens, restroom supplies, first-aid supplies and safety products industry within the United States and Canada. This includes businesses that outsource these services through rental programs or direct purchases, as well as non-programmers, or businesses that maintain these services in-house. We believe that demand in this industry is largely influenced by macro-economic conditions, employment levels, increasing standards for workplace hygiene and safety and an ongoing trend of businesses outsourcing non-core, back-end operations. As a result of the diversity of our customers and the wide variety of industries in which they participate, demand for our products and services is not specifically linked to the cyclical nature of any one sector.

Global events, including ongoing geopolitical events, have adversely affected global economies, disrupted global supply chains and labor force participation, and created significant volatility and disruption of financial markets. While we do not have direct operations in Russia and Ukraine or in Israel, conflicts in those regions further disrupted global supply chains and heightened volatility and disruption of global financial markets. The ongoing volatility and disruption of financial markets caused by these global events, as well as other current global economic factors, triggered inflation in labor and energy costs and has driven significant changes in foreign currencies. The impact on our longer-term operational and financial performance will depend on future developments, including our response and governmental response to inflation, the duration and severity of the ongoing volatility and disruption of global financial markets and our ability to effectively hire and retain personnel. Some of these future developments are outside of our control and are highly uncertain.

We continue to remain principally focused on the safety and well-being of our employees, customers, and everyone we serve, while simultaneously taking timely, proactive measures to adapt to the current environment. We continue to evaluate and react to the effects of a prolonged global disruption, including items such as inflationary pressures on product and energy costs and greater labor challenges. These challenges have continued to impact our business during fiscal 2025. Our actions to mitigate the effects of inflation in fiscal 2024 and fiscal 2025 included operating cost reductions, reductions in discretionary spending and reductions in our non-operational footprint, along with the implementation of targeted and strategic price increases under the terms of our customer contracts. We do not know whether we will be able to mitigate any future impacts of inflation with further increases in pricing for our goods and services. We continue to evaluate and react to take appropriate actions to mitigate the risk in these areas. See "Risk Factors—Operational Risks—Unfavorable economic conditions have in the past adversely affected, are currently affecting and in the future could adversely affect our business, financial condition or results of operations."

Restructuring Plan

During the first quarter of fiscal 2026, we approved and initiated a formal multi-year business transformation and restructuring plan (the "Plan") to support the Company's initiatives to make the Company more agile, efficient and customer focused. Developed in collaboration with leading third-party advisors, the Plan is structured around three strategic priorities: Commercial Excellence, Operational Excellence and Asset and Network Optimization. These priorities establish a clear framework for near-term performance improvement and long-term value creation through disciplined execution, continuous improvement and a relentless focus on serving customers.

- Commercial Excellence. Executing commercial initiatives to improve customer retention, enhance profitability, and support a return to sustainable growth. Vestis is expanding product offerings and deploying new processes, tools and systems designed to strengthen customer segmentation, optimize strategic pricing and reinforce commercial discipline.
- Operational Excellence. Implementing a standardized operating framework across its facilities and business units and streamlining the Company's organizational structure in order to improve operating leverage, simplify execution, modernize core processes and systems and create a more scalable and efficient cost structure.
- Asset & Network Optimization. Rationalizing network redundancies, reallocating equipment to higher-utilization markets, and making targeted capital investments to improve reliability and asset performance.

Plan implementation has recently begun and is expected to generate annual operating cost savings of at least $75 million by the end of fiscal 2026 and to also enhance revenue. Currently we anticipate that the Plan will be substantially complete by the end of fiscal 2027 and we estimate costs of the Plan to be in the range of $25 million to $30 million, with approximately $20 million related to third-party consulting and support, and up to $10 million in severance and related costs.

The estimate of the charges that the Company expects to incur in connection with the Plan, and the timing thereof, are subject to a number of assumptions and actual amounts may differ materially from estimates. In addition, the Company may incur other charges not currently contemplated due to unanticipated events that may occur, including in connection with the implementation of the Plan.

Results of Operations

Fiscal 2025 Compared to Fiscal 2024

The following table presents an overview of our results on a consolidated basis with the amount of and percentage change between periods for the fiscal years 2025 and 2024 (dollars in thousands).

	Fiscal Year Ended		Change	Change
	October 3, 2025	September 27, 2024	$	%
Revenue	$ 2,734,839	$ 2,805,820	$ (70,981)	(2.5%)
Operating Expenses:				
Cost of services provided[(1)]	2,010,082	1,989,872	20,210	1.0%
Depreciation and amortization	143,017	140,781	2,236	1.6%
Selling, general and administrative expenses	517,309	517,216	93	— %
Total Operating Expenses	2,670,408	2,647,869	22,539	0.9%
Operating Income	64,431	157,951	(93,520)	(59.2%)
Loss (Gain) on Sale of Equity Investment, net	2,784	—	2,784	(100.0%)
Interest Expense, net	92,264	126,563	(34,299)	(27.1%)
Other Expense (Income), net	13,689	(642)	14,331	(2232.2%)
(Loss) Income Before Income Taxes	(44,306)	32,030	(76,336)	(238.3%)
(Benefit) Provision for Income Taxes	(4,083)	11,060	(15,143)	(136.9%)
Net (Loss) Income	$ (40,223)	$ 20,970	$ (61,193)	(291.8%)

(1) Exclusive of depreciation and amortization

Excluding a $51.6 million increase from the 53rd week in fiscal 2025, consolidated revenue decreased $122.6 million or 4.4% in fiscal 2025 compared to the prior fiscal year. The decline in revenue compared to the prior year reflects a $105.6 million decline in uniforms and a $17.0 million decline in workplace supplies. Consolidated revenue for fiscal 2025 was negatively impacted by $7.1 million related to the effects of fluctuations in foreign exchange rates on currency. In addition to the impact of effects of fluctuations in foreign exchange rates on currency, rental revenue declined $89.0 million and direct sales declined $26.5 million. The $89.0 million decline in rental revenue was primarily due to a $69.9 million decline from lost business in excess of new business, a $13.9 million decline in revenue associated with inventory recovery charges, and a $5.2 million decline in revenue associated with our first aid supply business. The decline in direct sales revenue of $26.5 million was primarily attributable to a $15.6 million unfavorable impact from the loss of a national account customer.

Excluding a $37.9 million increase from the 53rd week in fiscal 2025, Cost of services provided decreased by $17.7 million, or 0.9%, compared to the prior fiscal year. The decrease was primarily driven by a $15.6 million reduction in delivery costs, and an $18.4 million decline in direct sales merchandise costs on lower direct sales revenue. These decreases were partially offset by a $10.1 million increase in rental merchandise amortization.

Excluding a $7.2 million increase from the 53rd week in fiscal 2025, Selling, general and administrative expenses decreased $7.2 million, or 1.4%, compared to the prior fiscal year. The decrease is primarily driven by the impact of headcount reductions and other cost savings measures, offset by an increase of $21.6 million in bad debt expense and a $13.9 million increase in severance charges. The severance charges were primarily related to the departure of certain former executives in the first half of the year and a reduction in the sales force that occurred in the fourth quarter of fiscal 2025.

Operating income of $64.4 million decreased 59.2% in fiscal 2025 compared to the prior fiscal year from the impact of changes in revenue and costs noted above.

Interest Expense, net, decreased $34.3 million in fiscal 2025 compared with the prior fiscal year, due primarily to lower average outstanding debt during fiscal 2025, and lower interest rates. The average debt in fiscal 2025 was $1,165.5 million compared with average debt in fiscal 2024 of $1,331.2 million. The weighted average interest rate in fiscal 2025 was 6.79% compared with 7.65% in fiscal 2024. Interest expense in fiscal 2024 also included a $3.9 million non-cash expense for the write-off of unamortized debt issuance costs associated with the extinguishment of an $800 million Term Loan A-1 as a result of its refinancing in fiscal 2024.

Other expense, net of other income, decreased $14.3 million, in fiscal 2025 from the prior fiscal year primarily due to a loss on sale of accounts receivable for the A/R Facility of $11.9 million, as the A/R Facility was entered into on August 2, 2024, approximately two months before the end of the prior fiscal year. Other expense, net of other income, was also negatively impacted by a $2.6 million decrease in income from the equity method investment, which was due to the sale of the equity investment in the first quarter of fiscal year 2025.

The benefit for income taxes for fiscal 2025 was recorded as a benefit at an effective rate of 9.2% in fiscal 2025 compared to an expense with an effective rate of 34.5% in fiscal 2024. The Company's effective rate for fiscal 2025 differed from the U.S. statutory rate primarily due to our consolidated pre-tax book loss relative to the impacts of state taxes, permanent book/tax differences consisting mainly of nondeductible executive compensation and meals and entertainment, share-based compensation, federal tax credits, and our international operations in jurisdictions with higher income tax rates. The Company's effective rate for fiscal 2024 differed from the U.S. statutory rate primarily due to our consolidated pre-tax book income relative to the impacts of state taxes, permanent book/tax differences consisting mainly of nondeductible executive compensation and meals and entertainment, and our international operations in jurisdictions with higher income tax rates.

Net loss of $40.2 million in fiscal 2025 represented a decrease of $61.2 million, or 291.8% compared to net income of $21.0 million in the prior fiscal year from the impact of changes to revenue, operating costs, interest expense, and income taxes noted above.

Results of Operations—United States Results

Fiscal 2025 Compared to Fiscal 2024

The following table presents an overview of the results for our United States reportable segment for fiscal 2025 and fiscal 2024, with the amount of and percentage change between periods (dollars in thousands).

	Fiscal Year Ended		Change	Change
	October 3, 2025	September 27, 2024	$	%
Revenue	$ 2,489,376	$ 2,555,922	$ (66,546)	(2.6%)
Segment Operating Income	154,011	264,709	(110,698)	(41.8%)
Segment Operating Income %	6.2%	10.4%		

Excluding a $47.0 million increase from the 53rd week in fiscal 2025, United States segment revenue decreased $113.5 million or 4.4% in fiscal 2025 compared to the prior fiscal year. The decline in revenue compared to the prior year reflects a $98.6 million decline in uniforms and a $14.9 million decline in workplace supplies. Rental revenue declined $88.3 million and direct sales declined $25.2 million. The $88.3 million decline in rental revenue was primarily due to a $69.9 million decline from lost business in excess of new business, a $13.2 million decline in revenue associated with inventory recovery charges, and a $5.2 million decline in revenue associated with our first aid supply business. The decline in direct sales revenue of $25.2 million was primarily attributable to a $15.6 million unfavorable impact from the previously anticipated loss of a national account customer.

Segment operating income of $154.0 million in fiscal 2025 decreased 41.8% compared to the prior fiscal year, driven by the decrease in revenue discussed above, additional costs related to the 53rd week and the increase in bad debts and severance discussed above.

Segment operating income margin decreased approximately 420 basis points from 10.4% in fiscal 2024 to approximately 6.2% in fiscal 2025.

Results of Operations—Canada Results

Fiscal 2025 Compared to Fiscal 2024

The following table presents an overview of our results for the Canada reportable segment for fiscal 2025 and fiscal 2024 with the amount of and percentage change between periods (dollars in thousands).

	Fiscal Year Ended		Change	Change
	October 3, 2025	September 27, 2024	$	%
Revenue	$ 245,463	$ 249,898	$ (4,435)	(1.8%)
Segment Operating Income	8,954	8,162	792	9.7 %
Segment Operating Income %	3.6%	3.3%		

Excluding a $4.6 million increase from the 53rd week in fiscal 2025, Canada segment revenue decreased $9.1 million or 3.6% in fiscal 2025 compared to the prior fiscal year. The decline in revenue compared to the prior year reflects a $7.0 million decline in uniforms and a $2.1 million decline in workplace supplies. Canada segment revenue for fiscal 2025 was negatively impacted by $7.1 million related to the effects of fluctuations in foreign exchange rates on currency. In addition to the impact of effects of fluctuations in foreign exchange rates on currency, rental revenue declined $0.7 million and direct sales declined $1.3 million. The $0.7 million decline in rental revenue was due to a $0.7 million decline in revenue associated with inventory recovery charges.

Segment operating income of $9.0 million increased 9.7% in fiscal 2025 compared to the prior fiscal year.

Segment operating income margin increased approximately 30 basis points from 3.3% in fiscal 2024 to 3.6% in fiscal 2025.

Liquidity and Capital Resources

Overview

Historically, our business has generated positive cash flows from operations. For the Combined Statement of Cash Flows for fiscal 2023, cash flows within our United States operations were transferred to Aramark regularly as part of Aramark's centralized cash management program. This arrangement was used to manage the liquidity of Aramark and fund the operations of our business as needed. That arrangement was not indicative of how we would have funded our operations had we been a standalone company separate from Aramark during fiscal 2023.

On September 29, 2023, the Company and certain of its subsidiaries entered into a senior secured credit agreement in the aggregate amount of $1,800 million (the "Credit Agreement"). The Credit Agreement was initially comprised of an $800 million term loan A-1 due September 29, 2025 ("Term Loan A-1"), a $700 million term loan A-2 due September 29, 2028 ("Term Loan A-2" and, together with the Term Loan A-1, the "Term Loan Facilities"), and a revolving credit facility available for loans in United States dollars and Canadian dollars with aggregate commitments of $300 million and a maturity of September 29, 2028 (the "Revolving Credit Facility"). The Term Loan A-2 requires $8.75M of principal payments each quarter until the maturity date, at which point the remaining unpaid principal amount is due. On February 22, 2024, the Company amended the Credit Agreement to refinance its Term Loan A-1 with an $800 million term loan B-1 due February 22, 2031 ("Term Loan B-1"). The Term Loan B-1 requires $2.0 million of principal payments each quarter until the maturity date, at which point the remaining unpaid principal amount is due.

During fiscal 2024, the Company paid principal amounts of $202.5 million and $135.0 million on its Term Loan A-2 and Term Loan B-1. As a result of these payments, the Company has met its quarterly principal payment obligations through the maturity of both term loans.

The Term Loan A-2 interest rate is, the Secured Overnight Financing Rate ("SOFR"), plus a Credit Spread Adjustment of 10 basis points and a margin from 1.50% to 2.50% depending on the Company's Consolidated Total Net Leverage Ratio, as defined in the Credit Agreement. The applicable margin on Term Loan A-2 was 2.33% during fiscal 2025.

The Term Loan B-1 interest rate is SOFR plus a margin from 2.0% to 2.25% depending on the Company's Consolidated Total Net Leverage Ratio, as defined in the Credit Agreement. The applicable margin on the Term Loan B-1 was 2.25% during fiscal 2025.

The Company's obligations under the Credit Facilities are guaranteed by the Company's existing and future wholly owned domestic material subsidiaries, subject to certain customary exceptions. Borrowings under the Credit Facilities are secured by first priority liens on substantially all the assets of the Company and the guarantors, subject to certain customary exceptions.

On September 29, 2023, concurrent with consummation of the Separation, we made a cash distribution of approximately $1,457 million to Aramark.

As of October 3, 2025, we had approximately $30 million of cash and cash equivalents and $268.2 million of availability for borrowing under the Revolving Credit Facility.

The table below summarizes our cash activity (in thousands):

	Fiscal Year Ended	
	October 3, 2025	September 27, 2024
Net cash provided by operating activities	$ 64,229	$ 471,788
Net cash used in investing activities	(19,817)	(73,636)
Net cash used in financing activities	(46,057)	(402,975)

Reference to the audited Consolidated and Combined Statements of Cash Flows will facilitate an understanding of the discussion that follows.

Cash Flows Provided by Operating Activities

Net cash provided by operating activities was $64.2 million and $471.8 million during fiscal 2025 and fiscal 2024, respectively. The $407.6 million decrease in cash flows from operating activities was primarily due to a $239.4 million incremental cash generation from receivables in fiscal 2024 that was primarily attributable to the A/R Facility that the Company entered into in August 2024. Also contributing to the reduced cash inflows in fiscal 2025 were lower cash inflows from accounts payable, accruals and other current liabilities during fiscal 2025 of approximately $114.9 million compared to fiscal 2024, as well as the net loss of $40.2 million (a year over year decline of $61.2 million when compared with net income of $21.0 million in the prior year). The change in accounts payable, accruals and other current liabilities reflect reduced operational spending due to the decrease in revenue and certain cost reduction initiatives.

Cash Flows Used in Investing Activities

Net cash used in investing activities of $19.8 million during fiscal 2025 was $53.8 million lower relative to fiscal 2024, primarily due to cash proceeds received of $37.7 million from the sale of the Sanikleen equity investment and lower year-over-year purchases of property and equipment, which were $20.4 million lower in fiscal 2025 compared to fiscal 2024. These activities were partially offset by cash outflows of $4.6 million associated with a tuck-in acquisition that was completed during the first quarter of fiscal 2025.

Cash Flows Used in Financing Activities

During fiscal 2025, cash used in financing activities was primarily impacted by the following:

- proceeds from long-term borrowings of $167 million;
- principal payments on long-term borrowings of $161 million;
- payments related to finance leases of $34.5 million; and
- dividend payments of $13.8 million.

During fiscal 2024, cash used in financing activities was primarily impacted by the following:

- proceeds from long-term borrowings of $798.0 million;
- principal payments on long-term borrowings of $1,137.5 million;

- payments related to finance leases of $30.6 million;
- dividend payments of $13.8 million
- payments related to debt issuance costs of $11.1 million; and
- cash distributions to Aramark of $6.1 million.

Accounts Receivable Securitization Facility

On August 2, 2024, certain of our subsidiaries entered into a three-year $250 million accounts receivable securitization facility (the “A/R Facility”). Under the A/R Facility, Vestis Services, LLC (“Vestis Services”) and certain other wholly-owned subsidiaries (together with Vestis Services, the “Originators”) transfer accounts receivable and certain related assets (collectively, the “Receivables”) to VS Financing, LLC, a bankruptcy remote special purpose entity (“SPE”) formed as a wholly-owned subsidiary of Vestis Services, who in turn, may sell Receivables to one or more financial institutions party to the facility (“Purchasers”). Transfers of the Receivables from the SPE to the Purchasers are accounted for as a sale of financial assets, and those accounts receivable are derecognized from the consolidated financial statements. Other than collection and administrative responsibilities, the Originators have no continuing involvement in the transferred Receivables. The Receivables, once sold to the SPE, are no longer available to satisfy creditors of any Originator in the event of its bankruptcy. These sales are priced at the face value of the relevant accounts receivable less a fair market value discount. The A/R Facility is structured on a revolving basis under which cash collections from Receivables are used to fund additional purchases of Receivables. The future outstanding balance of Receivables that will be sold is expected to vary based on the level of originations and other factors. The Purchasers benefit from the SPE’s guarantee of repayment on Receivables transferred as well as its pledge of additional Receivables as collateral. We have agreed to guarantee the performance of the Originators’ respective obligations under the A/R Facility. Neither we (except for the SPE referenced above) nor the Originators guarantees the collectability of the Receivables under the A/R Facility. The Company controls and therefore consolidates the SPE in its consolidated financial statements. The A/R Facility is scheduled to terminate on August 2, 2027, unless terminated earlier pursuant to its terms. As of October 3, 2025, the total value of accounts receivable sold under the A/R Facility and derecognized from the Company's Consolidated Balance Sheet was $202.5 million. Refer to Note 16, “*Accounts Receivable Securitization Facility,*” of our Consolidated and Combined Financial Statements for further discussion regarding our accounting for the A/R Facility.

Covenant Compliance

The Credit Agreement contains a number of covenants that, among other things, restrict, subject to certain exceptions, our ability to: incur additional indebtedness; issue preferred stock or provide guarantees; create liens on assets; engage in mergers or consolidations; sell or dispose of assets; pay dividends, make distributions or repurchase capital stock; engage in certain transactions with affiliates; make investments, loans or advances; create restrictions on the payment of dividends or other amounts to the Company from its restricted subsidiaries; amend material agreements governing our subordinated debt; repay or repurchase any subordinated debt, except as scheduled or at maturity; make certain acquisitions; change our fiscal year; and fundamentally change our business. Additionally, the Credit Agreement contains certain customary affirmative covenants. The Credit Agreement also includes customary events of default and other provisions that could require all amounts due thereunder to become immediately due and payable at the option of the lenders, if we fail to comply with the terms of the Credit Agreement or if other customary events occur.

Under the Credit Agreement, we are required to satisfy and maintain specified financial ratios and other financial condition tests and covenants. Our continued ability to meet those financial ratios, tests and covenants can be affected by events beyond our control, and there can be no assurance that we will meet those ratios, tests and covenants.

Prior to our May 1, 2025 amendment, which is described below, our Credit Agreement required us to maintain a maximum Consolidated Total Net Leverage Ratio, defined as consolidated total indebtedness in excess of unrestricted cash divided by Adjusted EBITDA (as defined in the Credit Agreement), not to exceed 5.25x for any fiscal quarter ending prior to March 31, 2025, and not to exceed 4.50x for any fiscal quarter ending on or after March 31, 2025, subject to certain exceptions. Consolidated total indebtedness is defined in the Credit Agreement as total indebtedness consisting of debt for borrowed money, finance leases, disqualified and preferred stock and advances under any receivables facility. Adjusted EBITDA is defined in the Credit Agreement as consolidated net income increased by interest expense, taxes, depreciation and amortization expense, initial public company costs, restructuring charges, write-offs and noncash charges, non-controlling interest expense, net cost savings in connection with any acquisition, disposition, or other permitted investment under the Credit Agreement, share-based compensation expense, non-recurring or unusual gains and losses, reimbursable insurance costs, cash expenses related to earn outs, and insured losses.

Additionally, the Credit Agreement establishes a minimum Interest Coverage Ratio, defined as Adjusted EBITDA (as defined in the Credit Agreement) divided by consolidated interest expense. The minimum Interest Coverage Ratio is required to be at least 2.00x for the term of the Credit Agreement.

Recent Amendment to Credit Agreement

On May 1, 2025, the Company entered into Amendment No. 2 to its Credit Agreement. This amendment increased the Consolidated Total Net Leverage Ratio from 4.50x to (i) 5.25x for any fiscal quarter ending prior to July 3, 2026, (ii) 5.00x for the fiscal quarter ending July 3, 2026 and (iii) 4.75x for the fiscal quarter ending October 2, 2026. Pursuant to this amendment, the Consolidated Total Net Leverage Ratio will remain at 4.50x for the first quarter of fiscal 2027 through maturity.

This amendment also provided a $15 million bad debt expense adjustment to Adjusted EBITDA in the fiscal quarter ended March 28, 2025 for the purposes of determining compliance with the financial covenants.

The principal amounts of both the revolving credit facility commitment and term loan facility remain unchanged following this amendment.

As part of this amendment, the Company agreed to limit the aggregate size of its A/R Facility and any other receivables facilities to $250 million and restrict all dividends and share repurchases, in each case until the earlier of (i) any fiscal quarter ending after October 2, 2026 so long as the Company is then in compliance with the financial covenants and (ii) when the Company achieves a net leverage ratio below or equal to 4.50x as of the last day of two consecutive quarters through the end of fiscal 2026.

At October 3, 2025, we were in compliance with all covenants under the Credit Agreement.

Future Liquidity and Contractual Obligations

We primarily rely on cash and recurring cash flow provided by operations to fund our operations. As of October 3, 2025, we have access to $268.2 million of borrowing capacity from our Revolving Credit Facility and expect to have access to capital markets for additional funding. The cost and availability of debt financing will be influenced by market conditions and our future credit ratings. We believe that we will meet known and likely future cash requirements through the combination of cash flows from operating activities, available cash balances, available borrowings under our financing arrangements and access to capital markets.

Our recurring cash needs are primarily directed toward working capital requirements to support ongoing business activities, investments in growth initiatives, capital expenditures, acquisitions, interest payments and repayment of borrowings. Our ability to fund these needs will depend, in part, on our ability to generate or raise cash in the future, which is subject to general economic, financial, competitive, regulatory, and other factors that are beyond our control.

The following table summarizes our future obligations for long-term borrowings, estimated interest payments, finance leases, future minimum lease payments under noncancelable operating leases, purchase obligations and other liabilities as of October 3, 2025 (dollars in thousands):

	Payments Due by Period				
Contractual Obligations as of October 3, 2025	**Total**	**Less than 1 year**	**1-3 years**	**3-5 years**	**More than 5 years**
Long-term borrowings[1]	1,168,500	—	503,500	—	665,000
Estimated interest payments[2]	330,019	75,227	150,454	86,710	17,628
Finance lease obligations	191,876	42,293	71,906	71,518	6,159
Operating leases	126,262	27,921	45,238	27,384	25,719
Purchase obligations[3]	6,200	6,200	—	—	—
Other liabilities[4]	7,392	7,392	—	—	—
	$ 1,830,249	$ 159,033	$ 771,098	$ 185,612	$ 714,506

(1) Excludes the $12.0 and $1.4 million reduction to long-term borrowings from debt issuance costs and debt discount, respectively.

(2) Interest payments on long-term debt includes interest due on outstanding debt obligations under our Credit Agreement. Payments related to variable rate debt are based on applicable rates at October 3, 2025 plus the specified margin in the Credit Agreement for each period presented.
(3) Represents purchase commitments for inventory.
(4) Includes severance.

Critical Accounting Policies and Estimates

Our significant accounting policies are described in the notes to the audited Consolidated and Combined Financial Statements included in this Annual Report. We have chosen accounting policies that management believes are appropriate to accurately and fairly report our operating results and financial position in conformity with U.S. GAAP. We apply these accounting policies in a consistent manner.

In preparing our Consolidated and Combined Financial Statements, management is required to make estimates and assumptions that, among other things, affect the reported amounts of assets, liabilities, revenues, and expenses. These estimates and assumptions are most significant where they involve levels of subjectivity and judgment necessary to account for highly uncertain matters or matters susceptible to change, and where they can have a material impact on our financial condition and operating performance. If actual results were to differ materially from the estimates made, the reported results could be materially affected.

Critical accounting estimates and the related assumptions are evaluated periodically as conditions warrant, and changes to such estimates are recorded as new information or changed conditions require.

Revenue Recognition

We generate and recognize over 95% of our total revenue from route servicing contracts on both uniforms, which we generally manufacture, and workplace supplies, such as mats, towels, and linens that are procured from third-party suppliers. Revenue from these contracts represent a single-performance obligation and are recognized over time as services are performed based on the nature of services provided and contractual rates (output method). We generate our remaining revenue primarily from the direct sale of uniforms to customers, with such revenue being recognized when our performance obligation is satisfied, typically upon the transfer of control of the promised product to the customer.

Goodwill

Annually, in our fiscal fourth quarter, we perform an impairment assessment of goodwill at the reporting unit level. This assessment may first consider qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. Examples of qualitative factors include, macroeconomic conditions, industry and market considerations, cost factors, overall financial performance, entity-specific events, events affecting reporting units and sustained changes in our stock price. If results of the qualitative assessment indicate a more likely than not determination of impairment or if a qualitative assessment is not performed, a quantitative test is performed by comparing the estimated fair value, using a combination of a discounted cash flow method and a market method, for each reporting unit with its estimated net book value. For the fiscal years ended October 3, 2025 and September 27, 2024, Vestis had two reporting units, Unites States and Canada. During the fourth quarter of fiscal 2025, we performed the annual impairment test for goodwill using a quantitative testing approach. Based on the evaluation performed, we determined that the fair value of the reporting units exceeded their respective carrying amount, and therefore, we determined that goodwill was not impaired.

The determination of fair value for the Vestis reporting units includes assumptions, which are considered Level 3 inputs, that are subject to risk and uncertainty. The discounted cash flow calculations are dependent on several subjective factors including the timing of future cash flows, the underlying margin projection assumptions, future growth rates and the discount rate. The market method is dependent on several subjective factors including the determination of market multiples and future cash flows. If our assumptions or estimates in our fair value calculations change or if future cash flows, margin projections or future growth rates vary from what was expected, this may impact our impairment analysis and could reduce the underlying cash flows used to estimate fair values and result in a decline in fair value that may trigger future impairment charges.

We believe that an accounting estimate relating to goodwill impairment is a critical accounting estimate because the assumptions underlying future cash flow estimates are subject to change from time to time and the recognition of an impairment could have a significant impact on our Consolidated and Combined Statements of Income.

Litigation and Claims

From time to time, we and our subsidiaries are party to various legal actions, proceedings and investigations involving claims incidental to the conduct of our businesses, including actions by customers, employees, government entities and third parties, including under federal, state, international, national, provincial and local employment laws, wage and hour laws, discrimination laws, immigration laws, human health and safety laws, import and export controls and customs laws, environmental laws, false claims or whistleblower statutes, tax codes, antitrust and competition laws, customer protection statutes, procurement regulations, intellectual property laws, supply chain laws, the Foreign Corrupt Practices Act and other anti-corruption laws, lobbying laws, motor carrier safety laws, data privacy and security laws, or claims alleging negligence and/or breach of contractual and other obligations. We consider the measurement of litigation reserves as a critical accounting estimate because of the significant uncertainty in some cases relating to the outcome of potential claims or litigation and the difficulty of predicting the likelihood and range of potential liability involved, coupled with the material impact on our results of operations that could result from litigation or other claims. In determining legal reserves, we consider, among other issues:

- interpretation of contractual rights and obligations;
- the status of government regulatory initiatives, interpretations, and investigations;
- the status of settlement negotiations;
- prior experience with similar types of claims;
- whether there is available insurance; and
- advice of counsel.

Insurance reserves

The Company's primary insurance exposures relate to workers' compensation, auto liability and other general liability. Insurance reserves, as of the balance sheet dates, represent the estimated ultimate cost of reported and unreported claims (incurred but not reported). Such reserves are estimated through actuarial valuations, with the assistance of third-party actuarial specialists. Such valuations take into account industry assumptions, adjusted for specific expectations based on the Company's claims history. Increases or decreases in the reserves are reflected as components of cost of services (exclusive of depreciation and amortization) and selling and administrative expenses, and are impacted by development of prior claims, higher claims activity and other industry factors in the period in which they become known. Such estimates require a high degree of judgment especially since Vestis has a relatively short claims history as a stand-alone company. Changes in such estimates can be material to the consolidated financial statements. The estimated current portion of such reserves are included in "Accrued expenses and other current liabilities," while the estimated long-term portion is included in "Other Noncurrent Liabilities" in the consolidated balance sheets.

Allowance for Credit Losses

We encounter credit loss risks associated with the collection of receivables. We analyze historical experience, current general and specific industry economic conditions, industry concentrations, such as exposure to small and medium-sized businesses, the nonprofit healthcare sector, federal and local governments, and reasonable and supportable forecasts that affect the collectability of the reported amount in estimating credit losses. The accounting estimate related to the allowance for credit losses is a critical accounting estimate because the underlying assumptions used for the allowance can change from time to time and credit losses could potentially have a material impact on our results of operations.

Inventories and Rental Merchandise In Service

We record an inventory obsolescence reserve for obsolete, excess, and slow-moving inventory. In calculating our inventory obsolescence reserve, we analyze historical and projected data regarding customer demand within specific product categories and make assumptions regarding economic conditions within customer specific industries, as well as style and product changes.

Rental merchandise in service is valued at cost less accumulated amortization, calculated using the straight-line method. Rental merchandise in service is amortized over its useful life, which ranges from one to four years. The amortization rates are based on industry experience, intended use of the merchandise, our specific experience, and wear tests performed by us. These factors are critical to determining the amount of rental merchandise in service and related cost of services provided that are presented in the Consolidated and Combined Financial Statements. Material differences may result in the amount and timing of operating income if management makes significant changes to these estimates.

Costs to Obtain a Contract

We defer employee sales commissions earned by our sales force that are considered to be incremental and recoverable costs of obtaining a contract. The deferred costs are amortized using the portfolio approach on a straight-line basis over the average period of benefit, approximately nine years, and are assessed for impairment on a periodic basis.

Income Taxes

Prior to the Separation, our operations were included in Aramark's U.S. federal and state tax returns for those taxable periods. With respect to such taxable periods, income taxes on our financial statements were calculated on a separate tax return basis. Beginning after the Separation, we file tax returns separate from Aramark, and our deferred taxes and effective tax rates may differ from those of the historical periods.

Judgment is required to determine the annual effective income tax rate, deferred tax assets and liabilities, reserves for unrecognized tax benefits and any valuation allowances recorded against net deferred tax assets. Our effective income tax rate is based on annual income, statutory tax rates and other adjustments in the jurisdictions in which we operate. Our annual effective income tax rate includes the impact of discrete income tax matters including adjustments to reserves for uncertain tax positions. Tax regulations require items to be included in our tax returns at different times than these same items are reflected in our consolidated financial statements. As a result, the effective income tax rate in our consolidated financial statements differs from that reported in our tax returns. Some of these differences are permanent, such as expenses that are not tax deductible, while others are temporary differences, such as amortization and depreciation expenses.

Temporary differences create deferred tax assets and liabilities, which are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. We establish valuation allowances for our deferred tax assets when the amount of expected future taxable income is not large enough to utilize the entire deduction or credit. Relevant factors in determining the realizability of deferred tax assets include future taxable income, the expected timing of the reversal of temporary differences, tax planning strategies and the expiration dates of the various tax attributes.

Refer to Note 11, "*Income Taxes,*" of our Consolidated and Combined Financial Statements for further discussion regarding our accounting for income taxes and our uncertain tax positions for financial accounting purposes.

New Accounting Standards Updates

See Note 1 to the audited Consolidated and Combined Financial Statements for a full description of recent accounting standard updates, including the expected dates of adoption.

Item 7A. ***Quantitative and Qualitative Disclosures About Market Risk.***

Foreign Currency Risk

We are exposed to market risk from changes in foreign currency exchange rates. This exposure results from revenues and profits denominated in foreign currencies being translated into U.S. dollars and from our legal entities entering into transactions denominated in a foreign currency other than their functional currency. We currently do not enter into financial instruments to manage this foreign currency translation risk. Approximately 9% of our consolidated revenues are generated from foreign denominated revenues.

Interest Rate Risk

We are exposed to interest rate risk through fluctuations in interest rates on our debt obligations. Our outstanding Term Loan Facilities bear interest at variable rates. As a result, increases in interest rates could increase the cost of servicing our debt and could materially reduce our profitability and cash flows. We seek to manage exposure to adverse interest rate changes through our normal operating and financing activities. Each 1% increase in interest rates on the Term Loan Facilities would increase our annual interest expense by approximately $11.4 million based on the aggregate principal amount outstanding under the Term Loan Facilities as of October 3, 2025. As of October 3, 2025, $1,143 million aggregate principal amount was outstanding under the Term Loan Facilities.

Commodity Price Risk

We are exposed to changes in prices of commodities used in our operations, primarily associated with gasoline, diesel and natural gas fuel. We may from time to time seek to manage exposure to adverse commodity price changes through our normal operations as well as through entering into commodity derivative agreements. As of October 3, 2025, we had no outstanding derivative arrangements.

Item 8. ***Financial Statements and Supplementary Data.***

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and the Board of Directors of Vestis Corporation

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Vestis Corporation and subsidiaries (the "Company") as of October 3, 2025 and September 27, 2024, respectively, the related consolidated and combined statements of income, comprehensive income, cash flows and changes in equity, for each of the three years in the period ended October 3, 2025, September 27, 2024 and September 29, 2023, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of October 3, 2025 and September 27, 2024, and the results of its operations and its cash flows for each of the three years in the period ended October 3, 2025, September 27, 2024 and September 29, 2023, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of October 3, 2025, based on criteria established in Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated December 2, 2025, expressed an unqualified opinion on the Company's internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current-period audit of the financial statements that were communicated or required to be communicated to the Audit Committee and that (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relates.

Goodwill – Refer to Notes 1 and 3 to the financial statements

Critical Audit Matter Description

The Company evaluates goodwill for impairment annually or more frequently whenever events or circumstances indicate that the fair value of its reporting units may be below their carrying value. The Company uses a combination of the income and market approaches to estimate fair value. The Company utilizes a discounted cash flow model to perform its income approach, which requires management to make significant judgments in their assumptions including the discount rate and forecasts of future gross profit margin and EBITDA. Changes in the judgments or assumptions used in management's evaluation could have a material impact on the fair value of the reporting unit, the amount of any goodwill impairment charge, or both. Management completed the annual impairment test as of August 22, 2025, and determined that the fair value exceeded the net carrying value of its two reporting units, United States and Canada. The goodwill balance was $961,732 thousand as of October 3, 2025, of which $896,237 thousand was allocated to the United States and $65,495 thousand was allocated to the Canadian reporting units.

Given the significant judgments made by management to estimate the fair value of the United States and Canada reporting units and the difference between their fair values and carrying values, performing audit procedures to evaluate the reasonableness of management's estimates and assumptions related to the selection of the discount rate and forecasts of future gross profit margin and EBITDA, specifically due to the sensitivity of the Company's forecasts to the restructuring plan (described in Note 17), required a high degree of auditor judgment and an increased extent of effort, including the need to involve our fair value specialists.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to Goodwill included the following, among others:

- We tested the effectiveness of controls over management's goodwill impairment evaluation including those over the determination of the reporting unit's fair value, such as controls related to management's selection of the discount rate and forecasted gross profit margin and EBITDA.
- With the assistance of our fair value specialists, we evaluated the reasonableness of the discount rate, including testing the source information underlying the determination of the discount rate, testing the mathematical accuracy of the calculation, developing a range of independent estimates, performing sensitivity analysis and comparing those to the discount rate selected by management.
- We performed sensitivity analysis on the forecasted gross profit margins and EBITDA including consideration of the impact of economic conditions and market uncertainty.
- We evaluated the reasonableness of management's gross profit margin and EBITDA forecasts by comparing the forecasts to (1) historical results, (2) internal communications to management and the Board of Directors, and (3) forecasted information included in Company press releases as well as analyst and industry reports for the Company and certain of its peer companies. We also evaluated the reasonableness of management's projected gross profit and EBITDA forecasts by selecting, on a sample basis, elements of the Company's Restructuring Plan to understand the nature of the operating cost savings, compared the forecasted savings to underlying supporting calculations, compared actual results to-date to forecasted results for those activities that have been implemented, and performed a search for contradictory evidence.

Self-Insured Liabilities — Refer to Note 1 to the financial statements

Critical Audit Matter Description

At October 3, 2025, the Company's self-insured liabilities were $52,975 thousand. As described in Note 1 to the Company's consolidated financial statements, the Company's self-insured liabilities represent the estimated ultimate cost of all asserted and unasserted (incurred but not reported) claims related to workers' compensation, auto liability and general liability exposures. The unasserted (incurred but not reported) self-insured liabilities are estimated through actuarial procedures and by using industry assumptions, adjusted for Company specific expectations based on claims history. Auditing the Company's estimate of the unasserted (incurred but not reported) self-insured liabilities is judgmental and complex due to the significant estimation uncertainty of the potential value of unasserted claims, which are developed with the assistance of a third-party actuarial specialist.

How the Critical Audit Matter Was Addressed in the Audit

- We obtained an understanding, evaluated the design and tested the operating effectiveness of internal controls over the Company's self-insured liabilities. This includes internal controls over the claims activity and actuarial methods used to establish the unasserted (incurred but not reported) self-insured liabilities. Specifically, we tested internal controls related to management's review of data provided to the third-party actuarial specialist and validation of claim activity.
- To test the unasserted (incurred but not reported) self-insured liabilities, our audit procedures included, among others, assessing the methodologies and assumptions used to estimate the self-insured liabilities, testing the completeness and accuracy of the underlying claims data and vouching payments made to third parties.
- In addition, we compared the Company's contractual self-insured retentions, deductibles, and coverage limits used within the self-insured liabilities estimate to the Company's contractual agreements.
- Furthermore, we involved our actuarial specialists to assist in evaluating the methodologies and assumptions used by management to determine the unasserted (incurred but not reported) self-insured liabilities and comparing the Company's recorded unasserted (incurred but not reported) self-insured liabilities to a range developed based on independently selected actuarial methodologies.

/s/ Deloitte & Touche LLP

Atlanta, Georgia

December 2, 2025

We have served as the Company’s auditor since 2023.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and the Board of Directors of Vestis Corporation

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Vestis Corporation and subsidiaries (the "Company") as of October 3, 2025, based on criteria established in Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of October 3, 2025, based on criteria established in Internal Control — Integrated Framework (2013) issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended October 3, 2025, of the Company and our report dated December 2, 2025, expressed an unqualified opinion on those financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Deloitte & Touche LLP

Atlanta, Georgia

December 2, 2025

VESTIS CORPORATION
CONSOLIDATED AND COMBINED STATEMENTS OF INCOME (LOSS)

FOR THE FISCAL YEARS ENDED
OCTOBER 3, 2025, SEPTEMBER 27, 2024 AND SEPTEMBER 29, 2023
(in thousands, except per share amounts)

	Fiscal Year Ended		
	October 3, 2025	September 27, 2024	September 29, 2023
Revenue	$ 2,734,839	$ 2,805,820	$ 2,825,286
Operating Expenses:			
Cost of services provided (exclusive of depreciation and amortization)	2,010,082	1,989,872	1,970,215
Depreciation and amortization	143,017	140,781	136,504
Selling, general and administrative expenses	517,309	517,216	500,658
Total Operating Expenses	2,670,408	2,647,869	2,607,377
Operating Income	64,431	157,951	217,909
Loss (Gain) on Sale of Equity Investment, net	2,784	—	(51,831)
Interest Expense, net	92,264	126,563	2,109
Other Expense (Income), net	13,689	(642)	(2,099)
(Loss) Income Before Income Taxes	(44,306)	32,030	269,730
(Benefit) Provision for Income Taxes	(4,083)	11,060	56,572
Net (Loss) Income	$ (40,223)	$ 20,970	$ 213,158
(Loss) earnings per share:			
Basic	$ (0.31)	$ 0.16	$ 1.63
Diluted	$ (0.31)	$ 0.16	$ 1.63
Weighted Average Shares Outstanding:			
Basic	131,751	131,506	130,725
Diluted	131,751	131,787	130,725

The accompanying notes are an integral part of these Consolidated and Combined Financial Statements.

VESTIS CORPORATION
CONSOLIDATED AND COMBINED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

FOR THE FISCAL YEARS ENDED
OCTOBER 3, 2025, SEPTEMBER 27, 2024 AND SEPTEMBER 29, 2023
(in thousands)

	Fiscal Year Ended		
	October 3, 2025	**September 27, 2024**	**September 29, 2023**
Net Income (loss)	$ (40,223)	$ 20,970	$ 213,158
Other Comprehensive Income (Loss), net of tax:			
Pension plan adjustments	(450)	(30)	(655)
Foreign currency translation adjustments	3,034	2,292	1,162
Other Comprehensive Income (Loss), net of tax	2,584	2,262	507
Comprehensive Income (loss)	$ (37,639)	$ 23,232	$ 213,665

The accompanying notes are an integral part of these Consolidated and Combined Financial Statements.

VESTIS CORPORATION
CONSOLIDATED BALANCE SHEETS

OCTOBER 3, 2025 AND SEPTEMBER 27, 2024
(in thousands, except share and per share amounts)

	October 3, 2025	September 27, 2024
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 29,748	$ 31,010
Receivables (net of allowances: $32,677; $19,804, respectively)	162,295	177,271
Inventories, net	179,020	164,913
Rental merchandise in service, net	405,625	396,094
Other current assets	73,343	43,981
Total current assets	850,031	813,269
Property and Equipment, at cost:		
Land, buildings and improvements	565,677	590,972
Equipment	1,172,877	1,168,142
	1,738,554	1,759,114
Less - Accumulated depreciation	(1,075,092)	(1,088,256)
Total property and equipment, net	663,462	670,858
Goodwill	961,732	963,844
Other Intangible Assets, net	188,837	212,773
Operating Lease Right-of-use Assets	85,108	73,530
Other Assets	157,730	198,113
Total Assets	$ 2,906,900	$ 2,932,387
LIABILITIES AND EQUITY		
Current Liabilities:		
Current maturities of financing lease obligations	$ 35,234	$ 31,347
Current operating lease liabilities	20,189	19,886
Accounts payable	158,362	163,054
Accrued payroll and related expenses	93,897	96,768
Accrued expenses and other current liabilities	101,282	145,047
Total current liabilities	408,964	456,102
Long-Term Borrowings	1,155,143	1,147,733
Noncurrent Financing Lease Obligations	131,071	115,325
Noncurrent Operating Lease Liabilities	77,032	66,111
Deferred Income Taxes	177,337	191,465
Other Noncurrent Liabilities	91,709	52,600
Total Liabilities	2,041,256	2,029,336
Commitments and Contingencies (see Note 9)		
Equity:		
Common stock, par value $0.01 per share, 350,000,000 shares authorized, 131,859,470 and 131,481,967 shares issued and outstanding as of October 3, 2025 and September 27, 2024, respectively	1,319	1,315
Additional paid-in capital	937,531	928,082
(Accumulated deficit) retained earnings	(46,879)	2,565
Accumulated other comprehensive loss	(26,327)	(28,911)
Total Equity	865,644	903,051
Total Liabilities and Equity	$ 2,906,900	$ 2,932,387

The accompanying notes are an integral part of these Consolidated and Combined Financial Statements.

VESTIS CORPORATION
CONSOLIDATED AND COMBINED STATEMENTS OF CHANGES IN EQUITY

FOR THE FISCAL YEARS ENDED
OCTOBER 3, 2025, SEPTEMBER 27, 2024 AND SEPTEMBER 29, 2023
(in thousands)

	Common Stock						
	Shares Outstanding	Par Value	Additional Paid-In Capital	Retained Earnings (Accumulated deficit)	Net Parent Investment	Accumulated Other Comprehensive Loss	Total Parent's Equity
Balance, September 30, 2022	—	$ —	$ —	$ —	$ 2,367,492	$ (31,680)	$ 2,335,812
Net Income	—	—	—	—	213,158	—	213,158
Net Transfers to Parent	—	—	—	—	(1,672,117)	—	(1,672,117)
Other Comprehensive Loss	—	—	—	—	—	507	507
Balance, September 29, 2023	—	$ —	$ —	$ —	$ 908,533	$ (31,173)	$ 877,360
Separation-related adjustments	—	$ —	$ —	$ —	$ 6,406	$ —	$ 6,406
Issuance of common stock in connection with the Separation and reclassification of net parent investment[(1)]	131,225	$ 1,312	$ 913,627	$ —	$ (914,939)	$ —	$ —
Net Income	—	$ —	$ —	$ 20,970	$ —	$ —	$ 20,970
Net Transfers to Parent	—	—	—	—	—	—	—
Dividends Declared ($0.035 per common share)	—	—	—	(18,405)	—	—	(18,405)
Other Comprehensive Income	—	—	—	—	—	2,262	2,262
Share-based compensation expense	—	$ —	$ 16,336	$ —	$ —	$ —	$ 16,336
Issuance of common stock upon exercise of stock options or awards of restricted stock units	257	$ 3	$ 155	$ —	$ —	$ —	$ 158
Tax payments related to shares withheld for share based compensation plans	—	$ —	$ (2,036)	$ —	$ —	$ —	$ (2,036)
Balance, September 27, 2024	131,482	$ 1,315	$ 928,082	$ 2,565	$ —	$ (28,911)	$ 903,051
Separation-related adjustments	—	$ —	$ —	$ —	$ —	$ —	$ —
Net Loss	—	—	—	(40,223)	—	—	(40,223)
Dividends Declared ($0.035 per common share)	—	—	—	(9,221)	—	—	(9,221)
Other Comprehensive Income (Loss)	—	—	—	—	—	2,584	2,584
Share-based compensation expense	—	—	11,565	—	—	—	11,565
Issuance of common stock upon exercise of stock options or awards of restricted stock units	377	4	(4)	—	—	—	—
Tax payments related to shares withheld for share based compensation plans	—	—	(2,112)	—	—	—	(2,112)
Balance, October 3, 2025	131,859	$ 1,319	$ 937,531	$ (46,879)	$ —	$ (26,327)	$ 865,644

(1) The issuance of common stock in connection with the Separation consists of 130.7 million shares of common stock distributed and 0.5 million shares contributed to an Aramark donor advised fund for charitable contributions.

The accompanying notes are an integral part of these Consolidated and Combined Financial Statements.

VESTIS CORPORATION
CONSOLIDATED AND COMBINED STATEMENTS OF CASH FLOWS

FOR THE FISCAL YEARS ENDED
OCTOBER 3, 2025, SEPTEMBER 27, 2024 AND SEPTEMBER 29, 2023
(in thousands)

	Fiscal Year Ended		
	October 3, 2025	**September 27, 2024**	**September 29, 2023**
Cash flows from operating activities:			
Net (Loss) Income	$ (40,223)	$ 20,970	$ 213,158
Adjustments to reconcile Net (Loss) Income to Net cash provided by operating activities:			
Depreciation and amortization	143,017	140,781	136,504
(Gain) loss on sale of equity investment, net	2,784	—	(51,831)
Deferred income taxes	(13,398)	(19,576)	14,370
Share-based compensation expense	11,565	16,336	14,467
Asset write-downs	1,169	980	7,698
(Gain) loss on disposals of property and equipment	(490)	1,042	—
Amortization of debt issuance costs	3,637	4,683	—
Loss on extinguishment of debt	—	3,883	—
Changes in operating assets and liabilities:			
Receivables, net	14,002	215,814	(23,612)
Inventories, net	(13,725)	9,868	8,929
Rental merchandise in service, net	(10,644)	3,126	(5,334)
Other current assets	(25,116)	(2,684)	952
Accounts payable	(267)	21,665	(32,888)
Accrued expenses and other current liabilities	(12,371)	80,561	(7,928)
Changes in other noncurrent liabilities	8,540	(16,212)	(944)
Changes in other assets	(4,031)	(9,482)	(8,715)
Other operating activities	(220)	33	(7,849)
Net cash provided by operating activities	64,229	471,788	256,977
Cash flows from investing activities:			
Purchases of property and equipment and other	(58,460)	(78,905)	(77,870)
Proceeds from disposals of property and equipment	5,524	5,269	11,180
Proceeds from sale of equity investment	37,659	—	51,869
Other investing activities	(4,540)	—	75
Net cash used in investing activities	(19,817)	(73,636)	(14,746)
Cash flows from financing activities:			
Proceeds from long-term borrowings	167,000	798,000	1,500,000
Payments of long-term borrowings	(161,000)	(1,137,500)	—
Payments of financing lease obligations	(34,496)	(30,608)	(27,601)
Dividend payments	(13,822)	(13,801)	—
Debt issuance costs	(1,628)	(11,134)	(13,749)
Other financing activities	(2,111)	(1,881)	—
Net cash distributions to Parent	—	(6,051)	(1,688,919)
Net cash used in financing activities	(46,057)	(402,975)	(230,269)
Effect of foreign exchange rates on cash and cash equivalents	383	(218)	353
Increase (Decrease) in cash and cash equivalents	(1,262)	(5,041)	12,315
Cash and cash equivalents, beginning of period	31,010	36,051	23,736
Cash and cash equivalents, end of period	$ 29,748	$ 31,010	$ 36,051

The accompanying notes are an integral part of these Consolidated and Combined Financial Statements.

VESTIS CORPORATION
NOTES TO THE CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS

NOTE 1. NATURE OF BUSINESS, BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Vestis Corporation ("Vestis", the "Company", “we”, “us” or “our”) is a leading provider of uniforms and workplace supplies across the United States and Canada. The Company provides uniforms, mats, towels, linens, restroom supplies, first-aid supplies and safety products. The Company’s customer base participates in a wide variety of industries, including manufacturing, hospitality, retail, government, automotive, healthcare, food processing and pharmaceuticals. The Company serves customers ranging from small, family-owned operations with a single location to large corporations and national franchises with multiple locations. The Company’s customers value the uniforms and workplace supplies it delivers as its services and products can help them reduce operating costs, enhance their brand image, maintain a safe and clean workplace and focus on their core business. The Company leverages its broad footprint and its supply chain, delivery fleet and route logistics capabilities to serve customers on a recurring basis, typically weekly, and primarily through multi-year contracts. In addition, the Company offers customized uniforms through direct sales agreements, typically for large, regional or national companies.

The Company manages and evaluates its business activities based on geography and, as a result, determined that its United States and Canada businesses are its operating segments. The Company’s operating segments are also its reportable segments. The United States and Canada reportable segments both provide a range of uniforms and workplace supplies. The Company’s uniforms business generates revenue from the rental, servicing and direct sale of uniforms to customers, including the design, sourcing, manufacturing, customization, personalization, delivery, laundering, sanitization, repair and replacement of uniforms. The uniform options include shirts, pants, outerwear, gowns, scrubs, high visibility garments, particulate-free garments and flame-resistant garments, along with shoes and accessories. The Company’s workplace supplies business generates revenue from the rental and servicing of workplace supplies, including restroom supply services, first-aid supplies and safety products, floor mats, towels and linens.

On September 30, 2023 (the "Distribution Date"), Aramark completed the previously announced spin-off of Vestis (the “Separation”). The Separation was completed through a distribution of the Company's common stock to holders of record of Aramark’s common stock as of the close of business on September 20, 2023 (the “Distribution”), which resulted in the issuance of approximately 131.2 million shares of common stock, which includes 0.5 million shares contributed to an Aramark donor-advised fund for charitable contributions. Aramark’s stockholders of record received one share of Vestis common stock for every two shares of common stock, par value $0.01, of Aramark. As a result of the Separation, the Company became an independent public company. Our common stock is listed under the symbol “VSTS” on the NYSE. In connection with the Separation, the Company entered into or adopted several agreements that provide a framework for the relationship between the Company and Aramark. See Note 15. "Related Party Transactions and Parent Company Investment" for more information on these agreements.

During the fiscal year ended September 27, 2024, certain Separation-related adjustments were recorded which included a net increase in total equity of $6.4 million. These adjustments primarily consisted of: (a) cash transfers paid to Aramark of $6.1 million to settle transactions related to the Separation, and (b) adjustments to the Company's deferred income tax liabilities totaling a $12.7 million net increase.

Basis of Presentation

The Consolidated and Combined Financial Statements (the "Financial Statements") were prepared in accordance with generally accepted accounting principles in the United States (“U.S. GAAP”) and pursuant to the rules and regulations of the U.S. Securities and Exchange Commission (“SEC”). The Financial Statements reflect the historical results of operations, comprehensive income and cash flows for the years ended October 3, 2025, September 27, 2024 and September 29, 2023 and the financial position as of October 3, 2025 and September 27, 2024 for the Company and are denominated in United States (“U.S.”) dollars. Certain prior period amounts have been reclassified to conform to the current period presentation.

Prior to the Separation, the Company’s business functioned together with other Aramark businesses. The assets, liabilities, revenue and expenses of the Company prior to the Separation have been reflected as Combined Financial Statements on a historical cost basis, as included in the consolidated financial statements of Aramark, using the historical accounting policies applied by Aramark. Prior to the Separation, separate financial statements had not been prepared for the Company, and it had not operated as a standalone business from Aramark. The historical results of operations and cash flows of the Company prior to the Separation presented in these Consolidated and Combined Financial Statements may not be indicative of what they would have been had the Company actually been an independent standalone public company. Transactions between the Company and Aramark for the years ended September 27, 2024 and September 29, 2023 have been included in the Consolidated and Combined Financial Statements and are considered related party transactions (see Note 15. "Related Party Transactions and Parent Company Investment").

All intercompany transactions and balances within the Company have been eliminated. Transactions between the Company and Aramark have been included in these Consolidated and Combined Financial Statements and are considered related party transactions (see Note 15. "Related Party Transactions and Parent Company Investment").

The "Provision for Income Taxes" in the Combined Statement of Income for the year ended September 29, 2023 has been calculated as if the Company filed a separate tax return and was operating as a standalone company. Therefore, income tax expense, cash tax payments and items of current and deferred income taxes may not be reflective of the Company's actual tax balances prior to or subsequent to the distribution.

After the Separation, Vestis became a standalone public company and the Consolidated Financial Statements were prepared in accordance with U.S. GAAP and pursuant to the rules and regulations of the SEC. These Consolidated and Combined Financial Statements reflect, in the opinion of management, all material adjustments (which include only normal recurring adjustments) necessary to fairly state, in all material respects, our financial position, results of operations and cash flows for the periods presented. All intercompany transactions and balances within the Company have been eliminated.

Fiscal Year

The Company's fiscal year is the 52- or 53-week period which ends on the Friday nearest to September 30th. The fiscal year ended October 3, 2025 (or fiscal 2025) was a 53-week period, while the fiscal years ended September 27, 2024 (or fiscal 2024) and September 29, 2023 (or fiscal 2023) were each 52-week periods.

New Accounting Standards Updates

Adopted Standards (from most to least recent date of issuance)

In November 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standard Update ("ASU") 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*, which is intended to improve reportable segment disclosures, primarily through enhanced disclosures regarding significant segment expenses. The amendments require public entities to disclose significant segment expenses that are regularly provided to the chief operating decision maker ("CODM") and which are included within segment profit or loss. The Company adopted the ASU effective October 3, 2025. The ASU was required to be adopted on a retrospective basis to all periods presented. The adoption resulted in additional disclosures only and therefore had no impact on the Company's consolidated financial condition, results of operations or cash flows. See Note 10, which includes the additional disclosures that result from the adoption of the ASU.

Standards Not Yet Adopted (from most to least recent date of issuance)

In September 2025, the FASB issued ASU 2025-06, *Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40)—Targeted Improvements to the Accounting for Internal-Use Software,* which amends the guidance on internal-use software. The ASU removes all references to prescriptive and sequential software development stages (referred to as "project stages") throughout Subtopic 350-40. Instead, an entity is required to start capitalizing software costs when 1) management has authorized and committed to funding the software project and 2) it is probable that the project will be completed, and the software will be used to perform the function intended (referred to as the "probable-to complete recognition threshold"). Among other things, the ASU also specifies that disclosures are required for all capitalized internal-use software costs, regardless of how those costs are presented in the financial statements. The ASU is effective for annual reporting periods beginning after December 15, 2027 and interim reporting periods within those annual reporting periods. Early adoption is permitted. The Company is currently evaluating the ASU to determine its impact on the financial statements.

In July 2025, the FASB issued ASU 2025-05, *Financial Instruments—Credit Losses (Topic 326)—Measurement of Credit Losses for Accounts Receivable and Contract Assets,* which provides certain practical expedients when estimating credit losses. Among other provisions, the ASU allows public companies the option to elect a practical expedient that assumes that current conditions as of the balance sheet date do not change for the remaining life of the asset. The ASU is effective for annual reporting periods beginning after December 15, 2025 and interim reporting periods within those annual reporting periods. Early adoption is permitted. The Company is currently evaluating the ASU to determine its impact on the financial statements.

In November 2024, the FASB issued ASU 2024-03, which requires additional disclosure about certain expenses in the notes to financial statements. The amendments are effective for the Company's annual periods beginning October 2, 2027, and interim periods beginning January 1, 2028, with early adoption permitted, and should be applied either prospectively or retrospectively. The Company is currently evaluating the ASU to determine its impact on the Company's disclosures.

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures,* which includes amendments that further enhance income tax disclosures, primarily through standardization and disaggregation of rate reconciliation categories and income taxes paid by jurisdiction. The amendments are effective for the Company’s annual periods beginning October 4, 2025, with early adoption permitted, and should be applied either prospectively or retrospectively. The Company is currently evaluating the ASU to determine its impact on the Company’s disclosures.

Other new accounting pronouncements recently issued or newly effective were not applicable to the Company, did not have a material impact on the Consolidated and Combined Financial Statements or are not expected to have a material impact on the Consolidated and Combined Financial Statements.

Revenue Recognition

The Company generates and recognizes over 95% of its total revenue from route servicing contracts on both uniforms, which the Company generally manufactures, and workplace supplies, such as mats, towels, and linens that are procured from third-party suppliers. Revenue from these contracts represent a single-performance obligation and are recognized over time as services are performed based on the nature of services provided and contractual rates (output method). The Company generates its remaining revenue primarily from the direct sale of uniforms to customers, with such revenue being recognized when the Company’s performance obligation is satisfied, typically upon the transfer of control of the promised product to the customer. Revenue is recognized in an amount that reflects the consideration the Company expects to be entitled to in exchange for the services or products described above and is presented net of sales and other taxes we collect on behalf of governmental authorities.

Certain customer route servicing contracts include terms and conditions that include components of variable consideration, which are typically in the form of consideration paid to a customer based on performance metrics specified within the contract. Some contracts provide for customer discounts or rebates that can be earned through the achievement of specified volume levels. Each component of variable consideration is earned based on the Company’s actual performance during the measurement period specified within the contract. To determine the transaction price, the Company estimates the variable consideration using the most likely amount method, based on the specific contract provisions and known performance results during the relevant measurement period. When assessing if variable consideration should be limited, the Company evaluates the likelihood of whether uncontrollable circumstances could result in a significant reversal of revenue. The Company’s performance period generally corresponds with the monthly invoice period. No significant constraints on the Company’s revenue recognition were applied during fiscal 2025, fiscal 2024 or fiscal 2023. The Company reassesses these estimates during each reporting period. The Company maintains a liability for these discounts and rebates within “Accrued expenses and other current liabilities” on the Consolidated Balance Sheets. Variable consideration can also include consideration paid to a customer at the beginning of a contract. This type of variable consideration is capitalized as an asset (in “Other Assets” (long-term portion) and in “Other Current Assets” (short-term portion) on the Consolidated Balance Sheets) and is amortized over the life of the contract as a reduction to revenue in accordance with the accounting guidance for revenue recognition.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts in the Consolidated and Combined Financial Statements and accompanying notes. The Company utilizes key estimates in preparing the financial statements including environmental estimates, goodwill, intangibles, insurance reserves, income taxes and long-lived assets. These estimates are based on historical information, current trends and information available from other sources. Actual results could materially differ from those estimates.

Fair Value of Financial Assets and Financial Liabilities

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Assets and liabilities recorded at fair value are classified based upon the level of judgment associated with the inputs used to measure their fair value. The hierarchical levels related to the subjectivity of the valuation inputs are defined as follows:

- *Level 1*—inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets
- *Level 2*—inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument
- *Level 3*—inputs to the valuation methodology are unobservable and significant to the fair value measurement

Recurring Fair Value Measurements

The Company’s financial instruments consist primarily of cash and cash equivalents, accounts receivable, accounts payable, financing leases and borrowings. Management believes that the carrying value of cash and cash equivalents, accounts receivable, accounts payable, financing leases and borrowings are representative of their respective fair values. All derivatives are recognized as either assets or liabilities on the balance sheet at fair value at the end of each quarter (refer to Note 5. "Derivative Instruments" for additional information).

Nonrecurring Fair Value Measurements

The Company’s assets measured at fair value on a nonrecurring basis include long-lived assets, indefinite-lived intangible assets and goodwill. The Company reviews the carrying amounts of such assets at least annually or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Any resulting asset impairment would require that the asset be recorded at its fair value. The resulting fair value measurement of the assets are considered to be Level 3 measurements.

Acquisitions

The Company had no significant business acquisitions during fiscal 2025, fiscal 2024 or fiscal 2023.

Comprehensive Income (Loss)

Comprehensive income or loss includes all changes to equity during a period, except those resulting from investments by and distributions to stockholders and except those related to the net parent investment. Components of comprehensive income or loss include net income, pension plan adjustments (net of tax) and changes in foreign currency translation adjustments (net of tax).

The summary of the components of comprehensive income (loss) is as follows (in thousands):

	Fiscal Year Ended								
	October 3, 2025			September 27, 2024			September 29, 2023		
	Pre-Tax Amount	Tax Effect	After-Tax Amount	Pre-Tax Amount	Tax Effect	After-Tax Amount	Pre-Tax Amount	Tax Effect	After-Tax Amount
Net (Loss) Income			$ (40,223)			$ 20,970			$ 213,158
Pension plan adjustments	(660)	210	(450)	(39)	9	(30)	(884)	229	(655)
Foreign currency translation adjustments	3,034	—	3,034	2,292	—	2,292	2,251	(1,089)	1,162
Other Comprehensive Income (Loss)	2,374	210	2,584	2,253	9	2,262	1,367	(860)	507
Comprehensive (Loss) Income			$ (37,639)			$ 23,232			$ 213,665

Accumulated other comprehensive loss consists of the following (in thousands):

	October 3, 2025	September 27, 2024
Pension plan adjustments	$ (5,549)	$ (5,099)
Foreign currency translation adjustments	(20,778)	(23,812)
	$ (26,327)	$ (28,911)

Currency Translation

The Company's Canadian subsidiary's functional currency is the local currency of operations, and the net assets of its Canadian operations are translated into U.S. dollars using current exchange rates. Translation differences are included as a component of accumulated other comprehensive income or loss in equity.

Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Receivables

Receivables represents amounts due from customers and is presented net of allowance for credit losses. Judgment and estimates are used in determining the collectability of receivables and in evaluating the adequacy of the allowance for credit losses. The Company estimates and reserves for its credit loss exposure based on historical experience, current general and specific industry economic conditions and reasonable and supportable forecasts that affect the collectability of the reported amount in estimating credit losses. Credit loss expense is classified within Selling, general and administrative expenses in the Consolidated and Combined Statements of Income. When an account is considered uncollectible, it is written off against the allowance for credit losses. The allowance for credit losses is netted against "Receivables" in the Consolidated Balance Sheets, and the activity for fiscal 2025 and fiscal 2024 was as follows (in thousands):

	Fiscal Year Ended	
	October 3, 2025	September 27, 2024
Balance, beginning of year	$ 19,804	$ 25,066
Additions: Charged to Income	56,851	33,705
Reductions: Deductions from Reserves[1]	(43,978)	(38,967)
Balance, end of year [2]	$ 32,677	$ 19,804

(1) Amounts determined not to be collectible and charged against the reserve and translation.
(2) The increase in the allowance for credit losses was due primarily to a $15 million adjustment to the allowance for credit losses that was recorded in fiscal 2025 based on updated estimates of collectability and to ensure the adequacy of the allowance for credit losses.

Transfer of Financial Assets

The Company accounts for transfers of its financial assets in accordance with Accounting Standards Codification ("ASC") Topic No. 860, Transfers and Servicing. When a transfer meets all the requirements for a sale of a financial asset, the Company derecognizes the financial asset.

Inventories

Inventories are valued at the lower of cost (principally the first-in, first-out method) or net realizable value. The Company records valuation adjustments to its inventories if the cost of inventory on hand exceeds the amount it expects to realize from the ultimate sale or disposal of the inventory. These estimates are based on management’s judgment regarding future demand and market conditions and analysis of historical experience. As of October 3, 2025 and September 27, 2024, the Company’s reserve for inventory was approximately $18.6 million and $15.7 million, respectively. The inventory reserve is determined based on history, projected customer consumption and specific identification.

The components of net inventories are as follows (in thousands):

	October 3, 2025	September 27, 2024
Raw Materials	$ 41,167	$ 35,210
Work in Process	1,128	959
Finished Goods	136,725	128,744
	$ 179,020	$ 164,913

Rental Merchandise in Service

Rental merchandise in service represents personalized work apparel, linens and other rental items in service. Rental merchandise in service is valued at cost less accumulated amortization, calculated using the straight-line method. Rental merchandise in service is amortized over its useful life, which primarily ranges from one to four years. The amortization rates are based on the Company’s specific experience and wear tests performed by the Company. These factors are critical to determining the amount of rental merchandise in service and related Cost of services provided (exclusive of depreciation and amortization) that are presented in the Consolidated and Combined Financial Statements. Material differences may result in the amount and timing of operating income if management makes significant changes to these estimates.

During the fiscal years ended October 3, 2025, September 27, 2024 and September 29, 2023, the Company recorded $362.9 million, $345.9 million and $343.9 million, respectively, of amortization related to rental merchandise in service and other inventoriable costs within “Cost of services provided (exclusive of depreciation and amortization)” in the Consolidated and Combined Statements of Income.

Other Current Assets

“Other current assets” as presented on the Consolidated Balance Sheets is primarily comprised of software subscriptions, prescription and medical refunds, prepaid insurance, prepaid taxes and licenses and as of October 3, 2025, include assets held for sale. Assets held for sale are recorded at the lower of their carrying value or estimated selling price less estimated costs to sell. Depreciation is suspended upon classification as held for sale. The highest and best use of these assets is as real estate properties for use or lease and the Company intends to sell them to third parties as quickly as practicable. As of October 3, 2025, four properties with an aggregate carrying value of $4.2 million were classified as held for sale. The properties are part of the Company's United States segment. As of September 27, 2024, the Company had no assets classified as held for sale.

Property and Equipment and Operating Lease Right-of-use Assets

Property and equipment are stated at cost and are depreciated over their estimated useful lives on a straight-line basis. When a decision has been made to dispose of property and equipment prior to the end of the previously estimated useful life, depreciation estimates are revised to reflect the use of the asset over the shortened estimated useful life. Gains and losses on dispositions are included in operating results. Maintenance and repairs are charged to current operations. Replacements, and significant improvements that extend the useful life of the asset are capitalized. The estimated useful lives for the major categories of property and equipment are 10 to 40 years for buildings and improvements and 3 to 10 years for equipment. Depreciation expense during fiscal 2025, fiscal 2024 and fiscal 2023 was $104.8 million, $106.3 million and $103.8 million, respectively. The Company had $6.5 million and $10.2 million of capital expenditures recorded within "Accounts payable" and "Accrued expenses and other current liabilities" on the Consolidated Balance Sheets as of October 3, 2025 and September 27, 2024, respectively.

During fiscal 2025, fiscal 2024 and fiscal 2023, the Company completed the sale of certain properties for net selling prices of $5.5 million, $5.3 million and $9.6 million, respectively. Resulting gains or losses are recorded within the United States segment, and are included in "Selling, general and administrative expenses" in the Consolidated and Combined Statements of Income.

During fiscal 2023, the Company completed a strategic review of certain administrative locations, taking into account facility capacity and current utilization, among other factors. Based on this review, the Company vacated or otherwise reduced its usage at certain of these locations, resulting in an analysis of the recoverability of the assets associated with the locations. As a result, the Company recorded an impairment charge of $7.7 million to its Operating Lease Right of use Assets within its United States segment, which was included in "Selling, general and administrative expenses" in the Combined Statement of Income for fiscal 2023. The non-cash impairment charge consisted of operating lease right-of-use assets $7.1 million and other costs $0.6 million.

Other Assets

"Other assets," as presented in the Consolidated Balance Sheets, is primarily comprised of employee sales commissions, computer software costs, equity method investment, consideration payable to a customer at the beginning of the contract, noncurrent pension assets, preparation costs and long-term receivables.

Employee sales commissions represent commission payments made to employees related to new or retained business contracts (see Note 6. "Revenue Recognition"). Computer software costs represent capitalized costs incurred to purchase or develop software for internal use, and are amortized over the estimated useful life of the software, generally a period of three to 10 years.

The Company accounts for investments in unconsolidated entities where it exercises significant influence but does not have control, using the equity method. Under the equity method of accounting, the Company recognizes its share of the investee's net income or loss. An equity method investment that represented a 39% ownership interest in Aramark Uniform Services Japan Corporation, was sold in October 2024 for $36.8 million and the proceeds used towards debt repayments. The loss on sale of $2.2 million is included in "Gain (loss) on Sale of Equity Investment, net" in the Consolidated Statement of Income for fiscal 2025.

On September 22, 2023, the Company sold its 25% interest in Sanikleen, a Japanese linen supply company for $51.9 million in cash resulting in a pre-tax gain on sale of $51.8 million for fiscal 2023. The pre-tax gain is included in "Gain (loss) on Sale of Equity Investment, net" in the Combined Statement of Income for fiscal 2023.

Accrued Expenses and Other Current Liabilities

"Accrued expenses and other current liabilities" as presented in the Consolidated and Combined Balance Sheets include the current portion of insurance accruals related to automotive, general liability and workers' compensation reserves of $16.1 million and $31.9 million as of October 3, 2025 and September 27, 2024, respectively. The remaining components consist primarily of unearned income, interest, taxes, and environmental reserves (see Note 9. Commitments and Contingencies).

Other Noncurrent Liabilities

"Other Noncurrent Liabilities" as presented in the Consolidated Balance Sheets include the long-term portion of insurance reserves related to automotive, general liability and workers' compensation reserves of $36.9 million and $0, as of October 3, 2025 and September 27, 2024, respectively. The remaining components consist primarily of environmental reserves (see Note 9. Commitments and Contingencies), asset retirement obligations (see Note 9. Commitments and Contingencies), and the noncurrent portion of deferred income.

Following the Separation from Aramark on September 30, 2023, the Company is primarily self-insured for workers' compensation, general, and automotive liabilities. Self-insured liabilities are based upon actuarial methods to estimate the future cost of claims and related expenses that have been reported but not settled and have been incurred but not yet reported. These estimates are reviewed and adjusted as the facts and circumstances change. Self-insured liabilities are included in "Accrued expenses and other current liabilities" and "Other Noncurrent Liabilities" in the consolidated balance sheets based on the expected timing of ultimate settlement. The amount of noncurrent self-insured liabilities at September 27, 2024 was not material to the consolidated financial statements and was included in "Accrued expenses and other current liabilities."

Insurance

Prior to the Separation, Aramark insured portions of its risk in general liability, automobile liability, workers' compensation liability and property liability through a wholly owned captive insurance subsidiary (the "Captive"), to enhance its risk financing strategies. The Captive was subject to regulations within its domicile of Bermuda, including regulations established by the Bermuda Monetary Authority (the "BMA") relating to levels of liquidity and solvency as such concepts are defined by the BMA. The Captive was in compliance with these regulations as of September 29, 2023. Prior to the Separation, Aramark allocated certain costs associated to the Captive to the Company. The Company did not recognize liabilities related to claims from general liability, automobile liability and workers' compensation liability on the Combined Balance Sheet as of September 29, 2023 as Aramark's Captive subsidiary was the primary responsible party related to these obligations. Aramark's Captive insurance subsidiary had estimated reserves of approximately $68.4 million at September 29, 2023 related to claims arising from the Company's operations. Aramark's reserves for retained costs associated with Aramark's casualty program were estimated through actuarial methods, with the assistance of third-party actuaries, using loss development assumptions based on claims history.

The Company entered into an independent general liability, automobile liability, workers' compensation liability insurance policy effective September 29, 2023. As a result, during fiscal 2025 and fiscal 2024, the Company recorded general liability, automobile liability, and workers' compensation liability expenses, which are included within "Cost of services provided (exclusive of depreciation and amortization)" and "Selling, general and administrative expenses" on the Consolidated Statements of Income. For fiscal 2025, general liability, automobile liability, and workers' compensation liability expenses were $7.9 million, $20.6 million, and $25.6 million, respectively. For fiscal 2024, general liability, automobile liability, and workers' compensation liability expenses were $11.4 million, $16.5 million, and $22.8 million, respectively. The estimated current portion of such reserves is included in "Accrued expenses and other current liabilities," while the estimated long-term portion is included in "Other Noncurrent Liabilities" in the consolidated balance sheets.

Additionally, the Company entered into an independent property insurance policy and was no longer under Aramark's property insurance policy effective June 1, 2023. During fiscal 2025 and fiscal 2024, the Company recorded $4.6 million and $4.5 million of property insurance expenses, respectively, within "Cost of services provided (exclusive of depreciation and amortization)" and "Selling, general and administrative expenses" on the Consolidated Statements of Income.

Environmental Matters

Capital expenditures for ongoing environmental remediation and compliance measures were recorded in Property and Equipment, and related expenses are included in operating expenses. The Company accrues for environmental-related activities for which commitments or clean-up plans have been developed and when such costs can be reasonably estimated based on industry standards and professional judgment. Accrued amounts were primarily recorded on an undiscounted basis (see Note 9. Commitments and Contingencies).

Income Taxes

The Company's operations were included in Aramark's U.S. federal and state tax returns for taxable periods through the Company's Separation from Aramark on September 30, 2023. With respect to such taxable periods, income taxes on the Company's financial statements were calculated on a separate tax return basis. Beginning after the Separation, the Company is filing tax returns separate from Aramark, and its deferred taxes and effective tax rates may differ from those of the historical periods.

The Company and its subsidiaries file a federal consolidated income tax return in the United States, and separate legal entities file in various state, local and foreign jurisdictions. The Company uses the asset and liability approach to determine its (benefit)/provision for income taxes based on its operations in each jurisdiction. Deferred tax assets and liabilities are determined by the differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and for operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax laws and rates expected to apply to taxable income in the years in which the deferred tax assets or liabilities are expected to be realized or settled. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period that includes the enactment date. In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized.

The Company recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than fifty percent likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs.

The Company accounts for deferred income taxes related to executive compensation deductions that are limited by IRC 162(m) by first allocating available tax deductions to stock-based compensation and then cash compensation. The Company elects to treat global intangible low-taxed income (GILTI) inclusions as a current-period expense when incurred. Therefore, the Company has not recorded deferred taxes for basis differences expected to reverse in future periods.

Refer to Note 11, "Income Taxes", of these Consolidated and Combined Financial Statements for further details on income taxes.

Net Cash Distributions to Parent

Net Cash Distributions to Parent on the Combined Statement of Cash Flows for fiscal 2023 include transactions related to Aramark's historic investment in the Company.

For additional information, see Basis of Presentation above and Note 15.

Interest Expense, net

"Interest Expense, net" as presented in the Consolidated and Combined Statements of Income is primarily comprised of interest expense on borrowings (see Note 4. Borrowings) and interest expense recognized on financing leases (see Note 7. Leases).

Other Expense (Income)

"Other Expense (Income), net " as presented in the Consolidated and Combined Statements of Income (Loss) is primarily comprised of fees incurred for the Company's accounts receivable securitization facility (see Note 16. Accounts Receivable Securitization Facility). For fiscal 2024 and fiscal 2023, "Other Expense (Income), net" also included the Company's share of the financial results of Sanikleen, a Japanese linen supply company.

For fiscal 2025, "Loss (Gain) on Sale of Equity Investment, net" includes a loss of $2.2 million related to the sale of an equity method investment which was sold for $36.5 million. For fiscal 2023, "Loss (Gain) on Sale of Equity Investment, net" includes a gain of $51.8 million related to the sale of the Company's investment in Sanikleen.

NOTE 2. SEVERANCE:

During fiscal 2025, 2024 and 2023 , the Company approved headcount reductions to streamline and improve the efficiency and effectiveness of operational and administrative functions. As a result of these actions, severance charges of $18.7 million, $5.2 million and $7.6 million were recorded on the Consolidated and Combined Statements of Income for the fiscal years ended October 3, 2025, September 27, 2024 and September 29, 2023, respectively. For fiscal 2025 and 2024, the severance charges were recorded within “Selling, general and administrative expenses. For fiscal 2023, the severance charges were recorded within “Selling, general and administrative expenses” and “Cost of services provided (exclusive of depreciation and amortization). As of October 3, 2025 and September 27, 2024, accrued severance obligations were $7.4 million and $2.7 million, respectively.

The following table summarizes the unpaid obligations for severance and related costs as of October 3, 2025, which are included in “Accrued payroll and related expenses” on the Consolidated Balance Sheets.

(dollars in thousands)	September 27, 2024	Charges (Reversals)	Payments and Other	October 3, 2025
Fiscal 2025 Severance	$ —	$ 19,264	$ (11,872)	$ 7,392
Fiscal 2024 Severance	$ 2,561	$ (440)	$ (2,121)	$ —
Fiscal 2023 Severance	$ 142	$ (142)	$ —	$ —
Total	$ 2,703	$ 18,682	$ (13,993)	$ 7,392

The following table summarizes the unpaid obligations for severance and related costs as of September 27, 2024, which are included in “Accrued payroll and related expenses” on the Consolidated Balance Sheets.

(dollars in thousands)	September 29, 2023	Charges	Payments and Other	September 27, 2024
Fiscal 2024 Severance	$ —	$ 5,240	$ (2,679)	$ 2,561
Fiscal 2023 Severance	3,414	—	(3,272)	142
Total	$ 3,414	$ 5,240	$ (5,951)	$ 2,703

NOTE 3. GOODWILL AND OTHER INTANGIBLE ASSETS:

Goodwill represents the excess of the fair value of consideration paid for an acquired entity over the fair value of assets acquired and liabilities assumed in a business combination. Goodwill is not amortized and is subject to impairment testing that is conducted annually or more frequently if a change in circumstances or the occurrence of events indicates that potential impairment exists. Based on Aramark’s historical structure, goodwill for the Company was retained within one reporting unit for the fiscal year ended September 29, 2023. For fiscal years ended October 3, 2025 and September 27, 2024, Vestis had two reporting units, United States and Canada. The annual impairment test is performed as of the end of the fiscal month of August. If results of the qualitative assessment indicate a more likely than not determination of impairment or if a qualitative assessment is not performed, a quantitative test is performed by comparing the estimated fair value, using a discounted cash flow method and/or market method for each reporting unit, with its estimated net book value. During fiscal 2025, the Company identified potential triggering events for impairment under ASC 350, *Intangibles, Goodwill and Other*. This conclusion was based on (i) a decline in financial performance, and (ii) a sustained decrease in the Company’s share price. However, the annual impairment test for goodwill that was performed during the fourth quarter of fiscal 2025, using a quantitative testing approach, revealed no impairment, as the estimated fair value of each reporting unit exceeded its respective carrying value. Also, no impairment was identified from the quantitative test that was performed during the fourth quarter of fiscal 2024.

The fair value of each reporting unit was estimated using a combination of the income and market approaches, incorporating management’s most recent forecasts and market participant assumptions. The income approach included the application of discounted cash flow models, utilizing discount and terminal growth assumptions.

The determination of fair value for the reporting units includes assumptions, which are considered Level 3 inputs, that are subject to risk and uncertainty. The discounted cash flow calculations are dependent on several subjective factors, including the timing of future cash flows, the underlying margin projection assumptions, future growth rates and the discount rate. The market method is dependent on several factors including the determination of market multiples and future cash flows.

If our future operating results do not meet current forecasts, or we experience a sustained decline in our market capitalization, or if assumptions or estimates in the fair value calculations change, or if margin projections or future growth rates vary from what was expected, and such factors are determined to be indicative of a reduction in fair value within either of the Company's reporting units, the Company may be required to record future goodwill impairment charges.

Changes in total goodwill during fiscal 2025 were as follows (in thousands):

	September 27, 2024	Acquisitions	Translation	October 3, 2025
United States	$ 896,237	$ —	$ —	$ 896,237
Canada	67,607	—	(2,112)	65,495
Total	$ 963,844	$ —	$ (2,112)	$ 961,732

Changes in total goodwill during fiscal 2024 are as follows (in thousands):

	September 29, 2023	Acquisitions	Translation	September 27, 2024
United States	$ 896,237	$ —	$ —	$ 896,237
Canada	67,306	—	301	67,607
	$ 963,543	$ —	$ 301	$ 963,844

Other intangible assets consist of (in thousands):

	October 3, 2025			September 27, 2024		
	Gross Amount	Accumulated Amortization	Net Amount	Gross Amount	Accumulated Amortization	Net Amount
Customer relationship assets	$ 387,602	$ (214,835)	$ 172,767	$ 383,887	$ (187,699)	$ 196,188
Trade names	16,070	—	16,070	16,585	—	16,585
	$ 403,672	$ (214,835)	$ 188,837	$ 400,472	$ (187,699)	$ 212,773

Customer relationship assets are being amortized principally on a straight-line basis over the expected period of benefit with a weighted average life of approximately 14 years. The Canadian Linen trade name, which is our sole trade name, is an indefinite-lived intangible asset and is not amortized, but is evaluated for impairment at least annually or more frequently if events or changes in circumstances indicate that it is more likely than not that the asset is impaired. The Company utilized the "relief-from-royalty" method, which considers the discounted estimated royalty payments that are expected to be avoided as a result of the trade name being owned. The Company's annual trade name impairment test did not result in an impairment charge for fiscal 2025 or 2024 . The Company's annual trade name impairment test was completed by Aramark for fiscal 2023 which did not result in an impairment charge. Amortization of other intangible assets for fiscal 2025, fiscal 2024 and fiscal 2023 was approximately $27.1 million, $25.9 million and $26.0 million, respectively.

Based on the recorded balances at October 3, 2025, total estimated amortization of all acquisition-related intangible assets for fiscal years 2026 through 2030 are as follows (in thousands):

2026	$ 26,762
2027	26,500
2028	25,098
2029	24,145
2030	23,167

NOTE 4. BORROWINGS:

Long-term borrowings, net, are summarized in the following table (in thousands):

		October 3, 2025	September 27, 2024
Senior secured term loan facility, due September 2028		477,500	497,500
Senior secured term loan facility, due February 2031		665,000	665,000
Senior secured revolving facility, due September 2028		26,000	—
Total principal debt issued		1,168,500	1,162,500
Unamortized debt issuance costs		(11,959)	(13,164)
Discounts		(1,398)	(1,603)
Less - current portion		—	—
Long-term borrowings, net of current portion	$	1,155,143	$ 1,147,733

Credit Agreement

On September 29, 2023, the Company and certain of its subsidiaries entered into a credit agreement (the “Credit Agreement”). The Credit Agreement was initially comprised of an $800 million term loan A-1 due September 29, 2025 (“Term Loan A-1”), a $700 million term loan A-2 due September 29, 2028 (“Term Loan A-2”), and a revolving credit facility available for loans in United States dollars and Canadian dollars with aggregate commitments of $300 million and a maturity of September 29, 2028 (the “Revolving Credit Facility”). The Company used approximately $1,457 million of the proceeds from the senior secured term loans to transfer cash to Aramark in connection with the separation and distribution.

The Company recorded approximately $11.1 million and $2.6 million of debt issuance costs associated with the term loans and the Revolving Credit Facility, respectively. The term loan debt issuance costs are reflected as a reduction to debt in the Consolidated Balance Sheets and are amortized as a component of interest expense over the term of the related debt using the effective interest method. The Revolving Credit Facility debt issuance costs are reflected within “Other Assets” in the Consolidated Balance Sheets and are amortized on a straight-line basis as a component of interest expense over the term of the facility.

The Revolving Credit Facility will mature on the earliest of (i) September 29, 2028, and (ii) the date of termination of all of the commitments under the revolving credit facility or the date on which the loans under the revolving credit facility become due and payable or the commitments under the revolving credit facility are terminated. The Company's revolving credit facility includes a $50 million sub-limit for swingline loans. The Revolving Credit Facility includes a $30 million sub-limit for letters of credit. The Revolving Credit Facility may be drawn by the Company as well as by certain foreign subsidiaries. Each foreign borrower is subject to a sub-limit of $100 million with respect to borrowings under the Revolving Credit Facility. In addition to paying interest on outstanding principal under the senior secured credit facilities, the Company is required to pay a commitment fee to the lenders under the Revolving Credit Facility in respect of the unutilized commitments thereunder. The Revolving Credit Facility is subject to a commitment fee ranging from a rate of 0.20% to 0.30% per annum. The actual rate within the range is based on a Consolidated Total Net Leverage Ratio, as defined in the Credit Agreement.

On February 22, 2024, the Company amended the Credit Agreement to refinance its Term Loan A-1 with an $800 million term loan B-1 due February 22, 2031 (“Term Loan B-1”). The Term Loan B-1 requires $2.0 million of principal payments each quarter until the maturity date, at which point, the remaining unpaid principal amount is due. The Company recorded approximately $11.1 million and $2.0 million of Term Loan B-1 debt issuance costs and original issue discount, respectively, which are reflected as a reduction to debt in the Consolidated Balance Sheets, which are being amortized as a component of interest expense over the term of the related debt using the effective interest method. As a result of the repayment of Term Loan A-1 using the proceeds from Term Loan B-1, the Company also recorded a $3.9 million non-cash expense during fiscal 2024 for the write-off of Term Loan A-1 unamortized debt issuance costs to “Interest Expense, net” on the Consolidated Statements of Income.

As of October 3, 2025, there was $26.0 million outstanding on the Revolving Credit Facility and $5.8 million of letters of credit outstanding, leaving $268.2 million available for borrowings under the Revolving Credit Facility.

Interest

The Term Loan A-2 interest rate is, the Secured Overnight Financing Rate (“SOFR”), plus a Credit Spread Adjustment of 10 basis points and a margin from 1.50% to 2.50% depending on the Company’s Consolidated Total Net

Leverage Ratio, as defined in the Credit Agreement. The applicable margin on Term Loan A-2 was 2.33% and 2.25% during fiscal 2025 and fiscal 2024, respectively.

The Term Loan B-1 interest rate is SOFR plus a margin from 2.0% to 2.25% depending on the Company's Consolidated Total Net Leverage Ratio, as defined in the Credit Agreement. The applicable margin on Term Loan B-1 was 2.25% and 2.25% during fiscal 2025 and fiscal 2024, respectively.

The weighted-average interest rate for the Company's senior secured term loans was 6.79% and 7.65% for 2025 and 2024, respectively. During the fiscal year ended October 3, 2025 and September 27, 2024, the Company paid $93.6 million and $96.8 million of interest on its outstanding principal debt. The Company had no interest payments during the fiscal year ended September 29, 2023.

The Company carries its debt at historical cost and discloses fair value. As of October 3, 2025 and September 27, 2024, the carrying amounts of the Company's senior secured term loans approximated their fair values, as the interest rates are variable and reflective of market rates.

Prepayment

During fiscal 2024, the Company paid principal amounts of $202.5 million and $135.0 million on its Term Loan A-2 and Term Loan B-1. As a result of these payments, the Company met its quarterly principal payment obligations through the maturity of both term loans. Additionally, during fiscal 2025, the Company made principal repayments of $20.0 million on its Term Loan A-2.

The Credit Agreement may be prepaid at any time. Subject to certain exceptions, the Credit Agreement requires the Company to prepay outstanding term loans with:

- 100% of the net cash proceeds of all non-ordinary course asset sales or other dispositions of collateral subject to certain exceptions and customary reinvestment rights; provided, further, that such prepayment shall only be required to the extent net cash proceeds during the applicable fiscal year exceeds the greater of (a) $30,000,000 and (b) 7.5% of Covenant Adjusted EBITDA;
- 100% of the net cash proceeds of all casualty events with respect to any equipment, fixed assets, or real property constituting collateral; provided, that such prepayment shall only be required to the extent proceeds related to the event exceed $10 million and are not reinvested within the reinvestment period; and
- 100% of the net cash proceeds of any incurrence of debt, but excluding proceeds from certain debt permitted under the Credit Agreement.

In addition, the Term Loan B-1 is subject to mandatory prepayments using 50% of the Company's excess cash flow, with reductions to 25% and 0% based upon achievement and maintenance of a secured net leverage ratio of 3.75:1.00 and 3.25:1.00, respectively.

Covenants and Covenant Amendment

The Credit Agreement contains a number of covenants that, among other things, restrict, subject to certain exceptions, the Company's ability and the ability of its restricted subsidiaries to: incur additional indebtedness; issue preferred stock or provide guarantees; create liens on assets; engage in mergers or consolidations; sell or dispose of assets; pay dividends, make distributions or repurchase its capital stock; engage in certain transactions with affiliates; make investments, loans or advances; create restrictions on the payment of dividends or other amounts to the Company from its restricted subsidiaries; amend material agreements governing the Company's or guarantors' subordinated debt; repay or repurchase any subordinated debt, except as scheduled or at maturity; make certain acquisitions; change the Company's or its restricted subsidiaries' fiscal year; and fundamentally change the Company's or its restricted subsidiaries' business. The Credit Agreement also contains certain customary affirmative covenants, such as financial and other reporting, and certain events of default.

Additionally, the Credit Agreement requires the Company to maintain a maximum Consolidated Total Net Leverage Ratio, defined as consolidated total indebtedness over unrestricted cash divided by Adjusted EBITDA (as defined in the Credit Agreement). Consolidated total indebtedness is defined in the Credit Agreement as total indebtedness consisting of debt for borrowed money, finance leases, disqualified and preferred stock and advances under any Receivables Facility. Adjusted EBITDA is defined in the Credit Agreement as consolidated net income increased by interest expense, taxes, depreciation and amortization expense, initial public company costs, restructuring charges, write-offs and noncash charges, non-controlling interest expense, net cost savings in connection with any acquisition, disposition, or other permitted investment under the Credit Agreement, share-based compensation expense, non-recurring or unusual gains and losses, reimbursable insurance costs, cash expenses related to earn outs, and insured losses.

The Credit Agreement also established a minimum Interest Coverage Ratio, defined as Adjusted EBITDA (as defined in the Credit Agreement) divided by consolidated interest expense. The minimum Interest Coverage Ratio is required to be at least 2.00x for the term of the Credit Agreement.

On May 1, 2025, the Company entered into Amendment No. 2 to its Credit Agreement ("Amendment No. 2"). Amendment No. 2 increased the net leverage covenant ratio from 4.50x to (i) 5.25x for any fiscal quarter ending prior to July 3, 2026, (ii) 5.00x for the fiscal quarter ending July 3, 2026 and (iii) 4.75x for the fiscal quarter ending October 2, 2026. Pursuant to the Credit Agreement, as amended, the net leverage covenant ratio will remain at 4.50x for the first quarter of fiscal 2027 through maturity.

Amendment No. 2 also provided a $15 million bad debt expense adjustment to EBITDA in the fiscal quarter ended March 28, 2025 solely for the purposes of determining compliance with the financial covenants.

The principal amounts of both the Revolving Credit Facility commitment and the term loans remained unchanged following Amendment No. 2.

As part of Amendment No. 2, the Company agreed to limit the aggregate size of its A/R Facility (as defined in Note 16, *Accounts Receivable Securitization Facility*) and any other receivables facilities to $250 million and restrict all dividends and share repurchases, in each case until the earlier of (i) any fiscal quarter ending after October 2, 2026 so long as the Company is then in compliance with the financial covenants and (ii) when the Company achieves a net leverage ratio below or equal to 4.50x as of the last day of two consecutive quarters through the end of fiscal 2026. In connection with the Amendment No. 2, the Company paid fees of $1.6 million, which were deferred and are being amortized on the same basis as the previous unamortized debt issuance costs.

As of October 3, 2025, the Company was in compliance with all covenants under the Credit Agreement.

Guarantees

All obligations under the Credit Agreement are unconditionally guaranteed by the Company and, subject to certain exceptions, substantially all of the Company's existing and future wholly-owned domestic material subsidiaries. All obligations under the Credit Agreement, and the guarantees of those obligations, are secured, subject to customary exceptions, by (i) pledges of 100% of the capital stock of the Company's and guarantors' direct domestic subsidiaries, (ii) pledges of 65% of the capital stock of the Company's and guarantors' direct foreign subsidiaries, and (iii) a security interest in, and mortgages on, substantially all tangible assets of the Company or any of the Guarantors.

Debt Maturities

At October 3, 2025, annual maturities on long-term borrowings maturing in the next five fiscal years and thereafter are as follows (in thousands):

2026	$	—
2027		—
2028		503,500
2029		—
2030		—
Thereafter		665,000
Total	$	1,168,500

NOTE 5. DERIVATIVE INSTRUMENTS:

Prior to the Separation, Aramark entered into contractual derivative arrangements to manage changes in market conditions related to exposure to fluctuating gasoline, diesel and natural gas fuel prices at the Company. These derivative arrangements transferred in-kind to the Company upon the execution of the Separation and Distribution Agreement between the Company and Aramark, which was effective upon the Separation on September 30, 2023. Derivative instruments utilized during the period include pay fixed/receive floating gasoline and diesel fuel agreements based on the Department of Energy weekly retail on-highway index, and pay fixed/receive floating natural gas fuel agreements based on the Henry Hub New York Mercantile Exchange index in order to limit the Company's exposure to price fluctuations for gasoline, diesel, and natural gas fuel mainly for the Company’s operations. The counterparties to the contractual derivative agreements were all major international financial institutions. The Company did not enter into any new derivative arrangements during the fiscal year ended October 3, 2025 or September 27, 2024, and as of September 27, 2024, all derivative arrangements had reached maturity and thus, no derivative instruments were recognized as either assets or liabilities on the Consolidated Balance Sheets.

The corresponding impact on earnings related to the contractual derivative arrangements were recorded within the Consolidated Statement of Income for the fiscal year ended September 27, 2024. Additionally, prior to the Separation the impact on earnings related to the contractual derivative arrangements were allocated to the Company and recorded within the Combined Statement of Income for the fiscal year ended September 29, 2023.

Derivatives not Designated in Hedging Relationships

The Company does not record its gasoline, diesel and natural gas fuel agreements as hedges for accounting purposes. As of October 3, 2025, the Company had no fuel contracts outstanding. The impact on earnings related to the change in fair value of these contracts related to the Company was a gain of $0.1 million for fiscal 2024. The impact on earnings related to the change in fair value of these unsettled contracts related to the Company was a gain of $1.6 million for fiscal 2023.

The following table summarizes the location of realized and unrealized losses for the Company’s derivatives not designated as hedging instruments in the Consolidated and Combined Statements of Income (in thousands):

		Fiscal Year Ended		
	Income Statement Location	**October 3, 2025**	**September 27, 2024**	**September 29, 2023**
Gasoline, diesel and natural gas fuel agreements	Cost of services provided (exclusive of depreciation and amortization)	$ —	$ 2,580	$ 3,488

NOTE 6. REVENUE RECOGNITION:

Disaggregation of Revenue

The following table presents revenue disaggregated by revenue source (in thousands):

	Fiscal Year Ended		
	October 3, 2025	**September 27, 2024**	**September 29, 2023**
United States:			
Uniforms	$ 957,042	$ 1,037,608	$ 1,067,825
Workplace Supplies	1,532,334	1,518,314	1,507,527
Total United States	2,489,376	2,555,922	2,575,352
Canada:			
Uniforms	$ 91,565	$ 96,864	$ 100,403
Workplace Supplies	153,898	153,034	149,531
Total Canada	245,463	249,898	249,934
Total Revenue	$ 2,734,839	$ 2,805,820	$ 2,825,286

Contract Balances

The Company defers sales commissions earned by its sales force that are considered to be incremental and recoverable costs of obtaining a contract. The deferred costs are amortized using the portfolio approach on a straight-line basis over the average period of benefit, approximately nine years, and are assessed for impairment on a periodic basis. Determination of the amortization period and the subsequent assessment for impairment of the contract cost asset requires judgment. The Company expenses sales commissions as incurred if the amortization period is one year or less. As of October 3, 2025 and September 27, 2024, the Company had $107.1 million and $105.8 million, respectively, of employee sales commissions recorded as assets within “Other Assets” and “Other Current Assets” on the Company’s Consolidated Balance Sheets. During fiscal 2025, fiscal 2024 and fiscal 2023, the Company recorded $22.3 million, $21.1 million and $20.1 million, respectively, of expense related to employee sales commissions within “Selling, general and administrative expenses” on the Consolidated and Combined Statements of Income.

NOTE 7. LEASES:

The Company has lease arrangements primarily related to real estate, vehicles and equipment, which generally have terms of one to 20 years. Finance leases primarily relate to vehicles. The Company assesses whether an arrangement is a lease, or contains a lease, upon inception of the related contract. A right-of-use asset and corresponding lease liability are not recorded for leases with an initial term of 12 months or less (“short-term leases”).

The Company recognizes operating lease liabilities and operating lease right-of-use assets on its Consolidated Balance Sheets. Operating lease right-of-use assets represent the Company’s right to use the underlying assets for the lease term, and operating lease liabilities represent the Company’s obligation to make lease payments arising from the lease. Operating lease liabilities and operating lease right-of-use assets are recognized at the lease commencement date based on the estimated present value of the lease payments over the lease term. Deferred rent, tenant improvement allowances and prepaid rent are included in the operating lease right-of-use asset balances. Lease expense is recognized on a straight-line basis over the expected lease term. The Company has lease agreements with lease and non-lease components. Non-lease components are combined with the related lease components and accounted for as lease components for all classes of underlying assets.

Variable lease payments, which primarily consist of real estate taxes, common area maintenance charges, insurance costs and other operating expenses, are not included in the operating lease right-of-use asset or operating lease liability balances and are recognized in the period in which the expenses are incurred. The Company’s lease terms may include options to extend or terminate the lease when it is reasonably certain they will be exercised or not, respectively. Options to extend lease terms that are reasonably certain of exercise are recognized as part of the operating lease right-of-use asset and operating lease liability balances.

The Company is required to discount its future minimum lease payments using the interest rate implicit in the lease or, if that rate cannot be readily determined, the incremental borrowing rate. As the Company’s leases typically do not provide an implicit rate, the present value of our lease liability is determined using an incremental borrowing rate based on the information available as of the lease commencement date.

The following table summarizes the location of the operating and finance leases in the Company's Consolidated Balance Sheets (in thousands), as well as the weighted average remaining lease term and weighted average discount rate:

Leases	Balance Sheet Location	October 3, 2025	September 27, 2024
Assets:			
Operating	Operating Lease Right-of-use Assets	$ 85,108	$ 73,530
Finance	Property and Equipment, net	144,288	131,041
Total lease assets		$ 229,396	$ 204,571
Liabilities:			
Current			
Operating	Current operating lease liabilities	$ 20,189	$ 19,886
Finance	Current maturities of financing lease obligations	35,234	31,347
Noncurrent			
Operating	Noncurrent Operating Lease Liabilities	77,032	66,111
Finance	Noncurrent Financing Lease Obligations	131,071	115,325
Total lease liabilities		$ 263,526	$ 232,669
Weighted average remaining lease term (in years)			
Operating leases		5.8	6.1
Finance leases		5.8	5.7
Weighted average discount rate			
Operating leases		6.9 %	6.1 %
Finance leases		4.7 %	4.6 %

The following table summarizes the location of lease related costs in the Consolidated and Combined Statements of Income (in thousands):

		Fiscal Year Ended		
Lease Cost	Income Statement Location	October 3, 2025	September 27, 2024	September 29, 2023
Operating lease cost:				
Fixed lease costs	Cost of services provided (exclusive of depreciation and amortization) / Selling, general and administrative expenses	$ 24,847	$ 23,359	$ 23,119
Variable lease costs	Cost of services provided (exclusive of depreciation and amortization) / Selling, general and administrative expenses	12,974	10,447	9,888
Short-term lease costs	Cost of services provided (exclusive of depreciation and amortization) / Selling, general and administrative expenses	7,171	8,698	8,175
Finance lease cost(1):				
Amortization of right-of-use-assets	Depreciation and amortization	33,747	31,647	30,360
Interest on lease liabilities	Interest Expense, net	7,107	5,784	4,174
Net lease cost		$ 85,846	$ 79,935	$ 75,716

(1) Excludes variable lease costs, which are immaterial.

Supplemental cash flow information related to leases for the periods reported is as follows (in thousands):

	Fiscal Year Ended		
	October 3, 2025	September 27, 2024	September 29, 2023
Cash paid for amounts included in the measurement of lease liabilities:			
Operating cash flows from operating leases[1]	$ 25,224	$ 19,871	$ 24,208
Operating cash flows from finance leases	7,107	5,784	4,174
Financing cash flows from finance leases	34,496	30,608	27,601
Lease assets obtained in exchange for lease obligations:			
Operating leases	30,441	35,997	12,640
Finance leases	55,625	44,916	42,581

(1) For fiscal 2025, excludes cash paid for variable and short-term lease costs of $13.0 million and $7.2 million, respectively, that are not included within the measurement of lease liabilities. For fiscal 2024, excludes cash paid for variable and short-term lease costs of $10.4 million and $8.7 million, respectively, that are not included within the measurement of lease liabilities. For fiscal 2023, excludes cash paid for variable and short-term lease costs of $9.9 million and $8.2 million, respectively, that are not included within the measurement of lease liabilities. Additionally, for fiscal 2025 and 2024, includes $0.1 million and $4.5 million, respectively, of cash received for reimbursements of tenant improvement allowances.

Future minimum lease payments under non-cancelable leases as of October 3, 2025 are as follows (in thousands):

	Operating leases	Finance leases	Total
2026	$ 27,921	$ 42,293	$ 70,214
2027	24,505	38,710	63,215
2028	20,733	33,196	53,929
2029	16,118	27,875	43,993
2030	11,266	43,643	54,909
Thereafter	25,719	6,159	31,878
Total future minimum lease payments	$ 126,262	$ 191,876	$ 318,138
Less: Interest	(29,041)	(25,571)	(54,612)
Present value of lease liabilities	$ 97,221	$ 166,305	$ 263,526

NOTE 8. EMPLOYEE PENSION AND PROFIT SHARING PLANS:

Defined Contribution Retirement Plans

In the United States and Canada, the Company maintains qualified contributory defined contribution retirement plans for all Company employees meeting certain eligibility requirements, with Company contributions to the plans based on earnings performance or salary level. The total expense of the above plans for Company employees for fiscal 2025, fiscal 2024 and fiscal 2023 was $5.4 million, $9.0 million and $9.1 million, respectively, which were recorded in “Cost of services provided (exclusive of depreciation and amortization)” and “Selling, general and administrative expenses” on the Consolidated and Combined Statements of Income.

Multiemployer Defined Benefit Pension Plans

The Company contributes to a number of multiemployer defined benefit pension plans under the terms of collective-bargaining agreements (“CBAs”) that cover its union-represented employees. The risks of participating in these multiemployer plans are different from single-employer plans in the following respects:

1. Assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers.

2. If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.
3. If the Company chooses to stop participating in some of its multiemployer plans, the Company may be required to pay those plans an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

The Company's participation in these plans for fiscal 2025 is outlined in the table below. The "EIN/Pension Plan Number" column provides the Employer Identification Number (EIN) and the three-digit plan number, if applicable. Unless otherwise noted, the most recent Pension Protection Act (PPA) zone status available in 2025 and 2024 is for the plans' two most recent fiscal year-ends. The zone status is based on information that the Company received from the plan and is certified by the plan's actuary. Among other factors, plans in the critical and declining zone are generally less than 65% funded and projected to become insolvent in the next 15 or 20 years depending on the ratio of active to inactive participants, plans in the critical zone are generally less than 65% funded, and plans in the green zone are at least 80% funded. The "FIP/RP Status Pending/Implemented" column indicates plans for which a financial improvement plan (FIP) or a rehabilitation plan (RP) is either pending or has been implemented. The contributions columns represent the recurring, required contributions made by the Company, which are typically based upon the number of employees participating within the plan. The last column lists the expiration date(s) of the CBA(s) to which the plans are subject. There have been no significant changes that affect the comparability of fiscal 2025, fiscal 2024 and fiscal 2023 contributions. The contributions by the Company were recorded in "Cost of services provided (exclusive of depreciation and amortization)" and "Selling, general and administrative expenses" on the Consolidated and Combined Statements of Income.

		Pension Protection Act Zone Status			**Contributions by the Company (in thousands)**				
Pension Fund	**EIN/Pension Plan Number**	**2025**	**2024**	**FIP/RP Status Pending/ Implemented**	**2025**	**2024**	**2023**	**Surcharge Imposed**	**Range of Expiration Dates of CBAs**
National Retirement Fund	13-6130178/ 001	Critical	Critical	Implemented	$ 3,486	$ 3,219	$ 2,994	No	5/10/2024 - 4/7/2028
Central States SE and SW Areas Pension Plan	36-6044243/ 001	Critical	Critical	Implemented	4,621	4,440	4,213	No	7/19/2024 - 9/22/2028
Retail, Wholesale and Department Store International Union and Industry Pension Fund(1)	63-0708442/ 001	Critical and Declining	Critical and Declining	Implemented	420	404	413	No	4/18/2025 - 5/22/2026
Local No. 731, I.B. of T. Pension Fund	36-6513567/ 001	Green	Green	N/A	1,196	1,166	1,129	No	5/1/2026
Other funds					9,932	9,406	9,009		
Total contributions					$ 19,655	$ 18,635	$ 17,758		

(1) Over 60% of the Company's participants in this fund are covered by a single CBA that expires on May 22, 2026.

The Company provided more than 5% of the total contributions for the following plans and plan years:

Pension Funds	**Contributions to the plan exceeded more than 5% of total contributions (as of the plan's year-end)**
National Retirement Fund	12/31/24, 12/31/2023, 12/31/2022
Retail, Wholesale and Department Store International Union and Industry Pension Fund	12/31/24, 12/31/23, 12/31/2022

NOTE 9. COMMITMENTS AND CONTINGENCIES:

The Company has capital and other purchase commitments of approximately $6.2 million at October 3, 2025, primarily in connection with commitments for the purchase of raw materials from vendors.

From time to time, the Company and its subsidiaries are party to various legal actions, proceedings and investigations involving claims incidental to the conduct of their business or otherwise related to the Company, including actions by customers, employees, acquisition counterparties, government entities and third parties, including under federal, state, international, national, provincial and local employment laws, wage and hour laws, discrimination laws, immigration laws, human health and safety laws, import and export controls and customs laws, environmental laws, false claims or whistleblower statutes, tax codes, antitrust and competition laws, customer protection statutes, procurement regulations, intellectual property laws, supply chain laws, the Foreign Corrupt Practices Act and other anti-corruption laws, lobbying laws, motor carrier safety laws, data privacy and security laws, or alleging negligence and/or breaches of contractual and other obligations. Based on information currently available, advice of counsel, available insurance coverage, established reserves and other resources, except as set forth below with respect to the shareholder class action lawsuits and shareholder derivative action lawsuits, the Company does not believe that any such actions are likely to be, individually or in the aggregate, material to its business, financial condition, results of operations or cash flows. However, in the event of unexpected further developments, it is possible that the ultimate resolution of these matters, or other similar matters, if unfavorable, may be materially adverse to the Company's business, financial condition, results of operations or cash flows.

The Company is involved with environmental investigation and remediation activities at certain sites that it currently or formerly owned or operated or to which it sent waste for disposal (including sites which were previously owned and/or operated by businesses acquired by the Company or sites to which such businesses sent waste for disposal). The Company initially provides for estimated costs of environmental-related activities relating to its past operations and third-party sites for which commitments or clean-up plans have been developed and when such costs can be reasonably estimated based on industry standards and professional judgment. These estimated costs, which are mostly undiscounted, are determined based on currently available facts regarding each site. If the reasonably estimable costs can only be identified as a range and no specific amount within that range can be determined more likely, the minimum of the range is used. The Company continuously assesses its potential liability for investigation and remediation-related activities and adjusts its environmental-related accruals as information becomes available upon which more accurate costs can be reasonably estimated. As of October 3, 2025 and September 27, 2024, the Company has $9.8 million and $6.6 million, respectively, recorded as liabilities within "Accrued expenses and other current liabilities" and $22.2 million and $19.0 million, respectively, recorded as liabilities within "Other Noncurrent Liabilities" on the Company's Consolidated Balance Sheets.

The Company records the fair value of a liability for an asset retirement obligation both as an asset and a liability when there is a legal obligation associated with the retirement of a tangible long-lived asset and the liability can be reasonably estimated. The Company has identified certain conditional asset retirement obligations at various current and closed facilities. These obligations relate primarily to asbestos abatement, underground storage tank closures and restoration of leased properties to the original condition. Using investigative, remediation and disposal methods that are currently available to the Company, the estimated costs of these obligations were accrued. As of October 3, 2025 and September 27, 2024, the Company has $12.0 million and $11.8 million, respectively, recorded as liabilities within "Other Noncurrent Liabilities" on the Company's Consolidated Balance Sheets.

On May 13, 2022, Cake Love Co. ("Cake Love") commenced a putative class action lawsuit against AmeriPride Services, LLC ("AmeriPride"), a subsidiary of Vestis, in the United States District Court for the District of Minnesota. The lawsuit was subsequently updated to add an additional named plaintiff, Q-Mark Manufacturing, Inc. ("Q-Mark" and, together with Cake Love, the "Plaintiffs"). Plaintiffs alleged that the defendants increased certain pricing charged to members of the purported class without the proper notice required by service agreements between AmeriPride and members of the purported class and that AmeriPride breached the duty of good faith and fair dealing. Plaintiffs sought damages on behalf of the purported class representing the amount of the allegedly improperly noticed price increases along with attorneys' fees, interest and costs. During fiscal 2024, the parties reached a settlement in principle, which was subject to court approval. The settlement included, among other terms, a monetary component of $3.1 million. On May 6, 2025, the court issued an order granting approval of the settlement. The full amount of the settlement was provided for within "Accrued expenses and other current liabilities" in the Consolidated Balance Sheet as of September 27, 2024 and, during fiscal 2025, all amounts due were paid.

With respect to the below matters, the Company cannot predict the outcome of these legal matters, nor can it predict whether any outcome may be materially adverse to its business, financial condition, results of operations or cash flows. The Company intends to vigorously defend these matters.

On May 17, 2024, a purported Vestis shareholder commenced a putative class action lawsuit against Vestis and certain of its officers, in the United States District Court for the Northern District of Georgia, captioned Plumbers, Pipefitters and Apprentices Local No. 112 Pension Fund v. Vestis Corporation, et al., Case No. 1:24-cv-02175-SDG. The lawsuit is purportedly brought on behalf of purchasers of Vestis' common stock between October 2, 2023 and May 1, 2024, inclusive. The complaint alleges claims under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, based on allegedly false or misleading statements generally related to the Company's business and operations, pricing practices, and financial results and outlook. The lawsuit seeks unspecified damages and other relief. On September 23, 2024, the Court appointed co-lead plaintiffs and on November 22, 2024, plaintiffs filed an amended complaint. Defendants filed a motion to dismiss the amended complaint on February 25, 2025. A hearing on the motion to dismiss took place on August 29, 2025. On September 30, 2025, the Court entered an order denying defendants' motion to dismiss. On October 30, 2025, Defendants filed answers to the amended complaint and fact discovery has commenced.

On June 4, 2024, a purported Vestis shareholder commenced a putative class action lawsuit against Vestis, in the Court of Chancery of the State of Delaware, captioned O'Neill v. Vestis Corp., Case No. 2024-0600-JTL. The lawsuit is purportedly brought on behalf of Vestis' shareholders. The complaint alleges a single claim for declaratory judgment, seeking to invalidate and void Section II.5(d) of Vestis' Amended and Restated Bylaws, effective September 29, 2023. On October 7, 2024, the Court granted a stipulation to consolidate multiple related actions involving similar company defendants, including the Vestis action, solely for purposes of adjudicating an omnibus motion to dismiss the complaints in each of those actions. On October 11, 2024, Vestis and the other consolidated defendants filed an omnibus motion to dismiss. The Court held a hearing on the omnibus motion to dismiss on May 14, 2025 and Vestis is awaiting the Court's decision.

On May 16, 2025 and August 8, 2025, respectively, purported Vestis shareholders commenced derivative actions against certain of Vestis' current and former directors and former officers, in the United States District Court for the Northern District of Georgia. The cases are captioned Gribe v. Scott, et al., Case No. 1:25-cv-02726-TWT and Hollin v. Scott, et al., Case No. Case 1:25-cv-04498-TWT. Both complaints seek unspecified damages on behalf of Vestis and certain other relief, such as certain reforms to corporate governance and internal procedures. The complaints (in which Vestis is named as a nominal defendant) contain similar allegations to the parallel securities class action, entitled Plumbers, Pipefitters and Apprentices Local No. 112 Pension Fund v. Vestis Corporation, et al., Case No. 1:24-cv-02175-SDG. The complaints generally allege, among other things, breaches of fiduciary duties in connection with the oversight of Vestis' public statements and internal controls, and that Vestis was damaged as a result of the breaches of fiduciary duties. The complaints also allege, among other things, claims against the individual defendants for unjust enrichment, abuse of control, gross mismanagement, waste of corporate assets, and claims against Vestis' former officers for contribution under Section 10(b) of the Securities Exchange Act of 1934. On June 17, 2025, prior to the filing of the Hollin complaint, the parties to the Gribe action made a joint application to stay the action pending resolution of the motion to dismiss filed in the Plumbers, Pipefitters and Apprentices Local No. 112 Pension Fund v. Vestis Corporation, et al., case. On June 18, 2025, the Court granted the parties' joint application and stayed the action pending further order of the Court. On September 9, 2025, Gribe and Hollin made a motion to consolidate their cases, to appoint lead counsel, and to stay the consolidated derivative action. On September 11, 2025, the Court granted the motion, thereby: (i) consolidating the Gribe and Hollin cases under the caption In re Vestis Corporation Derivative Litigation, Case No. 1:25-cv-02726-TWT, (ii) appointing lead counsel for the consolidated derivative action, and (iii) staying the consolidated derivative action pending further order of the Court. On October 21, 2025, two additional purported Vestis shareholders, Bruce Harms and Thomas Dove, filed their own complaints (see descriptions below) and then subsequently filed a motion to vacate the leadership structure provided by the Court's September 11, 2025 order. That motion to vacate is currently pending. On October 30, 2025, plaintiff Hollin voluntarily dismissed his case against the Company in the consolidated derivative action, which the court approved on October 31, 2025.

On June 9, 2025, a purported Vestis shareholder commenced a putative class action lawsuit against Vestis and certain of its former officers, in the United States District Court for the Southern District of New York, captioned Torres v. Vestis Corporation, et al., Case No. 1:25-cv-04844. The lawsuit is purportedly brought on behalf of purchasers of Vestis' common stock between May 2, 2024 and May 6, 2025, inclusive. The complaint alleges claims under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, based on allegedly false or misleading statements generally related to our business and operations, pricing practices, and financial results and outlook. The lawsuit seeks unspecified damages and other relief. Motions for appointment as lead plaintiff and lead counsel were filed with the Court on August 8, 2025. On August 25, 2025, the Court appointed the Board of Trustees of the Police Officers' Retirement Plan and Trust Fund for the City of Miramar ("City of Miramar") to serve as lead plaintiff and also appointed lead counsel. The City of Miramar filed a first amended complaint on October 24, 2025. Defendants have 60 days from the filing of the amended complaint to move, answer or otherwise respond to the amended complaint.

On July 29, 2025 and August 5, 2025, respectively, purported Vestis shareholders commenced derivative actions against certain of Vestis' current and former directors and former officers, in the United States District Court for the Southern District of New York. The cases are captioned Gribe v. Scott, et al., Case No. 1:25-cv-06234 and Hollin v. Scott, et al., Case No. 1:25-cv-06414. Both complaints seek unspecified damages on behalf of Vestis and certain other relief, such as certain reforms to corporate governance and internal procedures. The complaints (in which Vestis is named as a nominal defendant) contain similar allegations to the parallel securities class action pending in the same court, entitled Board of Trustees of the Police Officers' Retirement Plan and Trust Fund for the City of Miramar v. Vestis Corporation, et al. (formerly Torres v. Vestis Corporation, et al.), Case No. 1:25-cv-04844. The complaints generally allege, among other things, breaches of fiduciary duties in connection with the oversight of Vestis' public statements and internal controls, and that Vestis was damaged as a result of the breaches of fiduciary duties. The complaints also allege, among other things, claims against the individual defendants for violation of Section 14(a) of the Exchange Act, unjust enrichment, abuse of control, gross mismanagement, waste of corporate assets, and claims against Vestis' former officers for contribution under Section 10(b) of the Securities Exchange Act of 1934. On August 22, 2025, Gribe and Hollin made a motion to consolidate their cases, to appoint lead counsel, and to stay the consolidated derivative action. On August 26, 2025, the Court granted the motion, thereby: (i) consolidating the Gribe and Hollin cases under the caption In re Vestis Corporate Derivative Litigation, Case No. 1:25-cv-06234-GHW, (ii) appointing lead counsel for the consolidated derivative action, and (iii) staying the consolidated derivative action pending further order of the Court. On October 29, 2025, plaintiff Hollin filed a notice of voluntary dismissal of his case against the Company. On November 13, 2025, the Court entered an order dismissing Hollin's individual claims from the consolidated derivative action.

On September 10, 2025 and October 6, 2025, respectively, purported Vestis shareholders commenced derivative actions against certain of Vestis' current and former directors and former officers, in the United States District Court for the Northern District of Georgia. Those cases are captioned Harms v. Scott, et al., Case No. 1:25-cv-05156-TWT and Dove v. Scott, et al., Case No. 1:25-cv-057331-TWT. Both complaints seek unspecified damages on behalf of Vestis and certain other relief, such as certain reforms to corporate governance and internal procedures. The complaints (in which Vestis is named as a nominal defendant) contain similar allegations to the securities class actions, entitled Plumbers, Pipefitters and Apprentices Local No. 112 Pension Fund v. Vestis Corporation, et al., Case No. 1:24-cv-02175-SDG, also pending in the Northern District of Georgia and Board of Trustees of the Police Officers' Retirement Plan and Trust Fund for the City of Miramar v. Vestis Corporation, et al., Case No. 1:25-cv-04844, pending in the United States District Court for the Southern District of New York. The complaints generally allege, among other things, breaches of fiduciary duties in connection with the oversight of Vestis' public statements and internal controls, and that Vestis was damaged as a result of the breaches of fiduciary duties. The complaints also allege, among other things, claims against the individual defendants for violation of Section 14(a) of the Exchange Act, aiding and abetting breach of fiduciary duty, unjust enrichment, waste of corporate assets, and claims against Vestis' former officers for contribution under Sections 10(b) and 21A of the Securities Exchange Act of 1934. In the consolidated derivative action entitled In re Vestis Corporation Derivative Litigation, Case No. 1:25-cv-02726-TWT (described above), Harms and Dove filed a motion to vacate the leadership structure ordered by the court, on September 11, 2025. That motion to vacate is currently pending.

NOTE 10. BUSINESS SEGMENTS:

The Company manages and evaluates its business activities based on geography and, as a result, determined that its United States and Canada businesses are its operating segments. The United States and Canada operating segments both provide a full range of uniform programs, restroom supply services and first-aid and safety products, as well as ancillary items such as floor mats, towels and linens. The Company's operating segments are also its reportable segments. Corporate includes administrative expenses not specifically allocated to an individual segment. The CODM (the Chief Operating Officer) evaluates the performance of its reportable segments, based primarily on segment operating income, and uses this information to make strategic decisions and to allocate resources. The accounting policies of the reportable segments are the same as those described in Note 1 "Nature of Business, Basis of Presentation and Summary of Significant Accounting Policies."

Financial information by reportable segment is as follows (in thousands):

	United States	Canada	Total
Year Ended October 3, 2025			
Revenue	$ 2,489,376	$ 245,463	$ 2,734,839
Cost of services provided (exclusive of depreciation and amortization)	1,831,811	178,271	2,010,082
Depreciation and amortization	131,362	10,051	141,413
Selling, general and administrative expenses	372,192	48,187	420,379
Reportable segment operating income	154,011	8,954	162,965
Corporate and other			(98,534)
Gain (Loss) on Sale of Equity Investments, net			(2,784)
Interest Expense, Net			(92,264)
Other (Expense) Income, net			(13,689)
(Loss) Income Before Income Taxes			$ (44,306)
Capital expenditures	$ 54,563	$ 3,897	$ 58,460
Property and equipment - Reportable Segments	$ 573,709	$ 74,171	$ 647,880
- Corporate			15,582
- Total			$ 663,462
Total assets - Reportable Segments	$ 2,605,553	$ 263,805	$ 2,869,358
- Corporate			37,542
- Total			$ 2,906,900

	United States	Canada	Total
Year Ended September 27, 2024			
Revenue	$ 2,555,922	$ 249,898	$ 2,805,820
Cost of services provided (exclusive of depreciation and amortization)	1,811,089	178,783	1,989,872
Depreciation and amortization	129,201	11,331	140,532
Selling, general and administrative expenses	350,923	51,622	402,545
Reportable segment operating income	264,709	8,162	272,871
Corporate and other			(114,920)
Gain (Loss) on Sale of Equity Investments, net			—
Interest Expense, Net			(126,563)
Other (Expense) Income, net			642
Income Before Income Taxes			$ 32,030
Capital expenditures	$ 75,112	$ 3,793	$ 78,905
Property and equipment - Reportable Segments	$ 580,060	$ 68,138	$ 648,198
- Corporate			22,660
- Total			$ 670,858
Total assets - Reportable Segments	$ 2,629,457	$ 268,800	$ 2,898,257
- Corporate			34,130
- Total			$ 2,932,387

	United States		Canada		Total	
Year Ended September 29, 2023						
Revenue	$	2,575,352	$	249,934	$	2,825,286
Cost of services provided (exclusive of depreciation and amortization)		1,797,371		172,844		1,970,215
Depreciation and amortization		125,167		10,819		135,986
Selling, general and administrative expenses		349,052		52,564		401,616
Reportable segment operating income		303,762		13,707		317,469
Corporate and other						(99,560)
Gain (Loss) on Sale of Equity Investments, net						51,831
Interest Expense, Net						(2,109)
Other (Expense) Income, net						2,099
Income Before Income Taxes					$	269,730
Capital expenditures	$	72,353	$	5,517	$	77,870

No individual customer accounted for more than 10% of revenues

NOTE 11. INCOME TAXES:

The components of (Loss) Income Before Income Taxes by source of income are as follows (in thousands):

	Fiscal Year Ended					
	October 3, 2025		September 27, 2024		September 29, 2023	
United States	$	(51,995)	$	24,683	$	254,027
Non-United States		7,689		7,347		15,703
	$	(44,306)	$	32,030	$	269,730

The (Benefit) Provision for Income Taxes consists of (in thousands):

	Fiscal Year Ended					
	October 3, 2025		September 27, 2024		September 29, 2023	
Current:						
Federal	$	5,213	$	22,949	$	29,704
State and local		(369)		3,283		10,126
Foreign		4,471		4,404		2,372
		9,315		30,636		42,202
Deferred:						
Federal		(14,310)		(14,899)		10,350
State and local		(139)		(3,019)		2,860
Foreign		1,051		(1,658)		1,160
		(13,398)		(19,576)		14,370
	$	(4,083)	$	11,060	$	56,572

The (Benefit) Provision for Income Taxes varies from the amount determined by applying the United States Federal statutory rate to Income Before Income Taxes as a result of the following (all percentages are as a percentage of (Loss) Income Before Income Taxes):

	Fiscal Year Ended		
	October 3, 2025	September 27, 2024	September 29, 2023
United States statutory income tax rate	21.0 %	21.0 %	21.0 %
Increase (decrease) in taxes, resulting from:			
State income taxes, net of Federal tax benefit	2.1	5.0	3.8
Foreign taxes	(1.8)	2.6	(0.1)
Separation related adjustments	(5.8)	(2.9)	—
Permanent book/tax differences	(5.0)	3.8	0.3
Nontaxable gain on foreign subsidiary disposition	—	—	(4.0)
Uncertain tax positions	(0.1)	0.7	0.5
Deferred tax on foreign investments	—	4.3	—
Share-based compensation	(3.8)	3.5	—
Tax credits & other	2.6	(3.5)	(0.5)
Effective income tax rate	9.2 %	34.5 %	21.0 %

As of October 3, 2025 and September 27, 2024, the components of Deferred Income Taxes are as follows (in thousands):

	October 3, 2025	September 27, 2024
Deferred tax assets:		
Accruals and allowances	25,351	22,777
Employee compensation	13,478	18,485
Operating lease right-of-use liability	23,316	19,924
Business interest expense carryforward	34,591	16,795
Research and development expenses	9,876	5,622
NOL/credit carryforward and other	8,185	7,290
Deferred tax asset	114,797	90,893
Valuation allowances	$ (4,662)	$ (4,662)
Deferred tax asset (net of valuation allowance)	110,135	86,231
Deferred tax liabilities:		
Property and equipment	65,201	59,461
Other intangible assets including goodwill	90,417	83,247
Rental merchandise in service	82,500	78,542
Operating lease asset	18,767	16,746
Capitalized contract costs	19,061	24,541
Internally developed software	8,072	7,846
Other	$ 1,691	$ 5,752
Deferred tax liability	285,709	276,135
Net deferred tax liability	$ 175,574	$ 189,904

Deferred tax assets of $1.8 million and $1.6 million as of October 3, 2025 and September 27, 2024, respectively, are included in "Other Assets" on the Consolidated Balance Sheets. Deferred tax liabilities of $177.3 million and $191.5 million as of October 3, 2025 and September 27, 2024, respectively, are included in "Deferred Income Taxes" on the Consolidated Balance Sheets.

As of each reporting date, the Company considers existing evidence, both positive and negative, that could impact the need for valuation allowances against deferred tax assets. As of October 3, 2025, the Company has $4.7 million of United States foreign tax credit carryforwards from periods prior to the Separation. However, the Company maintains a full valuation allowance against these credit carryforwards. The Company assessed the remaining deferred tax assets and believes it is more-likely-than-not that they are realizable.

As of October 3, 2025, the Company had $2.7 million of tax-effected state net operating loss carryforwards. The earliest expiration of the state net operating loss carryforwards is fiscal 2029 and the Company believes all carryforwards will be utilized prior to expiration.

A reconciliation of the beginning and ending amount of valuation allowances follows (in thousands):

	October 3, 2025	September 27, 2024	September 29, 2023
Balance, beginning of year	$ 4,662	$ —	$ —
Separation related adjustments	—	4,662	—
Balance, end of year	$ 4,662	$ 4,662	$ —

Under the Tax Matters Agreement, the Company is responsible for income taxes on prior period returns filed on a separate company basis in state, local, and foreign jurisdictions. Prior to the Separation, the Company was included on Aramark's United States federal and various state consolidated and combined tax returns that remain the responsibility of Aramark. Adjustments to Aramark's consolidated and combined federal and state tax returns could affect the tax attributes allocated to the Company under the Tax Matters Agreement. While it is often difficult to predict the timing or resolution of a particular tax matter, the Company does not anticipate any adjustments resulting from United States federal, state or foreign tax audits that would result in a material change to its financial condition or results of operations. Currently, none of the Company's income tax returns are under examination by a taxing authority. With few exceptions, the Company is no longer subject to foreign or state and local tax examinations by tax authorities for fiscal years before 2021.

Undistributed earnings and profits ("E&P") of our foreign subsidiaries amounted to $33.5 million as of October 3, 2025. Currently, $33.5 million of the undistributed E&P of our foreign subsidiaries is considered to be indefinitely reinvested and, accordingly, no deferred income taxes have been provided thereon. Upon distribution of those earnings to the U.S. in the form of dividends or otherwise, the Company could be subject to U.S. state and local taxes and withholding taxes payable in various jurisdictions, which may be partially offset by a U.S. foreign tax credit. The unrecorded withholding tax on undistributed E&P is not significant to the Consolidated and Combined Financial Statements.

The total amount of unrecognized tax benefits that, if recognized, would impact the effective tax rate, was approximately $0.4 million, $0.4 million, and $4.4 million as of October 3, 2025, September 27, 2024 and September 29, 2023, respectively. In connection with the Separation, our unrecognized benefits with respect to our uncertain tax positions decreased by $4.2 million during fiscal 2024 as these remained the obligation of Aramark under the Tax Matters Agreement.

A reconciliation of the beginning and ending amount of gross unrecognized tax benefits follows (in thousands):

	October 3, 2025	September 27, 2024	September 29, 2023
Balance, beginning of year	$ 412	$ 4,392	$ 2,963
Additions based on tax positions taken in the current year	73	195	554
Additions (Subtractions) for tax positions taken in prior years	(51)	—	875
Separation related adjustments	—	(4,175)	—
Balance, end of year	$ 434	$ 412	$ 4,392

The Company has $0.1 million and $0.1 million accrued for interest and penalties as of October 3, 2025 and September 27, 2024, respectively, in the Consolidated Balance Sheets. Interest and penalties related to unrecognized tax benefits are recorded in "(Benefit) Provision for Income Taxes" on the Consolidated and Combined Statements of Income. It is reasonably possible that the amount of unrecognized benefits with respect to certain of our unrecognized tax positions will change within the next 12 months. At this time, the Company does not anticipate the amount of gross unrecognized tax positions to decrease within the next 12 months.

During fiscal 2025, fiscal 2024 and fiscal 2023, the Company paid cash for income taxes, net of refunds received, of $26.5 million, $19.1 million, and $0.2 million, respectively.

On July 4, 2025, the United States enacted the One Big Beautiful Bill Act (“Act”), a comprehensive legislative package that includes significant changes to federal tax policy. The Act, among other corporate provisions, includes the permanent extension of 100% bonus depreciation and the repeal of mandatory capitalization of domestic research and experimental expenditures. The new law has a range of effective dates, with certain changes taking effect in fiscal year 2025 and others that become effective in future periods. For the provisions effective for the fiscal year ended October 3, 2025, the Company included the beneficial impacts of the Act.

NOTE 12. SHARE-BASED COMPENSATION:

On September 30, 2023, Aramark completed the previously announced spin-off of Vestis through a distribution of the Company's common stock to holders of record of Aramark’s common stock as of the close of business on September 20, 2023, which resulted in previous Aramark equity awards being converted to Vestis equity awards. Additionally, the Company adopted the Vestis Corporation 2023 Long-Term Incentive Plan (“LTIP”) effective as of September 30, 2023. The Compensation and Human Resources Committee of the Board of Directors approves grants under the LTIP. Under the LTIP, we are authorized to issue up to 15.0 million shares for future Vestis equity awards and issued approximately 1.7 million shares related to the conversion of Aramark equity awards outstanding as of September 30, 2023 into Vestis equity awards upon the Separation from Aramark.

Prior to the Separation, the Company had no share-based compensation plans. Certain employees of the Company historically participated in Aramark’s Stock Incentive Plan (“Aramark Stock Plan”) prior to the Separation. All awards granted under Aramark Stock Plan were approved by Aramark’s Compensation Committee of the Board of Directors or another committee authorized by Aramark’s Board of Directors. Stock compensation expense for FY 2023 in the following table represents share-based compensation attributable to the Company based on the awards and terms previously granted to Company employees under Aramark’s share-based payment plans and is representative of only those employees who were dedicated to the Company. Share-based compensation expense allocated to the Company for Aramark corporate employees who were not dedicated to the Company are included as a component of General Corporate Expenses. The allocation of share-based compensation expense for the Aramark corporate employees was $3.9 million in fiscal 2023.

The following table summarizes the share-based compensation expense (reversal) and related information for time-based options (“TBOs”), time-based restricted stock units (“RSUs”), performance stock units (“PSUs”), deferred stock units (“DSUs”) and the Employee Stock Purchase Plan (“ESPP”) classified as “Selling, general and administrative expenses” on the Consolidated and Combined Statements of Income (in thousands).

	Fiscal Year Ended		
	October 3, 2025	September 27, 2024	September 29, 2023
TBOs[(1)]	$ 4,688	$ 3,960	$ 1,125
RSUs[(2)]	7,774	6,654	8,013
PSUs[(3)]	(897)	4,264	866
DSUs[(4)]	—	1,458	—
ESPP[(5)]	—	—	597
	$ 11,565	$ 16,336	$ 10,601
Income tax benefit related to share-based compensation	$ 3,342	$ 3,180	$ 2,568

(1) The increase in share-based compensation expense related to TBOs during both fiscal 2025 and fiscal 2024 compared to the respective prior year were each due to increases in grants in those years, when compared with the respective prior period.
(2) Share-based compensation expense for RSUs increased in fiscal 2025 compared to fiscal 2024 due to an increase in the number of RSU grants in fiscal 2025. The decrease during fiscal 2024 compared to fiscal 2023 was due to a decrease in RSU awards in fiscal 2024 compared to prior years.
(3) Share-based compensation expense for PSUs decreased in fiscal 2025 due to adjustments to reflect expected payouts. The increase during fiscal 2024 compared to fiscal 2023 was due to an increase in grants issued in fiscal 2024 compared to fiscal 2023.

(4) No DSUs were granted in fiscal 2025 or fiscal 2023.
(5) The Company does not currently have an ESPP.

No compensation expense was capitalized. The Company records forfeitures as they occur.

The below table summarizes the unrecognized compensation expense as of October 3, 2025 related to non-vested awards and the weighted-average period they are expected to be recognized:

	Unrecognized Compensation Expense (in thousands)	Weighted-Average Period (Years)
TBOs	$ 3,494	1.91
RSUs	14,024	1.83
PSUs	$ 256	1.35
Total	$ 17,774	

Stock Options

Time-Based Options

The Company granted TBOs to the Company's executives and directors on October 2, 2023. Additionally, the Company’s annual TBO grants for fiscal 2025 and fiscal 2024 were awarded in November 2024 and December 2023, respectively. Aramark’s annual TBO grants for fiscal 2023 were awarded in November 2022. The fiscal 2025 and fiscal 2024 TBO grants vest solely based upon continued employment over a three-year time period. The fiscal 2023 TBO grants vest solely based upon continued employment over a four-year time period. All TBOs remain exercisable for 10 years from the date of grant.

The fair value of the TBOs granted was estimated using the Black-Scholes option pricing model. For the fiscal 2025 and fiscal 2024 TBO grants, the expected volatility was derived from a peer group’s historical volatility as Vestis did not have sufficient historical volatility based on the expected term of the underlying options. For the fiscal 2023 TBO grants, the expected volatility was based on the historic volatility of Aramark’s stock price over the expected term of the stock options. For the fiscal 2025 TBO grants, the expected dividend yield was between 0.87% and 1.18%. For the fiscal 2024 TBO grants, the expected dividend yield was 0.0% for the October 2, 2023 grants as the Company had not declared a dividend prior to the grant date, and was 0.8% for the December 6, 2023 grants based on the dividend announced by the Company on November 29, 2023. The expected life represents the period of time that options granted are expected to be outstanding and is calculated using the simplified method, as permitted under SEC rules and regulations, due to the method providing a reasonable estimate in comparison to actual experience. The simplified method uses the midpoint between an option’s vesting date and contractual term. The risk-free rate is based on the United States Treasury security with terms equal to the expected life of the option as of the grant date. Compensation expense for TBOs is recognized on a straight-line basis over the vesting period during which employees perform related services. The unvested TBOs are subject to forfeiture if employment is terminated other than due to death, disability or retirement, and the TBOs are nontransferable while subject to forfeiture. No cash was received from the exercise of stock options for the fiscal year ended October 3, 2025. For the fiscal year ended September 27, 2024, cash received from TBOs exercised was approximately $0.1 million.

The table below presents the weighted average assumptions and related valuations for TBOs.

	Fiscal Year Ended		
	October 3, 2025	September 27, 2024	September 29, 2023
Expected volatility	31.3% - 31.8%	32.3% - 33.5%	42.0 %
Expected dividend yield	0.9% - 1.2%	—% - 0.8%	1.0% - 1.2%
Expected life (in years)	6.0 - 6.0	6.0 - 6.5	6.3
Risk-free interest rate	4.1% - 4.4%	4.1% - 4.7%	3.7% - 4.2%
Weighted-average grant-date fair value	$ 6.9	$ 6.5	$ 16.9

A summary of TBO activity is presented below:

Options	Shares (000s)	Weighted-Average Exercise Price	Aggregate Intrinsic Value ($000s)	Weighted-Average Remaining Term (Years)
Outstanding at October 2, 2023[(1)]	523	$ 18.59		
Granted	1,768	$ 19.42		
Exercised	(10)	$ 13.88		
Forfeited and expired	(353)	$ 19.57		
Outstanding at September 27, 2024	1,928	$ 19.20	$ 44	8.4
Granted	1,104	$ 15.78		
Exercised	(23)	$ 14.33		
Forfeited and expired	(1,666)	$ 18.60		
Outstanding at October 03, 2025	1,343	$ 17.28	$ —	8.0
Exercisable at October 03, 2025	196	$ 18.76	$ —	5.6
Expected to vest at October 03, 2025	1,147	$ 16.95	$ —	8.5

(1) On October 2, 2023, our common stock began trading on the New York Stock Exchange (“NYSE”). The shares outstanding as of October 2, 2023 pertain to Aramark equity awards issued by Aramark in prior periods to employees of the Company that were converted to Vestis equity awards as part of the Separation.

	Fiscal Year Ended		
	October 3, 2025	September 27, 2024	September 29, 2023
Total intrinsic value exercised (in thousands)	$ 25	$ 63	$ 2,040
Total fair value that vested (in thousands)	1,172	774	1,106

Time-Based Restricted Stock Units

The Company granted RSUs to its executives and directors on October 2, 2023. Additionally, the Company’s annual RSU grants for fiscal 2025 and fiscal 2024 were awarded in November 2024 and December 2023, respectively. Aramark’s annual RSU grants for fiscal 2023 were awarded in November 2022. Except for a fiscal 2025 RSU grant to the Company’s Chief Executive Officer and RSUs granted to certain associates on August 25, 2025, RSU agreements for grants awarded during fiscal 2025 and fiscal 2024, provide for vesting and settlement in shares of 33% of each grant on each anniversary of the grant date, subject to the respective participant’s continued employment through each such anniversary. For the RSUs granted to the Company’s Chief Executive Officer, the agreement specifies 100% vesting on the third anniversary of the grant date. For the RSUs that were granted on August 25, 2025, two-thirds are scheduled to vest on the second anniversary of the grant date, while the remaining one-third is scheduled to vest on the third anniversary of the grant date. For RSU grants awarded in fiscal 2023, the RSU agreement provides for vesting and settlement in shares of 25% of each grant on each anniversary of the grant date, subject to the participant’s continued employment through each such anniversary. The grant-date fair value of RSUs granted in fiscal 2025 and fiscal 2024 were based on the fair value of the Company’s common stock. The grant-date fair value of RSUs granted in fiscal 2023 were based on the fair value of Aramark’s common stock. Participants holding RSUs receive the benefit of any dividends paid on shares in the form of additional RSUs. The unvested RSUs are subject to forfeiture if employment is terminated other than due to death, disability or retirement, and the RSUs are nontransferable while subject to forfeiture.

Restricted Stock Units	Units (000s)	Weighted Average Grant-Date Fair Value
Outstanding at October 2, 2023[(1)]	850	$ 18.90
Granted	492	$ 17.71
Vested	(369)	$ 18.81
Forfeited	(135)	$ 19.08
Outstanding at September 27, 2024	838	$ 18.22
Granted	2,195	$ 8.56
Vested	(484)	$ 17.95
Forfeited	(399)	$ 14.70
Outstanding at October 03, 2025	2,150	$ 9.07

(1) On October 2, 2023, our common stock began trading on the New York Stock Exchange ("NYSE"). The shares outstanding as of October 2, 2023 pertain to Aramark equity awards issued by Aramark in prior periods to employees of the Company that were converted to Vestis equity awards as part of the Separation.

	Fiscal Year Ended		
	October 3, 2025	September 27, 2024	September 29, 2023
Total fair value that vested (in thousands)	$ 8,680	$ 6,950	$ 9,396

Performance Stock Units

Under the LTIP, Vestis is authorized to grant PSUs to its employees. A participant is eligible to become vested in a number of PSUs equal to a percentage, higher or lower, of the target number of PSUs granted based on the level of Vestis' achievement of the performance condition. During fiscal 2024, Vestis granted PSUs on October 2, 2023 subject to the level of achievement of adjusted EBITDA margin percentage and revenue growth (measured as compound annual growth rate) over three years with no additional market conditions. Additionally, on October 2, 2023 and December 6, 2023 Vestis granted PSUs subject to the level of achievement of cumulative adjusted EBITDA, cumulative adjusted free cash flow conversion rate and a total shareholder return modifier for the cumulative performance period of three years and the participant's continued employment with Vestis. Vestis accounted for the October 2, 2023 grants that did not include a market condition as performance-based awards, with grant date fair value based on the fair value of Vestis' common stock. Vestis accounted for the October 2, 2023 and December 6, 2023 grants that include a market condition as performance-based awards, with a market condition, valued utilizing the Monte Carlo Simulation pricing model, which calculated multiple potential outcomes for the awards and established fair value based on the most likely outcome, at the time. Any unvested PSUs are subject to forfeiture if employment is terminated other than due to death, disability or retirement, and the PSUs are nontransferable while subject to forfeiture.

Performance Stock Units	Units (000s)	Weighted Average Grant-Date Fair Value
Outstanding at October 2, 2023[(1)]	177	$ 21.87
Granted	663	$ 17.86
Vested	—	$ —
Forfeited	(142)	$ 18.63
Outstanding at September 27, 2024	698	$ 18.76
Granted	346	$ 16.74
Vested	—	$ —
Forfeited	(394)	$ 18.14
Outstanding at October 03, 2025	650	$ 17.90

(1) On October 2, 2023, our common stock began trading on the New York Stock Exchange ("NYSE"). The shares outstanding as of October 2, 2023 pertain to Aramark equity awards issued by Aramark in prior periods to employees of the Company that were converted to Vestis equity awards as part of the Separation.

Deferred Stock Units

DSUs are issued only to non-employee members of the Board of Directors and represent the right to receive shares of the Company's common stock in the future. Each DSU converts to one share of the Company's common stock on the first day of the seventh month after which such director ceases to serve as a member of the Board of Directors. The grant-date fair value of DSUs is based on the fair value of the Company's common stock. On October 2, 2023, the Company granted 65,850 DSUs which vested immediately and 19,208 DSUs which vested on January 31, 2024. In addition, directors may elect to defer their cash retainer payable in the next calendar year into a fixed income fund which will be paid in cash no less than three years after the cash retainer is deferred or payable upon the first day of the seventh month after which such director ceases to serve as a member of the Board of Directors.

NOTE 13. EARNINGS PER SHARE:

Basic earnings per share is computed using the weighted average number of common shares outstanding during the periods presented. Diluted earnings per share is computed using the weighted average number of common shares outstanding adjusted to include the potentially dilutive effect of stock awards.

On September 30, 2023, the Company separated from Aramark. As referenced in Note 1. "Nature of Business, Basis of Presentation and Summary of Significant Accounting Policies", the Separation resulted in the initial issuance of approximately 131.2 million shares of Vestis common stock. The outstanding shares used in the computation of basic and diluted earnings per common share for the fiscal years ended October 3, 2025, September 27, 2024 and September 29, 2023, include the number of Vestis common shares issued upon completion of the Separation.

The following table sets forth the computation of basic and diluted earnings per share attributable to the Company's stockholders (in thousands, except per share data):

	Fiscal Year Ended		
	October 3, 2025	September 27, 2024	September 29, 2023
Earnings:			
Net Income	$ (40,223)	$ 20,970	$ 213,158
Shares:			
Basic weighted-average shares outstanding	131,751	131,506	130,725
Effect of dilutive securities	—	281	—
Diluted weighted-average shares outstanding	131,751	131,787	130,725
Basic Earnings Per Share	$ (0.31)	$ 0.16	$ 1.63
Diluted Earnings Per Share	$ (0.31)	$ 0.16	$ 1.63
Antidilutive securities(1)	—	2,337	—

(1) Diluted earnings per share excludes certain shares issuable under share-based compensation plans because the effect would have been antidilutive.

NOTE 14. EQUITY:

Accumulated Other Comprehensive Loss

The changes in each component of accumulated other comprehensive loss, net of tax, for the fiscal years ended October 3, 2025, September 27, 2024 and September 29, 2023 were as follows (in thousands):

	Fiscal Year Ended October 3, 2025		
	Foreign Currency Translation	Pension-related	Total Accumulated Other Comprehensive Loss
Balance as of September 27, 2024	$ (23,812)	$ (5,099)	$ (28,911)
Other comprehensive income (loss)	(6,416)	(450)	(6,866)
Amounts reclassified from accumulated other comprehensive income	9,450	—	9,450
Other comprehensive income (loss)	3,034	(450)	2,584
Balance as of October 3, 2025	$ (20,778)	$ (5,549)	$ (26,327)

	Fiscal Year Ended September 27, 2024		
	Foreign Currency Translation	Pension-related	Total Accumulated Other Comprehensive Loss
Balance as of September 29, 2023	$ (26,104)	$ (5,069)	$ (31,173)
Other comprehensive income (loss)	2,292	(30)	2,262
Balance as of September 27, 2024	$ (23,812)	$ (5,099)	$ (28,911)

	Fiscal Year Ended September 29, 2023		
	Foreign Currency Translation	Pension-related	Total Accumulated Other Comprehensive Loss
Balance as of September 30, 2022	$ (27,266)	$ (4,414)	$ (31,680)
Other comprehensive income (loss)	1,162	(655)	507
Balance as of September 29, 2023	$ (26,104)	$ (5,069)	$ (31,173)

Dividends

The Company paid dividends in the amount of $13.8 million each during fiscal 2025 and fiscal 2024 (each amount representing $0.035 per share). Dividends declared for fiscal 2025 and fiscal 2024 were $9.2 million and $18.4 million, respectively. Dividends that were declared in fiscal 2024 and paid in fiscal 2025 of $4.6 million were recorded within "Accrued expenses and other current liabilities" on the Consolidated Balance Sheet as of September 27, 2024. As part of the May 1, 2025 amendment to the Company's Credit Agreement disclosed in Note 4, *Borrowings,* the Company agreed to restrict all dividends and share repurchases until the earlier of (i) any fiscal quarter ending after October 2, 2026 so long as the Company is then in compliance with the financial covenants and (ii) when the Company achieves a net leverage ratio below or equal to 4.50x as of the last day of two consecutive quarters through the end of fiscal 2026.

NOTE 15. RELATED PARTY TRANSACTIONS AND PARENT COMPANY INVESTMENT

Prior to Separation

Corporate Allocations

The Company's Combined Financial Statements for fiscal 2023 include general corporate expenses of Aramark, which were not historically allocated to the Company for certain support functions that were provided on a centralized basis by Aramark and are not recorded at the Company level, such as expenses related to finance, supply chain, human resources, information technology, share-based compensation, insurance and legal, among others (collectively, "General Corporate Expenses"). For purposes of the Combined Financial Statements for the year ended September 29, 2023, General Corporate Expenses were allocated to the Company. General Corporate Expenses are included in the Combined Statements of Income in "Selling, general and administrative expenses" while the impact related to Aramark's gasoline, diesel and natural gas derivative agreements are included in "Cost of services provided." These expenses were allocated to the Company on the basis of direct usage where identifiable, with the remainder allocated based on revenues, headcount or other drivers. Management believes the assumptions underlying the Combined Financial Statements, including the assumptions regarding allocating General Corporate Expenses from Aramark, were reasonable. Nevertheless, the

Combined Financial Statements may not include all of the actual expenses that would have been incurred and may not reflect the Company's combined results of operations, financial position and cash flows had it been a standalone public company during the periods presented. Actual costs that would have been incurred if the Company had been a standalone public company would depend on multiple factors, including organizational structure and strategic decisions made in various areas, including information technology and infrastructure.

During fiscal 2023, General Corporate Expenses allocated to the Company totaled $24.4 million.

Transactions with the Parent

In the ordinary course of business, the Company provided uniforms related to certain food and support services contracts of Aramark in the United States and Canada, the terms of which were at fair market value. During fiscal 2023, these related party revenues and related costs were $54.6 million and $49.7 million, respectively.

Parent Company Investment

All significant intercompany transactions between the Company and Aramark are included in the Combined Financial Statements for fiscal 2023. The total net effect of these intercompany transactions is reflected in the Combined Statements of Cash Flows as a financing activity.

After Separation

On September 30, 2023, the Separation was completed through the Distribution of the Company's common stock to Aramark shareholders who held shares of Aramark common stock as of the close of business on September 20, 2023, the record date for the Distribution, which resulted in the issuance of approximately 131.2 million shares of common stock. As a result of the Distribution, Aramark's shareholders received one share of the Company's common stock for every two shares of common stock, par value $0.01, of Aramark. On October 2, 2023, the Company began trading as an independent, publicly traded company under the stock symbol "VSTS" on the NYSE.

In connection with the Separation, the Company entered into or adopted several agreements that provide a framework for the relationship between the Company and Aramark, including, but not limited to the following:

Separation and Distribution Agreement - governs the rights and obligations of the parties regarding the distribution following the completion of the separation, including the transfer of assets and assumption of liabilities, and establishes certain rights and obligations between the Company and Aramark following the distribution, including procedures with respect to claims subject to indemnification and related matters.

Transition Services Agreement - governs services between the Company and Aramark and their respective affiliates to provide each other on an interim, transitional basis, various services, including, but not limited to, administrative, information technology and cybersecurity support services and certain finance, treasury, tax and governmental function services. The services commenced on the distribution date and terminate no later than 24 months following the distribution date. As of September 27, 2024, the services under the Transition Services Agreement were completed.

Tax Matters Agreement - governs the parties' respective rights, responsibilities and obligations with respect to tax liabilities and benefits, tax attributes, the preparation and filing of tax returns, the control of audits and other tax proceedings and other matters regarding taxes. In addition, the Company is restricted from taking certain actions that could prevent the distribution and certain related transactions from being tax-free for U.S. federal income tax purposes, including specific restrictions on its ability to pursue or enter into acquisition, merger, sale and redemption transactions with respect to the Company's stock.

Employee Matters Agreement - governs the allocation of liabilities and responsibilities relating to employment matters, employee compensation and benefit plans and programs and other related matters.

For fiscal 2024, the Company paid $10.7 million to Aramark under the various agreements described above. As of October 3, 2025, current amounts due from and to Aramark, related to the above agreements, were not material.

NOTE 16. ACCOUNTS RECEIVABLE SECURITIZATION FACILITY:

On August 2, 2024, Vestis Services, LLC ("Vestis Services") and certain other subsidiaries (together with Vestis Services, the "Originators") entered into a three-year $250 million accounts receivable securitization facility (the "A/R Facility"). Under the A/R Facility, the Originators transfer accounts receivable and certain related assets (collectively, the "Receivables") to VS Financing, LLC, a bankruptcy remote special purpose entity ("SPE") formed as a wholly-owned subsidiary of Vestis Services, who in turn, may sell Receivables to one or more financial institutions party to the facility ("Purchasers"). Transfers of the Receivables from the SPE to the Purchasers are accounted for as a sale of financial assets, and those accounts receivable are derecognized from the consolidated financial statements. Other than collection and administrative responsibilities, Originators have no continuing involvement in the transferred Receivables. The Receivables, once sold to the SPE, are no longer available to satisfy creditors of any Originator in the event of its bankruptcy. These sales are priced at the face value of the relevant accounts receivable less a fair market value discount. The A/R Facility is structured on a revolving basis under which cash collections from Receivables are used to fund additional purchases of Receivables. The future outstanding balance of Receivables that will be sold is expected to vary based on the level of originations and other factors. The Purchasers benefit from the SPE's guarantee of repayment on Receivables transferred as well as its pledge of additional Receivables as collateral. The Company has agreed to guarantee the performance of the Originators' respective obligations under the A/R Facility. Neither the Company (except for the SPE referenced above) nor the Originators guarantees the collectability of the Receivables under the A/R Facility. The Company controls and therefore consolidates the SPE in its consolidated financial statements. The A/R Facility is scheduled to terminate on August 2, 2027, unless terminated earlier pursuant to its terms.

As of October 3, 2025, the total value of accounts receivable sold from SPE to the Purchaser under the A/R Facility and derecognized from the Company's Consolidated Balance Sheet was $202.5 million, Additionally, during the year ended October 3, 2025, the Company transferred accounts receivable of $2,529.1 million to the SPE and the Company collected $2,561.7 million of accounts receivable transferred to the SPE under the A/R Facility. The Company continuously transfers receivables to the SPE and the SPE transfers ownership and control of certain receivables that meet certain qualifying conditions which are sold to the Purchasers in exchange for cash. Unsold accounts receivable of $151.6 million were pledged by the SPE as collateral to the Purchasers as of October 3, 2025.

The Company incurred fees for the A/R Facility of $13.0 million and $1.7 million for the year ended October 3, 2025 and September 27, 2024, respectively, which are reflected within "Other Expense (Income), net " in the Consolidated Statements of Income. The fees are paid or payable to the Purchaser and relate to the monthly utilization of the A/R Facility. Additionally, the Company incurred approximately $1.4 million of costs in connection with the A/R Facility which were recorded within "Other Assets" in the Consolidated Balance Sheet and are being amortized on the straight-line basis to "Other Expense (Income), net " over the term of the related A/R Facility.

Cash activity related to the A/R Facility is reflected in "Net cash provided by operating activities" in the Consolidated Statements of Cash Flows.

NOTE 17. SUBSEQUENT EVENTS:

During the first quarter of fiscal 2026, we approved and initiated a multi-year business transformation and restructuring plan (the "Plan") to support the Company's initiatives to make the Company more agile, efficient and customer focused. Developed in collaboration with leading third-party advisors, the Plan is structured around three strategic priorities: Commercial Excellence, Operational Excellence and Asset and Network Optimization. These priorities establish a clear framework for near-term performance improvement and long-term value creation through disciplined execution, continuous improvement and a relentless focus on serving customers.

Plan implementation has recently begun and is expected to generate annual operating cost savings of at least $75 million by the end of fiscal 2026 and to also enhance revenue. Currently we anticipate that the Plan will be substantially complete by the end of fiscal 2027 and we estimate costs of the Plan to be in the range of $25 million to $30 million, with approximately $20 million related to third-party consulting and support, and up to $10 million in severance and related costs.

The estimate of the charges that the Company expects to incur in connection with the Plan, and the timing thereof, are subject to a number of assumptions and actual amounts may differ materially from estimates. In addition, the Company may incur other charges not currently contemplated due to unanticipated events that may occur, including in connection with the implementation of the Plan.

Item 9. ***Changes in and Disagreements with Accountants on Accounting and Financial Disclosure*.**

None.

Item 9A. ***Controls and Procedures.***

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures (as that term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended) as of the end of the period covered by this report. Based on that evaluation, management, with the participation of our Chief Executive Officer and Chief Financial Officer, concluded that our disclosure controls and procedures, as of the end of the period covered by this report, are functioning effectively to provide reasonable assurance that the information required to be disclosed by us in reports filed under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and is accumulated and communicated to our management, including our principal executive and principal financial officers, to allow timely decisions regarding required disclosures.

Management's Report on Internal Control Over Financial Reporting

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting. Management has evaluated the effectiveness of the internal controls over financial reporting, based on the framework and criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission, and concluded that they were effective as of October 3, 2025. All internal control systems have inherent limitations; as such, they may not prevent or detect all misstatements or fraud. Therefore, even those internal control systems determined to be effective can provide only reasonable assurance with respect to financial statements preparation and reporting. Additionally, projections of any evaluation of effectiveness to future periods are subject to the risk that the current control structure may become inadequate for changes in conditions or the degree of compliance with the policies may deteriorate.

Attestation Report of the Registered Public Accounting Firm

The effectiveness of such controls has been audited by Deloitte & Touche LLP, our independent registered public accounting firm, as stated in their report included in Item 8, "Financial Statements and Supplementary Data" of this Annual Report on Form 10-K.

Changes in Internal Control Over Financial Reporting

No change in our internal control over financial reporting occurred during our fourth quarter of fiscal 2025 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. ***Other Information.***

During the three months ended October 3, 2025, none of our directors or officers (as defined in Rule 16a-1(f) of the Securities Exchange Act of 1934, as amended), adopted, terminated or modified a Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement (as such terms are defined in Item 408 of Regulation S-K of the Securities Act of 1933, as amended).

Restructuring Plan

During the first quarter of fiscal 2026, we initiated a formal multi-year business transformation and restructuring plan ("the Plan") to support the Company's initiatives to make the Company more agile, efficient and customer focused. Developed in collaboration with leading third-party advisors, the Plan is structured around three strategic priorities: Commercial Excellence, Operational Excellence and Asset and Network Optimization. These priorities establish a clear framework for near-term performance improvement and long-term value creation through disciplined execution, continuous improvement and a relentless focus on serving customers.

- Commercial Excellence. Executing commercial initiatives to improve customer retention, enhance profitability, and support a return to sustainable growth. Vestis is expanding product offerings and deploying new processes, tools and systems designed to strengthen customer segmentation, optimize strategic pricing and reinforce commercial discipline.

- Operational Excellence. Implementing a standardized operating framework across its facilities and business units and streamlining the Company's organizational structure in order to improve operating leverage, simplify execution, modernize core processes and systems and create a more scalable and efficient cost structure.
- Asset & Network Optimization. Rationalizing network redundancies, reallocating equipment to higher-utilization markets, and making targeted capital investments to improve reliability and asset performance.

Plan implementation has recently begun and is expected to generate annual operating cost savings of at least $75 million by the end of fiscal 2026 and to also enhance revenue. Currently we anticipate that the Plan will be substantially complete by the end of fiscal 2027 and we estimate costs of the Plan to be in the range of $25 million to $30 million, with approximately $20 million related to third-party consulting and support, and up to $10 million in severance and related costs.

The estimate of the charges that the Company expects to incur in connection with the Plan, and the timing thereof, are subject to a number of assumptions and actual amounts may differ materially from estimates. In addition, the Company may incur other charges not currently contemplated due to unanticipated events that may occur, including in connection with the implementation of the Plan.

Item 9C. *Disclosure Regarding Foreign Jurisdiction that Prevent Inspections.*

Not applicable.

PART III

Item 10. ***Directors, Executive Officers and Corporate Governance.***

The information required under this item is incorporated by reference to the Company's definitive proxy statement pursuant to Regulation 14A under the captions "Proposal 1: Election of Directors," "Corporate Governance," and "Executive Officers", which will be filed with the Securities and Exchange Commission no later than 120 days after the close of the Company's fiscal year ended October 3, 2025.

Item 11. ***Executive Compensation*****.**

The information required under this item is incorporated by reference to the Company's definitive proxy statement pursuant to Regulation 14A under the captions "Executive Compensation" and "2025 Director Compensation", which will be filed with the Securities and Exchange Commission no later than 120 days after the close of the Company's fiscal year ended October 3, 2025.

Item 12. ***Security Ownership of Certain Beneficial Owner and Management and Related Stockholder Matters***

The information required under this item is incorporated by reference to the Company's definitive proxy statement pursuant to Regulation 14A under the captions "Beneficial Ownership of Our Common Stock" and "Equity Compensation Plan Information", which will be filed with the Securities and Exchange Commission no later than 120 days after the close of the Company's fiscal year ended October 3, 2025.

Item 13. ***Certain Relationships and Related Transactions, and Director Independence.***

The information required under this item is incorporated by reference to the Company's definitive proxy statement pursuant to Regulation 14A, under the captions "Review of Related Party Transactions" and "Independence of Directors", which will be filed with the Securities and Exchange Commission no later than 120 days after the close of the Company's fiscal year ended October 3, 2025.

Item 14. ***Principal Accounting Fees and Services.***

The information required under this item is incorporated by reference to the Company's definitive proxy statement pursuant to Regulation 14A under the caption "Proposal 3: Ratification of Appointment of Deloitte & Touche LLP as our Independent Registered Public Accounting Firm," which will be filed with the Securities and Exchange Commission no later than 120 days after the close of the Company's fiscal year ended October 3, 2025.

PART IV

Item 15. *Exhibits, Financial Statement Schedules.*

The following documents are filed as exhibits hereto:

Exhibit Number	Exhibit Description
2.1†	Separation and Distribution Agreement, dated as of September 29, 2023, by and between Aramark and Vestis Corporation (incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K filed October 2, 2023)
3.1	Amended and Restated Certificate of Incorporation of Vestis Corporation (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed October 2, 2023)
3.2	Amended and Restated Bylaws of Vestis Corporation (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K filed October 2, 2023)
4.1*	Description of Vestis Corporation Capital Stock
10.1†	Transition Services Agreement, dated as of September 29, 2023, by and between Aramark and Vestis Corporation (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed October 2, 2023)
10.2†	Tax Matters Agreement, dated as of September 29, 2023, by and between Aramark and Vestis Corporation (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed October 2, 2023)
10.3	Employee Matters Agreement, dated as of September 29, 2023, by and between Aramark and Vestis Corporation (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed October 2, 2023)
10.4+	Form of Indemnification Agreement by and between Vestis Corporation and individual directors or officers (incorporated by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K filed October 2, 2023)
10.5†	Credit Agreement, dated as of September 29, 2023, among Vestis Corporation, as U.S. Borrower, Canadian Linen and Uniform Service Corp., as Canadian Borrower, each Subsidiary of Vestis Corporation from time to time party thereto, the financial institutions from time to time party thereto, the issuing banks named therein, and JPMorgan Chase Bank, N.A., as administrative agent for the lenders and collateral agent for the secured parties thereunder (incorporated by reference to Exhibit 10.5 to the Company's Current Report on Form 8-K filed October 2, 2023)
10.6	Amendment No. 1 to Credit Agreement, dated as of February 22, 2024, among Vestis Corporation, as U.S. Borrower, Canadian Linen and Uniform Service Corp., as Canadian Borrower, each Subsidiary of Vestis Corporation party thereto, the lenders party thereto, and JPMorgan Chase Bank, N.A., as administrative agent and collateral agent (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on February 22, 2024)
10.7	Amendment No.2 to Credit Agreement, dated as of May 1, 2025, among Vestis Corporation, as U.S. Borrower, Canadian Linen and Uniform Service Corp., as Canadian Borrower, and other subsidiaries of Vestis Corporation party thereto, the lenders party thereto, and JP Morgan Chase Bank, N.A., as administrative agent and collateral agent (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on May 6, 2025).
10.8+	Vestis Corporation 2023 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.6 to the Company's Current Report on Form 8-K filed October 2, 2023)
10.9+	Form of Deferred Stock Unit Award Agreement Pursuant to the Vestis Corporation 2023 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.7 to the Company's Current Report on Form 8-K filed October 2, 2023)
10.10+	Form of Restricted Stock Unit Award Agreement Pursuant to the Vestis Corporation 2023 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.8 to the Company's Annual Report on Form 10-K filed on November 22, 2024)
10.11+	Form of Stock Option Award Agreement Pursuant to the Vestis Corporation 2023 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.9 to the Company's Annual Report on Form 10-K filed on November 22, 2024)

10.12+	Form of Performance Stock Unit Award Agreement Pursuant to the Vestis Corporation 2023 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.10 to the Company's Annual Report on Form 10-K filed on November 22, 2024
10.13+	Form of Director Restricted Stock Unit Award Agreement Pursuant to the Vestis Corporation 2023 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.24 to the Company's Annual Report on Form 10-K filed on November 22, 2024)
10.14+	2025 Form of Performance Stock Unit Award Agreement Pursuant to the Vestis Corporation 2023 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.34 to the Company's Annual Report on Form 10-K filed on November 22, 2024)
10.15+	Third Amended and Restated Stock Incentive Plan of Aramark (which governs certain pre-Separation awards per the terms of the Employee Matters Agreement) (incorporated by reference to Exhibit 10.11 to the Company's Annual Report on Form 10-K filed on November 22, 2024)
10.16+	Form of Aramark Stock Option Award Agreement (which governs certain pre-Separation awards per the terms of the Employee Matters Agreement) (incorporated by reference to Exhibit 10.12 to the Company's Annual Report on Form 10-K filed on November 22, 2024)
10.17+	Form of Aramark Restricted Stock Award Agreement (which governs certain pre-Separation awards per the terms of the Employee Matters Agreement) (incorporated by reference to Exhibit 10.13 to the Company's Annual Report on Form 10-K filed on November 22, 2024)
10.18+	Form of Aramark Performance Stock Unit Award Agreement (which governs certain pre-Separation awards per the terms of the Employee Matters Agreement) (incorporated by reference to Exhibit 10.14 to the Company's Annual Report on Form 10-K filed on November 22, 2024)
10.19+	Offer Letter, dated as of December 31, 2021, by and between Aramark and Timothy Donovan (incorporated by reference to Exhibit 10.15 to the Company's Annual Report on Form 10-K filed on December 21, 2023)
10.20+	Agreement Relating to Employment and Post-Employment Competition, dated as of December 31, 2021, by and between Aramark and Timothy Donovan (incorporated by reference to Exhibit 10.11 to the Company's Registration Statement on Form 10 filed on September 6, 2023)
10.21+	Summary of modification to Timothy R. Donovan Offer Letter, Agreement Relating to Employment and Post-Employment Competition and Outstanding Equity Awards with "Retirement with Notice" Provisions dated September 24, 2024 (incorporated by reference to Exhibit 10.17 to the Company's Annual Report on Form 10-K filed on November 22, 2024)
10.22+	Form of Director Letter (incorporated by reference to Exhibit 10.15 to the Company's Registration Statement on Form 10 filed on September 6, 2023)
10.23+	Vestis Corporation Management Incentive Bonus Plan (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on December 1, 2023)
10.24+	Amended and Restated Employment Agreement, dated as of April 2, 2024, by and between Vestis Corporation and Kim T. Scott (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on April 5, 2024)
10.25+	Amended and Restated Employment Agreement, dated as of April 2, 2024, by and between Vestis Corporation and Rick T. Dillon (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on April 5, 2024)
10.26+	Amended and Restated Employment Agreement, dated as of April 2, 2024, by and between Vestis Corporation and Angela J. Kervin (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed on April 5, 2024)
10.27+	Amended and Restated Employment Agreement, dated as of April 2, 2024, by and between Vestis Corporation and Grant Shih (incorporated by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K filed on April 5, 2024)
10.28	Letter Agreement, dated June 18, 2024, by and among the Company and Keith A. Meister and Corvex Management LP (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on June 20, 2024)
10.29	Amendment No. 1 to Letter Agreement dated May 5, 2025 by and among the Company and Keith A. Meister and Corvex (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on May 6, 2025)

10.30+	Employment Agreement, dated as of June 19, 2024, by and between Vestis Corporation and William Seward (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on July 23, 2024)
10.31	Receivables Purchase Agreement, dated as of August 2, 2024, by and among VS Financing, LLC, as the seller, Vestis Services, LLC, as servicer, the persons from time to time party thereto as purchasers, PNC Bank, National Association, as administrative agent, and PNC Capital Markets LLC, as structuring agent (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on August 7, 2024)
10.32	Sale and Contribution Agreement, dated as of August 2, 2024, by and among Vestis Services, LLC, as servicer and originator, certain other Originators, and VS Financing, LLC, as buyer (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on August 7, 2024)
10.33+†	Separation Agreement and Waiver and Release, dated as of February 20, 2025, between Vestis Corporation and Rick T. Dillon (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed on May 7, 2025)
10.34+†	Separation Agreement and Waiver and Release, dated as of April 24, 2025, between Vestis Corporation and Kim T. Scott (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q filed on May 7, 2025)
10.35+	Offer Letter, dated as of March 18, 2025, between Vestis Corporation and Phillip Holloman (incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q filed on May 7, 2025)
10.36+	Form of Phillip Holloman Restricted Stock Unit Award Agreement Pursuant to the Vestis Corporation 2023 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q filed on May 7, 2025)
10.37+	Employment Agreement, dated January 29, 2025, between Vestis Corporation and Kelly Janzen (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on January 31, 2025)
10.38+	Employment Agreement dated as of May 5, 2025, between Vestis Corporation and Jim Barber (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on May 9, 2025)
10.39+	Form of Jim Barber Restricted Stock Unit Award Agreement Pursuant to the Vestis Corporation 2023 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q filed on August 5, 2025)
10.40+	Separation Agreement and Waiver and Release, dated as of May 28, 2025, between Vestis Corporation and Angela J. Kervin (incorporated by reference to Exhibit 10.6 to the Company's Quarterly Report on Form 10-Q filed on August 5, 2025)
10.41+	Vestis Corporation Amended and Restated Deferred Compensation Plan (incorporated by reference to Exhibit 10.7 to the Company's Quarterly Report on Form 10-Q filed on August 5, 2025)
10.42+	Form of Director Restricted Stock Unit Award Agreement (Time Vesting Cash Retainer Fee Conversion Award) Pursuant to the Vestis Corporation 2023 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.8 to the Company's Quarterly Report on Form 10-Q filed on August 5, 2025)
10.43+*	Employment Agreement dated as of May 5, 2025, between Vestis Corporation and André C. Bouchard
10.44+*†	Separation Agreement and Waiver and Release, dated as of October 6, 2025, between Vestis Corporation and Grant Shih
10.45+*	Vestis Corporation Amended and Restated Management Incentive Bonus Plan
10.46+	Vestis Corporation Deferred Compensation Plan (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on December 1, 2023)
19.1	Vestis Corporation Securities Trading Policy (incorporated by reference to Exhibit 10.8 to the Company's Annual Report on Form 10-K filed on November 22, 2024)
21.1*	List of subsidiaries of Vestis Corporation
23.1*	Consent of Independent Registered Public Accounting Firm-Deloitte & Touche LLP
31.1*	Certification of Jim Barber, Chief Executive Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of Kelly Janzen, Chief Financial Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

32.1*	Certification of Jim Barber, Chief Executive Officer, and Janzen, Chief Financial Officer, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
97.1*	Vestis Corporation Incentive Compensation Recoupment Policy
101	The following financial information from Vestis' Annual Report on Form 10-K for the period ended October 3, 2025 formatted in inline XBRL: (i) Consolidated Balance Sheets as of October 3, 2025 and September 27, 2024; (ii) Consolidated and Combined Statements of Income for the fiscal years ended October 3, 2025, September 27, 2024 and September 29, 2023; (iii) Consolidated and Combined Statements of Comprehensive Income for the fiscal years ended October 3, 2025, September 27, 2024 and September 29, 2023; (iv) Consolidated and Combined Statements of Cash Flows for the fiscal years ended October 3, 2025, September 27, 2024 and September 29, 2023; (v) Consolidated and Combined Statements of Changes in Equity for the fiscal years ended October 3, 2025, September 27, 2024 and September 29, 2023; and (vi) Notes to consolidated and combined financial statements
104	Inline XBRL for the cover page of this Annual Report on Form 10-K; included in Exhibit 101 Inline XBRL document set

† Certain schedules and exhibits have been omitted pursuant to Item 601(b)(2) of Regulation S-K. The Company agrees to furnish supplementally a copy of any omitted schedule or exhibit to the SEC upon its request.
+ Represents a management contract or compensatory arrangement.

* Filed herewith.

Item 16. *Form 10-K Summary.*

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this annual report to be signed on its behalf by the undersigned, thereunto duly authorized on December 2, 2025.

Vestis Corporation

By:	/s/ KELLY JANZEN
Name:	**Kelly Janzen**
Title:	**Executive Vice President and Chief Financial Officer**

Pursuant to the requirements of the Securities Exchange Act of 1934, this annual report has been signed below by the following persons on behalf of the registrant and in the capacities indicated on December 2, 2025.

Name	Capacity
/s/ JIM BARBER **Jim Barber**	Chief Executive Officer and Director (Principal Executive Officer)
/s/ KELLY JANZEN **Kelly Janzen**	Executive Vice President and Chief Financial Officer (Principal Financial Officer)
/s/ JOHN LAVECK **John Laveck**	Chief Accounting Officer (Principal Accounting Officer)
/s/ PHILLIP HOLLOMAN **Phillip Holloman**	Director, Chairman
/s/ DOUG PERTZ **Doug Pertz**	Director, Vice Chairman
/s/ RICHARD BURKE **Richard Burke**	Director
/s/ WILLIAM W. GOETZ **William W. Goetz**	Director
/s/ TRACY JOKINEN **Tracy Jokinen**	Director
/s/ LYNN B. MCKEE **Lynn B. McKee**	Director
/s/ KEITH MEISTER **Keith Meister**	Director
/s/ MARY ANNE WHITNEY **Mary Anne Whitney**	Director
/s/ ENA WILLIAMS **Ena Williams**	Director

Exhibit 4.1

VESTIS CORPORATION
DESCRIPTION OF CAPITAL STOCK

The following description is a summary of the terms of the capital stock of Vestis Corporation, a Delaware corporation (the "Company", "we" or "us"), and is qualified in its entirety by reference to our Amended and Restated Certificate of Incorporation ("Certificate") and Amended and Restated Bylaws ("Bylaws"), each of which is incorporated as an exhibit to this Annual Report on Form 10-K, and certain applicable provisions of the Delaware General Corporation Law ("DGCL").

Authorized Capital Shares

The Company's authorized capital stock consists of 300 million (300,000,000) shares of common stock, par value $0.01 per share ("Common Stock"), and fifty million (50,000,000) shares of preferred stock, par value $0.01 per share ("Preferred Stock"). As of October 3, 2025, no shares of Preferred Stock were outstanding. All outstanding shares of our Common Stock are fully paid and nonassessable.

Voting Rights

Holders of Common Stock are entitled to one vote for each share on all matters to be voted upon by the stockholders, including the election of directors. Our Common Stock does not have cumulative voting rights.

Dividend Rights

Subject to the rights of holders of outstanding shares of Preferred Stock, if any, the holders of Common Stock are entitled to receive ratably dividends, if any, that may be declared from time to time by the Board of Directors in its discretion out of funds legally available for the payment of dividends.

Liquidation Rights

Subject to the rights of holders of outstanding shares of Preferred Stock, if any, holders of Common Stock will share ratably in all assets legally available for distribution to our stockholders in the event of dissolution.

Other Rights and Preferences

Our Common Stock has no sinking fund or redemption provisions or preemptive, conversion or exchange rights.

Anti-Takeover Effects of Governance Provisions

Our Certificate and Bylaws contain provisions that may be deemed to have an anti-takeover effect and may delay, defer or prevent a change in control of the Company, including the following provisions:

- ***Classified Board***. Our Certificate provides that, until the third annual stockholder meeting following the Company's spin-off from Aramark, the Board of Directors will be divided into three classes, designated Class I, Class II and Class III, as nearly equal in number as reasonably possible. Commencing with the third annual meeting of stockholders following the spin-off from

Aramark, directors will be elected annually and for a term of office to expire at the next annual meeting of stockholders, and the Board of Directors will thereafter no longer be divided into classes.

- ***Removal and Vacancies***. Our Certificate and Bylaws provide that (i) until the third annual meeting of stockholders following the spin-off from Aramark (or such other time as the Board of Directors is no longer classified under the DGCL), the stockholders may remove directors only for cause and (ii) from and including the third annual meeting of stockholders following the spin-off from Aramark (or such other time as the Board of Directors is no longer classified under the DGCL), the stockholders may remove directors with or without cause. Removal will require the affirmative vote of holders of at least a majority of the voting power of the Company's stock outstanding and entitled to vote on such removal. Vacancies occurring on the Board of Directors, whether due to death, resignation, removal, retirement, disqualification or for any other reason, and newly created directorships resulting from an increase in the authorized number of directors, will be filled solely by a majority of the remaining members of the Board of Directors or by a sole remaining director.

- ***Blank Check Preferred Stock***. Our Certificate authorizes the Board of Directors to designate and issue, without any further vote or action by the stockholders, up to 50 million (50,000,000) shares of Preferred Stock, from time to time, in one or more series and, with respect to each such series, to fix the number of shares constituting the series and the designation of the series, the voting powers (if any) of the shares of the series, and the preferences and relative, participating, optional and other rights, if any, and any qualifications, limitations or restrictions, of the shares of such series.

- ***No Stockholder Action by Written Consent***. Our Certificate expressly excludes the right of stockholders to act by written consent.

- ***No Stockholder Ability to Call Special Meetings of Stockholders Until Two Years Following the Distribution***. Our Certificate and Bylaws provide that a special meeting of stockholders may only be called by the Chairman of the Board or a majority of the directors of the Board of Directors until two years after the spin-off from Aramark. From and after two years following the spin-off from Aramark, a special meeting may be called by the Chairman of the Board, a majority of the directors of the Board or Directors, or upon the written request of stockholders that own 15% or more of the Common Stock.

In addition, we have elected to be governed by the provisions of Section 203 of the DGCL, which generally prohibits a public Delaware corporation from engaging in a "business combination" with an "interested stockholder" for a period of three years following the time that the person became an interested stockholder, unless:

- prior to the time that the person became an interested stockholder the corporation's board of directors approved either the business combination or the transaction that resulted in the stockholder's becoming an interested stockholder;

- upon consummation of the transaction which resulted in the stockholder's becoming an interested stockholder, the stockholder owned at least 85% of the outstanding voting stock of the corporation at the time the transaction commenced, excluding for the purpose of determining the number of shares outstanding those shares owned by the corporation's officers and directors and by employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or

- at or subsequent to the time, the business combination is approved by the corporation's board of directors and authorized at an annual or special meeting of its stockholders, and not by written consent, by the affirmative vote of at least 66 2/3% of its outstanding voting stock that is not owned by the interested stockholder.

A "business combination" includes mergers, asset sales or other transactions resulting in a financial benefit to the stockholder. An "interested stockholder" is a person who, together with affiliates and associates, owns (or within three years did own) 15% or more of the corporation's voting stock.

Listing

The Common Stock is traded on the New York Stock Exchange under the trading symbol "VSTS."

Transfer Agent and Registrar

The transfer agent and registrar for the Common Stock is Computershare Trust Company, N.A.

Exhibit 10.43

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (the **"Agreement"**) is made on the 6th day of January 2025 by and between Vestis Corporation, a Delaware corporation (the **"Company"**), and André C. Bouchard (**"Executive"**). The Company and Executive are sometimes referred to individually as a **"Party"** and collectively, the **"Parties."**

W I T N E S SE T H

WHEREAS, the Company desires to employ Executive and Executive desires to be employed by the Company, all on the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth below, it is hereby covenanted and agreed by the Company and Executive as follows, all effective as of the Effective Date:

1. **Term**. The **"Term"** of the Agreement shall be the period commencing on the date that Executive's employment with the Company commences (as mutually agreed between the Parties but in no event later than January 23, 2025, the "**Effective Date**") and ending on Executive's Termination Date (as defined in Section 4). This Agreement shall become effective only if Executive commences employment with the Company on the Effective Date and if the Effective Date does not occur on or before January 23, 2025, this Agreement will automatically terminate and be of no further force and effect without the action of any person.

2. **Position, Duties and Authorities**.

a. **Location**. Executive's principal place of employment shall be the Atlanta, Georgia metropolitan area, subject to required travel on business consistent with Executive's position.

b. **Duties and Authorities**. During the Term, Executive shall serve as the Company's Executive Vice President & Corporate Secretary and, from and after the retirement of Timothy R. Donovan, will also serve as Chief Legal Officer and General Counsel, and shall be responsible for performing all duties and responsibilities of these positions and any other duties commensurate with such position that may be assigned to Executive by the Chief Executive Officer of the Company. Executive will have such authority and power as are inherent to the undertakings applicable to Executive's positions and necessary to carry out the responsibilities and the duties required of Executive hereunder. Executive shall perform Executive's duties faithfully and to the best of Executive's ability and shall devote Executive's full attention, skill and efforts to the performance of the duties required by the Company and shall use Executive's best skill and abilities to promote the interest of the Company and its affiliates (collectively, the **"Company Group"**).

c. **Other Activities**. Notwithstanding the foregoing provisions of this Section 2, during the Term, Executive may devote reasonable time to activities other than those required under this Agreement, including the supervision of Executive's personal investments and activities involving professional, charitable, educational, religious and similar types of organizations, speaking engagements, and similar type activities, but only to the extent that such other activities do not, in the judgment of the Board of Directors of the Company (the **"Board"**), inhibit or prohibit the performance of Executive's duties under this Agreement, conflict in any material way with the business of any member of the Company Group or violate the provisions of the Restricted Covenant Agreement attached hereto as **Exhibit A** (the **"Restrictive Covenant Agreement"**); provided, however, that Executive shall not serve on the board of any business, or hold any other position with any business, without the consent of the Board, which consent will not be unreasonably withheld. The Board has consented to Executive's service on the boards of directors (or similar governing bodies) of the entities set forth in **Exhibit B**.

d. **Board Service**. To the extent requested by the Board, during Executive's employment, Executive shall serve on the boards of directors of any member of the Company Group without additional compensation therefor. Executive shall resign as a member the boards of directors of any members of the Company Group at such time as Executive ceases to hold the position of Executive Vice President, Chief Legal Officer, General Counsel & Corporate Secretary (or otherwise ceases to be employed by the Company Group) or as directed by the Board.

e. **Clawback**. Executive (and any compensation payable to Executive) shall be subject to the terms of the Company's clawback and recoupment policies in effect from time to time.

f. **Restrictive Covenants**. As a condition of this Agreement, Executive and the Company have entered into the Restrictive Covenant Agreement.

3. **Compensation and Benefits**. In consideration of Executive's performance of duties hereunder and subject to the terms and conditions of this Agreement, Executive will be provided with the following compensation and benefits during the Term.

a. **Base Salary**. Executive shall receive an annual base salary in the amount of five hundred twenty-five thousand dollars ($525,000.00) **("Base Salary")** payable in accordance with the normal payroll practices of the Company (but no less frequently than monthly). The Board may review Executive's Base Salary in its discretion from time to time; provided, however, that the rate of Base Salary may not be reduced and any increase in the rate of Base Salary shall be in the sole and absolute discretion of the Board.

b. **Annual Bonus**. For each fiscal year beginning with fiscal year 2025, Executive shall be eligible to participate in the Company's Management Incentive Bonus Plan (the **"Bonus Plan"**) with a target bonus opportunity (**"Target Bonus"**) of no less than sixty (60%) of Executive's Base Salary. Executive's bonus under the Bonus Plan for any year (the **"Annual Bonus"**) shall be determined and paid in accordance with the terms of the Bonus Plan, including based on satisfaction of applicable performance targets and goals as apply thereunder for the applicable year.

c. **Annual LTI Equity or Equity-Based Awards**. For each fiscal year beginning with fiscal year 2025, Executive shall be entitled to receive long-term incentive (LTI) equity or equity-based awards under the Vestis Corporation Long-Term Incentive Plan or a successor thereto (the **"Long-Term Incentive Plan"**) with a target grant date value of six hundred thousand dollars ($600,000.00), subject in each case to approval of such awards by the Compensation and Human Resources Committee of the Board (the **"Committee"**). The form, mix, timing and terms of any such awards will be determined in the sole discretion of the Committee; provided that any annual LTI equity awards to

Executive shall be made at the same time as annual LTI equity awards are made to similarly situated executives of the Company.

d. **Benefits**. Executive shall be eligible to participate in employee benefit plans, programs, policies and arrangements that are provided or made available from time to time for similarly situated executives of the Company, to the same extent and on the same terms and conditions as other similarly situated executives. Without limiting the generality of the foregoing, Executive shall be entitled to participate in the Company's Executive Benefits and Perquisites Program, and Executive Relocation Policy applicable to similarly situated executives of the Company and shall be entitled to reimbursement of financial planning services and participation in the Company's matching gifts program to the same extent as other similarly situated executives. Notwithstanding the foregoing or the terms of any employee benefit plan, program, policy or arrangement of the Company or any other member of the Company Group, this Agreement sets forth Executive's sole right to termination or separation payments and benefits and Executive shall not be entitled to any severance or termination payments under any benefit plan of any member of the Company Group unless required by law.

e. **Car Allowance**. Executive shall be entitled to a monthly car allowance in the gross amount of eleven hundred dollars ($1,100.00) per month payable in accordance with the normal payroll practices of the Company (but no less frequently than monthly).

f. **Reimbursement for Expenses**. Executive shall be reimbursed for ordinary and reasonable expenses incurred by Executive in the performance of Executive's duties pursuant to the terms of this Agreement under the normal reimbursement and documentation policies applicable to similarly situated executives of the Company from time to time, subject to the terms and conditions of this Agreement.

g. **Sign-on Award**. Executive shall be entitled to the following award in connection with Executive's employment hereunder:

i. If Executive's Termination Date does not occur prior to the scheduled payment date, Executive will be paid a one-time cash bonus (the **"Sign-On Bonus"**) in the gross amount of two hundred fifty thousand dollars ($250,000.00), where the cash Sign-on Bonus will be paid on or around March 1, 2025. If Executive is paid the Sign-On Bonus and if Executive's Termination Date occurs prior to the second anniversary of the Effective Date on account of termination by the Company for Cause (as defined in Section 4(g)) or by termination by the Executive for any reason, other than Good Reason (as defined in Section 4(g)), Executive shall repay to the Company the full amount of the Sign-on Bonus within thirty (30) days following the Termination Date. For the avoidance of doubt, no repayment will be required in the event that Executive's Termination Date occurs on account of death, Disability or Good Reason (as defined in Section 4(g)) or on account of termination by the Company without Cause. In addition, and to the extent permitted by applicable law, in the event Executive is required to repay the amount of the Sign-On Bonus, Executive hereby authorizes the Company Group to reduce any compensation that is otherwise payable to Executive from the Company Group in connection with Executive's termination and to apply such amounts to Executive's repayment obligation pursuant to this Agreement.

4. **Termination/Rights and Payments Upon Termination**. Executive's right to payments, if any, for periods after the date that Executive's employment with the Company and all other members of the Company Group terminates for any reason (the **"Termination Date"**) shall be determined in accordance with this Section 4, subject to the terms and conditions of this Agreement. Except as specifically provided in this Section 4, neither the Company nor any other member of the Company Group shall have any obligation to make payments of any amounts or provide any benefits to Executive for periods after Executive's Termination Date.

a. **Termination for any Reason**. If Executive's Termination Date occurs at any time and for any reason (whether by the Company Group or Executive), then, subject to the terms and conditions of this Agreement, Executive shall be entitled to the following payments and benefits (collectively, the **"Accrued Amounts"**):

i. the amount, if any, of Executive's earned but unpaid Base Salary ending on Executive's Termination Date;

ii. any earned but unused vacation due to Executive as of the Termination Date pursuant to the Company's vacation pay program;

iii. Executive's Annual Bonus for any calendar year completed prior to Executive's Termination Date which has not been paid prior to the Termination Date; provided, however, that if Executive's Termination Date occurs as a result of termination by the Company Group for Cause payment of the Annual Bonus for the calendar year completed prior to the year in which the Termination Date occurs shall be included in the Accrued Amounts only to the extent provided by applicable law; and

iv. any other amounts required by local law or the express terms of any employee benefit plan to be paid or provided to Executive.

Executive's rights under any equity or equity-based awards outstanding as of the Termination Date shall be governed by the terms of the Company's long-term incentive plan under which such awards were granted and any award agreements applicable to such awards and to the extent that Executive has any rights with respect to such awards, such rights shall be considered Accrued Amounts for purposes of this Agreement. The Accrued Amounts shall be payable to Executive in a lump sum within thirty (30) days after Executive's Termination Date or such earlier date required by applicable law and any payments or benefits to be provided to Executive under an employee benefit plan (including equity awards) shall be paid or provided in accordance with the terms of the applicable plan.

b. **Termination by the Company Group for Cause or by Executive Other Than for Good Reason**. If Executive's Termination Date occurs at any time on account of termination by the Company Group for Cause or by Executive other than for Good Reason (as defined in Section 4(g) below), then, subject to the terms and conditions of this Agreement, Executive shall be entitled to the Accrued Amounts and no other payments or benefits under this Agreement.

c. **Termination Due to Death or Disability**. If Executive's Termination Date occurs on account of death or Disability, then, subject to the terms and conditions of this Agreement, Executive shall be entitled to the following payments and benefits:

i. the Accrued Amounts; and

ii. a pro-rata Annual Bonus for the year in which the Termination Date occurs determined as the product of (A) the Annual Bonus that would otherwise have been paid to Executive for the calendar year in which the Termination Date occurs had the Termination Date not occurred (determined without regard to any reduction therein resulting solely from a reduction in the Target Bonus which constitutes Good Reason), multiplied by (B) a fraction, the numerator of which is the total number of days Executive is employed by the Company Group in the calendar year in which the Termination Date occurs and through the Termination Date, and the denominator of which is 365 (the **"Pro-Rata Annual Bonus"**), payable to Executive in a lump sum at the same time as Annual Bonuses for the year to which the Pro-Rata Annual Bonus relates are payable to similarly situated executives of the Company whose Termination Date has not occurred.

Any Pro-Rata Annual Bonus that is payable pursuant to this Section 4(c) or Sections 4(d)-(e) hereof shall not be in addition to any bonus that may otherwise be payable to Executive under the terms of the Bonus Plan and that would be included in the Accrued Amounts for the year in which the Termination Date occurs.

d. **Termination by the Company Group Other Than for Cause or by Executive for Good Reason**. If Executive's Termination Date occurs on account of termination by the Company Group other than for Cause or by Executive for Good Reason, then, subject to the terms and conditions of this Agreement, Executive shall be entitled to the following payments and benefits:

i. the Accrued Amounts;

ii. an amount (such amount, the **"Severance Payment"**) equal to the sum of Executive's Base Salary and Target Bonus as in effect immediately prior to the Termination Date (without regard to any reduction therein which constitutes Good Reason), which Severance Payment shall be payable in accordance with the normal payroll practices of the Company ratably over the Severance Period (as defined in Section 4(g) below), beginning on the sixty (60)-day anniversary of the Termination Date (the **"Payment Commencement Date"**);

iii. a Pro-Rata Annual Bonus, payable to Executive in a lump sum at the same time as annual bonuses for the year to which the Pro-Rata Annual Bonus relates are payable to similarly situated executives of the Company whose Termination Date has not occurred;

iv. a payment equal to the amount of the applicable premium that would be required for Executive to continue group medical, dental and vision benefits pursuant to Section 4980B of the Internal Revenue Code of 1986, as amended (the **"Code"**), for the Severance Period for the type and level of coverage in effect with respect to Executive as of the Termination Date (the **"Benefit Payment")**, which Benefit Payment shall be paid ratably over the Severance Period on the normal payroll dates of the Company beginning on the Payment Commencement Date;

v. if Executive is receiving a car allowance on the Termination Date, continuing payments of the car allowance over the Severance Period, beginning on the Payment Commencement Date; and

vi. for the period beginning on the Termination Date and ending on the earlier of (A) the last day of the Severance Period or (B) the date on which Executive obtains employment with a new employer, reimbursement for outplacement services by a recognized outplacement services firm selected by Executive in an amount not to exceed ten percent (10%) of Executive's Base Salary, which reimbursements will be made beginning on the Payment Commencement Date.

All payments and benefit pursuant to this Section 4(d) (other than the Accrued Amounts) shall be subject to the effectiveness of the Release (as defined in Section 4(f) below). Executive shall not be entitled to payments and benefits under this Section 4(d) if Executive is also entitled to payments and benefits under Section 4(e) (except as described in Section 4(e) in the event of an Anticipatory Change of Control Termination (as defined in Section 4(g) below). For the avoidance of doubt, in the event that Executive's Termination Date occurs pursuant to this Section 4(d), any equity or equity-based award that is outstanding on the Termination Date (collectively, the **"Outstanding Unvested Awards"**) shall remain outstanding for purposes of the Long-Term Incentive Plan and any applicable award agreements evidencing such awards until the earliest of (1) the date of a Change of Control, (2) the date that is six (6) months following the Termination Date, or (3) in the case of any individual Outstanding Unvested Award, the expiration date of such equity or equity-based award and, in the event that it is determined that the Termination Date occurred under circumstances that constitute an Anticipatory Change of Control Termination, the provisions of Section 4(e) shall apply with respect to such Outstanding Unvested Awards.

e. **Termination in a Qualifying Termination**. If Executive's Termination Date occurs on account of a Qualifying Termination (as defined in Section 4(g) below), then, subject to the terms and conditions of this Agreement, Executive shall be entitled to the following payments and benefits:

i. the Accrued Amounts;

ii. an amount equal to one and one half (1.5) times the sum of Executive's Base Salary and Target Bonus as in effect immediately prior to the Termination Date (without regard to any reduction therein which constitutes Good Reason), payable in in a lump sum on the Payment Commencement Date;

iii. a pro-rata Annual Bonus for the year in which the Termination Date occurs determined as the product of (A) Executive's Target Bonus for the calendar year in which the Termination Date occurs (or if such Target Bonus has not been established as of the Termination Date, the Target Bonus for the immediately preceding calendar year, in either case determined without regard to any reduction in the Target Bonus which constitutes Good Reason), multiplied by (B) a fraction, the numerator of which is the total number of days Executive is employed by the Company Group in the calendar year in which the Termination Date occurs and through the Termination Date, and the denominator of which is 365, which amount shall be paid to Executive on the Payment Commencement Date;

iv. a Benefit Payment calculated for the Severance Period, payable in a lump sum on the Payment Commencement Date;

v. if Executive is receiving a car allowance on the Termination Date, a lump sum cash payment equal to the amount of the car allowance that would have been paid to Executive for the Severance Period, payable in a lump sum on the Payment Commencement Date; and

vi. for the period beginning on the Termination Date and ending on the earlier of (A) the last day of the Severance Period or (B) the date on which Executive obtains employment with a new employer, reimbursement for outplacement services by a recognized outplacement services firm selected by Executive in an amount not to exceed ten percent (10%) of Executive's Base Salary, which reimbursements will be made beginning on the Payment Commencement Date.

vii. Executive's rights under any equity or equity-based awards outstanding as of the date of the date of the Qualifying Termination (including, in the case of an Anticipatory Change of Control Termination, any Outstanding Unvested Awards) shall be governed by the terms of the Company's long-term incentive plan under which such awards were granted and any award agreements applicable to such awards. To the extent that Executive has any rights with respect to such awards, such rights shall be considered Accrued Amounts for purposes of this Agreement. In the case of an Anticipatory Change of Control Termination, the payments and benefits to which Executive is entitled pursuant to this Section 4(e) (other than the Accrued Amounts) shall be reduced by the payments and benefits, if any, provided to Executive under the provisions of Section 4(d) on account of the same termination, which reduction shall be made in accordance with the requirements of Section 409A (as defined in Section 15) such that there will be no impermissible substitution of deferred compensation in violation of Section 409A. All payments and benefits pursuant to this Section 4(e) (other than the Accrued Amounts) shall be subject to the effectiveness of the Release. In the event that a Change of Control does not constitute a change in control event for purposes of Section 409A and if any of the payments and benefits to be paid or provided pursuant to this Section 4(e) are subject to Section 409A, any such payments that are subject to Section 409A shall be payable in accordance with the payment timing provisions of Section 4(d). In the event that Executive's Termination Date occurs on account of a Qualifying Termination by reason of an Anticipatory Change of Control Termination, the Termination Date for purposes of this Section 4(e) shall be the date of the Change of Control.

f. <u>**Release**</u>. Notwithstanding any provision in this Agreement to the contrary, Executive shall not be entitled to any (and shall forfeit all) payments and benefits under this Section 4, other than the Accrued Amounts and other than amounts payable pursuant to Section 4(c), unless, as of the Payment Commencement Date, Executive has executed and not revoked a release in a form reasonably acceptable to the Company (the **"Release"**) and such Release has become effective as of the Payment Commencement Date. In no event shall the Release include any claims by Executive to enforce Executive's rights under or with respect to (i) this Agreement, (ii) the Certificate of Incorporation and By-laws of the Company, (iii) any indemnification agreement between Executive and the Company, or (iv) any benefit plan pursuant to its terms.

g. **<u>Definitions</u>**.

i. **"Cause"** means any of the following with respect to Executive: (A) conviction or plea of guilty or nolo contendere to a felony (or any similar crime for purposes of laws outside the United States); (B) intentional fraud or dishonesty with respect to the Company or any member of the Company Group that causes material and demonstrable harm to the Company or any member of the Company Group; (C) willful and continuous failure to perform lawfully assigned duties that are consistent with Executive's position with the Company Group; (D) willful violation of the Company's Business Conduct Policy that causes material harm to the Company, any other member of the Company Group or their business reputations; (E) intentionally working against the best interests of the Company or any other member of the Company Group; or (F) a material breach by Executive of this Agreement or the Restrictive Covenant Agreement. Conduct described in clauses (B)-(F) that is capable of being cured shall be considered "Cause" only if such conduct continues beyond ten (10) business days after receipt by Executive from the Company of a written demand to cure such conduct.

ii. **"Change of Control"** has the meaning specified in the Long-Term Incentive Plan.

iii. **"Disability"** means a "permanent disability" as defined in the Company's long-term disability plan as in effect from time to time, or if there shall be no plan, the inability of Executive to perform in all material respects Executive's duties and responsibilities to the Company or any other member of the Company Group for a period of six (6) consecutive months or for an aggregate of nine (9) months in any twenty-four (24) consecutive month period by reason of a physical or mental incapacity.

iv. **"Good Reason"** means any of the following that occur without Executive's express prior written approval, other than due to Executive's Disability or death: (A) a material decrease in Executive's Base Salary or Target Bonus; (B) a material diminution in Executive's title or reporting relationship or a material diminution in Executive's duties or responsibilities (other than solely as a result of a Change of Control in which the Company immediately thereafter is no longer publicly traded); (C) a material relocation of Executive's principal work location from that set forth in Section 2(a); or (D) a material breach by the Company of this Agreement. Executive's Termination Date shall be considered to be on account of Good Reason only if (I) within thirty (30) days after Executive knows or has reason to know that an event or circumstance constituting Good Reason has occurred, Executive provides written notice to the Company specifying in reasonable detail the event or circumstance claimed to constitute Good Reason (the **"Good Reason Notice"**), (II) if curable, the event or circumstance has not been cured within thirty (30) days of the Company's receipt of the Good Reason Notice, and (III) Executive terminates employment within ninety (90) days after the date on which Executive provided the Good Reason Notice to the Company.

v. **"Qualifying Termination"** means Executive's Termination Date that occurs (A) within six (6) months prior to a Change of Control due to termination by the Company Group (I) at the request of a party (other than the Company or other member of the Company Group) involved in the Change of Control or (II) otherwise in connection with or in anticipation of a Change of Control that subsequently occurs (either such termination being referred to as an

"Anticipatory Change of Control Termination"), or (B) due to a termination by the Company (or its successor) without Cause or by Executive for Good Reason in either case within twenty-four (24) months following a Change of Control. In the case of an Anticipatory Change of Control Termination, Executive's Termination Date will be deemed to have occurred on the date of the Change of Control; provided, however, that calculation of any payments and benefits provided pursuant to Section 4(e) (such as Base Salary and Target Bonus) shall be determined as of Executive's actual Termination Date.

vi. **"Severance Period"** means (A) for purposes of Section 4(d), a period of twelve (12) months and (B) for purposes of Section 4(e), a period of eighteen (18) months.

h. **Breach of Restrictive Covenant Agreement**. If Executive materially breaches any provision of the Restrictive Covenant Agreement and if such breach is not cured to the reasonable satisfaction of the Company within ten (10) business days after receipt by Executive from the Company of a written demand to cure such breach, the Company may terminate payment of all severance and other post-employment payments to Executive (other than Accrued Amounts) under this Agreement and may cease to provide any post-termination benefits otherwise being provided (or to be provided) to Executive pursuant to this Agreement.

5. Duties on Termination, Cooperation and Return of Company Group Property and Materials.

a. **Cooperation**. Following Executive's Termination Date, Executive agrees that, at the Company's request, Executive shall reasonably cooperate and assist the Company and Company Group in any investigation which may be performed by the Company, Company Group or any governmental agency and in any litigation, arbitration or other proceeding in which the Company or Company Group may become involved. Such assistance shall include, but not be limited to, Executive making himself or herself reasonably available for interviews by the Company or its counsel, depositions and/or court appearances at the Company's request. The Company shall attempt to schedule such assistance at mutually convenient times and places, taking into account any employment constraints that Executive may have. The Company shall reimburse Executive for reasonable expenses, such as travel, lodging, meal expenses, and reasonable attorneys' fees, incurred by Executive at the Company's request, consistent with the Company's generally applicable policies for employee expenses and per-diem payment consistent with Executive's rate of Base Salary as in effect upon Executive's Termination Date. To the maximum extent permitted by law, Executive will notify the Company if Executive is contacted by any governmental agency, or by any person contemplating or maintaining any claim, investigation or legal action relating to the Company or any other member of the Company Group, or by any agent or attorney of such person, within three (3) business days of such contact.

b. **Return of Property**. Upon the request of the Company, and in any event, upon the termination of Executive's employment, Executive shall return to the Company, and leave at the disposal of the Company, all property of the Company and any other member of the Company Group, including but not limited to computers and cellular phones, and all memoranda, notes, records, and other documents pertaining to the business of the Company Group (including all copies and electronic versions of such materials).

6. **Indemnification**. The Company shall indemnify and hold harmless Executive to the fullest extent authorized or permitted by law with respect to any claim, liability, action, or proceeding instituted or threatened against or incurred by Executive or Executive's legal representatives and arising in connection with Executive's conduct or position at any time as a director, officer, employee, or agent of the Company or any other member of the Company Group and shall maintain directors and officers liability insurance that provides Executive with protections, both during the Term and after the Termination Date, that are commercially reasonable (and, with respect to directors and officers liability coverage, provides for "tail" coverage for at least six (6) years after the Termination Date). In the event that the Company or any of its insurers (collectively, the "**Indemnitee-Related Entities**") shall make any payment to Executive in respect of indemnification or advancement of expenses with respect to any jointly indemnifiable claim, the Indemnitee-Related Entity making such payment shall be subrogated to the extent of such payment to all of the rights of recovery of Executive against the Company and Executive shall execute all papers reasonably required and shall do all things that may be reasonably necessary to secure such rights, including the execution of such documents as may be necessary to enable the Indemnitee-Related Entities effectively to bring suit to enforce such rights.

7. **Tax Withholding**. The Company shall have the right to withhold from any amounts payable hereunder any amounts necessary in order for the Company to satisfy any required withholding or other tax obligations it may have under applicable law.

8. **Parachute Taxes**.

a. In the event it shall be determined that any payment, benefit or distribution (or combination thereof) by any member of the Company Group or one or more trusts established by the Company for the benefit of its employees, to or for the benefit of Executive (whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise) (a **"Payment"**) is subject to the excise tax imposed by Section 4999 of the Code or any interest or penalties are incurred by Executive with respect to such excise tax (such excise tax, together with any such interest and penalties, hereinafter collectively referred to as the **"Excise Tax"**), if the net after-tax amount of such Payments, after Executive has paid all taxes due thereon (including, without limitation, taxes due under Section 4999 of the Code) is less than the net after-tax amount of all such Payments and benefits otherwise due to Executive in the aggregate, if such aggregate Payments were reduced to an amount equal to 2.99 times Executive's "base amount" (as defined in Section 280G(b)(3) of the Code), then the aggregate amount of the payments and benefits shall be reduced to an amount that will equal 2.99 times Executive's base amount. To the extent such aggregate parachute payment amounts are required to be so reduced, the parachute payment amounts due to Executive (but no non-parachute payment amounts) shall be reduced in the following order: (i) payments and benefits due under Section 4(e) of this Agreement shall be reduced (if necessary, to zero) with amounts that are payable last reduced first; (ii) payments and benefits due in respect of any equity fully valued (without regard to any discounts for present value) for purposes of the calculation to be made under Section 280G of the Code for purposes of this Section 8 (the "**280G Calculation"**) in reverse order of when payable; and (iii) payments and benefits due in respect of any options or stock appreciation rights with regard to the Company's equity securities valued under the 280G Calculation based on time of vesting shall be reduced in an order that is most beneficial to Executive. Notwithstanding the foregoing, any Payments that are not subject to Section 409A shall be reduced before any payments that are subject to Section 409A and any payments that are subject to Section 409A shall be reduced in reverse order of when payable. The Company will use commercially reasonable efforts to mitigate the effects of Section 280G of the Code to any Payment.

b. All determinations required to be made under this Section 8, including whether and when a reduction is to be made, and the assumptions to be utilized in arriving at such determination, shall be made by such nationally recognized certified public accounting firm as may be designated by the Company which shall provide detailed supporting calculations both to the Company and Executive within such time periods established at the time that Payments are made or are likely to be made.

9. Survival. Except as otherwise expressly provided in this Agreement, the obligations of the Parties hereunder shall survive any termination of employment hereunder, whether initiated by Company Group or Executive, for Cause or without Cause, voluntarily or involuntarily.

10. Notices. All notices, requests, and other communications provided for by this Agreement shall be in writing and shall be sufficiently given if and when mailed by registered or certified mail, personally delivered, sent via e-mail with delivery receipt requested, or sent by overnight courier by a nationally recognized carrier in any case to the party entitled thereto at the address stated below or to such changed address as the addressee may have given by a similar notice:

If to the Company:
Vestis Corporation
1035 Alpharetta Street, Suite 2100
Roswell, GA 30075

Attention: General Counsel

If to Executive:
André C. Bouchard

11. Entire Agreement, Modification, and Waiver. This Agreement contains the entire agreement and understanding by and between the Company and Executive with respect to the employment of Executive, and no representations, promises, agreements, or understandings, written or oral, not contained herein shall be of any force or effect. No change or modification of this Agreement shall be valid or binding unless it is in writing and signed by the Party intended to be bound. No waiver of any provision of this Agreement shall be valid unless it is in writing and signed by the Party against whom the waiver is sought to be enforced. No valid waiver of any provision of this Agreement at any time shall be deemed a waiver of any other provisions of this Agreement at such time or at any other time. For the avoidance of doubt, this Agreement sets forth the entire understanding of the Parties with respect to the subject matter hereof and supersedes any and all other agreements or understandings between or among the Parties regarding your employment, including the offer letter and summary materials provided in connection with your offer letter (collectively, the “Offer Letter”), and from and after the Effective Date all such other agreements or understandings, including the Offer Letter, shall be of no further force and effect.

12. Severability. The provisions of this Agreement shall be deemed severable, and the invalidity or unenforceability of any one or more of the provisions of this Agreement shall not affect the validity and enforceability of the other provisions.

13. Assignment; Nonalienation. This Agreement and any rights hereunder are personal to Executive and cannot be assigned or otherwise transferred by Executive. This Agreement may be assigned by the Company to any successor to its business. The interests of Executive under this Agreement are not subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, attachment, or garnishment by creditors of Executive or Executive's beneficiary.

14. Governing Law; Jurisdiction; Disputes.

a. Governing Law. The construction and interpretation of this Agreement shall at all times and in all respects be governed by the laws of the State of Georgia without regard to conflicts of laws principles thereof.

b. Jurisdiction and Disputes. For purposes of any action or proceeding, arising under this Agreement, Executive irrevocably submits to the exclusive jurisdiction of the courts of Georgia and the courts of the United States of America located in Georgia for the purpose of any judicial proceeding arising out of or relating to this Agreement, and Executive acknowledges that the designated forum has a reasonable relation to the Agreement and to the Parties' relationship with one another. Notwithstanding the provisions of this Section 14, the Company may, in its discretion, bring an action or special proceeding in any court of competent jurisdiction for the purpose of seeking temporary or preliminary relief pending resolution of a dispute. Executive expressly consents to the application of this Section 14 to any judicial action or proceeding arising out of or relating to this Agreement. The Company shall have the right to serve legal process upon Executive in any manner permitted by law. Executive hereby waives, to the fullest extent permitted by applicable law, any objection that Executive now or hereafter may have to personal jurisdiction or to the laying of venue of any action or proceeding brought in any court referenced in this Section 14 and hereby agrees not to plead or claim the same.

c. Legal Fees. In the event that, following a Change of Control, a good faith dispute arises as to whether Executive's termination was a Qualifying Termination, Executive shall be entitled to recover from the Company reasonable attorneys' fees incurred by Executive in connection with any proceeding to resolve such dispute provided that Executive shall be entitled to recover such fees in the event that the dispute is resolved in favor of Executive.

15. Sections 409A of the Code.

a. Compliance. The payments due under this Agreement are intended to comply with Section 409A of the Code (**"Section 409A"**) or an exemption thereunder and shall be construed and administered in accordance with Section 409A. Notwithstanding any other provision of this Agreement, payments of **"nonqualified deferred compensation"** provided under this Agreement may only be made upon an event and in a manner that complies with Section 409A or an applicable exemption. Any payments under this Agreement that may be excluded from Section 409A either as separation pay due to an involuntary separation from service or as a short-term deferral shall be excluded from Section 409A to the maximum extent possible. To the extent Section 409A applies, each installment payment provided under this Agreement shall be treated as a separate payment. Any payments of **"nonqualified deferred compensation"** to be made under this Agreement by reason of a termination of employment shall only be made if such termination of employment constitutes a **"separation from service"** under Section 409A. Notwithstanding the foregoing, the Company makes no representations that the payments and benefits provided under this Agreement comply with Section 409A and in no event shall the Company or any other member of the Company Group be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by Executive on account of non-compliance with Section 409A.

b. **Specified Employee**. Notwithstanding any other provision of this Agreement, if at the time of Executive's termination of employment, he or she is a **"specified employee,"** determined in accordance with Section 409A, any payments and benefits provided under this Agreement that constitute **"nonqualified deferred compensation"** subject to Section 409A that are provided to Executive on account of Executive's separation from service shall not be paid until the first payroll date to occur following the six (6)-month anniversary of Executive's termination date (**"Specified Employee Payment Date"**). The aggregate amount of any payments that would otherwise have been made during such six (6)-month period shall be paid in a lump sum on the Specified Employee Payment Date, without interest, and thereafter, any remaining payments shall be paid without delay in accordance with their original schedule. If Executive dies during the six (6)-month period, any delayed payments shall be paid to Executive's estate in a lump sum upon Executive's death.

c. **Reimbursements and In-Kind Benefits**. To the extent required by Section 409A, each reimbursement or in-kind benefit provided under this Agreement shall be provided in accordance with the following: (i) the amount of expenses eligible for reimbursement, or in-kind benefits provided, during each calendar year cannot affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other calendar year; (ii) any reimbursement of an eligible expense shall be paid to Executive on or before the last day of the calendar year following the calendar year in which the expense was incurred; and (iii) any right to reimbursements or in-kind benefits under this Agreement shall not be subject to liquidation or exchange for another benefit.

16. **Counterparts and Facsimile Signatures**. This Agreement may be executed in counterparts which, taken together, shall constitute a single, enforceable instrument; however, the Parties agree to exchange executed originals. Facsimile or electronically transmitted signatures shall have the same force and effect as original signatures.

IN WITNESS WHEREOF, the Company (by action of its duly authorized officer) and Executive have executed this Agreement on the date indicated below.

VESTIS CORPORATION

By: /s/ Angie Kervin

Title EVP - CHRO

Dated: January 7, 2025

ANDRÉ C. BOUCHARD

/s/ André C. Bouchard
André C. Bouchard

Dated: January 6, 2025

EXHIBIT A

RESTRICTIVE COVENANT AGREEMENT

This Restrictive Covenant Agreement (this **"Agreement"**) is between the undersigned individual (**"Executive"**) and Vestis Corporation (the **"Company"**).

RECITALS

WHEREAS, the Company is a leading provider of managed services and other services to business and industry, private and public institutions, and the general public;

WHEREAS, the Company has a proprietary interest in its business and financial plans and systems, methods of operation and other secret and confidential information, knowledge and data **("Proprietary Information"**) which includes, but is not limited to, all confidential, proprietary or non-public information, ideas and concepts; annual and strategic business plans; financial plans, reports and systems including, profit and loss statements, sales, accounting forms and procedures and other information regarding costs, pricing and the financial condition of the Company and its business segments and groups; management development reviews, including information regarding the capabilities and experience of the Company employees; intellectual property, including patents, inventions, discoveries, research and development, compounds, recipes, formulae, reports, protocols, computer software and databases; information regarding the Company's relationships with its clients, customers, and suppliers and prospective clients, partners, customers and suppliers; policy and procedure manuals, information regarding materials and documents in any form or medium (including oral, written, tangible, intangible, or electronic) concerning any of the above, or any past, current or future business activities of the Company that is not publicly available; compensation, recruiting and training, and human resource policies and procedures; and data compilations, research, reports, structures, compounds, techniques, methods, processes, and know-how;

WHEREAS, all such Proprietary Information is developed at great expense to the Company and is considered by the Company to be confidential trade secrets;

WHEREAS, Executive is employed by the Company and has access to the Company's Proprietary Information, directly in the course of Executive's employment, and indirectly through interaction with and presentations by other the Company senior managers at executive team meetings,

WHEREAS, the Company from time to time introduces Executive to the Company clients, customers, suppliers and others, and encourages, and provides resources for, Executive to develop professional relationships with the Company's clients, customers, suppliers and others;

WHEREAS, the Company provides specialized training and skills to Executive in connection with the performance of Executive's duties at the Company which training involves the disclosure by the Company to Executive of Proprietary Information; and

WHEREAS, the Company will be vulnerable to unfair post-employment competition by Executive because Executive has access to and knowledge of the Company's Proprietary Information, has a personal relationship with the Company's clients, customers, suppliers and others, and generates good will which Executive acknowledges belongs to the Company.

NOW, THEREFORE, in consideration of Executive's continuing employment with the Company, Executive is given the opportunity to receive grants of equity-based incentives of the Company from time to time, as well as the severance and other post-employment benefits provided to Executive pursuant to pursuant to the terms of the Employment Agreement dated June 19, 2024 (the **"Employment Agreement"**) and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Executive agrees to enter into this Agreement with the Company as a condition of continuing employment pursuant to which the Company will limit Executive's right to compete against the Company during and following termination of employment on the terms set forth in this Agreement. Intending to be legally bound, the parties agree as follows:

1. DEFINITIONS. Capitalized terms used herein and not otherwise defined shall have the meaning set forth in the Employment Agreement.

2. NON-DISCLOSURE AND NON-DISPARAGEMENT. Executive shall not, during or after termination of employment, directly or indirectly, in any manner utilize or disclose to any person, firm, corporation, association or other entity, except where required by law, any Proprietary Information which is not generally known to the public, or has not otherwise been disclosed or recognized as standard practice in the industries in which the Company is engaged. Executive shall, during and after termination of employment, refrain from making any statements or comments of a defamatory or disparaging nature to any third party regarding the Company, or any of the Company's officers, directors, employees, policies or products, other than to comply with law. The provisions of this Section 2 will continue in effect after the end of the Term or the termination of this Agreement in accordance with the terms hereof.

3. NON-COMPETITION.

A. Subject to Section 3.B. below, Executive, during Executive's period of employment with the Company, and for a period of twelve (12) months following Executive's voluntary or involuntary termination of employment (the **"Restriction Period"**), shall not, without the Company's written permission, which shall be granted or denied in the Company's sole discretion, directly or indirectly, associate with (including, but not limited to, association as a sole proprietor, owner, employer, partner, principal, investor, joint venturer, shareholder, associate, employee, member, consultant, contractor or otherwise), or acquire or maintain ownership interest in, any Business which is competitive with that conducted by or developed for later implementation by the Company at any time during the term of Executive's employment. For purposes of this Agreement, **"Business"** shall be defined as a person, corporation, firm, limited liability company, partnership, joint venture or other entity. Nothing in the foregoing shall prevent Executive from investing in a Business that is or becomes publicly traded, if Executive's ownership is as a passive investor of less than one percent (1%) of the outstanding publicly traded stock of the Business.

B. The provision set forth in Section 3.A above, shall apply to the full extent permitted by law (A) in all fifty states, and (B) in each foreign country, possession or territory in which the Company may be engaged in, or have plans to engage in, business (x) during Employee's period of employment, or (y) in the case of a termination of employment, as of the effective date of such termination or at any time during the twenty-four month period prior thereto.

C. Executive acknowledges that these restrictions are reasonable and necessary to protect the business interests of the Company, and that enforcement of the provisions set forth in this Section 3 will not unnecessarily or unreasonably impair Executive's ability to obtain other employment following the termination (voluntary or involuntary) of Executive's employment with the Company. Further, Executive acknowledges that the provisions set forth in this Section 3 shall apply if Executive's employment is involuntarily terminated by the Company for Cause; as a result of the elimination of employee's position; for performance-related issues; or for any other reason or no reason at all.

4. NON-SOLICITATION. During the Restriction Period, regardless of the reason for termination, Executive shall not, directly or indirectly: (A) induce or encourage any employee of the Company to leave the employ of the Company, (B) hire any individual who was an employee of the Company as of the date of Executive's termination of employment or within a six month period prior to such date, or (C) induce or encourage any customer, client, supplier or other business relation of the Company to cease or reduce doing business with the Company or in any way interfere with the relationship between any such customer, client, supplier or other business relation and the Company.

5. DISCOVERIES AND WORKS. Executive hereby irrevocably assigns, transfers, and conveys to the Company to the maximum extent permitted by applicable law Executive's right, title and interest now or hereinafter acquired, in and to all Discoveries and Works (as defined below) created, invented, designed, developed, improved or contributed to by Executive, either alone or jointly with others, while employed by the Company and within the scope of Executive's employment and/or with the use of the Company's resources. The terms "Discoveries and Works" include all works of authorship, inventions, intellectual property, materials, documents, or other work product (including, without limitation, Proprietary Information, patents and patent applications, patentable inventions, research, reports, software, code, databases, systems, applications, presentations, textual works, graphics and audiovisual materials). Executive shall have the burden of proving that any materials or works created, invented, designed, developed, contributed to or improved by Executive that are implicated by or relevant to employment by the Company are not implicated by this provision. Executive agrees to (i) keep accurate records and promptly notify, make full disclosure to, and execute and deliver any documents and to take any further actions requested by the Company to assist it in validating, effectuating, maintaining, protecting, enforcing, perfecting, recording patenting or registering any of its rights hereunder, and (ii) renounce any and all claims, including without limitation, claims of ownership and royalty, with respect to all Discoveries and Works and all other property owned or licensed by the Company. Any Discoveries and Works that, within six months after the termination of Executive's employment with the Company, are made, disclosed, reduced to a tangible or written form or description, or are reduced to practice by Executive and which pertain to the business carried on or products or services being sold or developed by the Company at the time of such termination shall, as between Executive and the Company, be presumed to have been made during such employment with the Company. Executive acknowledges that, to the fullest extent permitted by law, all Discoveries and Works shall be deemed “works made for hire” under the Copyright Act of 1976, as amended, 17 U. S.C. Section 101. Executive hereby grants the Company a perpetual, nonexclusive, royalty-free, worldwide, assignable, sublicensable license under all rights and intellectual property rights (including patent, industrial property, copyright, trademark, trade secret, unfair competition and related laws) in any Works and Discoveries, for all purposes in connection with the Company’s current and future business, that Executive has created, invented, designed, developed, improved or contributed to prior to Executive’s employment with the Company that are relevant to or implicated by such employment (“**Prior Works”**). Any Prior Works are disclosed by Executive in Schedule 1.

6. GOVERNING LAW AND JURISDICTION. The construction and interpretation of this Agreement shall at all times and in all respects be governed by the laws of the State of Georgia without regard to conflicts of laws principles thereof. For purposes of any action or proceeding, arising under this Agreement, Executive irrevocably submits to the exclusive jurisdiction of the courts of Georgia and the courts of the United States of America located in Georgia for the purpose of any judicial proceeding arising out of or relating to this Agreement, and Executive acknowledges that the designated forum has a reasonable relation to the Agreement and to the Parties' relationship with one another. Notwithstanding the provisions of this Section 6, the Company may, in its discretion, bring an action or special proceeding in any court of competent jurisdiction for the purpose of seeking temporary or preliminary relief pending resolution of a dispute. Executive expressly consents to the application of this Section 6 to any judicial action or proceeding arising out of or relating to this Agreement. The Company shall have the right to serve legal process upon Executive in any manner permitted by law. Executive hereby waives, to the fullest extent permitted by applicable law, any objection that Executive now or hereafter may have to personal jurisdiction or to the laying of venue of any action or proceeding brought in any court referenced in this Section 6 and hereby agrees not to plead or claim the same.

7. REMEDIES. Executive acknowledges that in the event of any violation by Executive of the provisions set forth in Sections 1, 2, 3 or 4 above, the Company will sustain serious, irreparable and substantial harm to its business, the extent of which will be difficult to determine and impossible to fully remedy by an action at law for money damages. Accordingly, Executive agrees that, in the event of such violation or threatened violation by Executive, the Company shall be entitled to an injunction before trial before any court of competent jurisdiction as a matter of course upon the posting of not more than a nominal bond, in addition to all such other legal and equitable remedies as may be available to the Company. If the Company is required to enforce the provisions set forth in Sections 2 and 3 above by seeking an injunction, Executive agrees that the relevant time periods set forth in Sections 2 and 3 shall commence with the entry of the injunction. Executive further agrees that, in the event any of the provisions of this Agreement are determined by a court of competent jurisdiction to be invalid, illegal, or for any reason unenforceable as written, such court shall substitute a valid provision which most closely approximates the intent and purpose of the invalid provision and which would be enforceable to the maximum extent permitted by law.

IN WITNESS WHEREOF, the Company (by action of its duly authorized officer) and Executive have executed this Agreement on the date indicated below.

VESTIS CORPORATION

By: /s/ Angie Kervin

Title EVP - CHRO

Dated: January 7, 2025

ANDRÉ C. BOUCHARD

/s/ André C. Bouchard
André C. Bouchard

Dated: January 6, 2025

Schedule 1

None.

EXHBIT B

APPROVED BOARD SERVICE

None.

Exhibit 10.44

SEPARATION AGREEMENT AND WAIVER AND RELEASE

This Separation Agreement and Waiver and Release ("Agreement") is entered into between Grant Shih ("Employee"), on one hand, and Vestis Corporation, on behalf of itself and its subsidiaries, affiliates, successors and assigns (collectively referred to hereinafter as the "Company" or "Vestis"), on the other hand. Employee and the Company are sometimes collectively referred to below as the "Parties."

WHEREAS, the Company notified Employee that, effective as of October 7, 2025 ("Separation Date"), his employment with the Company, including as Executive Vice President and Chief Technology Officer, would be terminated in all respects without "Cause" (as defined in Section 4.g.i. of the Parties' April 2, 2024 Amended and Restated Employment Agreement (the "Employment Agreement")); and

WHEREAS, the Parties intend this Agreement to constitute a full, fair, complete, final, and binding resolution of any and all existing or potential claims by Employee, existing prior to and including the Effective Date (as defined below) of this Agreement, that arise out of or relate to, or that otherwise pertain to, to Employee's employment with and separation from the Company and/or the Employment Agreement;

NOW, THEREFORE, the Parties, in consideration of the mutual promises and covenants contained herein, the legal sufficiency of which the Parties expressly recognize and acknowledge, further agree as follows:

1. Employee's Waiver and Release of Claims. Except as specifically provided for herein, and for and in consideration of the promises, agreements, and undertakings contained in this Agreement, Employee, on behalf of himself and anyone claiming through Employee, including issues, agents, representatives, guardians, dependents, heirs, executors, administrators, attorneys, successors, and assigns (hereinafter referred to collectively as "Releasing Party"), does hereby irrevocably and forever waive, release and discharge the Company, its past, present and future parents, subsidiaries, divisions, affiliates, affiliated entities, successors, predecessors, and assigns, partners, members, officers, directors, governors, stockholders, managers, employees, attorneys, representatives and agents (hereinafter collectively referred to as the "Released Parties"), from any and all charges, complaints, claims, grievances, liabilities, obligations, promises, agreements, controversies, damages, disability benefits, medical and hospital expenses, actions, causes of action, suits, rights, demands, costs, losses, debits and expenses of any nature whatsoever, whether known or unknown, suspected or unsuspected, vested or contingent, and whether concealed or hidden, which Employee ever had or ever will have against any of the Released Parties by reason of any and all acts, omissions, events, transactions, circumstances or facts existing or occurring up to the date on which Employee signs this Agreement. Except as specifically provided for herein, this waiver and release includes any and all claims for backpay, front pay, bonuses, commissions, options, and any other forms of compensation or benefits,

The contents of Appendices "A" and "B" have been excluded as they include information that is not material and is treated by the company as private and confidential.

attorney's fees, and includes all claims of discrimination, harassment or retaliation on account of all protected categories under applicable law (including whistleblower-type claims). Through this waiver and release, Employee also releases the Company and the Released Parties from all claims arising out of or related to each of the following non-exhaustive list of statutes, as amended from time to time: Title VII of the 1964 Civil Rights Act, Section 1981 of the Civil Rights Act of 1866, the Civil Rights Act of 1991, the Equal Pay Act, the Americans with Disabilities Act, the Age Discrimination in Employment Act, the Employee Retirement Income Security Act of 1974, the Dodd-Frank Act, the Sarbanes Oxley Act, the Immigration Reform Control Act, the National Labor Relations Act, the Occupational Safety and Health Act, the Family and Medical Leave Act, the Fair Credit Reporting Act, and all state and local statutes, ordinances, laws and regulations in the State of Georgia. In addition to the foregoing statutes, and for the avoidance of doubt, Employee releases the Company and each of the Released Parties from all claims arising out of or related to any other federal, state or local employment law; any other federal, state or local statute, ordinance, regulation, order or public policy; and the laws of any country. Employee also specifically releases each of the Released Parties from any claims based on public policy, contract, implied contract, misrepresentation, promissory estoppel, unjust enrichment, or other tort or common law. **In addition, to the maximum extent permitted by law, Employee waives any right or ability to be a class or collective action representative or to otherwise participate in any employment-related class action (putative or certified), collective action (putative or certified) or mass or other multiparty action or proceeding against the Company or any of the Released Parties, and Employee agrees to opt out of any such class action(s) and not to opt-in to any such collective action(s)**. The Parties specifically agree that the waiver and release set forth in this Section is intended to be as broad in scope as possible under applicable law, and that it also specifically includes the waiver and release of all claims arising out of or related in any way to Employee's employment with the Company, through the Effective Date (as defined below). The only claims not included in Employee's release are claims that, pursuant to applicable law, cannot be released, such as the right to seek unemployment benefits; and the claims excepted from the scope of this release by Section 4.f. of the Employment Agreement.

Employee hereby agrees that Employee's release is given knowingly and voluntarily, and Employee further acknowledges that:

i. this release is written in a manner understood by Employee;

ii. at or before the time Employee was first given a copy of this release, Employee was informed (and is hereby informed) that Employee had up to twenty-one (21) days following the date Employee received this release to consider it (although Employee could choose to execute it before twenty-one (21) days after Employee's receipt thereof);

iii. prior to executing this release, Employee had the opportunity to consider this release for up to a full twenty-one (21) days after Employee's receipt thereof (although

Employee may have chosen to execute it before twenty-one (21) days after Employee's receipt thereof);

iv. Employee agrees that any modifications, material or otherwise, made to this Agreement do not restart or affect in any manner the original twenty-one (21) day consideration period.

v. Employee has carefully read and fully understands all of the provisions of this release, including the rights Employee is waiving and the terms and consequences of Employee's execution of this release;

vi. Employee has not waived any rights arising after the date of this release;

vii. Employee has received valuable consideration in exchange for the release in addition to amounts Employee is already entitled to receive;

viii. Employee knowingly, voluntarily and in good faith agrees to all of the terms set forth in this release;

ix. Employee knowingly, voluntarily and in good faith intends to be legally bound by this release and to waive the rights identified herein;

x. Employee has been advised (and hereby is advised) to consult with an attorney prior to executing this release; and

xi. prior to executing this release, Employee was informed (and hereby is informed) in writing that: (i) Employee has seven (7) days following the date on which Employee executes this release in which to revoke this release, (ii) this release will become effective, enforceable and irrevocable on the eighth day (the "<u>Effective Date</u>") after Employee executes this release, unless the Company receives Employee's written revocation on or before the close of business on the seventh day after Employee executes this release, and (iii) if Employee revokes this release, it will not become effective or enforceable, and Employee will not receive any of the consideration set forth in the Agreement. Employee's written revocation of this release, in order to be effective, must be sent via email and overnight mail, with signature on delivery required, and addressed to:

André C. Bouchard
EVP, Chief Legal Officer, General Counsel & Secretary
Vestis Corporation
1035 Alpharetta Street, Suite 2100
Roswell, GA 30075

2. Payment of Accrued Amounts. Employee acknowledges and represents that, subject to the terms and conditions of the Employment Agreement, Employee will be paid, no later than thirty (30) days after the Separation Date, a lump sum that is equal to the "Accrued Amounts," as defined in Section 4.a.i. through 4.a.iv. of the Employment Agreement. Other than the Accrued Amounts, and except as specifically set forth in this Agreement, Employee acknowledges and agrees that the Company has fully paid or provided Employee all salary, wages, bonuses, accrued vacation/paid time off, premiums, leaves, housing allowances, relocation costs, interest, severance, outplacement costs, fees, reimbursable expenses, and all other forms of compensation due to Employee. Employee also specifically represents that Employee is not owed any further sum by way of reimbursement from the Company.

3. Severance Payments. In consideration for Employee's promises and covenants in this Agreement, including Employee's execution and non-revocation of this Agreement, as specified in Section 4.f. of the Employment Agreement, the Company will pay Employee each of the following amounts pursuant to Section 4.d. of the Employment Agreement:

a. Payments equal to the gross amount of six hundred thousand dollars ($600,000) ("Severance Payments"). The Severance Payments represent the sum of Employee's Base Salary and Target Bonus in effect immediately prior to the Separation Date. The Company will make the Severance Payments in accordance with the Company's normal payroll practices ratably over the twelve (12)-month period following the Payment Commencement Date (as defined in Section 4.d.ii. of the Employment Agreement);

b. A lump sum payment in the gross amount of the Pro-Rata Annual Bonus (as defined in Section 4.c.ii. of the Employment Agreement), if earned. The Company will pay Employee the Pro-Rata Annual Bonus, if any, at the same time as annual bonuses are payable to similarly situated executives of the Company who have not been terminated;

c. Payments equal to the gross amount of twenty-three thousand seven hundred fifteen dollars and ninety six cents ($23,715.96), which will be paid ratably over a twelve (12)-month period, in accordance with the Company's normal payroll practices, representing the equivalent cost of the applicable monthly premium to continue the group medical, dental and vision benefits (the "Benefit Payment") in the amount of nineteen hundred and seventy six dollars and thirty three cents ($1,976.33) per month, beginning on the Payment Commencement Date;

d. Payments equal to the gross amount of thirteen thousand two hundred dollars ($13,200.00), which will be paid ratably over a twelve (12)-month period, in accordance with the Company's normal payroll practices, for the continuing payments of Employee's monthly car allowance of eleven hundred dollars ($1,100.00), with the first such payment beginning on the Payment Commencement Date;

e. Reimbursement payments for outplacement services, if any, performed by a recognized outplacement services firm selected by Employee. Any such outplacement services will be eligible for reimbursement only if Employee utilizes the services between the Separation Date and the earlier of (a) October 7, 2026, or (b) the date on which Employee obtains employment with a new employer. Further, all such expenses for outplacement services must be supported by sufficient documentation, and the maximum gross amount of reimbursement payments to which Employee shall be eligible for any outplacement-related services is forty thousand dollars ($40,000.00). Any reimbursement payments to Employee for outplacement services will begin on the Payment Commencement Date.

f. If and to the extent permitted by Section 409A of the Internal Revenue Code of 1986, as amended, the Company, in its sole discretion, may choose to begin making the payments in subsections 3.a. and 3.c, through 3.e. above sooner than the Payment Commencement Date in order to align the payments with the Company's normal payroll practices (in which event such date shall be deemed the Payment Commencement Date); and

g. The Company shall withhold from any amounts payable under this Agreement any amounts necessary for the Company to satisfy any required withholding or other tax obligations it may have under applicable law.

4. Equity. Each outstanding equity or equity-based award under the Vestis Corporation Long-Term Incentive Plan (the "Long-Term Incentive Plan") held by Employee as of the Separation Date that is not otherwise vested (and, if applicable, exercisable) as of the Separation Date (each such award is referred to herein as an "Unvested Equity Award"), is set forth on Appendix A hereto, which Appendix A is incorporated into and forms a part of this Agreement. Subject to the following sentence, the total number of vested shares with respect to an applicable Unvested Equity Award is set forth in Appendix A and, in no event shall more than the total number of shares remaining subject to an Unvested Equity Award become vested pursuant to the foregoing. As provided under the terms of the applicable non-qualified stock option award agreement, all vested and unexercised stock options, as set forth on Appendix B hereto (where each such award shall be referred to herein as an "Outstanding Stock Option Awards"), shall remain exercisable for a period of ninety (90) days following the Separation Date. All "Outstanding Unvested Awards" (as defined in the Employment Agreement shall remain outstanding as described in the final paragraph of Section 4.d of the Employment Agreement.

5. No Pending Lawsuits and Covenant Not to Sue.

(a) Employee hereby represents that Employee has not filed any state, federal or other lawsuits against the Company or any of the Released Parties for any claims existing as of the date on which Employee executes this Agreement, and further agrees that after Employee executes this Agreement, Employee will not file any lawsuits against the Company or any of the Released Parties for claims existing prior to or as of the date on which Employee executes this Agreement with respect to the claims released in this Agreement. Employee also represents that Employee, prior to executing this Agreement, Employee has not filed any administrative or agency Charges of any kind, including but not limited to any Charges with the Equal Employment Opportunity Commission ("EEOC") or any other federal or state or local agencies, arising out of or related to Employee's former employment with the Company.

(b) Employee has not assigned, transferred, sold, encumbered, pledged, hypothecated, mortgaged, distributed, or otherwise disposed of or conveyed to any third party any right or claim against any of the Released Parties which will be released by Employee pursuant to this Agreement, and

(c) Employee has not directly or indirectly assisted any third party in filing, causing or assisting to be filed, any claim against any of the Released Parties.

6. Non-Admission and Inadmissibility. The Parties mutually understand and agree that this Agreement does not constitute an admission of fault, wrongdoing, responsibility, or liability on the part of the Company or any of the Released Parties, or Employee. Further, this Agreement is entered into solely to resolve fully all matters arising out of or related to Employee's employment with the Company. The terms, execution and implementation of this Agreement are each not intended to and may not be used as evidence and shall not be admissible in any proceeding except one alleging a breach of this Agreement.

7. Tax Treatment. Employee agrees that Employee will assume all responsibility for, and shall protect, indemnify, defend and hold harmless, the Company and the other Released Parties from and against any and all claims, losses, damages, expenses, including but not limited to attorneys' fees, costs, disbursements, interest, penalties, litigation expenses and costs of collection, resulting from any liability or claim of liability for any amounts assessed by or due to any federal, state or local government or agency thereof, including but not limited to, federal, state and local withholding taxes and Social Security taxes, with respect to any failure by Employee to report payments made by the Company pursuant to any of the Company's plans.

8. No Defamatory Remarks. Subject to the "Protected Rights" section of this Agreement and to the maximum extent permitted by applicable law, Employee agrees and covenants that Employee will not at any time knowingly make, publish or communicate to any person or entity or in any public forum any untrue or defamatory remarks, comments or statements concerning the Company. Nothing in this section or in any other section of this Agreement shall be interpreted to limit Employee's ability to report, communicate directly with and provide truthful statements, testimony, information and/or non-privileged documents to any federal, state or local governmental agency or commission, or administrative or judicial body, regarding possible legal violations, or in response to valid compulsory legal process or as otherwise required by law. This Agreement is also not intended to restrict or impede Employe from exercising protected rights to the extent that such rights cannot be waived by agreement, or

from complying with any applicable law or regulation or a valid order of a court of competent jurisdiction or an authorized government agency, provided that such compliance does not exceed what is required by the law, regulation or order. Employee shall promptly provide written notice of any such order to the Company.

9. Intellectual Property and Confidential and Privileged Information: Employee confirms that Employee will continue to comply with all confidentiality and trade secrets agreements that apply to confidential information and trade secrets of the Company and the Released Parties, even after the Separation Date. In order to protect Company's intellectual property, confidential information, trade secrets, privileged information and materials, work product and other proprietary interests, Employee agrees as follows:

(a) Employee will not, without Company's prior written permission, directly or indirectly, use or disclose to anyone outside of Company, proprietary, confidential, or trade secret (including information protected by the work product doctrine) information of Company to which Employee had access during Employee's employment with the Company.

(b) Employee agrees that, subject only to the exceptions stated herein, all tangible materials (whether originals or duplicates or stored electronically), in Employee's possession or control which are covered by subsection (a) of this Section and which were provided to Employee by the Company or which were or are prepared, compiled or acquired by Employee while employed by the Company are and will remain the sole property of the Company. Employee agrees to immediately deliver all such materials to the Company and will not retain any originals or copies of such materials (in any form, whether tangible, electronic, or otherwise), except to the extent such materials are permitted by law to be provided by employees to any governmental agency or regulatory authority.

(c) As provided by the Defend Trade Secrets Act, 18 U.S.C. § 1833(b), notwithstanding any other provision of this Agreement, an individual shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of an employer's trade secrets, so long as the disclosure is made: (a) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law; and/or (b) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal or otherwise pursuant to court order. In addition, an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual (x) files any document containing the trade secret under seal; and (y) does not disclose the trade secret, except pursuant to court order.

10. Additional Representations, Covenants and Acknowledgments.

a. Employee agrees that prior to executing this Agreement, Employee resigned as a member of the Board(s) of Directors of any member(s) of the

"Company Group" (as that phrase is defined in the Employment Agreement).

b. Employee acknowledges and hereby re-affirms that, following the Separation Date, Employee remains obliged to comply with all aspects of Sections 5.a and 5.b. of the Employment Agreement.

c. Employee specifically agrees that the Restrictive Covenant Agreement ("RCA") attached as Exhibit A to the Employment Agreement, and all related provisions of the Employment Agreement, including Section 4.h., remain in full force and effect following the Separation Date. For the avoidance of doubt, the Company reserves all of its rights and potential remedies under the RCA, the Employment Agreement and applicable statutes and common law in the event of any threatened or actual breach(es) by Employee of the RCA or the Employment Agreement.

d. Employee represents that Employee has no knowledge of any fraud or other violation of the Company's Business Conduct Policy that has not been disclosed to the Board of Directors or Chief Financial Officer of the Company.

11. Knowing and Voluntary Entry. Employee acknowledges and agrees: (i) Employee fully understands Employee's right to discuss all aspects of this Agreement with Employee's attorney; (ii) the Company has encouraged Employee to consult with an attorney of Employee's choice; (iii) Employee has discussed this Agreement with Employee's attorney before deciding whether to sign it; (iv) Employee has carefully read and fully understands the terms of this Agreement; and (v) if Employee executes this Agreement, Employee does so knowingly, voluntarily, in good faith, and not as a result of any duress or coercion by any person or entity.

12. Protected Rights. Nothing in this Agreement shall be interpreted to:

a. prevent Employee from communicating with, filing a charge or complaint with, providing documents or information voluntarily or in response to a subpoena or other information request to, or from participating in an investigation or proceeding conducted by the EEOC, National Labor Relations Board ("NLRB"), Securities and Exchange Commission ("SEC"), Occupational Safety and Health Administration ("OSHA"), Department of Labor ("DOL"), law enforcement, or any other federal, state, or local agency charged with the enforcement of any laws, or from responding to a subpoena or discovery request in court litigation or arbitration, but Employee agrees, to the maximum extent permitted by applicable law and except as otherwise set forth in this Agreement, that the only compensation to which Employee is entitled if Employee or anyone acting on Employee's behalf pursues any such charge(s) or claim(s) is the compensation set forth in this Agreement, except with respect to any monetary recovery under the Dodd-Frank Wall Street Reform and Consumer Protection Act and the Sarbanes-Oxley Act of 2002. Further, this Agreement is not intended to and does not restrict Employee from seeking or obtaining an SEC whistleblower award;

b. limit Employee's right to give truthful testimony in a court of competent jurisdiction, in an administrative or arbitrator proceeding, or to a government agency, or when required to do so by a subpoena, court order, law, or administrative regulation (including depositions in connection with such proceedings);

c. limit Employee's right to testify in an administrative, legislative, or judicial proceeding concerning alleged criminal conduct or alleged discrimination, harassment, or retaliation by the Company or its agents or employees when required or requested by a court order, subpoena, or written request from an administrative agency or the legislature;

d. prevent Employee from filing or disclosing any facts necessary to receive unemployment insurance, Medicaid, or any other public benefits;

e. prevent Employee from reporting any allegations of unlawful conduct, including alleged criminal conduct or unlawful discrimination, harassment, or retaliation, to any government agencies; or

f. require Employee to seek prior authorization from the Company to provide testimony, participation, reports or disclosures, or to notify the Company that Employee has made any such reports or disclosures, or provided such testimony or other participation.

13. Governing Law and Forum. This Agreement is expressly made subject to the provisions of the applicable federal, state and local laws, rules, regulations, and judicial decisions of the United States of America and the State of Georgia, without regard to its conflicts of law principles. Any dispute pertaining to, arising out of or related to this Agreement or Employee's former employment with the Company shall be brought exclusively in, and the parties agree irrevocably to subject themselves exclusively to the personal jurisdiction of, the state and federal courts located in the State of Georgia. The Parties also incorporate the provisions of Section 14.b. of the Employment Agreement as if they were fully set forth in this Agreement.

14. Severability. If any provision of this Agreement shall be found by a court to be invalid or unenforceable, in whole or in part, then such provision shall be construed and/or modified or restricted to the extent and in the manner necessary to render the same valid and enforceable, or shall be deemed excised from this Agreement, as the case may require, and this Agreement shall be construed and enforced to the maximum extent permitted by law, as if such

provision had been originally incorporated herein as so modified or restricted, or as if such provision had not been originally incorporated herein, as the case may be. The parties further agree to seek a lawful substitute for any provision found to be unlawful; provided, that, if the parties are unable to agree upon a lawful substitute, the parties desire and request that a court or other authority called upon to decide the enforceability of this Agreement modify the Agreement so that, once modified, the Agreement will be enforceable to the maximum extent permitted by the law in existence at the time of the requested enforcement. Notwithstanding the foregoing, if Section 1 of this Agreement or any portion thereof is held to be invalid, void or unenforceable by a court of competent jurisdiction or by an administrative agency for any reason whatsoever as a result of actions or inactions by Employee or anyone acting on Employee's behalf, the Company shall have the right to immediately cease making any further payments under this Agreement, and to require repayment by Employee of any payments already made under this Agreement, to the extent permitted by applicable law.

15. Waiver. A waiver by the Company of a breach of any provision of this Agreement by Employee shall not operate or be construed as a waiver or estoppel of any subsequent breach by Employee. No waiver shall be valid unless in writing and signed by an authorized officer of the Company.

16. Integration and Amendments. This Agreement, the Employment Agreement, the RCA and all documents related to Employee's awards under the Long-Term Incentive Plan constitutes the entire agreement between the parties with regard to the subject matters described herein, except that this Agreement controls in the event of an inconsistency between the terms of this Agreement and either the Employment Agreement, the RCA or documents related to Employee's awards under the Long-Term Incentive Plan. Without limiting the foregoing, Employee acknowledges and agrees that Employee and any compensation paid to Employee shall be subject to the Company's clawback and recoupment policies in effect from time to time. The Parties agree and intend that this Agreement supersedes all prior agreements, discussions, negotiations, understandings and proposals of the Parties, whether oral or written, except as specifically set forth in this Agreement. No modification, amendment or termination of this Agreement will be binding unless it is in writing and signed by Employee and an authorized representative of the Company.

17. Binding Effect. This Agreement shall be binding upon and inure to the benefit of Employee and the Company and each of their respective heirs, executors, successors, assigns, agents and representatives.

18. Assignment. Employee warrants and represents that, prior to and including the date on which Employee signs this Agreement, no claim, demand, cause of action, or obligation which is subject to this Agreement has been assigned or transferred to any other person or entity, and no other person or entity has or has had any interest in any such claims, demands, causes of action or obligations, and that Employee has the sole right to execute this Agreement on Employee's own behalf. Employee shall not assign this Agreement, or any of Employee's rights or obligations under this Agreement, without the prior written consent of an authorized

representative of the Company. Any purported assignment by Employee in violation of this section shall be null and void. The Company may assign this Agreement without Employee's consent and without prior notice to Employee, and the rights of the Company under this Agreement shall inure to the benefit of the Company's successors and assigns.

19. Return of Company Materials. Employee represents that prior to executing this Agreement Employee returned all Company property within Employee's possession, custody or control, including all documents, manuals, computers, computer programs, discs, drives, customer lists, notebooks, reports and other written or graphic materials, including all copies thereof, relating in any way to the Company's business and prepared by Employee or obtained by Employee from the Company, its affiliates, clients or its suppliers during the course of Employee's employment with the Company, with all data intact. Further, to the extent that Employee made use of Employee's own personal computing devices (e.g., phone, laptop, thumb drive, etc.) during Employee's employment with the Company, subject to any applicable litigation hold directive that Employee received (or receives) and that remains in effect, Employee agrees to: (i) deliver such personal computing devices to the Company for review and permit the Company to delete all Company property and information from such personal computing devices; and/or (iii) allow the Company to remotely delete all Company property and information from such personal computing devices.

20. Attorneys' Fees. If Employee breaches any terms of this Agreement, the Employment Agreement and/or the RCA, the Company shall be entitled to recover from Employee its reasonable attorney fees' and costs arising out of or related to any proceedings in which the Company alleges any such breach(es).

21. Expiration of Offer. Unless an authorized representative of the Company otherwise provides in writing, this Agreement shall automatically expire and be rescinded immediately if this Agreement is not executed by Employee and delivered to the Company no later than twenty-one (21) days after Employee first received this Agreement.

22. Section 409A Compliance. The payments due under this Agreement are intended to comply with Section 409A of the Internal Revenue Code of 1986, as amended ("Section 409A") or an exemption thereunder and shall be construed and administered in accordance with Section 409A. Notwithstanding any other provision of this Agreement, payments of "nonqualified deferred compensation" provided under this Agreement may only be made upon an event and in a manner that complies with Section 409A or an applicable exemption. Any payments under this Agreement that may be excluded from Section 409A either as separation pay due to an involuntary separation from service or as a short-term deferral shall be excluded from Section 409A to the maximum extent possible. To the extent Section 409A applies, each installment payment provided under this Agreement shall be treated as a separate payment. Any payments of "nonqualified deferred compensation" to be made under this Agreement by reason of a termination of employment shall only be made if such termination of employment constitutes a "separation from service" under Section 409A. Notwithstanding the foregoing, the Company makes no representations that the payments and benefits provided under this letter

comply with Section 409A and in no event shall the Company be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by Employee on account of non-compliance with Section 409A.

23. No Construction Presumptions. Employee and the Company have had the opportunity to obtain the advice of legal counsel and to have their respective counsel review and comment on the terms of this Agreement. Accordingly, it is agreed that no rule of construction shall apply against any Party or in favor of any Party. This Agreement shall be construed as if the Parties jointly prepared this Agreement, and any uncertainty or ambiguity shall not be interpreted against one Party and in favor of the other.

24. Third Party Beneficiaries. Each of the Released Parties is an intended third-party beneficiary of this Agreement.

25. Section Headings; Use of Including. The headings contained in this Agreement are for reference purposes only and shall not in any way affect the meaning of this Agreement. The use of the terms “include” or “including” shall be deemed to be followed by “without limitation.”

26. Counterparts and Facsimile Signatures. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and all counterparts so executed shall constitute one agreement binding on all of the parties hereto, notwithstanding that all of the Parties are not signatory to the same counterpart. This Agreement may be executed either by original, PDF or facsimile, any of which shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person.

If Employee signs this Agreement fewer than twenty-one (21) days after Employee receives it from the Company, Employee confirms that Employee does so voluntarily and without any pressure or coercion from anyone at the Company.

[Remainder of page intentionally left blank; signatures follow on next page.]

WHEREFORE, the Parties hereto have affixed their signatures below.

The undersigned Employee has read the foregoing Separation Agreement and Waiver and Release, and attests that Employee has had the opportunity to consult with legal counsel of Employee's own choosing before deciding whether to sign below, and that Employee fully understands and accepts the provisions of this Agreement in their entirety and without reservation.

EMPLOYEE:

Signature: /s/ Grant Shih

Printed Name: **Grant Shih**

Date: 10/06/2025

VESTIS CORPORATION:

Signature: /s/ André C. Bouchard

Printed Name: **André C. Bouchard**
EVP, Chief Legal Officer, General Counsel & Secretary

Date: 10/06/2025

APPENDIX A
UNVESTED EQUITY AWARDS

[The contents of this Appendix "A" have been excluded. The redacted information is not material and is treated by the company as private and confidential.]

APPENDIX B

OUTSTANDING STOCK OPTION AWARDS

[The contents of this Appendix "B" have been excluded. The redacted information is not material and is treated by the company as private and confidential.]

Exhibit 10.45

VESTIS CORPORATION

MANAGEMENT INCENTIVE BONUS PLAN

(Effective September 30, 2023, and Amended & Restated Effective October 4, 2025)

1. **Introduction; Purpose**. The purpose of the Vestis Corporation's Management Incentive Bonus Plan (the "***Plan***") is to provide a means through which the Company and its Affiliates may provide an annual bonus award to eligible employees for the achievement of performance objectives. The Plan shall be effective as of the Distribution Date, provided that it is approved by the Board as of such date.

2. **Definitions**. For purposes of the Plan, the terms listed below have the following meanings:

(a) ***"Administrator"*** means (i) the Compensation and Human Resources Committee of the Board, with respect to actions under this Plan related to the Chief Executive Officer, any Executive Level direct reports to the Chief Executive Officer and any of the Company's other executive officers as defined under the Exchange Act (hereinafter the "***Covered Management***") and with respect to setting performance metrics that relate to the overall performance of the Corporation and its Affiliates and determining achievement of such metrics, (ii) the Chief Executive Officer, with respect to actions under this Plan not covered by clause (i) above and that relate to Participants in career bands 2 and 3 who are not Covered Management, or (iii) the Executive Vice President, Human Resources (or any equivalent successor position) with respect to actions under this Plan not covered by clause (i) above and that relate to all other Participants.

(b) ***"Affiliate"*** means, with respect to any Person, any other Person that controls, is controlled by, or is under common control with such Person. The term "control" as used in the Plan means the power to direct or cause the direction of the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise. The terms "controlled" and "controlling" have meanings correlative to the foregoing.

(c) ***"Board"*** means the Board of Directors of the Company.

(d) ***"Bonus Award"*** means the amount of the annual bonus for a given Performance Year payable to a Participant, as determined by the Administrator in accordance with the Bonus Award Formula and in accordance with the terms and conditions of the Plan and the Bonus Formula Methodology approved by the Administrator for the applicable Performance Year. A Bonus Award is not payable to a Participant until it is earned and vested in accordance with the terms of the Plan.

(e) ***"Bonus Award Formula"*** means, for a Performance Year, the methodology to be used to calculate the Bonus Award for each Participant, as set forth in the Bonus Formula Methodology for such Performance Year. Application of the Bonus Award Formula in the calculation of any Bonus Award shall be subject to the terms and conditions of the Plan and the Bonus Formula Methodology for the applicable Performance Year.

(f) ***"Bonus Formula Methodology"*** means, for any Performance Year, the methodology to be used to calculate the Bonus Award for each Participant, as approved by the Administrator for such Performance Year.

(g) ***"Company"*** means Vestis Corporation, a Delaware corporation, or any successor thereto.

(h) ***"Completion Multiple"*** means a fraction, the numerator of which shall equal the total number of calendar days during the Termination Year during which the Participant was employed by and actively at work for the Company and its Affiliates on or prior to his or her Termination Date, and the denominator of which shall be 365 (366 if the Termination Year is a leap year). Notwithstanding the foregoing, the Company, in its discretion, may apply an alternative method of proration that approximates the foregoing proration, such as payroll periods or months.

(i) ***"Disability"*** means a "permanent disability" as defined in the Company's long-term disability plan as in effect from time to time, or if there shall be no such plan, the inability of a Participant to perform in all material respects the Participant's duties and responsibilities to the Company or any of its Affiliates for a period of six (6) consecutive months or for an aggregate of nine (9) months in any twenty-four (24) consecutive month period by reason of a physical or mental incapacity; provided, however, that if a Bonus Award is subject to Section 409A and payment is on account of "Disability," the term has the meaning specified in Section 409A for purposes of payment of amounts subject to Section 409A.

(j) ***“Distribution Date”*** has the meaning set forth in the Employee Matters Agreement.

(k) ***“Employee”*** means any salaried employee of the Company or an Affiliate.

(l) ***“Employee Matters Agreement”*** means the Employee Matters Agreement between Aramark and the Company dated September 5, 2023.

(m) ***“Exchange Act”*** means the Securities Exchange Act of 1934, as amended.

(n) ***“Maximum Amount”*** means, if applicable, the maximum amount, if any, of a Participant’s Bonus Award set forth in the Bonus Formula Methodology for the applicable Performance Year but in no event shall exceed 200% of a Participant’s Target Bonus Opportunity.

(o) ***“Payment Date”*** means the date on which the Bonus Award for a Performance Year is paid to a Participant, which date shall be as soon as practicable after receipt of the audited fiscal year-end financial reports, but in no event more than 2.5 months after the end of the calendar year in which the last day of the Performance Year occurred, as determined by the Administrator.

(p) ***“Performance”*** means the extent to which the performance targets (including, if applicable, percentage levels of performance) and other components of the Bonus Award Formula have been achieved for a Performance Year.

(q) ***“Performance Year”*** means the Company’s fiscal year, or a portion thereof specified by the Administrator as the period over which Performance is to be measured pursuant to the Bonus Award Formula for that period. Unless otherwise specified by the Administrator, the Performance Year shall be the fiscal year.

(r) ***“Person”*** means a “person” as such term is used for purposes of Section 13(d) or 14(d) of the Exchange Act.

(s) ***“Retirement”*** means with respect to a Participant, the Participant’s Termination Date that occurs on or after achieving age 60 and five (5) years of service with the Company and its Affiliates (and/or any of their respective predecessors) and that does not occur for any other reason.

(t) ***“Target Bonus Opportunity”*** means an amount (specified as such or determined pursuant to a formula) and denominated in local currency that a Participant potentially may earn as a Bonus Award in respect of a specified Performance Year at the targeted level of Performance. A Target Bonus Opportunity constitutes only a conditional right to receive a Bonus Award and does not guarantee receipt of a Bonus Award or any level of Bonus Award based on Performance or otherwise.

(u) **"*Termination Date*"** means the date on which a Participant's employment with the Company and its Affiliates terminates for any reason. A transfer of a Participant's employment between and among the Company or an Affiliate shall not be deemed to constitute a termination of employment for purposes of the Plan.

(v) **"*Termination Year*"** means the Performance Year in which a Participant's Termination Date occurs.

3. **Eligibility**. The Chief Executive Officer, all executive Employees in career bands 1 through 3 and any other Employee designated by the Administrator are eligible to participate in this Plan ("***Participants***").

4. **Determination of Bonus Award Formula and Target Bonus Opportunities**.

(a) ***Establishment of Bonus Award Formula***. Within the first ninety (90) days of the Performance Year, the Administrator shall establish the Bonus Award Formula for the Performance Year.

(b) ***Establishment of Target Bonus Opportunities***. For each Performance Year, the Administrator shall designate, for each Participant, such Participant's Target Bonus Opportunity. Target Bonus Opportunities will be denominated in cash.

(c) ***Newly Eligible Participants***. In the case of an Employee who becomes a Participant after the beginning of a Performance Year, the Administrator shall designate, prior to the date on which such Employee becomes a Participant, such individual's Target Bonus Opportunity for the portion of the Performance Year remaining after he or she becomes a Participant.

(d) ***Written Determinations***. Determinations by the Administrator under this Section 4, including Target Bonus Opportunities for each Participant, the level of Performance for the Performance Year and the amount of the Bonus Award for each Participant shall be recorded in writing as determined in such form as the Administrator may determine.

5. **Determination and Payment of Bonus Award**.

(a) ***Determination***. As soon as practicable after the end of the Performance Year and prior to the Payment Date, the Administrator shall determine the amount of the Bonus Award to be paid to each Participant for the Performance Year. Subject to the terms and conditions of the Plan, the Bonus Awards shall be determined in accordance with the Bonus Award Formula for the Performance Year. Unless otherwise specifically provided in the Plan or determined by the Administrator (or otherwise specifically provided under a separate agreement, plan or policy conferring rights on the Participant), the Bonus Award shall be earned and vested upon the Payment Date and only with respect to a Participant who remains actively employed by the Company or an Affiliate on the Payment Date, unless otherwise required by applicable law.

(b) ***Payment***. Any Bonus Award for a Performance Year shall be paid by the Company, or the Affiliate that employs the Participant, less appropriate tax withholdings and taking into account any adjustments pursuant to the Plan, no later than the Payment Date for such Performance Year. Except as otherwise provided herein or as provided by the Administrator in accordance with its authority under the Plan, if a Participant's Termination Date occurs prior to the Payment Date for any Performance Year, the Participant shall not be entitled to payment of a Bonus Award for such Performance Year (including the Bonus Award for any completed Performance Year for which the Payment Date has not yet occurred) and the Participant shall have no further rights under the Plan. Bonus Awards shall be paid in cash, with the exception that Bonus Awards issued to the Company's Chief Executive Officer which shall be paid in shares of common stock of the Company ("Shares") issued pursuant to the Vestis Corporation 2023 Long-Term Incentive Plan (or successor thereto)(the "LTIP"). The number of Shares issuable to the Company's Chief Executive Officer with respect to a Bonus Award for a Performance Year shall be determined by dividing the amount of the Bonus Award by the fair market value of a Share on the Payment Date for the cash awards payable to all other Participants for such Performance Year, rounded down as necessary to the next whole Share with the remaining amount payable in cash. Such Shares shall be issued to the Company's Chief Executive Officer two days following the Payment Date for the cash awards payable to Covered Management for such Performance Year (the "CEO Settlement Date") or, if the CEO Settlement Date does not fall within a Window Period (within the meaning of the Company's Securities Trading Policy in effect at the time), on the first day of the Window Period that next follows the CEO Settlement Date.

(c) ***Partial Year***. If a Participant has worked any portion of the relevant performance year, but less than the entire relevant Performance Year, and is still employed at the end of the relevant Performance Year, the Participant will be eligible to receive a pro-rata share of the Bonus Award (for example, if a Participant has worked for 9 months in the relevant Performance Year, the Participant will be eligible to receive 75% of the Bonus Award).

(d) ***Termination***. Notwithstanding the provisions of subsection 5(a), except as otherwise provided herein or as provided by the Administrator in accordance with its authority under the Plan, in the event that a Participant's Termination Date occurs due to his or her death, Retirement or Disability:

(i) the Participant's Bonus Award for the Termination Year shall be equal to the amount of the Bonus Award that the Participant would have been entitled to receive for that Performance Year (determined in accordance with Section 4 and subsection 5(a)) had his or her Termination Date not occurred prior to the Payment Date for the Termination Year, multiplied by the Completion Multiple;

(ii) if the Termination Date occurs after the end of a Performance Year and prior to the Payment Date for such Performance Year, the Participant's Bonus Award for such Performance Year shall be equal to the amount of the Bonus Award that the Participant would have been entitled to receive for that Performance Year (determined in accordance with Section 4 and subsection 5(a)); and

(iii) notwithstanding that the Participant's Termination Date occurs prior to the Payment Date for the applicable Performance Year, the Participant shall be entitled to payment of the Bonus Award described under paragraph (i) and/or (ii), such Bonus Awards shall be earned and vested as of the Termination Date and such Bonus Awards shall be paid as of the Payment Date for the applicable Performance Year with respect to Participants whose Termination Date has not occurred.

6. **Deferral**. Payment of all or part of a Bonus Award may be deferred in accordance with procedures established by the Company and amended from time to time, in accordance with the

applicable deferral provisions of Section 409A of the Internal Revenue Code of 1986, as amended, and all regulations, guidance and other interpretative guidance issued thereunder ("***Section 409A***").

7. **Amendment and Termination**. The Compensation and Human Resources Committee of the Board may, at any time, amend, alter, suspend, discontinue or terminate this Plan, and such action shall not be subject to the approval of the Company's stockholders or Participants; provided, however, that, without the consent of the Participant, no such action shall materially impair the rights of a Participant with respect to a Bonus Award that has been earned and vested in accordance with the terms of the Plan.

8. **Administration**.

(a) ***Authority of the Administrator***. The Plan shall be administered by the Administrator, which shall have full and final authority and discretion, in each case subject to and consistent with the provisions of the Plan and any applicable laws or regulations, to:

(i) select, or determine the method of selecting, Employees who will receive the grant of a Target Bonus Opportunity under the Plan for a Performance Year (and thereby become a Participant in the Plan for such Performance Year);

(ii) establish the Bonus Award Formula for a Performance Year;

(iii) Target Bonus Opportunities to Participants and determine the amount of Bonus Awards to be paid under the Plan for any period;

(iv) modify the Bonus Award Formula, any Target Bonus Opportunity or, prior to the date on which it is earned and vested, any Bonus Award otherwise payable under the Plan, whether based on the Bonus Award Formula, Performance or otherwise, including decreasing such amounts as described herein;

(v) adopt, amend, suspend or waive any such rules, regulations and guidelines for interpreting, implementing and administering the Plan as it deems necessary or proper;

(vi) conclusively construe and interpret the Plan documents and correct defects, supply omissions or reconcile inconsistencies therein;

(vii) employ attorneys, consultants, accountants, and other persons in connection with the administration of the Plan; and

(viii) make all other decisions and determinations as the Administrator may deem necessary or advisable for the administration of the Plan.

(b) ***Binding Effect of Administrator Actions***. All actions taken and all interpretations and determinations made by the Administrator with respect to the Plan shall be final and binding upon the Participants, the Company and all other interested persons.

(c) ***Manner of Exercise Administrator Authority***. The express grant of any specific power to the Administrator, and the taking of any action by the Administrator, shall not be construed as limiting any power or authority of the Administrator.

(d) ***Delegation of Authority***. The Administrator may delegate to one or more officers or managers of the Company or an Affiliate, or committees thereof, the authority, subject to such terms as the Administrator shall determine, to perform such functions, including administrative functions, as the Administrator may determine, to the extent that such delegation is permitted under the applicable provisions of the Delaware General Corporation Law and the provisions of the Plan.

(e) ***Limitation of Liability***. Each person acting in their capacity as Administrator, and each person acting pursuant to authority delegated by the Administrator, shall be entitled, in good faith, to rely or act upon any report or other information furnished by any executive officer, other officer or employee of the Company or its Affiliates, or the Company's independent auditors, consultants or other agents assisting in the administration of the Plan. Each person acting as the Administrator or pursuant to authority delegated by the Administrator, and any officer or employee of the Company or any of its Affiliates acting at the direction or on behalf of the Administrator or a delegate, shall not be personally liable for any action or determination taken or made in good faith with respect to the Plan and shall, to the fullest extent permitted by law and the Company's By-Laws, be fully indemnified and protected by the Company with respect to any such action or determination.

(f) ***Adjustment to Payments***. Notwithstanding anything to the contrary contained herein, the Administrator shall have the authority to change the Target Bonus

Opportunity of any Participant based upon the recommendation of the Participant's manager or any of his or her direct or indirect supervisors (including, without limitation, the Chief Executive Officer). The Company retains the right to withhold any payment amounts determined hereunder (whether or not such amounts are earned and vested) from any Participant who violates any Company policy and to treat such withheld payments as forfeited by the Participant. Notwithstanding any other provision of the Plan or the applicable Bonus Formula Methodology for any Performance Year to the contrary, the Administrator may, in its sole and absolute discretion, adjust the amount of a Target Bonus Opportunity or amend or cancel a Bonus Award, in either case prior to the date on which the Bonus Award is earned and vested; provided, however, that in no event shall the amount of a Participant's Bonus Award for any Performance Year exceed the Maximum Amount, if any, set forth in the Bonus Formula Methodology for the applicable Performance Year. In addition, the Administrator, in its sole and absolute discretion, is authorized to make adjustments in the terms and conditions of, and the performance targets and other criteria included in, the Bonus Award Formula.

9. **Miscellaneous**.

(a) ***Nontransferability; Assignment***. A Target Bonus Opportunity, any resulting Bonus Award and any other right hereunder is non-assignable and non-transferable, and shall not be pledged, encumbered or hypothecated to or in favor of any party or subject to any lien, obligation or liability of the Participant to any party other than the Company or an Affiliate.

(b) ***Heirs and Successors***. If any benefits deliverable to the Participant under the Plan have not been delivered at the time of the Participant's death, such benefits shall be delivered to the Participant's Designated Beneficiary, in accordance with the provisions of the Plan. The "***Designated Beneficiary***" shall be the beneficiary or beneficiaries designated by the Participant in a writing filed with the Company in such form and at such time as the Company shall require and in accordance with such rules and procedures established by the Company. If a deceased Participant fails to designate a beneficiary, or if the Designated Beneficiary does not survive the Participant, any rights that would have been exercisable by the Participant and any benefits distributable to the Participant shall be exercisable and distributed, as applicable, to the legal representative of the estate of the Participant.

(c) ***Tax Withholding***. The Company and its Affiliates shall deduct from any cash payment of a Participant's Bonus Award or from any other cash payment to the Participant, including wages, any Federal, state or local tax or charge that is then required to be deducted under applicable law with respect to the Bonus Award or other payment or as determined by the Administrator to be appropriate under a program for withholding. For each Bonus Award payable to the Chief Executive Officer of the Company in Shares under the LTIP, the Company shall satisfy its obligation with withhold federal, state, local or other taxes, domestic or foreign, on such Bonus Award (together "Taxes") by retaining Shares otherwise payable to the Chief Executive Officer of the Company having a Fair Market Value (within the meaning of the LTIP) on the date the amount of the Taxes is to be determined sufficient to satisfy such withholding obligation calculated using the applicable minimum United States federal income tax withholding rate (currently 22%). The Company will withhold the whole number of Shares sufficient to satisfy the Company's obligation to withhold Taxes on such Bonus Award and shall make a cash payment to the Chief Executive Officer of the Company on the CEO Settlement Date equal to the difference between the Fair Market Value of the Shares so withheld and the amount of such withholding obligation on such Bonus Award; provided, however, that if this would cause adverse accounting treatment for the Company, the Company shall withhold one less Share and require the Chief Executive Officer of the Company to pay cash to the Company in an amount equal to the Company's obligation to withhold Taxes in excess of the Fair Market Value of the Shares withheld (if any). Instead of calculating the Company's obligation to withhold Taxes on a Bonus Award payable to the Chief Executive Officer of the Company using the applicable minimum United States federal income tax rate, the Chief Executive Officer of the Company may elect to have the Company determine the amount of such withholding obligation using a United States federal income tax rate that does not exceed the maximum such rate (currently 37%); provided that the amount to be withheld shall not exceed the amount necessary for the Company to treat the issuance of Shares in satisfaction of such Bonus Award as an equity award for accounting purposes and to comply with the Company's obligation to withhold Taxes on such Bonus Award.

(d) ***No Right to Employment***. Neither the Plan, its adoption, its operation, nor any action taken under the Plan shall be construed as giving any employee the right to be retained or continued in the employ of the Company or any of its Affiliates, nor shall it interfere in any way with the right and power of the Company or any of its Affiliates to discharge any employee or take any action that has the effect of terminating any employee's employment or service at any time.

(e) ***Plan Not Funded; No Guarantee***. The Plan shall be unfunded. Neither the Company nor any of its Affiliates shall be required to establish any special or separate fund or to make any other segregation of assets to assure the payment of any Bonus Award hereunder. Participation in the Plan is not a guarantee that any amounts will be paid under the Plan. Participation in the Plan is a privilege, not a right, and each individual Participant's participation in the Plan is subject to review from time to time at the discretion of the Company. Receipt of a Bonus Award in any one year does not guarantee receipt of a Bonus Award under the Plan in any other year.

(f) ***Action by Company or Affiliate***. Any action required or permitted to be taken by the Company or any Affiliate shall be by resolution of its board of directors, or by action of one or more members of the board (including, without limitation, a committee of the board) who are duly authorized to act for the board, or (except to the extent prohibited by applicable law or applicable rules of any securities exchange) by a duly authorized officer of such company.

(g) ***Governing Law***. All questions concerning the construction, interpretation and validity of the Plan and the instruments evidencing the Bonus Awards granted hereunder shall be governed by and construed and enforced in accordance with the domestic laws of the State of Delaware, without giving effect to any choice or conflict of law provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Delaware. In furtherance of the foregoing, the internal law of the State of Delaware will control the interpretation and construction of this Plan, even if under such jurisdiction's choice of law or conflict of law analysis, the substantive law of some other jurisdiction would ordinarily apply.

(h) ***Severability***. If for any reason any provision or provisions of the Plan are determined invalid or unenforceable, the validity and effect of the other provisions of the Plan shall not be affected thereby.

(i) ***Obligations Binding on Successors***. The obligations of the Company under the Plan shall be binding upon any successor corporation or organization resulting from the merger, consolidation or other reorganization of the Company, or upon any successor corporation or organization succeeding to substantially all of the assets and business of the Company.

(j) ***Recoupment***. Bonus Awards under the Plan shall be subject to the Company's compensation recovery, clawback, and recoupment policies as in effect from time to time.

10. **Section 409A**. It is the intent of the Company that all Bonus Awards under the Plan be exempt from or comply with Section 409A. The provisions of the Plan shall be construed and interpreted in accordance with the foregoing. Notwithstanding the foregoing, the Company shall not be required to assume any increased economic burden in connection therewith. Although the Company intends that the Plan be administered so as to be exempt from or in compliance with the requirements of Section 409A, neither the Company nor the Board represents or warrants that the Plan will comply with Section 409A or any other provision of federal, state, local, or non-United States law. Neither the Company, its Affiliates, nor their respective directors, officers, employees or advisers shall be liable to any Participant (or any other individual claiming a benefit through the Participant) for any tax, interest, or penalties the Participant may owe as a result of participation in the Plan, and the Company and its Affiliates shall have no obligation to indemnify or otherwise protect any Participant from the obligation to pay any taxes pursuant to Section 409A. Without limiting the generality of the foregoing:

(a) ***Time and Form of Payment***. Notwithstanding any other provision of the Plan to the contrary, if any payment or benefit hereunder is subject to Section 409A, and if such payment or benefit is to be paid or provided on account of the Participant's termination of employment (or other separation from service) and if the Participant is a specified employee (within the meaning of Section 409A(a)(2)(B)) such payment or benefit shall be delayed until the first day of the seventh month following the Participant's termination of employment (or separation from service). The determination as to whether a Participant has had a termination of employment (or separation from service) shall be made in accordance with the provisions of Section 409A and the guidance issued thereunder without application of any alternative levels of reductions of bona fide services permitted thereunder.

(b) ***Prohibition on Acceleration of Payments***. Except as otherwise permitted under Section 409A and the guidance and Treasury regulations issued thereunder, the time or schedule of any payment or amount scheduled to be paid pursuant to the Plan shall not be accelerated.

Exhibit 21.1

Vestis Corporation Subsidiaries

Subsidiaries	Jurisdiction of Incorporation
Active Industrial Uniform Co., LLC	Delaware
AmeriPride Services, LLC	Delaware
Vestis Monclova Manufacturing de Mexico, S.A. de C.V.	Mexico
Vestis Monclova Support, S.A. de C.V.	Mexico
Vestis Holding de Mexico, S.A. de C.V.	Mexico
Canadian Linen and Uniform Service Corp.	Canada
Canadian Linen and Uniform Service Holdco, Ltd.	Canada
Delsac VIII, LLC	Delaware
L&N Uniform Supply, LLC	California
Landy Textile Rental Services, LLC	Delaware
Overall Laundry Services, LLC	Delaware
Vestis (Matchpoint), LLC	Delaware
Vestis (Rochester), LLC	Delaware
Vestis (Supply Chain), LLC	Delaware
Vestis (Syracuse), LLC	Delaware
Vestis (Texas), LLC	Delaware
Vestis (West Adams), LLC	Delaware
Vestis Cleanroom Services (Puerto Rico), Inc.	Delaware
Vestis Manufacturing Company	Delaware
Vestis Services, LLC	Delaware
Vestis Uniforms and Workplace Supplies, Inc.	Delaware
VS Financing, LLC	Delaware

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement Nos. 333-274824 and 333-275852 on Form S-8 of our reports dated December 2, 2025, relating to the financial statements of Vestis Corporation and the effectiveness of Vestis Corporation's internal control over financial reporting appearing in this Annual Report on Form 10-K of Vestis Corporation for the year ended October 3, 2025.

/s/ Deloitte & Touche LLP
Atlanta, Georgia
December 2, 2025

Exhibit 31.1

Certification Pursuant to

Rules 13a-14(a) or 15d-14(a) under the Securities Exchange Act of 1934, as Amended

I, Jim Barber, President and Chief Executive Officer, certify that:

1. I have reviewed this annual report on Form 10-K of Vestis Corporation for the fiscal year ended October 3, 2025;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: December 1, 2025

/s/ Jim Barber

Jim Barber

President and Chief Executive Officer

Exhibit 31.2

Certification Pursuant to

Rules 13a-14(a) or 15d-14(a) under the Securities Exchange Act of 1934, as Amended

I, Kelly Janzen, Executive Vice President and Chief Financial Officer, certify that:

1. I have reviewed this annual report on Form 10-K of Vestis Corporation for the fiscal year ended October 3, 2025;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: December 1, 2025

/s/ Kelly Janzen

Kelly Janzen

Executive Vice President and Chief Financial Officer

Exhibit 32.1

Certification Pursuant to 18 U.S.C. Section 1350,
as Adopted Pursuant to Section 906 of
the Sarbanes-Oxley Act of 2002

In connection with the Annual Report of Vestis Corporation (the “registrant”) on Form 10-K for the fiscal year ended October 3, 2025, as filed with the Securities and Exchange Commission on the date hereof (the “report”), we, Jim Barber and Kelly Janzen, Chief Executive Officer and Chief Financial Officer, respectively, of the registrant, certify, pursuant to 18 U.S.C. § 1350, that to our knowledge:

(1) The report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the report fairly presents, in all material respects, the financial condition and results of operations of the registrant.

December 1, 2025

/s/ Jim Barber

Jim Barber

President and Chief Executive Officer

/s/ Kelly Janzen

Kelly Janzen

Executive Vice President and Chief Financial Officer

VESTIS CORPORATION
INCENTIVE COMPENSATION RECOUPMENT POLICY

The Board of Directors (the "Board") of Vestis Corporation (the "Corporation") believes that it is in the best interests of the Company and its shareholders to adopt this Incentive Compensation Recoupment Policy (the "Policy"), which provides for the recovery of certain incentive compensation in the event of an Accounting Restatement (as defined below). This Policy is designed to comply with, and shall be interpreted to be consistent with, Section 10D of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), Rule 10D-1 promulgated under the Exchange Act ("Rule 10D-1") and Section 303A.14 of the New York Stock Exchange Listed Company Manual (the "Listing Standards").

A. Administration

Except as specifically set forth herein, this Policy shall be administered by the Board or, if so designated by the Board, a committee thereof (the Board or such committee charged with administration of this Policy, the "Administrator"). The Administrator is authorized to interpret and construe this Policy and to make all determinations necessary, appropriate or advisable for the administration of this Policy. Any determinations made by the Administrator shall be final and binding on all affected individuals and need not be uniform with respect to each individual covered by the Policy. In the administration of this Policy, the Administrator is authorized and directed to consult with the full Board or such committees of the Board as may be necessary or appropriate as to matters within the scope of its responsibility and authority. Subject to any limitation at applicable law, the Administrator may authorize and empower any officer or employee of the Corporation to take any and all actions necessary or appropriate to carry out the purpose and intent of this Policy (other than with respect to any recovery under this Policy involving such officer or employee).

B. Definitions

As used in this Policy, the following definitions shall apply. Other terms used in this Policy may be defined in other sections of this Policy:

"Accounting Restatement" means an accounting restatement of the Corporation's financial statements due to the Corporation's material noncompliance with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period.

"Applicable Period" means the three completed fiscal years immediately preceding the date on which the Corporation is required to prepare an Accounting Restatement, as well as any transition period (that results from a change in the Corporation's fiscal year) within or immediately following those three completed fiscal years (except that a transition period that comprises a period of at least nine months shall count as a completed fiscal year). The "date on which the Corporation is required to prepare an Accounting Restatement" is the earlier to occur of (1) the date the Board, a committee of the Board or an officer or officers of the Corporation authorized to take such action if Board action is not required concludes, or reasonably should have concluded, that the Corporation is required to prepare an Accounting Restatement or (2) the date a court, regulator or other legally authorized body directs the Corporation to prepare an Accounting Restatement, in each case regardless of if or when the restated financial statements are filed.

"Code" means the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

"Covered Executives" means the Corporation's current and former executive officers, as determined by the Administrator in accordance with the definition of executive officer set forth in Rule 10D-1 and the Listing Standards.

"Erroneously Awarded Compensation" has the meaning set forth in Section E of this Policy.

"Financial Reporting Measure" is any measure that is determined and presented in accordance with the accounting principles used in preparing the Corporation's financial statements, and any measure that is derived wholly or in part from such measure. Stock price and total shareholder return are also Financial Reporting Measures. A Financial Reporting Measure need not be presented within the Corporation's financial statements or included in a filing with the Securities and Exchange Commission.

"Incentive-Based Compensation" means any compensation that is granted, earned or vested based wholly or in part upon the attainment of a Financial Reporting Measure. Incentive-Based Compensation is "received" for purposes of this Policy in the Corporation's fiscal period during which the Financial Reporting Measure specified in the Incentive-Based Compensation award is attained, even if the payment or grant of such Incentive-Based Compensation occurs after the end of that period.

C. Application of the Policy

This Policy applies to Incentive-Based Compensation received by a Covered Executive: (1) after beginning services as a Covered Executive; (2) if that person served as a Covered Executive at any time during the performance period for such Incentive-Based Compensation; and (3) while the Corporation had a listed class of securities on a national securities exchange.

D. Required Recoupment

In the event the Corporation is required to prepare an Accounting Restatement, the Corporation shall promptly recoup the amount of any Erroneously Awarded Compensation received by any Covered Executive, as calculated pursuant to Section E hereof, during the Applicable Period. The Administrator may, in its sole discretion, suspend continued vesting and payout of Incentive-Based Compensation of any Covered Executive while the Accounting Restatement is pending.

E. Erroneously Awarded Compensation

The amount of "Erroneously Awarded Compensation" subject to recovery under the Policy, as determined by the Administrator, is the amount of Incentive-Based Compensation received by the Covered Executive that exceeds the amount of Incentive-Based Compensation that would have been received by the Covered Executive had it been determined based on the restated amounts.

Erroneously Awarded Compensation shall be computed by the Administrator without regard to any taxes paid by the Covered Executive in respect of the Erroneously Awarded Compensation.

For Incentive-Based Compensation based on stock price or total shareholder return, where the amount of Erroneously Awarded Compensation is not subject to mathematical recalculation directly from the information in the Accounting Statement: (1) the Administrator shall determine the amount of Erroneously Awarded Compensation based on a reasonable estimate of the effect of the Accounting Restatement on the stock price or total shareholder return upon which the Incentive-Based Compensation was received; and (2) the Corporation shall maintain documentation of the determination of that reasonable estimate and provide such documentation to the New York Stock Exchange ("NYSE").

F. Method of Recoupment

The Administrator shall determine, in its sole discretion, the timing and method for promptly recouping Erroneously Awarded Compensation hereunder, which may include without limitation (1) seeking reimbursement of all or part of any cash or equity-based award, (2) cancelling prior cash or equity-based awards, whether vested or unvested or paid or unpaid, (3) cancelling or offsetting against any planned future cash or equity-based awards, (4) forfeiture of deferred compensation, and (5) any other method authorized by the Administrator; provided, however, that any action pursuant to sections (1) through (5) shall be subject to applicable law and compliance with Section 409A of the Code . Subject to compliance with any applicable law, including without limitation Section 409A of the Code, the Administrator may affect recovery under this Policy from any amount otherwise payable to the Covered Executive, including amounts payable to such individual under any otherwise applicable Corporation plan or program, including base salary, bonuses or commissions and compensation previously deferred by the Covered Executive.

The Corporation is authorized and directed pursuant to this Policy to recoup Erroneously Awarded Compensation in compliance with this Policy unless the Compensation Committee and Human Resources Committee of the Board has determined that recovery would be impracticable solely for the following limited reasons, and subject to the following procedural and disclosure requirements:

- The direct expense paid to a third party to assist in enforcing the Policy would exceed the amount to be recovered. Before concluding that it would be impracticable to recover any amount of Erroneously Awarded Compensation based on expense of enforcement, the Administrator must make a reasonable attempt to recover such erroneously awarded compensation, document such reasonable attempt(s) to recover and provide that documentation to the NYSE;
- recovery would violate home country law where that law was adopted prior to November 28, 2022. Before concluding that it would be impracticable to recover any amount of erroneously awarded compensation based on violation of home country law, the Corporation must obtain an opinion of home country counsel, acceptable to NYSE, that recovery would result in such a violation, and must provide such opinion to the NYSE; or
- Recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Corporation, to fail to meet the requirements of Code Sections 401(a)(13) or 411(a) and regulations thereunder.

G. No Covered Executive Indemnification

Notwithstanding the terms of any indemnification or insurance policy or any contractual arrangement with any Covered Executive that may be interpreted to the contrary, the Corporation shall not indemnify any Covered Executives against the loss of any Erroneously Awarded Compensation, including any payment or reimbursement for the cost of third-party insurance purchased by any Covered Executives to fund potential recoupment obligations under this Policy.

H. No Additional Payments

In no event shall the Corporation be required to award Covered Executives an additional payment if the restated or accurate financial results would have resulted in a higher Incentive-Based Compensation payment.

I. Effective Date; Application

This Policy shall be effective as of October 2, 2023 (the “Effective Date”). The terms of this Policy shall apply to any Incentive-Based Compensation that is received by

Covered Executives on or after the Effective Date, even if such Incentive-Based Compensation was approved, awarded, granted or paid to Covered Executives prior to the Effective Date. Without limiting the generality of Section F hereof, and subject to applicable law, the Administrator may affect recovery under this Policy from any amount of compensation approved, awarded, granted, payable or paid to the Covered Executive prior to, on or after the Effective Date. The Board intends that this Policy shall be applied to the fullest extent of the law. Any right of recoupment under this Policy is in addition to, and not in lieu of, any other remedies or rights of recoupment that may be available to the Corporation under applicable law or pursuant to the terms of any similar policy or in any employment agreement, equity award agreement, or similar agreement and any other legal remedies available to the Corporation. Nothing contained in this Policy, and no recoupment or recovery as contemplated by this Policy, shall limit any claims, damages or other legal remedies the Corporation or any of its affiliates may have against a Covered Executive arising out of or resulting from any actions or omissions by the Covered Executive.

J. Acknowledgment

Each Covered Executive shall sign and return to the Corporation, within 30 calendar days following the later of (1) the Effective Date of this Policy set forth above or (2) the date the individual becomes a Covered Executive, the Acknowledgement Form attached hereto as Exhibit A, pursuant to which the Covered Executive agrees to be bound by, and to comply with, the terms and conditions of this Policy.

K. Amendment and Interpretation

The Board may amend this Policy from time to time in its discretion, and shall amend this Policy as it deems necessary, appropriate or advisable to reflect the regulations adopted by the SEC and to comply with any rules or standards adopted by a national securities exchange on which the Corporation's securities are then listed. This Policy shall be interpreted in a manner that is consistent with Rule 10D-1 under the Exchange Act, Section 303A.14 of the NYSE Rules and any related rules or regulations adopted by the SEC or the NYSE (the "Applicable Rules") as well as any other applicable law. To the extent the Applicable Rules require recovery of Incentive-Based Compensation in additional circumstances beyond those specified above, nothing in this Policy shall be deemed to limit or restrict the right or obligation of the Corporation to recover Incentive-Based Compensation to the fullest extent required by the Applicable Rules.

L. Successors

This Policy shall be binding and enforceable against all Covered Executives and their beneficiaries, heirs, executors, administrators or other legal representatives.

M. Disclosure Obligations

The Corporation shall file all disclosures with respect to this Policy required by applicable SEC filings and rules.

N. Entire Agreement

This Policy supersedes all prior contracts, agreements and understandings, written or oral, with any Covered Executive regarding the subject matter hereof. In the event any contract, agreement or understanding with any Covered Executive is inconsistent with the terms of this Policy, the terms of this Policy shall govern.

O. Applicable Law

This Policy will be governed by and construed in accordance with the laws of Delaware without reference to the principles of conflict of laws.

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Adopted on: September 29, 2023

EXHIBIT A

VESTIS CORPORATION
INCENTIVE COMPENSATION RECOUPMENT POLICY
ACKNOWLEDGEMENT FORM

By signing below, the undersigned acknowledges and confirms that the undersigned has received and reviewed a copy of the Vestis Corporation (the "Corporation") Incentive Compensation Recoupment Policy (the "Policy") and that the undersigned agrees to its application to the undersigned as a Covered Executive. The undersigned's receipt of grants of equity or incentive compensation on or after the effective date of the Policy is conditioned on the undersigned's agreement to the terms of the Policy.

By signing below, the undersigned agrees that the Policy, as it may be amended from time to time, applies to the undersigned's Incentive-Based Compensation (as defined in the Policy), regardless of whether it is granted on, before, or after the date on which this Policy was adopted by the Corporation or the date that the undersigned signs acknowledgement form. Additionally, the undersigned agrees and acknowledges that the Policy supersedes any prior contract, agreement and understanding, written or oral, between the undersigned and the Corporation with respect to the subject matter thereof and that, in the event any contract, agreement or understanding with the undersigned is inconsistent with the Policy, the terms of the Policy shall govern.

The undersigned also agrees and acknowledges that the Incentive-Based Compensation subject to the Policy are voluntary programs, that the undersigned has chosen to accept such Incentive-Based Compensation understanding that such Incentive-Based Compensation is subject to recoupment as set forth in the Policy, and that the undersigned specifically agrees to such recoupment.

COVERED EXECUTIVE

____

Signature

____

Print Name

____

Date