

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

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

For the quarterly period ended March 28, 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

(State or other jurisdiction of incorporation or organization)

1035 Alpharetta Street, Suite 2100, Roswell, Georgia
(Address of Principal Executive Offices)

92-2573927

(I.R.S. Employer
Identification Number)

30075

(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 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	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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 is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes o No x

As of May 2, 2025, the registrant had 131,782,772 shares of common stock outstanding.

TABLE OF CONTENTS

	<u>Page</u>
<u>PART I - Financial Information</u>	
Item 1.	Financial Statements (Unaudited)
	Consolidated Statements of Income
	Consolidated Statements of Comprehensive Income
	Consolidated Balance Sheets
	Consolidated Statements of Changes in Equity
	Consolidated Statements of Cash Flows
	Notes to Consolidated Financial Statements
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations
Item 3.	Quantitative and Qualitative Disclosures About Market Risk
Item 4.	Controls and Procedures
<u>PART II - Other Information</u>	40
Item 1.	Legal Proceedings
Item 1A.	Risk Factors
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds
Item 3.	Defaults Upon Senior Securities
Item 4.	Mine Safety Disclosures
Item 5.	Other Information
Item 6.	Exhibits

Cautionary Note Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q 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, including, without limitation, statements relating to future operations and financial performance (including volume growth, pricing, sales and cash flows) and statements regarding our strategy for growth, future product development, regulatory approvals, competitive position and expenditures. These statements include, but are not limited to, statements related to our expectations regarding the performance of our business, our financial results, 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,” “potential,” “outlook,” “guidance,” “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 economic conditions including government shutdowns;
- increases in fuel and energy costs;
- the failure to retain current customers, renew existing customer contracts and obtain new customer contracts;
- natural disasters, global calamities, climate change, pandemics, strikes and other adverse incidents;
- competition in our industry;
- increased operating costs and obstacles to cost recovery due to the pricing and cancellation terms of our support services contracts;
- our leverage and ability to meet debt obligations and our reliance on an accounts receivable securitization facility;
- a determination by our customers to reduce their outsourcing or use of preferred vendors;
- the outcome of legal proceedings to which we are or may become subject;
- risks associated with suppliers from whom our products are sourced;
- challenge of contracts by our customers;
- our expansion strategy and our ability to successfully integrate the businesses we acquire and costs and timing related thereto;
- 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;
- 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;
- risks related to recent U.S. tariff announcements;
- 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.

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 our Annual Report on Form 10-K, filed with the Securities and Exchange Commission ("SEC") on November 22, 2024 and any updates or amendments we make in future filings. There may be other factors not presently known to us or which we currently consider to be immaterial that could cause our actual results to differ materially from those projected in any forward-looking statements we make. 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.

PART I - Financial Information
Item 1. Financial Statements (Unaudited)

VESTIS CORPORATION
CONSOLIDATED STATEMENTS OF INCOME (LOSS) (UNAUDITED)
(in thousands, except per share amounts)

	Three months ended		Six months ended	
	March 28, 2025	March 29, 2024	March 28, 2025	March 29, 2024
Revenue	\$ 665,249	\$ 705,368	\$ 1,349,029	\$ 1,423,291
Operating Expenses:				
Cost of services provided (exclusive of depreciation and amortization)	489,991	504,417	985,251	1,006,797
Depreciation and amortization	35,882	35,213	72,818	70,575
Selling, general and administrative expenses	147,946	122,684	269,131	255,264
Total Operating Expenses	673,819	662,314	1,327,200	1,332,636
Operating Income (Loss)	(8,570)	43,054	21,829	90,655
Interest Expense, net	22,329	35,326	45,426	66,857
Other Expense (Income), net	3,293	(613)	9,055	(1,369)
Income (Loss) Before Income Taxes	(34,192)	8,341	(32,652)	25,167
Provision (Benefit) for Income Taxes	(6,362)	2,376	(5,654)	6,934
Net Income (Loss)	\$ (27,830)	\$ 5,965	\$ (26,998)	\$ 18,233
Earnings (Loss) per share:				
Basic	\$ (0.21)	\$ 0.05	\$ (0.21)	\$ 0.14
Diluted	\$ (0.21)	\$ 0.05	\$ (0.21)	\$ 0.14
Weighted Average Shares Outstanding:				
Basic	131,751	131,524	131,672	131,457
Diluted	131,751	131,893	131,672	131,788

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

VESTIS CORPORATION
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (UNAUDITED)
(in thousands)

	Three months ended	
	March 28, 2025	March 29, 2024
Net Income (Loss)	\$ (27,830)	\$ 5,965
Other Comprehensive Income (Loss), net of tax:		
Foreign currency translation adjustments	1,238	(6,449)
Other Comprehensive Income (Loss), net of tax	1,238	(6,449)
Comprehensive Income (Loss)	<u>\$ (26,592)</u>	<u>\$ (484)</u>
	Six months ended	
	March 28, 2025	March 29, 2024
Net Income (Loss)	\$ (26,998)	\$ 18,233
Other Comprehensive Income (Loss), net of tax:		
Foreign currency translation adjustments	(1,919)	191
Other Comprehensive Income (Loss), net of tax	(1,919)	191
Comprehensive Income (Loss)	<u>\$ (28,917)</u>	<u>\$ 18,424</u>

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

VESTIS CORPORATION
CONSOLIDATED BALANCE SHEETS (UNAUDITED)
(in thousands, except share and per share amounts)

	March 28, 2025	September 27, 2024
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 28,806	\$ 31,010
Receivables (net of allowances: \$35,530 and \$19,804, respectively)	162,359	177,271
Inventories, net	199,661	164,913
Rental merchandise in service, net	394,454	396,094
Other current assets	31,971	18,101
Total current assets	817,251	787,389
Property and Equipment, at cost:		
Land, buildings and improvements	565,790	590,972
Equipment	1,160,055	1,168,142
	1,725,845	1,759,114
Less - Accumulated depreciation	(1,075,574)	(1,088,256)
Total property and equipment, net	650,271	670,858
Goodwill	960,033	963,844
Other Intangible Assets, net	202,203	212,773
Operating Lease Right-of-use Assets	80,774	73,530
Other Assets	188,475	223,993
Total Assets	\$ 2,899,007	\$ 2,932,387
LIABILITIES AND EQUITY		
Current Liabilities:		
Current maturities of financing lease obligations	\$ 31,869	\$ 31,347
Current operating lease liabilities	19,693	19,886
Accounts payable	150,752	163,054
Accrued payroll and related expenses	92,394	96,768
Accrued expenses and other current liabilities	142,448	145,047
Total current liabilities	437,156	456,102
Long-Term Borrowings	1,158,995	1,147,733
Noncurrent Financing Lease Obligations	119,387	115,325
Noncurrent Operating Lease Liabilities	73,122	66,111
Deferred Income Taxes	182,939	191,465
Other Noncurrent Liabilities	51,134	52,600
Total Liabilities	2,022,733	2,029,336
Commitments and Contingencies (see Note 9)		
Equity:		
Common stock, par value \$0.01 per share, 350,000,000 shares authorized, 131,780,869 and 131,481,967 issued and outstanding as of March 28, 2025 and September 27, 2024, respectively	1,318	1,315
Additional paid-in capital	939,440	928,082
(Accumulated deficit) retained earnings	(33,654)	2,565
Accumulated other comprehensive loss	(30,830)	(28,911)
Total Equity	876,274	903,051
Total Liabilities and Equity	\$ 2,899,007	\$ 2,932,387

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

VESTIS CORPORATION
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)
(in thousands)

	Common Stock			(Accumulated Deficit) Retained Earnings	Net Parent Investment	Accumulated Other Comprehensive Loss	Total Parent's Equity
	Shares Outstanding	Par Value	Additional Paid-In Capital				
Balance, September 27, 2024	131,482	\$ 1,315	\$ 928,082	\$ 2,565	\$ —	\$ (28,911)	\$ 903,051
Net Income	—	—	—	832	—	—	832
Dividends Declared (\$0.035 per common share)	—	—	—	(4,610)	—	—	(4,610)
Other Comprehensive Loss ⁽¹⁾	—	—	—	—	—	(3,157)	(3,157)
Share-based compensation expense	—	—	5,180	—	—	—	5,180
Issuance of common stock upon exercise of stock options or awards of restricted stock units	219	2	—	—	—	—	2
Tax payments related to shares withheld for share based compensation plans	—	—	(1,708)	—	—	—	(1,708)
Balance, December 27, 2024	131,701	\$ 1,317	\$ 931,554	\$ (1,213)	\$ —	\$ (32,068)	\$ 899,590
Separation-related adjustments	—	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Net Loss	—	—	—	(27,830)	—	—	(27,830)
Dividends Declared (\$0.035 per common share)	—	—	—	(4,611)	—	—	(4,611)
Other Comprehensive Income	—	—	—	—	—	1,238	1,238
Share-based compensation expense	—	—	7,977	—	—	—	7,977
Issuance of common stock upon exercise of stock options or awards of restricted stock units	80	1	(1)	—	—	—	—
Tax payments related to shares withheld for share based compensation plans	—	—	(90)	—	—	—	(90)
Balance, March 28, 2025	131,781	\$ 1,318	\$ 939,440	\$ (33,654)	\$ —	\$ (30,830)	\$ 876,274

(1) Includes \$9.5 million of cumulative currency translation adjustment that was derecognized as a result of the Company's sale of its equity method investment during the six months ended March 28, 2025.

VESTIS CORPORATION
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)
(in thousands)

	Common Stock						Accumulated Other Comprehensive Loss	Total Parent's Equity
	Shares Outstanding	Par Value	Additional Paid-In Capital	Retained Earnings	Net Parent Investment			
Balance, September 29, 2023	—	\$ —	\$ —	\$ —	\$ 908,533	\$ (31,173)	\$ 877,360	
Separation-related adjustments	—	—	—	—	9,485	—	9,485	
Issuance of common stock in connection with the Separation and reclassification of net parent investment ⁽²⁾	131,225	1,312	916,706	—	(918,018)	—	—	
Net Income	—	—	—	12,266	—	—	12,266	
Dividends Declared (\$0.035 per common share)	—	—	—	(4,599)	—	—	(4,599)	
Other Comprehensive Income	—	—	—	—	—	6,640	6,640	
Share-based compensation expense	—	—	4,716	—	—	—	4,716	
Issuance of common stock upon exercise of stock options or awards of restricted stock units	212	2	71	—	—	—	73	
Tax payments related to shares withheld for share based compensation plans	—	—	(1,783)	—	—	—	(1,783)	
Balance, December 29, 2023	131,437	\$ 1,314	\$ 919,710	\$ 7,667	\$ —	\$ (24,533)	\$ 904,158	
Separation-related adjustments	—	—	—	—	(3,079)	—	(3,079)	
Issuance of common stock in connection with the Separation and reclassification of net parent investment	—	—	(3,079)	—	3,079	—	—	
Net Income	—	—	—	5,965	—	—	5,965	
Dividends Declared (\$0.035 per common share)	—	—	—	(4,600)	—	—	(4,600)	
Other Comprehensive Loss	—	—	—	—	—	(6,449)	(6,449)	
Share-based compensation expense	—	—	4,731	—	—	—	4,731	
Issuance of common stock upon exercise of stock options or awards of restricted stock units	14	1	84	—	—	—	85	
Tax payments related to shares withheld for share based compensation plans	—	—	(100)	—	—	—	(100)	
Balance, March 29, 2024	131,451	1,315	921,346	9,032	—	(30,982)	900,711	

(2) 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 Financial Statements.

VESTIS CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(in thousands)

	Six months ended	
	March 28, 2025	March 29, 2024
Cash flows from operating activities:		
Net Income (Loss)	\$ (26,998)	\$ 18,233
Adjustments to reconcile Net Income (Loss) to Net cash provided by operating activities:		
Depreciation and amortization	72,818	70,575
Deferred income taxes	(7,126)	(5,735)
Share-based compensation expense	13,157	9,447
Asset write-down	189	772
Loss on sale of equity investment, net	2,150	—
(Gain) Loss on disposals of property and equipment	(972)	242
Amortization of debt issuance costs	1,771	799
Loss on extinguishment of debt	—	3,883
Changes in operating assets and liabilities:		
Receivables, net	12,942	(12,923)
Inventories, net	(34,578)	33,838
Rental merchandise in service, net	(330)	(1,490)
Other current assets	(10,268)	(9,283)
Accounts payable	(5,158)	12,334
Accrued expenses and other current liabilities	11,073	25,242
Changes in other noncurrent liabilities	(14,924)	(12,025)
Changes in other assets	(2,511)	(6,194)
Other operating activities	(797)	(173)
Net cash provided by operating activities	10,438	127,542
Cash flows from investing activities:		
Purchases of property and equipment and other	(28,242)	(29,825)
Proceeds from disposals of property and equipment	5,198	—
Proceeds from sale of equity investment	36,792	—
Other investing activities	(4,547)	—
Net cash provided by (used in) investing activities	9,201	(29,825)
Cash flows from financing activities:		
Proceeds from long-term borrowings	40,000	798,000
Payments of long-term borrowings	(30,000)	(862,500)
Payments of financing lease obligations	(16,822)	(15,148)
Net cash distributions to Parent	—	(6,051)
Dividend payments	(13,822)	(4,600)
Debt issuance costs	—	(11,134)
Other financing activities	(1,795)	(1,728)
Net cash used in financing activities	(22,439)	(103,161)
Effect of foreign exchange rates on cash and cash equivalents	596	52
Decrease in cash and cash equivalents	(2,204)	(5,392)
Cash and cash equivalents, beginning of period	31,010	36,051
Cash and cash equivalents, end of period	\$ 28,806	\$ 30,659

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

VESTIS CORPORATION**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)****NOTE 1. NATURE OF BUSINESS AND BASIS OF PRESENTATION:**

Vestis Corporation ("Vestis", the "Company", "we" or "us") 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 programs. The Company's uniforms business ("Uniforms") 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 ("Workplace Supplies") generates revenue from the rental and servicing of workplace supplies, including managed 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 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 13. "Related Parties" for more information on these agreements.

During the three and six months ended March 29, 2024, certain Separation-related adjustments were recorded which included a net decrease in total equity of \$3.1 million and a net increase in total equity of \$6.4 million, respectively. For the three and six months ended March 29, 2024, these adjustments primarily consisted of: (a) net cash transfers paid to Aramark of \$2.5 million and \$6.1 million to settle transactions related to the Separation, and (b) adjustments to the Company's deferred income tax liabilities totaling a \$0.6 million decrease and a \$12.7 million net increase in equity, respectively. No Separation-related adjustments were recorded that impacted equity for the three and six months ended March 28, 2025.

Basis of Presentation

The Consolidated 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") applicable to interim financial statements. The Financial Statements reflect the historical results of operations and comprehensive income for the three and six months ended March 28, 2025 and March 29, 2024, the financial position as of March 28, 2025 and September 27, 2024, and the

cash flows for the six months ended March 28, 2025 and March 29, 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.

Certain information and footnote disclosures normally included in the Consolidated Financial Statements prepared in accordance with U.S. GAAP have been condensed or omitted pursuant to such rules and regulations, although the Company believes that the disclosures made are adequate to make the information not misleading. These Consolidated 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, the Company's financial position, results of operations and cash flows for the periods presented. All intercompany transactions and balances within the Company have been eliminated.

It is suggested that these Consolidated Financial Statements be read in conjunction with the Consolidated and Combined Financial Statements and the notes thereto included in the Company's Annual Report on Form 10-K for the fiscal year ended September 27, 2024. There have been no material changes in the accounting policies and accounting standard updates followed by the Company during the current fiscal year.

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 Financial Statements and accompanying notes. The Company utilizes key estimates in preparing the financial statements including revenue recognition, litigation and claims, environmental estimates, goodwill, intangibles, allowance for credit losses, inventories and rental merchandise in service, costs to obtain a contract, 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, derivatives 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 assets held for sale, 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.

Receivables

Receivables represent 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 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 Statements of Income. The allowance for credit losses was \$35.5 million and \$19.8 million, as of March 28, 2025 and September 27, 2024, respectively. The increase was primarily due to a \$15.0 million adjustment to the allowance for credit losses during the three and six months ended March 28, 2025 based on updated estimates of collectability and to ensure the adequacy of the allowance for credit losses.

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 March 28, 2025 and September 27, 2024, the Company's reserve for inventory was approximately \$16.8 million and \$15.7 million, respectively. The inventory reserve is determined based on history and projected customer consumption and specific identification.

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

	March 28, 2025	September 27, 2024
Raw Materials	\$ 46,285	\$ 35,210
Work in Process	2,921	959
Finished Goods	150,455	128,744
Inventories, net	<u>\$ 199,661</u>	<u>\$ 164,913</u>

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 amortization, calculated using the straight-line method. Rental merchandise in service is amortized over its useful life, which primarily range 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 Financial Statements. Material differences may result in the amount and timing of operating income if management makes significant changes to these estimates.

During the three and six months ended March 28, 2025, the Company recorded \$88.0 million and \$174.9 million, respectively, of amortization related to rental merchandise in service and other inventoriable costs within Cost of services provided (exclusive of depreciation and amortization) on the Consolidated Statements of Income. During the three and six months ended March 29, 2024, the Company recorded \$86.2 million and \$172.8 million, respectively, of amortization related to rental merchandise in service and other inventoriable costs within Cost of services provided (exclusive of depreciation and amortization) on the Consolidated Statements of Income.

Equity Method Investment

In the first quarter of fiscal 2025 the Company sold its equity stake in Aramark Uniform Services Japan Corporation for \$36.8 million and recognized a loss of \$2.2 million. The loss on the sale is recorded within Other Expense (Income), net.

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 and are classified within Other current assets on the Consolidated Balance Sheets. 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 March 28, 2025, two properties with an aggregate carrying value of \$3.7 million were classified as held for sale. Both properties are part of the Company's United States segment. As of March 29, 2024, the Company had no assets classified as held for sale.

Accrued Expenses and Other Current Liabilities

As of March 28, 2025 and September 27, 2024, Accrued Expenses and Other Current Liabilities on the Consolidated Balance Sheets include insurance accruals related to automotive, general liability and workers' compensation reserves of \$42.6 million and \$31.9 million, respectively. The remainder consists primarily of interest, certain taxes and unearned income.

Supplemental Cash Flow Information

During the three and six months ended March 28, 2025, the Company paid interest related to principal debt of \$20.5 million and \$43.8 million, respectively. During the three and six months ended March 29, 2024, the Company paid interest related to principal debt of \$22.7 million and \$52.1 million, respectively.

During the three and six months ended March 28, 2025, the Company paid cash for income taxes of \$0.7 million and \$6.2 million, respectively. During the three and six months ended March 29, 2024, the Company paid cash for income taxes of \$14.9 million and \$15.4 million, respectively.

As of March 28, 2025 and September 27, 2024, the Company had \$4.3 million and \$10.2 million, respectively, of capital expenditures recorded within Accounts Payable in the Consolidated Balance Sheets.

NOTE 2. SEVERANCE:

In fiscal 2024 and the first quarter of fiscal 2025, the Company approved headcount reductions to streamline and improve the efficiency and effectiveness of operational and administrative functions. In the second quarter of fiscal 2025, the Company recognized severance charges due to the departure of certain executives. As a result of these actions, severance charges of \$7.7 million and \$12.0 million were recorded within Selling, general and administrative expenses for the three and six months ended March 28, 2025, respectively. No material severance charges were incurred for the three and six months ended March 29, 2024. Severance payments made during the six months ended March 28, 2025 and March 29, 2024 were \$6.1 million and \$1.8 million, respectively. As of March 28, 2025 and September 27, 2024, the Company had an accrual of approximately \$8.6 million and \$2.7 million, respectively, related to unpaid severance obligations.

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 an impairment test that is conducted annually, during the fourth fiscal quarter, or more frequently if a change in circumstances or the occurrence of events indicates that potential impairment exists, using discounted cash flows. There have been no changes to the Company's impairment assessment since its fiscal year ended September 27, 2024.

Changes in total goodwill for our reporting units during the six months ended March 28, 2025 are as follows (in thousands):

	September 27, 2024	Translation	March 28, 2025
United States	\$ 896,237	\$ —	\$ 896,237
Canada	67,607	(3,811)	63,796
Total	<u>\$ 963,844</u>	<u>\$ (3,811)</u>	<u>\$ 960,033</u>

Other intangible assets consist of (in thousands):

	March 28, 2025			September 27, 2024		
	Gross Amount	Accumulated Amortization	Net Amount	Gross Amount	Accumulated Amortization	Net Amount
Customer relationship assets	\$ 387,476	\$ (200,928)	\$ 186,548	\$ 383,887	\$ (187,699)	\$ 196,188
Trade names	15,655	—	15,655	16,585	—	16,585
	<u>\$ 403,131</u>	<u>\$ (200,928)</u>	<u>\$ 202,203</u>	<u>\$ 400,472</u>	<u>\$ (187,699)</u>	<u>\$ 212,773</u>

Customer relationship assets as of March 28, 2025 include additions of \$3.7 million related to an asset acquisition that closed during the first quarter of fiscal 2025. Amortization of intangible assets for the three and six months ended March 28, 2025 was approximately \$6.6 million and \$13.2 million, respectively. Amortization of intangible assets for the three and six months ended March 29, 2024 was approximately \$6.5 million and \$13.0 million, respectively.

NOTE 4. BORROWINGS:

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

	March 28, 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	30,000	—
Total principal debt issued	1,172,500	1,162,500
Unamortized debt issuance costs	(12,000)	(13,164)
Unamortized discounts	(1,505)	(1,603)
Less - current portion	—	—
Long-term borrowings, net of current portion	<u>\$ 1,158,995</u>	<u>\$ 1,147,733</u>

On February 22, 2024 the Company entered into Amendment No. 1 to its Credit Agreement dated September 29, 2023 (the "Credit Agreement") and refinanced its \$800 million Term Loan A-1 due September 2025 ("Term Loan A-1") with an \$800 million Term Loan B-1 due February 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 the remaining unpaid

principal amount is due. The Term Loan B-1 interest rate for fiscal 2024 is at the Secured Overnight Financing Rate ("SOFR") plus 225 basis points and will adjust to SOFR plus 200 basis points once the Company reaches 3.30x Net Leverage as defined in the Credit Agreement. The Company recorded approximately \$11.1 million of debt issuance costs related to Term Loan B-1 during fiscal 2024, which are presented as a reduction of debt in the Consolidated Balance Sheet and are amortized as a component of interest expense over the term of the related debt using the effective interest method. The Company also incurred an original issue discount of \$2.0 million upon the issuance of the Term Loan B-1 which is presented as a reduction of debt in the Consolidated Balance Sheet and is amortized as a component of interest expense over the term of the related debt using the effective interest method.

In conjunction with Amendment No. 1 to the Credit Agreement and the repayment for Term Loan A-1, the Company recorded a \$3.9 million non-cash loss during the second quarter of fiscal 2024 for the write-off of unamortized debt issuance costs to Interest Expense and Other, net on the Consolidated Statements of Income.

During the six months ended March 28, 2025, the Company prepaid a principal amount of \$20.0 million of its \$700 million Term Loan A-2 due September 2028.

The weighted-average interest rate for our senior secured term loan facilities was 6.69% for the six months ended March 28, 2025. The carrying amounts of the Company's senior secured term loan facilities approximate their fair value as the interest rates are variable and reflective of market rates.

As of March 28, 2025, there was \$30 million outstanding on the Company's \$300 million revolving credit facility and \$5.7 million of letters of credit outstanding, leaving \$264.3 million available for borrowing. At March 28, 2025, the Company was in compliance with all covenants under its credit facilities.

Amendment to Credit Agreement

Subsequent to the end of the second quarter of fiscal 2025, on May 1, 2025, the Company entered into Amendment No. 2 to its 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. The net leverage covenant ratio remains at 4.50x for the first quarter of fiscal 2027 through maturity.

The amendment 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 term loan facility remain unchanged following the amendment.

As part of the amendment, the Company agreed to limit the aggregate size of its A/R Facility (as defined in Note 14, Accounts Receivable Securitization Facility, below) 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.

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 included 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 Company did not enter into any new derivative arrangements for the three and six months ended March 28, 2025 or the fiscal year ended September 27, 2024. As of September 27, 2024, all derivative instruments had reached maturity and thus, no derivative instruments were recognized as either assets or liabilities on the Consolidated Balance Sheet.

The corresponding impact on earnings related to the contractual derivative arrangements have been recorded within the Consolidated Statement of Income for the three and six months ended March 29, 2024.

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 March 28, 2025, the Company did not have fuel contracts outstanding. As of March 29, 2024, the Company had gasoline and diesel contracts for approximately 1.0 million gallons and natural gas contracts for approximately 0.2 Metric Million British Thermal Units outstanding through June of fiscal 2024. The impact on earnings related to the change in fair value of these unsettled contracts were gains of \$0.9 million and \$0.1 million for the three and six months ended March 29, 2024, respectively. As of March 29, 2024, the Company had \$0.2 million of gasoline, diesel and natural gas fuel agreements recorded within Accrued expenses and other current liabilities in the Consolidated Balance Sheet.

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

		Three months ended	
		March 28, 2025	March 29, 2024
	Income Statement Location		
Gasoline, diesel and natural fuel agreements	Cost of services provided (exclusive of depreciation and amortization)	\$ —	\$ (1,979)

		Six months ended	
		March 28, 2025	March 29, 2024
	Income Statement Location		
Gasoline, diesel and natural fuel agreements	Cost of services provided (exclusive of depreciation and amortization)	\$ —	\$ (2,274)

NOTE 6. REVENUE RECOGNITION:
Disaggregation of Revenue

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

	Three months ended		Six months ended	
	March 28, 2025	March 29, 2024	March 28, 2025	March 29, 2024
United States:				
Uniforms	\$ 233,145	\$ 263,390	\$ 478,923	\$ 537,056
Workplace Supplies	372,929	378,666	748,867	758,240
Total United States	606,074	642,056	1,227,790	1,295,296
Canada:				
Uniforms	\$ 21,696	\$ 24,197	\$ 44,893	\$ 50,230
Workplace Supplies	37,479	39,115	76,346	77,765
Total Canada	59,175	63,312	121,239	127,995
Total Revenue	\$ 665,249	\$ 705,368	\$ 1,349,029	\$ 1,423,291

Revenue Recognition Policy

The Company generates and recognizes approximately 94% 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 the three and six months ended March 28, 2025 or three and six months ended March 29, 2024. 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 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.

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 March 28, 2025 and September 27, 2024, the Company has \$104.6 million and \$105.8 million, respectively, of employee sales commissions recorded as assets within Other Assets on the Company's Consolidated Balance Sheets. During the three and six months ended March 28, 2025, the Company recorded \$5.4 million and \$10.8 million, respectively, of expense related to employee sales commissions within Selling, general and administrative expenses on the Consolidated Statements of Income. During the three and six months ended March 29, 2024, the Company recorded \$5.3 million and \$10.5 million, respectively, of expense related to employee sales commissions within Selling, general and administrative expenses on the Consolidated Statements of Income.

NOTE 7. LEASES:

The Company has lease arrangements primarily related to real estate, vehicles and equipment. 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").

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. The Company uses a portfolio approach to determine the incremental borrowing rate based on the geographic location of the lease and the remaining lease term. The incremental borrowing rate is calculated using a base line rate plus an applicable margin.

The following table summarizes operating lease costs, consisting of fixed lease costs, variable lease costs and short-term lease costs. Additionally, the table summarizes finance lease costs, consisting of amortization of right-of-use asset and interest on lease liabilities (in thousands):

	Three months ended		Six months ended	
	March 28, 2025	March 29, 2024	March 28, 2025	March 29, 2024
Lease costs:				
Operating lease costs	\$ 11,138	\$ 10,358	\$ 22,127	\$ 20,729
Finance lease costs	\$ 10,245	\$ 9,824	\$ 20,470	\$ 18,113

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

	Six months ended	
	March 28, 2025	March 29, 2024
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 12,323	\$ 12,064
Operating cash flows from finance leases	3,542	2,779
Financing cash flows from finance leases	16,822	15,148
Lease assets obtained in exchange for lease obligations:		
Operating leases	\$ 16,279	\$ 7,207
Finance leases	22,740	22,643

Other information related to the operating lease right-of-use assets, net and operating lease liabilities was as follows:

	March 28, 2025	September 27, 2024
Weighted average remaining lease term (in years)		
Operating leases	6.0	6.1
Finance leases	5.7	5.7
Weighted average discount rate		
Operating leases	6.6 %	6.1 %
Finance leases	4.6 %	4.6 %

Future minimum lease payments under non-cancelable leases as of March 28, 2025 are as follows (in thousands):

	Operating leases	Finance leases	Total
2025 (remaining six months)	\$ 12,164	\$ 20,738	\$ 32,902
2026	23,167	36,887	60,054
2027	19,781	31,847	51,628
2028	16,253	27,523	43,776
2029	11,922	22,607	34,529
Thereafter	31,631	33,727	65,358
Total future minimum lease payments	\$ 114,918	\$ 173,329	\$ 288,247
Less: Interest	(22,103)	(22,073)	(44,176)
Present value of lease liabilities	\$ 92,815	\$ 151,256	\$ 244,071

NOTE 8. SHARE-BASED COMPENSATION:

During the three and six months ended March 28, 2025, the Company granted equity awards to the Company's executives and employees. The following table summarizes the share-based compensation expense and related information for Time-Based Options ("TBOs"), Time-Based Restricted Stock Units ("RSUs"), Performance Stock Units ("PSUs"), and Deferred Stock Units ("DSUs") classified as Selling, general and administrative expenses on the Consolidated Statements of Income (in thousands).

	Three months ended		Six months ended	
	March 28, 2025	March 29, 2024	March 28, 2025	March 29, 2024
TBOs	\$ 2,129	\$ 1,399	\$ 3,849	\$ 2,186
RSUs	2,505	1,892	4,809	3,512
PSUs	3,343	1,350	4,499	2,302
DSUs	—	90	—	1,447
	<u>\$ 7,977</u>	<u>\$ 4,731</u>	<u>\$ 13,157</u>	<u>\$ 9,447</u>

The below table summarizes the number of shares granted and the weighted-average grant-date fair value per unit during the six months ended March 28, 2025:

	Shares Granted (in thousands)	Weighted-Average Grant-Date Fair Value (dollars per share)
TBOs	1,027	\$ 5.50
RSUs	683	\$ 15.01
PSUs	344	\$ 16.69
Total	<u>2,054</u>	

Time-Based Options

The TBOs granted during the six months ended March 28, 2025, vest solely based upon continued employment over a three-year time period. All TBOs remain exercisable for ten years from the date of grant. The fair value of the TBOs granted was estimated using the Black-Scholes option pricing model. The expected volatility was derived from a peer group's historical volatility as Vestis does not have sufficient historical volatility based on the expected term of the underlying options. The dividend yield for the grants was based on the annualized value of the quarterly dividend on the grant date. 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. 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 units are subject to forfeiture if employment is terminated other than due to death, disability or retirement, and the units are nontransferable while subject to forfeiture.

The below table summarizes the TBOs valuation assumptions used in the Black-Scholes model during the six months ended March 28, 2025:

Expected volatility	31.25% - 31.81%
Expected dividend yield	0.87% - 1.18%
Expected life (in years)	6.0 - 6.0
Risk-free interest rate	4.08% - 4.42%

Time-Based Restricted Stock Units

For RSU grants awarded during the three and six months ended March 28, 2025, the RSU agreement provides that 33% of each grant will vest and be settled in shares on each of the first three anniversaries of the grant date, subject to the participant's continued employment with Vestis through each such anniversary. The grant-date fair value of RSUs is based on the fair value of Vestis' common stock. Participants holding RSUs will receive the benefit of any dividends paid on shares in the form of additional RSUs. The unvested units are subject to forfeiture if

employment is terminated other than due to death, disability or retirement, and the units are nontransferable while subject to forfeiture.

Performance Stock Units

Under the Vestis Corporation 2023 Long-Term Incentive Plan, 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 the three and six months ended March 28, 2025, Vestis granted PSUs subject to the level of achievement of cumulative adjusted EBITDA results, cumulative adjusted free cash flow results and a total shareholder return modifier for the cumulative performance period of three years and the participant's continued employment with Vestis. Vestis is accounting for these grants as performance-based awards, with a market condition, valued utilizing the Monte Carlo Simulation pricing model, which calculates multiple potential outcomes for an award and establishes fair value based on the most likely outcome. The unvested units are subject to forfeiture if employment is terminated other than due to death, disability or retirement, and the units are nontransferable while subject to forfeiture.

NOTE 9. COMMITMENTS AND CONTINGENCIES:

From time to time, the Company and its subsidiaries are a 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, 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 lawsuit, 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 March 28, 2025 and September 27, 2024, the Company has \$7.1 million and \$6.6 million, respectively, recorded as liabilities within Accrued expenses and other current liabilities and \$18.2 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 March 28, 2025 and September 27, 2024, the Company has \$11.9 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 agreement, which was subject to final 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 final approval of the settlement. The order authorizes a third-party administrator to distribute the settlement fund to the settlement class members. The full amount of the proposed settlement was provided for within Accrued expenses and other current liabilities in the Consolidated Balance Sheets as of March 28, 2025 and September 27, 2024.

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 and plaintiffs filed an opposition to defendants' motion to dismiss on May 2, 2025. Defendants' reply brief in further support of their motion to dismiss is due to be filed on June 2, 2025.

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 has scheduled a hearing on the omnibus motion to dismiss for May 14, 2025.

On July 10, 2024, a purported Vestis shareholder commenced a derivative action against Vestis' directors and certain of its officers, in the United States District Court for the Northern District of Georgia, captioned Hollin v. Scott, et al., Case No. 1:24-cv-03059-SDG. The complaint sought unspecified damages on behalf of Vestis and certain other relief, such as certain reforms to corporate governance and internal procedures. The complaint (in which Vestis is named as a nominal defendant) generally alleged, 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 complaint also alleged, among other things, violations of Section 10(b) of the Securities Exchange Act of 1934, aiding and abetting breach of fiduciary duty, unjust enrichment, and waste of corporate assets. On December 31, 2024, the Court entered an order dismissing the action without prejudice.

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, managed 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 Company evaluates the performance of each operating segment based on several factors of which the primary financial measure is operating income.

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

	Three months ended		Six months ended	
	March 28, 2025	March 29, 2024	March 28, 2025	March 29, 2024
Revenue				
United States	\$ 606,074	\$ 642,056	\$ 1,227,790	\$ 1,295,296
Canada	59,175	63,312	121,239	127,995
Total Revenue	<u>\$ 665,249</u>	<u>\$ 705,368</u>	<u>\$ 1,349,029</u>	<u>\$ 1,423,291</u>
	Three months ended		Six months ended	
	March 28, 2025	March 29, 2024	March 28, 2025	March 29, 2024
Operating Income				
United States	\$ 18,553	\$ 71,200	\$ 76,586	\$ 145,276
Canada	2,078	975	3,990	5,530
Total Segment Operating Income	20,631	72,175	80,576	150,806
Corporate	(29,201)	(29,121)	(58,747)	(60,151)
Total Operating Income (Loss)	<u>\$ (8,570)</u>	<u>\$ 43,054</u>	<u>\$ 21,829</u>	<u>\$ 90,655</u>
	Three months ended		Six months ended	
	March 28, 2025	March 29, 2024	March 28, 2025	March 29, 2024
Reconciliation to Income Before Income Taxes				
Total Operating Income (Loss)	\$ (8,570)	\$ 43,054	\$ 21,829	\$ 90,655
Interest Expense, Net	(22,329)	(35,326)	(45,426)	(66,857)
Other (Expense) Income, net	(3,293)	613	(9,055)	1,369
Income (Loss) Before Income Taxes	<u>\$ (34,192)</u>	<u>\$ 8,341</u>	<u>\$ (32,652)</u>	<u>\$ 25,167</u>

NOTE 11. EARNINGS (LOSS) PER SHARE:

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

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

	Three months ended		Six months ended	
	March 28, 2025	March 29, 2024	March 28, 2025	March 29, 2024
Earnings (Loss):				
Net Income (Loss)	\$ (27,830)	\$ 5,965	\$ (26,998)	\$ 18,233
Shares:				
Basic weighted-average shares outstanding	131,751	131,524	131,672	131,457
Effect of dilutive securities ⁽¹⁾	—	369	—	331
Diluted weighted-average shares outstanding	131,751	131,893	131,672	131,788
Basic Earnings (Loss) Per Share	\$ (0.21)	\$ 0.05	\$ (0.21)	\$ 0.14
Diluted Earnings (Loss) Per Share	\$ (0.21)	\$ 0.05	\$ (0.21)	\$ 0.14
Antidilutive securities ⁽¹⁾	—	2,020	—	1,829

(1) Diluted earnings (loss) per share excludes certain shares issuable under share-based compensation plans because the effect would have been antidilutive. There was no dilutive effect of share-based awards for the three and six months ended March 28, 2025 due to the net loss incurred in those periods.

NOTE 12. INCOME TAXES:

The Company's effective tax rate was 18.6% and 28.5% for the three months ended March 28, 2025 and March 29, 2024, respectively. For the six months ended March 28, 2025 and March 29, 2024, the Company's effective tax rate was 17.3% and 27.5%, respectively. The Company's effective rate for the three and six months ended March 28, 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, and our international operations in jurisdictions with higher income tax rates. The Company's effective rate for the three and six months ended March 29, 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.

NOTE 13. RELATED PARTIES:

As discussed in Note 1, the Company became an independent public company on September 30, 2023. 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 and no services were rendered during the three and six months ended March 28, 2025.

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 benefits plans and programs and other related matters.

During the three and six months ended March 29, 2024, the Company paid \$3.3 million and \$7.9 million, respectively, to Aramark under the various agreements described above. No amounts were paid during the three and six months ended March 28, 2025. There are no amounts due from and to Aramark, associated with the above agreements, as of March 28, 2025.

NOTE 14. 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, Vestis Services and certain other wholly-owned subsidiaries of the Company transfer accounts receivable and certain related assets to VS Financing, LLC, a bankruptcy remote special purpose entity formed as a wholly-owned subsidiary of Vestis Services (the "SPE"), who in turn, may sell the receivables to one or more financial institutions (the "Purchasers"). The net proceeds of the A/R Facility were used to repay a portion of the outstanding borrowings under the existing term loans. The A/R Facility is scheduled to terminate on August 2, 2027, unless terminated earlier pursuant to its terms. The Company incurred approximately \$1.4 million of costs in connection with entering the A/R Facility which are recorded within Other Assets in the Consolidated Balance Sheet and are amortized straight-line to Other Expense (Income), net over the term of the related A/R Facility.

As of March 28, 2025 and September 27, 2024, the total value of accounts receivable sold from the SPE to the Purchasers under the A/R Facility and derecognized from the Company's Consolidated Balance Sheet was \$222.0 million and \$229.0 million, respectively. Additionally, during the six months ended March 28, 2025, the Company transferred accounts receivable of \$1,271.5 million to the SPE, and the Company collected \$1,274.0 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 \$162.2 million and \$157.8 million were pledged by the SPE as collateral to the Purchasers as of March 28, 2025 and September 27, 2024, respectively.

The Company incurred fees for the A/R Facility of \$3.2 million and \$6.6 million for the three and six months ended March 28, 2025, which were reflected within Other Expense (Income), net in the Consolidated Statement of Income. The fees due to the Purchaser are considered to be a loss on the sale of accounts receivable.

Cash activity related to the facility is reflected in Net cash provided by operating activities in the Consolidated Statement of Cash Flows.

NOTE 15. EQUITY:

Accumulated Other Comprehensive Loss

The changes in each component of accumulated other comprehensive loss, net of tax, for the three and six months ended March 28, 2025 and March 29, 2024 were as follows (in thousands):

Three Months Ended March 28, 2025			
	Foreign Currency Translation	Pension-related	Total Accumulated Other Comprehensive Loss
Balance as of December 27, 2024	\$ (26,969)	\$ (5,099)	\$ (32,068)
Other comprehensive income	1,238	—	1,238
Amounts reclassified from accumulated other comprehensive loss	—	—	—
Net current period other comprehensive loss	1,238	—	1,238
Balance as of March 28, 2025	\$ (25,731)	\$ (5,099)	\$ (30,830)

Six Months Ended March 28, 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	(11,369)	—	(11,369)
Amounts reclassified from accumulated other comprehensive loss ⁽¹⁾	9,450	—	9,450
Net current period other comprehensive income	(1,919)	—	(1,919)
Balance as of March 28, 2025	\$ (25,731)	\$ (5,099)	\$ (30,830)

(1) Represents cumulative currency translation adjustment that was derecognized as a result of the Company's sale of its equity method investment during the six months ended March 28, 2025.

Three Months Ended March 29, 2024			
	Foreign Currency Translation	Pension-related	Total Accumulated Other Comprehensive Loss
Balance as of December 29, 2023	\$ (19,463)	\$ (5,070)	\$ (24,533)
Other comprehensive loss	(6,449)	—	(6,449)
Amounts reclassified from accumulated other comprehensive loss	—	—	—
Net current period other comprehensive income	(6,449)	—	(6,449)
Balance as of March 29, 2024	\$ (25,912)	\$ (5,070)	\$ (30,982)

Six Months Ended March 29, 2024			
	Foreign Currency Translation	Pension-related	Total Accumulated Other Comprehensive Loss
Balance as of September 29, 2023	\$ (26,103)	\$ (5,070)	\$ (31,173)
Other comprehensive income	191	—	191
Amounts reclassified from accumulated other comprehensive loss	—	—	—
Net current period other comprehensive income	191	—	191
Balance as of March 29, 2024	\$ (25,912)	\$ (5,070)	\$ (30,982)

Dividends

During the three months ended March 28, 2025, the Company declared a quarterly cash dividend of \$0.035 per common share, or \$4.6 million, to its shareholders of record at the close of business on February 21, 2025, which was paid on March 18, 2025. The Company also paid a cash dividend of \$0.035 per common share, or \$4.6 million, on January 6, 2025, to shareholders of record at the close of business on December 13, 2024 for the dividend declared on November 21, 2024.

As part of the 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.

Item 2. 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 three and six months ended March 28, 2025 and March 29, 2024 should be read in conjunction with our audited Consolidated and Combined Financial Statements and the notes to those statements for the fiscal year ended September 27, 2024 included in our Annual Report on Form 10-K, 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 "Cautionary Note Regarding Forward-Looking Statements" and elsewhere in this Quarterly Report on Form 10-Q.

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

Company Overview

We are a leading provider of uniforms and workplace supplies across the United States and Canada. We provide a full range of uniform programs, managed restroom supply services, first aid supplies and safety products, as well as ancillary items such as floor mats, towels, and linens 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 to a third party and leveraging the benefits of full-service programs.

Our full-service uniform offering ("Uniforms") 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 and 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 ("Workplace Supplies") including managed 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.

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 September 27, 2024 is 52-week period and the fiscal year ended October 3, 2025 is 53-week period.

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. We are also evaluating the potential effects that current trade discussions between the US, Canada, and Mexico may have on the results of our operations. The impact on our longer-term operational and financial performance will depend on future developments, including our response and governmental response to inflation, tariffs, 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.

Results of Operations Three Months Ended March 28, 2025 compared with March 29, 2024

The following table presents an overview of our results with the amount of and percentage change between periods for the three months ended March 28, 2025 and March 29, 2024 (dollars in thousands).

	Three Months Ended		Change	Change
	March 28, 2025	March 29, 2024	\$	%
Revenue	\$ 665,249	\$ 705,368	\$ (40,119)	(5.7 %)
Operating Expenses:				
Cost of services provided ⁽¹⁾	489,991	504,417	(14,426)	(2.9 %)
Depreciation and amortization	35,882	35,213	669	1.9 %
Selling, general and administrative expenses	147,946	122,684	25,262	20.6 %
Total Operating Expenses	673,819	662,314	11,505	1.7 %
Operating Income (Loss)	(8,570)	43,054	(51,624)	(119.9 %)
Interest Expense, net	22,329	35,326	(12,997)	(36.8 %)
Other Expense (Income), net	3,293	(613)	3,906	(637.2 %)
Income (Loss) Before Income Taxes	(34,192)	8,341	(42,533)	(509.9 %)
Provision (Benefit) for Income Taxes	(6,362)	2,376	(8,738)	(367.8 %)
Net Income (Loss)	\$ (27,830)	\$ 5,965	\$ (33,795)	(566.6 %)

(1) Exclusive of depreciation and amortization

Consolidated revenue of \$665.2 million decreased \$40.1 million, or 5.7%, for the three months ended March 28, 2025 compared to the three months ended March 29, 2024. Revenue declined by \$17.5 million due to lost business in excess of new business during the period, in addition to approximately \$5.8 million in lower revenue related to existing customers, \$6.8 million lower revenue from direct sales, primarily related to the loss of a national account customer, \$5.0 million in lower customer exit billings that did not recur, and \$5.0 million in lower revenue related to other revenue categories.

Cost of services provided decreased \$14.4 million, or 2.9%, for the three months ended March 28, 2025 compared to the three months ended March 29, 2024 primarily due to decreases in wages and payroll costs of \$8.2 million and merchandise cost of \$5.0 million.

Depreciation and amortization expense of \$35.9 million for the three months ended March 28, 2025 increased \$0.7 million, or 1.9%, compared to the three months ended March 29, 2024.

Selling, general and administrative expenses ("SG&A") increased \$25.3 million, or 20.6%, for the three months ended March 28, 2025 compared to the three months ended March 29, 2024. The increase in SG&A was primarily due to an increase of \$17.4 million in the Company's bad debt expense, which includes an adjustment to the Company's allowance for credit losses in the amount of \$15.0 million based on updated estimates of collectability, an increase in severance charges of \$8.1 million primarily related to the departure of certain former executives, increased share based compensation of \$3.2 million primarily related to the acceleration of expense due to certain executive departures, and increased general and administrative wage and payroll costs of \$2.2 million.

Operating income (loss) of \$(8.6) million decreased from \$43.1 million, or 119.9%, for the three months ended March 28, 2025 compared to the three months ended March 29, 2024 from the impact of changes in revenue and costs noted above.

Interest expense, net, decreased \$13.0 million for the three months ended March 28, 2025 compared to the three months ended March 29, 2024 primarily due to lower average outstanding debt during the three months ended March 28, 2025 as compared to the three months ended March 29, 2024.

Other Expense (Income) increased \$3.9 million for the three months ended March 28, 2025 compared to the three months ended March 29, 2024 primarily due to a loss on sale of accounts receivable for the A/R Facility of \$3.2 million, as these costs were not incurred during the three months ended March 29, 2024. Other Expense (Income) was negatively impacted by a \$0.6 million decrease in income from an equity method investment due to its sale in the first quarter of fiscal year 2025.

The provision for income taxes for the three months ended March 28, 2025 was recorded at an effective rate of 18.6% compared to an effective rate of 28.5% for the three months ended March 29, 2024. The Company's effective rate for the three months ended March 28, 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, and our international operations in jurisdictions with higher income tax rates. The Company's effective rate for the three months ended March 29, 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 \$27.8 million for the three months ended March 28, 2025 represented a decrease of \$33.8 million, or 566.6%, compared to net income of \$6.0 million for the three months ended March 29, 2024, due to the impact of changes to revenue and expenses noted above.

Results of Operations Six Months Ended March 28, 2025 compared with March 29, 2024

The following table presents an overview of our results with the amount of and percentage change between periods for the six months ended March 28, 2025 and March 29, 2024 (dollars in thousands).

	Six months ended		Change	
	March 28, 2025	March 29, 2024	\$	%
Revenue	\$ 1,349,029	\$ 1,423,291	\$ (74,262)	(5.2 %)
Operating Expenses:				
Cost of services provided ⁽¹⁾	985,251	1,006,797	(21,546)	(2.1 %)
Depreciation and amortization	72,818	70,575	2,243	3.2 %
Selling, general and administrative expenses	269,131	255,264	13,867	5.4 %
Total Operating Expenses	1,327,200	1,332,636	(5,436)	(0.4 %)
Operating Income (Loss)	21,829	90,655	(68,826)	(75.9 %)
Interest Expense, net	45,426	66,857	(21,431)	(32.1 %)
Other Expense (Income), net	9,055	(1,369)	10,424	(761.4 %)
Income (Loss) Before Income Taxes	(32,652)	25,167	(57,819)	(229.7 %)
Provision (Benefit) for Income Taxes	(5,654)	6,934	(12,588)	(181.5 %)
Net Income (Loss)	\$ (26,998)	\$ 18,233	\$ (45,231)	(248.1 %)

(1) Exclusive of depreciation and amortization

Consolidated revenue of \$1,349.0 million decreased \$74.3 million, or 5.2%, for the six months ended March 28, 2025 compared to the six months ended March 29, 2024. Revenue declined by \$36.1 million due to lost business in excess of new business during the period, in addition to approximately \$22.6 million in lower revenue related to existing customers, including one-time exit billings, net of new pricing during the period, and \$15.6 million lower revenue from direct sales.

Cost of services provided decreased \$21.5 million, or 2.1%, for the six months ended March 28, 2025 compared to the six months ended March 29, 2024 primarily due to decreases in wages and payroll costs of \$11.6 million and merchandise costs of \$8.9 million.

Depreciation and amortization expense of \$72.8 million for the six months ended March 28, 2025 increased \$2.2 million, or 3.2%, compared to the six months ended March 29, 2024.

Selling, general and administrative expenses ("SG&A") increased \$13.9 million, or 5.4%, for the six months ended March 28, 2025 compared to the six months ended March 29, 2024. The increase in SG&A was primarily due to an increase of \$19.2 million in the Company's bad debt expense, which includes an adjustment to the Company's allowance for credit losses in the amount of \$15.0 million based on updated estimates of collectability, an increase in severance charges of \$11.9 million primarily related to the departure of certain former executives, and increased share based compensation of \$3.7 million related to the acceleration of expense due to certain executive departures. These impacts were partially offset by a decrease in selling, general and administrative wage and payroll costs of \$11.2 million, a decrease of \$3.8 million in equipment expense, a decrease in professional service costs of \$1.5 million, and a decrease in general liability insurance expense of \$1.7 million.

Operating income of \$21.8 million decreased 75.9% for the six months ended March 28, 2025 compared to the six months ended March 29, 2024 from the impact of changes in revenue and costs noted above.

Interest expense, net, decreased \$21.4 million for the six months ended March 28, 2025 compared to the six months ended March 29, 2024 primarily due to lower average outstanding debt during the six months ended March 28, 2025 as compared to the six months ended March 29, 2024.

Other Expense (Income) increased \$10.4 million for the six months ended March 28, 2025 compared to the six months ended March 29, 2024 primarily due to a loss on sale of accounts receivable for the A/R Facility of \$6.6 million, as these costs were not incurred during the three months ended March 29, 2024. Other Expense (Income) was negatively impacted by a \$1.4 million decrease in income from an equity method investment due to its sale in the first quarter of fiscal year 2025.

The provision for income taxes for the six months ended March 28, 2025 was recorded at an effective rate of 17.3% compared to an effective rate of 27.5% for the six months ended March 29, 2024. The Company's effective rate for the six months ended March 28, 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, and our international operations in jurisdictions with higher income tax rates. The Company's effective rate for the six months ended March 29, 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 \$27.0 million for the six months ended March 28, 2025 represented a decrease of \$45.2 million, or 248.1%, compared to net income of \$18.2 million for the six months ended March 29, 2024 due to the impact of changes to revenue and expenses noted above.

Results of Operations—United States Results Three Months Ended March 28, 2025 compared with March 29, 2024

The following table presents an overview of our United States reportable segment results with the amount of and percentage change between periods for the three months ended March 28, 2025 and March 29, 2024 (dollars in thousands).

	Three Months Ended		Change	Change
	March 28, 2025	March 29, 2024	\$	%
Segment Revenue	\$ 606,074	\$ 642,056	\$ (35,982)	(5.6 %)
Segment Operating Income	18,553	71,200	(52,647)	(73.9 %)
Segment Operating Income %	3.1 %	11.1 %		

United States revenue of \$606.1 million decreased \$36.0 million, or 5.6%, for the three months ended March 28, 2025 compared to the three months ended March 29, 2024. Revenue declined by \$15.9 million due to lost business in excess of new business during the period, in addition to approximately \$13.7 million in lower revenue related to existing customers, including one-time exit billings, net of new pricing during the period, and \$6.4 million lower revenue from direct sales.

Segment operating income of \$18.6 million for the three months ended March 28, 2025 decreased \$52.6 million, or 73.9%, compared to the three months ended March 29, 2024, primarily driven by:

- the decrease in revenue during the three months ended March 28, 2025, as described above;
- an increase of \$17.4 million in the Company's bad debt expense, which includes an adjustment to the Company's allowance for credit losses in the amount of \$15.0 million based on updated estimates of collectability; and
- an increase in wage and payroll costs of \$4.5 million; partially offset by
- a decrease in merchandise costs of \$4.1 million.

Segment operating income margin decreased approximately 800 basis points from 11.1% for the three months ended March 29, 2024 to approximately 3.1% for the three months ended March 28, 2025.

Results of Operations—United States Results Six Months Ended March 28, 2025 compared with March 29, 2024

The following table presents an overview of our United States reportable segment results with the amount of and percentage change between periods for the six months ended March 28, 2025 and March 29, 2024 (dollars in thousands).

	Six months ended		Change	Change
	March 28, 2025	March 29, 2024	\$	%
Segment Revenue	\$ 1,227,790	\$ 1,295,296	\$ (67,506)	(5.2 %)
Segment Operating Income	76,586	145,276	(68,690)	(47.3 %)
Segment Operating Income %	6.2 %	11.2 %		

United States revenue of \$1,227.8 million decreased \$67.5 million, or 5.2%, for the six months ended March 28, 2025 compared to the six months ended March 29, 2024. Revenue declined by \$33.2 million due to lost business in excess of new business during the period, in addition to approximately \$20.2 million in lower revenue related to existing customers, including one-time exit billings, net of new pricing during the period, and \$14.1 million lower revenue from direct sales.

Segment operating income of \$76.6 million for the six months ended March 28, 2025 decreased \$68.7 million, or 47.3%, compared to the six months ended March 29, 2024, primarily driven by:

- the decrease in revenue during the six months ended March 28, 2025, as described above; and
- an increase of \$19.2 million in the Company's bad debt expense, which includes an adjustment to the Company's allowance for credit losses in the amount of \$15.0 million based on updated estimates of collectability; partially offset by
- lower merchandise costs of \$6.8 million;
- a decrease in wage and payroll costs of \$6.6 million; and
- a decrease in energy costs of \$4.4 million.

Segment operating income margin decreased approximately 500 basis points from 11.2% for the six months ended March 29, 2024 to approximately 6.2% for the six months ended March 28, 2025.

Results of Operations—Canada Results Three Months Ended March 28, 2025 compared with March 29, 2024

The following table presents an overview of our Canada reportable segment results with the amount of and percentage change between periods for the three months ended March 28, 2025 and March 29, 2024 (dollars in thousands).

	Three Months Ended		Change	Change
	March 28, 2025	March 29, 2024	\$	%
Segment Revenue	\$ 59,175	\$ 63,312	\$ (4,137)	(6.5 %)
Segment Operating Income	2,078	975	1,103	113.1 %
Segment Operating Income %	3.5 %	1.5 %		

Canada revenue of \$59.2 million decreased \$4.1 million, or 6.5%, for the three months ended March 28, 2025 compared to the three months ended March 29, 2024. Revenue declined by \$1.5 million due to lost business in excess of new business during the period, in addition to approximately \$2.2 million in lower revenue related to existing customers, including one-time exit billings, net of new pricing during the period, and \$0.4 million lower revenue from direct sales.

Segment operating income of \$2.1 million for the three months ended March 28, 2025 increased \$1.1 million, or 113.1%, compared to the three months ended March 29, 2024.

Segment operating income margin increased approximately 200 basis points from 1.5% for the three months ended March 29, 2024, to approximately 3.5% for the three months ended March 28, 2025.

Results of Operations—Canada Results Six Months Ended March 28, 2025 compared with March 29, 2024

The following table presents an overview of our Canada reportable segment results with the amount of and percentage change between periods for the six months ended March 28, 2025 and March 29, 2024 (dollars in thousands).

	Six months ended		Change	Change
	March 28, 2025	March 29, 2024	\$	%
Segment Revenue	\$ 121,239	\$ 127,995	\$ (6,756)	(5.3 %)
Segment Operating Income	3,990	5,530	(1,540)	(27.8) %
Segment Operating Income %	3.3 %	4.3 %		

Canada revenue of \$121.2 million decreased \$6.8 million, or 5.3%, for the six months ended March 28, 2025 compared to the six months ended March 29, 2024. Revenue declined by \$2.8 million due to lost business in excess of new business during the period, in addition to approximately \$2.6 million in lower revenue related to existing customers, including one-time exit billings, net of new pricing during the period, and \$1.4 million lower revenue from direct sales.

Segment operating income of \$4.0 million for the six months ended March 28, 2025 decreased \$1.5 million, or 27.8%, compared to the six months ended March 29, 2024, primarily driven by the decrease in revenue during the six months ended March 28, 2025, as described above.

Segment operating income margin decreased approximately 100 basis points from 4.3% for the six months ended March 29, 2024, to approximately 3.3% for the six months ended March 28, 2025.

Liquidity and Capital Resources

Overview

As part of our capital structure, we entered into a Credit Agreement on September 29, 2023 (the "Credit Agreement"). The Credit Agreement included senior secured term loan facilities consisting of term loan A-1 tranche due September 2025 in the amount of \$800 million ("Term Loan A-1"), term loan A-2 tranche due September 2028 in the amount of \$700 million ("Term Loan A-2") and a revolving credit facility. On February 22, 2024, we entered into Amendment No. 1 to our Credit Agreement and refinanced our Term Loan A-1 with an \$800 million Term Loan B-1 due February 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 Term Loan B-1 interest rate for fiscal 2024 is at the Secured Overnight Financing Rate ("SOFR") plus 225 basis points and will adjust to SOFR plus 200 basis points should the Company reach 3.30x Net Leverage as defined in the Credit Agreement.

On August 2, 2024, Vestis Services, LLC ("Vestis Services") and certain other subsidiaries of the Company entered into a three-year \$250.0 million accounts receivable securitization facility (the "A/R Facility"). Under the A/R Facility, Vestis Services and certain other wholly-owned subsidiaries of the Company transfer accounts receivable and certain related assets to VS Financing, LLC, a bankruptcy remote special purpose entity formed as a wholly-owned subsidiary of Vestis Services ("SPE"), who in turn, may sell the receivables to one or more financial institutions ("Purchasers"). The net proceeds of the A/R Facility were used to repay a portion of the outstanding borrowings under the existing term loans. The A/R Facility is scheduled to terminate on August 2, 2027, unless terminated earlier pursuant to its terms. As of March 28, 2025 and September 27, 2024, the total value of accounts receivable sold from the SPE to the Purchasers under the A/R Facility and derecognized from the Company's Consolidated Balance Sheet was \$222.0 million and \$229.0 million, respectively.

As of March 28, 2025, we had approximately \$28.8 million of cash and cash equivalents and \$264.3 million of availability for borrowing under our Revolving Credit Facility. As of March 28, 2025, we had \$1,172.5 million of total principal debt compared to \$1,162.5 million as of September 27, 2024. The servicing of this debt will be supported by cash flows from our operations.

On January 31, 2025, our Board of Directors declared a quarterly cash dividend of \$0.035 per common share that was paid on March 18, 2025 to shareholders of record at the close of business on February 21, 2025. The Company also paid a cash dividend of \$0.035 per common share, or \$4.6 million, on January 6, 2025 to shareholders of record at the close of business on December 13, 2024 for the dividend declared on November 21, 2024.

Subsequent to the end of the second quarter of fiscal 2025, on May 1, 2025, the Company amended its Credit Agreement. As part of the amendment 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.

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

	Six months ended	
	March 28, 2025	March 29, 2024
Net cash provided by operating activities	\$ 10,438	\$ 127,542
Net cash provided by (used in) investing activities	9,201	(29,825)
Net cash used in financing activities	(22,439)	(103,161)

Reference to the Consolidated 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 \$10.4 million for the six months ended March 28, 2025 and \$127.5 million for the six months ended March 29, 2024, respectively. The decrease in net cash provided by operating activities of \$117.1 million was driven by the net loss for the six months ended March 28, 2025 of \$27.0 million compared to net income for the six months ended March 29, 2024 of \$18.2 million, as discussed in "Results of Operations" above.

Additionally, the change in cash used in operating assets and liabilities of \$73.9 million, when comparing the six months ended March 28, 2025 to the six months ended March 29, 2024, was primarily due to investments in

inventory during the six months ended March 28, 2025 to support new customers and more effectively serve existing customers. Also, approximately \$6.0 million of the increase in cash used for inventory is related to tariff pre-buy.

Cash Flows Provided by (Used in) Investing Activities

Net cash provided by (used in) investing activities of \$9.2 million for the six months ended March 28, 2025 was \$39.0 million higher relative to the six months ended March 29, 2024 primarily due to \$36.8 million of net proceeds from the sale of our equity investment, proceeds from the disposal of property and equipment of \$5.2 million and \$1.6 million lower year-over-year purchases of property and equipment. This activity was partially offset by cash outflow of \$4.6 million associated with a tuck-in acquisition completed during the first quarter of fiscal 2025.

Cash Flows Used in Financing Activities

During the six months ended March 28, 2025, cash used in financing activities was impacted by the following:

- proceeds from long-term borrowings, net of repayments, of \$10.0 million;
- payments related to finance leases of \$16.8 million; and
- dividend payments of \$13.8 million.

During the six months ended March 29, 2024, cash used in financing activities was impacted by the following:

- payments for long-term borrowings, net of proceeds, of \$64.5 million;
- payments related to finance leases of \$15.1 million;
- cash transferred to Aramark of \$6.1 million;
- dividend payments of \$4.6 million; and
- debt issuance costs of \$11.1 million.

Material Cash Requirements

In the normal course of business, we enter into contracts and commitments that obligate us to make payments in the future. There have not been material changes to our cash requirements from our Annual Report on Form 10-K for the fiscal year ended September 27, 2024 filed with the SEC on November 22, 2024. Additional information regarding our obligations under debt and lease arrangements are provided in Note 4. "Borrowings" and Note 7. "Leases" to the Consolidated Financial Statements contained elsewhere in this Quarterly Report on Form 10-Q.

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 our 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. 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.

The Credit Agreement (prior to Amendment No. 2 described below, which was entered into subsequent to the end of the second quarter of fiscal 2025) requires us to maintain a maximum Consolidated Total Net Leverage Ratio, defined as consolidated total indebtedness in excess of unrestricted cash divided by Covenant Adjusted EBITDA, 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. Covenant 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 establishes a minimum Interest Coverage Ratio, defined as Covenant Adjusted EBITDA 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.

At March 28, 2025, we were in compliance with all covenants under the Credit Agreement.

Amendment to Credit Agreement

Subsequent to the end of the second quarter of fiscal 2025, on May 1, 2025, the Company entered into Amendment No. 2 to its 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. The net leverage covenant ratio remains at 4.50x for the first quarter of fiscal 2027 through maturity.

The amendment 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 term loan facility remain unchanged following the amendment.

As part of the 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.

Critical Accounting Policies and Estimates

Our significant accounting policies are described in the notes to the audited Consolidated and Combined Financial Statements included in our Annual Report on form 10-K, filed with the SEC on November 22, 2024. For a more complete discussion of the critical accounting policies and estimates that we have identified in the preparation of our Consolidated Financial Statements, please refer to our Management's Discussion and Analysis of Financial Condition and Results of Operations included in our Annual Report on Form 10-K, filed with the SEC on November 22, 2024. Management believes that there have been no significant changes during the six months ended March 28, 2025 to the items that we disclosed as our critical accounting policies and estimates in our Annual Report on Form 10-K for the fiscal year ended September 27, 2024.

In preparing our Consolidated Financial Statements, management is required to make estimates and assumptions that, among other things, affect the reported amounts of assets, liabilities, revenue, 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.

Item 3. *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.

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. There has been no material change to this market risk exposure to interest rates from that which was previously disclosed in Part II, Item 7A, Quantitative and Qualitative Disclosures About Market Risk, in our Annual Report on Form 10-K for the year ended September 27, 2024.

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 seek to manage exposure to adverse commodity price changes through our normal operations as well as through entering into commodity derivative agreements.

Item 4. *Controls and Procedures.*

Evaluation of Disclosure Controls and Procedures

Under the direction of our interim Chief Executive Officer (“CEO”) and our Chief Financial Officer (“CFO”), we have evaluated the effectiveness of our disclosure controls and procedures as of March 28, 2025 (as defined in Rule 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended). Based on their evaluation, our CEO and CFO concluded that, as of March 28, 2025, our disclosure controls and procedures were effective 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.

There were no changes in our internal control over financial reporting during the fiscal quarter ended March 28, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II

Item 1. *Legal Proceedings.*

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 agreement, which was subject to final 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 final approval of the settlement. The order authorizes a third-party administrator to distribute the settlement fund to the settlement class members. The full amount of the proposed settlement was provided for in the Consolidated and Combined Financial Statements in fiscal 2024 and is outstanding as of March 28, 2025.

From time to time, Vestis and its subsidiaries are a party to various other legal actions, proceedings and investigations involving claims incidental to the conduct of their business or otherwise related to us, 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 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.

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 our 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 and plaintiffs filed an opposition to defendants’ motion to dismiss on May 2, 2025. Defendants’ reply brief in further support of their motion to dismiss is due to be filed on June 2, 2025.

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 has scheduled a hearing on the omnibus motion to dismiss for May 14, 2025.

On July 10, 2024, a purported Vestis shareholder commenced a derivative action against Vestis' directors and certain of its officers, in the United States District Court for the Northern District of Georgia, captioned Hollin v. Scott, et al., Case No. 1:24-cv-03059-SDG. The complaint sought unspecified damages on behalf of Vestis and certain other relief, such as certain reforms to corporate governance and internal procedures. The complaint (in which Vestis is named as a nominal defendant) generally alleged, 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 complaint also alleged, among other things, violations of Section 10(b) of the Securities Exchange Act of 1934, aiding and abetting breach of fiduciary duty, unjust enrichment, and waste of corporate assets. On December 31, 2024, the Court entered an order dismissing the action without prejudice.

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 intend to vigorously defend these matters.

Item 1A. Risk Factors

There have been no material changes to the risk factors disclosed in Part I, Item 1A, "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended September 27, 2024 filed with the SEC on November 22, 2024, except as indicated below.

Risk Related to Recent U.S. Tariff Announcements

Changes in United States trade policy, including recently announced tariffs, could have a material adverse impact on our business, financial condition, and results of operations. 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.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

During the three months ended March 28, 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).

Item 6. Exhibits

Exhibit No.	Description
10.1+*†	Separation Agreement and Waiver and Release, dated as of February 20, 2025, between Vestis Corporation and Rick T. Dillon
10.2+*†	Separation Agreement and Waiver and Release, dated as of April 24, 2025, between Vestis Corporation and Kim T. Scott
10.3+*	Offer Letter, dated as of March 18, 2025, between Vestis Corporation and Phillip Holloman
10.4+*	Form of Phillip Holloman Restricted Stock Unit Award Agreement Pursuant to the Vestis Corporation 2023 Long-Term Incentive Plan
10.5	Amendment No. 2, 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 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 May 6, 2025; File No. 001-41783)
31.1*	Certification of Phillip Holloman, Interim 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 Phillip Holloman, Interim Chief Executive Officer, and Kelly Janzen, Chief Financial Officer, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101	The following financial information from Vestis' Quarterly Report on Form 10-Q for the period ended March 28, 2025 formatted in inline XBRL: (i) Consolidated Balance Sheets as of March 28, 2025 and September 27, 2024; (ii) Consolidated Statements of Income for the three and six months ended March 28, 2025 and March 29, 2024; (iii) Consolidated Statements of Comprehensive Income for the three and six months ended March 28, 2025 and March 29, 2024; (iv) Consolidated Statements of Cash Flows for the six months ended March 28, 2025 and March 29, 2024; (v) Consolidated Statements of Changes in Equity for the three and six months ended March 28, 2025 and March 29, 2024; and (vi) Notes to consolidated financial statements
104	Inline XBRL for the cover page of this Quarterly Report on Form 10-Q; included in Exhibit 101 Inline XBRL document set

* Filed herewith.

+ Represents a management contract or compensatory arrangement.

† Includes information that has been omitted in reliance on Item 6.01(b)(2)(ii) of Regulation S-K.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on May 6, 2025.

Vestis Corporation

By:	/s/ Kelly Janzen
Name:	Kelly Janzen
Title:	Executive Vice President and Chief Financial Officer (principal financial officer and principal accounting officer)

SEPARATION AGREEMENT AND WAIVER AND RELEASE

This Separation Agreement and Waiver and Release (“Agreement”) is entered into between Rick T. Dillon (“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 February 14, 2025 (“Separation Date”), his employment with the Company, including as Executive Vice President and Chief Financial 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 (“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, 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, **Appendix A has been excluded as it includes information that is not material and that the company treats as private and confidential.**

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 and the State of Wisconsin. 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 “Effective Date”) 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:**

Angie Kervin
EVP & Chief Human Resources Officer
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 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. No Repayment of Relocation Expenses to the Company. Company acknowledges that no repayment of any relocation expense paid or reimbursed by the Company on behalf of the Employee in connection with the Employee’s relocation to the Atlanta area upon joining the Company is required by the Employee given that the separation from the Company is without

“Cause” and the Employee has completed more than two years of service after the transfer date under the terms of the Aramark Relocation Payback Agreement that was executed by the Employee upon joining the Company.

4. 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 amount pursuant to Section 4.d. of the Employment Agreement:

- a. Payments equal to the gross amount of one million and eighty-one thousand and five hundred dollars (\$1,081,500) (“Severance Payments”). The Severance Payments represent the amount 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 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 in December 2025, 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 and twelve dollars (\$23,712), which will be paid ratably over a 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 (\$1,976) per month, beginning on the Payment Commencement Date;
- d. Payments equal to the gross amount of thirteen thousand and two hundred dollars (\$13,200), which will be paid ratably over a 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), 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) February 13, 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 sixty-one thousand and eight hundred dollars (\$61,800). Any reimbursement payments to Employee for outplacement services will begin on the Payment Commencement Date.

- f. The Company, in its sole discretion, may choose to begin making the payments in subsections 4.a. and 4.c. through 4.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.

5. 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. Employee shall be entitled to the "Pro-Rated Vested Equity Awards" which shall mean, with respect to any Unvested Equity Award, that number of Company shares subject to the Unvested Equity Award as of the Separation Date that would otherwise have become vested (and, if applicable, exercisable) as of the next scheduled vesting date had the Separation Date not occurred, pro-rated based on the number days in the vesting period elapsed prior to the Separation Date over the total number of days in the vesting period in which the Separation Date occurs. 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. Notwithstanding the foregoing, any performance-based Unvested Equity Award shall continue to be subject to the satisfaction of any performance conditions otherwise applicable to such award and the pro-rata number of shares that shall actually become vested (and, if applicable, exercisable) shall be determined at the end of the applicable performance period after first taking into account the level of satisfaction of the applicable performance conditions for the applicable performance period. All Pro-Rated Vested Equity Awards to which Employee is entitled shall be paid and settled in accordance with the applicable award agreement evidencing such award. As provided under the terms of the applicable non-qualified stock option award agreement, all vested and unexercised stock options (including any stock options that become vested under the provisions of the "Pro-Rated Vested Equity Awards") shall remain exercisable for a period of 90 days following the Separation Date.

6. 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, 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 his 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.

7. 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.

8. 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.

9. 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 Employee 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.

10. 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 he 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.

11. Additional Representations, Covenants and Acknowledgments.

- a. Employee agrees that prior to executing this Agreement, he 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, he 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 he 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 Executive Officer of the Company.

12. Knowing and Voluntary Entry. Employee acknowledges and agrees: (i) Employee fully understands his right to discuss all aspects of this Agreement with his 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, he does so knowingly, voluntarily, in good faith, and not as a result of any duress or coercion by any person or entity.

13. 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.

14. 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.

15. 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.

16. 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.

17. Integration and Amendments. This Agreement and the Employment Agreement and RCA constitute 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 or RCA. 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.

18. 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.

19. 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.

20. Future Assistance. For a two-year period following the Separation Date, Employee agrees, if requested in writing by the Company, to provide the Company and its subsidiaries, Aramark and its subsidiaries and/or any of its or their parents, successors, assigns, directors, officers, members, authorized agents or attorneys his reasonable cooperation and assistance in connection with any and all questions, facts or events occurring during Employee's employment or arising out of or related to such employment. This cooperation and assistance includes, but is not limited to, consultation regarding mergers and acquisitions, strategy matters, vendor and customer relations, and occasional employee matters. Employee will make himself available in connection with any claims, disputes, negotiations, investigations, lawsuits, or administrative proceedings involving the Company, upon the Company's request and without the necessity of subpoena, to provide information or documents, provide truthful declarations or information to the Company, meet with attorneys or other representatives of the Company, prepare for and give depositions or testimony, and/or otherwise cooperate in the investigation, defense or prosecution of any or all such matters. The Company agrees to reimburse Employee for reasonable out-of-pocket expenses incurred by Employee in providing the services described in this Paragraph. Other than for such reasonable out-of-pocket expenses, the parties agree that the only compensation to which Employee shall be entitled for the assistance required under this paragraph shall be the specific payments set forth in this Agreement.

21. Return of Company Materials. Employee represents that prior to executing this Agreement he returned all Company property within his 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 (ii) allow the Company to remotely delete all Company property and information from such personal computing devices.

22. 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).

23. 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 21 days after Employee first received this Agreement.

24. 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.

25. 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.

26. Third Party Beneficiaries. Each of the Released Parties is an intended third party beneficiary of this Agreement.

27. 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”.

28. 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 21 days after he receives it from the Company, Employee confirms that he 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.

Signature: /s/ Rick T. Dillon

Printed Name: Rick T. Dillon

Date: February 18, 2025

VESTIS CORPORATION:

By: /s/ Angie Kervin

Title: EVP – Chief Human Resources Officer

Date: February 20, 2025

APPENDIX A
PRO-RATED VESTED EQUITY AWARDS FOR RICK T. DILLON
EFFECTIVE ON THE SEPARATION DATE

[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]

SEPARATION AGREEMENT AND WAIVER AND RELEASE

This Separation Agreement and Waiver and Release ("Agreement") is entered into between Kim T. Scott ("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 March 18, 2025 ("Separation Date"), her employment with the Company, including as President and Chief Executive 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 herself 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, actions, causes of action, suits, rights, demands, costs, losses, debits and expenses related to Employee's employment with, and termination of employment from, the Company, 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, 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,

Appendix A has been excluded as it includes information that is not material and that the company treats as private and confidential.

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 related to Employee's employment with, or termination of employment from, the Company 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 related to Employee's employment with, or termination of employment from, the Company 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 (i) class action (putative or certified), (ii) collective action (putative or certified) or (iii) 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 to the extent related to Employee's employment with, or termination of employment from, the Company, 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). Notwithstanding the foregoing, Employee's release does not include (i) claims that, pursuant to applicable law, cannot be released, such as the right to seek unemployment benefits; (ii) claims to enforce this Agreement; and (iii) the claims excepted from the scope of this release by Section 4.f. of the Employment Agreement (including, for the avoidance of doubt, claims for indemnification under the Company's Certificate of Incorporation and By-laws and any indemnification agreement between the Company and Employee).

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 "Effective Date") 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:

Angie Kervin
EVP & Chief Human Resources Officer
Vestis Corporation
1035 Alpharetta Street, Suite 2100
Roswell, GA 30075
angie.kervin@vestis.com

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, except to the extent related to Employee's entitlement to indemnification 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 four million one hundred sixty-two thousand and five hundred dollars (\$4,162,500) ("Severance Payments"). The Severance Payments represent two times 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 twenty-four (24)-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). The Company will pay Employee the Pro-Rata Annual Bonus, if any, at the same time and rate as any annual bonuses are payable to similarly situated executives of the Company who have not been terminated;
- c. Payments equal to the gross amount of fifty five thousand and seven hundred fifty-four dollars (\$55,754), which will be paid ratably over a twenty-four (24)-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 twenty-three hundred and twenty three dollars and eight cents (\$2,323.08) per month, beginning on the Payment Commencement Date;
- d. Payments equal to the gross amount of twenty-six thousand four hundred dollars (\$26,400), which will be paid ratably over a twenty-four (24)-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), 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) March 18, 2027, 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 ninety-two thousand and five hundred dollars (\$92,500). 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.
- h. In the event that a "Change of Control" (as defined in the Employment Agreement) occurs within six months after the Separation Date, Employee reserves the right to, and does not waive or release the Company from any obligation to provide, any additional payments or benefits associated with an "Anticipatory Change of Control Termination" (as defined in the Employment Agreement); provided, Employee acknowledges that the Company has informed Employee that the Company's position is that, based on the facts and circumstances surrounding the termination of her employment with the Company, she is not, and will not become, entitled to any Anticipatory Change of Control benefits even if there is a Change of Control within six months after the Separation Date; provided, further, the Company acknowledges that Employee does not concede that the Company's position is correct and retains the right to assert that an Anticipatory Change of Control did occur.

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. Employee shall be entitled to the "Pro-Rated Vested Equity Awards" which shall mean, with respect to any Unvested Equity Award, that number of Company shares subject to the Unvested Equity Award as of the Separation Date that would otherwise have become vested (and, if applicable, exercisable) in the vesting period in which the Separation Date occurs, determined as if the Unvested Equity Award vested on a daily basis (determined as the quotient of (A) the sum of (x) the number of days elapsed in the vesting period in which the Separation Date occurs and prior to the Separation Date plus (y) the lesser of (1) three hundred and sixty five (365) or (2) the number of days in all remaining vesting periods of the Unvested Equity Award, over (B) the total number of days in the vesting period in which the Separation Date occurs. 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. Notwithstanding the foregoing, any performance-based Unvested Equity Award shall continue to be subject to the satisfaction of any performance conditions otherwise applicable to such award and the pro-rata number of shares that shall actually become vested (and, if applicable, exercisable) shall be determined at the end of the applicable performance period after first taking into account the level of satisfaction of the applicable performance conditions for the applicable performance period. All Pro-Rated Vested Equity Awards to which Employee is entitled shall be paid and settled in accordance with the applicable award agreement evidencing such award. As provided under the terms of the applicable non-qualified stock option award agreement, all vested and unexercised stock options (including any stock options that become vested under the provisions of the Pro-Rated Vested Equity 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, 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. 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, and the Company hereby acknowledges and hereby re-affirms its obligations under Section 5.a 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 that has not been disclosed to the Board of Directors or Chief Financial Officer of the Company.

8. 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.

9. 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.

10. 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.

11. 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 Employee, or an attorney acting on Employee's behalf, challenges the enforceability of Section 1 of this Agreement (including pursuant to a class action in which Employee does not opt-out), and as a result, such Section, or any portion thereof, is held to be invalid, void or unenforceable by a court of competent jurisdiction or by an administrative agency, 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.

12. Waiver. A waiver by either party of a breach of any provision of this Agreement by the other party shall not operate or be construed as a waiver or estoppel of any subsequent breach by such party. No waiver by the Company or Employee shall be valid unless in writing and signed by an authorized officer of the Company or Employee, as applicable.

13. Integration and Amendments. This Agreement, the Employment Agreement, the RCA and all documents related to Employee's awards under the Long-Term Incentive Plan constitute 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, (a) Employee acknowledges and agrees that Employee has received a copy of the Company's clawback and recoupment policies as currently in effect, (b) Employee further acknowledges and agrees that any compensation paid to employee shall be subject to the Company's clawback and recoupment policies as currently in effect, (c) the Company agrees that the its clawback and recoupment policies shall be applied to Employee in the same manner as such provisions apply to similarly-situated active and former employees of the Company and its affiliates who are subject to the policies. 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.

14. 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.

15. 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; provided, however, that, in the case of any such assignment, the Company shall remain jointly and severally liable for all obligations of the Company hereunder.

16. Attorneys' Fees. If either of the Parties breaches this Agreement, the prevailing party in any subsequent litigation shall be entitled to recover its reasonable attorneys' fees and costs arising out of or related to any such breach(es).

17. 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.

18. 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.

19. Third Party Beneficiaries. Each of the Released Parties is an intended third party beneficiary of this Agreement.

20. 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".

21. 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.

Signature: /s/ Kim T. Scott

Printed Name: Kim T. Scott

Date: April 23, 2025

VESTIS CORPORATION:

By: /s/ Angie Kervin

Title: EVP – CHRO

Date: April 24, 2025

APPENDIX A
PRO-RATED VESTED EQUITY AWARDS FOR KIM T. SCOTT
EFFECTIVE ON THE SEPARATION DATE

[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]



March 18, 2025

Personal & Confidential

Mr. Phillip Holloman

Dear Phillip,

We are pleased to extend this offer of employment with Vestis as Interim Executive Chairman, President & Chief Executive Officer, where you will report directly to the Vestis Board of Directors.

Please see the enclosed Executive Package Enclosures that follow this letter (the "Offer Letter") for a complete list of materials you are receiving, with instructions and deadlines for those materials requiring your signature and those must be returned to us.

In particular, you will want to review the **Offer Detail Summary** highlighting the specifics associated with the offer.

You will be required at all times to comply with Vestis' policies, including the Business Conduct Policy. During the course of your employment with Vestis, you will receive information and documents from Vestis containing confidential, proprietary trade information concerning Vestis' business and business relationships ("Proprietary Information"). By accepting this position, you agree that at no time while employed by Vestis, or after your employment with Vestis has ended for any reason, will you use or disclose such confidential, proprietary information to any person, firm or entity not affiliated with Vestis.

You will be considered a Covered Vestis Employee for purposes of the Political Contribution Policy. This means you must obtain pre-approval from Government Affairs Compliance before you, your spouse/domestic partner, and/or dependent children make political contributions. As part of the onboarding process, you will receive additional information and training regarding your obligations under the Political Contributions Policy.

By signing this letter and accepting Vestis' offer of employment, you are agreeing that (1) you have disclosed to Vestis the existence and nature of any obligations you owe to any prior employers, including any agreements that restrict your ability to compete with your prior employers or to solicit their clients, customer, or employees, (2) your employment with Vestis will not violate any of your post-employment obligations to your prior employers, and (3) you will not use or disclose any of your prior employers' confidential or proprietary information or trade secrets in course of your employment with Vestis, unless such information is readily available to the public.

At the end of your employment with Vestis, you will return to Vestis all such Proprietary Information, including, but not limited to, all manuals, client lists, and training and policy materials, as well as all Vestis property.

Vestis Offer Letter for Phillip Holloman
March 18, 2025
Page 2

Your employment will be "at-will." This means you are free to terminate your employment at any time, for any reason, with or without notice, and Vestis possesses these same rights to termination your employment. At-will employment also means that Vestis may change the terms of employment, such as a promotion, demotion, discipline, transfer, compensation, benefits, duties and location of work, at any time, with or without notice.

This offer letter sets forth the entire understanding of the parties with respect to your employment with Vestis.

If you have any questions, or if I may be of any help to you, please do not hesitate to call me.

Sincerely,



Angie Kervin
EVP & Chief Human Resources Officer

Please sign and date below acknowledging that you have received this letter and accepted our employment offer in the form of the Offer Letter.

Accepted:	<u>/s/ Phillip Holloman</u>	<u>March 19, 2025</u>
	Phillip Holloman	Date

Phillip Holloman
Vestis Offer Detail Summary
March 18, 2025

Title:	Interim Executive Chairman, President & Chief Executive Officer
Level:	Executive Officer & Executive Leadership Team
Effective Date:	March 18, 2025
Cash Compensation:	\$125,000 per month payable in accordance with Vestis' customary payroll practices (it is intended that this amount will be used by you to cover your living expenses while employed as Interim Executive Chairman, President & Chief Executive Officer and working in the Atlanta area)
Equity Compensation:	<p>You will be eligible to participate in Vestis' 2023 Long-Term Incentive Plan (the "Plan").</p> <p>Pursuant to the Plan, you will receive periodic grants of restricted stock units ("RSUs") as follows:</p> <ul style="list-style-type: none">• RSUs with a value of \$675,000 on March 20, 2025 (based on the closing price of Vestis' common stock on that date)• Commencing June 20, 2025 and on the 20th day of each month thereafter (each a "Grant Date") provided that you remain in your position of Interim Executive Chairman, President & Chief Executive Officer as of the applicable Grant Date, RSUs with a value of \$225,000 (based on the closing price of Vestis' common stock on the applicable Grant Date or, if not a trading date, the prior trading date) <p>The grant agreements for the RSUs will provide as follows:</p> <ul style="list-style-type: none">• Annual vesting over a period of three years from the applicable Grant Date (or March 20, 2025 with respect to the grant made on that date)• The RSUs will be subject to forfeiture:<ul style="list-style-type: none">• Upon termination of your service with Vestis as both Interim Executive Chairman, President & Chief Executive Officer <u>and</u> as a board member, other than as a result of termination by the Company without "Cause"• "Cause" for purposes of employment is as defined in Plan• Service as board member will be considered to be terminated without "Cause" if:<ul style="list-style-type: none">• You are nominated for election as a director at a meeting of stockholders at which directors are to be elected and are not elected (or resign from the Board of Directors following such

Phillip Holloman
Vestis Offer Detail Summary
March 18, 2025

No Compensation for Board Service	<ul style="list-style-type: none">a meeting of stockholders at which you do not receive a majority of votes cast)• The Board of Directors does not nominate you for election as a director at any meeting of stockholders at which directors are to be elected• Treatment upon Change of Control (as defined in the Plan), death and disability consistent with the Company's most recently issued restricted stock unit awards <p>The actual terms and conditions of the RSUs will be set forth in the grant agreements for the RSUs, which will be provided to you electronically.</p> <p>Compensation is subject to the provisions of Vestis Incentive Compensation Recoupment Policy, if applicable.</p> <p>For the avoidance of doubt, you will receive no compensation for your service on the Board of Directors while you are Interim Executive Chairman, President & Chief Executive Officer.</p>
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VESTIS CORPORATION
FORM OF RESTRICTED STOCK UNIT AWARD AGREEMENT
(TIME VESTING)

Effective as of the Grant Date (where the “**Grant Date**” shall be specified on the attached Grant Notice), the Participant has been granted a Full Value Award under the Vestis Corporation 2023 Long Term Stock Incentive Plan (the “**Plan**”) in the form of time-based restricted stock units (“**RSUs**”) with respect to the number of shares of Common Stock (as set forth on the attached Grant Notice, which shall be referred to as the “**Award**”). The Award is subject to the following terms and conditions (which shall be referred to as the “**Award Agreement**”) and the terms and conditions of the Plan as the same has been and may be amended from time to time. Terms used in this Award Agreement are defined elsewhere in this Award Agreement; provided, however, that, capitalized terms used herein and not otherwise defined shall have the meaning set forth in the Plan.

1. Vesting and Forfeiture of RSUs. All RSUs shall be unvested unless and until they become vested and nonforfeitable on the applicable Vesting Date as set forth in this Section 1. Subject to the terms and conditions of this Award Agreement and the Plan, the RSUs will become vested and nonforfeitable on each of the first, second and third anniversaries of the Grant Date (each a “**Vesting Date**”) provided that the Participant’s Termination Date (as defined below) has not occurred as of the applicable Vesting Date. All RSUs that are not vested upon the Participant’s Termination Date shall immediately expire and shall be forfeited for no consideration and the Participant shall have no further rights thereto. Notwithstanding the foregoing:
 - (a) if the Participant’s Termination Date occurs prior to a Vesting Date as a result of the Participant’s termination by the Company without Cause (as defined below), all of the then unvested outstanding RSUs shall vest on the Termination Date and the Termination Date shall be the “**Vesting Date**” of the RSUs that vest as of the Termination Date pursuant to this paragraph (a);
 - (b) if the Participant’s Termination Date occurs prior to a Vesting Date as the result of the Participant’s Disability or death, the installment of RSUs scheduled to vest on the next Vesting Date immediately following the Termination Date shall immediately vest and become vested RSUs, the remaining RSUs which are not then vested shall be forfeited for no consideration and the Termination Date shall be the “**Vesting Date**” of the RSUs that vest as of the Termination Date pursuant to this paragraph (b); and
 - (c) in the event of a Change of Control, the terms of Section 9 of the Plan shall control.
2. Certain Definitions. For purposes of this Award Agreement (and notwithstanding the provisions of the Plan):
 - (a) The term “**Termination Date**” means the date on which the Participant both ceases to be employed in the position of Interim Executive Chairman, President & Chief

Executive Officer of the Company and ceases to perform services for the Company as a member of the Board, regardless of the reason for the cessation; provided, however, that the Participant's "**Termination Date**" shall not be considered to have occurred during the period in which the reason for the cessation of services is a leave of absence approved by the Company. Notwithstanding the foregoing and for the avoidance of doubt, in the event of a Change of Control, if the Participant becomes employed in a comparable position by the successor to the Company (if the Participant was an employee immediately prior to the Change of Control) or a Director of the successor to the Company (if the Participant was a Director immediately prior to the Change of Control), the Participant's Termination Date shall not occur until the Participant both ceases to be an employee (in a comparable position) and ceases to perform services as a Director for the successor on or after the Change of Control; and

- (b) The term "**Cause**" shall have the meaning set forth in the Plan; provided, however, that the Participant's service as a Director shall be considered terminated "**without Cause**" if (i) the Participant is nominated for election as a Director at a meeting of the stockholders at which Directors are to be elected and the Participant is not elected or if the Participant resigns from the Board within ten (10) business days following such a meeting of stockholders at which the Participant did not receive a majority of votes cast, or (ii) the Board does not nominate the Participant for election as a Director at any meeting of stockholders at which Directors are to be elected.
- 3. Settlement of Award. Subject to the terms and conditions of this Award, RSUs that have become vested in accordance with Section 1 shall be paid and settled as of the applicable Vesting Date (and no more than thirty (30) days thereafter). The date on which payment and settlement occurs is referred to as the "**Settlement Date**." Settlement of vested RSUs on a Settlement Date shall be made in the form of shares of Common Stock with one share of Common Stock being issued in settlement of each vested RSUs, rounded up to the nearest whole share being settled as of such Settlement Date. Upon the settlement of any vested RSUs, the RSUs shall be cancelled. Notwithstanding the foregoing, to the extent that the Participant has elected to defer settlement of the Award in accordance with procedures established or approved by the Committee, settlement shall occur in accordance with the terms of the deferral election and, if applicable, the nonqualified deferred compensation plan pursuant to which the deferral is made and, in all events, in accordance with section 409A of the Code.
 - 4. Dividend Units. If on any date while RSUs are outstanding hereunder, the Company pays any dividend on shares of Common Stock (other than a dividend payable in shares of Common Stock), the number of RSUs granted to the Participant shall, as of such dividend payment date, be increased by a number of RSUs equal to: (a) the product of (i) the number of RSUs held by the Participant as of the related dividend record date, multiplied by (ii) a dollar amount equal to the per share amount of any cash dividend, divided by (b) the Fair Market Value of a share of Common Stock on the payment date of such dividend. In the case of any dividend declared on shares of Common Stock that is payable in the form of shares of Common Stock, the number of RSUs granted to the Participant shall be increased

by a number equal to the product of (A) the aggregate number of RSUs that have been held by the Participant through the related dividend record date, multiplied by (B) the number of shares of Common Stock (rounded up to the nearest whole share) payable as a dividend on a share of Common Stock. Additional RSUs granted pursuant to this Section 4 shall be subject to the vesting provisions and other terms and conditions as the RSUs to which they relate and shares of Common Stock shall be transferred with respect to all additional RSUs granted pursuant to this Section 4 at the same time as such whole shares of Common Stock (rounded up to the nearest whole share) are transferred with respect to the RSUs to which such additional RSUs were attributable.

5. Adjustment of Award. The number of RSUs awarded pursuant to this Award may be adjusted by the Committee in accordance with the Plan to reflect certain corporate transactions which affect the number, type or value of the RSUs.
6. Restriction on Transfer. The RSUs may not be transferred, pledged, assigned, hypothecated or otherwise disposed of in any way by the Participant, except (a) if permitted by the Board or the Committee, (b) by will or the laws of descent and distribution or (c) pursuant to beneficiary designation procedures approved by the Company, in each case in compliance with applicable laws. The RSUs shall not be subject to execution, attachment, or similar process. Any attempted assignment, transfer, pledge, hypothecation or other disposition of the RSUs contrary to the provisions of this Award or the Plan shall be null and void and without effect.
7. Data Protection. By accepting this Award, the Participant consents to the processing (including international transfer) of personal data as set out in Exhibit A attached hereto for the purposes specified therein and to any additional or different processes required by applicable law, rule or regulation.
8. Participant's Employment or Service. Nothing in this Award shall confer upon the Participant any right to continue in the employ or service of the Company or any of its Affiliates or interfere in any way with the right of the Company and its Affiliates, in their sole discretion, to terminate the Participant's employment or to increase or decrease the Participant's compensation at any time.
9. No Acquired Rights. The opportunity given to the Participant to participate in the Plan and the grant of this Award is entirely at the discretion of the Committee or the Board and does not obligate the Company or any of its Affiliates to offer such participation in the future (whether on the same or different terms). The Participant's participation in the Plan and the receipt of this Award is outside the terms of the Participant's regular contract of employment and is therefore not to be considered part of any normal or expected compensation and that the termination of the Participant's employment under any circumstances whatsoever will give the Participant no claim or right of action against the Company or its Affiliates in respect of any loss of rights under this Award or the Plan that may arise as a result of any such termination of employment.
10. Amendments. The Board may, at any time, amend or terminate the Plan, and the Board or the Committee may amend this Award Agreement, provided that, except as provided in the

Plan, no amendment or termination may, in the absence of written consent to the change by the Participant (or, if the Participant is not then living, the affected beneficiary), adversely affect the rights of the Participant or beneficiary under this Award Agreement prior to the date such amendment or termination is adopted by the Board or the Committee, as the case may be.

11. No Rights of a Stockholder. The Participant shall not have any rights as a stockholder of the Company until the shares of Common Stock in question have been registered in the Company's register of stockholders.
12. Unfunded Obligation. The Award shall not be funded, no trust, escrow or other provisions shall be established to secure payments and distributions due hereunder and this Award shall be regarded as unfunded for purposes of the Employee Retirement Income Security Act of 1974, as amended, and the Code. The Participant shall be treated as a general, unsecured creditor of the Company with respect to amounts payable hereunder and shall have no rights to any specific assets of the Company.
13. Withholding.
 - (a) The Participant will pay, or make provisions satisfactory to the Company for payment of any federal, state, local and other applicable taxes required to be withheld in connection with the Award and any issuance or transfer of shares of Common Stock under this Award and to take such action as may be necessary in the opinion of the Company to satisfy all obligations for the payment of such taxes. If Participant has not made payment for applicable taxes, such taxes shall be paid by withholding shares of Common Stock from the issuance or transfer of shares of Common Stock due under this Award, rounded down to the nearest whole share of Common Stock, with the balance to be paid in cash or withheld from compensation or other amount owing to the Participant from the Company or any Affiliate, and the Company and any such Affiliate is hereby authorized to withhold such amounts from any such issuance, transfer, compensation or other amount owing to the Participant.
 - (b) If the Participant's employment or other service with the Company and its Affiliates terminates prior to the issuance or transfer of any remaining shares of Common Stock due to be issued or transferred to the Participant under this Award, the payment of any applicable withholding taxes with respect to any such issuance or transfer shall be made through the withholding of shares of Common Stock from such issuance or transfer, rounded down to the nearest whole shares of Common Stock, with the balance to be paid in cash or withheld from compensation or other amount owing to the Participant from the Company or any Affiliate, as provided in Section 13(a) above.
 - (c) Subject to the foregoing provisions of this Section 13, the Committee shall, in its sole discretion, permit a Participant to satisfy, in whole or in part, the applicable tax withholding by (i) the deduction from any amount payable to the Participant in cash or the delivery of shares of Common Stock owned by the Participant having a

Fair Market Value equal to such withholding liability or (ii) having the Company withhold from the number of shares of Common Stock otherwise issuable or deliverable pursuant to the exercise or settlement of the Award, including, without limitation and for the avoidance of doubt, shares redeemed as part of a Net Exercise settlement, a number of shares with a Fair Market Value equal to such withholding liability (at a rate as determined by the Committee that will not have adverse accounting consequences and is permitted under applicable IRS withholding rules); provided, however, that in such event, the Committee may exercise its discretion to limit or prohibit the use of shares of Common Stock for such withholding liability if the Committee determines in good faith that to allow for the use of such shares with respect to withholding liability would result in a material negative impact on the Company's and its Affiliates' near-term liquidity needs.

14. Section 409A of the Code. It is intended that any amounts payable under this Award Agreement shall either be exempt from or comply with section 409A of the Code. The provisions of this Award shall be construed and interpreted in accordance with section 409A of the Code. Notwithstanding any other provision of this Award Agreement to the contrary, if any payment or benefit hereunder is subject to section 409A of the Code, and if such payment or benefit is to be paid or provided on account of the Participant's termination of employment or service (or other separation from service):
 - (a) and if the Participant is a specified employee (within the meaning of section 409A(a)(2)(B) of the Code) and if any such payment or benefit is required to be made or provided prior to the first day of the seventh month following the Participant's separation from service or termination of employment, 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; and
 - (b) the determination as to whether the Participant has had a termination of employment (or other separation from service) shall be made in accordance with the provisions of section 409A of the Code and the guidance issued thereunder without application of any alternative levels of reductions of bona fide services permitted thereunder.
15. Notices. All notices, claims, certifications, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given and delivered if personally delivered or if sent by nationally-recognized overnight courier, by telecopy, email or by registered or certified mail, return receipt requested and postage prepaid, addressed as follows:

If to the Company, to it at:

Vestis Corporation
1035 Alpharetta Street, Suite 2100
Roswell, GA 30075
Attention: General Counsel

If to the Participant, to him or her at the address set forth on the signature page hereto; or to such other address as the party to whom notice is to be given may have furnished to the other party in writing in accordance herewith. Any such notice or other communication shall be deemed to have been received (a) in the case of personal delivery, on the date of such delivery (or if such date is not a business day, on the next business day after the date of delivery), (b) in the case of nationally-recognized overnight courier, on the next business day after the date sent, (c) in the case of telecopy transmission, when received (or if not sent on a business day, on the next business day after the date sent), and (d) in the case of mailing, on the third (3rd) business day following that on which the piece of mail containing such communication is posted.

16. Waiver of Breach. The waiver by either party of a breach of any provision of this Award must be in writing and shall not operate or be construed as a waiver of any other or subsequent breach.
17. Governing Law. THIS AWARD WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE 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 LAWS OF ANY JURISDICTION OTHER THAN THE STATE OF DELAWARE TO BE APPLIED. IN FURTHERANCE OF THE FOREGOING, THE INTERNAL LAW OF THE STATE OF DELAWARE WILL CONTROL THE INTERPRETATION AND CONSTRUCTION OF THIS AWARD, EVEN IF UNDER SUCH JURISDICTION'S CHOICE OF LAW OR CONFLICT OF LAW ANALYSIS, THE SUBSTANTIVE LAW OF SOME OTHER JURISDICTION WOULD ORDINARILY APPLY.
18. Modification of Rights; Entire Agreement. The Participant's rights under this Award and the Plan may be modified only to the extent expressly provided under this Award or the Plan. This Award and the Plan (and the other writings referred to herein) constitute the entire agreement between the parties with respect to the subject matter hereof and thereof and supersede all prior written or oral negotiations, commitments, representations and agreements with respect thereto.
19. Acknowledgements. The Participant acknowledges that the RSUs described in this Award are subject to the Company's Incentive Compensation Recoupment Policy.
20. Severability. It is the desire and intent of the parties hereto that the provisions of this Award be enforced to the fullest extent permissible under the laws and public policies applied in each jurisdiction in which enforcement is sought. Accordingly, if any particular provision of this Award shall be adjudicated by a court of competent jurisdiction to be invalid, prohibited or unenforceable for any reason, such provision, as to such jurisdiction, shall be ineffective, without invalidating the remaining provisions of this Award or affecting the validity or enforceability of such provision in any other jurisdiction. Notwithstanding the foregoing, if such provision could be more narrowly drawn so as not to be invalid, prohibited or unenforceable in such jurisdiction, it shall, as to such jurisdiction, be so

narrowly drawn, without invalidating the remaining provisions of this Award or affecting the validity or enforceability of such provision in any other jurisdiction.

21. Administration. The authority to administer and interpret this Award shall be vested in the Committee, and the Committee shall have all powers with respect to this Award as it has with respect to the Plan. Any interpretation of this Award by the Committee and any decision made by it with respect to this Award is final and binding on all persons.

Exhibit A

DATA PROTECTION NOTICE

- (a) By participating in the Plan or accepting any rights granted under it, the Participant understands that the Company and its Affiliates and/or agents collect, use, store and process personal data relating to the Participant to fulfill their obligations and exercise their rights under the Plan, issue certificates (if any), statements and communications relating to the Plan and generally administer and manage the Plan, including keeping records of participation levels from time to time. Any such processing will take place as described in this data protection notice (*"Data Protection Notice"*).

These data will include data:

- (i) already held in the Participant's records such as the Participant's name and address, ID number, payroll number, length of service and whether the Participant works full-time or part time;
 - (ii) collected upon the Participant accepting the rights granted under the Plan (if applicable); and
 - (iii) subsequently collected by the Company or any of its Affiliates and/or agents in relation to the Participant's continued participation in the Plan, for example, data about shares offered or received, purchased or sold under the Plan from time to time and other appropriate financial and other data about the Participant and his or her participation in the Plan (e.g., the date on which the shares were granted, termination of employment and the reasons of termination of employment or retirement of the Participant).
- (b) Personal data about the Participant as described in paragraph (a) above may be transferred not only within the country in which the Participant is based from time to time or within the European Economic Area (*"EEA"*), but also worldwide, to other Affiliates and/or agents and to the following third parties for the purposes described in paragraph (a) above:
- (i) Plan administrators, transfer agents, auditors, brokers, agents and contractors of, and third-party service providers to, the Company or its Affiliates such as printers and mail houses engaged to print or distribute notices or communications about the Plan;
 - (ii) regulators, tax authorities, stock or security exchanges and other supervisory, regulatory, governmental or public bodies as required by law;
 - (iii) actual or proposed merger or acquisition partners or proposed assignees of, or those taking or proposing to take security over, the business or assets or stock of the Company or its Affiliates and their agents and contractors;
 - (iv) other third parties to whom the Company or its Affiliates and/or agents may need to communicate/transfer the data in connection with the administration of the Plan, under a duty of confidentiality to the Company and its Affiliates; and
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- (v) the Participant's family members, heirs, legatees and others associated with the Participant in connection with the Plan.

Not all countries, where the personal data may be processed or transferred to, have an equal level of data protection as in Canada, the EU or EEA. Countries to which data are transferred include the United States and Bermuda. The Company, as the responsible data controller of any data processing for the purposes of the Plan, is located in the United States. For any transfers outside the country of origin of the personal data or with a third party, the Company will ensure that appropriate measures are in place to ensure an adequate level of protection for your personal data, including technical or contractual measures where necessary.

For European personal data, onward transfers of personal data within the United States and to Bermuda are generally undertaken with adequate safeguards in place to protect personal data, such as Standard Contractual Clauses issued by the European Commission, which are, where necessary, supplemented with additional measures to provide adequate protection of personal data.

All national and international transfer of personal data is only done in order to fulfill the obligations and rights of the Company and/or its Affiliates under the Plan.

The Participant may access, modify, correct or delete personal data about the Participant, restrict or object to the processing of personal data, or opt to receive personal data in a structured, commonly used, machine readable form which provides the ability to move, copy or transfer personal data to another controller by contacting the local data protection officer in the country in which the Participant is based. Please note, however, that certain personal information about the Participant may be exempt from afore mentioned rights pursuant to applicable data protection laws. In addition, the Participant has the right to lodge a complaint with a competent data protection supervisory authority, in particular in the EU Member State where the Participant resides, works or the place of the alleged infringement. If the Participant has a complaint regarding the manner in which personal information relating to the Participant is dealt with, the Participant should contact the appropriate local data protection officer referred to above.

- (c) The processing (including transfer) of data described above is essential for the administration and operation of the Plan. Therefore, it is essential that his/her personal data is processed in the manner described above.
- (d) The Company will only retain personal data for as long as is required to satisfy the purposes as described in paragraph (a) above, except where otherwise provided or required by law (e.g., in connection with pending litigation).

VESTIS RESTRICTED STOCK UNIT AWARD AGREEMENT GRANT NOTICE

EXECUTIVE CHAIRMAN EQUITY COMPENSATION – RSU AWARD

Participant Data

Participant Data Elements	Participant Information
Participant Name	
Participant Employee ID Number	
Grant Number	

Vestis LTI Equity Award Key Terms & Conditions

Grant Elements	Key Terms & Conditions
Grant Date	
Vestis LTI Award Type	
Vestis LTI Award Grant Value (\$)	
Grant Price	
Restricted Stock Units Granted	
Vesting Date	
Signature Acceptance	

Certification Pursuant to

Rules 13a-14(a) or 15d-14(a) under the Securities Exchange Act of 1934, as Amended

I, Phillip Holloman, Interim Executive Chairman, President and Chief Executive Officer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Vestis Corporation for the quarter ended March 28, 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: May 6, 2025

/s/ Phillip Holloman

Phillip Holloman

Interim Executive Chairman, President and Chief Executive Officer

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 quarterly report on Form 10-Q of Vestis Corporation for the quarter ended March 28, 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: May 6, 2025

/s/ Kelly Janzen

Kelly Janzen

Executive Vice President and Chief Financial Officer

**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 Quarterly Report of Vestis Corporation (the “registrant”) on Form 10-Q for the quarter ended March 28, 2025, as filed with the Securities and Exchange Commission on the date hereof (the “report”), we, Phillip Holloman and Kelly Janzen, Interim 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.

May 6, 2025

/s/ Phillip Holloman

Phillip Holloman

Interim Executive Chairman, President and Chief Executive Officer

/s/ Kelly Janzen

Kelly Janzen

Executive Vice President and Chief Financial Officer