Buy

Cintas Corp. (CTAS)

New quarterly Uniform Rental Business Pulse Survey points to attractive revenue trends; Reiterate Buy

CTAS	12m Price Target: **$592.00**	Price: **$523.38**	Upside: **13.1%**

We are launching our new quarterly Uniform & Linen Rental and Facility Services Business Pulse Survey, which provides a rolling six-month forward-looking view on multiple dimensions of the industry. The survey polls C-Suite executives and general, plant and branch managers in North America on their revenue outlook, pricing environment, growth drivers, cost trends and macro views. In this quarter's survey, respondents had a healthy outlook for revenues, anticipating on average 6%+ y/y growth over the next six months lifted by rising revenue per customer, penetration of the no-programmer market and strong retention trends. Labor and fuel cost growth expectations exceeded the rate of inflation, which we expect to mitigate the rate of near-term margin expansion. Survey participants had mostly a stable outlook for the macro environment and a stable-to-positive outlook for the industry, citing improvements in the hiring environment, supply chain, travel activity, new business, cross-sell/upsell, product innovation and pricing. Survey results reinforce our healthy organic revenue growth outlook for Cintas, which should continue to see a resilient selling environment with growth led by volumes and tailwinds from the healthcare, education and government verticals. We reiterate our Buy rating and raise our 12-month price target from $566 to $592 for CTAS.

George K. Tong, CFA
+1(415)249-7421 | george.tong@gs.com
Goldman Sachs & Co. LLC

Anna Wu
+1(415)249-7235 | anna.wu@gs.com
Goldman Sachs & Co. LLC

Sami Nasir, CFA
+1(415)834-7967 | sami.nasir@gs.com
Goldman Sachs & Co. LLC

Alex Lakritz
+1(415)249-7072 | alex.lakritz@gs.com
Goldman Sachs & Co. LLC

Key Data

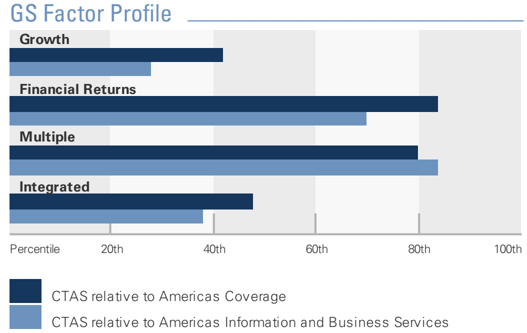
Market cap: $54.1bn
Enterprise value: $56.2bn
3m ADTV: $198.6mn
United States
Americas Information and Business Services
M&A Rank: 3

GS Forecast

	5/23	5/24E	5/25E	5/26E
Revenue ($ mn)	8,815.8	9,491.1	10,172.4	10,907.2
EBITDA ($ mn)	2,213.5	2,410.5	2,603.7	2,813.0
EBIT ($ mn)	1,802.7	1,963.0	2,124.2	2,299.2
EPS ($)	12.98	14.29	15.90	17.64
P/E (X)	33.0	36.6	32.9	29.7
EV/EBITDA (X)	21.1	23.1	20.9	18.9
FCF yield (%)	2.9	2.9	3.1	3.5
Dividend yield (%)	1.0	0.9	0.9	0.9
Net debt/EBITDA (X)	1.1	0.9	0.7	0.4

	5/23	8/23E	11/23E	2/24E
EPS ($)	3.33	3.49	3.52	3.59

GS Factor Profile



Source: Company data, Goldman Sachs Research estimates. See disclosures for details.

Business Pulse Survey Introduction

Introducing our Uniform Rental Business Pulse Survey. We are launching our new quarterly Uniform & Linen Rental and Facility Services Business Pulse Survey, which provides a rolling six-month outlook of the industry across multiple dimensions, including revenue trends, the pricing environment, key growth drivers, cost

Buy

Cintas Corp. (CTAS)

Rating since Mar 26, 2018

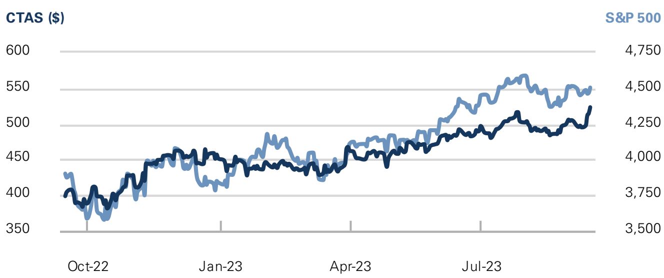
Ratios & Valuation

	5/23	5/24E	5/25E	5/26E
P/E (X)	33.0	36.6	32.9	29.7
EV/EBITDA (X)	21.1	23.1	20.9	18.9
EV/sales (X)	5.3	5.9	5.4	4.9
FCF yield (%)	2.9	2.9	3.1	3.5
EV/DACF (X)	23.3	25.8	23.4	21.2
CROCI (%)	18.6	18.8	19.2	19.5
ROE (%)	37.4	35.5	34.2	32.3
Net debt/EBITDA (X)	1.1	0.9	0.7	0.4
Net debt/equity (%)	61.1	48.2	34.0	19.5
Interest cover (X)	16.2	19.7	21.9	24.3
Inventory days	38.5	37.1	34.7	32.4
Receivable days	44.7	45.7	45.5	45.5
Days payable outstanding	21.8	23.3	23.7	23.7

Growth & Margins (%)

	5/23	5/24E	5/25E	5/26E
Total revenue growth	12.2	7.7	7.2	7.2
EBITDA growth	13.7	8.9	8.0	8.0
EPS growth	15.1	10.1	11.3	10.9
DPS growth	NM	NM	NM	NM
Gross margin	47.3	47.5	47.6	47.7
EBIT margin	20.4	20.7	20.9	21.1

Price Performance



	3m	6m	12m
Absolute	7.7%	18.5%	29.9%
Rel. to the S&P 500	4.5%	3.1%	13.8%

Source: FactSet. Price as of 14 Sep 2023 close.

Income Statement ($ mn)

	5/23	5/24E	5/25E	5/26E
Total revenue	8,815.8	9,491.1	10,172.4	10,907.2
Cost of goods sold	(4,642.4)	(4,987.5)	(5,334.4)	(5,708.1)
SG&A	(2,370.7)	(2,540.6)	(2,713.8)	(2,900.0)
R&D	0.0	0.0	0.0	0.0
Other operating inc./(exp.)	–	–	–	–
EBITDA	**2,211.8**	**2,409.1**	**2,602.4**	**2,811.8**
Depreciation & amortization	(409.2)	(446.1)	(478.1)	(512.6)
EBIT	**1,802.7**	**1,963.0**	**2,124.2**	**2,299.2**
Net interest inc./(exp.)	(109.5)	(98.0)	(95.7)	(93.3)
Income/(loss) from associates	–	–	–	–
Pre-tax profit	**1,693.1**	**1,865.0**	**2,028.6**	**2,205.9**
Provision for taxes	(345.1)	(396.4)	(415.9)	(441.2)
Minority interest	–	–	–	–
Preferred dividends	6.2	7.3	8.1	8.8
Net inc. (pre-exceptionals)	**1,341.9**	**1,461.3**	**1,604.7**	**1,755.9**
Net inc. (post-exceptionals)	**1,354.2**	**1,476.0**	**1,620.8**	**1,773.5**
EPS (basic, pre-except) ($)	**12.98**	**14.29**	**15.90**	**17.63**
EPS (diluted, pre-except) ($)	**12.98**	**14.29**	**15.90**	**17.63**
EPS (ex-ESO exp., dil.) ($)	**--**	**--**	**--**	**--**
DPS ($)	–	–	–	–
Div. payout ratio (%)	0.0	0.0	0.0	0.0
Wtd avg shares out. (basic) (mn)	103.4	102.3	100.9	99.6
Wtd avg shares out. (diluted) (mn)	103.4	102.3	100.9	99.6

Balance Sheet ($ mn)

	5/23	5/24E	5/25E	5/26E
Cash & cash equivalents	124.1	384.0	782.1	1,347.6
Accounts receivable	1,153.0	1,225.3	1,313.1	1,407.9
Inventory	506.6	506.6	506.6	506.6
Other current assets	1,154.7	1,254.7	1,354.7	1,454.7
Total current assets	**2,938.5**	**3,370.7**	**3,956.5**	**4,716.9**
Net PP&E	1,396.5	1,459.7	1,534.6	1,607.4
Net intangibles	346.6	346.6	346.6	346.6
Total investments	247.2	247.2	247.2	247.2
Other long-term assets	3,439.2	3,439.2	3,439.2	3,439.2
Total assets	**8,546.4**	**9,041.8**	**9,702.5**	**10,535.6**
Accounts payable	302.3	334.7	357.9	383.0
Short-term debt	0.0	0.0	0.0	–
Current lease liabilities	43.7	43.7	43.7	43.7
Other current liabilities	884.1	851.6	831.6	811.6
Total current liabilities	**1,230.1**	**1,230.0**	**1,233.2**	**1,238.3**
Long-term debt	2,486.4	2,486.4	2,486.4	2,486.4
Non-current lease liabilities	138.3	138.3	138.3	138.3
Other long-term liabilities	827.6	827.6	827.6	827.6
Total long-term liabilities	**3,452.3**	**3,452.3**	**3,452.3**	**3,452.3**
Total liabilities	**4,682.4**	**4,682.3**	**4,685.5**	**4,690.6**
Preferred shares	–	–	–	–
Total common equity	**3,864.0**	**4,359.5**	**5,016.9**	**5,845.0**
Minority interest	–	–	–	–
Total liabilities & equity	**8,546.4**	**9,041.8**	**9,702.5**	**10,535.6**
BVPS ($)	37.38	42.63	49.71	58.70

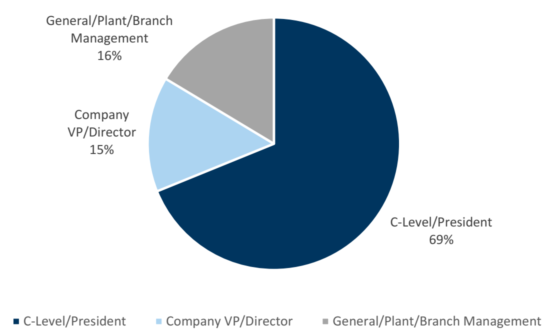
Cash Flow ($ mn)

	5/23	5/24E	5/25E	5/26E
Net income	1,348.0	1,468.6	1,612.7	1,764.7
D&A add-back	409.2	446.1	478.1	512.6
Minority interest add-back	–	–	–	–
Net (inc)/dec working capital	(286.2)	(172.4)	(184.5)	(189.8)
Others	126.9	136.0	136.0	136.0
Cash flow from operations	**1,597.8**	**1,878.3**	**2,042.3**	**2,223.6**
Capital expenditures	(331.1)	(348.0)	(380.0)	(400.0)
Acquisitions	(46.4)	–	–	–
Divestitures	–	–	–	–
Others	(11.2)	–	–	–
Cash flow from investing	**(388.7)**	**(348.0)**	**(380.0)**	**(400.0)**
Dividends paid	(449.9)	(470.4)	(464.2)	(458.0)
Share issuance/(repurchase)	(398.9)	(800.0)	(800.0)	(800.0)
Inc/(dec) in debt	(50.0)	–	–	–
Others	(276.7)	–	–	–
Cash flow from financing	**(1,175.5)**	**(1,270.4)**	**(1,264.2)**	**(1,258.0)**
Total cash flow	**33.7**	**259.9**	**398.1**	**565.6**
Free cash flow	1,266.7	1,530.3	1,662.3	1,823.6
Free cash flow per share (basic) ($)	12.25	14.96	16.47	18.31

Source: Company data, Goldman Sachs Research estimates.

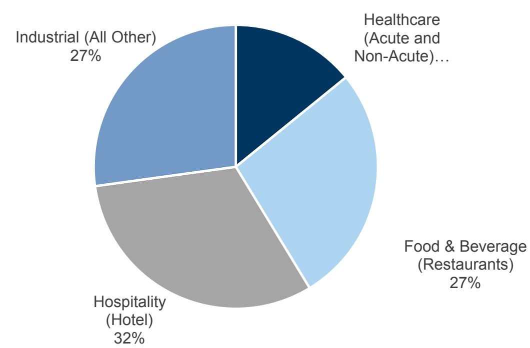
considerations, and perspectives on the overall economy. We believe the survey is differentiated in that it provides a forward-looking rather than backward-looking perspective, offers insights across the P&L with granularity by end-market, and captures the perspectives of executives and managers in the industry. In this quarter's survey, we had 61 respondents, with 69% being C-Level/Presidents, 15% being VPs/Directors and 16% being general, plant or branch managers. Respondents had diversified end-market exposures, with 32% focused on hospitality, 27% focused on food & beverage, 27% focused on industrial and 14% focused on healthcare. Among the companies we surveyed, 10% generated more than $500mn in revenue on an LTM basis, 11% generated $100-$500mn, 10% generated $50-100mn and 42% generated less than $50mn.

Exhibit 1: The vast majority of survey respondents were C-level executives
Respondents' role within the companies



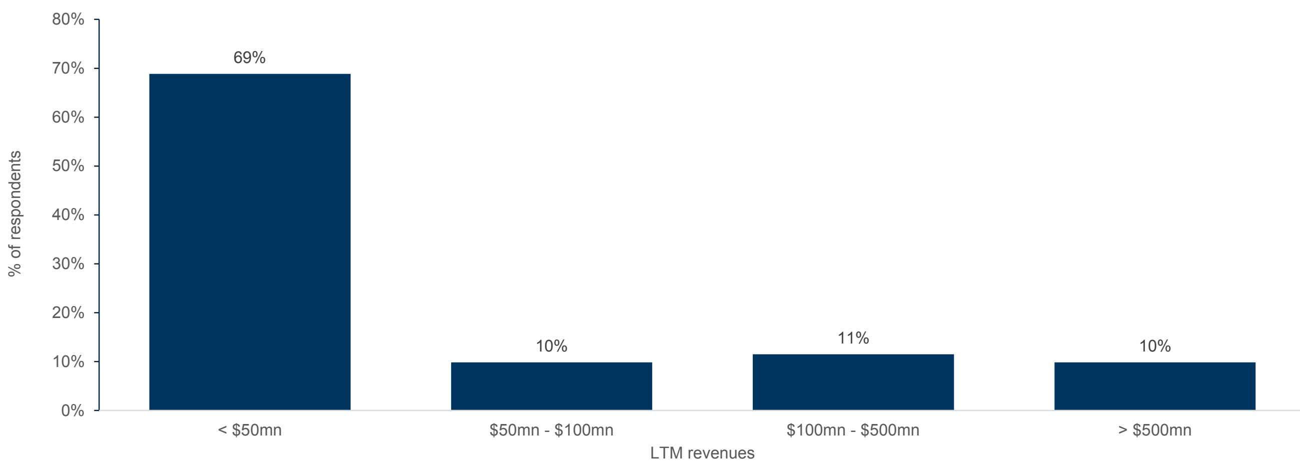
Source: Goldman Sachs Global Investment Research

Exhibit 2: End-markets were broadly represented in the survey
Verticals where revenue exceed 30% of total revenue



Source: Goldman Sachs Global Investment Research

Exhibit 3: Most survey participants hail from smaller companies with <50mn in annual revenue
Revenue generated at the companies over the past twelve months

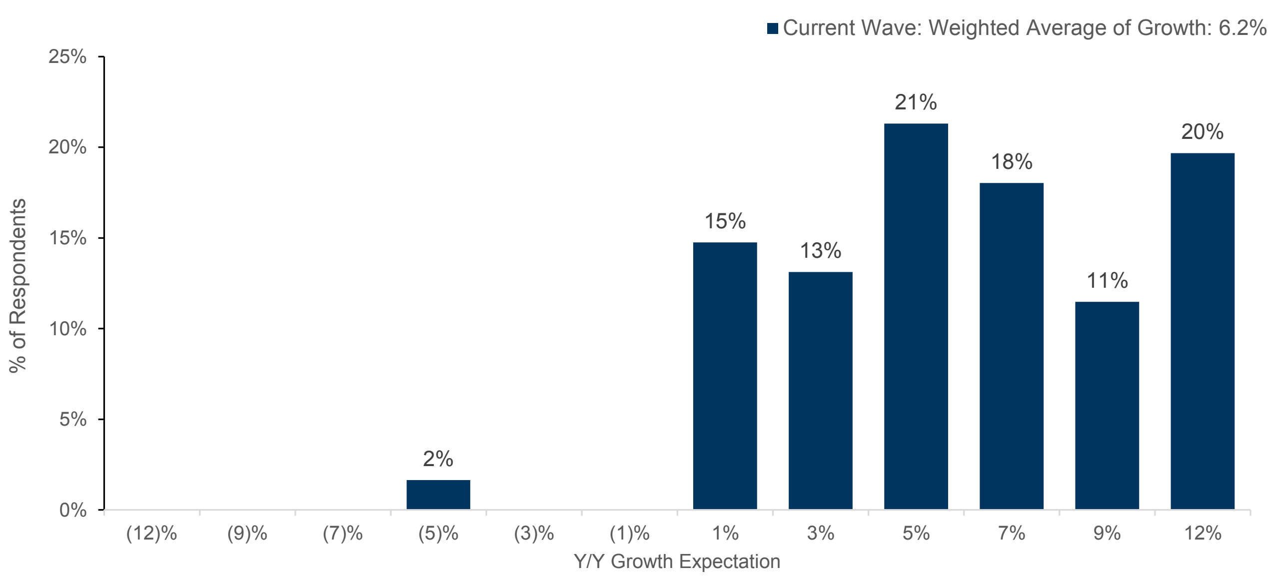


Source: Goldman Sachs Global Investment Research

Revenue Outlook

Revenue expected to demonstrate healthy y/y growth over the near-term. Uniform & linen rental and facility services executives and mangers anticipate revenue to demonstrate healthy y/y growth over the near-term. On average, survey participants expect revenue to grow 6.2% y/y over the next six months. Virtually all respondents expect revenue to increase y/y over the near-term, with only 2% of those surveyed expecting a y/y revenue decline. Of note, approximately 50% of survey participants expect revenue growth to exceed 6% over the next six months, and 20% look for revenue growth to exceed 10%. Industry participants had differing revenue growth expectations depending on their end-market focus, with growth being strongest in hospitality, followed by healthcare, industrials and food & beverage. Survey responses coincide with CTAS' guidance for F2024 revenue growth of 6.1-7.8%. Note that the surveyed revenue growth outlook applies to the next six months, and assuming the macro environment improves over this time frame, revenue growth over the next twelve months should be higher. We expect revenue growth at CTAS to continue to be driven mostly by volumes, followed by pricing increases that are coming above historical levels due to inflation.

Exhibit 4: Respondents expect healthy revenue growth north of 5% y/y
Anticipated y/y revenue growth in their own companies in the next six months

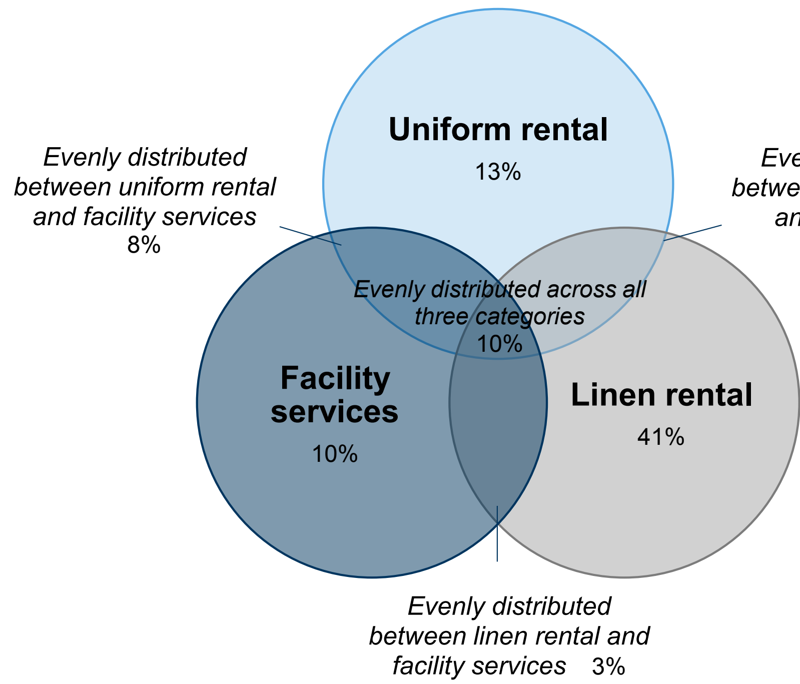


Midpoint of survey ranges highlighted in exhibit

Source: Goldman Sachs Global Investment Research

Linen rentals to grow the most over the next six months. Survey participants expect customer spending over the near-term to grow the most in linen rentals. Specifically, 41% of respondents anticipate customer spending growth over the next six months to come mostly from linen rentals, 13% expect the growth to come mostly from uniform rentals and 10% expect the growth to come mostly from facility services, with the remainder expecting growth to come from a combination of the three. We believe demand for linen rentals is being driven by higher safety standards post-COVID, along with the rising cost of in-house of laundering that's prompting customers to outsource to third-party service providers. The healthcare vertical had the greatest mix of respondents expecting linen rental services to fuel revenue growth over the next six months. In contrast, the industrial vertical had the highest mix of respondents looking for uniform rental services to lead revenue growth near-term. CTAS' end-market focus is primarily industrial broadly defined, with healthcare representing just 7% of total revenue.

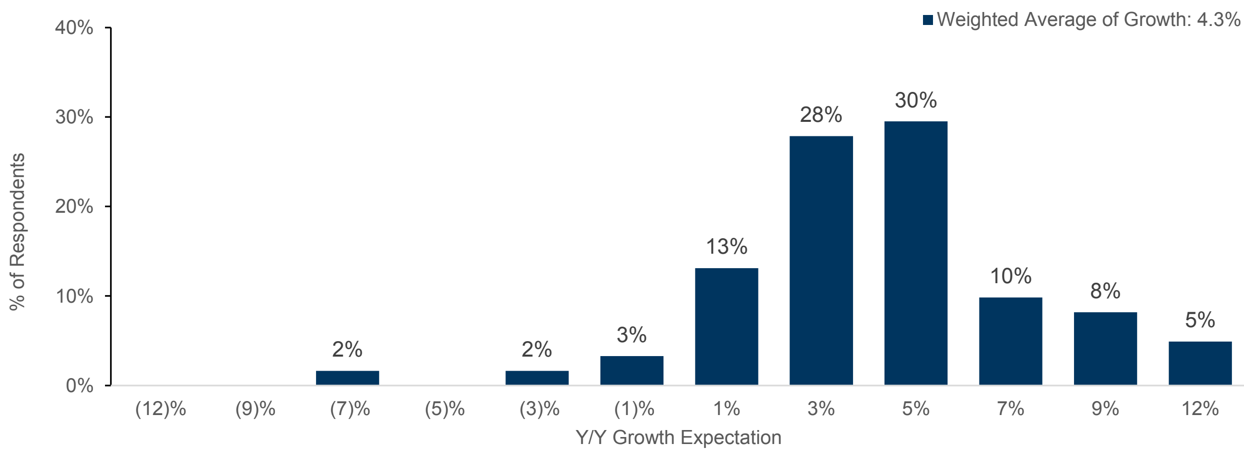
Exhibit 5: Linen rentals were most cited as the top anticipated near-term revenue growth driver
Where customer spending in their own companies will grow the most in the next six months



Source: Goldman Sachs Global Investment Research

Revenue per customer outlook is robust. Revenue per customer is an important driver of overall revenue growth over the next six months for uniform & linen rental and facility services companies. Survey participants expect revenue per customer over the next six months to increase 4.3% y/y on average. The top three drivers of rising revenue per customer cited by respondents were a greater mix of high revenue new customers, followed by growing customer headcount and an increasing rate of cross-sell/upsell. We note that pricing increases were not explicitly cited by survey participants as a key driver of revenue per customer growth. Instead, successful growth of customer volumes and an increase in products sold to new and existing customers were highlighted as drivers, demonstrating the importance of customer success and a strong value proposition in fueling top-line performance in the industry. Average expectations for revenue per customer growth come above current US inflation of 3.7% and the 3.0% US inflation forecast for 2023 by GS economists. In fact, over 50% of respondents expect revenue per customer growth to exceed 5% over the next six months. Revenue per customer growth expectations were strongest in hospitality, followed by food & beverage, healthcare and industrials. A healthy revenue per customer outlook is consistent with operating trends at CTAS, which has seen revenue tailwinds from pricing, volumes from new and existing customers, and cross-sell/upsell.

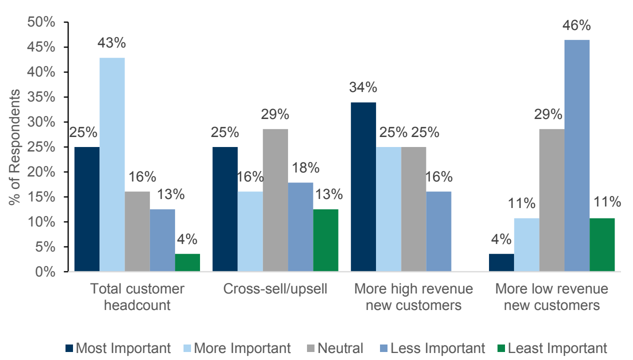
Exhibit 6: Revenue per customer growth expected to exceed US inflation rates
Growth in their own companies' revenue per customer in the next six months



Midpoint of survey ranges highlighted in exhibit

Source: Goldman Sachs Global Investment Research

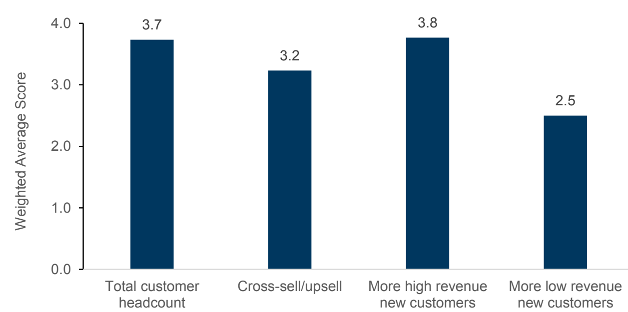
Exhibit 7: Survey participants expect a diverse number of drivers for revenue per customer growth
Anticipated drivers of revenue per customer growth in the next six months



"Other" fill-in responses included pricing increases, new products, share gains, direct sales efforts and macro improvement

Source: Goldman Sachs Global Investment Research

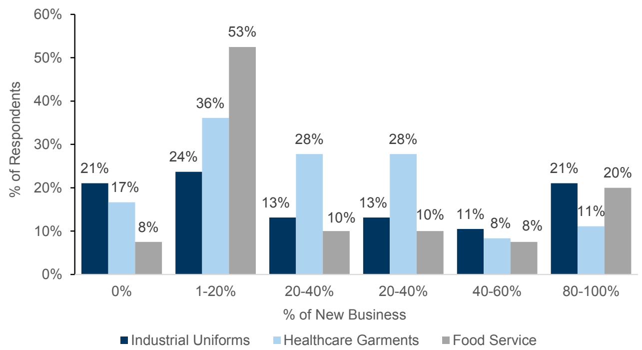
Exhibit 8: A greater mix of high revenue per customer cited as the top driver of revenue per customer growth
Weighted average rank in the drivers of revenue per customer growth in the next six months (1 = most important, 5 = least important)



Source: Goldman Sachs Global Investment Research

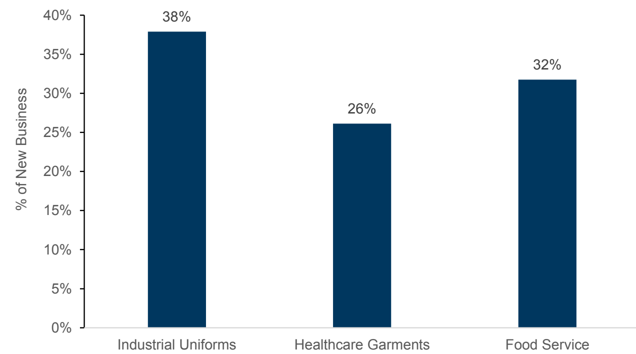
Non-programmer market a key driver of volume growth. Volume growth in uniform & linen rentals can arise from existing customers, new customers due to competitive wins and new customers due to penetration of the no-programmer market, which refers to customers that use or could use uniforms or linens but that don't participate in a rental program currently. Survey participants expect new business wins over the next six months to come from the no-programmer market 38% of the time in industrials, 32% of the time in food services and 26% of the time in healthcare. Survey results come modestly below performance at CTAS, where the majority of volume growth comes from the no-programmer market, suggesting larger operators have more success in penetrating the unvended market. We estimate 60% of the North American market for uniform rentals is unvended and composed of no-programmers, pointing to a long runway for growth from this channel.

Exhibit 9: No-programmer market expected to drive over one-third of new business growth
Proportion of their own companies' new business in the next six months expected to come from prospects not currently renting



Source: Goldman Sachs Global Investment Research

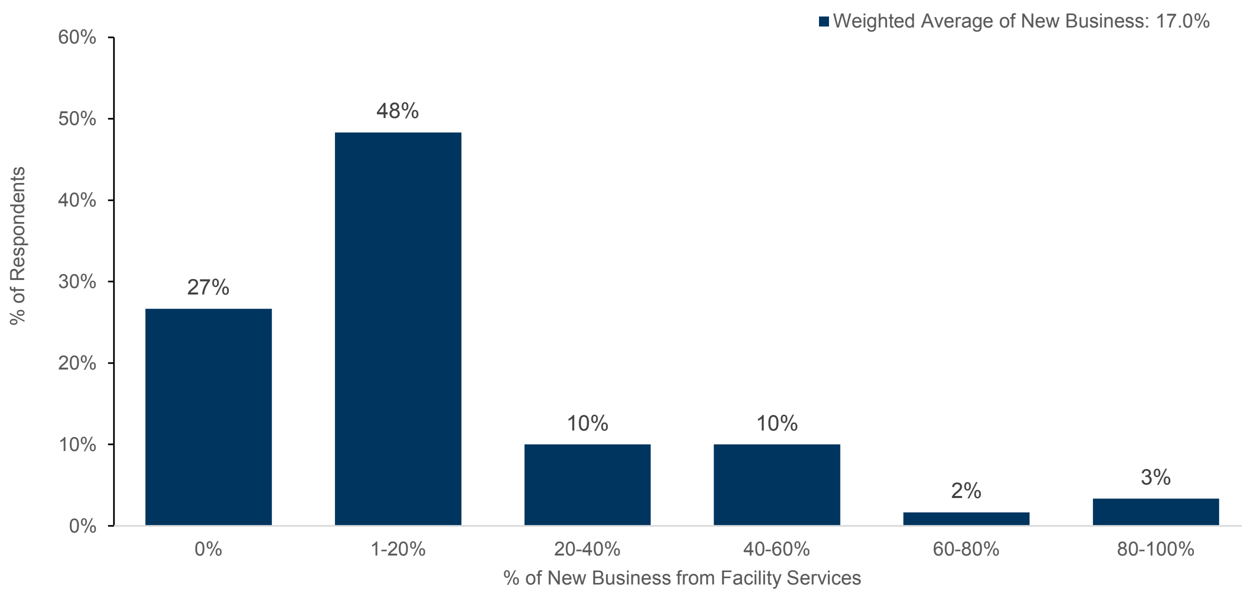
Exhibit 10: The industrial vertical expected to see the most new business growth from no-programmers
% of new business from no-programmers in the next six months by end-markets



Source: Goldman Sachs Global Investment Research

Facility services to contribute incrementally to new business growth. Facility services represent an incremental contributor to overall new business growth across TRSA's membership base. Facility services encompass hygiene, first aid, cleaning chemicals, restroom supplies, dust control and fire safety. Survey participants expect 17% of new business growth to originate from facility services over the next six months, either due to cross-selling facility services with uniform & linen rentals or selling facility services as a pure-play offering. Of those surveyed, 48% expect 1-20% of new business growth from facility services and 27% expect no new business growth from facility services over the next six months. Drivers of facility services demand include an increased focus on hygiene and cleanliness post-COVID. By vertical, survey participants expect facility services to contribute most to new business growth in industrials, followed by food & beverage, healthcare and hospitality. At CTAS, facility services represent approximately half of the uniform rental & facility services segment and are contributing to healthy growth trends, while first aid & safety revenue has generally outgrown the uniform rentals business, with recent performance lifted by strong growth in first aid cabinets.

Exhibit 11: Most respondents expect facility services to contribute 0-20% to new business growth
Percentage of their own companies' new business over the next six months expected to arise from facility services

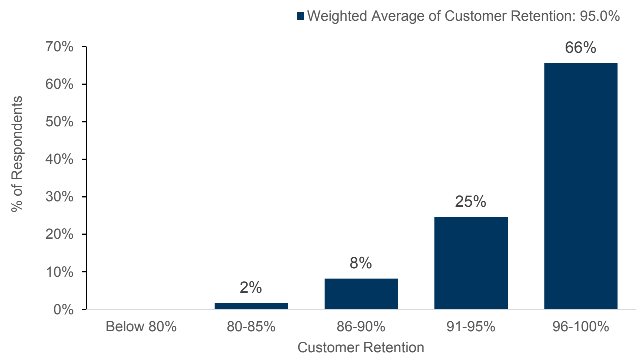


Facility services include hygiene, first aid, cleaning chemicals, restroom supplies, dust control and fire safety.

Source: Goldman Sachs Global Investment Research

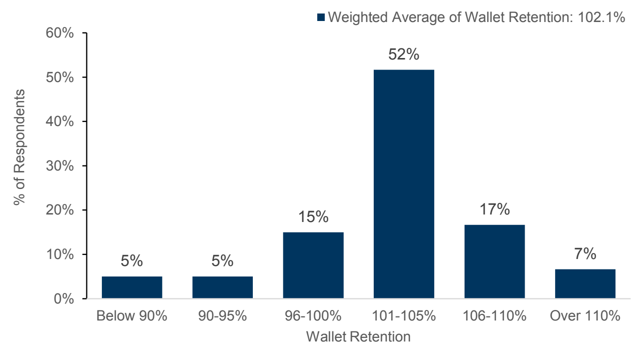
Outlook for customer retention and wallet retention is robust. Survey results point to a robust outlook for customer retention and wallet retention over the next six months despite macro uncertainty, reflecting resilience in the industry and the essentialness of services provided. Respondents on average expect customer retention to be a healthy 95% over the next six months, with 66% anticipating their customer retention to be in a range of 96-100%. The strong customer retention outlook is consistent with performance at CTAS, which has demonstrated its strong value proposition by helping clients reduce operating expenses against a backdrop of elevated inflation. Survey participants expect spending among existing customers to grow on a y/y basis over the next six months, with an average wallet retention outlook of 102%. A total of 75% of respondents expect wallet retention to exceed 100%. We believe increased spending among existing customers will be driven by volume growth, new product launches, cross-sell/upsell and pricing increases. The healthy outlook for customer and wallet retention was broad-based, with 95-96% customer retention and 102-103% wallet retention anticipated across all verticals, on average.

Exhibit 12: Customer retention rates expected to be healthy
Anticipated customer retention rates in the next six months



Source: Goldman Sachs Global Investment Research

Exhibit 13: Wallet retention expected to exceed 100% in the majority of responses
Ancipated wallet retention rates in the next six months



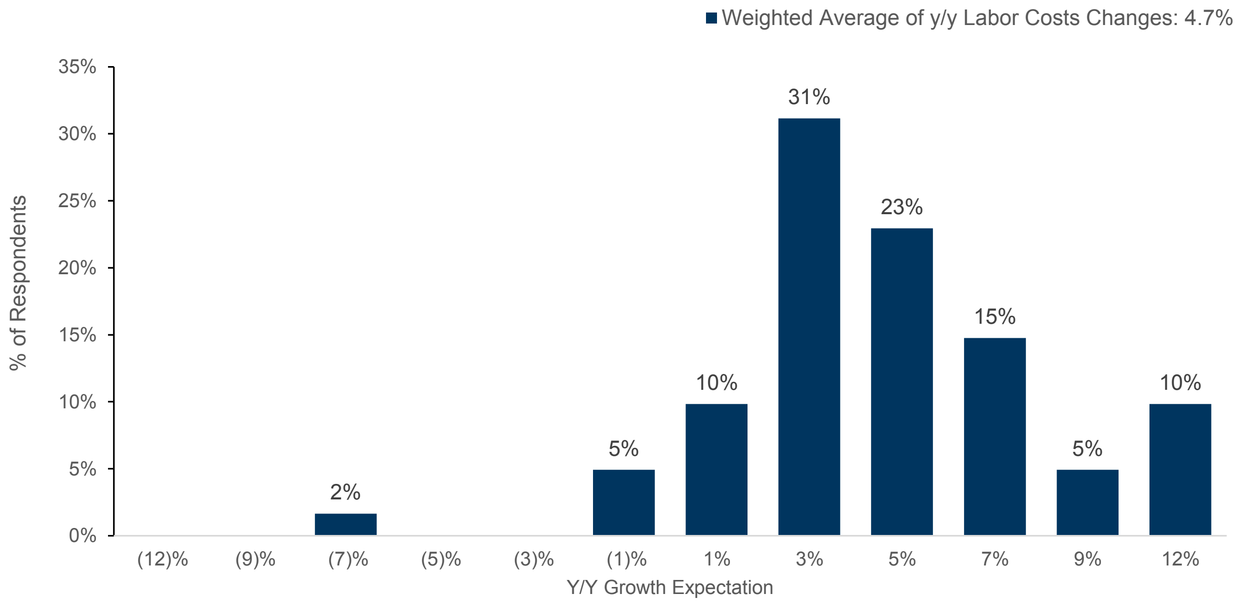
Wallet retention is the spend among existing customers compared with a previous point in time, reflecting growth (>100%), decline (<100%) or leveling (100%)

Source: Goldman Sachs Global Investment Research

Cost Outlook

Labor costs expected to rise faster than inflation. Survey participants expect labor costs to grow above the current rate of inflation over the next six months, which would weigh on profitability in the industry. Respondents on average expect labor costs to increase 4.7% y/y over the next six months, with over half anticipating growth north of 4%. This compares with current inflation of 3.7% in the US. Average expectations for labor cost growth in the industry also come fractionally above overall average hourly wage growth of 4.3% in August as reported by the US Bureau of Labor Statistics. We attribute elevated expectations for labor cost growth to worker demands for higher wages in an inflationary environment and labor shortages, though labor market tightness has demonstrated signs of easing in recent months. By vertical, respondents expect labor cost growth over the next six months to be highest in food & beverage, followed by healthcare, industrial and hospitality. To mitigate the negative effects of rising labor costs, CTAS is leveraging technology improvements, such as smart routing and delivery tracking, to increase automation and reduce labor dependency.

Exhibit 14: Over the next six months, labor costs are expected to grow mid-single-digits...
Expectations for labor cost changes in the next six months

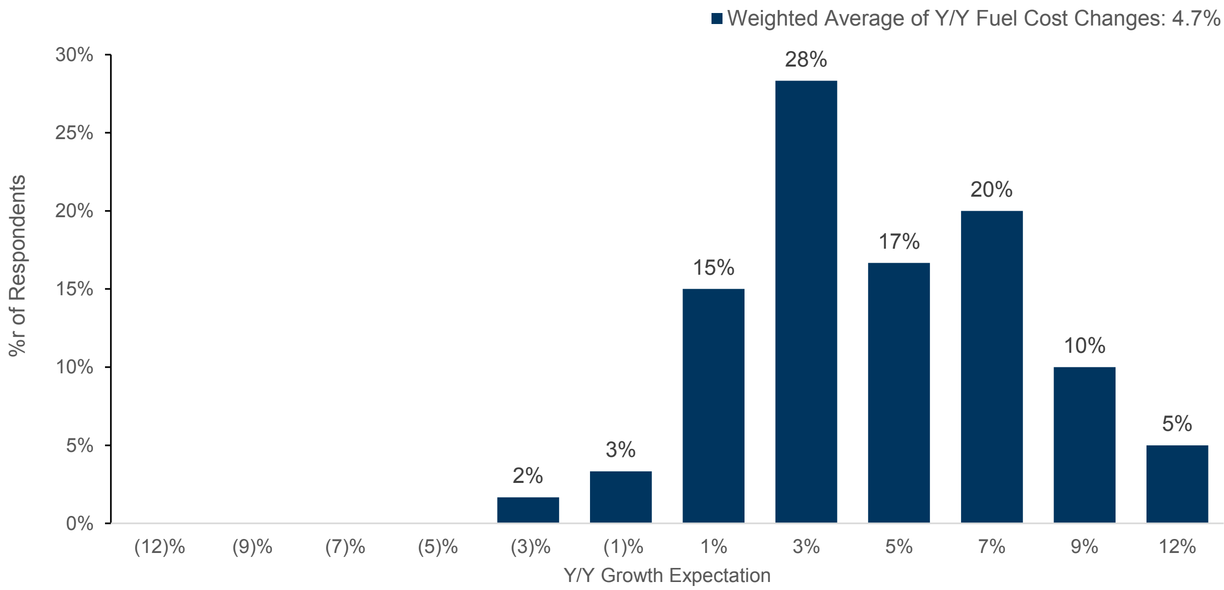


Midpoint of survey ranges highlighted in exhibit

Source: Goldman Sachs Global Investment Research

Fuel costs to increase over near term. In addition to labor cost growth, respondents expect fuel costs to rise over the near-term. Survey participants anticipate fuel costs will increase an average of 4.7% y/y over the next six months, identical to labor cost growth expectations. Fifty-two percent of respondents expect fuel costs to grow north of 5% y/y over the next six months. Survey results diverge from forecast by GS commodity analysts for y/y declines in both WTI and Brent crude oil prices in 3Q and 4Q 2023. Fuel prices were expected to increase the most in hospitality, followed by food & beverage, hospitality and healthcare. At CTAS, fuel costs are not hedged or automatically passed on to customers in the form of fuel surcharges. Instead, rising energy costs are mitigated by unit pricing increases, which involves inherent forecasting risk but carries the benefit of not reversing when energy prices trend lower.

Exhibit 15: ...as are fuel costs over the same time frame
Expectations for fuel cost changes in the next six months



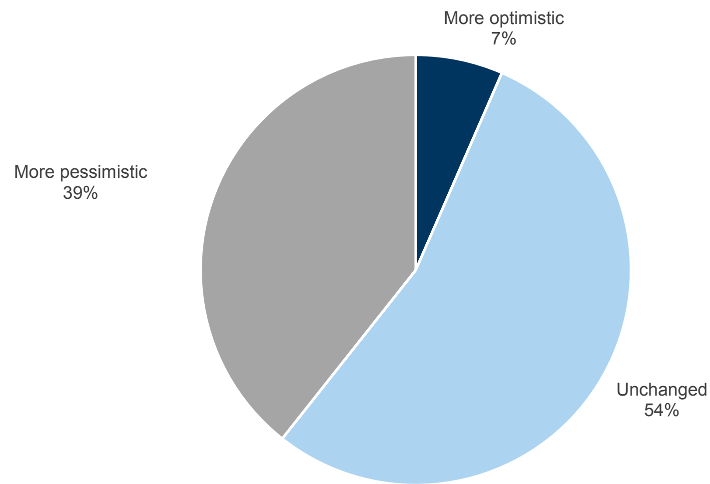
Midpoint of survey ranges highlighted in exhibit

Source: Goldman Sachs Global Investment Research

Macro and Industry Outlook

US macro outlook stable. Survey respondents had a largely stable view of the broader macro environment, with 54% indicating that their outlook for the US economy over the next six months had remained unchanged over the past 90 days and 7% pointing to a more optimistic outlook. Respondents with a focus on healthcare had the most optimistic macro outlook, along with those focused on food & beverage. From a macro perspective, respondents were encouraged by a solid labor market, growth in consumer spending, supply chain improvements and an increase in travel activity. Executives and managers were concerned about labor market tightness, inflation, interest rates, an uncertain macro outlook and a resurgence of COVID. We note that CTAS' F2024 guidance assumes a stable economy with no significant economic disruptions or downturns. Accordingly, survey results pointing to a stable macro outlook reinforce our view that CTAS can deliver on its guidance.

Exhibit 16: Repondents have mostly had a stable outlook for the US economy
Change in the macro outlook over the past 90 days



Source: Goldman Sachs Global Investment Research

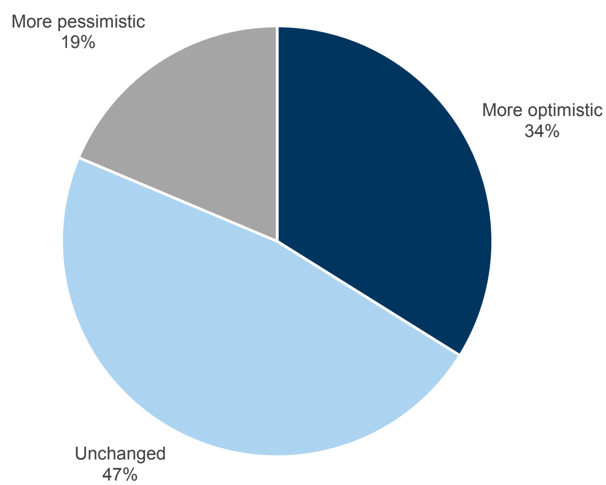
Exhibit 17: Respondents encouraged by the labor market, consumer spending, supply chain improvements and travel activity
What respondents are most positive and negative on with macro trends over the next six months, considerating developments over the past 90 days

Positives	Negatives
Labor market solid. The labor market appears solid with a low unemployment rate and job openings that remain above pre-COVID levels.	**Tight labor market.** The labor market remains tight, making it difficult to recruit employees and scale the business.
Economy growing. The US economy continues to grow and the Fed's interest rate actions have not led to a recession so far.	**Inflation remains elevated.** Despite progress with inflation coming down, it remains well above historical levels, putting strain on customers.
Political visibility. As the next election approaches, visibility should improve on the political landscape and accompanying legislative and regulatory developments.	**Input costs high.** Related to elevated inflation, input costs including energy and payroll are high, dampening profitability.
Consumer spending. Consumer spending is growing, which is contributing to economic growth.	**Interest rate policy.** The Fed's interest rate policy is potentially slowing economic growth too much due to the lagged policy effect, while also raising borrowing costs.
Inflation trends improving. The Fed's interest rate hikes are having the intended effect of bringing down inflation, which is beneficial for input costs and the broader economy.	**Union activity.** Unions are increasing the collective bargaining power of labor, ultimately increasing payroll costs.
Interest rates nearing peak. The Fed's interest rate increases appear to be coming to an end, which should help decelerate growth in the cost of capital.	**Small businesses under pressure.** Small businesses are going out of business, putting pressure on the economy.
Supply chain. Issues around supply chain bottlenecks and material shortages appear to be a thing of the past.	**Recurring pandemic.** COVID cases are rising again in certain regions and putting pressure on economic activity.
Travel activity up. Both business travel and leisure travel are up, contributing to hospitality demand for rental and facility services.	**Economic uncertainty.** It is unclear if the US is entering a recession or is already in one.

Source: Goldman Sachs Global Investment Research

Broader business trends are positive in rental and facility services. Reflecting healthy trends in the uniform & linen rental and facility services industry, survey participants' outlook for business operations over the next six months improved to a greater extent than that of the broader macro environment over the past 90 days. Of those surveyed, 47% noted their outlook for business trends were unchanged while 34% indicated that their outlook was more optimistic. From an end-market perspective, companies with a focus on hospitality demonstrated greater optimism on business trends due to increased travel activity. Positive commentary from survey participants on business trends outnumbered negative commentary by factor of 2-to-1. As it relates to business trends, respondents were positive on new business growth, the pace of cross-sell/upsell, product innovation, healthy pricing increases and improved internal hiring trends. Areas of caution with business trends included competition, input costs, labor shortages, the macro environment and difficulty in raising capital. Results reinforce trends at CTAS, specifically, robust organic revenue growth driven by penetration of the no-programmer market, increased cross-selling to existing customers and pricing gains, with the broader selling environment remaining stable.

Exhibit 18: The outlook for business trends has been stable-to-positive
Change in the business outlook over the past 90 days



Source: Goldman Sachs Global Investment Research

Exhibit 19: Respondents positive on new business, cross-sell/upsell, product innovation, pricing and internal hiring
What respondents are most positive and negative on with business trends over the next six months, considerating developments over the past 90 days

Positives	Negatives
Increased cross-selling. Higher cross-selling activity is lifting overall revenue growth.	**Big 3 competition.** The largest providers of uniform & linen rental and facility services in North America continue to represent strong competition to smaller providers.
Sales headcount growth. Sales headcount is expanding for managers and quota-bearing individuals, driving higher sales activity.	**Input costs.** Input costs, including fuel, equipment repair, transportation, logistics and labor costs, are rising and cutting into profitability.
Labor market loosening. It is becoming easier to hire across the organization due to a loosening labor market.	**Labor shortgage.** While easier to hire than before, labor remains a constraining factor for growth.
End-market recovery. The hospitality, healthcare and food & beverage verticals are recovering nicely.	**Macro environment.** A slowing macro environment and potential recession are negatively impacting growth prospects.
New business trends. Revenues from new customers are experiencing positive growth trends, with RFP activity up.	**Raising capital.** Due to volatile debt markets and a high cost of capital, it is difficult to obtain funding to drive growth.
Pricing increases healthy. Customers are paying more for quality and not pushing back on pricing given the inflationary environment.	
Penetrating the unvended market. Customers are increasingly outsourcing their rental and facility services needs in order to save money.	
Competitive wins. Companies are seeing market share gains from competitors that are underperforming.	
New product innovation. New product launches and subsequent uptake from customers are contributing to revenue growth.	

Source: Goldman Sachs Global Investment Research

Investment Recommendation

CTAS an attractive compounder in Business Services. We believe Cintas is well-positioned to deliver healthy revenue and earnings growth in the current environment, with the company seeing no elongation of sales cycles, consistent retention rates coming above pre-COVID levels, strong pricing power that more than offsets input cost inflation, and effective penetration of the no-programmer market for uniform rentals. We expect organic revenue growth to be healthy in the 7%+ range in F2024, with the healthcare, education and government verticals being particular focus areas for growth. Operating margins should also expand over the next year reflecting benefits from pricing, operating leverage, efficiencies, revenue mix and the recently announced Google technology partnership.

F1Q 2024 preview. We expect CTAS to deliver revenue of $2,166mn in F1Q, representing 7.9% y/y organic revenue growth that comes above the pre-COVID range of 6-7% driven by attractive pricing power and resilient volume growth from both new and existing customers. By segment, we forecast organic revenue growth to be 8% y/y in uniform rentals, 9% in first aid & safety and 6.5% in all other. As in prior quarters, we look for first aid & safety revenue to benefit from strong growth in the first aid cabinet business, which is more recurring in nature and has higher margins. We expect operating margins to expand 20 bps y/y to 20.5% driven by pricing flow-through, operating leverage, efficiency gains and lower energy costs. Our EPS forecast for F1Q is $3.49. We note that CTAS' full year F2024 EPS will be impacted by a higher tax rate of 21.3% compared to 20.4% in F2023, partially mitigated by lower interest expense of approximately $100mn compared to $110mn in F2023 due to lower variable rate debt.

Valuation and Risks

We are raising our 12-month price target from $566 to $592 based on 24.0x (23.0x prior) our NTM +1 YR EBITDA estimate of $2,604mn (unchanged), NTM net debt of $2,102mn and NTM shares outstanding of 102.1mn. We raise our target multiple to reflect our increased conviction in CTAS' revenue growth outlook following results from this survey. Our target multiple represents a premium to the Business Services peer group median of 8.8x to reflect CTAS' stronger organic revenue growth outlook, track record of execution and market share leadership.

Risks to the downside include protracted headwinds from COVID-19, cyclical exposure, acquisition integration risk, energy-related risk and financial leverage.

Exhibit 20: CTAS Earnings Model

$ in thousands, except per share data

	Full Year	Full Year	Full Year	Full Year	Full Year		F2023			Full Year		F2024			Full Year		F2025			Full Year	Full Year
	2018	2019	2020	2021	2022	Aug-22	Nov-22	Feb-23	May-23	2023	Aug-23E	Nov-23E	Feb-24E	May-24E	2024E	Aug-24E	Nov-24E	Feb-25E	May-25E	2025E	2026E
Uniform rental and facility services	5,247,124	5,552,430	5,643,495	5,689,632	6,226,980	1,697,772	1,709,987	1,716,165	1,773,206	6,897,130	1,833,594	1,838,236	1,870,620	1,888,464	7,430,914	1,961,945	1,966,913	2,001,563	2,020,657	7,951,078	8,507,653
Other services	1,229,508	1,339,873	1,441,625	1,426,708	1,627,479	468,682	464,871	473,821	511,265	1,918,639	505,000	499,842	516,040	539,326	2,060,209	545,482	538,763	556,126	581,001	2,221,371	2,399,541
Total revenue	**6,476,632**	**6,892,303**	**7,085,120**	**7,116,340**	**7,854,459**	**2,166,454**	**2,174,858**	**2,189,986**	**2,284,471**	**8,815,769**	**2,338,594**	**2,338,079**	**2,386,660**	**2,427,790**	**9,491,123**	**2,507,428**	**2,505,675**	**2,557,689**	**2,601,657**	**10,172,449**	**10,907,194**
y/y growth	*19.9%*	*6.4%*	*2.8%*	*0.4%*	*10.4%*	*14.2%*	*13.1%*	*11.7%*	*10.1%*	*12.2%*	*7.9%*	*7.5%*	*9.0%*	*6.3%*	*7.7%*	*7.2%*	*7.2%*	*7.2%*	*7.2%*	*7.2%*	*7.2%*
Cost of rental uniforms and ancillary products	2,886,959	3,027,599	3,055,145	2,983,514	3,316,433	890,766	906,727	907,993	926,689	3,632,175	960,194	972,893	987,842	985,035	3,905,964	1,025,445	1,039,029	1,054,989	1,051,967	4,171,430	4,454,923
Costs of other services	681,150	736,116	796,227	818,175	905,780	247,576	245,684	247,962	269,004	1,010,226	266,114	263,430	268,820	283,139	1,081,502	286,718	283,191	288,900	304,198	1,163,006	1,253,157
Adjusted gross profit	**2,908,523**	**3,128,588**	**3,233,748**	**3,314,651**	**3,632,246**	**1,028,112**	**1,022,447**	**1,034,031**	**1,088,778**	**4,173,368**	**1,112,286**	**1,101,755**	**1,129,999**	**1,159,616**	**4,503,657**	**1,195,265**	**1,183,455**	**1,213,800**	**1,245,493**	**4,838,013**	**5,199,115**
% margin	*44.9%*	*45.4%*	*45.6%*	*46.6%*	*46.2%*	*47.5%*	*47.0%*	*47.2%*	*47.7%*	*47.3%*	*47.6%*	*47.1%*	*47.3%*	*47.8%*	*47.5%*	*47.7%*	*47.2%*	*47.5%*	*47.9%*	*47.6%*	*47.7%*
Selling and administrative expenses	1,876,792	1,980,644	2,071,052	1,929,159	2,087,205	587,992	577,513	587,219	617,980	2,370,704	632,389	618,548	635,505	654,179	2,540,620	675,820	660,573	678,703	698,669	2,713,765	2,899,951
Adjusted operating income	**1,031,731**	**1,147,944**	**1,162,696**	**1,385,492**	**1,545,041**	**440,120**	**444,934**	**446,812**	**470,798**	**1,802,664**	**479,898**	**483,207**	**494,494**	**505,438**	**1,963,037**	**519,445**	**522,882**	**535,097**	**546,824**	**2,124,248**	**2,299,164**
% margin	*15.9%*	*16.7%*	*16.4%*	*19.5%*	*19.7%*	*20.3%*	*20.5%*	*20.4%*	*20.6%*	*20.4%*	*20.5%*	*20.7%*	*20.7%*	*20.8%*	*20.7%*	*20.7%*	*20.9%*	*20.9%*	*21.0%*	*20.9%*	*21.1%*
Plus: Depreciation and amortization	279,416	360,093	379,053	387,951	399,701	100,046	101,208	102,828	105,080	409,162	109,914	109,890	112,173	114,106	446,083	117,849	117,767	120,211	122,278	478,105	512,638
Adjusted EBITDA (includes interest income)	**1,312,489**	**1,509,265**	**1,542,737**	**1,773,910**	**1,944,984**	**540,321**	**546,486**	**550,013**	**576,722**	**2,213,542**	**590,162**	**593,447**	**607,017**	**619,894**	**2,410,520**	**637,619**	**640,974**	**655,633**	**669,427**	**2,603,653**	**2,813,002**
% margin	*20.3%*	*21.9%*	*21.8%*	*24.9%*	*24.8%*	*24.9%*	*25.1%*	*25.1%*	*25.2%*	*25.1%*	*25.2%*	*25.4%*	*25.4%*	*25.5%*	*25.4%*	*25.4%*	*25.6%*	*25.6%*	*25.7%*	*25.6%*	*25.8%*
Interest income	(1,342)	(1,228)	(988)	(467)	(242)	(155)	(344)	(373)	(844)	(1,716)	(350)	(350)	(350)	(350)	(1,400)	(325)	(325)	(325)	(325)	(1,300)	(1,200)
Interest expense	110,175	101,736	105,393	98,210	88,844	27,720	28,920	28,819	25,773	111,232	25,217	24,730	25,217	24,242	99,407	24,242	24,242	24,242	24,242	96,970	94,483
Income before income taxes	922,898	1,047,436	1,058,291	1,287,749	1,456,439	412,555	416,358	418,366	445,869	1,693,148	455,030	458,828	469,627	481,545	1,865,030	495,528	498,965	511,179	522,906	2,028,578	2,205,881
Income taxes	258,214	205,168	181,931	176,781	260,892	60,866	92,065	92,539	99,668	345,138	95,556	96,354	100,970	103,532	396,412	101,583	102,288	104,792	107,196	415,858	441,176
Tax rate	*28.0%*	*19.6%*	*17.2%*	*13.7%*	*17.9%*	*14.8%*	*22.1%*	*22.1%*	*22.4%*	*20.4%*	*21.0%*	*21.0%*	*21.5%*	*21.5%*	*21.3%*	*20.5%*	*20.5%*	*20.5%*	*20.5%*	*20.5%*	*20.0%*
Adjusted net income	**664,684**	**842,268**	**876,360**	**1,110,968**	**1,195,547**	**351,689**	**324,293**	**325,827**	**346,201**	**1,348,010**	**359,474**	**362,474**	**368,657**	**378,013**	**1,468,618**	**393,944**	**396,677**	**406,387**	**415,710**	**1,612,719**	**1,764,705**
One-time items (after-tax)																					
Restructuring charge/gains on investments	0	(51,641)	0	0	(39,686)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
G&K transaction expenses	28,001	11,273	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Impact of ASU 2016-09, 2017 Tax Cuts and Jobs Act	(174,187)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
One-time cash payments to employees	26,938	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net income from continuing operations	**783,932**	**882,635**	**876,360**	**1,110,968**	**1,235,233**	**351,689**	**324,293**	**325,827**	**346,201**	**1,348,010**	**359,474**	**362,474**	**368,657**	**378,013**	**1,468,618**	**393,944**	**396,677**	**406,387**	**415,710**	**1,612,719**	**1,764,705**
(Loss) income from discontinued operations	58,654	2,346	(323)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
GAAP net income	**842,586**	**884,981**	**876,037**	**1,110,968**	**1,235,233**	**351,689**	**324,293**	**325,827**	**346,201**	**1,348,010**	**359,474**	**362,474**	**368,657**	**378,013**	**1,468,618**	**393,944**	**396,677**	**406,387**	**415,710**	**1,612,719**	**1,764,705**
Income allocated to participating securities (IAPS) - Cont ops	13,527	12,300	8,475	8,205	5,657	1,377	1,863	1,094	1,819	6,153	1,797	1,812	1,843	1,890	7,343	1,970	1,983	2,032	2,079	8,064	8,824
IAPS as a % of adjusted net income	*2.0%*	*1.5%*	*1.0%*	*0.7%*	*0.5%*	*0.4%*	*0.6%*	*0.3%*	*0.5%*	*0.5%*	*0.5%*	*0.5%*	*0.5%*	*0.5%*	*0.5%*	*0.5%*	*0.5%*	*0.5%*	*0.5%*	*0.5%*	*0.5%*
Income allocated to participating securities (IAPS) - GAAP	13,527	12,300	8,475	8,205	5,657	1,377	1,863	1,094	1,819	6,153	1,797	1,812	1,843	1,890	7,343	1,970	1,983	2,032	2,079	8,064	8,824
IAPS as a % of GAAP net income	*1.6%*	*1.4%*	*1.0%*	*0.7%*	*0.5%*	*0.4%*	*0.6%*	*0.3%*	*0.5%*	*0.5%*	*0.5%*	*0.5%*	*0.5%*	*0.5%*	*0.5%*	*0.5%*	*0.5%*	*0.5%*	*0.5%*	*0.5%*	*0.5%*
Adjusted net income from continuing operations less IAPS	**651,157**	**829,967**	**867,885**	**1,102,763**	**1,189,890**	**350,312**	**322,430**	**324,733**	**344,382**	**1,341,857**	**357,677**	**360,661**	**366,814**	**376,123**	**1,461,274**	**391,975**	**394,694**	**404,356**	**413,632**	**1,604,656**	**1,755,881**
Net income from continuing operations less IAPS	770,405	870,335	867,885	1,102,763	1,229,576	350,312	322,430	324,733	344,382	1,341,857	357,677	360,661	366,814	376,123	1,461,274	391,975	394,694	404,356	413,632	1,604,656	1,755,881
GAAP net income less IAPS	829,059	872,681	867,562	1,102,763	1,229,576	350,312	322,430	324,733	344,382	1,341,857	357,677	360,661	366,814	376,123	1,461,274	391,975	394,694	404,356	413,632	1,604,656	1,755,881
Adjusted diluted EPS	**$5.93**	**$7.60**	**$8.10**	**$10.24**	**$11.28**	**$3.39**	**$3.12**	**$3.14**	**$3.33**	**$12.98**	**$3.49**	**$3.52**	**$3.59**	**$3.69**	**$14.29**	**$3.88**	**$3.91**	**$4.01**	**$4.11**	**$15.90**	**$17.64**
y/y growth	*27.5%*	*28.1%*	*6.6%*	*26.4%*	*10.1%*	*12.3%*	*13.0%*	*16.9%*	*18.5%*	*15.1%*	*3.0%*	*13.0%*	*14.3%*	*10.7%*	*10.1%*	*11.1%*	*10.9%*	*11.7%*	*11.4%*	*11.3%*	*10.9%*
EPS from continuing operations	$7.01	$7.97	$8.10	$10.24	$11.65	$3.39	$3.12	$3.14	$3.33	$12.98	$3.49	$3.52	$3.59	$3.69	$14.29	$3.88	$3.91	$4.01	$4.11	$15.90	$17.64
GAAP net income less IAPS	$7.55	$7.99	$8.10	$10.24	$11.65	$3.39	$3.12	$3.14	$3.33	$12.98	$3.49	$3.52	$3.59	$3.69	$14.29	$3.88	$3.91	$4.01	$4.11	$15.90	$17.64
Diluted average shares outstanding	109,810	109,495	107,012	107,708	105,534	103,337	103,343	103,418	103,418	103,379	102,471	102,337	102,203	102,068	102,270	101,121	100,987	100,853	100,719	100,920	99,570

Source: Company data, Goldman Sachs Global Investment Research

Exhibit 21: CTAS Segment Drivers
$ in thousands

	Full Year	Full Year	Full Year	Full Year	Full Year	F2023				Full Year	F2024				Full Year	F2025				Full Year	Full Year
	2018	2019	2020	2021	2022	Aug-22	Nov-22	Feb-23	May-23	2023	Aug-23E	Nov-23E	Feb-24E	May-24E	2024E	Aug-24E	Nov-24E	Feb-25E	May-25E	2025E	2026E
Revenue																					
Uniform Rental and Facility Services	5,247,124	5,552,430	5,643,495	5,689,632	6,226,980	1,697,772	1,709,987	1,716,165	1,773,206	6,897,130	1,833,594	1,838,236	1,870,620	1,888,464	7,430,914	1,961,945	1,966,913	2,001,563	2,020,657	7,951,078	8,507,653
First Aid and Safety Services	564,706	619,470	708,568	784,291	832,458	234,161	235,974	231,605	249,756	951,496	255,235	257,212	261,714	264,741	1,038,902	279,483	280,361	285,268	288,568	1,133,680	1,235,711
All Other	664,802	720,403	733,057	642,417	795,021	234,521	228,897	242,216	261,509	967,143	249,765	242,631	254,327	274,584	1,021,307	266,000	258,402	270,858	292,432	1,087,692	1,163,830
First Aid and Safety Services & Other	1,229,508	1,339,873	1,441,625	1,426,708	1,627,479	468,682	464,871	473,821	511,265	1,918,639	505,000	499,842	516,040	539,326	2,060,209	545,482	538,763	556,126	581,001	2,221,371	2,399,541
Total revenue	**6,476,632**	**6,892,303**	**7,085,120**	**7,116,340**	**7,854,459**	**2,166,454**	**2,174,858**	**2,189,986**	**2,284,471**	**8,815,769**	**2,338,594**	**2,338,079**	**2,386,660**	**2,427,790**	**9,491,123**	**2,507,428**	**2,505,675**	**2,557,689**	**2,601,657**	**10,172,449**	**10,907,194**
Revenue y/y growth:																					
Uniform Rental and Facility Services	24.4%	5.8%	1.6%	0.8%	9.4%	12.6%	11.4%	10.5%	8.8%	10.8%	8.0%	7.5%	9.0%	6.5%	7.7%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%
First Aid and Safety Services	11.1%	9.7%	14.4%	10.7%	6.1%	17.6%	16.7%	8.8%	14.4%	14.3%	9.0%	9.0%	13.0%	6.0%	9.2%	9.5%	9.0%	9.0%	9.0%	9.1%	9.0%
All Other	(1.6%)	8.4%	1.8%	(12.4%)	23.8%	23.7%	23.8%	24.7%	15.6%	21.6%	6.5%	6.0%	5.0%	5.0%	5.6%	6.5%	6.5%	6.5%	6.5%	6.5%	7.0%
First Aid and Safety Services & Other	3.9%	9.0%	7.6%	(1.0%)	14.1%	20.6%	20.1%	16.4%	15.0%	17.9%	7.7%	7.5%	8.9%	5.5%	7.4%	8.0%	7.8%	7.8%	7.7%	7.8%	8.0%
Total revenue growth	**19.9%**	**6.4%**	**2.8%**	**0.4%**	**10.4%**	**14.2%**	**13.1%**	**11.7%**	**10.1%**	**12.2%**	**7.9%**	**7.5%**	**9.0%**	**6.3%**	**7.7%**	**7.2%**	**7.2%**	**7.2%**	**7.2%**	**7.2%**	**7.2%**
Uniform Rental and Facility Services	6.7%	6.1%	2.0%	0.8%	9.0%	12.3%	11.3%	10.8%	9.1%	10.8%	8.0%	7.5%	7.4%	6.5%	7.3%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%
First Aid and Safety Services	10.5%	9.6%	14.8%	10.0%	5.0%	15.8%	15.1%	7.8%	14.1%	13.1%	9.0%	9.0%	11.4%	6.0%	8.8%	9.5%	9.0%	9.0%	9.0%	9.1%	9.0%
All Other	7.2%	6.3%	1.1%	(12.8%)	23.8%	23.7%	23.8%	24.7%	15.6%	21.6%	6.5%	6.0%	3.4%	5.0%	5.2%	6.5%	6.5%	6.5%	6.5%	6.5%	7.0%
Fire Protection Services			3.0%	4.1%	17.1%	17.4%	18.0%	20.7%	17.3%	18.3%											
Uniform Direct Sales			(0.6%)	(33.5%)	54.4%	44.1%	33.9%	32.0%	11.5%	29.7%											
Total organic revenue growth, same day	**7.1%**	**6.5%**	**3.1%**	**0.2%**	**10.2%**	**13.9%**	**12.8%**	**11.8%**	**10.3%**	**12.2%**	**7.9%**	**7.5%**	**7.4%**	**6.3%**	**7.3%**	**7.2%**	**7.2%**	**7.2%**	**7.2%**	**7.2%**	**7.2%**
Workdays in period		261	260	261	261	66	65	64	66	261	66	65	65	66	262						
y/y change			(1)	1	0	0	0	0	0	0	0	0	1	0	1						
Gross Profit																					
Uniform Rental and Facility Services	2,360,165	2,524,831	2,588,350	2,706,118	2,910,547	807,006	803,260	808,172	846,517	3,264,955	873,400	865,343	882,778	903,429	3,524,950	936,500	927,884	946,574	968,690	3,779,648	4,052,731
First Aid and Safety Services	265,785	297,074	338,660	332,336	372,193	116,137	119,153	119,408	127,390	482,088	126,845	130,134	135,193	135,298	527,469	139,174	142,126	147,645	147,764	576,710	629,849
All Other	282,573	306,683	306,738	276,197	349,506	104,969	100,034	106,451	114,871	426,325	112,042	106,279	112,028	120,889	451,237	119,590	113,445	119,581	129,039	481,656	516,535
First Aid and Safety Services & Other	548,358	603,757	645,398	608,533	721,699	221,106	219,187	225,859	242,261	908,413	238,886	236,413	247,221	256,187	978,707	258,765	255,572	267,226	276,803	1,058,365	1,146,384
Total gross profit	**2,908,523**	**3,128,588**	**3,233,748**	**3,314,651**	**3,632,246**	**1,028,112**	**1,022,447**	**1,034,031**	**1,088,778**	**4,173,368**	**1,112,286**	**1,101,755**	**1,129,999**	**1,159,616**	**4,503,657**	**1,195,265**	**1,183,455**	**1,213,800**	**1,245,493**	**4,838,013**	**5,199,115**
Gross margin %:																					
Uniform Rental and Facility Services	45.0%	45.5%	45.9%	47.6%	46.7%	47.5%	47.0%	47.1%	47.7%	47.3%	47.6%	47.1%	47.2%	47.8%	47.4%	47.7%	47.2%	47.3%	47.9%	47.5%	47.6%
First Aid and Safety Services	47.1%	48.0%	47.8%	42.4%	44.7%	49.6%	50.5%	51.6%	51.0%	50.7%	49.7%	50.6%	51.7%	51.1%	50.8%	49.8%	50.7%	51.8%	51.2%	50.9%	51.0%
All Other	42.5%	42.6%	41.8%	43.0%	44.0%	44.8%	43.7%	43.9%	43.9%	44.1%	44.9%	43.8%	44.0%	44.0%	44.2%	45.0%	43.9%	44.1%	44.1%	44.3%	44.4%
First Aid and Safety Services & Other	44.6%	45.1%	44.8%	42.7%	44.3%	47.2%	47.2%	47.7%	47.4%	47.3%	47.3%	47.3%	47.9%	47.5%	47.5%	47.4%	47.4%	48.1%	47.6%	47.6%	47.8%
Discontinued: Document Management																					
Total gross margin %	**44.9%**	**45.4%**	**45.6%**	**46.6%**	**46.2%**	**47.5%**	**47.0%**	**47.2%**	**47.7%**	**47.3%**	**47.6%**	**47.1%**	**47.3%**	**47.8%**	**47.5%**	**47.7%**	**47.2%**	**47.5%**	**47.9%**	**47.6%**	**47.7%**
Selling and Administrative																					
Uniform Rental and Facility Services	1,471,396	1,533,711	1,583,791	1,480,278	1,557,057	442,235	434,165	448,177	461,621	1,786,198	475,780	464,889	484,772	489,738	1,915,179	507,123	495,464	516,704	521,999	2,041,290	2,175,673
First Aid and Safety Services	185,771	206,990	231,769	251,153	265,430	75,291	73,658	72,137	80,312	301,398	81,812	80,030	80,991	84,866	327,699	89,305	86,952	87,995	92,215	356,468	387,314
All Other	219,624	239,943	255,492	197,728	222,389	70,466	69,690	66,905	76,047	283,108	74,797	73,629	69,742	79,575	297,742	79,392	78,156	74,004	84,455	316,007	336,964
First Aid and Safety Services & Other	405,396	446,933	487,261	448,881	487,819	145,757	143,348	139,042	156,359	584,506	156,608	153,659	150,733	164,441	625,441	168,697	165,109	161,999	176,670	672,475	724,278
Total selling and administrative	**1,876,792**	**1,980,644**	**2,071,052**	**1,929,159**	**2,044,876**	**587,992**	**577,513**	**587,219**	**617,980**	**2,370,704**	**632,389**	**618,548**	**635,505**	**654,179**	**2,540,620**	**675,820**	**660,573**	**678,703**	**698,669**	**2,713,765**	**2,899,951**
S&A % sales:																					
Uniform Rental and Facility Services	28.0%	27.6%	28.1%	26.0%	25.0%	26.0%	25.4%	26.1%	26.0%	25.9%	25.9%	25.3%	25.9%	25.9%	25.8%	25.8%	25.2%	25.8%	25.8%	25.7%	25.6%
First Aid and Safety Services	32.9%	33.4%	32.7%	32.0%	31.9%	32.2%	31.2%	31.1%	32.2%	31.7%	32.1%	31.1%	30.9%	32.1%	31.5%	32.0%	31.0%	30.8%	32.0%	31.4%	31.3%
All Other	33.0%	33.3%	34.9%	30.8%	28.0%	30.0%	30.4%	27.6%	29.1%	29.3%	29.9%	30.3%	27.4%	29.0%	29.2%	29.8%	30.2%	27.3%	28.9%	29.1%	29.0%
First Aid and Safety Services & Other	33.0%	33.4%	33.8%	31.5%	30.0%	31.1%	30.8%	29.3%	30.6%	30.5%	31.0%	30.7%	29.2%	30.5%	30.4%	30.9%	30.6%	29.1%	30.4%	30.3%	30.2%
Total S&A % sales	**29.0%**	**28.7%**	**29.2%**	**27.1%**	**26.0%**	**27.1%**	**26.6%**	**26.8%**	**27.1%**	**26.9%**	**27.0%**	**26.5%**	**26.6%**	**26.9%**	**26.8%**	**27.0%**	**26.4%**	**26.5%**	**26.9%**	**26.7%**	**26.6%**
Operating Income																					
Uniform Rental and Facility Services	888,769	991,120	1,004,559	1,225,840	1,353,490	364,771	369,095	359,995	384,896	1,478,757	397,620	400,454	398,006	413,691	1,609,771	429,377	432,419	429,870	446,691	1,738,357	1,877,057
First Aid and Safety Services	80,014	90,084	106,891	81,183	106,763	40,846	45,495	47,271	47,078	180,690	45,033	50,104	54,201	50,432	199,770	49,870	55,174	59,650	55,548	220,242	242,535
All Other	62,949	66,740	51,246	78,469	127,117	34,503	30,344	39,546	38,824	143,217	37,245	32,650	42,286	41,314	153,496	40,198	35,289	45,577	44,585	165,648	179,571
First Aid and Safety Services & Other	142,962	156,824	158,137	159,652	233,880	75,349	75,839	86,817	85,902	323,907	82,278	82,754	96,488	91,747	353,266	90,068	90,463	105,227	100,133	385,890	422,107
Total operating income	**1,031,731**	**1,147,944**	**1,162,696**	**1,385,492**	**1,587,370**	**440,120**	**444,934**	**446,812**	**470,798**	**1,802,664**	**479,898**	**483,207**	**494,494**	**505,438**	**1,963,037**	**519,445**	**522,882**	**535,097**	**546,824**	**2,124,248**	**2,299,164**
Operating margin %:																					
Uniform Rental and Facility Services	16.9%	17.9%	17.8%	21.5%	21.7%	21.5%	21.6%	21.0%	21.7%	21.4%	21.7%	21.8%	21.3%	21.9%	21.7%	21.9%	22.0%	21.5%	22.1%	21.9%	22.1%
First Aid and Safety Services	14.2%	14.5%	15.1%	10.4%	12.8%	17.4%	19.3%	20.4%	18.8%	19.0%	17.6%	19.5%	20.7%	19.0%	19.2%	17.8%	19.7%	20.9%	19.2%	19.4%	19.6%
All Other	9.5%	9.3%	7.0%	12.2%	16.0%	14.7%	13.3%	16.3%	14.8%	14.8%	14.9%	13.5%	16.6%	15.0%	15.0%	15.1%	13.7%	16.8%	15.2%	15.2%	15.4%
First Aid and Safety Services & Other	11.6%	11.7%	11.0%	11.2%	14.4%	16.1%	16.3%	18.3%	16.8%	16.9%	16.3%	16.6%	18.7%	17.0%	17.1%	16.5%	16.8%	18.9%	17.2%	17.4%	17.6%
Total operating margin %	**15.9%**	**16.7%**	**16.4%**	**19.5%**	**20.2%**	**20.3%**	**20.5%**	**20.4%**	**20.6%**	**20.4%**	**20.5%**	**20.7%**	**20.7%**	**20.8%**	**20.7%**	**20.7%**	**20.9%**	**20.9%**	**21.0%**	**20.9%**	**21.1%**
FX calculations																					
CAD/USD	0.787	0.756	0.747	0.773	0.793	0.776	0.738	0.742	0.739	0.749	0.753	0.754	0.761	0.767	0.758	0.771	0.769	0.766	0.771	0.769	0.769
y/y change	*4.0%*	*(3.9%)*	*(1.3%)*	*3.6%*	*2.6%*	*(3.4%)*	*(7.3%)*	*(5.7%)*	*(6.0%)*	*(5.6%)*	*(3.0%)*	*2.2%*	*2.6%*	*3.7%*	*1.3%*	*2.3%*	*2.1%*	*0.7%*	*0.5%*	*1.4%*	*0.0%*
Calculated FX impact on revenue	**0.6%**	**(0.6%)**	**(0.2%)**	**0.5%**	**0.4%**	**(0.5%)**	**(1.1%)**	**(0.8%)**	**(0.9%)**	**(0.8%)**	**(0.4%)**	**0.3%**	**0.4%**	**0.5%**	**0.2%**	**0.3%**	**0.3%**	**0.1%**	**0.1%**	**0.2%**	**0.0%**
Implied CC revenue growth	19.3%	7.0%	3.0%	(0.1%)	10.0%	14.7%	14.2%	12.5%	11.0%	13.1%	8.4%	7.2%	8.6%	5.7%	7.5%	6.9%	6.9%	7.1%	7.1%	7.0%	7.2%

Source: Company data, Goldman Sachs Global Investment Research

Exhibit 22: CTAS Balance Sheet

$ in thousands

	Full Year 2018	Full Year 2019	Full Year 2020	Full Year 2021	Full Year 2022	F2023 Aug-22	F2023 Nov-22	F2023 Feb-23	F2023 May-23	Full Year 2023
Assets										
Cash and cash equivalents	138,724	96,645	145,402	493,640	90,471	74,558	89,799	88,563	124,149	124,149
Marketable securities	0	0	0	0	0	0	0	0	0	0
Accounts receivable, net of allowance for bad debts	804,583	910,120	870,369	901,710	1,006,220	1,082,783	1,135,833	1,133,096	1,152,993	1,152,993
Inventories, net	280,347	334,589	408,898	481,797	472,150	473,888	514,839	531,270	506,604	506,604
Uniforms and other rental items in service	702,261	784,133	770,411	810,104	916,706	953,717	986,505	999,029	1,011,918	1,011,918
Income taxes, current	19,634	7,475	0	22,282	21,708	0	13,657	2,990	0	0
Prepaid expenses and other	32,383	103,318	114,619	133,776	124,728	162,844	152,537	155,208	142,795	142,795
Assets held for sale	0	0	0	0	0	0	0	0	0	0
Total current assets	**1,977,932**	**2,236,280**	**2,309,699**	**2,843,309**	**2,631,983**	**2,747,790**	**2,893,170**	**2,910,156**	**2,938,459**	**2,938,459**
Property and equipment, net	1,382,730	1,430,685	1,403,065	1,318,438	1,323,673	1,329,131	1,340,658	1,358,181	1,396,476	1,396,476
Goodwill	2,846,888	2,842,441	2,870,020	2,913,069	3,042,976	3,037,278	3,037,506	3,043,578	3,056,201	3,056,201
Service contracts, net	545,768	494,595	451,529	408,445	391,638	379,379	367,612	357,146	346,574	346,574
Operating lease right-of-use asset	0	0	159,967	168,532	170,003	174,697	176,276	178,524	178,464	178,464
Investments	175,581	192,346	214,847	274,616	242,873	239,335	243,574	241,796	247,191	247,191
Other assets, net	29,315	240,315	260,758	310,414	344,110	353,416	368,211	376,620	382,991	382,991
Total assets	**6,958,214**	**7,436,662**	**7,669,885**	**8,236,823**	**8,147,256**	**8,261,026**	**8,427,007**	**8,466,001**	**8,546,356**	**8,546,356**
Liabilities										
Accounts payable	215,074	226,020	230,995	230,786	251,504	292,321	310,986	281,649	302,292	302,292
Accrued compensation and related liabilities	140,654	155,509	127,417	241,469	236,992	176,865	208,342	203,726	239,086	239,086
Accrued liabilities	420,129	433,940	456,653	518,910	588,948	543,566	556,211	610,863	632,504	632,504
Income taxes, current	0	0	27,099	0	0	35,783	0	0	12,470	12,470
Operating lease liabilities, current	0	0	43,031	43,850	43,872	43,539	42,792	42,970	43,710	43,710
Liabilities held for sale	0	0	0	0	0	0	0	0	0	0
Long-term debt, current portion	0	312,264	0	899,070	311,574	507,467	435,406	249,053	0	0
Total current liabilities	**775,857**	**1,127,733**	**885,195**	**1,934,085**	**1,432,890**	**1,599,541**	**1,553,737**	**1,388,261**	**1,230,062**	**1,230,062**
Long-term debt, ex current portion	2,535,309	2,537,507	2,539,705	1,642,833	2,483,932	2,484,602	2,485,277	2,485,952	2,486,405	2,486,405
Deferred income taxes	352,581	438,179	388,579	386,647	473,777	487,755	493,379	496,778	498,356	498,356
Operating lease liabilties	0	0	122,695	130,774	129,064	134,010	136,520	139,107	138,278	138,278
Accrued liabilities	277,941	330,522	498,509	454,637	319,397	325,492	327,556	322,647	329,269	329,269
Total liabilities	**3,941,688**	**4,433,941**	**4,434,683**	**4,548,976**	**4,839,060**	**5,031,400**	**4,996,469**	**4,832,745**	**4,682,370**	**4,682,370**
Equity										
Common stock, no par value	618,464	840,328	1,102,689	1,417,343	1,771,917	1,878,837	1,933,145	1,981,610	2,031,542	2,031,542
Paid-in capital	245,211	227,928	171,521	98,859	0	0	0	0	0	0
Retained earnings	5,837,827	6,691,236	7,296,509	7,877,015	8,719,163	8,953,391	9,160,346	9,368,678	9,597,315	9,597,315
Treasury stock	(3,701,319)	(4,717,619)	(5,182,137)	(5,736,258)	(7,290,801)	(7,690,726)	(7,747,049)	(7,793,136)	(7,842,649)	(7,842,649)
Accumulated other comprehensive income	16,343	(39,152)	(153,380)	30,888	107,917	88,124	84,096	76,104	77,778	77,778
Total shareholders' equity	**3,016,526**	**3,002,721**	**3,235,202**	**3,687,847**	**3,308,196**	**3,229,626**	**3,430,538**	**3,633,256**	**3,863,986**	**3,863,986**
Total liabilities and shareholders' equity	**6,958,214**	**7,436,662**	**7,669,885**	**8,236,823**	**8,147,256**	**8,261,026**	**8,427,007**	**8,466,001**	**8,546,356**	**8,546,356**
Total debt (ex. leases)	2,535,309	2,849,771	2,539,705	2,541,903	2,795,506	2,992,069	2,920,683	2,735,005	2,486,405	2,486,405
Total debt / LTM EBITDA	1.9x	1.9x	1.6x	1.4x	1.4x	1.5x	1.4x	1.3x	1.1x	1.1x
Net debt (ex. leases)	2,396,585	2,753,126	2,394,303	2,048,263	2,705,035	2,917,511	2,830,884	2,646,442	2,362,256	2,362,256
Net debt / LTM EBITDA	1.8x	1.8x	1.6x	1.2x	1.4x	1.5x	1.4x	1.2x	1.1x	1.1x
Effective interest rate	3.9%	3.8%	3.8%	3.9%	3.4%	3.8%	3.9%	4.1%	3.9%	3.9%
Accounts receivable days	45	48	44	46	46	45	47	47	45	47
Accounts payable days	22	22	22	22	21	23	24	22	23	23

	F2024 Aug-23E	F2024 Nov-23E	F2024 Feb-24E	F2024 May-24E	Full Year 2024E	F2025 Aug-24E	F2025 Nov-24E	F2025 Feb-25E	F2025 May-25E	Full Year 2025E	Full Year 2026E
Assets											
Cash and cash equivalents	90,644	128,894	168,194	384,020	384,020	177,481	349,350	525,097	782,083	782,083	1,347,635
Marketable securities	0	0	0	0	0	0	0	0	0	0	0
Accounts receivable, net of allowance for bad debts	1,168,818	1,221,076	1,234,855	1,225,327	1,225,327	1,253,200	1,308,604	1,323,345	1,313,080	1,313,080	1,407,908
Inventories, net	506,604	506,604	506,604	506,604	506,604	506,604	506,604	506,604	506,604	506,604	506,604
Uniforms and other rental items in service	1,026,918	1,041,918	1,056,918	1,071,918	1,071,918	1,086,918	1,101,918	1,116,918	1,131,918	1,131,918	1,191,918
Income taxes, current	0	0	0	0	0	0	0	0	0	0	0
Prepaid expenses and other	152,795	162,795	172,795	182,795	182,795	192,795	202,795	212,795	222,795	222,795	262,795
Assets held for sale	0	0	0	0	0	0	0	0	0	0	0
Total current assets	**2,945,779**	**3,061,287**	**3,139,366**	**3,370,664**	**3,370,664**	**3,216,998**	**3,469,271**	**3,684,759**	**3,956,480**	**3,956,480**	**4,716,861**
Property and equipment, net	1,413,318	1,430,176	1,445,576	1,459,742	1,459,742	1,479,519	1,499,349	1,517,619	1,534,569	1,534,569	1,607,353
Goodwill	3,056,201	3,056,201	3,056,201	3,056,201	3,056,201	3,056,201	3,056,201	3,056,201	3,056,201	3,056,201	3,056,201
Service contracts, net	346,574	346,574	346,574	346,574	346,574	346,574	346,574	346,574	346,574	346,574	346,574
Operating lease right-of-use asset	178,464	178,464	178,464	178,464	178,464	178,464	178,464	178,464	178,464	178,464	178,464
Investments	247,191	247,191	247,191	247,191	247,191	247,191	247,191	247,191	247,191	247,191	247,191
Other assets, net	382,991	382,991	382,991	382,991	382,991	382,991	382,991	382,991	382,991	382,991	382,991
Total assets	**8,570,518**	**8,702,884**	**8,796,363**	**9,041,828**	**9,041,828**	**8,907,939**	**9,180,041**	**9,413,798**	**9,702,470**	**9,702,470**	**10,535,635**
Liabilities											
Accounts payable	328,536	347,367	320,149	334,707	334,707	351,537	371,501	342,371	357,931	357,931	382,993
Accrued compensation and related liabilities	236,586	234,086	231,586	229,086	229,086	226,586	224,086	221,586	219,086	219,086	209,086
Accrued liabilities	630,004	627,504	625,004	622,504	622,504	620,004	617,504	615,004	612,504	612,504	602,504
Income taxes, current	0	0	0	0	0	0	0	0	0	0	0
Operating lease liabilities, current	43,710	43,710	43,710	43,710	43,710	43,710	43,710	43,710	43,710	43,710	43,710
Liabilities held for sale	0	0	0	0	0	0	0	0	0	0	0
Long-term debt, current portion	200,000	100,000	0	0	0	0	0	0	0	0	0
Total current liabilities	**1,438,836**	**1,352,667**	**1,220,449**	**1,230,007**	**1,230,007**	**1,241,837**	**1,256,801**	**1,222,671**	**1,233,231**	**1,233,231**	**1,238,293**
Long-term debt, ex current portion	2,486,405	2,486,405	2,486,405	2,486,405	2,486,405	2,486,405	2,486,405	2,486,405	2,486,405	2,486,405	2,486,405
Deferred income taxes	498,356	498,356	498,356	498,356	498,356	498,356	498,356	498,356	498,356	498,356	498,356
Operating lease liabilties	138,278	138,278	138,278	138,278	138,278	138,278	138,278	138,278	138,278	138,278	138,278
Accrued liabilities	329,269	329,269	329,269	329,269	329,269	329,269	329,269	329,269	329,269	329,269	329,269
Total liabilities	**4,891,144**	**4,804,975**	**4,672,757**	**4,682,315**	**4,682,315**	**4,694,145**	**4,709,109**	**4,674,979**	**4,685,539**	**4,685,539**	**4,690,601**
Equity											
Common stock, no par value	2,031,542	2,031,542	2,031,542	2,031,542	2,031,542	2,031,542	2,031,542	2,031,542	2,031,542	2,031,542	2,031,542
Paid-in capital	73,756	147,503	222,077	297,349	297,349	373,975	450,572	528,053	606,281	606,281	927,703
Retained earnings	9,838,947	10,083,734	10,334,858	10,595,492	10,595,492	10,873,147	11,153,689	11,444,096	11,743,979	11,743,979	13,050,660
Treasury stock	(8,342,649)	(8,442,649)	(8,542,649)	(8,642,649)	(8,642,649)	(9,142,649)	(9,242,649)	(9,342,649)	(9,442,649)	(9,442,649)	(10,242,649)
Accumulated other comprehensive income	77,778	77,778	77,778	77,778	77,778	77,778	77,778	77,778	77,778	77,778	77,778
Total shareholders' equity	**3,679,375**	**3,897,908**	**4,123,606**	**4,359,512**	**4,359,512**	**4,213,794**	**4,470,932**	**4,738,819**	**5,016,931**	**5,016,931**	**5,845,034**
Total liabilities and shareholders' equity	**8,570,518**	**8,702,884**	**8,796,363**	**9,041,828**	**9,041,828**	**8,907,939**	**9,180,041**	**9,413,798**	**9,702,470**	**9,702,470**	**10,535,635**
Total debt (ex. leases)	2,686,405	2,586,405	2,486,405	2,486,405	2,486,405	2,486,405	2,486,405	2,486,405	2,486,405	2,486,405	2,486,405
Total debt / LTM EBITDA	1.2x	1.1x	1.1x	1.0x	1.0x	1.0x	1.0x	1.0x	1.0x	1.0x	0.9x
Net debt (ex. leases)	2,595,761	2,457,511	2,318,211	2,102,385	2,102,385	2,308,924	2,137,055	1,961,308	1,704,322	1,704,322	1,138,770
Net debt / LTM EBITDA	1.1x	1.1x	1.0x	0.9x	0.9x	0.9x	0.9x	0.8x	0.7x	0.7x	0.4x
Effective interest rate	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.8%
Accounts receivable days	45	47	47	45	46	45	47	47	45	46	46
Accounts payable days	24	25	23	24	24	24	25	23	24	24	24

Source: Company data, Goldman Sachs Global Investment Research

Exhibit 23: CTAS Cash Flow Statement

$ in thousands

	Full Year	Full Year	Full Year	Full Year	Full Year	F2023				Full Year
	2018	2019	2020	2021	2022	Aug-22	Nov-22	Feb-23	May-23	2023
Operating activities										
Net income	842,586	884,981	876,037	1,110,968	1,235,757	351,689	675,982	1,001,809	1,348,010	1,348,010
Depreciation	215,476	223,631	235,905	243,836	249,376	63,057	126,561	190,801	257,041	257,041
Amortization of intangible assets	63,940	136,462	143,148	144,115	150,325	36,989	74,693	113,281	152,121	152,121
Stock-based compensation	112,835	139,210	115,435	112,035	109,308	26,282	51,537	75,334	103,621	103,621
Gain / (loss) on transaction	(96,400)	(72,573)	0	(22,030)	(42,280)	0	0	0	0	0
Asset impairment charge	0	0	9,220	5,114	0	0	0	0	0	0
Transaction costs and integration expenses	0	0	0	0	0	0	0	0	0	0
Short-term debt financing fees included in net income	0	0	0	0	0	0	0	0	0	0
Settlement of interest rate hedge	0	0	0	0	0	0	0	0	0	0
Deferred income taxes	(119,295)	31,708	(16,252)	(42,242)	52,110	14,829	18,565	22,001	23,233	23,233
Accounts receivable, net	(66,267)	(94,918)	39,681	(32,576)	(100,392)	(79,397)	(133,897)	(132,473)	(151,771)	(151,771)
Inventories, net	(3,323)	(60,039)	(74,773)	(75,501)	16,194	(2,476)	(43,266)	(60,563)	(35,658)	(35,658)
Uniforms and other rental items in service	(64,299)	(90,228)	12,773	(35,659)	(111,332)	(39,327)	(73,475)	(85,991)	(98,252)	(98,252)
Prepaid expenses and other	(15,526)	(100,765)	(110,248)	(102,600)	(28,581)	(63,641)	(85,532)	(116,842)	(132,173)	(132,173)
Accounts payable	35,275	12,276	2,629	(2,604)	22,697	41,681	61,421	32,851	53,369	53,369
Accrued compensation and related liabilities	(9,392)	15,321	(26,476)	113,769	(3,625)	(59,957)	(28,212)	(32,666)	2,711	2,711
Accrued liabilities	42,468	30,910	49,906	(6,735)	(9,241)	(49,105)	(33,352)	17,856	41,314	41,314
Income taxes payable	26,082	11,886	34,498	(49,150)	(2,691)	57,532	8,124	18,793	34,248	34,248
Cash flow from operations	**964,160**	**1,067,862**	**1,291,483**	**1,360,740**	**1,537,625**	**298,156**	**619,149**	**1,044,191**	**1,597,814**	**1,597,814**
Investing activities										
Capital expenditures	(271,699)	(276,719)	(230,289)	(143,470)	(240,672)	(70,016)	(146,404)	(224,116)	(331,109)	(331,109)
Proceeds from redemption of marketable securities	179,857	0	0	0	0	0	0	0	0	0
Purchase of marketable securities and investments	(153,708)	(17,841)	(10,031)	(4,299)	(6,076)	(5,930)	(5,182)	(4,618)	(4,566)	(4,566)
Proceeds from Storage transaction, net of cash contributed	0	0	0	0	0	0	0	0	0	0
Proceeds from Shredding transaction, net of cash contributed	0	0	0	0	0	0	0	0	0	0
Proceeds from sale of business	127,835	3,200	13,300	31,705	0	0	0	0	0	0
Proceeds from sale of stock of an equity method investment	0	0	0	0	0	0	0	0	0	0
Dividends received on equity method investment	0	0	0	0	0	0	0	0	0	0
Proceeds of sale from cost method investment	0	73,342	0	0	15,347	0	0	0	0	0
Acquisitions of businesses, net of cash acquired	(19,346)	(9,813)	(53,720)	(10,038)	(164,228)	(7,060)	(15,457)	(32,983)	(46,357)	(46,357)
Other, net	1,363	(7,807)	(4,658)	(11,113)	(7,006)	(3,589)	(4,381)	(6,894)	(6,640)	(6,640)
Cash flow from investing	**(135,698)**	**(235,638)**	**(285,398)**	**(137,215)**	**(402,635)**	**(86,595)**	**(171,424)**	**(268,611)**	**(388,672)**	**(388,672)**
Financing activities										
(Payments) issuance of commercial paper, net	(50,500)	112,500	(112,500)	0	261,200	196,000	124,046	(62,200)	(261,200)	(261,200)
Proceeds from issuance of debt, net	0	200,000	0	0	1,190,506	0	0	0	0	0
Repayment of debt	(550,000)	0	(200,000)	0	(1,200,000)	0	0	0	(50,000)	(50,000)
Payment of short-term debt financing fees	0	0	0	0	0	0	0	0	0	0
Proceeds from exercise of stock-based compensation awards	41,848	65,371	90,519	129,957	117,737	1,047	2,125	2,941	3,021	3,021
Dividends paid	(175,589)	(220,764)	(267,956)	(451,327)	(375,119)	(97,655)	(215,017)	(332,421)	(449,917)	(449,917)
Repurchase of common stock	(127,319)	(1,016,300)	(464,518)	(554,121)	(1,525,873)	(320,334)	(348,682)	(370,917)	(398,865)	(398,865)
Other, net	(2,580)	(14,112)	(752)	(4,377)	(6,394)	(5,257)	(8,840)	(11,996)	(15,875)	(15,875)
Cash flow from financing	**(864,140)**	**(873,305)**	**(955,207)**	**(879,868)**	**(1,537,943)**	**(226,199)**	**(446,368)**	**(774,593)**	**(1,172,836)**	**(1,172,836)**
Effect of exchange rate changes on cash and cash equivalents	5,136	(998)	(2,121)	4,581	(216)	(1,275)	(2,029)	(2,895)	(2,628)	(2,628)
Net increase (decrease) in cash and cash equivalents	**(30,542)**	**(42,079)**	**48,757**	**348,238**	**(403,169)**	**(15,913)**	**(672)**	**(1,908)**	**33,678**	**33,678**
Cash and cash equivalents at beginning of period	169,266	138,724	96,645	145,402	493,640	90,471	90,471	90,471	90,471	90,471
Cash and cash equivalents at end of period	138,724	96,645	145,402	493,640	90,471	74,558	89,799	88,563	124,149	124,149
Free cash flow	**692,461**	**791,143**	**1,061,194**	**1,217,270**	**1,296,953**					**1,266,705**
FCF conversion from EBITDA	52.8%	52.4%	68.8%	68.6%	66.7%					57.2%
Debt-adjusted cash flow	1,097,525	1,493,940	1,503,950	1,682,321	1,863,427					2,007,318
Gross cash invested	8,208,052	9,029,416	9,408,912	8,935,785	10,138,878					11,126,883
CROCI	**13.7%**	**17.3%**	**16.3%**	**18.3%**	**19.5%**					**18.9%**

	F2024				Full Year	F2025				Full Year	Full Year
	Aug-23E	Nov-23E	Feb-24E	May-24E	2024E	Aug-24E	Nov-24E	Feb-25E	May-25E	2025E	2026E
Operating activities											
Net income	359,474	721,948	1,090,605	1,468,618	1,468,618	393,944	790,621	1,197,009	1,612,719	1,612,719	1,764,705
Depreciation	70,158	140,300	211,900	284,734	284,734	75,223	150,393	227,124	305,173	305,173	327,216
Amortization of intangible assets	39,756	79,503	120,077	161,349	161,349	42,626	85,223	128,703	172,932	172,932	185,422
Stock-based compensation	34,000	68,000	102,000	136,000	136,000	34,000	68,000	102,000	136,000	136,000	136,000
Gain / (loss) on transaction	0	0	0	0	0	0	0	0	0	0	0
Asset impairment charge	0	0	0	0	0	0	0	0	0	0	0
Transaction costs and integration expenses	0	0	0	0	0	0	0	0	0	0	0
Short-term debt financing fees included in net income	0	0	0	0	0	0	0	0	0	0	0
Settlement of interest rate hedge	0	0	0	0	0	0	0	0	0	0	0
Deferred income taxes	0	0	0	0	0	0	0	0	0	0	0
Accounts receivable, net	(15,825)	(68,083)	(81,862)	(72,334)	(72,334)	(27,873)	(83,277)	(98,018)	(87,752)	(87,752)	(94,828)
Inventories, net	0	0	0	0	0	0	0	0	0	0	0
Uniforms and other rental items in service	(15,000)	(30,000)	(45,000)	(60,000)	(60,000)	(15,000)	(30,000)	(45,000)	(60,000)	(60,000)	(60,000)
Prepaid expenses and other	(10,000)	(20,000)	(30,000)	(40,000)	(40,000)	(10,000)	(20,000)	(30,000)	(40,000)	(40,000)	(40,000)
Accounts payable	26,244	45,075	17,857	32,415	32,415	16,830	36,794	7,664	23,223	23,223	25,062
Accrued compensation and related liabilities	(2,500)	(5,000)	(7,500)	(10,000)	(10,000)	(2,500)	(5,000)	(7,500)	(10,000)	(10,000)	(10,000)
Accrued liabilities	(2,500)	(5,000)	(7,500)	(10,000)	(10,000)	(2,500)	(5,000)	(7,500)	(10,000)	(10,000)	(10,000)
Income taxes payable	(12,470)	(12,470)	(12,470)	(12,470)	(12,470)	0	0	0	0	0	0
Cash flow from operations	**471,337**	**914,274**	**1,358,106**	**1,878,311**	**1,878,311**	**504,751**	**987,755**	**1,474,482**	**2,042,295**	**2,042,295**	**2,223,576**
Investing activities											
Capital expenditures	(87,000)	(174,000)	(261,000)	(348,000)	(348,000)	(95,000)	(190,000)	(285,000)	(380,000)	(380,000)	(400,000)
Proceeds from redemption of marketable securities	0	0	0	0	0	0	0	0	0	0	0
Purchase of marketable securities and investments	0	0	0	0	0	0	0	0	0	0	0
Proceeds from Storage transaction, net of cash contributed	0	0	0	0	0	0	0	0	0	0	0
Proceeds from Shredding transaction, net of cash contributed	0	0	0	0	0	0	0	0	0	0	0
Proceeds from sale of business	0	0	0	0	0	0	0	0	0	0	0
Proceeds from sale of stock of an equity method investment	0	0	0	0	0	0	0	0	0	0	0
Dividends received on equity method investment	0	0	0	0	0	0	0	0	0	0	0
Proceeds of sale from cost method investment	0	0	0	0	0	0	0	0	0	0	0
Acquisitions of businesses, net of cash acquired	0	0	0	0	0	0	0	0	0	0	0
Other, net	0	0	0	0	0	0	0	0	0	0	0
Cash flow from investing	**(87,000)**	**(174,000)**	**(261,000)**	**(348,000)**	**(348,000)**	**(95,000)**	**(190,000)**	**(285,000)**	**(380,000)**	**(380,000)**	**(400,000)**
Financing activities											
(Payments) issuance of commercial paper, net	200,000	100,000	0	0	0	0	0	0	0	0	0
Proceeds from issuance of debt, net	0	0	0	0	0	0	0	0	0	0	0
Repayment of debt	0	0	0	0	0	0	0	0	0	0	0
Payment of short-term debt financing fees	0	0	0	0	0	0	0	0	0	0	0
Proceeds from exercise of stock-based compensation awards	0	0	0	0	0	0	0	0	0	0	0
Dividends paid	(117,841)	(235,529)	(353,062)	(470,440)	(470,440)	(116,289)	(232,425)	(348,406)	(464,232)	(464,232)	(458,024)
Repurchase of common stock	(500,000)	(600,000)	(700,000)	(800,000)	(800,000)	(500,000)	(600,000)	(700,000)	(800,000)	(800,000)	(800,000)
Other, net	0	0	0	0	0	0	0	0	0	0	0
Cash flow from financing	**(417,841)**	**(735,529)**	**(1,053,062)**	**(1,270,440)**	**(1,270,440)**	**(616,289)**	**(832,425)**	**(1,048,406)**	**(1,264,232)**	**(1,264,232)**	**(1,258,024)**
Effect of exchange rate changes on cash and cash equivalents	0	0	0	0	0	0	0	0	0	0	0
Net increase (decrease) in cash and cash equivalents	**(33,505)**	**4,745**	**44,045**	**259,871**	**259,871**	**(206,539)**	**(34,670)**	**141,077**	**398,063**	**398,063**	**565,552**
Cash and cash equivalents at beginning of period	124,149	124,149	124,149	124,149	124,149	384,020	384,020	384,020	384,020	384,020	782,083
Cash and cash equivalents at end of period	90,644	128,894	168,194	384,020	384,020	177,481	349,350	525,097	782,083	782,083	1,347,635
Free cash flow					**1,530,311**					**1,662,295**	**1,823,576**
FCF conversion from EBITDA					63.5%					63.8%	64.8%
Debt-adjusted cash flow					2,163,976					2,338,982	2,524,069
Gross cash invested					11,838,196					12,575,657	13,350,846
CROCI					**18.8%**					**19.2%**	**19.5%**

Source: Company data, Goldman Sachs Global Investment Research

Disclosure Appendix

Reg AC

We, George K. Tong, CFA, Anna Wu, Sami Nasir, CFA and Alex Lakritz, hereby certify that all of the views expressed in this report accurately reflect our personal views about the subject company or companies and its or their securities. We also certify that no part of our compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in this report.

Unless otherwise stated, the individuals listed on the cover page of this report are analysts in Goldman Sachs' Global Investment Research division.

GS Factor Profile

The Goldman Sachs Factor Profile provides investment context for a stock by comparing key attributes to the market (i.e. our coverage universe) and its sector peers. The four key attributes depicted are: Growth, Financial Returns, Multiple (e.g. valuation) and Integrated (a composite of Growth, Financial Returns and Multiple). Growth, Financial Returns and Multiple are calculated by using normalized ranks for specific metrics for each stock. The normalized ranks for the metrics are then averaged and converted into percentiles for the relevant attribute. The precise calculation of each metric may vary depending on the fiscal year, industry and region, but the standard approach is as follows:

Growth is based on a stock's forward-looking sales growth, EBITDA growth and EPS growth (for financial stocks, only EPS and sales growth), with a higher percentile indicating a higher growth company. **Financial Returns** is based on a stock's forward-looking ROE, ROCE and CROCI (for financial stocks, only ROE), with a higher percentile indicating a company with higher financial returns. **Multiple** is based on a stock's forward-looking P/E, P/B, price/dividend (P/D), EV/EBITDA, EV/FCF and EV/Debt Adjusted Cash Flow (DACF) (for financial stocks, only P/E, P/B and P/D), with a higher percentile indicating a stock trading at a higher multiple. The **Integrated** percentile is calculated as the average of the Growth percentile, Financial Returns percentile and (100% - Multiple percentile).

Financial Returns and Multiple use the Goldman Sachs analyst forecasts at the fiscal year-end at least three quarters in the future. Growth uses inputs for the fiscal year at least seven quarters in the future compared with the year at least three quarters in the future (on a per-share basis for all metrics).

For a more detailed description of how we calculate the GS Factor Profile, please contact your GS representative.

M&A Rank

Across our global coverage, we examine stocks using an M&A framework, considering both qualitative factors and quantitative factors (which may vary across sectors and regions) to incorporate the potential that certain companies could be acquired. We then assign a M&A rank as a means of scoring companies under our rated coverage from 1 to 3, with 1 representing high (30%-50%) probability of the company becoming an acquisition target, 2 representing medium (15%-30%) probability and 3 representing low (0%-15%) probability. For companies ranked 1 or 2, in line with our standard departmental guidelines we incorporate an M&A component into our target price. M&A rank of 3 is considered immaterial and therefore does not factor into our price target, and may or may not be discussed in research.

Quantum

Quantum is Goldman Sachs' proprietary database providing access to detailed financial statement histories, forecasts and ratios. It can be used for in-depth analysis of a single company, or to make comparisons between companies in different sectors and markets.

Disclosures

The rating(s) for Cintas Corp. is/are relative to the other companies in its/their coverage universe: 2U Inc., ADT Inc., Bright Horizons Family, BrightView Holdings, Cintas Corp., Clarivate, CoStar Group, Dun & Bradstreet, Equifax Inc., FactSet Research Systems Inc., Fair Isaac Corp., Gartner Inc., H&R Block Inc., HireRight Holdings, Iron Mountain Inc., Korn Ferry, MSCI Inc., Manpower Group, Moody's Corp., Robert Half International Inc., S&P Global Inc., Sterling Check, The Brink's Co., Thomson Reuters Corp., TransUnion, Verisk Analytics Inc.

Company-specific regulatory disclosures

The following disclosures relate to relationships between The Goldman Sachs Group, Inc. (with its affiliates, "Goldman Sachs") and companies covered by Goldman Sachs Global Investment Research and referred to in this research.

Goldman Sachs expects to receive or intends to seek compensation for investment banking services in the next 3 months: Cintas Corp. ($523.38)

Goldman Sachs had an investment banking services client relationship during the past 12 months with: Cintas Corp. ($523.38)

Goldman Sachs makes a market in the securities or derivatives thereof: Cintas Corp. ($523.38)

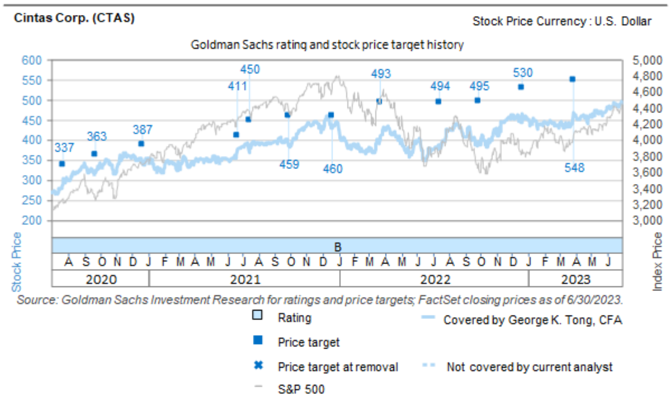
Distribution of ratings/investment banking relationships

Goldman Sachs Investment Research global Equity coverage universe

	Rating Distribution			Investment Banking Relationships		
	Buy	Hold	Sell	Buy	Hold	Sell
Global	48%	36%	16%	63%	56%	47%

As of July 1, 2023, Goldman Sachs Global Investment Research had investment ratings on 3,008 equity securities. Goldman Sachs assigns stocks as Buys and Sells on various regional Investment Lists; stocks not so assigned are deemed Neutral. Such assignments equate to Buy, Hold and Sell for the purposes of the above disclosure required by the FINRA Rules. See 'Ratings, Coverage universe and related definitions' below. The Investment Banking Relationships chart reflects the percentage of subject companies within each rating category for whom Goldman Sachs has provided investment banking services within the previous twelve months.

Price target and rating history chart(s)



The price targets shown should be considered in the context of all prior published Goldman Sachs research, which may or may not have included price targets, as well as developments relating to the company, its industry and financial markets.

Regulatory disclosures

Disclosures required by United States laws and regulations

See company-specific regulatory disclosures above for any of the following disclosures required as to companies referred to in this report: manager or co-manager in a pending transaction; 1% or other ownership; compensation for certain services; types of client relationships; managed/co-managed public offerings in prior periods; directorships; for equity securities, market making and/or specialist role. Goldman Sachs trades or may trade as a principal in debt securities (or in related derivatives) of issuers discussed in this report.

The following are additional required disclosures: **Ownership and material conflicts of interest:** Goldman Sachs policy prohibits its analysts, professionals reporting to analysts and members of their households from owning securities of any company in the analyst's area of coverage. **Analyst compensation:** Analysts are paid in part based on the profitability of Goldman Sachs, which includes investment banking revenues. **Analyst as officer or director:** Goldman Sachs policy generally prohibits its analysts, persons reporting to analysts or members of their households from serving as an officer, director or advisor of any company in the analyst's area of coverage. **Non-U.S. Analysts:** Non-U.S. analysts may not be associated persons of Goldman Sachs & Co. LLC and therefore may not be subject to FINRA Rule 2241 or FINRA Rule 2242 restrictions on communications with subject company, public appearances and trading securities held by the analysts.

Distribution of ratings: See the distribution of ratings disclosure above. **Price chart:** See the price chart, with changes of ratings and price targets in prior periods, above, or, if electronic format or if with respect to multiple companies which are the subject of this report, on the Goldman Sachs website at https://www.gs.com/research/hedge.html.

Additional disclosures required under the laws and regulations of jurisdictions other than the United States

The following disclosures are those required by the jurisdiction indicated, except to the extent already made above pursuant to United States laws and regulations. **Australia:** Goldman Sachs Australia Pty Ltd and its affiliates are not authorised deposit-taking institutions (as that term is defined in the Banking Act 1959 (Cth)) in Australia and do not provide banking services, nor carry on a banking business, in Australia. This research, and any access to it, is intended only for "wholesale clients" within the meaning of the Australian Corporations Act, unless otherwise agreed by Goldman Sachs. In producing research reports, members of Global Investment Research of Goldman Sachs Australia may attend site visits and other meetings hosted by the companies and other entities which are the subject of its research reports. In some instances the costs of such site visits or meetings may be met in part or in whole by the issuers concerned if Goldman Sachs Australia considers it is appropriate and reasonable in the specific circumstances relating to the site visit or meeting. To the extent that the contents of this document contains any financial product advice, it is general advice only and has been prepared by Goldman Sachs without taking into account a client's objectives, financial situation or needs. A client should, before acting on any such advice, consider the appropriateness of the advice having regard to the client's own objectives, financial situation and needs. A copy of certain Goldman Sachs Australia and New Zealand disclosure of interests and a copy of Goldman Sachs' Australian Sell-Side Research Independence Policy Statement are available at: https://www.goldmansachs.com/disclosures/australia-new-zealand/index.html. **Brazil:** Disclosure information in relation to CVM Resolution n. 20 is available at https://www.gs.com/worldwide/brazil/area/gir/index.html. Where applicable, the Brazil-registered analyst primarily responsible for the content of this research report, as defined in Article 20 of CVM Resolution n. 20, is the first author named at the beginning of this report, unless indicated otherwise at the end of the text. **Canada:** This information is being provided to you for information purposes only and is not, and under no circumstances should be construed as, an advertisement, offering or solicitation by Goldman Sachs & Co. LLC for purchasers of securities in Canada to trade in any Canadian security. Goldman Sachs & Co. LLC is not registered as a dealer in any jurisdiction in Canada under applicable Canadian securities laws and generally is not permitted to trade in Canadian securities and may be prohibited from selling certain securities and products in certain jurisdictions in Canada. If you wish to trade in any Canadian securities or other products in Canada please contact Goldman Sachs Canada Inc., an affiliate of The Goldman Sachs Group Inc., or another registered Canadian dealer. **Hong Kong:** Further information on the securities of covered companies referred to in this research may be obtained on request from Goldman Sachs (Asia) L.L.C. **India:** Further information on the subject company or companies referred to in this research may be obtained from Goldman Sachs (India) Securities Private Limited, Research Analyst - SEBI Registration Number INH000001493, 951-A, Rational House, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, India, Corporate Identity Number U74140MH2006FTC160634, Phone +91 22 6616 9000, Fax +91 22 6616 9001. Goldman Sachs may beneficially own 1% or more of the securities (as such term is defined in clause 2 (h) the Indian Securities Contracts (Regulation) Act, 1956) of the subject company or companies referred to in this research report. Investment in securities market are subject to market risks. Read all the related documents carefully before investing. Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors. Goldman Sachs (India) Securities Private Limited Investor Grievance E-mail: india-client-support@gs.com. Compliance Officer: Anil Rajput |Tel: + 91 22 6616 9000 | Email: anil.m.rajput@gs.com. **Japan:** See below. **Korea:** This research, and any access to it, is intended only for "professional investors" within the meaning of the Financial Services and Capital Markets Act, unless otherwise agreed by Goldman Sachs. Further information on the subject company or companies referred to in this research may be obtained from Goldman Sachs (Asia) L.L.C., Seoul Branch. **New Zealand:** Goldman Sachs New Zealand Limited and its affiliates are neither "registered banks" nor "deposit takers" (as defined in the Reserve Bank of New Zealand Act 1989) in New Zealand. This research, and any access to it, is intended for "wholesale clients" (as defined in the Financial Advisers Act 2008) unless otherwise agreed by Goldman Sachs. A copy of certain Goldman Sachs Australia and New Zealand disclosure of interests is available at:

https://www.goldmansachs.com/disclosures/australia-new-zealand/index.html. **Russia:** Research reports distributed in the Russian Federation are not advertising as defined in the Russian legislation, but are information and analysis not having product promotion as their main purpose and do not provide appraisal within the meaning of the Russian legislation on appraisal activity. Research reports do not constitute a personalized investment recommendation as defined in Russian laws and regulations, are not addressed to a specific client, and are prepared without analyzing the financial circumstances, investment profiles or risk profiles of clients. Goldman Sachs assumes no responsibility for any investment decisions that may be taken by a client or any other person based on this research report. **Singapore:** Goldman Sachs (Singapore) Pte. (Company Number: 198602165W), which is regulated by the Monetary Authority of Singapore, accepts legal responsibility for this research, and should be contacted with respect to any matters arising from, or in connection with, this research. **Taiwan:** This material is for reference only and must not be reprinted without permission. Investors should carefully consider their own investment risk. Investment results are the responsibility of the individual investor. **United Kingdom:** Persons who would be categorized as retail clients in the United Kingdom, as such term is defined in the rules of the Financial Conduct Authority, should read this research in conjunction with prior Goldman Sachs research on the covered companies referred to herein and should refer to the risk warnings that have been sent to them by Goldman Sachs International. A copy of these risks warnings, and a glossary of certain financial terms used in this report, are available from Goldman Sachs International on request.

European Union and United Kingdom: Disclosure information in relation to Article 6 (2) of the European Commission Delegated Regulation (EU) (2016/958) supplementing Regulation (EU) No 596/2014 of the European Parliament and of the Council (including as that Delegated Regulation is implemented into United Kingdom domestic law and regulation following the United Kingdom's departure from the European Union and the European Economic Area) with regard to regulatory technical standards for the technical arrangements for objective presentation of investment recommendations or other information recommending or suggesting an investment strategy and for disclosure of particular interests or indications of conflicts of interest is available at https://www.gs.com/disclosures/europeanpolicy.html which states the European Policy for Managing Conflicts of Interest in Connection with Investment Research.

Japan: Goldman Sachs Japan Co., Ltd. is a Financial Instrument Dealer registered with the Kanto Financial Bureau under registration number Kinsho 69, and a member of Japan Securities Dealers Association, Financial Futures Association of Japan Type II Financial Instruments Firms Association, The Investment Trusts Association, Japan, and Japan Investment Advisers Association. Sales and purchase of equities are subject to commission pre-determined with clients plus consumption tax. See company-specific disclosures as to any applicable disclosures required by Japanese stock exchanges, the Japanese Securities Dealers Association or the Japanese Securities Finance Company.

Ratings, coverage universe and related definitions

Buy (B), Neutral (N), Sell (S) Analysts recommend stocks as Buys or Sells for inclusion on various regional Investment Lists. Being assigned a Buy or Sell on an Investment List is determined by a stock's total return potential relative to its coverage universe. Any stock not assigned as a Buy or a Sell on an Investment List with an active rating (i.e., a stock that is not Rating Suspended, Not Rated, Coverage Suspended or Not Covered), is deemed Neutral. Each region manages Regional Conviction lists, which are selected from Buy rated stocks on the respective region's Investment lists and represent investment recommendations focused on the size of the total return potential and/or the likelihood of the realization of the return across their respective areas of coverage. The addition or removal of stocks from such Conviction lists are managed by the Investment Review Committee or other designated committee in each respective region and do not represent a change in the analysts' investment rating for such stocks.

Total return potential represents the upside or downside differential between the current share price and the price target, including all paid or anticipated dividends, expected during the time horizon associated with the price target. Price targets are required for all covered stocks. The total return potential, price target and associated time horizon are stated in each report adding or reiterating an Investment List membership.

Coverage Universe: A list of all stocks in each coverage universe is available by primary analyst, stock and coverage universe at https://www.gs.com/research/hedge.html.

Not Rated (NR). The investment rating, target price and earnings estimates (where relevant) are not provided or have been suspended pursuant to Goldman Sachs policy when Goldman Sachs is acting in an advisory capacity in a merger or in a strategic transaction involving this company, when there are legal, regulatory or policy constraints due to Goldman Sachs' involvement in a transaction, when the company is an early-stage biotechnology company, and in certain other circumstances. **Rating Suspended (RS).** Goldman Sachs Research has suspended the investment rating and price target for this stock, because there is not a sufficient fundamental basis for determining an investment rating or target price. The previous investment rating and target price, if any, are no longer in effect for this stock and should not be relied upon. **Coverage Suspended (CS).** Goldman Sachs has suspended coverage of this company. **Not Covered (NC).** Goldman Sachs does not cover this company. **Not Available or Not Applicable (NA).** The information is not available for display or is not applicable. **Not Meaningful (NM).** The information is not meaningful and is therefore excluded.

Global product; distributing entities

Goldman Sachs Global Investment Research produces and distributes research products for clients of Goldman Sachs on a global basis. Analysts based in Goldman Sachs offices around the world produce research on industries and companies, and research on macroeconomics, currencies, commodities and portfolio strategy. This research is disseminated in Australia by Goldman Sachs Australia Pty Ltd (ABN 21 006 797 897); in Brazil by Goldman Sachs do Brasil Corretora de Títulos e Valores Mobiliários S.A.; Public Communication Channel Goldman Sachs Brazil: 0800 727 5764 and / or contatogoldmanbrasil@gs.com. Available Weekdays (except holidays), from 9am to 6pm. Canal de Comunicação com o Público Goldman Sachs Brasil: 0800 727 5764 e/ou contatogoldmanbrasil@gs.com. Horário de funcionamento: segunda-feira à sexta-feira (exceto feriados), das 9h às 18h; in Canada by Goldman Sachs & Co. LLC; in Hong Kong by Goldman Sachs (Asia) L.L.C.; in India by Goldman Sachs (India) Securities Private Ltd.; in Japan by Goldman Sachs Japan Co., Ltd.; in the Republic of Korea by Goldman Sachs (Asia) L.L.C., Seoul Branch; in New Zealand by Goldman Sachs New Zealand Limited; in Russia by OOO Goldman Sachs; in Singapore by Goldman Sachs (Singapore) Pte. (Company Number: 198602165W); and in the United States of America by Goldman Sachs & Co. LLC. Goldman Sachs International has approved this research in connection with its distribution in the United Kingdom.

Goldman Sachs International ("GSI"), authorised by the Prudential Regulation Authority ("PRA") and regulated by the Financial Conduct Authority ("FCA") and the PRA, has approved this research in connection with its distribution in the United Kingdom.

European Economic Area: GSI, authorised by the PRA and regulated by the FCA and the PRA, disseminates research in the following jurisdictions within the European Economic Area: the Grand Duchy of Luxembourg, Italy, the Kingdom of Belgium, the Kingdom of Denmark, the Kingdom of Norway, the Republic of Finland and the Republic of Ireland; GSI - Succursale de Paris (Paris branch) which is authorised by the French Autorité de contrôle prudentiel et de resolution ("ACPR") and regulated by the Autorité de contrôle prudentiel et de resolution and the Autorité des marches financiers ("AMF") disseminates research in France; GSI - Sucursal en España (Madrid branch) authorized in Spain by the Comisión Nacional del Mercado de Valores disseminates research in the Kingdom of Spain; GSI - Sweden Bankfilial (Stockholm branch) is authorized by the SFSA as a "third country branch" in accordance with Chapter 4, Section 4 of the Swedish Securities and Market Act (Sw. lag (2007:528) om värdepappersmarknaden) disseminates research in the Kingdom of Sweden; Goldman Sachs Bank Europe SE ("GSBE") is a credit institution incorporated in Germany and, within the Single Supervisory Mechanism, subject to direct prudential supervision by the European Central Bank and in other respects supervised by German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin) and Deutsche Bundesbank and disseminates research in the Federal Republic of Germany and those jurisdictions within the European Economic Area where GSI is not authorised to disseminate research and additionally, GSBE, Copenhagen Branch filial af GSBE, Tyskland, supervised by the Danish Financial Authority disseminates research in the Kingdom of Denmark; GSBE - Sucursal en España (Madrid branch) subject (to a limited extent) to local supervision by the Bank of Spain disseminates research in the Kingdom of Spain; GSBE - Succursale Italia (Milan branch) to the relevant applicable extent, subject to local supervision by the Bank of Italy (Banca d'Italia) and the Italian Companies and Exchange Commission (Commissione Nazionale per le Società e la Borsa "Consob") disseminates research in Italy; GSBE - Succursale de Paris (Paris branch), supervised by the AMF and by the ACPR disseminates research in France; and GSBE - Sweden Bankfilial (Stockholm branch), to a limited extent, subject to local supervision by the Swedish Financial Supervisory Authority (Finansinpektionen) disseminates research in the Kingdom of Sweden.

General disclosures

This research is for our clients only. Other than disclosures relating to Goldman Sachs, this research is based on current public information that we consider reliable, but we do not represent it is accurate or complete, and it should not be relied on as such. The information, opinions, estimates and forecasts contained herein are as of the date hereof and are subject to change without prior notification. We seek to update our research as appropriate, but various regulations may prevent us from doing so. Other than certain industry reports published on a periodic basis, the large majority of reports are published at irregular intervals as appropriate in the analyst's judgment.

Goldman Sachs conducts a global full-service, integrated investment banking, investment management, and brokerage business. We have investment banking and other business relationships with a substantial percentage of the companies covered by Global Investment Research. Goldman Sachs & Co. LLC, the United States broker dealer, is a member of SIPC (https://www.sipc.org).

Our salespeople, traders, and other professionals may provide oral or written market commentary or trading strategies to our clients and principal trading desks that reflect opinions that are contrary to the opinions expressed in this research. Our asset management area, principal trading desks and investing businesses may make investment decisions that are inconsistent with the recommendations or views expressed in this research.

The analysts named in this report may have from time to time discussed with our clients, including Goldman Sachs salespersons and traders, or may discuss in this report, trading strategies that reference catalysts or events that may have a near-term impact on the market price of the equity securities discussed in this report, which impact may be directionally counter to the analyst's published price target expectations for such stocks. Any such trading strategies are distinct from and do not affect the analyst's fundamental equity rating for such stocks, which rating reflects a stock's return potential relative to its coverage universe as described herein.

We and our affiliates, officers, directors, and employees will from time to time have long or short positions in, act as principal in, and buy or sell, the securities or derivatives, if any, referred to in this research, unless otherwise prohibited by regulation or Goldman Sachs policy.

The views attributed to third party presenters at Goldman Sachs arranged conferences, including individuals from other parts of Goldman Sachs, do not necessarily reflect those of Global Investment Research and are not an official view of Goldman Sachs.

Any third party referenced herein, including any salespeople, traders and other professionals or members of their household, may have positions in the products mentioned that are inconsistent with the views expressed by analysts named in this report.

This research is not an offer to sell or the solicitation of an offer to buy any security in any jurisdiction where such an offer or solicitation would be illegal. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Clients should consider whether any advice or recommendation in this research is suitable for their particular circumstances and, if appropriate, seek professional advice, including tax advice. The price and value of investments referred to in this research and the income from them may fluctuate. Past performance is not a guide to future performance, future returns are not guaranteed, and a loss of original capital may occur. Fluctuations in exchange rates could have adverse effects on the value or price of, or income derived from, certain investments.

Certain transactions, including those involving futures, options, and other derivatives, give rise to substantial risk and are not suitable for all investors. Investors should review current options and futures disclosure documents which are available from Goldman Sachs sales representatives or at https://www.theocc.com/about/publications/character-risks.jsp and https://www.fiadocumentation.org/fia/regulatory-disclosures_1/fia-uniform-futures-and-options-on-futures-risk-disclosures-booklet-pdf-version-2018. Transaction costs may be significant in option strategies calling for multiple purchase and sales of options such as spreads. Supporting documentation will be supplied upon request.

Differing Levels of Service provided by Global Investment Research: The level and types of services provided to you by Goldman Sachs Global Investment Research may vary as compared to that provided to internal and other external clients of GS, depending on various factors including your individual preferences as to the frequency and manner of receiving communication, your risk profile and investment focus and perspective (e.g., marketwide, sector specific, long term, short term), the size and scope of your overall client relationship with GS, and legal and regulatory constraints. As an example, certain clients may request to receive notifications when research on specific securities is published, and certain clients may request that specific data underlying analysts' fundamental analysis available on our internal client websites be delivered to them electronically through data feeds or otherwise. No change to an analyst's fundamental research views (e.g., ratings, price targets, or material changes to earnings estimates for equity securities), will be communicated to any client prior to inclusion of such information in a research report broadly disseminated through electronic publication to our internal client websites or through other means, as necessary, to all clients who are entitled to receive such reports.

All research reports are disseminated and available to all clients simultaneously through electronic publication to our internal client websites. Not all research content is redistributed to our clients or available to third-party aggregators, nor is Goldman Sachs responsible for the redistribution of our research by third party aggregators. For research, models or other data related to one or more securities, markets or asset classes (including related services) that may be available to you, please contact your GS representative or go to https://research.gs.com.

Disclosure information is also available at https://www.gs.com/research/hedge.html or from Research Compliance, 200 West Street, New York, NY 10282.