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Vestis Corporation (VSTS)

November 13, 2026

"Second Spin" Buy VSTS at $14.09; target $20.50 (+45%); moderate conviction

Market Data (11/13/26)

Share price	**$14.09**
52-week range	**$5.00 - $16.90**
Mkt cap (diluted)	**$1.89bn**
Net debt incl. A/R	**$1.41bn**
TEV incl. A/R	**$3.30bn**
TEV / FY27E (Street)	**10.1x**
TEV / FY27E (mine)	**9.2x**
P/E FY27E (Street)	**18.1x**
FCF yield (FY26 guide)	**8.7%**

LTM Financials (7/3/26)

Sales	**$2.70bn**
Adj. EBITDA	**$291mm**
% margin	**10.8%**
Covenant leverage	**4.10x**
Total liquidity	**$352mm**

Description

Second-largest uniform rental and workplace supplies provider in the U.S. and Canada: 300,000+ accounts, 325+ facilities, ~3,300 routes, ~18,150 employees. Rental is ~95% of revenue.

Ownership / Management

Corvex (Keith Meister, director): ~15%
Jim Barber, CEO (ex-UPS COO): bought ~$1mm of stock in Dec-25 and again in Sep-26
Russell Tiejema, CFO since 9/28/26

Street

Ratings: 1 outperform, 2 neutral, 3 underweight or sell
Price targets: $7.50 - $14.00

Adj. EBITDA: Street vs. Mine

$mm	Street	Mine
FY26E	308	317
FY27E	**328**	**360**
FY28E	352	398

What I Need From Q4

FY27 EBITDA guide: $340mm or better (Street $328mm)
Q4 Adj. EBITDA: $86.5mm or better (guide $84-89mm)
Q4 revenue: $660mm or better, flat on the same 13 weeks
Covenant leverage: 3.8x or lower at 10/2/26

Deleveraging (base case)

	FY26E	FY27E	FY28E
Net debt, $mm	1,155	1,017	849
Net debt / EBITDA	3.6x	2.8x	2.1x
Paid down, $ / share	–	1.03	2.28

Full Write-up
colehpage.com/coverage/vsts

Situation Overview

Vestis is the second-largest uniform rental company in the U.S. and Canada, spun out of Aramark in October 2023. Its first two years went badly: customers left, guidance was cut in May 2024 and again in May 2025, Adj. EBITDA fell from $353mm to $257mm and the stock went from $22 in February 2024 to $4 in September 2025. Jim Barber, who ran operations at UPS, took over in June 2025. Since then the Adj. EBITDA margin has gone from 9.5% to 12.2% (Q3 FY25 to Q3 FY26), the FY26 free cash flow guide has tripled to $160-170mm and covenant leverage has fallen from 4.72x to 4.10x. **The stock has more than tripled from that low to $14.09 and the Street still doesn't believe it. Three of the six brokers I track rate it underweight or sell, the highest price target is $14, and FY27 consensus EBITDA of $328mm is about what Vestis earned in Q3 times four. I think the Q4 guide of $84-89mm already shows a higher run-rate.**

Recommendation

Buy VSTS at $14.09 with moderate conviction. My base case is worth $20.50 a share, 45% above the price, **and 10.5x my FY27 EBITDA alone gets to ~$18. I'd add on an FY27 guide at or above $340mm with Q4 revenue flat or better on the same 13 weeks. I'd sell if the guide comes in below the $328mm consensus, if covenant leverage goes back above 4.25x, or if the A/R facility isn't renewed by mid-2027.**

Investment Thesis

- **The Street has FY27 at the Q3 run-rate.** Consensus of $328mm is $82mm a quarter, and Vestis earned $81mm in Q3. The Q4 guide of $84-89mm annualizes to $336-356mm, and ~$10mm of outsourcing savings start in FY27. My $360mm (13.5% margin) assumes Q4 lands near $91mm and holds. The CFO told analysts in August not to add more program savings on top of Q4, so this is where I have the least room for error.
- **Free cash flow goes to debt, and the equity keeps the difference.** Bank debt fell $71mm in nine months. In my base case net debt falls from ~$1,155mm at FY26 to ~$849mm by FY28 (2.1x), which adds ~$2.28 a share at a constant enterprise value. The May 2025 block on buybacks has lapsed, and payouts are unlimited at or below 3.50x, which I have Vestis reaching in FY27.
- **Revenue has stopped falling on a same-week basis.** Q3 revenue fell 1.8% with pounds down 4.5% and revenue per pound up 3%, because Vestis is dropping accounts that miss its return thresholds. The CFO expects Q4 at about the Q3 level. That is flat on the same 13 weeks but will print as a ~7% decline, because last year's Q4 had 14.

Valuation

- **What's in the price.** With the A/R facility counted as debt, Vestis trades at 10.1x FY27 consensus EBITDA and 9.2x mine, against 12.1x for UniFirst, 10.8x for Aramark and 8.6x for ABM. Cintas has offered ~17x for UniFirst.
- **Range.** Bear $8.75 (-38%), base $20.38 (+45%), bull $29.18 (+107%). At 10.5x each $10mm of FY27 EBITDA is ~$0.78 a share, so the stock moves about twice as much as EBITDA in either direction.

Risks & Mitigants

- **The guide lands at consensus.** In August the CFO called ~$81mm a quarter a stable place to start FY27. If the outlook is built that way my FY27 number is ~$30mm too high, and this stock has moved 10% or more after half of its prints since the spin. Mitigant: on consensus EBITDA at 10.5x the stock is still worth ~$15.68.
- **Leverage and refinancing.** Covenant leverage is 4.10x against a 4.50x maximum from Q1 FY27; the $212mm A/R facility ends 8/2/27 and the $436mm Term A-2 and the revolver mature 9/29/28. Mitigant: base case leverage is 2.8x by FY27, and the term loan trades at 99.5.
- **Savings from underinvestment.** Capex was 2.1% of revenue over the last year against 3.5% at Cintas and 5.3% at UniFirst. If service slips, the customer losses come back. Mitigant: my model takes capex including leased equipment to 3.5% of revenue by FY28.

Value per Share by Case *blend is 25% / 25% / 50%; valuation at 12/31/26; WACC 8.1%*

	Bear	Base	Bull
FY27E Adj. EBITDA, $mm (% margin)	300 (11.6%)	360 (13.5%)	376 (13.9%)
Perpetuity growth DCF (2.0% / 2.5% / 3.0%)	$8.87	$22.31	$34.44
Exit multiple DCF (8.0x / 10.5x / 12.0x)	$7.97	$22.80	$34.86
FY27E EV / EBITDA (8.5x / 10.5x / 12.0x)	$9.08	$18.21	$23.70
Blended value per share	**$8.75**	**$20.38**	**$29.18**
Against $14.09	**-38%**	**+45%**	**+107%**

Estimates *$ in millions; Street is consensus at 11/8/26; FY25A leverage is the covenant ratio*

	FY25A	FY26E	FY27E	FY28E
Revenue	2,735	2,647	2,676	2,729
Adj. EBITDA (% margin)	257 (9.4%)	317 (12.0%)	360 (13.5%)	398 (14.6%)
Street Adj. EBITDA	–	308	328	352
Free cash flow to debt paydown	6	165 (guide)	138	168
Net debt / Adj. EBITDA	**4.72x**	**3.6x**	**2.8x**	**2.1x**

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Company Overview

Vestis rents and launders uniforms and supplies mats, towels, restroom and first-aid products to more than 300,000 accounts from 325+ facilities and ~3,300 routes. A driver shows up every week, swaps dirty for clean and restocks the supply cabinet, and the customer pays under a multi-year contract. Rental is ~95% of revenue; in the first nine months of FY26 workplace supplies were 63% and uniforms 37%. The U.S. was 91% of FY25 revenue and Canada 9%, and the ten largest customers are under 10%. Cintas leads the industry, Vestis is second and UniFirst third.

The first two years

- **Aramark kept the cash.** It spun Vestis off in October 2023 with $1.5bn of term loans and kept most of the proceeds. One of the securities suits alleges Aramark underinvested in the plants and in service before it let the business go.
- **Customers left faster than new ones came in.** Revenue fell from $2,805.8mm in FY24 to $2,734.8mm in FY25 even with a 53rd week worth $51.6mm, and Adj. EBITDA fell from $352.9mm (12.6%) to $257.4mm (9.4%). The stock fell 49% over two sessions on the May 2024 guidance cut and 39% on the May 2025 one. The CEO left in March 2025, the dividend was suspended and the banks reset the covenant.

Vestis Share Price Since the Spin *daily close, 10/2/23 to 11/13/26*



Vestis by Quarter *$ in millions; Q4 FY25 had 14 weeks; Q4 FY26E is my estimate*

Quarter	Revenue	Year over year	Adj. EBITDA	Margin
Q1 FY25	683.8	-4.8%	81.1	11.9%
Q2 FY25	665.2	-5.7%	47.6	7.2%
Q3 FY25	673.8	-3.5%	64.0	9.5%
Q4 FY25 (14 weeks)	712.0	+4.0% (-3.5% same weeks)	64.7	9.1%
Q1 FY26	663.4	-3.0%	70.4	10.6%
Q2 FY26	659.4	-0.9%	74.5	11.3%
Q3 FY26	661.7	-1.8%	80.9	12.2%
Q4 FY26E (guide is $84-89mm)	**662.0**	**+0.2% same weeks**	**91.2**	**13.8%**

What changed

- **Management.** Barber spent more than 35 years at UPS and finished as chief operating officer. He joined on 6/2/25. Chairman Phillip Holloman is a former president and COO of Cintas. Russell Tiejema became CFO on 9/28/26, and Vestis reaffirmed its FY26 outlook that day.
- **Costs.** The plan launched in December 2025 targets at least $75mm of annual savings. About $50mm lands in FY26, roughly $30mm of it through Q3 and ~$20mm in Q4, and outsourcing corporate support adds ~$10mm a year from FY27.
- **Price over volume.** Vestis repriced its low-margin accounts and let the ones that wouldn't pay leave. Barber said in August that it kept about 75% of that volume, and what left was paying about $0.55 a pound against $1.42 for the business as a whole. In Q3 pounds fell 4.5%, revenue per pound rose $0.04 to $1.42 and cost per pound was flat at $1.24, so the spread went from $0.14 to $0.18.
- **Cash.** The FY26 free cash flow guide started at $50-60mm in December, went to $120-150mm in May and to $160-170mm in August. Nine-month free cash flow was $120.8mm. Part of that is a working capital release that won't repeat, which is why my FY27 free cash flow after interest is $138mm.

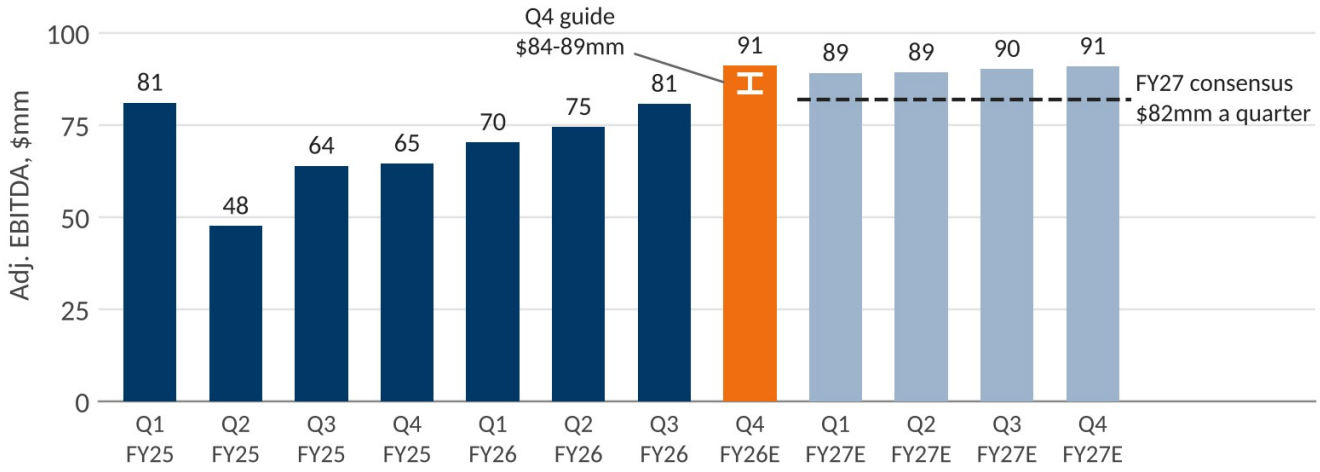
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Investment Thesis

1. The FY27 number

Vestis earned $80.9mm of Adj. EBITDA in Q3 and guided Q4 to $84-89mm. FY27 consensus is $327.6mm, or $81.9mm a quarter. So the Street has FY27 at roughly the Q3 level and gives no credit for the Q4 step-up or for the outsourcing savings.

Adj. EBITDA by Quarter *navy is reported, orange is my Q4 FY26E with the guide range, light blue is my FY27E*



Management has said two things about FY27. In May the interim CFO said it starts from the Q4 exit rate. In August he said Vestis was at a run-rate of about $81mm going into Q4, called that a stable place to start building FY27, and told an analyst not to add another $25mm of savings on top, because Q4 already carries ~$20mm of the program ($75-80mm annualized). I read that as the program being fully in the Q4 number. I don't know yet whether the FY27 outlook will look more like Q3 or like Q4.

My base case assumes it looks like Q4. I have Q4 at $91mm, a little above the guide, and FY27 at $360mm, which is that run-rate held for a year with the outsourcing savings covering wage inflation. I'm above the guide for Q4 because Vestis raised its EBITDA or cash flow outlook in each of the last two quarters and the Q3 margin was already 12.2% with less of the program in it. If I'm wrong and FY27 is guided near $330mm, my FY27 number comes down ~8% and the stock is worth closer to $16 than $18 on the near-term multiple.

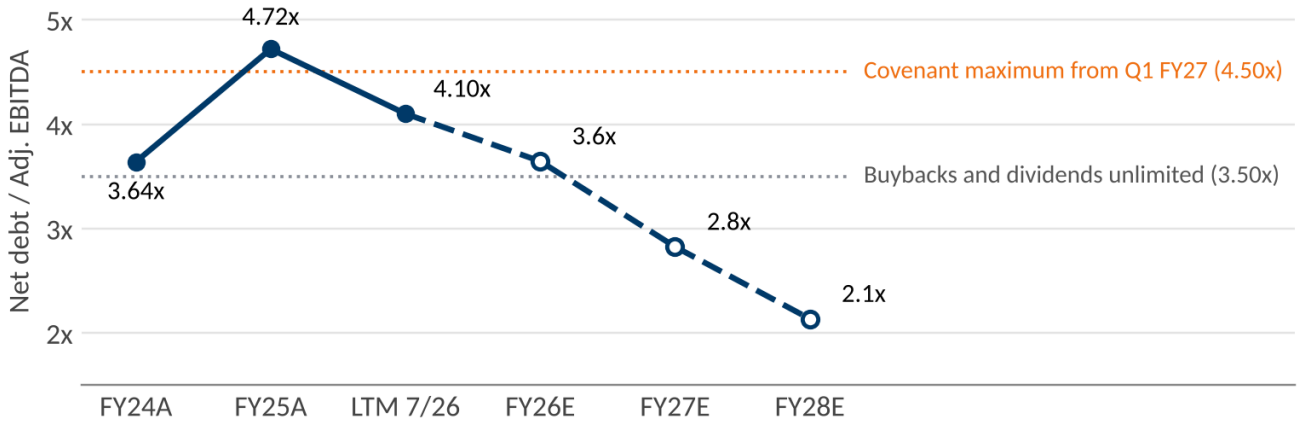
2. Debt paydown

None of this year's free cash flow has gone to shareholders. Bank debt fell from $1,168.5mm to $1,097.5mm in nine months and covenant leverage from 4.72x to 4.10x. In my base case net debt falls another ~$306mm by FY28. At a constant enterprise value that is ~$2.28 a share moving from lenders to shareholders, 16% of today's price, before any change in the multiple.

Deleveraging in the Base Case *$ in millions; net debt includes finance leases and excludes the A/R facility*

	LTM 7/26	FY26E	FY27E	FY28E
Adj. EBITDA	291	317	360	398
Free cash flow to debt paydown	–	165 (guide)	138	168
Net debt (year end)	1,200	1,155	1,017	849
Net debt / Adj. EBITDA	**4.10x (covenant)**	**3.6x**	**2.8x**	**2.1x**
Cumulative paydown per share	**–**	**–**	**$1.03**	**$2.28**

Leverage Path *covenant ratio for actuals; base case estimates dashed*



The credit agreement also no longer blocks buybacks, which I don't think is widely noticed. The May 2025 amendment barred dividends and repurchases until leverage was at or below 4.50x for two straight quarters. That happened in Q2 and Q3 (4.47x and 4.10x). Vestis can now return ~$95mm under its general basket and unlimited amounts at or below 3.50x. Management hasn't said it will, and I'd rather it kept paying down debt until the A/R facility and the Term A-2 are refinanced. But Corvex owns ~15% and Keith Meister sits on the board, so I'd expect the conversation to start in FY27.

3. Revenue

Revenue is the weakest part of the story and the easiest to misread in December. Q3 revenue fell 1.8% because pounds fell 4.5% while revenue per pound rose 3%. Barber said in August that Vestis plans to grow in FY27 and that churn has to keep coming down. The CFO expects Q4 at about the Q3 level, ~$662mm. Against last year's Q4 on the same 13 weeks ($660.4mm) that is flat. Against the $712.0mm Vestis reported for 14 weeks it is down ~7%, and that is the number the headlines will carry. My base case grows revenue 1.1% in FY27 and 2-3% a year after that. If revenue keeps shrinking, the savings get spread over a smaller base and my bear case applies.

Industry & Competition

- **Three national players, and the top two may merge.** Cintas agreed in March 2026 to buy UniFirst for $155 in cash plus 0.772 Cintas shares, about $5.5bn and ~17x UniFirst's forward EBITDA. Semafor reported on 10/27 that the FTC intends to sue to block it (the FTC says it hasn't voted), and Seeking Alpha reported on 11/13 that the FTC will hold a "last rites" meeting with the companies, usually the last step before a suit. The companies agreed not to close before 12/11/26, and Cintas owes UniFirst $350mm if regulators block the deal. UniFirst trades more than $90 below the offer.
- **What it means for Vestis.** If the deal closes, two operators serve most national accounts and UniFirst's customers go through an integration, which is when customers switch. If it is blocked, Vestis stays one of three, and the same antitrust reasoning probably rules out Cintas or UniFirst as a buyer of Vestis. I don't underwrite a takeout. What I take from the offer is that a strategic buyer was willing to pay ~17x for the No. 3 route network, and Vestis trades at ~10x.
- **The margin gap.** Cintas earns ~28% EBITDA margins on consensus, UniFirst ~13% and Vestis ~12%. Route density and plant automation explain most of the gap and took Cintas decades to build. My FY31 margin of 16.1% is still more than 11 points below Cintas, so the base case doesn't need Vestis to become Cintas.

Peer Comparables *consensus FY+1; peers at 11/6/26, Vestis at 11/13/26 with the A/R facility in enterprise value*

	EV / EBITDA	P / E	Revenue growth	EBITDA margin
Cintas (CTAS)	27.3x	40.1x	9.0%	27.7%
UniFirst (UNF)	12.1x	28.1x	4.0%	13.3%
Aramark (ARMK)	10.8x	18.7x	9.1%	8.3%
ABM Industries (ABM)	8.6x	12.2x	3.5%	5.9%
Vestis (VSTS)	**10.1x**	**18.1x**	**1.8%**	**12.1%**

UniFirst's price reflects the pending Cintas offer and the chance it is blocked. FY+1 is the fiscal year ending May 2027 for Cintas, August 2027 for UniFirst and September / October 2027 for the others.

Valuation

I value Vestis at 12/31/26 three ways and blend them: a perpetuity growth DCF (25%), an exit multiple DCF (25%) and 10.5x FY27 Adj. EBITDA (50%). The DCFs discount unlevered free cash flow after stock compensation through FY31 at 8.1%, with 2.5% terminal growth or a 10.5x exit. I weight the near-term multiple most because it is what the market can pay for over the next year. 10.5x sits between ABM and UniFirst and well below what Cintas offered for UniFirst. I count the $212mm of receivables sold under the A/R facility as debt, which costs ~$1.58 a share against the way peer enterprise values are usually quoted.

Valuation Bridge, Base Case *$ in millions except per share*

	Perpetuity DCF	Exit multiple DCF	10.5x FY27E	Blended
Enterprise value	4,330	4,395	3,779	4,071
Less net debt at 12/31/26E, incl. finance leases	(1,121)	(1,121)	(1,121)	(1,121)
Less A/R facility	(212)	(212)	(212)	(212)
Equity value	**2,997**	**3,062**	**2,446**	**2,738**
Diluted shares (mm)	134.3	134.3	134.3	134.3
Value per share	**$22.31**	**$22.80**	**$18.21**	**$20.38**
Against $14.09	+58%	+62%	+29%	+45%

Cases *weights are 25% bear, 50% base, 25% bull*

	Bear	Base	Bull	Weighted
FY27E revenue growth	(2.5%)	1.1%	2.0%	
FY27E Adj. EBITDA, $mm (% margin)	300 (11.6%)	360 (13.5%)	376 (13.9%)	
FY31E Adj. EBITDA margin	12.0%	16.1%	19.0%	
Exit / FY27E EV / EBITDA	8.0x / 8.5x	10.5x / 10.5x	12.0x / 12.0x	
Blended value per share	**$8.75**	**$20.38**	**$29.18**	**$19.67**
Against $14.09	-38%	+45%	+107%	+40%

- **What drives the range.** Terminal value is 79% of enterprise value in both DCFs, so most of the value above ~$18 rests on margins that keep rising after FY28. For the next year the near-term multiple matters more. Each turn on FY27 EBITDA is worth ~$2.68 a share.
- **What's priced in.** On the same bridge, which uses net debt at 12/31/26, $14.09 is 9.8x FY27 consensus EBITDA and 9.0x mine (10.1x and 9.2x on today's net debt). Aramark trades at 10.8x, so the price is roughly consensus EBITDA at a peer multiple. Holders who paid up since August probably expect a guide above consensus, which is why a guide at $328mm is my first risk. My bear case takes FY27 EBITDA to $300mm and the multiple to 8.5x, which is $9.08 a share.

Base Case Sensitivities *value per share; Vestis equity model, Sensitivity sheet*

Vestis Corporation - Base Case Sensitivities

Implied share price ($); base case cash flows.

Exit multiple DCF: WACC vs. exit EV / EBITDA

WACC \ Exit multiple	8.5x	9.5x	10.5x	11.5x	12.5x
7.11%	18.97	21.54	24.12	26.69	29.27
7.61%	18.41	20.93	23.45	25.97	28.48
8.11%	17.87	20.33	22.80	25.26	27.72
8.61%	17.34	19.75	22.16	24.57	26.98
9.11%	16.83	19.18	21.54	23.90	26.26

Perpetuity DCF: WACC vs. terminal growth

WACC \ Terminal growth	1.50%	2.00%	2.50%	3.00%	3.50%
7.11%	23.35	26.06	29.36	33.46	38.70
7.61%	20.59	22.82	25.49	28.73	32.76
8.11%	18.26	20.12	22.31	24.93	28.11
8.61%	16.25	17.82	19.65	21.80	24.38
9.11%	14.51	15.85	17.40	19.19	21.31

Risks & Mitigants

- **Revenue keeps shrinking.** Pounds fell 4.5% in Q3, and FY25 revenue fell on lost business in excess of new business. A second year of volume losses would spread fixed plant and route costs over a smaller base. Mitigant: the exits are deliberate, revenue per pound is rising, and my bear case already takes FY27 revenue down 2.5% and the margin to 11.6% ($8.75 a share).
- **The print.** The stock sits above every Street target, so some holders expect an FY27 guide above consensus. A guide near $328mm, or the headline revenue decline against a 14-week quarter, could take the stock down even with the business on plan. Vestis has moved 10% or more over the two sessions after half of its reports since the spin. Mitigant: I know what I need to see (the scorecard below), and on consensus EBITDA the multiple I use still supports the price.
- **Savings from underinvestment.** Capex was 2.1% of revenue over the last year against 3.5% at Cintas and 5.3% at UniFirst. If service slips, the losses of 2024-25 come back. Mitigant: my model takes capex including leased equipment to 3.5% of revenue by FY28, about $35mm a year more than today.
- **Leverage and refinancing.** Covenant leverage of 4.10x compares with a 4.50x maximum from Q1 FY27. The A/R facility ($212mm sold) ends 8/2/27 and the Term A-2 ($436mm) and revolver mature 9/29/28, so Vestis has to renew or refinance about $650mm within two years. Mitigant: leverage is 2.8x by the end of FY27 in my base case, the Term B trades at 99.5, and I wrote up the loan separately.
- **Litigation.** A securities class action in Georgia over the 2023 spin survived the motion to dismiss in September 2025. Law360 reported on 11/13/26 that Vestis and Aramark have agreed to settle it; the amount isn't public yet, and neither is the split with Aramark or insurers. A second class action in New York was partly dismissed on 7/31/26, and derivative suits are stayed.
- **Turnover at the top.** Vestis has had three CEOs, counting an interim, and two CFO changes in about eighteen months. Results have improved under the current team, and Barber has bought about $2mm of stock with his own money, but it is a short record.

Catalysts, Monitoring & Conclusion

Q4 FY26 Scorecard *$ in millions; Vestis reported Q4 on December 1 last year and hasn't set this year's date*

Metric	Street or prior	Mine	What I need
FY27 Adj. EBITDA guide (midpoint)	**327.6**	**360**	**340 or better**
Q4 Adj. EBITDA	guide 84-89	91.2	86.5 or better
Q4 revenue	665.9	662.0	660.4 or better (flat on the same 13 weeks)
Q4 pounds processed, year over year	-4.5% in Q3	–	-3% or better
FY27 revenue growth guide	+1.8%	+1.1%	Flat or better
FY27 free cash flow guide	165 (FY26 guide)	138	125 or better
Covenant leverage at 10/2/26	4.10x at 7/3/26	3.6x	3.8x or lower

I'd add if the FY27 guide clears $340mm and most of the other lines do too. I'd cut the position if the guide is below consensus, whatever the rest of the quarter looks like, because the whole case rests on FY27 being better than the Street thinks.

Other catalysts

- **Cintas and UniFirst (December 2026 to January 2027).** An FTC suit, a settlement with divestitures or a clearance all change who Vestis competes with and what a route network is worth.
- **Refinancing (FY27).** An early extension of the A/R facility and the Term A-2 would settle the 2027-28 maturities early. First lien leverage at or below 3.30x also cuts the Term B margin by 25bp, which I expect with the FY26 compliance certificate.
- **Capital return (FY27-28).** The credit agreement allows it again. A buyback authorization once leverage is near 3x would tell me the board thinks the stock is cheap.

Limitations

- **The base case is a judgment about one print.** If the December outlook starts from the Q3 run-rate, my FY27 EBITDA is too high and the DCF margins behind it need to come down as well.
- **Peers and consensus.** Peer multiples are as of 11/6/26 and consensus as of 11/8/26. UniFirst trades on a deal. Bull and bear cases are my own and the weights are a convention I use on every name.
- **Sources.** The cases use public filings, company guidance, call transcripts and consensus. My estimates also reflect conversations with an investor who holds the stock.

Conclusion

I'd buy Vestis at $14.09 with moderate conviction. The business is earning more each quarter, the cash is going to debt, and the Street's FY27 number is the Q3 run-rate with no credit for a Q4 the company has already guided to. My base case is worth $20.50 a share and my bear case $8.75, so I'm risking about 38% to make about 45%. I also wrote up the Term Loan B-1, which I'd hold at 99.5 and add to at 97.5; the loan can't pay more than par, so a better FY27 only shows up in the stock. I keep conviction at moderate because the CFO's August comments point closer to consensus than to my number, and the December outlook decides most of the next six months.

Appendix

Appendix #1. Model: Base Case, Sales to Free Cash Flow *Vestis equity model, Model sheet*

Vestis Corporation - Projection Model (Base / Bull / Bear)

$ in millions except per share; fiscal years end on the Friday nearest September 30; FY25A has 53 weeks.

	Historicals		Base Case					
For the fiscal year ended	**FY24A**	**FY25A**	**FY26E**	**FY27E**	**FY28E**	**FY29E**	**FY30E**	**FY31E**
Net Sales								
Uniforms and workplace supplies	2,806	2,735	2,647	2,676	2,729	2,806	2,890	2,976
% change		*(2.5%)*	*(3.2%)*	*1.1%*	*2.0%*	*2.8%*	*3.0%*	*3.0%*
Total Net Sales	**2,806**	**2,735**	**2,647**	**2,676**	**2,729**	**2,806**	**2,890**	**2,976**
% change		*(2.5%)*	*(3.2%)*	*1.1%*	*2.0%*	*2.8%*	*3.0%*	*3.0%*
Adj. EBITDA								
Uniforms and workplace supplies	353	257	317	360	398	424	451	479
% margin	*12.6%*	*9.4%*	*12.0%*	*13.5%*	*14.6%*	*15.1%*	*15.6%*	*16.1%*
Total Adj. EBITDA	**353**	**257**	**317**	**360**	**398**	**424**	**451**	**479**
% margin	*12.6%*	*9.4%*	*12.0%*	*13.5%*	*14.6%*	*15.1%*	*15.6%*	*16.1%*
Unlevered Free Cash Flow								
Adj. EBITDA			317	360	398	424	451	479
Stock-based compensation	(16)	(12)	(12)	(12)	(12)	(13)	(13)	(13)
% of sales			*0.5%*	*0.5%*	*0.5%*	*0.5%*	*0.5%*	*0.5%*
Depreciation & amortization	(141)	(143)	(135)	(136)	(139)	(143)	(147)	(152)
% of sales			*5.1%*	*5.1%*	*5.1%*	*5.1%*	*5.1%*	*5.1%*
EBIT (after SBC)			**170**	**211**	**246**	**268**	**290**	**314**
Cash taxes on EBIT			(43)	(53)	(62)	(67)	(73)	(79)
tax rate			*25.0%*	*25.0%*	*25.0%*	*25.0%*	*25.0%*	*25.0%*
Capital expenditures	(79)	(59)	(82)	(88)	(96)	(98)	(101)	(104)
% of sales			*3.1%*	*3.3%*	*3.5%*	*3.5%*	*3.5%*	*3.5%*
(Increase) / decrease in net working capital			13	(4)	(8)	(11)	(13)	(13)
% of change in sales			*15.0%*	*15.0%*	*15.0%*	*15.0%*	*15.0%*	*15.0%*
Transformation and severance cash costs			(25)	(10)	(5)	-	-	-
Unlevered Free Cash Flow			**169**	**192**	**215**	**234**	**251**	**270**
% of sales			*6.4%*	*7.2%*	*7.9%*	*8.4%*	*8.7%*	*9.1%*

Appendix #2. Model: Quarterly Build *Vestis equity model, Quarterly sheet*

Vestis Corporation - Quarterly Build (Base Case)

$ in millions; fiscal quarters; Q4 FY25 had 14 weeks; FY27E quarters spread from the annual base case.

	Historicals							Base Case				
For the quarter ended	**Q1 FY25**	**Q2 FY25**	**Q3 FY25**	**Q4 FY25**	**Q1 FY26**	**Q2 FY26**	**Q3 FY26**	**Q4 FY26E**	**Q1 FY27E**	**Q2 FY27E**	**Q3 FY27E**	**Q4 FY27E**
Revenue	683.8	665.2	673.8	712.0	663.4	659.4	661.7	662.0	670.7	666.7	668.9	669.3
% change y/y, reported					*(3.0%)*	*(0.9%)*	*(1.8%)*	*(7.0%)*	*1.1%*	*1.1%*	*1.1%*	*1.1%*
% change y/y, same weeks					*(3.0%)*	*(0.9%)*	*(1.8%)*	*0.2%*	*1.1%*	*1.1%*	*1.1%*	*1.1%*
Memo: 53rd-week revenue				51.6								
Adj. EBITDA	81.1	47.6	64.0	64.6	70.4	74.5	80.9	91.2	89.2	89.3	90.3	91.0
% margin	*11.9%*	*7.2%*	*9.5%*	*9.1%*	*10.6%*	*11.3%*	*12.2%*	*13.8%*	*13.3%*	*13.4%*	*13.5%*	*13.6%*
Margin change y/y (bp)					*(126)*	*415*	*272*	*470*	*269*	*210*	*128*	*(18)*

Appendix (cont.)

Appendix #3. Model: Valuation Summary

Vestis equity model, Valuation sheet

Vestis Corporation - Valuation Summary

$ in millions except per share; valuation as of 12/31/2026; share price as of 11/13/2026.

Implied share price	Perpetuity	Exit multiple	FY27E multiple	Blended	Upside	Weight
Base Case	22.31	22.80	18.21	**20.38**	*44.6%*	50.0%
Bull Case	34.44	34.86	23.70	29.18	*107.1%*	25.0%
Bear Case	8.87	7.97	9.08	8.75	*(37.9%)*	25.0%
Probability-weighted				**19.67**	**39.6%**	**100.0%**

Valuation inputs	Base	Bull	Bear
WACC	8.11%	8.11%	8.11%
Terminal growth rate	2.50%	3.00%	2.00%
Exit EV / EBITDA (FY31E)	10.5x	12.0x	8.0x
Near-term EV / EBITDA (FY27E)	10.5x	12.0x	8.5x
Scenario weight	50.0%	25.0%	25.0%

Method weights	Weight
Perpetuity growth DCF	25.0%
Exit multiple DCF	25.0%
FY27E multiple	50.0%

Enterprise value to equity value	Amount
Net debt at FY26E year end, incl. finance leases (10/2/2026E)	(1,155)
Less: Q1 FY27E levered free cash flow (to the 12/31/2026 valuation date)	35
A/R securitization: receivables sold (debt-like)	(212)
Net adjustments to enterprise value	**(1,333)**
Diluted shares (M)	134.3
Current share price	14.09

Appendix #4. Model: WACC

Vestis equity model, WACC sheet

Vestis Corporation - WACC Build

Base case discount rate; target capital structure; share price as of 11/13/2026.

Cost of equity	Value
Risk-free rate	4.86%
Equity risk premium	4.46%
Levered beta (higher of adjusted regression and bottom-up)	1.11
Cost of equity	**9.83%**

Cost of debt	
Pre-tax cost of debt	6.23%
Marginal tax rate	25.00%
After-tax cost of debt	**4.67%**

Capital structure	
Share price ($)	14.09
Diluted shares (M)	134.3
Equity market value ($M)	1,892.8
Debt and debt-like claims ($M)	1,469.5
Target debt and debt-like claims / Adj. EBITDA	3.5x
Normalized EV / Adj. EBITDA	10.5x
Debt weight (target)	33.3%
Equity weight (target)	66.7%
WACC	**8.11%**

Bottom-up beta (Damodaran, Betas by Sector (US), January 2026)	
Business & Consumer Services: unlevered beta corrected for cash	0.81
Debt / equity at target	50.0%
Marginal tax rate	25.00%
Unlevered beta	0.81
Relevered beta	**1.11**

Adjusted regression beta	
Five-year raw beta	1.07
Adjusted beta (0.67 x raw + 0.33)	**1.05**

Reference: market-value weights	
Debt weight at market values	43.7%
Bottom-up beta relevered at market D/E	1.28
WACC at market weights	8.00%