

Cintas Corporation
Consolidated Condensed Statements of Income
(Unaudited)
(In thousands except per share data)

	Three Months Ended		
	November 30, 2023	November 30, 2022	% Change
Revenue:			
Uniform rental and facility services	\$ 1,850,542	\$ 1,709,987	8.2%
Other	526,635	464,871	13.3%
Total revenue	2,377,177	2,174,858	9.3%
Costs and expenses:			
Cost of uniform rental and facility services	974,231	906,727	7.4%
Cost of other	261,398	245,684	6.4%
Selling and administrative expenses	641,865	577,513	11.1%
Operating income	499,683	444,934	12.3%
Interest income	(769)	(344)	123.5%
Interest expense	26,590	28,920	(8.1)%
Income before income taxes	473,862	416,358	13.8%
Income taxes	99,249	92,065	7.8%
Net income	<u>\$ 374,613</u>	<u>\$ 324,293</u>	15.5%
Basic earnings per share	<u>\$ 3.67</u>	<u>\$ 3.18</u>	15.4%
Diluted earnings per share	<u>\$ 3.61</u>	<u>\$ 3.12</u>	15.7%
Basic weighted average common shares outstanding	101,667	101,637	
Diluted weighted average common shares outstanding	103,266	103,356	

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	Six Months Ended		
	November 30, 2023	November 30, 2022	% Change
Revenue:			
Uniform rental and facility services	\$ 3,677,367	\$ 3,407,759	7.9%
Other	1,042,140	933,553	11.6%
Total revenue	4,719,507	4,341,312	8.7%
Costs and expenses:			
Cost of uniform rental and facility services	1,921,814	1,797,493	6.9%
Cost of other	514,574	493,260	4.3%
Selling and administrative expenses	1,282,880	1,165,505	10.1%
Operating income	1,000,239	885,054	13.0%
Interest income	(1,191)	(499)	138.7%
Interest expense	51,134	56,640	(9.7)%
Income before income taxes	950,296	828,913	14.6%
Income taxes	190,598	152,931	24.6%
Net income	<u>\$ 759,698</u>	<u>\$ 675,982</u>	12.4%
Basic earnings per share	<u>\$ 7.43</u>	<u>\$ 6.63</u>	12.1%
Diluted earnings per share	<u>\$ 7.32</u>	<u>\$ 6.51</u>	12.4%
Basic weighted average common shares outstanding	101,781	101,530	
Diluted weighted average common shares outstanding	103,418	103,343	

CINTAS CORPORATION SUPPLEMENTAL DATA

Gross Margin and Net Income Margin Results

	Three Months Ended		Six Months Ended	
	November 30, 2023	November 30, 2022	November 30, 2023	November 30, 2022
Uniform rental and facility services gross margin	47.4%	47.0%	47.7%	47.3%
Other gross margin	50.4%	47.2%	50.6%	47.2%
Total gross margin	48.0%	47.0%	48.4%	47.2%
Net income margin	15.8%	14.9%	16.1%	15.6%

Reconciliation of Non-GAAP Financial Measures and Regulation G Disclosure

The press release contains non-GAAP financial measures within the meaning of Regulation G promulgated by the Securities and Exchange Commission. To supplement its consolidated condensed financial statements presented in accordance with U.S. generally accepted accounting principles (GAAP), the Company provides the additional non-GAAP financial measure of cash flow. The Company believes that this non-GAAP financial measure is appropriate to enhance understanding of its past performance as well as prospects for future performance. A reconciliation of the difference between this non-GAAP financial measure with the most directly comparable financial measure calculated in accordance with GAAP is shown in the table below.

Computation of Free Cash Flow

	Six Months Ended	
	November 30, 2023	November 30, 2022
(In thousands)		
Net cash provided by operations	\$ 729,631	\$ 619,149
Capital expenditures	(200,527)	(146,404)
Free cash flow	<u>\$ 529,104</u>	<u>\$ 472,745</u>

Management uses free cash flow to assess the financial performance of the Company. Management believes that free cash flow is useful to investors because it relates the operating cash flow of the Company to the capital that is spent to continue, improve and grow business operations.

SUPPLEMENTAL SEGMENT DATA

(In thousands)	Uniform Rental and Facility Services	First Aid and Safety Services	All Other	Corporate	Total
For the three months ended November 30, 2023					
Revenue	\$ 1,850,542	\$ 266,401	\$ 260,234	\$ —	\$ 2,377,177
Gross margin	\$ 876,311	\$ 145,316	\$ 119,921	\$ —	\$ 1,141,548
Selling and administrative expenses	\$ 476,700	\$ 86,785	\$ 78,380	\$ —	\$ 641,865
Interest income	\$ —	\$ —	\$ —	\$ (769)	\$ (769)
Interest expense	\$ —	\$ —	\$ —	\$ 26,590	\$ 26,590
Income (loss) before income taxes	\$ 399,611	\$ 58,531	\$ 41,541	\$ (25,821)	\$ 473,862
For the three months ended November 30, 2022					
Revenue	\$ 1,709,987	\$ 235,974	\$ 228,897	\$ —	\$ 2,174,858
Gross margin	\$ 803,260	\$ 119,153	\$ 100,034	\$ —	\$ 1,022,447
Selling and administrative expenses	\$ 434,165	\$ 73,658	\$ 69,690	\$ —	\$ 577,513
Interest income	\$ —	\$ —	\$ —	\$ (344)	\$ (344)
Interest expense	\$ —	\$ —	\$ —	\$ 28,920	\$ 28,920
Income (loss) before income taxes	\$ 369,095	\$ 45,495	\$ 30,344	\$ (28,576)	\$ 416,358
For the six months ended November 30, 2023					
Revenue	\$ 3,677,367	\$ 527,094	\$ 515,046	\$ —	\$ 4,719,507
Gross margin	\$ 1,755,553	\$ 291,092	\$ 236,474	\$ —	\$ 2,283,119
Selling and administrative expenses	\$ 949,414	\$ 172,980	\$ 160,486	\$ —	\$ 1,282,880
Interest income	\$ —	\$ —	\$ —	\$ (1,191)	\$ (1,191)
Interest expense	\$ —	\$ —	\$ —	\$ 51,134	\$ 51,134
Income (loss) before income taxes	\$ 806,139	\$ 118,112	\$ 75,988	\$ (49,943)	\$ 950,296
For the six months ended November 30, 2022					
Revenue	\$ 3,407,759	\$ 470,135	\$ 463,418	\$ —	\$ 4,341,312
Gross margin	\$ 1,610,266	\$ 235,290	\$ 205,003	\$ —	\$ 2,050,559
Selling and administrative expenses	\$ 876,400	\$ 148,949	\$ 140,156	\$ —	\$ 1,165,505
Interest income	\$ —	\$ —	\$ —	\$ (499)	\$ (499)
Interest expense	\$ —	\$ —	\$ —	\$ 56,640	\$ 56,640
Income (loss) before income taxes	\$ 733,866	\$ 86,341	\$ 64,847	\$ (56,141)	\$ 828,913