

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

	Three Months Ended		
	February 29, 2024	February 28, 2023	% Change
Revenue:			
Uniform rental and facility services	\$ 1,876,642	\$ 1,716,165	9.4%
Other	529,531	473,821	11.8%
Total revenue	2,406,173	2,189,986	9.9%
Costs and expenses:			
Cost of uniform rental and facility services	960,208	907,993	5.8%
Cost of other	258,117	247,962	4.1%
Selling and administrative expenses	667,048	587,219	13.6%
Operating income	520,800	446,812	16.6%
Interest income	(930)	(373)	149.3%
Interest expense	25,530	28,819	(11.4)%
Income before income taxes	496,200	418,366	18.6%
Income taxes	98,621	92,539	6.6%
Net income	<u>\$ 397,579</u>	<u>\$ 325,827</u>	22.0%
Basic earnings per share	<u>\$ 3.90</u>	<u>\$ 3.19</u>	22.3%
Diluted earnings per share	<u>\$ 3.84</u>	<u>\$ 3.14</u>	22.3%
Basic weighted average common shares outstanding	101,477	101,714	
Diluted weighted average common shares outstanding	103,187	103,418	

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	Nine Months Ended		
	February 29, 2024	February 28, 2023	% Change
Revenue:			
Uniform rental and facility services	\$ 5,554,009	\$ 5,123,924	8.4%
Other	1,571,671	1,407,374	11.7%
Total revenue	<u>7,125,680</u>	<u>6,531,298</u>	9.1%
Costs and expenses:			
Cost of uniform rental and facility services	2,882,022	2,705,486	6.5%
Cost of other	772,691	741,222	4.2%
Selling and administrative expenses	<u>1,949,928</u>	<u>1,752,724</u>	11.3%
Operating income	1,521,039	1,331,866	14.2%
Interest income	(2,121)	(872)	143.2%
Interest expense	<u>76,664</u>	<u>85,459</u>	(10.3)%
Income before income taxes	1,446,496	1,247,279	16.0%
Income taxes	289,219	245,470	17.8%
Net income	<u>\$ 1,157,277</u>	<u>\$ 1,001,809</u>	15.5%
Basic earnings per share	<u>\$ 11.34</u>	<u>\$ 9.82</u>	15.5%
Diluted earnings per share	<u>\$ 11.15</u>	<u>\$ 9.65</u>	15.5%
Basic weighted average common shares outstanding	101,681	101,589	
Diluted weighted average common shares outstanding	103,347	103,363	

CINTAS CORPORATION SUPPLEMENTAL DATA

Gross Margin and Net Income Margin Results

	Three Months Ended		Nine Months Ended	
	February 29, 2024	February 28, 2023	February 29, 2024	February 28, 2023
Uniform rental and facility services gross margin	48.8%	47.1%	48.1%	47.2%
Other gross margin	51.3%	47.7%	50.8%	47.3%
Total gross margin	49.4%	47.2%	48.7%	47.2%
Net income margin	16.5%	14.9%	16.2%	15.3%

Reconciliation of Non-GAAP Financial Measures

The press release contains non-GAAP financial measures within the meaning of the rules promulgated by the U.S. 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 these additional non-GAAP financial measures of free cash flow and organic revenue growth. The Company believes that these non-GAAP financial measures are appropriate to enhance understanding of its past performance as well as prospects for future performance. A reconciliation of the differences between these non-GAAP financial measures with the most directly comparable financial measures calculated in accordance with GAAP are shown in the tables below.

Computation of Free Cash Flow

(In thousands)	Nine Months Ended	
	February 29, 2024	February 28, 2023
Net cash provided by operations	\$ 1,386,741	\$ 1,044,191
Capital expenditures	(307,558)	(224,116)
Free cash flow	\$ 1,079,183	\$ 820,075

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.

Computation of Organic Growth

	Three Months Ended			Nine Months Ended		
	February 29, 2024	February 28, 2023	Growth %	February 29, 2024	February 28, 2023	Growth %
	A	B	G	I	J	O
Revenue	\$ 2,406,173	\$ 2,189,986	9.9%	\$ 7,125,680	\$ 6,531,298	9.1%
			$G=(A-B)/B$			$O=(I-J)/J$
	C	D		K	L	
Workdays in the period	65	64		196	195	
	E	F	H	M	N	P
Workday adjusted revenue growth	\$ 2,369,155	\$ 2,189,986	8.2%	\$ 7,089,324	\$ 6,531,298	8.5%
	$E=(A/C)*D$	$F=(B/D)*D$	$H=(E-F)/F$	$M=(I/K)*L$	$N=(J/L)*L$	$P=(M-N)/N$
Acquisition and foreign currency exchange impact, net			(0.5)%			(0.3)%
Organic growth			<u>7.7%</u>			<u>8.2%</u>

Management believes that organic revenue growth is valuable to investors because it reflects the revenue performance compared to a prior period with the same number of revenue generating days and excludes the impact from acquisitions, divestitures and foreign currency exchange rate fluctuations.

SUPPLEMENTAL SEGMENT DATA

(In thousands)	Uniform Rental and Facility Services	First Aid and Safety Services	All Other	Corporate	Total
For the three months ended February 29, 2024					
Revenue	\$ 1,876,642	\$ 262,602	\$ 266,929	\$ —	\$ 2,406,173
Gross margin	\$ 916,434	\$ 147,732	\$ 123,682	\$ —	\$ 1,187,848
Selling and administrative expenses	\$ 496,027	\$ 90,015	\$ 81,006	\$ —	\$ 667,048
Interest income	\$ —	\$ —	\$ —	\$ (930)	\$ (930)
Interest expense	\$ —	\$ —	\$ —	\$ 25,530	\$ 25,530
Income (loss) before income taxes	\$ 420,407	\$ 57,717	\$ 42,676	\$ (24,600)	\$ 496,200

For the three months ended February 28, 2023					
Revenue	\$ 1,716,165	\$ 231,605	\$ 242,216	\$ —	\$ 2,189,986
Gross margin	\$ 808,172	\$ 119,408	\$ 106,451	\$ —	\$ 1,034,031
Selling and administrative expenses	\$ 448,177	\$ 72,137	\$ 66,905	\$ —	\$ 587,219
Interest income	\$ —	\$ —	\$ —	\$ (373)	\$ (373)
Interest expense	\$ —	\$ —	\$ —	\$ 28,819	\$ 28,819
Income (loss) before income taxes	\$ 359,995	\$ 47,271	\$ 39,546	\$ (28,446)	\$ 418,366

For the nine months ended February 29, 2024					
Revenue	\$ 5,554,009	\$ 789,696	\$ 781,975	\$ —	\$ 7,125,680
Gross margin	\$ 2,671,987	\$ 438,824	\$ 360,156	\$ —	\$ 3,470,967
Selling and administrative expenses	\$ 1,445,440	\$ 262,996	\$ 241,492	\$ —	\$ 1,949,928
Interest income	\$ —	\$ —	\$ —	\$ (2,121)	\$ (2,121)
Interest expense	\$ —	\$ —	\$ —	\$ 76,664	\$ 76,664
Income (loss) before income taxes	\$ 1,226,547	\$ 175,828	\$ 118,664	\$ (74,543)	\$ 1,446,496

For the nine months ended February 28, 2023					
Revenue	\$ 5,123,924	\$ 701,740	\$ 705,634	\$ —	\$ 6,531,298
Gross margin	\$ 2,418,438	\$ 354,698	\$ 311,454	\$ —	\$ 3,084,590
Selling and administrative expenses	\$ 1,324,577	\$ 221,086	\$ 207,061	\$ —	\$ 1,752,724
Interest income	\$ —	\$ —	\$ —	\$ (872)	\$ (872)
Interest expense	\$ —	\$ —	\$ —	\$ 85,459	\$ 85,459
Income (loss) before income taxes	\$ 1,093,861	\$ 133,612	\$ 104,393	\$ (84,587)	\$ 1,247,279