



UniFirst Announces Agreement to Acquire Clean Uniform

February 8, 2023

WILMINGTON, Mass., Feb. 08, 2023 (GLOBE NEWSWIRE) -- UniFirst Corporation (NYSE: UNF) (the "Company," "UniFirst" or "we"), a North American leader in the supply and servicing of custom business uniform and workwear, facility service programs, and first aid and safety products, today announced that it has signed an agreement to purchase Clean Uniform ("Clean") for \$300 million, or a net purchase price of approximately \$260 million after adjusting for the estimated value of anticipated incremental tax benefits that it expects to realize over time.

Founded in 1938 and headquartered in St. Louis, MO, Clean Uniform is one of the largest independent uniform, workwear and facility service program providers in the United States with (11) locations covering Missouri, Illinois, Arkansas, Kansas and Oklahoma and annual revenue of approximately \$90 million.

"Clean has built a highly respected business that provides quality service with a strong customer focus," stated UniFirst CEO, Steven Sintros. "The addition of Clean into the UniFirst family will provide a foundation for us to deliver an enhanced service experience for our customers in the markets that they serve."

Mr. Sintros continued, "UniFirst recognizes Clean's strong service reputation in this market and is committed to retaining its employees, including its management, service and operations teams, as well as operating its facilities. We will be strategic and patient in the integration of the two businesses with a strong focus on customer and employee retention."

Transaction Details

The acquisition is structured primarily as a stock purchase but from a tax perspective will be treated as an asset purchase, which will allow for a step-up in the tax basis of the assets and provide incremental tax benefits valued at approximately \$40 million. UniFirst Management will provide additional details on the estimated impact of the acquisition on its fiscal 2023 financial results during its quarterly earnings call scheduled at the end of March 2023.

The Board of Directors of UniFirst unanimously approved the transaction. The acquisition is expected to close in the Company's third fiscal quarter ended May 27, 2023, subject to customary closing conditions and regulatory approvals. UniFirst will finance the transaction through the use of its cash reserves and availability under its existing line of credit.

About UniFirst Corporation

Headquartered in Wilmington, Mass., UniFirst Corporation (NYSE: UNF) is a North American leader in the supply and servicing of uniform and workwear programs, as well as the delivery of facility service programs. Together with its subsidiaries, the Company also provides first aid and safety products, and manages specialized garment programs for the cleanroom and nuclear industries. UniFirst manufactures its own branded workwear, protective clothing, and floorcare products; and with 260 service locations, over 300,000 customer locations, and 14,000-plus employee Team Partners, the Company outfits nearly 2 million workers each business day. For more information, contact UniFirst at 800.455.7654 or visit [UniFirst.com](https://www.unifirst.com).

Contact: Shane O'Connor, EVP & CFO

UniFirst Corporation

978-658-8888

shane_oconnor@unifirst.com

Forward-Looking Statements Disclosure

This public announcement contains forward-looking statements within the meaning of the federal securities laws that reflect the Company's current views with respect to future events and financial performance, including anticipated tax and other benefits, employment and operational matters and the closing of the acquisition. Forward-looking statements contained in this public announcement are subject to the safe harbor created by the Private Securities Litigation Reform Act of 1995 and may be identified by words such as "guidance," "outlook," "estimates," "anticipates," "projects," "plans," "expects," "intends," "believes," "seeks," "could," "should," "may," "will," "strategy," "objective," "assume," "strive," "design," or the negative versions thereof, and similar expressions and by the context in which they are used. Such forward-looking statements are based upon our current expectations and speak only as of the date made. Such statements are highly dependent upon a variety of risks, uncertainties and other important factors that could cause actual results to differ materially from those reflected in such forward-looking statements. Such factors include, but are not limited to, our ability to close the announced transaction, including on the anticipated timing, and to successfully integrate the Clean business, the possibility that expected benefits from the transaction may not materialize as expected, uncertainties caused by an economic recession or other adverse economic conditions, including, without limitation, as a result of continued high inflation rates or further increases in inflation or interest rates or extraordinary events or circumstances such as geopolitical conflicts like the conflict between Russia and Ukraine or the COVID-19 pandemic, and their impact on our customers' businesses and workforce levels, disruptions of our business and operations, including limitations on, or closures of, our facilities, or the business and operations of our customers or suppliers in connection with extraordinary events or circumstances such as the COVID-19 pandemic, uncertainties regarding our ability to consummate and successfully integrate acquired businesses, uncertainties regarding any existing or newly-discovered expenses and liabilities related to environmental compliance and remediation, any adverse outcome of pending or future contingencies or claims, our ability to compete successfully without any significant degradation in our margin rates, seasonal and quarterly fluctuations in business levels, our ability to preserve positive labor relationships and avoid becoming the target of corporate labor unionization campaigns that could disrupt our business, the effect of currency fluctuations on our results of operations and financial condition, our dependence on third parties to supply us with raw materials, which such supply could be severely disrupted as a result of extraordinary events or circumstances such as the COVID-19 pandemic or

the conflict between Russia and Ukraine, any loss of key management or other personnel, increased costs as a result of any changes in federal, state, international or other laws, rules and regulations or governmental interpretation of such laws, rules and regulations, uncertainties regarding, or adverse impacts from continued high price levels of natural gas, electricity, fuel and labor or increases in such costs, the negative effect on our business from sharply depressed oil and natural gas prices, including, without limitation, as a result of extraordinary events or circumstances such as the COVID-19 pandemic, the continuing increase in domestic healthcare costs, increased workers' compensation claim costs, increased healthcare claim costs, including as a result of extraordinary events or circumstances such as the COVID-19 pandemic, our ability to retain and grow our customer base, demand and prices for our products and services, fluctuations in our Specialty Garments business, political or other instability, supply chain disruption or infection among our employees in Mexico and Nicaragua where our principal garment manufacturing plants are located, including, without limitation, as a result of extraordinary events or circumstances such as the COVID-19 pandemic, our ability to properly and efficiently design, construct, implement and operate a new customer relationship management computer system, interruptions or failures of our information technology systems, including as a result of cyber-attacks, additional professional and internal costs necessary for compliance with any changes in or additional Securities and Exchange Commission, New York Stock Exchange and accounting or other rules, including, without limitation, recent rules proposed by the Securities and Exchange Commission regarding climate-related and cybersecurity-related disclosures, strikes and unemployment levels, our efforts to evaluate and potentially reduce internal costs, economic and other developments associated with the war on terrorism and its impact on the economy, the impact of foreign trade policies and tariffs or other impositions on imported goods on our business, results of operations and financial condition, general economic conditions, our ability to successfully implement our business strategies and processes, including our capital allocation strategies, our ability to successfully remediate the material weakness in internal control over financial reporting disclosed in our Annual Report on Form 10-K for the year ended August 27, 2022 and the other factors described under Part I, Item 1A. "Risk Factors" and elsewhere in our Annual Report on Form 10-K for the year ended August 27, 2022, Part II, Item 1A. "Risk Factors" and elsewhere in our subsequent Quarterly Reports on Form 10-Q and in our other filings with the Securities and Exchange Commission. We undertake no obligation to update any forward-looking statements to reflect events or circumstances arising after the date on which they are made.



Source: UniFirst Corporation