



# **DENNY'S CORPORATION INVESTOR PRESENTATION**

**MAY THROUGH JULY 2025**







# FORWARD-LOOKING STATEMENTS AND NON-GAAP FINANCIAL MEASURES

The Company urges caution in considering its current trends and any outlook on earnings disclosed either in this presentation or in its press releases. In addition, certain matters discussed in either this presentation or related press releases may constitute forward-looking statements. These forward-looking statements, which reflect management's best judgment based on factors currently known, are intended to speak only as of the date such statements are made and involve risks, uncertainties, and other factors that may cause the actual performance of Denny's Corporation, its subsidiaries, and underlying restaurants to be materially different from the performance indicated or implied by such statements. Words such as "expect", "anticipate", "believe", "intend", "plan", "hope", "will", and variations of such words and similar expressions are intended to identify such forward-looking statements. Except as may be required by law, the Company expressly disclaims any obligation to update these forward-looking statements to reflect events or circumstances after the date this presentation was published or to reflect the occurrence of unanticipated events. Factors that could cause actual performance to differ materially from the performance indicated by these forward-looking statements include, among others: economic, public health and political conditions that impact consumer confidence and spending; commodity and labor inflation; the potential impact of tariffs; the ability to effectively staff restaurants and support personnel; the Company's ability to maintain adequate levels of liquidity for its cash needs, including debt obligations, payment of dividends, planned share repurchases and capital expenditures as well as the ability of its customers, suppliers, franchisees and lenders to access sources of liquidity to provide for their own cash needs; competitive pressures from within the restaurant industry; the Company's ability to derive the expected benefits from its acquisition of Keke's Breakfast Cafe; the level of success of the Company's operating initiatives and advertising and promotional efforts; adverse publicity; health concerns arising from food-related pandemics, outbreaks of flu viruses or other diseases; changes in business strategy or development plans; terms and availability of capital; regional weather conditions; overall changes in the general economy (including with regard to energy costs), particularly at the retail level; political environment and geopolitical events (including acts of war and terrorism); and other factors from time to time set forth in the Company's SEC reports and other filings, including but not limited to the discussion in Management's Discussion and Analysis and the risks identified in Item 1A. Risk Factors contained in the Company's Annual Report on Form 10-K for the year ended December 25, 2024 (and in the Company's subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K).

The presentation includes references to the Company's non-GAAP financial measures. All such measures are designated by an asterisk (\*). The Company believes that, in addition to GAAP measures, certain non-GAAP financial measures are useful information to investors and analysts to assist in the evaluation of operating performance on a period-to-period basis. However, non-GAAP measures should be considered as a supplement to, not a substitute for, operating income, net income, and net income per share, or other financial performance measures prepared in accordance with GAAP. The Company uses adjusted EBITDA, adjusted net income and adjusted net income per share internally as performance measures for planning purposes, including the preparation of annual operating budgets, and for compensation purposes, including incentive compensation for certain employees. These non-GAAP measures are adjusted for certain items the Company does not consider in the evaluation of its ongoing core operating performance. These adjustments are either non-recurring in nature or vary from period to period without correlation to the Company's ongoing core operating performance. See Appendix for non-GAAP reconciliations to the following GAAP measures:

\$ Millions (except per share amounts)	2018	2019	2020	2021	2022	2023	2024	YTD Mar 2025
Operating Income	\$73.6	\$165.0	\$6.7	\$104.1	\$60.6	\$52.8	\$45.3	\$5.2
Net Income (Loss)	\$43.7	\$117.4	(\$5.1)	\$78.1	\$74.7	\$19.9	\$21.6	\$0.3
Net Income (Loss) per Share	\$0.67	\$1.90	(\$0.08)	\$1.19	\$1.23	\$0.35	\$0.41	\$0.01





# DENNY'S CORPORATION AT A GLANCE



## Data Through Fiscal Q1 2025

**1953**

YEAR FOUNDED

**1,491**

RESTAURANTS

**96%**

FRANCHISE MIX

**6**

Q1 2025  
NEW OPENINGS

**22%**

Q1 2025  
OFF-PREMISES  
SALES MIX

**\$1.9M**

Q1 2025  
LTM SYSTEM  
AUV SALES

**[3.0%]**

Q1 2025  
DOMESTIC SYSTEM-  
WIDE SAME-  
RESTAURANT SALES\*

**+1.0%**

Q1 2025  
OFF-PREMISES  
SYSTEM-WIDE SAME-  
RESTAURANT SALES\*



## Data Through Fiscal Q1 2025

**2006**

YEAR FOUNDED

**66**

CAFES

**68%**

FRANCHISE MIX

**3**

Q1 2025  
NEW OPENINGS

**16%**

Q1 2025  
OFF-PREMISES  
SALES MIX

**\$1.8M**

Q1 2025  
LTM SYSTEM  
AUV SALES

**+3.9%**

Q1 2025  
SYSTEM-WIDE  
SAME-RESTAURANT  
SALES\*

**7**

# OF STATES

\*Same-restaurant sales include sales at company restaurants and non-consolidated franchised and licensed restaurants that were open during the comparable periods noted. Total operating revenue is limited to company restaurant sales and royalties, advertising revenue, initial and other fees and occupancy revenue from non-consolidated franchised and licensed restaurants. Accordingly, domestic franchise same-restaurant sales and domestic system-wide same-restaurant sales should be considered as a supplement to, not a substitute for, the Company's results as reported under GAAP. Additionally, see Appendix for reconciliation of Net Income (Loss) to Non-GAAP Financial Measures, as well as the reconciliation of Operating Income to Non-GAAP Financial Measures.



# Q1 2025 HIGHLIGHTS



- Domestic system-wide same-restaurant sales\* of **(3.0%)**.
- Out of top four states, **California and Florida** performed the strongest.
- Outperformed** BBI Family Dining in California for the **5th consecutive quarter**.
- Partnered with NVIDIA® to launch New NVIDIA® Breakfast Bytes.

- Total value incidence of **~20%** during Q1.
- The newly relaunched (Aug 2024) **\$2-\$4-\$6-\$8** menu continued to be a staple for consumers.
- Launched the **new BOGO \$1** offer at the end of Q1 to drive incremental dine-in traffic.

- Total off-premises sales of **22%**.
- Off-premises benefited same-restaurant sales\* by **+1.0%**.
- Digital guest experience enhancements **improved conversion rates by over 16%**.

- Opened **6** new franchised restaurants.
- Completed **six remodels** including **five company restaurants**.
- Over 50% of company fleet** has been remodeled under the new image.

\*Same-restaurant sales include sales at company restaurants and non-consolidated franchised and licensed restaurants that were open during the comparable periods noted. Total operating revenue is limited to company restaurant sales and royalties, advertising revenue, initial and other fees and occupancy revenue from non-consolidated franchised and licensed restaurants. Accordingly, domestic franchise same-restaurant sales and domestic system-wide same-restaurant sales should be considered as a supplement to, not a substitute for, the Company's results as reported under GAAP.



# Q1 2025 HIGHLIGHTS



- Domestic system-wide same-restaurant sales\* of **+3.9%**.
- Sequential improvement of **90bps** from Q4 2024.
- **Outperformed** the BBI Family Dining sales benchmark in Florida by **nearly 400 basis points**.
- Marks **third consecutive quarter** Keke's has **outperformed** the BBI Family Dining sales benchmark in Florida.
- Alcohol program active in **~80%** of the system.
- Total off-premises sales of **~16%** during Q1.
- Launched **two new menu items**:
  - Kids cheeseburger meal
  - Stuffed French Toast with sliced bananas and Nutella®
- Remodel program lift target of **6%-8%**.
- Currently testing **three company remodels**.
- Opened **three new cafes**.
- Expanded to our **7th state, Georgia**.
- Cafes currently under construction in **Florida, Tennessee, and Texas**.
- Strong pipeline of **over 135** remaining development commitments.

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A close-up, warm-toned photograph of a stack of pancakes. The pancakes are golden-brown and layered. They are topped with several slices of fresh banana, showing their characteristic yellow color and dark seeds. A thick, dark syrup is drizzled over the top of the stack, creating a glossy sheen. The background is a soft, out-of-focus warm brown.

# DENNY'S

**We Love to Feed People – Body, Mind and Soul**

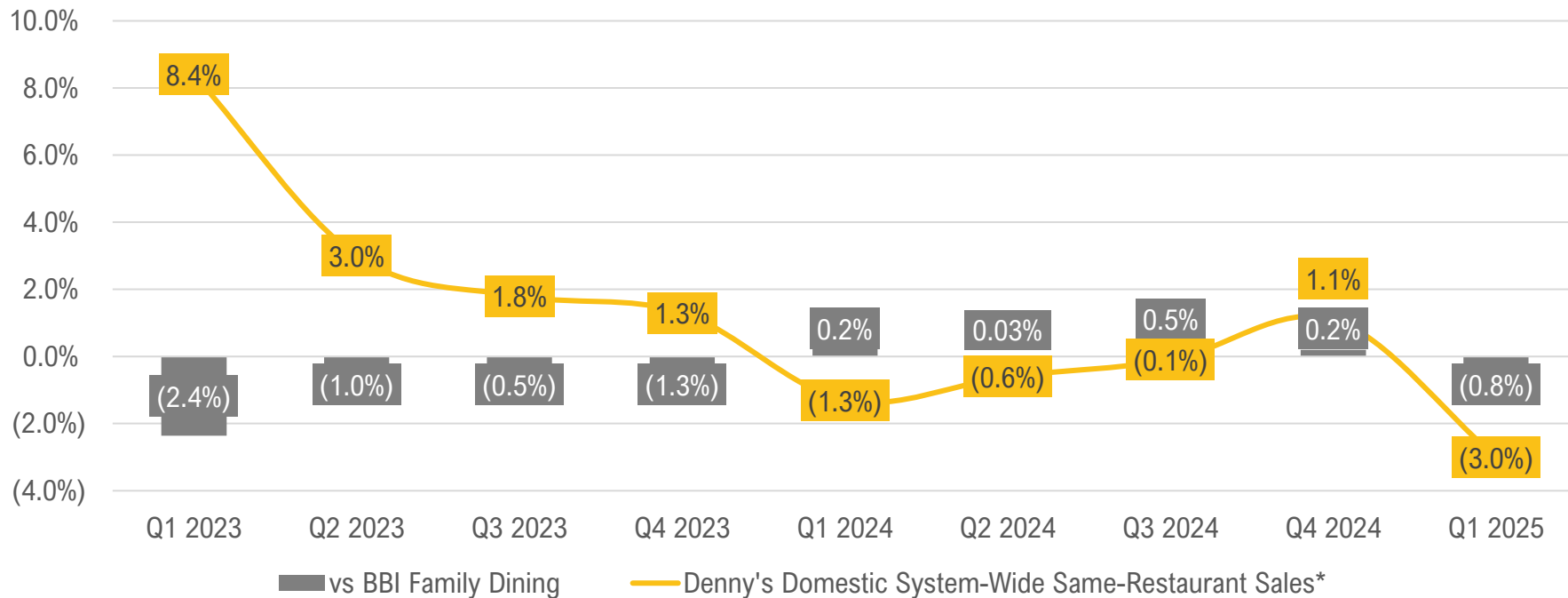






# DENNY'S DOMESTIC SYSTEM-WIDE SAME-RESTAURANT SALES\*

*Outperformed BBI Family Dining Index for Four out of the Last Five Quarters*



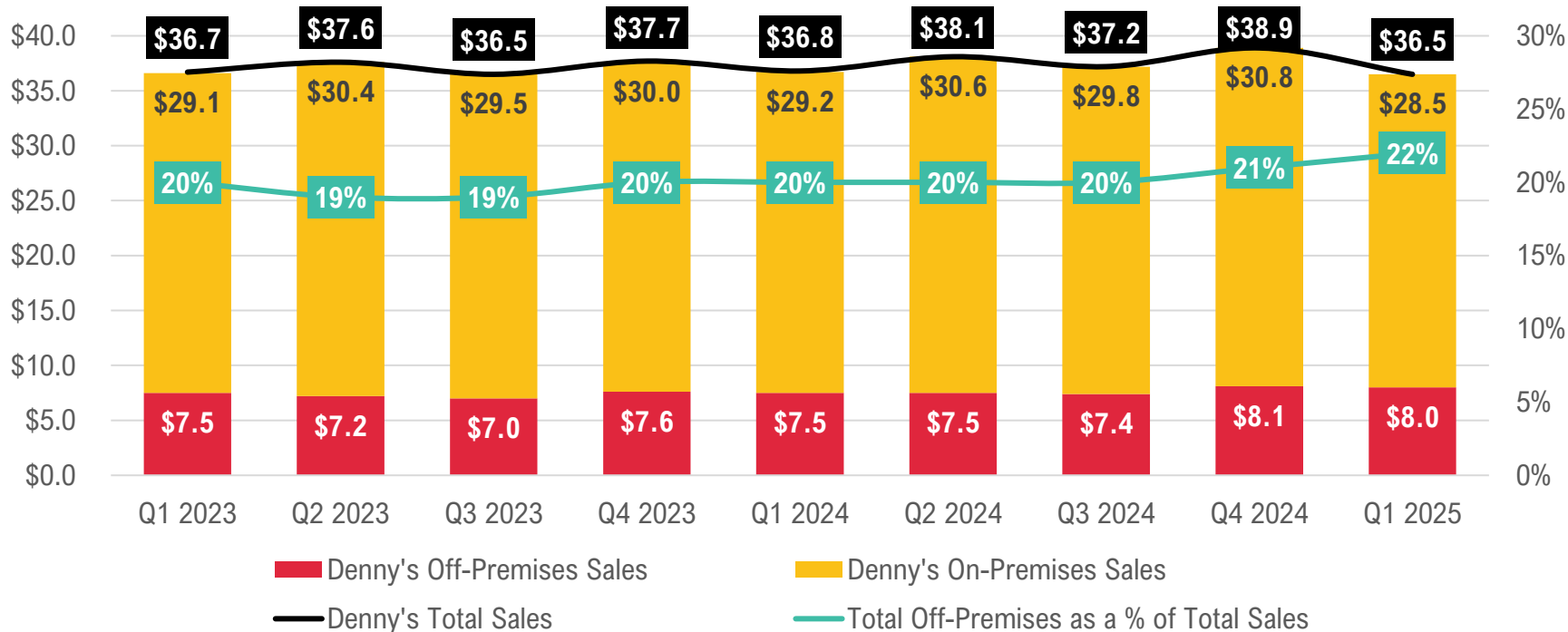
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# DENNY'S DOMESTIC SALES

*Denny's Q1 2025 Domestic Average Weekly Sales of Approximately \$36,500*

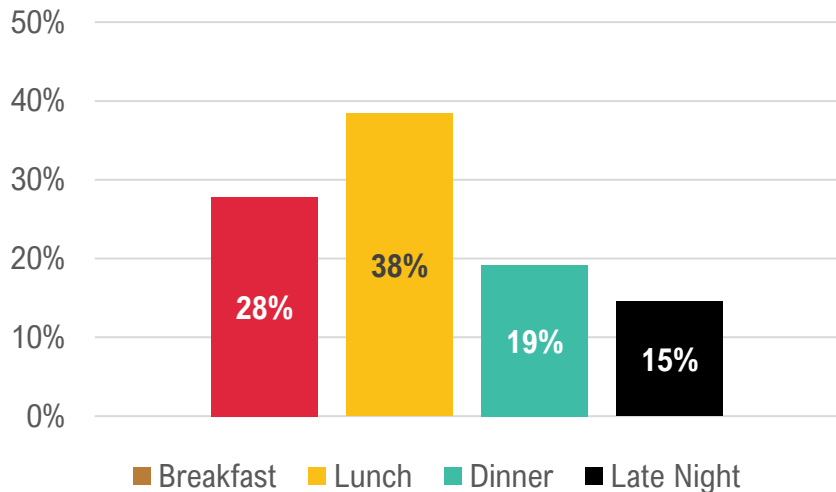




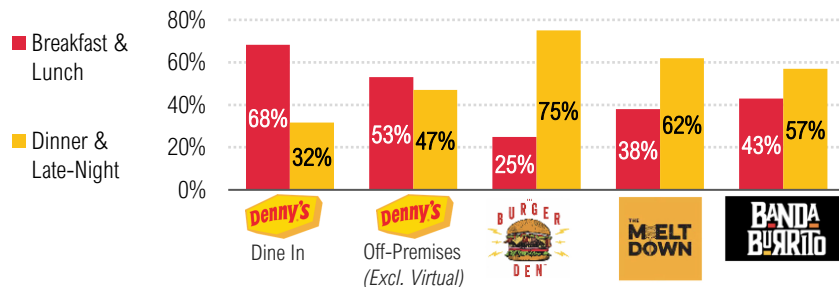
# DENNY'S DOMESTIC SALES MIX

*Over 65% of Denny's Overall Domestic Q1 2025 Sales Were During the Breakfast and Lunch Dayparts, With Virtual Brands Over-Indexing at the Dinner and Light-Night Dayparts, As Well As Weekdays*

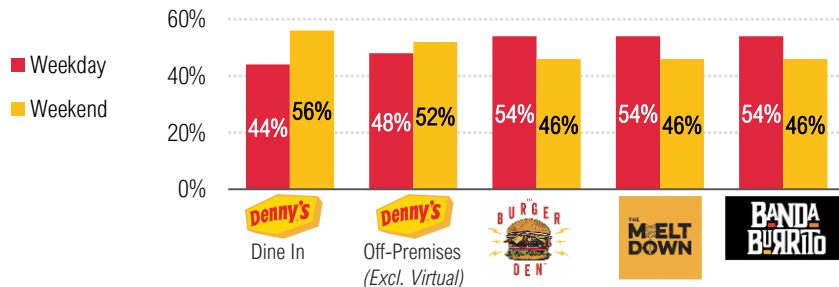
Q1 2025 Sales Mix by Daypart



Q1 2025 Sales Mix by Daypart



Q1 2025 Sales Mix Weekday vs. Weekend







# DINER 2.0 REMODEL PROGRAM



**+6.4%**

**SALES LIFT  
DURING TESTING**

**+6.5%**

**TRAFFIC LIFT  
DURING TESTING**

**~\$250k**

**AVERAGE  
INVESTMENT**

**>50%**

**COMPANY FLEET  
REMODELED TO NEW  
IMAGE**

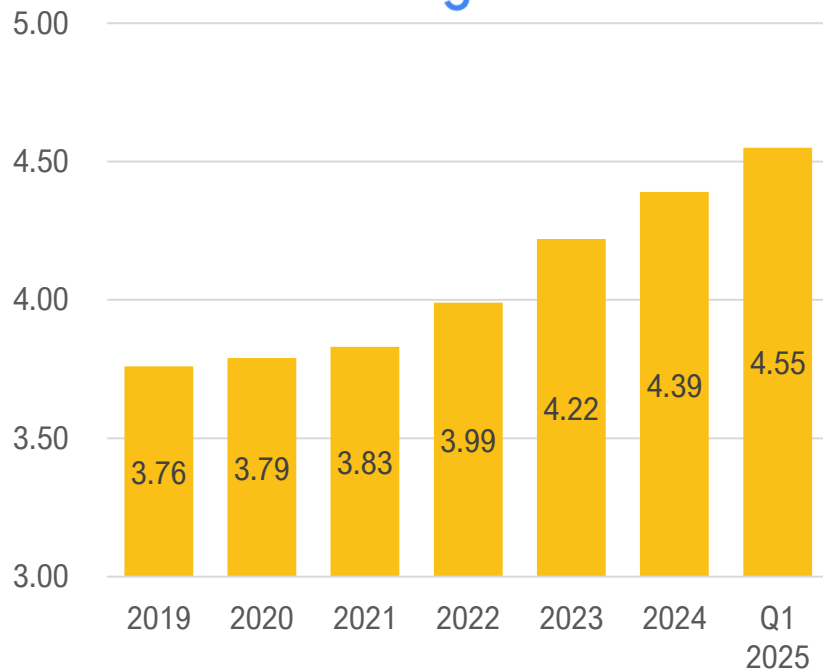
**>10%**

**FRANCHISE FLEET  
REMODELED TO NEW  
IMAGE**



# GUEST FEEDBACK

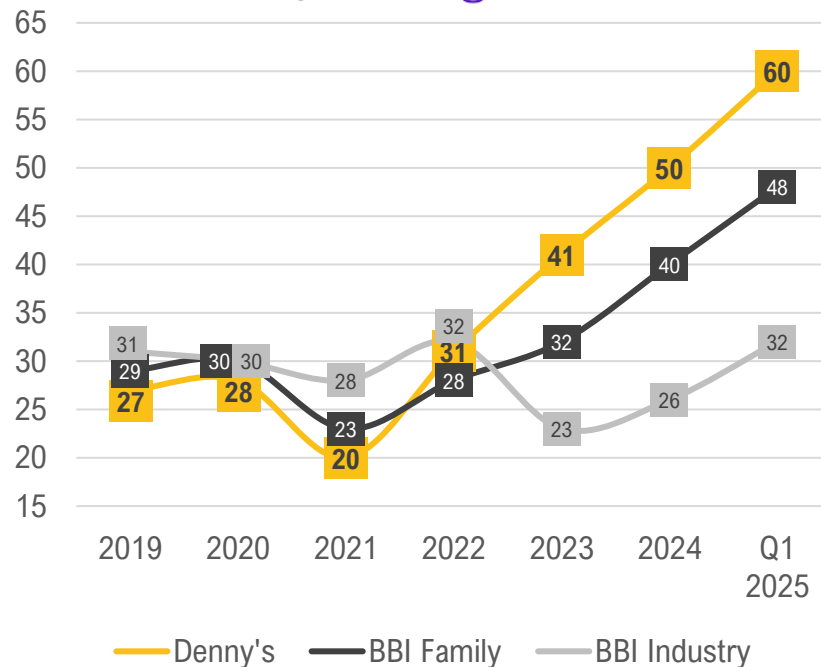
Average Google Rating



Overall Net Sentiment



**Black Box**  
Intelligence



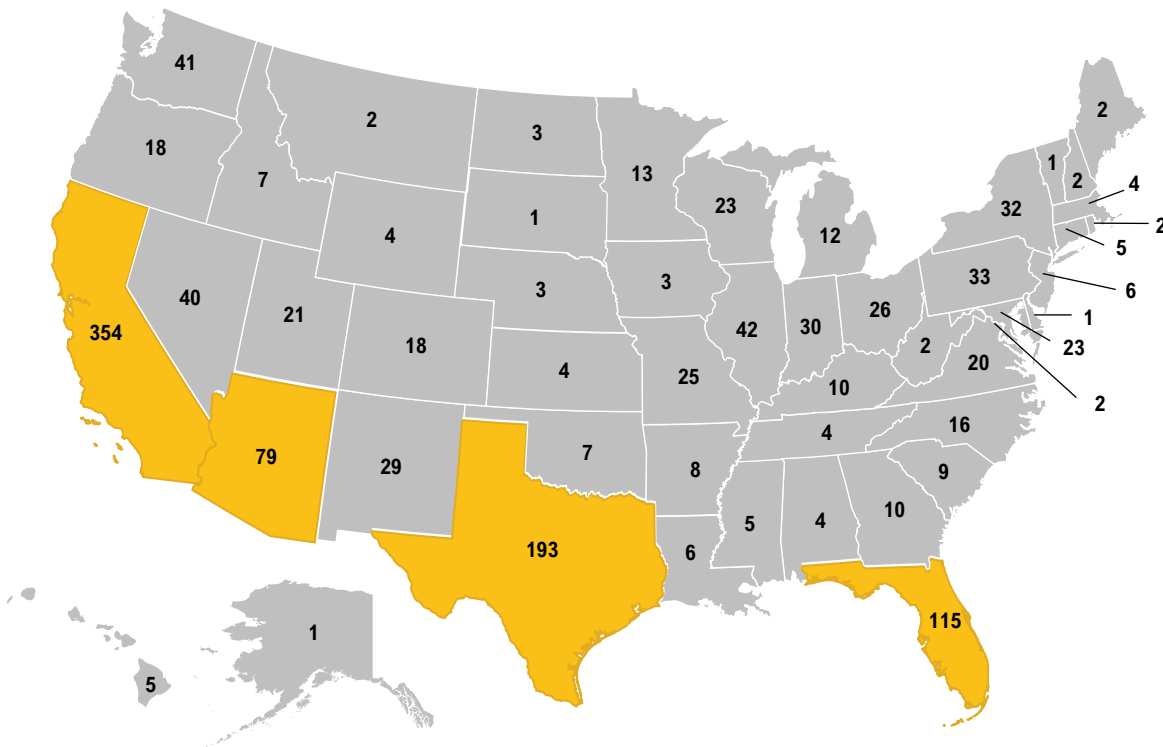




# DENNY'S FOOTPRINT

*Total of 1,326 Restaurants in the U.S. with Strongest Presence in California, Texas, Florida, and Arizona<sup>1</sup>.*

*International Presence of 165 Restaurants in 14 Countries and U.S. Territories<sup>1</sup>.*



## Denny's Global Footprint<sup>1</sup>

Country		Number of Restaurants
United States		1,326
Canada		87
Mexico		16
Puerto Rico		14
Philippines		14
Honduras		7
New Zealand		7
United Arab Emirates		4
Guatemala		4
Costa Rica		3
El Salvador		3
Guam		2
Indonesia		2
Curaçao		1
United Kingdom		1
Total System		1,491





# DENNY'S STRONG PARTNERSHIP WITH FRANCHISEES

*Well Diversified, Experienced, and Energetic Group of 202 Franchisees<sup>1</sup>.*

- 31 franchisees with more than 10 restaurants each collectively comprise approximately 65% of the franchise system.
- Approximately 20% of our franchisees operate multiple concepts<sup>1</sup> providing a well-rounded perspective within the industry.



## Ownership of 1,430 Franchise Restaurants<sup>1</sup>

Number of Franchised Units	Number of Franchisees	Franchisees as % of Total	Total Franchised Units	Franchised Units as % of Total
1	79	39%	79	6%
2-5	64	32%	205	14%
6-10	28	14%	217	15%
11-20	17	8%	247	17%
21-35	5	3%	149	11%
>35	9	4%	533	37%
Total	202	100%	1,430	100%





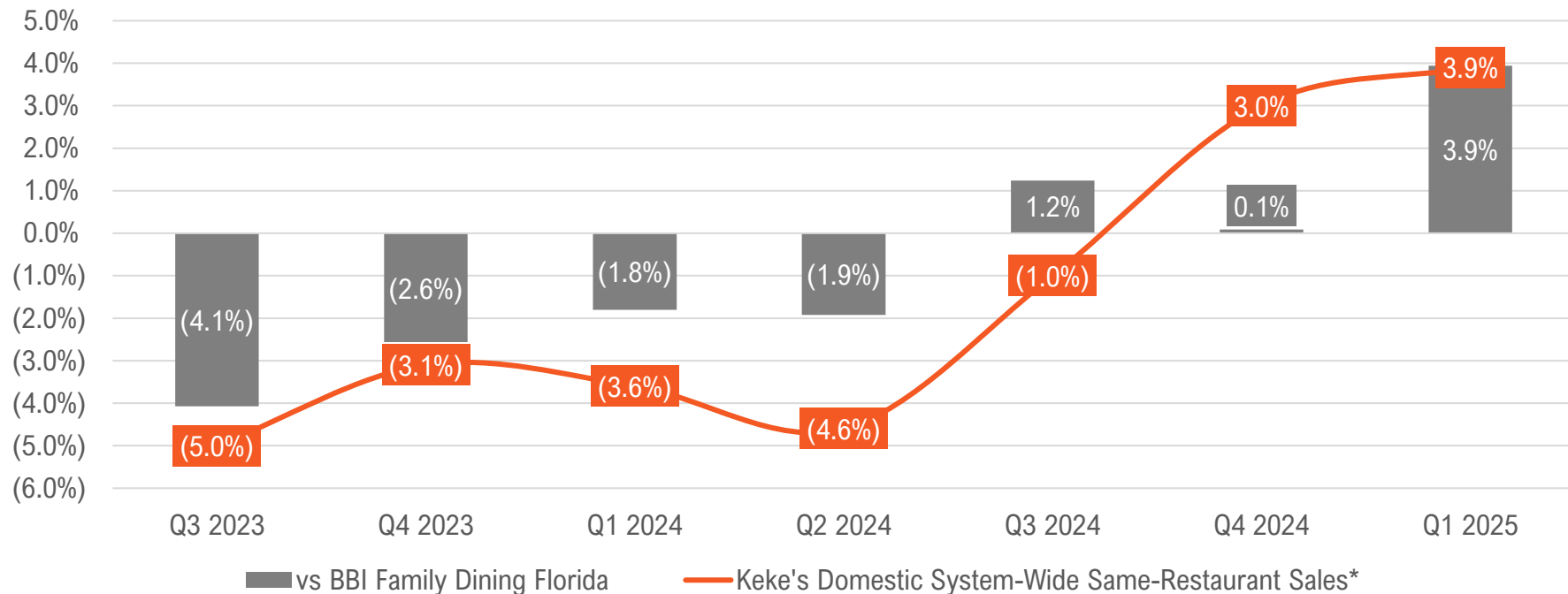
# **KEKE'S BREAKFAST CAFE**

**We Create Fresh Starts for Everyone, Every day**



# KEKE'S DOMESTIC SYSTEM-WIDE SAME-RESTAURANT SALES\*

*Outperformed BBI Family Dining Florida Index for Three Consecutive Quarters*

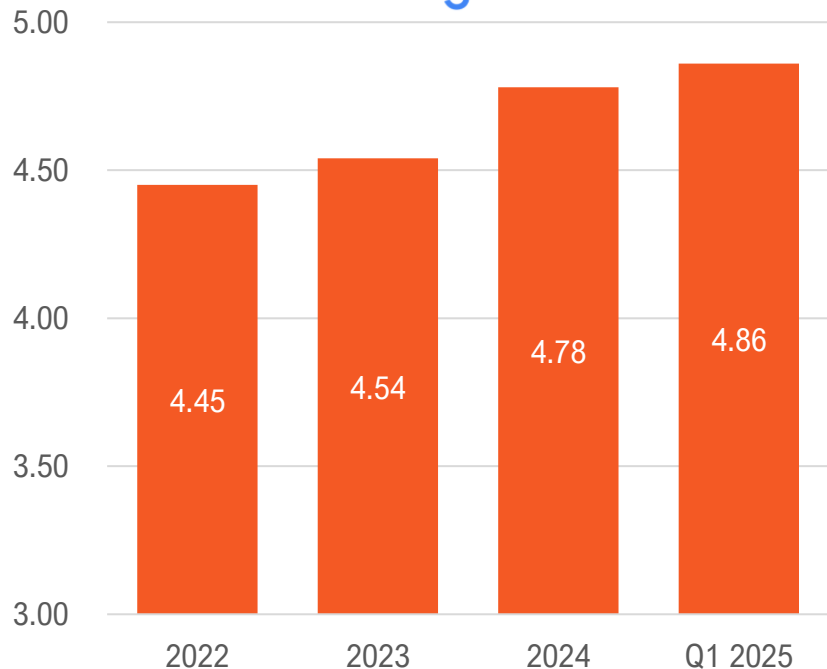


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# GUEST FEEDBACK

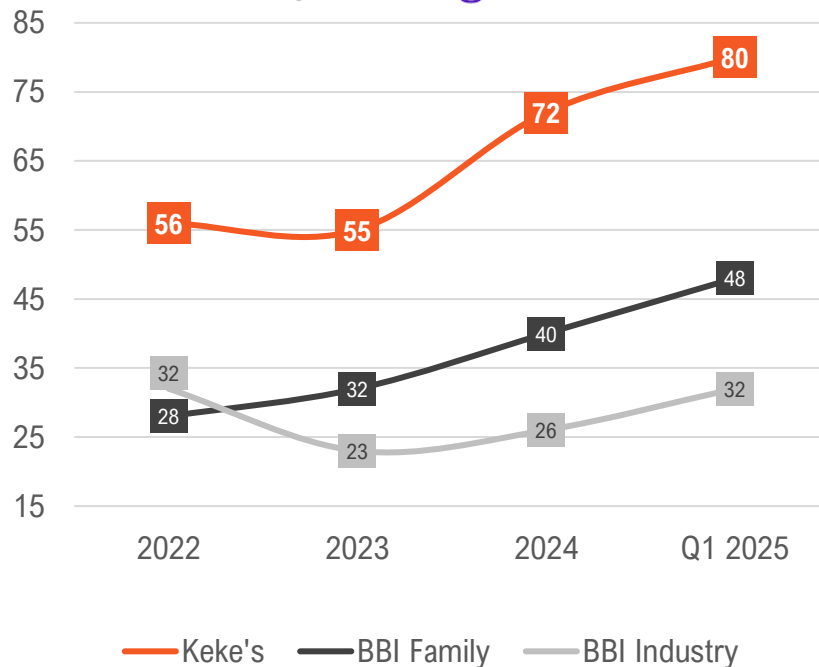
## Average Google Rating



## Overall Net Sentiment



**Black Box**  
Intelligence





# NEW KEKE'S DESIGN

## CURRENT DESIGN



## NEW DESIGN





# REMODEL PROGRAM TARGETS

**+6%-8%**

TARGET SALES LIFT

**+30%**

TARGET IRR

**~25%+**

TARGET  
CASH ON CASH

**\$150K+**

TARGET CAPEX

**3**

COMPANY REMODELS IN  
TEST



# KEKE'S GROWING PARTNERSHIP WITH FRANCHISEES

*Rapidly Expanding Group of 18 Franchisees<sup>1</sup>*

- 2 franchisees with more than 5 restaurants and collectively comprise approximately 33% of the franchise system.
- Majority of existing franchisees are solely focused on operating Keke's franchises.
- Includes two Denny's franchisees.
- Company seeks to primarily leverage both Keke's and Denny's existing franchisee networks to grow the portfolio in the near-term.

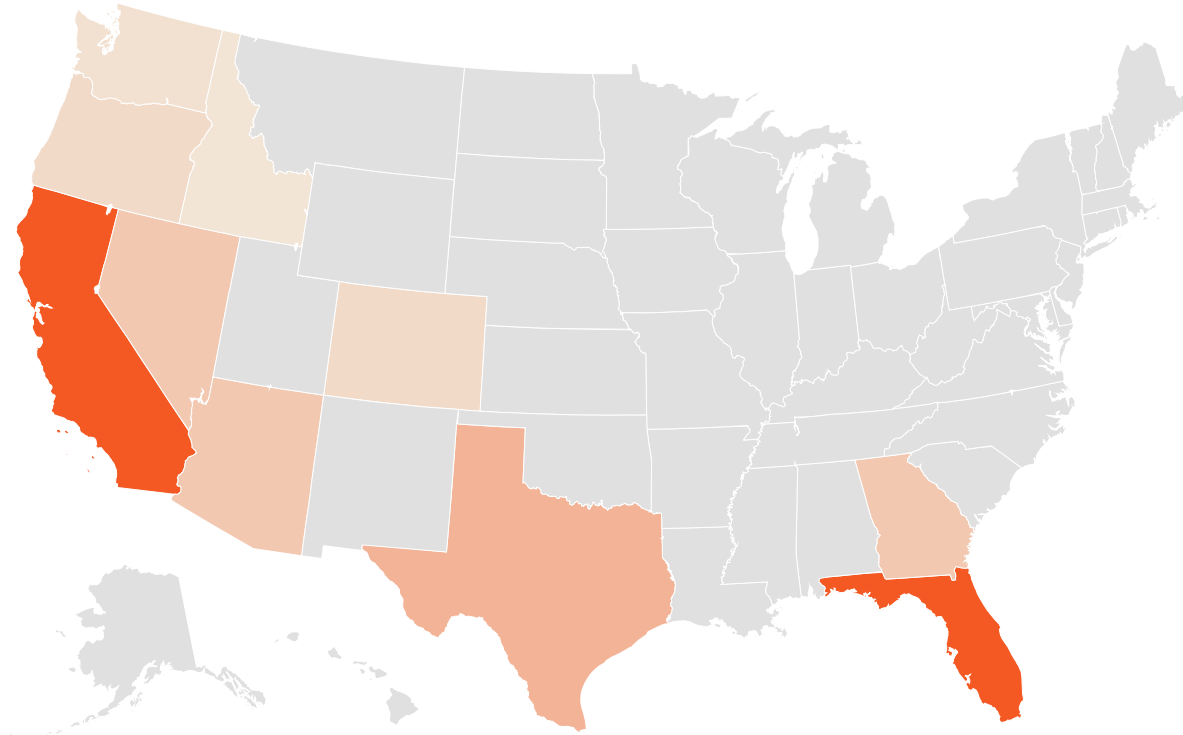
## Ownership of 45 Franchisee Restaurants<sup>1</sup>

Number of Franchised Units	Number of Franchisees	Franchisees as % of Total	Total Franchised Units	Franchised Units as % of Total
1	9	50%	9	20%
2-5	7	39%	21	47%
6-10	2	11%	15	33%
<b>Total</b>	<b>18</b>	<b>100%</b>	<b>45</b>	<b>100%</b>



# KEKE'S FOOTPRINT AND DEVELOPMENT COMMITMENTS

Over 140 Development Commitments Secured in 10 Different States<sup>1</sup>



- Keke's operates 66 cafes in seven different states<sup>1</sup>

State	Cafes
Florida	55
Texas	4
Tennessee	3
California	1
Colorado	1
Georgia	1
Nevada	1

- Over 60% of Keke's cafes are in the Orlando and Tampa DMAs<sup>1</sup>.



# DENNY'S CORPORATION



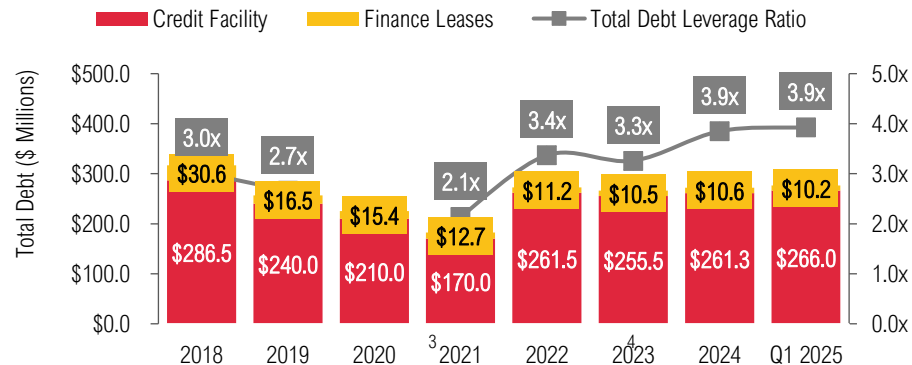
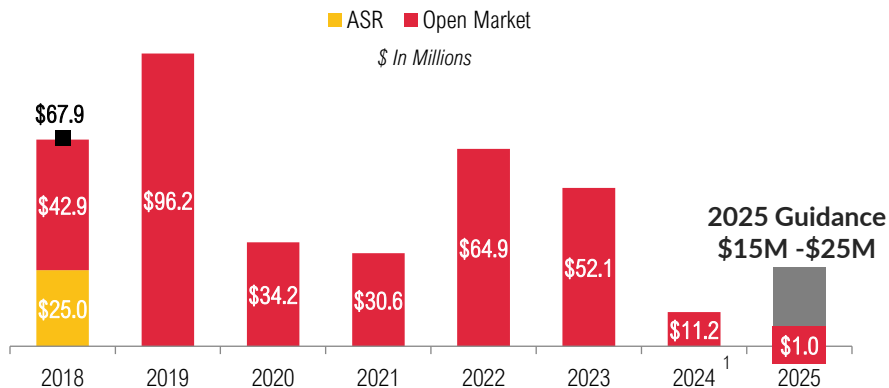


# SOLID BALANCE SHEET WITH FLEXIBILITY

## *Disciplined Focus on Debt Leverage with Financial Flexibility to Make Brand Investments & Return Capital to Shareholders*

- Allocated **over \$713 million** towards share repurchases since program began in late 2010<sup>2</sup>.
- Repurchased approximately 69 million shares at an average of \$10.33 per share resulting in a **48% net reduction in share count**<sup>2</sup>.
- Approximately **\$88 million** remaining under existing repurchase authorization<sup>1</sup>.

- Expect to refinance existing credit facility prior to going current in **August 2025**.
- Debt leverage expected to **moderate throughout 2025**.
- Long-term debt leverage target of **2.5x – 3.5x**.



1 Data through Fiscal March ended March 26, 2025. Includes 1% excise tax on the value of corporate share repurchases (net of issuance).

2 Data from November 2010 through Fiscal March ended March 26, 2025.

3 Total debt leverage ratio was waived starting in Q2 '20 through Q1 '21.

4 Increased borrowings under the credit facility in 2022 were primarily due to the Keke's acquisition.



# C-R-A-V-E STRATEGIC FRAMEWORK



Create Leading  
Edge Solutions  
With Technology &  
Innovation



Robust New  
Restaurant Growth  
as the Franchisor  
of Choice



Assemble Best In  
Class People and  
Teams Through  
Culture, Tools &  
Systems



Validate &  
Optimize the  
Business Model to  
Maximize  
Restaurant  
Margins



Elevate Profitable  
Traffic Through  
the Guest  
Experience &  
Uniquely  
Craveable Food





# LONG-RANGE OUTLOOK<sup>1</sup>

**Denny's**

**0% - 1%**

UNIT GROWTH CAGR

**\$2.2M**

AUV TARGET

**Mid-Teens**

COMPANY MARGIN  
TARGET



**keke's**  
BREAKFAST CAFE

**25% - 30%**

UNIT GROWTH CAGR

**\$2.2M**

AUV TARGET

**Upper-Teens**

COMPANY MARGIN  
TARGET

1. As presented on 10/22/24 in conjunction with Denny's Corporation Investor Day.

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# APPENDIX

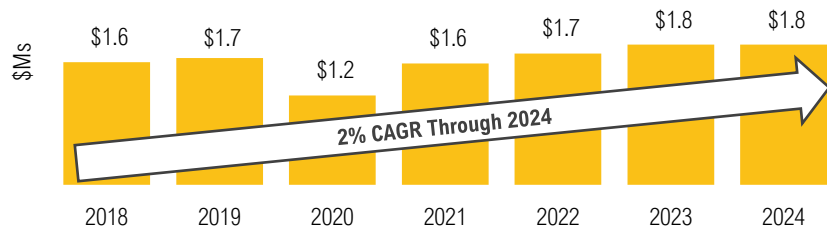




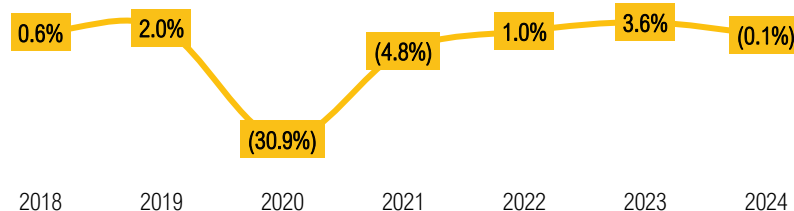


# FRANCHISED AND COMPANY RESTAURANT SALES

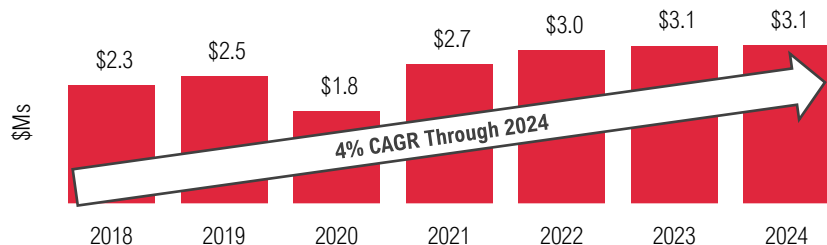
## FRANCHISE RESTAURANT AUVs<sup>1</sup>



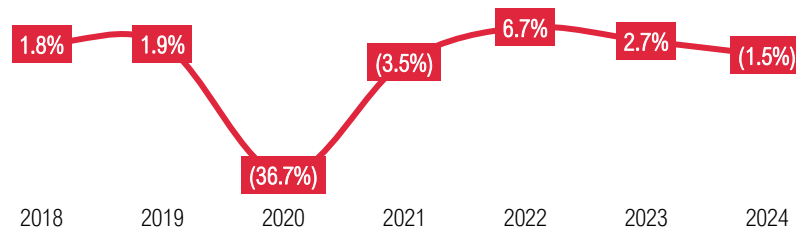
## DOMESTIC FRANCHISED SAME-RESTAURANT SALES<sup>1,2</sup>



## COMPANY RESTAURANT AUVs<sup>1</sup>



## COMPANY SAME-RESTAURANT SALES<sup>1,2</sup>



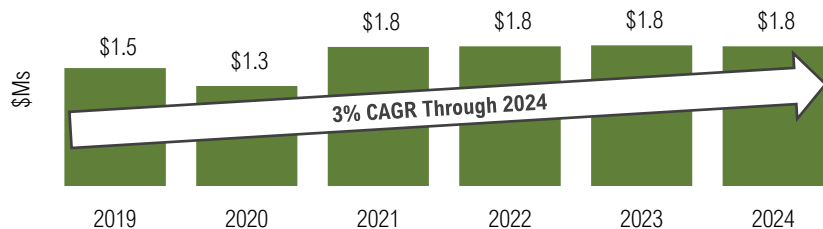
<sup>1</sup> Same-restaurant sales include sales at company restaurants and non-consolidated franchised and licensed restaurants that were open during the comparable periods noted. Total operating revenue is limited to company restaurant sales and royalties, advertising revenue, initial and other fees and occupancy revenue from non-consolidated franchised and licensed restaurants. Accordingly, domestic franchise same-restaurant sales and domestic system-wide same-restaurant sales should be considered as a supplement to, not a substitute for, the Company's results as reported under GAAP.

<sup>2</sup> 2021 and 2022 Denny's domestic system-wide same-restaurant sales<sup>1</sup> are versus 2019.

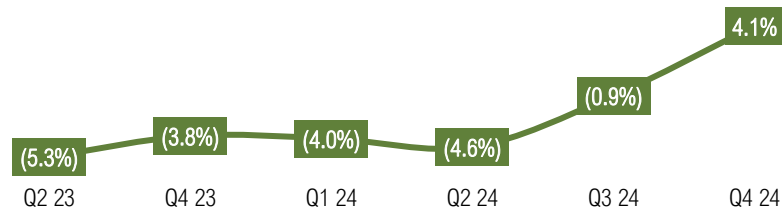


# KEKE'S FRANCHISED AND COMPANY RESTAURANT SALES

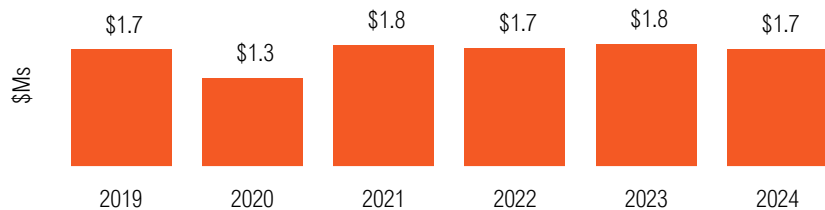
## KEKE'S FRANCHISE RESTAURANTS AUVs<sup>1,2</sup>



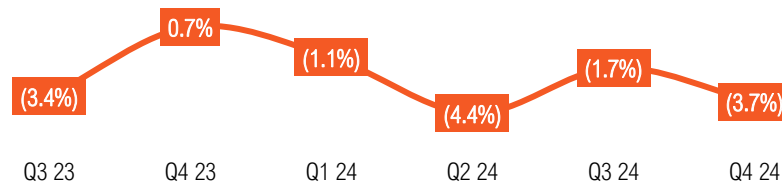
## KEKE'S FRANCHISED SAME-RESTAURANT SALES<sup>2</sup>



## KEKE'S COMPANY RESTAURANTS AUVs<sup>1,2</sup>



## KEKE'S COMPANY SAME-RESTAURANT SALES<sup>2</sup>



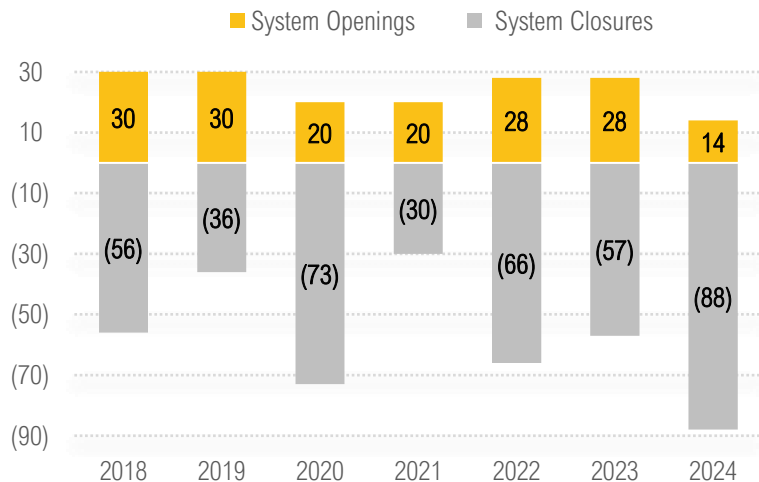
<sup>1</sup> Keke's 2022 restaurant AUVs are annualized based on the reported Average Unit Volumes following acquisition.

<sup>2</sup> Same-restaurant sales include sales at company restaurants and non-consolidated franchised and licensed restaurants that were open during the comparable periods noted. Total operating revenue is limited to company restaurant sales and royalties, advertising revenue, initial and other fees and occupancy revenue from non-consolidated franchised and licensed restaurants. Accordingly, domestic franchise same-restaurant sales and domestic system-wide same-restaurant sales should be considered as a supplement to, not a substitute for, the Company's results as reported under GAAP.

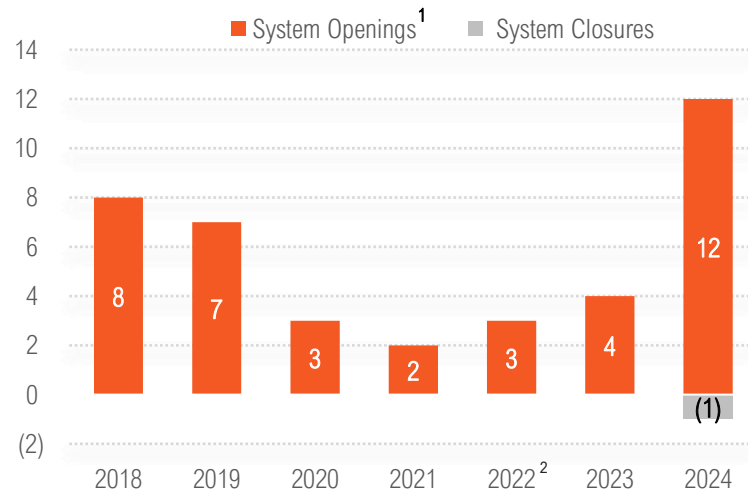




# BRAND PORTFOLIOS



Long-Range Outlook 0%-1% Restaurant Growth CAGR



Long-Range Outlook 25%-30% Cafe Growth CAGR

<sup>1</sup> Keke's 2018 – 2021 portfolio activity was prior to Denny's Corporation acquisition of the brand.

<sup>2</sup> One Keke's opening during 2022 was prior to Denny's Corporation acquisition of the brand.



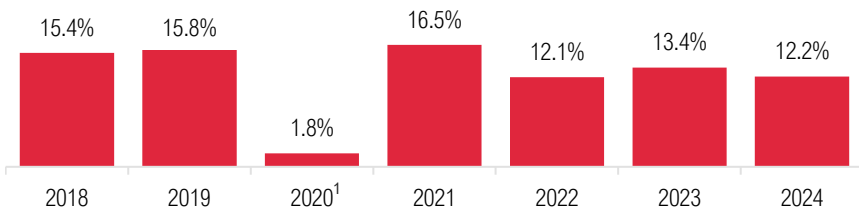


# NON-GAAP FINANCIAL MEASURES

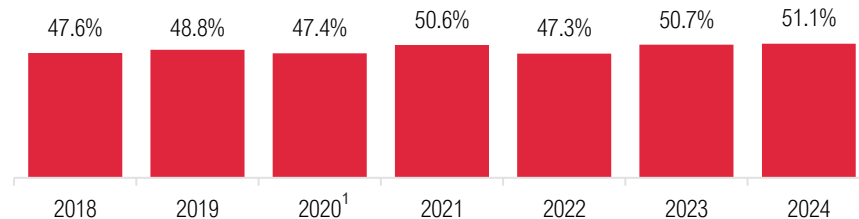
## ADJUSTED COMPANY OPERATING MARGIN %\*

Denny's Long  
Term Outlook  
Mid-Teens

Keke's Long  
Term Outlook  
Upper Teens



## ADJUSTED FRANCHISE OPERATING MARGIN %\*

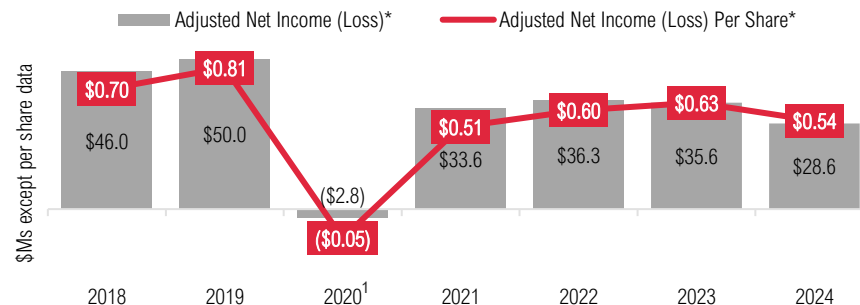


## ADJUSTED EBITDA\*

Long Term  
Outlook  
5% - 7%  
Growth CAGR



## ADJUSTED NET INCOME (LOSS)\*



1. Includes 53 operating weeks.

\* See Appendix for reconciliation of Net Income (Loss) and Net Cash Provided by Operating Activities to Non-GAAP Financial Measures, as well as the reconciliation of Operating Income (Loss) to Non-GAAP Financial Measures





# EXPERIENCED AND COMMITTED LEADERSHIP TEAM



**KELLI F. VALADE**

Chief Executive Officer



**CHRISTOPHER D. BODE**

President and Chief  
Operating Officer,  
Denny's Inc.



**DAVID P. SCHMIDT**

President,  
Keke's Inc.



**STEPHEN C. DUNN**

Executive Vice  
President, Chief Global  
Development Officer



**GAIL SHARPS MYERS**

Executive Vice  
President, Chief Legal &  
Administrative Officer



**MONIGO G.  
SAYGBAY-HALLIE**

Executive Vice  
President, Chief People  
Officer



**ROBERT P. VEROSTEK**

Executive Vice  
President, Chief  
Financial Officer



**JAY C. GILMORE**

Senior Vice President,  
Chief Accounting Officer  
& Corporate Controller



**MINH LE**

Senior Vice President,  
Chief Technology Officer





# RECONCILIATION OF NET INCOME (LOSS) TO NON-GAAP FINANCIAL MEASURES

\$ Millions	2018	2019	2020 <sup>1</sup>	2021	2022	2023	2024	YTD Mar 2025
<b>Net Income (Loss)</b>	<b>\$43.7</b>	<b>\$117.4</b>	<b>(\$5.1)</b>	<b>\$78.1</b>	<b>\$74.7</b>	<b>\$19.9</b>	<b>\$21.6</b>	<b>\$0.3</b>
Provision for (Benefit from) Income Taxes	8.6	31.8	(2.0)	26.0	24.7	7.0	7.7	0.3
Goodwill Impairment Charges	-	-	-	-	-	6.4	0.0	-
Operating (Gains) Losses and Other Charges, Net	2.6	(91.2)	1.8	(46.1)	(1.0)	2.5	2.0	3.9
Other Nonoperating Expense (Income), Net	0.6	(2.8)	(4.2)	(15.2)	(52.6)	8.3	(1.9)	0.2
Share-Based Compensation Expense	6.0	6.7	7.9	13.6	11.4	8.9	10.7	2.8
Deferred Compensation Plan Valuation Adjustments	(1.0)	2.6	1.6	2.1	(2.2)	1.9	1.7	(0.3)
Interest Expense, Net	20.7	18.5	18.0	15.1	13.8	17.6	18.0	4.4
Depreciation and Amortization	27.0	19.8	16.2	15.4	14.9	14.4	14.9	4.1
Non-Recurring Legal Settlement Expenses	-	0.4	0.1	0.9	3.9	0.7	2.2	0.3
Pre-Opening Expenses	0.1	0.0	-	-	-	0.3	1.5	0.7
COVID-19 Related Expenses	-	-	3.5	(1.4)	-	-	-	-
Leadership Transition Costs	-	-	-	-	0.3	-	0.4	0.0
Acquisition Costs	-	-	-	-	0.6	-	-	-
Other Adjustments	-	-	-	-	-	-	2.6	-
<b>Adjusted EBITDA</b>	<b>\$108.4</b>	<b>\$103.3</b>	<b>\$37.8</b>	<b>\$88.6</b>	<b>\$88.5</b>	<b>\$87.9</b>	<b>\$81.4</b>	<b>\$16.8</b>
Adjusted EBITDA Margin %	17.2%	19.1%	13.1%	22.2%	19.4%	18.9%	18.0%	15.1%
<b>Net Income (Loss)</b>	<b>\$43.7</b>	<b>\$117.4</b>	<b>(\$5.1)</b>	<b>\$78.1</b>	<b>\$74.7</b>	<b>\$19.9</b>	<b>\$21.6</b>	<b>\$0.3</b>
(Gains) Losses and Amort. on Interest Rate Swap Derivatives, Net	-	-	(2.2)	(12.6)	(55.0)	11.0	0.8	0.3
Goodwill Impairment Charges	-	-	-	-	-	6.4	0.0	-
Operating (Gains) Losses and Other Charges, Net	2.6	(91.2)	1.8	(46.1)	(1.0)	2.5	2.0	3.9
Non-Recurring Legal Settlement Expenses	-	0.4	0.1	0.9	3.9	0.7	2.2	0.3
Pre-Opening Expenses	0.1	0.0	-	-	-	0.3	1.5	0.7
COVID-19 Related Expenses	-	-	3.5	(1.4)	-	-	-	-
Leadership Transition Costs	-	-	-	-	0.3	-	0.4	0.0
Acquisition Costs	-	-	-	-	0.6	-	-	-
Other Adjustments	-	-	-	-	-	-	2.6	-
Tax Effect <sup>2</sup>	(0.4)	23.3	(0.8)	14.8	12.7	(5.2)	(2.5)	(1.4)
<b>Adjusted Net Income (Loss)</b>	<b>\$46.0</b>	<b>\$50.0</b>	<b>(\$2.8)</b>	<b>\$33.6</b>	<b>\$36.3</b>	<b>\$35.6</b>	<b>\$28.6</b>	<b>\$4.2</b>
<b>Net Income (Loss) Per Share - Diluted</b>	<b>\$0.67</b>	<b>\$1.90</b>	<b>(\$0.08)</b>	<b>\$1.19</b>	<b>\$1.23</b>	<b>\$0.35</b>	<b>\$0.41</b>	<b>\$0.01</b>
Adjustments Per Share	\$0.03	(\$1.09)	\$0.03	(\$0.68)	(\$0.63)	\$0.28	\$0.13	\$0.07
<b>Adjusted Net Income (Loss) Per Share</b>	<b>\$0.70</b>	<b>\$0.81</b>	<b>(\$0.05)</b>	<b>\$0.51</b>	<b>\$0.60</b>	<b>\$0.63</b>	<b>\$0.54</b>	<b>\$0.08</b>
Diluted Weighted Average Shares Outstanding (000's)	65,562	61,833	60,812	65,573	60,879	56,196	52,614	52,443

1. Includes 53 operating weeks.
2. Tax adjustments for full year 2018, 2019, 2020, 2021, 2022, 2023, 2024, and 2025 reflect an effective tax rate of 16.4%, 25.7%, 25.6%, 25.0%, 24.9%, 25.0%, 26.3%, and 26.0%, respectively.





# RECONCILIATION OF OPERATING INCOME TO NON-GAAP FINANCIAL MEASURES

The Company believes that, in addition to GAAP measures, certain other non-GAAP financial measures are useful information to investors and analysts to assist in the evaluation of restaurant-level operating efficiency and performance of ongoing restaurant-level operations. However, non-GAAP measures should be considered as a supplement to, not a substitute for, operating income, net income, and net income per share, or other financial performance measures prepared in accordance with GAAP. The Company uses restaurant-level operating margin, company restaurant operating margin and franchise operating margin internally as performance measures for planning purposes, including the preparation of annual operating budgets, and for compensation purposes, including incentive compensation for certain employees. Restaurant-level operating margin is the total of company restaurant operating margin and franchise operating margin and excludes: (i) general and administrative expenses, which include primarily non-restaurant-level costs associated with support of company and franchised restaurants and other activities at their corporate office; (ii) depreciation and amortization expense, substantially all of which is related to company restaurant-level assets, because such expenses represent historical sunk costs which do not reflect current cash outlays for the restaurants; (iii) special items, included within operating (gains), losses and other charges, net, to provide investors with a clearer perspective of its ongoing operating performance and a more relevant comparison to prior period results. Company restaurant operating margin is defined as company restaurant sales less costs of company restaurant sales (which include product costs, company restaurant level payroll and benefits, occupancy costs, and other operating costs including utilities, repairs and maintenance, marketing and other expenses) and presents it as a percent of company restaurant sales. Adjusted company operating restaurant margin is defined as company restaurant operating margin less certain items such as non-recurring legal settlement expenses, pre-opening expenses, and other items the Company does not consider in the evaluation of its ongoing core operating performance. Franchise operating margin is defined as franchise and license revenue (which includes franchise royalties and other non-food and beverage revenue streams such as initial franchise and other fees, advertising revenue and occupancy revenue) less costs of franchise and license revenue and presents it as a percent of franchise and license revenue. Adjusted franchise operating margin is defined as franchise operating margin less certain items the Company does not consider in the evaluation of its ongoing core operating performance. Adjusted restaurant-level operating margin is the total of adjusted company restaurant operating margin and adjusted franchise operating margin and is defined as restaurant-level operating margin adjusted for certain items the Company does not consider in the evaluation of its ongoing core operating performance. These adjustments are either non-recurring in nature or vary from period to period without correlation to the Company's ongoing core operating performance. See most recent press release for a further breakdown of adjusted restaurant-level operating margin.

\$ Millions	2018	2019	2020 <sup>1</sup>	2021	2022	2023	2024	YTD Mar 2025
<b>Operating Income</b>	<b>\$73.6</b>	<b>\$165.0</b>	<b>\$6.7</b>	<b>\$104.1</b>	<b>\$60.6</b>	<b>\$52.8</b>	<b>\$45.3</b>	<b>\$5.2</b>
General and Administrative Expenses	63.8	69.0	55.0	68.7	67.2	77.8	61.5	20.0
Depreciation and Amortization	27.0	19.8	16.2	15.4	14.9	14.4	14.9	4.1
Goodwill Impairment Charges	-	-	-	-	-	6.4	0.0	-
Operating (Gains) Losses and Other Charges, Net	2.6	(91.2)	1.8	(46.1)	(1.0)	2.5	2.0	3.9
<b>Restaurant-Level Operating Margin</b>	<b>\$167.1</b>	<b>\$162.7</b>	<b>\$79.7</b>	<b>\$142.1</b>	<b>\$141.6</b>	<b>\$153.9</b>	<b>\$142.4</b>	<b>\$33.3</b>
<b>Restaurant-Level Operating Margin Consists Of:</b>								
Company Restaurant Operating Margin <sup>(2)</sup>	63.1	48.0	3.6	28.1	20.3	27.9	22.0	3.9
Franchise Operating Margin <sup>(3)</sup>	104.0	114.7	76.1	114.0	121.3	125.9	120.3	29.4
<b>Restaurant-Level Operating Margin</b>	<b>\$167.1</b>	<b>\$162.7</b>	<b>\$79.7</b>	<b>\$142.1</b>	<b>\$141.6</b>	<b>\$153.9</b>	<b>\$142.4</b>	<b>\$33.3</b>
Adjustments <sup>(4)</sup>	0.1	0.4	6.0	(0.3)	4.0	0.9	6.3	1.0
<b>Adjusted Restaurant-Level Operating Margin</b>	<b>\$167.2</b>	<b>\$163.1</b>	<b>\$85.7</b>	<b>\$141.8</b>	<b>\$145.6</b>	<b>\$154.8</b>	<b>\$148.7</b>	<b>\$34.3</b>
<b>Adjusted Restaurant-Level Operating Margin Consists Of:</b>								
Adjusted Company Restaurant Operating Margin	63.2	48.4	2.1	28.9	24.2	28.9	25.7	4.9
Adjusted Franchise Operating Margin	104.0	114.7	83.6	112.9	121.4	125.9	123.0	29.4
<b>Adjusted Restaurant-Level Operating Margin</b>	<b>\$167.2</b>	<b>\$163.1</b>	<b>\$85.7</b>	<b>\$141.8</b>	<b>\$145.6</b>	<b>\$154.8</b>	<b>\$148.7</b>	<b>\$34.3</b>

- Includes 53 operating weeks.
- Company restaurant operating margin is calculated as operating income plus general and administrative expenses; depreciation and amortization; operating (gains), losses and other charges, net; and costs of franchise and license revenue, excluding depreciation and amortization; less franchise and license revenue.
- Franchise operating margin is calculated as operating income plus general and administrative expenses; depreciation and amortization; operating (gains), losses and other charges, net; and costs of company restaurant sales, excluding depreciation and amortization; less company restaurant sales.
- Adjustments include non-recurring legal settlement expenses, pre-opening costs, and other adjustments the Company does not consider in the evaluation of its ongoing core operating performance. Adjustments for 2024 include a \$2.6 million distribution to franchisees related to a review of advertising costs.