

(Updated November 2, 2022) Effective for the first quarter of fiscal 2023, we are presenting certain revenue streams within Company sales to better align with the presentation used within the casual dining industry. Comparative figures for Fiscal 2020 have been adjusted to conform to the Fiscal 2023 presentation. These reclassifications have no effect on Total revenues or Net income previously reported.



BRINKER INTERNATIONAL, INC.
Consolidated Statements of Income (Unaudited)

(In millions excepts per share amounts)	Q1 F20					Q2 F20						
	Reported	%	Special Items ^(a)	Discrete Tax Item ^(b)	Adjusted	%	Reported	%	Special Items ^(a)	Discrete Tax Item ^(b)	Adjusted	%
Revenues												
Company sales ⁽¹⁾	\$ 769.0	97.8 %			\$ 769.0	97.8 %	\$ 856.0	98.5 %			\$ 856.0	98.5 %
Franchise revenues ⁽²⁾	17.0	2.2 %			17.0	2.2 %	13.3	1.5 %			13.3	1.5 %
Total revenues	786.0	100.0 %			786.0	100.0 %	869.3	100.0 %			869.3	100.0 %
Operating costs and expenses												
Food and beverage costs ⁽³⁾	203.8	26.5 %			203.8	26.5 %	223.1	26.1 %			223.1	26.1 %
Restaurant labor ⁽³⁾	268.5	34.9 %			268.5	34.9 %	291.8	34.1 %			291.8	34.1 %
Restaurant expenses ⁽³⁾	207.3	27.0 %			207.3	27.0 %	224.7	26.2 %			224.7	26.2 %
Depreciation and amortization ⁽⁴⁾	38.1	4.8 %	\$ (1.5)		36.6	4.7 %	39.3	4.5 %	\$ (1.5)		37.8	4.3 %
General and administrative ⁽⁴⁾	38.0	4.8 %			38.0	4.8 %	34.6	4.0 %			34.6	4.0 %
Other (gains) and charges ⁽⁴⁾	(0.9)	(0.1)%	0.9		—	— %	12.3	1.4 %	(12.3)		—	— %
Total operating costs and expenses	754.8	96.0 %	(0.6)		754.2	96.0 %	825.8	95.0 %	(13.8)		812.0	93.4 %
Operating income	31.2	4.0 %	0.6		31.8	4.0 %	43.5	5.0 %	13.8		57.3	6.6 %
Interest expenses	14.9	1.9 %			14.9	1.9 %	15.0	1.8 %			15.0	1.8 %
Other income, net	(0.5)	0.0 %			(0.5)	0.0 %	(0.5)	(0.1)%			(0.5)	(0.1)%
Income before income taxes	16.8	2.1 %	0.6		17.4	2.2 %	29.0	3.3 %	13.8		42.8	4.9 %
Provision for income taxes ⁽⁵⁾	1.9	11.3 %	0.2	\$ (0.2)	1.9	10.5 %	1.1	3.8 %	3.3	\$ 0.0	4.4	10.5 %
Net income	\$ 14.9	1.9 %	\$ 0.4	\$ 0.2	\$ 15.5	2.0 %	\$ 27.9	3.2 %	\$ 10.5	\$ 0.0	\$ 38.4	4.4 %
Basic net income per share	\$ 0.40		\$ 0.01	\$ 0.00	\$ 0.41		\$ 0.75		\$ 0.28	\$ 0.00	\$ 1.03	
Diluted net income per share	\$ 0.39		\$ 0.01	\$ 0.01	\$ 0.41		\$ 0.73		\$ 0.28	\$ 0.00	\$ 1.01	
Basic weighted average shares outstanding	37.5		37.5	37.5	37.5		37.4		37.4	37.4	37.4	
Diluted weighted average shares outstanding	38.1		38.1	38.1	38.1		38.1		38.1	38.1	38.1	



BRINKER INTERNATIONAL, INC.
Consolidated Statements of Income (Unaudited)

(In millions excepts per share amounts)	Q3 F20 ^(e)						Q4 F20 ^(e)					
	Reported	%	Special Items ^(a)	Discrete Tax Item ^(b)	Adjusted	%	Reported	%	Special Items ^(a)	Discrete Tax Item ^(b)	Adjusted	%
Revenues												
Company sales ⁽¹⁾	\$ 847.4	98.5 %			\$ 847.4	98.5 %	\$ 558.8	99.2 %			\$ 558.8	99.2 %
Franchise revenues ⁽²⁾	12.6	1.5 %			12.6	1.5 %	4.4	0.8 %			4.4	0.8 %
Total revenues	860.0	100.0 %			860.0	100.0 %	563.2	100.0 %			563.2	100.0 %
Operating costs and expenses												
Food and beverage costs ⁽³⁾	226.7	26.8 %			226.7	26.8 %	145.0	25.9 %			145.0	25.9 %
Restaurant labor ⁽³⁾	285.9	33.7 %			285.9	33.7 %	199.3	35.7 %			199.3	35.7 %
Restaurant expenses ⁽³⁾	220.2	26.0 %			220.2	26.0 %	173.6	31.1 %			173.6	31.1 %
Depreciation and amortization ⁽⁴⁾	43.5	5.1 %	\$ (4.4)		39.1	4.5 %	41.4	7.4 %	\$ (2.4)		39.0	6.9 %
General and administrative ⁽⁴⁾	23.3	2.7 %			23.3	2.7 %	40.4	7.2 %			40.4	7.2 %
Other (gains) and charges ⁽⁴⁾	19.3	2.2 %	(19.3)		—	— %	16.7	3.0 %	(16.7)		—	— %
Total operating costs and expenses	818.9	95.2 %	(23.7)		795.2	92.5 %	616.4	109.4 %	(19.1)		597.3	106.1 %
Operating income (loss)	41.1	4.8 %	23.7		64.8	7.5 %	(53.2)	(9.4)%	19.1		(34.1)	(6.1)%
Interest expenses	14.3	1.7 %			14.3	1.7 %	15.4	2.8 %			15.4	2.8 %
Other income, net	(0.4)	(0.1)%			(0.4)	(0.1)%	(0.5)	(0.1)%			(0.5)	(0.1)%
Income (loss) before income taxes	27.2	3.2 %	23.7		50.9	5.9 %	(68.1)	(12.1)%	19.1		(49.0)	(8.7)%
Provision (benefit) for income taxes ⁽⁵⁾	(3.6)	(13.2)%	6.0	\$ —	2.4	4.7 %	(18.9)	27.8 %	4.8	\$ 0.9	(13.2)	26.9 %
Net income (loss)	\$ 30.8	3.6 %	\$ 17.7	\$ —	\$ 48.5	5.6 %	\$ (49.2)	(8.7)%	\$ 14.3	\$ (0.9)	\$ (35.8)	(6.4)%
Basic net income (loss) per share	\$ 0.83		\$ 0.47	\$ —	\$ 1.30		\$ (1.20)		\$ 0.34	\$ (0.02)	\$ (0.88)	
Diluted net income (loss) per share	\$ 0.81		\$ 0.47	\$ —	\$ 1.28		\$ (1.20)		\$ 0.34	\$ (0.02)	\$ (0.88)	
Basic weighted average shares outstanding	37.2		37.2	37.2	37.2		40.9		40.9	40.9	40.9	
Diluted weighted average shares outstanding	37.8		37.8	37.8	37.8		40.9		40.9	40.9	40.9	



BRINKER INTERNATIONAL, INC.
Consolidated Statements of Income (Unaudited)

(In millions excepts per share amounts)	YTD F20 ^(e)					
	Reported	%	Special Items ^(a)	Discrete Tax Item ^(b)	Adjusted	%
Revenues						
Company sales ⁽¹⁾	\$ 3,031.2	98.5 %			\$ 3,031.2	98.5 %
Franchise revenues ⁽²⁾	47.3	1.5 %			47.3	1.5 %
Total revenues	3,078.5	100.0 %			3,078.5	100.0 %
Operating costs and expenses						
Food and beverage costs ⁽³⁾	798.6	26.4 %			798.6	26.4 %
Restaurant labor ⁽³⁾	1,045.5	34.5 %			1,045.5	34.5 %
Restaurant expenses ⁽³⁾	825.8	27.2 %			825.8	27.2 %
Depreciation and amortization ⁽⁴⁾	162.3	5.3 %	\$ (9.8)		152.5	5.0 %
General and administrative ⁽⁴⁾	136.3	4.4 %			136.3	4.4 %
Other (gains) and charges ⁽⁴⁾	47.4	1.5 %	(47.4)		—	— %
Total operating costs and expenses	3,015.9	98.0 %	(57.2)		2,958.7	96.1 %
Operating income	62.6	2.0 %	57.2		119.8	3.9 %
Interest expenses	59.6	1.9 %			59.6	1.9 %
Other income, net	(1.9)	(0.1)%			(1.9)	(0.1)%
Income before income taxes	4.9	0.2 %	57.2		62.1	2.1 %
Provision (benefit) for income taxes ⁽⁵⁾	(19.5)	(398.0)%	14.3	\$ 0.7	(4.5)	(7.3)%
Net income	\$ 24.4	0.8 %	\$ 42.9	\$ (0.7)	\$ 66.6	2.2 %
Basic net income per share	\$ 0.64		\$ 1.12	\$ (0.02)	\$ 1.74	
Diluted net income per share	\$ 0.63		\$ 1.10	\$ (0.02)	\$ 1.71	
Basic weighted average shares outstanding	38.2		38.2	38.2	38.2	
Diluted weighted average shares outstanding	38.9		38.9	38.9	38.9	



BRINKER INTERNATIONAL, INC.
Consolidated Statements of Income (Unaudited)

Footnotes:

- (a) Non-GAAP information excluding the impact of Special Items is provided to allow the reader to gain insight into the Company's ongoing operations. Special Items in the first, second, third and fourth quarters of fiscal 2020 consists of incremental depreciation expense of \$1.5 million, \$1.5 million, \$4.4 million, and \$2.4 million, respectively, totaling \$9.8 million in the year-to-date period associated with a change in estimated useful life of certain restaurant-level long-lived assets, and a net gain of \$0.9 million, net charges of \$12.3 million, \$19.3 million, and \$16.7 million, respectively, totaling \$47.4 million in the year-to-date period associated with Other (gains) and charges. Please refer to the Form 10-K for further details.
- (b) Discrete tax items in the first quarter primarily related to the statute expiration of liabilities established for uncertain tax positions and the tax impact of excess tax shortfalls associated with stock-based compensation. In the second and third quarters discrete tax items were de minimus. Discrete tax items in the fourth quarter primarily related to additional tax benefit of prior year return claim amendments as allowed by the CARES Act.
- (c) Q3, Q4 and YTD F20 results included the impact from COVID-19 related traffic declines and temporary closures. Please refer to our F'20 Form 10-K for further details.
- (1) Company sales includes revenues generated by the operation of Company-owned restaurants including food and beverage sales, net of discounts, Maggiano's banquet service charge income, gift card breakage, delivery income, digital entertainment revenues, merchandise income and gift card discount costs from third party gift card sales.
- (2) Franchise revenues includes royalties, franchise advertising fees, franchise and development fees and gift card equalization.
- (3) As a percentage of Company sales.
- (4) As a percentage of Total revenues.
- (5) As a percentage of Income before income taxes.