



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

(In millions excepts per share amounts)	Q1 F19						Q2 F19					
	ASC 606 <sup>(a)</sup>						ASC 606 <sup>(a)</sup>					
	Reported	%	Special Items <sup>(b)</sup>	Discrete Tax Item <sup>(c)</sup>	Adjusted	%	Reported	%	Special Items <sup>(b)</sup>	Discrete Tax Item <sup>(c)</sup>	Adjusted	%
<b>Revenues</b>												
Company sales	\$ 728.3	96.6 %			\$ 728.3	96.6 %	\$ 761.5	96.3 %			\$ 761.5	96.3 %
Franchise and Other Revenues <sup>(1)</sup>	25.5	3.4 %			25.5	3.4 %	29.2	3.7 %			29.2	3.7 %
<b>Total revenues</b>	<b>753.8</b>	<b>100.0 %</b>			<b>753.8</b>	<b>100.0 %</b>	<b>790.7</b>	<b>100.0 %</b>			<b>790.7</b>	<b>100.0 %</b>
<b>Operating costs and expenses</b>												
<b>Company restaurants (excluding depreciation and amortization)</b>												
Cost of sales <sup>(2)</sup>	191.9	26.4 %			191.9	26.4 %	200.9	26.4 %			200.9	26.4 %
Restaurant labor <sup>(2)</sup>	256.3	35.2 %			256.3	35.2 %	260.8	34.2 %			260.8	34.2 %
Restaurant expenses <sup>(2)</sup>	199.0	27.3 %			199.0	27.3 %	205.7	27.0 %			205.7	27.0 %
Company restaurant expenses	647.2	88.9 %			647.2	88.9 %	667.4	87.6 %			667.4	87.6 %
Depreciation and amortization <sup>(3)</sup>	37.0	4.9 %	\$ (0.6)		36.4	4.8 %	36.1	4.6 %	\$ (1.0)		35.1	4.4 %
General and administrative <sup>(3)</sup>	33.8	4.5 %			33.8	4.5 %	35.4	4.5 %			35.4	4.5 %
Other gains and charges <sup>(3)</sup>	(11.1)	(1.5)%	11.1		—	— %	2.2	0.3 %	(2.2)		—	— %
<b>Total operating costs and expenses</b>	<b>706.9</b>	<b>93.8 %</b>	<b>10.5</b>		<b>717.4</b>	<b>95.2 %</b>	<b>741.1</b>	<b>93.7 %</b>	<b>(3.2)</b>		<b>737.9</b>	<b>93.3 %</b>
<b>Operating income</b>	<b>46.9</b>	<b>6.2 %</b>	<b>(10.5)</b>		<b>36.4</b>	<b>4.8 %</b>	<b>49.6</b>	<b>6.3 %</b>	<b>3.2</b>		<b>52.8</b>	<b>6.7 %</b>
Interest expense	15.6	2.0 %			15.6	2.0 %	15.4	2.0 %			15.4	2.0 %
Other, net	(0.8)	(0.1)%			(0.8)	(0.1)%	(0.8)	(0.1)%			(0.8)	(0.1)%
<b>Income before provision for income taxes <sup>(4)</sup></b>	<b>32.1</b>	<b>4.3 %</b>	<b>(10.5)</b>		<b>21.6</b>	<b>2.9 %</b>	<b>35.0</b>	<b>4.4 %</b>	<b>3.2</b>		<b>38.2</b>	<b>4.8 %</b>
Provision for income taxes	5.7	17.9 %	(2.6)	\$ (0.7)	2.4	11.0 %	3.0	8.6 %	0.8	\$ 0.1	3.9	10.2 %
<b>Net income</b>	<b>\$ 26.4</b>	<b>3.5 %</b>	<b>\$ (7.9)</b>	<b>\$ 0.7</b>	<b>\$ 19.2</b>	<b>2.5 %</b>	<b>\$ 32.0</b>	<b>4.0 %</b>	<b>\$ 2.4</b>	<b>\$ (0.1)</b>	<b>\$ 34.3</b>	<b>4.3 %</b>
Basic earnings per share	\$ 0.65		\$ (0.19)	\$ 0.02	\$ 0.48		\$ 0.84		\$ 0.06	\$ —	\$ 0.90	
Diluted earnings per share	\$ 0.64		\$ (0.19)	\$ 0.02	\$ 0.47		\$ 0.83		\$ 0.06	\$ —	\$ 0.89	
Basic weighted average shares	40.4		40.4	40.4	40.4		38.1		38.1	38.1	38.1	
Diluted weighted average shares	41.1		41.1	41.1	41.1		38.8		38.8	38.8	38.8	



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

(In millions excepts per share amounts)	Q3 F19						Q4 F19					
	ASC 606 <sup>(a)</sup>						ASC 606 <sup>(a)</sup>					
	Reported	%	Special Items <sup>(b)</sup>	Discrete Tax Item	Adjusted	%	Reported	%	Special Items <sup>(b)</sup>	Discrete Tax Item <sup>(c)</sup>	Adjusted	%
<b>Revenues</b>												
Company sales	\$ 811.6	97.6 %			\$ 811.6	97.6 %	\$ 804.8	96.5%			\$ 804.8	96.5%
Franchise and Other Revenues <sup>(1)</sup>	27.7	3.3 %			27.7	3.3 %	29.3	3.5%			29.3	3.5%
<b>Total revenues</b>	<b>839.3</b>	<b>100.0 %</b>			<b>839.3</b>	<b>100.0 %</b>	<b>834.1</b>	<b>100.0%</b>			<b>834.1</b>	<b>100.0%</b>
<b>Operating costs and expenses</b>												
<b>Company restaurants (excluding depreciation and amortization)</b>												
Cost of sales <sup>(2)</sup>	216.7	26.7 %			216.7	26.7 %	213.5	26.5%			213.5	26.5%
Restaurant labor <sup>(2)</sup>	274.0	33.8 %			274.0	33.8 %	268.6	33.4%			268.6	33.4%
Restaurant expenses <sup>(2)</sup>	204.7	25.2 %			204.7	25.2 %	202.9	25.2%			202.9	25.2%
Company restaurant expenses	695.4	85.7 %			695.4	85.7 %	685.0	85.1%			685.0	85.1%
Depreciation and amortization <sup>(3)</sup>	36.4	4.3 %	\$ (1.0)		35.4	4.2 %	38.1	4.6%	\$ (0.8)		37.3	4.5%
General and administrative <sup>(3)</sup>	40.8	4.9 %			40.8	4.9 %	39.1	4.7%			39.1	4.7%
Other gains and charges <sup>(3)</sup>	(3.5)	(0.4)%	3.5		—	— %	7.9	0.9%	(7.9)		—	—%
<b>Total operating costs and expenses</b>	<b>769.1</b>	<b>91.6 %</b>	<b>2.5</b>		<b>771.6</b>	<b>91.9 %</b>	<b>770.1</b>	<b>92.3%</b>	<b>(8.7)</b>		<b>761.4</b>	<b>91.3%</b>
<b>Operating income</b>	<b>70.2</b>	<b>8.4 %</b>	<b>(2.5)</b>		<b>67.7</b>	<b>8.1 %</b>	<b>64.0</b>	<b>7.7%</b>	<b>8.7</b>		<b>72.7</b>	<b>8.7%</b>
Interest expense	15.3	1.9 %			15.3	1.9 %	15.3	1.8%			15.3	1.8%
Other, net	(0.6)	(0.1)%			(0.6)	(0.1)%	(0.5)	—%			(0.5)	—%
<b>Income before provision for income taxes <sup>(4)</sup></b>	<b>55.5</b>	<b>6.6 %</b>	<b>(2.5)</b>		<b>53.0</b>	<b>6.3 %</b>	<b>49.2</b>	<b>5.9%</b>	<b>8.7</b>		<b>57.9</b>	<b>6.9%</b>
Provision for income taxes	5.7	10.3 %	(0.6)		5.1	9.6 %	2.5	5.1%	2.1	\$ 1.2	5.8	10.1%
<b>Net income</b>	<b>\$ 49.8</b>	<b>5.9 %</b>	<b>\$ (1.9)</b>	<b>\$ —</b>	<b>\$ 47.9</b>	<b>5.7 %</b>	<b>\$ 46.7</b>	<b>5.6%</b>	<b>\$ 6.6</b>	<b>\$ (1.2)</b>	<b>\$ 52.1</b>	<b>6.2%</b>
Basic earnings per share	\$ 1.33		\$ (0.05)		\$ 1.28		\$ 1.25		\$ 0.17	\$ (0.03)	\$ 1.39	
Diluted earnings per share	\$ 1.31		\$ (0.05)		\$ 1.26		\$ 1.22		\$ 0.17	\$ (0.03)	\$ 1.36	
Basic weighted average shares	37.5		37.5		37.5		37.5		37.5	37.5	37.5	
Diluted weighted average shares	38.1		38.1		38.1		38.3		38.3	38.3	38.3	



**BRINKER INTERNATIONAL, INC.**  
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(In millions excepts per share amounts)	YTD F19					
	ASC 606 <sup>(a)</sup>					
	Reported	%	Special Items <sup>(b)</sup>	Discrete Tax Item <sup>(c)</sup>	Adjusted	%
<b>Revenues</b>						
Company sales	\$ 3,106.2	96.5 %			\$ 3,106.2	96.5%
Franchise and Other Revenues <sup>(1)</sup>	111.7	3.5 %			111.7	3.5%
<b>Total revenues</b>	<b>3,217.9</b>	<b>100.0 %</b>			<b>3,217.9</b>	<b>100.0%</b>
<b>Operating costs and expenses</b>						
<b>Company restaurants (excluding depreciation and amortization)</b>						
Cost of sales <sup>(2)</sup>	823.0	26.5 %			823.0	26.5%
Restaurant labor <sup>(2)</sup>	1,059.7	34.1 %			1,059.7	34.1%
Restaurant expenses <sup>(2)</sup>	812.3	26.2 %			812.3	26.2%
Company restaurant expenses	2,695.0	86.8 %			2,695.0	86.8%
Depreciation and amortization <sup>(3)</sup>	147.6	4.6 %	\$ (3.4)		144.2	4.5%
General and administrative <sup>(3)</sup>	149.1	4.6 %			149.1	4.6%
Other gains and charges <sup>(3)</sup>	(4.5)	(0.1)%	4.5		—	—%
<b>Total operating costs and expenses</b>	<b>2,987.2</b>	<b>92.8 %</b>	<b>1.1</b>		<b>2,988.3</b>	<b>92.9%</b>
<b>Operating income</b>	<b>230.7</b>	<b>7.2 %</b>	<b>(1.1)</b>		<b>229.6</b>	<b>7.1%</b>
Interest expense	61.6	1.9 %			61.6	1.9%
Other, net	(2.7)	— %			(2.7)	—%
<b>Income before provision for income taxes<sup>(4)</sup></b>	<b>171.8</b>	<b>5.3 %</b>	<b>(1.1)</b>		<b>170.7</b>	<b>5.3%</b>
Provision for income taxes	16.9	9.8 %	(0.3)	\$ 0.6	17.2	10.1%
<b>Net income</b>	<b>\$ 154.9</b>	<b>4.8 %</b>	<b>\$ (0.8)</b>	<b>\$ (0.6)</b>	<b>\$ 153.5</b>	<b>4.8%</b>
Basic earnings per share	\$ 4.04		\$ (0.02)	\$ (0.01)	\$ 4.01	
Diluted earnings per share	\$ 3.96		\$ (0.02)	\$ (0.01)	\$ 3.93	
Basic weighted average shares	38.3		38.3	38.3	38.3	
Diluted weighted average shares	39.1		39.1	39.1	39.1	



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Footnotes:

- (a) Effective fiscal 2019, Brinker adopted Accounting Standard Update 2014-09, *Revenue from Contracts with Customers (Topic 606)*. Please refer to the Form 10-K for further details on adoption.
- (b) 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 2019 consists of a net gain of \$11.1 million, net charge of \$2.2 million, net gain of \$3.5 million, and net charge of \$7.9 million, respectively, totaling a net gain of \$4.5 million in the year to date period in Other gains and charges, offset partially by incremental depreciation expense associated with a change in estimated useful life of certain restaurant-level long-lived assets of \$0.6 million, \$1.0 million, \$1.0 million, and \$0.8 million totaling \$3.4 million for the first quarter, second quarter, third quarter, fourth and year to date period, respectively. Please refer to the Form 10-K for further details.
- (c) Discrete tax item resulting from the tax impact of excess tax shortfalls in the first quarter of fiscal 2019 and excess tax windfalls in the second quarter of fiscal 2019 associated with stock-based compensation and favorable resolution of liabilities established for uncertain tax positions and realization of tax benefits not previously recognized in the fourth quarter of fiscal 2019.
  - (1) Franchise and other revenues includes royalties, advertising fees (effective first quarter of fiscal 2019), Maggiano's banquet service charge income, gift card breakage, service fees and and discount costs from third-party gift card sales, digital entertainment revenue, delivery fee income, franchise fees, development fees, and retail royalty revenues.
  - (2) As a percentage of Company sales.
  - (3) As a percentage of Total revenues.
  - (4) As a percentage of Income before provision for income taxes.