



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

(In millions excepts per share amounts)	Q1 F20					
	Reported	%	Special Items ^(a)	Discrete Tax Item ^(b)	Adjusted	%
Revenues						
Company sales	\$ 763.9	97.2 %			\$ 763.9	97.2%
Franchise and other revenues ⁽¹⁾	22.1	2.8 %			22.1	2.8%
Total revenues	786.0	100.0 %			786.0	100.0%
Operating costs and expenses						
Company restaurants (excluding depreciation and amortization)						
Cost of sales ⁽²⁾	203.8	26.7 %			203.8	26.7%
Restaurant labor ⁽²⁾	268.5	35.2 %			268.5	35.2%
Restaurant expenses ⁽²⁾	207.3	27.1 %			207.3	27.1%
Company restaurant expenses ⁽²⁾	679.6	89.0 %			679.6	89.0%
Depreciation and amortization ⁽³⁾	38.1	4.8 %	\$ (1.5)		36.6	4.7%
General and administrative ⁽³⁾	38.0	4.8 %			38.0	4.8%
Other gains and charges ⁽³⁾	(0.9)	(0.1)%	0.9		—	—%
Total operating costs and expenses	754.8	96.0 %	(0.6)		754.2	96.0%
Operating income	31.2	4.0 %	0.6		31.8	4.0%
Interest expense	14.9	1.9 %			14.9	1.9%
Other, net	(0.5)	0.0 %			(0.5)	0.0%
Income before provision for income taxes	16.8	2.1 %	0.6		17.4	2.2%
Provision for income taxes ⁽⁴⁾	1.9	11.3 %	0.2	\$ (0.2)	1.9	10.5%
Net income	<u>\$ 14.9</u>	1.9 %	<u>\$ 0.4</u>	<u>\$ 0.2</u>	<u>\$ 15.5</u>	2.0%
Basic earnings per share	\$ 0.40		\$ 0.01	\$ —	\$ 0.41	
Diluted earnings per share	\$ 0.39		\$ 0.01	\$ 0.01	\$ 0.41	
Basic weighted average shares	37.5		37.5	37.5	37.5	
Diluted weighted average shares	38.1		38.1	38.1	38.1	



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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 quarter consists of incremental depreciation expense of \$1.5 million associated with a change in estimated useful life of certain restaurant-level long-lived assets, partially offset by a net gain of \$0.9 million in Other gains and charges. Please refer to the Form 10-Q 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.
- (1) Franchise and other revenues include royalties, advertising fees, 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, and development fees.
- (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.