



**BRINKER INTERNATIONAL, INC.**  
**Consolidated Statements of Income**

(In millions excepts per share amounts)	Q1 F19					
	ASC 606 <sup>(a)</sup>					
	Reported	%	Special Items <sup>(b)</sup>	Discrete Tax Items <sup>(c)</sup>	Adjusted	%
<b>Revenues</b>						
Company sales	\$ 728.3	96.6 %			\$ 728.3	96.6 %
Franchise and Other Revenues <sup>(1)</sup>	25.5	3.4 %			25.5	3.4 %
<b>Total revenues</b>	<b>753.8</b>	<b>100.0 %</b>			<b>753.8</b>	<b>100.0 %</b>
<b>Operating costs and expenses</b>						
Company restaurants (excluding depreciation and amortization)						
Cost of sales <sup>(2)</sup>	191.9	26.4 %			191.9	26.4 %
Restaurant labor <sup>(2)</sup>	256.3	35.2 %			256.3	35.2 %
Restaurant expenses <sup>(2)</sup>	199.0	27.3 %			199.0	27.3 %
Company restaurant expenses	647.2	88.9 %			647.2	88.9 %
Depreciation and amortization <sup>(3)</sup>	37.0	4.9 %	\$ (0.6)		36.4	4.8 %
General and administrative <sup>(3)</sup>	33.8	4.5 %			33.8	4.5 %
Other gains and charges <sup>(3)</sup>	(11.1)	(1.5)%	11.1		—	— %
<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>Operating income</b>	<b>46.9</b>	<b>6.2 %</b>	<b>(10.5)</b>		<b>36.4</b>	<b>4.8 %</b>
Interest expense	15.6	2.0 %			15.6	2.0 %
Other, net	(0.8)	(0.1)%			(0.8)	(0.1)%
<b>Income before provision for income taxes</b>	<b>32.1</b>	<b>4.3 %</b>	<b>(10.5)</b>		<b>21.6</b>	<b>2.9 %</b>
Provision for income taxes	5.7	17.9 %	(2.6)	\$ (0.7)	2.4	11.0 %
<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>
Basic earnings per share	\$ 0.65		\$ (0.19)	\$ 0.02	\$ 0.48	
Diluted earnings per share	\$ 0.64		\$ (0.19)	\$ 0.02	\$ 0.47	
Basic weighted average shares	40.4		40.4	40.4	40.4	
Diluted weighted average shares	41.1		41.1	41.1	41.1	



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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-Q 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 consists of \$11.1 million in Other gains and charges primarily related to the gains recognized on the sale leaseback transactions, offset partially by \$0.6 million in incremental depreciation expense associated with a change in estimated useful life of certain restaurant-level long-lived assets.
- (c) Discrete tax item for the first quarter of fiscal 2019 resulting from the tax impact of excess tax shortfalls associated with stock-based compensation.
- (1) Franchise and other revenues includes royalties, advertising fees (effective first quarter of fiscal 2019), development fees, franchise 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, and retail royalty revenues.
- (2) As a percentage of Company sales.
- (3) As a percentage of Total revenues.