



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

(In millions excepts per share amounts)	Q1 F21 ^(c)					
	Reported	%	Special Items ^(a)	Discrete Tax Item ^(b)	Adjusted	%
Revenues						
Company sales	\$ 728.2	98.4 %			\$ 728.2	98.4 %
Franchise and other revenues ⁽¹⁾	11.9	1.6 %			11.9	1.6 %
Total revenues	740.1	100.0 %			740.1	100.0 %
Operating costs and expenses						
Food and beverage costs ⁽²⁾	193.5	26.6 %			193.5	26.6 %
Restaurant labor ⁽²⁾	248.0	34.0 %			248.0	34.0 %
Restaurant expenses ⁽²⁾	202.5	27.8 %			202.5	27.8 %
Depreciation and amortization ⁽³⁾	37.4	5.1 %	\$ (0.2)		37.2	5.0 %
General and administrative ⁽³⁾	30.5	4.1 %			30.5	4.1 %
Other (gains) and charges ⁽³⁾	3.8	0.5 %	(3.8)		—	— %
Total operating costs and expenses	715.7	96.7 %	(4.0)		711.7	96.2 %
Operating income	24.4	3.3 %	4.0		28.4	3.8 %
Interest expenses	14.6	2.0 %			14.6	2.0 %
Other (income), net	(0.4)	(0.1)%			(0.4)	(0.1)%
Income before income taxes	10.2	1.4 %	4.0		14.2	1.9 %
Provision (benefit) for income taxes ⁽⁴⁾	(0.5)	(4.9)%	1.0	\$ 0.8	1.3	9.0 %
Net income	\$ 10.7	1.4 %	\$ 3.0	\$ (0.8)	\$ 12.9	1.7 %
Basic net income per share	\$ 0.24		\$ 0.07	\$ (0.02)	\$ 0.29	
Diluted net income per share	\$ 0.23		\$ 0.07	\$ (0.02)	\$ 0.28	
Basic weighted average shares outstanding	45.1		45.1	45.1	45.1	
Diluted weighted average shares outstanding	45.7		45.7	45.7	45.7	



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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 of fiscal 2021 consists of \$3.8 million associated with Other (gains) and charges, and of incremental depreciation expense of \$0.2 million associated with a change in estimated useful life of certain restaurant-level long-lived assets. Please refer to the Q1 F21 Form 10-Q for further details.
- (b) Discrete tax items in the first quarter primarily related to the excess tax benefits associated with stock-based compensation.
- (c) Q1 F21 results included the ongoing impact from COVID-19 related traffic declines. Please refer to our Q1 F21 Form 10-Q for further details.
- (1) Franchise and other revenues include royalties, delivery service income, gift card breakage, franchise advertising fee revenue, digital entertainment revenue, franchise and development fees, Maggiano's banquet service charge income, gift card equalization, retail royalty revenues, merchandise income and gift card discount costs from third party gift card sales.
- (2) As a percentage of Company sales.
- (3) As a percentage of Total revenues.
- (4) As a percentage of Income before income taxes.