



MAGGIANO'S  
# LITTLE ITALY #



“WE WERE STRONG WHEN  
THE PANDEMIC HIT, AND  
WE REMAIN STRONG.”

## DEAR FELLOW SHAREHOLDERS,

I have never been more proud of Brinker and our team. When faced with an unprecedented pandemic, our Team Members stepped up to the challenge and demonstrated strength, resilience and commitment. With safety as a priority, our operators kept nearly all of our restaurants operating takeout and delivery. During these uncertain times, our Guests looked to our restaurants to provide some certainty with our great food, at a great value in an environment they trusted. We made our Guests and Team Members feel special by making them feel safe with our enhanced safety standards and systems.

While COVID-19 has created a unique operating environment, the critical issue of equality and respect for all members of our communities is also at the forefront of our focus. While we have always been committed to providing an inclusive and respectful environment for our Team Members and Guests, we recognized that we must do more to further promote racial equality. We are listening to our Team Members by giving them direct lines of communication to the highest levels of leadership, educating Team Members through anti-racism resources and updated unconscious bias training and developing opportunities we are confident will contribute in a positive manner to this movement.

# STAYING TRUE TO OUR STRATEGY

We were strong when the pandemic hit, and we remain strong. Since April 2020, Chili's has beat the casual dining industry by double digits in sales and traffic according to Knapp Track and Black Box. During the pandemic we continued to innovate and learned ways to be more efficient and to improve profitability as sales volumes grow. Our multi-year strategies to grow our off-premise business, manage best-in-class operations, strengthen the value proposition and leverage technology allowed our restaurants to get the most out of an uncertain situation, and we are confident these strategies will allow us to deliver the best value for our Guests and Shareholders going forward.



## GROW OFF-PREMISE SALES

For years we have invested in our online ordering system and mobile app to expand our capabilities and provide convenience for Guests. We also strategically embraced third-party delivery and integrated our point of sale system with DoorDash. This resulted in 58% growth in total off-premises sales at Chili's from the first half of fiscal 2018 to the first half of fiscal 2020 prior to the pandemic. We were prepared for the surge in off-premise business because of our infrastructure. We will continue to focus on ways to meet our Guests' preference for convenience and off-premise occasions.



## BEST IN CLASS OPERATIONS

Our operators are the heart of our brands and we have the best in the business. We have been dedicated to providing strong and effective operating systems so our operators can provide best-in-class service. Our Guests recognized our improvements with better food and service scores in our Guest surveys in fiscal 2020.



## STRENGTHEN THE VALUE PROPOSITION

Our scale allows us to provide better value to our Guests. Our value platforms allow us to grow sales through increasing Guest traffic rather than only raising prices, and we significantly grew our market share of casual dining Guest traffic in fiscal 2020.



## LEVERAGE DIGITAL AND TECHNOLOGY

We were leading in the digital and technology space long before the pandemic hit because of our investments to build our digital infrastructure and foster connections with Guests. From mobile app notification for curbside service to contactless payment options in the parking lot, our technology provided ease and convenience for Guests during the pandemic. We grew Chili's loyalty database to 8 million members and will continue to invest in technology that grows our business.



## GROWING OUR PRESENCE

During fiscal 2020 we opened six new company-owned Chili's restaurants and our franchisees opened 25 Chili's restaurants, including 23 in international markets and our first restaurant in Vietnam. Despite the challenging environment, Brinker and our franchisees expect to continue opening new Chili's in fiscal 2021 domestically and internationally.

### VIRTUAL BRANDS

During the last week of fiscal 2020, we accomplished something no other restaurant company has ever done. In a single day, we launched It's Just Wings, Brinker's first virtual brand, in more than 1,000 Chili's and Maggiano's restaurants across the country. Over the years, casual dining has been dinged for being overbuilt. We believe this is our opportunity to prove that maybe it's not overbuilt, it's just underutilized. It's Just Wings reaches new Guests with great food delivered at a better price than our competitors because we are able to use our existing kitchens and Team Members. We are excited about the initial success and growth of this brand, as well as opportunities to grow virtual brands in the future.



## GROWING OUR PEOPLE

Our more than 62,000 Team Members are who keep our restaurants running each day, so Brinker has long championed investment into our people. With industry-leading training programs, Brinker provides career growth opportunities and personal development to Team Members whether they choose a career in restaurants or follow other aspirations. In February 2020, our last full month prior to the impact of the pandemic, our non-salaried restaurant Team Members earned an average hourly wage of \$16.84 (based on total average compensation at all company-owned restaurants, including tips). During the pandemic we also provided more than \$15 million in relief funds to help Team Members that had reduced working hours. We provided additional funds to support Team Members diagnosed with COVID-19, in quarantine or living with someone diagnosed with COVID-19. We regularly invest in our Team Members through the following development programs:

### BEST YOU EDU

Best You EDU is a comprehensive, no-cost education program that allows Team Members to develop foundational skills or earn a GED or an Associate's Degree. We believe that continuing education is essential for professional growth and want to help our BrinkerHeads achieve their educational goals.

## CERTIFIED SHIFT LEADER PROGRAM

The Certified Shift Leader Program is a development pathway for hourly Team Members who want to move into management. Certified Shift Leaders get on-the-job training to develop the skills needed to be a best-in-class restaurant leader. Through a partnership with the National Restaurant Association Education Foundation and the US Department of Labor, we have accredited the Certified Shift Leader program with an official industry apprenticeship.

## WOMEN TAKING THE LEAD

Women Taking the Lead is a development program that helps promising female leaders accelerate their careers by teaching technical skills and providing customized training, mentorships and access to outside resources.

## DIVERSITY AND INCLUSION

At Brinker, our commitment to a diverse and inclusive workforce fuels our unique culture. That's why we work to cultivate an environment and build programs where individual strengths and stories are celebrated and unique perspectives are valued. Our Team Members and Guests are diverse in gender, race, ethnicity, sexual orientation, disability, religion, age, cultural backgrounds and life experiences. We celebrate these differences and welcome everyone to the table.

	People of Color		Women	
	Brinker	Corporate/Full Service Average*	Brinker	Corporate/Full Service Average*
Restaurant Support Center	29%	32%	58%	55%
Operations Leadership	34%	13%	40%	21%
Hourly Team Members	54%	45%	53%	56%

\*Source: TDN2K People Report for Full-Service Dining as of May 31, 2020 and Equal Employment Opportunity Commission, Employer Information Reports (EEO-1 Single and Establishment Reports), 2018

The world remains unpredictable, but Brinker is starting fiscal 2021 from a position of strength. Thanks to our best-in-class operators and multi-year strategies and investments, we are poised to continue to outperform and take share in the coming year. I truly believe in the direction and future of Brinker and our brands. Thank you for contributing to our success and we look forward to continuing our journey with you.

Sincerely,



**WYMAN T. ROBERTS**

President and Chief Executive Officer