



BRINKER INTERNATIONAL, INC.
Consolidated Statements of Income

	Q1 F18						Q2 F18					
	Reported	%	Special Items ^(a)	Discrete Tax Items ^(b)	Adjusted	%	Reported	%	Special Items ^(a)	Discrete Tax Items ^(b)	Adjusted	%
(In thousands excepts per share amounts)												
Revenues:												
Company sales	\$ 716,942	97.0%			\$ 716,942	97.0%	\$ 742,688	96.9 %			\$ 742,688	96.9 %
Franchise and Other Revenues ⁽¹⁾	22,448	3.0%			22,448	3.0%	23,712	3.1 %			23,712	3.1 %
Total revenues	<u>739,390</u>	100.0%			<u>739,390</u>	100.0%	<u>766,400</u>	100.0 %			<u>766,400</u>	100.0 %
Operating costs and expenses:												
Company restaurants (excluding depreciation and amortization):												
Cost of sales ⁽²⁾	187,597	26.2%			187,597	26.2%	192,883	26.0 %			192,883	26.0 %
Restaurant labor ⁽²⁾	251,075	35.0%			251,075	35.0%	250,416	33.7 %			250,416	33.7 %
Restaurant expenses ⁽²⁾	<u>188,129</u>	26.2%			<u>188,129</u>	26.2%	<u>188,649</u>	25.4 %			<u>188,649</u>	25.4 %
Company restaurant expenses	626,801	87.4%			626,801	87.4%	631,948	85.1 %			631,948	85.1 %
Depreciation and amortization ⁽³⁾	38,520	5.2%			38,520	5.2%	37,655	4.9 %			37,655	4.9 %
General and administrative ⁽³⁾	32,358	4.4%			32,358	4.4%	33,088	4.3 %			33,088	4.3 %
Other gains and charges ⁽³⁾	<u>13,154</u>	1.8%	<u>(13,154)</u>		<u>—</u>	—%	9,261	1.2 %	<u>(9,261)</u>		<u>—</u>	—%
Total operating costs and expenses	<u>710,833</u>	96.1%	<u>(13,154)</u>		<u>697,679</u>	94.4%	<u>711,952</u>	92.9 %	<u>(9,261)</u>		<u>702,691</u>	91.7 %
Operating income	28,557	3.9%	13,154		41,711	5.6%	54,448	7.1 %	9,261		63,709	8.3 %
Interest expense	13,884	1.9%			13,884	1.9%	14,321	1.9 %			14,321	1.9 %
Other, net	<u>(476)</u>	—%			<u>(476)</u>	—%	<u>(1,015)</u>	(0.2)%			<u>(1,015)</u>	(0.2)%
Income before provision for income taxes	15,149	2.0%	13,154		28,303	3.8%	41,142	5.4 %	9,261		50,403	6.5 %
Provision for income taxes	<u>5,272</u>	34.8%	<u>4,226</u>	<u>(1,570)</u>	<u>7,928</u>	28.0%	<u>15,776</u>	38.3 %	<u>2,354</u>	<u>(8,290)</u>	<u>9,840</u>	19.5 %
Net income	<u>\$ 9,877</u>	1.3%	<u>\$ 8,928</u>	<u>\$ 1,570</u>	<u>\$ 20,375</u>	2.8%	<u>\$ 25,366</u>	3.3 %	<u>\$ 6,907</u>	<u>\$ 8,290</u>	<u>\$ 40,563</u>	5.3 %
Basic earnings per share	\$ 0.20		\$ 0.19	\$ 0.03	\$ 0.42		\$ 0.55		\$ 0.15	\$ 0.17	\$ 0.87	
Diluted earnings per share	\$ 0.20		\$ 0.19	\$ 0.03	\$ 0.42		\$ 0.54		\$ 0.15	\$ 0.18	\$ 0.87	
Basic weighted average shares	48,293		48,293	48,293	48,293		46,432		46,432	46,432	46,432	
Diluted weighted average shares	48,732		48,732	48,732	48,732		46,880		46,880	46,880	46,880	



BRINKER INTERNATIONAL, INC.
Consolidated Statements of Income

Q3 F18

Q4 F18

(In thousands excepts per share amounts)

	Q3 F18						Q4 F18					
	Reported	%	Special Items ^(a)	Discrete Tax Items ^(b)	Adjusted	%	Reported	%	Special Items ^(a)	Discrete Tax Items ^(b)	Adjusted	%
Revenues:												
Company sales	\$ 790,495	97.3 %			\$ 790,495	97.3 %	\$ 791,391	96.9 %			\$ 791,391	96.9 %
Franchise and Other Revenues ⁽¹⁾	22,039	2.7 %			22,039	2.7 %	25,702	3.1 %			25,702	3.1 %
Total revenues	812,534	100.0 %			812,534	100.0 %	817,093	100.0 %			817,093	100.0 %
Operating costs and expenses:												
Company restaurants (excluding depreciation and amortization):												
Cost of sales ⁽²⁾	207,328	26.2 %			207,328	26.2 %	208,199	26.3 %			208,199	26.3 %
Restaurant labor ⁽²⁾	265,367	33.6 %			265,367	33.6 %	266,995	33.7 %			266,995	33.7 %
Restaurant expenses ⁽²⁾	190,205	24.1 %			190,205	24.1 %	190,564	24.1 %			190,564	24.1 %
Company restaurant expenses	662,900	83.9 %			662,900	83.9 %	665,758	84.1 %			665,758	84.1 %
Depreciation and amortization ⁽³⁾	37,553	4.6 %			37,553	4.6 %	37,664	4.6 %			37,664	4.6 %
General and administrative ⁽³⁾	36,619	4.5 %			36,619	4.5 %	33,947	4.2 %			33,947	4.2 %
Other gains and charges ⁽³⁾	2,752	0.3 %	(2,752)		—	— %	9,333	1.1 %	(9,333)		—	— %
Total operating costs and expenses	739,824	91.1 %	(2,752)		737,072	90.7 %	746,702	91.4 %	(9,333)		737,369	90.2 %
Operating income	72,710	8.9 %	2,752		75,462	9.3 %	70,391	8.6 %	9,333		79,724	9.8 %
Interest expense	14,549	1.7 %			14,549	1.7 %	16,232	2.0 %			16,232	2.0 %
Other, net	(755)	(0.1)%			(755)	(0.1)%	(856)	(0.1)%			(856)	(0.1)%
Income before provision for income taxes	58,916	7.3 %	2,752		61,668	7.6 %	55,015	6.7 %	9,333		64,348	7.9 %
Provision for income taxes	12,000	20.4 %	837	(776)	12,061	19.6 %	11,292	20.5 %	2,937	(1,438)	12,791	19.9 %
Net income	\$ 46,916	5.8 %	\$ 1,915	\$ 776	\$ 49,607	6.1 %	\$ 43,723	5.4 %	\$ 6,396	\$ 1,438	\$ 51,557	6.3 %
Basic earnings per share	\$ 1.03		\$ 0.04	\$ 0.02	\$ 1.09		\$ 1.03		\$ 0.15	\$ 0.03	\$ 1.21	
Diluted earnings per share	\$ 1.02		\$ 0.04	\$ 0.02	\$ 1.08		\$ 1.01		\$ 0.15	\$ 0.03	\$ 1.19	
Basic weighted average shares	45,433		45,433	45,433	45,433		42,649		42,649	42,649	42,649	
Diluted weighted average shares	45,973		45,973	45,973	45,973		43,469		43,469	43,469	43,469	



BRINKER INTERNATIONAL, INC.
Consolidated Statements of Income

YTD F18

(In thousands excepts per share amounts)	Reported	%	Special Items ^(a)	Discrete Tax Items ^(b)	Adjusted	%
Revenues:						
Company sales	\$ 3,041,516	97.0 %			\$ 3,041,516	97.0 %
Franchise and Other Revenues ⁽¹⁾	93,901	3.0 %			93,901	3.0 %
Total revenues	3,135,417	100.0 %			3,135,417	100.0 %
Operating costs and expenses:						
Company restaurants (excluding depreciation and amortization):						
Cost of sales ⁽²⁾	796,007	26.2 %			796,007	26.2 %
Restaurant labor ⁽²⁾	1,033,853	34.0 %			1,033,853	34.0 %
Restaurant expenses ⁽²⁾	757,547	24.9 %			757,547	24.9 %
Company restaurant expenses	2,587,407	85.1 %			2,587,407	85.1 %
Depreciation and amortization ⁽³⁾	151,392	4.8 %			151,392	4.8 %
General and administrative ⁽³⁾	136,012	4.3 %			136,012	4.3 %
Other gains and charges ⁽³⁾	34,500	1.1 %	(34,500)	—	—	— %
Total operating costs and expenses	2,909,311	92.8 %	(34,500)	—	2,874,811	91.7 %
Operating income	226,106	7.2 %	34,500	—	260,606	8.3 %
Interest expense	58,986	1.9 %			58,986	1.9 %
Other, net	(3,102)	(0.1)%			(3,102)	(0.1)%
Income before provision for income taxes	170,222	5.4 %	34,500		204,722	6.5 %
Provision for income taxes	44,340	26.0 %	10,354	(12,074)	42,620	20.8 %
Net income	\$ 125,882	4.0 %	\$ 24,146	\$ 12,074	\$ 162,102	5.2 %
Basic earnings per share	\$ 2.75		\$ 0.53	\$ 0.27	\$ 3.55	
Diluted earnings per share	\$ 2.72		\$ 0.52	\$ 0.26	\$ 3.50	
Basic weighted average shares	45,702		45,702	45,702	45,702	
Diluted weighted average shares	46,264		46,264	46,264	46,264	

(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.

(b) Discrete tax item for the first quarter of fiscal 2018 resulting from the recognition of tax deficiencies from the settlement of stock-based compensation awards in the provision for income taxes as part of adopting ASU 2016-09 in the first quarter of fiscal 2018. Discrete tax item for the second quarter of fiscal 2018 result from the revaluation of our net deferred taxes using the new lower corporate tax rate pursuant to the Tax Cuts and Jobs Act of 2017. Additionally, this amount includes \$0.4 million of tax benefits from the settlement of stock-based compensation awards in the provision for income taxes. Discrete tax item for the third quarter of fiscal 2018 relates to deferred taxes pursuant to prior year tax return adjustments. Discrete tax item for the fourth quarter of fiscal 2018 primarily relates to final adjustments from the revaluation of our net deferred taxes using the new lower corporate tax rate pursuant to the Tax Cuts and Jobs Act of 2017.

(1) Franchise and other revenues includes royalties, development fees and franchise fees, banquet service charge income, gift card breakage and discounts, digital entertainment revenue, Chili's retail food product royalties, merchandise and delivery fee income.

(2) As a percentage of Company sales.

(3) As a percentage of Total revenues.