

Third Quarter 2021 Conference Call

November 10, 2021

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Senior Director – Investor Relations & Corporate FP&A

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Forward-Looking Statements and Non-GAAP Financial Measures

This presentation, and certain information that management may discuss in connection with this presentation, contains certain statements that are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 (the “Reform Act”). For all such forward-looking statements, we claim the protection of the safe harbor for forward-looking statements contained in the Reform Act.

Many important factors could affect our future results and could cause those results to differ materially from those expressed in or implied by our forward-looking statements. Such factors include, but are not limited to, those identified under the caption “Forward-Looking Statements” in our release issued on November 10, 2021 and in the “Special Note Regarding Forward-Looking Statements and Projections” and “Risk Factors” sections of our most recent Form 10-K / Form 10-Qs.

In addition, this presentation and certain information management may discuss in connection with this presentation reference non-GAAP financial measures (*i.e.* adjusted revenue, adjusted EBITDA, adjusted earnings per share, free cash flow and systemwide sales). These non-GAAP financial measures exclude certain expenses and benefits. Reconciliations of non-GAAP financial measures to the most directly comparable GAAP financial measures are provided in the Appendix to this presentation.

Agenda

Business Update

Q3 Financial Results

2021 Outlook

IR Calendar

Q&A



Todd Penegor

President & Chief Executive Officer

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CEO Business Update

- Strong 2-Year Global SRS Growth
- Maintained QSR Burger Category Dollar Share*
- Breakfast and Digital Mix Accelerated
- UK momentum continues with strong sales and additional openings
- Significant partnership signed with Google to drive technology innovation
- Franchisees remain highly engaged and satisfied
- Fully committed to long-term growth initiatives

*Source: The NPD Group/CREST®, 3 months ending September 2021 vs. 3 months ending September 2020

US Sales Continued to Deliver Growth on Growth

- US 2-year SRS grew 9.1%
- Checks remained elevated throughout quarter
- Continued to mix customers into premium items with new Made to Crave offering
- Expect game changing fry innovation to drive growth







International Delivered Another Strong Quarter

- Second consecutive quarter of double digit 1- and 2-year International SRS
- 2-year SRS grew 12.6%
- Continue to see growing strength in largest markets
- Almost 2/3 of international markets have returned to pre-COVID sales levels as recovery spreads across globe



Strong Promotions Drove Breakfast Mix Acceleration and Momentum in Q3

- Breakfast sales mix exited Q3 at 7.5%; highest monthly mix of 2021
- Grew QSR burger morning meal traffic share*
- Expect continued growth from the recently launched $1 Biscuit promotion
- Remain committed to $25M Company advertising investment in 2021

*Source: The NPD Group/CREST®, 3 months ending September 2021 vs. 3 months ending September 2020

Digital Acceleration Continued in Q3

- Global sales mix reached ~8.5% driven by both U.S. and International strength
- International sales mix reached ~13%
- U.S. digital sales mix grew to north of 8% by quarter end
- U.S. rewards members grew ~10% to almost 19M at quarter end
- Strategic partnership with Google to drive continued innovation across digital and tech platforms





400th Wendy's in Canada



2nd UK Restaurant Opening

Global Restaurant Development Continued to Progress in Q3

- Meaningfully expanded our footprint
- UK momentum continued with additional openings and new franchise partner
- Groundbreaker development agreements added across the globe
- Remain on track to have ~7K Global restaurants by year end 2021

Remain Fully Committed to Long Term Growth Initiatives

Investing in Accelerated Global Growth

Build Our Breakfast Daypart

Digital Acceleration

Expand Our Footprint

Fast Food Done Right

Operational Excellence

Good Done Right

Restaurant Economic Model



Gunther Plosch

Chief Financial Officer

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Third Quarter Financial Results

$ Mils (except per share amounts)

	2021	2020	B/(W)
Global Systemwide Sales Growth	5.3%	6.7%	2-Yr. 12.0%
Global System SRS	3.3%	6.1%	2-Yr 9.4%
Company Restaurant Margin	14.4%	16.9%	(250) bps
G&A	$62.8	$47.3	(32.8)%
Adjusted EBITDA[1]	$112.2	$118.8	(5.6)%
Adjusted EPS[1]	$0.19	$0.19	Flat
YTD Free Cash Flow[1, 2]	$273.7	$158.3	72.9%

[1] See reconciliation of non-GAAP financial measures in the Appendix.
[2] Excluding the approximately $24.7M payment related to the settlement of the Financial Institutions Case in Q1 2020.

2021 Outlook

Metric	Initial Outlook	Current Outlook
Global Systemwide Sales Growth	6% to 8%*	11% to 12%*
Adjusted EBITDA	~$445M to $455M	~$465M to $470M
Adjusted EPS	~$0.67 to $0.69	~$0.79 to $0.80
Capital Expenditures	~$80M to $90M	~$75M to $85M
Free Cash Flow	~$230M to $240M	~$270M to $280M

* Please note that this excludes the impact from a 53rd week in 2020.



Capital Allocation Policy Remains Unchanged

1 Continue to Invest in the Business for Growth

2 Sustain an Attractive Dividend; Payout Ratio > 50%

3 Flexibility to Utilize Excess Cash to Repurchase Shares and/or Reduce Debt



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Wendy's to Host Virtual Investor Day March 10, 2022

Event to follow Q4 and Full Year Earnings Release on February 10, 2022

Investor Relations Calendar

- Nov 12: Conference Call with Truist
- Nov 16: NDR with Credit Suisse (Chicago)
- Nov 17: NDR with BMO (Boston)
- Nov 30: NDR with Cowen (New York)
- Dec 1: Stephens Conference (Nashville)
- Dec 9: Virtual NDR with Goldman Sachs (West Coast)
- Dec 14: Virtual HQ Visit with Deutsche Bank

Q&A

Appendix

Reconciliation of Non-GAAP Financial Measures

In addition to the GAAP financial measures included in this presentation, the Company has presented certain non-GAAP financial measures (i.e., adjusted revenues, adjusted EBITDA, adjusted earnings per share, free cash flow and systemwide sales). These non-GAAP financial measures exclude certain expenses and benefits as detailed in the accompanying reconciliation tables.

Reconciliations of Net Income to Adjusted EBITDA and Revenues to Adjusted Revenues

	Three Months Ended		Nine Months Ended	
	2021	2020	2021	2020
Net income	$ 41,171	$ 39,753	$ 148,261	$ 79,098
Provision for income taxes	13,195	12,690	41,356	26,060
Income before income taxes	54,366	52,443	189,617	105,158
Other income, net	(171)	(181)	(461)	(1,113)
Loss on early extinguishment of debt	—	—	17,917	—
Interest expense, net	26,000	29,086	82,990	86,696
Operating profit	80,195	81,348	290,063	190,741
Plus (less):				
Advertising funds revenue	(97,976)	(84,755)	(289,699)	(241,468)
Advertising funds expense (a)	99,550	85,895	294,139	245,015
Depreciation and amortization	30,940	32,966	93,243	98,726
System optimization gains, net	(1,437)	(23)	(32,719)	(2,333)
Reorganization and realignment costs	345	3,375	7,381	10,196
Impairment of long-lived assets	566	23	1,831	4,727
Adjusted EBITDA	$ 112,183	$ 118,829	$ 364,239	$ 305,604
Revenues	$ 470,255	$ 452,242	$ 1,423,795	$ 1,259,508
Less:				
Advertising funds revenue	(97,976)	(84,755)	(289,699)	(241,468)
Adjusted revenues	$ 372,279	$ 367,487	$ 1,134,096	$ 1,018,040

(a) Excludes advertising funds expense of $8,979 and $16,503 for the three and nine months ended October 3, 2021, respectively, and $6,153 and $8,338 for the three and nine months ended September 27, 2020, respectively, related to the Company's funding of incremental advertising.

Reconciliation of Net Income and Diluted Earnings Per Share to Adjusted Income and Adjusted Earnings Per Share

	Three Months Ended		Nine Months Ended	
	2021	2020	2021	2020
Net income	$ 41,171	$ 39,753	$ 148,261	$ 79,098
Plus (less):				
Advertising funds revenue	(97,976)	(84,755)	(289,699)	(241,468)
Advertising funds expense (a)	99,550	85,895	294,139	245,015
System optimization gains, net	(1,437)	(23)	(32,719)	(2,333)
Reorganization and realignment costs	345	3,375	7,381	10,196
Impairment of long-lived assets	566	23	1,831	4,727
Loss on early extinguishment of debt	—	—	17,917	—
Total adjustments	1,048	4,515	(1,150)	16,137
Income tax impact on adjustments (b)	291	(868)	1,811	(4,566)
Total adjustments, net of income taxes	1,339	3,647	661	11,571
Adjusted income	$ 42,510	$ 43,400	$ 148,922	$ 90,669
Diluted earnings per share	$ .18	$ .17	$ .66	$ .35
Total adjustments per share, net of income taxes	.01	.02	—	.05
Adjusted earnings per share	$ .19	$ .19	$ .66	$ .40

(a) Excludes advertising funds expense of $8,979 and $16,503 for the three and nine months ended October 3, 2021, respectively, and $6,153 and $8,338 for the three and nine months ended September 27, 2020, respectively, related to the Company's funding of incremental advertising.

(b) The provision for (benefit from) income taxes on "System optimization gains, net" was $536 and $6 for the three months ended October 3, 2021 and September 27, 2020, respectively, and $8,802 and $(728) for the nine months ended October 3, 2021 and September 27, 2020, respectively. The benefit from income taxes on all other adjustments (excluding the advertising funds adjustments) was calculated using an effective tax rate of 26.89% and 25.72% for the three months ended October 3, 2021 and September 27, 2020, respectively, and 25.77% and 25.72% for the nine months ended October 3, 2021 and September 27, 2020, respectively.

Reconciliation of Net Cash Provided by Operating Activities to Free Cash Flow

In Thousands (Unaudited)

	Nine Months Ended	
	2021	2020
Net cash provided by operating activities	$ 276,673	$ 205,759
Plus (less):		
Capital expenditures	(43,401)	(44,876)
Cash paid for taxes related to New York disposition	9,512	—
Advertising funds impact (a)	30,876	(27,297)
Free cash flow	$ 273,660	$ 133,586

(a) Represents the net change in the restricted operating assets and liabilities of our advertising funds, which is included in "Changes in operating assets and liabilities and other, net," and the excess of advertising funds expense over advertising funds revenue, which is included in "Net income."



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