

Fourth Quarter 2024 Conference Call

February 13, 2025

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Aaron Broholm

Head of Investor Relations

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Agenda

Business Update

2024 Highlights

2025 Financial Outlook

IR Calendar

Q&A



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 February 13, 2025 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.



Kirk Tanner

President & Chief Executive Officer

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Q4 2024 Highlights

Global Systemwide Sales Growth of **5.4%** and Global SRS Growth of **4.3%**

Traffic and Dollar Growth **Outpaced** Competitors

MSD Breakfast Sales Growth Year-Over-Year

Global Digital Sales **Grew nearly 40%** Year-Over-Year, Delivering **~19% mix**

Opened **113 New Restaurants** around the globe

FY 2024 Highlights

14th Year of Consecutive Global SRS Growth

Global Company-Operated Restaurant Margin **Expansion**

Opened **276 new restaurants**

MSD Breakfast Sales Growth Year-Over-Year

Global Digital Sales dollars **grew by nearly 40%**

Fresh, Famous Food

Craveable Core



Impactful Innovation



Relevant Value



Delivering an Exceptional Customer Experience

Increasing Operational Intensity
Operate “One Best Way”

Investing in **Field Resources**
Enhanced support for **franchisees** and **restaurants**

Implementing Restaurant Technology
Digital Menu Boards and Fresh AI



March 6th
2025 Investor Day in Dublin, Ohio



Ken Cook

Chief Financial Officer

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Fourth Quarter Financial Results

$ Mils (except per share amounts)

	2023	2024	B/(W)
Global Systemwide Sales Growth	3.2%	5.4%	2-Yr 8.6%
Global System SRS	1.3%	4.3%	2-Yr 5.6%
US Company Restaurant Margin	13.5%	16.5%	300 bps
G&A	$65.7	$67.2	(2.3%)
Adjusted EBITDA[1]	$126.6	$137.5	8.6%
Adjusted EPS[1]	$0.21	$0.25	19.0%
Year to Date Free Cash Flow[1]	$274.3	$279.0	1.7%

[1] See reconciliation of non-GAAP financial measures in the Appendix

OUR CAPITAL ALLOCATION PRIORITIES

1

CONTINUE TO
INVEST IN THE BUSINESS FOR PROFITABLE GROWTH

2

PAY AN
ATTRACTIVE DIVIDEND[1]

3

MAINTAIN A
STRONG BALANCE SHEET

4

UTILIZE
EXCESS CASH TO REPURCHASE SHARES

[1] Future dividend payments will be made at the discretion of our Board of Directors.

2025 Financial Outlook

Global Systemwide Sales Growth	2.0% to 3.0%
Adjusted EBITDA	$550M to $560M
Adjusted EPS	$0.98 to $1.02
Free Cash Flow	$275M to $285M
Capital Expenditures	$100M to $110M



Aaron Broholm

Head of Investor Relations

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Investor Relations Calendar

March 6th: Wendy's 2025 Investor Day

March 11th: BofA Global Consumer & Retail Conference (Miami)

March 25th: NDR with Piper Sandler (Chicago)

March 12th: UBS Global Consumer &Retail Conference (NYC)

May 1st: Q1 2025 Earnings Release & Conference Call

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 Revenue to Adjusted Revenues

The Wendy's Company and Subsidiaries
Reconciliations of Net Income to Adjusted EBITDA and Revenues to Adjusted Revenues
Three and Twelve Month Periods Ended December 31, 2023 and December 29, 2024
(In Thousands)
(Unaudited)

	Three Months Ended		Twelve Months Ended	
	2023	2024	2023	2024
Net income	$ 46,938	$ 47,497	$ 204,440	$ 194,357
Provision for income taxes	20,351	22,985	74,978	78,056
Income before income taxes	67,289	70,482	279,418	272,413
Other income, net	(7,024)	(5,542)	(29,570)	(24,924)
Investment (income) loss, net	(31)	—	10,358	(11)
Gain on early extinguishment of debt, net	(3,868)	—	(2,283)	—
Interest expense, net	30,263	31,081	124,061	123,881
Operating profit	86,629	96,021	381,984	371,359
Plus (less):				
Advertising funds revenue	(108,904)	(114,930)	(428,996)	(458,092)
Advertising funds expense (a)	108,069	112,880	424,652	455,390
Depreciation and amortization (exclusive of amortization of cloud computing arrangements shown separately below)	34,531	33,228	135,789	143,234
Amortization of cloud computing arrangements	5,086	4,064	12,778	14,701
System optimization gains, net	(761)	(646)	(880)	(1,219)
Reorganization and realignment costs	1,100	49	9,200	8,528
Impairment of long-lived assets	888	6,840	1,401	9,713
Adjusted EBITDA	$ 126,638	$ 137,506	$ 535,928	$ 543,614
Revenues	$ 540,651	$ 574,273	$ 2,181,578	$ 2,246,492
Less:				
Advertising funds revenue	(108,904)	(114,930)	(428,996)	(458,092)
Adjusted revenues	$ 431,747	$ 459,343	$ 1,752,582	$ 1,788,400

(a) Excludes advertising funds expense of $599 and $2,401 for the three and twelve months ended December 31, 2023, respectively, and $7,146 and $21,919 for the three and twelve months ended and December 29, 2024, respectively, related to the Company's funding of incremental advertising. In addition, excludes other international-related advertising deficit of $161 and $950 for the three and twelve months ended December 31, 2023, respectively, and $187 and $827 for the three and twelve months ended December 29, 2024, respectively.

The Wendy's Company and Subsidiaries
Reconciliation of Net Income and Diluted Earnings Per Share to
Adjusted Income and Adjusted Earnings Per Share
Three and Twelve Month Periods Ended December 31, 2023 and December 29, 2024
(In Thousands Except Per Share Amounts)
(Unaudited)

	Three Months Ended		Twelve Months Ended	
	2023	2024	2023	2024
Net income	$ 46,938	$ 47,497	$ 204,440	$ 194,357
Plus (less):				
Advertising funds revenue	(108,904)	(114,930)	(428,996)	(458,092)
Advertising funds expense (a)	108,069	112,880	424,652	455,390
System optimization gains, net	(761)	(646)	(880)	(1,219)
Reorganization and realignment costs	1,100	49	9,200	8,528
Impairment of long-lived assets	888	6,840	1,401	9,713
Gain on early extinguishment of debt, net	(3,868)	—	(2,283)	—
Total adjustments	(3,476)	4,193	3,094	14,320
Income tax impact on adjustments (b)	849	(1,176)	(1,423)	(3,429)
Total adjustments, net of income taxes	(2,627)	3,017	1,671	10,891
Adjusted income	$ 44,311	$ 50,514	$ 206,111	$ 205,248
Diluted earnings per share	$ .23	$ .23	$ .97	$ .95
Total adjustments per share, net of income taxes	(.02)	.02	—	.05
Adjusted earnings per share	$ .21	$ .25	$ .97	$ 1.00

(a) Excludes advertising funds expense of $599 and $2,401 for the three and twelve months ended December 31, 2023, respectively, and $7,146 and $21,919 for the three and twelve months ended December 29, 2024, respectively, related to the Company's funding of incremental advertising. In addition, excludes other international-related advertising deficit of $161 and $950 for the three and twelve months ended December 31, 2023, respectively, and $187 and $827 for the three and twelve months ended December 29, 2024, respectively.

(b) Adjustments relate to the tax effect of non-GAAP adjustments, which were determined based on the nature of the underlying non-GAAP adjustments and their relevant jurisdictional tax rates.

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

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

The Wendy's Company and Subsidiaries
Reconciliation of Net Cash Provided by Operating Activities to Free Cash Flow
Twelve Month Periods Ended December 31, 2023 and December 29, 2024
(In Thousands)
(Unaudited)

	Twelve Months Ended	
	2023	2024
Net cash provided by operating activities	$ 345,416	$ 355,307
Plus (less):		
Capital expenditures	(85,021)	(94,388)
Advertising funds impact (a)	13,866	18,031
Free cash flow	$ 274,261	$ 278,950

(a) Advertising funds impact for 2023 and 2024 includes the net change in the restricted operating assets and liabilities of the funds of $(18,210) and $(20,733), respectively, and the advertising funds surplus included in Net Income of $4,344 and $2,702, respectively. Advertising funds impact for 2023 and 2024 excludes the Company's incremental funding of advertising of $2,401 and $21,919, respectively.



Wendy's®

The Wendy's Company