



Wendy's®

First Quarter 2025 Conference Call

May 2, 2025



Wendy's[®]

Aaron Broholm

Head of Investor Relations

Agenda

Business Update

Q1 Financial Results

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 May 2, 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 and free cash flow). 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.



Wendy's

**KIRK
TANNER**

PRESIDENT & CEO



Q1 2025 HIGHLIGHTS

Opened **74 New Restaurants Globally**

Global Systemwide Sales Declined **1.1%** and Global SRS Declined **2.1%**

Maintained Traffic and Dollar Share in the QSR Burger Category in the U.S.

International Systemwide Sales Growth of **8.9%** and SRS Growth of **2.3%**

Returned **\$173+ Million to Shareholders** via Dividends & Share Repurchases



DELIVERING AGAINST LONG-TERM STRATEGY

**DOUBLE DOWN ON
FRESH, FAMOUS FOOD**



**DELIVER AN EXCEPTIONAL
CUSTOMER EXPERIENCE**



**ACCELERATE
GLOBAL UNIT GROWTH**



CREATING VALUE FOR FRANCHISEES AND SHAREHOLDERS



DELIVERING AGAINST LONG-TERM STRATEGY

DOUBLE DOWN ON FRESH, FAMOUS FOOD

Majority of Ingredients in U.S. and International Markets
Sourced Close to Home

Partnered With Girl Scouts on Successful Collaboration
Featuring Thin Mint Frosty

Launching New Ways to Frosty Platform



DELIVERING AGAINST LONG-TERM STRATEGY

DOUBLE DOWN ON FRESH, FAMOUS FOOD



100
DAYS OF SUMMER

The logo features the number '100' in a large, bold, red font, with a stylized sunburst of red rays behind it. A small circular logo with a girl's face is positioned above the '0'. Below the '100' is the text 'DAYS OF SUMMER' in a bold, red, sans-serif font.

Providing Customers With More Fresh, Famous
Food at an Attractive Value



Featuring Never Been Done Before, Famous
Food and Fresh Collaborations



DELIVERING AGAINST LONG-TERM STRATEGY

DELIVER AN EXCEPTIONAL CUSTOMER EXPERIENCE

Completed Rollout of New Field Organization; Initial Restaurant Assessments Underway

Improved Order Accuracy Through Menu Item Labels & Delivery Scales

On Track To Deploy Digital Menu Boards and FreshAI to More than 500 Restaurants in 2025

App Enhancements Drove Loyalty Growth and Increased Customer Engagement



DELIVERING AGAINST LONG-TERM STRATEGY

ACCELERATE GLOBAL UNIT GROWTH

On Track to Achieve 2025 Net Unit Growth Target of 2-3%

Opened 74 New Restaurants Globally, 68 Net

New Development Agreements for 25 Units in Mexico, 30 Units in Chile



At Wendy's, our focus
is on serving the
BEST FOOD
and creating a
GREAT
EXPERIENCE
for our customers.

Dave Thomas





Wendy's

KEN COOK

CFO

FIRST QUARTER FINANCIAL RESULTS

\$ Mils (except per share amounts)

	2024	2025	B/(W)
Global Systemwide Sales Growth	2.6%	(1.1)%	2-Yr 1.5%
Global System SRS	0.9%	(2.1)%	2-Yr (1.2)%
US Company Restaurant Margin	15.3%	14.8%	(50) bps
G&A	\$63.8	\$68.2	(6.9)%
Adjusted EBITDA ¹	\$127.8	\$124.5	(2.6)%
Adjusted EPS ¹	\$0.23	\$0.20	(13.0)%

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



FIRST QUARTER CAPEX AND FREE CASH FLOW

Q1 CapEx and Build-to-Suit Investments

\$9.9M

Development of Company-Operated Restaurants

\$6.1M

Technology Initiatives

\$5.8M

Build-to-Suit

	2024	2025	B/(W)
Free Cash Flow¹	\$56.0M	\$68.0M	\$12.0M

¹ Beginning with the three months ended March 30, 2025, the Company modified its definition of free cash flow to reflect expenditures related to its franchise development fund. The prior period has been revised to conform to the current year presentation. See reconciliation of non-GAAP financial measures in Appendix.

FIRST QUARTER CAPITAL ALLOCATION

Q1 Share Repurchases

8.2M shares

*Anticipate repurchasing up to \$25M
of additional shares in 2025*

Q2 Dividend

\$0.14/share

*Target payout ratio of 50-60% of adjusted
earnings*

Anticipate returning up to \$325M to shareholders in 2025

2025 OUTLOOK

Net Unit Growth	2% to 3%
Global Systemwide Sales Growth	(2.0%) to Flat
Adjusted EBITDA	\$530M to \$545M
Adjusted EPS	\$0.92 to \$0.98
Free Cash Flow	Prior Definition: \$250M to \$270M Updated Definition: \$185M to \$205M¹
Capital Expenditures	\$100M to \$110M



¹ Beginning with the three months ended March 30, 2025, the Company modified its definition of free cash flow to reflect expenditures related to its franchise development fund. The prior period has been revised to conform to the current year presentation.



Wendy's[®]

Aaron Broholm

Head of Investor Relations



Investor Relations Calendar

May 19th: Wolfe Investor Conference (Virtual)

May 29th: Bernstein Strategic Decisions Conference (NYC)

June 11th: Evercore Consumer and Retail Conference (NYC)



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 and free cash flow). 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 Month Periods Ended March 31, 2024 and March 30, 2025
(In Thousands)
(Unaudited)

	Three Months Ended	
	2024	2025
Net income	\$ 41,993	\$ 39,232
Provision for income taxes	15,464	15,685
Income before income taxes	57,457	54,917
Other income, net	(6,836)	(4,986)
Investment loss, net	—	1,718
Interest expense, net	30,535	31,477
Operating profit	81,156	83,126
Plus (less):		
Advertising funds revenue	(104,944)	(100,360)
Advertising funds expense (a)	104,737	100,216
Depreciation and amortization (exclusive of amortization of cloud computing arrangements shown separately below)	35,518	36,549
Amortization of cloud computing arrangements	3,542	4,167
System optimization losses, net	127	90
Reorganization and realignment costs	5,673	(692)
Impairment of long-lived assets	2,006	1,421
Adjusted EBITDA	\$ 127,815	\$ 124,517
Revenues	\$ 534,753	\$ 523,472
Less:		
Advertising funds revenue	(104,944)	(100,360)
Adjusted revenues	\$ 429,809	\$ 423,112

(a) Excludes advertising funds expense of \$2,487 and \$159 for the three months ended March 31, 2024 and March 30, 2025, respectively, related to the Company's funding of incremental advertising. In addition, excludes other international-related advertising deficit of \$150 and \$1,153 for the three months ended March 31, 2024 and March 30, 2025, 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 Month Periods Ended March 31, 2024 and March 30, 2025
(In Thousands Except Per Share Amounts)
(Unaudited)

	Three Months Ended	
	2024	2025
Net income	\$ 41,993	\$ 39,232
Plus (less):		
Advertising funds revenue	(104,944)	(100,360)
Advertising funds expense (a)	104,737	100,216
System optimization losses, net	127	90
Reorganization and realignment costs	5,673	(692)
Impairment of long-lived assets	2,006	1,421
Total adjustments	7,599	675
Income tax impact on adjustments (b)	(1,644)	(209)
Total adjustments, net of income taxes	5,955	466
Adjusted income	<u>\$ 47,948</u>	<u>\$ 39,698</u>
Diluted earnings per share	\$.20	\$.19
Total adjustments per share, net of income taxes	.03	.01
Adjusted earnings per share	<u>\$.23</u>	<u>\$.20</u>

(a) Excludes advertising funds expense of \$2,487 and \$159 for the three months ended March 31, 2024 and March 30, 2025, respectively, related to the Company's funding of incremental advertising. In addition, excludes other international-related advertising deficit of \$150 and \$1,153 for the three months ended March 31, 2024 and March 30, 2025, 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
Three Month Periods Ended March 31, 2024 and March 30, 2025
(In Thousands)
(Unaudited)

	Three Months Ended	
	2024	2025
Net cash provided by operating activities	\$ 99,987	\$ 85,415
Plus (less):		
Capital expenditures	(17,354)	(17,679)
Franchise development fund	(4,741)	(5,813)
Advertising funds impact (a)	(21,850)	6,093
Free cash flow	\$ 56,042	\$ 68,016

(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."

