The Wendy’s Company and Subsidiaries
Reconciliations of Net Income to Adjusted EBITDA and Revenues to Adjusted Revenues
Three and Nine Month Periods Ended September 29, 2024 and September 28, 2025
(In Thousands)
(Unaudited)

	Three Months Ended		Nine Months Ended	
	2024	2025	2024	2025
Net income	$ 50,224	$ 44,252	$ 146,860	$ 138,594
Provision for income taxes	19,427	18,984	55,071	55,459
Income before income taxes	69,651	63,236	201,931	194,053
Other income, net	(6,246)	(2,730)	(19,382)	(10,301)
Investment (income) loss, net	—	—	(11)	1,718
Interest expense, net	31,270	31,543	92,800	93,965
Operating profit	94,675	92,049	275,338	279,435
Plus (less):				
Advertising funds revenue	(123,154)	(107,013)	(343,162)	(318,738)
Advertising funds expense (a)	122,963	106,840	342,510	318,281
Depreciation and amortization (exclusive of amortization of cloud computing arrangements shown separately below)	36,996	38,393	110,006	111,932
Amortization of cloud computing arrangements	3,576	5,226	10,637	13,449
System optimization gains, net	(420)	(29)	(573)	(326)
Reorganization and realignment costs	354	316	8,479	(202)
Impairment of long-lived assets	178	2,257	2,873	5,364
Adjusted EBITDA	$ 135,168	$ 138,039	$ 406,108	$ 409,195
Revenues	$ 566,739	$ 549,516	$ 1,672,219	$ 1,633,917
Less:				
Advertising funds revenue	(123,154)	(107,013)	(343,162)	(318,738)
Adjusted revenues	$ 443,585	$ 442,503	$ 1,329,057	$ 1,315,179

(a) Excludes advertising funds expense of $6,599 and $14,773 for the three and nine months ended September 29, 2024, respectively, and $191 and $533 for the three and nine months ended September 28, 2025, respectively, related to the Company’s funding of incremental advertising. In addition, excludes other international-related advertising deficit of $170 and $640 for the three and nine months ended months ended September 29, 2024, respectively, and $650 and $1,769 for the three and nine months ended September 28, 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 and Nine Month Periods Ended September 29, 2024 and September 28, 2025
(In Thousands Except Per Share Amounts)
(Unaudited)

	Three Months Ended		Nine Months Ended	
	2024	2025	2024	2025
Net income	$ 50,224	$ 44,252	$ 146,860	$ 138,594
Plus (less):				
Advertising funds revenue	(123,154)	(107,013)	(343,162)	(318,738)
Advertising funds expense (a)	122,963	106,840	342,510	318,281
System optimization gains, net	(420)	(29)	(573)	(326)
Reorganization and realignment costs	354	316	8,479	(202)
Impairment of long-lived assets	178	2,257	2,873	5,364
Total adjustments	(79)	2,371	10,127	4,379
Income tax impact on adjustments (b)	(5)	(628)	(2,253)	(1,208)
Total adjustments, net of income taxes	(84)	1,743	7,874	3,171
Adjusted income	$ 50,140	$ 45,995	$ 154,734	$ 141,765
Diluted earnings per share	$ .25	$ .23	$ .71	$ .71
Total adjustments per share, net of income taxes	—	.01	.04	.02
Adjusted earnings per share	$ .25	$ .24	$ .75	$ .73

(a) Excludes advertising funds expense of $6,599 and $14,773 for the three and nine months ended September 29, 2024, respectively, and $191 and $533 for the three and nine months ended September 28, 2025, respectively, related to the Company's funding of incremental advertising. In addition, excludes other international-related advertising deficit of $170 and $640 for the three and nine months ended September 29, 2024, respectively, and $650 and $1,769 for the three and nine months ended September 28, 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.

The Wendy’s Company and Subsidiaries
Reconciliation of Net Cash Provided by Operating Activities to Free Cash Flow
Nine Month Periods Ended September 29, 2024 and September 28, 2025
(In Thousands)
(Unaudited)

	Nine Months Ended	
	2024	**2025**
Net cash provided by operating activities	$ 286,681	$ 275,263
Plus (less):		
Capital expenditures	(52,361)	(64,043)
Franchise development fund	(21,040)	(23,096)
Advertising funds impact (a)	(244)	7,481
Free cash flow	$ 213,036	$ 195,605

(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.”