

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 29, 2024 and December 28, 2025
(In Thousands)
(Unaudited)

	Three Months Ended		Twelve Months Ended	
	2024	2025	2024	2025
Net income	\$ 47,497	\$ 26,481	\$ 194,357	\$ 165,075
Provision for income taxes	22,985	6,712	78,056	62,171
Income before income taxes	70,482	33,193	272,413	227,246
Other income, net	(5,542)	(2,320)	(24,924)	(12,621)
Investment (income) loss, net	—	—	(11)	1,718
Loss on early extinguishment of debt, net	—	642	—	642
Interest expense, net	31,081	32,502	123,881	126,467
Operating profit	96,021	64,017	371,359	343,452
Plus (less):				
Advertising funds revenue	(114,930)	(103,347)	(458,092)	(422,085)
Advertising funds expense (a)	112,880	100,988	455,390	419,269
Depreciation and amortization (exclusive of amortization of cloud computing arrangements shown separately below)	33,228	40,290	143,234	152,222
Amortization of cloud computing arrangements	4,064	5,198	14,701	18,647
System optimization gains, net	(646)	(704)	(1,219)	(1,030)
Reorganization and realignment costs	49	77	8,528	(125)
Impairment of long-lived assets	6,840	6,731	9,713	12,095
Adjusted EBITDA	\$ 137,506	\$ 113,250	\$ 543,614	\$ 522,445
Revenues	\$ 574,273	\$ 542,974	\$ 2,246,492	\$ 2,176,891
Less:				
Advertising funds revenue	(114,930)	(103,347)	(458,092)	(422,085)
Adjusted revenues	\$ 459,343	\$ 439,627	\$ 1,788,400	\$ 1,754,806

- (a) Excludes advertising funds expense of \$7,146 and \$21,919 for the three and twelve months ended December 29, 2024, respectively, and \$180 and \$713 for the three and twelve months ended December 28, 2025, respectively, related to the Company's funding of incremental advertising. In addition, excludes other international-related advertising deficit of \$187 and \$827 for the three and twelve months ended December 29, 2024, respectively, and \$801 and \$2,570 for the three and twelve months ended December 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 Twelve Month Periods Ended December 29, 2024 and December 28, 2025
(In Thousands Except Per Share Amounts)
(Unaudited)

	Three Months Ended		Twelve Months Ended	
	2024	2025	2024	2025
Net income	\$ 47,497	\$ 26,481	\$ 194,357	\$ 165,075
Plus (less):				
Advertising funds revenue	(114,930)	(103,347)	(458,092)	(422,085)
Advertising funds expense (a)	112,880	100,988	455,390	419,269
System optimization gains, net	(646)	(704)	(1,219)	(1,030)
Reorganization and realignment costs	49	77	8,528	(125)
Impairment of long-lived assets	6,840	6,731	9,713	12,095
Loss on early extinguishment of debt, net	—	642	—	642
Total adjustments	4,193	4,387	14,320	8,766
Income tax impact on adjustments (b)	(1,176)	(1,280)	(3,429)	(2,488)
Total adjustments, net of income taxes	3,017	3,107	10,891	6,278
Adjusted income	<u>\$ 50,514</u>	<u>\$ 29,588</u>	<u>\$ 205,248</u>	<u>\$ 171,353</u>
Diluted earnings per share	\$.23	\$.14	\$.95	\$.85
Total adjustments per share, net of income taxes	.02	.02	.05	.03
Adjusted earnings per share	<u>\$.25</u>	<u>\$.16</u>	<u>\$ 1.00</u>	<u>\$.88</u>

(a) Excludes advertising funds expense of \$7,146 and \$21,919 for the three and twelve months ended December 29, 2024, respectively, and \$180 and \$713 for the three and twelve months ended December 28, 2025, respectively, related to the Company's funding of incremental advertising. In addition, excludes other international-related advertising deficit of \$187 and \$827 for the three and twelve months ended December 29, 2024, respectively, and \$801 and \$2,570 for the three and twelve months ended December 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
Twelve Month Periods Ended December 29, 2024 and December 28, 2025
(In Thousands)
(Unaudited)

	Twelve Months Ended	
	2024	2025
Net cash provided by operating activities	\$ 355,307	\$ 344,543
Plus (less):		
Capital expenditures	(94,388)	(101,927)
Franchise development fund	(41,246)	(38,410)
Advertising funds impact (a)	18,031	1,191
Free cash flow	\$ 237,704	\$ 205,397

(a) Advertising funds impact for 2024 and 2025 includes the net change in the restricted operating assets and liabilities of the funds of \$(20,733) and \$(4,007), respectively, and the advertising funds surplus included in Net Income of \$2,702 and \$2,816, respectively. Advertising funds impact for 2024 and 2025 excludes the Company's funding of incremental advertising of \$21,919 and \$713, respectively.