The Wendy's Company and Subsidiaries
Reconciliations of Net Income to Adjusted EBITDA and Revenues to Adjusted Revenues
Three and Six Month Periods Ended June 29, 2025 and June 28, 2026
(In Thousands)
(Unaudited)

	Three Months Ended		Six Months Ended	
	2025	**2026**	**2025**	**2026**
Net income	$ 55,110	$ 32,616	$ 94,342	$ 55,328
Provision for income taxes	20,790	15,951	36,475	27,404
Income before income taxes	75,900	48,567	130,817	82,732
Other income, net	(2,585)	(3,133)	(7,571)	(6,483)
Investment loss, net	—	—	1,718	—
Interest expense, net	30,945	33,850	62,422	67,956
Operating profit	104,260	79,284	187,386	144,205
Plus (less):				
Advertising funds revenue	(111,365)	(127,421)	(211,725)	(235,762)
Advertising funds expense (a)	111,225	127,126	211,441	235,738
Depreciation and amortization (exclusive of amortization of cloud computing arrangements shown separately below)	36,990	38,061	73,539	78,636
Amortization of cloud computing arrangements	4,056	4,577	8,223	9,339
System optimization gains, net	(387)	(667)	(297)	(2,292)
Reorganization and realignment costs	174	10	(518)	(152)
Impairment of long-lived assets	1,686	3,120	3,107	5,692
Adjusted EBITDA	$ 146,639	$ 124,090	$ 271,156	$ 235,404
Revenues	$ 560,929	$ 570,571	$ 1,084,401	$ 1,111,208
Less:				
Advertising funds revenue	(111,365)	(127,421)	(211,725)	(235,762)
Adjusted revenues	$ 449,564	$ 443,150	$ 872,676	$ 875,446

(a) Excludes advertising funds expense of $183 and $342 for the three and six months ended June 29, 2025 related to the Company's funding of incremental advertising. There was no funding of incremental advertising during the three and six months ended June 28, 2026. In addition, excludes other international-related advertising surplus (deficit) of $34 and $(1,119) for the three and six months ended June 29, 2025, respectively, and $(753) and $(756) for the three and six months ended June 28, 2026, 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 Six Month Periods Ended June 29, 2025 and June 28, 2026
(In Thousands Except Per Share Amounts)
(Unaudited)

	Three Months Ended		Six Months Ended	
	2025	2026	2025	2026
Net income	$ 55,110	$ 32,616	$ 94,342	$ 55,328
Plus (less):				
Advertising funds revenue	(111,365)	(127,421)	(211,725)	(235,762)
Advertising funds expense (a)	111,225	127,126	211,441	235,738
System optimization gains, net	(387)	(667)	(297)	(2,292)
Reorganization and realignment costs	174	10	(518)	(152)
Impairment of long-lived assets	1,686	3,120	3,107	5,692
Total adjustments	1,333	2,168	2,008	3,224
Income tax impact on adjustments (b)	(371)	(588)	(580)	(780)
Total adjustments, net of income taxes	962	1,580	1,428	2,444
Adjusted income	$ 56,072	$ 34,196	$ 95,770	$ 57,772
Diluted earnings per share	$ .29	$ .17	$ .48	$ .29
Total adjustments per share, net of income taxes	—	.01	.01	.01
Adjusted earnings per share	$ .29	$ .18	$ .49	$ .30

(a) Excludes advertising funds expense of $183 and $342 for the three and six months ended June 29, 2025 related to the Company's funding of incremental advertising. There was no funding of incremental advertising during the three and six months ended June 28, 2026. In addition, excludes other international-related advertising surplus (deficit) of $34 and $(1,119) for the three and six months ended June 29, 2025, respectively, and $(753) and $(756) for the three and six months ended June 28, 2026, 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
Six Month Periods Ended June 29, 2025 and June 28, 2026
(In Thousands)
(Unaudited)

	Six Months Ended	
	2025	**2026**
Net cash provided by operating activities	$ 146,008	$ 159,957
Plus (less):		
Capital expenditures	(39,050)	(31,439)
Franchise development fund	(16,518)	(10,998)
Advertising funds impact (a)	19,065	2,759
Free cash flow	$ 109,505	$ 120,279

(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."