



Todd Penegor
President & CEO

Why WENDY'S

Why Now



- 1 Investing in Accelerated Growth
- 2 Playing a Different Game
- 3 Capital Structure Provides Flexibility to Maximize Shareholder Returns





Q&A



THANK YOU FOR ATTENDING TODAY



Wendy's®

THE WENDY'S COMPANY

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 EBITDA, free cash flow and systemwide sales). These non-GAAP financial measures exclude certain expenses and benefits as detailed in the accompanying reconciliation tables.

This presentation also includes forward-looking guidance for certain non-GAAP financial measures, including adjusted EBITDA, free cash flow, and systemwide sales. The Company excludes certain expenses and benefits from adjusted EBITDA and free cash flow, such as the impact from our advertising funds, including the net change in the restricted operating assets and liabilities and any excess or deficit of advertising funds revenues and over advertising funds expenses, impairment of long-lived assets, reorganization and realignment costs, system optimization (gains) losses, net, loss on early extinguishment of debt, timing and resolution of certain tax matters and the impact of the proposed settlement of the Financial Institutions case. Due to the uncertainty and variability of the nature and amount of those expenses and benefits, the Company is unable without unreasonable effort to provide reconciliations of net income to adjusted EBITDA or net cash provided by operating activities to free cash flow.



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 29, 2013 and December 30, 2018
(In Thousands)
(Unaudited)

	Fiscal Years Ended	
	2013	2018
Net cash provided by operating activities	\$ 335,257	\$ 224,228
Less:		
Capital expenditures	(224,245)	(69,857)
Advertising funds impact (a)	(1,867)	(18,108)
Tax effect of sale of investment in Inspire Brands	--	95,038
Free cash flow	<u>\$ 109,145</u>	<u>\$ 231,301</u>

(a) Includes the net change in the restricted operating assets and liabilities of our advertising funds. In addition, 2018 includes the excess of advertising funds expense over advertising funds revenue.

Note: The Company adopted new accounting guidance for the treatment of restricted cash and employee share-based payment transactions in our statement of cash flows. The free cash flow reconciliation for fiscal 2013 reflects the adoption of this guidance.

