



Third Quarter 2024 Conference Call

October 31, 2024



Aaron Broholm
Head of Investor Relations

Agenda

Business Update

Q3 Financial Results

2024 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 October 31, 2024 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, free cash flow, and systemwide sales). 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.





Kirk Tanner

President & Chief Executive Officer

Q3 2024 Performance Highlights

Global Systemwide Sales Growth of **1.8%** and Global SRS Growth of **0.2%**

Maintained Traffic and Dollar Share in the QSR Burger Category in the U.S.¹

MSD Breakfast Sales Growth Year-Over-Year

Global Digital Sales **Grew ~40%** Year-Over-Year, Delivering **>17% Mix**

Remain on Track for **250–300 Global Restaurant Openings** in 2024



@ Wendy's We Promise

Fresh Famous Food... Made Right... For YOU

Quality is our recipe
Best hamburgers in the business
Iconic favorites

Perfect every time
Excellent experience
By great people

Fresh
Custom
Personalized

We

Put the
Customer
First



QUALITY IS OUR RECIPE

Make Every
Restaurant
the Star



TREAT PEOPLE WITH RESPECT

Operate
The ONE
Best Way



DO THE RIGHT THING

Own It



PROFIT MEANS GROWTH

GIVE SOMETHING BACK

Strategic Framework





Long-Term Development Plans Remain on Track

- Launched new development incentive structure in U.S., Canada and Latin America countries
- Expect 250 to 300 global new restaurant openings in 2024
- 100% of expected new build goal for 2025 tied to development commitments





Strategic Initiative to Strengthen our Restaurant Footprint

- Initiative will strengthen overall financial health of Wendy's system
- Additional restaurant closures located in underperforming trade areas with AUVs averaging ~\$1.1 million
- Over time many closures will be replaced by new restaurants located in thriving trade areas with anticipated AUVs over \$2 million



Confident in Plans to Accelerate Growth in Q4

Craveable Core



Impactful Innovation



Relevant Value



GO GOTTA BEE





Coca-Cola Partnership Extended

- Supports our mission to enhance our beverage portfolio
- Systemwide Coca-Cola Freestyle machine remains a competitive advantage
- Fuels immediate and long-term profitable growth
- Highlighting partnership through \$1 any size drink promotion*

*Limited time only at participating U.S. Wendy's®. Excludes prepackaged beverages, coffees, brewed iced tea and Dave's Craft Lemonades. Not valid in a combo, with select offers, or via third-party delivery. Prices may be higher in AK, CA and HI



Investments Driving Restaurant Economic Model

- Confident in continued breakfast growth, supported by marketing investments
- Voice AI driving restaurant labor efficiencies allowing crew members to deliver an elevated customer experience

COMBOS
Combos include meat, fries and drink

Everyday Faves

1 DAVE'S
Single 9.99 calories Cal: 940-100
Double 10.99 calories Cal: 1700-1100
Add Bacon 1.70 Add Cal: 70

2 BACONATOR®
11.99 calories Cal: 1510-1310
7.19 sauceless Cal: 960

3 10 PC. NUGGETS
Regular 8.99 calories Cal: 890-1540
Spicy 8.69 calories Cal: 890-1540

4 CLASSIC
9.49 calories Cal: 845-1290
5.79 sauceless Cal: 490

5 GRILLED CHICKEN RANCH WRAP
9.49 calories Cal: 360-1290
5.59 sauceless Cal: 410

6 SPICY
9.49 calories Cal: 340-1200
5.79 sauceless Cal: 490

7 LOADED NACHO RANCH
10.99 calories Cal: 1060-1500
6.59 sauceless Cal: 710

8 GHOST PEPPER RANCH
10.99 calories Cal: 1040-1480
6.49 sauceless Cal: 690

9 NEW PRETZEL BACONATOR®
12.99 calories Cal: 1660-1500
8.19 sauceless Cal: 710

10 ASIAGO RANCH CLUB
10.99 calories Cal: 1090-1480
6.49 sauceless Cal: 690

Salads

PARMESAN CAESAR 7.99 Cal: 500
COBB 7.99 Cal: 450
APPLE PECAN TACO 7.59 Cal: 690

SNACKS & SIDES

Baconator® Fries

Double Stack™ 2.69 Cal: 440
JR. BACON CHEESEBURGER 2.69 Cal: 370
JR. CHEESEBURGER DELUXE 2.49 Cal: 340
CRISPY CHICKEN 1.79 Cal: 330

Sides

FRIES (French Cut with Sea Salt) 2.79 Cal: 390
QUESO FRIES 2.79 Cal: 390
BACONATOR® FRIES 3.39 Cal: 460

NUGGETS 4.99-5.29 Cal: 200-270
CHILI 3.99 Cal: 260

DRINKS

DAVE'S CRAFT LEMONADES 2.69 Cal: 5-170
Blueberry-Pomegranate Cal: 300

freestyle 2.79

NEW FROSTY® CREAM COLD BREW 2.79
Vanilla Cal: 160-200
Chocolate Cal: 160-200

FROSTY® 2.59 Cal: 470
2.59 Cal: 470

KIDS' MEAL

CHEESEBURGER 4.19 Cal: 280
4 PC. NUGGETS 4.19 Cal: 220-280
SIDES Apple Slices 55 | Fries 210
DRINKS 90 | Honey Lemonade 85

BIGGIE DEALS

BACON DOUBLE STACK 7
CRISPY CHICKEN BIT 6
DOUBLE STACK 6
CRISPY CHICKEN 5
JBC 5

\$7 CBJ® JBC: JR. BACON CHEESEBURGER + 4 PC. NUGGETS, FRIES, FROSTY®, AND A DRINK

DAVE'S DOUBLE

CRISPY PANKO FISH
WILD-CAUGHT ALASKA POLLOCK

VANILLA FROSTY BACK AGAIN

FreshAI



PTENTIAL





Gunther Plosch
Chief Financial Officer

Third Quarter Financial Results

\$ Mils (except per share amounts)

	2023	2024	B/(W)
Global Systemwide Sales Growth	4.8%	1.8%	2-Yr 6.6%
Global System SRS	2.8%	0.2%	2-Yr 3.0%
US Company Restaurant Margin	15.6%	15.6%	0 bps
G&A	\$59.3	\$62.8	(5.9%)
Adjusted EBITDA ¹	\$139.2	\$135.2	(2.9)%
Adjusted EPS ¹	\$0.27	\$0.25	(7.4)%
Year to Date Free Cash Flow ¹	\$226.4	\$234.1	3.4%

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



2024 Financial Outlook

**Global Systemwide Sales
Growth**

~3%

Previous: 3% to 5%

Adjusted EBITDA

\$535M to \$545M

Unchanged

Free Cash Flow

\$275M to \$285M

Unchanged

Adjusted EPS

\$0.99 to \$1.01

Previous: \$0.98 to \$1.02

Capital Expenditures

\$90M to \$100M

Unchanged



Capital Allocation Policy **Remains Unchanged**

1

Continue to
Invest in the Business for Growth

2

Sustain an Attractive Dividend

*Quarterly dividend rate held at \$0.25 per share
Reflecting \$1 per share dividend for FY 2024!*

3

**Utilize Excess Cash to
Repurchase Shares and/or Reduce Debt**
\$500M Share Repurchase Authorization Expiring February 2027





Aaron Broholm
Head of Investor Relations



Investor Relations Calendar

November 19: Morgan Stanley NDR (Chicago)

November 20: Stephens Conference (Nashville)

December 3: Barclay's Conference (NYC)

February 13, 2025: Q4 2024 Earnings Release & Conference Call

March 5, 2025: Investor Day



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, free cash flow, and systemwide sales). 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 and Nine Month Periods Ended October 1, 2023 and September 29, 2024
(In Thousands)
(Unaudited)

	Three Months Ended		Nine Months Ended	
	2023	2024	2023	2024
Net income	\$ 58,049	\$ 50,224	\$ 157,502	\$ 146,860
Provision for income taxes	19,915	19,427	54,627	55,071
Income before income taxes	77,964	69,651	212,129	201,931
Other income, net	(7,637)	(6,246)	(22,546)	(19,382)
Investment loss (income), net	—	—	10,389	(11)
Loss on early extinguishment of debt	319	—	1,585	—
Interest expense, net	30,957	31,270	93,798	92,800
Operating profit	101,603	94,675	295,355	275,338
Plus (less):				
Advertising funds revenue	(108,922)	(123,154)	(320,092)	(343,162)
Advertising funds expense (a)	107,834	122,963	316,583	342,510
Depreciation and amortization (exclusive of amortization of cloud computing arrangements shown separately below)	34,288	36,996	101,258	110,006
Amortization of cloud computing arrangements	3,844	3,576	7,692	10,637
System optimization gains, net	(120)	(420)	(119)	(573)
Reorganization and realignment costs	611	354	8,100	8,479
Impairment of long-lived assets	59	178	513	2,873
Adjusted EBITDA	<u>\$ 139,197</u>	<u>\$ 135,168</u>	<u>\$ 409,290</u>	<u>\$ 406,108</u>
Revenues	\$ 550,555	\$ 566,739	\$ 1,640,927	\$ 1,672,219
Less:				
Advertising funds revenue	(108,922)	(123,154)	(320,092)	(343,162)
Adjusted revenues	<u>\$ 441,633</u>	<u>\$ 443,585</u>	<u>\$ 1,320,835</u>	<u>\$ 1,329,057</u>

(a) Excludes advertising funds expense of \$596 and \$1,802 for the three and nine months ended October 1, 2023, respectively, and \$6,599 and \$14,773 for the three and nine months ended and September 29, 2024, respectively, related to the Company's funding of incremental advertising. In addition, excludes other international-related advertising surplus (deficit) of \$535 and \$(789) for the three and nine months ended October 1, 2023, respectively, and \$(170) and \$(640) for the three and nine months ended September 29, 2024, 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 October 1, 2023 and September 29, 2024
(In Thousands Except Per Share Amounts)
(Unaudited)

	Three Months Ended		Nine Months Ended	
	2023	2024	2023	2024
Net income	\$ 58,049	\$ 50,224	\$ 157,502	\$ 146,860
Plus (less):				
Advertising funds revenue	(108,922)	(123,154)	(320,092)	(343,162)
Advertising funds expense (a)	107,834	122,963	316,583	342,510
System optimization gains, net	(120)	(420)	(119)	(573)
Reorganization and realignment costs	611	354	8,100	8,479
Impairment of long-lived assets	59	178	513	2,873
Loss on early extinguishment of debt	319	—	1,585	—
Total adjustments	(219)	(79)	6,570	10,127
Income tax impact on adjustments (b)	(187)	(5)	(2,272)	(2,253)
Total adjustments, net of income taxes	(406)	(84)	4,298	7,874
Adjusted income	<u>\$ 57,643</u>	<u>\$ 50,140</u>	<u>\$ 161,800</u>	<u>\$ 154,734</u>
Diluted earnings per share	\$.28	\$.25	\$.74	\$.71
Total adjustments per share, net of income taxes	(.01)	—	.02	.04
Adjusted earnings per share	<u>\$.27</u>	<u>\$.25</u>	<u>\$.76</u>	<u>\$.75</u>

(a) Excludes advertising funds expense of \$596 and \$1,802 for the three and nine months ended October 1, 2023, respectively, and \$6,599 and \$14,773 for the three and nine months ended September 29, 2024, respectively, related to the Company's funding of incremental advertising. In addition, excludes other international-related advertising surplus (deficit) of \$535 and \$(789) for the three and nine months ended October 1, 2023, respectively, and \$(170) and \$(640) for the three and nine months ended September 29, 2024, 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
Nine Month Periods Ended October 1, 2023 and September 29, 2024
(In Thousands)
(Unaudited)

	Nine Months Ended	
	2023	2024
Net cash provided by operating activities	\$ 269,525	\$ 286,681
Plus (less):		
Capital expenditures	(55,689)	(52,361)
Advertising funds impact (a)	12,613	(244)
Free cash flow	<u>\$ 226,449</u>	<u>\$ 234,076</u>

- (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."





Wendy's®

The Wendy's Company