

# BRINKER INTERNATIONAL REPORTS FIRST QUARTER OF FISCAL 2025 RESULTS AND UPDATES FISCAL 2025 GUIDANCE

DALLAS, Oct. 30, 2024 /PRNewswire/ -- Brinker International, Inc. (NYSE: EAT) today announced financial results for the first quarter ended September 25, 2024.



## First Quarter Fiscal 2025 Financial Highlights

"Great food, with great service at industry leading value is driving strong Chili's sales and traffic," said President and CEO, Kevin Hochman, "Our continued success proves the importance of listening to our guests & team members and delivering on the critical things important to them."

Company sales were \$1,127.3 million in the first quarter of fiscal 2025 compared to \$1,002.0 million in the first quarter of fiscal 2024. Comparable restaurant sales increased 13.0%, with an increase in comparable restaurant sales of 14.1% for Chili's and 4.2% for Maggiano's. The comparable restaurant sales increase at Chili's was primarily due to menu pricing and higher traffic. Chili's advertising and social media campaigns continued to drive new guests and increased frequency in the first quarter. The "Big Smasher" burger and Triple Dipper® are resonating well with guests, and our "3 for Me" combos provide a compelling everyday value. Higher Company sales resulted in operating income margin increasing to 5.0% and restaurant operating margin (non-GAAP) increasing to 13.5% for the first quarter. We continue to prioritize our guest experience by enhancing restaurant staffing and focusing on keeping our restaurants well maintained. As expected, these initiatives resulted in incremental labor and repairs and maintenance expense during the quarter. Additionally, stronger expected operating performance drove higher incentive compensation within General and administrative expenses during the quarter.

## Financial results for the first quarter of fiscal 2025 and fiscal 2024 were as follows:

|  | First Quarter |            |          |
|--|---------------|------------|----------|
|  | 2025          | 2024       | Variance |
| Company sales  | \$ 1,127.3    | \$ 1,002.0 | \$ 125.3 |
| Total revenues   | \$ 1,139.0    | \$ 1,012.5 | \$ 126.5 |
| Operating income   | \$ 56.4       | \$ 24.2    | \$ 32.2  |
| Operating income as a % of Total revenues                                      | 5.0 %         | 2.4 %      | 2.6 %    |
| Restaurant operating margin, non-GAAP <sup>(1)</sup>                           | \$ 151.7      | \$ 104.3   | \$ 47.4  |
| Restaurant operating margin as a % of Company sales, non-GAAP <sup>(1)</sup>   | 13.5 %        | 10.4 %     | 3.1 %    |
| Net income   | \$ 38.5       | \$ 7.2     | \$ 31.3  |
| Adjusted EBITDA, non-GAAP <sup>(1)</sup>                                       | \$ 111.6      | \$ 72.4    | \$ 39.2  |
| Net income per diluted share   | \$ 0.84       | \$ 0.16    | \$ 0.68  |
| Net income per diluted share, excluding special items, non-GAAP <sup>(1)</sup> | \$ 0.95       | \$ 0.28    | \$ 0.67  |

## Comparable Restaurant Sales<sup>(2)</sup>

|            | Q1:25 vs 24 |
|------------|-------------|
| Brinker    | 13.0 %      |
| Chili's    | 14.1 %      |
| Maggiano's | 4.2 %       |

(1) See Non-GAAP Information and Reconciliations section below for more details.

(2) Comparable Restaurant Sales include restaurants that have been in operation for more than 18 full months. Restaurants temporarily closed for 14 days or more are excluded from comparable restaurant sales. Percentage amounts are calculated based on the comparable periods year-over-year.

## Updates to Full Year Fiscal 2025 Guidance

We are providing the following updated guidance for fiscal 2025 based on our current outlook:

- Total revenues are expected to be in the range of \$4.70 billion - \$4.75 billion; and
- Net income per diluted share, excluding special items, non-GAAP, is expected to be in the range of \$5.20 - \$5.50.

We are reiterating the following full year fiscal 2025 guidance:

- Weighted average shares are expected to be in the range of 45 million - 47 million; and
- Capital expenditures are expected to be in the range of \$195 million - \$215 million.

The potential for changes in macroeconomic conditions, among other risks, could cause actual results to differ materially from those projected. We are unable to reliably forecast special items without unreasonable effort. As such, we do not present a reconciliation of forecasted non-GAAP measures to the corresponding GAAP measures.

## First Quarter of Fiscal 2025 Operating Performance

### Segment Performance

The table below presents selected financial information (in millions, except as noted) related to our segments' operational performance for the thirteen week periods ended September 25, 2024 and September 27, 2023:

|  | Chili's       |          |          | Maggiano's    |          |          |
|--|---------------|----------|----------|---------------|----------|----------|
|  | First Quarter |          |          | First Quarter |          |          |
|  | 2025          | 2024     | Variance | 2025          | 2024     | Variance |
| Company sales  | \$ 1,018.9    | \$ 897.8 | \$ 121.1 | \$ 108.4      | \$ 104.2 | \$ 4.2   |
| Franchise revenues   | 11.5          | 10.3     | 1.2      | 0.2           | 0.2      | —        |
| Total revenues   | \$ 1,030.4    | \$ 908.1 | \$ 122.3 | \$ 108.6      | \$ 104.4 | \$ 4.2   |
| Company restaurant expenses <sup>(1)</sup>                                   | \$ 881.3      | \$ 802.6 | \$ 78.7  | \$ 94.0       | \$ 95.0  | \$ (1.0) |
| Company restaurant expenses as a % of Company sales                          | 86.5 %        | 89.4 %   | (2.9) %  | 86.7 %        | 91.2 %   | (4.5) %  |
| Operating income   | \$ 93.9       | \$ 55.6  | \$ 38.3  | \$ 7.8        | \$ 3.6   | \$ 4.2   |
| Operating income as a % of Total revenues                                    | 9.1 %         | 6.1 %    | 3.0 %    | 7.2 %         | 3.4 %    | 3.8 %    |
| Restaurant operating margin, non-GAAP <sup>(2)</sup>                         | \$ 137.6      | \$ 95.2  | \$ 42.4  | \$ 14.4       | \$ 9.2   | \$ 5.2   |
| Restaurant operating margin as a % of Company sales, non-GAAP <sup>(2)</sup> | 13.5 %        | 10.6 %   | 2.9 %    | 13.3 %        | 8.8 %    | 4.5 %    |

<sup>(1)</sup> Company restaurant expenses includes Food and beverage costs, Restaurant labor and Restaurant expenses, and excludes Depreciation and amortization, General and administrative and Other (gains) and charges.

<sup>(2)</sup> See Non-GAAP Information and Reconciliations section below for more details.

### Chili's

- Chili's Company sales increased primarily due to favorable comparable restaurant sales driven by menu pricing, higher traffic, and favorable menu item mix.
- Chili's Company restaurant expenses, as a percentage of Company sales, decreased primarily due to sales leverage, partially offset by higher repairs and maintenance and hourly labor.
- Chili's franchisees generated sales of \$225.7 million for the first quarter of fiscal 2025 compared to \$202.8 million for the first quarter of fiscal 2024.

### Maggiano's

- Maggiano's Company sales increased primarily due to favorable comparable restaurant sales driven by menu pricing and favorable menu item mix, partially offset by lower traffic.
- Maggiano's Company restaurant expenses, as a percentage of Company sales, decreased, primarily due to sales leverage and lower hourly labor, partially offset by unfavorable commodity costs and other restaurant expenses.

### Corporate

- On a GAAP basis, the effective income tax rate was 9.0% in the first quarter of fiscal 2025. The effective income tax rate is lower than the statutory rate of 21.0% due primarily to leverage of the FICA tip credit. Excluding the impact of special items, the effective income tax rate was 15.0% in the first quarter of fiscal 2025.

### Webcast Information

Investors and interested parties are invited to listen to today's conference call, as management will provide further details of the quarter and business updates. The call will be broadcast live on Brinker's website today, October 30, 2024 at 8 a.m. CDT:

<https://investors.brinker.com/events/event-details/q1-2025-brinker-international-earnings-conference-call>

For those who are unable to listen to the live broadcast, a replay of the call will be available shortly thereafter and will remain on Brinker's website until at least the end of the day October 30, 2025.

Additional financial information, including statements of income which detail operations excluding special items, and comparable restaurant sales trends by brand, is also available on Brinker's website under the Financial Information and Events & Presentations sections of the Investor tab.

### Forward Calendar

- SEC Form 10-Q for the first quarter of fiscal 2025 filing on or before November 4, 2024
- Earnings release call for the second quarter of fiscal 2025 on January 29, 2025

## Non-GAAP Measures

Brinker management uses certain non-GAAP measures in analyzing operating performance and believes that the presentation of these measures in this release provides investors with information that is beneficial to gaining an understanding of the Company's financial results. Non-GAAP disclosures should not be viewed as a substitute for financial results determined in accordance with GAAP, nor are they necessarily comparable to non-GAAP performance measures that may be presented by other companies. Reconciliations of these non-GAAP measures are included in the tables below.

## About Brinker

Brinker International, Inc. is one of the world's leading casual dining restaurant companies and home of Chili's® Grill & Bar and Maggiano's Little Italy.® Founded in 1975 in Dallas, Texas, we've ventured far from home, but stayed true to our roots. Brinker owns, operates or franchises more than 1,600 restaurants in the United States and 28 other countries and two U.S. territories. Our passion is making everyone feel special, and we hope you feel that passion each time you visit one of our restaurants or invite us into your home through takeout or delivery. Learn more about Brinker and its brands at [brinker.com](http://brinker.com).

## Forward-Looking Statements

The statements and tables contained in this release that are not historical facts are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. We intend all forward-looking statements to be covered by the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. All forward-looking statements are made only based on our current plans and expectations as of the date such statements are made, and we undertake no obligation to update forward-looking statements to reflect events or circumstances arising after the date such statements are made. Forward-looking statements are neither predictions nor guarantees of future events or performance and are subject to risks and uncertainties which could cause actual results to differ materially from our historical results or from those projected in forward-looking statements. Such risks and uncertainties include, among other things, the impact of general economic conditions, including inflation, on economic activity and on our operations; disruptions on our business including consumer demand, costs, product mix, our strategic initiatives, our partners' supply chains, operations, technology and assets, and our financial performance; the impact of competition; changes in consumer preferences; consumer perception of food safety; reduced consumer discretionary spending; unfavorable publicity; governmental regulations; the Company's ability to meet its business strategy plan; loss of key management personnel; failure to hire and retain high-quality restaurant management and team members; increasing regulation surrounding wage inflation and competitive labor markets; the impact of social media or other unfavorable publicity; reliance on technology and third party delivery providers; failure to protect the security of data of our guests and team members; product availability and supply chain disruptions; regional business and economic conditions; volatility in consumer, commodity, transportation, labor, currency and capital markets; litigation; franchisee success; technology failures; failure to protect our intellectual property; outsourcing; impairment of goodwill or assets; failure to maintain effective internal control over financial reporting; downgrades in credit ratings; changes in estimates regarding our assets; actions of activist shareholders; failure to comply with new environmental, social and governance ("ESG") requirements; failure to achieve any goals, targets or objectives with respect to ESG matters; adverse weather conditions; terrorist acts; health epidemics or pandemics; tax reform; inadequate insurance coverage and limitations imposed by our credit agreements as well as the risks and uncertainties described in "Risk Factors" in our Annual Report on Form 10-K and future filings with the Securities and Exchange Commission.