





Wendy's
THE WENDY'S COMPANY

**Third-Quarter 2015
Conference Call
November 4, 2015**


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Wendy's
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DAVID POPLAR

**Vice President
Investor Relations**



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Today's Agenda

CEO Overview

Emil Brolick

Financial Update

Todd Penegor

Q&A

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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 not historical facts, including information concerning possible or assumed future results of our operations. Those statements constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 (The “Reform Act”). For all 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, all of which are difficult or impossible to predict accurately, and many of which are beyond our control, include but are not limited to those identified under the caption “Forward-Looking Statements” in our news release issued on November 4, 2015 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, such as adjusted earnings before interest, taxes, depreciation and amortization (or adjusted EBITDA), adjusted EBITDA margin and adjusted earnings per share. Adjusted EBITDA, adjusted EBITDA margin and adjusted earnings per share exclude certain expenses, net of certain benefits. Reconciliations of non-GAAP financial measures to the most directly comparable GAAP financial measures are provided in the Appendix to this presentation, and are included in our news release issued on November 4, 2015 and posted on www.aboutwendys.com.

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EMIL BROLICK

President & CEO



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STRONG THIRD-QUARTER RESULTS

IMPROVEMENT OF 350 BPS IN ADJ. EBITDA MARGIN* TO 21.5%

NA COMPANY-OPERATED RESTAURANT MARGIN INCREASES 330 BPS TO 18.8%

EARNINGS FROM COMPANY-OPERATED RESTAURANTS INCREASES 11 PERCENT, WITH 153 FEWER RESTAURANTS

COMPANY NOW EXPECTS 2015 SRS, ADJ. EBITDA AND ADJ. EPS AT HIGH END OF PREVIOUSLY ISSUED RANGES

*See Reconciliation of Adjusted EBITDA, Adjusted EBITDA Margin and Adjusted EPS in Appendix

Company Poised for Long-Term Growth

Image Activation Contemporizing Brand and Lifting AUVs

System Optimization Yielding Positive Results

Significant Restaurant Margin Improvement

Balanced Marketing Messages; Encouraged by Early 4 for \$4 Results

New Restaurant Development Highest Since 2006

On Track to Hit 2020 Goals

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Q3 Two Year Comps See Sequential Improvement



Various Price / Value Bundled Meals Tests

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2015 Balanced Across Core, LTO & Price/Value



Baconator



4 for \$4



Jalapeno Fresco



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4 For \$4 Meal Promotion

EARLY RESULTS ARE ENCOURAGING

GOAL: DRIVE PROFITABLE CUSTOMER COUNT GROWTH

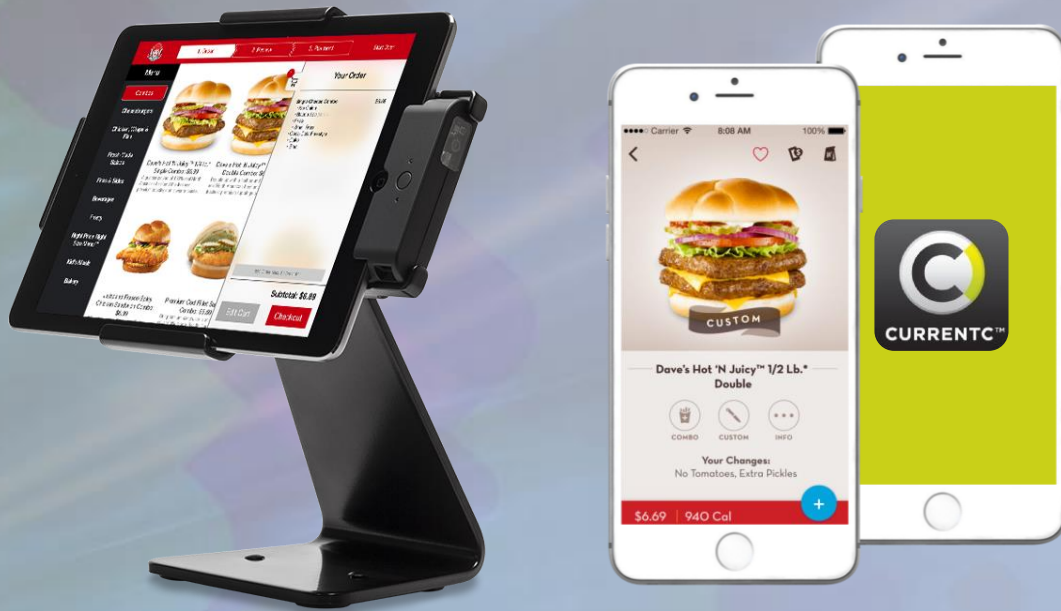
COMPELLING AND CONSISTENT VALUE MESSAGING

MEETS NEED FOR HIGH-QUALITY CONSUMER VALUE



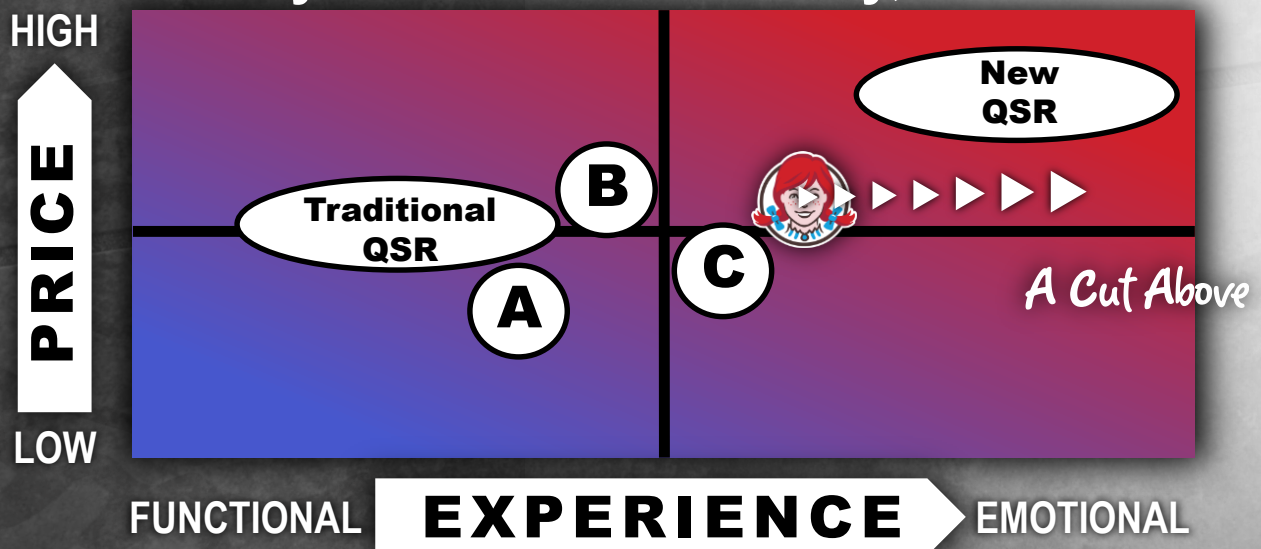
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Wendy's Technology is a Differentiator



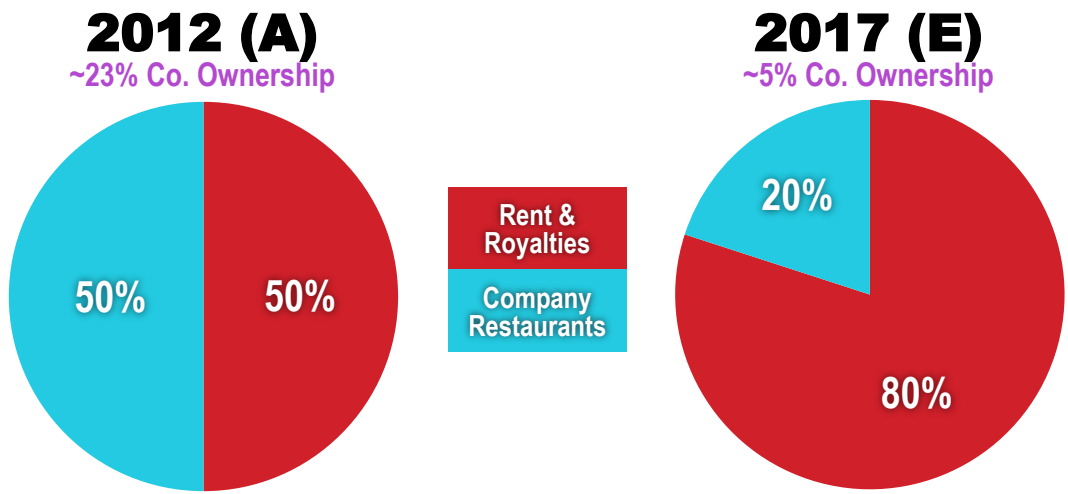
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Wendy's: New QSR Quality, QSR Price



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System Optimization – Quality of Earnings Evolution



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TODD PENEGOR

Chief Financial Officer



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Third Quarter Financial Highlights

\$ Mils (except per-share amounts)
(Unaudited)

	2015**	2014**	B/(W)
N.A. System SRS	3.1%	0.7%	2-Year 3.8%
N.A. Company SRS	1.7%	2.0%	2-Year 3.7%
N.A. Co. Rest. Margin	18.8%	15.5%	+330 bps
G&A	\$63.7	\$65.2	2.3%
Adjusted EBITDA*	\$99.7	\$89.5	11.4%
Adjusted EBITDA Margin*	21.5%	18.0%	+350 bps
Adjusted EPS*	\$0.09	\$0.07	28.6%

* See Reconciliation of Adjusted EBITDA, Adjusted EBITDA Margin and Adjusted EPS in the Appendix.

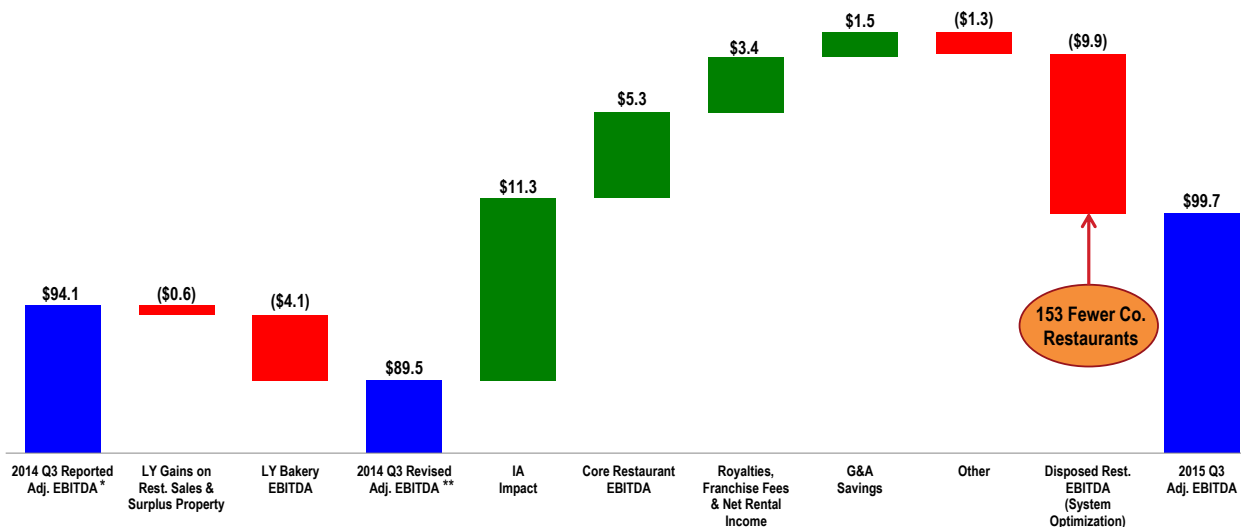
** Due to the recent sale of its bakery business, the Company is reporting its bakery results as Discontinued Operations in its financial statements. The Company has provided reclassified quarterly 2014 statements of operations and updated reconciliations of non-GAAP measures on its website to conform to its current-year presentation.

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Q3 2015 vs. Q3 2014: Adjusted EBITDA

Improved Quality of Earnings: Adjusted EBITDA Margin Growth of 350 BPS

(Unaudited)
\$ in millions



* The Company has provided quarterly reclassified 2014 statements of operations on its website to conform to its current-year presentation.

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System Optimization Update

System Optimization III

- Expect to complete during 2016
- Expect to sell 225 restaurants in 2015 & 315 restaurants in 2016
- Continue to expect pre-tax proceeds of \$400-\$475M

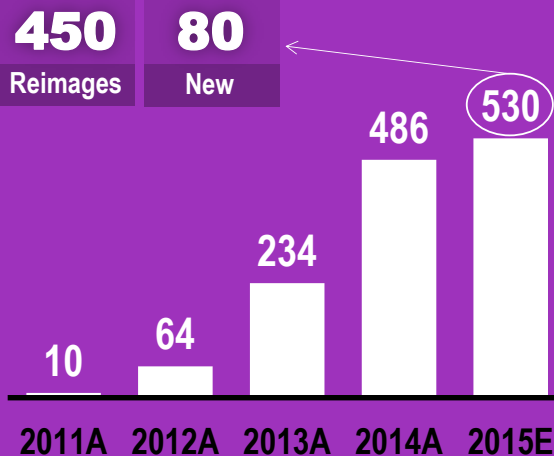
Ongoing System Optimization

- Continue to facilitate franchisee-to-franchisee transactions
- Catalyst for growth by evolving our franchisee base & driving new restaurant development / Image Activation

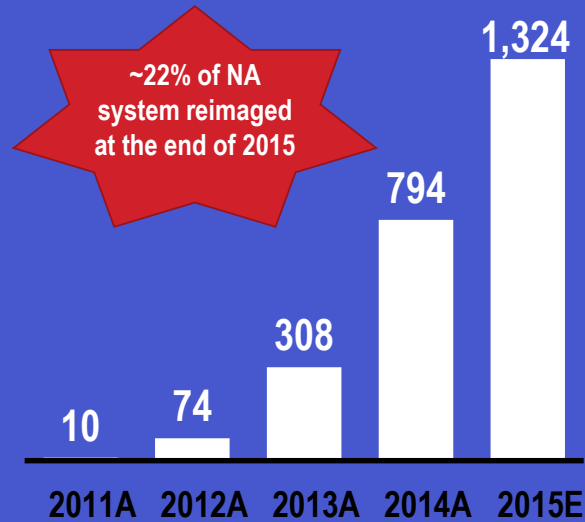
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2015 Image Activation On Track

Total System Annual Reimages & New Builds



Total System Cumulative Reimages & New Builds



Cash Returned to Shareholders

\$1.1 billion returned to shareholders in 2015 year-to-date

- Recently announced a 9-percent increase in quarterly dividend rate, from 5.5 cents per share to 6 cents per share
- Successfully completed \$165 million ASR during Q3 at an average share price of \$9.17; have now repurchased ~97.8M shares in 2015 to date.
- Expect to utilize the remaining \$400 million share repurchase authorization before end of 2016 as funds become available from the sale of Company-operated restaurants

2015 Outlook

COMPANY NOW EXPECTS 2015 SRS, ADJ. EBITDA AND ADJ. EPS AT HIGH END OF PREVIOUSLY ISSUED RANGES

- **Reaffirming**
 - Company-operated restaurant margin of 17.0 to 17.5 percent
 - G&A expense of approximately \$250 million
- **Revising**
 - Reported effective tax rate of 41 to 43 percent
 - Capital expenditures of approximately \$235 to \$245 million
 - Depreciation and amortization ~ \$145-\$150 million

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2020 Goals Focus on Restaurant Economic Model



Achievement requires two growth drivers:




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2015 Investor Relations Calendar: Key Dates

November 12	Image Activation Market Visit with Barclays (Dublin)
November 18	Morgan Stanley Conference (New York)
December 9	Wedbush Conference (Santa Monica)
December 16-17	Canada Roadshow – CL King (Montreal/Toronto)
February 9, 2016	Preliminary Q4 Earnings Release & 2016 Investor Day (Dublin)



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Reconciliation of Adjusted EBITDA from Continuing Operations to Net Income

In Thousands (Unaudited)

	Three Months		Nine Months	
	2015	2014 ¹	2015	2014 ¹
Adjusted EBITDA from continuing operations	\$ 99,724	\$ 89,492	\$ 284,821	\$ 260,711
(Less) plus:				
Depreciation and amortization	(36,420)	(34,873)	(111,300)	(113,451)
System optimization losses (gains), net	(98)	(368)	14,751	74,027
Reorganization and realignment costs	(5,754)	(1,389)	(16,646)	(17,376)
Impairment of long-lived assets	(1,513)	(8,618)	(13,468)	(11,224)
Operating profit	55,939	44,244	158,158	192,687
Interest expense	(27,938)	(13,148)	(57,882)	(39,173)
Loss on early extinguishment of debt	-	-	(7,295)	-
Other income, net	214	371	725	1,748
Income from continuing operations before income taxes	28,215	31,467	93,706	155,262
Provision for income taxes	(19,892)	(10,334)	(42,408)	(61,793)
Income from continuing operations	8,323	21,133	51,298	93,469
Discontinued operations:				
(Loss) income from discontinued operations, net of income taxes	(417)	1,697	9,171	4,671
(Loss) gain on disposal of discontinued operations, net of income taxes	(322)	-	14,817	-
Net (loss) income from discontinued operations	(739)	1,697	23,988	4,671
Net income	\$ 7,584	\$ 22,830	\$ 75,286	\$ 98,140
Adjusted EBITDA margin	21.5%	18.0%	20.3%	17.3%
Previously reported Adjusted EBITDA ¹		\$ 94,125		\$ 285,691
Updated to exclude net gain on disposal of assets		(581)		(13,602)
Updated to exclude Adjusted EBITDA from our bakery's discontinued operations		(4,052)		(11,378)
Adjusted EBITDA from continuing operations		\$ 89,492		\$ 260,711

¹ 2014 Adjusted EBITDA updated to conform to the current year presentation.

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Reconciliation of Adjusted Income and Adjusted Earnings Per Share from Continuing Operations to Net Income and Diluted Earnings Per Share

In Thousands except per-share amounts
(Unaudited)

	Three Months				
	2015	Per share		2014 ¹	Per share
Adjusted income and adjusted earnings per share from continuing operations	\$ 25,644	\$	0.09	\$ 27,580	\$ 0.07
(Less) plus:					
System optimization losses (gains), net	(11,340)	(0.04)		94	0.00
Reorganization and realignment costs	(3,533)	(0.01)		(861)	(0.00)
Depreciation of assets that will be replaced as part of the Image Activation initiative	(1,519)	(0.01)		(728)	(0.00)
Impairment of long-lived assets	(929)	(0.00)		(5,073)	(0.01)
Gain on sale of investment, net	-	-		121	0.00
Total adjustments	(17,321)	(0.06)		(6,447)	(0.01)
Income from continuing operations	8,323	0.03		21,133	0.06
Net (loss) income from discontinued operations	(739)	(0.00)		1,697	0.00
Net income	\$ 7,584	\$	0.03	\$ 22,830	\$ 0.06
Previously reported adjusted income and adjusted earnings per share ¹				\$ 29,617	\$ 0.08
Updated to exclude net gain on disposal of assets				(358)	(0.00)
Updated to exclude adjusted income from our bakery's discontinued operations				(1,679)	(0.01)
Adjusted income and adjusted earnings per share from continuing operations				\$ 27,580	\$ 0.07
	Nine Months				
	2015	Per share		2014 ¹	Per share
Adjusted income and adjusted earnings per share from continuing operations	\$ 76,713	\$	0.22	\$ 77,061	\$ 0.20
(Less) plus:					
Reorganization and realignment costs	(10,221)	(0.03)		(9,870)	(0.02)
Impairment of long-lived assets	(8,269)	(0.02)		(6,559)	(0.02)
Loss on early extinguishment of debt	(4,479)	(0.01)		-	-
Depreciation of assets that will be replaced as part of the Image Activation initiative	(4,039)	(0.01)		(9,994)	(0.02)
System optimization gains, net	1,593	0.00		42,710	0.11
Gain on sale of investment, net	-	-		121	0.00
Total adjustments	(25,415)	(0.07)		16,408	0.05
Income from continuing operations	51,298	0.15		93,469	0.25
Net income from discontinued operations	23,988	0.07		4,671	0.01
Net income	\$ 75,286	\$	0.22	\$ 98,140	\$ 0.26
Previously reported adjusted income and adjusted earnings per share ¹				\$ 90,083	\$ 0.24
Updated to exclude net gain on disposal of assets				(8,391)	(0.02)
Updated to exclude adjusted income from our bakery's discontinued operations				(4,631)	(0.02)
Adjusted income and adjusted earnings per share from continuing operations				\$ 77,061	\$ 0.20

¹ 2014 Adjusted income and adjusted earnings per share updated to conform to the current year presentation.

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