



INVESTOR DAY 2016

February 9, 2016

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David D. Poplar

Vice President
Investor Relations

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Agenda

Time	Topic	Speaker
8:35 a.m.	CEO Overview: Well Positioned for Profitable Growth	Emil Brolick
9:00 a.m.	2015 Results, 2016 Guidance and Long-Term Outlook	Todd Penegor
9:45 a.m.	Operations: Delight Every Customer.	Bob Wright
10:15 a.m.	Break	
10:30 a.m.	Marketing	Kurt Kane
11:00 a.m.	Technology	David Trimm
11:30 a.m.	Lunch	
Noon	Driving Growth: Development	Abigail Pringle
12:30 p.m.	Incoming CEO Summary	Todd Penegor
12:45 p.m.	Q&A	
1:45 p.m.	Departure	

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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 Feb. 9, 2016 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 (adj. EBITDA / total revenues) and adjusted earnings per share. Adjusted EBITDA 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 Feb. 9, 2016 and posted on www.aboutwendys.com.

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2015 Investor Relations Calendar: First Half (Tentative)

- Thursday, February 11: New York (BAML)
- Friday, March 11: JP Morgan Conference (Las Vegas)
- Monday, March 14: Boston (Morgan Stanley)
- Tuesday, March 15: New York (Guggenheim)
- Wednesday, March 16: Los Angeles (Wedbush)
- Thursday, March 17: San Francisco (Barclays)
- Friday, March 18: Denver (Wells Fargo)
- Wednesday, March 23: Telsey Conference (New York)
- Monday, April 18: Image Activation tour in Dublin (SunTrust)
- Wednesday, April 27: Nomura Conference (New York)
- Wednesday, May 11: First-quarter Earnings
- Wednesday, June 1: RBC Conference (Boston)
- Tuesday, June 7: Goldman Sachs (New York)



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Wendy's
THE WENDY'S COMPANY

Well Positioned for Profitable Growth

Emil Brolick

Chief Executive Officer

My Time Today

The QSR Opportunity Ahead
Remain Very Optimistic

Transformation Journey Update
Brand, Organization & Economic Model

Growth the Imperative
North America SRS & New Restaurant Development
International Growth

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2015 Building a History of Strong Results

Whole Business Securitization \$2.275 Billion

Share Repurchases of \$1.1 Billion

System Optimization Working

Sold 327 Restaurants, Fz to Fz Fosters Growth

2015 ... Met or Exceeded Goals

Margins, Adj. EBIDTA, Adj. EPS, IA, New Restaurants

2020 Bold Goals ... on Track to Achieve

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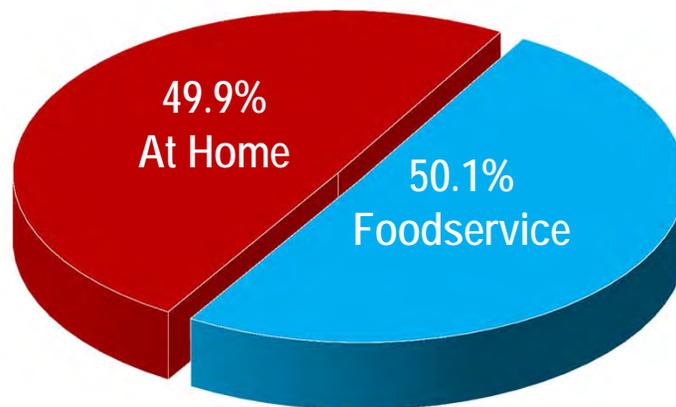
The QSR
Opportunity
Ahead...
Remain Very
Optimistic



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Food Business is a Huge Opportunity

\$1.5 Trillion 2014

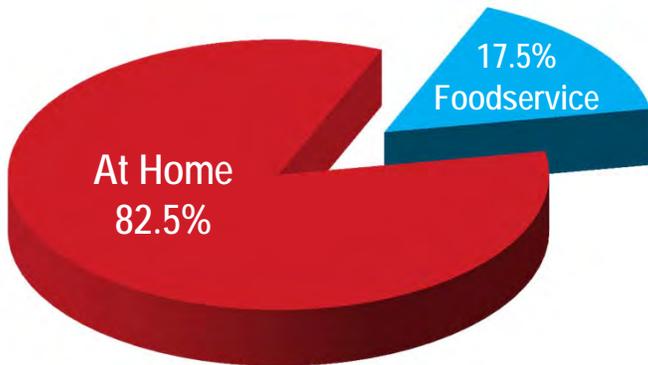


10 Source: USDA / Economic Research services

1 Point Share Shift: +\$15 Billion

Stealing At Home Share is a Growth Opportunity

Share of all Meals 2015
477 Billion Eating Occasions



1 Point Share Shift: +4.8 Billion Occasions



11 Source: The NPD Group/National Eating Trends® and CREST®, Y/E Feb 2015; excludes skipped main meals

QSR Builds Upon Historical Strengths... Value & Convenience

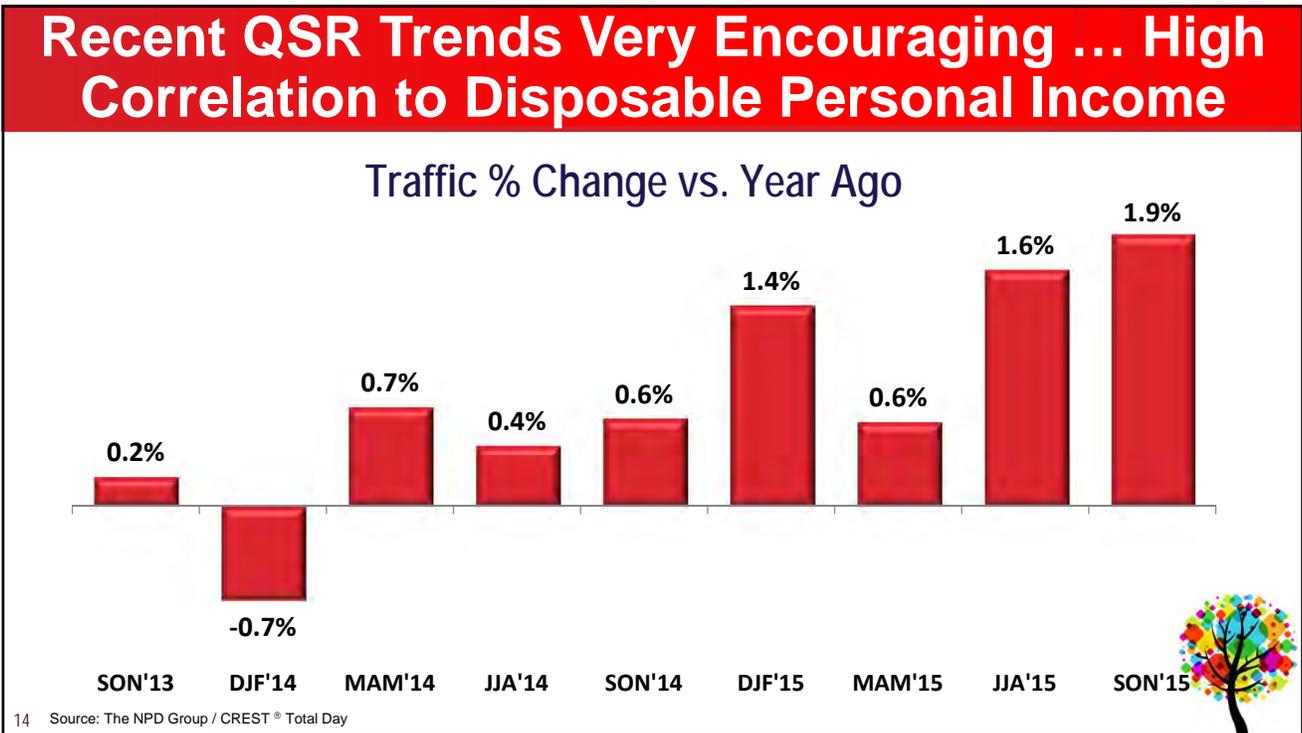
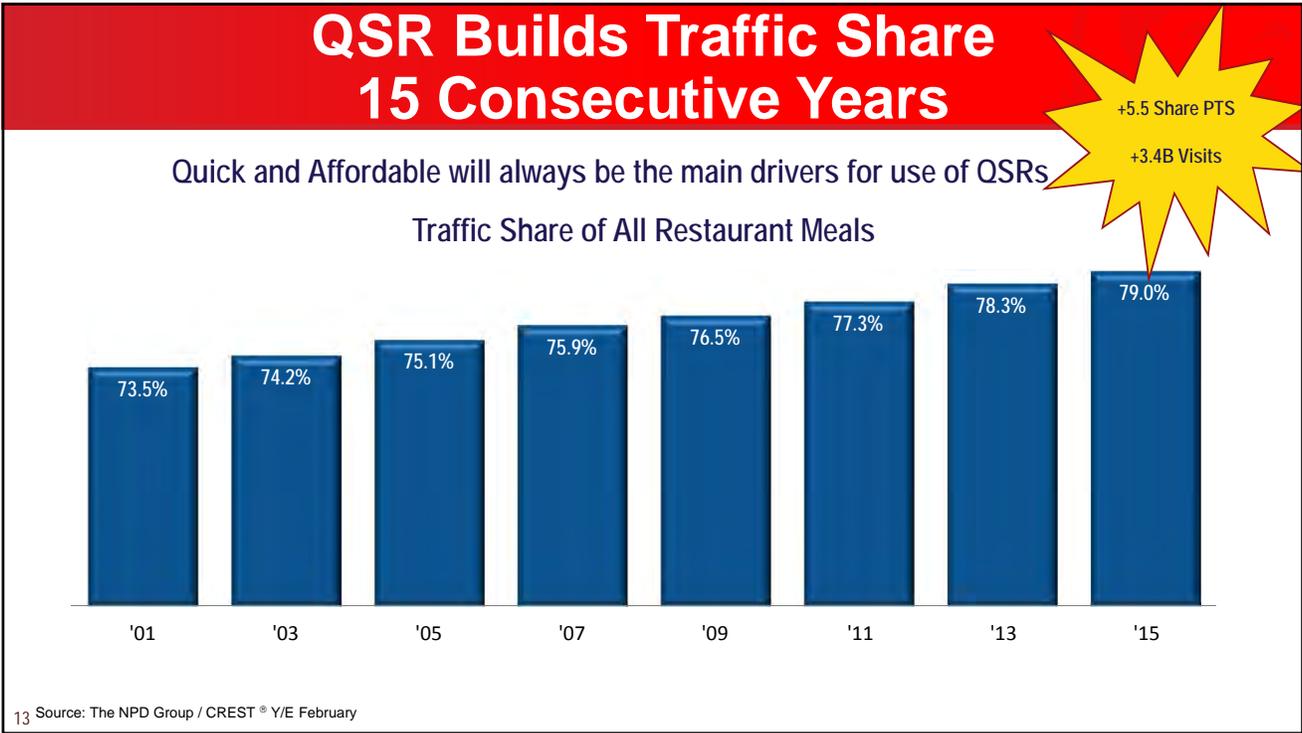


Restaurant Traffic Share

	2005	2010	2015	10 Year Change
QSR	75%	77%	79%	+ 4 PTS
Midscale	12%	11%	9%	(3) PTS
Casual	11%	11%	10%	(1) PT

Source: The NPD Group / CREST® Y/E February

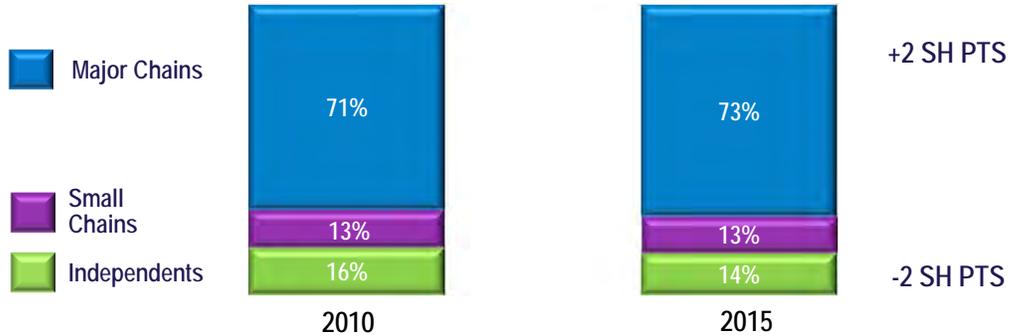
1 PT Equals 611 Million Visits, 4 PTS Equals 2.44 Billion Visits



Economies of Scale & Competition Favor Larger Chain Growth

QSR traffic distribution by system size

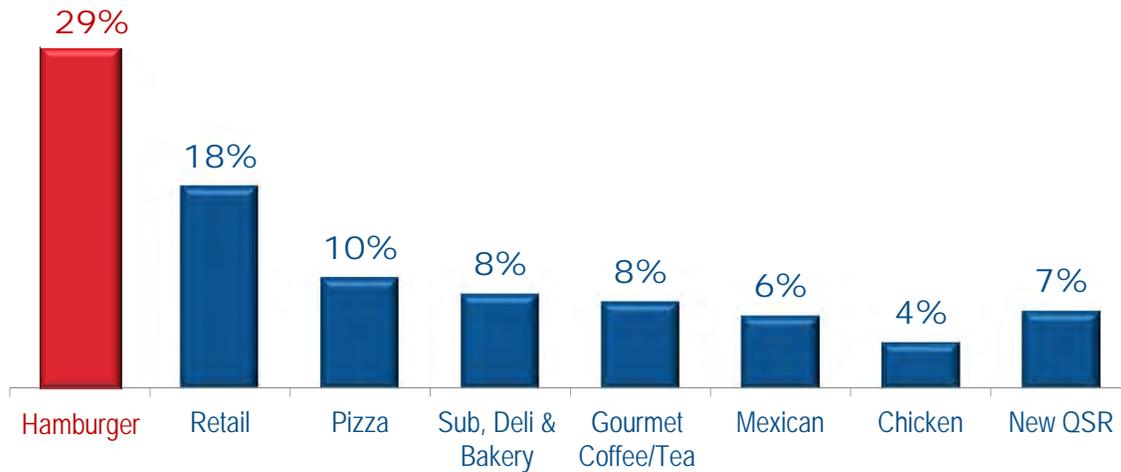
Y/E November



15 Source: NPD Group / CREST Total Day

Hamburger Category Evolves to Sustain Leadership... Retail Growing

QSR Traffic Share



16 Source: The NPD Group / CREST® Total Day; SON'15

Growth Not Simply Zero Sum Game...

Brand Relevance, Economic Model Relevance Are Key



Brand Relevance

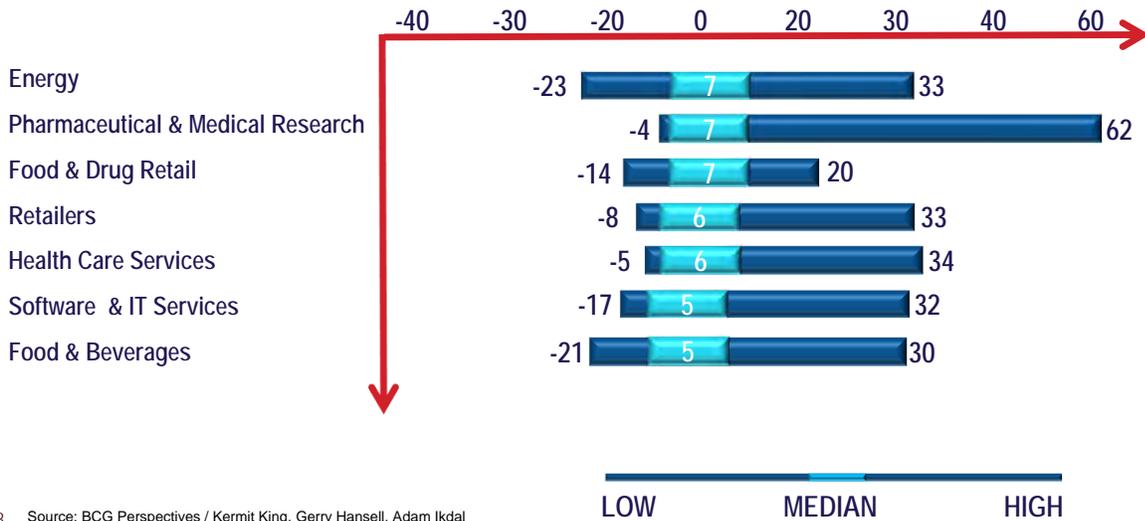
Economic Model Relevance



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“When the Growing Gets Tough, The Tough Get Growing...” BCG

Revenue CAGR, S&P 1200 Global , 2008-2012 (%)



18 Source: BCG Perspectives / Kermit King, Gerry Hansell, Adam Ikda



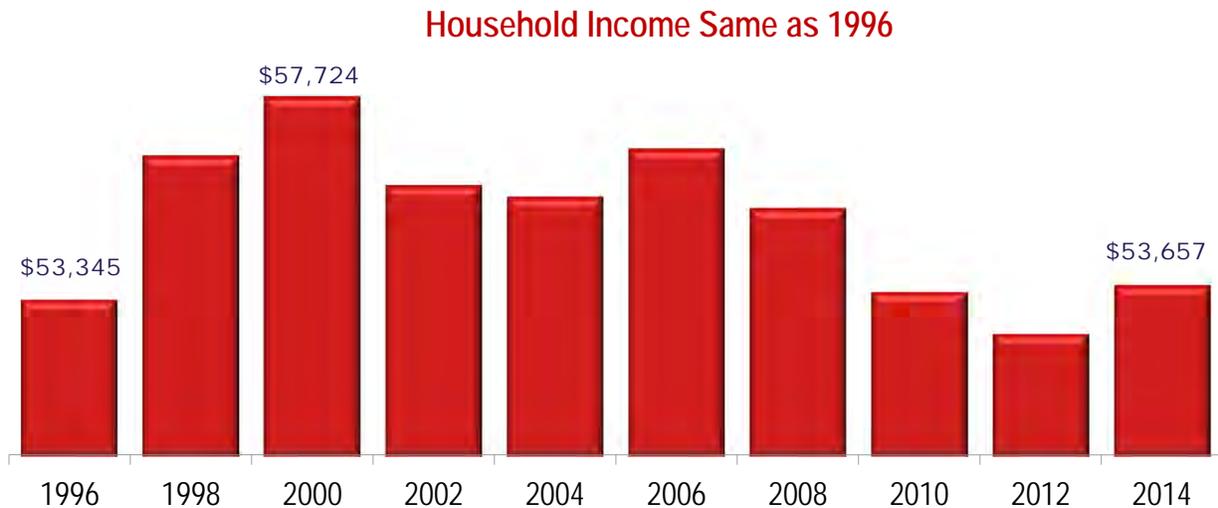
“When the Growing Gets Tough, The Tough Get Growing...” BCG

“On average, there is five times greater variability in growth rates within an industry than there is across industries. It is not the cards you are dealt; it is how you play them.”



19 Source: BCG Perspectives / Kermit King, Gerry Hansell, Adam Ikdal

Median Household Income in USA Unchanged in 18 Years



20 Median Household Income (2014 Dollars); Source US Census Bureau

Average Check Distribution

EATER CHECK DISTRIBUTION – HAMBURGER CATEGORY



21 Source: Wendy's & NPD CREST Occasion Study; 2 YE March '15, ex-MM

Where Do You Eat Outside of Home?

“Value and convenience trump greater mindshare for natural and organic foods. Millennial moms actually visit fast food restaurants more often than those without kids or Gen X moms with kids.”



22 Source: Goldman Sachs Global Investment Research

Wendy's a Uniquely Differentiated Experience...



NEW
4 FOR \$4 MEAL
A BIG DEAL ON A DELICIOUS MEAL
JR. BACON CHEESEBURGER + 4 PC CHICKEN + FRIES + DRINK NUGGETS

LTO's





Core

Experience



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The Recipe to Win

PRICE New QSR Quality

PRODUCT Playing a Different Game

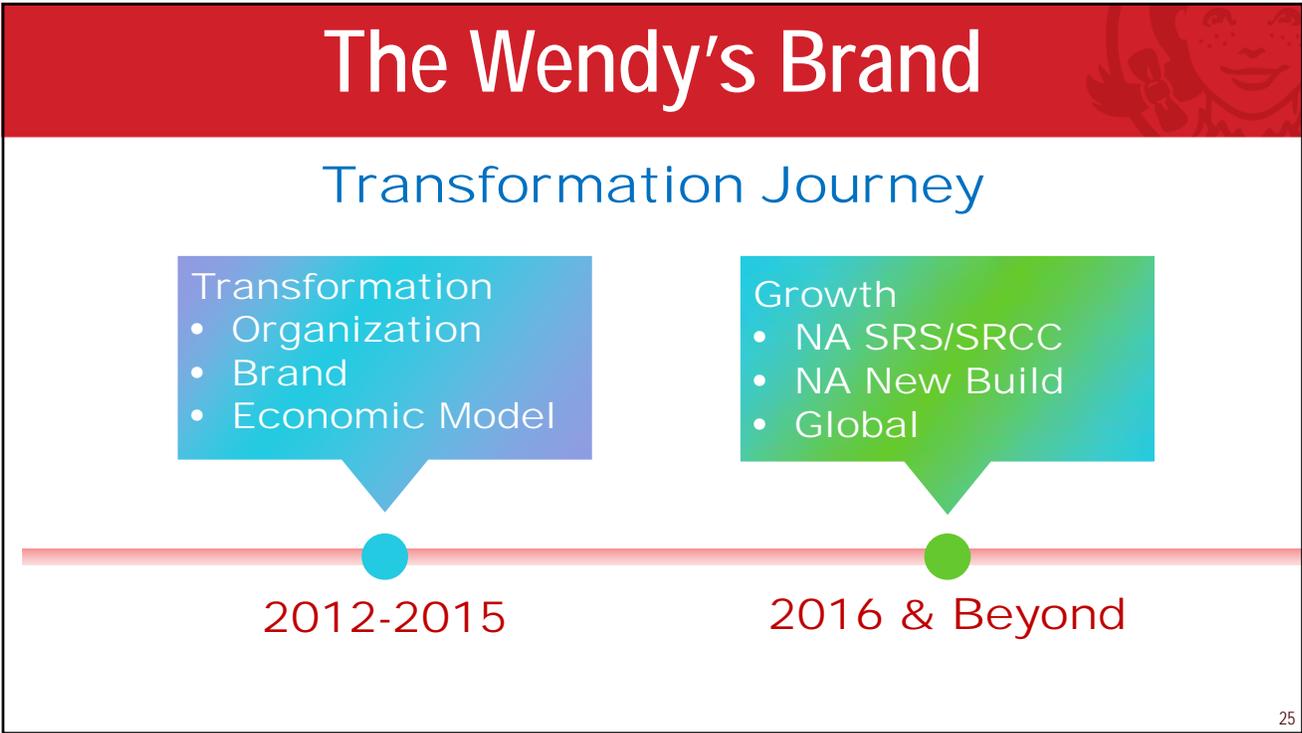
PROMOTION Tactically Brilliant

PLACE Brand Transformation

PERFORMANCE Keeping Brand Promise

PEOPLE 5-Star Talent

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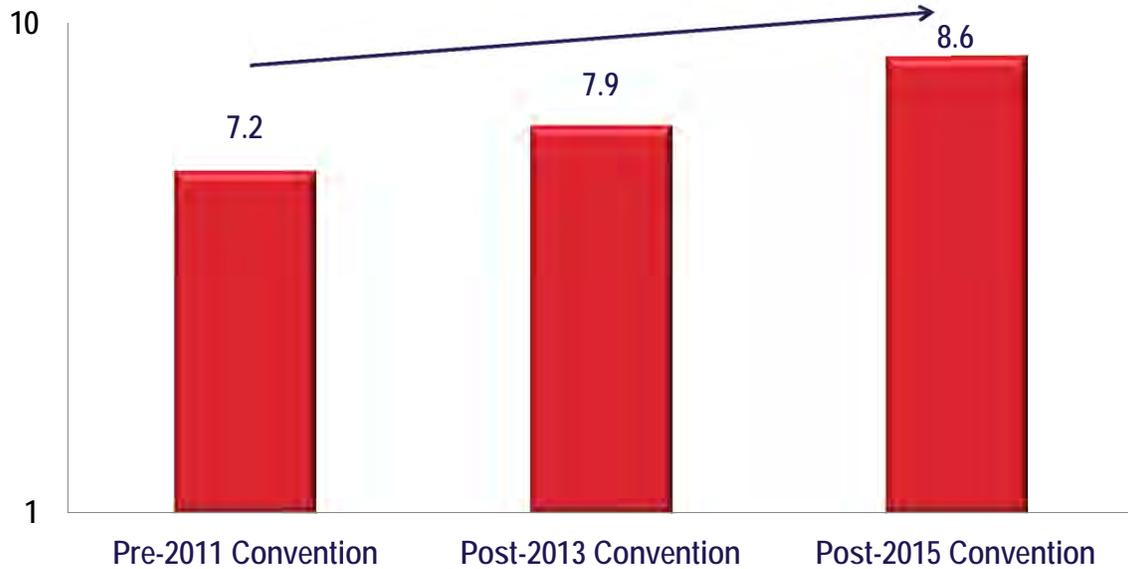


Wendy's Brand / Economic Model Transformation

2012	2013	2014	2015
<ul style="list-style-type: none"> • Clear Vision <ul style="list-style-type: none"> - "Cut Above" - Recipe to Win - Growth Pyramid • New Ad Campaign <ul style="list-style-type: none"> - Logo, Packaging... etc. • New Digital Agency • IA Testing Accelerates <ul style="list-style-type: none"> - FZ Incentives • Debt Refinanced • Common "VOC" • Common "POS" • Breakfast Test Terminated 	<ul style="list-style-type: none"> • SO I 418 CO Restaurants Sold • First Use of Relationship Agreement • Franchise IA Activity Accelerates • Aloha POS Software Purchase • 2nd Debt Refinance 	<ul style="list-style-type: none"> • SO II 129 Canadian Restaurants Sold • Announced 60% FZ IA Requirement by 2020 • G&A Reductions • \$275M Dutch Tender • Mobile Order, Pay, Loyalty Beta Test • IA Accelerates • 2020 Bold Goals <ul style="list-style-type: none"> - \$2,000,000 AUV - 20% Margins - 1.3+ Sales /Inv. - 1,000 New Restaurants - 60% Reimagined 	<ul style="list-style-type: none"> • SO III 540 Restaurants Announced • CO Ownership Target ~5% • Customer Care Center Opens • \$2.275B WBS • Bakery Sold • \$1.4B Share Repo Authorized • 90° Lab Opens • IA Accelerates • Franchise Sentiment Strong • Leadership Transition Plan Announced

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Franchise Attitude and Optimism Strengthening



"On a scale of 1 to 10, please rate your overall attitude and optimism regarding the Wendy's business"

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Wendy's Brand Transformation Journey

Brand Positioned For Future Growth

	2011	2015 (E)	Growth
Co. Restaurants	1,417	632	(785) ✓
Revenue*	\$2,431M	\$1,870M	(23%)
Co. Restaurant Margin*	14.0%	17.7%	370 bps
Adj. EBITDA*	\$310M	\$392M	26%
Adj. EBITDA Margin*	12.7%	21.0%	830 bps
Adj. EPS*	\$0.13	\$0.33	154%
IA (Cumulative)		1,313	(22% of N.A. System)
New Restaurants		314	



2018 Adj. EPS Growth of >20%; 2018 FCF of \$200-\$250M

* Excludes the impact of the Wendy's bakery operations. 28

Wendy's Brand Transformation Journey

2011-2015 Shareholder Returns* – Focus on Income and Growth

	2011	2015 (E)	Growth
Annual Dividend	\$0.08	\$0.225	181%
Shares Outstanding	418M	~272M	(35%)
Dividends Paid		\$289M	
Share Repurchases		\$1,623M	
Total Cash Returned		\$1,912M	
TSR		160.5%	

Shareholder return in top quartile of S&P Midcap 400

* Full-year 2011 through full-year 2015

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Clear Brand Vision Rooted in a Rich Heritage



A Cut Above





2020 N.A. System Goals Focus on Restaurant Economic Model

\$2MM	20%	1.3x+	1,000	60% +
AUVs	Restaurant Margins	Sales to Investment Ratio	New Restaurants	Total Reimaged Restaurants

Achievement requires two growth drivers:



BRAND RELEVANCE

ECONOMIC MODEL RELEVANCE



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NEXT...Growth The Imperative



North
America
SRS

NEXT...Growth The Imperative



North
America
New
Builds

NEXT...Growth The Imperative



International
Growth

QSR PLUS+

Company Poised for Long-Term Growth

Strong Wendy's Brand With Rich Food Heritage

Unique and Credible Brand Position

Improving Restaurant and Wendy's Company Economic Model

Dividends Expected to Grow with Income

Strong Leadership Team

Exceptional Base of Growth Oriented Franchisees

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Business Overview

Todd Penegor

President & Chief Financial Officer

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Business Update

- 1) **Driving Growth**
- 2) **2015 Preliminary Results**
- 3) **System Optimization**
- 4) **2016 Outlook**
- 5) **Long-Term Outlook**
- 6) **International**



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Driving Growth

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Continuity of Strategy – Focused on Execution



Focused on Being "A Cut Above" in All We Do



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The Wendy's Way

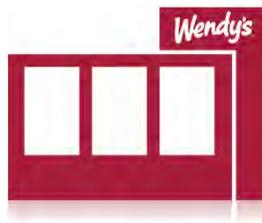


Technology as an Enabler

Growth Initiatives



**Accelerate North America
SRS and Profitable
Customer Count Growth**



**Expand Brand Access with
North America
New Restaurant Development**



**Drive International
Growth**



**Leverage our Unique
Family Culture**

QUALITY IS OUR RECIPE | TREAT PEOPLE WITH RESPECT | DO THE RIGHT THING
PROFIT MEANS GROWTH | GIVE SOMETHING BACK



Accelerate North America SRS and Profitable Customer Count Growth



Brand Relevance



- Tell Our Unique Brand Story
- Balanced Marketing: Deliciously Different...Compelling Value, Core and LTO Messages: Hi/Lo
- Food Quality Leadership in Traditional QSRs; Own Your Trade Area



Economic Model Relevance

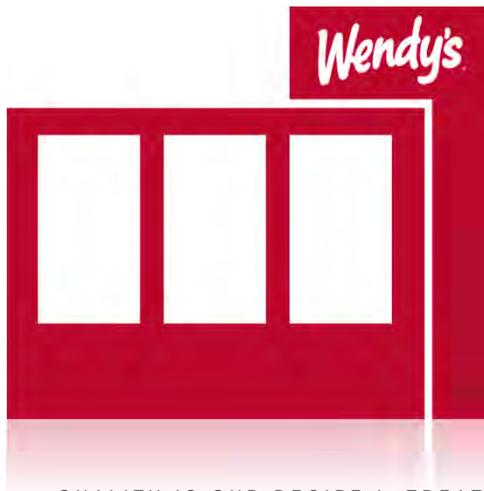
- Use Technology to Reach and Engage Consumers, Lower Costs
- Leverage Image Activation to Drive Sales, Differentiate Experience
- Delight Every Customer...Build Loyalty

QUALITY IS OUR RECIPE | TREAT PEOPLE WITH RESPECT | DO THE RIGHT THING

PROFIT MEANS GROWTH | GIVE SOMETHING BACK

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Expand Brand Access with North America New Restaurant Development



- Significantly Improve Restaurant Economic Model
- Leverage System Optimization
- Ensure Solutions for All Trade Areas

QUALITY IS OUR RECIPE | TREAT PEOPLE WITH RESPECT | DO THE RIGHT THING

PROFIT MEANS GROWTH | GIVE SOMETHING BACK



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Drive International Growth



- Execute our “Narrow and Deep” Strategy
- Leverage our Status as a Newcomer in Key Markets
- Differentiate via QSR Plus+ Positioning

QUALITY IS OUR RECIPE | TREAT PEOPLE WITH RESPECT | DO THE RIGHT THING
PROFIT MEANS GROWTH | GIVE SOMETHING BACK



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Leverage our Unique Family Culture



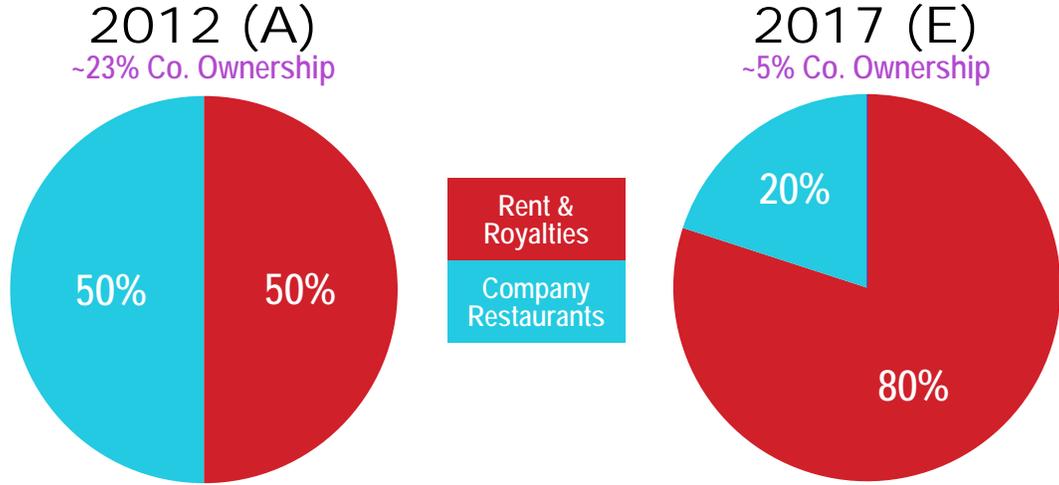
- Engage and Motivate Franchisees and Employees to Connect with Customers and Drive Growth
- Celebrate our Brand Heritage for Quality and Opportunity
- Give Back to our Communities

QUALITY IS OUR RECIPE | TREAT PEOPLE WITH RESPECT | DO THE RIGHT THING
PROFIT MEANS GROWTH | GIVE SOMETHING BACK



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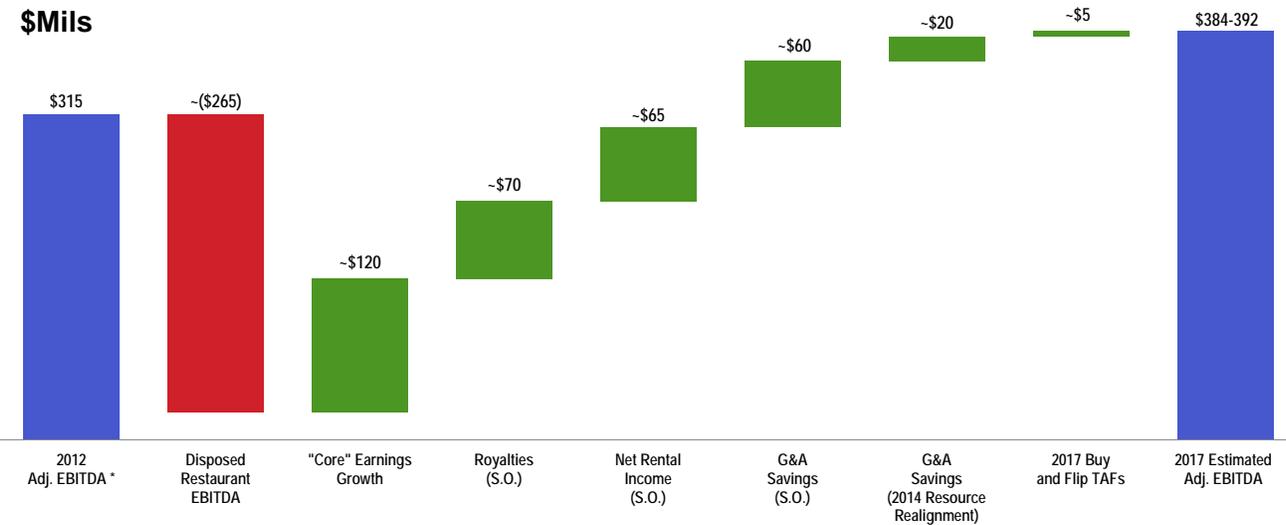
Quality of Earnings Evolution



Expect ~70% of our ~675 owned real estate properties to generate rental income

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Quality of Earnings Evolution



Five Year Projected Adj. EBITDA Growth ~ 25% while selling about 1,100 Restaurants

48 * Adjusted to Reflect Impact of New Bakery Sale as Discontinued Operations

Growth Drivers to Deliver Long-Term Commitments



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2015 Preliminary Results

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2015 Fourth Quarter Preliminary Results

\$Mils except for per share amounts

	<u>2015E*</u>	<u>2014*</u>	<u>B/(W)</u>
N.A. System SRS	4.8%	1.6%	6.4% 2 YR
N.A. Company SRS	3.7%	1.9%	5.6% 2 YR
Co. Restaurant Margin	19.2%	16.8%	+240 bps
G&A	\$72.4	\$59.5	(\$12.9)
Adjusted EBITDA**	\$107.6	\$95.8	+12.3%
Adjusted EPS**	\$0.12	\$0.08	+50.0%

* Adjusted to Reflect Impact of New Bakery Sale as Discontinued Operations

** See Reconciliation of Adjusted EBITDA and Adjusted EPS in the Appendix



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2015 Full Year Preliminary Results

\$Mils except for per share amounts

	<u>2015E*</u>	<u>2014*</u>	<u>B/(W)</u>
N.A. System SRS	3.3%	1.6%	4.9% 2 YR
N.A. Company SRS	2.6%	2.3%	4.9% 2 YR
Co. Restaurant Margin	17.7%	15.8%	+190 bps
G&A	\$256.6	\$260.7	\$4.1
Adjusted EBITDA**	\$392.4	\$356.5	+10.1%
Adjusted EPS**	\$0.33	\$0.29	+13.8%

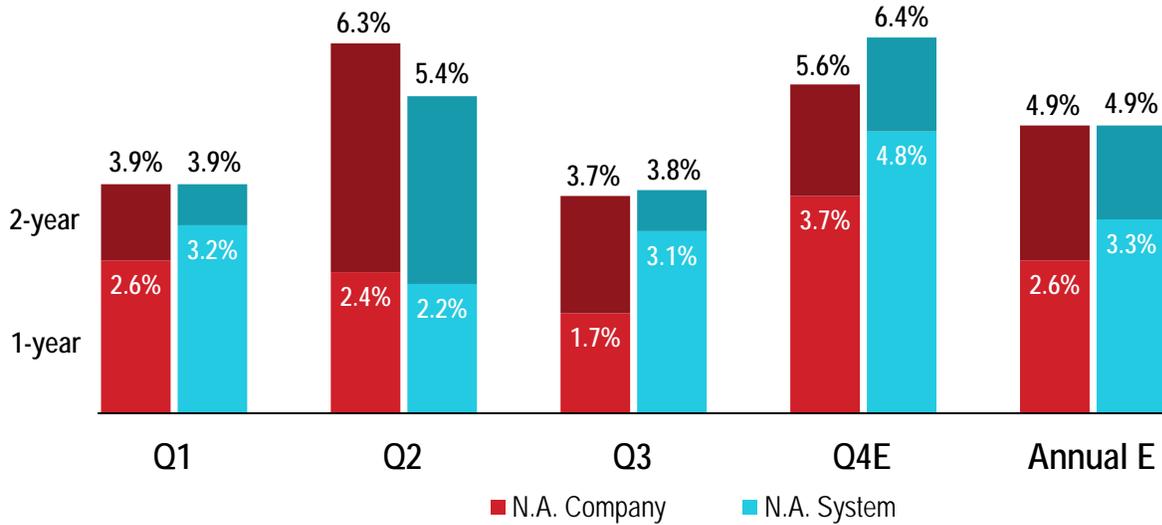
* Adjusted to Reflect Impact of New Bakery Sale as Discontinued Operations

** See Reconciliation of Adjusted EBITDA and Adjusted EPS in the Appendix



52

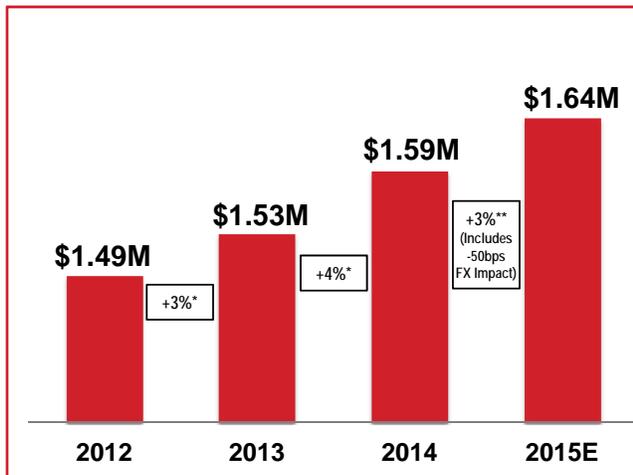
Solid Two-Year SRS Growth



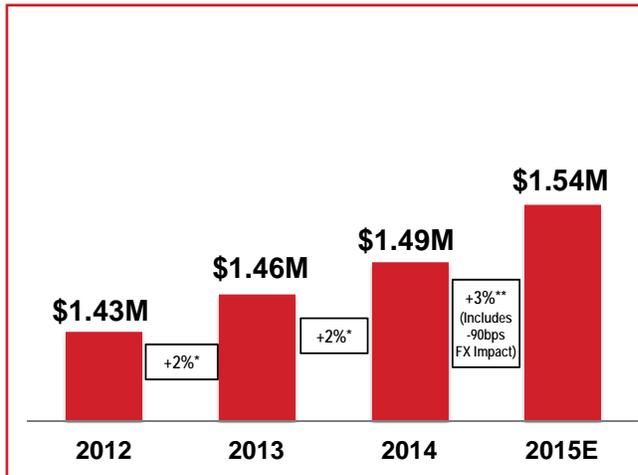
53

Healthy North America AUV Growth... \$2 Million Achievable

Company



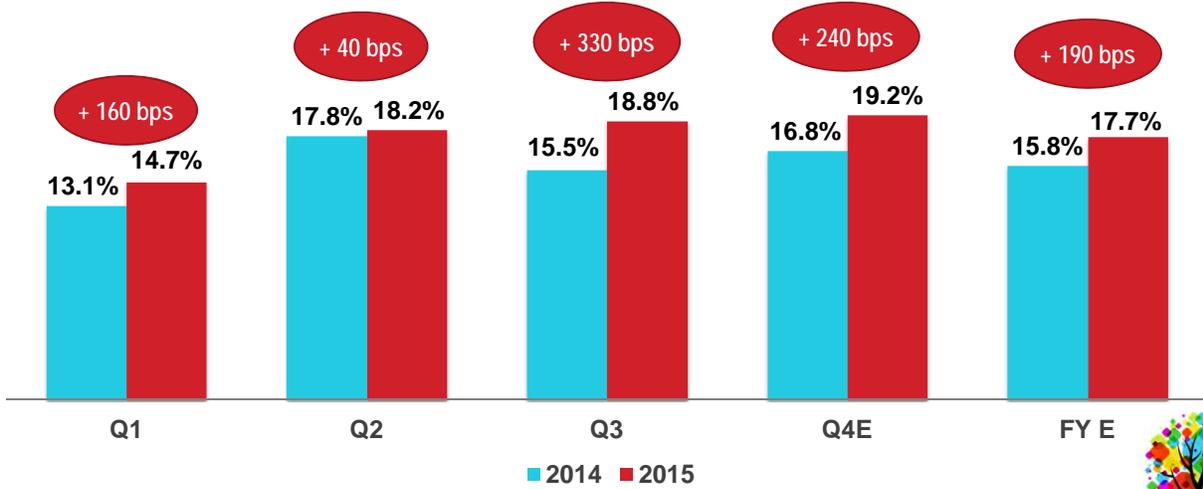
System



* FX rate did not have a material impact on prior year's Company or System AUV growth.

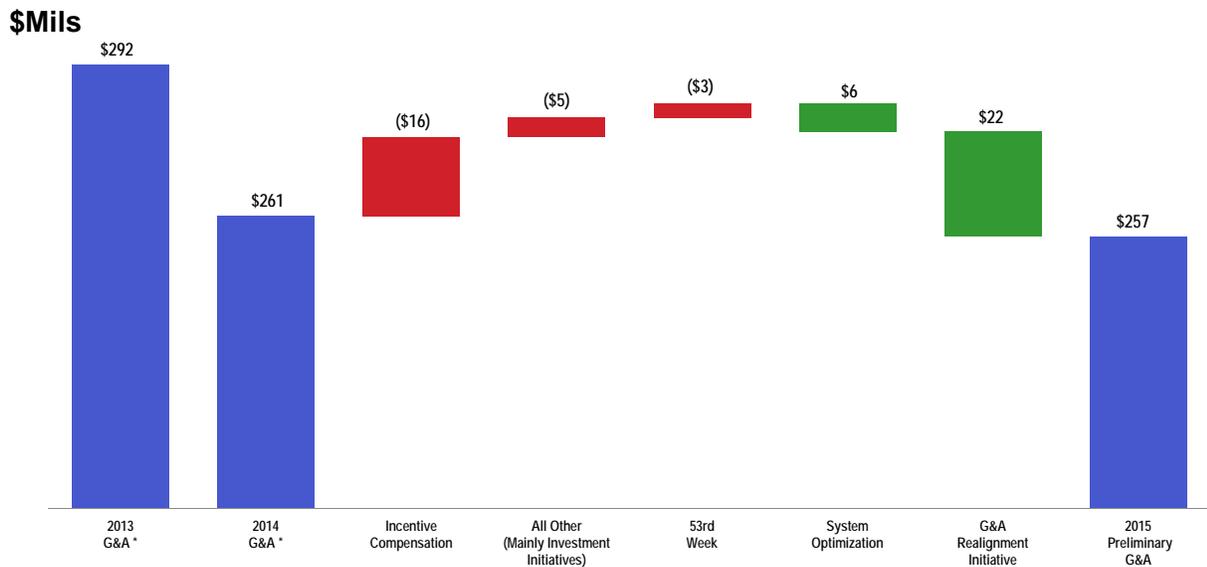
54 ** Growth rate would have been 4% excluding FX impact.

Strong N.A. Company Restaurant Margin Expansion



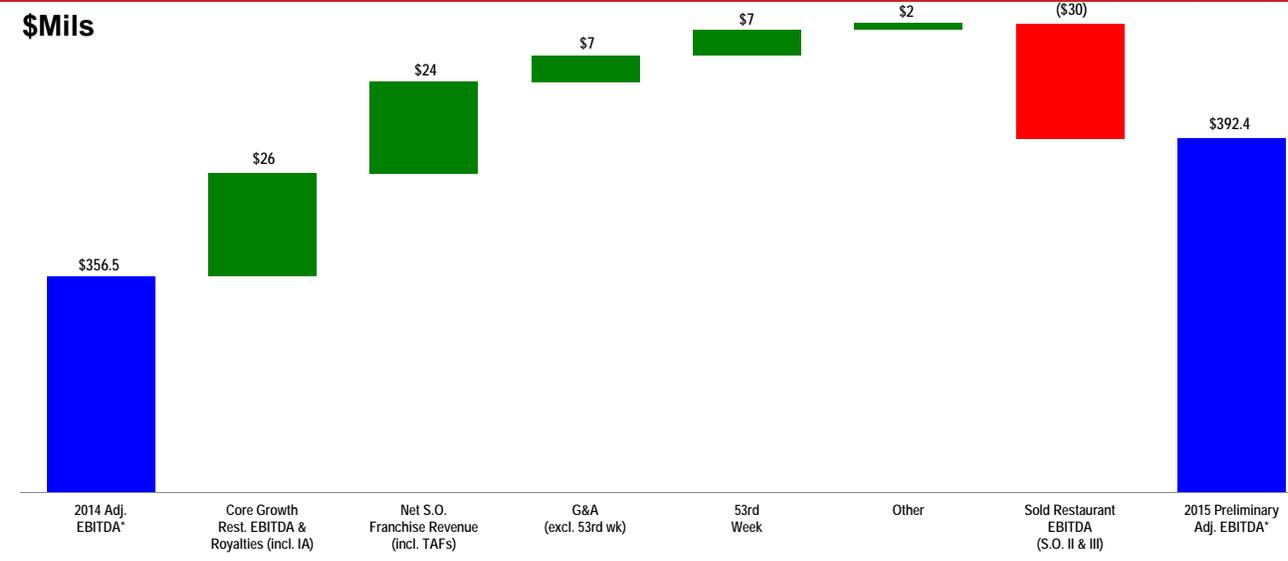
55

Delivering G&A Commitments



56 * Adjusted to Reflect Impact of New Bakery Sale as Discontinued Operations

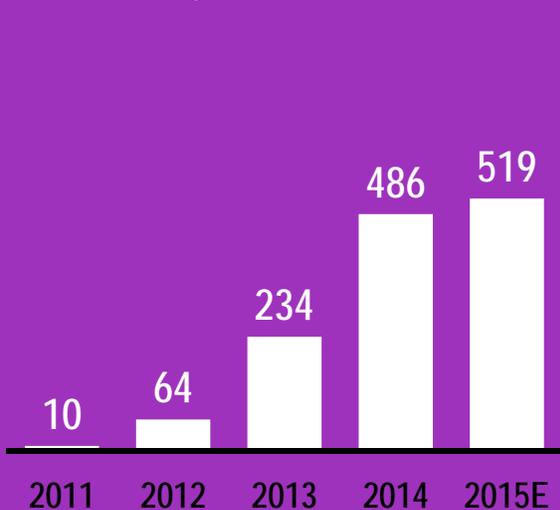
Improved Quality of Earnings



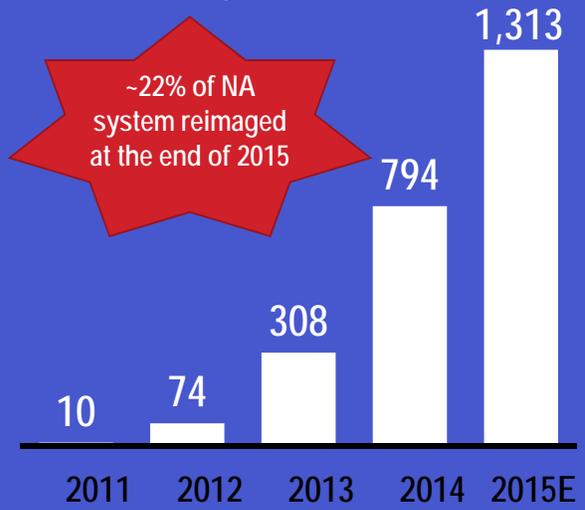
57 * Adjusted to Reflect Impact of New Bakery Sale as Discontinued Operations; see reconciliation of Adj. EBITDA in appendix.

Reimaging Momentum Builds

Total System Annual Reimages & New Builds*



Total System Cumulative Reimages & New Builds*



58 * Counts include Franchise Reimages open or under construction

Delivering Income and Growth - 2015

Returned Cash to Shareholders		
\$1.1B (100M Shares) Share Repurchases	\$72M Dividends	9% Q4 Increase - Dividend
Invested For Growth (CapEx)		
\$140M Image Activation	\$40M New Restaurants	\$25M Technology
Capital Structure Aligned to Strategy		
\$327M Cash	\$2.4B Debt	5.3x Net Debt / TTM Adj. EBITDA

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2015 Summary

- SRS and Customer Count Momentum
- Strong Core Growth & Improved Quality of Earnings
- Restaurant Economic Model Improving
- Image Activation Momentum Continues
- Delivering G&A Commitments
- Returning Significant Cash to Shareholders

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System Optimization

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Executing Our System Optimization Strategy

More Predictable and Sustainable Earnings Growth

Less Capital Intensive

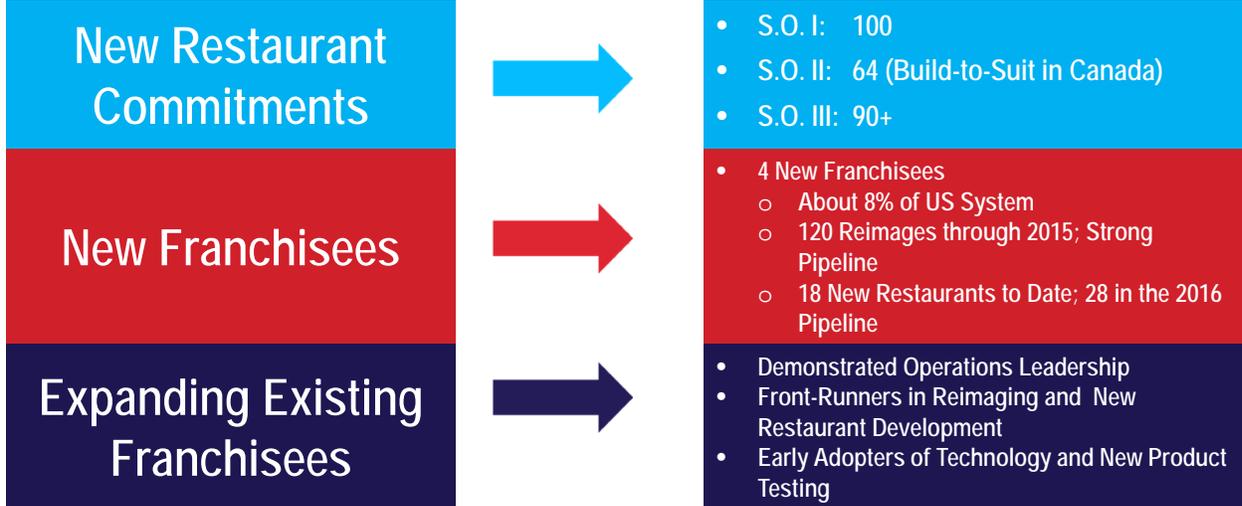
Aligned Capital Structure to our Strategy

Delivering On Income and Growth Commitment

Returning Significant Cash to Shareholders

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System Optimization Supporting Growth



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System Optimization III on Track

- 227 of 540 Planned U.S. Restaurants Sold in 2015
- Strong Interest, Numerous Bids from Potential Buyers
- Expect Total Proceeds of \$400 - \$475 Million
- Remaining ~315 Planned U.S. Restaurant Sales Expect to Be Completed Throughout 2016

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Ongoing System Optimization

Buy and Flip

Demonstrated Operational Leadership

Commitment to Delighting Every Customer

Investing in Technology to Accelerate Growth

Leading Reimaging Initiative

Driving New Restaurant Growth

Long-Term Target of Approximately 5% Company Ownership

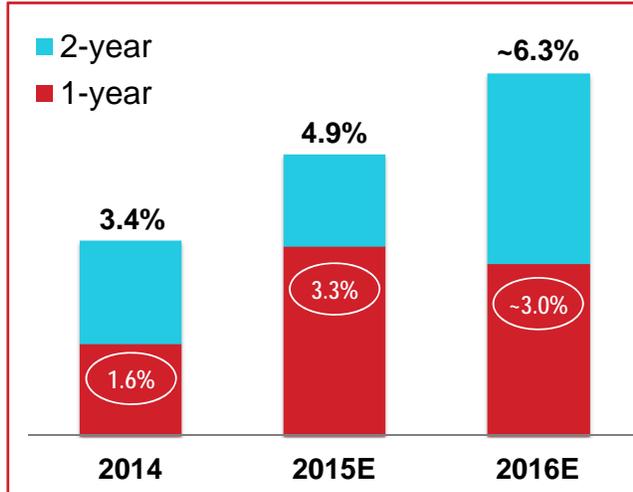
65

2016 Guidance

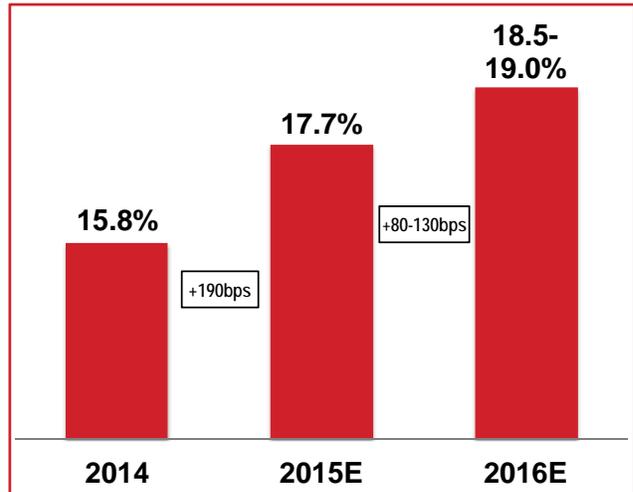
66

2016 Guidance

N.A. System SRS Growth



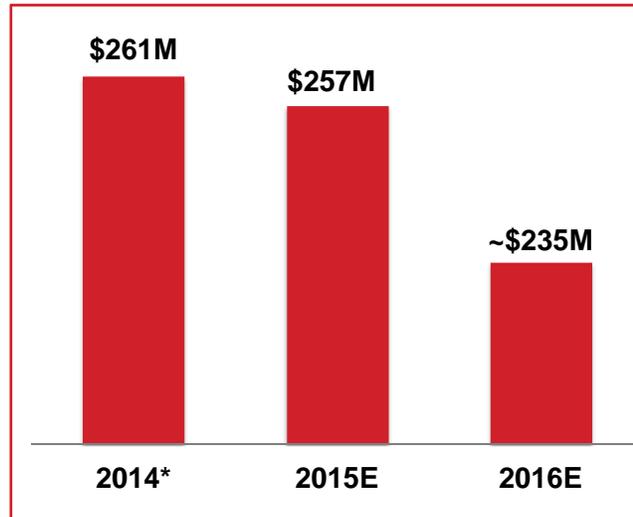
N.A. Company Restaurant Margins



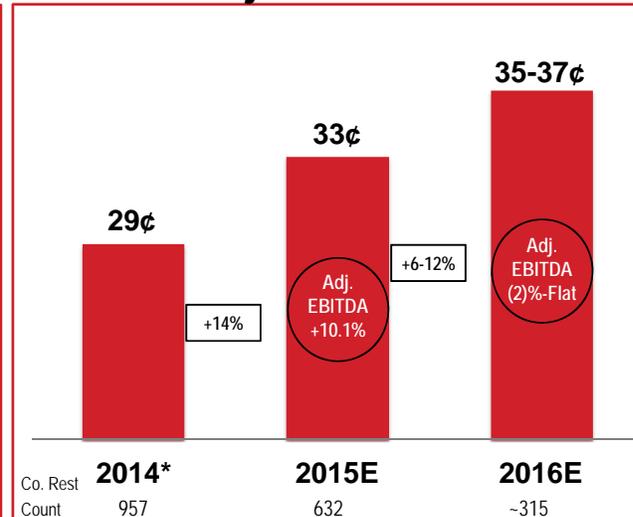
67

2016 Guidance

G&A



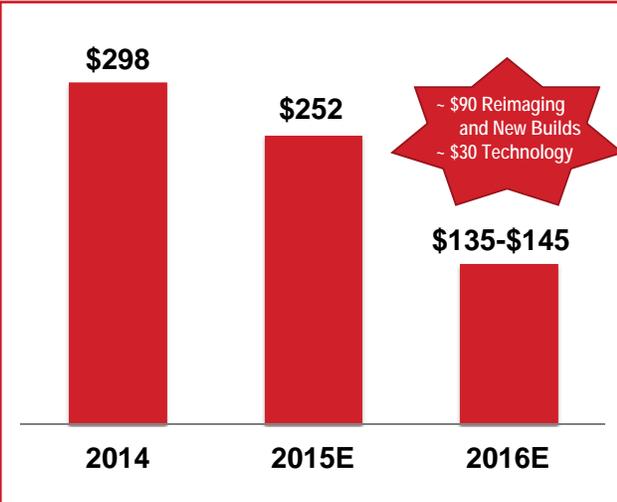
Adjusted EPS



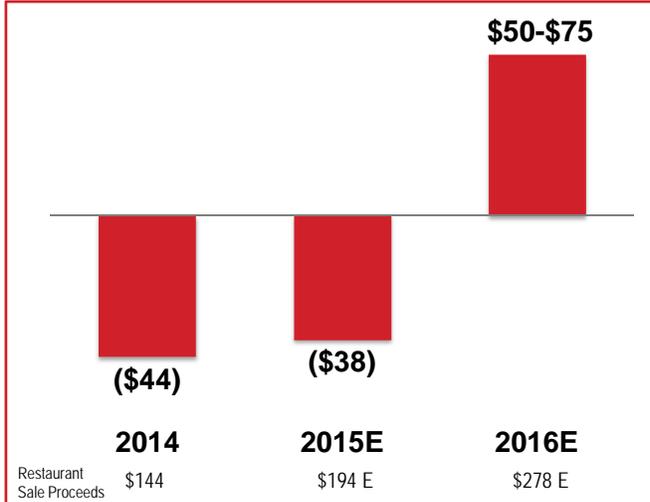
68 * Adjusted to Reflect Impact of New Bakery Sale as Discontinued Operations

2016 Guidance

\$Mils Capital Expenditures



Free Cash Flow*



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* Cash From Operations Less CAPEX

2016 Guidance

Includes Lapping 2015 53rd Week

Commodity Market Basket Deflation of About 2 - 3%

Depreciation of \$130 - \$135M (includes Accel. Dep. of ~\$5M)

Interest Expense of ~\$110M

GAAP Tax Rate of 41% to 43% (35% to 37% Adjusted)

Targeting 430 Reimaging and 110 New Builds for System

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Long-Term Outlook

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Long-Term Guidance – Key Financial Metrics

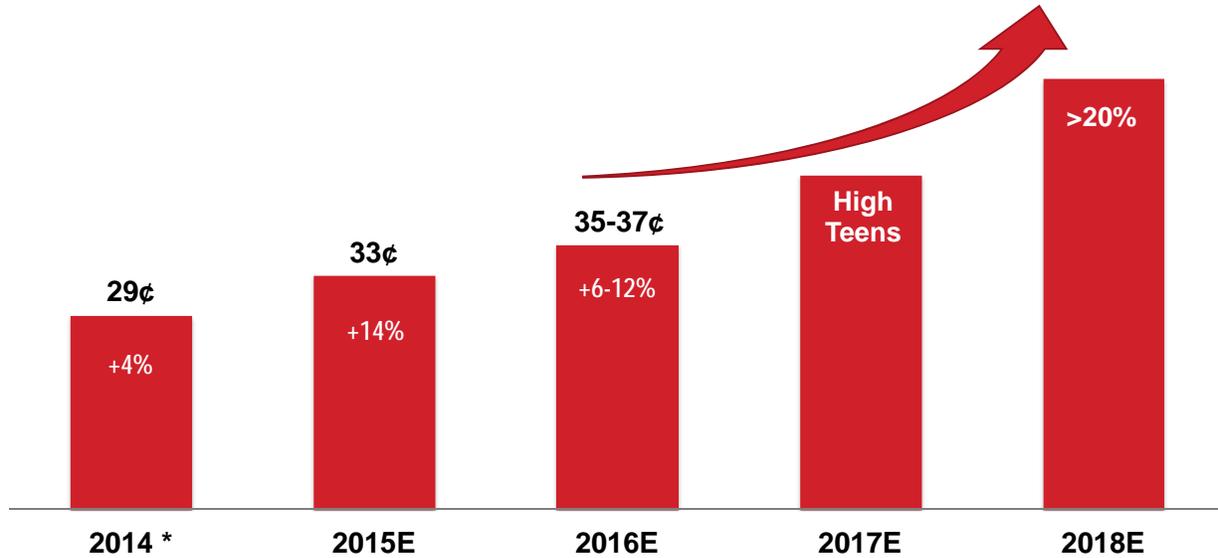
\$Mils except for per share amounts

	<u>2016</u>	<u>2017</u>	<u>2018</u>
N.A. System SRS	~3%	~3%	~3%
Adjusted EBITDA Growth	(2)% To Flat	Flattish	~10%
Adjusted EBITDA Margin	28-30%	32-34%	>35%
Adjusted EPS Growth	6-12%	High Teens	>20%
Free Cash Flow *	\$50-75	\$150-200	\$200-250
CapEx	\$135-145	\$80-90	\$80-90
G&A	~\$235	~\$230	~\$230

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* Cash From Operations Less CAPEX

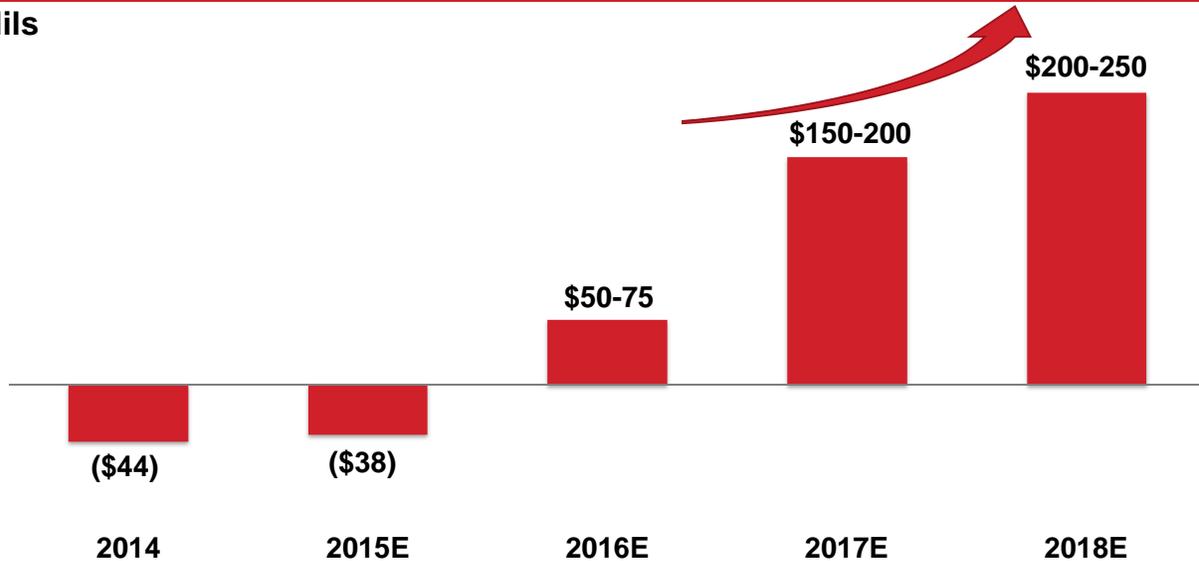
Accelerated Adjusted EPS Growth on Track



73 * Adjusted to Reflect Impact of New Bakery Sale as Discontinued Operations

Accelerated Free Cash Flow on Track

\$Mils



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Capital Structure to Deliver Income and Growth

- 1 Utilize "Excess" Cash to Repurchase Shares
- 2 Dividend Growth in Line with Net Income Growth
- 3 Balance Sheet Aligned Behind Strategy
 - Improved Free Cash Flow
 - Return Cash to Shareholders
- 4 Invest in the Business
 - New Restaurants
 - Build to Suit
 - Technology
 - International
- 5 Improvement in ROIC Over Time

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2020 North America System Goals Are On Track!



Achievement requires two growth drivers:



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International

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International Positioned for Long-Term Growth

Later Entry Into Markets Allows Us to Differentiate via QSR Plus +



QSR PLUS+ BUILDING BLOCKS

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Bringing QSR Plus+ to Life -- Exterior



Chile



Puerto Rico



Panama



Ecuador



Brazil



Guam

79

Bringing QSR Plus+ to Life -- Interior



Ecuador



India



Chile



Puerto Rico



Georgia



Mexico

80

Bringing QSR Plus+ to Life – Experience



Customized Menu



Plated Service



Table Delivery



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Reallocated Resources to Support Long-Term International Growth

Invested Incremental G&A to Establish Foundation for Accelerated Growth

Restructured Field Teams to More Efficiently Focus G&A and Investment

Accelerated Markets: ~35%*

Sustaining Markets: ~45%*

Minor Markets: ~20%*

Created “Narrow and Deep” Team for New High Potential Markets

Brazil

India

Middle East

Japan

Focused Growth: Expect ~80% of New Restaurants by 2020 to come from 7 Markets

New High Potential Markets

Argentina/Chile, Mexico, Indonesia

Significant EBITDA Growth Expected 2019 & Beyond

82 *Percent of International Restaurants

Reasons to Believe

QSR PLUS+

Differentiation will set us apart as a later entrant

Narrow and Deep

Dedicated team laser focused on high potential markets

Focused

~80% of new restaurants expected to come from 7 markets

Resources

Commitment to build a strong consumer and restaurant economic model

83



Bob Wright

**Executive Vice President,
Chief Operations Officer**

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Most Important Step?

- ✓ Fresh Never Frozen Beef
- ✓ Perfectly Seasoned on the Grill
- ✓ Served Hot and Juicy
- ✓ Melted Cheese
- ✓ Freshly Prepared Toppings
- ✓ Made Fresh When You Order



85

Continued Progress: Delight Every Customer.



Vision

Delight Every Customer.

Mission

Lead the innovation, integration and execution of superior operating systems that unlock:

5 Star
People

Customer
Loyalty

Highly Profitable
Restaurants



86

Wendy's Unique Strengths



Franchisee Commitment



5 Star People



Superior Operating Model



87

Wendy's Unique Strengths



Franchisee Commitment



5 Star People

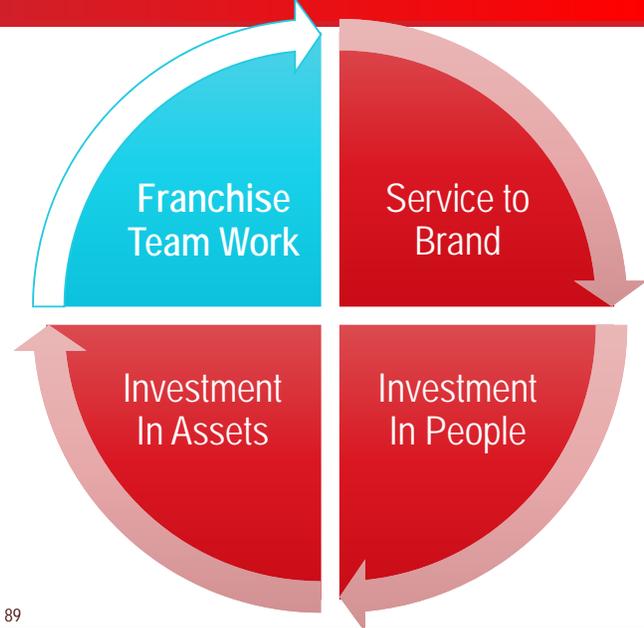


Superior Operating Model



88

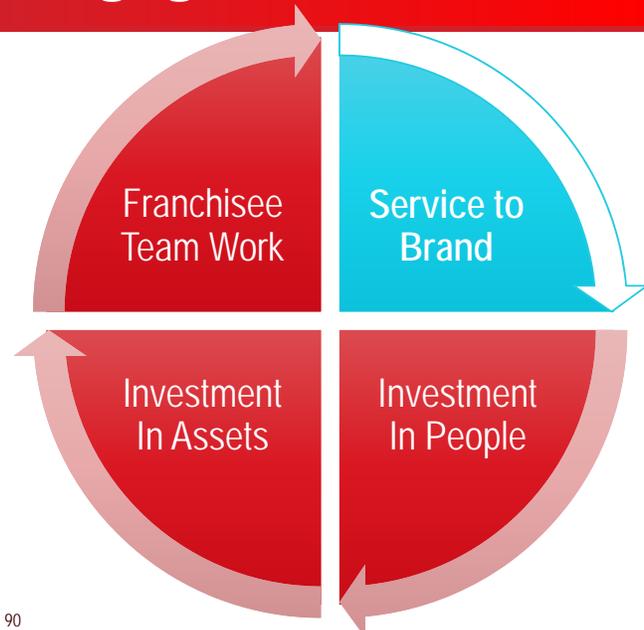
Engaged Franchisees Investing in Wendy's



- DMA Activation
- Aligned Marketing Efforts
- Aligned Ops Initiatives
- Joint Market and Capital Planning

89

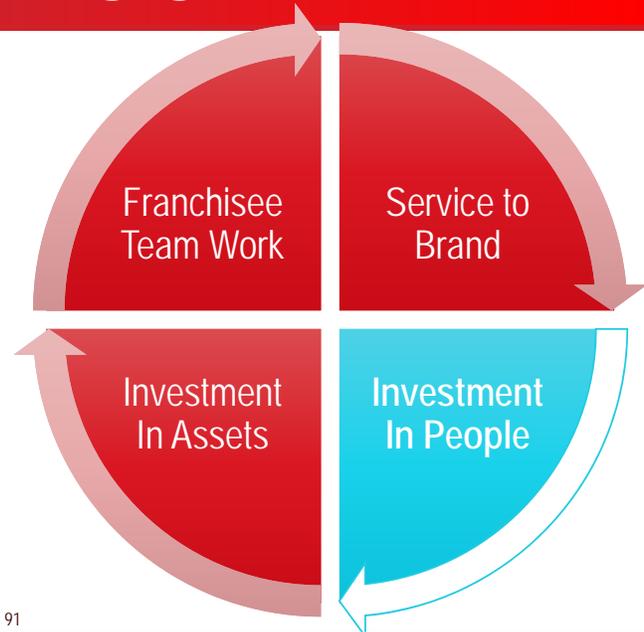
Engaged Franchisees Investing in Wendy's



- Wendy's National Advertising Program
- Franchise Advisory Council
- CFO Forum
- CIO Forum
- HR Forum
- Next Generation Sub-Committee

90

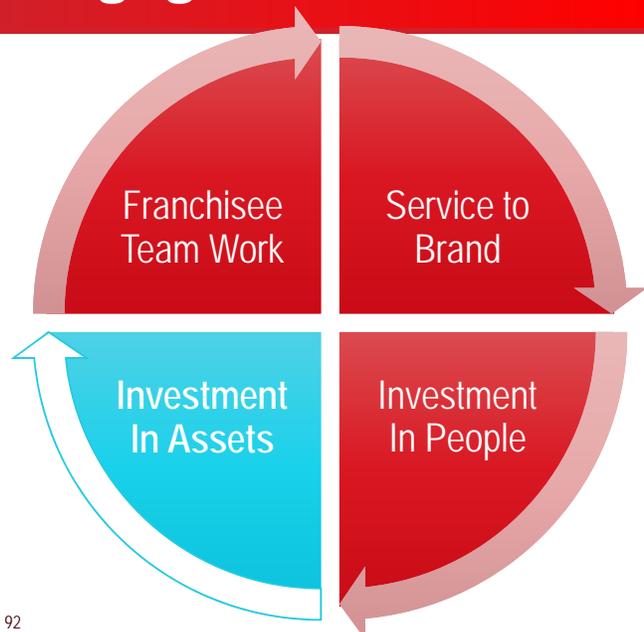
Engaged Franchisees Investing in Wendy's



- Onboarding Top Ops Leadership
- Cross Functional Talent Development
- Funding and Support for Training & Development at All Levels
- Performance Driven Incentives

91

Engaged Franchisees Investing in Wendy's



- 2013-2015 Investment
- System Optimization I, II, III
 - 826 Company Restaurants Purchased
 - 885 Franchise-to-Franchise Restaurants
 - 140 New Restaurants
 - \$85.4M in Restaurant Technology

92

Wendy's Unique Strengths



Franchisee Commitment



5 Star People



Superior Operating Model



93

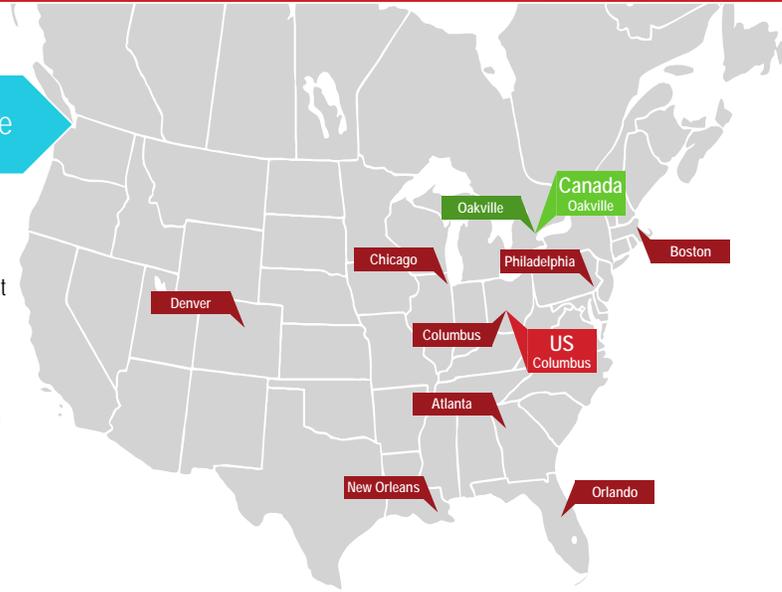
Transition to Flatter Organization Complete

Old Structure

New Structure

- US and Canada Head Offices
- 3 Fully Staffed US Regional Offices
- 12 US and 2 Canada Divisions
- Focused on Company Restaurant Operations
- Complex Communication and Deployment Infrastructure

- Centralized US and Canada Leadership
- Consolidated Centers of Excellence at Restaurant Support Centers
- Sr. Field Leaders Closer to Franchisees
- Efficient Communication and Activation
- Nimble Growth Oriented Field Teams



94

Field Teams Focused on Franchisee Success



Partner with Franchise Leadership to Activate DMA



Business Consultant to Drive Traffic, Sales & Profitability



Operational Execution & Brand Protection

95

Continued Investment in Training



3.5M+ Online Course Completions
(10,000+ per day)



1M Completions of New Product Courses & Videos



175K Food Safety Re-Certifications
10,000 new ServSafe Certifications

96

Re-Engineering Wendy's Training Systems



Customer



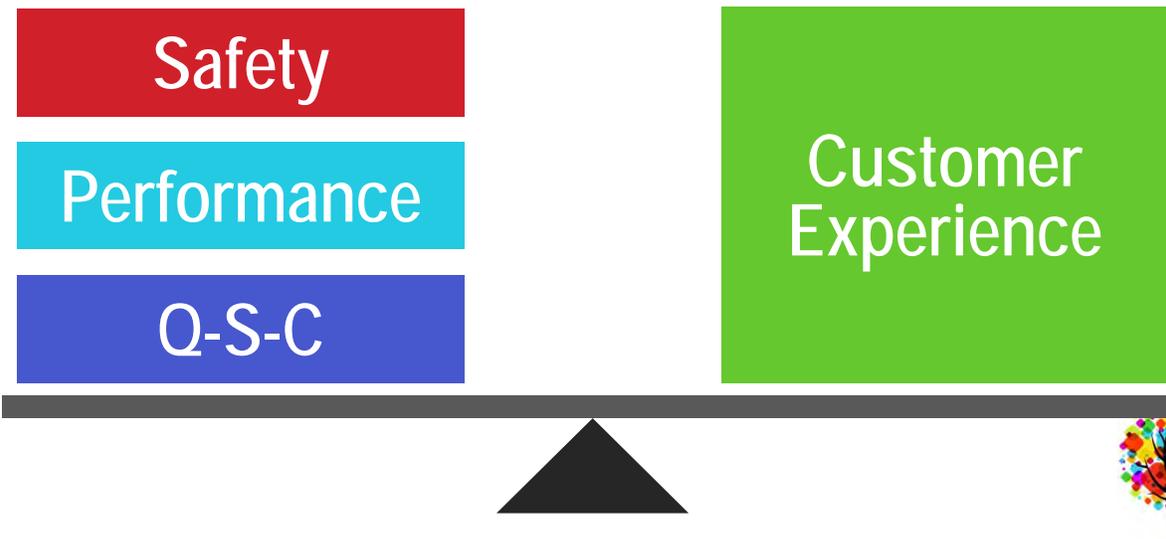
Culture



Contemporize

97

Customer Focused Restaurant Training



98

Contemporizing the Curriculum



99

New Wendy's University Building on Training Tools



More Accessible and Timely

More Practice, More Coaching

Applied Learning in Restaurant

Individualized Based on Need

More Affordable

100



5-STAR
TALENT



People
Evaluation
Scores



88%
Average



101

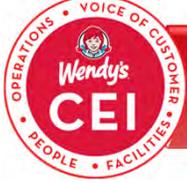
Wendy's Unique Strengths



Franchisee Commitment



5 Star People



Superior Operating Model



102



“Take care of your business and your business will take care of you.”



20% Margins* by 2020



* North American System Restaurant Margins

A large circular graphic on the left contains the Wendy's logo and the text "Wendy's CEI" in the center. The outer ring of the circle lists "OPERATIONS", "VOICE OF CUSTOMER", "PEOPLE", and "FACILITIES" separated by dots. To the right of this circle are four red callout boxes with white text and icons:

- Top box: "OPERATIONS EVALUATION" in a white header, followed by the Wendy's logo and "QSC".
- Second box: "Wendy's" in script, followed by "Voice of the Customer" in a cursive font.
- Third box: Wendy's logo, five stars, and "5-STAR TALENT".
- Bottom box: Wendy's logo and "IMAGE ACTIVATION".

105

This graphic is identical to the one above, featuring the same circular "Wendy's CEI" logo and four callout boxes on the right. The callout boxes contain the following text and icons:

- Top box: "OPERATIONS EVALUATION" header, Wendy's logo, and "QSC".
- Second box: "Wendy's" in script, followed by "Voice of the Customer" in cursive.
- Third box: Wendy's logo, five stars, and "5-STAR TALENT".
- Bottom box: Wendy's logo and "IMAGE ACTIVATION".

106



The image features a large red circular logo on the left with the text "Wendy's CEI" in the center. The outer ring of the logo contains the words "OPERATIONS", "VOICE OF CUSTOMER", "PEOPLE", and "FACILITIES" separated by dots. To the right of the logo are four smaller icons: "OPERATIONS EVALUATION Wendy's QSC", "Wendy's Voice of the Customer" in a red banner, "5-STAR TALENT" with a Wendy's head icon, and "Wendy's IMAGE ACTIVATION" with a Wendy's head icon.

109

Proactive Feedback

The graphic is titled "Proactive Feedback". It features a blue circle labeled "Past" next to a black office phone. A green circle labeled "Future" is positioned above a laptop displaying a "Wendy's Customer Survey" form. A smartphone also displays the survey form. The laptop screen shows a form with fields for Store Number, Date of Visit, Time of Visit, and Transaction Number, along with a "Start" button. The survey form on the laptop also includes a "Wendy's Store" section with fields for Name, Address, and Phone Number.

110

Reactive Feedback



Wendy's

Icons: Money bag, Car, Wrench

Past

This image shows a call center environment with several employees at their desks. Overlaid on the image are four red teardrop-shaped icons: a money bag with a dollar sign, a car, the Wendy's logo, and a wrench. A blue circular graphic in the bottom left corner contains the word 'Past'.

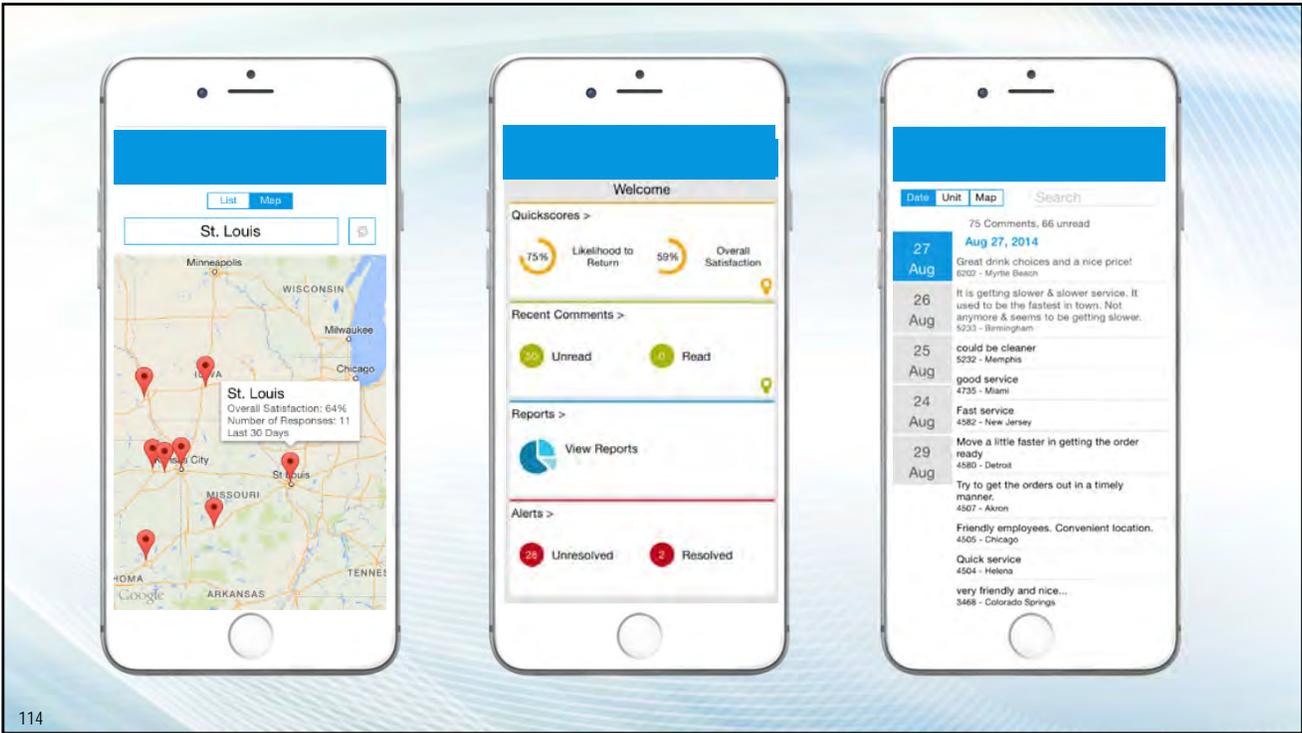
Reactive Feedback



WELCOME TO REAL WELCOME TO FRESH WELCOME TO CUSTOMER CARE

Future

This image shows a man in a light-colored shirt and dark pants standing in an office. To his right is a large wooden sign with the text 'WELCOME TO REAL WELCOME TO FRESH WELCOME TO CUSTOMER CARE'. A green circular graphic in the bottom left corner contains the word 'Future'.



Delight Mom
every customer.

20% Margins* by 2020

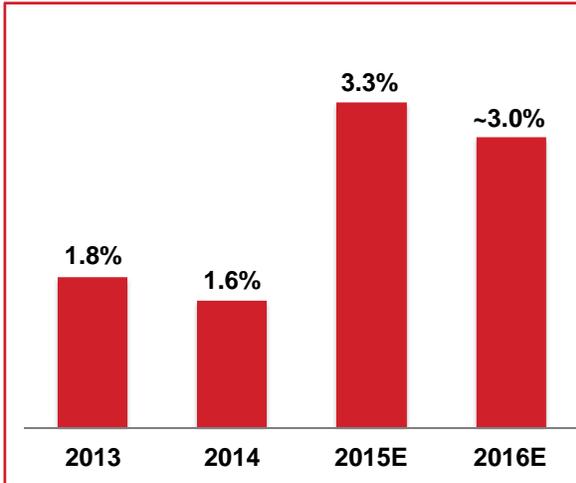
MARGIN
AUV
INVESTMENT

* North American System Restaurant Margins

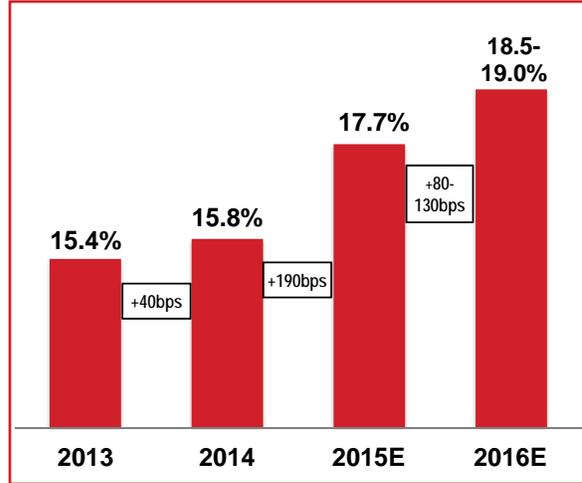
115

Margin Expansion Continues

N.A. System SRS Growth



N.A. Company Restaurant Margins



116

Labor Cost Pressure Continues

Minimum Wage \$7.25 - \$15.24 & Going Up



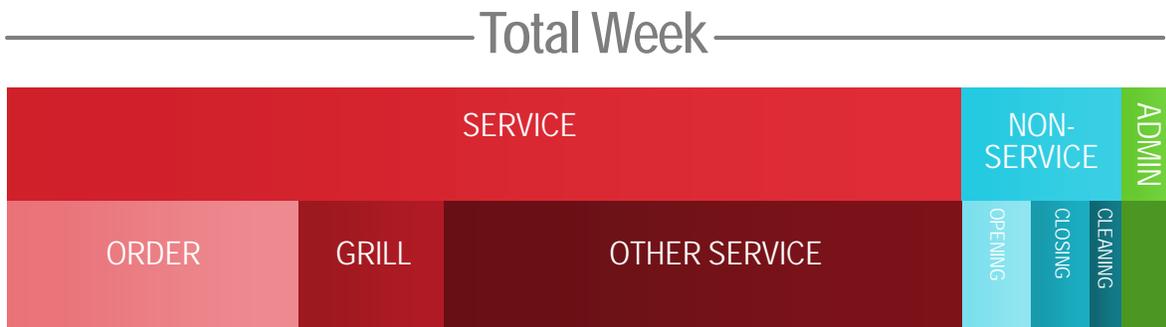
117

Wendy's Labor Model Objectives



118

Wendy's Labor Utilization



119

Wendy's Labor Utilization



120

Targeted Labor Efficiency



121

Targeted Labor Efficiency



————— Total Week —————



122

Targeted Labor Efficiency



————— Total Week —————



123

Targeted Labor Efficiency

Labor Study **Admin Tasks** **Opening** **Automation**



_____ Total Week _____



124

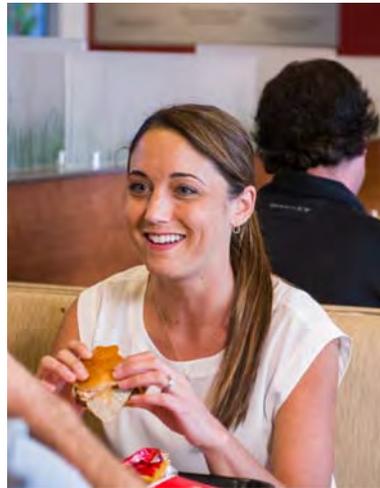
Most Important Step?

- ✓ Fresh Never Frozen Beef
- ✓ Perfectly Seasoned on the Grill
- ✓ Served Hot and Juicy
- ✓ Melted Cheese
- ✓ Freshly Prepared Toppings
- ✓ Made Fresh When You Order



125

Most Important Step...First Bite!



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Kurt Kane

Chief Concept & Marketing Officer

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Our Mission Ahead

Sales
Customer Counts
Profits
Passion

GROWTH

129

MESSAGE

129

MEDIA

TELEVISION
INTERNET
RADIO
MAGAZINES
NEWSPAPERS

CREATIVE

“Creativity is intelligence having fun.”
– Albert Einstein



What Millennials Want

- 

Food Quality
- 

Brands With Purpose
- 

Value

131

What Most Consumers Want



**Food
Quality**



**Brands
With
Purpose**



Value

132

Our Way Forward

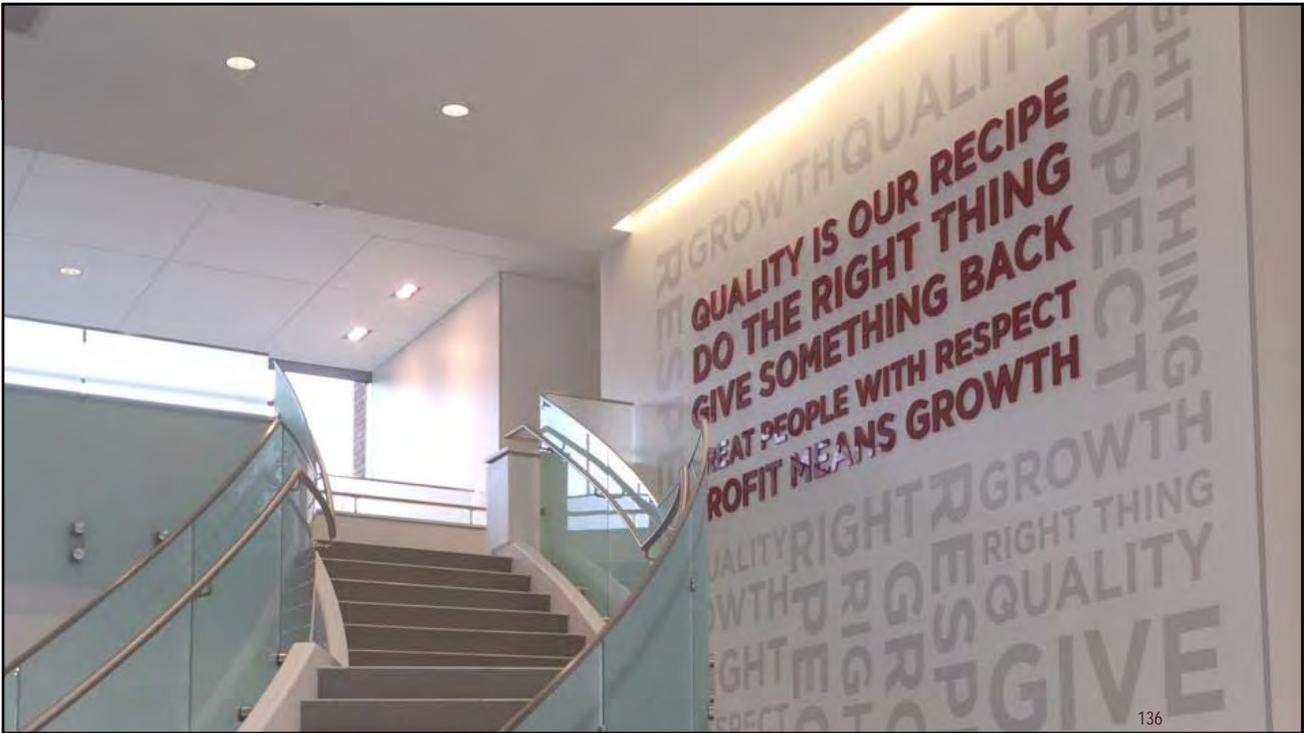
Tell Our Brand Story.

Win on Food. Period.

Help Our Customers With Value.

133





What Makes Us Deliciously Different



Well Earned Quality Halo



Fresh, Never Frozen, Beef*
Served Hot Off The Grill
Custom Prepared For You

*Fresh beef available in the contiguous U.S. & Canada

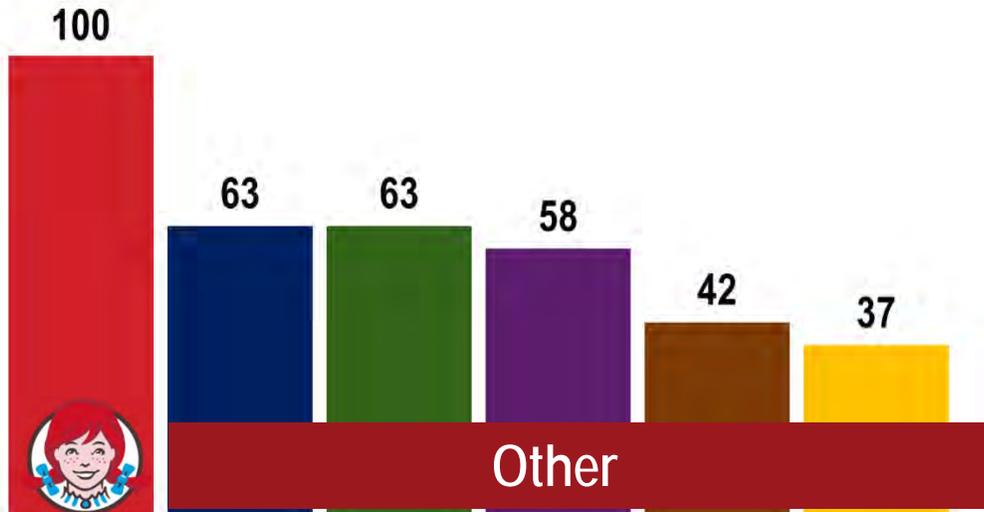


Freshly Made Salads
Produce Delivered Fresh
Hand Chopped



138

High Quality Food



Source: Wendy's Brand Health Tracking - % Consumers Endorsing Index (WEN = 100) Q4 '15 (Top 6 HB Category Brands by Share)



Delicious
Elevating
Loyalty creating
Inspires passion
Great value
Honest ingredients
Trend connected

We Love Celebrating Unmatched Core Items



+BACON
MADE EVERY DAY
RIGHT HERE

+BEEF
SERVED HOT
OFF THE GRILL

+FRESH
MADE AFTER
YOU ORDER

BACONATOR®

© 2015 Oldemark LLC



**BURNING
DESIRE**

— THE ORIGINAL —
SPICY CHICKEN

© 2015 Oldemark LLC



Different
is
GOOD

IT'S CALLED A "SINGLE," BUT IT'S SO MUCH MORE THAN 1 THING. START WITH THE BUN. IT HOLDS THE WHOLE THING TOGETHER. AND OUR NEW BAKERY-STYLE BUN WAS INSPIRED BY DAVE'S ORIGINAL RECIPE. THEN YOU'VE GOT ALL OF THE

DELICIOUS BECAUSE IT'S DIFFERENT

YOU CAN'T FORGET THE STAR-★ OUR CLASSIC SQUARE PATTY. 100% PURE, NORTH AMERICAN BEEF, RAISED ON RANCHES CLOSE TO OUR RESTAURANTS SO IT'S DELIVERED FRESH, NEVER FROZEN.

MAKING YOUR HAMBURGER HOT OFF OUR GRILL

SO YEAH. THE OTHER GUYS MAY CALL THEIR "BURGERS," BUT IN THE END, WE MAKE SURE EVERY LAYER IS MADE FOR YOU, 'CAUSE THAT'S HOW DAVE DID IT.

TOPPINGS — OH-SO-MANY TOPPINGS. CRISP & FRESH TOMATOES AND LETTUCE, PREPPED DAILY IN THIS RESTAURANT.

Dave's SINGLE









Connecting With Hispanic Consumers



THE AMBI-CULTURAL ADVANTAGED (1+1=3)

I know I am different. My Latino self (roots, traditions, culture, language) + my American self (dreams, aspirations, drive for betterment) collide and connect to empower me to do more and be more.

148

• ES RICO SER •
DISTINTOS

149

WHAT DOES THIS MEAN?



IT'S COOL/DELICIOUS
TO BE DISTINCT.

150



Quality Heritage Enables Great LTOs



Hitting Passion Points Pays Off



Quality Advantage Carries Over To Fries

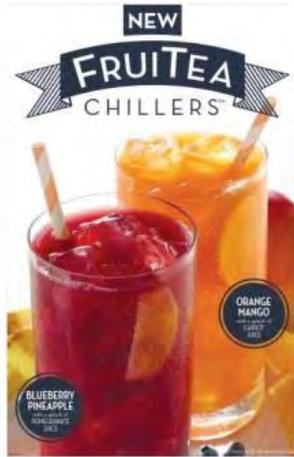


156

Meeting Needs Of Evolving Tastes



Capturing the Beverage Opportunity



Coca-Cola, Sprite and Diet Coke are registered trademarks of The Coca-Cola Company. HONEST is a registered trademark of HONEST Tea, Inc.

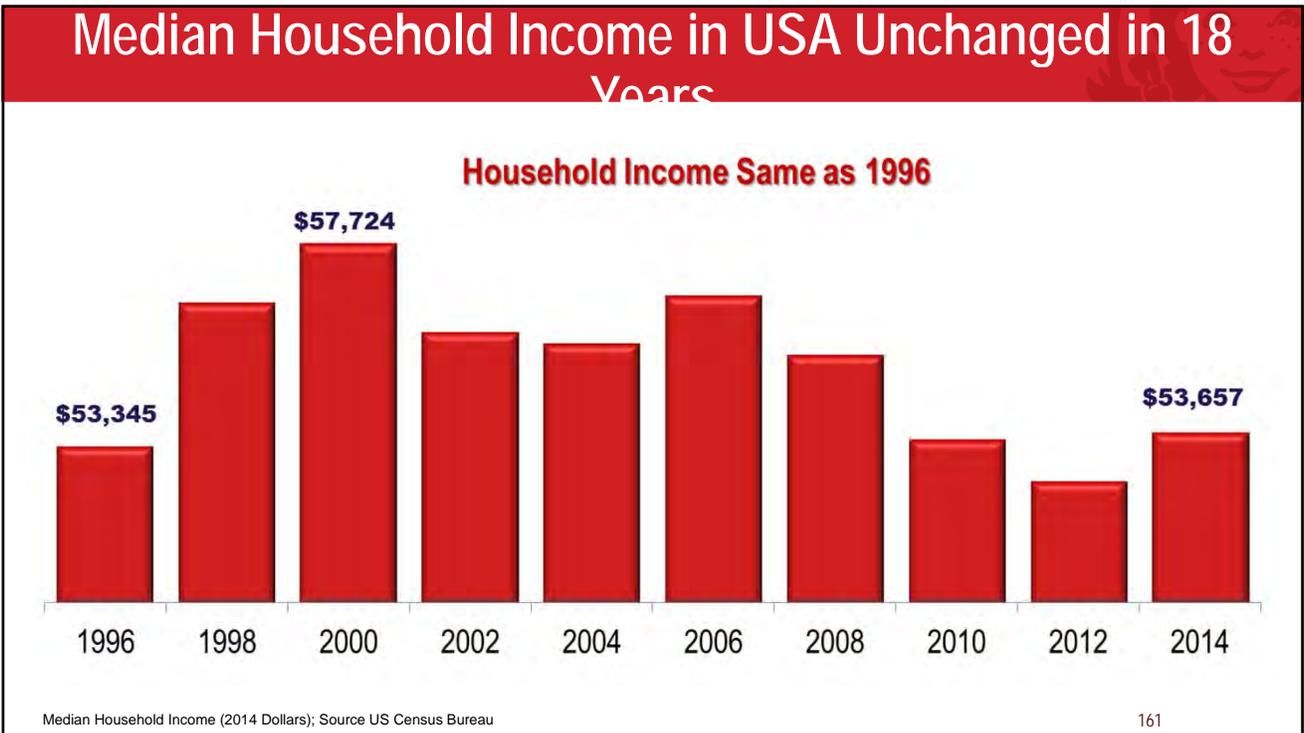
158

Changing Perceptions With Salads



It's not what your salad goes into,
IT'S WHAT GOES INTO YOUR SALAD.

- 1 Ensure core line stays best in QSR
- 2 Support in targeted and continuous way
- 3 Use seasonal LTOs to keep interest high



Customers Reward Those Who They Believe Are Helping Them Out



**Can't Be
Whispered**



**Must Hit Key Meal
Price Points**



Relevant At Lunch



**Instantly
Recognizable**

GET MORE WITH

4 \$ FOR 4

For a limited time only, we are offering a big deal on a big meal! Get a Jr. Bacon Cheeseburger, 4-piece nuggets, fries and a drink for just \$4.

FIND A WENDY'S® ▶



Coca-Cola is a registered trademark of The Coca-Cola Company.

Increase in nightly comments observed from 10/12-10/13, compared to 10/1-10/11. As reported by Wendy's social monitoring partner ICUC.

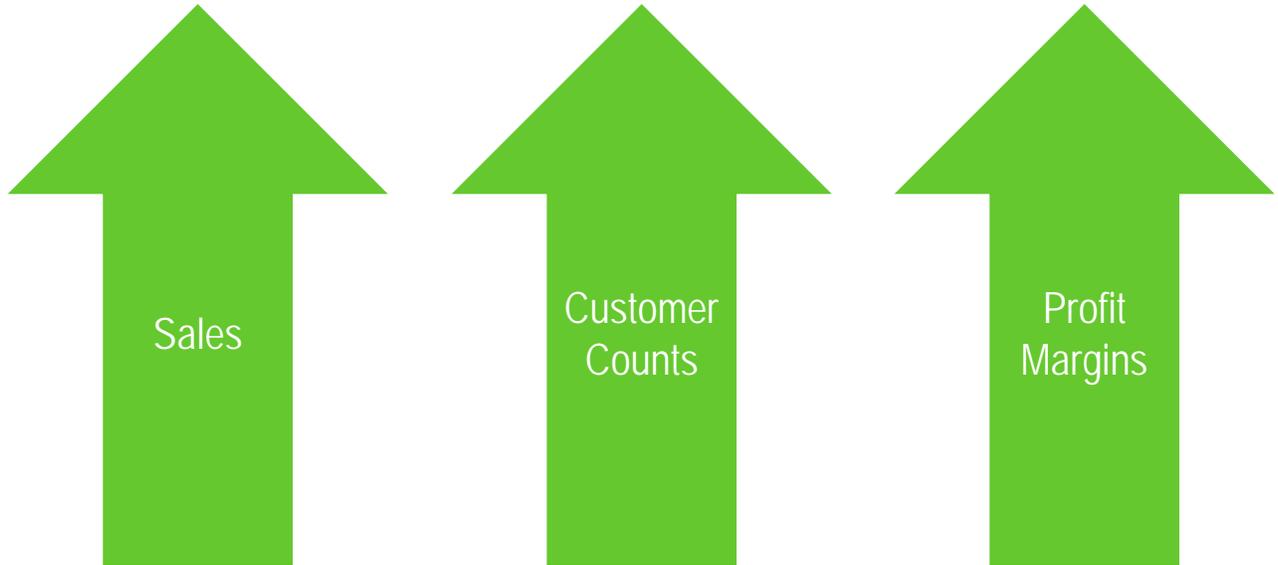
164



The collage features multiple instances of the 'NEW 4 FOR \$4 MEAL' advertisement. Overlaid on this are several social media comments:

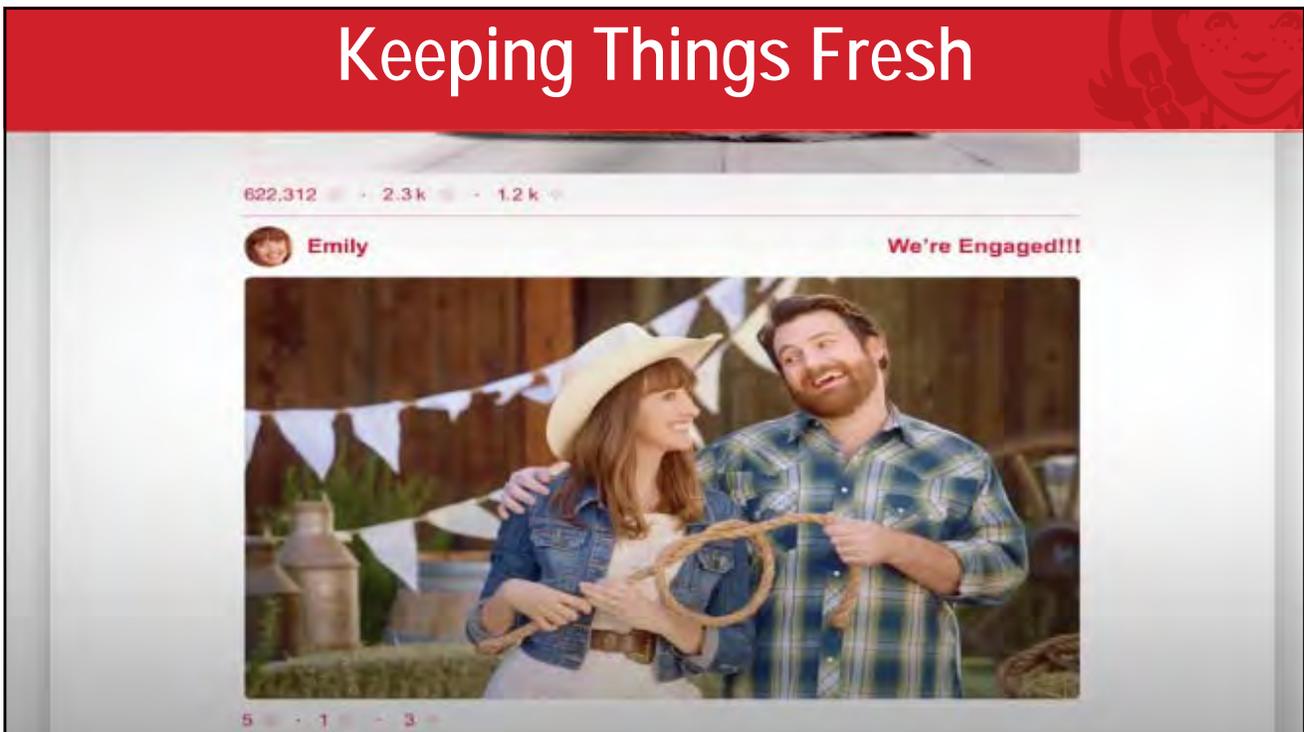
- David Thacker** (@DavidThacker): "Dear @Wendys can you please keep the 4 for 4 forever? Sincerely, Americans Everywhere"
- Heidi Grossnickle** (@HeidiGrossnickle): "Now that Wendy's has that 4 for 4 I've been eating it almost every day - DRINK #IThinkImAddicted"
- Eyoncé** (@craver1): "When I die I want my funeral at wendys and put a 4 for \$4 in my casket." (17h)
- Gina Navarra** (@gnavarra): "The @Wendys 4 for \$4 meal = best idea ever! My budget and my appetite both thank you 😊"

Customers Clearly Responding

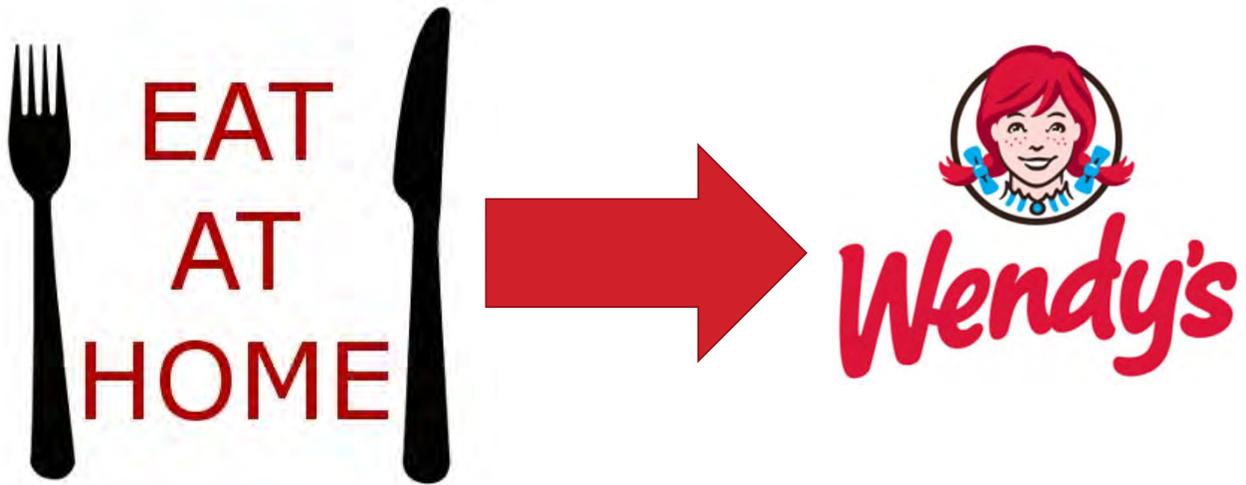


166

Keeping Things Fresh



BUT...Value Is NOT A Zero Sum Game



169

Balance Across Core, LTO & Price/Value



170

Reaching For New Heights

Tell Our Brand Story.

Win on Food. Period.

Help Our Customers With Value.

171

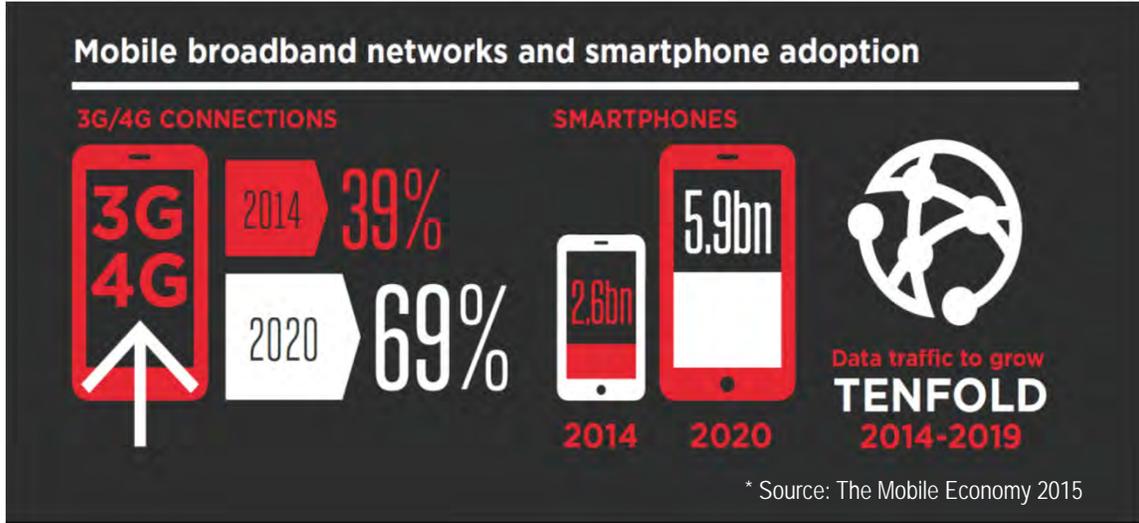


David Trimm

Chief Information Officer

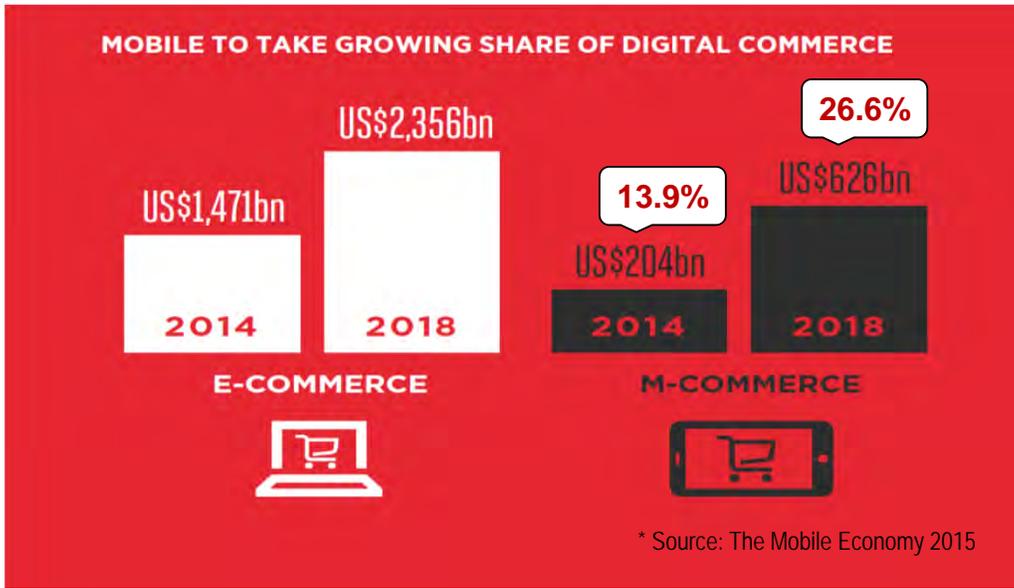
172

Explosive Mobile Data Traffic Growth



173

Mobile Is At The Heart Of Future Commerce



174

Customers Choose Self Service



- 75% of customers prefer to use self-service and expect this option to be available (source Gartner)
- “...nearly every important technology development of the past 20 years also happens to be a line-killer... now you can almost live your entire life without waiting in line” Andy Kessler, WSJ Feb 2014
- 64% of US adults now own a smartphone; 7% have no other connectivity (source Pew)
 - Skews towards younger adults (15% of 18-29) and lower incomes (13% of <\$30k)

Digital, Mobile And Self-Service Are Critical

175

Our Strategy

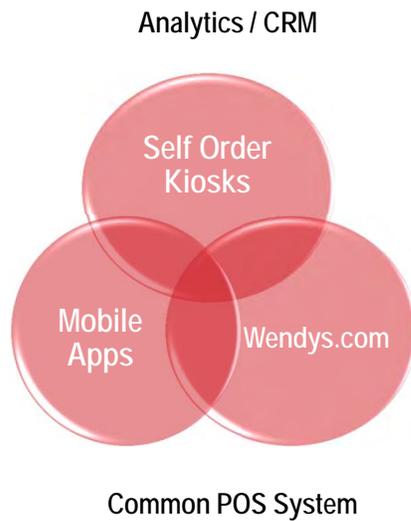
Use Technology To Enable A Deliciously Different Wendy's Restaurant Experience

- Establishes brand relevance and brand differentiation
- Generates economic model relevance
- Builds customer loyalty

Success driven by significant shift in customer behavior over next 2 years

176

Key Technology Components



- **Architected to work together.**
- **Products of our 90° lab.**
- **Common POS foundation makes this possible.**

**Delivering The
Deliciously Different
Experience**

177

Single Common POS Deployment

- Currently in all company restaurants
- ... and ~60% of all restaurants
- By end of Q1 ~75% of restaurants live
- On track to complete by end 2016



The Foundation For Our Restaurant Technology Strategy

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App 2.0: Ordering + Pay + Offers + Platform For More



Landing Page Communication



Social Login



Integrated Offers



Customization



Make a Combo

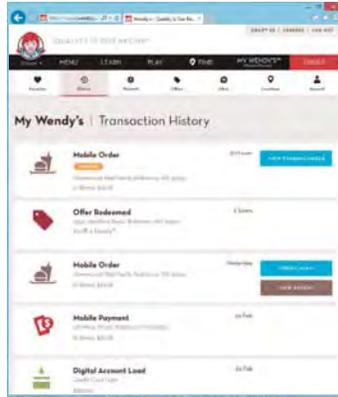


Mobile Payment

App 2.0: Ordering + Pay + Offers + Platform For *More*



Nutrition and Allergen Information



Transaction History / Quick Order

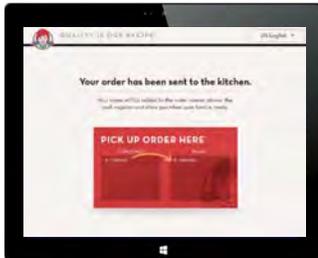
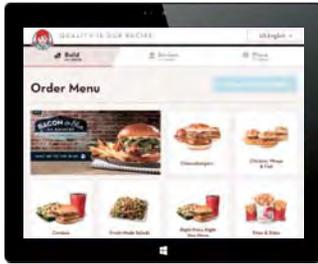
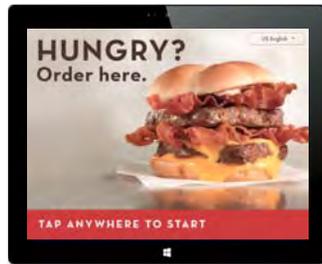


Beacon Enabled

All Functionality Available Now

181

Customer Self-Ordering Kiosk (CSO)



New Version Ready Now:
Currently In Restaurant Pilot Mode

182

Turn On Mobile Ordering By Market

Replaces Existing "MyWendy's" App In App Stores

App is live nationally:

- Locator
- Menu/Nutrition
- Mobile Pay
- Offers



(above for illustrative purposes only)

183

Connecting With Customers On Digital



- Roll-out region by region
- Robust digital media support to maximize impact



The Customer Is In Control: Like They Own The Place

184

Digital & Wendy's: Perfect Partners

- Freshly made every time means...
 - ... We make your food when you arrive not when you place the order
 - ... We can cope with any customization you put in the order
- A Common POS means...
 - ... No "special handling" for mobile orders
- Beacon technology means...
 - ... Magic when you arrive: inside or out

Digital Tools Play To Wendy's Core Strengths

185

1:1 Relationship Marketing

- Common POS platform and digital assets give great customer insight
- This allows tailored offers and relevant communications
- Transition from generic offers to personalized rewards



Driving Loyalty And Share Of Wallet

A Deliciously Different Customer Experience



- Never having to “wait in line”
- You control the order: get exactly what you want: customization is the norm
- Made fresh, every time
- Nutrition and allergy information at your fingertips
- Relevant, personalized offers

Arriving In 2016

187



Kurt Kane

Lunch Menu

© 2016 Quality Is Our Recipe, LLC

Today's Deliciously Different Lunch



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Wendy's
THE WENDY'S COMPANY

Driving Growth: Development

Abigail Pringle

Chief Development Officer

190

DEVELOPMENT GROWTH JOURNEY: 2020 VISION

60% + REIMAGED

1000 NEW RESTAURANTS

500 NET NEW

System Optimization
Financial Management
Global Growth
Restaurant Utilization & Brand Access
New Restaurant Growth
Image / Experience Activation
North America Same-Restaurant Sales Growth

SYSTEM OPTIMIZATION

191

REASONS TO BELIEVE

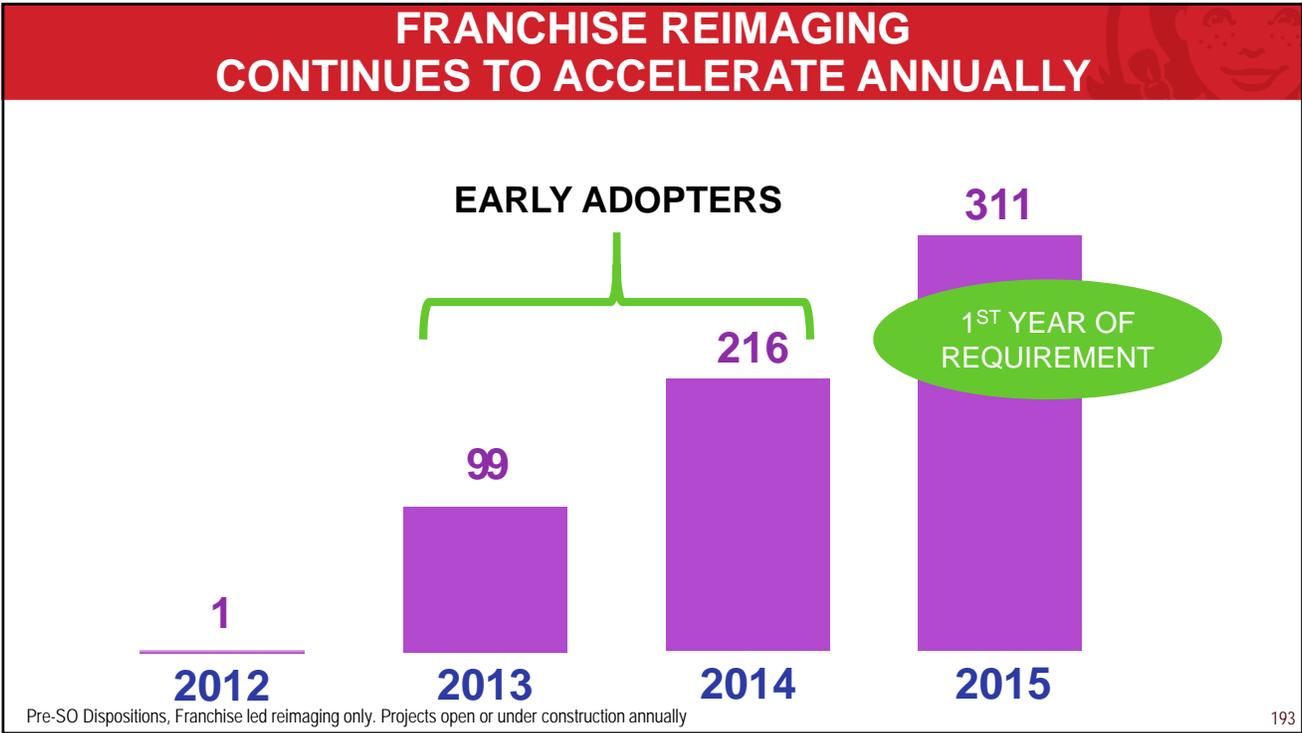
HIGHER FRANCHISEE ENGAGEMENT AND INVESTMENT THAN EVER BEFORE

COMPELLING ECONOMICS: PROFITS AND RETURNS

COLLABORATIVE FRANCHISEE PARTNERSHIP

INCREASED BRAND RELEVANCE & HEALTHIER SYSTEM





FRANCHISEE COMMITMENT

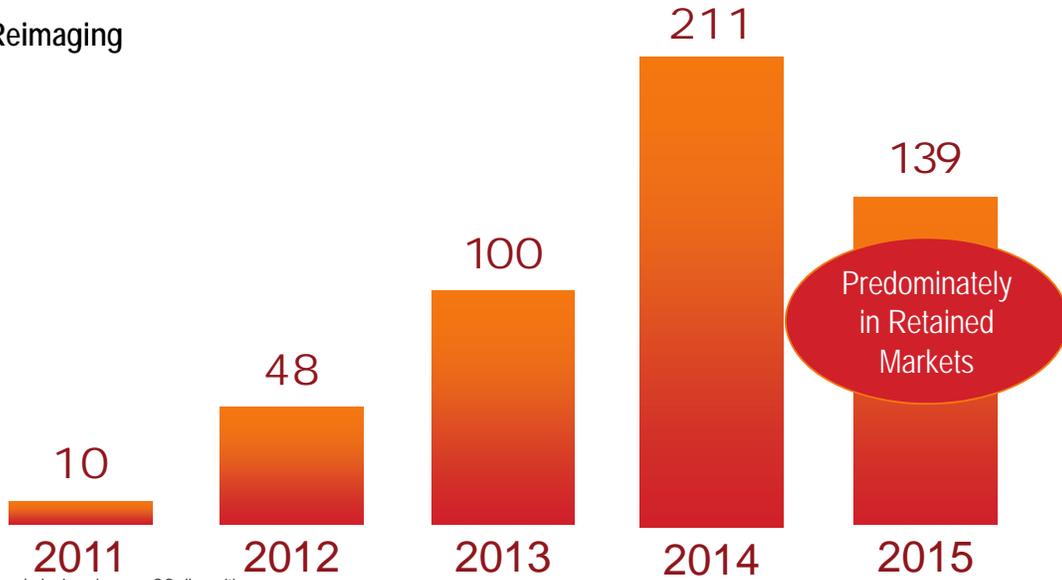
Belief in the Brand & Their Customers

- 150 Franchisees
10% Reimagined
- 50% of Largest Franchisees
Reimagined \geq 20%
- 10 Franchisees
100% Reimagined

One-Half of Reimages Completed by Smaller Franchisees

Company Leadership in Reimaging

Annual Reimaging



Annual Company led reimaging, pre-SO dispositions

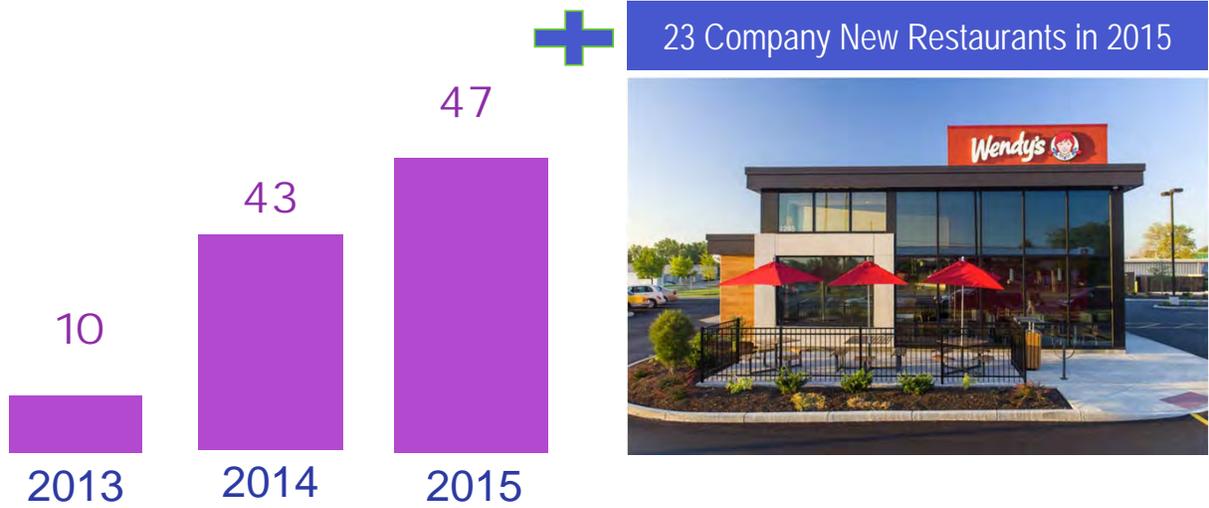
195

62%

OF COMPANY ON NEW IMAGE AT YEAR END 2015

Year end 2015 IA % Company, Post SO III

FRANCHISE NEW DEVELOPMENT GROWING ANNUALLY WITH IMAGE ACTIVATION



As of 1/1/14, IA became design standard. Includes only franchise new restaurants with IA design- Pre SO I,II,III. All company restaurants are with IA design.

197

22%

OF WENDY'S NORTH AMERICA SYSTEM ON NEW IMAGE

Year end 2015 IA % System

Franchisees Investing in the Brand

2015

Pittsburgh
Springfield, MA
Boston
Philadelphia
West Palm Beach
Fort Lauderdale
Cincinnati
Charleston/Huntington

Franchisees Investing in the Brand

2016

Shreveport
Atlanta
New York
Miami
Baton Rouge/Lafayette
Chicago
Raleigh-Durham
New Orleans

**SIGNIFICANT FRANCHISE INVESTMENT
IN GROWTH THROUGH ACQUISITION**

**Refranchising
of Company
Restaurants**



- SO I 2013-2014
- SO II 2014-2015
- SO III 2015-2016

**Facilitating
Transformation of
Franchise Restaurant
Ownership**



- Franchise to Franchise Transfers
- Buy and Flip Strategy
- New Franchisees

201



**Strengthening
Our Franchise System
Through Buy & Flip Strategy**

No Third-Party Brokers & Reduced Transaction Costs

Fair and Transparent Process

New 20 Year Franchise Agreements with \$40K TAF

Market Positioned for Growth

New Restaurant & Reimaging Commitments

REASONS TO BELIEVE

HIGHER FRANCHISEE ENGAGEMENT AND INVESTMENT THAN EVER BEFORE

COMPELLING ECONOMICS: PROFITS AND RETURNS

COLLABORATIVE FRANCHISEE PARTNERSHIP

INCREASED BRAND RELEVANCE & HEALTHIER SYSTEM



203

Customer & Economics Fueling Design Evolution



Benefits of Design Evolution



Refresh Design Evolution 2016: Improving Customer Experience and Returns

*US \$



~\$250K
Investment

~\$300K
Investment

Does not include deferred maintenance

205

Refresh Design Evolution 2016: Improving Customer Experience and Returns



206

Reimaging Program Positioned for Acceleration

Refresh



Standard



\$300K to \$500K Investment *

Plus Optional Upgrades to Tailor to the Trade Area

* Does not include deferred maintenance, varies by site

DELIVERING WHAT MATTERS MOST
TO THE CONSUMER
AND IMPROVING THE PAYBACK

INVESTMENT

RETURN

Reimaging Evolution Delivers on Economics

Refresh	Standard
<p>Mid-Single to Low Double Digit Sales Lift</p> <p>40-50% Profit Flow Through*</p> <p>Low to Minimal Closure Time</p>	

*Flow Through: Profit Before Occupancy. Sales Lift vs controls

CUSTOMERS R INVESTMENT IN



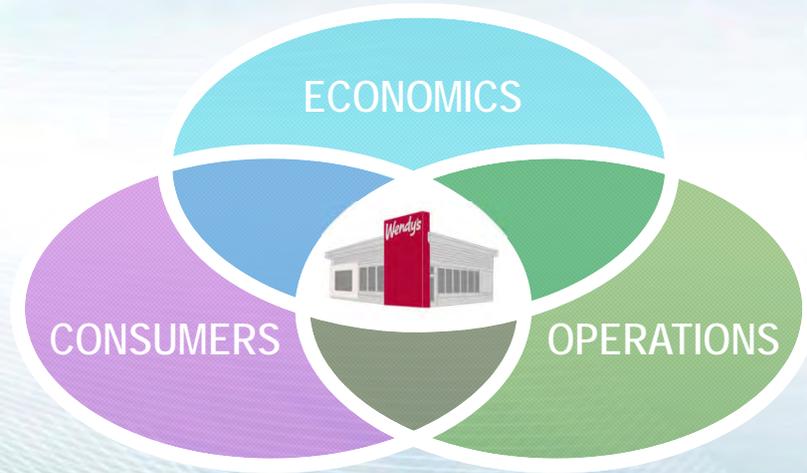
REBUILDS

25-35% Sales Lifts

40-50% Profit Flow Through*

*Flow Through: Profit Before Occupancy

Image Activation Solutions Aim For The SWEET SPOT



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REFRESH

2015
REQUIREMENT

≤ \$1.7M
AUVs

≤ \$1.4M
AUVs

Increased
Investment

Elevated
Experience

Higher Sales
Lifts Than
Expected

2016
REQUIREMENT

≤ \$2M
AUVs

≤ \$1.6M
AUVs

Compelling Reimaging Economics

Mid-Single to Low Double Digit Sales Lift

~Minimal to Low Closure Time

~70 - 80% of Sales Retained During Closure Time

Profit Flow Through 40 - 50%*

Lower Base Investment of \$300 - \$500K

Optional Upgrades to Tailor to Trade Area

*Flow Through:
Profit Before Occupancy

NEW RESTAURANT IMPERATIVE

**IMPROVED
ECONOMIC
MODEL**

**Goal:
\$300K-\$500K
in Savings**

**Sales:Investment^{*}
≥1.3:1**

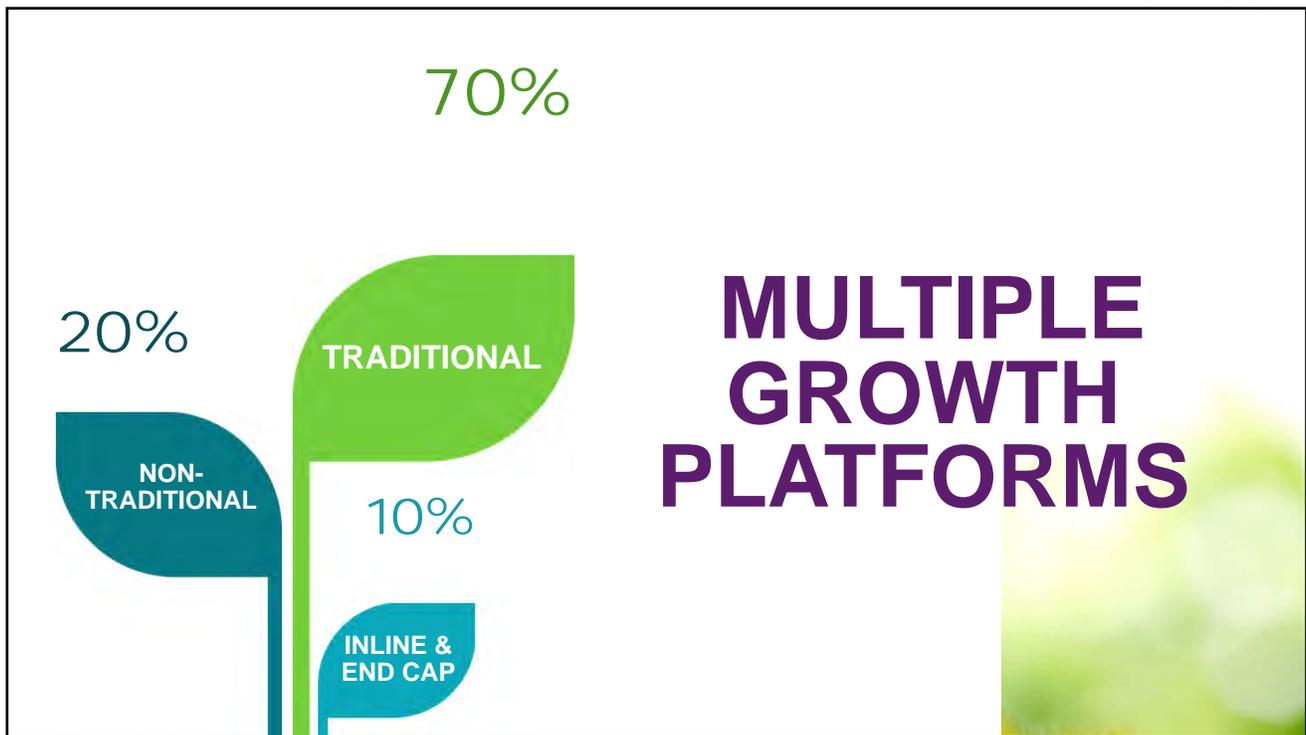
**Sales &
Profits**

*Does not include cost of real estate

IA NEW RESTAURANT AUVs ~\$1.9M



~\$300K higher than pre-IA design



NEW SMART DESIGNS IMPROVE INVESTMENT & RETURNS

\$300-500K Investment Reduction



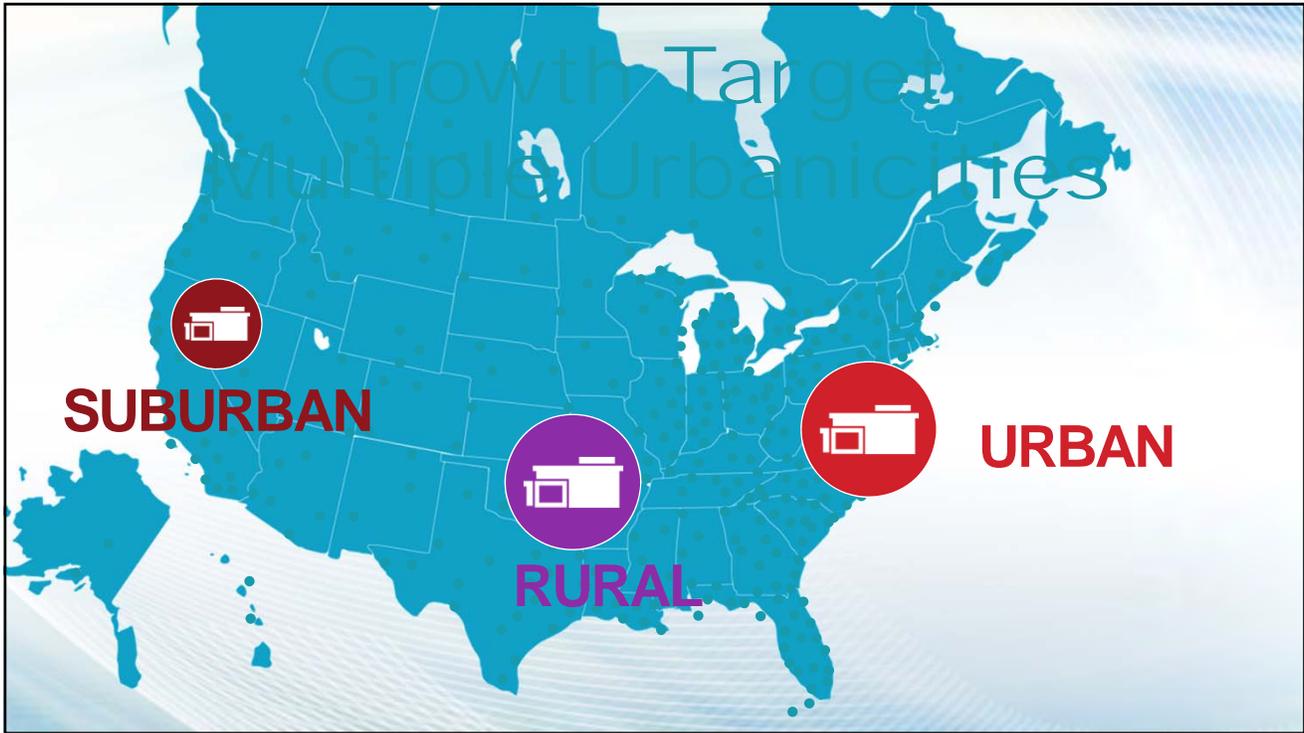
- US & CANADA
- MULTIPLE FORMATS/SIZES
- SMALLER FOOTPRINT
- ENERGY EFFICIENCY
- INNOVATIVE DESIGN
- INTEGRATED TECHNOLOGY

OLD THINKING



NEW THINKING





REASONS TO BELIEVE

HIGHER FRANCHISEE ENGAGEMENT AND INVESTMENT THAN EVER BEFORE

COLLABORATIVE FRANCHISEE PARTNERSHIP

COMPELLING ECONOMICS: PROFITS AND RETURNS

INCREASED BRAND RELEVANCE & HEALTHIER SYSTEM

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The complex block features a central cartoon character with red hair and blue bows. The background is a dark red with a halftone pattern. Four text boxes are arranged around the character: two in the top corners and two in the bottom corners. The bottom-left box is red, while the others are grey. The text '220' is in the bottom right corner.

**COLLABORATING
AND**

Reimaging and New Restaurant Incentives	Flexible and Compelling Design Solutions
Market & Joint Capital Planning	New Real Estate Procurement Program
Turnkey Program & Construction Coaching	Partner On Buying & Selling Restaurants

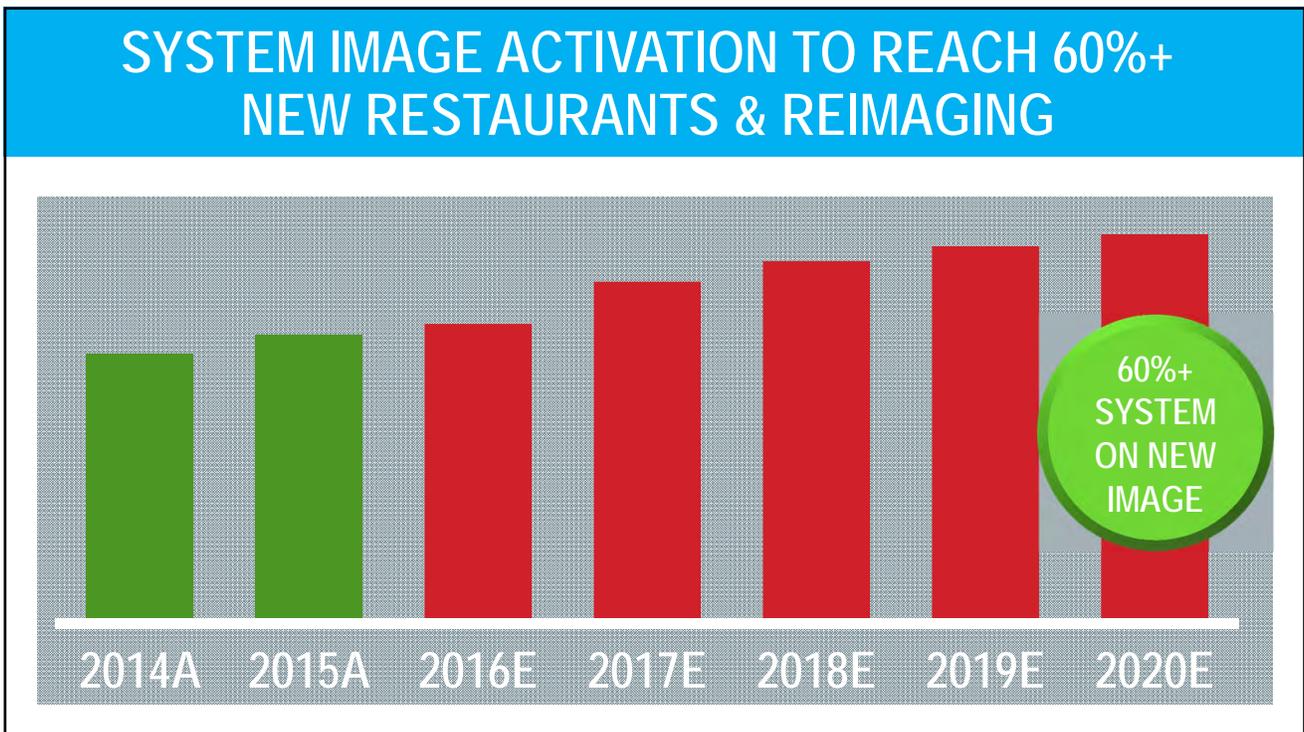
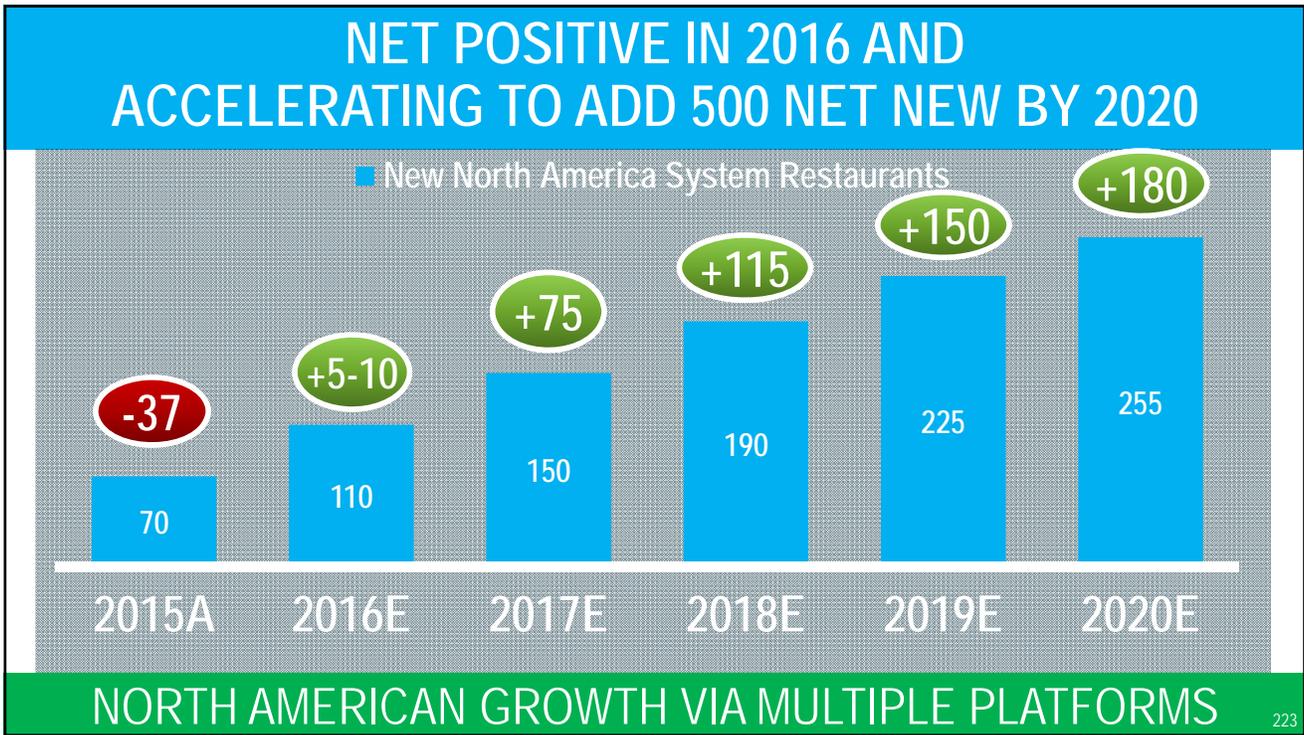
**INVESTING IN
Franchise Growth**



REASONS TO BELIEVE

HIGHER FRANCHISEE ENGAGEMENT AND INVESTMENT THAN EVER BEFORE	COMPELLING ECONOMICS: PROFITS AND RETURNS
COLLABORATIVE FRANCHISEE PARTNERSHIP	INCREASED BRAND RELEVANCE & HEALTHIER SYSTEM





HEALTHIER SYSTEM: FRANCHISE OWNERSHIP TRANSFORMING

FRANCHISE TO FRANCHISE
TRANSFERS

**200-350 Restaurants
Changing Hands Annually**

FRANCHISE ACQUISITIONS
(REFRANCHISING)

**Nearly 1100 Restaurants
Refranchised Over 4 Years***

FRANCHISE ACQUISITIONS
(BUY AND FLIP)

**~200 Restaurants in 2016
With TAF of \$40K**

FRANCHISE PROFILE
EVOLVING

**~5% Retiring Annually
Succession Planning in Process
Avg. US Franchise 16 units in 2015
vs. 12 in 2012**

*SO I, II, III (2013-2016)

REASONS TO BELIEVE

HIGHER FRANCHISEE
ENGAGEMENT AND
INVESTMENT THAN
EVER BEFORE

COMPELLING
ECONOMICS:
PROFITS AND
RETURNS

COLLABORATIVE
FRANCHISEE
PARTNERSHIP

INCREASED
BRAND RELEVANCE &
HEALTHIER SYSTEM



Summary

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The Wendy's Company – A Long-Term Growth Story

Deliciously Different in All We Do... Food, People & Place

Ongoing System Optimization Focused on Growth

Stronger Restaurant Economic Model to Ignite New Restaurant Development

Will Continue to Ensure G&A and Capital Expenditures Drive ROI

Predictable and Sustainable High Quality of Earnings

Adjusted EPS and Free Cash Flow Acceleration

Capital Structure in Place to Return Significant Cash to Shareholders

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The Wendy's Way



Technology as an Enabler

A Franchise System Committed to Growth

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Wendy's®

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Questions and Answers

E-mail questions to: david.poplar@wendys.com

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Reconciliations

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The Wendy's Company and Subsidiaries				
Consolidated Statements of Operations				
Three and Twelve Month Periods Ended January 3, 2016 and December 28, 2014				
(In Thousands Except Per Share Amounts)				
(Unaudited)				
	Three Months		Twelve Months	
	2015	2014 ¹	2015	2014 ¹
Revenues:				
Sales	\$ 337,170	\$ 389,289	\$ 1,438,802	\$ 1,608,455
Franchise revenues	127,195	88,014	431,495	390,047
	<u>464,365</u>	<u>477,303</u>	<u>1,870,297</u>	<u>1,998,502</u>
Costs and expenses:				
Cost of sales	272,316	323,935	1,184,073	1,365,086
General and administrative	72,401	59,515	296,553	280,732
Depreciation and amortization	33,751	40,431	146,051	153,862
System optimization gains, net	(59,258)	(17,483)	(74,009)	(91,513)
Reorganization and realignment costs	5,264	14,527	21,910	31,883
Impairment of long-lived assets	11,533	8,389	25,001	19,613
Other operating expense, net	12,046	8,088	37,248	28,209
	<u>388,053</u>	<u>477,492</u>	<u>1,599,827</u>	<u>1,785,914</u>
Operating profit	116,312	49,901	274,470	242,588
Interest expense	(28,185)	(12,821)	(86,067)	(51,994)
Loss on early extinguishment of debt	-	-	(7,295)	-
Investment income, net	52,035	23	52,214	1,199
Other income, net	260	175	806	747
Income from continuing operations before income taxes	140,422	37,278	234,128	192,540
Provision for income taxes	(51,741)	(14,323)	(94,149)	(76,116)
Income from continuing operations	88,681	22,955	139,979	116,424
Discontinued operations:				
Income from discontinued operations, net of income taxes	1,323	339	10,494	5,010
(Loss) gain on disposal of discontinued operations, net of income taxes	(4,148)	-	10,669	-
Net (loss) income from discontinued operations	(2,825)	339	21,163	5,010
Net income	<u>\$ 85,856</u>	<u>\$ 23,294</u>	<u>\$ 161,142</u>	<u>\$ 121,434</u>
Basic income (loss) per share:				
Continuing operations	\$ 0.32	\$ 0.06	\$ 0.43	\$ 0.31
Discontinued operations	(0.01)	-	0.07	0.01
Net income	\$ 0.31	\$ 0.06	\$ 0.50	\$ 0.33
Diluted income (loss) per share:				
Continuing operations	\$ 0.32	\$ 0.06	\$ 0.43	\$ 0.31
Discontinued operations	(0.01)	-	0.06	0.01
Net income	\$ 0.31	\$ 0.06	\$ 0.49	\$ 0.32
Number of shares used to calculate basic income (loss) per share	273,292	365,497	323,018	370,160
Number of shares used to calculate diluted income (loss) per share	<u>279,024</u>	<u>371,050</u>	<u>329,725</u>	<u>376,182</u>
¹ 2014 consolidated statements of operations reflect reclassifications to conform to the current year presentation.				
Balance Sheet Data:			January 3, 2015	December 28, 2014 ¹
Cash and cash equivalents			\$ 327,218	\$ 267,112
Total assets			4,108,720	4,137,599
Long-term debt, including current portion			2,426,113	1,438,174
Total stockholders' equity			752,914	1,717,576
¹ December 28, 2014 balance sheet data reflects our bakery's assets and liabilities as discontinued operations.				

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Reconciliation of Adjusted EBITDA from Continuing Operations to Net Income
(In Thousands)
(Unaudited)

	Three Months		Twelve Months	
	2015	2014 ¹	2015	2014 ¹
Adjusted EBITDA from continuing operations	\$ 107,602	\$ 95,765	\$ 392,423	\$ 356,476
(Less) plus:				
Depreciation and amortization	(33,751)	(40,431)	(145,051)	(153,862)
System optimization gains, net	59,258	17,483	74,009	91,510
Reorganization and realignment costs	(5,264)	(14,527)	(21,910)	(31,903)
Impairment of long-lived assets	(11,533)	(8,389)	(25,001)	(19,613)
Operating profit	116,312	49,901	274,470	242,588
Interest expense	(28,185)	(12,821)	(86,067)	(51,994)
Loss on early extinguishment of debt	-	-	(7,295)	-
Investment income, net	52,035	23	52,214	1,199
Other income, net	260	175	806	747
Income from continuing operations before income taxes	140,422	37,278	234,128	192,540
Provision for income taxes	(51,741)	(14,323)	(94,149)	(76,116)
Income from continuing operations	88,681	22,955	139,979	116,424
Discontinued operations:				
Income from discontinued operations, net of income taxes	1,323	339	10,494	5,010
(Loss) gain on disposal of discontinued operations, net of income taxes	(4,148)	-	10,669	-
Net (loss) income from discontinued operations	(2,825)	339	21,163	5,010
Net income	<u>\$ 85,856</u>	<u>\$ 23,294</u>	<u>\$ 161,142</u>	<u>\$ 121,434</u>
Adjusted EBITDA margin	23.2%	19.7%	21.0%	17.8%
Previously reported Adjusted EBITDA ¹		\$ 107,055		\$ 392,746
Updated to exclude net gain on disposal of assets		(8,346)		(21,948)
Updated to exclude Adjusted EBITDA from our bakery's discontinued operations		(2,944)		(14,322)
Adjusted EBITDA from continuing operations		\$ 95,765		\$ 356,476
¹ 2014 Adjusted EBITDA updated to conform to the current year presentation.				

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		2014 ¹	
	Per share		Per share	
Adjusted income and adjusted earnings per share from continuing operations	\$ 33,108	\$ 0.12	\$ 31,465	\$ 0.08
Plus (less):				
Dividend from Arby's	38,591	0.14	-	-
System optimization gains, net	30,594	0.11	5,535	0.02
Impairment of long-lived assets	(7,127)	(0.03)	(4,524)	(0.01)
Reorganization and realignment costs	(3,271)	(0.01)	(7,575)	(0.02)
Other than temporary loss on investment	(1,340)	(0.01)	-	-
Depreciation of assets that will be replaced as part of the Image Activation initiative	(1,261)	(0.00)	(1,946)	(0.01)
Loss on early extinguishment of debt	133	(0.00)	-	-
Total adjustments	55,573	0.20	(8,510)	(0.02)
Income from continuing operations	88,681	0.32	22,955	0.06
Net (loss) income from discontinued operations	(2,825)	(0.01)	338	0.00
Net income	\$ 85,856	\$ 0.31	\$ 23,294	\$ 0.06
Previously reported adjusted income and adjusted earnings per share ¹			\$ 36,852	\$ 0.10
Updated to exclude net gain on disposal of assets			(5,151)	(0.02)
Updated to exclude adjusted income from our bakery's discontinued operations			(336)	(0.00)
Adjusted income and adjusted earnings per share from continuing operations			\$ 31,465	\$ 0.08

	Twelve Months			
	2015		2014 ¹	
	Per share		Per share	
Adjusted income and adjusted earnings per share from continuing operations	\$ 109,621	\$ 0.33	\$ 108,528	\$ 0.29
Plus (less):				
Dividend from Arby's	38,591	0.12	-	-
System optimization gains, net	32,187	0.10	48,245	0.13
Impairment of long-lived assets	(15,396)	(0.05)	(11,083)	(0.03)
Reorganization and realignment costs	(13,492)	(0.04)	(17,445)	(0.05)
Depreciation of assets that will be replaced as part of the Image Activation initiative	(5,300)	(0.02)	(11,940)	(0.03)
Loss on early extinguishment of debt	(4,492)	(0.01)	-	-
Other than temporary loss on investment	(1,940)	(0.00)	-	-
Gain on sale of investment, net	-	-	121	0.00
Total adjustments	30,158	0.10	7,898	0.02
Income from continuing operations	139,779	0.43	116,424	0.31
Net income from discontinued operations	21,163	0.06	5,010	0.01
Net income	\$ 161,142	\$ 0.49	\$ 121,434	\$ 0.32
Previously reported adjusted income and adjusted earnings per share ¹			\$ 127,035	\$ 0.34
Updated to exclude net gain on disposal of assets			(13,542)	(0.04)
Updated to exclude adjusted income from our bakery's discontinued operations			(4,967)	(0.01)
Adjusted income and adjusted earnings per share from continuing operations			\$ 108,528	\$ 0.29

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

