






**Second-Quarter 2014
Conference Call
August 7, 2014**

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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 August 7, 2014 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, 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 August 7, 2014 and posted on www.aboutwendys.com.

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EMIL BROLICK

President & CEO



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ACHIEVED EARNINGS GROWTH WITH 418 FEWER COMPANY RESTAURANTS

STRONG COMPANY-OPERATED SAME-RESTAURANT SALES OF 3.9 PERCENT

COMPANY RESTAURANT MARGIN IMPROVED 110 bps TO 17.8 PERCENT

ADJUSTED EBITDA & ADJUSTED EPS GROWTH IN LINE WITH EXPECTATIONS

PLANNED SALE OF ~ 135 RESTAURANTS IN CANADA LEADS GROWTH INITIATIVE

Wendy's Second-Quarter 2014 Highlights



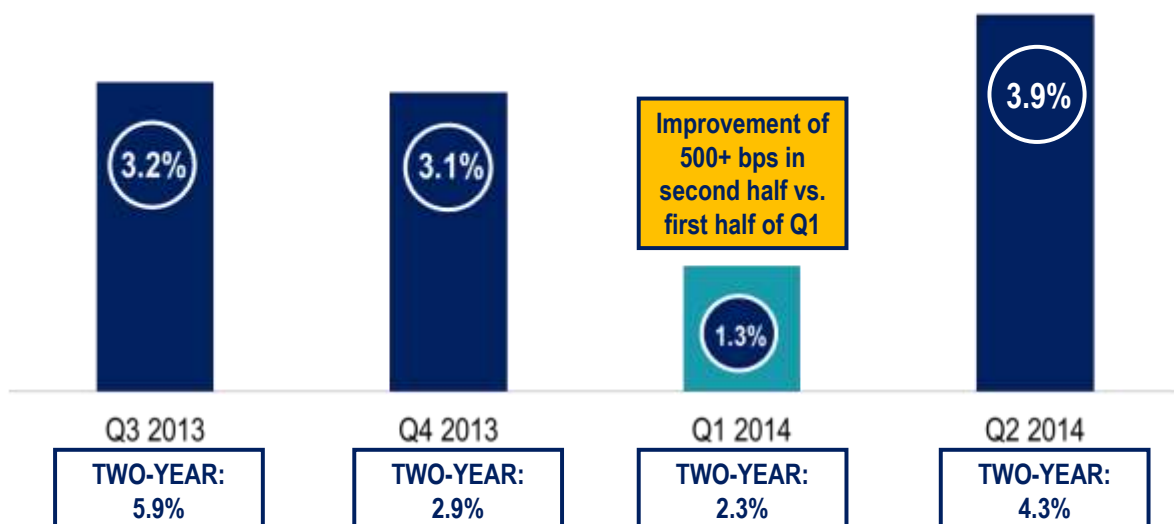
North America Company-Owned Same-Restaurant Sales

2Q 2014	3.9%
2Q 2013	0.4%
Two-year	4.3%

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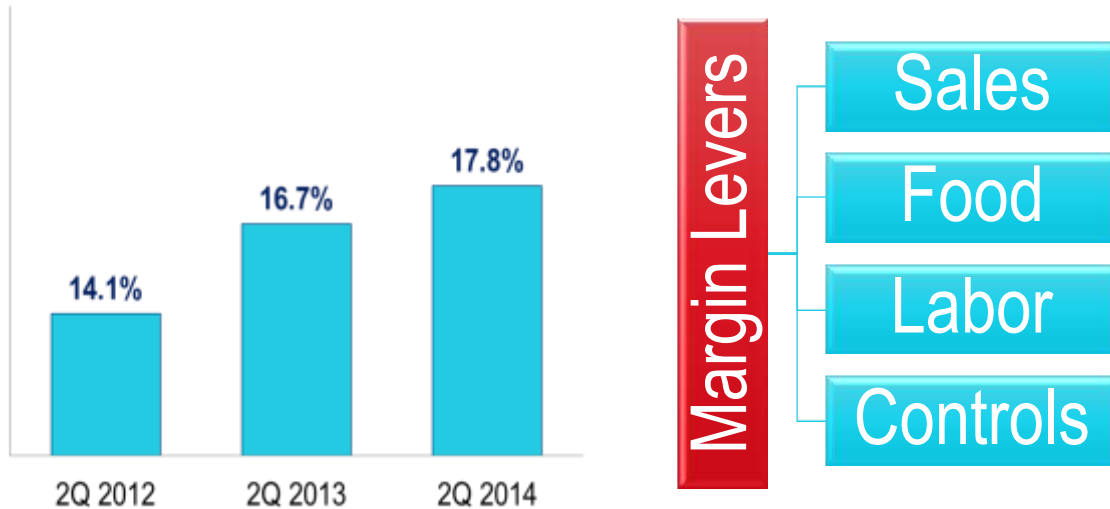
Achieving Consistent Same-Restaurant Sales Growth

North America Company-Operated Same-Restaurant Sales



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Restaurant Margin Improvement Continues



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SELLING APPROXIMATELY 135 RESTAURANTS IN CANADA TO NEW AND EXISTING FRANCHISEES

GOALS:

Grow Canadian Restaurant Base by ~1/3 by 2020

Reimage ~60% of Canadian Restaurants by 2020

Improve Quality of Earnings Through Increased Rental Income and Royalties

Leverage turnkey development programs and other support services

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PROSPECTIVE BUYERS

- New and existing franchisees
- Strong operators with proven success
- Strong financially and well-capitalized
- Growth mindset – commitment to Image Activation and new restaurant development
- Demonstrated commitment to customer service



Wendy's
THE WENDY'S COMPANY

TODD PENEGOR

Chief Financial Officer





2014 Second Quarter Results

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Q2 2014 Highlights

(Unaudited)
\$ in millions

	<u>Q2 2014</u>	<u>Q2 2013</u>	<u>% Change</u>
SALES	\$424.8	\$571.2	-25.6
FRANCHISE REVENUES	98.6	79.3	24.3
TOTAL REVENUES	<u>\$523.4</u>	<u>\$650.5</u>	-19.5
ADJUSTED EBITDA*	\$104.2	\$102.1	2.1

*See reconciliation of Adjusted EBITDA in the appendix.

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Q2 2014 Highlights

(Unaudited)

\$ in millions, except per-share amounts

	<u>Q2 2014</u>	<u>Q2 2013</u>	<u>% Change</u>
G&A	\$67.0	\$74.8	-10.4
OPERATING PROFIT*	63.9	57.0	+12.1
ADJUSTED EPS*	0.09	0.08	+12.5
REPORTED EPS	0.08	0.03	+166.7

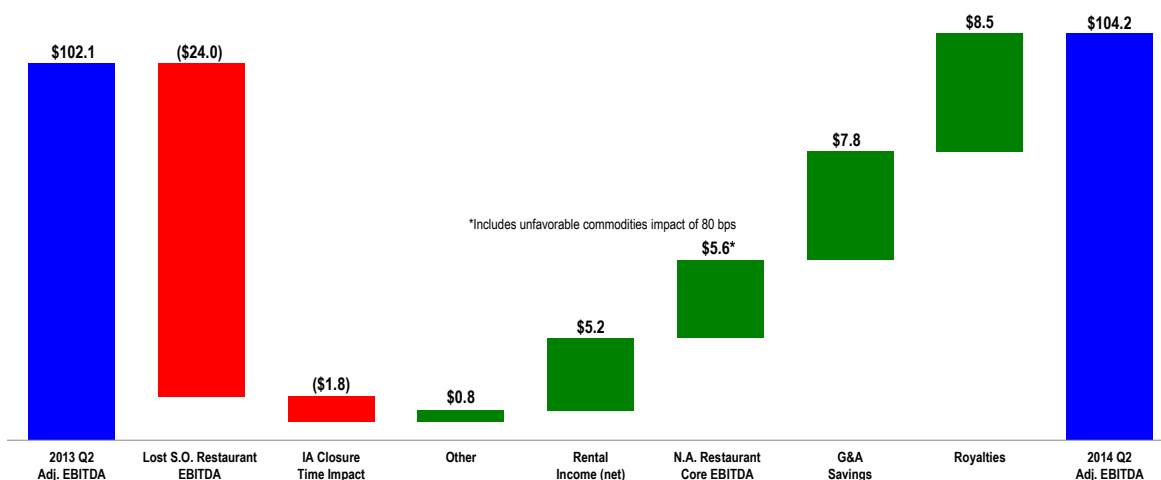
* The 2014 Operating profit results include Facilities action charges (net of benefits) of \$0.9 million, compared to \$6.4 million in 2013. The 2014 results include Other operating expense of \$4.4 million, primarily related to increased rent expense from real estate subleased to franchisees, compared to \$0.4 million in 2013. EPS results include an effective tax rate of 43.8 percent in the second quarter of 2014 compared to 29.6 percent in the second quarter of 2013. The 2013 EPS results also include a \$21.0 million pretax charge from the early extinguishment of debt. See reconciliation of Adjusted EPS in the appendix.

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Q2 2014 vs. Q2 2013 – Adjusted EBITDA

Improved Quality of Earnings: Adjusted EBITDA growth in first full quarter after sale of 418 U.S. restaurants

\$ in millions



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Selected Balance Sheet Highlights

\$ in millions

	<u>Q2 2014</u>
Cash	\$372
Senior Debt	\$1,405
Capital Leases and Other Debt	<u>49</u>
Total Debt	<u>\$1,454</u>
TTM Adjusted EBITDA	\$379
Total Debt / TTM Adjusted EBITDA	3.8x
Net Debt / TTM Adjusted EBITDA	2.9x

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2014 Q2 Year to Date Cash Flow Highlights

\$ in millions

	<u>Q2 2014</u>
Cash Flow from Operations	\$81.0
Capital Expenditures	114.5
Beginning Cash Balance	\$580.2
Change In Cash	(208.5)
Ending Cash Balance	<u>\$371.7</u>

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Canadian Growth Strategy

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Canadian Growth Strategy

Overview of Wendy's Canada

- 367 total restaurants; 137 Company operated
- Plan is to sell all Company-operated restaurants in Canada by end of Q1 2015, lowering total system company ownership from 15% to 13%

Strategic rationale

- Develops under-scale Canadian presence over an accelerated timeline
- Furthers system optimization efforts
- Generates incremental reimagining and development commitments
- Continues to improve quality of earnings

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Expected Outcomes

- Reduce ongoing annualized G&A by ~ \$8 million
- Adjusted EBITDA-dilutive by up to \$5 million in 2015
- Adjusted EBITDA-neutral in 2016
- Adjusted EBITDA-accretive in 2017 and beyond
- Net income-neutral in 2015
- Slightly net income-accretive in 2016 and beyond

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CASH PRIORITIES

Invest in our Business

- Image Activation Reimages, including Increasing Scrape & Rebuilds

Dividend Growth

- Generally in line with earnings growth (subject to Board approval)

Ended 2014
Q2 with
\$372M
of Cash

Share Repurchase

- \$100MM share repurchase authorization through 12/31/15 to manage impact of stock options and restricted shares

Reaffirming 2014 Adjusted EBITDA and EPS Outlook

Adjusted EBITDA of \$390 to \$400 million / Adjusted EPS of \$0.34 to \$0.36

Reaffirming:

- Company-operated Same-Restaurant Sales growth of 2.5 to 3.5%
- Reduction in interest expense of approximately \$15 million
- Capital expenditures of \$280 to \$290 million, including approximately \$215 million for Company-operated Image Activation restaurants
- Company-operated restaurant margin outlook of 16.3 to 16.8 percent
 - Includes significantly higher beef costs in second half
- Reported effective tax rate of 38 to 40%

Estimates based on Company's current outlook.

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Reaffirming 2014 Adjusted EBITDA and EPS Outlook

Adjusted EBITDA of \$390 to \$400 million / Adjusted EPS of \$0.34 to \$0.36

- Expect our third-quarter same-restaurant sales growth to be slightly less than the low end of full-year outlook of 2.5 to 3.5 percent.
- Continue to anticipate significant year-over-year increase in Image Activation restaurant closures during 3Q, when reimaging activity reaches 2014 peak. Due to the impact of these restaurant closures, expect year-over-year 3Q Adjusted EBITDA to be approximately flat.
- Expect earlier Image Activation closures to benefit 4Q 2014 same-restaurant sales and Adjusted EBITDA / EPS.

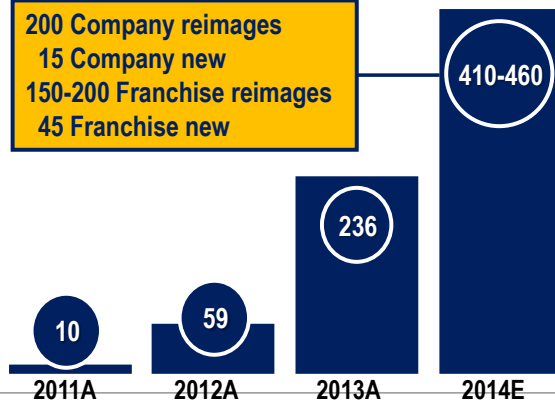
Estimates based on Company's current outlook.

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Image Activation Franchise Adoption Accelerating

TOTAL SYSTEM REIMAGES AND NEW BUILDS

200 Company reimages
15 Company new
150-200 Franchise reimages
45 Franchise new



2014 REIMAGE TARGETS*

- Investment: \$450,000 to \$650,000
- Sales lifts: 10% to 20%
- Flow-through: 40%
- Closure period: Five weeks
- Scrape and rebuilds: 35

* Estimates based on Company's current outlook. Excludes deferred maintenance. Median cost for U.S. system.

HIGHER INVESTMENT CORRELATES WITH HIGHER SALES LIFTS AND FLOW-THROUGH

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On Target For \$30 Million In G&A Savings from System Optimization

HIGHER EQUITY COMPENSATION EXPENSE TO PARTIALLY OFFSET SAVINGS

\$ in millions

2014 ESTIMATE vs. 2012 ACTUAL

2012 Actual	\$288
2014 Estimate	<u>\$275</u>
Estimated Savings	\$ 13
Stock Comp. Increase	<u>\$ 17</u>
Savings Excl. Stock Comp.	<u>\$ 30</u>

2014 ESTIMATE vs. 2013 ACTUAL

2013 Actual	\$294
2014 Estimate	<u>\$275</u>
Estimated Savings	\$ 19
Stock Comp. Increase	<u>\$ 11</u>
Savings Excl. Stock Comp.	<u>\$ 30</u>

COMPANY EXPECTS INCREMENTAL ANNUALIZED G&A REDUCTION OF ~\$8 MM FROM CANADIAN GROWTH INITIATIVE BY BEGINNING OF Q1 2015

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Long-Term Outlook

SAME-RESTAURANT SALES

3%+

2015 ADJUSTED EBITDA

NEW

Growth Rate in
Mid-to-High Single-Digits

2016 ADJUSTED EBITDA

Growth Rate in
High-Single-Digits


2017 & BEYOND ADJUSTED EBITDA


Growth Rate in
Low-Double Digits

ADJUSTED EPS

Growth Rate in Mid-Teens

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Vice President
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