

BRINKER INTERNATIONAL, INC.
Statement of Income
Q1 Fiscal 2018
(In thousands)

	Q1 F18 Reported	%	Special Items (a)	Discrete Tax Item (b)	Q1 F18 Adjusted	%
Revenues:						
Company Sales	\$ 716,942	97.0%			\$ 716,942	97.0%
Franchise and Other Revenues ⁽¹⁾	22,448	3.0%			22,448	3.0%
Total Revenues	<u>739,390</u>	100.0%			<u>739,390</u>	100.0%
Operating Costs and Expenses:						
Company Restaurants (excluding depreciation and amortization):						
Cost of Sales ⁽²⁾	187,597	26.2%			187,597	26.2%
Restaurant Labor ⁽²⁾	251,075	35.0%			251,075	35.0%
Restaurant Expenses ⁽²⁾	<u>188,129</u>	26.2%			<u>188,129</u>	26.2%
Company Restaurant Expenses	626,801	87.4%			626,801	87.4%
Depreciation and Amortization ⁽³⁾	38,520	5.2%			38,520	5.2%
General and Administrative ⁽³⁾	32,358	4.4%			32,358	4.4%
Other Gains and Charges ⁽³⁾	<u>13,154</u>	1.8%	<u>(13,154)</u>		<u>-</u>	0.0%
Total Operating Costs and Expenses	<u>710,833</u>	96.1%	<u>(13,154)</u>		<u>697,679</u>	94.4%
Operating Income	28,557	3.9%	13,154		41,711	5.6%
Interest Expense	13,884	1.9%			13,884	1.9%
Other, Net	<u>(476)</u>	0.0%			<u>(476)</u>	0.0%
Income Before Provision for Income Taxes	15,149	2.0%	13,154		28,303	3.8%
Provision for Income Taxes	<u>5,272</u>	34.8%	<u>4,226</u>	<u>(1,570)</u>	<u>7,928</u>	28.0%
Net Income	<u>\$ 9,877</u>	1.3%	<u>\$ 8,928</u>	<u>\$ 1,570</u>	<u>\$ 20,375</u>	2.8%
Basic Earnings per Share	\$ 0.20		\$ 0.19	\$ 0.03	\$ 0.42	
Diluted Earnings per Share	\$ 0.20		\$ 0.19	\$ 0.03	\$ 0.42	
Basic Weighted Average Shares	48,293		48,293	48,293	48,293	
Diluted Weighted Average Shares	48,732		48,732	48,732	48,732	

(a) Non - GAAP information excluding the impact of Special Items is provided to allow the reader to gain insight into the company's ongoing operations.

(b) Discrete tax item resulting from the recognition of tax deficiencies from the settlement of stock-based compensation awards in the provision for income taxes as part of adopting ASU 2016-09 in the first quarter of fiscal 2018.

⁽¹⁾ Franchise and other revenues primarily includes royalties, development fees and franchise fees, banquet service charge income, gift card breakage and discounts, digital entertainment revenue, Chili's retail food product royalties and delivery fee income.

⁽²⁾ As a percentage of company sales

⁽³⁾ As a percentage of total revenues