



**First Quarter 2017  
Conference Call**

May 10, 2017

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**Peter Koumas**

Director – Investor Relations

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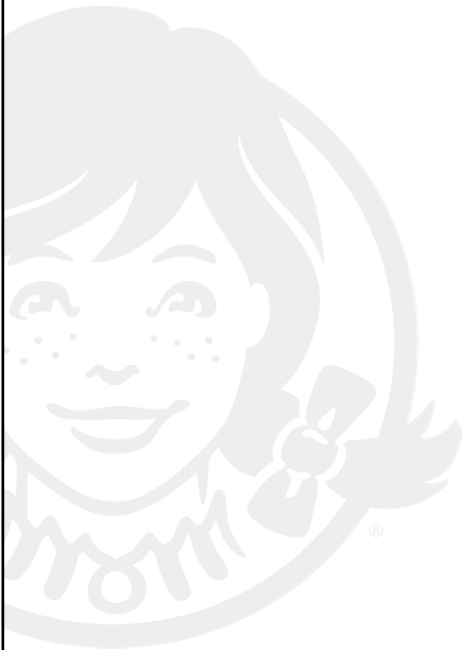
## Forward-Looking Statements and Non-GAAP Financial Measures

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 May 10, 2017 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 (*i.e.*, adjusted EBITDA, adjusted EBITDA margin, adjusted earnings per share, adjusted tax rate, free cash flow and systemwide sales). These non-GAAP financial measures exclude certain expenses and 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 May 10, 2017 and posted on [www.aboutwendys.com](http://www.aboutwendys.com).

As used in this presentation, the terms adjusted EBITDA and adjusted earnings per share refer to adjusted EBITDA from continuing operations and adjusted earnings per share from continuing operations, respectively.



## Agenda

CEO Update

Financial Update

Q&A





## Todd Penegor

President & Chief Executive Officer

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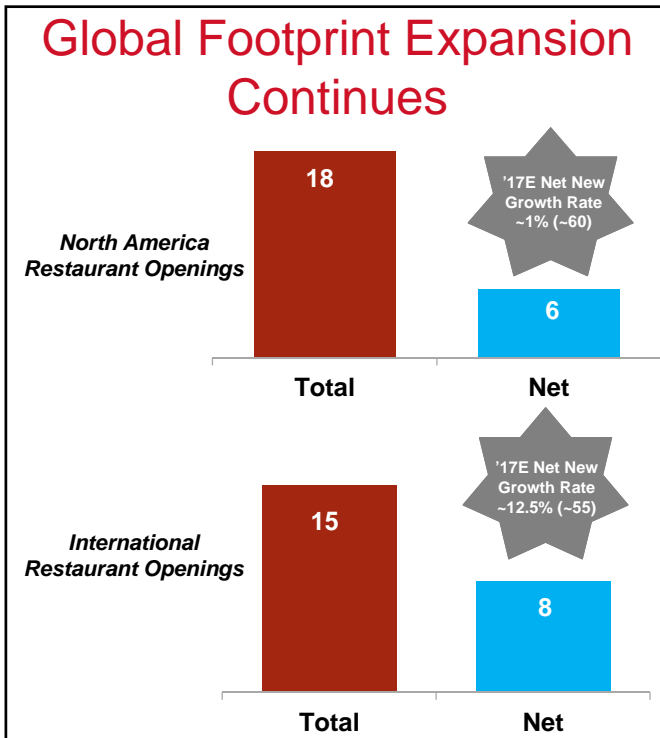
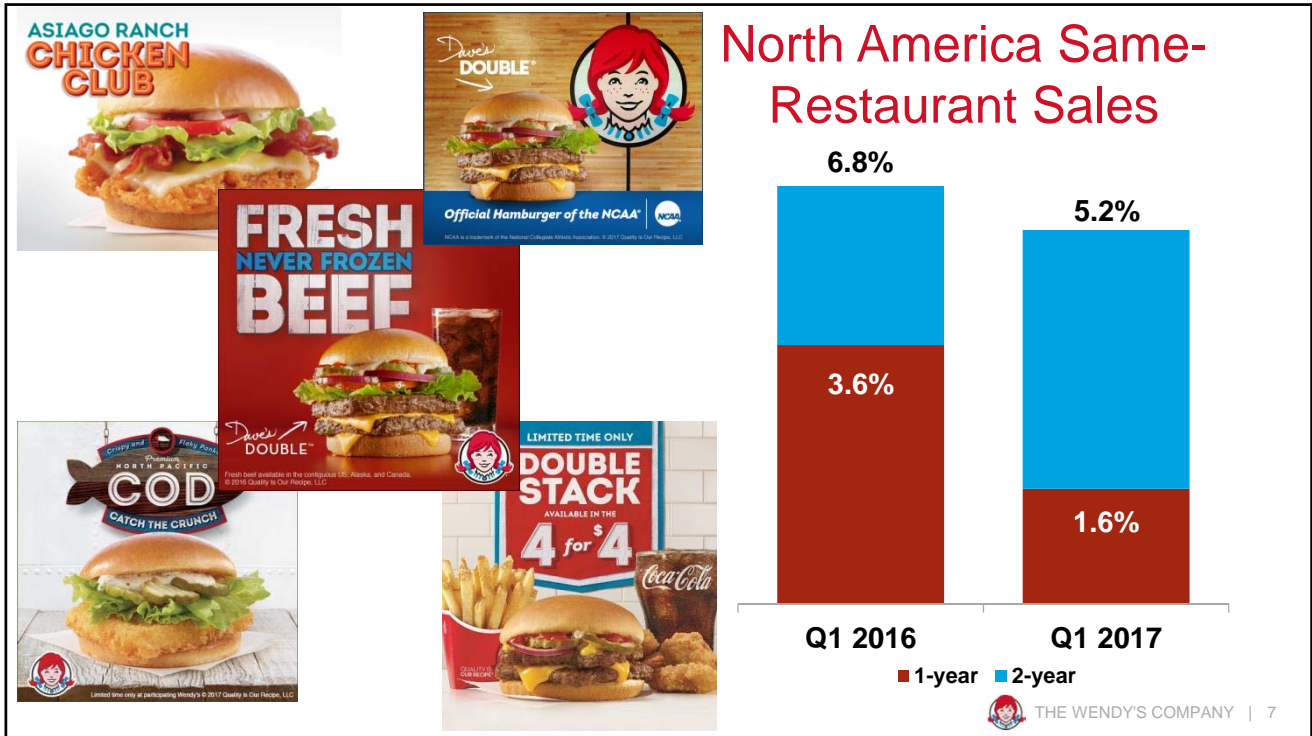
### Q1 Highlights

- 17<sup>th</sup> consecutive quarter of positive NA SRS
  - NA SRS increase 1.6%;  
5.2% on a two-year basis
- Global expansion momentum continues;  
33 global restaurant openings in Q1
- Improvement of 530bps in adj. EBITDA margin  
to 31.2%\*
- Company finalizes G&A initiative plans;  
expects approx. three-quarters of ~\$35 million  
in savings to be achieved by end of 2018
- Company increases 2017 adj. EBITDA  
guidance\*



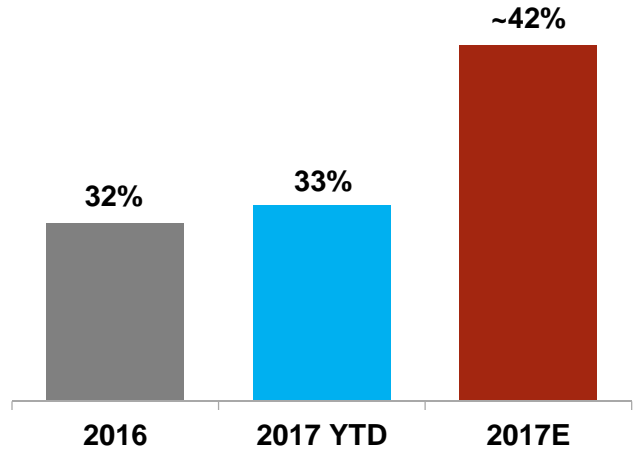
\* See reconciliation of non-GAAP financial measures in the Appendix.

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## Image Activation Momentum Continues



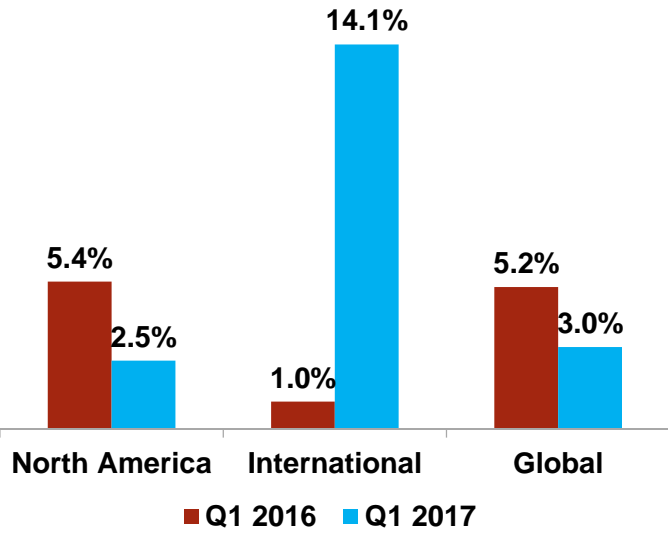
\*Represents Total System Cumulative Reimages & New Builds and includes Franchise Reimages open or under construction



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## Systemwide Sales Growth

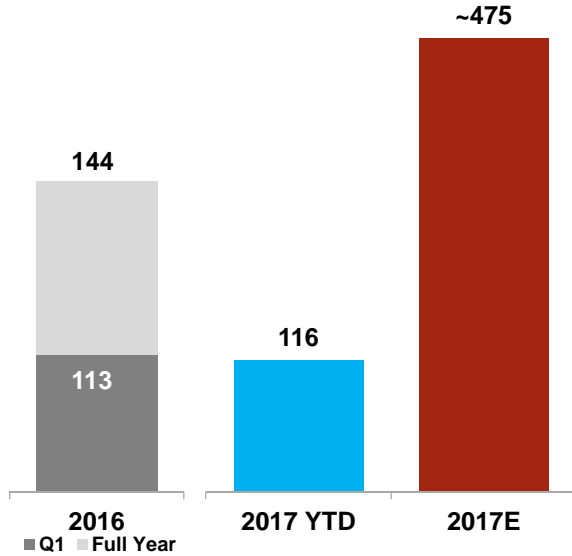


\*Excludes Venezuela; systemwide sales growth is calculated on a constant currency basis



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## Transforming Our Franchise System Through Buy & Flips



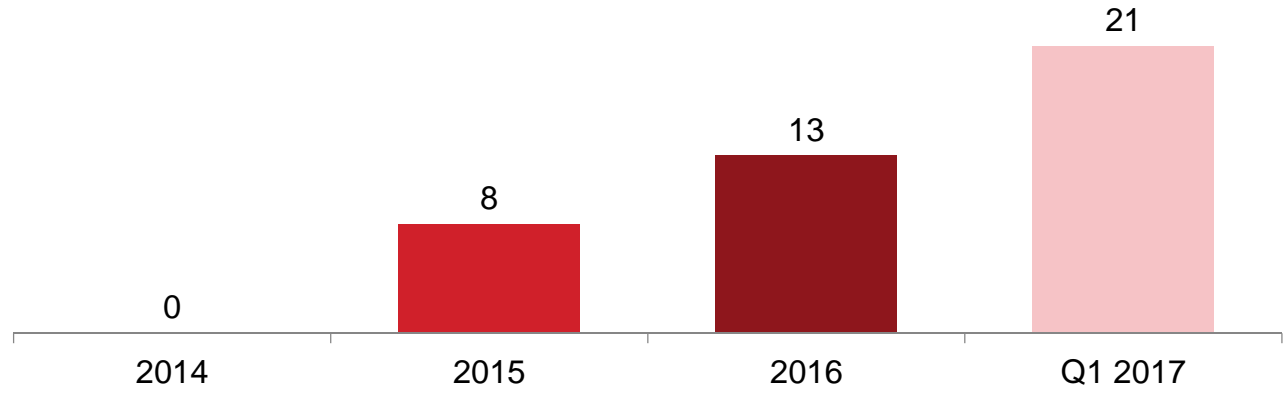
WENDY'S CREATES JOY & OPPORTUNITY THROUGH FOOD, FAMILY & COMMUNITY



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



## Brand Health Metrics Continue Improvement



Source: Wendy's Consumer Tracking; Number of Brand Health Metrics Showing YOY Improvement

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**Gunther Plosch**

Chief Financial Officer

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# First Quarter Financial Highlights

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

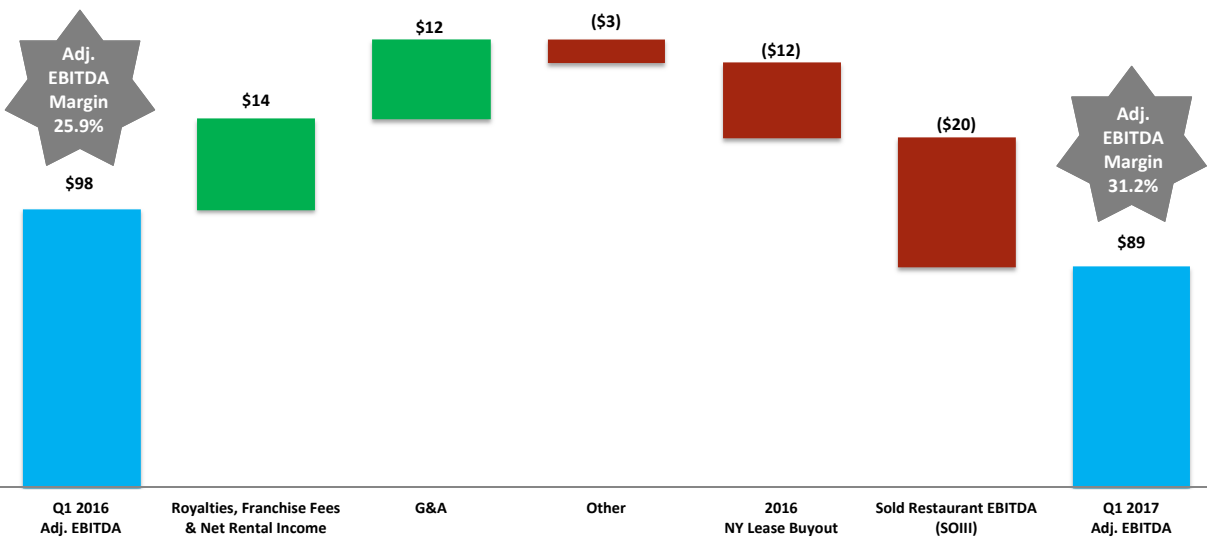
	2017	2016	B/(W)
Company Restaurant Margin	16.7%	17.2%	(50) bps
G&A	\$52.4	\$64.7	19.0%
Adjusted EBITDA*	\$89.2	\$98.1	(9.1%)
Adjusted EBITDA Margin*	31.2%	25.9%	+530 bps
Adjusted EPS*	\$0.09	\$0.11	(18.2%)
YTD Free Cash Flow	\$23.8	\$12.0	98.3%

\* See reconciliation of non-GAAP financial measures in the Appendix.

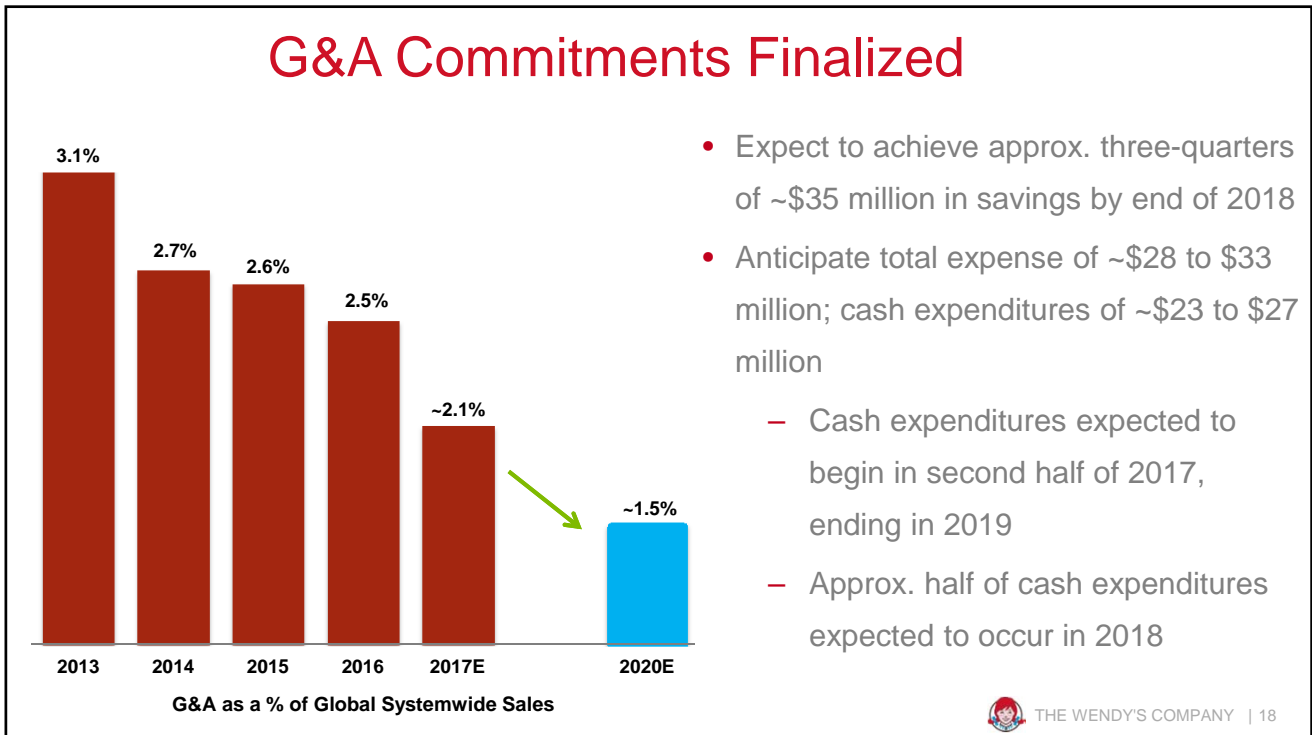
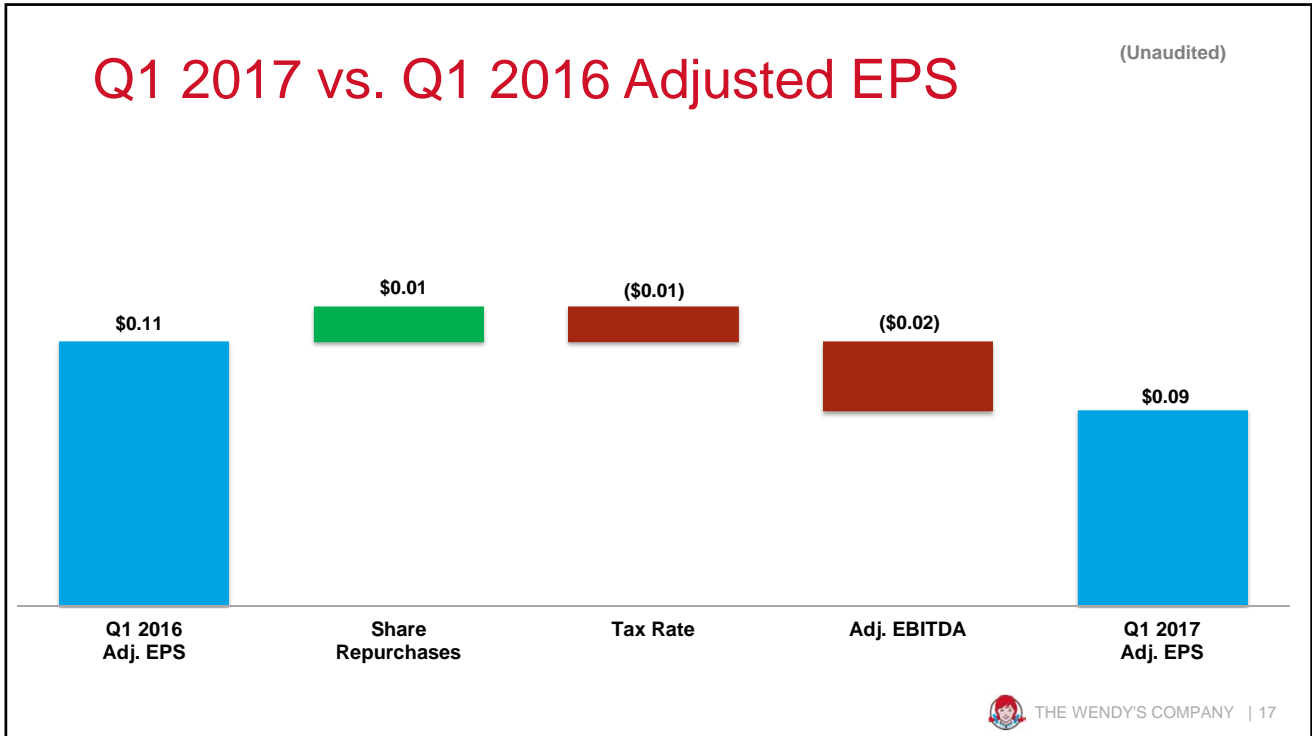


# Q1 2017 vs. Q1 2016 Adjusted EBITDA

\$ Mils  
(Unaudited)







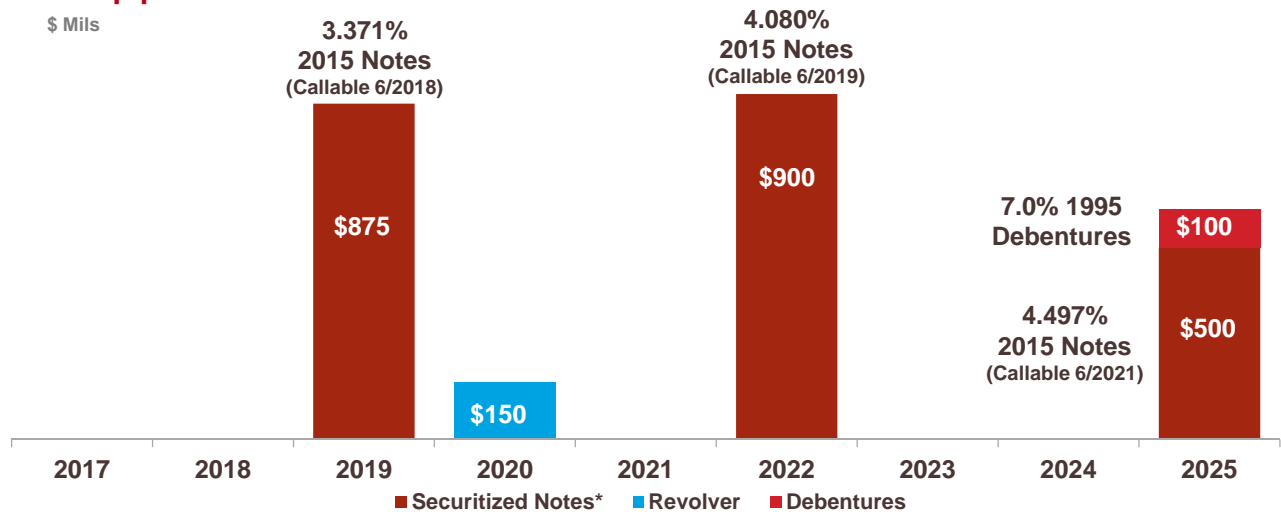


- Repurchased 1.3 million shares for \$17.8 million in Q1
- ~\$132 million remains against the \$150 million share repurchase authorization
- Q1 ending cash balance of \$193 million

## Flexible Capital Structure Supports Growth Initiatives

4/2/2017 TTM Leverage Ratio (excl. Cap leases): 5.5x  
Target Leverage Ratio: 5-6x

\$ Mils



\*Notional amounts shown as of issuance date; 1% amort is paid per annum  
Q1 2017 Net Debt: \$2.1B (excl. Cap Leases) / TTM Adj. EBITDA: \$382.9M

# 2017 Outlook

Updated  
Reaffirmed

Adjusted EBITDA (Margin) of \$400 to \$406M (32%-34%)

Adjusted Earnings Per Share of \$0.45 to \$0.47

North America SRS of 2-3%

G&A Expense at Low End of Previously Issued Range of \$210 to \$220M

Company Operating Restaurant Margin of ~18.5%

Commodity Inflation of ~1.5 to 2.0%

Labor Inflation of ~4%

Interest Expense of ~\$115M

Depreciation & Amortization Expense of ~\$120M (incl. accelerated of ~\$2M)

CAPEX of \$80 to \$90M

Free Cash Flow of \$160 to \$185M

Adjusted Tax Rate of 32% to 34%



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## 2017 Investor Relations Calendar: Q2 (Tentative)

- Wednesday, May 24: Stephens NDR (New York)
- Tuesday, May 30: UBS NDR (Mid-Atlantic)
- Thursday, June 1: RBC Consumer & Retail Conference (Boston)
- Wednesday, August 9 – Second Quarter Earnings



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# Q&A

# Appendix

## Reconciliation of Non-GAAP Financial Measures

In addition to the GAAP financial measures included in this presentation, the Company has included certain non-GAAP financial measures (i.e., adjusted EBITDA, adjusted EBITDA margin, adjusted earnings per share, adjusted tax rate, free cash flow and systemwide sales). These non-GAAP financial measures exclude certain expenses and benefits as detailed in the accompanying reconciliation tables.

This presentation also includes forward-looking guidance for certain non-GAAP financial measures including adjusted EBITDA, adjusted earnings per share and adjusted tax rate. The Company excludes certain expenses and benefits from adjusted EBITDA, adjusted earnings per share and adjusted tax rate, such as impairment of long-lived assets, reorganization and realignment costs and system optimization gains, net. Due to the uncertainty and variability of the nature and amount of those expenses and benefits, the Company is unable without unreasonable effort to provide projections of net income, earnings per share or reported tax rate or a reconciliation of projected adjusted EBITDA, adjusted earnings per share or adjusted tax rate to projected net income, earnings per share or reported tax rate.



## Reconciliation of Net Income to Adjusted EBITDA

In Thousands (Unaudited)

	Three Months Ended	
	2017	2016
Net income	\$ 22,341	\$ 25,363
Provision for income taxes	9,793	10,619
Income before income taxes	32,134	35,982
Other income, net	(389)	(262)
Interest expense	28,975	28,109
Operating profit	60,720	63,829
Plus (less):		
Depreciation and amortization	29,165	32,345
System optimization gains, net	(1,407)	(8,426)
Reorganization and realignment costs	181	3,250
Impairment of long-lived assets	510	7,105
Adjusted EBITDA	\$ 89,169	\$ 98,103
Adjusted EBITDA margin	31.2%	25.9%



## Reconciliation of Net Income and Diluted Earnings Per Share to Adjusted Income and Adjusted Earnings Per Share

In Thousands except per-share amounts  
(Unaudited)

	Three Months Ended	
	2017	2016
Net income	\$ 22,341	\$ 25,363
Plus (less):		
Depreciation of assets that will be replaced as part of the Image Activation initiative	449	1,822
System optimization gains, net	(1,407)	(8,426)
Reorganization and realignment costs	181	3,250
Impairment of long-lived assets	510	7,105
Total adjustments	(267)	3,751
Income tax impact on adjustments <sup>1</sup>	(34)	175
Total adjustments, net of income taxes	(301)	3,926
Adjusted income	\$ 22,040	\$ 29,289
Diluted earnings per share	\$ .09	\$ .09
Total adjustments per share, net of income taxes	.00	.02
Adjusted earnings per share	\$ .09	\$ .11

<sup>1</sup> The provision for income taxes on "System optimization gains, net" was \$407 and \$4,862 for the three months ended April 2, 2017 and April 3, 2016, respectively. The provision for income taxes on "System optimization gains, net" includes the impact of changes to state deferred taxes and changes to valuation allowances on state net operating loss carryforwards. Additionally, 2016 includes the impact of non-deductible goodwill disposed of in connection with our system optimization initiative. The benefit from income taxes on all other adjustments was calculated using an effective tax rate of 38.67% for the three months ended April 2, 2017 and 38.50% for the three months ended April 3, 2016.



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