

Denny's

INVESTOR PRESENTATION

June and July 2020

FORWARD-LOOKING STATEMENTS AND NON-GAAP FINANCIAL MEASURES

Denny's Corporation urges caution in considering its current trends and any outlook on earnings disclosed in this press release. In addition, certain matters discussed in this release may constitute forward-looking statements. These forward-looking statements, which reflect its best judgment based on factors currently known, are intended to speak only as of the date such statements are made and involve risks, uncertainties, and other factors that may cause the actual performance of Denny's Corporation, its subsidiaries, and underlying restaurants to be materially different from the performance indicated or implied by such statements. Words such as "expect", "anticipate", "believe", "intend", "plan", "hope", and variations of such words and similar expressions are intended to identify such forward-looking statements. Except as may be required by law, the Company expressly disclaims any obligation to update these forward-looking statements to reflect events or circumstances after the date of this release or to reflect the occurrence of unanticipated events. Factors that could cause actual performance to differ materially from the performance indicated by these forward-looking statements include, among others: the rapidly evolving COVID-19 pandemic and related containment measures, including the potential for further operational disruption from government mandates affecting restaurants; economic, public health, social and political conditions that impact consumer confidence and spending with respect to social unrest and COVID-19; competitive pressures from within the restaurant industry; the level of success of our operating initiatives and advertising and promotional efforts; adverse publicity; health concerns arising from food-related pandemics, outbreaks of flu viruses, such as avian flu, or other diseases; changes in business strategy or development plans; terms and availability of capital; regional weather conditions; overall changes in the general economy (including with regard to energy costs), particularly at the retail level; political environment (including acts of war and terrorism); and other factors from time to time set forth in the Company's SEC reports and other filings, including but not limited to the discussion in Management's Discussion and Analysis and the risks identified in Item 1A. Risk Factors contained in the Company's Annual Report on Form 10-K for the year ended December 25, 2019 (and in the Company's subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K).

The presentation includes references to the Company's non-GAAP financials measures. All such measures are designated by an asterisk (*). The Company believes that, in addition to other financial measures, Adjusted EBITDA, Adjusted Free Cash Flow, Adjusted Net Income and Adjusted Net Income Per Share are appropriate indicators to assist in the evaluation of its operating performance on a period-to-period basis. The Company also uses Adjusted EBITDA and Adjusted Free Cash Flow internally as performance measures for planning purposes, including the preparation of annual operating budgets, and for compensation purposes, including bonuses for certain employees. Adjusted EBITDA is also used to evaluate its ability to service debt because the excluded charges do not have an impact on its prospective debt servicing capability and these adjustments are contemplated in its credit facility for the computation of its debt covenant ratios. Adjusted Free Cash Flow, defined as Adjusted EBITDA less cash portion of interest expense net of interest income, capital expenditures, and cash taxes, is used to evaluate operating effectiveness and decisions regarding the allocation of resources. However, Adjusted EBITDA, Adjusted Free Cash Flow, Adjusted Net Income and Adjusted Net Income Per Share should be considered as a supplement to, not a substitute for, operating income, net income or other financial performance measures prepared in accordance with U.S. generally accepted accounting principles. See Appendix for non-GAAP reconciliations.

DENNY'S INVESTMENT HIGHLIGHTS

CONSISTENT SAME-STORE SALES[1] GROWTH

- Nine consecutive fiscal years of domestic system-wide same-store sales[1] growth[2]
- Strong same-store sales[1] performance relative to peers

GLOBAL FOOTPRINT

- 1,695 restaurants around the globe, including 1,548 domestic locations[3]
- 147 international locations across 14 countries and U.S. territories[3]
- 74 international locations opened since 2011[2]

STRONG ADJUSTED FREE CASH FLOW* AND SHAREHOLDER RETURN

- Generated nearly $417M in Adjusted Free Cash Flow* over the last 9 fiscal years[2]
  - Includes approximately $11M in real estate acquisitions[2]
- Approximately $554M allocated to share repurchase program since November 2010[4]

DURABLE BUSINESS FOCUSED ON THE FUTURE

- Sustained record of consistent financial performance
- Recent transition to a more highly franchised model with reduced business risk
- Established revitalization strategies to continue propelling the brand forward

* See Appendix for reconciliation of Net Income to Adjusted EBITDA, Adjusted Net Income, Adjusted Net Income per Share (also called Adjusted Earnings per Share), and Adjusted Free Cash Flow.

1. Same-store sales include sales at company restaurants and non-consolidated franchised and licensed restaurants that were open the same period in the prior year. Total operating revenue is limited to company restaurant sales and royalties, advertising revenue, fees and occupancy revenue from non-consolidated franchised and licensed restaurants. Accordingly, domestic franchise same-store sales and domestic system-wide same-store sales should be considered as a supplement to, not a substitute for, our results as reported under GAAP.
2. Data as of December 25, 2019, the end of Fiscal Fourth Quarter 2019.
3. Data as of March 25, 2020, the end of Fiscal First Quarter 2020.
4. Data as of February 27, 2020 (date we suspended share repurchases).

COVID-19
BUSINESS UPDATE

SALES INNOVATIONS IN RESPONSE TO COVID-19

NEW! Shareable FAMILY PACKS

FEED THE WHOLE FAMILY AT HOME
ONLY AT DENNYS.COM









NEW!
CURBSIDE ORDERING AND PICK UP



ORDER BREAD, EGGS, BACON AND MORE

Denny's MARKET GROCERIES

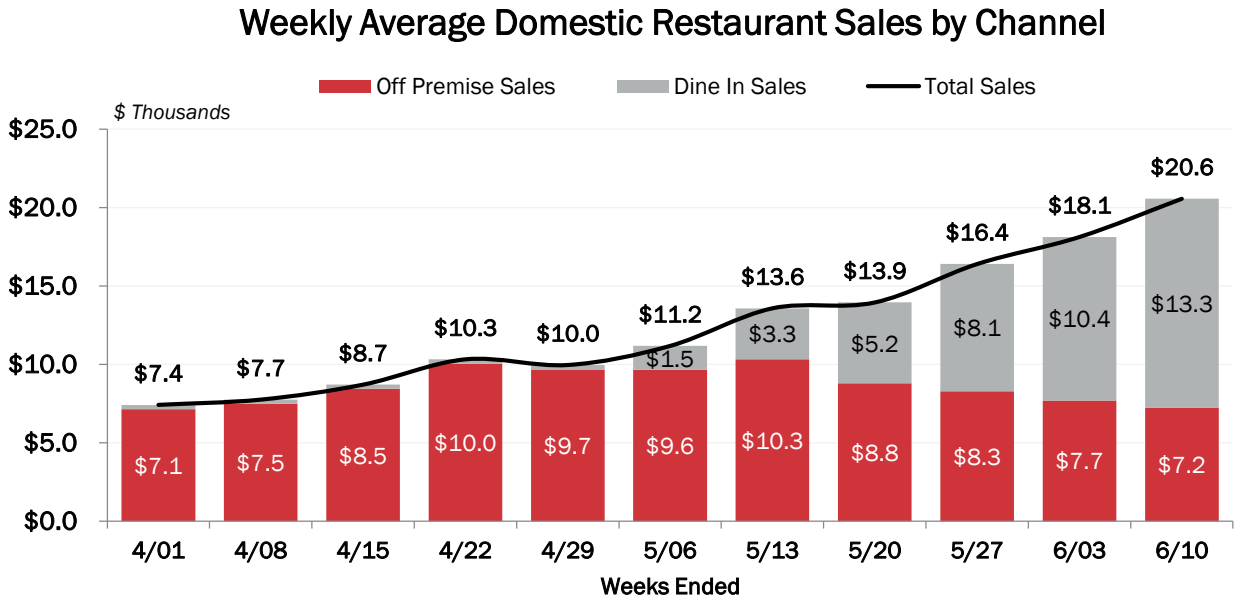
AT DENNYS.COM.



DENNY'S ON DEMAND®

DOORDASH GRUBHUB POSTMATES Uber Eats

Denny's Restaurants Have Retained Over 90% of the Increase in Off-Premise Sales During Fiscal June 2020[1], Compared to Fiscal April 2020





1st
Family Dining Chain to Launch Mobile & Online Ordering Nationally

89%
Domestic Restaurants Active with Delivery[1]

>60%
Online Transactions from 18 – 44 Year Old Guests[2]

~63%
Incidence Rate of Breakfast Plates for Off-Premise Orders[2]

1. Data as of June 10, 2020.
2. Data for the Fiscal Second Quarter 2020, through June 10, 2020.

HEALTH AND SAFTEY PROTOCOLS

We Remain Focused on the Safety and Wellbeing of Our Guests, Restaurant Teams, Franchisees, Employees and Suppliers

- Enhanced training materials and communications distributed to entire system of restaurants
- Reinforcing strict food safety procedures, handwashing and personal hygiene standards, and enhanced daily deep cleaning protocols
- Remain in close contact with public health officials and government agencies to ensure all public health concerns are addressed









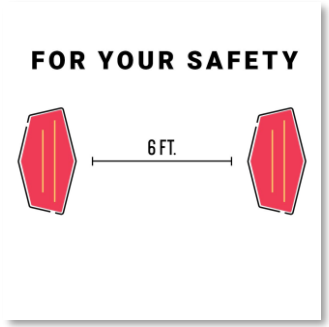
CONSUMER COMMUNICATION

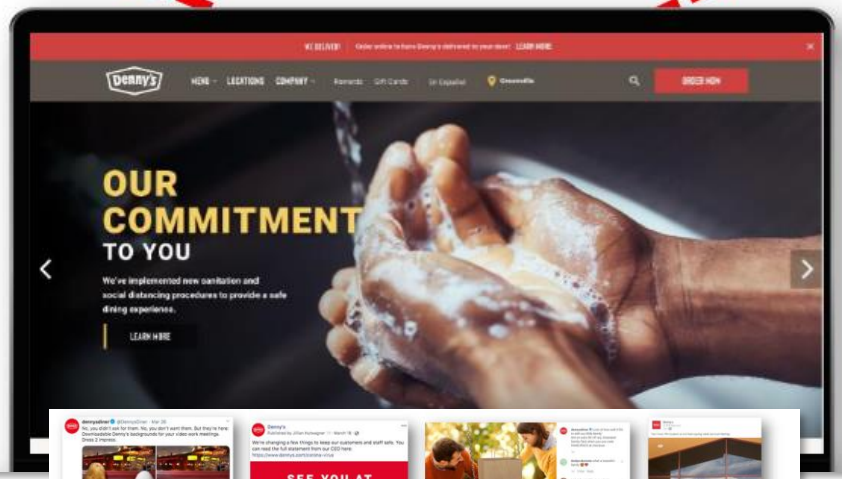






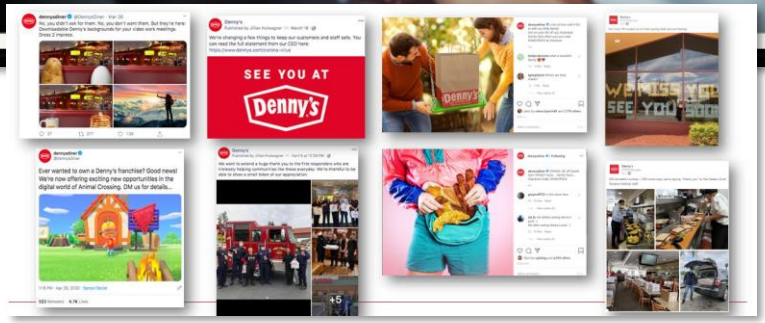
LEARN MORE ABOUT DENNY'S RESPONSE TO COVID-19







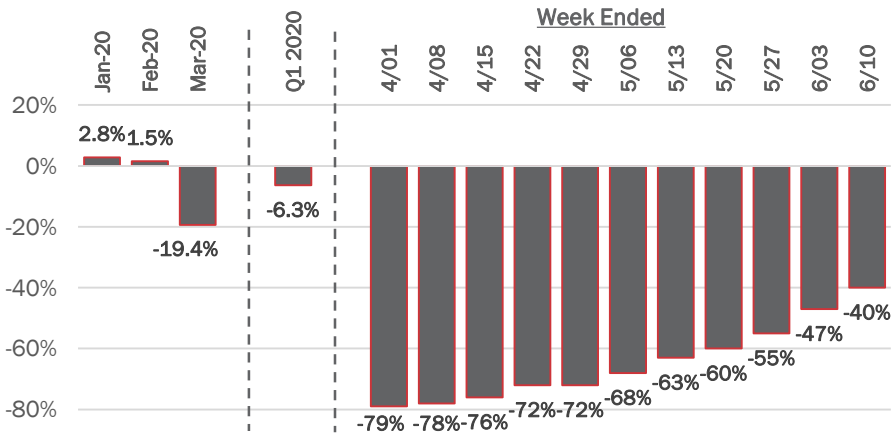




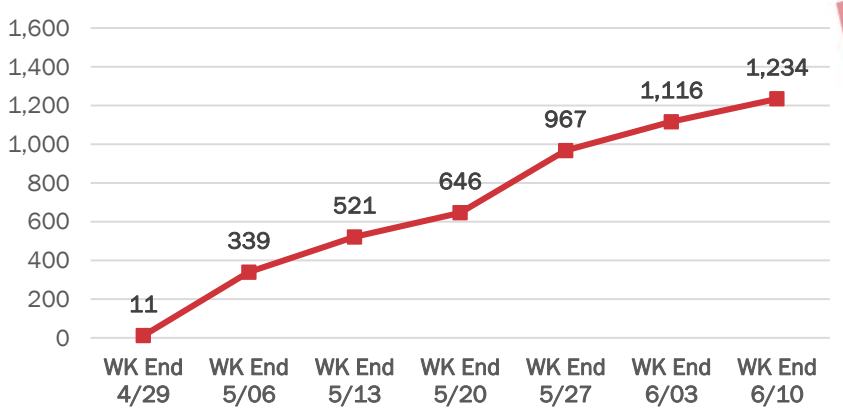


CURRENT TRENDS AND REOPENINGS

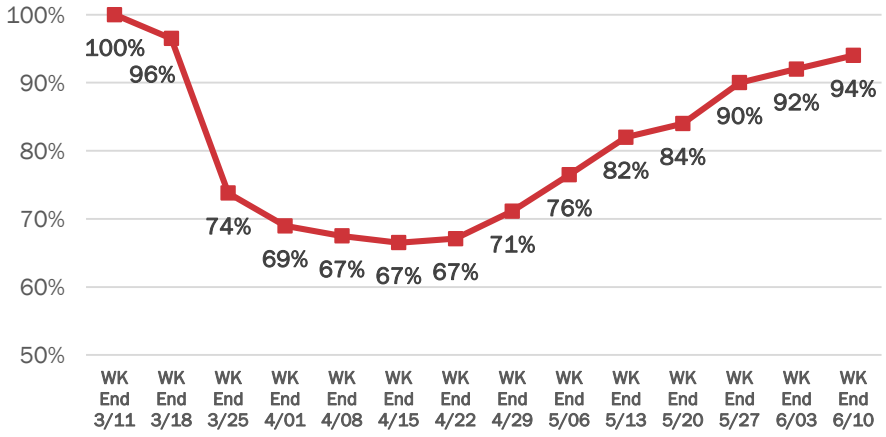
Domestic System-Wide Same-Store Sales[1]



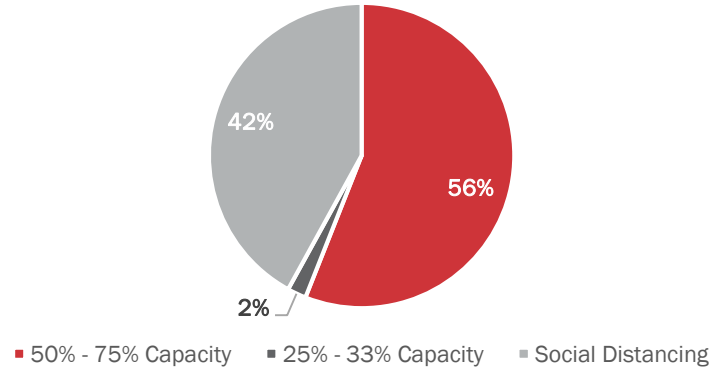
Domestic Dining Rooms Open



Domestic Open Store %



Dine-In Restrictions[2]



1. Same-store sales include sales at company restaurants and non-consolidated franchised and licensed restaurants that were open the same period in the prior year. Total operating revenue is limited to company restaurant sales and royalties, advertising revenue, fees and occupancy revenue from non-consolidated franchised and licensed restaurants. Accordingly, domestic franchise same-store sales and domestic system-wide same-store sales should be considered as a supplement to, not a substitute for, our results as reported under GAAP.

2. Data as of June 10, 2020.

COVID-19 BUSINESS RESPONSE

Franchisee Support

- Deferral of remodels
- Deferral and abatement of royalty and advertising fees
- Lease deferral for franchisees operating in properties we own as well as sublease relief to franchisees
- Secured relief from key vendors and primary third-party franchise lenders
- Approximately 99% of domestic franchise restaurants have received or been approved for funding under Paycheck Protection Program[1]

Cost Savings Initiatives

- Suspended travel and canceled in-person field meetings
- Placed holds on all open corporate and field positions
- Significantly reduced restaurant level staffing across company portfolio
- Reduced compensation for Board of Directors and multiple levels of management
- Corporate furloughs and reduction in workforce
- Analyzing potential federal tax credits
- Suspended share repurchases

Capital Allocation

- Borrowed under credit facility to provide enhanced financial flexibility
- Entered into second amendment to current credit agreement[2], waiving financial covenants for three quarters with certain restrictions

1. Data as of June 10, 2020
2. The Second Amendment to the current agreement was effective May 13, 2020. For further details, see our Current Report on Form 8-K filed with the SEC on May 14, 2020.

DENNY'S BRAND

EXECUTION OF BRAND REVITALIZATION STRATEGY DRIVING RESULTS

"Become the World's Largest, Most Admired and Beloved Family of Local Restaurants"

- Deliver a Differentiated and Relevant Brand
- Consistently Operate Great Restaurants
- Grow the Global Franchise
- Drive Profitable Growth for All Stakeholders

Enabled Through Technology and Training
+
Close Collaboration with Franchise Partners

DELIVERING A DIFFERENTIATED AND RELEVANT BRAND

Welcome to America's Diner where we serve classic, comforting food at a fair price around the clock for unpretentious, everyday occasions.



Food



Service



Atmosphere

FOCUS ON BETTER QUALITY, MORE CRAVEABLE PRODUCTS

Approximately 80% of Core Menu Entrées Changed or Improved Since Our Revitalization Began

Leading to Significant Improvement in Taste and Quality Scores and Sales Growth





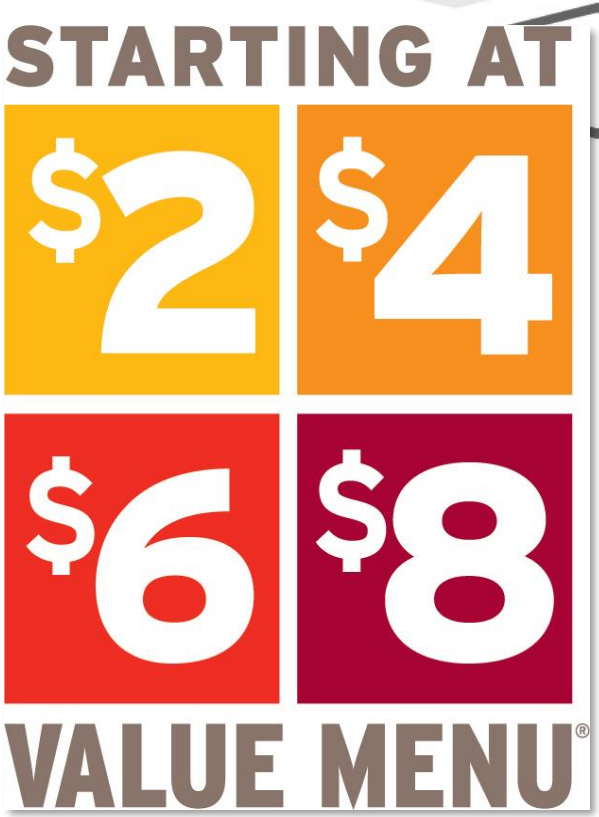


EVERYDAY VALUE HELPING TO DRIVE TRAFFIC

- High awareness as 1 in 5 guests say they visit Denny's because of $2468 Value Menu®
- Utilize local and national media targeting popular products like the Everyday Value Slam®
- A positive guest response to new LTO value entrées in 2019, resulted in total value incidence rate of over 19%, including a $2468 incidence rate of ~14%
- In Q1 2020, total value incidence rate of nearly 25%, including $2468 of ~13%





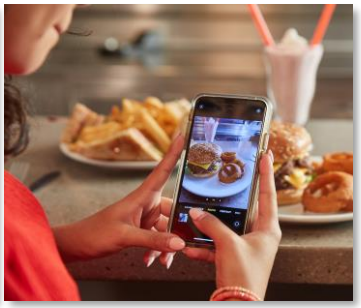




THE MODERN AMERICAN FAMILY











Who they are:

- Largely identify as part of the Millennial generation
- Have a family-first focus and are increasingly becoming multi-generational (especially amongst Hispanics)
- Are time-pressed, have multiple demands on family schedule
- Have a multi-screen approach to life, moving to streaming audio and video through mobile devices and Smart TVs

How we are connecting with them:

TV

Digital Video

Content

Digital & Social

Data & Tech

Search

REMODELS KEY TO REVITALIZING LEGACY BRAND

Heritage 2.0





Heritage





Legacy Denny's





FOCUS ON CONSISTENTLY OPERATING GREAT RESTAURANTS LEADING TO SUSTAINED IMPROVEMENT

- Investments in training talent, tools, and strategies, such as Ignite E-Learning and our latest Delight & Make It Right service programs, driving improvements in service scores
- Denny's Pride Review Program used to evaluate and share best practices
- Close collaboration with franchisees to drive improvements in speed of service and margins

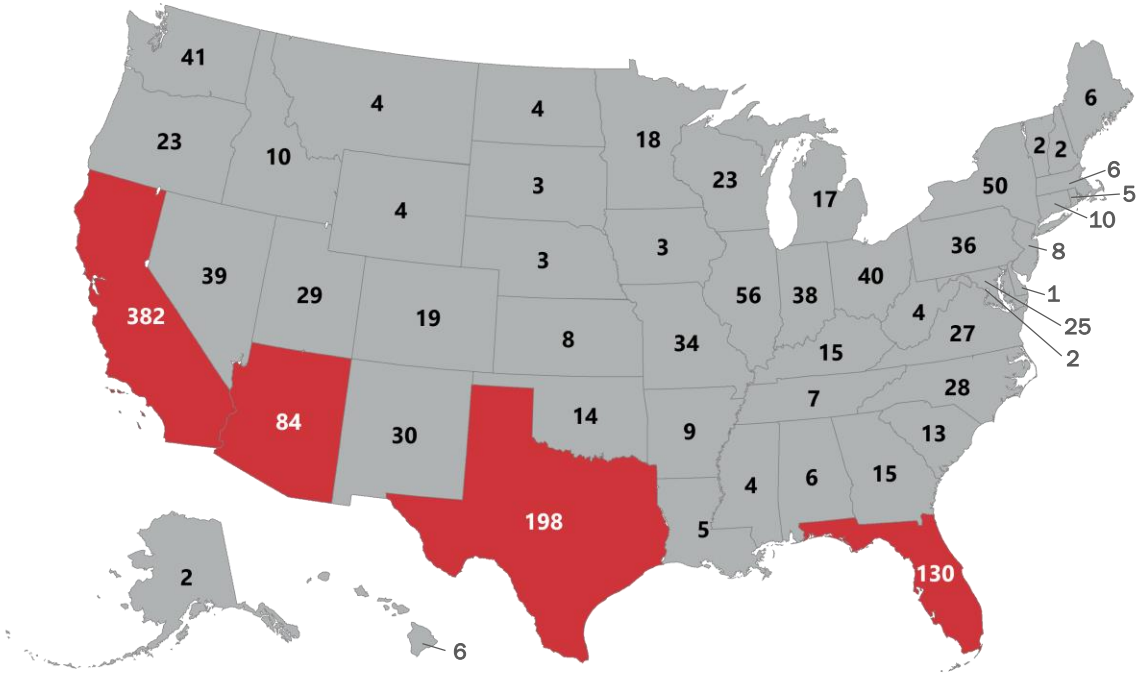






DOMESTIC FOOTPRINT

Approximately 1,550 Restaurants in the U.S.[1] with Strongest Presence in California, Arizona, Texas, and Florida



TOP 10 U.S. MARKETS[1]

DMA	UNITS
Los Angeles	179
Phoenix	65
Houston	63
Dallas/Ft. Worth	52
Sacramento/Stockton	48
San Francisco/Oakland	41
Orlando/Daytona	41
San Diego	38
Chicago	37
Miami/Ft. Lauderdale	35

1. Data as of March 25, 2020, the end of Fiscal First Quarter 2020.

INTERNATIONAL FOOTPRINT

International Presence of 147 Restaurants in 14 Countries and U.S. Territories has Grown by Nearly 70% Since Year End 2010[1]



Honduras



Guatemala City



Ontario



Philippines

United States	1,548
Canada	77
Puerto Rico	15
Mexico	12
Philippines	10
New Zealand	7
Honduras	6
United Arab Emirates	6
Costa Rica	3
Guam	2
Guatemala	2
United Kingdom	2
El Salvador	2
Indonesia	2
Aruba	1

1. Data as of March 25, 2020, the end of Fiscal First Quarter 2020.

STRONG PARTNERSHIP WITH FRANCHISEES

Well Diversified, Experienced, and Energetic Group of 233 Franchisees[1]

- 35 franchisees with more than 10 restaurants each collectively compromise approximately 65% of the franchise system.
- Strong support and energy at the 2019 Annual Denny's Franchisee Association Convention for returns on quality investments in food, service, and atmosphere.

Ownership of 1,628 Franchisee Restaurants[1]

Number of Franchised Units	Number of Franchisees	Franchisees as % of Total	Total Franchised Units	Franchised Units as % of Total
1	81	35%	81	5%
2–5	85	36%	241	15%
6–10	32	14%	258	16%
11–15	13	6%	159	10%
16–30	10	4%	222	14%
>30	12	5%	667	41%
Total	**233**	**100%**	**1,628**	**100%**

1. Data as of March 25, 2020, the end of Fiscal First Quarter 2020.

STRONG COLLABORATION WITH FRANCHISEES

Denny's Franchisee Association

Annual Convention
Steering Committee Meetings
Joint Board Meetings

Marketing Brand Advisory Council

NEW!
CURBSIDE ORDERING AND PICK UP

Menu Innovation
Media Support
Product Testing

Operations Brand Advisory Council



Training Initiatives
Pride Reviews
Operations Support

Supply Chain Oversight Committee



Purchase Product for System
Outperformed PPI by Avg of ~1ppt
Each Year Over the Last Decade

Development Brand Advisory Council



Successful Heritage Remodels
Prototype Development
Lease & Asset Management

Technology Brand Advisory Council



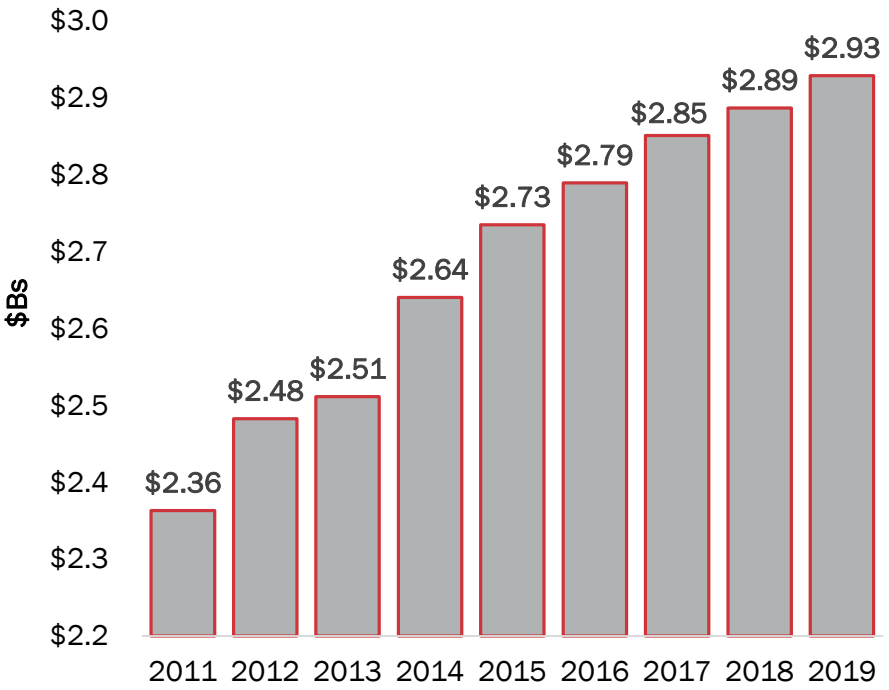
Customer Facing Technology
Denny's On Demand
Common POS Platform

RECENT PERFORMANCE

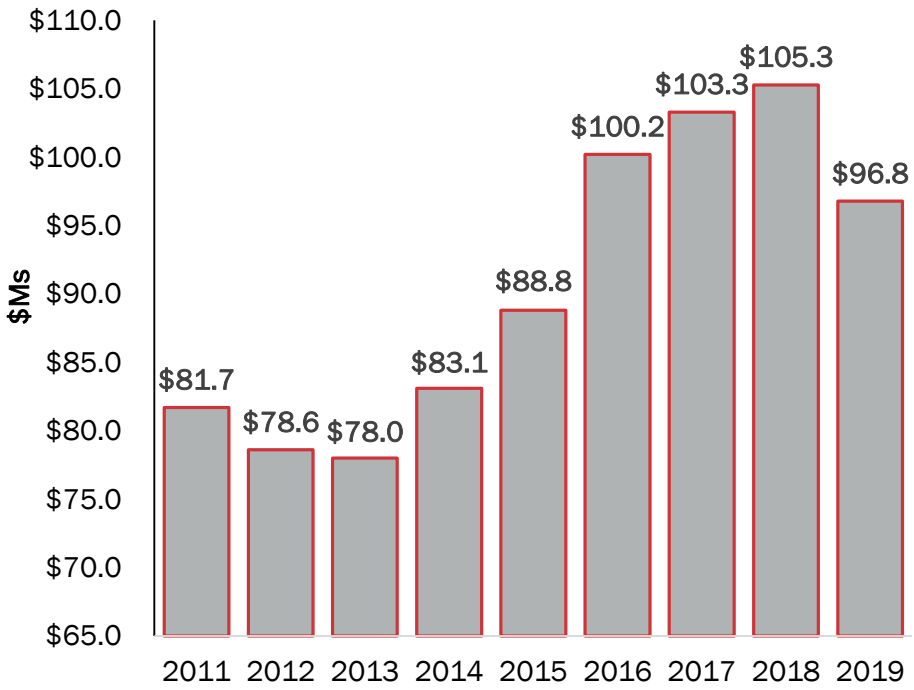
TOTAL SYSTEM SALES[1] AND ADJUSTED EBITDA* GROWTH

Total System Sales[1] Have Grown by Over $550 Million Since 2011

Total System Sales[1]



Adjusted EBITDA*



1. Total system sales is a non-GAAP measure representing the sum of sales generated at all Denny's locations worldwide, including franchise and licensed restaurants which are non-consolidated entities. Total operating revenue is limited to company restaurant sales and royalties, advertising revenue, fees and occupancy revenue from non-consolidated franchised and licensed restaurants. Accordingly, total system sales should be considered as a supplement to, not a substitute for, our results as reported under GAAP.

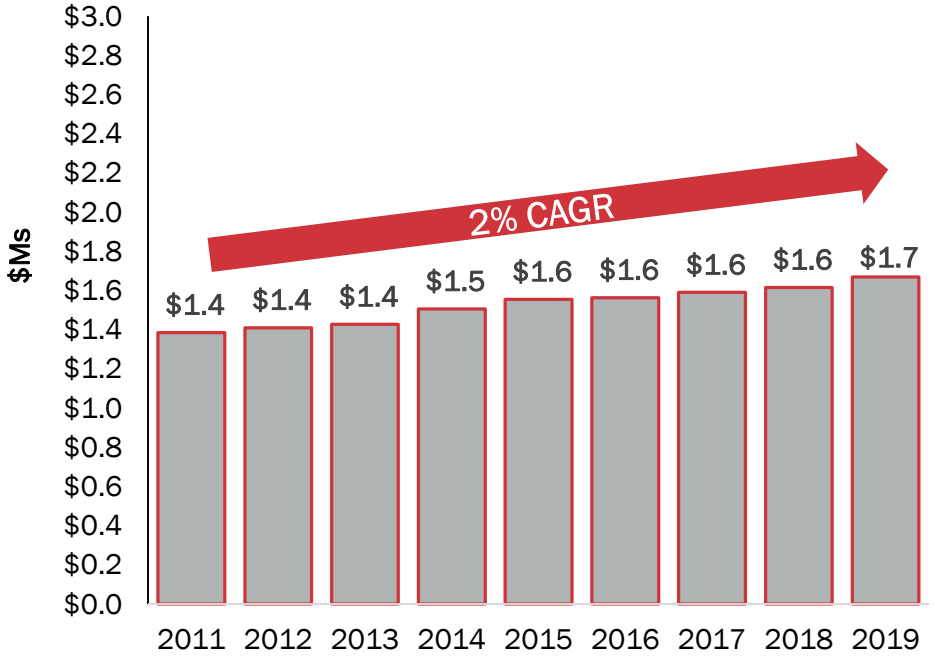
* See Appendix for reconciliation of Net Income to Adjusted EBITDA, Adjusted Net Income, Adjusted Net Income per Share (also called Adjusted Earnings per Share), and Adjusted Free Cash Flow.

FRANCHISED AND COMPANY RESTAURANT SALES

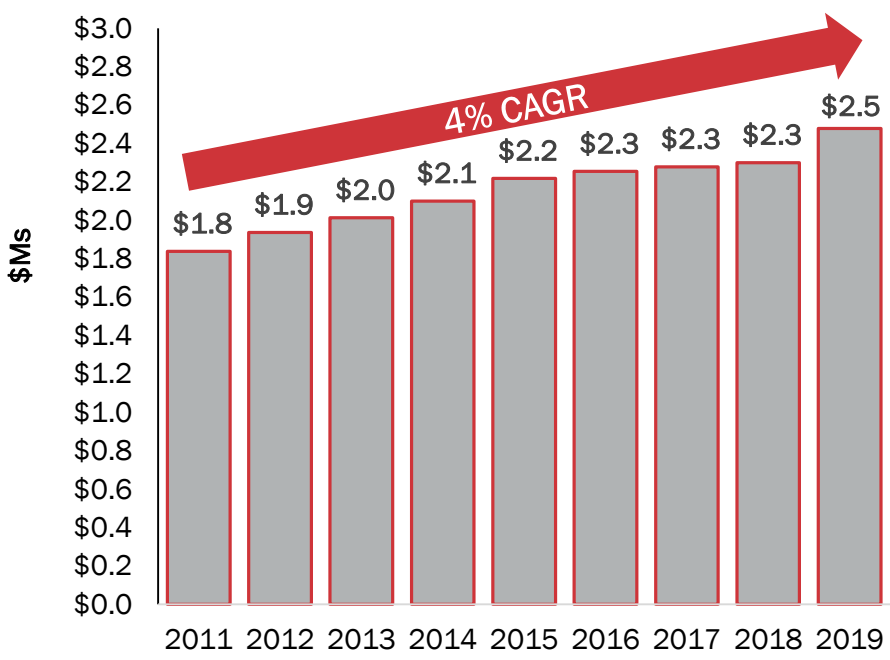
History of Steady Growth in Franchised and Company Average Unit Volumes

Refranchising Strategy Benefited AUVs at Both Franchised and Company Restaurants in 2019

Franchised Restaurant AUVs



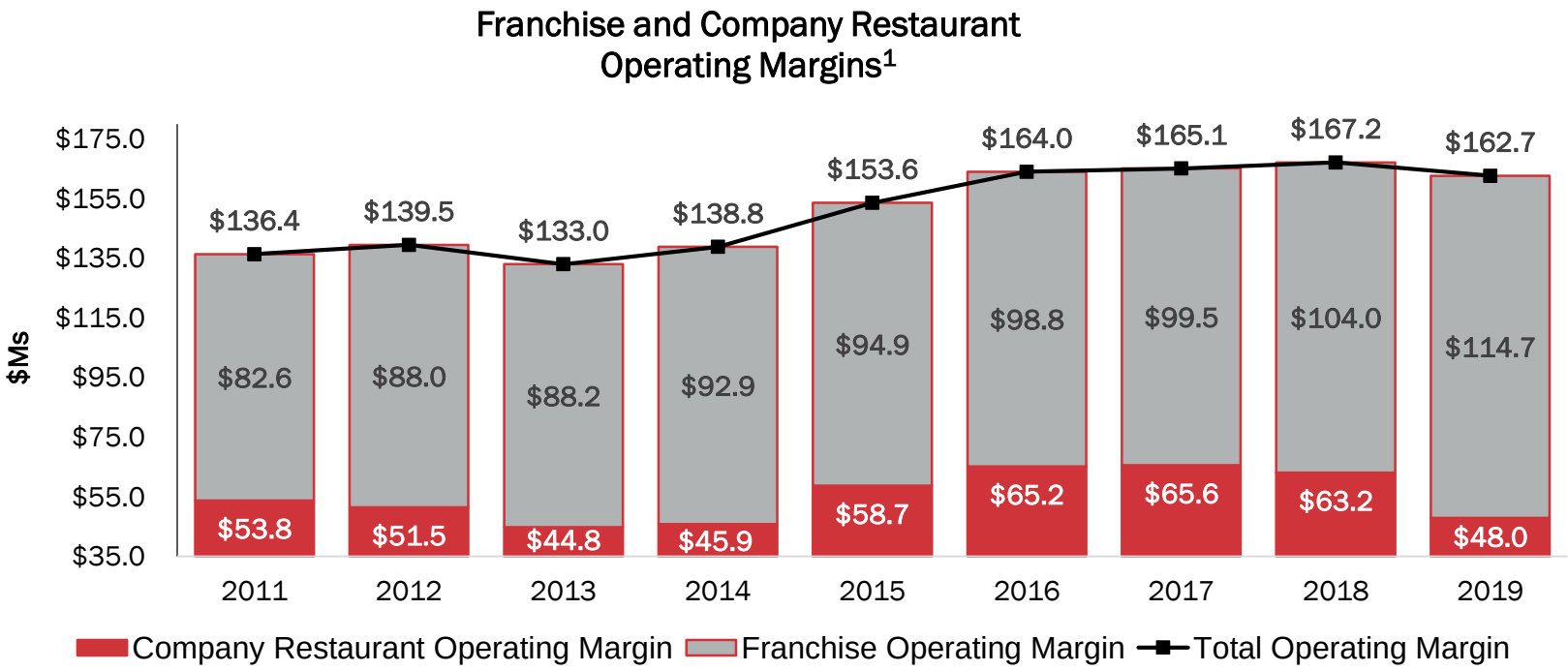
Company Restaurant AUVs



FRANCHISE AND COMPANY MARGINS

Total Operating Margin[1] Grew Over 19% From 2011 Through 2019

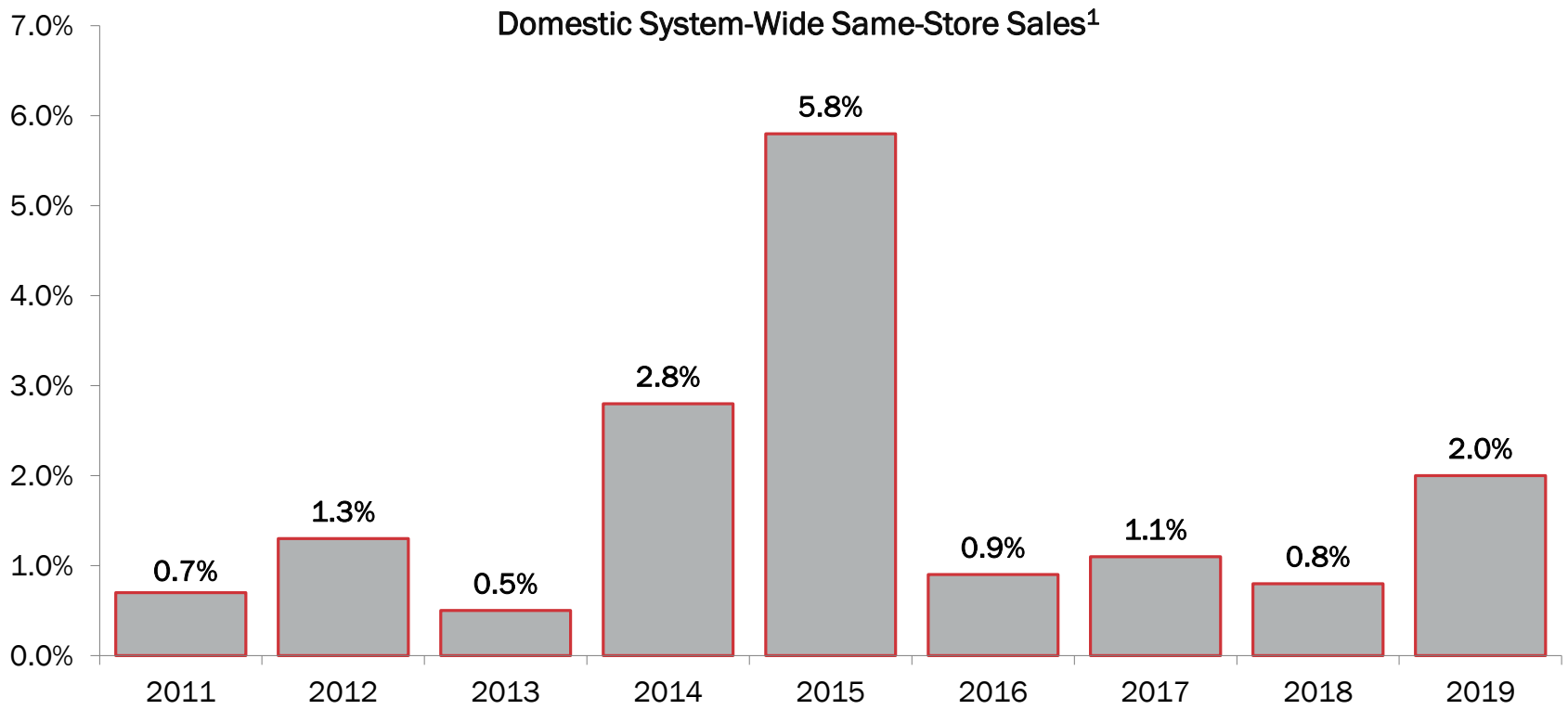
Highly Franchised Business Has Historically Provided Stable Operating Margins[1]



1. The Company believes that, in addition to GAAP measures, certain other non-GAAP financial measures are appropriate indicators to assist in the evaluation of restaurant-level operating efficiency and performance of ongoing restaurant-level operations. Total Operating Margin is the total of Company Restaurant Operating Margin and Franchise Operating Margin. We define Company Restaurant Operating Margin as company restaurant sales less costs of company restaurant sales (which include product costs, company restaurant level payroll and benefits, occupancy costs, and other operating costs including utilities, repairs and maintenance, marketing and other expenses) and present it as a percent of company restaurant sales. We define Franchise Operating Margin as franchise and license revenue (which includes franchise royalties and other non-food and beverage revenue streams such as initial franchise fees, advertising revenue and occupancy revenue) less costs of franchise and license revenue and present it as a percent of franchise and license revenue.

SAME-STORE SALES[1]

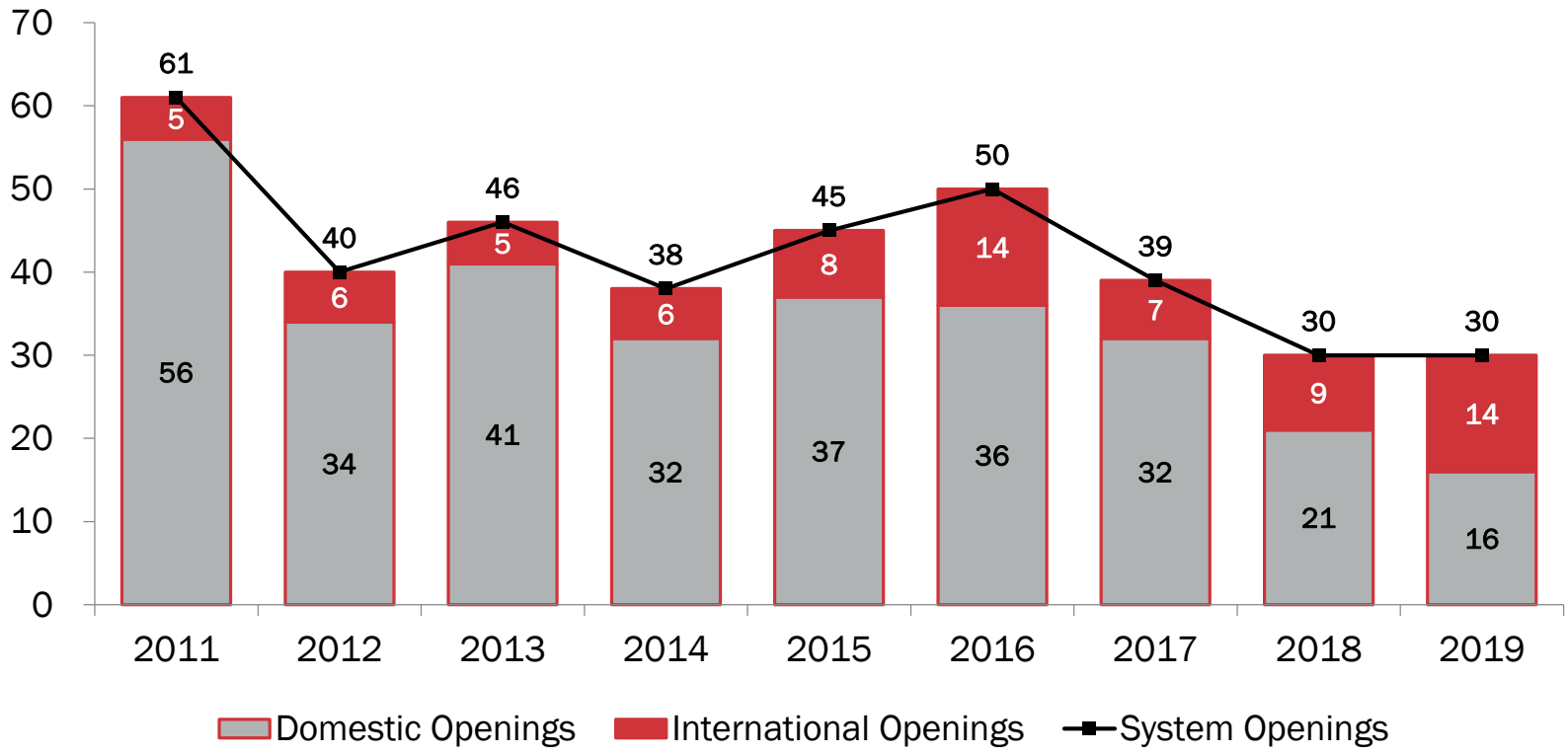
Nine Consecutive Fiscal Years of Positive Domestic System-Wide Same-Store Sales[1] Growth From 2011 Through 2019



1. Same-store sales include sales at company restaurants and non-consolidated franchised and licensed restaurants that were open the same period in the prior year. Total operating revenue is limited to company restaurant sales and royalties, advertising revenue, fees and occupancy revenue from non-consolidated franchised and licensed restaurants. Accordingly, domestic franchise same-store sales and domestic system-wide same-store sales should be considered as a supplement to, not a substitute for, our results as reported under GAAP.

GLOBAL DEVELOPMENT

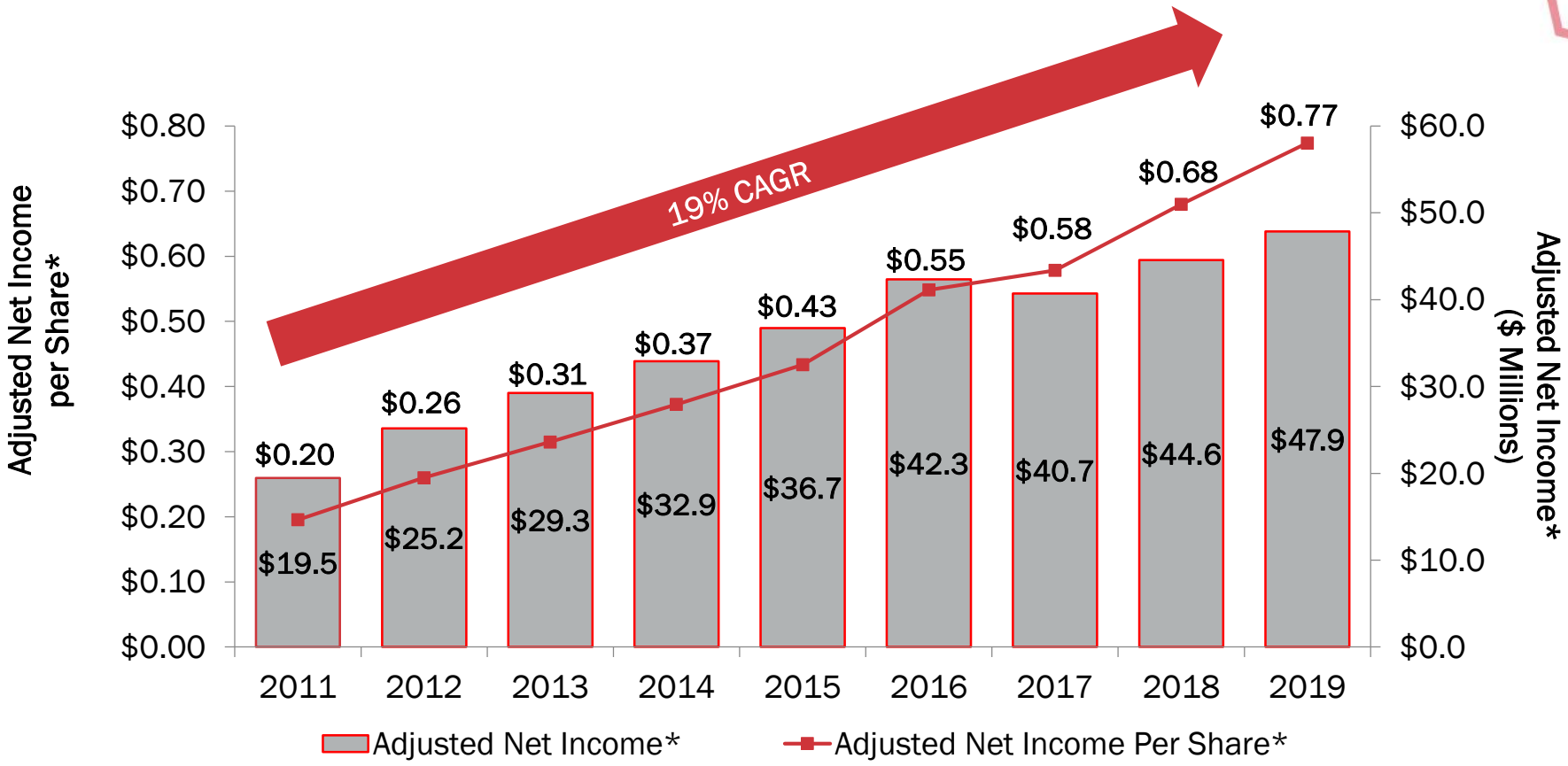
Growth Initiatives Enabled Approximately 380 New Restaurant Openings Since 2011 With 95% Opened by Franchisees[1]



1. Data as of December 25, 2019, the end of Fiscal Fourth Quarter 2019.

ADJUSTED NET INCOME PER SHARE*

Growth in Adjusted Net Income Per Share* Between 2011 and 2019 Driven by Successful Revitalization Initiatives and Share Repurchase Program

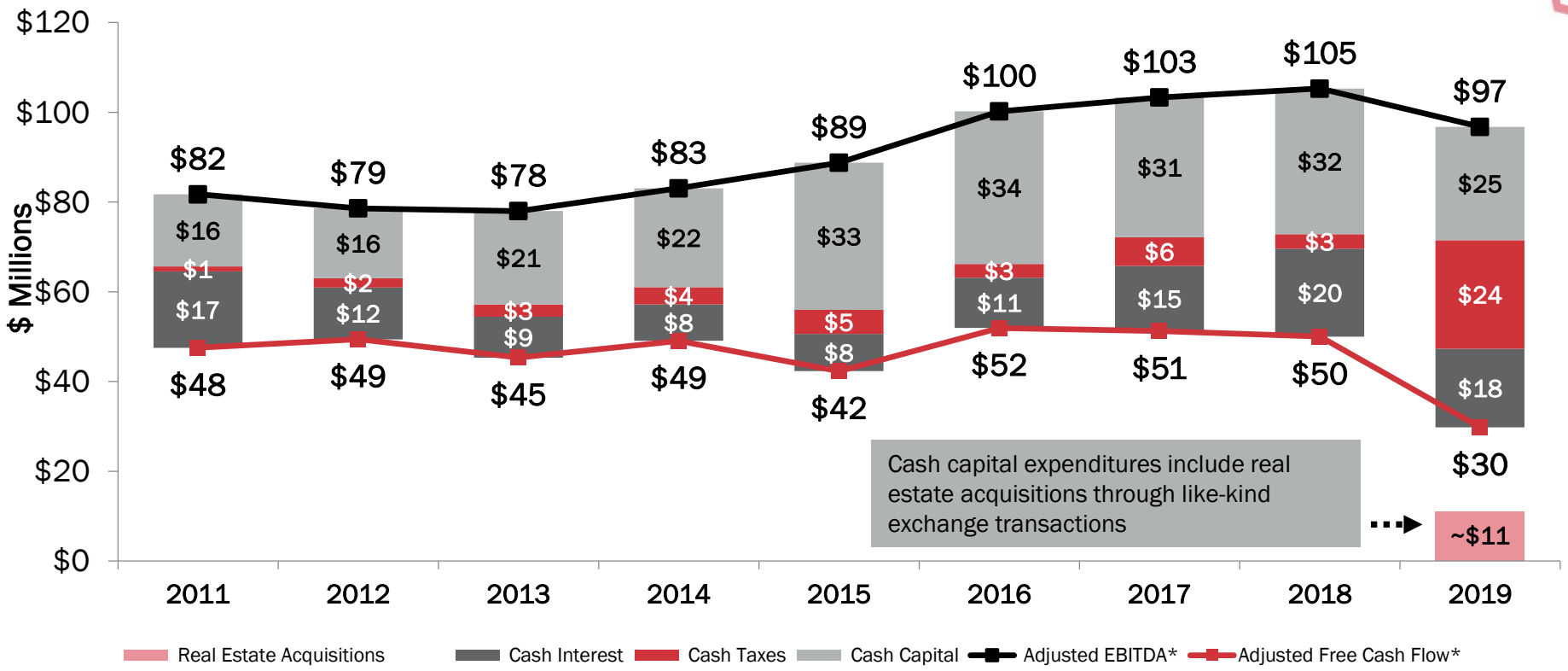


* See Appendix for reconciliation of Net Income to Adjusted EBITDA, Adjusted Net Income, Adjusted Net Income per Share (also called Adjusted Earnings per Share), and Adjusted Free Cash Flow.

ADJUSTED FREE CASH FLOW*

Nearly $417 Million in Adjusted Free Cash Flow* Generated Over Last 9 Fiscal Years

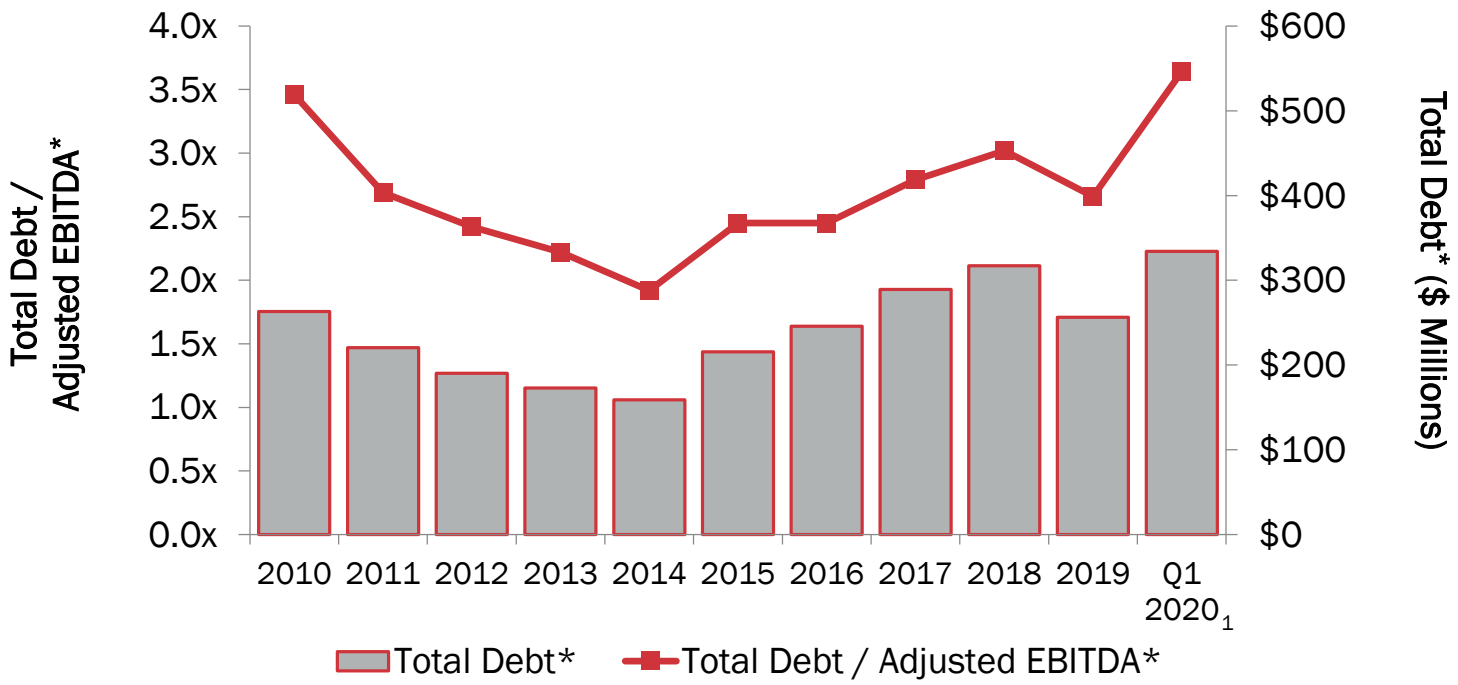
Adjusted Free Cash Flow* Impacted by ~$11 Million of Real Estate Acquisitions in 2019



* See Appendix for reconciliation of Net Income to Adjusted EBITDA, Adjusted Net Income, Adjusted Net Income per Share (also called Adjusted Earnings per Share), and Adjusted Free Cash Flow.

SOLID BALANCE SHEET WITH FLEXIBILITY

Strength of Adjusted EBITDA* Has Enabled Higher Leverage while Maintaining Financial Flexibility to Make Investments and Return Capital to Shareholders



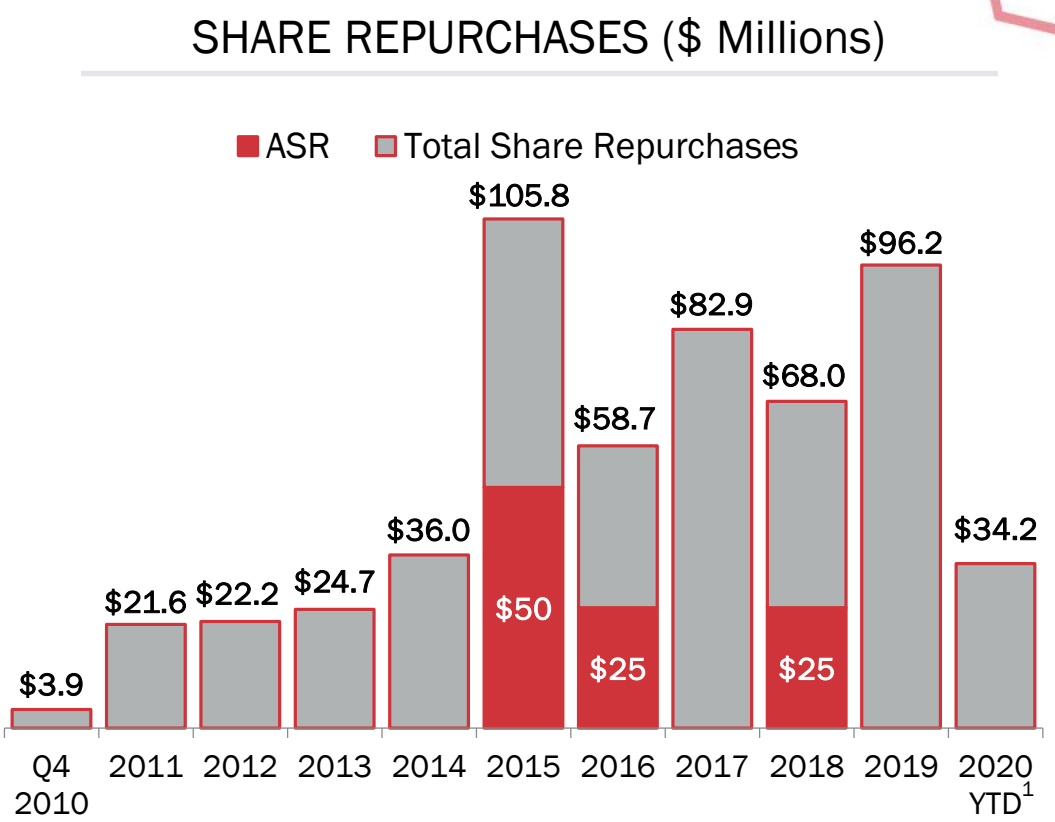
1. On May 13, 2020, we entered into an amendment to our credit agreement which temporarily waives certain financial covenants, increases the interest rate to LIBOR plus 3.00%, prohibits us from paying dividends and making stock repurchases and other general investments, restricts capital expenditures to $10 million in the aggregate through March 31, 2020, and adds a monthly minimum liquidity covenant, defined as the sum of unrestricted cash and revolver availability, ranging from $60 million to $70 million through May 26, 2021.

*See Appendix for reconciliation of Net Income to Adjusted EBITDA, Adjusted Net Income, Adjusted Net Income per Share (also called Adjusted Earnings per Share), and Adjusted Free Cash Flow. Total Debt is Gross Debt including Finance Lease Obligations.

HISTORY OF CONSISTENTLY RETURNING EXCESS CAPITAL TO SHAREHOLDERS

Approximately $554 Million Allocated Towards Share Repurchases Since We Started to Return Excess Capital to Shareholders in Late 2010[1]

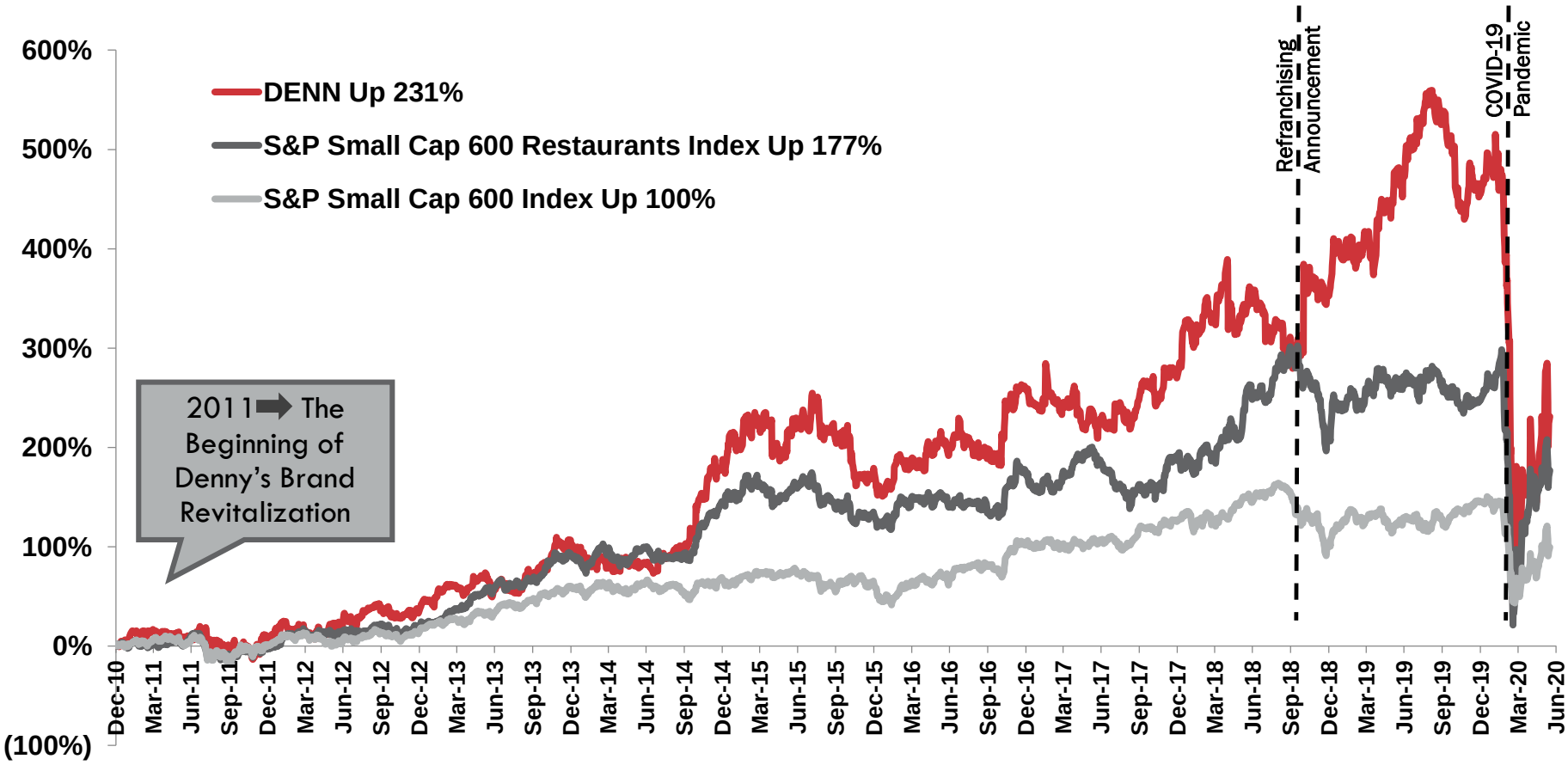
- Allocated $34.2 million toward share repurchases during Q1 2020 before suspending share repurchases as of February 27, 2020
- Terminated 10b5-1 trading plan on March 16, 2020
- Paid an average of $10.26 per share to repurchase approximately $54 million shares resulting in a 44% net reduction in our share count since late 2010
- On May 13, 2020, we entered into an amendment to our credit agreement which, among other things, temporarily prohibits us from paying dividends and making stock repurchases



1. Data as of February 27, 2020 (date we suspended share repurchases).

STOCK PRICE OUTPERFORMANCE

Between 2010 and June 15, 2020, Denny's Stock Price Rose 231%, or 2.3x the S&P Small Cap 600 Index and 1.3x the S&P Small Cap 600 Restaurants Index



DENNY'S INVESTMENT HIGHLIGHTS

- **Consistent same-store sales[1] growth** through brand revitalization strategies to enhance food, service, and atmosphere
- **Global footprint** supported by strong domestic presence and expanding international locations
- **Strong Adjusted Free Cash Flow* and shareholder return** supported by solid balance sheet with flexibility to support brand investments and a focus on highly accretive and shareholder friendly allocations of Adjusted Free Cash Flow*
- **Durable business focused on the future** with a lower risk, highly-franchised business model supported by established revitalization strategies and a sustained record of consistent financial performance

1. Same-store sales include sales at company restaurants and non-consolidated franchised and licensed restaurants that were open the same period in the prior year. Total operating revenue is limited to company restaurant sales and royalties, advertising revenue, fees and occupancy revenue from non-consolidated franchised and licensed restaurants. Accordingly, domestic franchise same-store sales and domestic system-wide same-store sales should be considered as a supplement to, not a substitute for, our results as reported under GAAP.

*See Appendix for reconciliation of Net Income to Adjusted EBITDA, Adjusted Net Income, Adjusted Net Income per Share (also called Adjusted Earnings per Share), and Adjusted Free Cash Flow.

APPENDIX

EXPERIENCED AND COMMITTED LEADERSHIP TEAM



John C. Miller, Chief Executive Officer joined Denny's in 2011 with over 30 years experience in restaurant operations and management. Prior to joining Denny's, served as President of Taco Bueno and spent 17 years with Brinker International where positions held included President of Romano's Macaroni Grill and President of Brinker's Mexican Concepts.



F. Mark Wolfinger, President joined Denny's in 2005 as Chief Financial Officer. Previous roles include Chief Financial Officer of Danka Business Systems and senior financial positions with Hollywood Entertainment, Metromedia Restaurant Group (operators of Bennigans, Ponderosa Steakhouse, and Steak & Ale), and the Grand Metropolitan.



Christopher D. Bode, Senior Vice President, Chief Operating Officer. Prior to joining Denny's in 2011, served as Chief Operating Officer of QSR Management, LLC (a franchisee of Dunkin' Donuts) and Vice President of Development & Construction of Dunkin' Brands, Inc. Before joining the restaurant industry, served as a United States Navy Communications Specialist.



John W. Dillon, Executive Vice President, Chief Brand Officer. Prior to joining Denny's in 2007, held multiple marketing leadership positions with various organizations, including 10 years with YUM! Brands/Pizza Hut, and was Vice President of Marketing for the National Basketball Association's Houston Rockets.



Stephen C. Dunn, Senior Vice President, Chief Global Development Officer. Prior to joining Denny's in 2004, held executive-level positions with Church's Chicken, El Pollo Loco, Mr. Gatti's, and TCBY. Earned the distinction of Certified Franchise Executive by the International Franchise Association Educational Foundation. Served as an Infantry Officer in the United States Army.



Michael L. Furlow, Senior Vice President, Chief Information Officer. Prior to joining Denny's in 2017, served as Chief Information Officer and Senior Vice President of IT at Red Robin Gourmet Burgers and CEC Entertainment, Inc. (an operator and franchisor of Chuck E. Cheese's and Peter Piper Pizza).



Gail S. Myers, Senior Vice President, General Counsel. Prior to joining Denny's in 2020, served as Executive Vice President, General Counsel, Secretary and Chief Compliance Officer for American Tire Distributors, Inc., Senior Vice President, Deputy General Counsel and Chief Compliance Counsel at U.S. Foods and Senior Vice President, General Counsel and Secretary at Snyder's-Lance, Inc.



Jill A. Van Pelt, Senior Vice President, Chief People Officer. Joined Denny's in 2006 as Senior Director of Total Rewards and named Vice President of Human Resources in 2008. Prior experience includes various positions in Accounting, Human Resources Systems, and Human Resources for Maytag, Coastal Corporation, and Dynegy.



Robert P. Verostek, Senior Vice President, Chief Financial Officer. Joined Denny's in 1999 and served in numerous leadership positions across the Finance and Accounting teams. Named Vice President of Financial Planning and Analysis in 2012 and Chief Financial Officer is 2020. Prior experience includes various accounting roles for Insignia Financial Group.

RECONCILIATION OF NET INCOME TO NON-GAAP FINANCIAL MEASURES

$ Millions (except per share amounts)	2011	2012	2013	2014[1]	2015	2016	2017	2018	2019	2020 Q1[1,2]
Net Income (loss)	**$112.3**	**$22.3**	**$24.6**	**$32.7**	**$36.0**	**$19.4**	**$39.6**	**$43.7**	**$117.4**	**$9.0**
Provision for Income Taxes[2]	(84.0)	12.8	11.5	16.0	17.8	16.5	17.2	8.6	31.8	2.3
Operating (Gains) Losses and Other Charges, Net	2.1	0.5	7.1	1.3	2.4	26.9	4.3	2.6	(91.2)	1.5
Other Non-Operating (Income) Expense, Net	2.6	7.9	1.1	(0.6)	0.1	(1.1)	(1.7)	0.6	(2.8)	2.8
Share-Based Compensation	4.2	3.5	4.9	5.8	6.6	7.6	8.5	6.0	6.7	(1.5)
Deferred Compensation Plan Valuation Adjustments[5]	(0.1)	0.7	1.1	0.5	0.0	0.9	1.6	(1.0)	2.6	(2.5)
Interest Expense, Net	20.0	13.4	10.3	9.2	9.3	12.2	15.6	20.7	18.5	4.0
Depreciation and Amortization	28.0	22.3	21.5	21.2	21.5	22.2	23.7	27.0	19.8	4.1
Cash Payments for Restructuring Charges & Exit Costs	(2.7)	(3.8)	(2.8)	(2.0)	(1.5)	(1.8)	(1.7)	(1.1)	(2.6)	(0.7)
Cash Payments for Share-Based Compensation	(0.8)	(1.0)	(1.2)	(1.1)	(3.4)	(2.5)	(3.9)	(1.9)	(3.6)	(3.2)
Adjusted EBITDA[5]	**$81.7**	**$78.6**	**$78.0**	**$83.1**	**$88.8**	**$100.2**	**$103.3**	**$105.3**	**$96.8**	**$15.7**
Adjusted EBITDA Margin %	15.2%	16.1%	16.9%	17.6%	18.1%	19.8%	19.5%	16.7%	17.9%	16.3%
Cash Interest Expense	(17.0)	(11.6)	(9.1)	(8.1)	(8.3)	(11.2)	(14.6)	(19.6)	(17.6)	(3.7)
Cash Taxes	(1.1)	(2.0)	(2.8)	(3.8)	(5.4)	(3.0)	(6.4)	(3.3)	(24.1)	(0.2)
Capital Expenditures	(16.1)	(15.6)	(20.8)	(22.1)	(32.8)	(34.0)	(31.2)	(32.4)	(25.3)	(2.8)
Adjusted Free Cash Flow[5]	**$47.5**	**$49.4**	**$45.3**	**$49.1**	**$42.3**	**$51.9**	**$51.2**	**$50.0**	**$29.8**	**$9.0**
Net Income (loss)	**$112.3**	**$22.3**	**$24.6**	**$32.7**	**$36.0**	**$19.4**	**$39.6**	**$43.7**	**$117.4**	**$9.0**
Pension Settlement Loss	0.0	0.0	0.0	0.0	0.0	24.3	0.0	0.0	0.0	0.0
(Gains) Losses on Sales of Assets and Other, Net	(3.2)	(7.1)	(0.1)	(0.1)	(0.1)	0.0	3.5	(0.5)	(93.6)	(1.1)
Impairment Charges	4.1	3.7	5.7	0.4	0.9	1.1	0.3	1.6	0.0	2.2
Early Extinguishment of Debt	1.4	7.9	1.2	0.0	0.3	0.0	0.0	0.0	0.0	0.0
Tax Reform	0.0	0.0	0.0	0.0	0.0	0.0	(1.6)	0.0	0.0	0.0
Tax Effect of Adjustments[3]	(0.8)	(1.6)	(2.2)	(0.1)	(0.4)	(2.5)	(1.2)	(0.2)	24.1	(0.2)
Adjusted Provision for Income Taxes[4]	(94.3)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Adjusted Net Income	**$19.5**	**$25.2**	**$29.3**	**$32.9**	**$36.7**	**$42.3**	**$40.7**	**$44.6**	**$47.9**	**$9.9**
Diluted Net Income Per Share	**$1.15**	**$0.23**	**$0.26**	**$0.37**	**$0.42**	**$0.25**	**$0.56**	**$0.67**	**$1.90**	**$0.16**
Adjustments Per Share	($0.95)	$0.03	$0.05	$0.00	$0.01	$0.30	$0.02	$0.01	($1.13)	$0.01
Adjusted Net Income Per Share	**$0.20**	**$0.26**	**$0.31**	**$0.37**	**$0.43**	**$0.55**	**$0.58**	**$0.68**	**$0.77**	**$0.17**
Diluted Weighted Average Shares Outstanding (000's)	**99,588**	**96,754**	**92,903**	**88,355**	**84,729**	**77,206**	**70,403**	**65,562**	**61,833**	**58,106**

1. Full year includes 53 operating weeks.
2. Data as of March 25, 2020, the end of Fiscal First Quarter 2020.
3. In the fourth quarter of 2011, we recorded an $89 million net deferred tax benefit from the release of a substantial portion of the valuation allowance on certain deferred tax assets. This release was primarily based on our improved historical and projected pre-tax income.
4. Tax adjustments for full year 2013, 2014, 2015, 2017 and 2018 use full year effective tax rates of 31.9%, 32.9%, 33.0%, 30.3% and 16.4%, respectively. Tax adjustments for full year 2011 and 2012 are calculated using the Company's full year 2012 effective tax rate of 36.4%. The tax adjustment for the loss on pension termination for the year ended December 28, 2016 is calculated using an effective tax rate of 8.8%. The remaining tax adjustments for the year ended December 28, 2016 are calculated using the Company's effective tax rate of 30.9%. Tax adjustments for the gains on sales of assets and other, net in full year 2019 and YTD 2020 are calculated using an effective tax rate of 25.7% and YTD effective tax rate of 20.5%, respectively.
5. Adjusted provision for income taxes based on effective income tax rate of 36.4% for full year ended Dec. 27, 2012 and excludes impact of net deferred tax benefit.
6. Beginning in 2018, historical presentations of Adjusted EBITDA and Adjusted Free Cash Flow have been restated to exclude the impact of market valuation changes in our non-qualified deferred compensation plan liabilities.

RECONCILIATION OF OPERATING INCOME TO NON-GAAP FINANCIAL MEASURES

The Company believes that, in addition to GAAP measures, certain other non-GAAP financial measures are appropriate indicators to assist in the evaluation of restaurant-level operating efficiency and performance of ongoing restaurant-level operations. The Company uses Total Operating Margin, Company Restaurant Operating Margin and Franchise Operating Margin internally as performance measures for planning purposes, including the preparation of annual operating budgets, and these three non-GAAP measures are used to evaluate operating effectiveness.

We define Total Operating Margin as operating income excluding the following three items: general and administrative expenses, depreciation and amortization, and operating (gains), losses and other charges, net. We present Total Operating Margin as a percent of total operating revenue. We exclude general and administrative expenses, which includes primarily non-restaurant-level costs associated with support of company and franchised restaurants and other activities at our corporate office. We exclude depreciation and amortization expense, substantially all of which is related to company restaurant-level assets, because such expenses represent historical sunk costs which do not reflect current cash outlays for the restaurants. We exclude special items, included within operating (gains), losses and other charges, net, to provide investors with a clearer perspective of the Company's ongoing operating performance and a more relevant comparison to prior period results.

Total Operating Margin is the total of Company Restaurant Operating Margin and Franchise Operating Margin. We define Company Restaurant Operating Margin as company restaurant sales less costs of company restaurant sales (which include product costs, company restaurant level payroll and benefits, occupancy costs, and other operating costs including utilities, repairs and maintenance, marketing and other expenses) and present it as a percent of company restaurant sales. We define Franchise Operating Margin as franchise and license revenue (which includes franchise royalties and other non-food and beverage revenue streams such as initial franchise fees, advertising revenue and occupancy revenue) less costs of franchise and license revenue and present it as a percent of franchise and license revenue.

These non-GAAP financial measures provide a meaningful comparison between periods and enable investors to focus on the performance of restaurant-level operations by excluding revenues and costs unrelated to food and beverage sales in addition to corporate general and administrative expense, depreciation and amortization, and other gains and charges. However, each of these non-GAAP financial measures should be considered as a supplement to, not a substitute for, operating income, net income or other financial performance measures prepared in accordance with U.S. generally accepted accounting principles. Total Operating Margin, Company Restaurant Operating Margin and Franchise Operating Margin do not accrue directly to the benefit of shareholders because of the aforementioned excluded costs, and are not indicative of the overall results for the Company.

$ Millions	2011	2012	2013	2014[1]	2015	2016	2017	2018	2019	2020 Q1[1,2]
Operating Income	**$51.0**	**$56.4**	**$47.5**	**$57.3**	**$63.2**	**$47.0**	**$70.7**	**$73.6**	**$165.0**	**$18.0**
General and Administrative Expenses	55.4	60.3	56.8	58.9	66.6	68.0	66.4	63.8	69.0	7.7
Depreciation and Amortization	28.0	22.3	21.5	21.2	21.5	22.2	23.7	27.0	19.8	4.1
Operating (Gains) Losses and Other Charges, Net	2.1	0.5	7.1	1.3	2.4	26.9	4.3	2.6	(91.2)	1.5
Total Operating Margin	**$136.4**	**$139.5**	**$132.9**	**$138.7**	**$153.6**	**$164.0**	**$165.2**	**$167.1**	**$162.7**	**$31.4**
Total Operating Margin Consists Of:										
Company Restaurant Operating Margin	53.8	51.5	44.8	45.9	58.7	65.2	65.6	63.2	48.0	6.2
Franchise Operating Margin	82.6	88.0	88.2	92.9	94.9	98.8	99.5	104.0	114.7	25.2
Total Operating Margin	**$136.4**	**$139.5**	**$132.9**	**$138.7**	**$153.6**	**$164.0**	**$165.2**	**$167.1**	**$162.7**	**$31.4**

1. Full year includes 53 operating weeks.
2. Data as of March 25, 2020, the end of Fiscal First Quarter 2020.
3. presentations of Adjusted EBITDA and Adjusted Free Cash Flow have been restated to exclude the impact of market valuation changes in our non-qualified deferred compensation plan liabilities.