



Earnings Call

Fiscal 2025: Second Quarter Results
December 19, 2024

Disclaimer/Non-GAAP Information

IMPORTANT NOTICE

The following slides are part of a presentation by Darden Restaurants, Inc. (the "Company") and are intended to be viewed as part of that presentation (the "Presentation"). No representation is made that the Presentation is a complete description of the Company's performance, financial condition or outlook.

Forward-looking statements in this communication regarding our expected earnings performance and all other statements that are not historical facts, including without limitation statements concerning our future economic performance, are made under the Safe Harbor provisions of the Private Securities Litigation Reform Act of 1995. Any forward-looking statements speak only as of the date on which such statements are first made, and we undertake no obligation to update such statements to reflect events or circumstances arising after such date. We wish to caution investors not to place undue reliance on any such forward-looking statements. By their nature, forward-looking statements involve risks and uncertainties that could cause actual results to materially differ from those anticipated in the statements. The most significant of these uncertainties are described in Darden's Form 10-K, Form 10-Q and Form 8-K reports. These risks and uncertainties include: a failure to address cost pressures and a failure to effectively deliver cost management activities, economic factors and their impacts on the restaurant industry and general macroeconomic factors including unemployment, energy prices and interest rates, the inability to hire, train, reward and retain restaurant team members, a failure to develop and recruit effective leaders, labor and insurance costs, health concerns including food-related pandemics or outbreaks of flu or other viruses, food safety and food-borne illness concerns, technology failures including failure to maintain a secure cyber network, compliance with privacy and data protection laws and risks of failures or breaches of our data protection systems, the inability to successfully complete our integration of Chuy's Holdings operations into our business, risks relating to public policy changes and federal, state and local regulation of our business, intense competition, changing consumer preferences, an inability or failure to manage the accelerated impact of social media, a failure to execute innovative marketing and guest relationship tactics, climate change, adverse weather conditions and natural disasters, long-term and non-cancelable property leases, failure to execute a business continuity plan following a disaster, shortages or interruptions in the delivery of food and other products and services, failure to drive profitable sales growth, a lack of availability of suitable locations for new restaurants, higher-than-anticipated costs to open, close, relocate or remodel restaurants, risks of doing business with franchisees, licensees and vendors in foreign markets, volatility in the market value of derivatives, volatility leading to the inability to hedge equity compensation market exposure, failure to protect our intellectual property, environmental, social and governance risk, including disclosure expectations and the impacts of third party ratings, litigation, unfavorable publicity, disruptions in the financial markets, impairment in the carrying value of our goodwill or other intangible assets, changes in tax laws or unanticipated tax liabilities, failure of our internal controls over financial reporting and other factors and uncertainties discussed from time to time in reports filed by Darden with the Securities and Exchange Commission.

The information in this communication includes financial information determined by methods other than in accordance with accounting principles generally accepted in the United States of America ("GAAP"), such as adjusted diluted net earnings per share from continuing operations and adjusted EBITDA. The Company's management uses these non-GAAP measures in its analysis of the Company's performance. The Company believes that the presentation of certain non-GAAP measures provides useful supplemental information that is essential to a proper understanding of the operating results of the Company's businesses. These non-GAAP disclosures should not be viewed as a substitute for operating results determined in accordance with GAAP, nor are they necessarily comparable to non-GAAP performance measures that may be presented by other companies. Reconciliations of these non-GAAP measures to the most comparable GAAP measures are included under "Additional Information" in this presentation.





A full-service restaurant company with ...

1
Mission

Be financially successful through great people consistently delivering outstanding food, drinks and service in an inviting atmosphere making every guest loyal.

4
Competitive
Advantages

Significant
Scale



Extensive
Data & Insights



Rigorous
Strategic Planning



Results-
Oriented Culture

1
Driving
Philosophy

Back-To-Basics

Culinary
Innovation
& Execution



Attentive
Service



Engaging
Atmosphere



Integrated
Marketing

10
Iconic
Brands

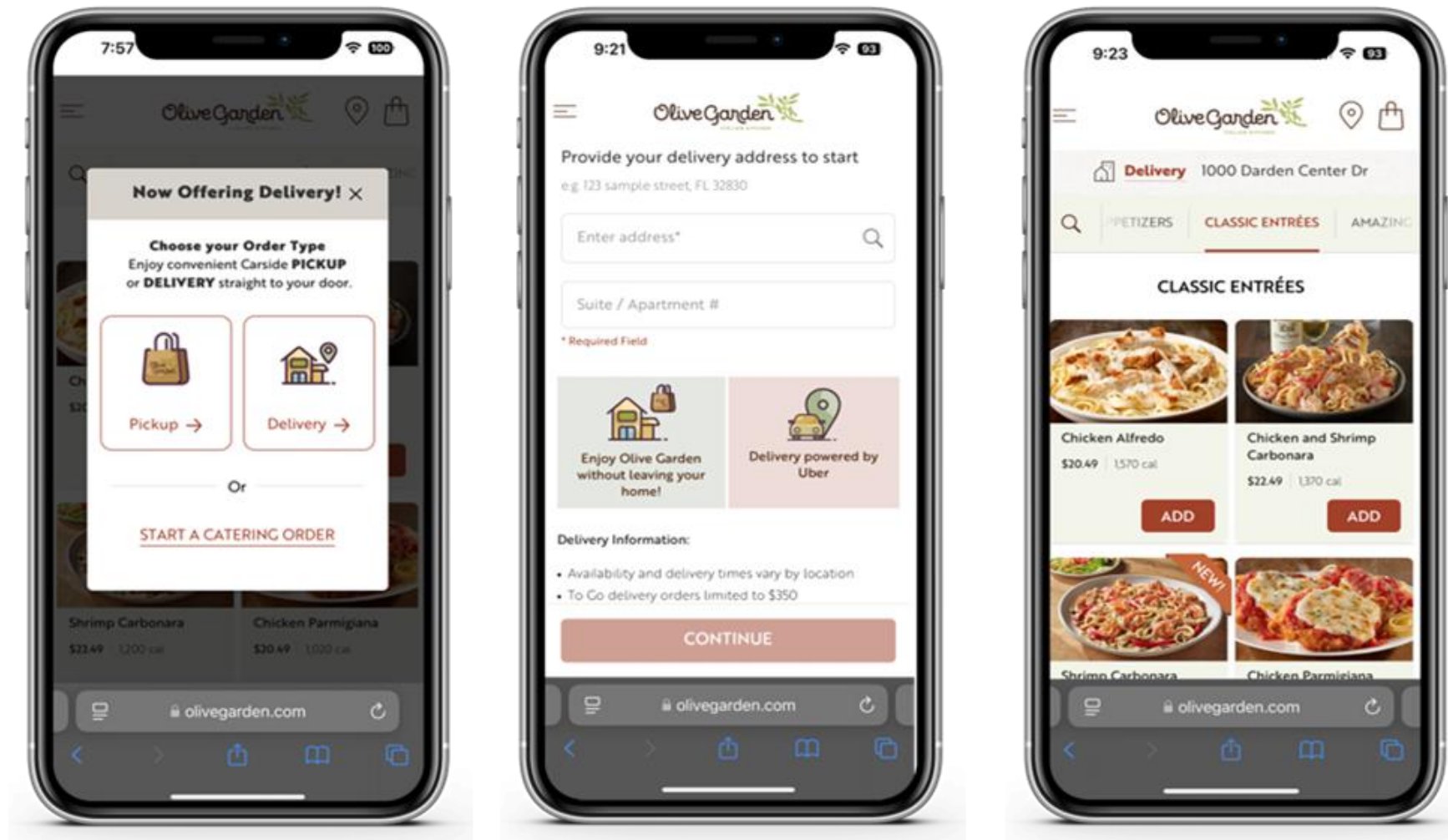


Never Ending Pasta Bowl



Elevates Brand Equity | Simple to Execute | Not at a Deep Discount

Uber Direct Delivery Pilot





Steak Gorgonzola Alfredo



Stuffed Chicken Marsala



 **LONGHORN**
STEAKHOUSE



Cheddar's

SCRATCH  KITCHEN

Texas

T-BONE

\$**21**⁴⁹



16 ounce

BONE-IN RIBEYE

\$**22**⁴⁹





- // Preserve the employee experience and Chuy's unique culture
- // Maintain the guest experience
- // Successfully migrate Chuy's onto the Darden platform

Next Generation Point of Sale



// Improved and more modern interface

// Updated technology architecture

// Ability to operate on different types of hardware

// Near real-time analytics

Responding in Times of Need



**American
Red Cross**

Annual Disaster
Giving Program



Thank You To Our Team Members



Fiscal 2025 Second Quarter Financial Highlights



\$2.9 Billion
TOTAL SALES

6.0%
TOTAL SALES GROWTH

2.4%
SAME-RESTAURANT SALES
GROWTH¹

\$445 Million
ADJUSTED EBITDA²

\$2.03
ADJUSTED DILUTED NET EPS
FROM CONTINUING
OPERATIONS²

\$308 Million
CASH RETURN³

¹ Will not include Chuy's until they have been owned and operated by Darden for a 16-month period (Q4 Fiscal 2026); Includes Ruth's Chris for the month of November only.

² A reconciliation of Non-GAAP measures can be found in the Additional Information section of this presentation.

³ Includes dividends paid and repurchases of common stock.



Margin Analysis vs. Prior Year

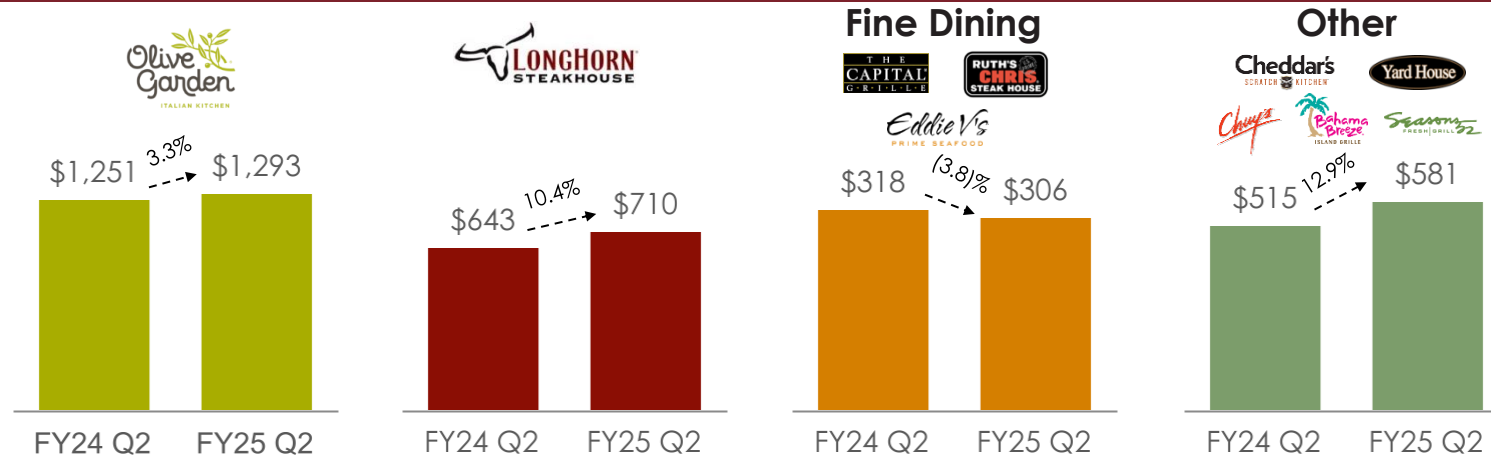
	As Reported		As Adjusted ¹	
	Q2 2025 (\$ millions)	Q2 2025 (\$ millions)	Q2 2025 % of Sales	vs Q2 2024 (bps) Favorable/(Unfavorable)
Sales	\$2,890.0	\$2,890.0		
Food and Beverage	\$872.8	\$872.8	30.2 %	80
Restaurant Labor	\$926.8	\$926.8	32.1 %	20
Restaurant Expenses	\$477.7	\$477.7	16.5 %	—
Marketing Expenses	\$48.8	\$48.8	1.7 %	(30)
Restaurant-Level EBITDA	\$563.9	\$563.9	19.5 %	70
General and Administrative Expenses	\$144.1	\$119.1	4.1 %	(10)
Depreciation and Amortization	\$127.7	\$127.7	4.4 %	(30)
Impairment and Disposal of Assets, Net	\$0.0	\$0.0	— %	10
Operating Income	\$292.1	\$317.1	11.0 %	30
Interest Expense	\$46.2	\$43.5	1.5 %	(20)
Earnings Before Income Tax	\$245.9	\$273.6	9.5 %	10
Income Tax Expense	\$30.2	\$33.6	1.2 %	—
Note: Effective Tax Rate	12.3%	12.3%		
Earnings From Continuing Operations	\$215.7	\$240.0	8.3 %	20

Note: Continuing operations, values may not foot due to rounding.

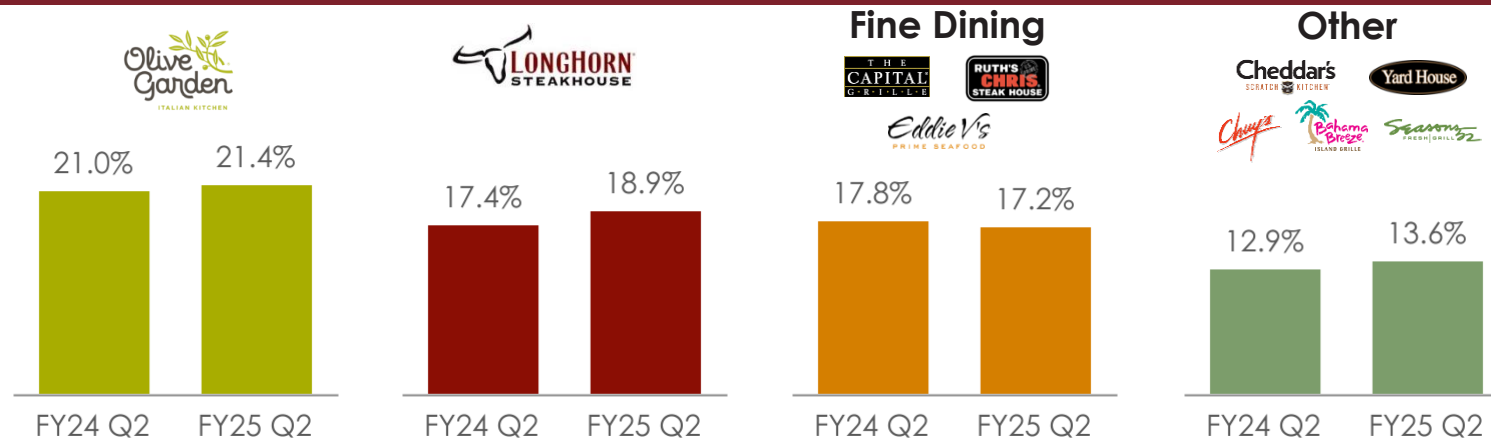
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Second Quarter Segment Performance¹

Segment Sales (\$ millions)



Segment Profit Margin²



¹ From the date of acquisition, October 11, 2024, forward, sales and profits from Chuy's restaurants are included within the Other Business segment.

² Segment profit margin calculated as (sales less costs of food & beverage, restaurant labor, restaurant expenses and marketing expenses) / sales.

Updating Fiscal 2025 Annual Outlook

SALES	DEVELOPMENT	MARGIN
Total Sales ~\$12.1 Billion	Restaurant Openings 50 to 55	Total Inflation: ~2.5% Commodities: ~1.0%
Same-Restaurant Sales Growth¹ ~1.5%	Capital Spending ~\$650 Million	Effective Tax Rate ~12.5%

Adjusted Diluted Earnings per Share
\$9.40 to \$9.60²
(~118 Million Weighted Average Diluted Shares Outstanding)

¹ Does not include Ruth's Chris and Chuy's as they were not owned and operated by Darden for a 16-month period at the beginning of the fiscal year.

² A reconciliation of Non-GAAP measures can be found in the Additional Information section of this presentation.



Chuy's Expected Financial Impacts



// Expected net run-rate pre-tax synergies of approximately \$17 million

- Approximately \$2 million in fiscal 2025

// Expected to be neutral impact to adjusted net earnings per share in fiscal 2025 excluding acquisition and integration related expenses

// Anticipate total acquisition and integration related expenses of approximately \$50 - \$55 million, pre-tax

- Approximately \$47 million, pre-tax, in fiscal 2025

Question & Answer Session

Additional Information

Back Half Commodities Outlook

	December - May FY2025		
	Spend by category	Coverage	Outlook
Beef	25%	40%	Low single digit inflation
Dairy / Oil ¹	13%	40%	Flat
Produce	12%	95%	Low single digit deflation
Seafood	9%	75%	Low single digit inflation
Chicken	8%	90%	Low single digit inflation
Wheat ²	7%	95%	Flat
Non-Perishable / Other	26%	45%	Low single digit inflation
Weighted average coverage	100%	60%	

¹ Includes cheese, cream, butter, and shortening.

² Includes breadsticks and pasta.

Reported to Adjusted Earnings Reconciliations

	Q2 2025				Q2 2024			
	Earnings Before Income Tax	Income Tax Expense	Net Earnings	Diluted Net Earnings Per Share	Earnings Before Income Tax	Income Tax Expense	Net Earnings	Diluted Net Earnings Per Share
\$ in millions, except EPS								
Reported Earnings from Continuing Operations	\$ 245.9	\$ 30.2	\$ 215.7	\$ 1.82	\$ 241.4	\$ 29.1	\$ 212.3	\$ 1.76
Adjustments: Acquisition Transaction and Integration Related Costs	\$ 27.7	\$ 3.4	\$ 24.3	\$ 0.21	\$ 12.8	\$ 3.2	\$ 9.6	\$ 0.08
General and Administrative Expenses	25.0	2.8	22.2	0.19	5.6	1.4	4.2	0.03
Impairment ¹	—	—	—	—	5.9	1.5	4.4	0.04
Interest ²	2.7	0.6	2.1	0.02	1.3	0.3	1.0	0.01
Adjusted Earnings from Continuing Operations	\$ 273.6	\$ 33.6	\$ 240.0	\$ 2.03	\$ 254.2	\$ 32.3	\$ 221.9	\$ 1.84
Adjusted Interest			43.5				35.8	
Adjusted Income Tax			33.6				32.3	
Adjusted Operating Income			\$ 317.1				\$ 290.0	
Depreciation and Amortization			127.7				112.5	
Adjusted EBITDA			\$ 444.8				\$ 402.5	

¹ Write-off of acquired Ruth's Chris assets not able to be utilized.

² In Q2 FY25, Chuy's associated costs relate to write-off of term loan issuance and interest rate hedge settlement. In Q2 FY24, Ruth's associated costs relate to write-off of term loan issuance used to fund Ruth's Chris acquisition, which was paid off with proceeds from bond offering.



Reported to Adjusted Earnings Outlook Reconciliation

	2025			
Reported diluted net earnings per share from continuing operations	\$	9.07	to	\$ 9.27
Chuy's transaction and integration related costs	\$	0.40		\$ 0.40
Income tax expense	\$	(0.07)		\$ (0.07)
Adjusted diluted net earnings per share from continuing operations	\$	9.40		\$ 9.60