



Chuy's Holdings Acquisition

July 18, 2024

Disclaimer/Non-GAAP information

IMPORTANT NOTICE

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Such forward-looking statements include those relating to the ability to complete, and the timing of completion of, the transactions contemplated by the merger agreement, including the parties’ ability to satisfy the conditions to the consummation of the merger and the other conditions set forth in the merger agreement and the possibility of any termination of the merger agreement. Actual results may differ materially from current expectations because of numerous risks and uncertainties including, among others: (i) the risk that the proposed transaction may not be completed in a timely manner or at all; (ii) uncertainty surrounding the number of shares of Chuy’s common stock that will vote in favor of the merger; (iii) the risk of legal proceedings that may be or have been instituted related to the merger agreement, which may result in significant costs of defense, indemnification and liability; (iv) the possibility that competing offers or acquisition proposals for Chuy’s will be made; (v) the possibility that any or all of the various conditions to the consummation of the merger may not be satisfied or waived, including that a governmental entity may prohibit, delay or refuse to grant approval for the consummation of the merger; (vi) the occurrence of any event, change or other circumstance that could give rise to the termination of the merger agreement; (vii) the effects of disruption from the transactions on Chuy’s business and the fact that the announcement and pendency of the transactions may make it more difficult to establish or maintain relationships with employees and business partners; (viii) Darden’s ability to realize the synergies contemplated by the proposed transaction and integrate the business of Chuy’s; (ix) changes in economic conditions, including inflation, increasing interest rates, higher unemployment, slowing growth or recession; (x) reductions in consumer discretionary income and general competition in the restaurant industry; (xi) the effect of shortages or increases in labor costs, state or local government regulations related to the sale or preparation of food, the sale of alcoholic beverages and the opening of new restaurants; (xii) risks in the markets where Chuy’s restaurants are located; and (xiii) economic, regulatory and other limitations on Chuy’s ability to pursue new restaurant openings and other organic growth opportunities. The foregoing factors should be read in conjunction with the risks and cautionary statements discussed or identified in Darden’s and Chuy’s respective public filings with the SEC from time to time, including their respective Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. Darden’s stockholders are cautioned not to unduly rely on these forward-looking statements. The forward-looking statements speak only as of the date hereof and, other than as required by applicable law, Darden expressly disclaims any intent or obligation to update or revise publicly these forward-looking information or statements.

The information in this Presentation includes financial information determined by methods other than in accordance with U.S. generally accepted accounting principles (“GAAP”), including Transaction Adjusted EBITDA (earnings before interest, taxes, depreciation and amortization), Adjusted Restaurant-Level EBITDA, Adjusted Revenue and Restaurant-Level EBITDA Margin. Darden calculates Chuy’s Transaction Adjusted EBITDA as Chuy’s net income plus interest expense, net, income tax expense, depreciation and amortization expenses, loss on impairment and restaurant closure costs and pre-opening expenses minus an adjustment for the 53rd week in Chuy’s fiscal 2023 (the “53rd Week”). Darden calculates Chuy’s Adjusted Restaurant-Level EBITDA as Chuy’s Transaction Adjusted EBITDA plus general and administrative costs minus an adjustment for the 53rd Week, if applicable. Darden calculates Chuy’s Adjusted Revenue as revenue minus an adjustment for the 53rd Week, if applicable. Darden calculates Chuy’s Restaurant-Level EBITDA Margin as Adjusted Restaurant-Level EBITDA divided by Adjusted Revenue.

Darden calculates Chuy’s Transaction Adjusted EBITDA, Adjusted Restaurant-Level EBITDA, Adjusted Revenue and Restaurant-Level EBITDA Margin consistent with Darden’s methodologies to improve Darden’s ability to assess Chuy’s performance in relation to its own. Darden believes that the presentation of Transaction Adjusted EBITDA, Adjusted Restaurant-Level EBITDA, Adjusted Revenue and Restaurant-Level EBITDA Margin for Chuy’s provides useful supplemental information that is essential to a proper understanding of the operating results of Chuy’s business. These non-GAAP performance measures should not be viewed as substitutes for operating results determined in accordance with GAAP, nor are they necessarily comparable to non-GAAP performance measures that may be similarly named and presented by other companies, including Chuy’s. Reconciliations of Transaction Adjusted EBITDA, Adjusted Restaurant-Level EBITDA, Adjusted Revenue and Restaurant-Level EBITDA Margin are included under “Additional Information” in this Presentation.

Strategic Portfolio Fit

CRITERIA

// **Full-service dining**

// **Healthy brand with strong guest appeal**

// **Can grow faster than long-term framework**

// **Able to impact Darden's performance over time**



Casual dining brand with a differentiated offering that is the full-service leader in the Mexican category

Strong business model and attractive unit economics with high guest loyalty

Ample runway for new restaurant growth

Over \$450 million annual revenue and \$59 million in Transaction Adjusted EBITDA¹

¹ A reconciliation of Non-GAAP measures can be found in the Additional Information section of 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

9 Iconic Brands



Chuy's Strengthens Our Winning Strategy



// Strengthens our Four Competitive Advantages

- Significant Scale
- Extensive Data & Insights
- Rigorous Strategic Planning
- Results-Oriented Culture

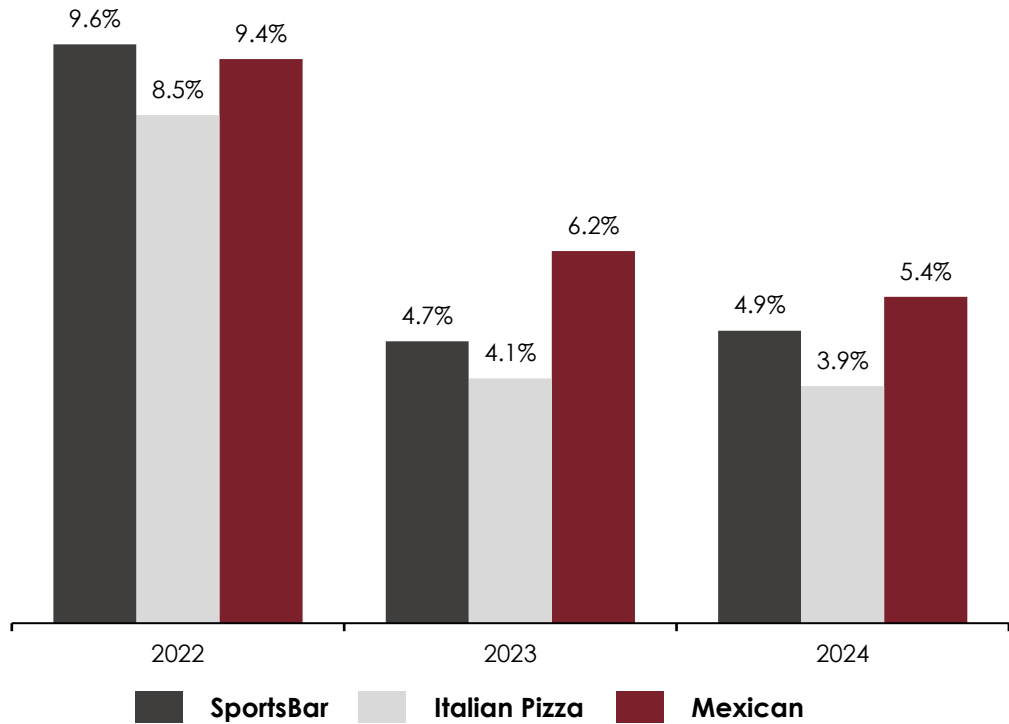
// Shares similar Back-to-Basics Operating Philosophy and Passion for our People

// Complements our Portfolio of Iconic Brands

The Acquisition of Chuy's Allows Us to Enter the Fast-Growing Full-Service Mexican Category With the Market Leader

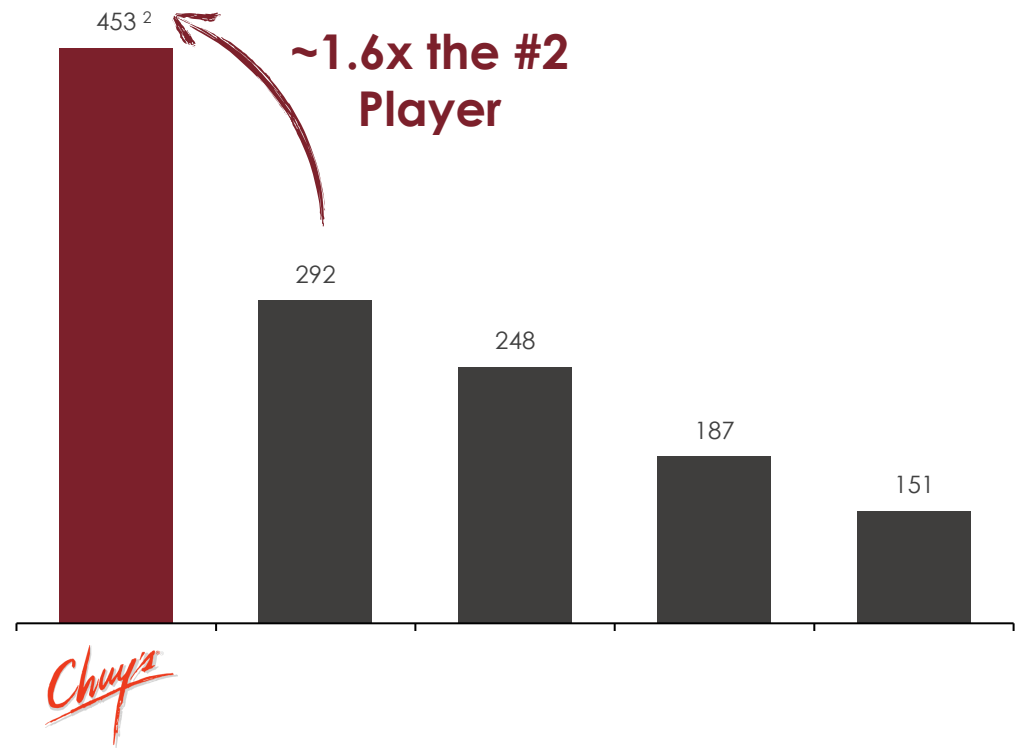
Mexican Cuisine Is One Of the Fastest Growing Categories ¹...

Year-over-Year Sales % Change



...And Chuy's Is the Largest Casual Dining Player ¹

2023 Sales of Top Five Mexican Full-Service Restaurant Chains (\$ in millions)

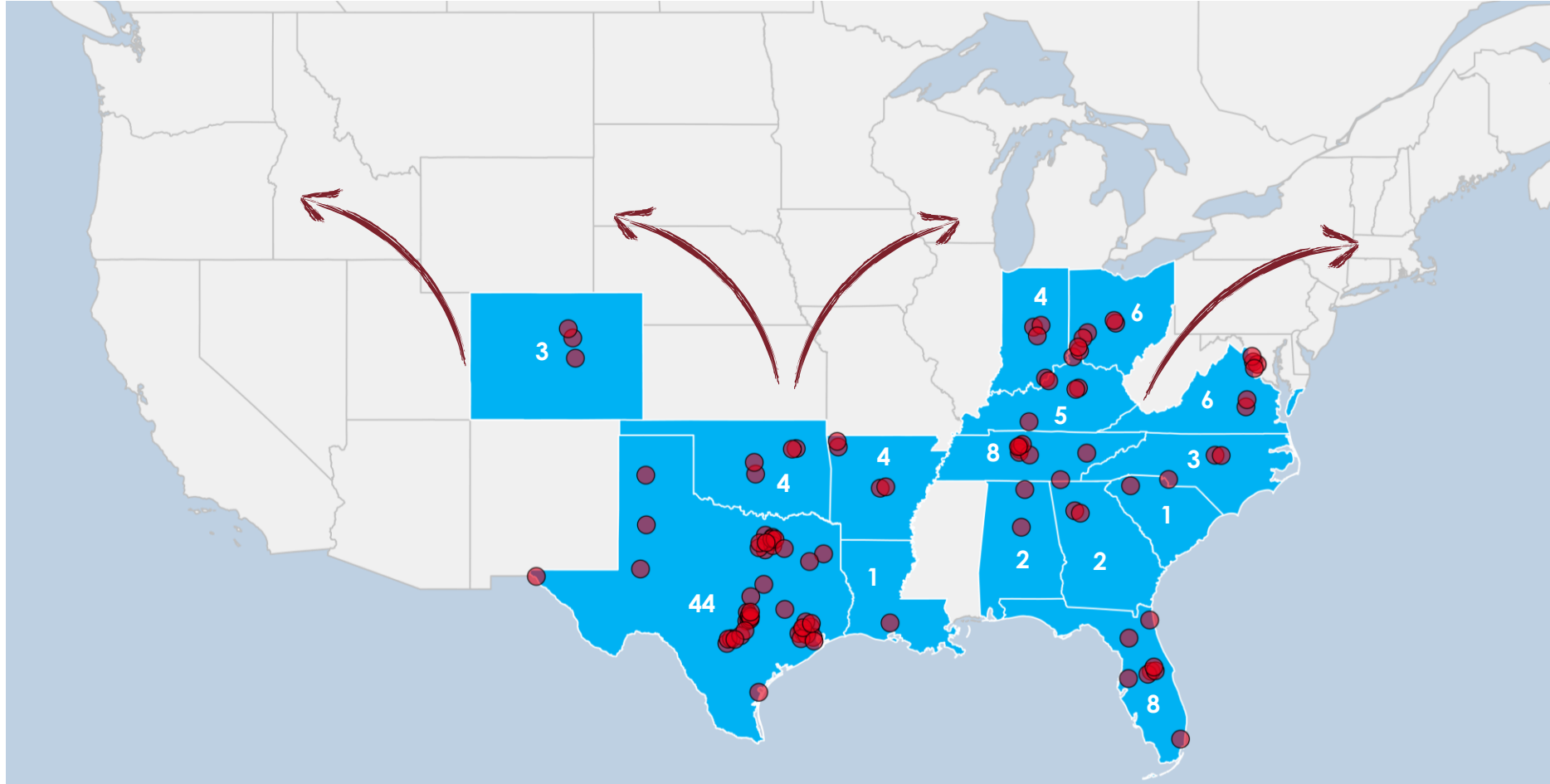


¹ 2024 Technomic Report (Top 1500 Chain Forecasting Insights)

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

Significant Opportunity for Additional Unit Growth Across Existing and New Markets

101¹ Total Company-Owned Restaurants



¹ Includes restaurant openings and closures subsequent to Chuy's 2024 Q1 10-Q filing.

Chuy's: A Tex-Mex Original



Attractive Deal Terms



- // Price of \$37.50 per share
- // All-cash transaction with enterprise value of approximately \$605 million
- // Purchase multiple of 10.3x LTM March 2024 Transaction Adjusted EBITDA¹ and 8.2x inclusive of run-rate synergies
- // Expected to close in later half of Darden's fiscal second quarter, subject to satisfaction of customary closing conditions and a 30-day "go-shop" period
- // Received unanimous approval from both boards of directors
- // Committed to maintaining investment grade credit profile
 - Sufficient liquidity and debt capacity
 - Pro forma Adjusted Debt to Adjusted EBITDAR at low end of targeted 2.0x to 2.5x range²

¹ A reconciliation of Non-GAAP measures can be found in the Additional Information section of this presentation.

² Adjusted Debt = funded debt + 6x minimum annual leases, Adjusted EBITDAR = EBITDA + minimum annual lease addback.

Chuy's At-A-Glance

Attractive Restaurant Economics at Scale



\$451 Million
Total Adjusted Sales¹

101
Company Owned Restaurants²

\$19
Average Check

\$4.5 Million
Average Unit Volume

~20%
Restaurant-Level EBITDA¹

\$59 Million
Transaction Adjusted EBITDA¹

Note: All financials quoted are Trailing Twelve Months as of March 31, 2024.

¹ A reconciliation of Non-GAAP measures can be found in the Additional Information section of this presentation.

² Includes restaurant openings and closures subsequent to Chuy's 2024 Q1 10-Q filing.

Strong Expected Financial Impact



// Expected net run-rate pre-tax synergies of approximately \$15 million by the end of fiscal 2026

- Savings of 4% to 5% of sales in prior acquisitions

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

// Expected to be approximately 12 to 15 cents accretive to Darden's diluted net earnings per share by fiscal 2027

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

// Strengthens Long-Term Value Creation Framework



Question & Answer Session

Additional Information

Non-GAAP Reconciliation

(\$ Millions)	52 Weeks Ended March 31, 2024	52 Weeks Ended December 31, 2023	Thirteen Weeks Ended	
			March 31, 2024	March 26, 2023
Net Income	\$30.2	\$31.5	\$6.9	\$8.2
Interest income, net	(3.1)	(3.3)	(0.6)	(0.8)
Income tax expense	5.3	5.4	0.8	0.9
Depreciation and amortization expenses	21.4	21.1	5.5	5.2
EBITDA	\$53.8	\$54.7	\$12.6	\$13.5
Loss on impairment and restaurant closure costs	5.0	5.0	0.4	0.4
Pre-Opening Expenses	2.2	2.0	0.7	0.5
53 rd Week Adjustment ¹	(2.3)	(2.3)	-	-
Non-GAAP Transaction Adjusted EBITDA	\$58.7	\$59.4	\$13.7	\$14.4
General and administrative costs	30.7	31.4	7.1	7.8
53 rd Week Adjustment ¹	(0.4)	(0.4)	-	-
Adjusted Restaurant-Level EBITDA	\$89.0	\$90.4	\$20.8	\$22.2
Revenue	\$459.3	\$461.3	\$110.5	\$112.5
53 rd Week Adjustment ¹	(8.7)	(8.7)	-	-
Adjusted Revenue	\$450.6	\$452.6	\$110.5	\$112.5
Restaurant-Level EBITDA Margin	19.8%	20.0%	18.8%	19.7%

¹ Represents the adjustment for the 53rd week in Chuy's Fiscal 2023.