



Earnings Call

Fiscal 2022: Second Quarter Results

December 17, 2021

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 complete.

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: the impacts of the novel coronavirus (COVID-19) pandemic on our business and the response of governments and of our Company to the outbreak, health concerns including food-related pandemics or outbreaks of flu or other viruses, food safety and food-borne illness concerns, the inability to hire, train, reward and retain restaurant team members, a failure to develop and recruit effective leaders, labor and insurance costs, 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, 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 tactics, a failure to address cost pressures, economic factors specific to the restaurant industry and general macroeconomic factors including interest rates, 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, 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 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

Culinary Innovation & Execution

Back-To-Basics

Attentive Service

Engaging Atmosphere

Integrated Marketing

8

Iconic Brands



Helping to Fight Hunger



\$2.5 Million Provided Trucks for 15 Food Banks



Thank You To Our Team Members



Our People



Our Team Members | Results-Oriented Culture



Product



Our Supply Chain | Significant Scale



To Go Sales Benefit From Digital Platform



Digital Transactions

60% of Off-Premise Sales | 11% of Total Sales



Value-Creating New Restaurants



12 New Restaurants | 11 States



DARDEN.
RESTAURANTS



Thank You To Our Team Members



Fiscal 2022 Second Quarter Financial Highlights



\$2.3 Billion

TOTAL SALES

37.2%

TOTAL SALES GROWTH

34.4%

SAME-RESTAURANT SALES
GROWTH

\$1.48

DILUTED NET EPS FROM
CONTINUING OPERATIONS



Fiscal 2022 Second Quarter Financial Highlights



\$143 Million
DIVIDENDS PAID

\$266 Million
SHARE REPURCHASES

\$335 Million
EBITDA¹

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



Margin Analysis

Fiscal Q2 2022			
	(\$ millions)	% of Sales	vs Q2 2020* (bps) Favorable/(Unfavorable)
Sales	\$2,272.2		
Food and Beverage	\$694.1	30.5 %	(220)
Restaurant Labor	\$744.8	32.8 %	90
Restaurant Expenses	\$385.0	16.9 %	130
Marketing Expenses	\$21.9	1.0 %	230
Restaurant-Level EBITDA	\$426.4	18.8 %	230
General and Administrative Expenses	\$91.4	4.0 %	40
Depreciation and Amortization	\$92.1	4.1 %	20
Operating Income	\$242.9	10.7 %	290
Interest Expense	\$16.7	0.7 %	(10)
Other (Income) Expense, Net	\$0.3	0.0 %	0
Earnings before income tax	\$225.9	9.9 %	280
Income Tax Expense	\$32.5	1.4 %	(100)
Note: Effective Tax Rate	14.4%		
Earnings from continuing operations	\$193.4	8.5 %	180

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

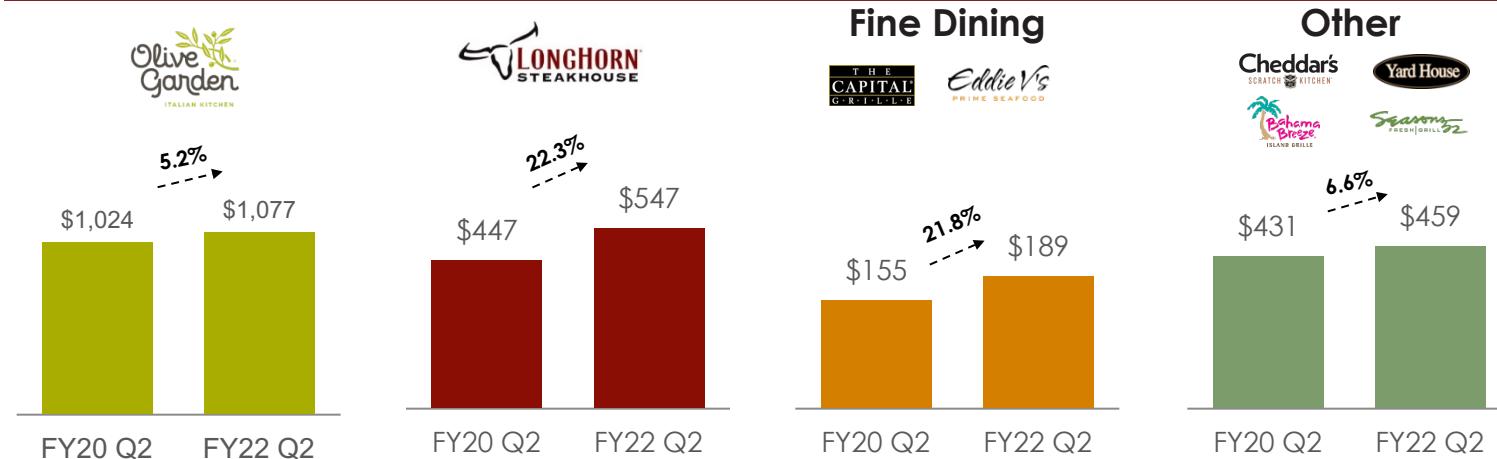
*Compared to fiscal 2020 adjusted performance due to impact of pandemic on fiscal 2021. A reconciliation Non-GAAP measures can be found in the Additional Information section of this presentation.



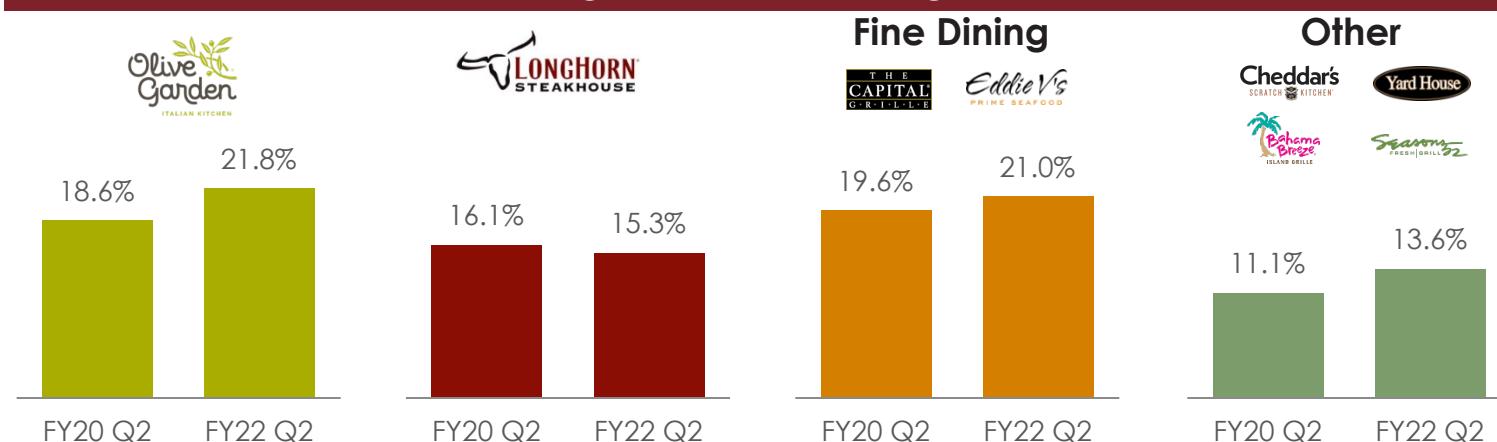
Second Quarter Segment Performance

Fiscal 2022 vs. Fiscal 2020 to compare to Pre-COVID results¹

Segment Sales (\$ millions)



Segment Profit Margin²



1 Comparison to fiscal 2020 due to impact of pandemic on fiscal 2021.

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



Updated Fiscal 2022 Annual Outlook

SALES	DEVELOPMENT	MARGIN
Total Sales \$9.55B to \$9.7B	Restaurant Openings 35 to 40	Total Inflation: ~5.5% Commodities: 7% to 8% Labor: 6% to 6.5%
Same-Restaurant Sales Growth 29% to 31%	Capital Spending ~\$425 million	EBITDA ² \$1.55B to \$1.6B
Total Sales Growth vs. Pre-COVID¹ 9% to 11%		Effective Tax Rate ~14%

Earnings per Diluted Share

\$7.35 to \$7.60

(~130 million Weighted Average Diluted Shares Outstanding)

¹ Comparison to twelve months ended Q3 fiscal 2020 due to impact of pandemic on Q4 fiscal 2020 and full year fiscal 2021 sales

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





Question & Answer Session



Additional Information

Commodities Outlook – Third & Fourth Quarter

December - May FY2022			
	Annual spend by category	Coverage	Outlook
Beef	22%	25%	High single digit inflation
Produce	12%	80%	Mid single digit inflation
Dairy / Oil ¹	10%	55%	High single digit inflation
Seafood	9%	75%	Low double digit inflation
Chicken	8%	70%	Low double digit inflation
Wheat ²	7%	70%	High single digit inflation
Non-Perishable / Other	32%	60%	Mid single digit inflation
Weighted average coverage	100%	60%	

¹ Includes cheese, cream, butter, and shortening.

² Includes breadsticks and pasta.



EBITDA Reconciliations

Q2 Fiscal 2022 EBITDA Reconciliation

\$ in millions

Net Earnings	\$193
Interest, Net	17
Income Tax Expense	33
Depreciation and Amortization	92
EBITDA	\$335

Fiscal 2022 EBITDA Outlook Reconciliation

\$ in millions

Net Earnings	\$955	to	\$990
Interest, Net	65		65
Income Tax Expense	154		165
Depreciation and Amortization	376		376
EBITDA	\$1,550	to	\$1,596



Reconciliation of Adjusted Earnings

Q2 2020 ended 11/24/2019

\$ in millions	Sales	Earnings Before Income Tax	Income Tax Expense	Net Earnings
Sales - as reported	\$2,056.4			
Reported Earnings from Continuing Operations		\$ (6.2)	\$ (31.6)	\$ 25.4
% of Sales		(0.3)%	(1.5)%	1.2 %
Adjustments¹				
Pension settlement charge ²		147.1	36.2	110.9
Internal Structure simplification		6.2	4.1	2.1
Adjusted earnings from continuing operations		\$ 147.1	\$ 8.7	\$ 138.4
% of Sales		7.2 %	0.4 %	6.7 %

¹ All adjustments are recorded within 'Other income (expense) net' on our consolidated statements of earnings. After adjusting for these items in Q2 2020, 'Other income (expense) net' was \$0 for the period.

² In November of fiscal 2020, we settled our benefit obligation to participants in our primary noncontributory defined benefit pension plan as part of our termination of that plan, resulting in a settlement charge.

