DARDEN
RESTAURANTS

Earnings Call

Fiscal 2021: Fourth Quarter Results

June 24, 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, technology failures including failure to maintain a secure cyber network, 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, risks relating to public policy changes and federal, state and local regulation of our business, litigation, unfavorable publicity, an inability or failure to manage the accelerated impact of social media, long-term and non-cancelable property leases, labor and insurance costs, failure to execute a business continuity plan following a disaster, intense competition, changing consumer preferences, 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, a failure to execute innovative marketing tactics, a failure to address cost pressures, shortages or interruptions in the delivery of food and other products and services, adverse weather conditions and natural disasters, volatility in the market value of derivatives, volatility leading to the inability to hedge equity compensation market exposure, economic factors specific to the restaurant industry and general macroeconomic factors including interest rates, disruptions in the financial markets, risks of doing business with franchisees, licensees and vendors in foreign markets, failure to protect our intellectual property, impairment in the carrying value of our goodwill or other intangible assets, 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 free cash flow 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.

Sizing the Restaurant Industry

($ in billions)

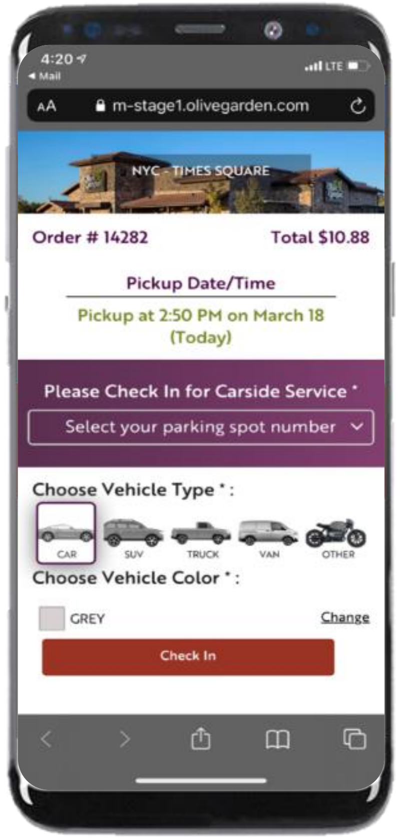
Source: Technomic, twelve months ended 5/26/2019 and 5/30/2020, respectively

Strategic Investments

Food Quality

Team Members

Technology



Thank You To Our Team Members

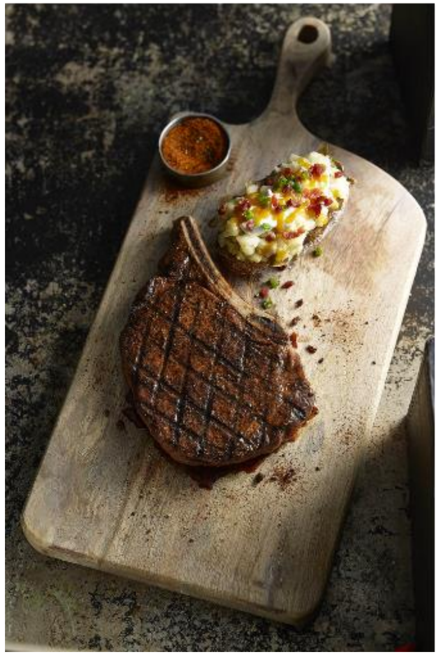







Brilliant With The Basics






Off-Premise Sales Remain Strong

Value-Creating New Restaurants

The Strength Of Our Platform

4

Competitive Advantages

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

Our Supply Chain

Our People

Fiscal 2021 Fourth Quarter Financial Highlights

DARDEN RESTAURANTS

$2.3 BILLION
TOTAL SALES

79.5%
TOTAL SALES GROWTH

90.4%
SAME-RESTAURANT SALES GROWTH

$2.03
ADJUSTED DILUTED NET EPS FROM CONTINUING OPERATIONS[1]

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

Business Update

Same-Restaurant Sales Compared to Fiscal 2019[1]

Fiscal Period	March	April	May	Q4
Darden	**(4.1)%**	**1.1%**	**2.4%**	**(0.5)%**
Olive Garden	(4.9)%	0.3%	1.0%	(1.5)%
LongHorn Steakhouse	9.9%	16.0%	15.5%	13.5%
Fine Dining	(13.8)%	(11.9)%	(5.4)%	(10.6)%
Other Business	(14.3)%	(8.2)%	(4.9)%	(9.4)%

Average weekly sales and average weekly ToGo sales:

Olive Garden	March	April	May	Q4
Average Weekly Sales	$96,158	$95,826	$100,608	$97,425
Average Weekly ToGo Sales	$33,353	$31,419	$31,533	$32,197

LongHorn Steakhouse	March	April	May	Q4
Average Weekly Sales	$83,651	$81,309	$83,893	$83,004
Average Weekly ToGo Sales	$17,044	$15,586	$14,594	$15,839

[1] *Comparison to fiscal 2019 deemed to be more appropriate due to impact of pandemic on fiscal 2020 sales.*

Margin Analysis

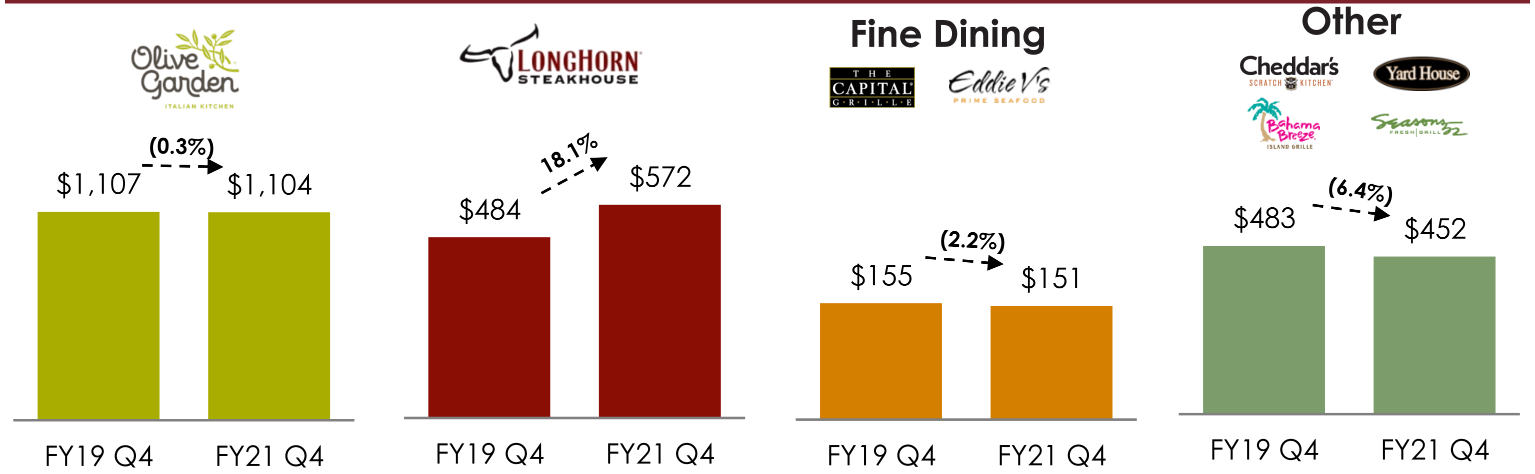
	As Reported	As Adjusted		
	Q4 2021 ($ millions)	Q4 2021 ($ millions)	Q4 2021 % of Sales	vs. Q4 2019 (bps) Favorable/(Unfavorable)
Sales	**$2,279.2**	**$2,279.2**		
Food and Beverage	$663.1	$663.1	29.1%	(90)
Restaurant Labor	$690.7	$690.7	30.3%	190
Restaurant Expenses	$386.0	$386.0	16.9%	10
Marketing Expenses	$24.3	$24.3	1.1%	200
Restaurant-Level EBITDA	**$515.1**	**$515.1**	**22.6%**	**310**
General and Administrative Expenses	$97.4	$97.4	4.3%	30
Depreciation and Amortization	$89.1	$89.1	3.9%	0
Impairments and Disposal of Assets, Net	$5.2	$5.2	0.2%	(20)
Operating Income	**$323.4**	**$323.4**	**14.2%**	**320**
Interest Expense	$17.1	$17.1	0.8%	(30)
Other (Income) Expense, Net	$0.3	$0.3	0.0%	0
EBT	**$306.0**	**$306.0**	**13.4%**	**300**
Income Tax Expense (Benefit)	($63.0)	$36.7	1.6%	(100)
Note: Effective Tax Rate	*-20.6%*	*12.0%*		
EAT	**$369.0**	**$269.3**	**11.8%**	**190**

Note: Continuing operations, values may not foot due to rounding.
A reconciliation of Non-GAAP measures can be found in the Additional Information section of this presentation.
Comparison to fiscal 2019 due to impact of pandemic on fiscal 2020.

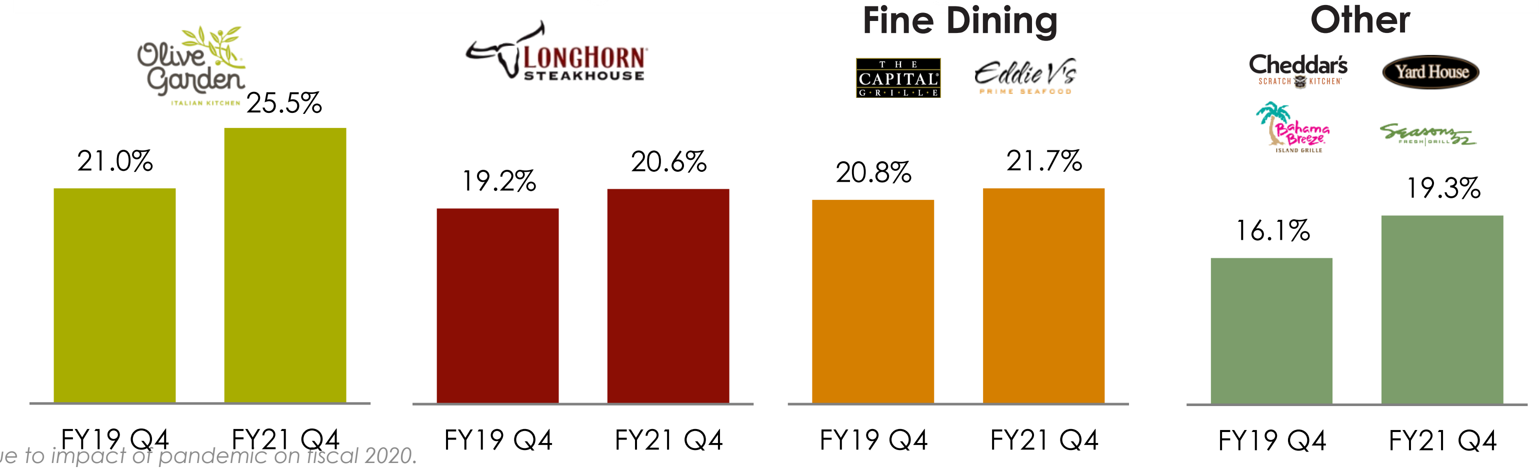
Fourth Quarter Segment Performance

Fiscal 2021 vs. Fiscal 2019 to compare to Pre-COVID results[1]

Segment Sales ($ millions)



Segment Profit Margin[2]



[1] *Comparison to fiscal 2019 due to impact of pandemic on fiscal 2020.*

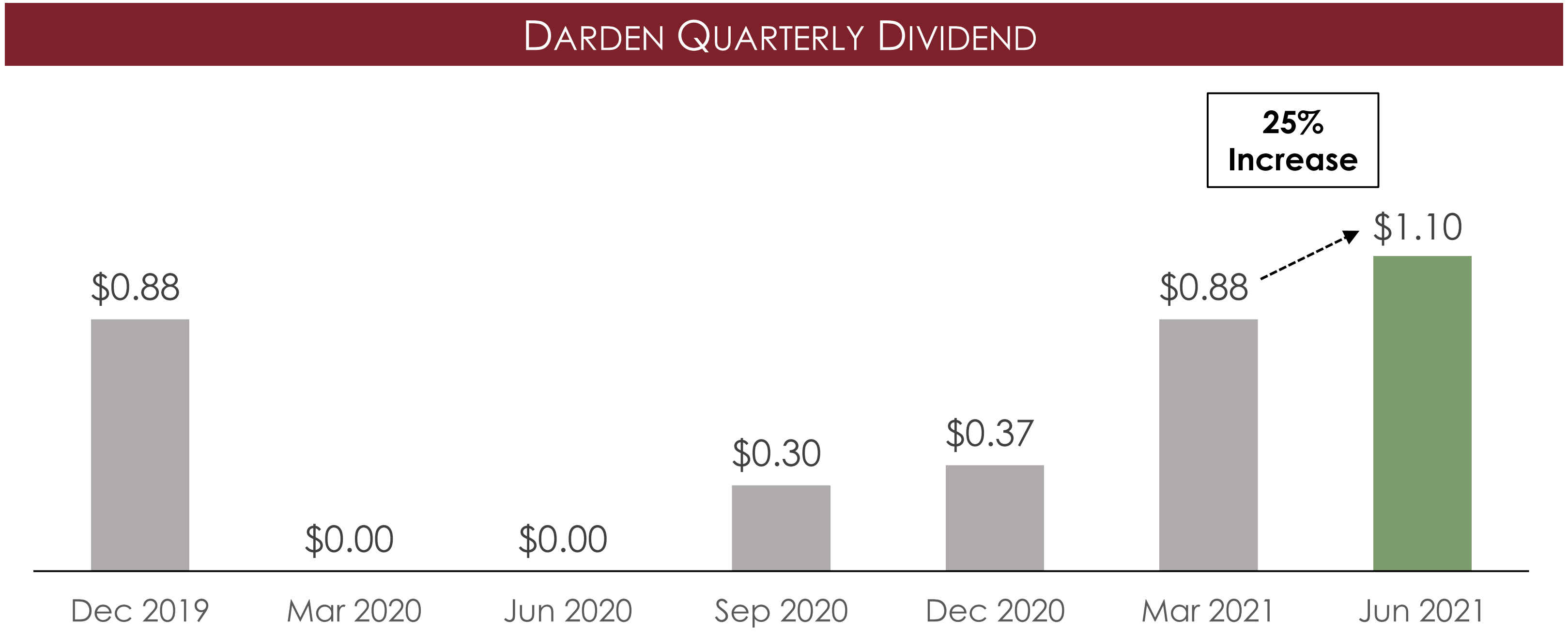
[2] Segment profit margin calculated as (sales less costs of food & beverage, restaurant labor, restaurant expenses and marketing expenses) / sales.

Strong Cash Flow

Fiscal 2021 Free Cash Flow	
$ in millions	
	2021
Net cash provided by operating activities of continuing operations	$1,193.5
Less: Purchases of land, buildings and equipment	(254.9)
Less: Purchases of capitalized software and other assets	(15.4)
Free Cash Flow	**$923.2**

Free Cash Flow = Net cash provided by operating activities less the purchases of land, buildings, equipment, capitalized software and other assets.

Dividend Declared Exceeding Pre-COVID Levels



Note: Month dividend declared

Fiscal 2022 Annual Outlook

Sales

Total Sales
$9.2B to $9.5B

Same-Restaurant Sales Growth
25% to 29%

Total Sales Growth vs. Pre-COVID[1]
5% to 8%

Development

Restaurant Openings
35 to 40

Capital Spending
$375 to $425 million

Margin

Total Inflation: ~3%
Commodities: 2% to 3%
Labor: 4.0% to 4.5%

EBITDA[2]
$1.50B to $1.59B

Effective Tax Rate
13% to 14%

Earnings per Diluted Share
$7.00 to $7.50
(~131 million Weighted Average Diluted Shares Outstanding)

[1] *Comparison to twelve months ended Q3 fiscal 2020 due to impact of pandemic on full year fiscal 2020 sales*
[2] *A reconciliation of Non-GAAP measures can be found in the Additional Information section of this presentation.*

Question & Answer Session

DARDEN
RESTAURANTS

Additional Information

Commodities Outlook – First Half Fiscal 2022

		June - November FY2022	
	Annual spend by category	Coverage	Outlook
Beef	22%	75%	Flat
Produce	12%	90%	Low single digit inflation
Dairy / Oil[1]	10%	75%	High single digit inflation
Seafood	9%	85%	High single digit inflation
Chicken	8%	85%	Mid single digit inflation
Wheat[2]	7%	80%	Mid single digit inflation
Non-Perishable / Other	32%	50%	Mid single digit inflation
Weighted average coverage	*100%*	*70%*	

[1] Includes cheese, cream, butter, and shortening.
[2] Includes breadsticks and pasta.

Fiscal Q4 Reported to Adjusted Earnings (Loss) Reconciliation

$ in millions, except per share amounts	Q4 2021 Earnings (Loss) Before Income Tax	Q4 2021 Income Tax Expense (Benefit)	Q4 2021 Net Earnings (Loss)	Q4 2021 Diluted Net Earnings (Loss) Per Share	Q4 2020 Earnings (Loss) Before Income Tax	Q4 2020 Income Tax Expense (Benefit)	Q4 2020 Net Earnings (Loss)	Q4 2020 Diluted Net Earnings (Loss) Per Share
Reported Earnings (Loss) from Continuing Operations	**$306.0**	**$(63.0)**	**$369.0**	**$2.79**	**$(610.3)**	**$(130.6)**	**$(479.7)**	**$(3.85)**
Adjustments:								
Goodwill impairment[1]					169.2	9.2	160.0	1.29
Trademark impairment[1]					145.0	36.2	108.8	0.87
Restaurant-level impairments[2]					47.0	11.7	35.3	0.28
Other asset impairments[3]					28.8	7.2	21.6	0.17
Pension settlement adjustment[4]					(1.6)	(0.4)	(1.2)	(0.01)
International entity liquidation					—	(0.6)	0.6	0.01
Income tax benefit[6]		99.7	(99.7)	(0.76)				
Adjusted Earnings (Loss) from Continuing Operations	**$306.0**	**$36.7**	**$269.3**	**$2.03**	**$(221.9)**	**$(67.3)**	**$(154.6)**	**$(1.24)**

1 Non-cash goodwill and trademark impairments are related to the economic impact of COVID-19 on Darden's overall market capitalization and the impact on Cheddar's Scratch Kitchen cash flows, coupled with the relative recency of the addition of Cheddar's to our portfolio.
2 Fiscal 2020 non-cash asset impairments are related to the economic impact of COVID-19 on 11 underperforming restaurants we permanently closed during the fourth quarter and 9 other restaurants whose projected cash flows were not sufficient to cover their respective carrying values.
3 Non-cash other asset impairments are related to the economic impact of COVID-19, approximately $15 million of which is related to inventory obsolescence and $14 million related to receivables we deemed uncollectible.
4 In April 2018, our Benefit Plans Committee approved the termination of our primary non-contributory defined benefit pension plan. In fiscal 2020 the benefit obligation to plan participants was settled, resulting in a pension settlement charge in Q2 fiscal 2020 and subsequent adjustment in Q4 fiscal 2020.
5 Includes cash expenses of approximately $38 million, primarily related to severance and benefits, which will be paid over an eighteen month period, and non-cash expenses of approximately $10 million related to acceleration of equity-settled awards and expense associated with the postretirement benefit plan.
6 Primarily relates to our estimated federal net operating loss (NOL) for fiscal year 2021, which we expect to carryback to the preceding five years. A non-recurring income tax benefit is generated due to the difference in the federal tax rates between fiscal year 2021 and the years to which the NOL will be carried back.

Annual Reported to Adjusted Earnings (Loss) Reconciliation

$ in millions, except per share amounts	2021 Earnings (Loss) Before Income Tax	2021 Income Tax Expense (Benefit)	2021 Net Earnings (Loss)	2021 Diluted Net Earnings (Loss) Per Share	2020 Earnings (Loss) Before Income Tax	2020 Income Tax Expense (Benefit)	2020 Net Earnings (Loss)	2020 Diluted Net Earnings (Loss) Per Share
Reported Earnings (Loss) from Continuing Operations	**$576.5**	**$(55.9)**	**$632.4**	**$4.80**	**$(161.0)**	**$(111.8)**	**$(49.2)**	**$(0.40)**
Adjustments:								
Goodwill impairment[1]					169.2	9.2	160.0	1.30
Trademark impairment[1]					145.0	36.2	108.8	0.89
Restaurant-level impairments[2]					47.0	11.7	35.3	0.29
Other asset impairments[3]					28.8	7.2	21.6	0.18
Pension settlement charge[4]					145.5	35.8	109.7	0.89
International entity liquidation					6.2	3.5	2.7	0.02
Corporate restructuring[5]	47.8	12.0	35.8	0.27				
Income tax benefit[6]		99.7	(99.7)	(0.76)				
Adjusted Earnings from Continuing Operations	**$624.3**	**$55.8**	**$568.5**	**$4.31**	**$380.7**	**$(8.2)**	**$388.9**	**$3.17**
Impact of diluted shares[7]	—	—	—	—	—	—	—	(0.04)
Adjusted Diluted Earnings from Continuing Operations	**$624.3**	**$55.8**	**$568.5**	**$4.31**	**$380.7**	**$(8.2)**	**$388.9**	**$3.13**
Interest			63.5					
Adjusted Income Tax Expense			55.8					
Depreciation and Amortization			350.9					
Adjusted EBITDA			**$1,038.7**					

1 Non-cash goodwill and trademark impairments are related to the economic impact of COVID-19 on Darden's overall market capitalization and the impact on Cheddar's Scratch Kitchen cash flows, coupled with the relative recency of the addition of Cheddar's to our portfolio.

2 Fiscal 2020 non-cash asset impairments are related to the economic impact of COVID-19 on 11 underperforming restaurants we permanently closed during the fourth quarter and 9 other restaurants whose projected cash flows were not sufficient to cover their respective carrying values.

3 Non-cash other asset impairments are related to the economic impact of COVID-19, approximately $15 million of which is related to inventory obsolescence and $14 million related to receivables we deemed uncollectible.

4 In April 2018, our Benefit Plans Committee approved the termination of our primary non-contributory defined benefit pension plan. In fiscal 2020 the benefit obligation to plan participants was settled, resulting in a pension settlement charge in Q2 fiscal 2020 and subsequent adjustment in Q4 fiscal 2020.

5 Includes cash expenses of approximately $38 million, primarily related to severance and benefits, which will be paid over an eighteen month period, and non-cash expenses of approximately $10 million related to acceleration of equity-settled awards and expense associated with the postretirement benefit plan.

6 Primarily relates to our estimated federal net operating loss (NOL) for fiscal year 2021, which we expect to carryback to the preceding five years. A non-recurring income tax benefit is generated due to the difference in the federal tax rates between fiscal year 2021 and the years to which the NOL will be carried back.

7 Due to the net loss from continuing operations for fiscal 2020, the effect of dilutive securities was excluded from the calculation of reported diluted loss per share. The adjusted diluted earnings per share calculation includes 1.4 million dilutive shares.

EBITDA Reconciliations

Q4 Fiscal 2021 EBITDA Reconciliation

$ in millions

Net Earnings	**$369**
Interest, Net	17
Income tax expense (benefit)	(63)
Depreciation and amortization	89
EBITDA	**$412**

Fiscal 2022 EBITDA Outlook Reconciliation

$ in millions

Net Earnings	**$916**	**to**	**$980**
Interest, Net	65		65
Income tax expense (benefit)	139		165
Depreciation and amortization	380		380
EBITDA	**$1,500**	**to**	**$1,590**

Reported to Adjusted EBIT Margin and Earnings Reconciliations

(in millions)		Q4 2019	
Sales - as reported	$	2,229.1	
Earnings from continuing operations - as reported	$	208.7	
Interest, net - as reported		11.9	
Income tax expense - as reported		9.2	
EBIT from continuing operations	$	229.8	
EBIT Margin from continuing operations		10.3%	
EBIT Impacts		14.6	(1)
Adjusted EBIT from continuing operations		244.4	
Adjusted EBIT margin from continuing operations		11.0%	
Earnings from continuing operations - as reported	$	208.7	
EBIT adjustments		14.6	(1)
Income tax impacts of adjustments		(3.6)	
Adjusted earnings from continuing operations		219.7	
Adjusted earnings margin from continuing operations		9.9%	

[1] *Fiscal 2019 fourth quarter non-cash asset impairment charges relate to four underperforming restaurants whose projected cash flows were not sufficient to cover their respective carrying values.*