



Earnings Call

Fiscal 2022: First Quarter Results

September 23, 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.

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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

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Iconic Brands



3



Value-Creating New Restaurants



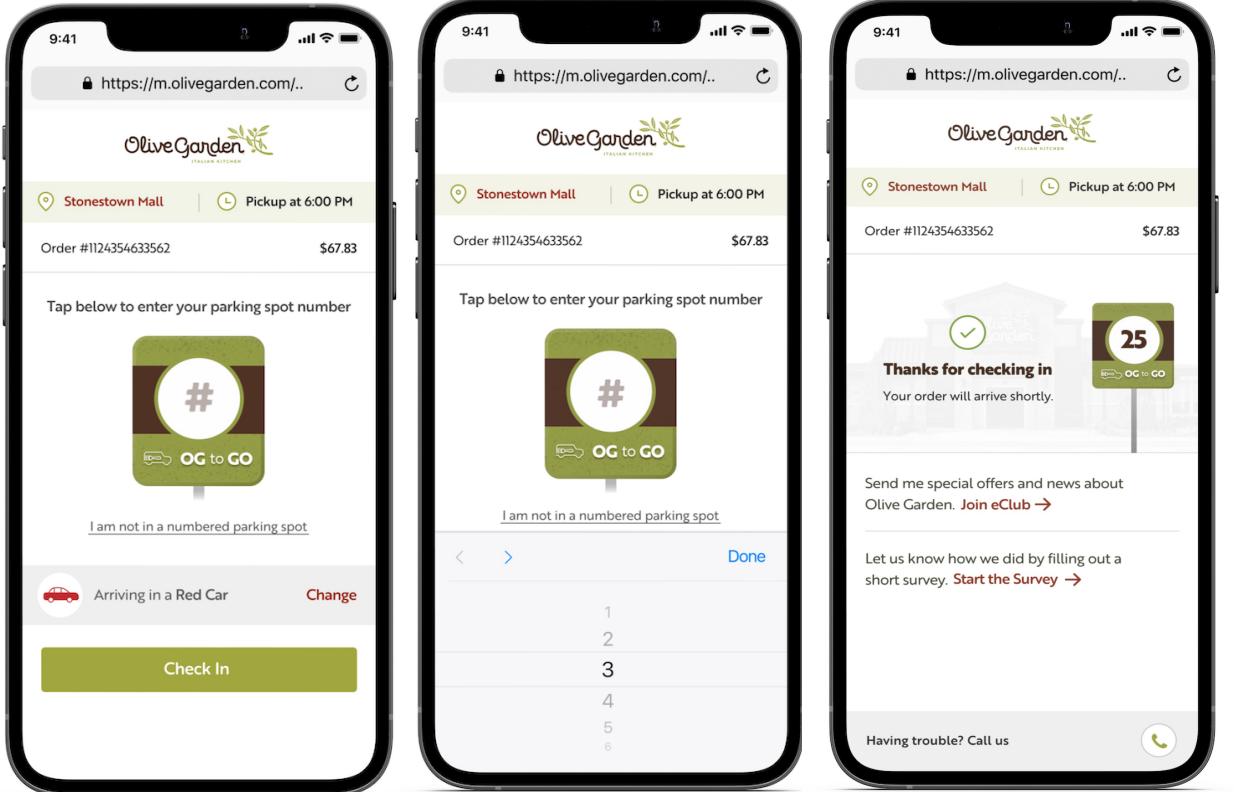
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Thank You To Our Team Members



Benefiting From Our Digital Platform



First Quarter Off-Premise Sales



27%

Of Total Sales Were Off-Premise

15%

Of Total Sales Were Off-Premise

60% of Total Off-Premise Sales were Digital Transactions

Our People



Our Team Members | Results-Oriented Culture

Product



Our Supply Chain | Significant Scale

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Fiscal 2022 First Quarter Financial Highlights



\$2.3 Billion

TOTAL SALES

51.0%

TOTAL SALES GROWTH

47.5%

SAME-RESTAURANT SALES
GROWTH

\$1.76

DILUTED NET EPS FROM
CONTINUING OPERATIONS



Fiscal 2022 First Quarter Financial Highlights



\$144 Million
DIVIDENDS PAID

\$186 Million
SHARE REPURCHASES

\$370 Million
EBITDA¹

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

Margin Analysis

Fiscal Q1 2022			
	(\$ millions)	% of Sales	vs Q1 2020 (bps) Favorable/(Unfavorable)
Sales	\$2,306.0		
Food and Beverage	\$685.4	29.7 %	(150)
Restaurant Labor	\$736.0	31.9 %	110
Restaurant Expenses	\$378.1	16.4 %	110
Marketing Expenses	\$23.9	1.0 %	220
Restaurant-Level EBITDA	\$482.6	20.9 %	290
General and Administrative Expenses	\$112.8	4.9 %	(30)
Depreciation and Amortization	\$89.0	3.9 %	20
Operating Income	\$280.8	12.2 %	270
Interest Expense	\$15.6	0.7 %	(20)
Other (Income) Expense, Net	\$0.2	0.0 %	0
EBT	\$265.0	11.5 %	260
Income Tax Expense	\$33.3	1.4 %	(60)
Note: Effective Tax Rate	12.6%		
EAT	\$231.7	10.0 %	200

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

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



First Quarter Normalized Effective Tax Rate of 13.7%

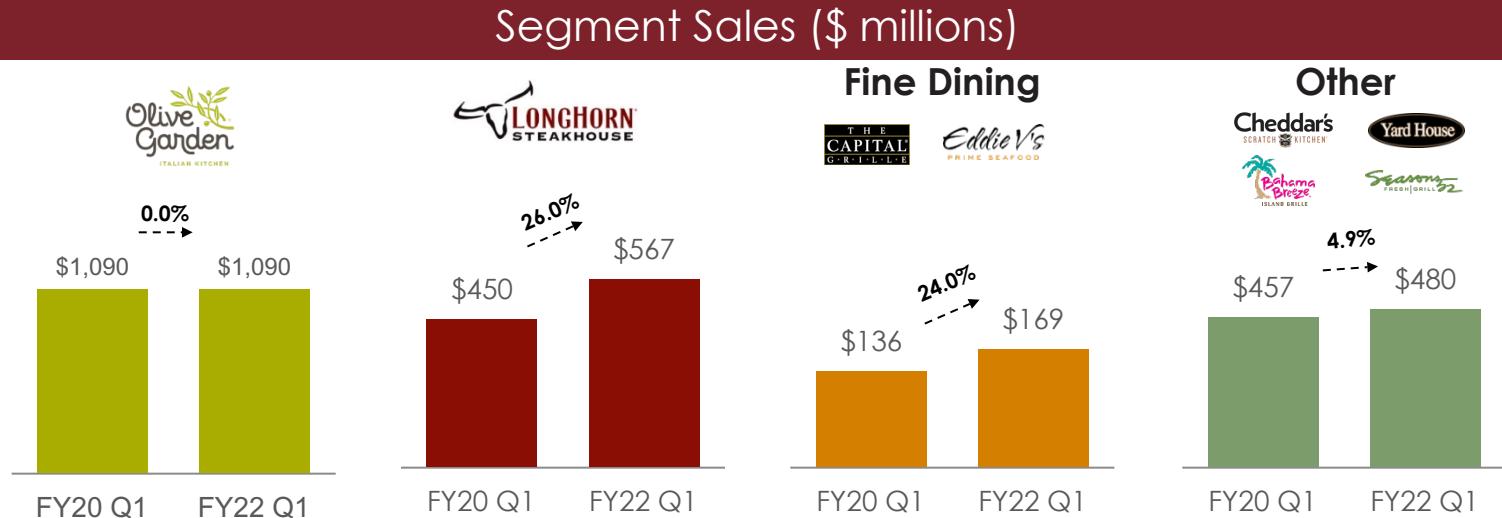
	EBT	Taxes	Tax Rate
Reported	\$265.0	\$33.3	12.6 %
Mark to Market	\$5.3	\$3.6	
Normalized	\$270.3	\$36.9	13.7 %



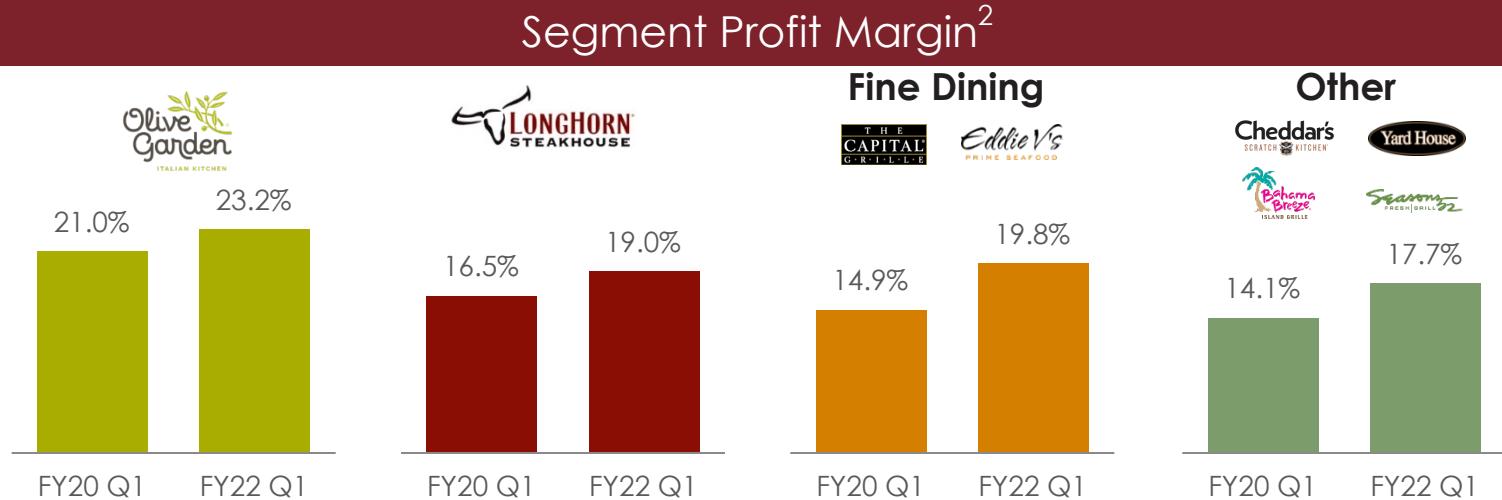
First Quarter Segment Performance

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.

Increased Fiscal 2022 Annual Outlook

SALES	DEVELOPMENT	MARGIN
Total Sales \$9.4B to \$9.6B	Restaurant Openings 35 to 40	Total Inflation: ~4% Commodities: 4% to 4.5% Labor: 5% to 5.5%
Same-Restaurant Sales Growth 27% to 30%	Capital Spending \$375 to \$425 million	EBITDA² \$1.54B to \$1.60B
Total Sales Growth vs. Pre-COVID¹ 7% to 9%		Effective Tax Rate 13% to 14%

Earnings per Diluted Share
\$7.25 to \$7.60

(~131 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

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Additional Information

Commodities Outlook – Second & Third Quarter

September - February FY2022			
	Annual spend by category	Coverage	Outlook
Beef	22%	60%	High single digit inflation
Produce	12%	90%	Low single digit inflation
Dairy / Oil ¹	10%	70%	High single digit inflation
Seafood	9%	80%	High single digit inflation
Chicken	8%	90%	High single digit inflation
Wheat ²	7%	80%	Mid single digit inflation
Non-Perishable / Other	32%	55%	Low single digit inflation
Weighted average coverage	100%	70%	

¹ Includes cheese, cream, butter, and shortening.

² Includes breadsticks and pasta.

EBITDA Reconciliations

Q1 Fiscal 2022 EBITDA Reconciliation

\$ in millions

Net Earnings	\$232
Interest, Net	16
Income Tax Expense	33
Depreciation and Amortization	89
EBITDA	\$370

Fiscal 2022 EBITDA Outlook Reconciliation

\$ in millions

Net Earnings	\$950	to	\$995
Interest, Net	65		65
Income Tax Expense	150		165
Depreciation and Amortization	375		375
EBITDA	\$1,540	to	\$1,600