

INCOME STATEMENT

(\$ in thousands)

	December 29,2018	December 30,2017	December 31,2016	Difference %
Revenues:				
Franchise fees and royalty income	\$578,342	555,206	536,396	4.1671
Advertising fees and related income	493,590	470,984	453,553	4.7997
Rental income	104,413	104,643	101,020	-0.2198
Sales of ice cream and other products	95,197	96,388	100,542	-1.2356
Sales at company-operated restaurants	-	-	11,975	
Other revenues	50,075	48,330	44,869	3.6106
Total revenues	1,321,617	1,275,551	1,248,355	3.6115
Operating costs and expenses:				
Occupancy expenses-franchised restaurants	58,102	60,301	57,409	-3.6467
Cost of ice cream and other products	77,412	77,012	77,608	0.5194
Company-operated restaurant expenses	-	-	13,591	
Advertising expenses	498,019	476,157	458,568	4.5913
General and administrative expenses,net	246,792	243,828	241,824	1.2156
Depreciation	19,932	20,084	20,458	-0.7568
Amortization of other intangible assets	21,113	21,335	22,079	-1.0405
Long-lived asset impairment charges	1,648	1,617	149	1.9171
Total operating costs and expenses	923,018	900,334	891,686	2.5195
Net income of equity method investments	14,903	15,198	14,552	-1.941
Other operating income (loss), net	-1,670	627	9,381	-366.3477
Operating income	411,832	391,042	380,602	5.3166
Other income (expense), net:				
Interest income	7,200	3,313	582	117.3257
Interest expense	-128,748	-104,423	-100,852	23.2947
Loss on debt extinguishment and refinancing transactions	-	-6,996	-	
Other income (loss), net	-1,083	391	-1,195	-376.9821
Total other expense, net	-122,631	-107,715	-101,465	13.8477
Income before income taxes	289,201	283,327	279,137	2.0732
Provision for income taxes	59,295	12,118	103,848	389.3134
Net income	229,906	271,209	175,289	-15.2292

Note: For the difference percentage, figures of 2018 and 2017 are compared

BALANCE SHEET

(\$ in thousands)

Particulars	December 29,2018	December 30,2017	December 30,2016
Assets			
Current assets:			
Cash and cash equivalents	\$517,594	1,018,317	361,425
Restricted cash	79,008	94,047	69,746
Accounts receivable, net	75,963	69,517	44,512
Notes and other receivables, net	64,412	52,332	\$40,672
Prepaid income taxes	27,005	21,927	20,926
Prepaid expenses and other current assets	49,491	48,193	28,739
Total current assets	813,473	1,304,333	606,358
Property, equipment, and software, net	209,202	181,542	176,662
Equity method investments	146,395	140,615	114,738
Goodwill	888,265	888,308	888,272
Other intangible assets, net	1,334,767	1,357,157	1,378,720
Other assets	64,479	65,478	62,632
Total assets	\$3,456,581	3,937,433	3,227,382
Liabilities and Stockholders Deficit			
Current liabilities:			
Current portion of long-term debt	\$31,650	31,500	25,000
Capital lease obligations	476	596	589
Accounts payable	80,037	53,417	12,682
Deferred revenue	38,082	44,876	35,393
Other current liabilities	389,336	355,110	298,266
Total current liabilities	539,581	485,499	424,201
Long-term debt, net	3,010,626	3,035,857	2,401,998
Capital lease obligations	6,998	7,180	7,550
Unfavorable operating leases acquired	8,236	9,780	11,378
Deferred revenue	327,333	361,458	12,154
Deferred income taxes, net	204,027	214,345	461,810
Other long-term liabilities	72,577	77,853	71,549
Total long-term liabilities	3,629,797	3,706,473	2,966,439
Commitments and contingencies			
Stockholders deficit:			
Preferred stock, \$0.001 par value; 25,000,000shares authorized; no shares issued and outstanding	-	-	
Common stock, \$0.001 par value; 475,000,000	82	90	91
Additional paid-in capital	642,017	724,114	
Treasury stock, at cost; 26,777 shares at December 29, 2018 and December 30,	-1,060	-1,060	807,492
Accumulated deficit	-1,338,709	-968,148	-1,060
Accumulated other comprehensive loss	-15,127	-9,535	
Total stockholders deficit	-712,797	-254,539	-945,797
Total liabilities and stockholders deficit	\$3,456,581	3,937,433	-23,984
			-163,258
			3,227,382

CALCULATION OF RATIOS

Particulars	2018	2017	2016
Operating margin ratio	31.16%	30.65%	30.48%
Debt to EBITDA	6.53	6.23	5.25
Basic EPS	2.75	2.99	1.91
Return on Assets	6.6	6.88	5.43
Price to Earning Ratio	23.19	21.83	27.87
Asset Turnover	0.3575	0.3561	-
Inventory Turnover	0.0275	0.324	2.5278
Working Capital	273892	818834	182157
Current Ratio	2	3	1

CASH FLOW STATEMENT

(\$ in thousands)

Particulars	December 29,2018	December 30,2017	December 31,2016
Cash flows from operating activities:			
Net income	\$229,906	271,209	175,289
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	45,031	45,239	46,267
Amortization of debt issuance costs	5,019	6,179	6,398
Loss on debt extinguishment and refinancing transactions	-	6,996	-
Deferred income taxes	-9,897	-121,247	-26,362
Provision for bad debt	631	457	53
Share-based compensation expense	14,879	14,926	17,181
Net income of equity method investments	-14,903	-15,198	-14,552
Dividends received from equity method investments	4,509	4,711	5,247
Gain on sale of real estate and company-operated restaurants	-	-1	-9,373
Other, net	2,791	-1,766	-2,172
Change in operating assets and liabilities:			
Accounts, notes, and other receivables, net	-19,776	-18,496	40,607
Prepaid income taxes, net	-4,996	-2,441	5,022
Prepaid expenses and other current assets	-1,561	-6,481	-3,695
Accounts payable	26,974	5,066	5,374
Other current liabilities	34,144	30,031	-2,696
Deferred revenue	-41,071	59,606	33,651
Other, net	-2,725	4,567	6,240
Net cash provided by operating activities	268,955	283,357	282,479
Cash flows from investing activities:			
Additions to property, equipment, and software	-51,855	-21,055	-20,826
Proceeds from sale of real estate and company-operated restaurants	-	854	20,523
Other, net	20	-102	-4,006
Net cash used in investing activities	-51,835	-20,303	-4,309
Cash flows from financing activities:			
Proceeds from issuance of long-term debt	-	1,400,000	-
Repayment of long-term debt	-31,600	-754,375	-25,000
Payment of debt issuance and other debt-related costs	-	-18,441	-
Repurchases of common stock, including accelerated share repurchases	-680,368	-127,186	-55,000
Dividends paid on common stock	-114,828	-117,003	-109,703
Exercise of stock options	95,331	36,344	10,647
Other, net	-895	-698	-122
Net cash provided by (used in) financing activities	-732,360	418,641	-179,178
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	-538	572	-275
Increase (decrease) in cash, cash equivalents, and restricted cash	-515,778	682,267	98,717
Cash, cash equivalents, and restricted cash, beginning of year	1,114,099	431,832	333,115
Cash, cash equivalents, and restricted cash, end of year	\$598,321	1,114,099	431,832
Supplemental cash flow information:			
Cash paid for income taxes	\$74,775	135,927	125,681
Cash paid for interest	126,868	91,606	94,212
Noncash investing activities:			
Property, equipment, and software included in accounts payable and other current liabilities	2,713	2,637	1,847
Purchase of leaseholds in exchange for capital lease obligations	325	449	624
Purchase of property, equipment, and software in exchange for note payable	1,500	-	-
Noncash financing activities:			
Receivable from exercise of stock options included in notes and other receivables, net	-	151	-