

BRINKER INTERNATIONAL, INC.
Consolidated Balance Sheets
(In thousands, except share and per share amounts)

| | June 27, 2018 | June 28, 2017 |
|--|---------------|---------------|
| ASSETS | | |
| Current Assets: | | |
| Cash and cash equivalents | \$ 10,872 | \$ 9,064 |
| Accounts receivable, net | 53,659 | 44,658 |
| Inventories | 24,242 | 24,997 |
| Restaurant supplies | 46,724 | 46,380 |
| Prepaid expenses | 20,787 | 19,226 |
| Total current assets | 156,284 | 144,325 |
| Property and Equipment, at Cost: | | |
| Land | 153,953 | 149,098 |
| Buildings and leasehold improvements | 1,673,310 | 1,655,227 |
| Furniture and equipment | 722,041 | 713,228 |
| Construction-in-progress | 22,161 | 21,767 |
| | 2,571,465 | 2,539,320 |
| Less accumulated depreciation and amortization | (1,632,536) | (1,538,706) |
| Net property and equipment | 938,929 | 1,000,614 |
| Other Assets: | | |
| Goodwill | 163,808 | 163,953 |
| Deferred income taxes, net | 33,613 | 37,029 |
| Intangibles, net | 23,977 | 27,512 |
| Other | 30,729 | 30,200 |
| Total other assets | 252,127 | 258,694 |
| Total assets | \$ 1,347,340 | \$ 1,403,633 |
| LIABILITIES AND SHAREHOLDERS' DEFICIT | | |
| Current Liabilities: | | |
| Current installments of long-term debt | \$ 7,088 | \$ 9,649 |
| Accounts payable | 104,662 | 104,231 |
| Gift card liability | 119,147 | 126,482 |
| Accrued payroll | 74,505 | 70,281 |
| Other accrued liabilities | 127,200 | 111,515 |
| Income taxes payable | 1,738 | 14,203 |
| Total current liabilities | 434,340 | 436,361 |
| Long-term debt, less current installments | 1,499,624 | 1,319,829 |
| Other liabilities | 131,685 | 141,124 |
| Commitments & Contingencies (Note 8 and Note 13) | | |
| Shareholders' Deficit: | | |
| Common stock—250,000,000 authorized shares; \$0.10 par value; 176,246,649 shares issued and 40,797,919 shares outstanding at June 27, 2018, and 176,246,649 shares issued and 48,440,721 shares outstanding at June 28, 2017 | 17,625 | 17,625 |
| Additional paid-in capital | 511,604 | 502,074 |
| Accumulated other comprehensive loss | (5,836) | (11,921) |
| Retained earnings | 2,683,033 | 2,627,073 |
| | 3,206,426 | 3,134,851 |
| Less treasury stock, at cost (135,448,730 shares at June 27, 2018 and 127,805,928 shares at June 28, 2017) | (3,924,735) | (3,628,532) |
| Total shareholders' deficit | (718,309) | (493,681) |
| Total liabilities and shareholders' deficit | \$ 1,347,340 | \$ 1,403,633 |

See accompanying Notes to the Consolidated Financial Statements.

BRINKER INTERNATIONAL, INC.
Consolidated Statements of Comprehensive Income
(In thousands, except per share amounts)

| | Fiscal Years Ended | | |
|---|--------------------|---------------|---------------|
| | June 27, 2018 | June 28, 2017 | June 29, 2016 |
| Revenues: | | | |
| Company sales | \$ 3,041,516 | \$ 3,062,579 | \$ 3,166,659 |
| Franchise and other revenues | 93,901 | 88,258 | 90,830 |
| Total revenues | 3,135,417 | 3,150,837 | 3,257,489 |
| Operating costs and expenses: | | | |
| Company restaurants (excluding depreciation and amortization) | | | |
| Cost of sales | 796,007 | 791,321 | 840,204 |
| Restaurant labor | 1,033,853 | 1,017,945 | 1,036,005 |
| Restaurant expenses | 757,547 | 773,510 | 762,663 |
| Company restaurant expenses | 2,587,407 | 2,582,776 | 2,638,872 |
| Depreciation and amortization | 151,392 | 156,409 | 156,368 |
| General and administrative | 136,012 | 132,819 | 127,593 |
| Other gains and charges | 34,500 | 22,655 | 17,180 |
| Total operating costs and expenses | 2,909,311 | 2,894,659 | 2,940,013 |
| Operating income | 226,106 | 256,178 | 317,476 |
| Interest expense | 58,986 | 49,547 | 32,574 |
| Other, net | (3,102) | (1,877) | (1,485) |
| Income before provision for income taxes | 170,222 | 208,508 | 286,387 |
| Provision for income taxes | 44,340 | 57,685 | 85,767 |
| Net income | \$ 125,882 | \$ 150,823 | \$ 200,620 |
| Basic net income per share | \$ 2.75 | \$ 2.98 | \$ 3.47 |
| Diluted net income per share | \$ 2.72 | \$ 2.94 | \$ 3.42 |
| Basic weighted average shares outstanding | 45,702 | 50,638 | 57,895 |
| Diluted weighted average shares outstanding | 46,264 | 51,250 | 58,684 |
| Other comprehensive income (loss): | | | |
| Foreign currency translation adjustment | \$ 186 | \$ (327) | \$ (2,964) |
| Other comprehensive income (loss) | 186 | (327) | (2,964) |
| Comprehensive income | \$ 126,068 | \$ 150,496 | \$ 197,656 |
| Dividends per share | \$ 1.52 | \$ 1.36 | \$ 1.28 |

See accompanying Notes to the Consolidated Financial Statements.

BRINKER INTERNATIONAL, INC.
Consolidated Statements of Cash Flows
(In thousands)

| | Fiscal Years Ended | | |
|--|--------------------|---------------|---------------|
| | June 27, 2018 | June 28, 2017 | June 29, 2016 |
| Cash flows from operating activities | | | |
| Net income | \$ 125,882 | \$ 150,823 | \$ 200,620 |
| Adjustments to reconcile Net income to net cash from operating activities: | | | |
| Depreciation and amortization | 151,392 | 156,409 | 156,368 |
| Stock-based compensation | 14,245 | 14,568 | 15,159 |
| Deferred income taxes, net | 3,421 | (22,704) | 23,902 |
| Restructure charges and other impairments | 21,704 | 14,412 | 17,445 |
| Net loss (gain) on disposal of assets | 1,602 | (377) | 87 |
| Undistributed loss (earnings) on equity investments | 330 | 1 | (571) |
| Other | 3,068 | 3,009 | 1,918 |
| Changes in assets and liabilities: | | | |
| Accounts receivable, net | (3,281) | 3,487 | (3,682) |
| Inventories | 12 | (62) | 11 |
| Restaurant supplies | (1,231) | (1,496) | (1,651) |
| Prepaid expenses | (1,694) | (696) | (11,178) |
| Other assets | 255 | 308 | 72 |
| Accounts payable | 1,569 | 2,984 | (5,783) |
| Gift card liability | (7,334) | 4,153 | 6,190 |
| Accrued payroll | 4,223 | (714) | (17,229) |
| Other accrued liabilities | (6,794) | (5,803) | 725 |
| Current income taxes | (14,877) | (7,692) | 14,875 |
| Other liabilities | (8,041) | 4,499 | 2,882 |
| Net cash provided by operating activities | 284,451 | 315,109 | 400,160 |
| Cash flows from investing activities | | | |
| Payments for property and equipment | (101,281) | (102,573) | (112,788) |
| Proceeds from sale of assets | 19,873 | 3,157 | 4,256 |
| Proceeds from note receivable | 1,867 | — | — |
| Insurance recoveries | 1,747 | — | — |
| Payment for business acquisition, net of cash acquired | — | — | (105,577) |
| Net cash used in investing activities | (77,794) | (99,416) | (214,109) |
| Cash flows from financing activities | | | |
| Borrowings on revolving credit facility | 1,016,000 | 250,000 | 256,500 |
| Payments on revolving credit facility | (588,000) | (388,000) | (110,000) |
| Purchases of treasury stock | (303,239) | (370,877) | (284,905) |
| Payments on long-term debt | (260,311) | (3,832) | (3,402) |
| Payments of dividends | (70,009) | (70,771) | (74,066) |
| Proceeds from issuances of treasury stock | 2,321 | 5,621 | 6,147 |
| Payments for debt issuance costs | (1,611) | (10,216) | — |
| Proceeds from issuance of long-term debt | — | 350,000 | — |
| Net cash used in financing activities | (204,849) | (238,075) | (209,726) |
| Net change in cash and cash equivalents | 1,808 | (22,382) | (23,675) |
| Cash and cash equivalents at beginning of year | 9,064 | 31,446 | 55,121 |
| Cash and cash equivalents at end of year | \$ 10,872 | \$ 9,064 | \$ 31,446 |

See accompanying Notes to the Consolidated Financial Statements.