



Earnings Call

Fiscal 2025: Third Quarter Results
March 20, 2025

Disclaimer/Non-GAAP Information

IMPORTANT NOTICE

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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: a failure to address cost pressures and a failure to effectively deliver cost management activities, economic factors and their impacts on the restaurant industry and general macroeconomic factors including unemployment, energy prices, tariffs and interest rates, the inability to hire, train, reward and retain restaurant team members, a failure to develop and recruit effective leaders, labor and insurance costs, health concerns including food-related pandemics or outbreaks of flu or other viruses, food safety and food-borne illness concerns, 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, the inability to successfully complete our integration of Chuy's Holdings operations into our business, 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 and guest relationship tactics, 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, environmental, social and governance risk, including disclosure expectations and the impacts of third party ratings, 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 adjusted 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

Back-To-Basics

Culinary
Innovation
& Execution



Attentive
Service



Engaging
Atmosphere



Integrated
Marketing

10 Iconic Brands



Fan Favorites Social Engagement

 **Heather Phillips Taylor**
BIG THANKS for finally bringing back the stuffed chicken marsala!!!

14w Like Reply 13 🍕❤️👍

 **Author**
Olive Garden ✓
You asked and we delivered. 🍕

14w Like Reply

 **Heather Phillips Taylor**
[Olive Garden](#) we just ate at Olive Garden for the first time in forever last night. The stuffed chicken marsala did not disappoint!!!!

In fact, I think it was better than it originally was! A lot more flavor!

I told the manager to tell the chef "great job".

 **foodielandduo** 13w
Omg! Yesss finally the stuffed chicken Marsala is back. Can we please keep it all year?! 🍕

14w Like Reply 2 ❤️

 **olivegarden** ✓ 13w · Author
[@foodielandduo](#) It is here to stay! ❤️

14w Like Reply 3 ❤️

 **foodielandduo** 13w
[@olivegarden](#) Yay!!!!!! Happy Dance 🍕👯

14w Like Reply 1 ❤️

 **la_shellj** 14w
Omg the stuffed chicken marsala was my all time fave 🍕🍕🍕🍕🍕🍕

14w Like Reply 1 ❤️

 **olivegarden** ✓ 14w · Author
[@la_shellj](#) We can't wait for you to come and have it again! ❤️

14w Like Reply 1 ❤️

 **la_shellj** 14w
[@olivegarden](#) I'll be there soon

14w Like Reply 1 ❤️

 **Sean Cahill**
I think that Steak Gorgonzola Alfredo and I are going to be fast friends... 🍕

14w Like Reply 10 🍕❤️👍

 **Author**
Olive Garden ✓
Steak Gorgonzola Alfredo: making other dishes jealous since... forever. 🍕

14w Like Reply 3 ❤️

 **Melody Phillips**
[Sean Cahill](#) it is my favorite!!!

14w Like Reply 2 🍕

 **ktoff604** 13w
I'm going tomorrow!!!! Steak Gorgonzola is the best dish at Olive Garden!!! I was sooooo sad and disappointed when it was removed from the menu! Please please please keep it permanently!

14w Like Reply 5 ❤️

 **olivegarden** ✓ 13w · Author
[@ktoff604](#) 🍕 See you soon!

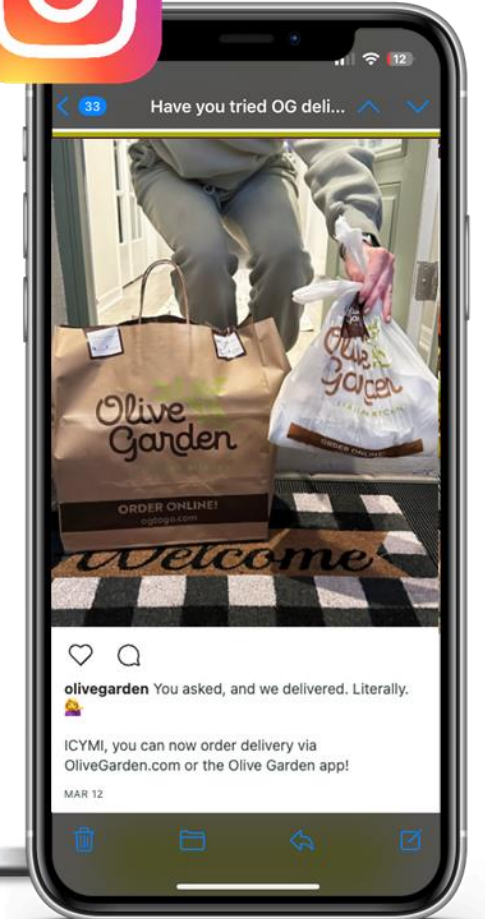
14w Like Reply 1 ❤️

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LEGENDS



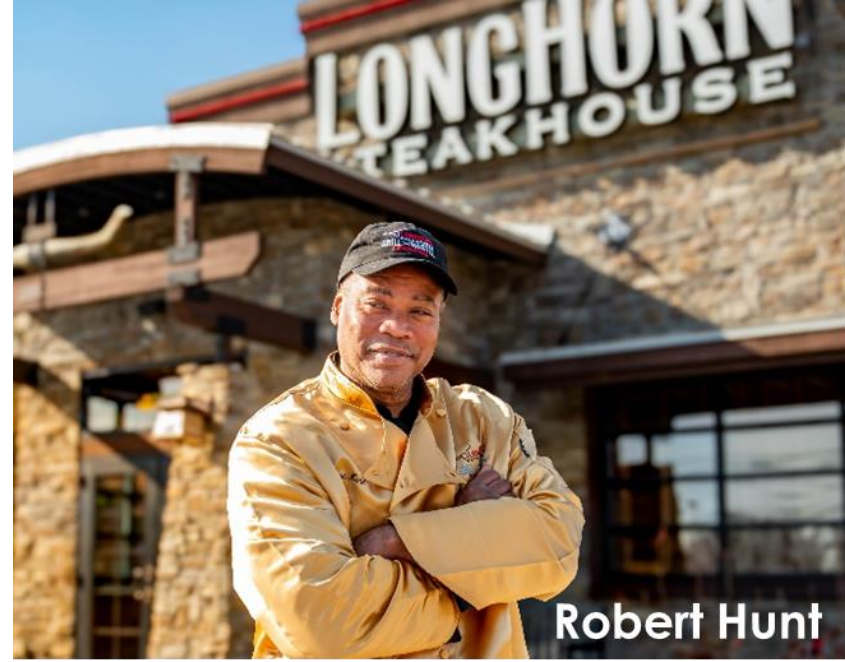
Abbie Guye



Anthony Lawrence



Armando Padilla



Robert Hunt



Edilio Castillo



New Restaurant Development





- // Human Resource Platform migration in March
- // Supply Chain phased transition begins in June
- // Point of Sale transition starting in late Summer



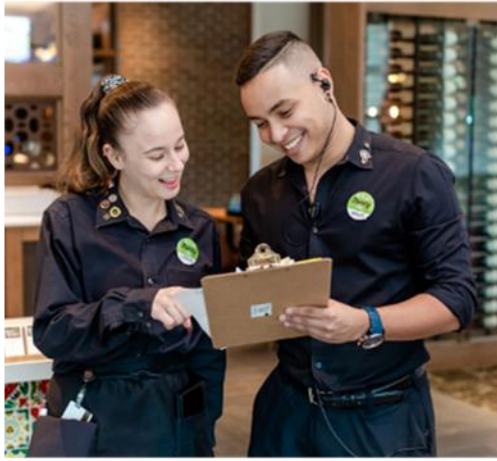


Next Course

SCHOLARSHIP



Thank You To Our Team Members



Fiscal 2025 Third Quarter Financial Highlights



\$3.2 Billion
TOTAL SALES

6.2%
TOTAL SALES GROWTH

0.7%
SAME-RESTAURANT SALES
GROWTH¹

\$559 Million
ADJUSTED EBITDA²

\$2.80
ADJUSTED DILUTED NET EPS
FROM CONTINUING
OPERATIONS²

\$217 Million
CASH RETURN³

¹ Will not include Chuy's until they have been owned and operated by Darden for a 16-month period (Q4 Fiscal 2026).

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

³ Includes cash dividends paid and repurchases of common stock.



Margin Analysis vs. Prior Year

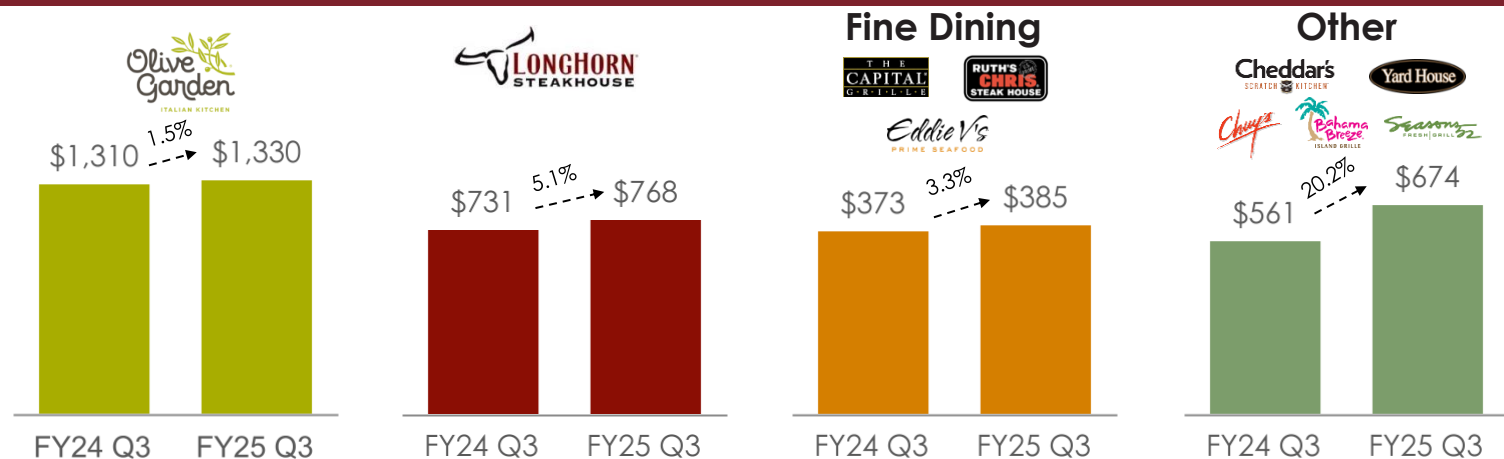
	As Reported		As Adjusted ¹	
	Q3 2025 (\$ millions)	Q3 2025 (\$ millions)	Q3 2025 % of Sales	vs Q3 2024 (bps) Favorable/(Unfavorable)
Sales	\$3,158.0	\$3,158.0		
Food and Beverage	\$953.6	\$953.6	30.2 %	70
Restaurant Labor	\$995.0	\$995.0	31.5 %	—
Restaurant Expenses	\$507.1	\$507.1	16.1 %	(20)
Marketing Expenses	\$35.4	\$35.4	1.1 %	(10)
Restaurant-Level EBITDA	\$666.9	\$666.9	21.1 %	50
General and Administrative Expenses	\$116.7	\$108.3	3.4 %	—
Depreciation and Amortization	\$131.9	\$131.9	4.2 %	(20)
Impairment and Disposal of Assets, Net	\$0.1	\$0.1	— %	—
Operating Income	\$418.2	\$426.6	13.5 %	30
Interest Expense	\$45.5	\$45.5	1.4 %	(20)
Earnings Before Income Tax	\$372.7	\$381.1	12.1 %	0
Income Tax Expense	\$49.0	\$50.9	1.6 %	(20)
Note: Effective Tax Rate	13.1%	13.4%		
Earnings From Continuing Operations	\$323.7	\$330.2	10.5 %	(10)

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

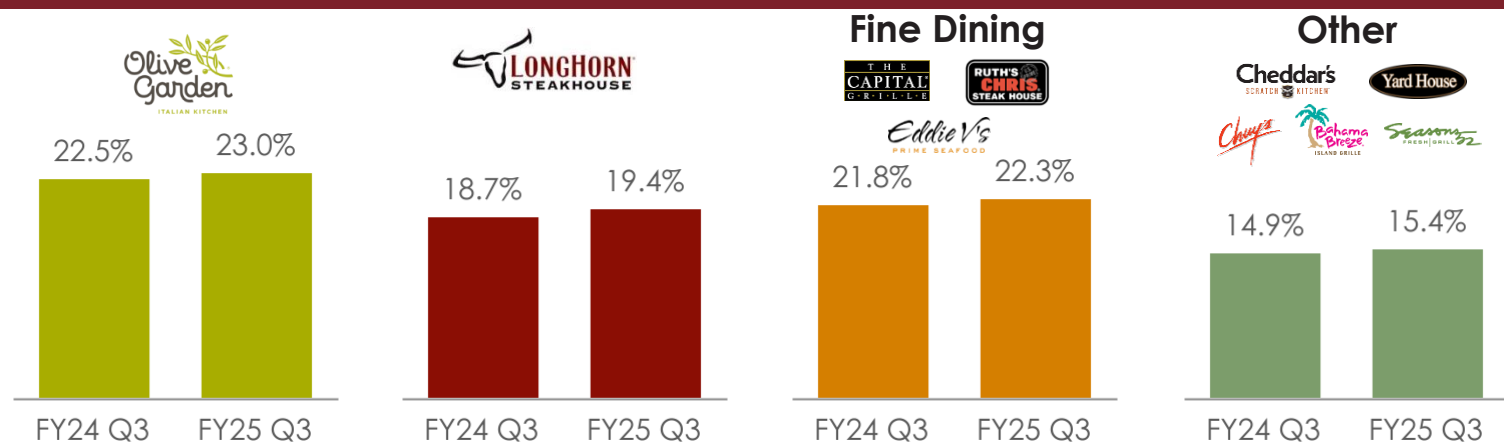
¹ A reconciliation of Non-GAAP measures can be found in the Additional Information section of this presentation.

Third Quarter Segment Performance¹

Segment Sales (\$ millions)



Segment Profit Margin²



¹ From the date of acquisition, October 11, 2024, forward, sales and profits from Chuy's restaurants are included within the Other Business segment.

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

Updating Fiscal 2025 Annual Outlook

SALES	DEVELOPMENT	MARGIN
Total Sales ~\$12.1 Billion	Restaurant Openings 50 to 55	Total Inflation: ~2.5% Commodities: ~1.0%
Same-Restaurant Sales Growth¹ ~1.5%	Capital Spending ~\$650 Million	Effective Tax Rate ~12.5%

Adjusted Diluted Net Earnings per Share
\$9.45 to \$9.52²
(118.3 Million Weighted Average Diluted Shares Outstanding)

¹ Does not include Ruth's Chris and Chuy's as they were not owned and operated by Darden for a 16-month period at the beginning of the fiscal year.

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

Implied Fourth Quarter Outlook

Total Sales
\$3.23 to \$3.26
Billion

**Same
Restaurant
Sales Growth¹**
>3.0%

**Adjusted
Diluted Net EPS²**
\$2.88 to \$2.95

¹ Will not include Chuy's until they have been owned and operated by Darden for a 16-month period (Q4 Fiscal 2026).

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

Preliminary Fiscal 2026 Outlook

New Restaurant Openings

60 to 65

Capital Spending

\$675 to \$725 million

New Restaurants

\$375 to \$400 million

Maintenance/All Other

\$300 to \$325 million

Effective Tax Rate

13% to 13.5%

53rd Week Diluted Net EPS Impact

Approximately \$0.20

Question & Answer Session

Additional Information

Commodities Outlook - Fourth Quarter

March - May FY2025			
	Spend by category	Coverage	Outlook
Beef	25%	70%	Low single digit inflation
Dairy / Oil ¹	13%	80%	Low single digit deflation
Produce	12%	95%	Low single digit deflation
Seafood	9%	95%	Low single digit inflation
Chicken	8%	95%	Mid single digit inflation
Wheat ²	7%	100%	Flat
Non-Perishable / Other	26%	55%	Low single digit inflation
Weighted average coverage	100%	75%	

¹ Includes cheese, cream, butter, and shortening.

² Includes breadsticks and pasta.

Reported to Adjusted Earnings Reconciliations

	Q3 2025				Q3 2024			
\$ in millions, except EPS	Earnings Before Income Tax	Income Tax Expense	Net Earnings	Diluted Net Earnings Per Share	Earnings Before Income Tax	Income Tax Expense	Net Earnings	Diluted Net Earnings Per Share
Reported Earnings from Continuing Operations	\$ 372.7	\$ 49.0	\$ 323.7	\$ 2.74	\$ 350.9	\$ 37.5	\$ 313.4	\$ 2.60
Adjustments: Acquisition Transaction and Integration Related Costs ¹	8.4	1.9	6.5	0.06	6.8	4.8	2.0	0.02
Adjusted Earnings from Continuing Operations	\$ 381.1	\$ 50.9	\$ 330.2	\$ 2.80	\$ 357.7	\$ 42.3	\$ 315.4	\$ 2.62
Adjusted Interest			45.5				36.5	
Adjusted Income Tax			50.9				42.3	
Adjusted Operating Income			\$ 426.6				\$ 394.2	
Depreciation and Amortization			131.9				117.9	
Adjusted EBITDA			\$ 558.5				\$ 512.1	

¹ In Q3 FY25, Chuy's associated costs. In Q3 FY24, Ruth's Chris associated costs.



Reported to Adjusted Earnings Outlook Reconciliation

	Q4 FY25		2025	
Reported diluted net earnings per share from continuing operations	\$ 2.82	to \$ 2.89	\$ 9.12	to \$ 9.19
Chuy's transaction and integration related costs	\$ 0.08	\$ 0.08	\$ 0.40	\$ 0.40
Income tax expense	\$ (0.02)	\$ (0.02)	\$ (0.07)	\$ (0.07)
Adjusted diluted net earnings per share from continuing operations	\$ 2.88	\$ 2.95	\$ 9.45	\$ 9.52