

**PAPA JOHN'S**  
Better Ingredients. Better Pizza.

# INVESTOR Presentation

**MARCH 2025**



# IMPORTANT DISCLOSURES

## Forward-Looking Statements

Certain matters discussed in this presentation that are not statements of historical fact constitute forward-looking statements within the meaning of the federal securities laws. Generally, the use of words such as “expect,” “intend,” “estimate,” “believe,” “anticipate,” “will,” “forecast,” “outlook”, “plan,” “project,” or similar words identify forward-looking statements that we intend to be included within the safe harbor protections provided by the federal securities laws. Such forward-looking statements include or may relate to projections or guidance concerning business performance, revenue, earnings, cash flow, earnings per share, share repurchases, depreciation and amortization, interest expense, tax rates, system-wide sales, Adjusted EBITDA, the current economic environment, commodity and labor costs, currency fluctuations, profit margins, supply chain operating margin, net unit growth, unit level performance, capital expenditures, restaurant and franchise development, restaurant acquisitions, restaurant closures, labor shortages, labor cost increases, inflation, royalty relief, franchisee support and incentives, the effectiveness of our menu innovations and other business initiatives, investments in product and digital innovation, marketing efforts and investments, liquidity, compliance with debt covenants, impairments, strategic decisions and actions, dividends, effective tax rates, regulatory changes and impacts, repositioning of the UK market, International restructuring plans, timing and costs, International consumer demand, adoption of new accounting standards, and other financial and operational measures. Such statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions, which are difficult to predict and many of which are beyond our control. Therefore, actual outcomes and results may differ materially from those matters expressed or implied in such forward-looking statements.

Our forward-looking statements are based on our assumptions which are based on currently available information. Actual outcomes and results may differ materially from those matters expressed or implied in our forward-looking statements as a result of various factors, including but not limited to risks related to: deteriorating economic conditions in U.S. and international markets; labor shortages at Company and/or franchised restaurants and our quality control centers; increases in labor costs, changes in commodity costs, supply chain incentive-based rebates, or sustained higher other operating costs, including as a result of supply chain disruption, inflation, increased tariffs, trade barriers, immigration policies, or climate change; the potential for delayed new restaurant openings, both domestically and internationally, or lower net unit development due to changing circumstances outside of our control; the increased risk of phishing, ransomware and other cyberattacks; risks and disruptions to the global economy and our business related to geopolitical conflicts including conflicts in Ukraine and the Middle East and risks related to a possible economic recession or downturn that could reduce consumer spending or demand. These and other risks, uncertainties and assumptions that are involved in our forward-looking statements are discussed in detail in “Part I. Item 1A. – Risk Factors” in our Annual Report on Form 10-K for the fiscal year ended December 29, 2024. We undertake no obligation to update publicly any forward-looking statements, whether as a result of future events, new information or otherwise, except as required by law.

# IMPORTANT DISCLOSURES

## Industry and Market Information

Statements in this presentation concerning our industry and the markets in which we operate, including our general expectations and competitive position, business opportunity and market size, growth and share, are based on information from independent industry organizations and other third-party sources, data from our internal research and management estimates. Management estimates are derived from publicly available information and data referred to above and are based on assumptions and calculations made by us based upon our interpretation of such information and data. The information and data referred to above are imprecise and may prove to be inaccurate because the information cannot always be verified with complete certainty due to the limitations on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties. As a result, please be aware that the data and statistical information in this presentation may differ from information provided by our competitors or from information found in current or future studies conducted by market research institutes, consultancy firms or independent sources.

## Non-GAAP Measures

In addition to the results provided in accordance with U.S. GAAP, we provide certain non-GAAP measures, which present results on an adjusted basis. These are supplemental measures of performance that are not required by or presented in accordance with U.S. GAAP and include the following: Adjusted operating income, Adjusted EBITDA, Adjusted net income attributable to common shareholders and Adjusted diluted earnings per common share. We believe that our non-GAAP financial measures enable investors to assess the operating performance of our business relative to our performance based on U.S. GAAP results and relative to other companies. We believe that the disclosure of these non-GAAP measures is useful to investors as they reflect metrics that our management team and Board utilize to evaluate our operating performance, allocate resources and administer employee incentive plans. The most directly comparable U.S. GAAP measures to Adjusted operating income, Adjusted EBITDA, Adjusted net income attributable to common shareholders and Adjusted diluted earnings per common share are Operating income, net income attributable to common shareholders and diluted earnings per common share, respectively. These non-GAAP measures should not be construed as a substitute for or a better indicator of the Company's performance than the Company's U.S. GAAP results.

# KEY FOCUS AREAS

Our #1 priority is to **create great experiences** for our customers and team members in our restaurants – ensuring the **restaurant economic model is strong**.



## Focusing on our core strength

of crafting high-quality, traditional pizza to consistently meet and exceed customer expectations and investing to amplify our brand promise



## Leveraging our data advantage

to inform purchasing behavior and drive decisions related to digital and product innovations and engagement with our most loyal and frequent customers



## Investing in our tech stack

to drive operational efficiency and growth aimed at improving customer engagement and winning market share



## Building industry-savvy leadership team

with fresh perspectives and a collaborative approach to decision making, franchisee relationships and investor communication



## Encouraging signs of early progress

on key sales days, transactions by channel, our loyalty program and feedback from franchisees



## Capitalizing on our healthy balance sheet

with attractive company-owned restaurants and a vertically integrated supply chain providing additional opportunities to unlock future value

# EXPERIENCED MANAGEMENT TEAM



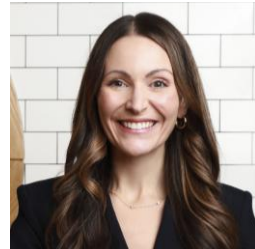
**TODD PENEGOR**

President and Chief Executive Officer



**RAVI THANAWALA**

Chief Financial Officer and Executive Vice President, International



**JENNA BROMBERG**

Chief Marketing Officer



**JOE SIEVE**

Chief Restaurant and Development Officer



**ELIAS REYNA**

Chief People and Diversity Officer



**KURT MILBURN**

Chief Supply Chain Officer



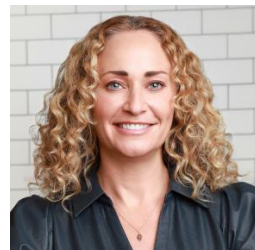
**CAROLINE MILLER OYLER**

Chief Legal & Risk Officer and Corporate Secretary



**KEVIN VASCONI**

Chief Digital and Technology Officer



**MADELINE CHADWICK**

Chief Corporate Affairs Officer

Be the **best**  
**pizza makers**  
in the business



## Our Values

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People First

---

---

Innovate to Win

---

---

Everyone Belongs

---

---

Have Fun

---

---

Do the Right Thing

# PAPA JOHNS TODAY



Nasdaq trading began

**1993**



Restaurants\*

**6,030**



Pizzas sold each year

**~350M**



Franchise & corporate team members\*

**~104,000**



Countries served\*

**~50**

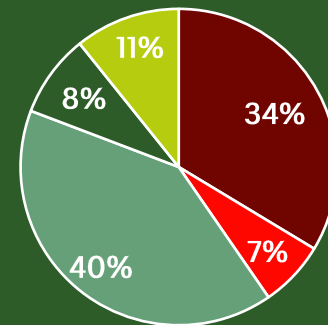


Global systemwide sales\*

**~\$5B**

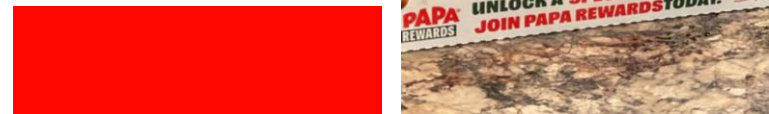
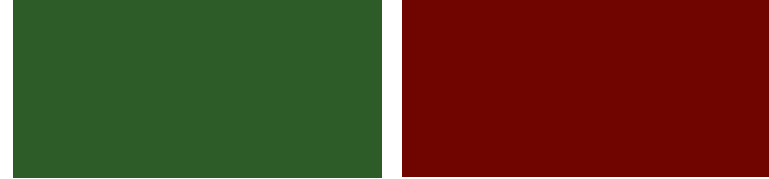
Total Revenues\*  
**\$2.1B**

Segment revenues\*



- Domestic Company-owned restaurants
- North America franchising
- North America commissaries
- International
- All other

**OUR BRAND  
IS STRONG**





# OUR VALUES-DRIVEN CULTURE IS THRIVING

Guided by  
**People First**

NEWSWEEK:  
America's **Most Responsible**  
Companies 2025

Passion for  
**Communities**



**300+**  
organizations supported through the **Papa John's Foundation**

**600+**  
team members have accessed our **Dough & Degrees tuition program**



Reached **6.8M** meals toward our goal of donating **10M meals** to those in need by **2027**

# OUR FOOTPRINT HAS GROWN

North America  
**3,514**

LATAM  
**748**

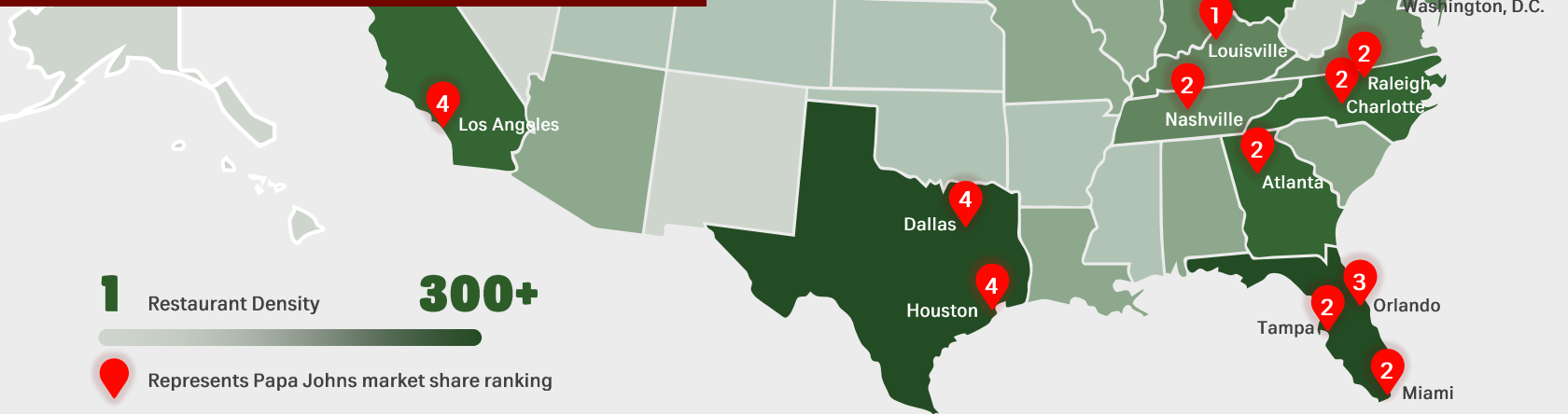
United Kingdom  
**457**

EMEA  
**656**

APAC  
**655**

**+1,000**  
net new restaurants  
opened in last  
7 years\*

# LEADING POSITION IN 11 OF OUR TOP 15 MARKETS



Our geographic strength brings significant opportunity  
for strategic domestic expansion.

# OUR RECIPE FOR PROFITABLE GROWTH

## OPERATIONAL

Focus on Core Product  
& Innovation



Amplify Marketing



Transform  
International



**Franchisee  
Profitability**



Invest in  
Technology

Evolve  
Franchisee Base



Differentiate  
Customer Experience



## EXCELLENCE



# DRIVING PREMIUM-QUALITY DISTINCTION

## The Foundation of Our Success

Being the best pizza makers will be supported by three primary workstreams:

### 1 Consumer Perception

Assess current perception of Papa Johns to determine appropriate level of differentiation to feature

### 2 Brand Differentiation

Assess and test customer experience to evaluate and quickly adapt to what we learn

### 3 Strategic Innovations

Prioritize key features to drive differentiation and discipline into the innovation process



# WINNING CUSTOMERS WITH A FOCUS ON QUALITY AND VALUE

## QUALITY EMPHASIS

### Best pizza craftsmanship:

Emphasize bringing the freshest ingredients to every pizza order

## VALUE PERCEPTION

### Across the menu:

Emphasize value propositions – from Papa Pairings to Shaq-a-Roni

## Our approach

### CHALLENGER BRAND MINDSET:

Differentiating our brand through creativity and disruption

### INCREASED INVESTMENT:

Reaching wider audience through traditional and digital advertising  
Ensuring a strong presence in key regional and local markets with franchisees

### TARGETED MESSAGING AND DEALS:

Leveraging customer data to create more personalized offers



# CREATING A SMOOTH AND REPEATABLE CUSTOMER EXPERIENCE

## Agility:

Boost agility, service and business potential

### INITIATIVES:

- Simplify products, operations and processes
- Evolve to an omnichannel experience with product team mentality

## Intelligence:

Further develop cutting-edge capabilities to enhance business intelligence and operational efficiency

### INITIATIVES:

- Invest in integrity of our data and leverage tech stack for a better consumer experience
- Prioritize cross-functional work on data analysis to support order growth and margin improvement
- Targeted marketing campaigns through next evolution of loyalty enhancements

## Resilience:

Fortified resilience and enhanced flexibility

### INITIATIVES:

- Enhance system performance, reliability and customer trust
- Ensure seamless and efficient experience across all channels
- Reinforce commitment to safeguarding customer data



# ENHANCING CUSTOMERS' DIGITAL EXPERIENCE

## Improving user interaction with revitalized app and redesigned website

- Q3 Brand Health results showing increase in customers who found the app and website easy to use
- Enhancing website homepage to realign with user experience patterns and act as customers' personal dashboard
- Papa Rewards point progress and offers are featured more prominently

## Papa Rewards Program Update: Earning Papa Dough® faster and more often

- Reward threshold reduced from 75 points for \$10 Papa Dough® to 15 points for \$2 Papa Dough® (November 18, 2024)
- Unlocking Papa Dough® faster provides immediate customer gratification and increased engagement, resulting in higher transactions and frequency improvements
- Following the change, and as of early 2025, ~50% of loyalty orders are now redeeming Papa Dough, up from ~21% a year ago

New address & account header

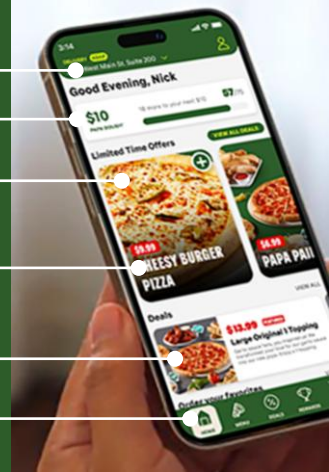
Papa Rewards progress

Highly visual photo & video promo cards

New fonts, colors, styles in line with new branding

Elevated local value offers and deals

Actionable navigation







# OPPORTUNITIES TO ACCELERATE DOMESTIC DEVELOPMENT

**Domestic opportunities exist to utilize our existing infrastructure and create sustainable unit growth**

## EXISTING FRANCHISEES:

Identify and focus on expansion with top operators with growth appetite

## CORPORATE DEVELOPMENT:

Refranchise select markets, creating an entry point for new and existing partners and develop underpenetrated strategic growth markets

## NEW FRANCHISEES:

New operators bring new perspectives, energy and a hungry and growth-oriented mindset





# NARROW AND DEEP FOCUS ON MOST IMPACTFUL MARKETS

**GOAL:**

Target higher average unit volumes and greater penetration of key regions

**2,516**  
international  
restaurants\*

**Refocus**

UK, China  
Re-establish a sustainable operating model to take share in the UK and accelerate growth in China

**Grow**

Korea, Spain  
Drive long-term growth in well-established markets with a solid foundation

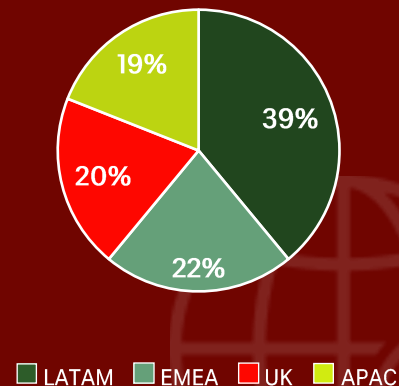
**Sustain**

Chile, Peru, UAE  
Continue sales growth through penetration and stealing share from competition

**Ignite**

India, KSA  
Strategic entry and unit acceleration in big addressable markets

Sales by Region\*

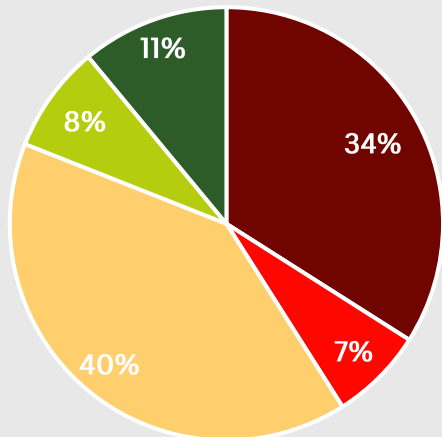




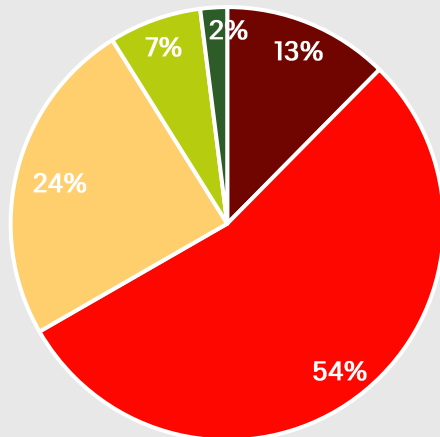
# FINANCIAL **OVERVIEW**

# REVENUE AND OPERATING INCOME BREAKDOWN

Segment revenues\*



Segment Adj. operating income\*



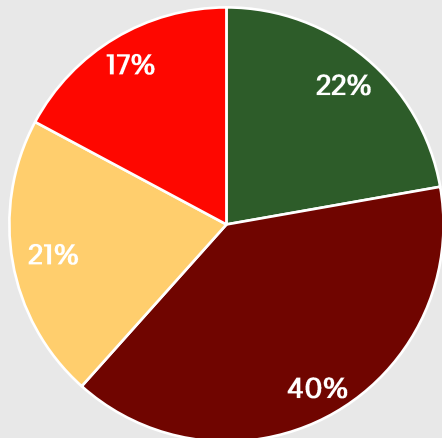
■ Domestic Company-owned restaurants   
 ■ North America franchising   
 ■ North America commissaries   
 ■ International   
 ■ All other



**We have a solid operating income base with more than 75% driven by consistent revenue sources.**

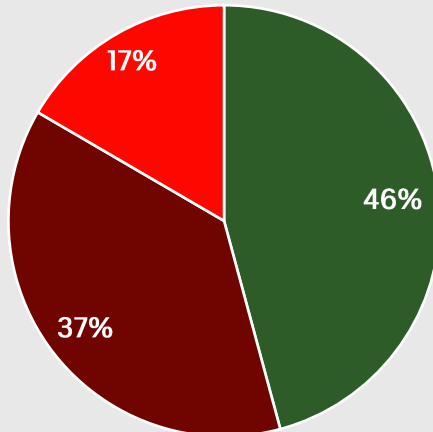
# SHARPENING PRICING TO IMPROVE VALUE PERCEPTION AND FREQUENCY

### Sales by Pricing Strategy\*



■ National Promo ■ Base Discount Business ■ RMP ■ Aggregator

### Orders by Fulfillment Channel\*

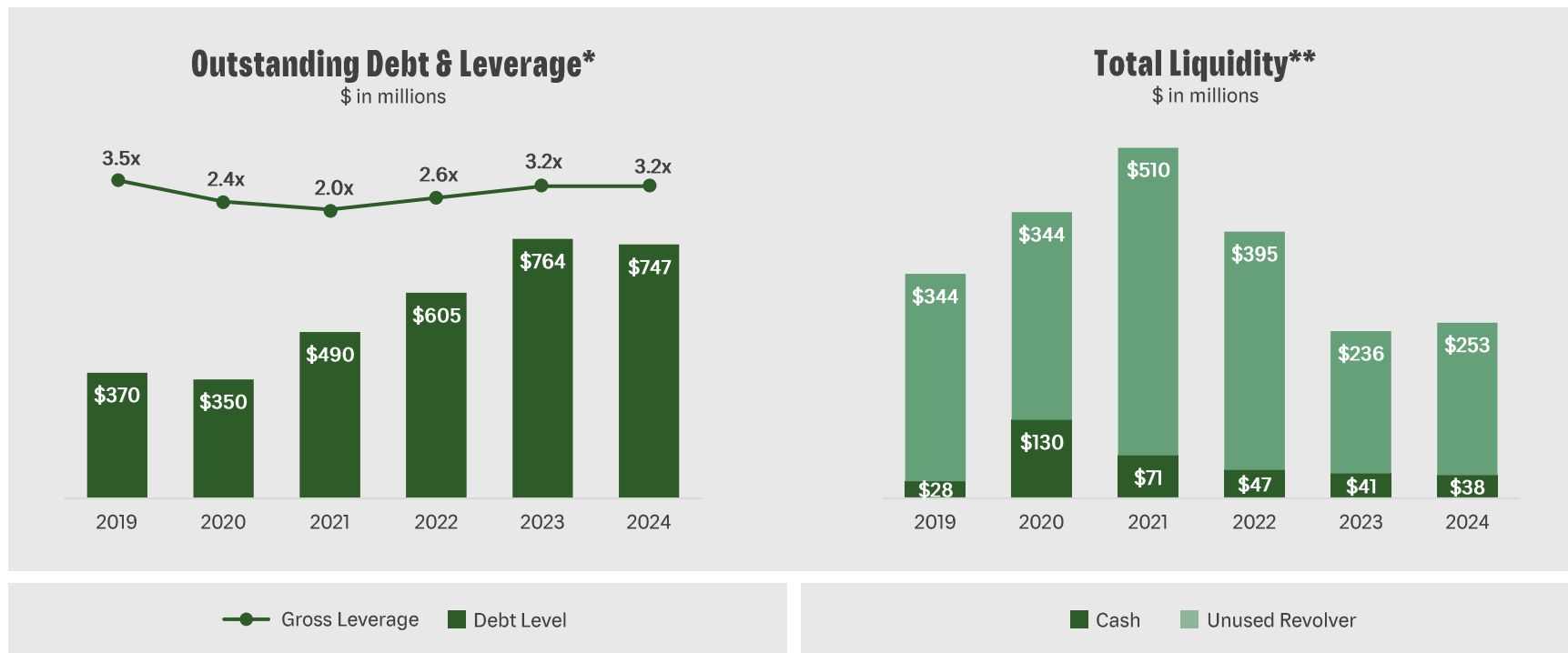


■ Carryout ■ Delivery ■ Aggregator

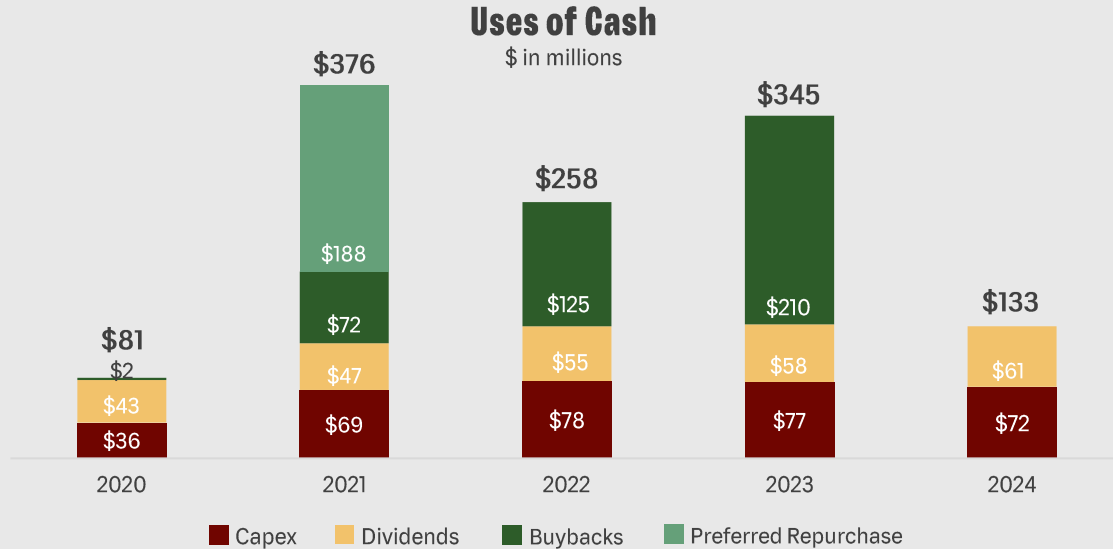


**National promotion drives value perception to win the hearts and minds of our customers, and we optimize margin by serving their needs through all fulfillment channels.**

# STRONG BALANCE SHEET SUPPORTS GROWTH INVESTMENTS



# DISCIPLINED CAPITAL ALLOCATION



**We strive to strike the right balance between investing in the business and returning capital to shareholders, with \$850+ million returned through dividends and repurchases over the past 5 years.**

# DRIVING INCREASED LONG-TERM SHAREHOLDER VALUE

Our disciplined approach to capital allocation will focus on three priorities:

## 1

### Investing in Growth

- Invest in strategic initiatives generating positive cash flow
- Prudently invest in growth opportunities and strategic partnerships

## 2

### Maintaining a Strong Balance Sheet

- Use of free cash flow to pay down debt, reduce leverage and improve liquidity
- Access revolver for working capital and investments in the business

## 3

### Returning Capital to Shareholders

- Currently paying ~\$60M in annual cash dividends
- Utilize share repurchases to supplement dividend, when appropriate



# KEY FOCUS AREAS

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## Leveraging our data advantage

to inform purchasing behavior and drive decisions related to digital and product innovations and engagement with our most loyal and frequent customers



## Investing in our tech stack

to drive operational efficiency and growth aimed at improving customer engagement and winning market share



## Building industry-savvy leadership team

with fresh perspectives and a collaborative approach to decision making, franchisee relationships and investor communication



## Encouraging signs of early progress

on key sales days, transactions by channel, our loyalty program and feedback from franchisees

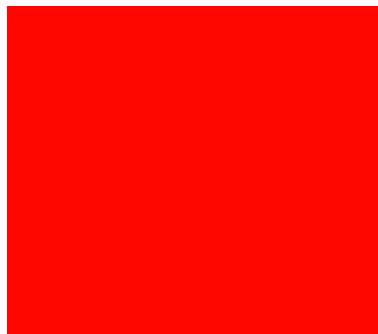


## Capitalizing on our healthy balance sheet

with attractive company-owned restaurants and a vertically integrated supply chain providing additional opportunities to unlock future value

**PAPA JOHN'S**  
Better Ingredients. Better Pizza.

# APPENDIX



# 2024 CONSOLIDATED INCOME STATEMENT BY QUARTER

<i>In thousands, unaudited</i>	Three Months ended				Year ended
	March 31, 2024	June 30, 2024	September 30, 2024	December 29, 2024	December 29, 2024
<b>Revenues</b>					
Company-owned restaurant sales	\$ 191,251	\$ 184,640	\$ 171,097	\$ 177,678	\$ 724,666
Franchise royalties and fees	47,153	46,552	45,830	47,497	187,032
Commissary revenues	217,512	214,322	228,989	238,841	899,664
Other revenues	20,935	20,410	19,521	22,816	83,682
Advertising funds revenue	37,065	41,970	41,370	43,938	164,343
<b>Total revenues</b>	<b>\$ 513,916</b>	<b>\$ 507,894</b>	<b>\$ 506,807</b>	<b>\$ 530,770</b>	<b>\$ 2,059,387</b>
<b>Costs and expenses</b>					
Cost of sales	\$ 367,666	\$ 363,038	\$ 370,079	\$ 377,643	\$ 1,478,426
General and administrative expenses	57,877	57,046	12,883	62,709	190,515
Depreciation and amortization	17,674	17,594	17,260	16,879	69,407
Advertising funds expense	36,981	41,990	41,356	44,008	164,335
<b>Total costs and expenses</b>	<b>\$ 480,198</b>	<b>\$ 479,668</b>	<b>\$ 441,578</b>	<b>\$ 501,239</b>	<b>\$ 1,902,683</b>
<b>Operating income</b>	<b>\$ 33,718</b>	<b>\$ 28,226</b>	<b>\$ 65,229</b>	<b>\$ 29,531</b>	<b>\$ 156,704</b>

# 2024 SEGMENT RESULTS BY QUARTER (Q1 & Q2)

<i>In thousands, unaudited</i>	Domestic Company-owned restaurants	North America franchising	North America commissaries	International
<b>First Quarter ended March 31, 2024</b>				
Revenues from external customers	\$ 176,224	\$ 35,697	\$ 203,287	\$ 46,673
Intersegment revenues	--	1,049	49,267	--
<b>Revenues</b>	<b>\$ 176,224</b>	<b>\$ 36,746</b>	<b>\$ 252,554</b>	<b>\$ 46,673</b>
<b>Less costs and expenses</b>				
Cost of sales	\$ 151,429	\$ --	\$ 226,288	\$ 30,855
General and administrative expenses	10,527	8,748	9,952	8,838
Depreciation and amortization	4,101	--	4,010	1,381
Advertising funds expense	--	--	--	2,886
Total costs and expenses	\$ 166,057	\$ 8,748	\$ 240,250	\$ 43,960
<b>Adjusted operating income</b>	<b>\$ 10,167</b>	<b>\$ 27,998</b>	<b>\$ 12,304</b>	<b>\$ 2,713</b>
<b>Second Quarter ended June 30, 2024</b>				
Revenues from external customers	\$ 173,207	\$ 34,409	\$ 198,197	\$ 46,547
Intersegment revenues	--	1,041	50,303	--
<b>Revenues</b>	<b>\$ 173,207</b>	<b>\$ 35,450</b>	<b>\$ 248,500</b>	<b>\$ 46,547</b>
<b>Less costs and expenses</b>				
Cost of sales	\$ 150,507	\$ --	\$ 224,511	\$ 30,209
General and administrative expenses	9,810	8,752	8,460	9,674
Depreciation and amortization	4,319	--	4,155	974
Advertising funds expense	--	--	--	3,049
Total costs and expenses	\$ 164,636	\$ 8,752	\$ 237,126	\$ 43,906
<b>Adjusted operating income</b>	<b>\$ 8,571</b>	<b>\$ 26,698</b>	<b>\$ 11,374</b>	<b>\$ 2,641</b>

Under ASC 280, Segment Reporting, the Company's segment performance is evaluated based on Adjusted operating income. See the Company's Form 10-K for the year-ended December 29, 2024 for further information on segments.

Additionally, as discussed more fully in the Company's Form 10-K, the Company adjusted for updates in internal cost allocation methodologies in the fourth quarter of 2024, which are being applied to all of the quarters in 2024 in this presentation. These cost allocation methodologies increased the amount of internal general and administrative expenses allocated to the segments from Unallocated corporate expenses. The allocation updates resulted in the following increases to segment G&A in 2024: \$0.4 million to Domestic Company-owned restaurants, \$22.9 million to North America franchising, \$3.3 million to International, and \$0.1 million to North America commissaries. There was no impact on overall company profitability, as the change was offset within unallocated corporate expenses.

# 2024 SEGMENT RESULTS BY QUARTER (Q3 & Q4)

<i>In thousands, unaudited</i>	Domestic Company-owned restaurants	North America franchising	North America commissaries	International
<b>Third Quarter ended September 29, 2024</b>				
Revenues from external customers	\$ 168,672	\$ 33,831	\$ 210,389	\$ 39,098
Intersegment revenues	--	1,011	52,063	--
<b>Revenues</b>	<b>\$ 168,672</b>	<b>\$ 34,842</b>	<b>\$ 262,452</b>	<b>\$ 39,098</b>
<b>Less costs and expenses</b>				
Cost of sales	\$ 155,332	\$ --	\$ 237,293	\$ 21,819
General and administrative expenses	9,578	8,690	8,987	10,043
Depreciation and amortization	4,212	--	3,891	869
Advertising funds expense	--	--	--	3,284
Total costs and expenses	\$ 169,122	\$ 8,690	\$ 250,171	\$ 36,015
<b>Adjusted operating income</b>	<b>\$ (450)</b>	<b>\$ 26,152</b>	<b>\$ 12,281</b>	<b>\$ 3,083</b>
<b>Fourth Quarter ended December 29, 2024 *</b>				
Revenues from external customers	\$ 174,634	\$ 35,154	\$ 219,901	\$ 41,733
Intersegment revenues	--	1,049	53,602	--
<b>Revenues</b>	<b>\$ 174,634</b>	<b>\$ 36,203</b>	<b>\$ 273,503</b>	<b>\$ 41,733</b>
<b>Less costs and expenses</b>				
Cost of sales	\$ 154,417	\$ --	\$ 246,889	\$ 21,255
General and administrative expenses	9,907	8,875	10,291	9,824
Depreciation and amortization	3,928	--	3,724	909
Advertising funds expense	--	--	--	4,416
Total costs and expenses	\$ 168,252	\$ 8,875	\$ 260,904	\$ 36,404
<b>Adjusted operating income</b>	<b>\$ 6,382</b>	<b>\$ 27,328</b>	<b>\$ 12,599</b>	<b>\$ 5,329</b>

\* The amounts reported for the fourth quarter ended December 29, 2024 reflect the correction of immaterial errors in the line items presented in the segment presentation of the Company's earnings release dated February 27, 2025.

Under ASC 280, Segment Reporting, the Company's segment performance is evaluated based on Adjusted operating income. See the Company's Form 10-K for the year-ended December 29, 2024 for further information on segments.

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# FISCAL YEAR 2024 SEGMENT RESULTS

<i>In thousands, unaudited</i>	Domestic Company-owned restaurants	North America franchising	North America commissaries	International
<b>Fiscal Year ended December 29, 2024</b>				
Revenues from external customers	\$ 692,736	\$ 139,091	\$ 831,774	\$ 174,054
Intersegment revenues	--	4,150	205,234	--
<b>Revenues</b>	<b>\$ 692,736</b>	<b>\$ 143,241</b>	<b>\$ 1,037,008</b>	<b>\$ 174,054</b>
<b>Less costs and expenses</b>				
Cost of sales	\$ 611,685	\$ --	\$ 934,980	\$ 104,138
General and administrative expenses	39,822	35,064	37,690	38,379
Depreciation and amortization	16,560	--	15,780	4,134
Advertising funds expense	--	--	--	13,635
Total costs and expenses	\$ 668,067	\$ 35,064	\$ 988,450	\$ 160,286
<b>Adjusted operating income</b>	<b>\$ 24,669</b>	<b>\$ 108,177</b>	<b>\$ 48,558</b>	<b>\$ 13,768</b>

*Under ASC 280, Segment Reporting, the Company's segment performance is evaluated based on Adjusted operating income. See the Company's Form 10-K for the year-ended December 29, 2024 for further information on segments.*

# 2024 SUPPLEMENTAL INFORMATION – ALL OTHER\*

<i>In thousands, unaudited</i>	Three Months ended				Year ended
	March 31, 2024	June 30, 2024	September 30, 2024	December 29, 2024	December 29, 2024
<b>ALL OTHER*</b>					
Revenues from external customers	\$ 52,035	\$ 55,534	\$ 54,817	\$ 59,348	\$ 221,733
Intersegment revenues	13,172	13,778	13,472	17,230	57,652
<b>Revenues</b>	<b>\$ 65,207</b>	<b>\$ 69,312</b>	<b>\$ 68,289</b>	<b>\$ 76,578</b>	<b>\$ 279,385</b>
<b>Costs and expenses</b>					
Cost of sales	\$ 12,895	\$ 12,533	\$ 12,076	\$ 13,842	\$ 51,347
General and administrative expenses	2,270	2,042	1,613	2,170	8,096
Depreciation and amortization	5,662	5,573	5,576	5,586	22,396
Advertising funds expense	43,632	49,204	48,043	52,602	193,481
<b>Total costs and expenses</b>	<b>\$ 64,459</b>	<b>\$ 69,352</b>	<b>\$ 67,308</b>	<b>\$ 74,200</b>	<b>\$ 275,320</b>
<b>Operating income</b>	<b>\$ 748</b>	<b>\$ (40)</b>	<b>\$ 981</b>	<b>\$ 2,378</b>	<b>\$ 4,065</b>
Non-GAAP adjustments	--	--	--	--	--
<b>Adjusted operating income</b>	<b>\$ 748</b>	<b>\$ (40)</b>	<b>\$ 981</b>	<b>\$ 2,378</b>	<b>\$ 4,065</b>

\*All other business units that do not meet the quantitative or qualitative thresholds for determining reporting segments, which are not operating segments, we refer to as "All Other." These consist of operations that derive revenues from franchise contributions to marketing funds and information systems and related services used in restaurant operations, including our point-of-sale system, online and other technology-based ordering platforms. All other is not a reportable segment under ASC 280, and this information is presented for informational purposes only. Adjusted operating income is equal to GAAP Operating income for "All Other" in this presentation. See the Company's Form 10-K for the year-ended December 29, 2024 for further information on segments.

Additionally, as discussed more fully in the Company's Form 10-K, the Company adjusted for updates in internal cost allocation methodologies in the fourth quarter of 2024, which are being applied to all of the quarters of 2024 in this presentation. These cost allocation methodologies increased the amount of internal general and administrative and depreciation expenses allocated to All other business units from Unallocated corporate expenses. The allocation updates resulted in an increase of \$8.6 million to All other expenses. There was no impact on overall company profitability, as the change was offset within unallocated corporate expenses.

# RECONCILIATION OF CONSOLIDATED GAAP OPERATING INCOME TO NON-GAAP ADJUSTED OPERATING INCOME

<i>In thousands, unaudited</i>	Three Months ended				Year ended
	March 31, 2024	June 30, 2024	September 30, 2024	December 29, 2024	December 29, 2024
<b>Operating income</b>	\$ 33,718	\$ 28,226	\$ 65,229	\$ 29,531	\$ 156,704
Gain on sale of QC Center properties <sup>(a)</sup>	--	--	(41,289)	--	(41,289)
International restructuring costs <sup>(b)</sup>	9,523	6,129	3,862	7,759	27,273
Other costs <sup>(c)</sup>	--	4,000	1,495	--	5,495
<b>Adjusted operating income</b>	\$ 43,241	\$ 38,355	\$ 29,297	\$ 37,290	\$ 148,183

## ***Footnotes to Non-GAAP Financial Measures***

<sup>(a)</sup> Represents pre-tax gain on sale, net of transaction costs, realized upon the August 2, 2024 completion of the sale of our Texas and Florida QC Center properties.

<sup>(b)</sup> Represents costs associated with the Company's International Transformation Plan. These costs are comprised primarily of lease and fixed asset impairment charges related to restaurant closures in the UK, professional services and other related costs, losses on refranchising Company-owned restaurants, losses on franchisee notes receivable, lease termination costs, as well as severance.

<sup>(c)</sup> Represents non-cash impairment and remeasurement charges related primarily to fixed and intangible assets from the refranchising of certain Domestic Company-owned restaurants.