

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2019

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: 001-35625



**BLOOMIN'
BRANDS**SM

BLOOMIN' BRANDS, INC.

(Exact name of registrant as specified in its charter)

Delaware

20-8023465

(State or other jurisdiction of incorporation or organization)

(IRS Employer Identification No.)

2202 North West Shore Boulevard, Suite 500, Tampa, Florida 33607

(Address of principal executive offices) (Zip Code)

(813) 282-1225

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.01 par value	BLMN	The Nasdaq Stock Market LLC (Nasdaq Global Select Market)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES x NO o

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). YES x NO o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer x Accelerated filer o Non-accelerated filer o
Smaller reporting company o Emerging growth company o

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES o NO x

As of April 30, 2019, 91,705,720 shares of common stock of the registrant were outstanding.

BLOOMIN' BRANDS, INC.INDEX TO QUARTERLY REPORT ON FORM 10-Q
For the Quarterly Period Ended March 31, 2019
(Unaudited)

TABLE OF CONTENTS

	<u>Page No.</u>
<u>PART I — FINANCIAL INFORMATION</u>	
Item 1. <u>Financial Statements (Unaudited)</u>	<u>3</u>
<u>Consolidated Financial Statements:</u>	
<u>Consolidated Balance Sheets — March 31, 2019 and December 30, 2018</u>	<u>3</u>
<u>Consolidated Statements of Operations and Comprehensive Income — For the Thirteen Weeks Ended March 31, 2019 and April 1, 2018</u>	<u>4</u>
<u>Consolidated Statements of Changes in Stockholders' Equity — For the Thirteen Weeks Ended March 31, 2019 and April 1, 2018</u>	<u>5</u>
<u>Condensed Consolidated Statements of Cash Flows — For the Thirteen Weeks Ended March 31, 2019 and April 1, 2018</u>	<u>7</u>
<u>Notes to Consolidated Financial Statements</u>	<u>8</u>
Item 2. <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>24</u>
Item 3. <u>Quantitative and Qualitative Disclosures About Market Risk</u>	<u>43</u>
Item 4. <u>Controls and Procedures</u>	<u>43</u>
<u>PART II — OTHER INFORMATION</u>	
Item 1. <u>Legal Proceedings</u>	<u>44</u>
Item 1A. <u>Risk Factors</u>	<u>44</u>
Item 2. <u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	<u>44</u>
Item 6. <u>Exhibits</u>	<u>45</u>
<u>Signature</u>	<u>46</u>

BLOOMIN' BRANDS, INC.
PART I: FINANCIAL INFORMATION
Item 1. Financial Statements
CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA, UNAUDITED)

	<u>MARCH 31, 2019</u>	<u>DECEMBER 30, 2018</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 82,766	\$ 71,823
Inventories	73,149	72,812
Other current assets, net	93,909	190,848
Total current assets	249,824	335,483
Property, fixtures and equipment, net	1,079,494	1,115,929
Operating lease right-of-use assets	1,276,311	—
Goodwill	297,784	295,427
Intangible assets, net	479,744	503,972
Deferred income tax assets, net	49,766	92,990
Other assets, net	119,624	120,973
Total assets	<u>\$ 3,552,547</u>	<u>\$ 2,464,774</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 166,320	\$ 174,488
Accrued and other current liabilities	378,272	246,653
Unearned revenue	250,703	342,708
Current portion of long-term debt	26,680	27,190
Total current liabilities	821,975	791,039
Non-current operating lease liabilities	1,285,073	—
Deferred rent	—	167,027
Deferred income tax liabilities	14,730	14,790
Long-term debt, net	1,037,630	1,067,585
Long-term portion of deferred gain on sale-leaseback transactions, net	—	177,983
Other long-term liabilities, net	140,776	191,533
Total liabilities	<u>3,300,184</u>	<u>2,409,957</u>
Commitments and contingencies (Note 16)		
Stockholders' equity		
Bloomin' Brands stockholders' equity		
Preferred stock, \$0.01 par value, 25,000,000 shares authorized; no shares issued and outstanding as of March 31, 2019 and December 30, 2018	—	—
Common stock, \$0.01 par value, 475,000,000 shares authorized; 91,646,542 and 91,271,825 shares issued and outstanding as of March 31, 2019 and December 30, 2018, respectively	916	913
Additional paid-in capital	1,099,346	1,107,582
Accumulated deficit	(714,425)	(920,010)
Accumulated other comprehensive loss	(141,653)	(142,755)
Total Bloomin' Brands stockholders' equity	244,184	45,730
Noncontrolling interests	8,179	9,087
Total stockholders' equity	252,363	54,817
Total liabilities and stockholders' equity	<u>\$ 3,552,547</u>	<u>\$ 2,464,774</u>

The accompanying notes are an integral part of these consolidated financial statements.

BLOOMIN' BRANDS, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
(IN THOUSANDS, EXCEPT PER SHARE DATA, UNAUDITED)

	THIRTEEN WEEKS ENDED	
	MARCH 31, 2019	APRIL 1, 2018
Revenues		
Restaurant sales	\$ 1,111,642	\$ 1,099,003
Franchise and other revenues	16,489	17,462
Total revenues	<u>1,128,131</u>	<u>1,116,465</u>
Costs and expenses		
Cost of sales	352,111	352,132
Labor and other related	319,015	311,062
Other restaurant operating	250,854	253,345
Depreciation and amortization	49,482	50,120
General and administrative	70,589	68,696
Provision for impaired assets and restaurant closings	3,586	2,739
Total costs and expenses	<u>1,045,637</u>	<u>1,038,094</u>
Income from operations	82,494	78,371
Other (expense) income, net	(168)	1
Interest expense, net	(11,181)	(10,310)
Income before provision for income taxes	71,145	68,062
Provision for income taxes	5,496	1,925
Net income	65,649	66,137
Less: net income attributable to noncontrolling interests	1,349	739
Net income attributable to Bloomin' Brands	<u>\$ 64,300</u>	<u>\$ 65,398</u>
Net income	\$ 65,649	\$ 66,137
Other comprehensive income:		
Foreign currency translation adjustment, net of tax	5,755	1,349
Unrealized (loss) gain on derivatives, net of tax	(4,381)	888
Reclassification of adjustment for (gain) loss on derivatives included in Net income, net of tax	(364)	308
Comprehensive income	66,659	68,682
Less: comprehensive income attributable to noncontrolling interests	1,257	721
Comprehensive income attributable to Bloomin' Brands	<u>\$ 65,402</u>	<u>\$ 67,961</u>
Earnings per share:		
Basic	\$ 0.70	\$ 0.71
Diluted	<u>\$ 0.69</u>	<u>\$ 0.68</u>
Weighted average common shares outstanding:		
Basic	91,415	92,268
Diluted	<u>92,661</u>	<u>95,782</u>

The accompanying notes are an integral part of these consolidated financial statements.

BLOOMIN' BRANDS, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(IN THOUSANDS, EXCEPT PER SHARE DATA, UNAUDITED)

BLOOMIN' BRANDS, INC.							
	COMMON STOCK		ADDITIONAL PAID-IN CAPITAL	ACCUM- ULATED DEFICIT	ACCUMULATED OTHER COMPREHENSIVE LOSS	NON- CONTROLLING INTERESTS	TOTAL
	SHARES	AMOUNT					
Balance, December 30, 2018	91,272	\$ 913	\$ 1,107,582	\$ (920,010)	\$ (142,755)	\$ 9,087	\$ 54,817
Cumulative-effect from a change in accounting principle, net of tax	—	—	—	141,285	—	—	141,285
Net income	—	—	—	64,300	—	1,349	65,649
Other comprehensive income (loss), net of tax	—	—	—	—	1,102	(92)	1,010
Cash dividends declared, \$0.10 per common share	—	—	(9,140)	—	—	—	(9,140)
Stock-based compensation	—	—	3,993	—	—	—	3,993
Common stock issued under stock plans (1)	375	3	(3,089)	—	—	—	(3,086)
Distributions to noncontrolling interests	—	—	—	—	—	(2,429)	(2,429)
Contributions from noncontrolling interests	—	—	—	—	—	264	264
Balance, March 31, 2019	91,647	\$ 916	\$ 1,099,346	\$ (714,425)	\$ (141,653)	\$ 8,179	\$ 252,363

(CONTINUED...)

BLOOMIN' BRANDS, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(IN THOUSANDS, EXCEPT PER SHARE DATA, UNAUDITED)

BLOOMIN' BRANDS, INC.							
	COMMON STOCK		ADDITIONAL PAID-IN CAPITAL	ACCUM- ULATED DEFICIT	ACCUMULATED OTHER COMPREHENSIVE LOSS	NON- CONTROLLING INTERESTS	TOTAL
	SHARES	AMOUNT					
Balance, December 31, 2017	91,913	\$ 919	\$ 1,081,813	\$ (913,191)	\$ (99,199)	\$ 10,889	\$ 81,231
Net income	—	—	—	65,398	—	818	66,216
Other comprehensive income (loss), net of tax	—	—	—	—	2,563	(18)	2,545
Cash dividends declared, \$0.09 per common share	—	—	(8,371)	—	—	—	(8,371)
Repurchase and retirement of common stock	(2,116)	(21)	—	(50,975)	—	—	(50,996)
Stock-based compensation	—	—	5,121	—	—	—	5,121
Common stock issued under stock plans (1)	1,619	16	13,663	—	—	—	13,679
Change in the redemption value of redeemable interests	—	—	(79)	—	—	—	(79)
Distributions to noncontrolling interests	—	—	—	—	—	(1,069)	(1,069)
Contributions from noncontrolling interests	—	—	—	—	—	158	158
Balance, April 1, 2018	91,416	\$ 914	\$ 1,092,147	\$ (898,768)	\$ (96,636)	\$ 10,778	\$ 108,435

(1) Net of forfeitures and shares withheld for employee taxes.

The accompanying notes are an integral part of these consolidated financial statements.

BLOOMIN' BRANDS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(DOLLARS IN THOUSANDS, UNAUDITED)

	THIRTEEN WEEKS ENDED	
	MARCH 31, 2019	APRIL 1, 2018
Cash flows provided by operating activities:		
Net income	\$ 65,649	\$ 66,137
Adjustments to reconcile Net income to cash provided by operating activities:		
Depreciation and amortization	49,482	50,120
Amortization of deferred discounts and issuance costs	634	643
Amortization of deferred gift card sales commissions	8,407	9,415
Provision for impaired assets and restaurant closings	3,586	2,739
Amortization of operating lease assets	17,814	—
Stock-based and other non-cash compensation expense	6,035	6,058
Deferred income tax (benefit) expense	(501)	126
Loss on sale of a business or subsidiary	167	—
Recognition of deferred gain on sale-leaseback transactions	—	(3,069)
Other, net	(660)	114
Change in assets and liabilities	(66,730)	(80,748)
Net cash provided by operating activities	<u>83,883</u>	<u>51,535</u>
Cash flows used in investing activities:		
Capital expenditures	(44,710)	(48,347)
Other investments, net	2,690	2,137
Net cash used in investing activities	<u>(42,020)</u>	<u>(46,210)</u>
Cash flows used in financing activities:		
Repayments of long-term debt	(7,428)	(6,436)
Proceeds from borrowings on revolving credit facilities, net	148,200	151,829
Repayments of borrowings on revolving credit facilities	(152,300)	(122,000)
(Payments of taxes) proceeds from the exercise of share-based compensation, net	(3,086)	13,679
Distributions to noncontrolling interests	(2,429)	(1,069)
Contributions from noncontrolling interests	264	158
Purchase of limited partnership and noncontrolling interests	—	(1,444)
Repayments of partner deposits and accrued partner obligations	(5,460)	(4,432)
Repurchase of common stock	—	(50,996)
Cash dividends paid on common stock	(9,140)	(8,371)
Net cash used in financing activities	<u>(31,379)</u>	<u>(29,082)</u>
Effect of exchange rate changes on cash and cash equivalents	459	54
Net increase (decrease) in cash, cash equivalents and restricted cash	10,943	(23,703)
Cash, cash equivalents and restricted cash as of the beginning of the period	71,823	129,543
Cash and cash equivalents as of the end of the period	<u>\$ 82,766</u>	<u>\$ 105,840</u>
Supplemental disclosures of cash flow information:		
Cash paid for interest	\$ 13,637	\$ 9,401
Cash paid for income taxes, net of refunds	4,255	1,696
Supplemental disclosures of non-cash investing and financing activities:		
Leased assets obtained in exchange for new operating lease liabilities	\$ 17,618	\$ —
Leased assets obtained in exchange for new finance lease liabilities	76	—
Decrease in liabilities from the acquisition of property, fixtures and equipment or capital leases	(6,066)	(4,985)

The accompanying notes are an integral part of these consolidated financial statements.

BLOOMIN' BRANDS, INC.**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)****1. Description of the Business and Basis of Presentation**

Description of the Business - Bloomin' Brands ("Bloomin' Brands" or the "Company") owns and operates casual, upscale casual and fine dining restaurants. The Company's restaurant portfolio has four concepts: Outback Steakhouse, Carrabba's Italian Grill, Bonefish Grill and Fleming's Prime Steakhouse & Wine Bar. Additional Outback Steakhouse, Carrabba's Italian Grill and Bonefish Grill restaurants in which the Company has no direct investment are operated under franchise agreements.

Basis of Presentation - The accompanying interim unaudited consolidated financial statements have been prepared by the Company pursuant to the rules and regulations of the Securities and Exchange Commission. Accordingly, they do not include all the information and footnotes required by generally accepted accounting principles in the United States ("U.S. GAAP") for complete financial statements. In the opinion of the Company, all adjustments necessary for fair financial statement presentation for the periods presented have been included and are of a normal, recurring nature. The results of operations for interim periods are not necessarily indicative of the results to be expected for the full year. These financial statements should be read in conjunction with the audited financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 30, 2018.

Recently Adopted Financial Accounting Standards - On December 31, 2018, the Company adopted Accounting Standards Update ("ASU") No. 2016-02: Leases (Topic 842) ("ASU No. 2016-02"), ASU No. 2018-01: Leases (Topic 842): Land Easement Practical Expedient for Transition to Topic 842 ("ASU No. 2018-01"), and ASU No. 2018-11: Leases (Topic 842): Targeted Improvements ("ASU No. 2018-11"). ASU No. 2016-02 requires the lease rights and obligations arising from lease contracts, including existing and new arrangements, to be recognized as assets and liabilities on the balance sheet. ASU No. 2018-01 allows an entity to elect an optional transition practical expedient to not evaluate land easements that exist or expired before the Company's adoption of ASU No. 2016-02. ASU No. 2018-11 allows for an additional transition method, which permits use of the effective date of adoption as the date of initial application of ASU No. 2016-02 without restating comparative period financial statements and provides entities with a practical expedient that allows entities to elect not to separate lease and non-lease components when certain conditions are met.

The Company adopted ASU No. 2016-02 using December 31, 2018 as the date of initial application. Consequently, financial information and the disclosures required under the new standard were not provided for dates and periods before December 31, 2018. The Company also elected a transition package including practical expedients that permitted it not to reassess the classification and initial direct costs of expired or existing contracts and leases, to not separate lease and non-lease components of restaurant facility leases executed subsequent to adoption, and to not evaluate land easements that exist or expired before the adoption. In preparation for adoption, the Company implemented a new lease accounting system.

Adoption resulted in the following, as of December 31, 2018:

- (i) recording of right-of-use assets of \$1.3 billion and lease liabilities of \$1.5 billion;
- (ii) a credit to the beginning balance of Accumulated Deficit of \$190.4 million to derecognize deferred gains on sale-leaseback transactions and a debit to the beginning balance of Accumulated Deficit of \$49.2 million to derecognize the related deferred tax assets; and
- (iii) derecognition of existing debt obligations of \$19.6 million and existing fixed assets of \$16.1 million related to restaurant properties sold and leased back from third parties that previously did not qualify for sale accounting, with gains or losses associated with this change recognized in Accumulated Deficit.

Other restaurant operating expense increased during thirteen weeks ended March 31, 2019 from the adoption of ASU No. 2016-02 since the Company no longer recognizes the benefit of deferred gains on sale-leaseback transactions

BLOOMIN' BRANDS, INC.**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED) - Continued**

through its statements of operations over the corresponding lease term. During the thirteen weeks ended April 1, 2018, the Company recognized \$3.1 million of sale-leaseback deferred gain amortization.

As a result of adoption of ASU No. 2016-02, the Company recorded reclassification adjustments to certain balances that were recorded under Accounting Standards Codification Topic 840, "Leases" ("ASC 840") in its Consolidated Balance Sheet as of December 30, 2018. The following table summarizes accounts with material reclassification adjustments which impacted Operating lease right-of-use assets as a part of the adoption of ASU No. 2016-02:

ACCOUNT	CONSOLIDATED BALANCE SHEET CLASSIFICATION UNDER ASC 840
Favorable leases	Intangible assets, net
Deferred rent	Deferred rent
Unfavorable leases	Other long-term liabilities, net
Exit-related lease accruals	Other long-term liabilities, net

In addition, rent payments that were recorded within prepaid assets under ASC 840 are now recorded as a reduction of the current portion of operating lease liabilities.

Recently Issued Financial Accounting Standards Not Yet Adopted - In August 2018, the Financial Accounting Standards Board issued ASU No. 2018-15, "Intangibles-Goodwill and Other-Internal-Use Software (Subtopic 350-40): Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract," ("ASU No. 2018-15"), which clarifies the accounting for implementation costs in cloud computing arrangements. ASU No. 2018-15 is effective for the Company in the first quarter of 2020, and early adoption is permitted. The Company is currently evaluating the impact of the adoption of ASU No. 2018-15 on its consolidated financial statements.

Reclassifications - The Company reclassified certain items in the accompanying Consolidated Financial Statements for prior periods to be comparable with the classification for the current period. These reclassifications had no effect on previously reported net income.

2. Revenue Recognition

The following table includes the categories of revenue included in the Company's Consolidated Statements of Operations and Comprehensive Income for the periods indicated:

(dollars in thousands)	THIRTEEN WEEKS ENDED	
	MARCH 31, 2019	APRIL 1, 2018
Revenues		
Restaurant sales	\$ 1,111,642	\$ 1,099,003
Franchise and other revenues:		
Franchise revenue	\$ 13,762	\$ 14,215
Other revenue	2,727	3,247
Total Franchise and other revenues	\$ 16,489	\$ 17,462
Total revenues	\$ 1,128,131	\$ 1,116,465

BLOOMIN' BRANDS, INC.
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED) - Continued**

The following tables include the disaggregation of Restaurant sales and Franchise revenue, by restaurant concept and major international market, for the periods indicated:

(dollars in thousands)	THIRTEEN WEEKS ENDED		THIRTEEN WEEKS ENDED	
	MARCH 31, 2019		APRIL 1, 2018	
	RESTAURANT SALES	FRANCHISE REVENUE	RESTAURANT SALES	FRANCHISE REVENUE
U.S.				
Outback Steakhouse	\$ 586,771	\$ 10,601	\$ 571,479	\$ 11,074
Carrabba's Italian Grill	173,475	171	173,927	147
Bonefish Grill	156,434	210	156,849	240
Fleming's Prime Steakhouse & Wine Bar	83,026	—	80,990	—
Other	1,107	—	1,099	—
U.S. Total	\$ 1,000,813	\$ 10,982	\$ 984,344	\$ 11,461
International				
Outback Steakhouse-Brazil	\$ 89,565	\$ —	\$ 95,123	\$ —
Other	21,264	2,780	19,536	2,754
International Total	\$ 110,829	\$ 2,780	\$ 114,659	\$ 2,754
Total	\$ 1,111,642	\$ 13,762	\$ 1,099,003	\$ 14,215

The following table includes a detail of assets and liabilities from contracts with customers included on the Company's Consolidated Balance Sheets as of the periods indicated:

(dollars in thousands)	MARCH 31, 2019	DECEMBER 30, 2018
Other current assets, net		
Deferred gift card sales commissions	\$ 11,195	\$ 16,431
Unearned revenue		
Deferred gift card revenue	\$ 240,923	\$ 333,794
Deferred loyalty revenue	9,288	8,424
Deferred franchise fees - current	492	490
Total Unearned revenue	\$ 250,703	\$ 342,708
Other long-term liabilities, net		
Deferred franchise fees - non-current	\$ 4,702	\$ 4,531

The following table is a rollforward of deferred gift card sales commissions for the periods indicated:

(dollars in thousands)	THIRTEEN WEEKS ENDED	
	MARCH 31, 2019	APRIL 1, 2018
Balance, beginning of period	\$ 16,431	\$ 16,231
Deferred gift card sales commissions amortization	(8,407)	(9,415)
Deferred gift card sales commissions capitalization	3,833	3,858
Other	(662)	(635)
Balance, end of period	\$ 11,195	\$ 10,039

BLOOMIN' BRANDS, INC.
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED) - Continued**

The following table is a rollforward of unearned gift card revenue for the periods indicated:

(dollars in thousands)	THIRTEEN WEEKS ENDED	
	MARCH 31, 2019	APRIL 1, 2018
Balance, beginning of period	\$ 333,794	\$ 323,628
Gift card sales	55,472	56,285
Gift card redemptions	(141,459)	(144,556)
Gift card breakage	(6,884)	(7,574)
Balance, end of period	<u>\$ 240,923</u>	<u>\$ 227,783</u>

3. Disposals

Refranchising - During the thirteen weeks ended March 31, 2019, the Company completed the sale of 18 of its existing U.S. Company-owned Carrabba's Italian Grill locations to an existing franchisee (the "Buyer") for aggregate cash proceeds of \$3.6 million, net of certain purchase price adjustments.

The Company remains contingently liable on certain real estate lease agreements assigned to the Buyer. See Note 16 - *Commitments and Contingencies* for additional details regarding lease guarantees.

Assets Held for Sale - In March 2019, the Company signed a purchase agreement with a buyer to sell five of its U.S. surplus properties to an Outback Steakhouse franchisee for \$12.8 million, less certain purchase price adjustments. These properties were reclassified from Property, fixtures and equipment, net to Assets held for sale during the thirteen weeks ended March 31, 2019. The sale of these properties is expected to be completed during 2019.

4. Impairments and Exit Costs

The components of Provision for impaired assets and restaurant closings are as follows for the periods indicated:

(dollars in thousands)	THIRTEEN WEEKS ENDED	
	MARCH 31, 2019	APRIL 1, 2018
Impairment losses		
U.S.	\$ 3,464	\$ 111
International	18	2,160
Total impairment losses	<u>\$ 3,482</u>	<u>\$ 2,271</u>
Restaurant closure expenses		
U.S.	\$ 87	\$ 348
International	17	120
Total restaurant closure expenses	<u>\$ 104</u>	<u>\$ 468</u>
Provision for impaired assets and restaurant closings	<u>\$ 3,586</u>	<u>\$ 2,739</u>

Impairment and closing charges for the periods presented resulted primarily from approved store closure initiatives, locations identified for remodel, relocation or closure and certain other assets.

BLOOMIN' BRANDS, INC.
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED) - Continued**

Accrued Facility Closure and Other Costs Rollforward - The following table summarizes the Company's accrual activity related to facility closure and other costs, associated with certain closure initiatives, for the period indicated:

(dollars in thousands)	THIRTEEN WEEKS ENDED	
	MARCH 31, 2019	
Balance, beginning of the period	\$	18,094
Additions (1)		1,288
Cash payments		(1,873)
Accretion		386
Adjustments		(218)
Balance, end of the period (2)	\$	17,677

(1) Includes closure initiative related lease liabilities recognized as a result of the adoption of ASU No. 2016-02.

(2) As of March 31, 2019, the Company had exit-related accruals of \$2.9 million recorded in Accrued and other current liabilities and \$14.8 million recorded in Non-current operating lease liabilities on the Consolidated Balance Sheet.

5. Earnings Per Share

The following table presents the computation of basic and diluted earnings per share for the periods indicated:

(in thousands, except per share data)	THIRTEEN WEEKS ENDED	
	MARCH 31, 2019	APRIL 1, 2018
Net income attributable to Bloomin' Brands	\$ 64,300	\$ 65,398
Basic weighted average common shares outstanding	91,415	92,268
Effect of diluted securities:		
Stock options	792	2,950
Nonvested restricted stock units	358	524
Nonvested performance-based share units	96	40
Diluted weighted average common shares outstanding	92,661	95,782
Basic earnings per share	\$ 0.70	\$ 0.71
Diluted earnings per share	\$ 0.69	\$ 0.68

Securities outstanding not included in the computation of earnings per share because their effect was antidilutive were as follows, for the periods indicated:

(shares in thousands)	THIRTEEN WEEKS ENDED	
	MARCH 31, 2019	APRIL 1, 2018
Stock options	3,384	1,950
Nonvested restricted stock units	222	111
Nonvested performance-based share units	260	162

BLOOMIN' BRANDS, INC.
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED) - Continued**
6. Stock-based Compensation Plans

The Company recognized stock-based compensation expense as follows for the periods indicated:

(dollars in thousands)	THIRTEEN WEEKS ENDED	
	MARCH 31, 2019	APRIL 1, 2018
Stock options	\$ 1,159	\$ 1,897
Restricted stock units	1,749	2,332
Performance-based share units	1,003	596
	\$ 3,911	\$ 4,825

During the thirteen weeks ended March 31, 2019, the Company made grants to its employees of 0.4 million stock options, 0.2 million time-based restricted stock units and 0.1 million performance-based share units. On April 1, 2019, the Company made one-time transition award grants of 0.7 million stock options, 0.2 million time-based restricted stock units and 0.1 million performance-based share units to the Executive Chairman of the Board, Chief Executive Officer (“CEO”) and Chief Financial Officer in connection with the appointment of each to their respective positions.

Assumptions used in the Black-Scholes option pricing model and the weighted-average fair value of option awards granted were as follows for the periods indicated:

	THIRTEEN WEEKS ENDED	
	MARCH 31, 2019	APRIL 1, 2018
Assumptions:		
Weighted-average risk-free interest rate (1)	2.51%	2.66%
Dividend yield (2)	1.89%	1.50%
Expected term (3)	5.5 years	5.8 years
Weighted-average volatility (4)	31.87%	32.76%
Weighted-average grant date fair value per option	\$ 5.76	\$ 7.23

(1) Risk-free interest rate is the U.S. Treasury yield curve in effect as of the grant date for periods within the expected term of the option.

(2) Dividend yield is the level of dividends expected to be paid on the Company’s common stock over the expected term of the option.

(3) Expected term represents the period of time that the options are expected to be outstanding. The Company estimates the expected term based on historical exercise experience for its stock options.

(4) Based on the historical volatility of the Company’s stock.

Restricted stock units granted prior to 2019 generally vest over a period of four years and restricted stock units granted in 2019 or later vest over a period of three years, in an equal number of shares each year.

The following represents unrecognized stock compensation expense and the remaining weighted-average vesting period as of March 31, 2019:

	UNRECOGNIZED COMPENSATION EXPENSE (dollars in thousands)	REMAINING WEIGHTED- AVERAGE VESTING PERIOD (in years)
Stock options	\$ 8,972	2.4
Restricted stock units	\$ 15,816	2.5
Performance-based share units	\$ 8,077	1.7

BLOOMIN' BRANDS, INC.
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED) - Continued**
7. Other Current Assets, Net

Other current assets, net, consisted of the following as of the periods indicated:

(dollars in thousands)	MARCH 31, 2019	DECEMBER 30, 2018
Prepaid expenses	\$ 24,631	\$ 38,117
Accounts receivable - gift cards, net	9,802	91,242
Accounts receivable - vendors, net	9,890	10,029
Accounts receivable - franchisees, net	2,775	1,303
Accounts receivable - other, net	17,231	19,688
Deferred gift card sales commissions	11,195	16,431
Assets held for sale	15,134	5,143
Other current assets, net	3,251	8,895
	<u>\$ 93,909</u>	<u>\$ 190,848</u>

8. Accrued and Other Current Liabilities

Accrued and other current liabilities consisted of the following as of the periods indicated:

(dollars in thousands)	MARCH 31, 2019	DECEMBER 30, 2018
Accrued rent and current operating lease liabilities	\$ 172,712	\$ 2,850
Accrued payroll and other compensation	88,887	101,249
Accrued insurance	24,211	22,055
Other current liabilities	92,462	120,499
	<u>\$ 378,272</u>	<u>\$ 246,653</u>

9. Long-term Debt, Net

Following is a summary of outstanding long-term debt, as of the periods indicated:

(dollars in thousands)	MARCH 31, 2019		DECEMBER 30, 2018	
	OUTSTANDING BALANCE	INTEREST RATE	OUTSTANDING BALANCE	INTEREST RATE
Senior Secured Credit Facility:				
Term loan A (1)	\$ 468,750	4.21%	\$ 475,000	4.14%
Revolving credit facility (1)	595,400	4.20%	599,500	4.17%
Total Senior Secured Credit Facility	<u>\$ 1,064,150</u>		<u>\$ 1,074,500</u>	
Finance lease liabilities	3,394		—	
Financing obligations	—		19,562	7.58% to 7.82%
Capital lease obligations	—		3,297	
Other	50	2.18%	918	0.00% to 2.18%
Less: unamortized debt discount and issuance costs	(3,284)		(3,502)	
Total debt, net	<u>\$ 1,064,310</u>		<u>\$ 1,094,775</u>	
Less: current portion of long-term debt	(26,680)		(27,190)	
Long-term debt, net	<u>\$ 1,037,630</u>		<u>\$ 1,067,585</u>	

(1) Interest rate represents the weighted-average interest rate for the respective period.

Debt Covenants - As of March 31, 2019 and December 30, 2018, the Company was in compliance with its debt covenants.

BLOOMIN' BRANDS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED) - Continued

10. Other Long-term Liabilities, Net

Other long-term liabilities, net, consisted of the following, as of the periods indicated:

(dollars in thousands)	MARCH 31, 2019	DECEMBER 30, 2018
Accrued insurance liability	\$ 33,929	\$ 33,771
Unfavorable leases (1)	—	32,120
Chef and Restaurant Managing Partner deferred compensation obligations and deposits	56,183	64,766
Other long-term liabilities	50,664	60,876
	<u>\$ 140,776</u>	<u>\$ 191,533</u>

(1) Net of accumulated amortization of \$36.2 million as of December 30, 2018.

11. Stockholders' Equity

Share Repurchases - On February 12, 2019, the Company's Board of Directors (the "Board") canceled the remaining \$36.0 million of authorization under the 2018 Share Repurchase Program and approved a new \$150.0 million authorization (the "2019 Share Repurchase Program"). The 2019 Share Repurchase Program will expire on August 12, 2020. As of March 31, 2019, \$150.0 million remained available for repurchase under the 2019 Share Repurchase Program.

Dividends - The Company declared and paid dividends per share during fiscal year 2019 as follows:

	DIVIDENDS PER SHARE	AMOUNT (in thousands)
First fiscal quarter	\$ 0.10	\$ 9,140

In April 2019, the Board declared a quarterly cash dividend of \$0.10 per share, payable on May 24, 2019, to shareholders of record at the close of business on May 13, 2019.

Accumulated Other Comprehensive Loss ("AOCL") - Following are the components of AOCL as of the periods indicated:

(dollars in thousands)	MARCH 31, 2019	DECEMBER 30, 2018
Foreign currency translation adjustment	\$ (129,302)	\$ (135,149)
Unrealized loss on derivatives, net of tax	(12,351)	(7,606)
Accumulated other comprehensive loss	<u>\$ (141,653)</u>	<u>\$ (142,755)</u>

BLOOMIN' BRANDS, INC.
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED) - Continued**

Following are the components of Other comprehensive income attributable to Bloomin' Brands for the periods indicated:

(dollars in thousands)	THIRTEEN WEEKS ENDED	
	MARCH 31, 2019	APRIL 1, 2018
Foreign currency translation adjustment, net of tax (1)	\$ 5,847	\$ 1,367
Unrealized (loss) gain on derivatives, net of tax (2)	\$ (4,381)	\$ 888
Reclassification of adjustments for (gain) loss on derivatives included in Net income, net of tax (3)	(364)	308
Total unrealized (loss) gain on derivatives, net of tax	\$ (4,745)	\$ 1,196
Other comprehensive income attributable to Bloomin' Brands	\$ 1,102	\$ 2,563

(1) Foreign currency translation adjustment is net of tax of \$0.1 million for the thirteen weeks ended April 1, 2018.

(2) Unrealized (loss) gain on derivatives is net of tax of (\$1.5) million and \$0.3 million for the thirteen weeks ended March 31, 2019 and April 1, 2018, respectively.

(3) Reclassifications of adjustments for (gain) loss on derivatives are net of tax. See Note 12 - *Derivative Instruments and Hedging Activities* for discussion of the tax impact of reclassifications.

12. Derivative Instruments and Hedging Activities

Cash Flow Hedges of Interest Rate Risk - On September 9, 2014, the Company entered into variable-to-fixed interest rate swap agreements with eight counterparties to hedge a portion of the cash flows of the Company's variable rate debt (the "2014 Swap Agreements"). The 2014 Swap Agreements have an aggregate notional amount of \$400.0 million and mature on May 16, 2019. Under the terms of the 2014 Swap Agreements, the Company pays a weighted-average fixed rate of 2.02% on the \$400.0 million notional amount and receives payments from the counterparty based on the 30-day LIBOR rate.

On October 24, 2018 and October 25, 2018, the Company entered into variable-to-fixed interest rate swap agreements with 12 counterparties to hedge a portion of the cash flows of the Company's variable rate debt (the "2018 Swap Agreements"). The 2018 Swap Agreements have an aggregate notional amount of \$550.0 million, a forward start date of May 16, 2019 (the maturity date of the 2014 Swap Agreements) and mature on November 30, 2022. Under the terms of the 2018 Swap Agreements, the Company will pay a weighted-average fixed rate of 3.04% on the notional amount and receive payments from the counterparty based on the one-month LIBOR rate.

The Company's swap agreements have been designated and qualify as cash flow hedges, are recognized on its Consolidated Balance Sheets at fair value and are classified based on the instruments' maturity dates. The following table presents the fair value and classification of the Company's swap agreements, as of the periods indicated:

(dollars in thousands)			CONSOLIDATED BALANCE SHEET CLASSIFICATION
	MARCH 31, 2019	DECEMBER 30, 2018	
Interest rate swaps - asset (1)	\$ 237	\$ 765	Other current assets, net
Interest rate swaps - liability	\$ 3,217	\$ 1,393	Accrued and other current liabilities
Interest rate swaps - liability	13,767	9,723	Other long-term liabilities, net
Total fair value of derivative instruments - liabilities (1)	\$ 16,984	\$ 11,116	

(1) See Note 14 - *Fair Value Measurements* for fair value discussion of the interest rate swaps.

BLOOMIN' BRANDS, INC.**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED) - Continued**

The following table summarizes the effects of the 2014 Swap Agreements on Net income for the periods indicated:

(dollars in thousands)	THIRTEEN WEEKS ENDED	
	MARCH 31, 2019	APRIL 1, 2018
Interest rate swap benefit (expense) recognized in Interest expense, net	\$ 491	\$ (415)
Income tax (expense) benefit recognized in Provision for income taxes	(127)	107
Total effects of the interest rate swaps on Net income	\$ 364	\$ (308)

The Company estimates \$3.2 million will be reclassified to interest expense over the next 12 months related to the 2018 Swap Agreements.

By utilizing the interest rate swaps, the Company is exposed to credit-related losses in the event that the counterparty fails to perform under the terms of the derivative contract. To mitigate this risk, the Company enters into derivative contracts with major financial institutions based upon credit ratings and other factors. The Company continually assesses the creditworthiness of its counterparties. As of March 31, 2019, all counterparties to the interest rate swaps had performed in accordance with their contractual obligations.

The Company has agreements with each of its derivative counterparties that contain a provision where the Company could be declared in default on its derivative obligations if the repayment of the underlying indebtedness is accelerated by the lender due to the Company's default on indebtedness.

As of March 31, 2019 and December 30, 2018, the fair value of the Company's interest rate swaps in a net liability position, including accrued interest but excluding any adjustment for nonperformance risk, was \$16.9 million and \$10.5 million, respectively. As of March 31, 2019 and December 30, 2018, the Company has not posted any collateral related to these agreements. If the Company had breached any of these provisions as of March 31, 2019 and December 30, 2018, it could have been required to settle its obligations under the agreements at their termination value of \$16.9 million and \$10.5 million, respectively.

13. Leases

The Company's determination of whether an arrangement contains a lease is based on an evaluation of whether the arrangement conveys the right to use and control specific property or equipment. The Company leases restaurant and office facilities and certain equipment under operating leases primarily having initial terms expiring between one and 20 years. Restaurant facility leases generally have renewal periods totaling five to 20 years, exercisable at the option of the Company. Contingent rentals represent payment of variable lease obligations based on a percentage of gross revenues, as defined by the terms of the applicable lease agreement for certain restaurant facility leases. The Company also has certain leases, which reset periodically based on a specified index. Such leases are recorded using the index that existed at lease commencement. Subsequent changes in the index are recorded as variable rental payments. Variable rental payments are expensed as incurred in the Company's Consolidated Statements of Operations and Comprehensive Income and future variable rent obligations are not included within the lease liabilities in the Consolidated Balance Sheet. The depreciable life of lease assets and leasehold improvements are limited by the expected lease term. None of the Company's leases contain any material residual value guarantees or material restrictive covenants.

For leases executed subsequent to the adoption of ASU No. 2016-02, the Company accounts for fixed lease and non-lease components of its restaurant facility leases as a single lease component. Additionally, for certain equipment leases, the Company applies a portfolio approach to account for the lease assets and liabilities. Leases with an initial term of 12 months or less are not recorded on the Consolidated Balance Sheet, they are recognized on a straight-line basis over the lease term within Other restaurant operating expense in the Company's Consolidated Statements of Operations and Comprehensive Income.

BLOOMIN' BRANDS, INC.
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED) - Continued**

The following table includes a detail of lease assets and liabilities included on the Company's Consolidated Balance Sheet as of the period indicated:

(dollars in thousands)	CONSOLIDATED BALANCE SHEET CLASSIFICATION	MARCH 31, 2019
Operating lease right-of-use assets	Operating lease right-of-use assets	\$ 1,276,311
Finance lease right-of-use assets (1)	Property, fixtures and equipment, net	3,095
Total lease assets, net		<u>\$ 1,279,406</u>
Current operating lease liabilities (2)	Accrued and other current liabilities	\$ 170,039
Current finance lease liabilities	Current portion of long-term debt	1,630
Non-current operating lease liabilities	Non-current operating lease liabilities	1,285,073
Non-current finance lease liabilities	Long-term debt, net	1,764
		<u>\$ 1,458,506</u>

(1) Net of accumulated amortization of \$0.3 million.

(2) Excludes accrued contingent percentage rent.

Following is a summary of expenses and income related to leases recognized in the Company's Consolidated Statement of Operations and Comprehensive Income for the periods indicated:

(dollars in thousands)	CONSOLIDATED INCOME STATEMENT CLASSIFICATION	THIRTEEN WEEKS ENDED MARCH 31, 2019
Operating leases (1)	Other restaurant operating	\$ 45,233
Variable lease cost	Other restaurant operating	819
Finance leases		
Amortization of leased assets	Depreciation and amortization	324
Interest on lease liabilities	Interest expense, net	73
Sublease revenue (2)	Franchise and other revenues	(1,314)
Lease costs, net (3)		<u>\$ 45,135</u>

(1) Excludes rent expense for office facilities and Company-owned closed or subleased properties of \$3.6 million, which is included in General and administrative expense and certain supply chain related rent expense of \$0.3 million, which is included in Cost of sales.

(2) Excludes rental income from Company-owned properties of \$0.7 million.

(3) During the thirteen weeks ended April 1, 2018, the Company recorded rent expense of \$47.2 million, including \$1.3 million of variable rent expense, and \$1.6 million of sublease revenue.

BLOOMIN' BRANDS, INC.
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED) - Continued**

As of March 31, 2019, future minimum lease payments and sublease revenues under non-cancelable leases are as follows:

(dollars in thousands)	OPERATING LEASES	FINANCE LEASES	SUBLEASE REVENUES
Year 1 (1)	\$ 177,405	\$ 1,699	\$ (5,936)
Year 2	190,733	1,301	(6,028)
Year 3	186,753	730	(6,012)
Year 4	182,697	39	(5,956)
Year 5	177,735	—	(5,945)
Thereafter	1,774,940	—	(67,921)
Total minimum lease payments (receipts) (2)	<u>\$ 2,690,263</u>	<u>\$ 3,769</u>	<u>\$ (97,798)</u>
Less: Interest	(1,235,151)	(375)	
Present value of future lease payments (receipts)	<u>\$ 1,455,112</u>	<u>\$ 3,394</u>	

(1) Net of operating lease prepaid rent of \$14.6 million.

(2) Includes \$1.0 billion related to options to extend operating lease terms and excludes \$96.3 million of signed operating leases that have not yet commenced.

The following table is a summary of the weighted-average remaining lease terms and weighted-average discount rates of the Company's leases as of the period indicated:

	MARCH 31, 2019
Weighted-average remaining lease term:	
Operating leases	14.7 years
Finance leases	2.4 years
Weighted-average discount rate (1):	
Operating leases	8.61%
Finance leases	9.21%

(1) Based on the Company's incremental borrowing rate at lease commencement.

The following table is a summary of other impacts to the Company's Consolidated Financial Statements related to its leases for the period indicated:

(dollars in thousands)	THIRTEEN WEEKS ENDED MARCH 31, 2019
Cash flows from operating activities:	
Cash paid for amounts included in the measurement of operating lease liabilities	\$ 47,649

Properties Leased to Third Parties - The Company leases certain land and buildings to third parties, generally related to closed or refranchised restaurants. The following table is a summary of assets leased to third parties included in Property, fixtures and equipment, net as of the period indicated:

(dollars in thousands)	MARCH 31, 2019
Land	\$ 15,247
Buildings and building improvements	\$ 23,120
Less: accumulated depreciation	(10,080)
Buildings and building improvements, net	<u>\$ 13,040</u>

BLOOMIN' BRANDS, INC.
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED) - Continued**
14. Fair Value Measurements

Fair value is the price that would be received for an asset or paid to transfer a liability, or the exit price, in an orderly transaction between market participants on the measurement date. Fair value is categorized into one of the following three levels based on the lowest level of significant input:

Level 1	Unadjusted quoted market prices in active markets for identical assets or liabilities
Level 2	Observable inputs available at measurement date other than quoted prices included in Level 1
Level 3	Unobservable inputs that cannot be corroborated by observable market data

Fair Value Measurements on a Recurring Basis - The following table summarizes the Company's financial assets and liabilities measured at fair value by hierarchy level on a recurring basis as of the periods indicated:

(dollars in thousands)	MARCH 31, 2019			DECEMBER 30, 2018		
	TOTAL	LEVEL 1	LEVEL 2	TOTAL	LEVEL 1	LEVEL 2
Assets:						
Cash equivalents:						
Fixed income funds	\$ 407	\$ 407	\$ —	\$ 627	\$ 627	\$ —
Money market funds	16,661	16,661	—	17,827	17,827	—
Other current assets, net:						
Derivative instruments - interest rate swaps	237	—	237	765	—	765
Total asset recurring fair value measurements	\$ 17,305	\$ 17,068	\$ 237	\$ 19,219	\$ 18,454	\$ 765
Liabilities:						
Accrued and other current liabilities:						
Derivative instruments - interest rate swaps	\$ 3,217	\$ —	\$ 3,217	\$ 1,393	\$ —	\$ 1,393
Other long-term liabilities:						
Derivative instruments - interest rate swaps	13,767	—	13,767	9,723	—	9,723
Total liability recurring fair value measurements	\$ 16,984	\$ —	\$ 16,984	\$ 11,116	\$ —	\$ 11,116

Fair value of each class of financial instrument is determined based on the following:

FINANCIAL INSTRUMENT	METHODS AND ASSUMPTIONS
Fixed income funds and Money market funds	Carrying value approximates fair value because maturities are less than three months.
Derivative instruments	The Company's derivative instruments include interest rate swaps. Fair value measurements are based on the contractual terms of the derivatives and use observable market-based inputs. The interest rate swaps are valued using a discounted cash flow analysis on the expected cash flows of each derivative using observable inputs including interest rate curves and credit spreads. The Company also considers its own nonperformance risk and the respective counterparty's nonperformance risk in the fair value measurements. As of March 31, 2019 and December 30, 2018, the Company has determined that the credit valuation adjustments are not significant to the overall valuation of its derivatives.

BLOOMIN' BRANDS, INC.
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED) - Continued**

Fair Value Measurements on a Nonrecurring Basis - Assets and liabilities that are measured at fair value on a nonrecurring basis relate primarily to property, fixtures and equipment, operating lease right-of-use assets, goodwill and other intangible assets, which are remeasured when carrying value exceeds fair value. The following table summarizes the Company's assets measured at fair value by hierarchy level on a nonrecurring basis, for the periods indicated:

(dollars in thousands)	THIRTEEN WEEKS ENDED		THIRTEEN WEEKS ENDED	
	MARCH 31, 2019		APRIL 1, 2018	
	CARRYING VALUE	TOTAL IMPAIRMENT	CARRYING VALUE	TOTAL IMPAIRMENT
Assets held for sale (1)	\$ 2,149	\$ 215	\$ 50	\$ 50
Operating lease right-of-use assets (2)	2,242	596	—	—
Property, fixtures and equipment (2)	490	2,671	320	2,221
	<u>\$ 4,881</u>	<u>\$ 3,482</u>	<u>\$ 370</u>	<u>\$ 2,271</u>

(1) Carrying value approximates fair value with all assets measured using third-party market appraisals or executed sales contracts (Level 2).

(2) Carrying value approximates fair value. Carrying values for Operating lease right-of-use assets and Property, fixtures and equipment measured using Level 3 inputs to estimate fair value totaled \$2.0 million and \$0.5 million, respectively, during the thirteen weeks ended March 31, 2019. Level 2 inputs were used to estimate the fair value for all other assets measured in the periods presented. Third-party market appraisals (Level 2) and discounted cash flow models (Level 3) were used to estimate fair value.

Interim Disclosures about Fair Value of Financial Instruments - The Company's non-derivative financial instruments consist of cash equivalents, accounts receivable, accounts payable and current and long-term debt. The fair values of cash equivalents, accounts receivable and accounts payable approximate their carrying amounts reported in the Consolidated Balance Sheets due to their short duration.

Debt is carried at amortized cost; however, the Company estimates the fair value of debt for disclosure purposes. The following table includes the carrying value and fair value of the Company's debt by hierarchy level as of the periods indicated:

(dollars in thousands)	MARCH 31, 2019		DECEMBER 30, 2018	
	CARRYING VALUE	FAIR VALUE LEVEL 2	CARRYING VALUE	FAIR VALUE LEVEL 2
	Senior Secured Credit Facility:			
Term loan A	\$ 468,750	\$ 466,406	\$ 475,000	\$ 464,906
Revolving credit facility	\$ 595,400	\$ 589,446	\$ 599,500	\$ 590,508

15. Income Taxes

Effective income tax rate	THIRTEEN WEEKS ENDED	
	MARCH 31, 2019	APRIL 1, 2018
		7.7%

The effective income tax rate for the thirteen weeks ended March 31, 2019 increased by 4.9 percentage points as compared to the thirteen weeks ended April 1, 2018. The increase was primarily due to favorable discrete items recorded in the thirteen weeks ended April 1, 2018 which included excess tax benefits from equity-based compensation arrangements. The increase was partially offset by changes in the mix of taxable income across the Company's U.S. and international subsidiaries and a decrease in the estimated annual effective tax rate due to additional guidance issued in connection with the 2017 Tax Cuts and Jobs Act (the "Tax Act").

BLOOMIN' BRANDS, INC.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED) - Continued**

The Company has a blended federal and state statutory rate of approximately 26%. The effective income tax rate for the thirteen weeks ended March 31, 2019 was lower than the statutory rate primarily due to the benefit of tax credits for FICA taxes on certain employees' tips.

16. Commitments and Contingencies

Litigation and Other Matters - The Company had \$2.4 million and \$2.8 million of liabilities recorded for various legal matters as of March 31, 2019 and December 30, 2018, respectively.

The Company is subject to legal proceedings, claims and liabilities, such as liquor liability, slip and fall cases, wage-and-hour and other employment-related litigation, which arise in the ordinary course of business and are generally covered by insurance if they exceed specified retention or deductible amounts. In the opinion of management, the amount of ultimate liability with respect to those actions will not have a material adverse impact on the Company's financial position or results of operations and cash flows.

Lease Guarantees - The Company assigned its interest, and is contingently liable, under certain real estate leases. These leases have varying terms, the latest of which expires in 2032. As of March 31, 2019, the undiscounted payments that the Company could be required to make in the event of non-payment by the primary lessees was approximately \$34.2 million. The present value of these potential payments discounted at the Company's incremental borrowing rate as of March 31, 2019 was approximately \$26.7 million. In the event of default, the indemnity clauses in the Company's purchase and sale agreements govern its ability to pursue and recover damages incurred. The Company believes the financial strength and operating history of the lessees' significantly reduces the risk that it will be required to make payments under these leases. Accordingly, no liability has been recorded.

17. Segment Reporting

The Company considers its restaurant concepts and international markets as operating segments, which reflects how the Company manages its business, reviews operating performance and allocates resources. Resources are allocated and performance is assessed by the Company's CEO, whom the Company has determined to be its Chief Operating Decision Maker ("CODM"). The Company aggregates its operating segments into two reportable segments, U.S. and International. The U.S. segment includes all restaurants operating in the U.S. while restaurants operating outside the U.S. are included in the International segment. The following is a summary of reporting segments:

REPORTABLE SEGMENT (1)	CONCEPT	GEOGRAPHIC LOCATION
U.S.	Outback Steakhouse Carrabba's Italian Grill Bonefish Grill Fleming's Prime Steakhouse & Wine Bar	United States of America
International	Outback Steakhouse Carrabba's Italian Grill (Abbraccio)	Brazil, Hong Kong/China Brazil

(1) Includes franchise locations.

Segment accounting policies are the same as those described in Note 2 - *Summary of Significant Accounting Policies* in the Company's Annual Report on Form 10-K for the year ended December 30, 2018. Revenues for all segments include only transactions with customers and exclude intersegment revenues. Excluded from Income from operations for U.S. and International are certain legal and corporate costs not directly related to the performance of the segments, most stock-based compensation expenses and certain bonus expenses.

BLOOMIN' BRANDS, INC.
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED) - Continued**

The following table is a summary of Total revenue by segment, for the periods indicated:

(dollars in thousands)	THIRTEEN WEEKS ENDED	
	MARCH 31, 2019	APRIL 1, 2018
Total revenues		
U.S.	\$ 1,014,507	\$ 998,707
International	113,624	117,758
Total revenues	\$ 1,128,131	\$ 1,116,465

The following table is a reconciliation of Segment income from operations to Income before provision for income taxes, for the periods indicated:

(dollars in thousands)	THIRTEEN WEEKS ENDED	
	MARCH 31, 2019	APRIL 1, 2018
Segment income from operations		
U.S.	\$ 113,035	\$ 109,134
International	13,720	8,325
Total segment income from operations	126,755	117,459
Unallocated corporate operating expense	(44,261)	(39,088)
Total income from operations	82,494	78,371
Other (expense) income, net	(168)	1
Interest expense, net	(11,181)	(10,310)
Income before provision for income taxes	\$ 71,145	\$ 68,062

The following table is a summary of Depreciation and amortization expense by segment for the periods indicated:

(dollars in thousands)	THIRTEEN WEEKS ENDED	
	MARCH 31, 2019	APRIL 1, 2018
Depreciation and amortization		
U.S.	\$ 38,786	\$ 39,274
International	6,456	6,732
Corporate	4,240	4,114
Total depreciation and amortization	\$ 49,482	\$ 50,120

Geographic Areas — International assets are defined as assets residing in a country other than the U.S. The following table details long-lived assets, excluding operating lease right-of-use assets, goodwill, intangible assets and deferred tax assets, by major geographic area as of the periods indicated:

(dollars in thousands)	MARCH 31, 2019	DECEMBER 30, 2018
U.S.	\$ 1,059,814	\$ 1,107,679
International		
Brazil	126,084	115,560
Other	13,220	13,663
Total assets	\$ 1,199,118	\$ 1,236,902

BLOOMIN' BRANDS, INC.**MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS****Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations**

Management's discussion and analysis of financial condition and results of operations should be read in conjunction with our unaudited consolidated financial statements and the related notes. Unless the context otherwise indicates, as used in this report, the term the "Company," "we," "us," "our" and other similar terms mean Bloomin' Brands, Inc. and its subsidiaries.

Cautionary Statement

This Quarterly Report on Form 10-Q (the "Report") includes statements that express our opinions, expectations, beliefs, plans, objectives, assumptions or projections regarding future events or future results and therefore are, or may be deemed to be, "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements can generally be identified by the use of forward-looking terminology, including the terms "believes," "estimates," "anticipates," "expects," "feels," "seeks," "forecasts," "projects," "intends," "plans," "may," "will," "should," "could" or "would" or, in each case, their negative or other variations or comparable terminology, although not all forward-looking statements are accompanied by such terms. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Report and include statements regarding our intentions, beliefs or current expectations concerning, among other things, our results of operations, financial condition, liquidity, prospects, growth, strategies and the industry in which we operate.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Although we base these forward-looking statements on assumptions that we believe are reasonable when made, we caution you that forward-looking statements are not guarantees of future performance and that our actual results of operations, financial condition and liquidity, and industry developments may differ materially from statements made in or suggested by the forward-looking statements contained in this Report. In addition, even if our results of operations, financial condition and liquidity, and industry developments are consistent with the forward-looking statements contained in this Report, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that could cause actual results to differ materially from statements made or suggested by forward-looking statements include, but are not limited to, the following:

- (i) Consumer reactions to public health and food safety issues;
- (ii) Our ability to compete in the highly competitive restaurant industry with many well-established competitors and new market entrants;
- (iii) Minimum wage increases and additional mandated employee benefits;
- (iv) Economic conditions and their effects on consumer confidence and discretionary spending, consumer traffic, the cost and availability of credit and interest rates;
- (v) Our ability to protect our information technology systems from interruption or security breach, including cyber security threats, and to protect consumer data and personal employee information;
- (vi) Fluctuations in the price and availability of commodities;
- (vii) Our ability to comply with governmental laws and regulations, the costs of compliance with such laws and regulations and the effects of changes to applicable laws and regulations, including tax laws and unanticipated liabilities;

BLOOMIN' BRANDS, INC.

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS - Continued**

- (viii) Our ability to effectively respond to changes in patterns of consumer traffic, consumer tastes and dietary habits;
- (ix) Our ability to implement our remodeling, relocation and expansion plans due to uncertainty in locating and acquiring attractive sites on acceptable terms, obtaining required permits and approvals, recruiting and training necessary personnel, obtaining adequate financing and estimating the performance of newly opened, remodeled or relocated restaurants;
- (x) The effects of international economic, political and social conditions and legal systems on our foreign operations and on foreign currency exchange rates;
- (xi) Our ability to preserve and grow the reputation and value of our brands, particularly in light of changes in consumer engagement with social media platforms;
- (xii) Any impairment in the carrying value of our goodwill or other intangible or long-lived assets and its effect on our financial condition and results of operations;
- (xiii) Strategic actions, including acquisitions and dispositions, and our success in implementing these initiatives or integrating any acquired or newly created businesses;
- (xiv) Seasonal and periodic fluctuations in our results and the effects of significant adverse weather conditions and other disasters or unforeseen events;
- (xv) The effects of our substantial leverage and restrictive covenants in our various credit facilities on our ability to raise additional capital to fund our operations, to make capital expenditures to invest in new or renovate restaurants and to react to changes in the economy or our industry, and our exposure to interest rate risk in connection with our variable-rate debt;
- (xvi) The adequacy of our cash flow and earnings and other conditions which may affect our ability to pay dividends and repurchase shares of our common stock; and
- (xvii) Such other factors as discussed in Part I, Item IA. Risk Factors of our Annual Report on Form 10-K for the year ended December 30, 2018.

In light of these risks and uncertainties, we caution you not to place undue reliance on these forward-looking statements. Any forward-looking statement that we make in this Report speaks only as of the date of such statement, and we undertake no obligation to update any forward-looking statement or to publicly announce the results of any revision to any of those statements to reflect future events or developments. Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance, unless specifically expressed as such, and should only be viewed as historical data.

BLOOMIN' BRANDS, INC.**MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS - Continued****Overview**

We are one of the largest casual dining restaurant companies in the world with a portfolio of leading, differentiated restaurant concepts. As of March 31, 2019, we owned and operated 1,174 restaurants and franchised 307 restaurants across 48 states, Puerto Rico, Guam and 20 countries. We have four founder-inspired concepts: Outback Steakhouse, Carrabba's Italian Grill, Bonefish Grill and Fleming's Prime Steakhouse & Wine Bar.

Executive Summary

Our financial results for the thirteen weeks ended March 31, 2019 ("first quarter of 2019") include the following:

- An increase in Total revenues of 1.0% in the first quarter of 2019, as compared to the first quarter of 2018, was primarily due to higher U.S. comparable restaurant sales and the net impact of restaurant openings and closures, partially offset by foreign currency translation.
- Income from operations of \$82.5 million in the first quarter of 2019, as compared to \$78.4 million in the first quarter of 2018, increased primarily due to higher U.S. comparable restaurant sales and the impact of certain cost savings initiatives. These increases were partially offset by labor and commodity inflation, and the impact of deferred gain amortization no longer recognized upon adoption of the new lease standard.

Refranchising - During the thirteen weeks ended March 31, 2019, we completed the sale of 18 of our existing U.S. Company-owned Carrabba's Italian Grill locations to an existing franchisee for aggregate cash proceeds of \$3.6 million, net of certain purchase price adjustments. See Note 3 - *Disposals* of our Notes to Consolidated Financial Statements for additional details.

Key Performance Indicators

Key measures that we use in evaluating our restaurants and assessing our business include the following:

- *Average restaurant unit volumes*—average sales (excluding gift card breakage) per restaurant to measure changes in customer traffic, pricing and development of the brand;
- *Comparable restaurant sales*—year-over-year comparison of sales volumes (excluding gift card breakage) for Company-owned restaurants that are open 18 months or more in order to remove the impact of new restaurant openings in comparing the operations of existing restaurants;
- *System-wide sales*—total restaurant sales volume for all Company-owned and franchise restaurants, regardless of ownership, to interpret the overall health of our brands;
- *Restaurant-level operating margin, Income from operations, Net income and Diluted earnings per share* — financial measures utilized to evaluate our operating performance.

BLOOMIN' BRANDS, INC.**MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS - Continued**

Restaurant-level operating margin is widely regarded in the industry as a useful metric to evaluate restaurant level operating efficiency and performance of ongoing restaurant-level operations, and we use it for these purposes, overall and particularly within our two segments. Our restaurant-level operating margin is expressed as the percentage of our Restaurant sales that Cost of sales, Labor and other related and Other restaurant operating (including advertising expenses) represent, in each case as such items are reflected in our Consolidated Statement of Operations. The following categories of our revenue and operating expenses are not included in restaurant-level operating margin because we do not consider them reflective of operating performance at the restaurant-level within a period:

- (i) Franchise and other revenues which are earned primarily from franchise royalties and other non-food and beverage revenue streams, such as rental and sublease income.
- (ii) Depreciation and amortization which, although substantially all of which is related to restaurant-level assets, represent historical sunk costs rather than cash outlays for the restaurants.
- (iii) General and administrative expense which includes primarily non-restaurant-level costs associated with support of the restaurants and other activities at our corporate offices.
- (iv) Asset impairment charges and restaurant closing costs which are not reflective of ongoing restaurant performance in a period.

Restaurant-level operating margin excludes various expenses, as discussed above, that are essential to support the operations of our restaurants and may materially impact our Consolidated Statement of Operations. As a result, restaurant-level operating margin is not indicative of our consolidated results of operations and is presented exclusively as a supplement to, and not a substitute for, Net income or Income from operations. In addition, our presentation of restaurant-level operating margin may not be comparable to similarly titled measures used by other companies in our industry;

- *Adjusted restaurant-level operating margin, Adjusted income from operations, Adjusted net income and Adjusted diluted earnings per share*—non-GAAP financial measures utilized to evaluate our operating performance.

We believe that our use of non-GAAP financial measures permits investors to assess the operating performance of our business relative to our performance based on U.S. GAAP results and relative to other companies within the restaurant industry by isolating the effects of certain items that may vary from period to period without correlation to core operating performance or that vary widely among similar companies. However, our inclusion of these adjusted measures should not be construed as an indication that our future results will be unaffected by unusual or infrequent items or that the items for which we have made adjustments are unusual or infrequent or will not recur. We believe that the disclosure of these non-GAAP measures is useful to investors as they form part of the basis for how our management team and Board of Directors evaluate our operating performance, allocate resources and administer employee incentive plans; and

- *Customer satisfaction scores*—measurement of our customers' experiences in a variety of key areas.

BLOOMIN' BRANDS, INC.**MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS - Continued****Selected Operating Data**

The table below presents the number of our restaurants in operation at the end of the periods indicated:

Number of restaurants (at end of the period):	MARCH 31, 2019	APRIL 1, 2018
U.S.		
Outback Steakhouse		
Company-owned	579	584
Franchised	153	154
Total	732	738
Carrabba's Italian Grill		
Company-owned (1)	205	224
Franchised (1)	21	3
Total	226	227
Bonefish Grill		
Company-owned	189	193
Franchised	7	7
Total	196	200
Fleming's Prime Steakhouse & Wine Bar		
Company-owned	70	70
Other		
Company-owned	2	4
U.S. Total	1,226	1,239
International		
Company-owned		
Outback Steakhouse - Brazil (2)	95	89
Other	34	36
Franchised		
Outback Steakhouse - South Korea	72	76
Other	54	54
International Total	255	255
System-wide total	1,481	1,494

(1) In March 2019, we sold 18 Carrabba's Italian Grill locations, which are now operated as franchises.

(2) The restaurant counts for Brazil are reported as of February 28, 2019 and 2018, respectively, to correspond with the balance sheet dates of this subsidiary.

BLOOMIN' BRANDS, INC.
**MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS - Continued**
Results of Operations

The following table sets forth, for the periods indicated, the percentages of certain items in our Consolidated Statements of Operations in relation to Total revenues or Restaurant sales, as indicated:

	THIRTEEN WEEKS ENDED	
	MARCH 31, 2019	APRIL 1, 2018
Revenues		
Restaurant sales	98.5 %	98.4 %
Franchise and other revenues	1.5	1.6
Total revenues	100.0	100.0
Costs and expenses		
Cost of sales (1)	31.7	32.0
Labor and other related (1)	28.7	28.3
Other restaurant operating (1)	22.6	23.1
Depreciation and amortization	4.4	4.5
General and administrative	6.3	6.2
Provision for impaired assets and restaurant closings	0.3	0.2
Total costs and expenses	92.7	93.0
Income from operations	7.3	7.0
Other (expense) income, net	(*)	*
Interest expense, net	(1.0)	(0.9)
Income before provision for income taxes	6.3	6.1
Provision for income taxes	0.5	0.2
Net income	5.8	5.9
Less: net income attributable to noncontrolling interests	0.1	0.1
Net income attributable to Bloomin' Brands	5.7 %	5.8 %

(1) As a percentage of Restaurant sales.

* Less than 1/10th of one percent of Total revenues.

RESTAURANT SALES

Following is a summary of the change in Restaurant sales for the period indicated:

(dollars in millions)	THIRTEEN WEEKS ENDED	
For the period ended April 1, 2018	\$	1,099.0
Change from:		
Comparable restaurant sales		26.5
Restaurant openings		13.1
Effect of foreign currency translation		(16.2)
Restaurant closings		(10.3)
Divestiture of restaurants through refranchising transactions		(0.5)
For the period ended March 31, 2019	\$	1,111.6

The increase in Restaurant sales in the thirteen weeks ended March 31, 2019 was primarily due to higher U.S. comparable restaurant sales and the opening of 28 new restaurants not included in our comparable restaurant sales base. The increase in restaurant sales was partially offset by the effect of foreign currency translation of the Brazilian Real relative to the U.S. dollar and the closing of 27 restaurants since December 31, 2017.

BLOOMIN' BRANDS, INC.**MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS - Continued***Average Restaurant Unit Volumes and Operating Weeks*

Following is a summary of the average restaurant unit volumes and operating weeks, for the periods indicated:

	THIRTEEN WEEKS ENDED	
	MARCH 31, 2019	APRIL 1, 2018
Average restaurant unit volumes (weekly):		
U.S.		
Outback Steakhouse	\$ 77,198	\$ 74,439
Carrabba's Italian Grill	\$ 59,940	\$ 59,479
Bonefish Grill	\$ 63,654	\$ 62,193
Fleming's Prime Steakhouse & Wine Bar	\$ 91,238	\$ 90,190
International		
Outback Steakhouse - Brazil (1)	\$ 74,878	\$ 84,694
Operating weeks:		
U.S.		
Outback Steakhouse	7,527	7,594
Carrabba's Italian Grill	2,894	2,924
Bonefish Grill	2,458	2,522
Fleming's Prime Steakhouse & Wine Bar	910	898
International		
Outback Steakhouse - Brazil	1,196	1,123

(1) Translated at average exchange rates of 3.79 and 3.25 for the thirteen weeks ended March 31, 2019 and April 1, 2018, respectively.

BLOOMIN' BRANDS, INC.
**MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS - Continued**
Comparable Restaurant Sales, Traffic and Average Check Per Person Increases (Decreases)

Following is a summary of comparable restaurant sales, traffic and average check per person increases (decreases), for the periods indicated:

	THIRTEEN WEEKS ENDED	
	MARCH 31, 2019	APRIL 1, 2018
Year over year percentage change:		
Comparable restaurant sales (stores open 18 months or more) (1):		
U.S.		
Outback Steakhouse	3.5 %	4.3 %
Carrabba's Italian Grill	0.3 %	0.9 %
Bonefish Grill	1.9 %	(0.1)%
Fleming's Prime Steakhouse & Wine Bar	0.6 %	2.9 %
Combined U.S.	2.4 %	2.8 %
International		
Outback Steakhouse - Brazil (2)	3.7 %	1.1 %
Traffic:		
U.S.		
Outback Steakhouse	(0.5)%	2.2 %
Carrabba's Italian Grill	(1.3)%	(5.6)%
Bonefish Grill	(1.9)%	(2.4)%
Fleming's Prime Steakhouse & Wine Bar	(1.6)%	(2.4)%
Combined U.S.	(0.9)%	(0.2)%
International		
Outback Steakhouse - Brazil	(2.4)%	(1.6)%
Average check per person (3):		
U.S.		
Outback Steakhouse	4.0 %	2.1 %
Carrabba's Italian Grill	1.6 %	6.5 %
Bonefish Grill	3.8 %	2.3 %
Fleming's Prime Steakhouse & Wine Bar	2.2 %	5.3 %
Combined U.S.	3.3 %	3.0 %
International		
Outback Steakhouse - Brazil	6.5 %	3.0 %

(1) Comparable restaurant sales exclude the effect of fluctuations in foreign currency rates. Relocated international restaurants closed more than 30 days and relocated U.S. restaurants closed more than 60 days are excluded from comparable restaurant sales until at least 18 months after reopening.

(2) Includes trading day impact from calendar period reporting.

(3) Average check per person includes the impact of menu pricing changes, product mix and discounts.

BLOOMIN' BRANDS, INC.
**MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS - Continued**
Franchise and other revenues

(dollars in millions)	THIRTEEN WEEKS ENDED	
	MARCH 31, 2019	APRIL 1, 2018
Franchise revenues (1)	\$ 13.8	\$ 14.2
Other revenues	2.7	3.3
Franchise and other revenues	\$ 16.5	\$ 17.5

(1) Represents franchise royalties, advertising fees and initial franchise fees.

COSTS AND EXPENSES
Cost of sales

(dollars in millions)	THIRTEEN WEEKS ENDED		
	MARCH 31, 2019	APRIL 1, 2018	Change
Cost of sales	\$ 352.1	\$ 352.1	
% of Restaurant sales	31.7%	32.0%	(0.3)%

Cost of sales decreased as a percentage of Restaurant sales in the thirteen weeks ended March 31, 2019 as compared to the thirteen weeks ended April 1, 2018 primarily due to 0.7% for increases in average check per person and 0.3% from the impact of certain cost saving initiatives, partially offset by an increase as a percentage of Restaurant sales of 0.6% for commodity cost inflation.

Labor and other related expenses

(dollars in millions)	THIRTEEN WEEKS ENDED		
	MARCH 31, 2019	APRIL 1, 2018	Change
Labor and other related	\$ 319.0	\$ 311.1	
% of Restaurant sales	28.7%	28.3%	0.4%

Labor and other related expenses increased as a percentage of Restaurant sales in the thirteen weeks ended March 31, 2019 as compared to the thirteen weeks ended April 1, 2018 primarily due to 1.0% from higher labor costs due to wage rate increases and investments in our service model, partially offset by a decrease as a percentage of Restaurant sales of 0.6% from increases in average check per person.

Other restaurant operating expenses

(dollars in millions)	THIRTEEN WEEKS ENDED		
	MARCH 31, 2019	APRIL 1, 2018	Change
Other restaurant operating	\$ 250.9	\$ 253.3	
% of Restaurant sales	22.6%	23.1%	(0.5)%

Other restaurant operating expenses decreased as a percentage of Restaurant sales in the thirteen weeks ended March 31, 2019 as compared to the thirteen weeks ended April 1, 2018 primarily due to 0.5% from increases in average check per person and 0.3% from the impact of certain cost saving initiatives, partially offset by an increase as a percentage of Restaurant sales of 0.3% from the impact of deferred gains on sale-leaseback transactions no longer recognize in 2019 as a result of the adoption of the new lease accounting standard.

BLOOMIN' BRANDS, INC.
**MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS - Continued**
General and administrative

General and administrative expense includes salaries and benefits, management incentive programs, related payroll tax and benefits, other employee-related costs and professional services. Following is a summary of the change in general and administrative expense for the period indicated below:

(dollars in millions)	THIRTEEN WEEKS ENDED	
	MARCH 31, 2019	APRIL 1, 2018
For the period ended April 1, 2018	\$	68.7
Change from:		
Severance		3.0
Foreign currency exchange		(1.1)
For the period ended March 31, 2019	\$	70.6

Provision for impaired assets and restaurant closings

(dollars in millions)	THIRTEEN WEEKS ENDED		
	MARCH 31, 2019	APRIL 1, 2018	Change
Provision for impaired assets and restaurant closings	\$ 3.6	\$ 2.7	\$ 0.9

Impairment and closing charges for the periods presented resulted primarily from approved store closure initiatives, locations identified for remodel, relocation or closure and certain other assets.

Income from operations

(dollars in millions)	THIRTEEN WEEKS ENDED		
	MARCH 31, 2019	APRIL 1, 2018	Change
Income from operations	\$ 82.5	\$ 78.4	\$ 4.1
% of Total revenues	7.3%	7.0%	0.3%

The increase in income from operations generated in the thirteen weeks ended March 31, 2019 as compared to the thirteen weeks ended April 1, 2018 was primarily due to higher U.S. comparable restaurant sales and the impact of certain cost savings initiatives. These increases were partially offset by labor and commodity expense inflation and the impact of deferred gain amortization no longer recognized upon adoption of the new lease standard.

Interest expense, net

(dollars in millions)	THIRTEEN WEEKS ENDED		
	MARCH 31, 2019	APRIL 1, 2018	Change
Interest expense, net	\$ 11.2	\$ 10.3	\$ 0.9

The increase in Interest expense, net for the thirteen weeks ended March 31, 2019 is primarily due to higher interest rates, partially offset by lower interest expense from our derivative instruments and the derecognition of certain debt obligations due to adoption of ASU No. 2016-02.

BLOOMIN' BRANDS, INC.
**MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS - Continued**
Provision for income taxes

	THIRTEEN WEEKS ENDED		Change
	MARCH 31, 2019	APRIL 1, 2018	
Effective income tax rate	7.7%	2.8%	4.9%

The effective income tax rate for the thirteen weeks ended March 31, 2019 increased by 4.9 percentage points as compared to the thirteen weeks ended April 1, 2018. The increase was primarily due to favorable discrete items recorded in the thirteen weeks ended April 1, 2018, which included excess tax benefits from equity-based compensation arrangements. The increase was partially offset by changes in the mix of taxable income across our U.S. and international subsidiaries and a decrease in the estimated annual effective tax rate due to additional guidance issued in connection with the Tax Act.

SEGMENT PERFORMANCE

We consider our restaurant concepts and international markets as operating segments, which reflects how we manage our business, review operating performance and allocate resources. Resources are allocated and performance is assessed by our CEO, whom we have determined to be our CODM. We aggregate our operating segments into two reportable segments, U.S. and International. The U.S. segment includes all restaurants operating in the U.S. while restaurants operating outside the U.S. are included in the International segment. The following is a summary of reporting segments:

REPORTABLE SEGMENT (1)	CONCEPT	GEOGRAPHIC LOCATION
U.S.	Outback Steakhouse Carrabba's Italian Grill Bonefish Grill Fleming's Prime Steakhouse & Wine Bar	United States of America
International	Outback Steakhouse Carrabba's Italian Grill (Abbraccio)	Brazil, Hong Kong/China Brazil

(1) Includes franchise locations.

Revenues for both segments include only transactions with customers and exclude intersegment revenues. Excluded from income from operations for U.S. and International are legal and certain corporate costs not directly related to the performance of the segments, certain stock-based compensation expenses and certain bonus expenses.

Refer to Note 17 - *Segment Reporting* of the Notes to Consolidated Financial Statements for a reconciliation of segment income from operations to the consolidated operating results.

Restaurant-level operating margin is widely regarded in the industry as a useful metric to evaluate restaurant-level operating efficiency and performance of ongoing restaurant-level operations, and we use it for these purposes, overall and particularly within our two segments. See the *Overview-Key Performance Indicators* section of Management's Discussion and Analysis for additional details regarding the calculation of restaurant-level operating margin.

BLOOMIN' BRANDS, INC.
**MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS - Continued**
U.S. Segment

(dollars in thousands)	THIRTEEN WEEKS ENDED	
	MARCH 31, 2019	APRIL 1, 2018
Revenues		
Restaurant sales	\$ 1,000,813	\$ 984,344
Franchise and other revenues	13,694	14,363
Total revenues	\$ 1,014,507	\$ 998,707
Restaurant-level operating margin	16.7%	16.3%
Income from operations	\$ 113,035	\$ 109,134
Operating income margin	11.1%	10.9%

Restaurant sales

Following is a summary of the change in U.S. segment Restaurant sales for the period indicated:

(dollars in millions)	THIRTEEN WEEKS ENDED	
For the period ended April 1, 2018	\$	984.3
Change from:		
Comparable restaurant sales		21.9
Restaurant openings		2.6
Restaurant closings		(7.5)
Divestiture of restaurants through refranchising transactions		(0.5)
For the period ended March 31, 2019	\$	1,000.8

The increase in U.S. Restaurant sales in the thirteen weeks ended March 31, 2019 was primarily due to higher comparable restaurant sales and the opening of seven new restaurants not included in our comparable restaurant sales base. The increase in restaurant sales was partially offset the closing of 17 restaurants since December 31, 2017.

Income from operations

The increase in U.S. income from operations generated in the thirteen weeks ended March 31, 2019 as compared to the thirteen weeks ended April 1, 2018, was primarily due to higher comparable restaurant sales and the impact of certain cost savings initiatives. These increases were partially offset by labor and commodity inflation, and the impact of deferred gain amortization no longer recognized upon adoption of the new lease standard.

International Segment

(dollars in thousands)	THIRTEEN WEEKS ENDED	
	MARCH 31, 2019	APRIL 1, 2018
Revenues		
Restaurant sales	\$ 110,829	\$ 114,659
Franchise and other revenues	2,795	3,099
Total revenues	\$ 113,624	\$ 117,758
Restaurant-level operating margin	22.3%	19.4%
Income from operations	\$ 13,720	\$ 8,325
Operating income margin	12.1%	7.1%

BLOOMIN' BRANDS, INC.**MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS - Continued***Restaurant sales*

Following is a summary of the change in International segment Restaurant sales for the period indicated:

(dollars in millions)	THIRTEEN WEEKS ENDED	
For the period ended April 1, 2018	\$	114.7
Change from:		
Effect of foreign currency translation		(16.2)
Restaurant closings		(2.8)
Restaurant openings		10.5
Comparable restaurant sales		4.6
For the period ended March 31, 2019	\$	110.8

The decrease in Restaurant sales in the thirteen weeks ended March 31, 2019 was primarily due to the effect of foreign currency translation of the Brazilian Real relative to the U.S. dollar and the closing of 10 restaurants since December 31, 2017, partially offset by the opening of 21 new restaurants not included in our comparable restaurant sales base and higher comparable restaurant sales.

Income from operations

The increase in International income from operations in the thirteen weeks ended March 31, 2019 as compared to the thirteen weeks ended April 1, 2018 was primarily due to an increase in comparable restaurant sales and lower impairment and restaurant closing costs. These increases were partially offset by commodity and labor expense inflation.

BLOOMIN' BRANDS, INC.
**MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS - Continued**
Non-GAAP Financial Measures

System-Wide Sales - System-wide sales is a non-GAAP financial measure that includes sales of all restaurants operating under our brand names, whether we own them or not. Management uses this information to make decisions about future plans for the development of additional restaurants and new concepts, as well as evaluation of current operations. System-wide sales comprise sales of Company-owned and franchised restaurants. For a summary of sales of Company-owned restaurants, refer to Note 2 - *Revenue Recognition* of the Notes to Consolidated Financial Statements.

The following table provides a summary of sales of franchised restaurants, which are not included in our consolidated financial results. Franchise sales within this table do not represent our sales and are presented only as an indicator of changes in the restaurant system, which management believes is important information regarding the health of our restaurant concepts and in determining our royalties and/or service fees.

FRANCHISE SALES (dollars in millions)	THIRTEEN WEEKS ENDED	
	MARCH 31, 2019	APRIL 1, 2018
U.S.		
Outback Steakhouse	\$ 138	\$ 140
Carrabba's Italian Grill	3	3
Bonefish Grill	4	4
U.S. Total	\$ 145	\$ 147
International		
Outback Steakhouse-South Korea	\$ 57	\$ 53
Other	27	28
International Total	\$ 84	\$ 81
Total franchise sales (1)	\$ 229	\$ 228

(1) Franchise sales are not included in Total revenues in the Consolidated Statements of Operations and Comprehensive Income.

Adjusted restaurant-level operating margin - The following table shows the percentages of certain operating cost financial statement line items in relation to Restaurant sales:

	THIRTEEN WEEKS ENDED			
	MARCH 31, 2019		APRIL 1, 2018	
	U.S. GAAP	ADJUSTED	U.S. GAAP	ADJUSTED (1)
Restaurant sales	100.0%	100.0%	100.0%	100.0%
Cost of sales	31.7%	31.7%	32.0%	32.0%
Labor and other related	28.7%	28.7%	28.3%	28.3%
Other restaurant operating	22.6%	22.6%	23.1%	23.1%
Restaurant-level operating margin	17.1%	17.1%	16.6%	16.5%

(1) Includes unfavorable adjustments recorded in Other restaurant operating for the following activities, as described in the *Adjusted income from operations, Adjusted net income and Adjusted diluted earnings per share* table below for the period indicated:

(dollars in millions)	THIRTEEN WEEKS ENDED APRIL 1, 2018
Restaurant and asset impairments and closing costs	\$ 0.8
Restaurant relocations and related costs	0.2
	\$ 1.0

BLOOMIN' BRANDS, INC.
**MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS - Continued**
Adjusted income from operations, Adjusted net income and Adjusted diluted earnings per share

(in thousands, except per share data)	THIRTEEN WEEKS ENDED	
	MARCH 31, 2019	APRIL 1, 2018
Income from operations	\$ 82,494	\$ 78,371
<i>Operating income margin</i>	7.3%	7.0%
Adjustments:		
Severance (1)	\$ 2,855	\$ 965
Restaurant and asset impairments and closing costs (2)	2,131	1,295
Restaurant relocations and related costs (3)	1,032	1,725
Legal and contingent matters	—	470
Total income from operations adjustments	\$ 6,018	\$ 4,455
Adjusted income from operations	\$ 88,512	\$ 82,826
<i>Adjusted operating income margin</i>	7.8%	7.4%
Net income attributable to Bloomin' Brands	\$ 64,300	\$ 65,398
Adjustments:		
Income from operations adjustments	6,018	4,455
Total adjustments, before income taxes	6,018	4,455
Adjustment to provision for income taxes (4)	(819)	(1,681)
Net adjustments	5,199	2,774
Adjusted net income	\$ 69,499	\$ 68,172
Diluted earnings per share	\$ 0.69	\$ 0.68
Adjusted diluted earnings per share	\$ 0.75	\$ 0.71
Diluted weighted average common shares outstanding	92,661	95,782

(1) Relates to severance expense incurred as a result of restructuring activities.

(2) Represents asset impairment charges and related costs primarily associated with approved closure initiatives.

(3) Represents asset impairment charges and accelerated depreciation incurred in connection with our relocation program.

(4) Represents income tax effect of the adjustments for the periods presented.

Liquidity and Capital Resources
LIQUIDITY

Our liquidity sources consist of cash flow from our operations, cash and cash equivalents and credit capacity under our credit facilities. We expect to use cash primarily for general operating expenses, share repurchases and dividend payments, principal and interest payments on our debt, remodeling or relocating older restaurants, obligations related to our deferred compensation plans and investments in technology.

We believe that our expected liquidity sources are adequate to fund debt service requirements, lease obligations, capital expenditures and working capital obligations for at least the next 12 months following this filing and beyond. However, our ability to continue to meet these requirements and obligations will depend on, among other things, our ability to achieve anticipated levels of revenue and cash flow and our ability to manage costs and working capital successfully.

Cash and Cash Equivalents - As of March 31, 2019, we had \$82.8 million in cash and cash equivalents, of which \$26.3 million was held by foreign affiliates. The international jurisdictions in which we have significant cash do not have any known restrictions that would prohibit repatriation.

BLOOMIN' BRANDS, INC.
**MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS - Continued**

As of March 31, 2019, we had aggregate accumulated foreign earnings of approximately \$94.4 million. This amount consisted primarily of historical earnings from 2017 and prior that were previously taxed in the U.S. under the Tax Act and post-2017 foreign earnings, which we may repatriate to the U.S. without additional U.S. federal income tax. These amounts are no longer considered indefinitely reinvested in our foreign subsidiaries.

Closure Initiatives - Total aggregate future undiscounted cash expenditures of \$13.6 million to \$16.6 million for certain closure initiatives, related to lease liabilities, are expected to occur over the remaining lease terms with the final term ending in January 2029.

Capital Expenditures - We estimate that our capital expenditures will total approximately \$175.0 million to \$200.0 million in 2019. The amount of actual capital expenditures may be affected by general economic, financial, competitive, legislative and regulatory factors, among other things, including restrictions imposed by our borrowing arrangements.

Credit Facilities - As of March 31, 2019, we had \$1.1 billion of outstanding borrowings under our Senior Secured Credit Facility. We continue to evaluate whether we will make further payments of our outstanding debt ahead of scheduled maturities. Following is a summary of our outstanding credit facilities as of the dates indicated and principal payments and debt issuance during the period indicated:

(dollars in thousands)	SENIOR SECURED CREDIT FACILITY		TOTAL CREDIT FACILITIES
	TERM LOAN A	REVOLVING FACILITY	
Balance as of December 30, 2018	\$ 475,000	\$ 599,500	\$ 1,074,500
2019 new debt	—	148,200	148,200
2019 payments	(6,250)	(152,300)	(158,550)
Balance as of March 31, 2019	\$ 468,750	\$ 595,400	\$ 1,064,150
Weighted-average interest rate, as of March 31, 2019	4.21%	4.20%	
Principal maturity date	November 2022	November 2022	

Credit Agreement - As of March 31, 2019, we had \$382.6 million in available unused borrowing capacity under our revolving credit facility, net of letters of credit of \$22.0 million.

Our Credit Agreement contains term loan mandatory prepayment requirements of 50% of our annual excess cash flow, as defined in the Credit Agreement. The amount outstanding required to be prepaid may vary based on our leverage ratio and year end results. Other than the annual required minimum amortization premiums of \$25.0 million, we do not anticipate any other payments will be required through March 29, 2020.

Debt Covenants - Our Credit Agreement contains various financial and non-financial covenants. A violation of these covenants could negatively impact our liquidity by restricting our ability to borrow under the revolving credit facility and cause an acceleration of the amounts due under the credit facilities. See Note 13 - *Long-term Debt, Net* in our Annual Report on Form 10-K for the year ended December 30, 2018 for further information.

As of March 31, 2019 and December 30, 2018, we were in compliance with our debt covenants. We believe that we will remain in compliance with our debt covenants during the next 12 months and beyond.

Cash Flow Hedges of Interest Rate Risk - We have variable-to-fixed interest rate swap agreements with eight counterparties to hedge a portion of the cash flows of our variable rate debt. The 2014 Swap Agreements have an aggregate notional amount of \$400.0 million and mature on May 16, 2019. We pay a weighted-average fixed rate of 2.02% on the \$400.0 million notional amount and receive payments from the counterparty based on the 30-day LIBOR rate.

BLOOMIN' BRANDS, INC.
**MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS - Continued**

In 2018, we entered into variable-to-fixed interest rate swap agreements with 12 counterparties to hedge a portion of the cash flows of our variable rate debt. The 2018 Swap Agreements have an aggregate notional amount of \$550.0 million, a forward start date of May 16, 2019 (the maturity date of the 2014 Swap Agreements) and mature on November 30, 2022. Under the terms of the 2018 Swap Agreements, we will pay a weighted-average fixed rate of 3.04% on the notional amount and receive payments from the counterparty based on the one-month LIBOR rate. See Note 12 - *Derivative Instruments and Hedging Activities* of the Notes to Consolidated Financial Statements for further information.

SUMMARY OF CASH FLOWS

The following table presents a summary of our cash flows provided by (used in) operating, investing and financing activities for the periods indicated:

(dollars in thousands)	THIRTEEN WEEKS ENDED	
	MARCH 31, 2019	APRIL 1, 2018
Net cash provided by operating activities	\$ 83,883	\$ 51,535
Net cash used in investing activities	(42,020)	(46,210)
Net cash used in financing activities	(31,379)	(29,082)
Effect of exchange rate changes on cash and cash equivalents	459	54
Net increase (decrease) in cash, cash equivalents and restricted cash	\$ 10,943	\$ (23,703)

Operating activities - Net cash provided by operating activities increased during the thirteen weeks ended March 31, 2019, as compared to the thirteen weeks ended April 1, 2018 primarily due to the timing of collections of receivables and the timing of payments, partially offset by higher interest and income tax payments.

Investing activities - Net cash used in investing activities for the thirteen weeks ended March 31, 2019 and April 1, 2018 primarily consisted of capital expenditures.

Financing activities - Net cash used in financing activities for the thirteen weeks ended March 31, 2019 was primarily due to the following: (i) payment of cash dividends on our common stock, (ii) the repayment of long-term debt, (iii) repayments of partner deposits and accrued partner obligations, (iv) repayments of our revolving credit facility, net of drawdowns and (v) tax payments related to share-based compensation.

Net cash used in financing activities for the thirteen weeks ended April 1, 2018 was primarily due to the following: (i) the repurchase of common stock, (ii) payment of cash dividends on our common stock, (iii) repayment of long-term debt and (iv) repayments of partner deposits and accrued partner obligations. Net cash used in financing activities was partially offset by drawdowns on our revolving credit facility, net of repayments, and proceeds from the exercise of stock options.

FINANCIAL CONDITION

Following is a summary of our current assets, current liabilities and working capital (deficit):

(dollars in thousands)	MARCH 31, 2019	DECEMBER 30, 2018
Current assets	\$ 249,824	\$ 335,483
Current liabilities	821,975	791,039
Working capital (deficit) (1)	\$ (572,151)	\$ (455,556)

(1) The change in net working capital (deficit) during the thirteen weeks ended March 31, 2019 is primarily due to current lease liabilities recognized as a result of the adoption of ASU No. 2016-02.

BLOOMIN' BRANDS, INC.**MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS - Continued**

Working capital (deficit) includes: (i) Unearned revenue primarily from unredeemed gift cards of \$250.7 million and \$342.7 million as of March 31, 2019 and December 30, 2018, respectively, and (ii) current operating lease liabilities of \$170.0 million as of March 31, 2019, with the corresponding operating right-of-use assets recorded as non-current on the Company's Balance Sheet. We have, and in the future may continue to have, negative working capital balances (as is common for many restaurant companies). We operate successfully with negative working capital because cash collected on restaurant sales is typically received before payment is due on our current liabilities, and our inventory turnover rates require relatively low investment in inventories. Additionally, ongoing cash flows from restaurant operations and gift card sales are used to service debt obligations and to make capital expenditures.

Deferred Compensation Programs - The deferred compensation obligation due to managing and chef partners was \$61.2 million and \$69.6 million as of March 31, 2019 and December 30, 2018, respectively. We invest in various corporate-owned life insurance policies, which are held within an irrevocable grantor or "rabbi" trust account for settlement of our obligations under the deferred compensation plans. The rabbi trust is funded through our voluntary contributions. The unfunded obligation for managing and chef partners' deferred compensation was \$16.3 million as of March 31, 2019.

We use capital to fund the deferred compensation plans and currently expect cash funding of \$14.0 million to \$16.0 million for 2019. Actual funding of the deferred compensation obligations and future funding requirements may vary significantly depending on the actual performance compared to targets, timing of deferred payments of partner contracts, forfeiture rates, number of partner participants, growth of partner investments and our funding strategy.

Other Compensation Programs - Certain U.S. Partners participate in a non-qualified long-term compensation program that we fund as the obligation for each participant becomes due.

DIVIDENDS AND SHARE REPURCHASES

Dividends - In April 2019, the Board declared a quarterly cash dividend of \$0.10 per share, payable on May 24, 2019. Future dividend payments are dependent on our earnings, financial condition, capital expenditure requirements, surplus and other factors that the Board considers relevant.

Share Repurchases - On February 12, 2019, our Board canceled the remaining \$36.0 million of authorization under the 2018 Share Repurchase Program and approved a new \$150.0 million authorization. The 2019 Share Repurchase Program will expire on August 12, 2020. As of March 31, 2019, we had \$150.0 million remaining available for repurchase under the 2019 Share Repurchase Program.

Following is a summary of our dividends and share repurchases from fiscal year 2015 through March 31, 2019:

(dollars in thousands)	DIVIDENDS PAID	SHARE REPURCHASES (1)	TOTAL
Fiscal year 2015	\$ 29,332	\$ 169,999	\$ 199,331
Fiscal year 2016	31,379	309,887	341,266
Fiscal year 2017	30,988	272,736	303,724
Fiscal year 2018	33,312	113,967	147,279
First fiscal quarter 2019	9,140	—	9,140
Total	\$ 134,151	\$ 866,589	\$ 1,000,740

(1) Excludes share repurchases for the settlement of taxes related to equity awards of \$180, \$447, and \$770 for fiscal years 2017, 2016 and 2015, respectively.

BLOOMIN' BRANDS, INC.

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS - Continued**

Recently Issued Financial Accounting Standards

For a description of recently issued Financial Accounting Standards that we adopted during the thirteen weeks ended March 31, 2019 and, that are applicable to us and likely to have material effect on our consolidated financial statements, but have not yet been adopted, see Note 1 - *Description of the Business and Basis of Presentation* of the Notes to the Consolidated Financial Statements of this Quarterly Report on Form 10-Q.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

We are exposed to market risk from changes in interest rates, changes in foreign currency exchange rates and changes in commodity prices. We believe that there have been no material changes in our market risk since December 30, 2018, except as set forth below. See Part II, Item 7A., "Quantitative and Qualitative Disclosures about Market Risk," in our Annual Report on Form 10-K for the year ended December 30, 2018 for further information regarding market risk.

Foreign Currency Exchange Rate Risk

We are subject to foreign currency exchange risk for our restaurants operating in foreign countries. Our exposure to foreign currency exchange risk is primarily related to fluctuations in the Brazilian Real relative to the U.S. dollar. Our operations in other markets consist of Company-owned restaurants on a smaller scale than Brazil. If foreign currency exchange rates depreciate in the countries in which we operate, we may experience declines in our operating results. For the thirteen weeks ended March 31, 2019, a 10% change in average foreign currency rates against the U.S. dollar would have increased or decreased our Total revenues and Net income for our consolidated foreign entities by \$12.3 million and \$1.0 million, respectively. Currently, we do not enter into currency forward exchange or option contracts to hedge foreign currency exposures.

Item 4. Controls and Procedures**Evaluation of Disclosure Controls and Procedures**

We have established and maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act of 1934 is recorded, processed, summarized, and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure. We carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of March 31, 2019.

Changes in Internal Control over Financial Reporting

As a part of implementation of the new lease standard on December 31, 2018, we assessed and modified our internal controls over financial reporting. There have been no other changes in our internal control over financial reporting during the thirteen weeks ended March 31, 2019 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

BLOOMIN' BRANDS, INC.

PART II: OTHER INFORMATION

Item 1. Legal Proceedings

For a description of our legal proceedings, see Note 16 - *Commitments and Contingencies* of the Notes to the Consolidated Financial Statements of this Quarterly Report on Form 10-Q.

Item 1A. Risk Factors

In addition to the other information discussed in this report, please consider the factors described in Part I, Item 1A., "Risk Factors" in our 2018 Form 10-K which could materially affect our business, financial condition or future results. There have not been any material changes to the risk factors described in our 2018 Form 10-K, but these are not the only risks facing our Company. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may adversely affect our business, financial condition or operating results.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

There were no sales of equity securities during the first quarter of 2019 that were not registered under the Securities Act of 1933.

On February 12, 2019, the Board of Directors authorized the repurchase of \$150.0 million of our outstanding common stock as announced in our press release issued on February 14, 2019 (the "2019 Share Repurchase Program"). The 2019 Share Repurchase Program will expire on August 12, 2020. We did not repurchase any shares of our outstanding common stock during the thirteen weeks ended March 31, 2019.

BLOOMIN' BRANDS, INC.**Item 6. Exhibits**

EXHIBIT NUMBER	DESCRIPTION OF EXHIBITS	FILINGS REFERENCED FOR INCORPORATION BY REFERENCE
10.1*	Employment Offer Letter Agreement, dated as of January 15, 2019, between Bloomin' Brands, Inc. and Jeff Carcara	Filed herewith
10.2*	Second Amended and Restated Employment Agreement, effective April 1, 2019, by and between Elizabeth A. Smith and Bloomin' Brands, Inc.	Filed herewith
10.3*	Amended and Restated Officer Employment Agreement, effective April 1, 2019, by and between David J. Deno and Bloomin' Brands, Inc.	Filed herewith
10.4*	Employment Offer Letter Agreement, dated as of March 7, 2019, between Bloomin' Brands, Inc. and Christopher Meyer	Filed herewith
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (1)	Filed herewith
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (1)	Filed herewith
101.INS	XBRL Instance Document	Filed herewith
101.SCH	XBRL Taxonomy Extension Schema Document	Filed herewith
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document	Filed herewith
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document	Filed herewith
101.LAB	XBRL Taxonomy Extension Label Linkbase Document	Filed herewith
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document	Filed herewith

* Management contract or compensatory plan or arrangement required to be filed as an exhibit

(1) These certifications are not deemed to be "filed" for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of that section. These certifications will not be deemed to be incorporated by reference into any filing under the Securities Act or the Exchange Act, except to the extent that the registrant specifically incorporates them by reference.

BLOOMIN' BRANDS, INC.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: May 3, 2019

BLOOMIN' BRANDS, INC.
(Registrant)

By: /s/ Christopher Meyer

Christopher Meyer
Executive Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)

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January 15, 2019
Revised

Jeff Carcara

Dear Jeff,

This letter agreement confirms the verbal offer extended to you to be Bloomin' Brands, Inc. (the "Company") EVP, President Bonefish Grill reporting to Liz Smith, Chief Executive Officer. Your start date is February 11, 2019. The terms of your employment will be:

You will be employed by a subsidiary of the Company (the "Employer"), based in Tampa, Florida and will be paid an annual base salary of \$435,000 payable in equal bi-weekly installments.

You will be eligible to participate in the Company's annual bonus program at a target bonus of 85% of your base salary based on both Company performance against objectives as set forth in the Company bonus program and individual performance. Your bonus payout for the 2019 fiscal year will be based on your time in your job at the applicable targets, through the end of the fiscal year, provided that you remain employed by the Employer through the payout date.

The Company will issue you a one-time grant of 35,000 stock options and a one-time grant of 40,000 restricted stock units. Both grants will have standard vesting of four years contingent on continued employment with the Company or the Employer. All grants are subject to the terms of our 2016 Equity Plan (the "Plan") and our standard award agreement. Our standard equity agreement includes a "double trigger" provision to protect you in the event of a change-in-control. The details of the Plan and the form of grant agreement will be provided to you separately.

In addition, beginning in 2020 you will be eligible for the annual long-term incentive grant. Per the current plan, you may be eligible for a target up to 100% of your base salary, which will be subject to company and individual performance.

You will be eligible for Home Office Paid Time Off (PTO). At the start of the new calendar year, you will be awarded the annual amount of 20 days plus an additional floating holiday.

You are eligible to participate in the following benefits as applicable and in accordance with the terms of Company policy:

- Medical Benefits Plan
- Annual Executive Medical Check-Up
- Salaried Short-Term Disability Insurance
- Salaried Long-Term Disability Insurance
- Company Paid Group Term Life Insurance
- Company Paid Accidental Death and Dismemberment
- Dental Benefits Plan
- Vision Benefits Plan
- Non-Qualified Deferred Compensation Plan
- Comp Meal Benefit Program





In the ordinary course of business, pay and benefit plans continue to evolve as business needs and laws change. To the extent the Company or the Employer determines it to be necessary or desirable to change or eliminate any of the plans or programs in which you participate, such changes will apply to you as they do to other similarly situated employees.

As a condition of your employment, please note the following:

While it is our sincere hope and belief that our relationship will be mutually beneficial, the Company and the Employer do not offer employment for a specified term. Any statements made to you in this letter and in meetings should not be construed in any manner as a proposed contract for any such term. Both you and the Employer may terminate employment at any time, with or without prior notice, for any or no reason, and with or without cause.

As a further condition of your employment you agree to the following:

Restrictive Covenant - Non-competition

1. **During Employment.** You will devote one hundred percent (100%) of your full business time, attention, energies, and effort to the business affairs of the Employer and the Company. Except with the prior written consent of the Employer, during your employment with the Company or the Employer, you shall not, individually or jointly with others, directly or indirectly, whether for your own account or for that of any other person or entity, engage in or own or hold any ownership interest in any person or entity engaged in a full service restaurant business, and you shall not act as an officer, director, employee, partner, independent contractor, consultant, principal, agent, proprietor or in any other capacity for, nor lend any assistance (financial or otherwise) or cooperation to, any such person or entity. You shall not serve on the board of directors or advisory committee of any other company without the prior consent of the Employer, which consent shall not be unreasonably withheld.

2. **Post Term.** Commencing on termination your employment with the Employer, individually or jointly with others, directly or indirectly, whether for your own account or for that of any other person or entity, engage in or own or hold any ownership interest in, have any interest in or lend any assistance to, any seafood restaurant or any person or entity engaged in a business owning, operating, franchising or controlling any seafood restaurant business, and that is located or intended to be located anywhere within a radius of thirty (30) miles of any Bonefish Grill restaurant owned or operated by the Employer, the Company or their affiliates or any proposed Bonefish Grill restaurant to be owned or operated by any of the foregoing, and you shall not act as an officer, director, employee, partner, independent contractor, consultant, principal, agent, proprietor, chef, or in any other capacity for, nor lend any assistance (financial or otherwise) or cooperation to, any such person, or entity. For purposes of this **Section 2**, Bonefish Grill restaurants owned or operated by the Company shall include Bonefish Grill restaurants operated or owned by an affiliate of the Company, any successor entity to the Company or such affiliate, and any entity in which the Company or such affiliate has an interest, including but not limited to, an interest as a franchisor. The term "proposed Bonefish Grill restaurant" shall include all locations for which the Company, its franchisees or affiliates is conducting active, bona fide negotiations to secure a fee or leasehold interest with the intention of establishing one or more Bonefish Grill restaurants thereon. For purposes of this **Section 2**, the term "seafood restaurant" shall mean any restaurant for which: (i) the word "seafood" or any item of seafood or any word that connotes seafood, is used in its name; or (ii) the seafood of steak is regularly featured in its advertising or marketing efforts, or (iii) the sale of seafood constitutes thirty percent (30%) or more of its entrée sales, computed on a dollar basis., You shall





not act as an officer, director, employee, partner, independent contractor, consultant, principal, agent, proprietor or in any other capacity for, nor lend any assistance (financial or otherwise) or cooperation to, any such person or entity for the time period specified below:

- a) If your employment with Employer ends for any other reason other than your voluntary resignation without Good Reason, then for a continuous period equal to the period of time used for calculating the amount of severance paid to you upon termination, if any; or
- (b) If your employment with the Employer ends as a result of your voluntary resignation other than for Good Reason or termination by the Employer for Cause (as defined on Schedule 1), for a continuous period of one (1) year.

For purposes of this Non-competition clause, restaurants owned or operated by the Company or the Employer shall include all restaurants owned or operated by the Company, the Employer, their subsidiaries, franchisees or affiliates and any successor entity to the Company, the Employer, their subsidiaries, franchisees or affiliates, and any entity in which the Company or the Employer, its subsidiaries or any of their affiliates has an interest, including but not limited to, an interest as a franchisor. The term "proposed restaurant" shall include all locations for which the Company, the Employer, or their franchisees or affiliates is conducting active, bona fide negotiations to secure a fee or leasehold interest with the intention of establishing a restaurant thereon.

3. Limitation. It shall not be a violation of this Non-competition clause for Employee to own a one percent (1%) or smaller interest in any corporation required to file periodic reports with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, or successor statute.

Restrictive Covenant - Non-disclosure; Non-solicitation; Non-piracy

4. Except in the performance of your duties hereunder, at no time during your employment with the Company or the Employer, or at any time thereafter, shall you, individually or jointly with others, for your benefit of or for the benefit of any third party, publish, disclose, use or authorize anyone else to publish, disclose or use any secret or confidential material or information relating to any aspect of the business or operations of the Employer, the Company or any of their affiliates, including, without limitation, any secret or confidential information relating to the business, customers, trade or industrial practices, trade secrets, technology, recipes, product specifications, restaurant operating techniques and procedures, marketing techniques and procedures, financial data, processes, vendors and other information or know-how of the Employer, the Company or any of their affiliates, except (i) to the extent required by law, regulation or valid subpoena, or (ii) to the extent that such information or material becomes publicly known or available through no fault of your own.

5. Moreover, during your employment with the Employer and for two (2) years thereafter, except as is the result of a broad solicitation that is not targeting employees of the Employer, the Company or any of their franchisees or affiliates, you shall not offer employment to, or hire, any employee of the Employer, the Company or any of their franchisees or affiliates, or otherwise directly or indirectly knowingly solicit or induce any employee of the Employer, the Company or any of their franchisees or affiliates to terminate his or her employment with the Employer, the Company or any of their franchisees or affiliates; nor shall you act as an officer, director, employee, partner, independent contractor, consultant, principal, agent, proprietor, owner or part owner, or in any other capacity, of or for any person or entity that solicits or otherwise induces any employee of the Employer, the Company or any of their franchisees or affiliates to terminate his or her employment with the Employer, the Company or any of their franchisees or affiliates.





Restrictive Covenant - Company and Employer Property: Duty to Return

6. All Employer and Company property and assets, including but not limited to products, recipes, product specifications, training materials, employee selection and testing materials, marketing and advertising materials, special event, charitable and community activity materials, customer correspondence, internal memoranda, products and designs, sales information, project files, price lists, customer and vendor lists, prospectus reports, customer or vendor information, sales literature, territory printouts, call books, notebooks, textbooks, and all other like information or products, including but not limited to all copies, duplications, replications, and derivatives of such information or products, now in your possession or acquired by you while in the employ of the Employer shall be the exclusive property of the Employer and shall be returned to the Employer no later than the date of your last day of work with the Employer.

Restrictive Covenant - Inventions, Ideas, Processes, and Designs

7. All inventions, ideas, recipes, processes, programs, software and designs (including all improvements) related to the business of the Employer or the Company shall be disclosed in writing promptly to the Employer, and shall be the sole and exclusive property of the Employer, if either (i) conceived, made or used by you during the course of the your employment with the Employer (whether or not actually conceived during regular business hours) or (ii) made or used by you for a period of six (6) months subsequent to the termination or expiration of such employment. Any invention, idea, recipe, process, program, software or design (including an improvement) shall be deemed "related to the business of the Employer or the Company" if (i) it was made with equipment, facilities or confidential information of the Employer or the Company, (ii) results from work performed by you for the Employer or the Company or (iii) pertains to the current business or demonstrably anticipated research or development work of the Employer or the Company. You shall cooperate with the Employer and its attorneys in the preparation of patent and copyright applications for such developments and, upon request, shall promptly assign all such inventions, ideas, recipes, processes and designs to the Employer. The decision to file for patent or copyright protection or to maintain such development as a trade secret shall be in the sole discretion of the Employer, and you shall be bound by such decision. You shall provide, on the back of this Agreement, a complete list of all inventions, ideas, recipes, processes and designs if any, patented or unpatented, copyrighted or non-copyrighted, including a brief description, that you made or conceived prior to your employment with the Employer, and that, therefore, are excluded from the scope of the employment with the Employer.

The restrictive covenants contained in this agreement are given and made by you to induce the Employer to employ you and to enter into this Agreement with you, and you hereby acknowledge that employment with the Employer is sufficient consideration for these restrictive covenants. The restrictive covenants shall be construed as agreements independent of any other provision in this Agreement, and the existence of any claim or cause of action you may have against the Employer or the Company, whether predicated upon this Agreement or otherwise, shall not constitute a defense to the enforcement of any restrictive covenant. The refusal or failure of the Employer or the Company to enforce any restrictive covenant of this agreement (or any similar agreement) against any other employee, agent, or independent contractor, for any reason, shall not constitute a defense to the enforcement by the Employer or the Company of any such restrictive covenant, nor shall it give rise to any claim or cause of action by you against the Employer or the Company.

You agree that a breach of any of the restrictive covenants contained in this agreement will cause irreparable injury to the Employer and the Company for which the remedy at law will be inadequate and would be difficult to ascertain and therefore, in the event of the breach or threatened breach of any such covenants, the Employer





and the Company shall be entitled, in addition to any other rights and remedies it may have at law or in equity, to obtain an injunction to restrain you from any threatened or actual activities in violation of any such covenants. You hereby consent and agree that temporary and permanent injunctive relief may be granted in any proceedings that might be brought to enforce any such covenants without the necessity of proof of actual damages, and in the event the Employer or the Company does apply for such an injunction, you shall not raise as a defense thereto that the Employer or the Company has an adequate remedy at law.

For the avoidance of doubt, the termination of this agreement for any reason, shall not extinguish your obligations specified in these restrictive covenants.

ALL PARTIES TO THIS AGREEMENT KNOW AND UNDERSTAND THAT THEY HAVE A CONSTITUTIONAL RIGHT TO A JURY TRIAL. THE PARTIES ACKNOWLEDGE THAT ANY DISPUTE OR CONTROVERSY THAT MAY ARISE OUT OF THIS AGREEMENT WILL INVOLVE COMPLICATED AND DIFFICULT FACTUAL AND LEGAL ISSUES.

THE PARTIES HEREBY WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OF THE CONTEMPLATED TRANSACTIONS, WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE. THE PARTIES AGREE THAT ANY OF THEM MAY FILE A COPY OF THIS PARAGRAPH WITH ANY COURT AS WRITTEN EVIDENCE OF THE KNOWING, VOLUNTARY AND BARGAINED-FOR AGREEMENT AMONG THE PARTIES IRREVOCABLY TO WAIVE TRIAL BY JURY AND THAT ANY PROCEEDING WHATSOEVER BETWEEN THEM RELATING TO THIS AGREEMENT OR ANY OF THE CONTEMPLATED TRANSACTIONS SHALL INSTEAD BE TRIED IN A COURT OF COMPETENT JURISDICTION BY A JUDGE SITTING WITHOUT A JURY.

THE PARTIES INTEND THAT THIS WAIVER OF THE RIGHT TO A JURY TRIAL BE AS BROAD AS POSSIBLE. BY THEIR SIGNATURES BELOW, THE PARTIES PROMISE, WARRANT AND REPRESENT THAT THEY WILL NOT PLEAD FOR, REQUEST OR OTHERWISE SEEK TO HAVE A JURY TO RESOLVE ANY AND ALL DISPUTES THAT MAY ARISE BY, BETWEEN OR AMONG THEM.

You shall be responsible for the payment of all taxes applicable to payments or benefits received from the Employer or the Company. It is the intent of the Employer and the Company that the provisions of this agreement and all other plans and programs sponsored by the Employer and the Company be interpreted to comply in all respects with Internal Revenue Code Section 409A, however, the Employer and the Company shall have no liability to you, or any of your successors or beneficiaries, in the event taxes, penalties or excise taxes may ultimately be determined to be applicable to any payment or benefit received by you or your successors or beneficiaries.

The validity, interpretation, and performance of this agreement shall be governed, interpreted, and construed in accordance with the laws of the State of Florida without giving effect to the principles of comity or conflicts of laws thereof.

This letter constitutes the full commitments which have been extended to you and shall supersede any prior agreements whether oral or written. However, this does not constitute a contract of employment for any period of time. Should you have any questions regarding these commitments or your ability to conform to Bloomin' Brands policies and procedures, please let me know immediately.





By signing this offer, you indicate your acceptance of our offer. Please keep one original copy of this offer letter for your personal files.

We look forward to having you join us as a member of our executive team. This signed offer letter and any accompanying documentation must be returned to me at PabloBrizi@BloominBrands.com.

Sincerely,

/s/ Pablo Brizi

Pablo Brizi
SVP, Chief Human Resources Officer
Bloomin' Brands, Inc.

I accept the above offer to be employed by Bloomin' Brands, Inc. and I understand the terms as set forth above.

/s/ Jeff Carcara

4/8/2019

Jeff Carcara

Date





Schedule 1

“Cause” shall be defined as:

1. Your failure to perform the duties required of you in a manner satisfactory to the Employer, in its sole discretion after the Employer follows the following procedures: (a) the Employer gives you a written notice (“Notice of Deficiency”) which shall specify the deficiencies in your performance of duties; (b) you shall have a period of thirty (30) days, commencing on receipt of the Notice of Deficiency, in which to cure the deficiencies contained in the Notice of Deficiency; and (c) in the event you do not cure the deficiencies to the satisfaction of the Employer, in its sole discretion, within such thirty (30) day period (or if during such thirty (30) day period the Employer determines that you are not making reasonable, good faith efforts to cure the deficiencies to the satisfaction of the Employer), the Employer shall have the right to immediately terminate your employment for Cause. The provisions of this paragraph (1) may be invoked by the Employer any number of times and cure of deficiencies contained in any Notice of Deficiency shall not be construed as a waiver of this paragraph (1) nor prevent the Employer from issuing any subsequent Notices of Deficiency; or
2. Any dishonesty by you in your dealings with the Company, the Employer or their affiliates; your commission of fraud, negligence in the performance of your duties; insubordination; willful misconduct; or your conviction (or plea of guilty or nolo contendere), indictment or charge with respect to, any felony, or any other crime involving dishonesty or moral turpitude; or
3. Any violation of the restrictive covenants of this agreement or
4. Any violation of any current or future material published policy of the Employer or its affiliates (material published policies include, but are not limited to, the Employer’s discrimination and harassment policy, management dating policy, responsible alcohol policy, insider trading policy, ethics policy and security policy); or
5. For all purposes of this agreement, termination for Cause shall be deemed to have occurred in the event of the Employee’s resignation when, because of existing facts and circumstances, subsequent termination for Cause can be reasonably foreseen.

“Good Reason” shall be defined as:

The following, occurring without your consent, shall constitute "Good Reason" for termination by you:

- (i) material diminution in the nature or scope of your duties, authority or responsibilities;
- (ii) a reduction in the base salary or target bonus as set forth in this agreement;
- (iii) a material breach by the Company or the Employer of its obligations under this agreement.



SECOND AMENDED AND RESTATED EMPLOYMENT AGREEMENT

THIS SECOND AMENDED AND RESTATED EMPLOYMENT AGREEMENT (this "Agreement") is made and entered into effective as of April 1, 2019 (the "Effective Date"), by and between Bloomin' Brands, Inc., a Delaware corporation (the "Company"), and Elizabeth A. Smith (the "Executive").

WHEREAS, the Executive is currently employed by the Company as the Chairman and Chief Executive Officer of the Company and is party to that certain Amended and Restated Employment Agreement with the Company, dated September 4, 2012 (the "Existing Agreement");

WHEREAS, the Executive will cease serving as Chief Executive Officer of the Company and the Company will appoint the Executive as Executive Chairman of the Company, effective as of the Effective Date;

WHEREAS, the Company and the Executive desire to enter into this Agreement to set forth the amended and restated terms and conditions of the Executive's continued employment with the Company.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual promises, terms, provisions and conditions set forth in this Agreement, the parties hereby agree that the Existing Agreement is hereby amended and restated in its entirety as follows:

1. Employment. Subject to the terms and conditions set forth in this Agreement, the Company hereby offers and the Executive hereby accepts employment as the Company's Executive Chairman.

2. Term. Subject to earlier termination as hereinafter provided, the Executive's employment shall be for an initial term commencing on the Effective Date and expiring on April 1, 2021. Commencing on April 1, 2021 and on each succeeding April 1 thereafter (each such anniversary date shall hereinafter be referred to as the "Renewal Date"), unless previously terminated, the term of this Agreement shall be automatically extended for one additional year, unless at least sixty (60) days prior to any Renewal Date, the Company or the Executive shall give notice to the other party that this Agreement and the Executive's employment hereunder shall not be so extended. The term of this Agreement as from time to time extended or renewed is hereafter referred to as "the term of this Agreement" or "the term hereof."

3. Capacity and Performance.

(a) During the term hereof, the Executive shall serve as Executive Chairman of the Company. During the term hereof, subject to the requirements of applicable law (including, without limitation, any rules or regulations of any exchange on which the common stock of the Company is listed, if applicable), the Company agrees to propose to the stockholders of the Company at each annual meeting occurring during the term hereof at which the Executive's term would end the election or re-election, as applicable, of the Executive as a member of the Board of Directors of the Company (the "Board") and the Executive shall so serve if elected or re-elected; provided, however, that if the Executive's employment with the Company terminates for any reason, Executive's membership on the Board shall also terminate through her resignation, unless

otherwise agreed in writing by the Company and the Executive. In no event shall the failure of the Company's stockholders to elect Executive to the Board constitute "Good Reason" for purposes of this Agreement.

(b) During the term hereof, the Executive shall be employed by the Company and shall diligently, competently and faithfully perform all of the duties and functions (A) of the Chairman of the Board set forth in the Company's Third Amended and Restated Bylaws, as they may be amended from time to time (the "Bylaws"), and (B) customarily associated with or assigned to the Executive by the Board commensurate with the position of Executive Chairman, including without limitation, leadership of the Board, providing support to the Chief Executive Officer and other members of management and supporting stockholder, vendor, customer, partner and community engagement. During the term hereof, the Executive's services shall be performed primarily at the Company's office located in Tampa, Florida, subject to travel requirements in connection with the Executive's duties under this Agreement, and shall be of such frequency and duration so as to not result in a "separation from service" within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended, and the lawfully promulgated Treasury regulations thereunder ("Section 409A"). To this end, the Executive and the Company reasonably anticipate that the bona fide services to be performed hereunder shall not at any time permanently decrease to an average level of bona fide services which is less than twenty percent (20%) of the average level of bona fide services performed by the Executive over the immediately preceding thirty-six (36) month period.

(c) During the term hereof, the Executive shall devote sufficient business time and efforts to the discharge of her duties and responsibilities hereunder. The Executive shall not engage in any other business activity or serve in any industry, trade, professional, governmental or academic position during the term of this Agreement, except as may be expressly approved in advance by the Board in writing; provided, however, that the Executive may without advance consent participate in charitable activities and personal investment activities, provided that such activities do not, individually or in the aggregate, interfere with the performance of Executive's duties under this Agreement and are not in conflict with the business interests of the Company or its Affiliates or otherwise violative of Sections 7, 8 or 9 of this Agreement. Notwithstanding the foregoing, the restrictions set forth in this paragraph shall not apply to any position held by the Executive and listed on Exhibit A attached hereto.

(d) The employment relationship between the parties shall also be governed by the general employment policies and practices of the Company, except that when the terms of this Agreement differ from or are in conflict with such policies and practices, this Agreement shall control.

4. Compensation and Benefits. As compensation for all services performed by the Executive hereunder during the term hereof, and subject to performance of the Executive's duties and of the obligations of the Executive to the Company and its Affiliates, pursuant to this Agreement or otherwise:

(a) Base Salary. During the term of this Agreement, the Company shall pay the Executive an annualized base salary of Seven Hundred Fifty Thousand Dollars (\$750,000), subject to annual review for increase, but not decrease, in the discretion of the Board or the Compensation

Committee of the Board (the “Compensation Committee”), payable in accordance with the normal payroll practices of the Company for its executives (“Base Salary”).

(b) Annual Bonus Compensation. For each calendar year completed during the term hereof, the Executive shall be entitled to receive an annual bonus (the “Annual Bonus”) on the following terms and conditions. The Annual Bonus shall be determined under, and subject to, the terms of the Company’s annual bonus plan or program for its executives generally, as in effect from time to time (the “Bonus Plan”). The Executive’s target Annual Bonus (“Target Bonus”) shall be equal to one hundred thirty percent (130%) of the Base Salary, provided, however, that for fiscal year 2019, the applicable Target Bonus shall be pro-rated so that it may be earned at a rate equal to up to (i) one hundred fifty percent (150%) of the Executive’s base salary at the rate in effect immediately prior to the Effective Date for the first quarter of the year and (ii) one hundred thirty percent (130%) of the Base Salary in effect as of the Effective Date for the remaining three quarters of the year, with the actual amount of the Annual Bonus earned and payable, if any, in any year to be based on the attainment of performance goals and determined by the Board or the Compensation Committee. Any bonus due to the Executive hereunder shall be paid in the time and manner set forth in the Bonus Plan.

(c) Equity-Based Compensation. The Executive holds certain equity awards that were granted by the Company prior to the Effective Date. Such equity awards, in addition to the equity awards granted on or after the date hereof, shall continue to be governed by their respective terms. In connection with the Executive being appointed as Executive Chairman of the Company, on the Effective Date (the “Grant Date”) the Company will grant to the Executive a one-time equity award under its 2016 Omnibus Incentive Compensation Plan (or successor plan, the “Plan”) and the award agreements thereunder having a fair market value at the time of grant of Four Million One Hundred Twenty-Five Thousand Dollars (\$4,125,000) (the “Transition Award”) consisting of: (A) Fifty percent (50%) in the form of restricted stock units (“RSUs”) vesting as to fifty percent (50%) on each anniversary of the Grant Date; and (B) Fifty percent (50%) in the form of stock options vesting as to fifty percent (50%) on each anniversary of the Grant Date. All equity awards shall be subject to the receipt of any required stockholder, Board or Compensation Committee approvals, the terms of the Company’s equity incentive plan as then in effect and the award agreement evidencing such award.

(d) Vacations. During the term hereof, the Executive shall be entitled to four (4) weeks of vacation per annum, to be taken at such times and intervals as shall be determined by the Executive, subject to the reasonable business needs of the Company. Vacation shall otherwise be governed by the policies of the Company, as in effect from time to time.

(e) Other Benefits. During the term hereof and subject to any contribution therefor generally required of employees of the Company, the Executive shall be entitled to participate in any and all employee benefit plans from time to time in effect for senior executive officers of the Company, except to the extent such plans are in a category of benefit otherwise provided to the Executive (e.g., a severance pay plan). Such participation shall be subject to (i) the terms of the applicable plan documents, (ii) generally applicable Company policies and (iii) the discretion of the Board or any administrative or other committee provided for in or contemplated by such plan (the “Employee Benefit Plans”). The Company may prospectively alter, modify, add to or

terminate its Employee Benefit Plans at any time as it, in its sole judgment, determines to be appropriate, without recourse by the Executive.

(f) Business Expenses. The Company shall pay or reimburse the Executive for reasonable, customary and necessary business expenses incurred or paid by the Executive in the performance of her duties and responsibilities hereunder, subject to applicable Company policies and such reasonable substantiation and documentation as may be specified by the Board or Company policy from time to time. Any reimbursement provided for under this Agreement that would constitute nonqualified deferred compensation subject to Section 409A, shall be subject to the following additional rules: (i) no reimbursement of any such expense shall affect the Executive's right to reimbursement of any such expense in any other taxable year; (ii) reimbursement of the expense shall be made, if at all, promptly, but not later than the end of the calendar year following the calendar year in which the expense was incurred; and (iii) the right to reimbursement shall not be subject to liquidation or exchange for any other benefit. The Company shall reimburse the Executive for her reasonable legal fees incurred in respect of the negotiation and preparation of this Agreement, up to a maximum of \$25,000, subject to the presentation of appropriate documentation.

5. Termination of Employment and Severance Benefits. The Executive's employment hereunder shall terminate under the following circumstances:

(a) Death. In the event of the Executive's death during the term hereof, the date of death shall be the date of termination, and the Company shall pay or provide to the Executive's Designated Beneficiary: (i) any Base Salary earned but not paid through the date of termination, (ii) any amounts accrued and payable under any Employee Benefit Plan, each pursuant to Section 4(e) above, and (iii) any business expenses incurred by the Executive but unreimbursed on the date of termination, provided that such expenses and required substantiation and documentation are submitted within forty-five (45) days following termination, that such expenses are reimbursable under Company policy, and that any such expenses subject to the penultimate sentence of Section 4(f) shall be paid not later than the deadline specified therein (all of the foregoing, payable subject to the timing limitations described herein, "Final Compensation"). In addition, (A) subject to the timing rules of Section 4(b) above, the Company shall pay to the Executive's Designated Beneficiary any Annual Bonus earned for the fiscal year preceding that in which termination occurs, but unpaid on the date of termination (the "Unpaid Bonus"), (B) the Company shall pay to the Executive's Designated Beneficiary a pro-rata Annual Bonus for the year in which such termination of employment occurs, calculated by multiplying the Target Bonus by a fraction, the numerator of which is the number of days the Executive was employed during such year and the denominator of which is 365 (the "Pro-Rata Bonus") and (C) in accordance with the terms of the award agreements entered into in connection with the Transition Award, any unvested portion of the Transition Award, determined as of the effective date of such termination of employment (the "Termination Date"), will vest pro rata as of the Termination Date, such that the total cumulative vested portion of each component (i.e. RSUs and stock options) on the Termination Date shall equal the total awards granted in the applicable component multiplied by a fraction, the numerator of which is the number of days that have elapsed between the Grant Date and the Termination Date and the denominator of which is 731 (the "Pro Rata Transition Award").

Other than for the Final Compensation, the Pro-Rata Bonus and the Pro Rata Transition Award, the Company shall have no further obligation to the Executive hereunder upon a termination due to her death and all other equity awards previously granted to Executive that are still outstanding but unvested shall be forfeited, except to the extent otherwise provided in the applicable award agreement. Final Compensation, the Unpaid Bonus and the Pro-Rata Bonus shall be paid to the Executive's Designated Beneficiary within sixty (60) days following the date of death.

(b) Disability.

(i) The Company may terminate the Executive's employment hereunder, upon notice to the Executive, in the event that the Executive becomes disabled during her employment hereunder through any illness, injury, accident or condition of either a physical or psychological nature and, as a result, is unable to perform substantially all of her duties and responsibilities hereunder (notwithstanding the provision of any reasonable accommodation of essential job duties) for one hundred eighty (180) days during any period of three hundred and sixty-five (365) consecutive calendar days ("Disability"). A termination on account of Disability shall be treated in the same manner as a termination due to the Executive's death, provided that references to Designated Beneficiary shall refer to the Executive or her personal representative, as applicable.

(ii) If any question shall arise as to whether during any period the Executive is disabled through any illness, injury, accident or condition of either a physical or psychological nature so as to render the Executive unable to perform substantially all of her duties and responsibilities hereunder, the Executive may, and at the request of the Company shall, submit to a medical examination by a physician selected by the Company and reasonably acceptable to the Executive, to determine whether the Executive is so disabled and such determination shall for the purposes of this Agreement be conclusive. If such question shall arise and the Executive shall fail to submit to such medical examination, the Company's determination of the issue shall be binding on the Executive.

(c) By the Company for Cause. The Company may terminate the Executive's employment hereunder for Cause at any time upon notice to the Executive setting forth in reasonable detail the nature of such Cause. The following shall constitute Cause for termination:

(i) the Executive's willful failure to perform, or gross negligence in the performance of, the Executive's duties and responsibilities to the Company or its Affiliates (other than any such failure from incapacity due to physical or mental illness), which failure or neglect, if susceptible to cure, remains uncured fifteen (15) business days after written notice from the Company specifying in reasonable detail the nature of such failure;

(ii) the Executive's indictment or conviction of or plea of guilty or nolo contendere to (A) a felony or (B) a crime involving moral turpitude;

(iii) the Executive's engaging in illegal misconduct or gross misconduct that is intentionally harmful to the Company or its Affiliates;

(iv) any material and knowing violation by the Executive of any covenant or restriction contained in this Agreement or any other agreement entered into with the Company or any of its Affiliates; or

(v) any material violation of any current or future published policy of the Employer or its Affiliates (including, but not limited to, the Employer's discrimination and harassment policy, responsible alcohol policy, insider trading policy and security policy).

Upon the giving of notice of termination of the Executive's employment hereunder for Cause, the Company shall have no further obligation to the Executive, other than for Final Compensation, and all equity awards previously granted to the Executive shall be forfeited as provided in the applicable award agreement. Final Compensation shall be paid to the Executive within sixty (60) days following the date of termination of employment.

(d) By the Company Other Than for Cause. The Company may terminate the Executive's employment hereunder other than for Cause at any time upon notice to the Executive. In the event of such termination, (i) the Executive shall be entitled to Final Compensation and the Unpaid Bonus, (ii) the Company shall pay the Executive an amount (the "Severance Amount") equal to the sum of (x) twenty-four (24) months of the Base Salary at the rate in effect on the date of termination plus (y) the Pro Rata Bonus for the year of termination, (iii) in accordance with the terms of the award agreements entered into in connection with the Transition Award, the Executive will receive the Pro Rata Transition Award, and (iv) all other equity awards previously granted to the Executive that are still outstanding but unvested shall be forfeited as provided in the applicable award agreement. The Severance Amount shall be paid to the Executive in a lump sum as further provided for below. Any obligation of the Company to the Executive under this Section 5 (including in the event of a termination of employment due to death or Disability), other than for Final Compensation, is conditioned on (A) the Executive, or the Executive's Designated Beneficiary, signing and returning to the Company (without revoking) a timely and effective release of claims in the form attached hereto as Exhibit B, by the deadline specified therein, which in all events shall be no later than the forty fifth (45th) calendar day following the date of termination (any such release submitted by such deadline, the "Release of Claims"), (B) the Executive not engaging in an intentional or materially harmful violation of Section 7, 8 or 9(b) of this Agreement, and (C) the Executive's continued compliance with the covenants contained in Section 9(a) of this Agreement (subsections (B) and (C) collectively, the "Compliance Condition"). The Severance Amount, Final Compensation and the Unpaid Bonus shall be paid to the Executive within sixty (60) days following the date of termination of employment.

(e) By the Executive for Good Reason. The Executive may terminate her employment hereunder for Good Reason (A) by providing notice to the Company specifying in reasonable detail the condition giving rise to the Good Reason no later than thirty (30) days following the date Executive first becomes aware of the occurrence of that condition, or in the case of a series of events resulting in a material diminution in the nature or scope of the Executive's duties, authority or responsibilities, thirty (30) days following the date Executive first becomes aware of the last such event; provided, however, that in order to claim that an event, taken together with another event or events, constitutes Good Reason hereunder the Executive must have given notice to a member of the Board of such event at the time she first becomes aware of its occurrence; (B) by providing the Company a period of thirty (30) days to remedy the condition and (C) by terminating

her employment for Good Reason within thirty (30) days following the expiration of the period to remedy if the Company fails to remedy the condition. The following, occurring without the Executive's consent, shall constitute "Good Reason" for termination by the Executive:

(i) material diminution in the nature or scope of the Executive's duties, authority or responsibilities, including without limitation the failure of the Company to propose to the stockholders of the Company at each annual meeting occurring during the term hereof at which the Executive's term ends the election or re-election, as applicable, of the Executive as a member of the Board; provided, however, that the following shall not constitute Good Reason: (A) the Executive's no longer serving as Chairman of the Board; (B) the Executive's ceasing to be a member of the Board as a result of a merger of the Company into an Affiliate or any other similar transaction, so long as the Executive remains on the board of directors of the surviving entity, or (C) any sale or transfer of equity or assets of the Company or an Affiliate so long as the Executive remains Executive Chairman of the Company (or any successor to the Company) following such transaction, provided that a sale or other transfer, in one or a series of related transactions, of a majority of the assets of the Company other than to an entity controlled by the Company shall constitute Good Reason, but only if the conditions set forth above in this subsection (i) are also satisfied;

(ii) a reduction in the Base Salary or Target Bonus as set forth in Section 4(b) hereof;

(iii) the Company requiring the Executive to be based at a location in excess of fifty (50) miles from the location of the Company's principal executive offices in Tampa, Florida as of the effective date of this Agreement; or

(iv) a material breach by the Company of its obligations under this Agreement.

A termination of employment by the Executive under this Section 5(e) shall be treated as a termination by the Company other than for Cause under Section 5(d) above; provided that the Executive satisfies all conditions to such entitlement as set forth in Section 5(d), including, without limitation, the signing of an effective Release of Claims.

(f) By the Executive Without Good Reason. The Executive may terminate her employment hereunder at any time upon sixty (60) days' prior written notice to the Company. In the event of termination of the Executive's employment pursuant to this Section 5(f), the Board may elect to waive the period of notice, or any portion thereof, and, if the Board so elects, the Company will pay the Executive her Base Salary for the notice period (or for any remaining portion of the period). The Company shall also pay the Executive the Final Compensation in a lump sum within sixty (60) days following the date of the termination of employment. All equity awards previously granted to the Executive that are still outstanding but unvested shall be forfeited as provided in the applicable award agreement. A termination of the Executive's employment that occurs by reason of the Executive's notice to the Company of non-renewal of the term of this Agreement under Section 2 hereof will be treated as a termination by the Executive without Good Reason.

(g) By the Executive Due to Retirement. The Executive may terminate her employment hereunder on the basis of her retirement upon sixty (60) days' prior written notice to the Company. In addition, a termination of the Executive's employment that occurs on the last day of the term of this Agreement following the Company's notice to the Executive of non-renewal of the term hereof under Section 2 hereof shall be treated as retirement. In the event of termination of the Executive's employment pursuant to retirement, the Board may elect to waive the period of notice, or any portion thereof, and, if the Board so elects, the Company will pay the Executive her Base Salary for the notice period (or for any remaining portion of the period). The Company shall also pay the Executive the Final Compensation and the Unpaid Bonus in a lump sum within sixty (60) days following the date of retirement. In addition, in accordance with the terms of the award agreements entered into in connection with the Transition Award, the Executive will receive the Pro Rata Transition Award and all other equity awards previously granted to the Executive that are still outstanding but unvested shall be forfeited as provided in the applicable award agreement.

(h) Timing of Payments and Section 409A.

(i) Notwithstanding anything to the contrary in this Agreement, if at the time of the Executive's termination of employment, the Executive is a "specified employee," as defined below, any and all amounts payable under this Agreement on account of such separation from service that would (but for this provision) be payable within six (6) months following the date of termination, shall instead be paid on the next business day following the expiration of such six (6) month period or, if earlier, upon the Executive's death; except (A) to the extent of amounts that do not constitute a deferral of compensation within the meaning of Treasury regulation Section 1.409A-1(b) (including without limitation by reason of the safe harbor set forth in Section 1.409A-1(b)(9)(iii), as determined by the Company in its reasonable good faith discretion); (B) benefits which qualify as excepted welfare benefits pursuant to Treasury regulation Section 1.409A-1(a)(5); or (C) other amounts or benefits that are not subject to the requirements of Section 409A.

(ii) For purposes of this Agreement, all references to "termination of employment" and correlative phrases shall be construed to require a "separation from service" (as defined in Section 1.409A-1(h) of the Treasury regulations after giving effect to the presumptions contained therein), and the term "specified employee" means an individual determined by the Company to be a specified employee under Treasury regulation Section 1.409A-1(i).

(iii) Each payment made under this Agreement shall be treated as a separate payment and the right to a series of installment payments under this Agreement is to be treated as a right to a series of separate payments.

(i) Post-Agreement Employment. In the event the Executive remains in the employ of the Company or any of its Affiliates following the termination of this Agreement, then such employment shall be at will.

(j) Exclusive Right to Severance. The Executive's right to severance payments and benefits upon termination of employment shall be as expressly set forth in this Agreement. In no event shall the Executive participate in, or receive benefits under, any other plan, program or policy of the Company providing for severance or termination pay or benefits, except for any right of the Executive to continue medical and dental plan participation in accordance with applicable law.

6. Effect of Termination. The provisions of this Section 6 shall apply to any termination of the Executive's employment under this Agreement.

(a) Subject to the other provisions of this Section 6, payment by the Company of any Final Compensation and the amounts provided for under the applicable termination provision of Section 5 shall constitute the entire obligation of the Company to the Executive hereunder.

(b) Except for any right of the Executive to continue medical and dental plan participation in accordance with applicable law, the Executive's participation in all Employee Benefit Plans shall be determined pursuant to the terms of the applicable plan documents based on the date of termination of the Executive's employment without regard to any continuation of Base Salary or other payment to or on behalf of the Executive following such date of termination. The Executive shall be entitled to retain any then vested benefits under the Employee Benefit Plans in accordance with the terms of such plans.

(c) In addition to the provisions of Section 5 of this Agreement, upon any termination of employment, any then outstanding options to purchase Company common stock or other equity-based awards held by the Executive shall otherwise be governed by their respective terms that are not inconsistent with the terms hereof.

(d) Provisions of this Agreement shall survive any termination of employment if so provided herein or if necessary or desirable fully to accomplish the purposes of other surviving provisions, including without limitation, the obligations of the Executive under Sections 7, 8 and 9 hereof. The obligation of the Company to provide severance pay or benefits hereunder is expressly conditioned upon the Executive's continued compliance with the Compliance Condition.

7. Confidential Information.

(a) The Executive acknowledges that the Company and its Affiliates continually develop Confidential Information, that the Executive may develop Confidential Information for the Company or its Affiliates and that the Executive may learn of Confidential Information during the course of her employment or service on the Board. The Executive agrees that all Confidential Information which the Executive creates or to which she has access or learns as a result of her employment or other associations with the Company or its Affiliates is and shall remain the sole and exclusive property of the Company or its Affiliates, as applicable. The Executive will comply with the policies and procedures of the Company and its Affiliates for protecting Confidential Information and shall never disclose to any Person (except as required by applicable law or in connection with the good faith performance of her duties and responsibilities to the Company and its Affiliates), or use for her own benefit or gain or the benefit or gain of any third party, any Confidential Information obtained by the Executive incident to her employment or other association with the Company or any of its Affiliates. The Executive understands that this restriction shall continue to apply after her employment and/or Board service terminates, regardless of the reason for such termination. Further, the Executive agrees to furnish prompt notice, if legally permitted to do so, to the Company of any required disclosure of Confidential Information sought pursuant to subpoena, court order or any other legal process or requirement, and agrees to provide the Company a reasonable opportunity to seek protection of the Confidential Information prior to any such disclosure. The confidentiality obligation under this Section 7 shall

not apply to information which becomes generally known through no breach of this Agreement on the part of the Executive.

(b) All documents, records, tapes and other media of every kind and description relating to the business, present or otherwise, of the Company or its Affiliates, including, without limitation, recipes, product specifications, training materials, employee selection and testing materials, marketing and advertising materials, special event, charitable and community activity materials, customer correspondence, internal memoranda, products and designs, sales information, project files, price lists, customer and vendor lists, prospectus reports, customer or vendor information, sales literature, territory printouts, call books, notebooks, textbooks and all other like information or products, and any copies or derivatives (including without limitation electronic), in whole or in part, thereof (the “Documents”), whether or not prepared by the Executive, shall be the sole and exclusive property of the Company and its Affiliates. Except in connection with the good faith performance of the Executive’s regular duties for the Company or as expressly authorized in writing in advance by the Company, the Executive will not copy any Documents or remove any Documents or copies or derivatives thereof from the premises of the Company. The Executive shall safeguard all Documents in her possession and shall surrender to the Company at the time her employment terminates, or at such earlier time or times as the Board or its designee may specify, all Documents and other property of the Company or any of its Affiliates then in the Executive’s possession or control.

8. Assignment of Rights to Intellectual Property. The Executive shall promptly and fully disclose all Intellectual Property to the Company. The Executive hereby assigns and agrees to assign to the Company (or as otherwise directed by the Company) the Executive’s full right, title and interest in and to all Intellectual Property. The Executive agrees to execute any and all applications for domestic and foreign patents, copyrights or other proprietary rights and to do such other acts (including without limitation the execution and delivery of instruments of further assurance or confirmation) requested by the Company to assign the Intellectual Property to the Company and to permit the Company to enforce any patents, copyrights or other proprietary rights to the Intellectual Property. The Executive will not charge the Company for time spent in complying with these obligations. All copyrightable works that the Executive creates in connection with or related to the performance of her services hereunder shall be considered “work made for hire” and shall, upon creation, be owned exclusively by the Company.

9. Restricted Activities. The Executive acknowledges that her access to and/or development of trade secrets, Confidential Information and goodwill on behalf of the Company and its Affiliates during the course of employment, as well as the provision of extraordinary or specialized training by the Company and its Affiliates, would give her an unfair competitive advantage were she to leave employment and begin competing with the Company or any of its Affiliates, and that she is being granted access to training, trade secrets, Confidential Information, and goodwill in reliance on her agreements hereunder. Accordingly, the Executive agrees that the restrictions set forth herein are necessary to protect the goodwill, trade secrets, Confidential Information and other legitimate interests of the Company and its Affiliates:

(a) While the Executive is employed by the Company and for a period of twenty-four (24) months after her employment terminates for any reason hereunder (the “Non-Competition Period”), the Executive shall not, directly or indirectly, whether as owner, partner, investor,

consultant, agent, co-venturer or otherwise, engage in or own or hold any ownership interest in or assist any person or entity engaged in or work for or provide services to, in any capacity, whether as an employee, independent contractor or otherwise, whether with or without compensation, any full service restaurant business (including, but not limited to, any restaurant business generally considered to be in the casual dining or polished casual dining business) that is located or intended to be located anywhere within a state (if inside the United States of America) or a country (if outside the United States of America) in which is located any restaurant owned or operated by the Company or any of its Affiliates, or any proposed full service restaurant (including, but not limited to, any restaurant generally considered to be in the casual dining or polished casual dining business) to be owned or operated by any of the foregoing or undertake any planning for any such business (collectively, the “Business”). The Executive acknowledges that the foregoing restricted businesses compete with the Company. For the purposes of this Section 9, full service restaurants (including, but not limited to, any restaurant business generally considered to be in the casual dining or polished casual dining business) owned or operated by the Company or any of its Affiliates shall include any entity in which the Company or any of its Affiliates has an interest, including, but not limited to, an interest as a franchisor. The term “proposed full service restaurant” shall include all locations for which the Company or any of its franchisees or Affiliates is conducting active, bona fide negotiations to secure a fee or leasehold interest with the intention of establishing a full service restaurant (including, but not limited to, any restaurant generally considered to be in the casual dining or polished casual dining business) thereon. The foregoing, however, shall not prevent (i) the Executive’s passive ownership of two percent (2%) or less of the equity securities of any publicly traded company, or (ii) the Executive from working for or providing services to any entity if such entity, together with its affiliates, derives less than five percent (5%) of consolidated gross revenues from the Business and the Executive’s responsibilities do not primarily involve the conduct of the Business by such entity.

(b) The Executive agrees that during her employment and during the Non-Competition Period, the Executive will not, and will not assist any other Person to, (i) hire, offer employment to or solicit for hiring any employee of the Company or any of its franchises or Affiliates or seek to persuade any employee of the Company or any of its franchises or Affiliates to discontinue employment or (ii) solicit or encourage any independent contractor providing services to the Company or any of its franchisees or Affiliates to terminate or diminish its relationship with them. For the purposes of this Agreement, an “employee” or “independent contractor” of the Company or any of its Affiliates is any person who was such at any time within the preceding two years.

10. Notification Requirement. Until forty-five (45) days after the conclusion of the Non-Competition Period, the Executive shall give notice to the Company of each new business activity she plans to undertake related to or involving the Business, at least thirty (30) days prior to beginning any such activity. Such notice shall state the name and address of the Person for whom such activity is undertaken and the nature of the Executive's business relationship(s) and position(s) with such Person. The Executive shall provide the Company with such other pertinent information concerning such business activity as the Company may reasonably request in order to determine the Executive's continued compliance with her obligations under Sections 7, 8 and 9 hereof.

11. Enforcement of Covenants. The Executive acknowledges that she has carefully read and considered all the terms and conditions of this Agreement, including the restraints imposed upon

her pursuant to Sections 7, 8 and 9 hereof. The Executive agrees that each of the restraints contained herein is necessary for the reasonable and proper protection of the goodwill, Confidential Information and other legitimate interests of the Company and its Affiliates; that each and every one of those restraints is reasonable in respect to subject matter, length of time and geographic area; and that these restraints, individually or in the aggregate, will not prevent her from obtaining other suitable employment during the period in which the Executive is bound by these restraints. The Executive further acknowledges that, were she to breach any of the covenants contained in Sections 7, 8 or 9 hereof, the damage to the Company would be irreparable. The Executive therefore agrees that the Company, in addition to any other remedies available to it, shall be entitled to preliminary and permanent injunctive relief against any breach or threatened breach by the Executive of any of said covenants, without having to post bond. Without limiting the generality of the foregoing, the Executive further agrees that, in the event of her failure to comply with the Compliance Condition, the Company shall have the immediate right to cease making any severance payments under Section 5(d) or (e) of this Agreement, shall have the right to require the Executive to repay any severance payments that had been paid to her prior to the date of such breach (only with respect to a breach of Section 9 or Section 7 hereof), and shall terminate any outstanding equity awards that have been awarded to her by the Company, notwithstanding anything to the contrary in any applicable grant document, stock option plan or any other applicable agreement or plan. The parties further agree that, in the event that any provision of Section 7, 8 or 9 hereof shall be determined by any court of competent jurisdiction to be unenforceable by reason of its being extended over too great a time, too large a geographic area or too great a range of activities, such provision shall be deemed to be modified to permit its enforcement to the maximum extent permitted by law. The Executive agrees that the Non-Competition Period shall be tolled, and shall not run, during any period of time in which she is in violation of the terms thereof, in order that the Company and its Affiliates shall have all of the agreed-upon temporal protection recited herein. No breach of any provision of this Agreement by the Company, or any other claimed breach of contract or violation of law, or change in the nature or scope of the Executive's employment relationship with the Company, shall operate to extinguish the Executive's obligation to comply with Sections 7, 8 and 9 hereof.

12. Indemnification. The Company shall indemnify the Executive and provide the Executive with advancement of expenses to the fullest extent permitted by applicable law. The Executive agrees to promptly notify the Company of any actual or threatened claim arising out of or as a result of her employment with the Company.

13. Executive's Additional Representations. The Executive hereby represents and warrants to the Company that the Executive (i) is not subject to any noncompetition agreement affecting the Executive's employment with the Company or its Affiliates (other than any prior agreement with the Company), (ii) is not subject to any confidentiality or nonuse/nondisclosure agreement affecting the Executive's employment with the Company or its Affiliates (other than any prior agreement with the Company) and (iii) will not use for the benefit of the Company or its Affiliates any trade secrets, confidential business information, documents or other personal property of a prior employer.

14. Definitions. Words or phrases which are initially capitalized or are within quotation marks shall have the meanings provided in this Section 14 and as provided elsewhere herein. For purposes of this Agreement, the following definitions apply:

(a) “Affiliates” means all persons and entities directly or indirectly controlled by the Company.

(b) “Confidential Information” means any and all information of the Company and its Affiliates that is not generally known by the public, including but not limited to others with whom they compete or do business, or with whom they plan to compete or do business and any and all non-public information, which, if disclosed by the Company or its Affiliates would assist in competition against them. Confidential Information includes without limitation such information relating to (i) the development, research, testing, manufacturing, marketing and financial activities of the Company and its Affiliates, (ii) the costs, sources of supply, financial performance and strategic plans of the Company and its Affiliates, (iii) the identity and special needs of the customers of the Company and its Affiliates, (iv) trade and industrial practices, trade secrets, recipes, product specifications, restaurant operating techniques and procedures, marketing techniques and procedures and vendors, and (v) the people and organizations with whom the Company and its Affiliates have business relationships and those relationships. Confidential Information also includes information that the Company or any of its Affiliates have received, or may receive hereafter, belonging to others or which was received by the Company or any of its Affiliates, and is being held, with any understanding, express or implied, that it will not be disclosed.

(c) “Designated Beneficiary” shall mean the beneficiary or beneficiaries designated by the Executive to the Company from time to time by written notice hereunder, and if no such designation is made, the Executive’s estate or personal representative.

(d) “Intellectual Property” means inventions, discoveries, developments, methods, processes, compositions, works, recipes, concepts and ideas (whether or not patentable or copyrightable or constituting trade secrets) conceived, made, created, developed or reduced to practice by the Executive (whether alone or with others, whether or not during normal business hours or on or off Company premises) during the Executive’s employment and during the period of six (6) months immediately following termination of her employment that relate to either the Business or any prospective activity of the Company or any of its Affiliates or that make use of Confidential Information or any of the equipment or facilities of the Company or any of its Affiliates.

(e) “Person” means an individual, a corporation, an association, a partnership, an estate, a trust and any other entity or organization, other than the Company or any of its Affiliates.

15. Withholding. All payments made by the Company under this Agreement shall be reduced by any tax or other amounts required to be withheld by the Company under applicable law.

16. Assignment. Neither the Company nor the Executive may make any assignment of this Agreement or any interest herein, by operation of law or otherwise, without the prior written consent of the other; provided, however, that the Company may assign its rights and obligations under this Agreement, without the consent of the Executive, to an Affiliate (that will manage the assets and carry on the historic business of the Company following such assignment) or a successor that expressly assumes and agrees in writing to perform this Agreement in the same manner and to the same extent as the Company, including in the event that the Company shall hereafter affect

a reorganization, consolidate with, or merge into, any other Person, or transfer all or substantially all of its properties, stock, or assets to any other Person. This Agreement shall inure to the benefit of and be binding upon the Company and the Executive, their respective successors, executors, administrators, heirs and permitted assigns.

17. Severability. If any portion or provision of this Agreement shall to any extent be declared illegal or unenforceable by a court of competent jurisdiction, then the remainder of this Agreement, or the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, shall not be affected thereby, and each portion and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law. The declaration by a court of competent jurisdiction that Sections 7, 8 or 9 hereof, or any portions thereof, are illegal or unenforceable shall have no effect on the Company's rights under Section 11 hereof to cease making any severance payments in the event of the Executive's failure to comply with the Compliance Condition.

18. Waiver. No waiver of any provision hereof shall be effective unless made in writing and signed by the waiving party. The failure of either party to require the performance of any term or obligation of this Agreement, or the waiver by either party of any breach of this Agreement, shall not prevent any subsequent enforcement of such term or obligation or be deemed a waiver of any subsequent breach.

19. Notices. Any and all notices, requests, demands and other communications provided for by this Agreement shall be in writing and shall be effective when delivered in person, consigned to a reputable national courier service or deposited in the United States mail, postage prepaid, registered or certified, and addressed to the Executive at her last known address on the books of the Company, with a copy to Stephan G. Bachelder, Preti Flaherty Beliveau & Pachios LLP, One City Center, P.O. Box 9546, Portland, Maine 04112-9546 or, in the case of the Company, at its principal place of business, attention of the Corporate Secretary of the Company, with a copy to Baker & Hostetler LLC, 127 Public Square, Suite 2100, Cleveland, Ohio 44145, Attention: John M. Gherlein and Janet A. Spreen or to such other address as either party may specify by notice to the other actually received.

20. Entire Agreement. This Agreement constitutes the entire agreement between the parties and supersedes and terminates all prior communications, agreements and understandings, written or oral, with respect to the terms and conditions of the Executive's employment with the Company, including, but not limited to the Existing Agreement. However, this Agreement does not supersede or otherwise affect (a) the Kangaroo Holdings, Inc. 2007 Equity Incentive Plan, (b) the Kangaroo Holdings, Inc. Option Agreement, dated November 16, 2009, as amended, (c) the Kangaroo Holdings, Inc. Option Agreement, dated September 9, 2011, (d) the Company's 2012 Incentive Award Plan and award agreements thereunder, or (e) the Plan and award agreements thereunder. As of the Effective Date, the Existing Agreement shall be of no further force or effect.

21. Amendment. This Agreement may be amended or modified only by a written instrument signed by the Executive and by an expressly authorized representative of the Company.

22. Headings. The headings and captions in this Agreement are for convenience only and in no way define or describe the scope or content of any provision of this Agreement.

23. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be an original and all of which together shall constitute one and the same instrument.

24. Governing Law. This is a Florida contract and shall be construed and enforced under and be governed in all respects by the laws of the State of Florida, without regard to the conflict of laws principles thereof. In the event of any alleged breach or threatened breach of this Agreement, the Executive hereby consents and submits to the jurisdiction of the federal and state courts in and of the State of Florida.

25. Cooperation. The Executive shall cooperate fully with all reasonable requests for information and participation by the Company, its agents or its attorneys at the Company's expense in prosecuting or defending claims, suits and disputes brought on behalf of or against the Company and in which Executive is involved or about which Executive has knowledge.

26. **WAIVER OF JURY TRIAL. THE PARTIES TO THIS AGREEMENT KNOW AND UNDERSTAND THAT THEY HAVE A CONSTITUTIONAL RIGHT TO A JURY TRIAL. THE PARTIES ACKNOWLEDGE THAT ANY DISPUTE OR CONTROVERSY THAT MAY ARISE OUT OF THIS AGREEMENT WILL INVOLVE COMPLICATED AND DIFFICULT FACTUAL AND LEGAL ISSUES.**

THE PARTIES HEREBY WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OF THE CONTEMPLATED TRANSACTIONS, WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE. THE PARTIES AGREE THAT EITHER OF THEM MAY FILE A COPY OF THIS PARAGRAPH WITH ANY COURT AS WRITTEN EVIDENCE OF THE KNOWING, VOLUNTARY AND BARGAINED-FOR AGREEMENT AMONG THE PARTIES IRREVOCABLY TO WAIVE TRIAL BY JURY, AND THAT ANY PROCEEDING WHATSOEVER BETWEEN THEM RELATING TO THIS AGREEMENT OR ANY OF THE CONTEMPLATED TRANSACTIONS SHALL INSTEAD BE TRIED IN A COURT OF COMPETENT JURISDICTION BY A JUDGE SITTING WITHOUT A JURY.

THE PARTIES INTEND THAT THIS WAIVER OF THE RIGHT TO A JURY TRIAL BE AS BROAD AS POSSIBLE. BY THEIR SIGNATURES BELOW, THE PARTIES PROMISE, WARRANT AND REPRESENT THAT THEY WILL NOT PLEAD FOR, REQUEST OR OTHERWISE SEEK TO HAVE A JURY TO RESOLVE ANY AND ALL DISPUTES THAT MAY ARISE BY, BETWEEN OR AMONG THEM.

IN WITNESS WHEREOF, this parties have executed this Amendment as of the date set forth above.

THE COMPANY:

BLOOMIN' BRANDS, INC.

Attest:

By: /s/ Kelly Lefferts

By: /s/ Pablo Brizi

WITNESSES:

THE EXECUTIVE

/s/ Kelly Lefferts
Witness
Kelly Lefferts
Print Witness Name

/s/ Elizabeth A. Smith
Elizabeth A. Smith

/s/ Claire Whitehurst
Witness
Claire Whitehurst
Print Witness Name

EXHIBIT A

Member of the Board of Directors of:

- Hilton Worldwide Holdings, Inc.
- Federal Reserve Bank of Atlanta
- U.S. Fund for UNICEF
- H. Lee Moffitt Cancer Center & Research Institute

EXHIBIT B

[Form of Release]

RELEASE OF CLAIMS

This Release of Claims is provided by me, Elizabeth A. Smith (or by my designated beneficiary, in the event of my death during my employment) pursuant to the Second Amended and Restated Employment Agreement between me and Bloomin' Brands, Inc., made and entered into as of April 1, 2019 (the "Employment Agreement").

This Release of Claims is given in consideration of the severance benefits to be provided to me (or, in the event of my death during my employment, to my designated beneficiary) in connection with the termination of my employment under Section 5 of the Employment Agreement (collectively, the "Separation Payments"), which are conditioned on my signing this Release of Claims and to which I am not otherwise entitled, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged. On my own behalf and that of my heirs, executors, administrators, beneficiaries, representatives and assigns, and all others connected with or claiming through me, I hereby release and forever discharge the Company from any and all causes of action, rights or claims of any type or description, known or unknown, which I have had in the past, now have or might have, through the date of my signing of this Release of Claims. This includes, without limitation, any and all causes of action, rights or claims in any way resulting from, arising out of or connected with my employment by the Company or the termination of that employment or pursuant to any federal, state or local law, regulation or other requirement, including without limitation Title VII of the Civil Rights Act of 1964, the Americans with Disabilities Act, the Age Discrimination in Employment Act, the fair employment practices statutes of the state or states in which I have provided services to the Company or any other federal, state, local or foreign law, all as amended, any contracts of employment; any tort claims; or any agreements, plans or policies.

Notwithstanding the immediately preceding paragraph, nothing in this Release of Claims shall be construed to prohibit me from filing a charge with, or participating in any investigation or proceeding conducted by, the U.S. Equal Employment Opportunity Commission or a comparable state or federal fair employment practices agency, or from communicating directly with the Securities and Exchange Commission regarding any possible securities law violation; provided, however, that, except as otherwise provided herein, this Release of Claims fully and finally resolves all monetary matters between me and the Company, and, except with respect to any matter involving the Securities and Exchange Commission, I waive any right to monetary damages, attorneys' fees, costs and equitable remedies related to or arising from any such charge, or ensuing complaint or lawsuit, filed by me or on my behalf.

For purposes of this Release of Claims, the word "Company" always includes the subsidiaries and affiliates of the Company and all of its past, present and future officers, directors, trustees, shareholders, employees, employee benefit plans and any of the trustees or administrators thereof, agents, general and limited partners, members, managers, investors, joint venturers, representatives, predecessors, successors and assigns, and all others connected with any of them, both individually and in their official capacities.

Excluded from the scope of this Release of Claims is (i) any right I have to the Separation Payments payable after the effective date of this Release of Claims, (ii) any rights to benefits that were vested under the Company's employee benefit plans on the date on which my employment with the Company terminated, in accordance with the terms of such plans, (iii) any right of indemnification or contribution or advancement of expenses pursuant to the Articles of Incorporation or By-Laws or other applicable corporate governing documents of the Company, Delaware or other applicable law, or any indemnification agreement between the Company and me, (iv) any right under any applicable liability insurance policy with respect to my liability as a director or officer of the Company or any of its subsidiaries or affiliates, or (v) any right to enforce the terms of this Release of Claims or any other agreements, including any option or other equity agreement, between the Company and me that by their respective terms survive the termination of my employment.

In signing this Release of Claims, I give the Company assurance that I have returned to the Company any and all documents, materials and information related to the business, whether present or otherwise, of the Company and all keys and other property of the Company that were in my possession or control, all as required by and consistent with Section 7 of the Employment Agreement. I agree that I will not, for any purpose, attempt to access or use any computer or computer network or system of the Company, including without limitation their electronic mail systems. I further acknowledge that I have disclosed to the Company all passwords necessary or desirable to enable the Company to access all information which I have password-protected on its computer network or system.

In signing this Release of Claims, I agree that I have been paid in full all compensation due to me, whether for services rendered by me to the Company or otherwise, through the date on which my employment with the Company terminated and that, exclusive only of the Separation Payments, no further compensation of any kind shall be due to me by the Company, whether arising under the Employment Agreement or otherwise, in connection with my employment or the termination thereof. I also agree that except for any right I and my eligible dependents may have to continue participation in the Company's health and dental plans under the federal law commonly known as COBRA, my right to participate in any employee benefit plan of the Company will be determined in accordance with the terms of such plan. I acknowledge that some or all of the consideration paid to me hereunder is in addition to anything of value to which I am entitled otherwise under the Company's normal policies and practices.

I acknowledge that my eligibility for the Separation Payments is not only contingent on my signing and returning this Release of Claims to the Company in a timely manner and not revoking it thereafter, but also is subject to my compliance with the Compliance Condition (as such term is defined in the Employment Agreement).

I further agree that from and after the date hereof I will not make any false, misleading or disparaging statements about the Company or any of its subsidiaries, affiliates, shareholders, officers, employees, directors or products or services. The Company agrees that it shall use its reasonable efforts to cause its shareholders, officers, employees and directors to not make any false, misleading or disparaging statements about me.

In signing this Release of Claims, I acknowledge my understanding that I may not sign it prior to the termination of my employment, but that I may consider the terms of this Release of Claims for up to twenty-one days (or, if the Company so instructs me in writing, for up to forty-five days) from the later of

the date my employment with the Company terminates or the date I receive this Release of Claims. I understand that any material or non-material changes to this Release of Claims after it has been given to me will not restart or extend the 21-day (or 45-day) period. I further understand that I may revoke this Release of Claims within seven days after executing it by delivering written notice of such revocation to the Corporate Secretary of the Company, with a copy to Baker & Hostetler LLP, 127 Public Square, Suite 2000, Cleveland, Ohio 44114, Attention: John M. Gherlein and Janet A. Spreen, either by hand, by facsimile transmission, or by certified mail, return receipt requested, such that the written notice is received by said Corporate Secretary and by Baker & Hostetler LLP at or before the expiration of the 7-day period. I also acknowledge that I am advised by the Company to seek the advice of an attorney prior to signing this Release of Claims, that I have had sufficient time to consider this Release of Claims and to consult with an attorney, if I wished to do so, or to consult with any other person of my choosing before signing, and that I am signing this Release of Claims voluntarily and with a full understanding of its terms. I further acknowledge that, in signing this Release of Claims, I have not relied on any promises or representations, express or implied, that are not set forth expressly in this Release of Claims.

This Release of Claims shall be of no force or effect unless and until the expiration of the 7-day revocation period described above, without any revocation being delivered by me during said 7-day period.

Intending to be legally bound, I have signed this Release of Claims under seal as of the date written below.

Signature: _____

Date signed: _____

Bloomin' Brands, Inc.

Name:

Title:

Date: _____

AMENDED AND RESTATED OFFICER EMPLOYMENT AGREEMENT

THIS AMENDED AND RESTATED OFFICER EMPLOYMENT AGREEMENT (the "Agreement") is made and entered into effective April 1, 2019 (the "Effective Date"), by and between Bloomin' Brands, Inc., a Delaware corporation (the "Company"), and David J. Deno (hereinafter referred to as "Executive").

WHEREAS, the Executive is currently employed by the Company as the Executive Vice President, Chief Financial and Administrative Officer of the Company and is party to that certain Officer Employment Agreement with the Company, dated May 7, 2012 and amended on July 16, 2014 (the "Existing Agreement");

WHEREAS, the Executive will cease serving as Executive Vice President, Chief Financial and Administrative Officer of the Company and the Company will appoint the Executive as Chief Executive Officer of the Company, effective as of the Effective Date;

WHEREAS, the Company and the Executive desire to enter into this Agreement to set forth the amended and restated terms and conditions of the Executive's continued employment with the Company.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual promises, terms, provisions and conditions set forth in this Agreement, the parties hereby agree that the Existing Agreement is hereby amended and restated in its entirety as follows:

1. **Employment, Board Service and Term.** Subject to earlier termination as provided for in **Section 11** hereof, the Company hereby employs the Executive, and the Executive hereby accepts employment with the Company as Chief Executive Officer of the Company for a term commencing on April 1, 2019 and expiring five (5) years thereafter ("Term of Employment"). Such Term of Employment shall be automatically renewed for successive renewal terms of one (1) year each unless either party elects not to renew by giving written notice to the other party not less than sixty (60) days prior to the start of any renewal term. Also during the term hereof, subject to the requirements of applicable law (including, without limitation, any rules or regulations of any exchange on which the common stock of the Company is listed, if applicable), the Company agrees appoint the Executive to the Board of Directors of the Company (the "Board") for a term commencing on April 1, 2019 and also to propose to the stockholders of the Company at each annual meeting occurring during the term hereof the election or re-election, as applicable, of the Executive as a member of the Board and the Executive shall so serve if elected or re-elected; provided, however, that if the Executive's employment with the Company terminates for any reason, Executive's membership on the Board shall also terminate through his resignation, unless otherwise agreed in writing by the Company and the Executive. In no event shall failure to reappoint or re-elect the Executive to the Board constitute "Good Reason" for purposes of this Agreement.

2. **Representations and Warranties.** The Executive hereby represents and warrants to the Company that (a) the Executive (i) is not subject to any written non-solicitation or noncompetition agreement affecting the Executive's employment with the Company or its Affiliates (other than any prior agreement with the Company or its Affiliates), (ii) is not subject to

any written confidentiality or nonuse/nondisclosure agreement affecting the Executive's employment with the Company or its Affiliates (other than any prior agreement with the Company or its Affiliates), and (iii) has brought to the Company and its Affiliates no trade secrets, confidential business information, documents, or other personal property of a prior employer, and (b) the execution of this Agreement and the performance of the Executive's obligations hereunder will not breach or be in conflict with any other agreement to which the Executive is a party or is bound or any order, decree, judgment, ruling, determination or injunction of any federal, state, local or foreign governmental, administrative or regulatory court, agency or body or any arbitrator.

3. **Duties.**

a. As Chief Executive Officer of the Company, the Executive shall:

(i) diligently, competently and faithfully perform all of the duties and functions (A) set forth in the Company's Third Amended and Restated Bylaws, as they may be amended from time to time (the "Bylaws"), and (B) customarily associated with or assigned to the Executive by the Board commensurate with the position of Chief Executive Officer of the Company;

(ii) devote substantially all of the Executive's full business time, attention, energies, and effort to the business affairs of the Company;

(iii) achieve the results and other goals required by the Company;

(iv) conduct all of Executive's activities in a manner so as to maintain and promote the business and reputation of the Company;

(v) not create a situation that results in termination for Cause (as that term is defined in **Section 11** hereof); and

(vi) report to the Board.

b. The Executive's services shall be performed primarily at the Company's office located in Tampa, Florida, subject to travel requirements in connection with Executive's duties under this Agreement.

c. The parties acknowledge and agree that the Executive shall, during the term of this Agreement and at the request of the Company, also serve as an officer of any Affiliate of the Company as the Company shall reasonably request. In such capacity, the Executive shall be responsible generally for all aspects of such office. All terms, conditions, rights and obligations of this Agreement shall be applicable to the Executive while serving in such office as though the Executive and such Affiliate of the Company had separately entered into this Agreement, except that the Executive shall not be entitled to any compensation, vacation, fringe benefits, automobile allowance or other remuneration of any kind whatsoever from such Affiliate of the Company.

d. The employment relationship between the parties shall also be governed by the general employment policies and practices of the Company, except that when the terms

of this Agreement differ from or are in conflict with such policies and practices, this Agreement shall control.

4. **Outside Activities.** Notwithstanding the foregoing:

a. The Executive shall be permitted to invest the Executive's personal assets and manage the Executive's personal investment portfolio in such a form and manner as will not require any business services on the Executive's part to any third party, and provided it does not conflict with the Executive's duties and responsibilities to the Company or the provisions of **Section 13** or **Section 14** hereof, or conflict with any material published policy of the Company or its Affiliates, including, but not limited to, the insider trading policy of the Company.

b. The Executive shall also be permitted to participate in customary civic, nonprofit, religious, welfare, social and professional activities that will not materially affect the Executive's performance of duties hereunder. The Executive may continue to serve on any board of directors and advisory committees of companies on which the Executive currently serves, so long as the business of such companies is not competitive with that of the Company or any of its Affiliates. The Executive shall not serve on the board of directors or advisory committee of any other company without the prior consent of the Company, which consent shall not be unreasonably withheld.

5. **Compensation.** During the Term of Employment, subject to the Executive's performance in accordance with this Agreement, the Executive shall be entitled to the following:

a. **Base Salary.** During the Term of Employment, the Executive shall be entitled to an annual base salary equal to Nine Hundred Thousand Dollars (\$900,000), payable in equal biweekly installments by the Company, subject to annual review for increase, but not decrease, in the discretion of the Board or the Compensation Committee of the Board (the "**Compensation Committee**").

b. **Annual Bonus Compensation.** For each calendar year completed during the term hereof, the Executive shall be entitled to receive an annual bonus (the "**Annual Bonus**") on the following terms and conditions. The Annual Bonus shall be determined under, and subject to, the terms of the Company's annual bonus plan or program for its executives generally, as in effect from time to time (the "**Bonus Plan**"). The Executive's target Annual Bonus ("**Target Bonus**") shall be equal to one hundred fifty percent (150%) of the Base Salary, provided, however, that for fiscal year 2019, the applicable Target Bonus shall be pro-rated so that it may be earned at a rate equal to up to (i) eighty-five percent (85%) of the Executive's base salary at the rate in effect immediately prior to the Effective Date for the first quarter of the year and (ii) one hundred fifty percent (150%) of the Base Salary in effect as of the Effective Date for the remaining three quarters of the year, with the actual amount of the Annual Bonus earned and payable, if any, in any year to be based on the attainment of performance goals and determined by the Board or the Compensation Committee. Any bonus due to the Executive hereunder shall be paid in the time and manner set forth in the Bonus Plan.

c. **Equity-Based Compensation.** With respect to each calendar year during the term of this Agreement beginning in 2020, subject to Employee's continuous employment through the date of grant, at or about the time that the Company makes annual grants generally to its senior officers, the Company shall award the Executive a long-term incentive award under its 2016 Omnibus Incentive Compensation Plan (or successor plan, the "Plan") and the award agreements thereunder having a target fair market value at the time of grant of four (4) times base salary in accordance with applicable guidelines established by the Board or the Compensation Committee from time to time, in the sole discretion of, and in a form and amount determined by, the Board or the Compensation Committee. All equity awards shall be subject to the receipt of any required stockholder, Board or Compensation Committee approvals, the terms of the Company's equity incentive plan as then in effect and the award agreement evidencing such award, and the attainment of any applicable performance goals.

d. **Transition Award.** In connection the Executive being appointed as Chief Executive Officer of the Company, on the Effective Date (the "Grant Date") the Company will grant to the Executive a one-time equity award under the Plan and the award agreements thereunder having an aggregate target fair market value at the time of grant of Five Million Dollars (\$5,000,000) (the "Transition Award") consisting of:

(i) Restricted stock units ("RSUs") representing a number of shares of the Company's common stock, \$0.01 par value per share ("Common Stock"), equal to Two Million Dollars (\$2,000,000) divided by the closing market price on the Grant Date and vesting as to one-third (1/3) on each anniversary of the Grant Date;

(ii) Stock options to purchase a number of shares of Common Stock having a fair market value on the Grant Date equal to One Million Five Hundred Thousand Dollars (\$1,500,000) and vesting as to one-third (1/3) on each anniversary of the Grant Date;

(iii) Performance share units ("PSUs") representing a number of shares of Common Stock equal to One Million Five Hundred Thousand Dollars (\$1,500,000) divided by the closing market price on the Grant Date and vesting at the end of a three-year performance period based on the performance metrics established by the Compensation Committee of the Board for vesting of the Company's annual PSU awards for 2019.

6. **Other Bonuses.** In addition, as part of the Executive's compensation during the Term of Employment, the Executive shall be eligible to participate in any bonus program or bonus arrangement which the Company may establish from time to time for executive officers; provided that such program or arrangement applies generally to executive officers of the Company, and that the Company may modify the terms and conditions of any such bonus or arrangement and may discontinue or otherwise terminate any such program or arrangement from time to time in its sole discretion.

7. **Paid Time Off.** During the term hereof, the Executive shall be entitled to four (4) weeks of vacation per annum, to be taken at such times and intervals as shall be determined by the

Executive, subject to the reasonable business needs of the Company. Vacation shall otherwise be governed by the policies of the Company, as in effect from time to time. Unless required by applicable law which cannot be waived, vacation time granted but not used in any year shall be forfeited at the end of such one-year period and may not be carried over to any subsequent year.

8. **Fringe Benefits.** In addition to any other rights the Executive may have hereunder, the Executive shall also be entitled to participate in those employee benefit plans, programs and arrangements, including, but not limited to life insurance, medical benefits, etc., if any, as may be provided by the Company to similar employees of the Company, in each case as such plans, programs and arrangements may be in effect from time to time, all subject to the terms of such plans, programs or arrangements and applicable policies of the Company. Any taxable welfare benefits provided to the Executive pursuant to this **Section 8** that are not “disability pay” or “death benefits” within the meaning of Treasury Regulations Section 1.409A-1(a)(5) (collectively, the “Applicable Benefits”) shall be subject to the following requirements in order to comply with Section 409A of the Internal Revenue Code of 1986, as amended (the “Code”). The amount of any Applicable Benefits provided during one taxable year shall not affect the amount of the Applicable Benefits provided in any other taxable year, except that with respect to any Applicable Benefits that consist of the reimbursement of expenses referred to in Code Section 105(b), a limitation may be imposed on the amount of such reimbursements as described in Treasury Regulations Section 1.409A-3(i)(iv)(B). To the extent that any Applicable Benefits consist of the reimbursement of eligible expenses, such reimbursement must be made on or before the last day of the calendar year following the calendar year in which the expense was incurred, and the Company shall not be obligated to reimburse any expense for which the Executive fails to submit an invoice or other documented reimbursement request at least thirty (30) business days before the end of the calendar year next following the calendar year in which the expense for any such reimbursement was incurred. Further, no Applicable Benefits may be liquidated or exchanged for another benefit.

9. **Indemnification and Insurance.** The Executive shall be entitled to coverage under such directors and officers liability insurance policies maintained from time to time by the Company for the benefit of its directors and officers. To the full extent permitted by the Indemnification Agreement entered into by the Company and the Executive (the “Indemnification Agreement”) and the Bylaws, the Company shall indemnify and hold executive harmless from and against all costs, charges and expenses (including reasonable attorney’s fees) and provide for the advancement of expenses incurred or sustained in connection with any action, suit or proceeding to which Executive or his legal representative may be made a party by reason of Executive’s service as a director, officer or employee of the Company or any of its subsidiaries or affiliates. The provisions of this **Section 9** shall not be deemed exclusive of any other rights that the Executive may have to seek indemnification.

10. **Expenses.** Subject to compliance with the Company’s policies as in effect from time to time, the Executive may incur and be reimbursed by the Company for reasonable expenses on behalf of and in furtherance of the business of the Company. If any reimbursements under this provision are taxable to the Executive, such reimbursements shall be paid on or before the end of the calendar year following the calendar year in which the reimbursable expense was incurred, and the Company shall not be obligated to pay any such reimbursement amount for which Executive fails to submit an invoice or other documented reimbursement request at least thirty (30) business days before the end of the calendar year next following the calendar year in which the expense was

incurred. Such expenses shall be reimbursable only to the extent they were incurred during the term of the Agreement. In addition, the amount of such reimbursements that the Company is obligated to pay in any given calendar year shall not affect the amount the Company is obligated to pay in any other calendar year. Further, Executive may not liquidate or exchange the right to reimbursement of such expenses for any other benefits. The Company shall reimburse the Executive for his reasonable legal fees incurred in respect of the negotiation and preparation of this Agreement, up to a maximum of \$25,000, subject to the presentation of appropriate documentation.

11. **Termination.** Notwithstanding the provisions of **Section 1** hereof, the Term of Employment shall terminate prior to the end of the period of time specified in **Section 1** hereof, immediately upon:

a. The death of the Executive; or

b. At the election of the Company in the event of the Executive's Disability during the Term of Employment. For purposes of this Agreement, the term "Disability" shall mean the inability of the Executive, arising out of any medically determinable physical or mental impairment, to perform the services required of the Executive hereunder for a period of (i) ninety (90) consecutive days or (ii) one hundred and twenty (120) total days during any period of three hundred and sixty-five (365) consecutive calendar days; or

c. The existence of Cause. For purposes of this Agreement, the term "Cause" shall be defined as:

(i) the Executive's willful failure to perform, or gross negligence or insubordination in the performance of, the Executive's duties and responsibilities to the Company or its Affiliates (other than any such failure from incapacity due to physical or mental illness), which failure or neglect, if susceptible to cure, remains uncured fifteen (15) business days after written notice from the Company specifying in reasonable detail the nature of such failure;

(ii) the Executive's indictment or conviction of or plea of guilty or nolo contendere to (A) a felony or (B) a crime involving moral turpitude;

(iii) the Executive's engaging in dishonesty in his dealings with the Company or its Affiliates, the commission of fraud or illegal misconduct or gross misconduct;

(iv) any material violation by the Executive of any covenant or restriction contained in this Agreement or any other agreement entered into with the Company or any of its Affiliates; or

(v) any material violation by the Executive of any current or future published policy of the Company or its Affiliates (including, but not limited to, the Company's discrimination and harassment policy, responsible alcohol policy, insider trading policy and security policy).

d. At the election of the Executive for Good Reason (i) by providing notice to the Company specifying in reasonable detail the condition giving rise to the Good Reason no later than thirty (30) days following the date the Executive first becomes aware of the occurrence of that condition; provided, however, that to claim that an event, taken together with another event or events, constitutes Good Reason hereunder, the Executive must have given notice to a member of the Board of such event at the time he first becomes aware of its occurrence; (ii) by providing the Company a period of thirty (30) days to remedy the condition and (iii) by terminating his employment for Good Reason within thirty (30) days following the expiration of the period to remedy if the Company fails to substantially remedy the condition. For purposes of this Agreement, the term “Good Reason” shall be defined as:

i. the assignment to the Executive of any duties inconsistent in any respect with Executive’s position (including status, offices, titles, and reporting requirements), authority, duties or responsibilities as in effect on the date hereof, any material diminution in such position, authority, duties or responsibilities, excluding for this purpose an isolated, insubstantial and inadvertent action not taken in bad faith and that is remedied by the Company promptly after receipt of notice thereof given by the Executive; provided, however, that the following shall not constitute Good Reason: (A) the Executive’s ceasing to be a member of the Board as a result of a merger of the Company into an Affiliate or any other similar transaction, so long as the Executive remains on the board of directors of the surviving entity, or (B) any sale, or transfer of equity or assets of the Company or an Affiliate so long as the Executive remains Chief Executive Officer of the Company (or any successor to the Company) following such transaction, provided that a sale or other transfer, in one or a series of related transactions, of a majority of the assets of the Company other than to an entity controlled by the Company shall constitute Good Reason, but only if the conditions set forth above in this subsection (i) are also satisfied;

ii. a reduction by the Company in the Executive’s base salary as in effect on the date hereof, unless a similar reduction is made in salary of all similarly situated employees;

iii. the Company requires the Executive to be based at or generally work from any location more than fifty (50) miles from the location at which the Executive was based or generally worked on the date hereof; or

iv. a material breach by the Company of its obligations under this Agreement.

e. At the election of the Company in its sole discretion, for any reason (other than for Cause). A termination of the Executive’s employment that occurs on the last day of the term of this Agreement following the Company’s notice to the Executive of non-renewal of the term hereof under Section 1 hereof shall be treated as a termination under this **Section 11(e)**;

f. At the election of the Executive, upon ninety (90) days' prior written notice to the Company; and

g. The retirement of the Executive. Notwithstanding the foregoing, a voluntary termination of employment by the Executive after the occurrence of an event which would constitute "Cause" shall not constitute a Retirement.

Termination of employment for all purposes under this Agreement will be determined to have occurred in accordance with the 'separation from service' requirements of Code Section 409A and the Treasury Regulations and other guidance issued thereunder, and based on whether the facts and circumstances indicate that Company and Executive reasonably anticipated that no further services would be performed after a certain date or that the level of bona fide services Executive would perform after such date (as an employee or as an independent contractor) would permanently decrease to no more than twenty percent (20%) of the average level of bona fide services performed over the immediately preceding thirty-six (36) month period (or actual period of service, if less).

For all purposes of this Agreement, termination for Cause shall be deemed to have occurred in the event of the Executive's resignation when, because of existing facts and circumstances, subsequent termination for Cause can be reasonably foreseen.

12. **Payments Upon Termination; Severance.**

a. **General.** Except as otherwise provided in **Section 12(b)**, in the event of termination of employment pursuant to **Section 11:**

- i. The Executive or the Executive's estate, as appropriate, shall be entitled to receive (A) the base salary provided for herein up to and including the effective date of termination, prorated on a daily basis, (B) any vested benefits in tax-qualified pension plans maintained by the Company or other amounts accrued and payable under any employee benefit plan, each pursuant to **Section 8** above, and (C) any business expenses incurred by the Executive pursuant to **Section 10** above but unreimbursed on the date of termination, provided that such expenses and required substantiation and documentation are submitted under Company policy (all of the foregoing, payable subject to the timing limitations described herein, "**Final Compensation**").
- ii. All equity awards previously granted to Executive that are still outstanding shall be forfeited, except to the extent otherwise provided in the applicable award agreement.

b. **Severance.** The following benefits are conditioned on (i) the Executive, or the Executive's beneficiary, signing and returning to the Company (without revoking) a timely and effective release of claims in the form attached hereto as **Exhibit A**, by the deadline specified therein, which in all events shall be no later than the forty fifth (45th) calendar day following the date of termination, (ii) the Executive not engaging in a material

violation of **Section 13(b)**, **Section 14**, **Section 15** and **Section 16** of this Agreement, and (iii) the Executive's continued compliance with the covenants contained in **Section 13(a)** of this Agreement (subsections (ii) and (iii) collectively, the "Compliance Condition"):

(i) In the event of termination of employment pursuant to **Section 11(d) or 11(e)**, the Executive shall be entitled to receive as full and complete severance compensation (A) any Annual Bonus earned for the fiscal year preceding that in which termination occurs, but unpaid on the date of termination (the "Unpaid Bonus"), (B) an amount (the "Severance Amount") equal to the sum of (x) twenty-four (24) months of the base salary at the rate in effect on the date of termination plus (y) a pro-rata Annual Bonus for the year in which such termination of employment occurs, calculated by multiplying the Target Bonus by a fraction, the numerator of which is the number of days the Executive was employed during such year and the denominator of which is 365 (the "Pro-Rata Bonus"), and (C) in accordance with the terms of the award agreements entered into in connection with the Transition Award, the Transition Award will vest pro rata as of the effective date of such termination of employment, such amount to be determined by multiplying each component equity award that is outstanding but unvested by a fraction, the numerator of which is the number of days in such equity award that has elapsed between (x) the later of the Grant Date and the most recent vesting date and (y) the effective date of such termination of employment, and the denominator of which is the number of days in the vesting period applicable to such unvested portion of such equity award (the "Pro Rata Transition Award"). Severance Payments pursuant to **Section 9(b)(i)(A)** above shall be payable in a lump sum within sixty days following the effective date of the termination. The Executive acknowledges and agrees that in the event of termination of employment pursuant to **Section 11(d) or 11(e)**, the payments provided in this **Section 12(b)** and the Final Compensation provided in **Section 12(a)** shall be the only obligation that the Company or any of its Affiliates shall have to the Executive.

(ii) In the event of termination of employment pursuant to **Section 11(a) or 11(b)**, the Executive or the Executive's estate, as appropriate, shall be entitled to receive (A) the Unpaid Bonus, (B) the Pro-Rata Bonus and (C) the Pro Rata Transition Award. The Executive or the Executive's estate, as appropriate, acknowledges and agrees that in the event of termination of employment pursuant to **Section 11(a) or 11(b)**, the payments provided in this **Section 12(b)** and the Final Compensation provided in **Section 12(a)** shall be the only obligation that the Company or any of its Affiliates shall have to the Executive.

(iii) In the event of termination of employment pursuant to **Section 11(g)**, the Executive shall be entitled to receive the Unpaid Bonus and the Pro Rata Transition Award.

c. The Executive may also be entitled to payments and benefits under the Company's Executive Change in Control Plan (the "CIC Plan"); provided, however, in accordance with the terms of the CIC Plan, such payments and benefits described in the CIC Plan will be reduced by the amount of other severance or similar termination payments

or benefits provided by the Company to the Executive under this Agreement or other arrangement or any payments or benefits required to be provided by the Company to the Executive under any federal or state law.

13. **Noncompetition.**

a. **During Term.** Except with the prior written consent of the Company, during the Executive's employment with the Company, the Executive shall not, individually or jointly with others, directly or indirectly, whether for the Executive's own account or for that of any other person or entity, engage in or own or hold any ownership interest in any person or entity engaged in a "full service restaurant" business, or any "proposed full service restaurant" to be owned or operated by the Executive or any other person or entity or undertake any planning for any such business, and the Executive shall not act as an officer, director, employee, partner, independent contractor, consultant, principal, agent, proprietor or in any other capacity for, nor lend any assistance (financial or otherwise) or cooperation to, any such person or entity. "**Full service restaurant**" shall include, but is not limited to, any restaurant business generally considered to be in the casual dining, polished casual dining or high end casual dining business and "full service restaurants owned or operated by the Company or any of its Affiliates" shall include any entity in which the Company, or any of its Affiliates has an interest, including, but not limited to, an interest as a franchisor, but shall not include any entities to whose exclusion the Company consents. The term "**proposed full service restaurant**" shall include all locations for which the Company or any of its franchisees or Affiliates is conducting active, bona fide negotiations to secure a fee or leasehold interest with the intention of establishing a full-service restaurant thereon.

b. **Post Term.** For a continuous period of two (2) years commencing on termination of the Executive's employment with the Company, regardless of any termination pursuant to **Section 11** hereof or any voluntary termination or resignation by the Executive, the Executive shall not, individually or jointly with others, directly or indirectly, whether for the Executive's own account or for that of any other person or entity, engage in or own or hold any ownership interest in any person or entity engaged in a full service restaurant business that is located or intended to be located within a state (if inside the United States of America) or a country (if outside the United States of America) in which any restaurant owned or operated by the Company or any of its Affiliates is located, or any such proposed full service restaurant to be owned or operated by the Executive or any other person or entity, and the Executive shall not act as an officer, director, employee, partner, independent contractor, consultant, principal, agent, proprietor or in any other capacity for, nor lend any assistance (financial or otherwise) or cooperation to, any such person or entity.

c. **Limitation.** Notwithstanding **subsections (a) and (b)** immediately above, it shall not be a violation of this **Section 13** for (i) the Executive to own a one percent (1%) or smaller interest in any corporation required to file periodic reports with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, or successor statute, or (ii) the Executive from working for or providing services to any entity if such entity, together with its affiliates, derives less than five percent (5%) of

consolidated gross revenues from the full service restaurant business and the Executive's responsibilities do not primarily involve conduct of the full service restaurant business by such entity.

14. **Nondisclosure; Nonsolicitation; Nonpiracy.**

(a) Except in the good faith performance of the Executive's duties hereunder, at no time during the Term of Employment, or at any time thereafter, shall the Executive, individually or jointly with others, for the benefit of the Executive or any third party, publish, disclose, use or authorize anyone else to publish, disclose or use any Confidential Information, except (i) to the extent required by law, regulation or valid subpoena, provided that the Executive agrees to furnish prompt notice, if legally permitted to do so, to the Company of any required disclosure of Confidential Information sought pursuant to subpoena, court order or any other legal process or requirement, and agrees to provide the Company a reasonable opportunity to seek protection of the Confidential Information prior to any such disclosure, or (ii) to the extent that such information becomes publicly known or available through no fault of the Executive or known violation by another party of its obligation of confidentiality to the Company. The Executive will comply with the policies and procedures of the Company and its Affiliates for protecting Confidential Information. "Confidential Information" means any and all information of the Company and its Affiliates that is not generally known by the public, including but not limited to others with whom they compete or do business, or with whom they plan to compete or do business and any and all non-public information, which, if disclosed by the Company or its Affiliates would assist in competition against them. Confidential Information includes, without limitation, such information relating to (A) the development, research, testing, manufacturing, marketing and financial activities of the Company and its Affiliates, (B) the costs, sources of supply, financial performance and strategic plans of the Company its Affiliates, (C) the identity and special needs of the customers of the Company and its Affiliates, (D) trade and industrial practices, trade secrets, recipes, product specifications, restaurant operating techniques and procedures, marketing techniques and procedures and vendors, and (E) the people and organizations with whom the Company and its Affiliates have business relationships and those relationships. Confidential Information also includes information that the Company or any of its Affiliates have received, or may receive hereafter, belonging to others or which was received by the Company or any of its Affiliates, and is being held, with any understanding, express or implied, that it will not be disclosed.

(b) During the Executive's employment with the Company and for two (2) years thereafter, except as is the result of a broad solicitation that is not targeting employees or independent contractors of the Company or any of its franchisees or Affiliates, the Executive shall not, directly or indirectly as an officer, director, employee, partner, independent contractor, consultant, principal, agent, proprietor, owner or part owner, or in any other capacity, of or for any person or entity, (i) offer employment to, or hire, any employee of the Company or any of its franchisees or Affiliates, or otherwise directly or indirectly solicit or induce any employee of the v or any of its franchisees or Affiliates to terminate his or her employment with the Company or any of its franchisees or Affiliates, or (ii) solicit or encourage any independent contractor providing services to the Company

or any of its franchisees or Affiliates to terminate or diminish its relationship with them. For the purposes of this Agreement, an “employee” or “independent contractor” of the Company or any of its Affiliates is any person who was such at any time within the preceding two years.

15. **Company Property: Executive Duty to Return.** All Company property and assets, including but not limited to products, recipes, product specifications, training materials, employee selection and testing materials, marketing and advertising materials, special event, charitable and community activity materials, customer correspondence, internal memoranda, products and designs, sales information, project files, price lists, customer and vendor lists, prospectus reports, customer or vendor information, sales literature, territory printouts, call books, notebooks, textbooks, all other like information or products and all other Confidential Information, including but not limited to all copies, duplications, replications, and derivatives of such information or products, now in the possession of Executive or acquired by v while in the employ of the Company, shall be the exclusive property of the Company and shall be returned to the Company no later than the date of Executive’s last day of work with the Company. Except in connection with the good faith performance of the Executive’s regular duties for the Company or as expressly authorized in writing in advance by the Company, the Executive will not copy any Company property and assets or remove any Company property and assets or copies or derivatives thereof from the premises of the Company.

16. **Inventions, Ideas, Processes, and Designs.** All inventions, ideas, recipes, processes, programs, software and designs (including all improvements) related to the business or any prospective activity of the Company shall be disclosed in writing promptly to the Company, and shall be the sole and exclusive property of the Company, if either (a) conceived, made or used by the Executive during the course of the Executive’s employment with the Company (whether or not actually conceived during regular business hours) or (b) made or used by the Executive for a period of six (6) months subsequent to the termination or expiration of such employment. Any invention, idea, recipe, process, program, software or design (including an improvement) shall be deemed “related to the business of the Company” if (a) it was made with equipment, facilities or Confidential Information of the Company, (b) results from work performed by the Executive for the Company or (c) pertains to the current business or demonstrably anticipated research or development work of the Company. The Executive shall cooperate with the Company and its attorneys in the preparation of patent and copyright applications for such developments and, upon request, shall promptly assign, and does hereby assign, all such inventions, ideas, recipes, processes and designs to the Company. The decision to file for patent or copyright protection or to maintain such development as a trade secret shall be in the sole discretion of the Company, and the Executive shall be bound by such decision. The Executive shall provide, on **Exhibit B** to this Agreement, a complete list of all inventions, ideas, recipes, processes and designs if any, patented or unpatented, copyrighted or non-copyrighted, including a brief description, that the Executive made or conceived prior to the Executive’s employment with the Company, and that, therefore, are excluded from the scope of this Agreement.

17. **Restrictive Covenants: Consideration; Non-Estoppel; Independent Agreements; and Non-Executory Agreements.** The restrictive covenants of **Section 13, Section 14 and Section 16** of this Agreement are given and made by Executive to induce the Company to employ the Executive and to enter into this Agreement with the Executive, and Executive hereby

acknowledges that employment with the Company is sufficient consideration for these restrictive covenants.

The restrictive covenants of **Section 13, Section 14** and **Section 16** of this Agreement shall be construed as agreements independent of any other provision in this Agreement, and the existence of any claim or cause of action of Executive against the Company, whether predicated upon this Agreement or otherwise, shall not constitute a defense to the enforcement of any restrictive covenant.

The refusal or failure of the Company to enforce any restrictive covenant of **Section 13, Section 14** or **Section 16** of this Agreement (or any similar agreement) against any other employee, agent, or independent contractor, for any reason, shall not constitute a defense to the enforcement by the Company of any such restrictive covenant, nor shall it give rise to any claim or cause of action by Executive against the Company.

18. **Reasonableness of Restrictions; Reformation; Enforcement.** The parties hereto recognize and acknowledge that the geographical and time and scope of activity limitations contained in **Section 13, Section 14** and **Section 16** hereof are reasonable and properly required for the adequate protection of the Company's interests. Executive acknowledges that the Company or its Affiliate is the owner or the licensee of the trademarks used by it, and the owner or the licensee of the restaurant operating systems. It is agreed by the parties hereto that if any portion of the restrictions contained in **Section 13, Section 14** or **Section 16** are held to be unreasonable, arbitrary, or against public policy, then the restrictions shall be considered divisible, whether as to the time and/or to the geographical area and/or scope of activity, with each month of the specified period being deemed a separate period of time and each radius mile of the restricted territory being deemed a separate geographical area, so that the lesser period of time or geographical area shall remain effective so long as the same is not unreasonable, arbitrary, or against public policy. The parties hereto agree that in the event any court of competent jurisdiction determines the specified period or the specified geographical area of the restricted territory or the scope of the restricted activity to be unreasonable, arbitrary, or against public policy, a lesser time period or geographical area or scope of activity that is determined to be reasonable, nonarbitrary, and not against public policy may be enforced against Executive. If Executive shall violate any of the covenants contained herein and if any court action is instituted by the Company to prevent or enjoin such violation, then the period of time during which the Executive's business activities shall be restricted, as provided in this Agreement, shall be lengthened by a period of time equal to the period between the date of the Executive's breach of the terms or covenants contained in this Agreement and the date on which the decree of the court disposing of the issues upon the merits shall become final and not subject to further appeal.

If either party initiates legal proceedings to enforce, interpret or construe any of the covenants contained in this Agreement, each party shall pay its own legal fees, and the prevailing party in such proceedings shall be entitled to receive from the non-prevailing party, in addition to all other remedies, all costs of such proceedings including appellate proceedings.

19. **Specific Performance.** Executive agrees that a breach of any of the covenants contained in **Section 13, Section 14, Section 15** or **Section 16** hereof will cause irreparable injury to the Company for which the remedy at law will be inadequate and would be difficult to ascertain

and therefore, in the event of the breach or threatened breach of any such covenants, the Company shall be entitled, in addition to any other rights and remedies it may have at law or in equity, to obtain an injunction to restrain Executive from any threatened or actual activities in violation of any such covenants. Executive hereby consents and agrees that temporary and permanent injunctive relief may be granted in any proceedings that might be brought to enforce any such covenants without the necessity of proof of actual damages, and in the event the Company does apply for such an injunction, Executive shall not raise as a defense thereto that the Company has an adequate remedy at law.

20. **Assignability.** This Agreement and the rights and duties created hereunder, shall not be assignable or delegable by Executive. The Company shall have the right, without Executive's knowledge or consent, to assign this Agreement, in whole or in part and any or all of the rights and duties hereunder, including but not limited to the restrictive covenants of **Section 13, Section 14** and **Section 16** hereof to any person, including but not limited to any Affiliate of the Company, or any successor to the Company's interest in the restaurants, and Executive shall be bound by such assignment. Any assignee or successor may enforce any restrictive covenant of this Agreement.

21. **Effect of Termination.** For the avoidance of doubt, the termination of this Agreement or expiration of the Term of Employment, for any reason, shall not extinguish those obligations of the Executive specified in **Section 13, Section 14, Section 16** and **Section 31** hereof.

22. **Captions; Terms.** The captions of this Agreement are for convenience only, and shall not be construed to limit, define, or modify the substantive terms hereof.

23. **Acknowledgments.** Executive hereby acknowledges, that the Executive has been provided with a copy of this Agreement for review prior to signing it, that the Executive has been given a full and sufficient opportunity to consider this Agreement and has been given the opportunity to have this Agreement reviewed by Executive's attorney prior to signing it, that the Executive understands the purposes and effects of this Agreement; and that in agreeing to be bound by this Agreement the Executive has not relied on any promises or representations, express or implied, that are not set forth expressly in this Agreement; and that the Executive has been given a signed copy of this Agreement for Executive's own records.

24. **Notices.** All notices or other communications provided for herein to be given or sent to a party by another party shall be deemed validly given or sent if in writing mailed, postage prepaid, by certified United States mail, return receipt requested, or delivered by hand or consigned to a nationally recognized overnight courier, and addressed to the parties at their addresses hereinabove set forth or at their last known address. Any party may give notice to the other party at any time, by the method specified above, of a change in the address at which, or the person to whom, notice is to be addressed, which change of address shall be effective if notice thereof is actually received.

25. **Severability.** Each section, subsection, and lesser section of this Agreement constitutes a separate and distinct undertaking, covenant, or provision hereof. In the event that any provision of this Agreement shall be determined to be invalid or unenforceable, such provision shall be deemed limited by construction in scope and effect to the minimum extent necessary to

render the same valid and enforceable, and, in the event such a limiting construction is impossible, such invalid or unenforceable provision shall be deemed severed from this Agreement, but every other provision of this Agreement shall remain in full force and effect. Notwithstanding the foregoing, the invalidity or unenforceability of **Sections 13, 14 or 16**, or any portions thereof, shall have no effect on the Company's rights under **Section 12** to cease making any severance payments in the event of the Executive's failure to comply with the Compliance Condition.

26. **Waiver.** The failure of a party to enforce any term, provision, or condition of this Agreement or failure to insist on strict performance of a covenant hereunder or any obligation hereunder, at any time or times shall not be deemed a waiver of that term, provision, or condition for the future, nor shall any specific waiver of a term, provision, or condition at one time be deemed a waiver of such term, provision, or condition for any future time or times.

27. **Parties.** This Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto, their legal representatives, executors, administrators, heirs, and proper successors or permitted assigns, as the case may be.

28. **Governing Law.** This Agreement takes effect upon its acceptance and execution by the Company. The validity, interpretation, and performance of this Agreement shall be governed, interpreted, and construed in accordance with the laws of the State of Florida without giving effect to the principles of comity or conflicts of laws thereof.

29. **Consent to Personal Jurisdiction and Venue.** Executive hereby consents to personal jurisdiction and venue, for any action brought by the Company arising out of a breach or threatened breach of this Agreement or out of the relationship established by this Agreement, exclusively in the United States District Court for the Middle District of Florida, Tampa Division, or in the Circuit Court in and for Hillsborough County, Florida; and, if applicable, the federal and state courts in any jurisdiction where the Executive is employed or resides; the Executive hereby agrees that any action brought by Executive, alone or in combination with others, against the Company, whether arising out of this Agreement or otherwise, shall be brought exclusively in the United States District Court for the Middle District of Florida, Tampa Division, or in the Circuit Court in and for Hillsborough County, Florida.

30. **Affiliate.** Whenever used in this Agreement, the term "Affiliate" shall mean, with respect to any entity, all persons or entities directly or indirectly controlled by Bloomin' Brands, Inc., where control may be by management authority, contract or equity interest.

31. **Cooperation.** Executive shall cooperate fully with all reasonable requests for information and participation by the Company, its agents, or its attorneys, in prosecuting or defending claims, suits, and disputes brought on behalf of or against the Company and in which v is involved or about which Executive has knowledge.

32. **Internal Revenue Code Section 409A Compliance; Taxes.**

a. Unless otherwise expressly provided, any payment of compensation by the Company to the Executive, whether pursuant to this Agreement or otherwise, shall be made within two and one-half months (2 ½ months) after the end of the later of the calendar year or the Company's fiscal year in which the Executive's right to such payment vests (i.e., is

not subject to a substantial risk of forfeiture for purposes of Internal Revenue Code Section 409A (“Code Section 409A”). Such amounts shall not be subject to the requirements of subsection (b) below applicable to “nonqualified deferred compensation.”

b. All payments of “nonqualified deferred compensation” (within the meaning of Code Section 409A are intended to comply with the requirements of Code Section 409A, and shall be interpreted in accordance therewith. No party individually or in combination may accelerate, offset or assign any such deferred payment, except in compliance with Code Section 409A. No amount shall be paid prior to the earliest date on which it is permitted to be paid under Code Section 409A and Executive shall have no discretion with respect to the timing of payments except as permitted under Section 409A. In the event that the Executive is determined to be a “specified employee” (as defined and determined under Code Section 409A) of the Company or any of its affiliates at a time when its stock is deemed to be publicly traded on an established securities market, payments determined to be “nonqualified deferred compensation” payable by reason of separation from service shall be paid no earlier than (i) the first day of the seventh (7th) calendar month commencing after such termination of employment, or (ii) the Executive’s death, consistent with and to the extent necessary to meet the requirements Code Section 409A without the imposition of excise taxes. Any payment delayed by reason of the prior sentence shall be paid out in a single lump sum on the earliest date permitted under Code Section 409A in order to catch up to the original payment schedule. Notwithstanding anything herein to the contrary, no amendment may be made to this Agreement if it would cause the Agreement or any payment hereunder not to be in compliance with Code Section 409A.

c. The Executive shall be responsible for the payment of all taxes applicable to payments or benefits received from the Company. It is the intent of the Company that the provisions of this Agreement and all other plans and programs sponsored by the Company be interpreted to comply in all respects with Code Section 409A, however, the Company shall have no liability to the Executive, or any successor or beneficiary thereof, in the event taxes, penalties or excise taxes may ultimately be determined to be applicable to any payment or benefit received by the Executive or any successor or beneficiary thereof.

33. **Amendments**. No change, modification, or termination of any of the terms, provisions, or conditions of this Agreement shall be effective unless made in writing and signed or initialed by all signatories to this Agreement.

34. **WAIVER OF JURY TRIAL**. ALL PARTIES TO THIS AGREEMENT KNOW AND UNDERSTAND THAT THEY HAVE A CONSTITUTIONAL RIGHT TO A JURY TRIAL. THE PARTIES ACKNOWLEDGE THAT ANY DISPUTE OR CONTROVERSY THAT MAY ARISE OUT OF THIS AGREEMENT WILL INVOLVE COMPLICATED AND DIFFICULT FACTUAL AND LEGAL ISSUES.

THE PARTIES HEREBY WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OF THE CONTEMPLATED TRANSACTIONS, WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT, TORT OR

OTHERWISE. THE PARTIES AGREE THAT ANY OF THEM MAY FILE A COPY OF THIS PARAGRAPH WITH ANY COURT AS WRITTEN EVIDENCE OF THE KNOWING, VOLUNTARY AND BARGAINED-FOR AGREEMENT AMONG THE PARTIES IRREVOCABLY TO WAIVE TRIAL BY JURY AND THAT ANY PROCEEDING WHATSOEVER BETWEEN THEM RELATING TO THIS AGREEMENT OR ANY OF THE CONTEMPLATED TRANSACTIONS SHALL INSTEAD BE TRIED IN A COURT OF COMPETENT JURISDICTION BY A JUDGE SITTING WITHOUT A JURY.

THE PARTIES INTEND THAT THIS WAIVER OF THE RIGHT TO A JURY TRIAL BE AS BROAD AS POSSIBLE. BY THEIR SIGNATURES BELOW, THE PARTIES PROMISE, WARRANT AND REPRESENT THAT THEY WILL NOT PLEAD FOR, REQUEST OR OTHERWISE SEEK TO HAVE A JURY TO RESOLVE ANY AND ALL DISPUTES THAT MAY ARISE BY, BETWEEN OR AMONG THEM.

35. **Entire Agreement; Counterparts.** This Agreement constitutes the entire agreement between the parties hereto concerning the subject matter hereof, and supersedes all prior memoranda, correspondence, conversations, negotiations and agreements, including, but not limited to the Existing Agreement. However, this Agreement does not supersede or otherwise affect (a) the Indemnification Agreement, (b) the Company's 2012 Incentive Award Plan and award agreements thereunder, or (c) the Plan and award agreements thereunder. As of the Effective Date, the Existing Agreement shall be of no further force or effect. This Agreement may be executed in several identical counterparts that together shall constitute but one and the same Agreement

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first written above.

EXECUTIVE

/s/ Kelly Lefferts
Witness
Kelly Lefferts
Printed Name of Witness

/s/ David J. Deno
David J. Deno

/s/ Claire Whitehurst
Witness
Claire Whitehurst
Printed Name of Witness

COMPANY

BLOOMIN' BRANDS, INC., a Delaware corporation

Attest:

By: /s/ Kelly Lefferts
Kelly Lefferts, Secretary

By: /s/ Pablo Brizi
Name: Pablo Brizi
Title: SVP, Chief Human
Resources Officer

EXHIBIT A – Release of Claims

This Release of Claims is provided by me, David J. Deno (or by my designated beneficiary, in the event of my death during my employment) pursuant to the Amended and Restated Officer Employment Agreement between me and Bloomin' Brands, Inc., made and entered into effective April 1, 2019 (the "Employment Agreement").

This Release of Claims is given in consideration of the severance benefits to be provided to me (or, in the event of my death during my employment, to my designated beneficiary) in connection with the termination of my employment under Section 12 of the Employment Agreement (collectively, the "Separation Payments"), which are conditioned on my signing this Release of Claims and to which I am not otherwise entitled, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged. On my own behalf and that of my heirs, executors, administrators, beneficiaries, representatives and assigns, and all others connected with or claiming through me, I hereby release and forever discharge the Company from any and all causes of action, rights or claims of any type or description, known or unknown, which I have had in the past, now have or might have, through the date of my signing of this Release of Claims. This includes, without limitation, any and all causes of action, rights or claims in any way resulting from, arising out of or connected with my employment by the Company or the termination of that employment or pursuant to any federal, state or local law, regulation or other requirement, including without limitation Title VII of the Civil Rights Act of 1964, the Americans with Disabilities Act, the Age Discrimination in Employment Act, the fair employment practices statutes of the state or states in which I have provided services to the Company or any other federal, state, local or foreign law, all as amended, any contracts of employment; any tort claims; or any agreements, plans or policies.

Notwithstanding the immediately preceding paragraph, nothing in this Release of Claims shall be construed to prohibit me from filing a charge with, or participating in any investigation or proceeding conducted by, the U.S. Equal Employment Opportunity Commission or a comparable state or federal fair employment practices agency, or from communicating directly with the Securities and Exchange Commission regarding any possible securities law violation; provided, however, that, except as otherwise provided herein, this Release of Claims fully and finally resolves all monetary matters between me and the Company, and, except with respect to any matter involving the Securities and Exchange Commission, I waive any right to monetary damages, attorneys' fees, costs and equitable remedies related to or arising from any such charge, or ensuing complaint or lawsuit, filed by me or on my behalf.

For purposes of this Release of Claims, the word "Company," always includes the subsidiaries and affiliates of the Company and all of its past, present and future officers, directors, trustees, shareholders, employees, employee benefit plans and any of the trustees or administrators thereof, agents, general and limited partners, members, managers, investors, joint venturers, representatives, predecessors, successors and assigns, and all others connected with any of them, both individually and in their official capacities.

Excluded from the scope of this Release of Claims is (i) any right I have to the Separation Payments payable after the effective date of this Release of Claims, (ii) any rights to benefits that were vested under the Company's employee benefit plans on the date on which my employment with the Company terminated, in accordance with the terms of such plans, (iii) any right of indemnification or contribution or advancement of expenses pursuant to the Articles of Incorporation or By-Laws or other applicable corporate governing documents of the Company, Delaware or other applicable law, or any indemnification agreement between the Company and me, (iv) any right under any applicable liability insurance policy with respect to my liability as a director or officer of the Company or any of its subsidiaries or affiliates, or (v) any right to enforce the terms of this Release of Claims or any other agreements, including any option or other equity agreement, between the Company and me that by their respective terms survive the termination of my employment.

In signing this Release of Claims, I give the Company assurance that I have returned to the Company any and all documents, materials and information related to the business, whether present or otherwise, of the Company and all keys and other property of the Company that were in my possession or control, all as required by and consistent with Section 15 of the Employment Agreement. I agree that I will not, for any purpose, attempt to access or use any computer or computer network or system of the Company, including without limitation their electronic mail systems. I further acknowledge that I have disclosed to the Company all passwords necessary or desirable to enable the Company to access all information which I have password-protected on its computer network or system.

In signing this Release of Claims, I agree that I have been paid in full all compensation due to me, whether for services rendered by me to the Company or otherwise, through the date on which my employment with the Company terminated and that, exclusive only of the Separation Payments, no further compensation of any kind shall be due to me by the Company, whether arising under the Employment Agreement or otherwise, in connection with my employment or the termination thereof. I also agree that except for any right I and my eligible dependents may have to continue participation in the Company's health and dental plans under the federal law commonly known as COBRA, my right to participate in any employee benefit plan of the Company will be determined in accordance with the terms of such plan. I acknowledge that some or all of the consideration paid to me hereunder is in addition to anything of value to which I am entitled otherwise under the Company's normal policies and practices.

I acknowledge that my eligibility for the Separation Payments is not only contingent on my signing and returning this Release of Claims to the Company in a timely manner and not revoking it thereafter, but also is subject to my compliance with the Compliance Condition (as such term is defined in the Employment Agreement).

I further agree that from and after the date hereof I will not make any false, misleading or disparaging statements about the Company or any of its subsidiaries, affiliates, shareholders, officers, employees, directors or products or services. The Company agrees that it shall use its reasonable efforts to cause its shareholders, officers, employees and directors to not make any false, misleading or disparaging statements about me.

In signing this Release of Claims, I acknowledge my understanding that I may not sign it prior to the termination of my employment, but that I may consider the terms of this Release of Claims for up to twenty-one days (or, if the Company so instructs me in writing, for up to forty-five days) from the later of the date my employment with the Company terminates or the date I receive this Release of Claims. I understand that any material or non-material changes to this Release of Claims after it has been given to me will not restart or extend the twenty-one day (or forty-five day) period. I further understand that I may revoke this Release of Claims within seven days after executing it by delivering written notice of such revocation to the Corporate Secretary of the Company, with a copy to Baker & Hostetler LLP, 127 Public Square, Suite 2000, Cleveland, Ohio 44114, Attention: John M. Gherlein and Janet A. Spreen, either by hand, by facsimile transmission, or by certified mail, return receipt requested, such that the written notice is received by said Corporate Secretary and by Baker & Hostetler LLP at or before the expiration of the seven-day period. I also acknowledge that I am advised by the Company to seek the advice of an attorney prior to signing this Release of Claims, that I have had sufficient time to consider this Release of Claims and to consult with an attorney, if I wished to do so, or to consult with any other person of my choosing before signing, and that I am signing this Release of Claims voluntarily and with a full understanding of its terms. I further acknowledge that, in signing this Release of Claims, I have not relied on any promises or representations, express or implied, that are not set forth expressly in this Release of Claims.

This Release of Claims shall be of no force or effect unless and until the expiration of the seven-day revocation period described above, without any revocation being delivered by me during said seven-day period.

Intending to be legally bound, I have signed this Release of Claims under seal as of the date written below.

Signature: _____
Name: David J. Deno

Date signed: _____

Bloomin' Brands, Inc.

Date signed: _____

By: _____

Name:
Title:



March 7, 2019

Chris Meyer

Dear Chris,

This letter agreement confirms the verbal promotion extended to you to be Bloomin' Brands, Inc. (the "Company") Executive Vice President, Chief Financial Officer reporting to the Company's Chief Executive Officer. Your start date is April 1, 2019. The terms of your employment will be:

You will be employed by a subsidiary of the Company (the "Employer") and will be paid an annual base salary of \$425,000 payable in equal bi-weekly installments.

You will be eligible to participate in the Company's annual bonus program at a target bonus of 85% of your base salary based on both Company performance against objectives as set forth in the Company bonus program and individual performance. Your bonus payout for the 2019 fiscal year will be prorated based on your time in each job at the respective targets, through the end of the fiscal year, provided that you remain employed by the Employer through the payout date.

Commencing with your 2020 annual long-term incentive ("LTI") grant, you will be eligible for a LTI target up to 100% of your base salary, which will be subject to Company and individual performance.

In addition, the Company will issue you a one-time promotional LTI award valued at \$1,275,000 on April 1, 2019. Forty percent of the award will be delivered in the form of restricted stock units, thirty percent of the award will be delivered in stock options, and thirty percent of the award will be delivered in performance share units of BLMN stock based on the Company's performance of the Adjusted EPS metric over the performance period December 31, 2018 through December 26, 2021. The restricted stock units and stock options will both have a vesting period ratable over three years with one-third of each award vesting on each anniversary of the grant date contingent on continued employment with the Company or the Employer. The performance share units will cliff vest on the third anniversary of the grant date, subject to achievement of the performance measure and contingent on continued employment with the Company or the Employer. All grants are subject to the terms of our 2016 Omnibus Incentive Plan (the "Plan") and our standard award agreement. Our standard equity agreement includes a "double trigger" provision to protect you in the event of a change-in-control. The details of the Plan and the form of grant agreement will be provided to you separately.

You will be eligible to participate in the following benefits as applicable and in accordance with the terms of Company policy:

- Medical Benefits Plan
- Annual Executive Medical Check-Up
- Salaried Short-Term Disability Insurance
- Salaried Long-Term Disability Insurance
- Company Paid Group Term Life Insurance
- Company Paid Accidental Death and Dismemberment





- Dental Benefits Plan
- Vision Benefits Plan
- Non-Qualified Deferred Compensation Plan
- Comp Meal Benefit Program

In the ordinary course of business, pay and benefit plans continue to evolve as business needs and laws change. To the extent the Company or the Employer determines it to be necessary or desirable to change or eliminate any of the plans or programs in which you participate, such changes will apply to you as they do to other similarly situated employees.

As a condition of your employment, please note the following:

While it is our sincere hope and belief that our relationship will be mutually beneficial, the Company and the Employer do not offer employment for a specified term. Any statements made to you in this letter and in meetings should not be construed in any manner as a proposed contract for any such term. Both you and the Employer may terminate employment at any time, with or without prior notice, for any or no reason, and with or without cause.

As a further condition of your employment you agree to the following:

Restrictive Covenant - Non-competition

1. **During Employment.** You will devote one hundred percent (100%) of your full business time, attention, energies, and effort to the business affairs of the Employer and the Company. Except with the prior written consent of the Employer, during your employment with the Company or the Employer, you shall not, individually or jointly with others, directly or indirectly, whether for your own account or for that of any other person or entity, engage in or own or hold any ownership interest in any person or entity engaged in a full service restaurant business, and you shall not act as an officer, director, employee, partner, independent contractor, consultant, principal, agent, proprietor or in any other capacity for, nor lend any assistance (financial or otherwise) or cooperation to, any such person or entity. You shall not serve on the board of directors or advisory committee of any other company without the prior consent of the Employer, which consent shall not be unreasonably withheld.

2. **Post Term.** Commencing on termination your employment with the Employer, you shall not, individually or jointly with others, directly or indirectly, whether for your own account or for that of any other person or entity, engage in or own or hold any ownership interest in any person or entity engaged in a full table service restaurant business and that is located or intended to be located anywhere within a radius of thirty (30) miles of any full table service restaurant owned or operated by the Company, the Employer, their subsidiaries, franchisees or affiliates, or any affiliates of any of the foregoing, or any proposed full table service restaurant to be owned or operated by any of the foregoing, and you shall not act as an officer, director, employee, partner, independent contractor, consultant, principal, agent, proprietor or in any other capacity for, nor lend any assistance (financial or otherwise) or cooperation to, any such person or entity for the time period specified below:





- a) If your employment with Employer ends for any other reason other than your voluntary resignation or termination by the Employer for Cause (as defined on Schedule 1), then for a continuous period equal to the period of time used for calculating the amount of severance paid to you upon termination, if any; or
- (b) If your employment with the Employer ends as a result of your voluntary resignation or termination by the Employer for Cause (as defined on Schedule 1), for a continuous period of one (1) year.

For purposes of this Non-competition clause, restaurants owned or operated by the Company or the Employer shall include all restaurants owned or operated by the Company, the Employer, their subsidiaries, franchisees or affiliates and any successor entity to the Company, the Employer, their subsidiaries, franchisees or affiliates, and any entity in which the Company or the Employer, its subsidiaries or any of their affiliates has an interest, including but not limited to, an interest as a franchisor. The term “proposed restaurant” shall include all locations for which the Company, the Employer, or their franchisees or affiliates is conducting active, bona fide negotiations to secure a fee or leasehold interest with the intention of establishing a restaurant thereon.

3. Limitation. It shall not be a violation of this Non-competition clause for Employee to own a one percent (1%) or smaller interest in any corporation required to file periodic reports with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, or successor statute.

Restrictive Covenant - Non-disclosure; Non-solicitation; Non-piracy

4. Except in the performance of your duties hereunder, at no time during your employment with the Company or the Employer, or at any time thereafter, shall you, individually or jointly with others, for your benefit of or for the benefit of any third party, publish, disclose, use or authorize anyone else to publish, disclose or use any secret or confidential material or information relating to any aspect of the business or operations of the Employer, the Company or any of their affiliates, including, without limitation, any secret or confidential information relating to the business, customers, trade or industrial practices, trade secrets, technology, recipes, product specifications, restaurant operating techniques and procedures, marketing techniques and procedures, financial data, processes, vendors and other information or know-how of the Employer, the Company or any of their affiliates, except (i) to the extent required by law, regulation or valid subpoena, or (ii) to the extent that such information or material becomes publicly known or available through no fault of your own.

5. Moreover, during your employment with the Employer and for two (2) years thereafter, except as is the result of a broad solicitation that is not targeting employees of the Employer, the Company or any of their franchisees or affiliates, you shall not offer employment to, or hire, any employee of the Employer, the Company or any of their franchisees or affiliates, or otherwise directly or indirectly solicit or induce any employee of the Employer, the Company or any of their franchisees or affiliates to terminate his or her employment with the Employer, the Company or any of their franchisees or affiliates; nor shall you act as an officer, director, employee, partner, independent contractor, consultant, principal, agent, proprietor, owner or part owner, or in any other capacity, of or for any person or entity that solicits or otherwise induces any employee of the Employer, the





Company or any of their franchisees or affiliates to terminate his or her employment with the Employer, the Company or any of their franchisees or affiliates.

Restrictive Covenant - Company and Employer Property: Duty to Return

6. All Employer and Company property and assets, including but not limited to products, recipes, product specifications, training materials, employee selection and testing materials, marketing and advertising materials, special event, charitable and community activity materials, customer correspondence, internal memoranda, products and designs, sales information, project files, price lists, customer and vendor lists, prospectus reports, customer or vendor information, sales literature, territory printouts, call books, notebooks, textbooks, and all other like information or products, including but not limited to all copies, duplications, replications, and derivatives of such information or products, now in your possession or acquired by you while in the employ of the Employer shall be the exclusive property of the Employer and shall be returned to the Employer no later than the date of your last day of work with the Employer.

Restrictive Covenant - Inventions, Ideas, Processes, and Designs

7. All inventions, ideas, recipes, processes, programs, software and designs (including all improvements) related to the business of the Employer or the Company shall be disclosed in writing promptly to the Employer, and shall be the sole and exclusive property of the Employer, if either (i) conceived, made or used by you during the course of the your employment with the Employer (whether or not actually conceived during regular business hours) or (ii) made or used by you for a period of six (6) months subsequent to the termination or expiration of such employment. Any invention, idea, recipe, process, program, software or design (including an improvement) shall be deemed “related to the business of the Employer or the Company” if (i) it was made with equipment, facilities or confidential information of the Employer or the Company, (ii) results from work performed by you for the Employer or the Company or (iii) pertains to the current business or demonstrably anticipated research or development work of the Employer or the Company. You shall cooperate with the Employer and its attorneys in the preparation of patent and copyright applications for such developments and, upon request, shall promptly assign all such inventions, ideas, recipes, processes and designs to the Employer. The decision to file for patent or copyright protection or to maintain such development as a trade secret shall be in the sole discretion of the Employer, and you shall be bound by such decision. You shall provide, on the back of this Agreement, a complete list of all inventions, ideas, recipes, processes and designs if any, patented or unpatented, copyrighted or non-copyrighted, including a brief description, that you made or conceived prior to your employment with the Employer, and that, therefore, are excluded from the scope of the employment with the Employer.

The restrictive covenants contained in this agreement are given and made by you to induce the Employer to employ you and to enter into this Agreement with you, and you hereby acknowledge that employment with the Employer is sufficient consideration for these restrictive covenants. The restrictive covenants shall be construed as agreements independent of any other provision in this Agreement, and the existence of any claim or cause of action you may have against the Employer or the Company, whether predicated upon this Agreement or otherwise, shall not constitute a defense to the enforcement of any restrictive covenant. The refusal or failure of the Employer or the Company





to enforce any restrictive covenant of this agreement (or any similar agreement) against any other employee, agent, or independent contractor, for any reason, shall not constitute a defense to the enforcement by the Employer or the Company of any such restrictive covenant, nor shall it give rise to any claim or cause of action by you against the Employer or the Company.

You agree that a breach of any of the restrictive covenants contained in this agreement will cause irreparable injury to the Employer and the Company for which the remedy at law will be inadequate and would be difficult to ascertain and therefore, in the event of the breach or threatened breach of any such covenants, the Employer and the Company shall be entitled, in addition to any other rights and remedies it may have at law or in equity, to obtain an injunction to restrain you from any threatened or actual activities in violation of any such covenants. You hereby consent and agree that temporary and permanent injunctive relief may be granted in any proceedings that might be brought to enforce any such covenants without the necessity of proof of actual damages, and in the event the Employer or the Company does apply for such an injunction, you shall not raise as a defense thereto that the Employer or the Company has an adequate remedy at law.

For the avoidance of doubt, the termination of this agreement for any reason, shall not extinguish your obligations specified in these restrictive covenants.

ALL PARTIES TO THIS AGREEMENT KNOW AND UNDERSTAND THAT THEY HAVE A CONSTITUTIONAL RIGHT TO A JURY TRIAL. THE PARTIES ACKNOWLEDGE THAT ANY DISPUTE OR CONTROVERSY THAT MAY ARISE OUT OF THIS AGREEMENT WILL INVOLVE COMPLICATED AND DIFFICULT FACTUAL AND LEGAL ISSUES.

THE PARTIES HEREBY WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OF THE CONTEMPLATED TRANSACTIONS, WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE. THE PARTIES AGREE THAT ANY OF THEM MAY FILE A COPY OF THIS PARAGRAPH WITH ANY COURT AS WRITTEN EVIDENCE OF THE KNOWING, VOLUNTARY AND BARGAINED-FOR AGREEMENT AMONG THE PARTIES IRREVOCABLY TO WAIVE TRIAL BY JURY AND THAT ANY PROCEEDING WHATSOEVER BETWEEN THEM RELATING TO THIS AGREEMENT OR ANY OF THE CONTEMPLATED TRANSACTIONS SHALL INSTEAD BE TRIED IN A COURT OF COMPETENT JURISDICTION BY A JUDGE SITTING WITHOUT A JURY.

THE PARTIES INTEND THAT THIS WAIVER OF THE RIGHT TO A JURY TRIAL BE AS BROAD AS POSSIBLE. BY THEIR SIGNATURES BELOW, THE PARTIES PROMISE, WARRANT AND REPRESENT THAT THEY WILL NOT PLEAD FOR, REQUEST OR OTHERWISE SEEK TO HAVE A JURY TO RESOLVE ANY AND ALL DISPUTES THAT MAY ARISE BY, BETWEEN OR AMONG THEM.

You shall be responsible for the payment of all taxes applicable to payments or benefits received from the Employer or the Company. It is the intent of the Employer and the Company that the provisions of this agreement and all other plans and programs sponsored by the Employer and the Company be interpreted to comply in all respects with Internal Revenue Code Section 409A, however, the Employer and the Company shall have no liability to you, or any of your successors or beneficiaries, in the event taxes, penalties or excise taxes may ultimately be determined to be applicable to any payment or benefit received by you or your successors or beneficiaries.





The validity, interpretation, and performance of this agreement shall be governed, interpreted, and construed in accordance with the laws of the State of Florida without giving effect to the principles of comity or conflicts of laws thereof.

This letter constitutes the full commitments which have been extended to you and shall supersede any prior agreements whether oral or written. However, this does not constitute a contract of employment for any period of time. Should you have any questions regarding these commitments or your ability to conform to Bloomin' Brands policies and procedures, please let me know immediately.

By signing this offer, you indicate your acceptance of our offer. Please keep one original copy of this offer letter for your personal files.

We look forward to having you join us as a member of our executive team. This signed offer letter and any accompanying documentation must be returned to Patrick McNamara, Senior Director – Global Compensation.

Sincerely,

/s/ Pablo Brizi

Pablo Brizi
SVP, Chief Human Resources Officer
Bloomin' Brands, Inc.

I accept the above offer to be employed by Bloomin' Brands, Inc. and I understand the terms as set forth above.

/s/ Chris Meyer

Chris Meyer

03/07/19

Date



2202 N. West Shore Blvd. | 5th Floor | Tampa, FL 33607 | 813.282.1224



Schedule 1

“Cause” shall be defined as:

1. Your failure to perform the duties required of you in a manner satisfactory to the Employer, in its sole discretion after the Employer follows the following procedures: (a) the Employer gives you a written notice (“Notice of Deficiency”) which shall specify the deficiencies in your performance of duties; (b) you shall have a period of thirty (30) days, commencing on receipt of the Notice of Deficiency, in which to cure the deficiencies contained in the Notice of Deficiency; and (c) in the event you do not cure the deficiencies to the satisfaction of the Employer, in its sole discretion, within such thirty (30) day period (or if during such thirty (30) day period the Employer determines that you are not making reasonable, good faith efforts to cure the deficiencies to the satisfaction of the Employer), the Employer shall have the right to immediately terminate your employment for Cause. The provisions of this paragraph (1) may be invoked by the Employer any number of times and cure of deficiencies contained in any Notice of Deficiency shall not be construed as a waiver of this paragraph (1) nor prevent the Employer from issuing any subsequent Notices of Deficiency; or
2. Any dishonesty by you in your dealings with the Company, the Employer or their affiliates; your commission of fraud, negligence in the performance of your duties; insubordination; willful misconduct; or your conviction (or plea of guilty or nolo contendere), indictment or charge with respect to, any felony, or any other crime involving dishonesty or moral turpitude; or
3. Any violation of the restrictive covenants of this agreement or
4. Any violation of any current or future material published policy of the Employer or its Affiliates (material published policies include, but are not limited to, the Employer’s discrimination and harassment policy, management dating policy, responsible alcohol policy, insider trading policy, ethics policy and security policy); or
5. For all purposes of this Agreement, termination for Cause shall be deemed to have occurred in the event of the Employee’s resignation when, because of existing facts and circumstances, subsequent termination for Cause can be reasonably foreseen.



CERTIFICATION

I, David J. Deno, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Bloomin' Brands, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 3, 2019

/s/ David J. Deno

David J. Deno
Chief Executive Officer
(Principal Executive Officer)

CERTIFICATION

I, Christopher Meyer, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Bloomin' Brands, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 3, 2019

/s/ Christopher Meyer

Christopher Meyer

Executive Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-
OXLEY ACT OF 2002**

In connection with the Quarterly Report of Bloomin' Brands, Inc. (the "Company") on Form 10-Q for the quarter ended March 31, 2019 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, David J. Deno, Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company for the dates and periods covered by the Report.

Date: May 3, 2019

/s/ David J. Deno

David J. Deno

Chief Executive Officer

(Principal Executive Officer)

A signed original of this written statement required by Section 906 has been provided to, and will be retained by, Bloomin' Brands, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-
OXLEY ACT OF 2002**

In connection with the Quarterly Report of Bloomin' Brands, Inc. (the "Company") on Form 10-Q for the quarter ended March 31, 2019 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Christopher Meyer, Executive Vice President and Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company for the dates and periods covered by the Report.

Date: May 3, 2019

/s/ Christopher Meyer

Christopher Meyer

Executive Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)

A signed original of this written statement required by Section 906 has been provided to, and will be retained by, Bloomin' Brands, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.