

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 26, 2023

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

BLOOMIN' BRANDS, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

20-8023465

(IRS Employer Identification No.)

2202 North West Shore Boulevard, Suite 500, Tampa, FL 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 No

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 No

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 Accelerated filer Non-accelerated filer
Smaller reporting company Emerging growth company

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.

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

As of April 27, 2023, 87,293,770 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 26, 2023
(Unaudited)

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BLOOMIN' BRANDS, INC.

PART I: FINANCIAL INFORMATION

Item 1. Financial Statements

CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)

	MARCH 26, 2023 (UNAUDITED)	DECEMBER 25, 2022
ASSETS		
Current assets		
Cash and cash equivalents	\$ 94,441	\$ 84,735
Inventories	67,898	78,124
Other current assets, net	85,507	183,718
Total current assets	247,846	346,577
Property, fixtures and equipment, net	936,225	914,142
Operating lease right-of-use assets	1,091,943	1,103,083
Goodwill	272,510	273,032
Intangible assets, net	446,696	448,326
Deferred income tax assets, net	151,436	153,118
Other assets, net	85,137	82,147
Total assets	<u>\$ 3,231,793</u>	<u>\$ 3,320,425</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 196,093	\$ 183,715
Accrued and other current liabilities	399,465	399,301
Unearned revenue	322,608	394,215
Current portion of long-term debt	2,267	1,636
Total current liabilities	920,433	978,867
Non-current operating lease liabilities	1,136,694	1,148,607
Long-term debt, net	765,702	831,656
Other long-term liabilities, net	86,123	87,386
Total liabilities	2,908,952	3,046,516
Commitments and contingencies (Note 12)		
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 26, 2023 and December 25, 2022	—	—
Common stock, \$0.01 par value, 475,000,000 shares authorized; 87,465,214 and 87,696,200 shares issued and outstanding as of March 26, 2023 and December 25, 2022, respectively	875	877
Additional paid-in capital	1,141,017	1,161,912
Accumulated deficit	(635,451)	(706,109)
Accumulated other comprehensive loss	(186,445)	(185,311)
Total Bloomin' Brands stockholders' equity	319,996	271,369
Noncontrolling interests	2,845	2,540
Total stockholders' equity	322,841	273,909
Total liabilities and stockholders' equity	<u>\$ 3,231,793</u>	<u>\$ 3,320,425</u>

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

BLOOMIN' BRANDS, INC.

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

	THIRTEEN WEEKS ENDED	
	MARCH 26, 2023	MARCH 27, 2022
Revenues		
Restaurant sales	\$ 1,228,234	\$ 1,123,575
Franchise and other revenues	16,512	16,960
Total revenues	<u>1,244,746</u>	<u>1,140,535</u>
Costs and expenses		
Food and beverage	384,214	359,370
Labor and other related	341,542	312,511
Other restaurant operating	282,927	259,110
Depreciation and amortization	46,302	41,775
General and administrative	65,804	58,674
Provision for impaired assets and restaurant closings	3,324	1,839
Total costs and expenses	<u>1,124,113</u>	<u>1,033,279</u>
Income from operations	120,633	107,256
Interest expense, net	(12,444)	(13,633)
Income before provision for income taxes	108,189	93,623
Provision for income taxes	14,761	15,929
Net income	93,428	77,694
Less: net income attributable to noncontrolling interests	2,117	2,183
Net income attributable to Bloomin' Brands	<u>\$ 91,311</u>	<u>\$ 75,511</u>
Net income	\$ 93,428	\$ 77,694
Other comprehensive income:		
Foreign currency translation adjustment	(1,134)	11,283
Unrealized gain on derivatives, net of tax	—	573
Reclassification of adjustments for loss on derivatives included in Net income, net of tax	—	681
Impact of terminated interest rate swaps included in Net income, net of tax	—	3,021
Comprehensive income	92,294	93,252
Less: comprehensive income attributable to noncontrolling interests	2,117	2,183
Comprehensive income attributable to Bloomin' Brands	<u>\$ 90,177</u>	<u>\$ 91,069</u>
Earnings per share:		
Basic	\$ 1.02	\$ 0.85
Diluted	\$ 0.93	\$ 0.73
Weighted average common shares outstanding:		
Basic	89,116	89,355
Diluted	98,011	103,454

The accompanying notes are an integral part of these unaudited 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 25, 2022	87,696	\$ 877	\$ 1,161,912	\$ (706,109)	\$ (185,311)	\$ 2,540	\$ 273,909
Net income	—	—	—	91,311	—	2,117	93,428
Other comprehensive loss	—	—	—	—	(1,134)	—	(1,134)
Cash dividends declared, \$0.24 per common share	—	—	(21,014)	—	—	—	(21,014)
Repurchase and retirement of common stock, including excise tax	(863)	(9)	—	(20,653)	—	—	(20,662)
Stock-based compensation	—	—	2,904	—	—	—	2,904
Common stock issued under stock plans (1)	632	7	(2,785)	—	—	—	(2,778)
Distributions to noncontrolling interests	—	—	—	—	—	(2,555)	(2,555)
Contributions from noncontrolling interests	—	—	—	—	—	743	743
Balance, March 26, 2023	87,465	\$ 875	\$ 1,141,017	\$ (635,451)	\$ (186,445)	\$ 2,845	\$ 322,841

BLOOMIN' BRANDS, INC.							
	COMMON STOCK		ADDITIONAL PAID-IN CAPITAL	ACCUM- ULATED DEFICIT	ACCUMULATED OTHER COMPREHENSIVE LOSS	NON-CONTROLLING INTERESTS	TOTAL
	SHARES	AMOUNT					
Balance, December 26, 2021	89,253	\$ 893	\$ 1,119,728	\$ (698,171)	\$ (205,989)	\$ 6,389	\$ 222,850
Net income	—	—	—	75,511	—	2,183	77,694
Other comprehensive income, net of tax	—	—	—	—	15,558	—	15,558
Cash dividends declared, \$0.14 per common share	—	—	(12,559)	—	—	—	(12,559)
Repurchase and retirement of common stock	(551)	(6)	—	(11,696)	—	—	(11,702)
Stock-based compensation	—	—	4,843	—	—	—	4,843
Common stock issued under stock plans (1)	483	5	880	—	—	—	885
Purchase of noncontrolling interests, net of tax of \$888	—	—	2,566	—	—	(4,454)	(1,888)
Distributions to noncontrolling interests	—	—	—	—	—	(2,641)	(2,641)
Contributions from noncontrolling interests	—	—	—	—	—	217	217
Balance, March 27, 2022	89,185	\$ 892	\$ 1,115,458	\$ (634,356)	\$ (190,431)	\$ 1,694	\$ 293,257

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

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

BLOOMIN' BRANDS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(DOLLARS IN THOUSANDS, UNAUDITED)

	THIRTEEN WEEKS ENDED	
	MARCH 26, 2023	MARCH 27, 2022
Cash flows provided by operating activities:		
Net income	\$ 93,428	\$ 77,694
Adjustments to reconcile Net income to cash provided by operating activities:		
Depreciation and amortization	46,302	41,775
Amortization of debt discounts and issuance costs	763	1,065
Amortization of deferred gift card sales commissions	7,797	8,017
Provision for impaired assets and restaurant closings	3,324	1,839
Non-cash interest expense from terminated interest rate swaps	—	4,067
Non-cash operating lease costs	21,182	20,477
Stock-based and other non-cash compensation expense	2,904	4,843
Deferred income tax expense	1,682	3,209
Other, net	(1,823)	2,229
Change in assets and liabilities	14,109	(18,080)
Net cash provided by operating activities	<u>189,668</u>	<u>147,135</u>
Cash flows used in investing activities:		
Capital expenditures	(64,415)	(40,180)
Other investments, net	1,470	1,030
Net cash used in investing activities	<u>(62,945)</u>	<u>(39,150)</u>
Cash flows used in financing activities:		
Repayments of long-term debt and finance lease obligations	(385)	(2,863)
Proceeds from borrowings on revolving credit facilities	190,000	90,000
Repayments of borrowings on revolving credit facilities	(260,000)	(160,000)
(Payments of taxes) proceeds from share-based compensation, net	(2,778)	885
Distributions to noncontrolling interests	(2,555)	(2,641)
Contributions from noncontrolling interests	743	217
Purchase of noncontrolling interests	(100)	(1,000)
Payments for partner equity plan	—	(2,748)
Repurchase of common stock	(20,898)	(10,402)
Cash dividends paid on common stock	(21,014)	(12,559)
Net cash used in financing activities	<u>(116,987)</u>	<u>(101,111)</u>
Effect of exchange rate changes on cash and cash equivalents	(30)	1,965
Net increase in cash, cash equivalents and restricted cash	9,706	8,839
Cash, cash equivalents and restricted cash as of the beginning of the period	84,735	89,057
Cash, cash equivalents and restricted cash as of the end of the period	<u>\$ 94,441</u>	<u>\$ 97,896</u>
Supplemental disclosures of cash flow information:		
Cash paid for interest	\$ 6,528	\$ 2,444
Cash paid for income taxes, net of refunds	\$ 2,458	\$ 2,257
Supplemental disclosures of non-cash investing and financing activities:		
Leased assets obtained in exchange for new operating lease liabilities	\$ 11,394	\$ 11,515
Leased assets obtained in exchange for new finance lease liabilities	\$ 4,711	\$ 1,313
Increase (decrease) in liabilities from the acquisition of property, fixtures and equipment	\$ 1,159	\$ (6,178)

The accompanying notes are an integral part of these unaudited 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 condensed 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 25, 2022.

Recently Issued Financial Accounting Standards Not Yet Adopted - Recent accounting guidance not discussed herein is not applicable, did not have or is not expected to have a material impact to the Company.

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, including, but not limited to, presentation of certain notes to the consolidated financial statements. 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 26, 2023	MARCH 27, 2022
Revenues		
Restaurant sales	\$ 1,228,234	\$ 1,123,575
Franchise and other revenues		
Franchise revenues	13,523	13,406
Other revenues	2,989	3,554
Total Franchise and other revenues	16,512	16,960
Total revenues	\$ 1,244,746	\$ 1,140,535

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

The following table includes the disaggregation of Restaurant sales and franchise revenues, by restaurant concept and major international market, for the periods indicated:

(dollars in thousands)	THIRTEEN WEEKS ENDED			
	MARCH 26, 2023		MARCH 27, 2022	
	RESTAURANT SALES	FRANCHISE REVENUES	RESTAURANT SALES	FRANCHISE REVENUES
U.S.				
Outback Steakhouse	\$ 628,183	\$ 8,544	\$ 595,393	\$ 8,459
Carrabba's Italian Grill	188,042	795	175,628	661
Bonefish Grill	157,689	171	151,416	177
Fleming's Prime Steakhouse & Wine Bar	102,773	—	97,662	—
Other	3,882	15	3,536	5
U.S. total	1,080,569	9,525	1,023,635	9,302
International				
Outback Steakhouse - Brazil (1)	122,016	—	85,301	—
Other (1)(2)	25,649	3,998	14,639	4,104
International total	147,665	3,998	99,940	4,104
Total	\$ 1,228,234	\$ 13,523	\$ 1,123,575	\$ 13,406

- Restaurant sales in Brazil increased \$9.6 million during the thirteen weeks ended March 26, 2023 in connection with value added tax exemptions resulting from recent tax legislation. See Note 11 - *Income Taxes* for details regarding the Brazil tax legislation.
- Includes Restaurant sales for Company-owned Outback Steakhouse restaurants outside of Brazil and Abbraccio restaurants in Brazil. Franchise revenues primarily include revenues from franchised Outback Steakhouse restaurants.

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 26, 2023	DECEMBER 25, 2022
Other current assets, net		
Deferred gift card sales commissions	\$ 13,403	\$ 17,755
Unearned revenue		
Deferred gift card revenue	\$ 314,096	\$ 386,495
Deferred loyalty revenue	6,024	5,628
Deferred franchise fees - current	471	460
Other	2,017	1,632
Total Unearned revenue	\$ 322,608	\$ 394,215
Other long-term liabilities, net		
Deferred franchise fees - non-current	\$ 4,193	\$ 4,126

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

(dollars in thousands)	THIRTEEN WEEKS ENDED	
	MARCH 26, 2023	MARCH 27, 2022
Balance, beginning of the period	\$ 17,755	\$ 17,793
Deferred gift card sales commissions amortization	(7,797)	(8,017)
Deferred gift card sales commissions capitalization	4,403	4,169
Other	(958)	(912)
Balance, end of the period	\$ 13,403	\$ 13,033

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 26, 2023	MARCH 27, 2022
Balance, beginning of the period	\$ 386,495	\$ 387,945
Gift card sales	53,005	50,280
Gift card redemptions	(118,283)	(116,622)
Gift card breakage	(7,121)	(6,629)
Balance, end of the period	\$ 314,096	\$ 314,974

3. 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 26, 2023	MARCH 27, 2022
Net income attributable to Bloomin' Brands	\$ 91,311	\$ 75,511
Basic weighted average common shares outstanding	89,116	89,355
Effect of dilutive securities:		
Stock options	401	370
Nonvested restricted stock units	269	279
Nonvested performance-based share units	286	276
Convertible senior notes	4,831	8,732
Warrants	3,108	4,442
Diluted weighted average common shares outstanding	98,011	103,454
Basic earnings per share	\$ 1.02	\$ 0.85
Diluted earnings per share	\$ 0.93	\$ 0.73

Share-based compensation-related weighted average 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 26, 2023	MARCH 27, 2022
Stock options	725	1,417
Nonvested restricted stock units	120	217
Nonvested performance-based share units	344	365

4. Stock-based Compensation Plans

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

(dollars in thousands)	THIRTEEN WEEKS ENDED	
	MARCH 26, 2023	MARCH 27, 2022
Performance-based share units	\$ 923	\$ 2,619
Restricted stock units	1,963	1,810
Stock options	—	377
	\$ 2,886	\$ 4,806

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

In February 2023, the Company granted performance-based share units (“PSUs”) subject to final payout modification by a Relative Total Shareholder Return (“Relative TSR”) modifier. This Relative TSR modifier can adjust the final payout outcome by 75%, 100% or 125% of the achieved performance metric, with the overall payout capped at 200% of the annual target grant. These PSUs have a three-year cliff vesting period and their fair value was estimated using the Monte Carlo simulation model.

The following table presents a summary of the Company’s PSU activity:

(in thousands, except per unit data)	PERFORMANCE- BASED SHARE UNITS	WEIGHTED AVERAGE GRANT DATE FAIR VALUE PER UNIT	AGGREGATE INTRINSIC VALUE (1)
Outstanding as of December 25, 2022	874	\$ 24.83	\$ 18,323
Granted	301	\$ 29.01	
Performance adjustment (2)	154	\$ 19.84	
Vested	(470)	\$ 19.84	
Forfeited	(32)	\$ 26.39	
Outstanding as of March 26, 2023	827	\$ 26.92	\$ 20,630
Expected to vest as of March 26, 2023	1,067		\$ 26,611

- (1) Based on the \$20.96 and \$24.94 share price of the Company’s common stock on December 23, 2022 and March 24, 2023, the last trading day of the year ended December 25, 2022 and the thirteen weeks ended March 26, 2023, respectively.
- (2) Represents adjustment to 148% payout for PSUs granted during 2020.

Assumptions used in the Monte Carlo simulation model and the grant date fair value of PSUs granted were as follows for the periods indicated:

	THIRTEEN WEEKS ENDED	
	MARCH 26, 2023	MARCH 27, 2022
Assumptions:		
Risk-free interest rate (1)	4.26 %	1.64 %
Dividend yield (2)	3.47 %	2.31 %
Volatility (3)	51.02 %	49.11 %
Grant date fair value per unit (4)	\$ 29.01	\$ 26.10

- (1) Risk-free interest rate is the U.S. Treasury yield curve in effect as of the grant date for the performance period of the unit.
- (2) Dividend yield is the level of dividends expected to be paid on the Company’s common stock over the expected term.
- (3) Based on the historical volatility of the Company’s stock over the last seven years.
- (4) Represents a premium above the per share value of the Company’s common stock for the Relative TSR modifier as of the grant date of 2.7% and 7.9% as of March 26, 2023 and March 27, 2022, respectively.

The following represents unrecognized stock-based compensation expense and the remaining weighted average vesting period as of March 26, 2023:

	UNRECOGNIZED COMPENSATION EXPENSE (dollars in thousands)	REMAINING WEIGHTED AVERAGE VESTING PERIOD (in years)
Performance-based share units	\$ 16,617	2.0
Restricted stock units	\$ 11,864	2.2

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

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

(dollars in thousands)	MARCH 26, 2023		DECEMBER 25, 2022	
Prepaid expenses	\$	27,856	\$	29,343
Accounts receivable - gift cards, net		8,515		85,606
Accounts receivable - vendors, net		10,209		25,385
Accounts receivable - franchisees, net		3,755		2,550
Accounts receivable - other, net		17,488		18,408
Deferred gift card sales commissions		13,403		17,755
Other current assets, net		4,281		4,671
	\$	<u>85,507</u>	\$	<u>183,718</u>

6. Long-term Debt, Net

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

(dollars in thousands)	MARCH 26, 2023		DECEMBER 25, 2022	
	OUTSTANDING BALANCE	INTEREST RATE	OUTSTANDING BALANCE	INTEREST RATE
Senior secured credit facility - revolving credit facility (1)	\$ 360,000	6.28 %	\$ 430,000	5.79 %
2025 Notes	105,000	5.00 %	105,000	5.00 %
2029 Notes	300,000	5.13 %	300,000	5.13 %
Finance lease liabilities	9,114		4,785	
Less: unamortized debt discount and issuance costs	(6,145)		(6,493)	
Total debt, net	<u>767,969</u>		<u>833,292</u>	
Less: current portion of long-term debt	(2,267)		(1,636)	
Long-term debt, net	<u>\$ 765,702</u>		<u>\$ 831,656</u>	

(1) Interest rate represents the weighted average interest rate as of the respective periods.

Debt Covenants - As of March 26, 2023 and December 25, 2022, the Company was in compliance with its debt covenants.

7. Convertible Senior Notes

2025 Notes - In connection with dividends paid during the thirteen weeks ended March 26, 2023, the conversion rate for the Company's remaining convertible senior notes due 2025 ("2025 Notes") decreased to approximately \$11.49 per share, which represents 87.059 shares of common stock per \$1,000 principal amount of the 2025 Notes, or a total of approximately 9.141 million shares.

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

The following table includes the outstanding principal amount and carrying value of the 2025 Notes as of the periods indicated:

(dollars in thousands)	MARCH 26, 2023	DECEMBER 25, 2022
Long-term debt, net		
Principal	\$ 105,000	\$ 105,000
Less: debt issuance costs (1)	(1,744)	(1,939)
Net carrying amount	\$ 103,256	\$ 103,061

(1) Debt issuance costs are amortized to Interest expense, net using the effective interest method over the 2025 Notes' expected life.

Following is a summary of interest expense for the 2025 Notes by component for the periods indicated:

(dollars in thousands)	THIRTEEN WEEKS ENDED	
	MARCH 26, 2023	MARCH 27, 2022
Coupon interest	\$ 1,313	\$ 2,875
Debt issuance cost amortization	195	404
Total interest expense (1)	\$ 1,508	\$ 3,279

(1) The effective rate of the 2025 Notes over their expected life is 5.85%.

Based on the daily closing prices of the Company's stock during the quarter ended March 26, 2023, the remaining holders of the 2025 Notes are eligible to convert their 2025 Notes during the second quarter of 2023.

8. Stockholders' Equity

Share Repurchases - On February 8, 2022, the Company's Board of Directors (the "Board") approved a share repurchase program (the "2022 Share Repurchase Program") under which the Company was authorized to repurchase up to \$125.0 million of its outstanding common stock. During the thirteen weeks ended March 26, 2023, the Company fully utilized the remaining share repurchase authorization under the 2022 Share Repurchase Program. On February 7, 2023, the Company's Board approved a new \$125.0 million authorization (the "2023 Share Repurchase Program") expiring on August 7, 2024. As of March 26, 2023, \$119.4 million remained available for repurchase under the 2023 Share Repurchase Program.

Following is a summary of the shares repurchased during fiscal year 2023:

(in thousands, except per share data)	NUMBER OF SHARES	AVERAGE REPURCHASE PRICE PER SHARE	AMOUNT
First fiscal quarter (1)	863	\$ 23.92	\$ 20,645

(1) Excludes excise tax on share repurchases. Subsequent to March 26, 2023, the Company repurchased 291 thousand shares of its common stock for \$7.2 million under a Rule 10b5-1 plan.

Dividends - The Company declared and paid dividends per share during fiscal year 2023 as follows:

(dollars in thousands, except per share data)	DIVIDENDS PER SHARE	AMOUNT
First fiscal quarter	\$ 0.24	\$ 21,014

In April 2023, the Board declared a quarterly cash dividend of \$0.24 per share, payable on May 24, 2023 to shareholders of record at the close of business on May 10, 2023.

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

Accumulated Other Comprehensive Loss ("AOCL") - AOCL consisted of foreign currency translation adjustments as of March 26, 2023 and December 25, 2022.

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

(dollars in thousands)	THIRTEEN WEEKS ENDED	
	MARCH 26, 2023	MARCH 27, 2022
Foreign currency translation adjustment	\$ (1,134)	\$ 11,283
Unrealized gain on derivatives, net of tax	—	573
Reclassification of adjustments for loss on derivatives included in Net income, net of tax	—	681
Impact of terminated interest rate swaps included in Net income, net of tax	—	3,021
Total gain on derivatives, net of tax	—	4,275
Other comprehensive (loss) income attributable to Bloomin' Brands	\$ (1,134)	\$ 15,558

9. Leases

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

(dollars in thousands)	CONSOLIDATED BALANCE SHEET CLASSIFICATION	MARCH 26, 2023	DECEMBER 25, 2022
Operating lease right-of-use assets	Operating lease right-of-use assets	\$ 1,091,943	\$ 1,103,083
Finance lease right-of-use assets (1)	Property, fixtures and equipment, net	8,909	4,679
Total lease assets, net		\$ 1,100,852	\$ 1,107,762
Current operating lease liabilities (2)	Accrued and other current liabilities	\$ 182,782	\$ 183,510
Current finance lease liabilities	Current portion of long-term debt	2,267	1,636
Non-current operating lease liabilities (2)	Non-current operating lease liabilities	1,136,493	1,148,379
Non-current finance lease liabilities	Long-term debt, net	6,847	3,149
Total lease liabilities		\$ 1,328,389	\$ 1,336,674

(1) Net of accumulated amortization of \$3.0 million and \$3.6 million as of March 26, 2023 and December 25, 2022, respectively.

(2) Excludes current accrued contingent percentage rent of \$3.4 million as of March 26, 2023 and December 25, 2022 and immaterial current and non-current COVID-19-related deferred rent accruals.

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

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

(dollars in thousands)	CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME CLASSIFICATION	THIRTEEN WEEKS ENDED	
		MARCH 26, 2023	MARCH 27, 2022
Operating leases (1)	Other restaurant operating	\$ 45,747	\$ 45,361
Variable lease cost	Other restaurant operating	1,724	1,883
Finance leases:			
Amortization of leased assets	Depreciation and amortization	488	337
Interest on lease liabilities	Interest expense, net	136	32
Sublease revenue	Franchise and other revenues	(1,708)	(2,558)
Lease costs, net		\$ 46,387	\$ 45,055

(1) Excludes rent expense for office facilities and Company-owned closed or subleased properties of \$3.0 million for both the thirteen weeks ended March 26, 2023 and March 27, 2022, which is included in General and administrative expense.

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

(dollars in thousands)	THIRTEEN WEEKS ENDED	
	MARCH 26, 2023	MARCH 27, 2022
Cash flows from operating activities:		
Cash paid for amounts included in the measurement of operating lease liabilities	\$ 48,620	\$ 48,560

10. 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 measured at fair value by hierarchy level on a recurring basis as of the periods indicated:

(dollars in thousands)	MARCH 26, 2023		DECEMBER 25, 2022	
	TOTAL	LEVEL 1	TOTAL	LEVEL 1
Assets (1):				
Cash equivalents:				
Fixed income funds	\$ 3,886	\$ 3,886	\$ 3,301	\$ 3,301
Money market funds	8,602	8,602	4,786	4,786
Total asset recurring fair value measurements	\$ 12,488	\$ 12,488	\$ 8,087	\$ 8,087

(1) Carrying value approximates fair value because maturities are less than three months.

Interim Disclosures about Fair Value of Financial Instruments - The Company's 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 on its Consolidated Balance Sheets due to their short duration.

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

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 26, 2023		DECEMBER 25, 2022	
	CARRYING VALUE	FAIR VALUE LEVEL 2	CARRYING VALUE	FAIR VALUE LEVEL 2
Senior secured credit facility - revolving credit facility	\$ 360,000	\$ 360,000	\$ 430,000	\$ 430,000
2025 Notes	\$ 105,000	\$ 233,054	\$ 105,000	\$ 198,843
2029 Notes	\$ 300,000	\$ 268,212	\$ 300,000	\$ 260,265

11. Income Taxes

(dollars in thousands)	THIRTEEN WEEKS ENDED	
	MARCH 26, 2023	MARCH 27, 2022
Income before provision for income taxes	\$ 108,189	\$ 93,623
Provision for income taxes	\$ 14,761	\$ 15,929
Effective income tax rate	13.6 %	17.0 %

The effective income tax rate for the thirteen weeks ended March 26, 2023 decreased by 3.4 percentage points as compared to the thirteen weeks ended March 27, 2022. This decrease was primarily due to the benefits of Brazil tax legislation that include a temporary reduction in the Brazilian income tax rate from 34% to 0% applicable to the thirteen weeks ended March 26, 2023.

In September 2022, the Company's Brazilian subsidiary received a preliminary injunction authorizing it to benefit from the exemptions enacted by Law 14,148/2021 which provides for emergency and temporary actions that would grant certain industries a 100% exemption from income tax (IRPJ and CSLL) and federal value added taxes (PIS and COFINS) for a five-year period. The injunction was issued as part of an ongoing lawsuit initiated by the Company's Brazilian subsidiary due to the uncertainty regarding the restaurant industry's eligibility for the exemptions under this legislation. The Company will continue to evaluate and assess the exemptions, the status of its preliminary injunction and all other available evidence to determine the exemption status with respect to this subsidiary in future periods.

A restaurant company employer may claim a credit against its federal income taxes for FICA taxes paid on certain tipped wages (the "FICA tax credit"). The level of FICA tax credits is primarily driven by U.S. Restaurant sales and is not impacted by costs incurred that may reduce pre-tax income.

The effective income tax rate for the thirteen weeks ended March 26, 2023 was lower than the Company's blended federal and state statutory rate of approximately 26% primarily due to the benefit of FICA tax credits on certain tipped wages and benefits of Brazil tax legislation that include a temporary reduction in the Brazilian income tax rate from 34% to 0%.

12. Commitments and Contingencies

Litigation and Other Matters - 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. A reserve is recorded when it is both: (i) probable that a loss has occurred and (ii) the amount of loss can be reasonably estimated. There may be instances in which an exposure to loss exceeds the recorded reserve. The Company evaluates, on a quarterly basis, developments in legal proceedings that could cause an increase or decrease in the amount of the reserve that has been previously recorded, or a revision to the disclosed estimated range of possible losses, as applicable.

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

The Company's legal proceedings range from cases brought by a single plaintiff to threatened class actions with many putative class members. While some matters pending against the Company specify the damages claimed by the plaintiff or class, many seek unspecified amounts or are at very early stages of the legal process. Even when the amount of damages claimed against the Company are stated, the claimed amount may be exaggerated, unsupported or unrelated to possible outcomes, and as such, are not meaningful indicators of the Company's potential liability or financial exposure. As a result, some matters have not yet progressed sufficiently through discovery or development of important factual information and legal issues to enable the Company to estimate an amount of loss or a range of possible loss.

The Company intends to defend itself in legal matters. Some of these matters may be covered, at least in part, by insurance if they exceed specified retention or deductible amounts. However, it is possible that claims may be denied by the Company's insurance carriers, the Company may be required by its insurance carriers to contribute to the payment of claims, or the Company's insurance coverage may not continue to be available on acceptable terms or in sufficient amounts. The Company records receivables from third party insurers when recovery has been determined to be probable. The Company believes that the ultimate determination of liability in connection with legal claims pending against the Company, if any, in excess of amounts already provided for such matters in the consolidated financial statements, will not have a material adverse effect on its business, annual results of operations, liquidity or financial position. However, it is possible that the Company's business, results of operations, liquidity, or financial condition could be materially affected in a particular future reporting period by the unfavorable resolution of one or more matters or contingencies during such period.

The Company recorded reserves of \$15.9 million and \$15.1 million for certain of its outstanding legal proceedings as of March 26, 2023 and December 25, 2022, respectively, within Accrued and other current liabilities on its Consolidated Balance Sheets. While the Company believes that additional losses beyond these accruals are reasonably possible, it cannot estimate a possible loss contingency or range of reasonably possible loss contingencies beyond these accruals.

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 26, 2023, the undiscounted payments that the Company could be required to make in the event of non-payment by the primary lessees was approximately \$22.7 million. The present value of these potential payments discounted at the Company's incremental borrowing rate as of March 26, 2023 was approximately \$17.2 million. In the event of default, the indemnity clauses in the Company's purchase and sale agreements generally govern its ability to pursue and recover damages incurred. As of March 26, 2023 and December 25, 2022, the Company's recorded contingent lease liability was \$6.2 million.

13. Segment Reporting

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.

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

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 25, 2022. 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, certain insurance expenses and certain bonus expenses.

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

(dollars in thousands)	THIRTEEN WEEKS ENDED	
	MARCH 26, 2023	MARCH 27, 2022
Total revenues		
U.S.	\$ 1,092,996	\$ 1,036,407
International	151,750	104,128
Total revenues	\$ 1,244,746	\$ 1,140,535

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 26, 2023	MARCH 27, 2022
Segment income from operations		
U.S.	\$ 133,243	\$ 132,226
International	24,508	8,884
Total segment income from operations	157,751	141,110
Unallocated corporate operating expense	(37,118)	(33,854)
Total income from operations	120,633	107,256
Interest expense, net	(12,444)	(13,633)
Income before provision for income taxes	\$ 108,189	\$ 93,623

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

(dollars in thousands)	THIRTEEN WEEKS ENDED	
	MARCH 26, 2023	MARCH 27, 2022
Depreciation and amortization		
U.S.	\$ 38,163	\$ 34,759
International	5,919	5,537
Corporate	2,220	1,479
Total depreciation and amortization	\$ 46,302	\$ 41,775

Geographic Areas - International revenues are defined as revenues generated from restaurant sales originating in a country other than the U.S. The following table details Total revenues by major geographic area for the periods indicated:

(dollars in thousands)	THIRTEEN WEEKS ENDED	
	MARCH 26, 2023	MARCH 27, 2022
U.S.	\$ 1,092,996	\$ 1,036,407
International		
Brazil	138,994	90,100
Other	12,756	14,028
Total revenues	\$ 1,244,746	\$ 1,140,535

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 (the "Securities Act"), 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) Minimum wage increases, additional mandated employee benefits and fluctuations in the cost and availability of employees;
- (iii) Our ability to recruit and retain high-quality leadership, restaurant-level management and team members;
- (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 compete in the highly competitive restaurant industry with many well-established competitors and new market entrants;
- (vi) 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;

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

- (vii) Fluctuations in the price and availability of commodities, including supplier freight charges and restaurant distribution expenses, and other impacts of inflation and our dependence on a limited number of suppliers and distributors to meet our beef, chicken and other major product supply needs;
- (viii) The severity, extent and duration of a health pandemic, its impacts on our business and results of operations, financial condition and liquidity, including any adverse impact on our stock price and on the other factors listed in this Report, and the responses of domestic and foreign federal, state and local governments to the pandemic;
- (ix) 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 and limited control with respect to the operations of our franchisees;
- (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 comply with new environmental, social and governance ("ESG") requirements or our failure to achieve any goals, targets or objectives with respect to ESG matters;
- (xii) Our ability to effectively respond to changes in patterns of consumer traffic, consumer tastes and dietary habits, including by maintaining relationships with third party delivery apps and services;
- (xiii) 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, and the impact of any litigation;
- (xiv) 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, and our cost savings plans to enable reinvestment in our business, due to uncertainty with respect to macroeconomic conditions and the efficiency that may be added by the actions we take;
- (xv) Seasonal and periodic fluctuations in our results and the effects of significant adverse weather conditions and other disasters or unforeseen events;
- (xvi) The effects of our 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;
- (xvii) 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; and
- (xviii) 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 25, 2022.

Given 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

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

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.

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 26, 2023, we owned and operated 1,184 full-service restaurants and off-premises only kitchens and franchised 313 full-service restaurants and off-premises only kitchens across 47 states, Guam and 13 countries. We have four founder-inspired concepts: Outback Steakhouse, Carrabba's Italian Grill, Bonefish Grill and Fleming's Prime Steakhouse & Wine Bar.

Financial Highlights - Our financial highlights for the thirteen weeks ended March 26, 2023 include the following:

- U.S. combined and Outback Steakhouse comparable restaurant sales of 5.1% and 4.9%, respectively;
- Increase in Total revenues of 9.1%, as compared to the first quarter of 2022;
- Operating income and restaurant-level operating margins of 9.7% and 17.9%, respectively, as compared to 9.4% and 17.1%, respectively, for the first quarter of 2022;
- Operating income of \$120.6 million, as compared to \$107.3 million in the first quarter of 2022; and
- Diluted earnings per share of \$0.93 as compared to \$0.73 for the first quarter of 2022.

Key Financial 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 and the benefit of value added tax exemptions in Brazil) per restaurant to measure changes in customer traffic, pricing and development of the brand;
- *Comparable restaurant sales*—year-over-year comparison of the change in sales volumes (excluding gift card breakage and the benefit of value added tax exemptions in Brazil) 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.

Restaurant-level operating margin is a non-GAAP financial measure 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 Food and beverage costs, Labor and other related expenses and Other restaurant operating expenses (including advertising expenses) represent, in each case as such items are reflected in our Consolidated Statements of Operations and Comprehensive Income. The following categories of revenue and operating expenses are

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

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; and
- (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 Statements of Operations and Comprehensive Income. 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; and

- *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 these 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 evaluate our operating performance, allocate resources and administer employee incentive plans.

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 full-service restaurants in operation as of the periods indicated:

Number of restaurants (at end of the period):	MARCH 26, 2023	MARCH 27, 2022
U.S.		
Outback Steakhouse		
Company-owned	564	562
Franchised	127	130
Total	<u>691</u>	<u>692</u>
Carrabba's Italian Grill		
Company-owned	199	199
Franchised	19	20
Total	<u>218</u>	<u>219</u>
Bonefish Grill		
Company-owned	172	175
Franchised	5	7
Total	<u>177</u>	<u>182</u>
Fleming's Prime Steakhouse & Wine Bar		
Company-owned	65	64
Aussie Grill		
Company-owned	7	7
U.S. total	<u>1,158</u>	<u>1,164</u>
International		
Company-owned		
Outback Steakhouse - Brazil (1)	140	123
Other (1)(2)	36	33
Franchised		
Outback Steakhouse - South Korea	90	78
Other (2)	47	52
International total	<u>313</u>	<u>286</u>
System-wide total	<u>1,471</u>	<u>1,450</u>
System-wide total - Company-owned	1,183	1,163
System-wide total - Franchised	288	287

- (1) The restaurant counts for Brazil, including Abbraccio and Aussie Grill restaurants within International Company-owned Other, are reported as of February 28, 2023 and 2022, respectively, to correspond with the balance sheet dates of this subsidiary.
- (2) International Company-owned Other included four and two Aussie Grill locations as of March 26, 2023 and March 27, 2022, respectively. International Franchised Other included four and three Aussie Grill locations as of March 26, 2023 and March 27, 2022, respectively.

The table below presents the number of our off-premises only kitchens in operation as of the periods indicated:

Number of kitchens (at end of the period) (1):	MARCH 26, 2023	MARCH 27, 2022
U.S.		
Company-owned	1	2
International		
Company-owned	—	1
Franchised - South Korea	25	46
System-wide total	<u>26</u>	<u>49</u>

- (1) Excludes virtual concepts that operate out of existing restaurants and sports venue locations.

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

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

	THIRTEEN WEEKS ENDED	
	MARCH 26, 2023	MARCH 27, 2022
Revenues		
Restaurant sales	98.7 %	98.5 %
Franchise and other revenues	1.3	1.5
Total revenues	100.0	100.0
Costs and expenses		
Food and beverage (1)	31.3	32.0
Labor and other related (1)	27.8	27.8
Other restaurant operating (1)	23.0	23.1
Depreciation and amortization	3.7	3.7
General and administrative	5.3	5.1
Provision for impaired assets and restaurant closings	0.3	0.2
Total costs and expenses	90.3	90.6
Income from operations	9.7	9.4
Interest expense, net	(1.0)	(1.2)
Income before provision for income taxes	8.7	8.2
Provision for income taxes	1.2	1.4
Net income	7.5	6.8
Less: net income attributable to noncontrolling interests	0.2	0.2
Net income attributable to Bloomin' Brands	7.3 %	6.6 %

(1) As a percentage of Restaurant sales.

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 March 27, 2022	\$	1,123.6
Change from:		
Comparable restaurant sales		73.3
Restaurant openings		21.0
Brazil value added tax exemptions (1)		9.6
Effect of foreign currency translation		5.5
Restaurant closures		(4.8)
For the period ended March 26, 2023	\$	1,228.2

(1) See Note 11 - *Income Taxes* of the Notes to Consolidated Financial Statements for details regarding value added tax exemptions in connection with recent Brazil tax legislation.

The increase in Restaurant sales during the thirteen weeks ended March 26, 2023, was primarily due to: (i) higher comparable restaurant sales, (ii) the opening of 47 new restaurants not included in our comparable restaurant sales

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

base, (iii) value added tax exemptions in Brazil as a result of recent tax legislation and (iv) the effect of foreign currency translation of the Brazilian Real relative to the U.S. dollar. The increase in Restaurant sales was partially offset by the closure of 19 restaurants since December 26, 2021.

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 26, 2023	MARCH 27, 2022
Average restaurant unit volumes (weekly):		
U.S.		
Outback Steakhouse	\$ 84,506	\$ 80,552
Carrabba's Italian Grill	\$ 72,687	\$ 67,889
Bonefish Grill	\$ 70,146	\$ 66,265
Fleming's Prime Steakhouse & Wine Bar	\$ 121,625	\$ 117,382
International		
Outback Steakhouse - Brazil (1)	\$ 63,170	\$ 53,939
Operating weeks:		
U.S.		
Outback Steakhouse	7,358	7,320
Carrabba's Italian Grill	2,587	2,587
Bonefish Grill	2,248	2,285
Fleming's Prime Steakhouse & Wine Bar	845	832
International		
Outback Steakhouse - Brazil	1,788	1,581

(1) Translated at average exchange rates of 5.21 and 5.47 for the thirteen weeks ended March 26, 2023 and March 27, 2022, respectively. Excludes the benefit of the Brazil value added tax exemptions discussed in Note 11 - *Income Taxes* of the Notes to Consolidated Financial Statements.

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 26, 2023	MARCH 27, 2022
Year over year percentage change:		
Comparable restaurant sales (restaurants open 18 months or more):		
U.S. (1)		
Outback Steakhouse	4.9 %	9.2 %
Carrabba's Italian Grill	6.7 %	11.5 %
Bonefish Grill	5.2 %	21.3 %
Fleming's Prime Steakhouse & Wine Bar	3.6 %	45.7 %
Combined U.S.	5.1 %	14.0 %
International		
Outback Steakhouse - Brazil (2)	14.3 %	35.9 %
Traffic:		
U.S.		
Outback Steakhouse	(1.5)%	(1.0)%
Carrabba's Italian Grill	1.7 %	3.0 %
Bonefish Grill	(0.5)%	7.8 %
Fleming's Prime Steakhouse & Wine Bar	0.2 %	28.8 %
Combined U.S.	(0.7)%	1.5 %
International		
Outback Steakhouse - Brazil	2.2 %	28.7 %
Average check per person (3):		
U.S.		
Outback Steakhouse	6.4 %	10.2 %
Carrabba's Italian Grill	5.0 %	8.5 %
Bonefish Grill	5.7 %	13.5 %
Fleming's Prime Steakhouse & Wine Bar	3.4 %	16.9 %
Combined U.S.	5.8 %	12.5 %
International		
Outback Steakhouse - Brazil	11.6 %	7.6 %

- (1) Relocated 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. Excludes the effect of fluctuations in foreign currency rates and the benefit of the Brazil value added tax exemptions discussed in Note 11 - *Income Taxes* of the Notes to Consolidated Financial Statements.
- (3) Includes the impact of menu pricing changes, product mix and discounts.

Franchise and other revenues

	THIRTEEN WEEKS ENDED	
	MARCH 26, 2023	MARCH 27, 2022
(dollars in millions)		
Franchise revenues	\$ 13.5	\$ 13.4
Other revenues	3.0	3.6
Franchise and other revenues	\$ 16.5	\$ 17.0

BLOOMIN' BRANDS, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS - ContinuedCOSTS AND EXPENSES*Food and beverage costs*

(dollars in millions)	THIRTEEN WEEKS ENDED		CHANGE
	MARCH 26, 2023	MARCH 27, 2022	
Food and beverage	\$ 384.2	\$ 359.4	
% of Restaurant sales	31.3 %	32.0 %	(0.7)%

Food and beverage costs decreased as a percentage of Restaurant sales during the thirteen weeks ended March 26, 2023 as compared to the thirteen weeks ended March 27, 2022 primarily due to 2.1% from increases in average check per person, primarily driven by an increase in menu pricing, and 0.4% from the impact of certain cost saving initiatives. These decreases were partially offset by an increase as a percentage of Restaurant sales of 1.9% from commodity inflation.

Labor and other related expenses

(dollars in millions)	THIRTEEN WEEKS ENDED		CHANGE
	MARCH 26, 2023	MARCH 27, 2022	
Labor and other related	\$ 341.5	\$ 312.5	
% of Restaurant sales	27.8 %	27.8 %	— %

Labor and other related expenses were flat as a percentage of Restaurant sales during the thirteen weeks ended March 26, 2023 as compared to the thirteen weeks ended March 27, 2022 primarily due to an increase of 1.6% from higher labor costs, primarily due to wage rate inflation. This increase was partially offset by a decrease as a percentage of Restaurant sales of 1.5% from leveraging increased restaurant sales due to increases in average check per person, primarily driven by an increase in menu pricing, and lapping the impact of COVID-19 in Brazil and Hong Kong.

Other restaurant operating expenses

(dollars in millions)	THIRTEEN WEEKS ENDED		CHANGE
	MARCH 26, 2023	MARCH 27, 2022	
Other restaurant operating	\$ 282.9	\$ 259.1	
% of Restaurant sales	23.0 %	23.1 %	(0.1)%

Other restaurant operating expenses were flat as a percentage of Restaurant sales during the thirteen weeks ended March 26, 2023 as compared to the thirteen weeks ended March 27, 2022 primarily due to 1.6% from leveraging increased restaurant sales due to increases in average check per person, primarily driven by an increase in menu pricing, and lapping the impact of COVID-19 in Brazil and Hong Kong. This decrease was offset by an increase as a percentage of Restaurant sales of 1.6% from higher operating expenses including utilities, primarily due to inflation.

BLOOMIN' BRANDS, INC.

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

(dollars in millions)	THIRTEEN WEEKS ENDED		CHANGE
	MARCH 26, 2023	MARCH 27, 2022	
Depreciation and amortization	\$ 46.3	\$ 41.8	\$ 4.5

Depreciation and amortization increased during the thirteen weeks ended March 26, 2023 as compared to the thirteen weeks ended March 27, 2022 primarily due to additional depreciation expense related to: (i) technology projects, (ii) upgraded kitchen equipment and (iii) restaurant remodels, openings and relocations.

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:

(dollars in millions)	THIRTEEN WEEKS ENDED
For the period ended March 27, 2022	\$ 58.7
Change from:	
Legal and professional fees	3.0
Compensation, benefits and payroll tax	2.6
Travel and entertainment	1.2
Other	0.3
For the period ended March 26, 2023	\$ 65.8

Income from operations

(dollars in millions)	THIRTEEN WEEKS ENDED		CHANGE
	MARCH 26, 2023	MARCH 27, 2022	
Income from operations	\$ 120.6	\$ 107.3	\$ 13.3
% of Total revenues	9.7 %	9.4 %	0.3 %

The increase in Income from operations generated during the thirteen weeks ended March 26, 2023 as compared to the thirteen weeks ended March 27, 2022 was primarily due to: (i) increases in comparable restaurant sales, primarily driven by an increase in menu pricing and lapping the impact of COVID-19 in Brazil and Hong Kong, (ii) the impact of certain cost saving initiatives and (iii) value added tax exemptions in Brazil as a result of recent tax legislation. These increases were partially offset by: (i) commodity inflation, (ii) higher labor costs, primarily due to wage rate inflation, and (iii) higher operating expenses including utilities, primarily due to inflation.

During the thirteen weeks ended March 26, 2023, the increase in operating income margin included approximately 0.3% attributable to exemptions from Brazil federal value added taxes (PIS and COFINS) on Restaurant sales provided by recent Brazil tax legislation, partially offset by corresponding limitations on allowable value added tax credits typically recognized as reductions of cost and expense lines throughout our Consolidated Statements of Operations and Comprehensive Income. See Note 11 - *Income Taxes* of the Notes to Consolidated Financial Statements for further discussion regarding Brazil tax legislation.

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

(dollars in millions)	THIRTEEN WEEKS ENDED		CHANGE
	MARCH 26, 2023	MARCH 27, 2022	
Income before provision for income taxes	\$ 108.2	\$ 93.6	\$ 14.6
Provision for income taxes	\$ 14.8	\$ 15.9	\$ (1.1)
Effective income tax rate	13.6 %	17.0 %	(3.4)%

The effective income tax rate for the thirteen weeks ended March 26, 2023 decreased by 3.4 percentage points as compared to the thirteen weeks ended March 27, 2022. The decrease was primarily due to the benefits of Brazil tax legislation that include a temporary reduction in the Brazilian income tax rate from 34% to 0% applicable to the thirteen weeks ended March 26, 2023. See Note 11 - *Income Taxes* of the Notes to Consolidated Financial Statements for further discussion regarding Brazil tax legislation.

SEGMENT PERFORMANCE

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 certain legal and corporate costs not directly related to the performance of the segments, most stock-based compensation expenses, certain insurance expenses and certain bonus expenses.

Refer to Note 13 - *Segment Reporting* of the Notes to Consolidated Financial Statements for reconciliations of segment income from operations to the consolidated operating results.

Restaurant-level operating margin is widely regarded in the industry as a useful non-GAAP measure 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 Financial Performance Indicators* and *Non-GAAP Financial Measures* sections of Management's Discussion and Analysis of Financial Condition and Results of Operations 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 26, 2023	MARCH 27, 2022
Revenues		
Restaurant sales	\$ 1,080,569	\$ 1,023,635
Franchise and other revenues	12,427	12,772
Total revenues	\$ 1,092,996	\$ 1,036,407
Income from operations	\$ 133,243	\$ 132,226
Operating income margin	12.2 %	12.8 %
Restaurant-level operating income	\$ 187,808	\$ 177,715
Restaurant-level operating margin	17.4 %	17.4 %

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 March 27, 2022	\$	1,023.7
Change from:		
Comparable restaurant sales		50.4
Restaurant openings		11.3
Restaurant closures		(4.8)
For the period ended March 26, 2023	\$	1,080.6

The increase in U.S. Restaurant sales during the thirteen weeks ended March 26, 2023 was primarily due to higher comparable restaurant sales and the opening of 17 new restaurants not included in our comparable restaurant sales base. The increase in Restaurant sales was partially offset by the closure of 18 restaurants since December 26, 2021.

Income from operations

The increase in U.S. Income from operations generated during the thirteen weeks ended March 26, 2023 as compared to the thirteen weeks ended March 27, 2022 was primarily due to increases in comparable restaurant sales, primarily driven by an increase in menu pricing, and the impact of certain cost saving initiatives. These increases were partially offset by decreases primarily due to: (i) commodity inflation, (ii) higher labor costs, primarily due to wage rate inflation, (iii) higher operating expenses including utilities, primarily due to inflation and (iv) an increase in asset impairment charges.

The decrease in U.S. operating income margin during the thirteen weeks ended March 26, 2023 as compared to the thirteen weeks ended March 27, 2022 was primarily due to an increase in asset impairment charges.

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

(dollars in thousands)	THIRTEEN WEEKS ENDED	
	MARCH 26, 2023	MARCH 27, 2022
Revenues		
Restaurant sales	\$ 147,665	\$ 99,940
Franchise and other revenues	4,085	4,188
Total revenues	<u>\$ 151,750</u>	<u>\$ 104,128</u>
Income from operations	\$ 24,508	\$ 8,884
Operating income margin	16.2 %	8.5 %
Restaurant-level operating income	\$ 34,015	\$ 16,935
Restaurant-level operating margin	23.0 %	16.9 %

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 March 27, 2022	\$	99.9
Change from:		
Comparable restaurant sales		22.9
Restaurant openings		9.7
Brazil value added tax exemptions (1)		9.6
Effect of foreign currency translation		5.5
For the period ended March 26, 2023	<u>\$</u>	<u>147.6</u>

(1) See Note 11 - *Income Taxes* of the Notes to Consolidated Financial Statements for details regarding value added tax exemptions in connection with recent Brazil tax legislation.

The increase in international Restaurant sales during the thirteen weeks ended March 26, 2023 was primarily due to: (i) higher comparable restaurant sales in Brazil and Hong Kong, (ii) the opening of 30 new restaurants not included in our comparable restaurant sales base, (iii) value added tax exemptions in Brazil as a result of recent tax legislation and (iv) the effect of foreign currency translation of the Brazilian Real relative to the U.S. dollar.

Income from operations

The increase in international Income from operations generated during the thirteen weeks ended March 26, 2023 as compared to the thirteen weeks ended March 27, 2022 was primarily due to: (i) the recovery of in-restaurant dining, (ii) value added tax exemptions in Brazil as a result of recent tax legislation and (iii) increases in comparable restaurant sales, primarily driven by an increase in menu pricing. These increases were partially offset by decreases primarily due to: (i) higher labor costs, primarily due to wage rate inflation, (ii) commodity inflation and (iii) higher advertising expense.

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

Consolidated restaurant-level operating income and corresponding margin non-GAAP reconciliations - The following table reconciles consolidated Income from operations and the corresponding margin to restaurant-level operating income and the corresponding margin for the periods indicated:

Consolidated (dollars in thousands)	THIRTEEN WEEKS ENDED	
	MARCH 26, 2023	MARCH 27, 2022
Income from operations	\$ 120,633	\$ 107,256
Operating income margin	9.7 %	9.4 %
Less:		
Franchise and other revenues	16,512	16,960
Plus:		
Depreciation and amortization	46,302	41,775
General and administrative	65,804	58,674
Provision for impaired assets and restaurant closings	3,324	1,839
Restaurant-level operating income	\$ 219,551	\$ 192,584
Restaurant-level operating margin	17.9 %	17.1 %

Segment restaurant-level and operating margin non-GAAP reconciliations - The following tables reconcile segment Income from operations and the corresponding margin to segment restaurant-level operating income and the corresponding margin for the periods indicated:

U.S. (dollars in thousands)	THIRTEEN WEEKS ENDED	
	MARCH 26, 2023	MARCH 27, 2022
Income from operations	\$ 133,243	\$ 132,226
Operating income margin	12.2 %	12.8 %
Less:		
Franchise and other revenues	12,427	12,772
Plus:		
Depreciation and amortization	38,163	34,758
General and administrative	25,505	23,445
Provision for impaired assets and restaurant closings	3,324	58
Restaurant-level operating income	\$ 187,808	\$ 177,715
Restaurant-level operating margin	17.4 %	17.4 %

International (dollars in thousands)	THIRTEEN WEEKS ENDED	
	MARCH 26, 2023	MARCH 27, 2022
Income from operations	\$ 24,508	\$ 8,884
Operating income margin	16.2 %	8.5 %
Less:		
Franchise and other revenues	4,085	4,188
Plus:		
Depreciation and amortization	5,919	5,536
General and administrative	7,673	4,928
Provision for impaired assets and restaurant closings	—	1,775
Restaurant-level operating income	\$ 34,015	\$ 16,935
Restaurant-level operating margin	23.0 %	16.9 %

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

Restaurant-level operating margin non-GAAP reconciliations (continued) - The following table presents the percentages of certain operating cost financial statement line items in relation to Restaurant sales for the periods indicated:

	THIRTEEN WEEKS ENDED	
	MARCH 26, 2023	MARCH 27, 2022
Restaurant sales	100.0 %	100.0 %
Food and beverage	31.3 %	32.0 %
Labor and other related	27.8 %	27.8 %
Other restaurant operating	23.0 %	23.1 %
Restaurant-level operating margin	17.9 %	17.1 %

Adjusted diluted earnings per share non-GAAP reconciliations - The following table reconciles Net income attributable to Bloomin' Brands to adjusted diluted earnings per share for the periods indicated:

(in thousands, except share and per share data)	THIRTEEN WEEKS ENDED	
	MARCH 26, 2023	MARCH 27, 2022
Net income attributable to Bloomin' Brands	\$ 91,311	\$ 75,511
Diluted earnings per share	\$ 0.93	\$ 0.73
Adjusted diluted earnings per share (1)	\$ 0.98	\$ 0.80
Diluted weighted average common shares outstanding	98,011	103,454
Adjusted diluted weighted average common shares outstanding (1)	93,180	94,722

(1) Adjusted diluted weighted average common shares outstanding was calculated excluding the dilutive effect of 4,831 and 8,732 shares for the thirteen weeks ended March 26, 2023 and March 27, 2022, respectively, to be issued upon conversion of the 2025 Notes to satisfy the amount in excess of the principal since our convertible note hedge offsets the dilutive impact of the shares underlying the 2025 Notes.

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 for the periods indicated, which are not included in our consolidated financial results. Franchise sales within this table do not represent our sales and are

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

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.

(dollars in millions)	THIRTEEN WEEKS ENDED	
	MARCH 26, 2023	MARCH 27, 2022
U.S.		
Outback Steakhouse	\$ 136	\$ 129
Carrabba's Italian Grill	13	12
Bonefish Grill	3	3
U.S. total	152	144
International		
Outback Steakhouse - South Korea	94	78
Other (1)	27	34
International total	121	112
Total franchise sales (2)	\$ 273	\$ 256

(1) Includes franchise sales for off-premises only kitchens in South Korea.

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

Liquidity and Capital Resources
Cash and Cash Equivalents

As of March 26, 2023, we had \$94.4 million in cash and cash equivalents, of which \$27.1 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.

As of March 26, 2023, we had aggregate undistributed foreign earnings of approximately \$25.8 million. This amount consisted primarily of historical earnings from 2017 and prior that were previously taxed in the U.S. under the 2017 Tax Cuts and Jobs Act and post-2017 foreign earnings, which we may repatriate to the U.S. without additional material U.S. federal income tax. These amounts are not considered indefinitely reinvested in our foreign subsidiaries.

Borrowing Capacity and Debt Service

Credit Facilities - 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
	REVOLVING CREDIT FACILITY	2025 NOTES	2029 NOTES	
Balance as of December 25, 2022	\$ 430,000	\$ 105,000	\$ 300,000	\$ 835,000
2023 new debt	190,000	—	—	190,000
2023 payments	(260,000)	—	—	(260,000)
Balance as of March 26, 2023	\$ 360,000	\$ 105,000	\$ 300,000	\$ 765,000
Interest rates, as of March 26, 2023 (1)	6.28 %	5.00 %	5.13 %	
Principal maturity date	April 2026	May 2025	April 2029	

(1) Interest rate for revolving credit facility represents the weighted average interest rate as of March 26, 2023.

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

As of March 26, 2023, we had \$620.2 million in available unused borrowing capacity under our revolving credit facility, net of letters of credit of \$19.8 million.

Our credit agreement, as amended, 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 25, 2022 for further information.

As of March 26, 2023 and December 25, 2022, 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.

Use of Cash

Cash flows generated from operating activities and availability under our revolving credit facility are our principal sources of liquidity, which we use for operating expenses, debt payments, share repurchases, dividend payments, development of new restaurants, remodeling or relocating older restaurants and investment in technology.

We believe that our expected liquidity sources are adequate to fund debt service requirements, lease obligations, capital expenditures and working capital obligations during the 12 months following this filing. 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.

Capital Expenditures - We estimate that our capital expenditures will total approximately \$240 million to \$260 million in 2023. The amount of actual capital expenditures may be affected by general economic, financial, competitive, legislative and regulatory factors, among other things, including raw material constraints.

Dividends and Share Repurchases - In April 2023, our Board declared a quarterly cash dividend of \$0.24 per share, payable on May 24, 2023. Future dividend payments are dependent on our earnings, financial condition, capital expenditure requirements, surplus and other factors that our Board considers relevant, as well as continued compliance with the financial covenants in our debt agreements.

During the thirteen weeks ended March 26, 2023, we fully utilized the remaining share repurchase authorization under the 2022 Share Repurchase Program. On February 7, 2023, our Board approved the 2023 Share Repurchase Program under which we are authorized to repurchase up to \$125.0 million of our outstanding common stock. The 2023 Share Repurchase Program will expire on August 7, 2024. As of March 26, 2023, we had \$119.4 million remaining available for repurchase under the 2023 Share Repurchase Program.

Following is a summary of dividends and share repurchases from fiscal year 2015 through March 26, 2023:

(dollars in thousands)	DIVIDENDS PAID	SHARE REPURCHASES	TOTAL
Fiscal years 2015 - 2022	\$ 227,961	\$ 1,083,580	\$ 1,311,541
First fiscal quarter 2023	21,014	20,645	41,659
Total (1)	\$ 248,975	\$ 1,104,225	\$ 1,353,200

(1) Subsequent to March 26, 2023, we repurchased \$7.2 million of our common stock under a Rule 10b5-1 plan.

BLOOMIN' BRANDS, INC.**MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS - Continued**Summary of Cash Flows and Financial Condition

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 26, 2023	MARCH 27, 2022
Net cash provided by operating activities	\$ 189,668	\$ 147,135
Net cash used in investing activities	(62,945)	(39,150)
Net cash used in financing activities	(116,987)	(101,111)
Effect of exchange rate changes on cash and cash equivalents	(30)	1,965
Net increase in cash, cash equivalents and restricted cash	\$ 9,706	\$ 8,839

Operating activities - The increase in net cash provided by operating activities during the thirteen weeks ended March 26, 2023 as compared to the thirteen weeks ended March 27, 2022 was primarily due to higher operational receipts net of payments and decreased employee compensation payments.

Investing activities - The increase in net cash used in investing activities during the thirteen weeks ended March 26, 2023 as compared to the thirteen weeks ended March 27, 2022 was primarily due to higher capital expenditures.

Financing activities - The increase in net cash used in financing activities during the thirteen weeks ended March 26, 2023 as compared the thirteen weeks ended March 27, 2022 was primarily due to increases in the repurchase of common stock and payment of cash dividends on our common stock.

Financial Condition - Following is a summary of our current assets, current liabilities and working capital (deficit) as of the periods indicated:

(dollars in thousands)	MARCH 26, 2023	DECEMBER 25, 2022
Current assets	\$ 247,846	\$ 346,577
Current liabilities	920,433	978,867
Working capital (deficit)	\$ (672,587)	\$ (632,290)

Working capital (deficit) includes: (i) Unearned revenue primarily from unredeemed gift cards of \$322.6 million and \$394.2 million as of March 26, 2023 and December 25, 2022, respectively, and (ii) current operating lease liabilities of \$182.8 million and \$183.5 million as of March 26, 2023 and December 25, 2022, respectively, with the corresponding operating right-of-use assets recorded as non-current on our Consolidated Balance Sheets. 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 typically used to service debt obligations and to make capital expenditures.

Recently Issued Financial Accounting Standards

For a description of recently issued Financial Accounting Standards that we adopted during the thirteen weeks ended March 26, 2023 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 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 commodity prices, labor inflation and foreign currency exchange rates and interest rates. We believe that there have been no material changes in our market risk since December 25, 2022. 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 25, 2022 for further information regarding market risk.

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, as amended (the “Exchange Act”), 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 defined in Rule 13a-15(e) under the Exchange Act) 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 26, 2023.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) during the thirteen weeks ended March 26, 2023 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II: OTHER INFORMATION**Item 1. Legal Proceedings**

For a description of our legal proceedings, see Note 12 - *Commitments and Contingencies* of the Notes to 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 2022 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 2022 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 thirteen weeks ended March 26, 2023 that were not registered under the Securities Act.

The following table provides information regarding our purchases of common stock during the thirteen weeks ended March 26, 2023:

REPORTING PERIOD	TOTAL NUMBER OF SHARES PURCHASED	AVERAGE PRICE PAID PER SHARE	TOTAL NUMBER OF SHARES PURCHASED AS PART OF PUBLICLY ANNOUNCED PLANS OR PROGRAMS	APPROXIMATE DOLLAR VALUE OF SHARES THAT MAY YET BE PURCHASED UNDER THE PLANS OR PROGRAMS (1)
December 26, 2022 through January 22, 2023	314,175	\$ 21.97	314,175	\$ 8,099,645
January 23, 2023 through February 19, 2023	330,114	\$ 24.53	330,114	\$ 125,000,664
February 20, 2023 through March 26, 2023	218,688	\$ 25.81	218,688	\$ 119,355,724
Total	862,977		862,977	

- (1) On February 8, 2022, our Board of Directors authorized the repurchase of up to \$125.0 million of our outstanding common stock as announced in our press release issued on February 18, 2022 (the "2022 Share Repurchase Program"). The 2022 Share Repurchase Program was set to expire on August 9, 2023. During the thirteen weeks ended March 26, 2023, we fully utilized the remaining share repurchase authorization under the 2022 Share Repurchase Program. On February 7, 2023, our Board approved a new share repurchase authorization of up to \$125.0 million of our outstanding common stock as announced in our press release issued February 16, 2023 (the "2023 Share Repurchase Program"). The 2023 Share Repurchase Program will expire on August 7, 2024.

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

EXHIBIT NUMBER	DESCRIPTION OF EXHIBITS	FILINGS REFERENCED FOR INCORPORATION BY REFERENCE
3.1	Fifth Amended and Restated Certificate of Incorporation of Bloomin' Brands, Inc.	April 19, 2023, Form 8-K, Exhibit 3.1
3.2	Fourth Amended and Restated Bylaws of Bloomin' Brands, Inc.	April 19, 2023, Form 8-K, Exhibit 3.2
4.1	Description of Common Stock	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)	Furnished 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)	Furnished herewith
101.INS	Inline XBRL Instance Document	Filed herewith
101.SCH	Inline XBRL Taxonomy Extension Schema Document	Filed herewith
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document	Filed herewith
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document	Filed herewith
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document	Filed herewith
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document	Filed herewith
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)	Filed herewith

(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 2, 2023

BLOOMIN' BRANDS, INC.

(Registrant)

By: /s/ Philip Pace

Philip Pace
Senior Vice President, Chief Accounting Officer
(Principal Accounting Officer)

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BLOOMIN' BRANDS, INC.
DESCRIPTION OF COMMON STOCK

The following summary does not purport to be complete and is subject to, and qualified in its entirety by reference to, our fifth amended and restated certificate of incorporation ("certificate of incorporation") and our fourth amended and restated bylaws ("bylaws"), which have been filed as exhibits to our Current Report on Form 8-K on April 19, 2023. The information in this Exhibit 4.1 is provided as of May 2, 2023.

General

Our certificate of incorporation provides for authorized capital stock of 475,000,000 shares of common stock, par value \$0.01 per share, and 25,000,000 shares of undesignated preferred stock.

Common Stock

Dividend Rights. Subject to preferences that may apply to shares of preferred stock outstanding at the time, holders of outstanding shares of common stock are entitled to receive dividends out of assets legally available at the times and in the amounts as the Board of Directors may from time to time determine.

Voting Rights. Each outstanding share of common stock is entitled to one vote on all matters submitted to a vote of stockholders. Holders of shares of our common stock do not have cumulative voting rights.

Preemptive Rights. Our common stock is not entitled to preemptive or other similar subscription rights to purchase any of our securities.

Conversion or Redemption Rights. Our common stock is neither convertible nor redeemable.

Liquidation Rights. Upon our liquidation, the holders of our common stock will be entitled to receive pro rata our assets that are legally available for distribution, after payment of all debts and other liabilities and subject to the prior rights of any holders of preferred stock then outstanding.

Listing. Our shares of common stock are listed on the Nasdaq Global Select Market under the symbol "BLMN."

Anti-Takeover Effects of Our Certificate of Incorporation and Bylaws

Our certificate of incorporation and bylaws contain certain provisions that are intended to enhance the likelihood of continuity and stability in the composition of our Board of Directors and that may have the effect of delaying, deferring or preventing a future takeover or change in control of the Company unless that takeover or change in control is approved by our Board of Directors.

These provisions include:

Classified Board. Our certificate of incorporation provides that until the 2024 annual meeting of stockholders, our Board of Directors be divided into three classes of directors, with the classes as nearly equal in number as possible. Previously, approximately one-third of our Board of Directors was elected each year for a three-year term; however we have been transitioning to elect each class for a one-year term and, at the 2024 annual meeting of stockholders, the classification of the Board of Directors shall terminate. The classification of directors has the effect of making it more difficult for stockholders to change the composition of our Board of Directors. In addition, because our Board of Directors is classified until the 2024 annual meeting of stockholders, under Delaware General Corporation Law, directors may only be removed for cause until the 2024 annual meeting of stockholders, after which, directors may be removed with or without cause. Our certificate of incorporation also provides that, subject to any rights of holders of preferred stock to elect additional directors under specified circumstances, the number of directors is to be fixed exclusively pursuant to a resolution adopted by our Board of Directors.

Action by Written Consent; Special Meetings of Stockholders. Our certificate of incorporation provides that stockholder action can be taken only at an annual or special meeting of stockholders and cannot be taken by written consent in lieu of a meeting. Our certificate of incorporation also provides that, except as otherwise required by law, special meetings of the stockholders can be called only (a) pursuant to a resolution adopted by a majority of the total number of directors that the Company would have if there were no vacancies or (b) subject to certain limited exceptions, by the Board of Directors upon the request of a stockholder or stockholders holding net long beneficial ownership of at least 25% of the outstanding shares of the Company's common stock for at least one year and such request must comply with the other procedural requirements set forth in our certificate of incorporation.

Advance Notice Procedures. Our bylaws establish an advance notice procedure for stockholder proposals to be brought before an annual meeting of our stockholders, including proposed nominations of persons for election to the Board of Directors. Stockholders at an annual meeting are only able to consider proposals or nominations specified in the notice of meeting or brought before the meeting by or at the direction of the Board of Directors or by a stockholder who was a stockholder of record on the record date for the meeting, who is entitled to vote at the meeting and who has given our Secretary timely written notice, in accordance with our bylaws, of the stockholder's intention to bring that business before the meeting. Although the bylaws do not give the Board of Directors the power to approve or disapprove stockholder nominations of candidates or proposals regarding other business to be conducted at a special or annual meeting, the bylaws may have the effect of precluding the conduct of certain business at a meeting if the proper procedures are not followed or may discourage or deter a potential acquiror from conducting a solicitation of proxies to elect its own slate of directors or otherwise attempting to obtain control of the Company.

Authorized but Unissued Shares. Our authorized but unissued shares of common stock and preferred stock are available for future issuance without stockholder approval. These additional shares may be utilized for a variety of corporate purposes, including future public offerings to raise additional capital, corporate acquisitions and employee benefit plans. The existence of authorized but unissued shares of common stock and preferred stock could render more difficult or discourage an attempt to obtain control of a majority of our common stock by means of a proxy contest, tender offer, merger or otherwise.

Business Combinations with Interested Stockholders. We have elected in our certificate of incorporation not to be subject to Section 203 of the Delaware General Corporation Law, which generally prohibits a publicly held Delaware corporation from engaging in a business combination, such as a merger, with a person or group owning 15% or more of the corporation's voting stock, for a period of three years following the date the person became an interested stockholder, unless (with certain exceptions) the business combination or the transaction in which the person became an interested stockholder is approved in a prescribed manner. Accordingly, we are not subject to any anti-takeover effects of Section 203. However, our certificate of incorporation contains provisions that have the same effect as Section 203.

Limitations on Liability and Indemnification of Officers and Directors

Our certificate of incorporation limits the liability of our directors and officers to the fullest extent permitted by the Delaware General Corporation Law, and our bylaws provide that we will indemnify them to the fullest extent permitted by such law. We have entered into indemnification agreements with our current directors and executive officers and expect to enter into a similar agreement with any new directors or executive officers. We also maintain customary directors' and officers' liability insurance policies that provide coverage to our directors and officers against loss arising from claims made by reason of breach of duty or other wrongful act and to us with respect to indemnification payments that we may make to directors and officers.

Transfer Agent and Registrar

The transfer agent and registrar for our common stock is Computershare Trust Company, N.A.

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 2, 2023

/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 2, 2023

/s/ Christopher Meyer

Christopher Meyer

Executive Vice President and Chief Financial Officer
(Principal Financial 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 26, 2023 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 2, 2023

/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 26, 2023 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 2, 2023

/s/ Christopher Meyer

Christopher Meyer

Executive Vice President and Chief Financial Officer
(Principal Financial 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.