



## Capitalize for Kids

October 2023

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# Starboard has Significant Experience in Restaurants

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Garden  
ITALIAN KITCHEN

LONGHORN  
STEAKHOUSE

Cheddar's  
SCRATCH KITCHEN

GREAT FOOD • CLASSIC ROCK  
Yard House  
WORLD'S LARGEST SELECTION OF DRAFT BEER

RUTH'S  
CHRIS  
STEAK HOUSE

THE  
CAPITAL  
GRILLE

Seasons 52  
FRESH GRILL | WINE BAR

Bahama  
Breeze  
ISLAND GRILLE

Eddie V's  
PRIME SEAFOOD

# We're Back with Another Restaurant Conglomerate: Bloomin' Brands

## Bloomin' Brands Principal Restaurant Concepts



Year Founded

1988

1986

2000

1998

1998

# Co. Owned Units

562

199

170

64

148

LTM 2Q23  
Restaurant Sales (mm)

\$2,277

\$695

\$564

\$378

\$464

Bloomin's primary concepts have 145 years of operating history and cumulative brand equity



# Darden and Bloomin' Have Comparable Top Restaurant Concepts



Both Darden and Bloomin's two largest concepts are in the Italian and steak categories

# Outback Is an Iconic Concept with Tremendously Valuable Brand Equity



Outback, Bloomin's largest concept, is our top focus for operational improvement and value creation



# The Bloomin' Onion Is an American Staple, Reflecting the Reach of the Outback Brand

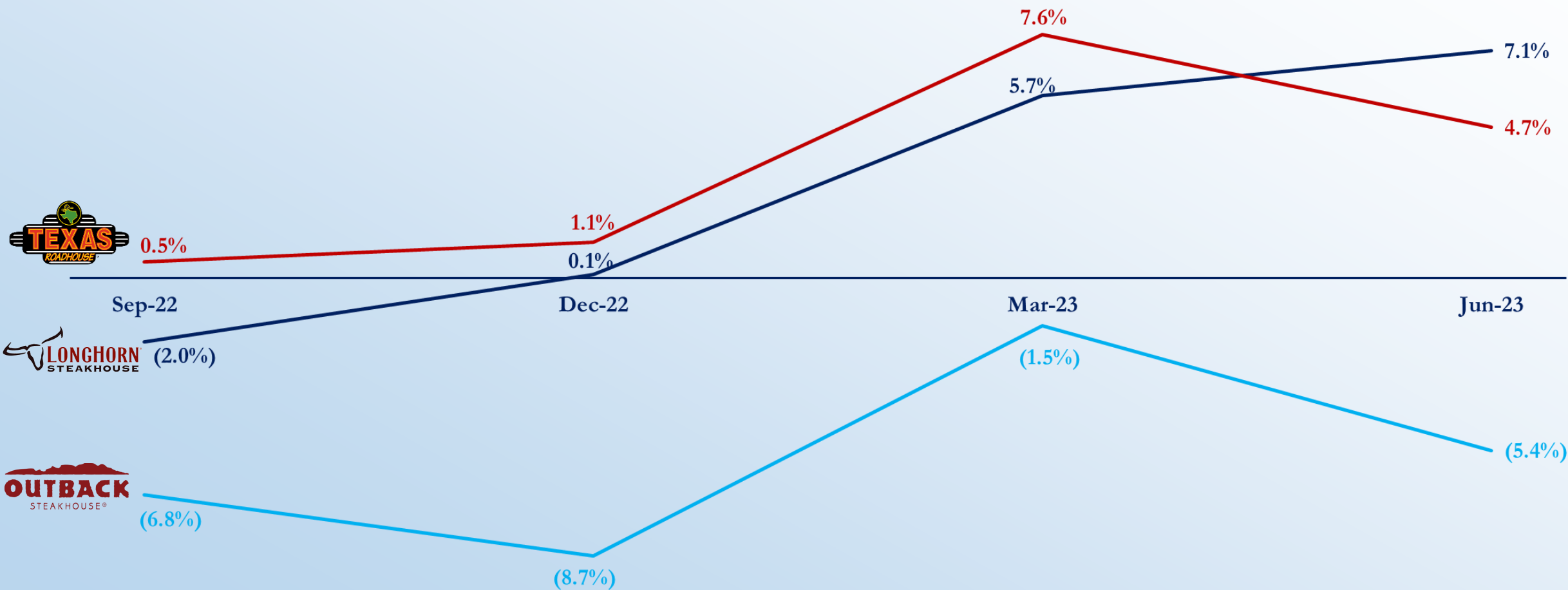
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The Bloomin' Onion is Outback's – and Bloomin's – most famous and recognizable dish

# However, There Is Significant Opportunity for Operational Improvement at Outback

Outback vs. Peers: CY22-23 Casual Dining Steakhouse Traffic



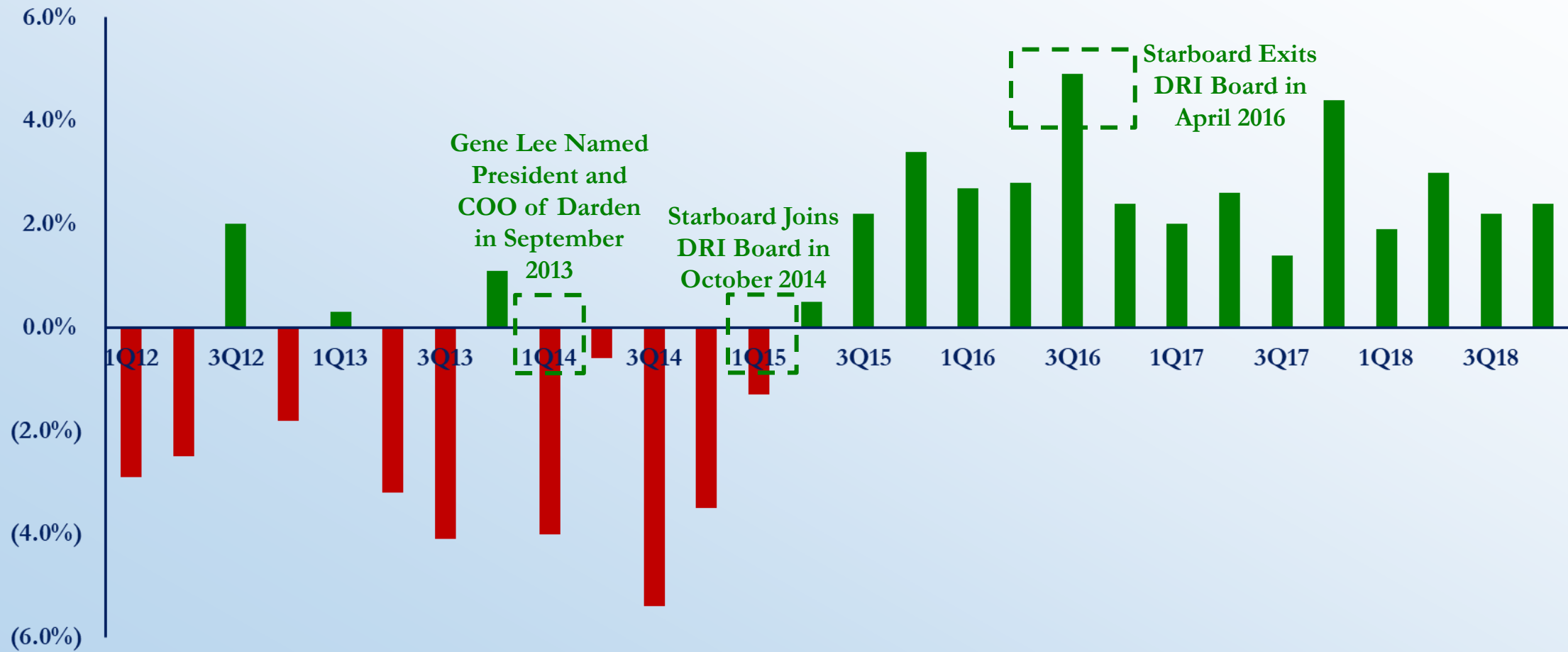
Improving execution in the restaurants and creating a better customer experience are critical for the value creation opportunity at Bloomin’

Source: Company filings. Traffic reflects company-reported figures as component of company-reported comparable restaurant sales.



# Like Outback, Olive Garden Suffered from Execution Issues Prior to Starboard's Involvement at Darden

Olive Garden Same-Store Sales

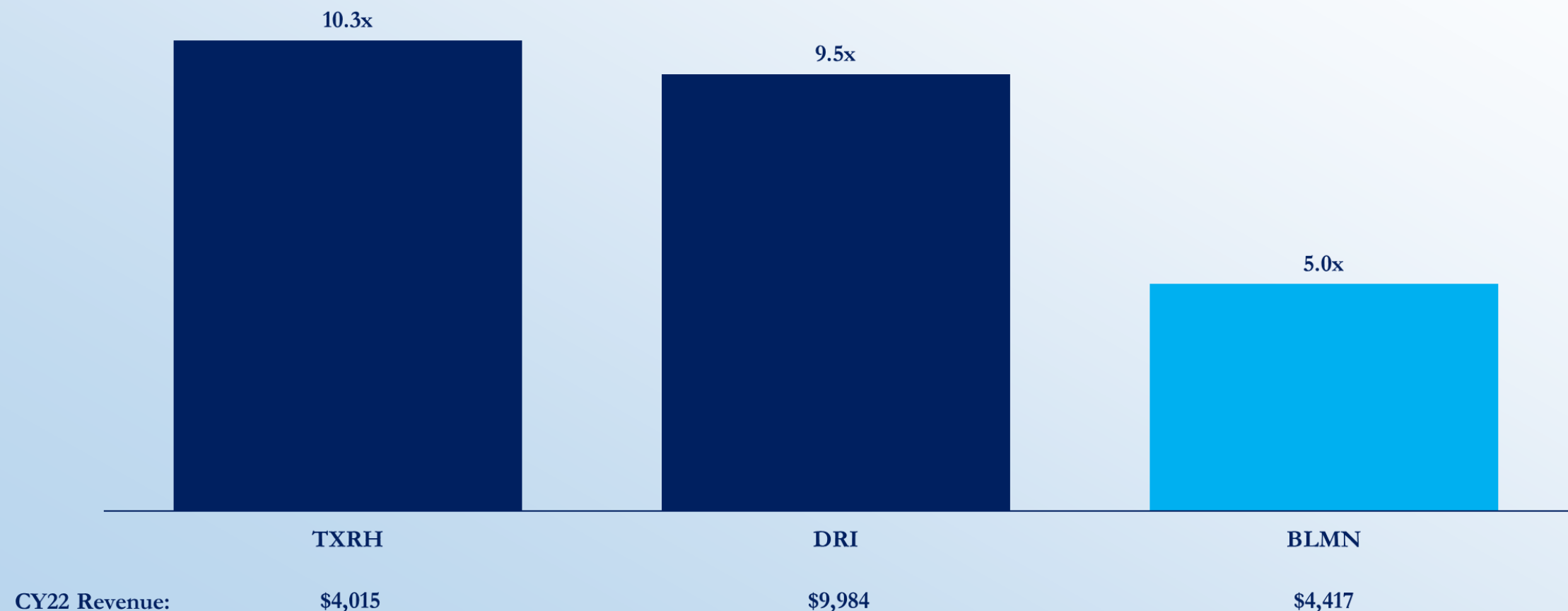


Starboard seeks to leverage its experience turning around Olive Garden in improving operational execution at Outback

Source: Company filings. Same-store sales reflect company-reported same-restaurant sales figures.

# Driven by This Difference in Operational Execution, Bloomin' Trades at a Meaningful Valuation Discount to Its Top Peers

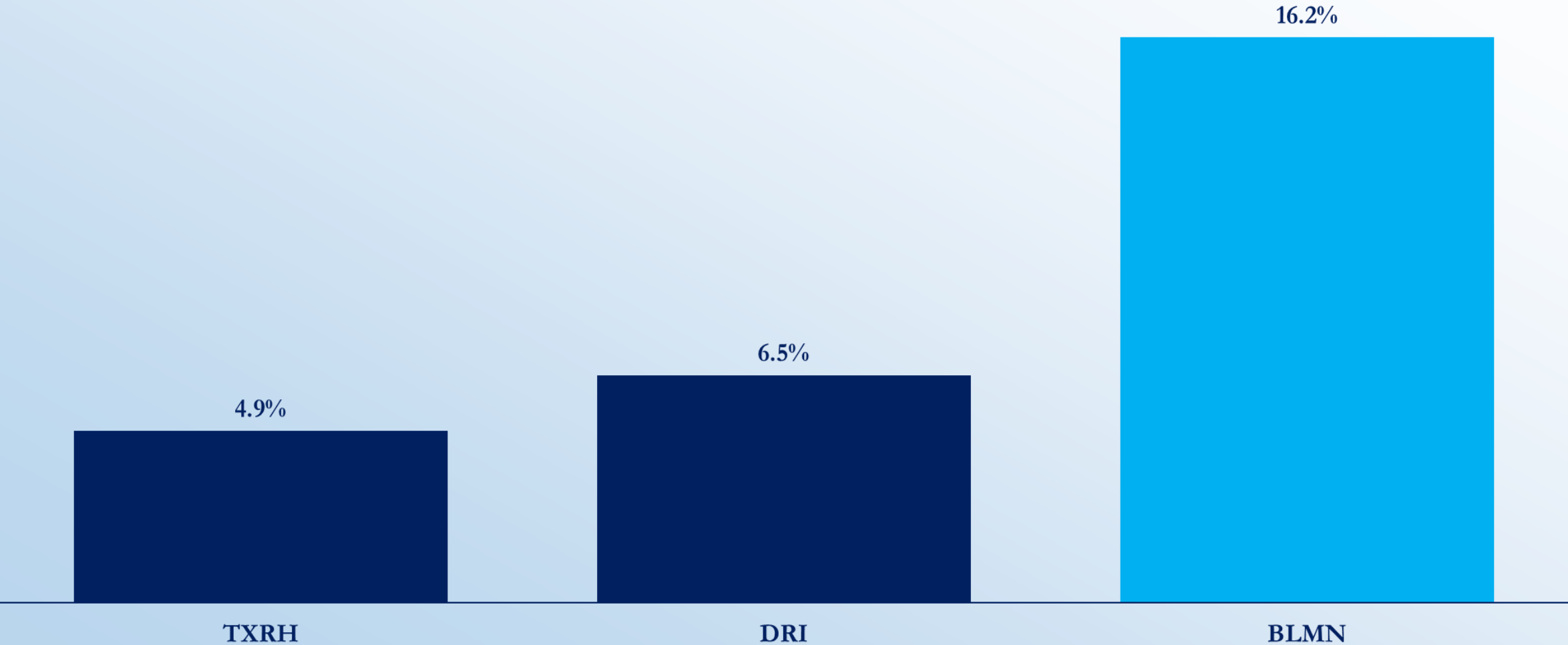
Bloomin's EV/CY24E EBITDA Multiple vs. Conglomerate (DRI) and Casual Dining Steak (TXRH) Peers



Source: Capital IQ; Bloomberg; Company filings. Estimates represent consensus figures. Starboard has identified the aforementioned peers as the most relevant peer set for comparing BLMN's valuation multiple. Starboard believes these provide the most appropriate peer comparisons and align with the Company's self-selected peer set. This presentation is a determination that is subject to a certain degree of subjectivity. As the full universe of potential peers is not listed here, the comparisons made herein may differ materially if other firms had been included.

# Bloomin' Trades at a Significant Discount to Its Top Peers on a Free Cash Flow Basis, Creating a Highly Attractive Free Cash Flow Yield

CY24E Levered Free Cash Flow Yield vs. Conglomerate (DRI) and Casual Dining Steak Peers (DRI/TXRH)

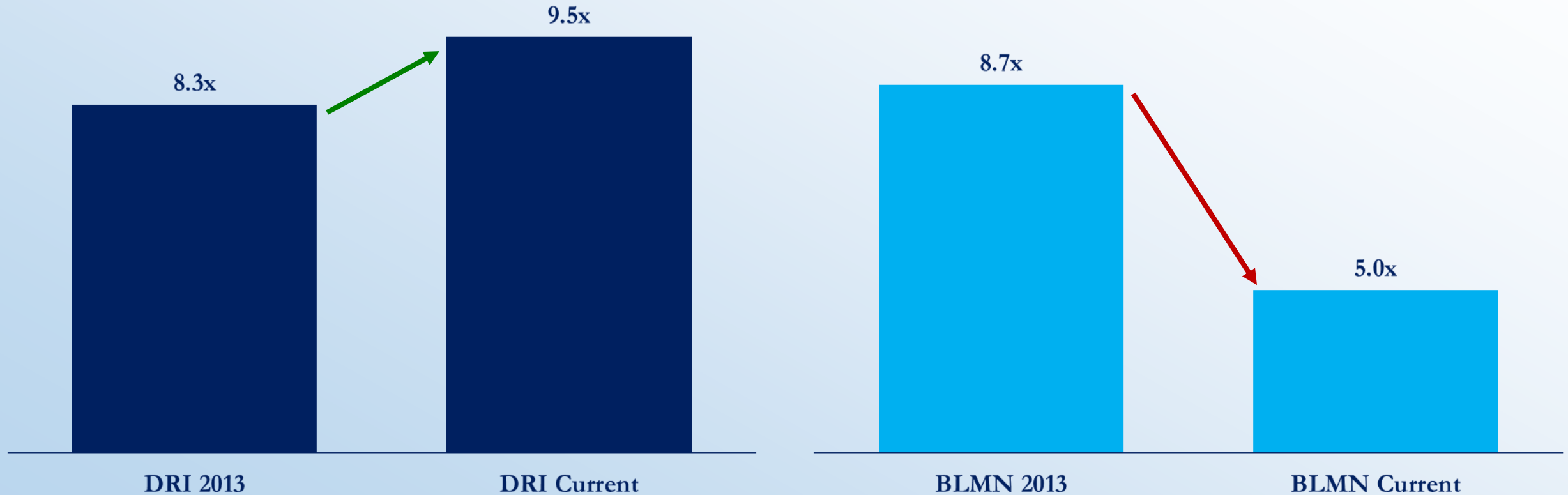


Source: Capital IQ. Estimates represent consensus figures. Starboard has identified the aforementioned peers as the most relevant peer set for comparing BLMN's free cash flow yield. Starboard believes these provide the most appropriate peer comparisons and align with the Company's self-selected peer set. This presentation is a determination that is subject to a certain degree of subjectivity. As the full universe of potential peers is not listed here, the comparisons made herein may differ materially if other firms had been included.



# However, the Roles Used to Be Reversed...

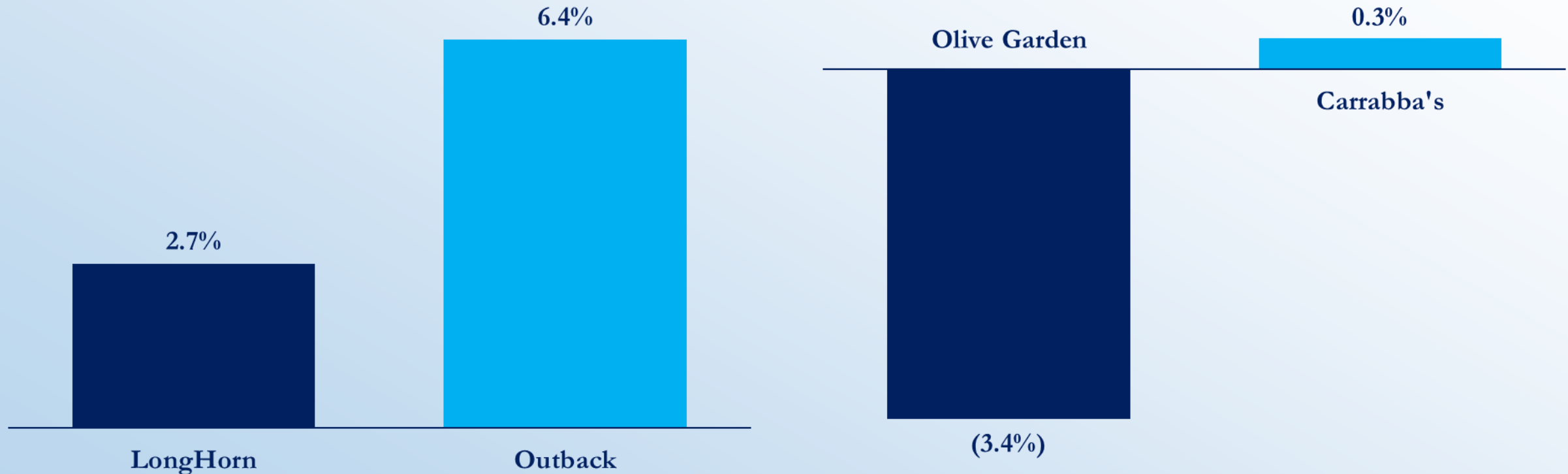
Bloomin' vs. Darden CY13 Average EV/NTM EBITDA Multiple



Prior to Starboard's involvement in Darden, Bloomin' traded *above* Darden

# ...Because Prior to Starboard's Involvement, Bloomin' Used to Execute Better than Darden

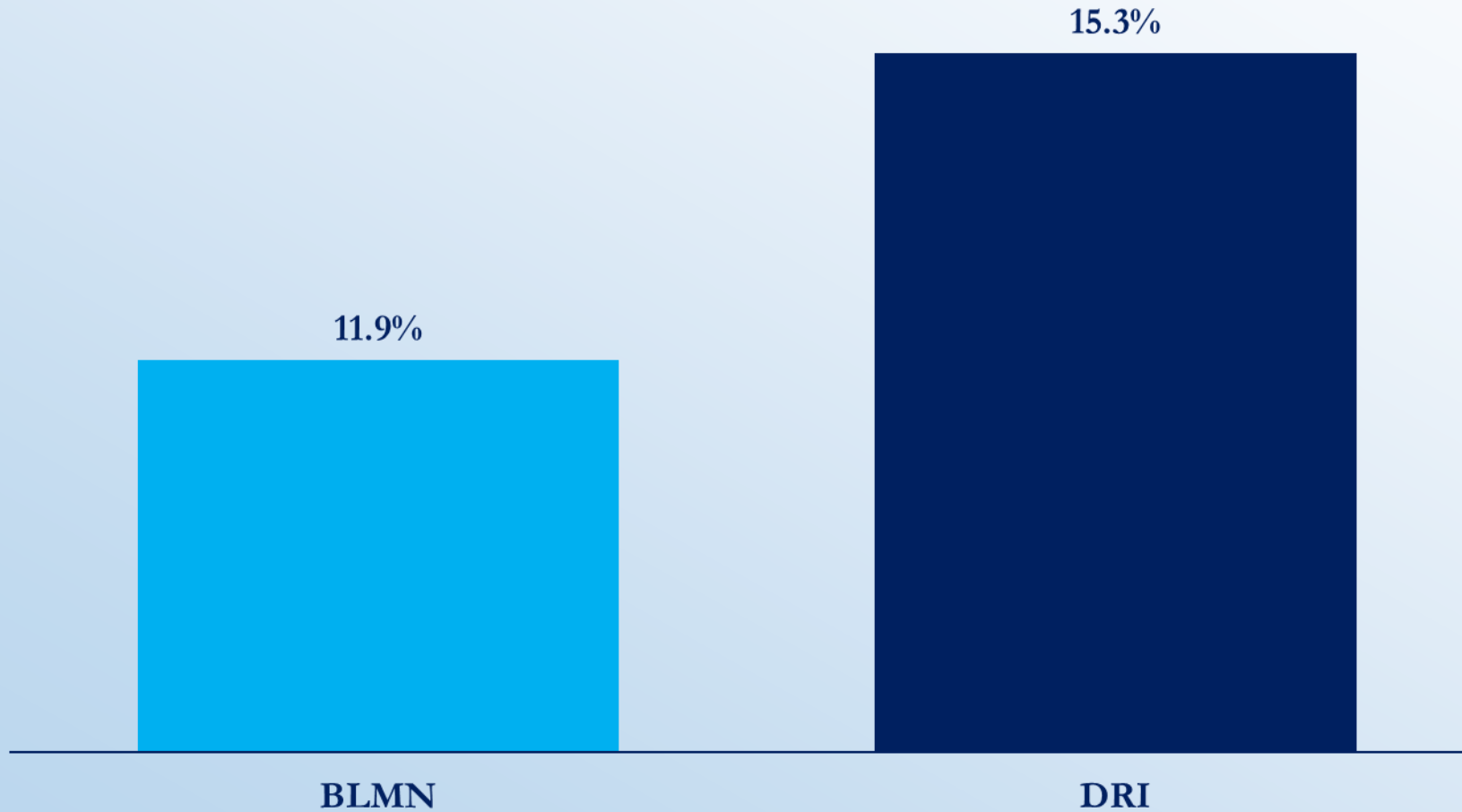
FY14 BLMN vs. DRI: Same-Store Sales by Concept



Bloomin's superior operational execution drove its valuation premium to Darden

# There Is Great Opportunity for Value Creation in Narrowing the Operational Execution Gap Versus Darden

CY23E EBITDA Margin





# The Key Ingredient for Value Creation at Bloomin' Is Inside the Outback Restaurants

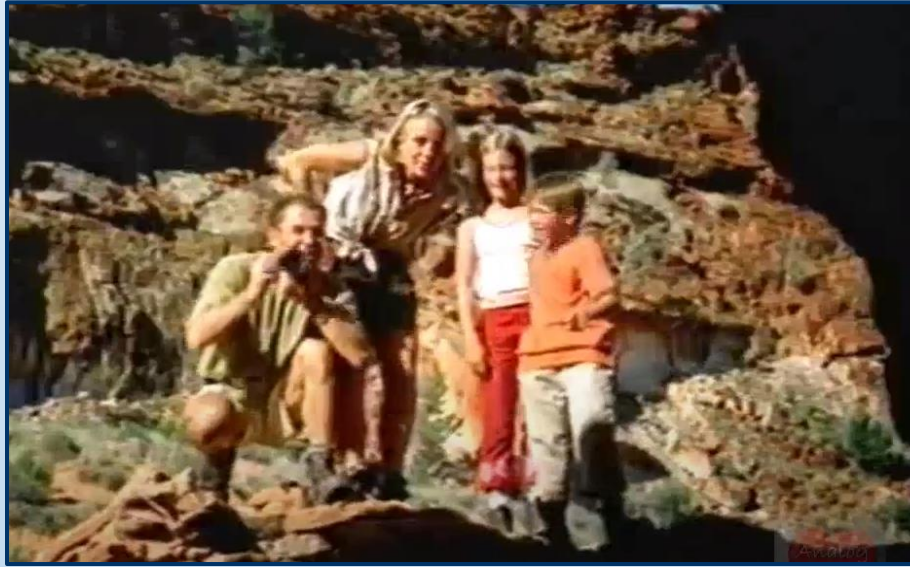
## Opportunities for Operational Improvement at Outback



Improved quality and consistency in service and food are part of the recipe for happier customers and, ultimately, success at Outback



# Outback's Branding Must Re-Embrace Fun



Older commercials featured cowboys, explorers, surfers, musicians, football, and the outdoors – showcasing the *fun* in the Outback concept



# Bloomin's Other Major Concepts Are Attractive Growth Levers and Valuation Drivers

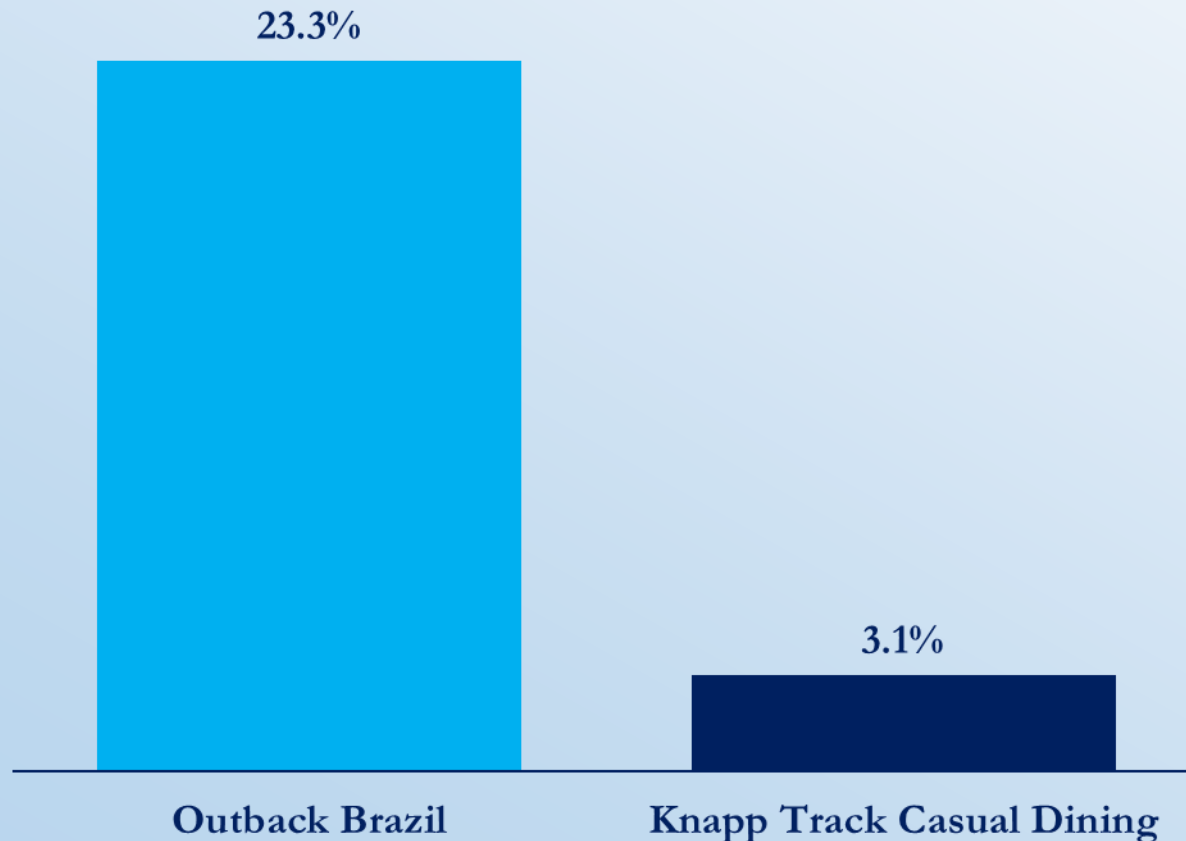
## Bloomin's Other Primary Restaurant Concepts





# Outback Brazil Is a Gem that Is Overlooked by U.S. Investors

Outback Brazil vs. Casual Dining Industry '22 vs. '19 Comp Sales



## The Washington Post

### Why beef-loving Brazil is so obsessed with an American steakhouse chain



By Terrence McCoy

June 20, 2023 at 3:00 a.m. EDT

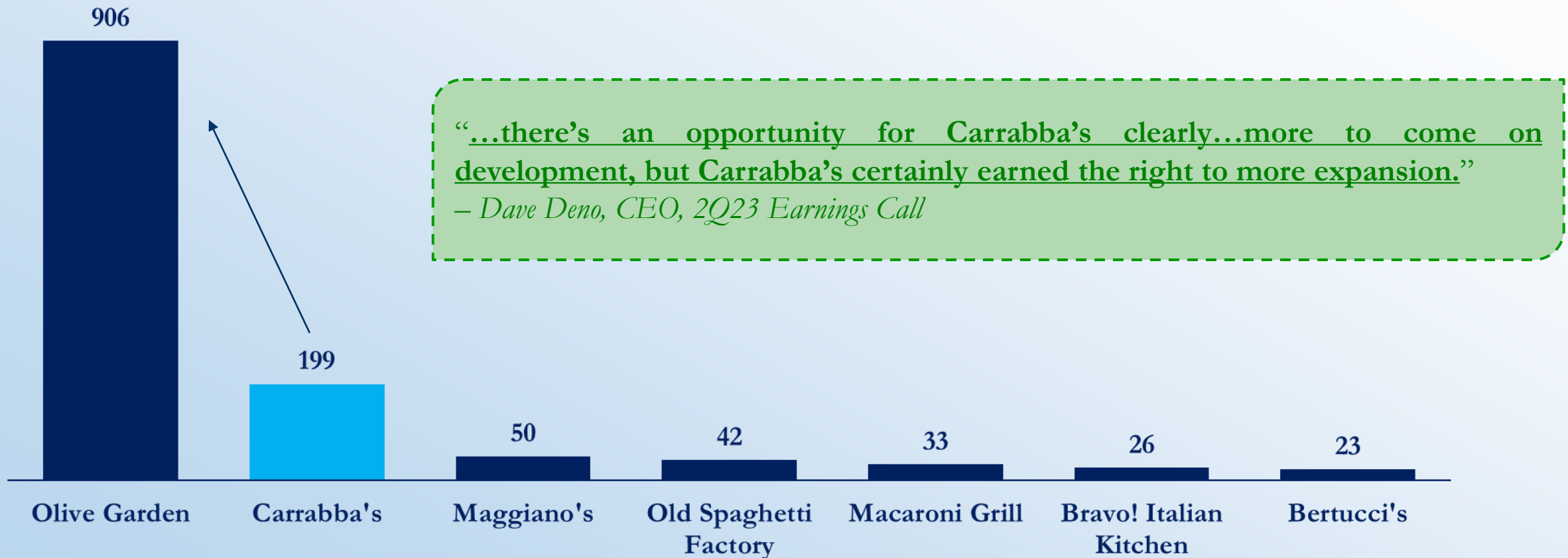
“...America’s riff on Australian barbecue has gained extraordinary cachet in Brazil — a love affair that is only deepening. For five years running, the chain has been voted Rio de Janeiro’s most popular restaurant.”

“[T]he chain has become a cultural touchstone for many Brazilians, more experience than meal, where people can indulge decadence and celebrate life’s biggest milestones. A birthday. A job promotion. Even an engagement.”

With 25 years of operating history, Outback is the casual dining steakhouse category leader in Brazil that warrants a premium, not a discount

# Scaling Carrabba's Is an Attractive Opportunity

## Italian Casual Dining Unit Count

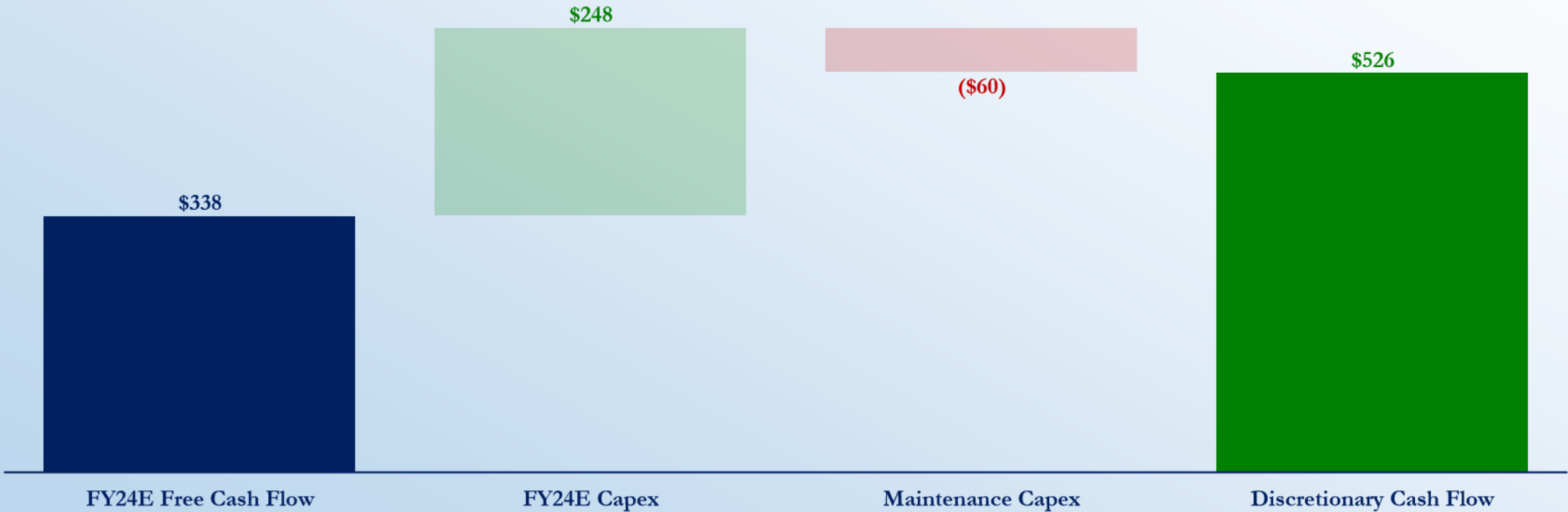


**There is extensive white space in the casual dining Italian space for Carrabba’s, a concept with 37 years of operating history, to grow into the clear #2**

Source: Company filings and websites. Unit counts of public companies represent company-owned units in last reported period. Quotes are bolded and underlined for emphasis. Starboard has identified the aforementioned concepts as the most relevant set of comparable concepts to Carrabba’s, BLMN’s Italian concept. As the full universe of potential peers is not listed here, the comparisons made herein may differ materially if other concepts had been included. This presentation is a determination that is subject to a certain degree of subjectivity. As the full universe of potential peers is not listed here, the comparisons made herein may differ materially if other firms had been included.

# Capital Allocation Is Another Compelling Lever for Value Creation

Bloomin' Generates a Quarter of its Market Cap per Year in Discretionary Cash Flow



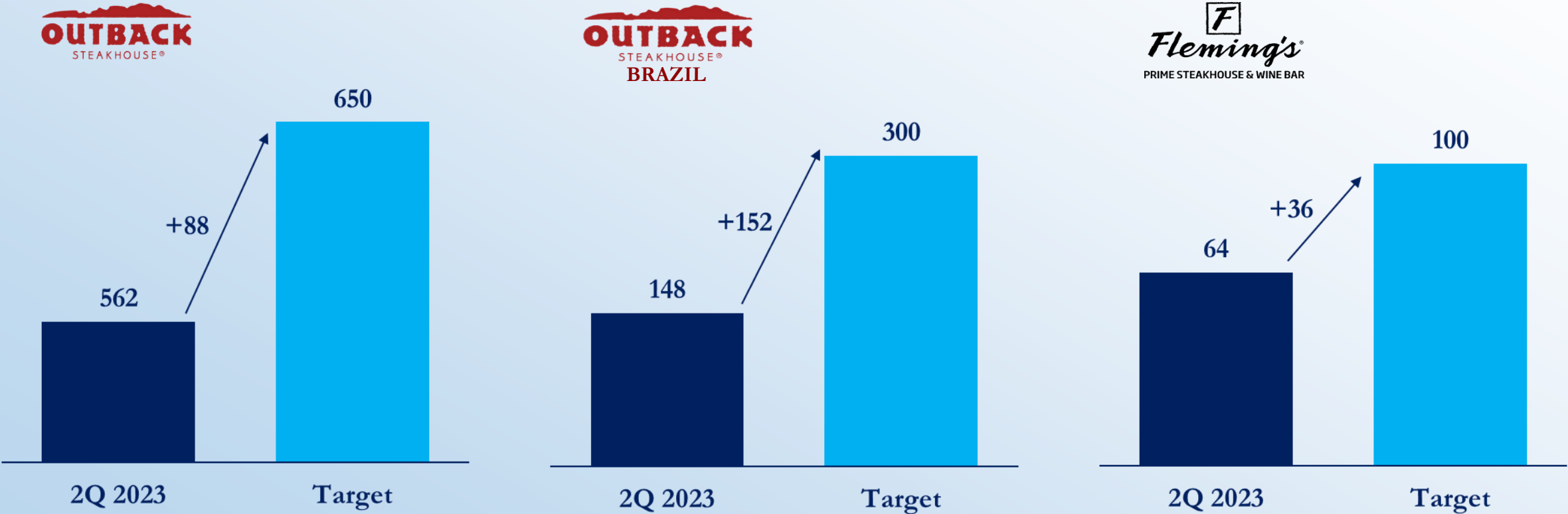
Between capex across brands, a dividend, and buybacks, there is significant potential for capital allocation optimization to drive shareholder value

Source: Capital IQ, Company filings. Estimates represent consensus figures.  
Market figures as of 10/13/23. Market cap based on 2Q 2023 reported fully diluted share count. Maintenance capex reflects top end of company disclosed range in Q2 2022 earnings call.



# Bloomin' Has Ambitious Targets for New Unit Expansion, Giving Shareholders a Win-Win Setup

Target New Units by Restaurant Concept

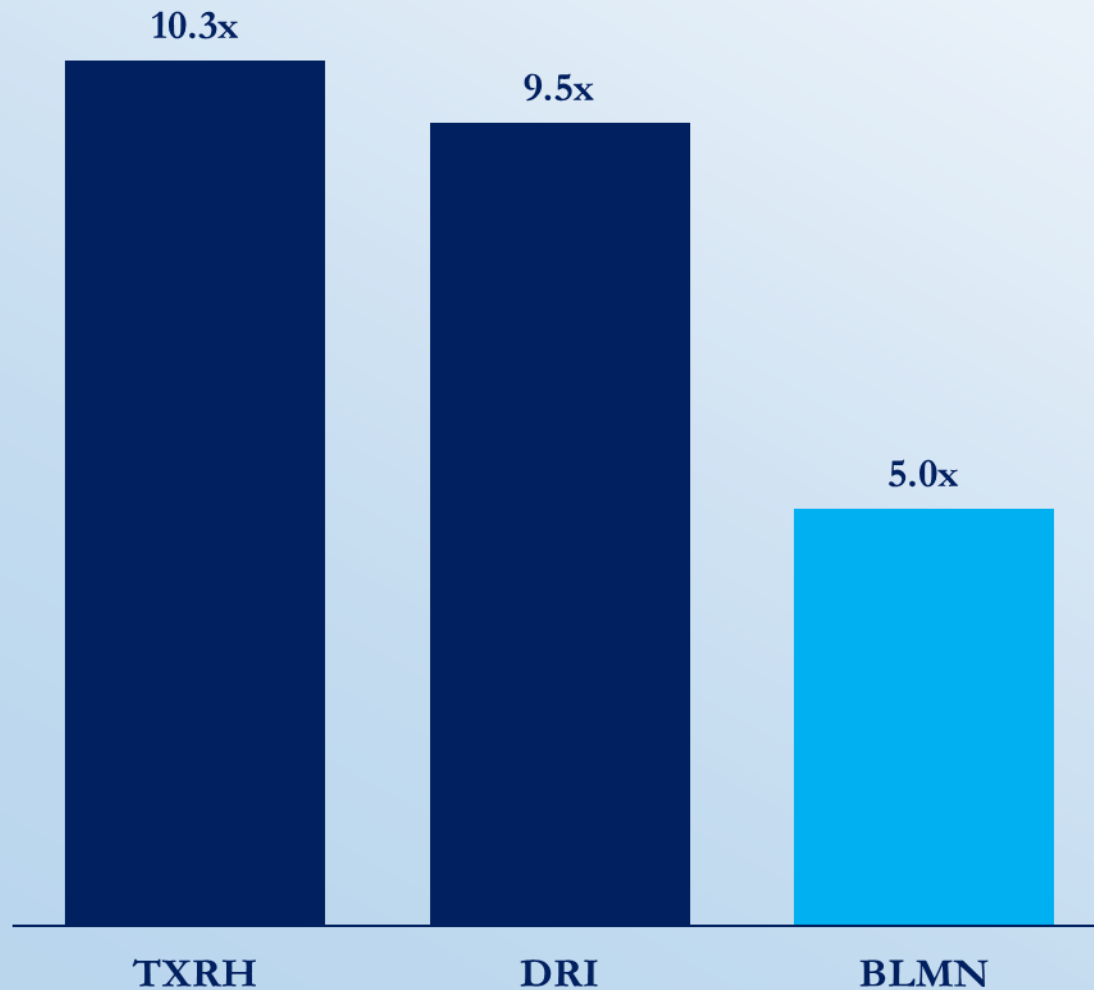


With a high bar for new store ROI, Bloomin' shareholders face a win-win setup: build stores with high ROIs or return capital to shareholders

Source: Company filings. The restaurants presented are concepts of Bloomin'. Unit targets represent company-stated targets of 75-100 (~88 at the midpoint) additional Outback U.S. units from Q1 2022, 100 total Fleming's units from Q4 2022, and 300 total Outback Brazil units as stated in the Q2 2023 earnings call.

# Bloomin' Trades at an Attractive Discount to Its Top Peers and Has Truly Great Brands

Bloomin' EV/CY24E EBITDA Multiple vs. Top Peers



Bloomin's Primary Restaurant Concepts



Source: Capital IQ; Company website. Estimates represent consensus figures. Bloomin's primary concepts reflect a selection of the Company's owned concepts. Starboard has identified the aforementioned peers as the most relevant peer set for comparing BLMN's valuation multiple. Starboard believes these provide the most appropriate peer comparisons and align with the Company's self-selected peer set. This presentation is a determination that is subject to a certain degree of subjectivity. As the full universe of potential peers is not listed here, the comparisons made herein may differ materially if other firms had been included.

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The logo features three overlapping circles in shades of blue. The central circle is a darker blue and contains a white capital letter 'V'. The other two circles are a lighter blue and overlap the central one from the top-left and top-right.

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