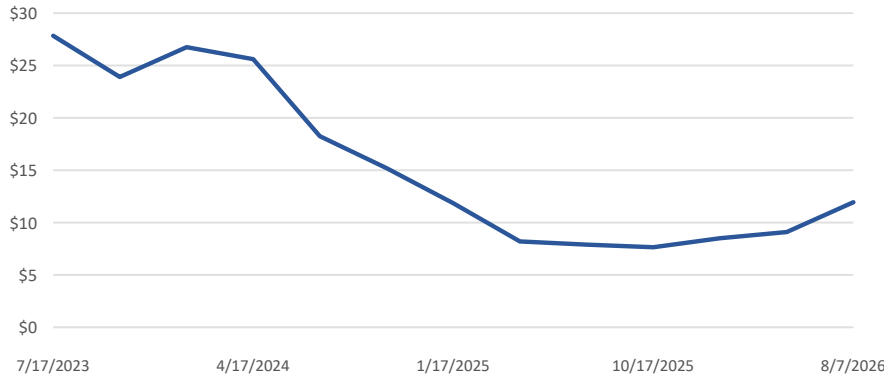


Bloomin' Brands (Nasdaq: BLMN)	
Share Price (as of 8/4/26)	\$8.80
Shares Out.	85.2
Market Cap	\$750
Cash	\$60
Debt	\$787
TEV	\$1,478
FY24 EBITDA	315
EV / FY24 EBITDA	4.7x
Base Case Valuation Summary:	
FY27 EBITDA:	390
Target Multiple	8.5x
EV	\$3,318
Net Debt	\$492
Market Cap	\$2,825
Shares Out.	85.2
3-Year Price Target	\$33.16
Total Return:	277%
IRR	56%

Share Price History (BLMN US Equity)



Date	Share Price (\$)
7/17/2023	28
10/17/2023	24
1/17/2024	26
4/17/2024	25
7/17/2024	18
10/17/2024	15
1/17/2025	12
4/17/2025	8
7/17/2025	8
10/17/2025	9
1/17/2026	9
4/17/2026	12

Executive Summary

Bloomin' Brands, Inc. (BLMN) is a premier full-service casual dining restaurant operator with an iconic portfolio including Outback Steakhouse, Carrabba's Italian Grill, Bonefish Grill, and Fleming's Prime Steakhouse. Currently trading at a depressed ~4.7x EBITDA valuation and ~15% Free Cash Flow yield, BLMN represents a compelling deep-value long opportunity. Persistent traffic weakness in 2024 and beef commodity inflation have severely compressed margins and created a disconnect between current trading levels and intrinsic cash-generating capability. Following the strategic divestiture of its 67% controlling interest in Outback Brazil for \$243M USD cash in December 2024, management has aggressively applied net cash proceeds to pay down high-cost 6.09% SOFR credit facility debt. Under newly appointed CEO Mike Spanos (ex-Delta Air Lines COO / PepsiCo CEO), BLMN is executing a disciplined operational turnaround focused on Outback store refreshes, the high-ROI "Joey" small-footprint prototype rollout, and \$50M+ in non-guest-facing productivity cost savings. With leverage rapidly dropping below 1.8x Net Debt/EBITDA and margins expanding back toward 12%+, BLMN is poised for significant equity re-rating toward a 3-Year Base Case Price Target of \$33.16 (277% Total Return, 56% IRR).

Business Overview

Bloomin' Brands operates and franchises 1,450+ restaurants across 47 U.S. states and 13 international countries. The portfolio is anchored by Outback Steakhouse (~68% of total revenue), a casual steakhouse pioneer known for high-quality steaks and bold Australian-themed hospitality. Carrabba's Italian Grill (~18% of revenue) provides authentic Italian casual dining, Bonefish Grill (~11%) specializes in polished casual seafood, and Fleming's Prime Steakhouse (~3%) delivers upscale luxury steakhouse dining. Across its domestic footprint, BLMN serves over 100 million guests annually.

Originally founded in 1988 and taken private by Bain Capital and Catterton Partners in 2007, Bloomin' Brands re-entered public markets via IPO in 2012. In December 2024, the company executed a major strategic transaction, selling a 67% controlling stake in its Brazilian operations to Vinci Partners for R\$1.4B (\$243M USD cash) while retaining a 33% equity stake with a put-call exit in 2028. This asset sale successfully converted BLMN's international business into a 100% franchised model and provided substantial deleveraging capital. At its Investor Day, management outlined 2027 financial targets: 11.9%+ EBITDA margins, \$220M+ in annual Free Cash Flow, and top-line growth of 2-4%.

Investment Thesis

- 1. Iconic casual dining moat & high-ROI store rollout:** Outback Steakhouse holds an undeniable brand position as the #2 casual steakhouse chain in North America. The newly introduced "Joey" small-footprint prototype (~4,800 sq. ft. vs legacy 6,200 sq. ft.) reduces buildout capital by 20% while maintaining equivalent seating capacity, generating >25% cash-on-cash returns. Store refresh remodels are achieving immediate +3-5% traffic lifts.

There is significant runway for off-premises growth, which currently represents ~24% of sales with 60%+ incremental margins. As digital ordering, native app loyalty, and catering expand, BLMN gains higher customer frequency and operating leverage.

2. A better, debt-deleveraged portfolio post Outback Brazil asset sale: Bloomin' Brands simplified its corporate footprint in December 2024 by selling 67% of Outback Brazil to Vinci Partners for R\$1.4B (\$243M USD cash). Net cash proceeds of \$227M+ were immediately directed to pay down its variable 6.09% SOFR credit facility debt. This transaction improved net leverage from 3.5x to under 1.8x, eliminating balance sheet risk and positioning BLMN as an attractive takeover target for strategic buyers like Darden or private equity firms.

3. Recent M&A transactions validate a strong valuation floor for BLMN: Strategic acquisitions in the casual dining and steakhouse segment demonstrate that acquirers pay 9.0x-10.5x EBITDA multiples for proven restaurant assets. Darden's acquisitions of Ruth's Chris Steak House (9.4x EBITDA) and Chuy's Holdings (10.3x EBITDA) highlight the substantial valuation discount of BLMN trading at under 5.0x EBITDA.

Date	Seller	Acquirer	Terms	Multiple
10/11/2024	Chuy's Holdings	Darden Restaurants	\$37.50 per sh, \$605m EV	10.3x 2024 EBITDA
6/14/2023	Ruth's Hospitality	Darden Restaurants	\$21.50 per sh, \$715m EV	9.4x 2022 EBITDA
12/30/2024	Outback Brazil (BLMN)	Vinci Partners	\$243m cash (R\$1.4b)	6.5x 2024 EBITDA

4. Approaching an inflection in margins and capex efficiency: BLMN is realizing \$50M+ in annualized non-guest-facing productivity savings across kitchen technology (automated grills, prep sensors), labor scheduling automation, and freight consolidation. As store refresh capex normalizes from 5.5% to 4.2% of revenue, Free Cash Flow conversion will accelerate to 50%+, generating over \$220M in annual FCF by 2027.

5. Positive changes in leadership and activist shareholder alignment: CEO Mike Spanos was appointed in September 2024, bringing deep operational leadership from Delta Air Lines (COO) and PepsiCo (CEO of Asia/Middle East). CFO Michael Healy brings 15+ years of internal BLMN financial planning expertise. Activist involvement from Starboard Value and major shareholders is driving strict capital discipline, board accountability, and aggressive debt paydown.

Management Team and Board of Directors

Mike Spanos was appointed Chief Executive Officer and Director in September 2024. Prior to joining Bloomin' Brands, he served as Operating Chief Vice President and Chief Operating Officer at Delta Air Lines from 2023 to 2024, leading 60,000+ operational employees. Before Delta, he was Chief Executive Officer of Six Flags Entertainment (2019-2021) and spent over 25 years at PepsiCo in senior leadership roles, including CEO of PepsiCo Asia, Middle East, and North Africa. He holds a B.S. from the U.S. Naval Academy and served as a U.S. Navy officer.

Michael Healy was appointed Chief Financial Officer in 2024. He previously served as Senior Vice President of Global Finance and Strategy at Bloomin' Brands since 2018, overseeing corporate FP&A, investor relations, and capital allocation. With over 15 years at BLMN and prior finance experience at Procter & Gamble, Healy provides deep operational knowledge and continuity.

Activist investor Starboard Value and key institutional shareholders acquired significant equity stakes in 2024, securing board representation. The Board of Directors has been refreshed with independent directors specializing in restaurant operations, real estate optimization, and digital technology, aligning management incentives directly with debt reduction and total shareholder return.

Valuation

The **base case** assumes topline revenue grows at a 1.5% CAGR, reaching \$4,131M by FY27, reflecting conservative store count growth (+6 net stores) and modest +1.5% SSSG. It further assumes Adj. EBITDA margin expands to 11.9% (\$490M EBITDA) as \$50M in productivity savings are realized. Applying a conservative 8.5x EV/EBITDA multiple (vs peer average of 9.0x) to FY27 base case EBITDA yields a 3-Year Price Target of **\$33.16**, representing a **277% upside or 56% IRR**.

The **bear case** assumes revenue contracts at -2.5% CAGR to \$3,852M by FY27, driven by persistent casual dining traffic declines and high beef cost inflation (31.5% F&B cost). Applying a distressed 7.0x multiple to FY27 bear EBITDA (\$270M) yields a price target of **\$12.40** (+41% upside from current depressed \$8.80 price), confirming a compelling asymmetric risk/reward.

The **bull case** assumes a 3.5% revenue CAGR to \$4,256M by FY27, driven by accelerated "Joey" prototype rollouts and +3.5% SSSG. EBITDA margin expands to 12.8% (\$545M EBITDA). Applying a 10.0x multiple (matching peer transaction multiples) yields a Bull Price Target of **\$54.80 (523% upside or 84% IRR)**.

Valuation Scenario	Base FY2027	Bull FY2027	Bear FY2027
Revenue (\$M)	\$4,131	\$4,256	\$3,852
3yr Growth CAGR (%)	1.5%	3.5%	-2.5%
Adj. EBITDA (\$M)	\$490	\$545	\$270
Margin (%)	11.9%	12.8%	7.0%
Free Cash Flow (\$M)	\$210	\$265	\$65
Margin (%)	5.1%	6.2%	1.7%
FCF Conversion (% of EBITDA)	42.9%	48.6%	24.1%
EBITDA Multiple	8.5x	10.0x	7.0x
Enterprise Value (EV) (\$M)	\$4,168	\$5,450	\$1,890
Net Debt (\$M)	\$492	\$342	\$742
Equity Value (\$M)	\$3,676	\$5,108	\$1,148
Shares Outstanding (M)	85.2	84.0	86.5
Price Target (\$ per share)	\$33.16	\$54.80	\$12.40
Upside / (Downside) (%)	277%	523%	41%
Implied IRR (%)	56%	84%	12%
Risk / Reward Ratio vs Bear Case	2.5x	4.5x	1.0x

Peer Comparable Companies Valuation Benchmark

Ticker	Name	Last Price	Market Cap (\$B)	EV (\$B)	1Yr % Chg	YTD % Chg	Sales (\$B)	1Yr Sales GR	EV / EBITDA	P / E	EBIT Margin	Dvd Yield
DRI	DARDEN RESTAURANTS INC	\$162.40	\$19.2	\$24.5	8.5%	4.2%	\$11.4	6.8%	11.8x	18.2x	10.8%	3.2%
EAT	BRINKER INTERNATIONAL INC	\$74.50	\$3.3	\$5.1	82.4%	71.0%	4.4	7.2%	9.2x	15.4x	7.4%	N.A.
TXRH	TEXAS ROADHOUSE INC	\$172.10	\$11.5	\$12.1	54.2%	41.5%	4.8	13.8%	15.6x	28.5x	8.9%	1.4%
BJRI	BJ'S RESTAURANTS INC	\$34.80	\$0.8	\$1.2	12.4%	-2.1%	1.3	2.1%	7.8x	22.4x	3.2%	N.A.
CAKE	CHEESECAKE FACTORY INC	\$41.20	\$2.1	\$3.8	24.1%	18.6%	3.5	4.5%	8.4x	14.8x	4.6%	2.6%
Comp Group Average		\$97.00	\$7.4	\$9.3	36.3%	26.6%	\$5.1	6.9%	10.6x	19.9x	7.0%	2.4%
Comp Group Median		\$74.50	\$3.3	\$5.1	24.1%	18.6%	\$4.4	6.8%	9.2x	18.2x	7.4%	2.4%
BLMN	BLOOMIN' BRANDS INC	\$8.80	\$0.75	\$1.48	-52.9%	-45.5%	\$4.0	1.5%	4.7x	5.8x	3.5%	5.4%

Risks

- Beef commodity price volatility:** Beef represents ~30% of total food cost. High inflation or supply chain disruptions could compress gross margins below the 27% baseline forecast.
- Casual dining traffic slowdown:** Continued pullback in consumer discretionary spending could result in negative SSSG, constraining revenue growth and operational leverage.
- Execution risk on Outback store refreshes:** Delays or cost overruns in the "Joey" prototype and store remodel program could lower ROI and slow guest traffic recovery.
- Leverage and interest rate sensitivity:** Although net debt was reduced via the Brazil transaction, ~\$490M remains on the SOFR revolving credit facility, exposing cash flow to elevated benchmark rates.

Disclaimer: This document is provided solely as a sample for informational and illustrative purposes.

Financials

Consolidated 9-Year Financial Statement Summary (\$ in Millions, Except Per Share Data)

Line Item / Metric	2021A	2022A	2023A	2024A	2025E	2026E	2027E	2028E	2029E
Revenue	\$4,121	\$4,415	\$4,671	\$3,950	\$4,010	\$4,070	\$4,131	\$4,193	\$4,256
<i>Growth (%)</i>	31.0%	7.1%	5.8%	-15.4%	1.5%	1.5%	1.5%	1.5%	1.5%
Gross Profit	\$1,215	\$1,267	\$1,350	\$1,065	\$1,083	\$1,099	\$1,115	\$1,132	\$1,149
<i>Margin (%)</i>	29.5%	28.7%	28.9%	27.0%	27.0%	27.0%	27.0%	27.0%	27.0%
SG&A (G&A Expenses)	\$245	\$260	\$244	\$219	\$225	\$225	\$225	\$225	\$225
<i>Margin (%)</i>	5.9%	5.9%	5.2%	5.6%	5.6%	5.5%	5.4%	5.4%	5.3%
EBITDA	\$485	\$431	\$441	\$318	\$458	\$474	\$490	\$507	\$524
<i>Margin (%)</i>	11.8%	9.8%	9.4%	8.0%	11.4%	11.6%	11.9%	12.1%	12.3%
D&A	\$172	\$177	\$176	\$178	\$180	\$180	\$180	\$180	\$180
<i>Margin (%)</i>	4.2%	4.0%	3.8%	4.5%	4.5%	4.4%	4.4%	4.3%	4.2%
Operating Income (EBIT)	\$313	\$254	\$265	\$140	\$278	\$294	\$310	\$327	\$344
<i>Margin (%)</i>	7.6%	5.8%	5.7%	3.5%	6.9%	7.2%	7.5%	7.8%	8.1%
Interest Expense, Net	\$78	\$64	\$76	\$65	\$57	\$51	\$45	\$39	\$33
EBT	\$235	\$184	\$177	\$75	\$221	\$243	\$265	\$288	\$311
Tax Provision	\$22	\$104	\$79	\$201	\$40	\$44	\$48	\$52	\$56
Net Income (BLMN)	\$213	\$100	\$239	-\$128	\$186	\$204	\$220	\$235	\$249
Diluted Shares Out. (M)	90.2	88.5	87.2	85.9	85.2	85.2	85.2	85.2	85.2
Diluted EPS (\$)	\$2.36	\$1.13	\$2.74	-\$1.49	\$2.18	\$2.39	\$2.58	\$2.76	\$2.92
Free Cash Flow (FCF)	\$285	\$251	\$247	\$106	\$177	\$194	\$210	\$226	\$240
Net Leverage (Net Debt / EBITDA)	1.9x	1.8x	1.8x	3.0x	1.8x	1.4x	1.0x	0.7x	0.3x