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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **February 10, 2021**

THE CHEESECAKE FACTORY INCORPORATED

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

0-20574
(Commission
File Number)

51-0340466
(IRS Employer
Identification No.)

26901 Malibu Hills Road
Calabasas Hills, California
(Address of principal executive offices)

91301
(Zip Code)

Registrant's telephone number, including area code **(818) 871-3000**

Not Applicable
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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, par value \$.01 per share	CAKE	Nasdaq Stock Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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. ☐

The following information under Item 2.02 of Form 8-K, “Results of Operations and Financial Condition” and Item 7.01 of Form 8-K, “Regulation FD Disclosure” is intended to be furnished. This information shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, whether made before or after the date of this report, regardless of any general incorporation language in the filing.

ITEM 2.02 RESULTS OF OPERATIONS AND FINANCIAL CONDITION

In a press release dated February 17, 2021, a copy of which is furnished as Exhibit 99.1 to this report, The Cheesecake Factory Incorporated (the “Company”) reported financial results for the fourth quarter of fiscal 2020, which ended on December 29, 2020.

ITEM 5.02 DEPARTURE OF DIRECTORS OR CERTAIN OFFICERS; ELECTION OF DIRECTORS; APPOINTMENT OF CERTAIN OFFICERS; COMPENSATORY ARRANGEMENTS OF CERTAIN OFFICERS

Performance Incentive Plan Payments for Fiscal 2020. On February 10, 2021, the Compensation Committee (the “Compensation Committee”) of the Board of Directors of the Company awarded each of the named executive officers of the Company a discretionary bonus pursuant to the Company’s Performance Incentive Plan for Fiscal 2020 (as amended and restated on September 2, 2020, the “Plan”) equal to 10% of each such named executive officer’s target performance bonus under the Plan in recognition of performance in responding to the challenges of the COVID-19 pandemic during fiscal year 2020 (each a “discretionary bonus”). The actual amounts of the discretionary bonuses paid to the named executive officers are set forth in the table below:

Name	Amount of Discretionary Bonus
David Overton Chairman and Chief Executive Officer	\$ 109,450
David M. Gordon President	\$ 54,000
Matthew E. Clark Executive Vice President and Chief Financial Officer	\$ 37,450
Scarlett May Executive Vice President, General Counsel and Secretary	\$ 33,150
Keith Carango President, The Cheesecake Factory Bakery Incorporated	\$ 26,975

ITEM 7.01 REGULATION FD DISCLOSURE

On February 17, 2021, the Company posted an updated Investor Presentation on the Company’s Investor Relations website at investors.thecheesecakefactory.com. A copy of the presentation is furnished as Exhibit 99.2 hereto and is incorporated by reference herein.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

(d) Exhibits

[99.1 Press release dated February 17, 2021 entitled “The Cheesecake Factory Reports Results for Fourth Quarter of Fiscal 2020 and Provides Business Update.”](#)

[99.2 The Cheesecake Factory Investor Presentation dated February 17, 2021](#)

104.1 Cover Page Interactive Data File (embedded within the inline XBRL document)

SIGNATURES

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 hereunto duly authorized.

Date: February 17, 2021

THE CHEESECAKE FACTORY INCORPORATED

By: /s/ Matthew E. Clark

Matthew E. Clark

Executive Vice President and Chief Financial Officer



PRESS RELEASE

FOR IMMEDIATE RELEASE

Contact: Stacy Feit

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investorrelations@thecheesecakefactory.com

THE CHEESECAKE FACTORY REPORTS RESULTS FOR FOURTH QUARTER OF FISCAL 2020 AND PROVIDES BUSINESS UPDATE

CALABASAS HILLS, Calif., – February 17, 2021 – The Cheesecake Factory Incorporated (NASDAQ: CAKE) today reported financial results for the fourth quarter of fiscal 2020, which ended on December 29, 2020.

Total revenues were \$554.6 million in the fourth quarter of fiscal 2020 compared to \$694.0 million in the fourth quarter of fiscal 2019. Net loss available to common stockholders and diluted net loss per common share were \$37.3 million and \$0.85, respectively, in the fourth quarter of fiscal 2020, reflecting the impact of COVID-19. The results in this press release include the acquisition of North Italia and the remaining business of Fox Restaurant Concepts LLC ("FRC") on October 2, 2019.

During the fourth quarter of fiscal 2020, the Company recorded pre-tax impairment of assets and lease termination expense of \$14.6 million, primarily comprised of non-cash impairment charges for two Grand Lux Cafe locations where the leases are expected to terminate in the next year. The Company also recorded COVID-19 related charges of \$5.4 million, for costs such as sick pay, healthcare and meal benefits for furloughed staff members, additional sanitation and personal protective equipment.

Excluding the after-tax impact of these and certain other items, and reflecting the potential impact of the conversion of the Company's convertible preferred stock into common stock, adjusted net loss and adjusted net loss per share for the fourth quarter of fiscal 2020 were \$17.2 million and \$0.32, respectively. Please see the Company's reconciliation of non-GAAP financial measures at the end of this press release.

Comparable restaurant sales at The Cheesecake Factory restaurants decreased 19.5% in the fourth quarter of fiscal 2020, reflecting the impact of COVID-19.

Fiscal 2021 first quarter-to-date through February 16, 2021, comparable sales for The Cheesecake Factory restaurants with reopened indoor dining rooms are down approximately 9%, supported by approximately 40% off-premise sales mix and reflecting the impact of lapping full capacity holidays last year, including this past Valentine's Day and Presidents' Day weekend, as well as restaurant closures associated with the winter storms this week. In aggregate, across restaurant operating models, fiscal 2021 first quarter to-date through February 16, 2021 comparable sales at The Cheesecake Factory restaurants are down approximately 18%.

As of today, approximately 80% of the Company's restaurants across its concepts, including 166 Cheesecake Factory locations, are operating with reopened indoor dining rooms with limited capacity in accordance with local mandates and social distancing protocols. On average, Cheesecake Factory restaurants with reopened dining rooms are operating at 50% capacity. Approximately 17% of the Company's restaurants across its concepts, including 39 Cheesecake Factory locations, are operating with reopened patios, one Cheesecake Factory location is operating an off-premise only model and three locations across the Company's concepts are currently closed.

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“We had a good start to the fourth quarter with comparable sales at The Cheesecake Factory restaurants down just high single digits in October despite mandated capacity restrictions,” said David Overton, Chairman and Chief Executive Officer. “Through the balance of the fourth quarter, the sales trend softened given the impact of additional dining room closures and capacity restrictions in response to rising COVID-19 cases in a number of our markets. However, our strong position in the off-premise channel helped support the business during this period, with sales at The Cheesecake Factory restaurants that were operating an off-premise only model far exceeding prior peak off-premise sales volumes seen earlier in the COVID-19 pandemic, while restaurants with reopened dining rooms continued to sustain strong performance in the off-premise channel as well.”

Overton continued, “I’m proud of how our teams across our concepts continue to manage through the latest round of operating restrictions, enabling delicious, memorable experiences for our guests and solid performance in spite of the challenges they face. Looking ahead, given our sales results so far in the first quarter, we believe that our concepts are well-positioned for a recovery as dining restrictions ease, and we are excited about the long-term growth opportunities that lie ahead as well.”

Development

During the fourth quarter of fiscal 2020, The Cheesecake Factory opened in Clearwater, Florida, and Culinary Dropout and Blanco opened additional locations in Arizona. One restaurant opened internationally in Mexico under a licensing agreement during the fourth quarter of fiscal 2020.

Balance Sheet & Cash Flow

During the fourth quarter, the Company generated \$35.6 million in cash flow from operating activities.

As of December 29, 2020, the Company had total available liquidity of approximately \$250 million, including a cash balance of approximately \$154.1 million and availability on its revolving credit facility of \$96.6 million. Total debt outstanding was \$280.0 million.

A \$5.0 million dividend for the fourth quarter of fiscal 2020 was paid in-kind to holders of the Company’s convertible preferred stock.

Conference Call and Webcast

The Company will hold a conference call to review its results for the fourth quarter of fiscal 2020 today at 2:00 p.m. Pacific Time. The conference call will be webcast live on the Company’s website at investors.thecheesecakefactory.com and a replay of the webcast will be available through March 19, 2021.

About The Cheesecake Factory Incorporated

The Cheesecake Factory Incorporated is a leader in experiential dining. We are culinary forward and relentlessly focused on hospitality. Delicious, memorable experiences created by passionate people – this defines who we are and where we are going. We currently own and operate 294 restaurants throughout the United States and Canada under brands including The Cheesecake Factory®, North Italia® and a collection within the Fox Restaurant Concepts subsidiary. Internationally, 27 The Cheesecake Factory® restaurants operate under licensing agreements. Our bakery division operates two facilities that produce quality cheesecakes and other baked products for our restaurants, international licensees and third-party bakery customers. In 2020, we were named to the FORTUNE Magazine “100 Best Companies to Work For®” list for the seventh consecutive year. To learn more, visit www.thecheesecakefactory.com, www.northitalia.com and www.foxrc.com.

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Safe Harbor Statement

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, as codified in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These statements include, without limitation, statements regarding first quarter to-date comparable restaurant sales, continued strength in off-premise sales, the Company's ability to continue to manage through the latest round of operating restrictions, the Company's expectation that its concepts are well-positioned as dining restrictions ease and the Company's long-term growth opportunities. Such forward-looking statements include all other statements that are not historical facts, as well as statements that are preceded by, followed by or that include words or phrases such as "believe," "plan," "will likely result," "expect," "intend," "will continue," "is anticipated," "estimate," "project," "may," "could," "would," "should" and similar expressions. These statements are based on current expectations and involve risks and uncertainties which may cause results to differ materially from those set forth in such statements. Investors are cautioned that forward-looking statements are not guarantees of future performance and that undue reliance should not be placed on such statements. These forward-looking statements may be affected by various factors including: the rapidly evolving nature of the COVID-19 outbreak and related containment measures, including the potential for a complete shutdown of the Company's restaurants, international licensee restaurants and the Company's bakery operations; demonstrations, political unrest, potential damage to or closure of the Company's restaurants and potential reputational damage to the Company or any of its brands; economic, public health and political conditions that impact consumer confidence and spending, including the impact of COVID-19 and other health epidemics or pandemics on the global economy; acceptance and success of The Cheesecake Factory in international markets; acceptance and success of North Italia and the Fox Restaurant Concepts restaurants; the risks of doing business abroad through Company-owned restaurants and/or licensees; foreign exchange rates, tariffs and cross border taxation; changes in unemployment rates; changes in laws impacting the Company's business, including laws and regulations related to COVID-19 impacting restaurant operations and customer access to off- and on-premise dining; increases in minimum wages and benefit costs; the economic health of the Company's landlords and other tenants in retail centers in which its restaurants are located, and the Company's ability to successfully manage its lease arrangements with landlords; unanticipated costs that may arise due to a return to normal course of business including potential negative impacts from furlough actions; the economic health of suppliers, licensees, vendors and other third parties providing goods or services to the Company; compliance with debt covenants; adverse weather conditions in regions in which the Company's restaurants are located; factors that are under the control of government agencies, landlords and other third parties; the risk, costs and uncertainties associated with opening new restaurants; and other risks and uncertainties detailed from time to time in the Company's filings with the Securities and Exchange Commission ("SEC"). Forward-looking statements speak only as of the dates on which they are made and the Company undertakes no obligation to publicly update or revise any forward-looking statements or to make any other forward-looking statements, whether as a result of new information, future events or otherwise, unless required to do so by law. Investors are referred to the full discussion of risks and uncertainties associated with forward-looking statements and the discussion of risk factors contained in the Company's latest Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K as filed with the SEC, which are available at www.sec.gov.

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The Cheesecake Factory Incorporated
Condensed Consolidated Financial Statements
(unaudited; in thousands, except per share and statistical data)

Consolidated Statements of Income	13 Weeks Ended		13 Weeks Ended		52 Weeks Ended		52 Weeks Ended	
	December 29, 2020 ⁽¹⁾		December 31, 2019 ⁽¹⁾		December 29, 2020 ⁽¹⁾		December 31, 2019 ⁽¹⁾	
	Amount	Percent of Revenues	Amount	Percent of Revenues	Amount	Percent of Revenues	Amount	Percent of Revenues
Revenues	\$ 554,552	100.0%	\$ 694,030	100.0%	\$ 1,983,225	100.0%	\$ 2,482,692	100.0%
Costs and expenses:								
Cost of sales	127,195	22.9%	158,217	22.8%	458,332	23.1%	561,783	22.6%
Labor expenses	218,126	39.3%	250,836	36.2%	778,586	39.3%	899,667	36.3%
Other operating costs and expenses	167,329	30.2%	179,889	26.0%	616,069	31.1%	631,613	25.5%
General and administrative expenses	40,177	7.3%	47,273	6.8%	157,644	7.9%	160,199	6.5%
Depreciation and amortization expenses	22,612	4.1%	23,770	3.4%	91,415	4.6%	88,133	3.5%
Impairment of assets and lease termination expenses	14,602	2.6%	18,247	2.6%	219,333	11.1%	18,247	0.7%
Acquisition-related costs	356	0.1%	2,080	0.3%	2,699	0.1%	5,270	0.2%
Acquisition-related contingent consideration, compensation and amortization expenses	120	0.0%	1,033	0.1%	(3,872)	(0.2)%	1,033	0.0%
Preopening costs	2,846	0.5%	6,298	0.9%	10,456	0.5%	13,149	0.5%
Total costs and expenses	593,363	107.0%	687,643	99.1%	2,330,662	117.5%	2,379,094	95.8%
(Loss)/income from operations	(38,811)	(7.0)%	6,387	0.9%	(347,437)	(17.5)%	103,598	4.2%
Loss on investment in unconsolidated affiliates	-	0.0%	52,672	7.6%	-	0.0%	39,233	1.6%
Interest and other (expense)/income, net	(1,580)	(0.3)%	(2,480)	(0.3)%	(8,599)	(0.5)%	(2,497)	(0.1)%
(Loss)/income before income taxes	(40,391)	(7.3)%	56,579	8.2%	(356,036)	(18.0)%	140,334	5.7%
Income tax (benefit)/provision	(8,074)	(1.5)%	7,870	1.2%	(102,671)	(5.2)%	13,041	0.5%
Net (loss)/income	(32,317)	(5.8)%	48,709	7.0%	(253,365)	(12.8)%	127,293	5.2%
Dividends on Series A preferred stock	(4,953)	(0.9)%	-	0.0%	(13,485)	(0.7)%	-	0.0%
Direct and incremental Series A preferred stock issuance cost	-	0.0%	-	0.0%	(10,257)	(0.5)%	-	0.0%
Net (loss)/income available to common stockholders	<u>\$ (37,270)</u>	<u>(6.7)%</u>	<u>\$ 48,709</u>	<u>7.0%</u>	<u>\$ (277,107)</u>	<u>(14.0)%</u>	<u>\$ 127,293</u>	<u>5.2%</u>
Basic net (loss)/income per common share	<u>\$ (0.85)</u>		<u>\$ 1.11</u>		<u>\$ (6.32)</u>		<u>\$ 2.90</u>	
Basic weighted average shares outstanding	<u>43,928</u>		<u>43,694</u>		<u>43,869</u>		<u>43,949</u>	
Diluted net (loss)/income per common share	<u>\$ (0.85)</u>		<u>\$ 1.10</u>		<u>\$ (6.32)</u>		<u>\$ 2.86</u>	
Diluted weighted average shares outstanding	<u>43,928</u>		<u>44,249</u>		<u>43,869</u>		<u>44,545</u>	

(1) Results include the acquisition of North Italia and the remaining business of Fox Restaurant Concepts LLC ("FRC") on October 2, 2019.

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Selected Segment Information	13 Weeks Ended December 29, 2020 ⁽¹⁾	13 Weeks Ended December 31, 2019 ⁽¹⁾	52 Weeks Ended December 29, 2020 ⁽¹⁾	52 Weeks Ended December 31, 2019 ⁽¹⁾
Revenues:				
The Cheesecake Factory restaurants	\$ 438,485	\$ 544,629	\$ 1,585,008	\$ 2,180,882
North Italia	30,324	35,268	102,585	35,268
Other FRC	28,792	39,335	96,856	39,335
Other	56,951	74,798	198,776	227,207
Total	<u>\$ 554,552</u>	<u>\$ 694,030</u>	<u>\$ 1,983,225</u>	<u>\$ 2,482,692</u>
(Loss)/income from operations ⁽²⁾ :				
The Cheesecake Factory restaurants	\$ 14,331	\$ 54,571	\$ 45,540	\$ 258,374
North Italia	(49)	1,608	(77,371)	1,608
Other FRC	51	5,309	(77,026)	5,309
Other	(53,144)	(55,101)	(238,580)	(161,693)
Total	<u>\$ (38,811)</u>	<u>\$ 6,387</u>	<u>\$ (347,437)</u>	<u>\$ 103,598</u>
Preopening costs:				
The Cheesecake Factory restaurants	\$ 1,049	\$ 4,093	\$ 4,206	\$ 9,967
North Italia	683	1,297	2,578	1,297
Other FRC	797	49	1,324	49
Other	317	859	2,348	1,836
Total	<u>\$ 2,846</u>	<u>\$ 6,298</u>	<u>\$ 10,456</u>	<u>\$ 13,149</u>
Depreciation and amortization:				
The Cheesecake Factory restaurants	\$ 16,657	\$ 17,631	\$ 67,514	\$ 70,971
North Italia	841	829	3,608	829
Other FRC	1,088	1,037	4,090	1,037
Other	4,026	4,273	16,203	15,296
Total	<u>\$ 22,612</u>	<u>\$ 23,770</u>	<u>\$ 91,415</u>	<u>\$ 88,133</u>

(1) The Company completed the acquisition of North Italia and the remaining business of FRC on October 2, 2019. The Company's consolidated financial statements include the results of the acquired businesses as of the date of acquisition.

(2) During the thirteen weeks ended December 29, 2020, the Company recorded impairment of assets and lease termination expenses of \$0.5 million for The Cheesecake Factory restaurants, \$0.3 million for North Italia, \$0.1 million for Other FRC and \$13.7 million for the Other segment. During the fifty-two weeks ended December 29, 2020, the Company recorded impairment of assets and lease termination expenses of \$3.3 million for The Cheesecake Factory restaurants, \$71.8 million for North Italia, \$73.0 million for Other FRC and \$71.2 million for Other.

The Cheesecake Factory restaurants operating information:				
Comparable restaurant sales	(19.5)%	0.6%	(28.2)%	0.8%
Restaurants opened during period	1	3	1	5
Restaurants open at period-end	206	206	206	206
Restaurant operating weeks	2,666	2,655	10,642	10,520

North Italia operating information:				
Comparable restaurant sales	(18)%	4%	(28)%	4%
Restaurants opened during period	-	1	1	1
Restaurants open at period-end	23	22	23	22
Restaurant operating weeks	299	280	1,146	280

Other Fox Restaurant Concepts (FRC) operating information:⁽¹⁾				
Restaurants opened during period	2	-	2	-
Restaurants open at period-end	27	25	27	25
Restaurant operating weeks	330	325	1,139	325

Other operating information:⁽²⁾				
Restaurants opened during period	-	2	3	3
Restaurants open at period-end	39	39	39	39
Restaurant operating weeks	479	525	1,721	1,180

Number of company-owned restaurants:				
The Cheesecake Factory	206			
North Italia	23			
Other FRC	27			

Other	39
Total	295

Number of international-licensed restaurants:

The Cheesecake Factory	27
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(1) The Other FRC segment includes all FRC brands except Flower Child.

(2) The Other segment includes the Flower Child, Grand Lux Cafe, RockSugar Southeast Asian Kitchen and Social Monk Asian Kitchen concepts, as well as the Company's third-party bakery, international and consumer packaged goods businesses, unallocated corporate expenses and gift card costs.

Selected Consolidated Balance Sheet Information	December 29, 2020	December 31, 2019
Cash and cash equivalents	\$ 154,085	\$ 58,416
Long-term debt	280,000	290,000

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Reconciliation of Non-GAAP Results to GAAP Results

In addition to the results provided in accordance with accounting principles generally accepted in the United States of America (“GAAP”) in this press release, the Company is providing non-GAAP measurements which present net (loss)/income and net (loss)/income per share excluding the impact of certain items. The non-GAAP measurements are intended to supplement the presentation of the Company’s financial results in accordance with GAAP. These non-GAAP measures are calculated by eliminating from net (loss)/income and diluted net (loss)/income per share the impact of items the Company does not consider indicative of its ongoing operations. To reflect the potential impact of the conversion of the Company’s convertible preferred stock into common stock, the Company excludes the preferred dividend and direct and incremental preferred stock issuance costs, and assumes all convertible preferred shares convert to common stock. The Company uses these non-GAAP financial measures for financial and operational decision-making and as a means to evaluate period-to-period comparisons.

The Cheesecake Factory Incorporated Reconciliation of Non-GAAP Financial Measures (unaudited; in thousands, except per share data)

	13 Weeks Ended December 29, 2020	13 Weeks Ended December 31, 2019	52 Weeks Ended December 29, 2020	52 Weeks Ended December 31, 2019
Net (loss)/income available to common stockholders (GAAP)	\$ (37,270)	\$ 48,709	\$ (277,107)	\$ 127,293
Dividends on Series A preferred stock	4,953	-	13,485	-
Direct and incremental Series A preferred stock issuance costs	-	-	10,257	-
COVID-19 related costs ⁽¹⁾	5,384	-	22,963	-
Impairment of assets and lease termination expenses ⁽²⁾	14,603	18,247	219,333	18,247
Acquisition-related costs ⁽³⁾	357	2,080	2,699	5,270
Acquisition-related contingent consideration, compensation and amortization expenses ⁽⁴⁾	120	1,033	(3,872)	1,033
Loss on investment in unconsolidated affiliates ⁽⁵⁾	-	-	-	13,439
Gain on investment in unconsolidated affiliates ⁽⁶⁾	-	(52,672)	-	(52,672)
Tax effect of adjustments ⁽⁷⁾	(5,321)	8,141	(62,692)	3,818
Adjusted net (loss)/income (non-GAAP)	\$ (17,174)	\$ 25,538	\$ (74,934)	\$ 116,428
Diluted net (loss)/income per common share (GAAP)	\$ (0.85)	\$ 1.10	\$ (6.32)	\$ 2.86
Dividends on Series A preferred stock	0.09	-	0.27	-
Direct and incremental Series A preferred stock issuance costs	-	-	0.20	-
Assumed impact of potential conversion of Series A preferred stock into common stock ⁽⁸⁾	0.15	-	0.80	-
COVID-19 related costs	0.10	-	0.46	-
Impairment of assets and lease termination expenses	0.27	0.41	4.36	0.41
Acquisition-related costs	0.01	0.05	0.05	0.12
Acquisition-related contingent consideration, compensation and amortization expenses	0.00	0.02	(0.08)	0.02
Loss on investment in unconsolidated affiliates	-	-	-	0.30
Gain on investment in unconsolidated affiliates	-	(1.19)	-	(1.18)
Tax effect of adjustments	(0.10)	0.18	(1.25)	0.09
Adjusted net (loss)/income per share (non-GAAP) ⁽⁹⁾	\$ (0.32)	\$ 0.58	\$ (1.49)	\$ 2.61

(1) Represents incremental costs associated with COVID-19 such as additional sanitation, personal protective equipment, and healthcare benefits and other expenses associated with furloughed staff members. For the thirteen weeks ended December 29, 2020, the Company recorded \$5.4 million for these costs with approximately \$2.0 million reflected in labor expenses, \$3.6 million in other operating expenses and (\$0.2) million in General & Administrative expenses. For the fifty-two weeks ended December 29, 2020, the Company recorded \$23.0 million for these costs with approximately \$2.2 million in cost of sales, \$11.9 million reflected in labor expenses, \$8.8 million in other operating expenses and \$0.1 million in General & Administrative expenses.

(2) During the thirteen weeks ended December 29, 2020, the Company recorded impairment of assets and lease termination expenses of \$0.5 million for The Cheesecake Factory restaurants, \$0.3 million for North Italia, \$0.1 million for Other FRC and \$13.7 million for the Other segment. During the fifty-two weeks ended December 29, 2020, the Company recorded impairment of assets and lease termination expenses of \$3.3 million for The Cheesecake Factory restaurants, \$71.8 million for North Italia, \$73.0 million for Other FRC and \$71.2 million for Other.

(3) Represents costs incurred to effect and integrate the North and FRC acquisition.

(4) Represents changes in the fair value of the deferred consideration and contingent consideration and compensation liabilities related to the North and FRC acquisition, as well as amortization of acquired definite-lived licensing agreements.

(5) Represents the Company's share of pre-acquisition losses incurred by North Italia and Flower Child.

(6) Represents gain related to the acquisition of the remaining equity interest in North Italia and Flower Child.

(7) Based on the federal statutory rate and an estimated blended state tax rate, the tax effect on all adjustments assumes a 26% tax rate for fiscal 2020 and 2019.

(8) Represents the impact of assuming the conversion of Series A preferred stock into common stock (9,378,275 shares and 6,390,210 shares for the thirteen weeks and fifty-two weeks ended December 29, 2020, respectively), resulting in an assumption of 53,306,694 and 50,258,815 weighted-average common shares outstanding, respectively, for the thirteen weeks and fifty-two weeks ended December 29, 2020.

(9) Adjusted net (loss)/income per share may not add due to rounding.



Investor Presentation

February 17, 2021

Safe Harbor Statement

This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. This includes, without limitation, financial guidance and projections and statements with respect to expectations of the Company's future financial condition, results of operations, cash flows, plans, targets, goals, objectives, performance, growth potential, competitive position and business; the Company's strong foothold in the off-premise channel supporting the business in the COVID-19 environment; the Company's ability to successfully reopen its dining rooms; the Company's ability to retain some of the gains in off-premise sales once dining rooms are at full capacity; statements from the Company's corporate social responsibility report; the opportunity for additional domestic and foreign locations and licensees and territories; target returns for new restaurant openings; performance of international licensed locations; the acquisitions of North Italia and Fox Restaurant Concepts ("FRC"); FRC as an incubation engine; steady-state restaurant level margins and anticipated unit growth roadmap.

Such forward-looking statements include all other statements that are not historical facts, as well as statements that are preceded by, followed by or that include words or phrases such as "believe," "plan," "will likely result," "expect," "intend," "will continue," "is anticipated," "estimate," "project," "may," "could," "would," "should" and similar expressions. These statements are based on the Company's current expectations and involve risks and uncertainties which may cause results to differ materially from those set forth in such statements. These forward-looking statements also may be affected by various factors outside of the Company's control including: the rapidly evolving nature of the COVID-19 pandemic and related containment measures, including the potential for a complete shutdown of the Company's restaurants, international licensee restaurants and the Company's bakery operations; demonstrations, political unrest, potential damage to or closure of the Company's restaurants and potential reputational damage to the Company or any of its brands; economic, public health and political conditions that impact consumer confidence and spending, including the impact of the COVID-19 pandemic and other health epidemics or pandemics on the global economy; acceptance and success of The Cheesecake Factory in international markets; acceptance and success of North Italia and the FRC concepts, Social Monk Asian Kitchen and other concepts; the risks of doing business abroad through Company-owned restaurants and/or licensees; foreign exchange rates, tariffs and cross border taxation; changes in unemployment rates; changes in laws impacting the Company's business, including laws and regulations related to COVID-19 impacting restaurant operations and customer access to off- and on-premise dining; increases in minimum wages and benefit costs; the economic health of the Company's landlords and other tenants in retail centers in which its restaurants are located, and the Company's ability to successfully manage its lease arrangements with landlords; unanticipated costs that may arise in connection with a return to normal course of business including potential negative impacts from furlough actions; the economic health of suppliers, licensees, vendors and other third parties providing goods or services to the Company; the timing of the resumption of the Company's new unit development; compliance with debt covenants; strategic capital allocation decisions including share repurchases and dividends; the ability to achieve projected financial results; economic and political conditions that impact consumer confidence and spending; impact of tax reform legislation; adverse weather conditions in regions in which the Company's restaurants are located; factors that are under the control of government agencies, landlords and other third parties; the risk, costs and uncertainties associated with opening new restaurants; and other risks and uncertainties detailed from time to time in the Company's filings with the Securities and Exchange Commission ("SEC"). Forward-looking statements speak only as of the dates on which they are made and the Company undertakes no obligation to publicly update or revise any forward-looking statements or to make any other forward-looking statements, whether as a result of new information, future events or otherwise, unless required to do so by law. Investors are referred to the full discussion of risks and uncertainties associated with forward-looking statements and the discussion of risk factors contained in the Company's latest Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K as filed with the SEC, which are available at www.sec.gov.

An Experiential Dining Category Leader

Culinary forward. First class hospitality. Concepts like no other.

The
Cheesecake
Factory®



NORTH
ITALIA



Investment Highlights

- Experiential dining category leader with diversified growth drivers
- Leveraging the Company's strong foothold in the off-premise channel to support the business in the COVID-19 environment
- Durable business over time - sustained track record of consistent financial performance
- Historically robust cash flow provides several levers to support long-term growth



Initial Response to COVID-19

- Pivoted very quickly to maximize sales, manage costs and preserve cash
- Shifted to an off-premise only model in March – began reopening dining rooms in mid-May
- Eliminated non-essential spending and suspended new unit development – resumed new unit development on a limited basis during 2H20
- Reduced board, executive and corporate support staff compensation – restored compensation during 3Q20
- Made difficult decision to furlough a significant number of staff members – during 3Q20, called back to work a majority of staff members who were previously furloughed
- Increased liquidity with \$200 million convertible preferred equity – exited FY20 with total available liquidity of approximately \$250 million, including a \$154 million cash balance
- Amended credit facility to provide for certain covenant relief through 1Q21
- Suspended dividend on common stock and share repurchases

Managing Through COVID-19

- Have taken a deliberate approach in our dining room reopening strategy as the health and safety of our teams and guests remain our top priority.
- Secured PPE; implemented additional safety protocols; and made a number of operational changes and technology upgrades, including contactless menu & payment technology and text paging, in order to help ensure the best and safest possible experiences for our guests and staff.
- Strategic decision to maintain our restaurant management teams has enabled us to reopen our dining rooms effectively.
- Working to install by the end of February an additional air filtration system that uses bipolar ionization to actively clean the air, helping to kill bacteria and viruses, including the coronavirus strain that causes COVID-19.
- Encouraging staff members to get vaccinated, providing hourly staff with paid time off for each vaccine appointment.



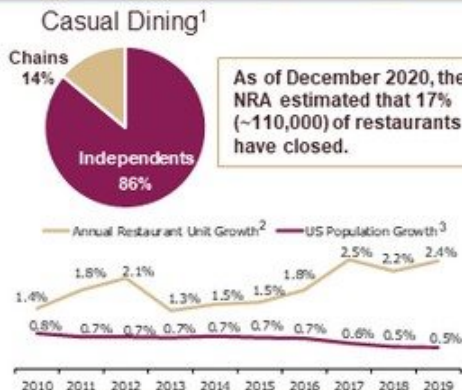
Managing Through COVID-19

Leveraging our large restaurant footprints, patio space, flexible seating layouts, and strong position in the off-premise channel, we have recaptured meaningful sales levels at Cheesecake Factory restaurants despite capacity restrictions:

- For locations with reopened indoor dining rooms, quarter-to-date through February 16th comparable sales were down ~9%, which equates to approximately \$10 million on average, per unit on an annualized basis, and reflects the impact of lapping full capacity holidays last year, including Valentine's Day and Presidents' Day weekend, as well as restaurant closures associated with winter storms. On average, these locations were operating at 50% capacity.
- Restaurants in jurisdictions with outdoor dining-only restrictions were doing volumes of 90%, on average quarter-to-date through February 16th, of Cheesecake Factory locations with indoor dining rooms partially open. This equates to approximately \$9.1 million on average, per unit on an annualized basis.
- At locations that had been operating an off-premise only model during the first quarter, weekly off-premise sales equated to nearly \$6 million, on average, per unit on an annualized basis.

We Believe Stable, Agile Brands With Scale Will Be Best Equipped to Weather Volatility and Thrive Post-COVID

Potential Industry Rationalization - Market Share Opportunity

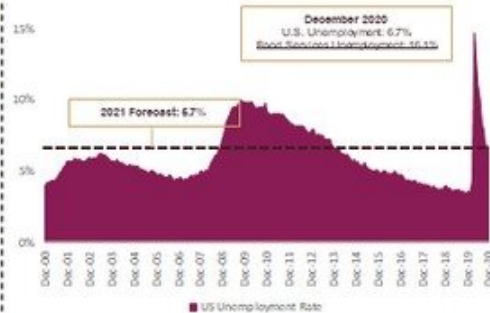


“Large chains and well-funded restaurant groups have the resources to ride out a protracted shutdown, but the independent restaurants that make up about two-thirds of the American dining landscape – noodle shops, diners and that charming urban restaurant that always had a line out the door – may not survive.”

- New York Times, March 20, 2020

Potential Labor Pressure Easing

Increased Supply Eases Labor Pressure⁴

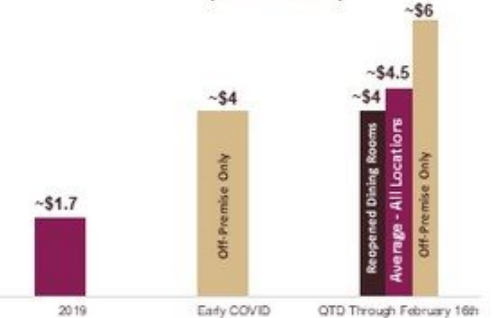


“...the restaurant industry's return to pre-coronavirus employment levels will likely be measured in years and not months.”

- National Restaurant Association, October 2, 2020

Increased Consumer Emphasis On Off-Premise

Sustained Off-Premise Sales Strength⁵ (AUV \$ millions)



“Off-premise will likely continue its rise in importance, even after the pandemic”

- Technomic, April 24, 2020

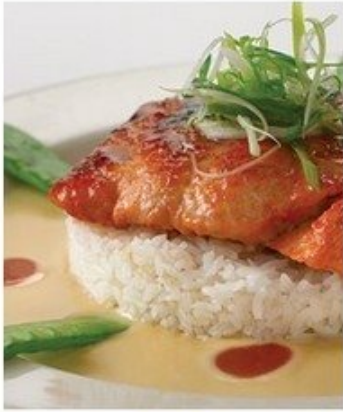
Sources: ¹Morgan Stanley Report April 6, 2020; ²Bureau of Labor Statistics; ³U.S. Census; ⁴Bureau of Labor Statistics; CBO, February 2021; ⁵Annualized average unit volumes based on average weekly sales in each period.

The Cheesecake Factory - Global Footprint

High quality, high profile locations worldwide



The Cheesecake Factory - A Highly Differentiated Concept



Breadth of Menu &
Innovation – 250 Items
Made Fresh,
From Scratch



Ambiance,
Service and
Hospitality



Best-in-Class
Operational
Execution



Integrated
Bakery

Integrated Bakery – The “Cheesecake” Magic

Industry-Leading Dessert Sales

Differentiated positioning has been a key sales driver during COVID-19

FY19
16%

FY20
21%

- Produces over 70 cheesecakes and other baked desserts
- Enables creativity, quality control and supply chain efficiencies



Performance During COVID-19 Has Reinforced That The Cheesecake Factory is a Destination



- FY20 average sales per square foot adjusted for interior capacity restrictions related to the COVID-19 pandemic was \$1,127, a 14% increase over FY19. Reflecting the impact of COVID-19 dining restrictions, FY20 average sales per productive square foot declined 27% to \$716 from FY19.
- During COVID-19, The Cheesecake Factory restaurants have driven the highest absolute off-premise sales dollars and maintained the highest level of off-premise sales volumes when dining rooms reopened relative to its publicly-traded casual dining industry peers.
- California locations operating with just patios during Summer 2020 generated nearly 90% of sales volumes of locations with reopened indoor dining rooms when malls predominantly remained closed in California.

Cult Status & Strong Consumer Engagement

Investigating the NBA's Obsession With The Cheesecake Factory

We surveyed NBA players about the strange cult fanaticism America's no.1-ranked casual-dining chain inspires—and why the brown bread remains the G.O.A.T

Feb 15, 2017
Written by: Josh Martin



5M+ fans



965K followers



360K followers



Millions of Viewers

Note: Statistics as of February 12, 2021

TORONTO LIFE
The Cheesecake Factory is now open and Toronto is losing its cheesecake-loving mind

BuzzFeed

24 Cheesecake Factory Jokes That Are Almost As Good As The Brown Bread

"The Cheesecake Factory menu is the same size as the Bible and has about the same cultural significance."



Karen Howell
@karenehowell

Very cool to include the Cheesecake Factory menu in this special ceremony.



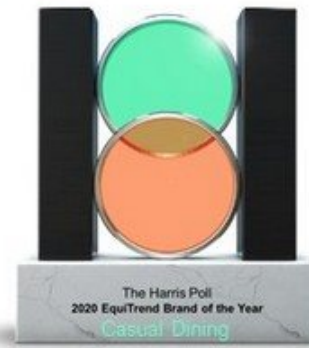
8:43 AM · 1/20/21 · Twitter for iPhone

12.9K Retweets 1,104 Quote Tweets

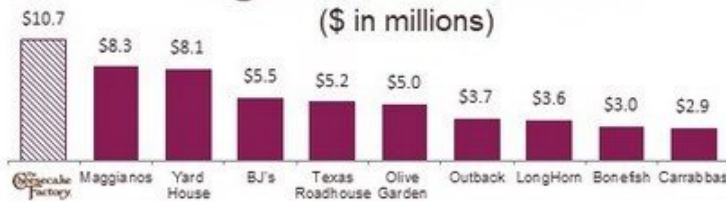
155K Likes

The Cheesecake Factory 13

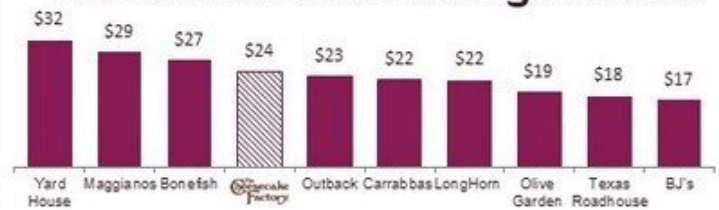
Broad Consumer Demographic and Appeal



Highest Unit Volumes (\$ in millions)



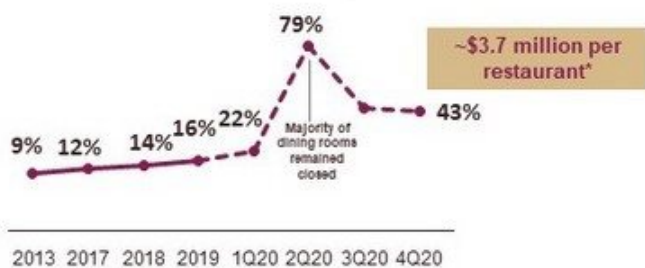
With a Moderate Average Check



Source: Latest pre-COVID-19 SEC 10-K filings and company presentations

Leveraging This Differentiation in the Off-Premise Channel

Off-Premise Sales
(% of Total Revenue)

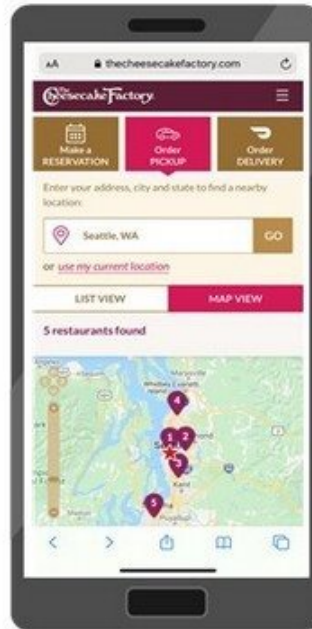


New Takeout Packaging



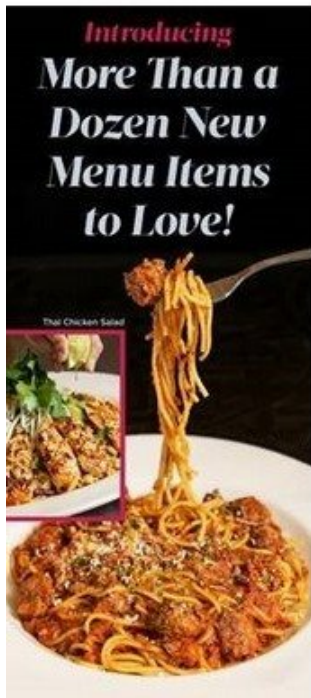
*Annualized unit volume equivalent based on total system average weekly sales

Further Leaning in to Convenience



On-Brand Marketing Campaigns Leveraging Brand Identity as a Dessert Leader and Menu Breadth to Drive Sales

Attain Top of Mind Status



Capitalizing on the Power of the Brand

The Cheesecake Factory At Home®



≡ delish

The Cheesecake Factory Is Releasing A Line Of Ice Cream And The Flavors Are Unreal

This is not a drill!!

BuzzFeed

People Are Freaking Out Because They Can Buy The Brown Bread From The Cheesecake Factory In Grocery Stores

Quite possibly the most important story of the century.



The Cheesecake Factory 18

Best-in-Class Operational Execution and Industry-Leading Retention

Average Tenure by Position

Senior VP of Operations	32 years
Regional Vice Presidents	23 years
Area Directors of Operations	20 years
Area Kitchen Operations Managers	19 years
General Managers	14 years
Executive Kitchen Managers	13 years

"What we found is that food and beverage innovation is table stakes; you need to do it, but it's not sustainable." The ironclad correlation with success? "It was GM retention."

— Wally Doolin, Black Box Intelligence

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FORTUNE
**100
BEST**
COMPANIES
TO WORK FOR
2020



CSR – Contributing to the Well-Being of Our Staff, Local Communities and the Environment We All Share



470,000

pounds of food
donated to local non-profits

70%

of land-based proteins are
sourced from suppliers that
have eliminated physical
alterations and/or are
providing pain relief

2ND Year

in a row ranked by Business
Benchmark on Farm Animal
Welfare (BBFAW) at Tier 3



17,300

hours volunteered
by staff in their local
communities



100%

of direct palm oil sourcing is
Roundtable for Sustainable
Palm Oil certified

99%

of sourced shrimp
is benchmarked to
"Good Alternative" by
Monterey Bay Aquarium's®
Seafood Watch® program



\$289,717

donated to Feeding America®



76%

of dairy supply is
rBST/rBGH free*



5,776,550

hours of training in 2019 for our
restaurant staff and managers



40+

vegetarian and vegan
dishes available to guests

Source: The Cheesecake Factory Incorporated 2019 Corporate Social Responsibility Report

*Free from recombinant bovine somatotropin (rBST) or a recombinant bovine growth hormone (rBGH), often used for lactating dairy cows to increase the production of milk.

The background of the slide is a photograph of a winding asphalt road that curves through rolling green and yellow hills. The sky is blue with scattered white clouds. The text is overlaid on the upper half of the image.

Looking Ahead: Post-COVID-19

Diversified growth drivers once the
restaurant industry operating
environment normalizes

*The following targets assume full capacity conditions are ultimately permitted by state and local jurisdictions

The Cheesecake Factory – Returns-Focused Growth

Opportunity for 300 Domestic Locations Over Time



Average Unit Economics* (\$ millions)	
Sales	\$10.7
Restaurant-Level Margin %	~18%
Cash Capex Investment	\$8+
Cash-on-Cash Return	20% - 25%

** Illustrative example of target returns for new restaurant openings.*

The Cheesecake Factory – Expanding International Licensed Presence

- Anticipated continued expansion within current geographies
- Potential for additional geographies with current licensees
- Opportunity to add licensees and territories

+1¢

Per Restaurant
in EPS, on Average

\$0

Capital
Expenditure





Filling White Space for an On-Trend, Contemporary Italian Offering



- Potential for 200 domestic locations over time - 23 locations in 11 states & Washington D.C. currently
- All dishes handmade from scratch daily
- Serving lunch, dinner, weekend brunch & weekday happy hour
- Average check: \$25 - \$30
- 30%+ alcohol mix

FY19 Comp Sales: 6%

Note: Operating metrics pre-COVID-19



Fox Restaurant Concepts Expected to Serve as an Incubation Engine Innovating Concepts of the Future

Potential Growth



BLANCO
TACOS • TEQUILA



Boutique Brands



THE HENRY
THE LATEST REFINED RESTAURANT




DOUGH BIRD



Olive & Ivy
RESTAURANT • MARKETPLACE



The Future CAKE: Post-COVID-19

Diversified multi-concept across segment, price point, occasion, real estate and labor	Anticipated Unit Growth Roadmap¹			
Leveraging brand power, operational excellence, scale, supply chain and real estate development expertise	Target Size (sq. ft.)	7,000 – 10,000	5,000 - 6,500	3,500 – 15,000
	Average Unit Volume	\$10.7M	~\$7M	Avg. \$5M+
	Sales/sq. ft.	~\$1,000	~\$1,200	~\$1,000
	Target Long-Term Unit Growth	~3%	~20%+	~15% - 20%
	Top-Line Unit Growth Contribution	~3%	~2%	~2%
	Target Restaurant-Level Margin %	~18%	~18% - 20%	~16% - 18%
	Cash Capex Investment	\$8M+	\$3 - \$3.5M	\$500/sq. ft.
	Target Cash-on-Cash Return	20% - 25%	35%+	25% - 30%
	Sales/Investment Ratio	Varies	2:1	2:1

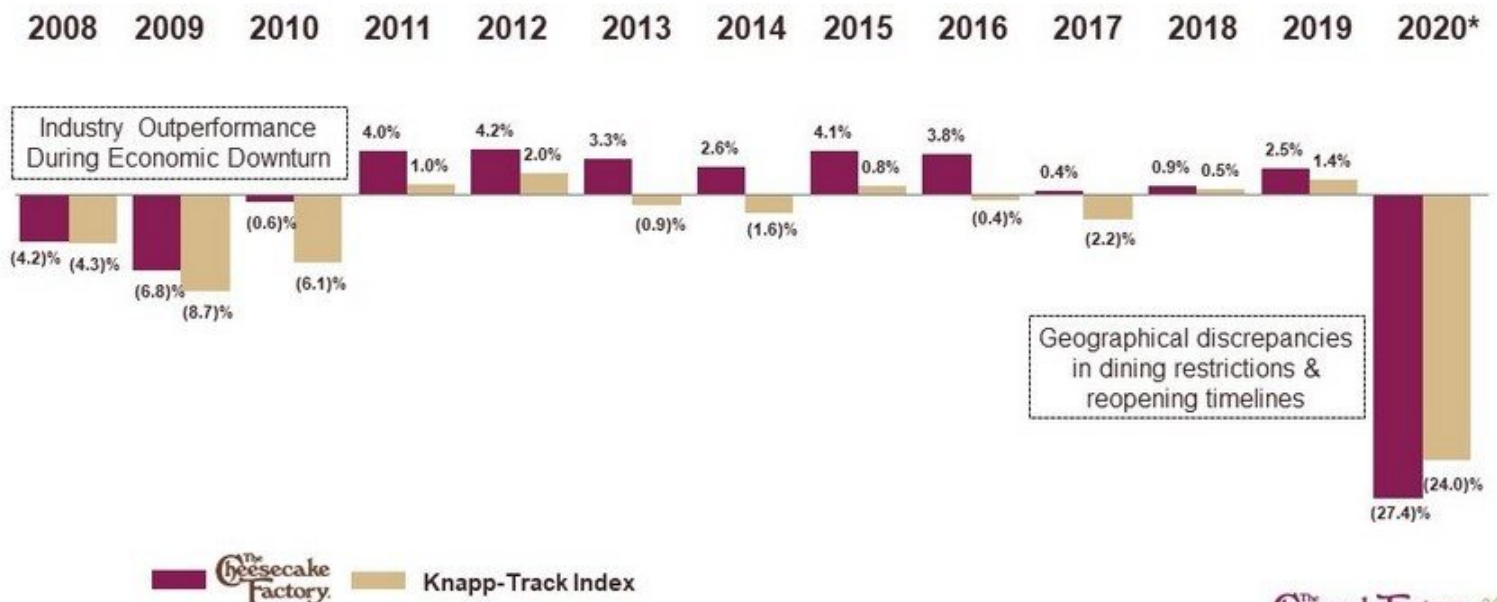
¹Illustrative example of target returns for new restaurant openings | ²Average unit volume and steady-state restaurant-level margin typically reached by year three of operations



Track Record of Consistent Financial Performance

History of Outperforming the Industry

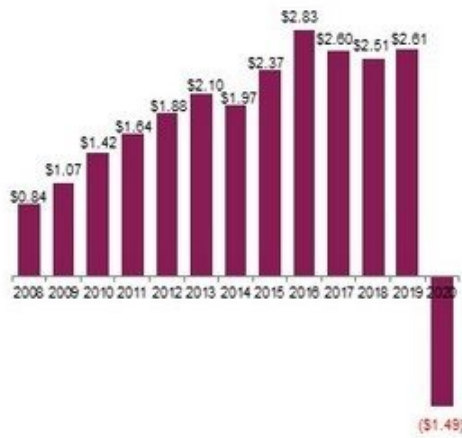
Comparable Sales - Historical 2-year Stack



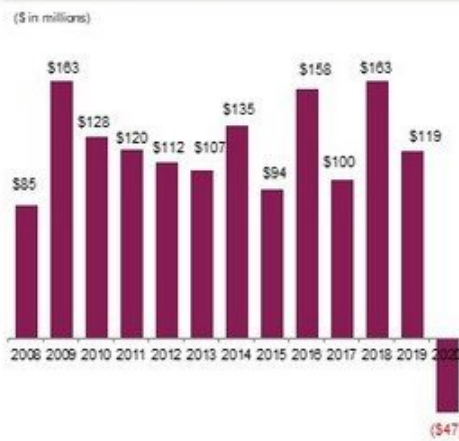
*2020 results reflect the impact of the COVID-19 pandemic.

Durable Business Over Time

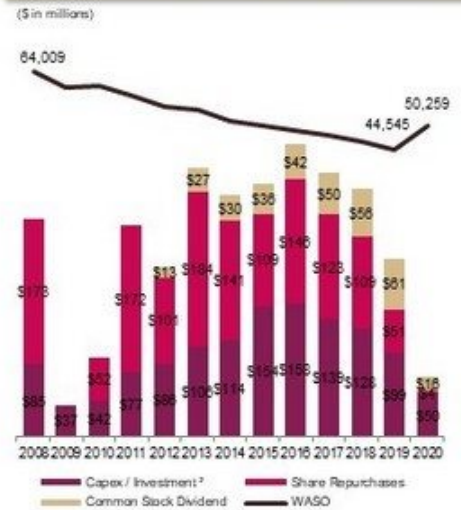
Adjusted Earnings/(Loss) Per Share



Free Cash Flow¹



Capital Allocation Detail



¹Free cash flow defined as cash flow from operations (includes adjustment for excess tax benefit related to stock options exercised in 2008-2016 to conform to current year presentation) less capital expenditures and investment in unconsolidated affiliates prior to the acquisition of North Italia and Fox Restaurant Concepts

²2019 Capex/Investment does not include the acquisition of North Italia and Fox Restaurant Concepts

Note: 2020 results reflect the impact of the COVID-19 pandemic and the issuance of 200,000 shares of Series A Convertible Preferred Stock. Please see Appendix for GAAP to Non-GAAP reconciliations and for an explanation regarding an accounting reclassification for prior years

Investment Highlights

- Experiential dining category leader with diversified growth drivers
- Leveraging the Company's strong foothold in the off-premise channel to support the business in the COVID-19 environment
- Durable business over time - sustained track record of consistent financial performance
- Historically robust cash flow provides several levers to support long-term growth





Appendix

Non-GAAP Reconciliations

In addition to the results provided in accordance with the Generally Accepted Accounting Principles (“GAAP”) in this presentation, the Company is providing non-GAAP measurements which present diluted net income per share excluding the impact of certain items and free cash flow.

The non-GAAP measurements are intended to supplement the presentation of the Company’s financial results in accordance with GAAP. The Company believes that the presentation of these items provides additional information to facilitate the comparison of past and present financial results.

Non-GAAP Reconciliation

The Cheesecake Factory Incorporated Reconciliation of Non-GAAP Financial Measures
(\$ in thousands, except per share data)

	Fiscal Year												
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Net Income (GAAP)	\$ 52,293	\$ 42,833	\$ 81,713	\$ 95,720	\$ 36,423	\$ 114,358	\$ 10,127	\$ 18,523	\$ 13,404	\$ 157,392	\$ 94,035	\$ 12,233	\$ (27,107)
+ Impairment of assets and lease terminations	2,352	26,341	-	1,347	9,338	(961)	658	6,015	114	10,343	17,881	18,247	219,333
+ Partial R15 settlement	-	-	-	(1,794)	-	-	-	-	-	-	-	-	-
+ Unwinding of interest rate collars	-	7,421	7,376	-	-	-	-	-	-	-	-	-	-
+ Chairman and CEO employment agreement	-	2,550	-	-	-	-	-	-	-	-	-	-	-
+ Proceeds from variable life insurance contract	-	(869)	-	-	(419)	-	-	-	-	-	-	-	-
+ Loss on investment in unconsolidated affiliates	-	-	-	-	-	-	-	-	-	479	4,754	13,439	-
+ Gain on investment in unconsolidated affiliates	-	-	-	-	-	-	-	-	-	-	-	(52,872)	-
+ Acquisition-related costs	-	-	-	-	-	-	-	-	-	-	-	5,270	2,659
+ Acquisition-related contingent consideration and amortization expenses	-	-	-	-	-	-	-	-	-	-	-	1,033	(3,872)
+ Preferred Dividends to Apply E-Commited Method	-	-	-	-	-	-	-	-	-	-	-	-	13,485
+ (Overhead and Incremental Costs Associated With Preferred Stock)	-	-	-	-	-	-	-	-	-	-	-	-	10,257
+ Assumed Impact of Potential Conversion of Preferred Stock into Common Stock	-	-	-	-	-	-	-	-	-	-	-	-	-
+ COVID-19 related costs	-	-	-	-	-	-	-	-	-	-	-	-	22,983
+ Tax effect of adjustments ⁽¹⁾	(1,181)	(14,605)	(2,931)	(331)	(3,354)	224	(278)	(2,494)	(46)	(4,329)	(5,855)	3,818	(82,632)
+ One-time tax items ⁽²⁾	-	-	-	-	-	-	-	-	-	(30,325)	-	-	-
Adjusted net income (non-GAAP)	\$ 54,384	\$ 64,072	\$ 86,138	\$ 95,142	\$ 103,728	\$ 114,019	\$ 10,634	\$ 120,131	\$ 13,362	\$ 126,360	\$ 115,770	\$ 116,428	\$ (74,934)
Diluted net income per share (GAAP)	\$ 0.82	\$ 0.71	\$ 1.39	\$ 1.64	\$ 1.78	\$ 2.10	\$ 1.98	\$ 2.30	\$ 2.03	\$ 3.27	\$ 2.14	\$ 2.88	\$ (8.32)
+ Impairment of assets and lease terminations	0.05	0.46	-	0.03	0.17	(0.01)	0.01	0.12	0.00	0.21	0.39	0.41	4.36
+ Partial R15 settlement	-	-	-	(0.03)	-	-	-	-	-	-	-	-	-
+ Unwinding of interest rate collars	-	0.12	0.12	-	-	-	-	-	-	-	-	-	-
+ Chairman and CEO employment agreement	-	0.04	-	-	-	-	-	-	-	-	-	-	-
+ Proceeds from variable life insurance contract	-	(0.01)	-	-	(0.01)	-	-	-	-	-	-	-	-
+ Loss on investment in unconsolidated affiliates	-	-	-	-	-	-	-	-	-	0.01	0.10	0.30	-
+ Gain on investment in unconsolidated affiliates	-	-	-	-	-	-	-	-	-	-	-	(1.55)	-
+ Acquisition-related costs	-	-	-	-	-	-	-	-	-	-	-	0.12	0.06
+ Acquisition-related contingent consideration and amortization expenses	-	-	-	-	-	-	-	-	-	-	-	0.02	(0.06)
+ Preferred Dividends to Apply E-Commited Method	-	-	-	-	-	-	-	-	-	-	-	-	0.27
+ (Overhead and Incremental Costs Associated With Preferred Stock)	-	-	-	-	-	-	-	-	-	-	-	-	0.20
+ Assumed Impact of Potential Conversion of Preferred Stock into Common Stock	-	-	-	-	-	-	-	-	-	-	-	-	0.80
+ COVID-19 related costs	-	-	-	-	-	-	-	-	-	-	-	-	0.46
+ Tax effect of adjustments	(0.02)	(0.23)	(0.05)	-	(0.06)	0.01	-	(0.05)	0.00	(0.09)	(0.12)	0.08	(1.25)
+ One-time tax items	-	-	-	-	-	-	-	-	-	(0.05)	-	-	-
Adjusted diluted net income per share (non-GAAP) ⁽³⁾	\$ 0.84	\$ 1.07	\$ 1.42	\$ 1.64	\$ 1.85	\$ 2.10	\$ 1.97	\$ 2.37	\$ 2.03	\$ 2.60	\$ 2.51	\$ 2.87	\$ (1.40)

(1) The tax effect assumes a tax rate based on the federal statutory rate and an estimated blended state tax rate.

(2) Fiscal 2017 includes a \$38.5 million benefit to the income tax provision related to tax reform enacted in December 2017.

(3) Adjusted diluted net income per share may not add due to rounding.

Non-GAAP Reconciliation

The Cheesecake Factory Incorporated
Reconciliation of Non-GAAP Financial Measures
(\$ in millions)

	Fiscal Year														
	2008	2009	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Cash flow from operations ⁽¹⁾	\$ 169	\$ 197	\$ 170	\$ 200	\$ 170	\$ 197	\$ 198	\$ 213	\$ 249	\$ 248	\$ 316	\$ 239	\$ 291	\$ 219	\$ 3
Capital expenditures / investments	85	37	85	37	42	77	88	106	114	154	158	139	128	99	50
Free cash flow	\$ 84	\$ 162	\$ 85	\$ 163	\$ 128	\$ 120	\$ 112	\$ 107	\$ 135	\$ 94	\$ 158	\$ 100	\$ 163	\$ 120	\$ (47)

(1) The excess tax benefit related to stock options exercised is no longer reclassified from cash flows from operating activities to cash flows from financing activities in the consolidated statements of cash flows. The consolidated statements of cash flows for fiscal 2016, 2015, 2014, 2013, 2012, 2011, 2010, 2009 and 2008 have been adjusted to conform to the current year presentation.