Arcos Dorados

2nd Quarter 2026 Results

August 13, 2026

15 YEARS

ARCO LISTED NYSE

Disclaimer

This presentation contains forward-looking statements that represent our beliefs, projections and predictions about future events or our future performance. Forward-looking statements can be identified by terminology such as "may," "will," "would," "could," "should," "expect," "intend," "plan," "anticipate," "believe," "estimate," "predict," "potential," "continue" or the negative of these terms or other similar expressions or phrases. These forward-looking statements are necessarily subjective and involve known and unknown risks, uncertainties and other important factors that could cause our actual results, performance or achievements or industry results to differ materially from any future results, performance or achievement described in or implied by such statements.

The forward-looking statements contained herein include statements about the Company's business prospects, its ability to attract customers, its expectations for revenue generation and costs, and its outlook. These statements are subject to the general risks inherent in Arcos Dorados' business. These expectations may or may not be realized. Some of these expectations may be based upon assumptions or judgments that prove to be incorrect. In addition, Arcos Dorados' business and operations involve numerous risks and uncertainties, many of which are beyond the control of Arcos Dorados, which could result in Arcos Dorados' expectations not being realized or otherwise materially affect the financial condition, results of operations and cash flows of Arcos Dorados. Additional information relating to the uncertainties affecting Arcos Dorados' business is contained in its filings with the Securities and Exchange Commission. The forward-looking statements are made only as of the date hereof, and Arcos Dorados does not undertake any obligation to (and expressly disclaims any obligation to) update any forward-looking statements to reflect events or circumstances after the date such statements were made, or to reflect the occurrence of unanticipated events.

In addition to financial measures prepared in accordance with generally accepted accounting principles (GAAP), management analyzes business trends using a variety of performance, financial and liquidity measures, which are considered non-GAAP. This presentation contains the following non-GAAP measures: Adjusted EBITDA, Adjusted net cash provided by operating activities, Adjusted Free Cash Flow, Constant Currency basis, Systemwide sales, and Systemwide comparable sales growth. These measures may not provide a complete understanding of the Company's operating results as a whole and should be reviewed in conjunction with the Company's GAAP financial results. A reconciliation of these measures to their most directly comparable GAAP financial measures is set forth in the Supplemental Information section of this presentation.

Agenda

1 Quarter **Highlights**

2 Marketing, Digital & **Divisional Revenue**

3 Profitability & **Margins**

4 Balance Sheet & **Development**

5 Final **Thoughts**

6 Supplemental **Information**

1 Quarter Highlights

2nd Quarter 2026

Second Quarter 2026
Key Highlights

2Q 2026 Total Revenue	Systemwide Comparable Sales
$1.3b	**15.3%**

2Q 2026 Adj. EBITDA[1]	Digital Sales Contribution[2]
$126.8m	**66%**
9.7% margin	28% Identified

2Q 2026 Net Income	Restaurant Openings
$45.0m	**16**
$0.22 per share	10 Freestanding

Systemwide comparable sales included positive guest traffic in all three divisions

- The Company's best guest volume performance of the last six quarters was driven mainly by volume growth in Brazil, Mexico and Colombia, among others.
- Total revenues grew more than 14% in US dollars and reached a new quarterly high.

Adj. EBITDA growth of more than 15% and Net Income almost doubled, in US dollars

- Profitability was driven mainly by Brazil, where margin expanded by 180 basis points.
- Gross margin improvements in Brazil and NOLAD and lower G&A drove the result.
- Adjusted Free Cash Flow improved by more than $127 mn in the last twelve months versus the prior comparable period, accelerating sequentially from the 1Q26.

Digital Penetration, Loyalty Frequency, Market Share and Brand Strength supported topline

- The exclusive sponsorship of the FIFA World Cup allowed the Company to execute campaigns and activations across all sales channels to exceed guest expectations.
- Total market share across the Company's footprint grew versus the prior year quarter.

Restaurant growth was in-line with the plan for the year

- Opened 16 restaurants in the 2Q26 and 35 through the first six months of the year.
- Total capital expenditures reached $49.1 mn in the 2Q26, versus $55.3 mn in 2Q25.

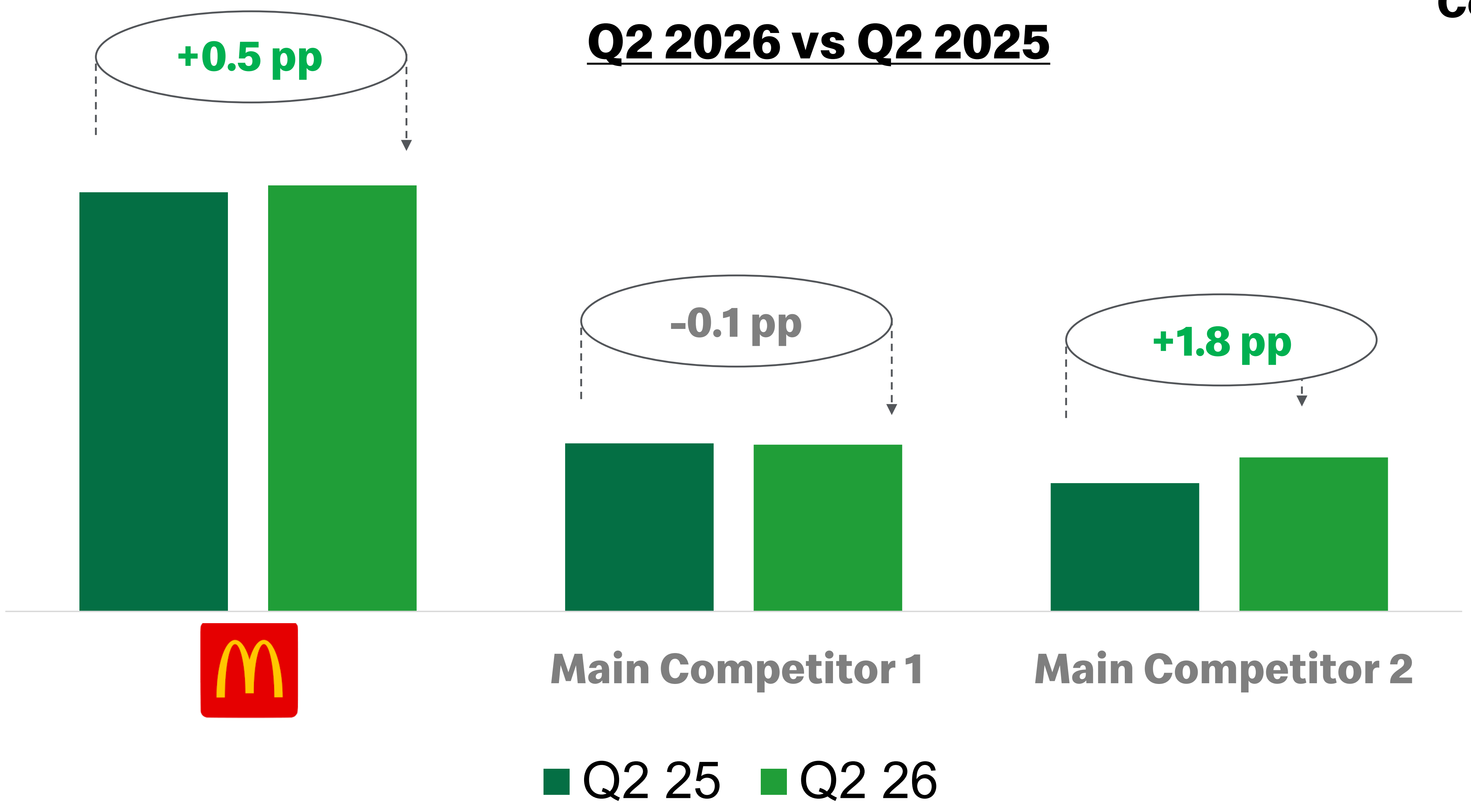
[1]This presentation contains non-GAAP financial measures. Reconciliations to the most directly comparable financial measures presented in accordance with GAAP are set forth in the Supplemental Information section of this presentation.
[2]Mobile App, Delivery and Self-order Kiosks (systemwide)

2 Marketing, Digital & Divisional Revenue

Organic Growth Drivers

Visit Share remained strong
despite 2Q26 market headwinds

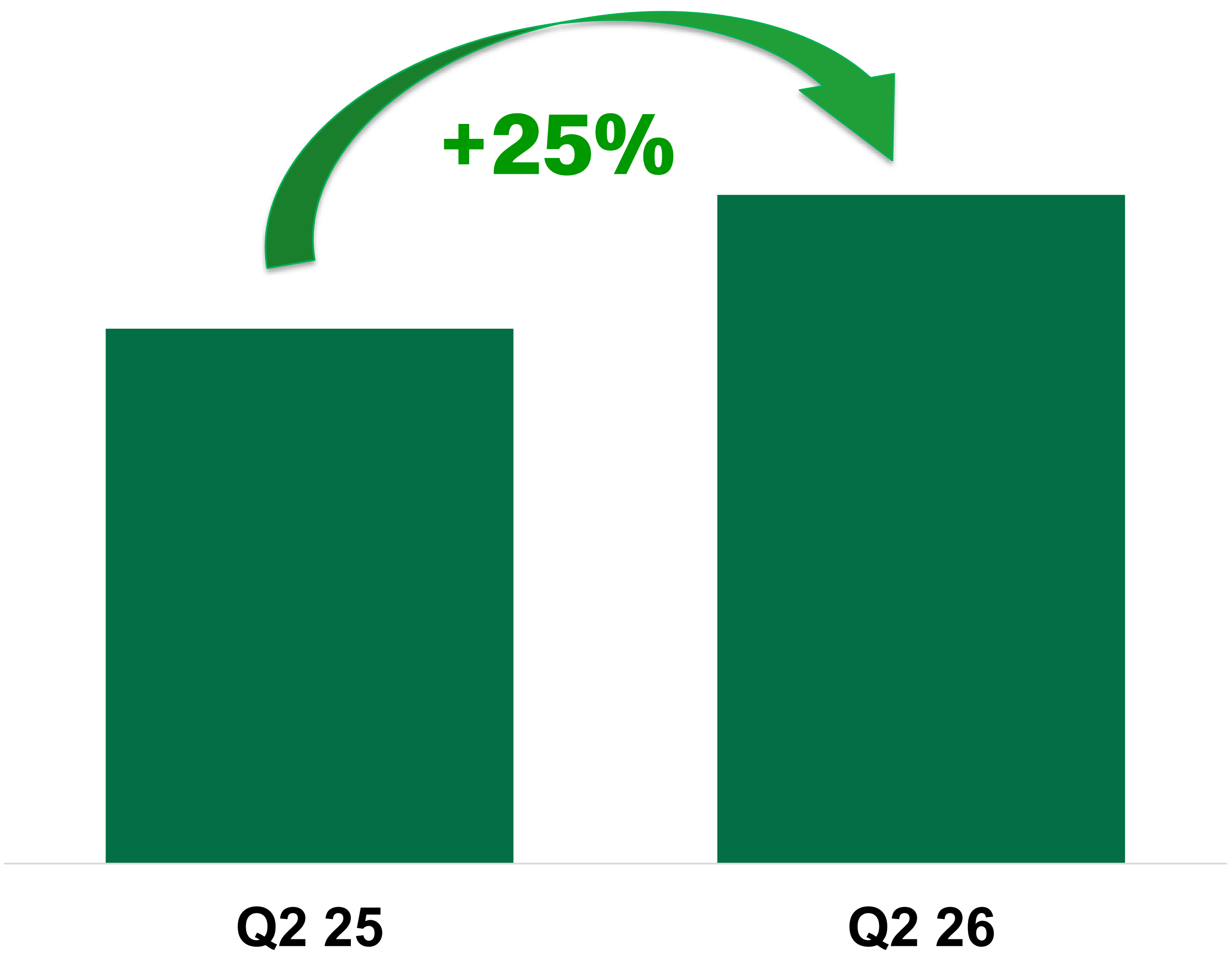
Latam Visit Share
Q2 2026 vs Q2 2025



Source: IPSOS / Company research

Digital sales reached new heights
Boosted by growing Loyalty Program membership

Digital Sales
(in USD)



Loyalty Program

5x Frequency

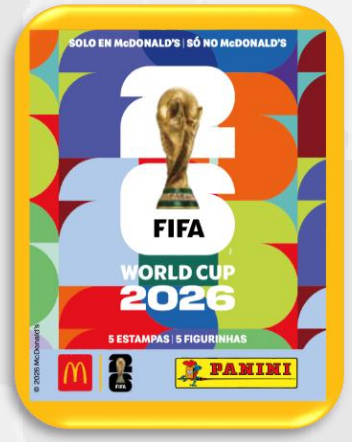
Active Redeeming Members
vs.
Non-Loyalty Customers

The FIFA World Cup was a Hit
Boosting Brand Metrics across the Region

Anticipation

Mini World Cup Ball
Regional
Q1

Mundialistas
Regional
April - June



Panini
Regional
April - June

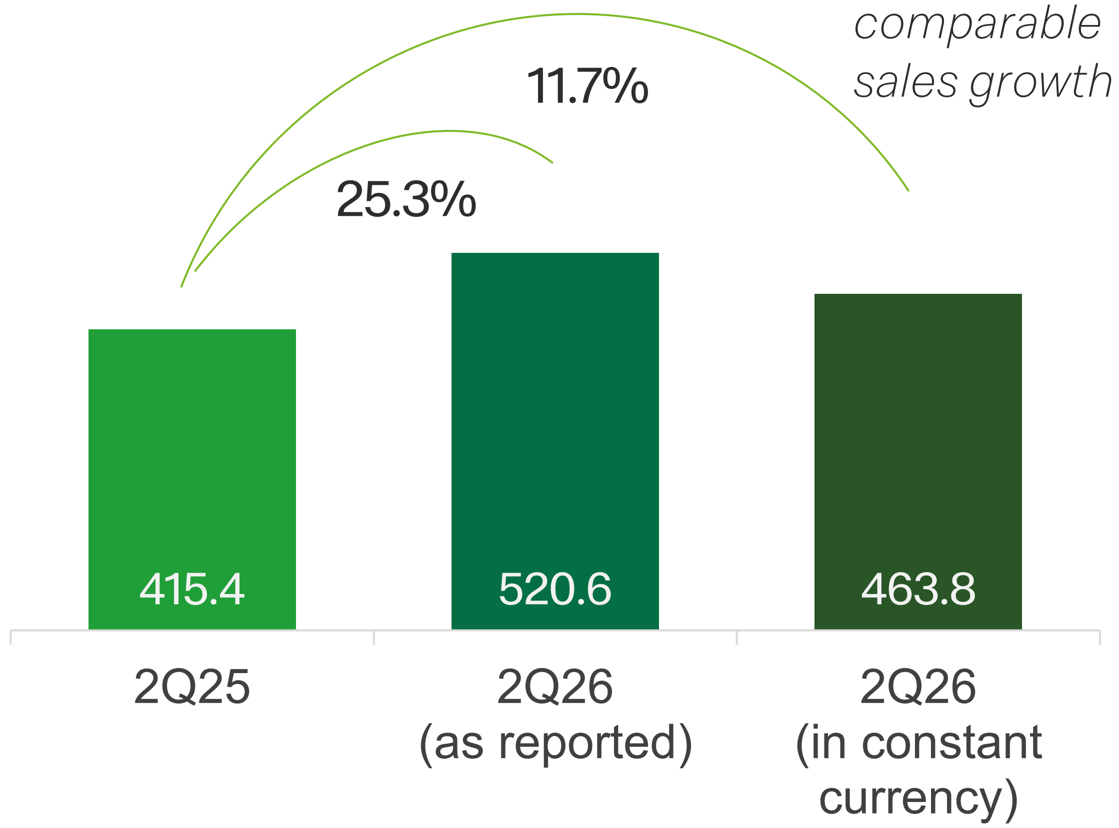
Euphoria

FIFA World Cup + Happy Meal
Global
June – July

Second Quarter 2026
Total Revenues by Division

BRAZIL
($million)

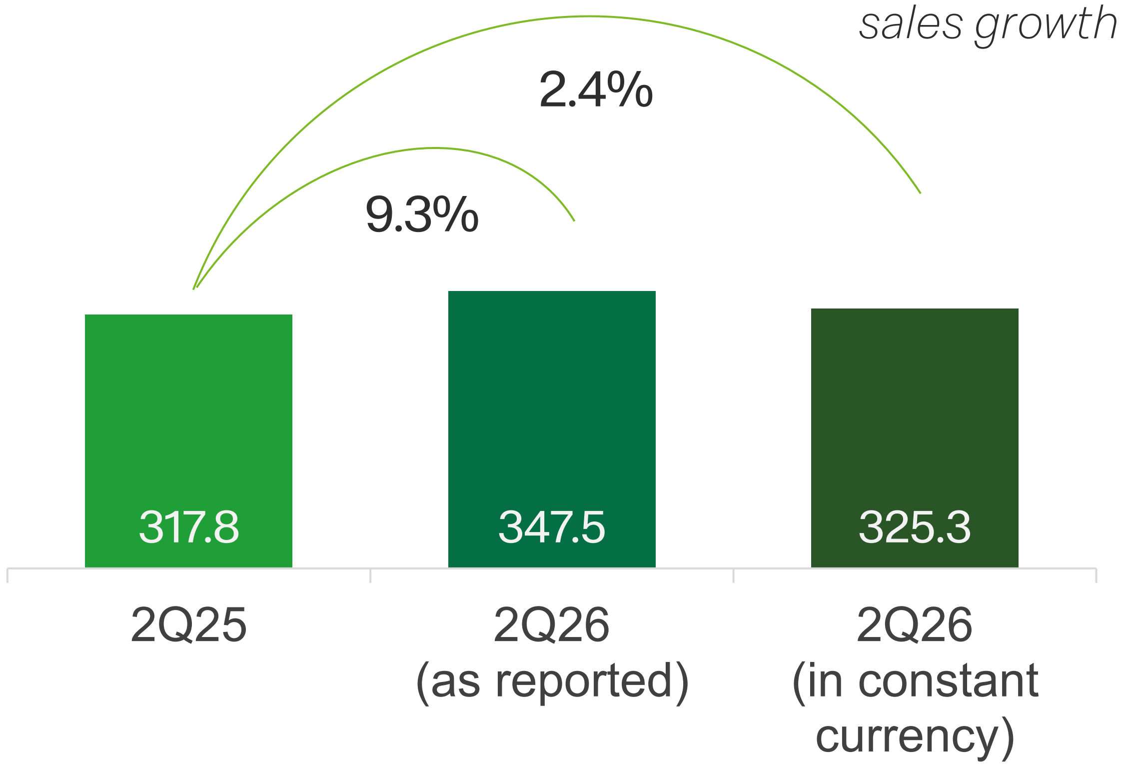
5.4%
Systemwide comparable sales growth



- Comp sales growth was boosted by FIFA World Cup promotional activity.
- Total US dollar revenue was further supported by a strong currency.
- Marketing ranged from FIFA World Cup to the MéquiFest digital campaign.
- Guest volume rose within the context of growing QSR segment traffic.

NOLAD
($million)

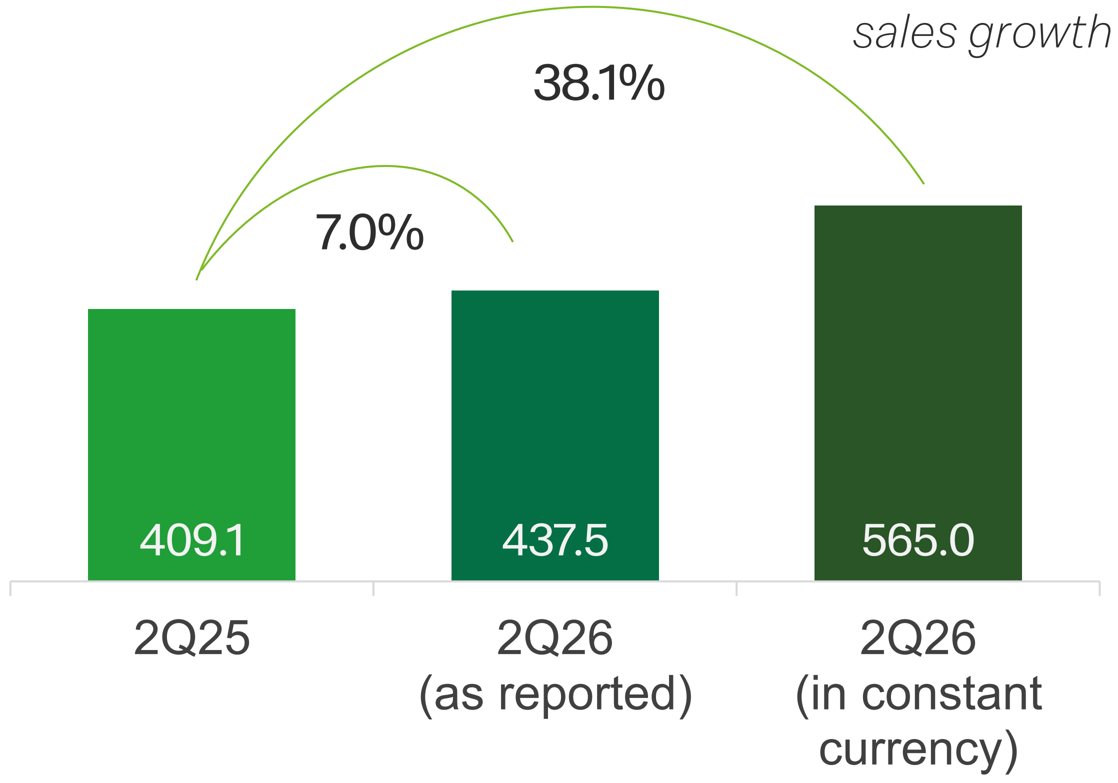
(2.2)%
Systemwide comparable sales growth



- Comp sales declined due to challenging comparisons and soft consumption.
- US dollar revenue growth was helped by a strong Mexican peso.
- The 2Q26 included only half of Holy Week versus a full holiday period in 2Q25.
- Marketing focused mainly on value.

SLAD
($million)

42.9%
Systemwide comparable sales growth



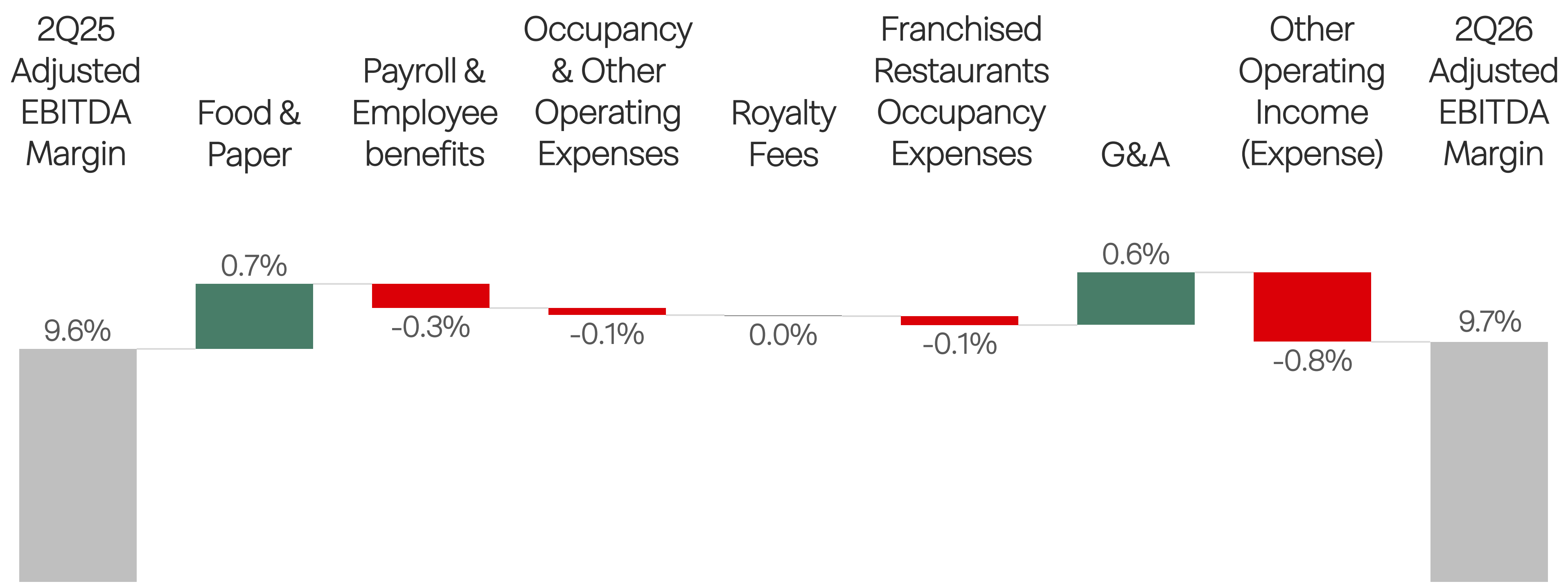
- Comp sales up mainly driven by Argentina and Venezuela.
- Solid guest traffic in most markets.
- Marketing focused strongly on the FIFA World Cup promotions.
- Market share gains throughout the division's markets.

3 Profitability & Margins

Adjusted EBITDA & Margin Bridge

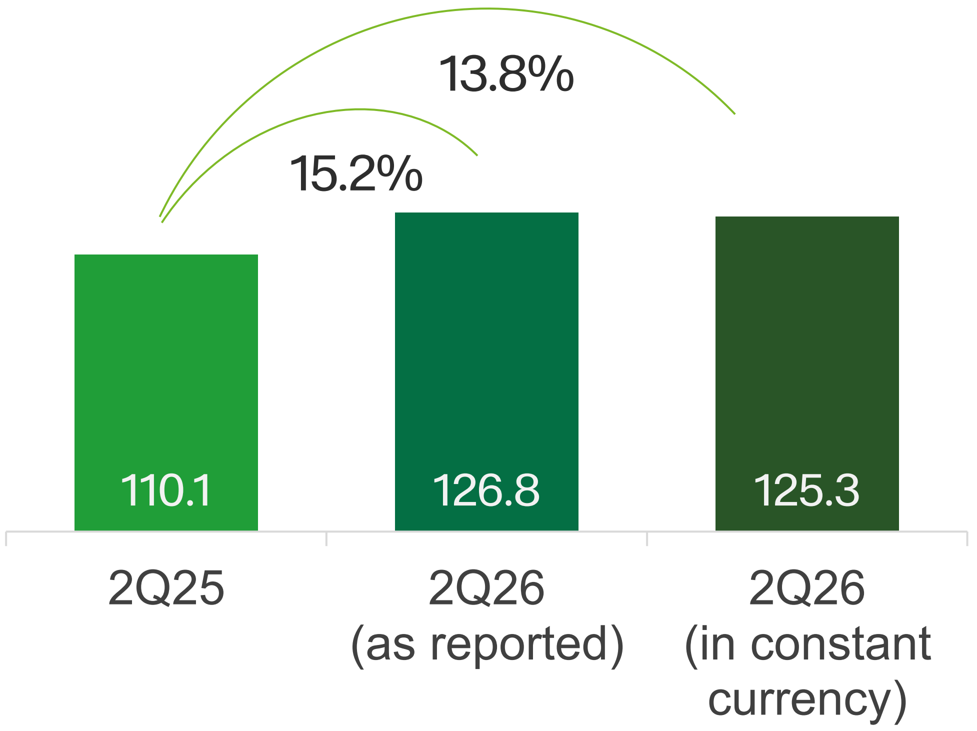
Second Quarter 2026
Consolidated Adj. EBITDA Margin & Margin Bridge

2Q26 – Adj. EBITDA Margin Performance
(% of total revenue)



2Q26 – Consolidated Adj. EBITDA
($million)

9.7%
margin



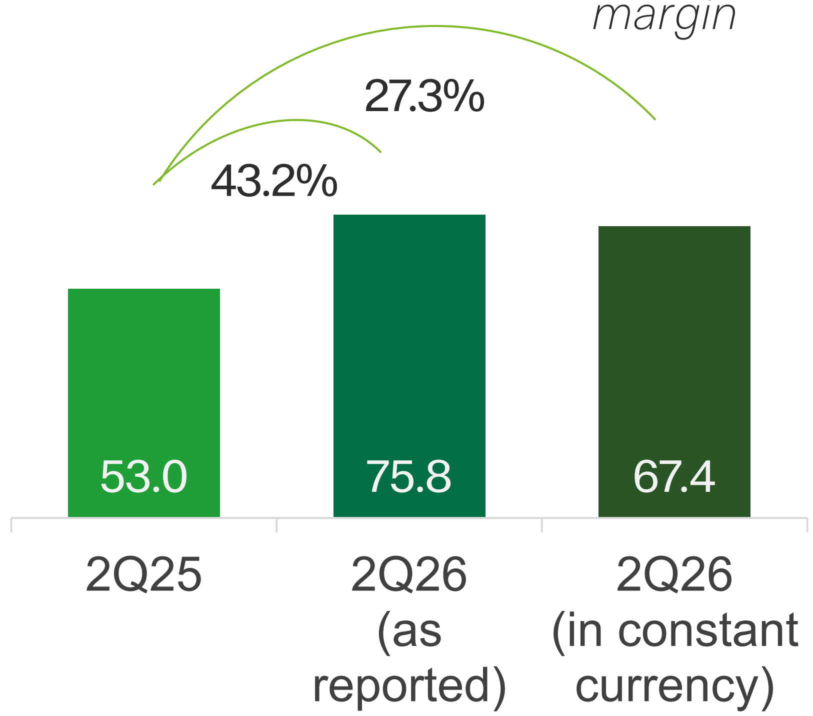
- Consolidated Adjusted EBITDA grew strongly in US dollars, up more than 20% with margin expansion of 70 basis points, when excluding the gain from a sub-franchisee transaction in NOLAD in the 2Q25.
- Food & Paper costs as a percentage of revenue in Brazil and NOLAD were lower, more than offsetting slight pressure in SLAD.
- Payroll as a percentage of revenue was higher in all three divisions.
- Occupancy and Other operating expenses were lower as a percentage of revenue in Brazil, but higher in NOLAD and SLAD.
- G&A as percentage of revenue was lower in all divisions, growing well below weighted inflation for this line item.
- Other operating income was lower, mainly due to the comparison with the abovementioned 2Q25 transaction in NOLAD (60 basis points).

Second Quarter 2026

Adjusted EBITDA by Division

BRAZIL
($million)

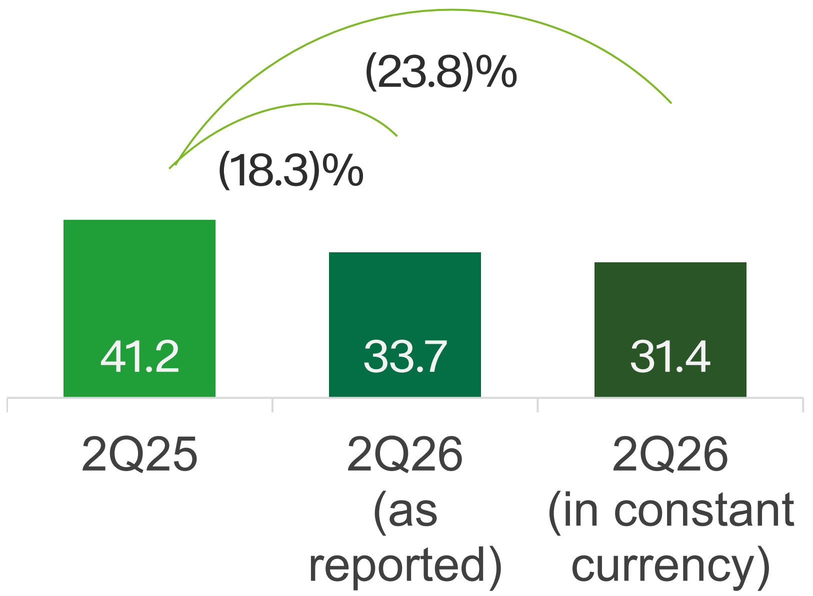
14.6%
Adj. EBITDA margin



- F&P: improved strongly versus 2Q25.
- Payroll: showed modest pressure.
- Occupancy and other operating expenses: better versus the prior year, including some operating leverage.
- G&A: leverage from strong revenue growth and restructuring savings.

NOLAD
($million)

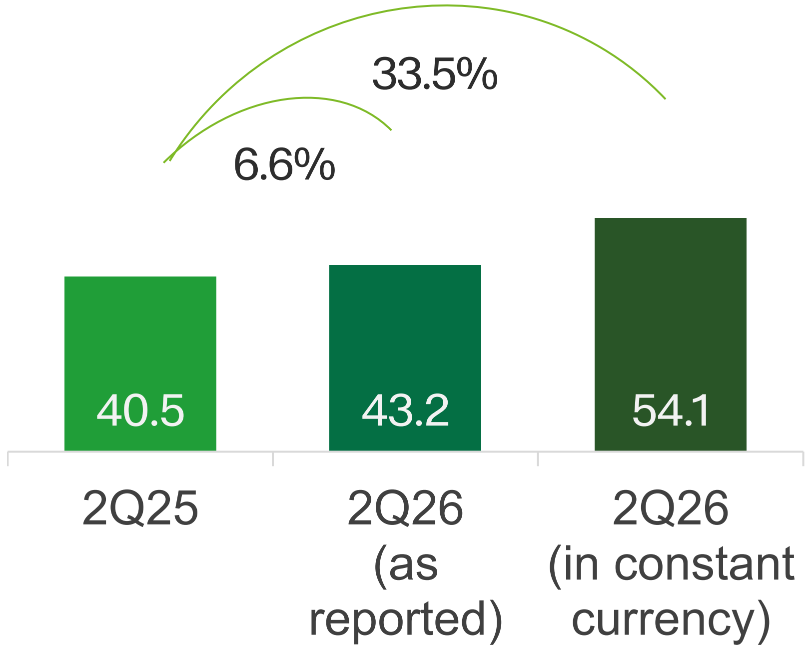
9.7%
Adj. EBITDA margin



- F&P: improved versus 2Q25.
- Payroll: reflected hourly crew cost pressure.
- Occupancy and other operating expenses: modest pressure from various line items.
- G&A: better due to restructuring savings and lower outside services.
- Other operating income: lower compared with prior year sub-franchisee transaction.

SLAD
($million)

9.9%
Adj. EBITDA margin



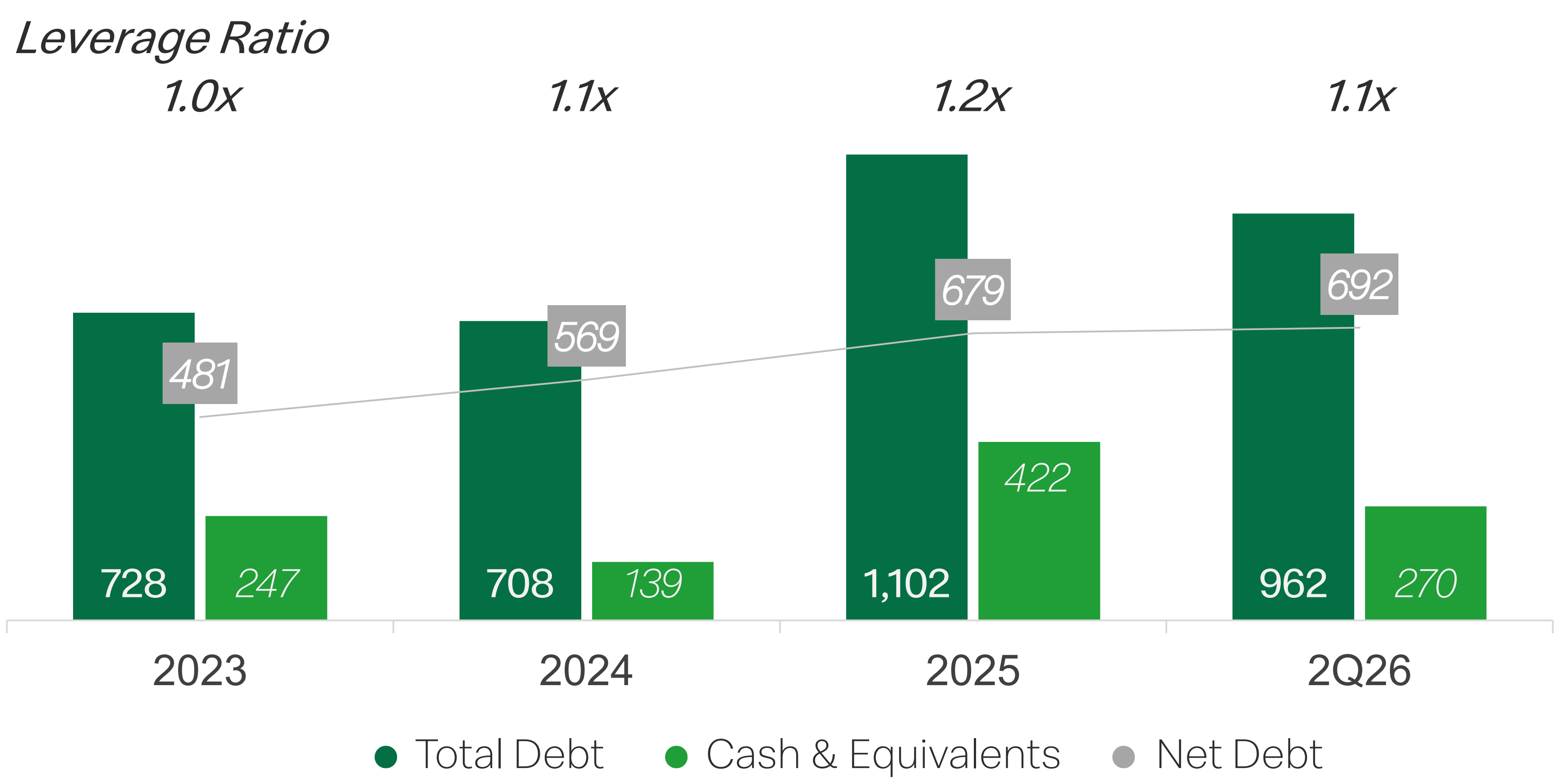
- F&P: slightly higher as a percentage of revenue versus 2Q25, primarily in Argentina.
- Payroll: included hourly wage cost pressure, partly offset by improved productivity.
- Occupancy and other operating expenses: higher due to various line items.
- G&A: better due to restructuring savings and other expenses.

4 Balance Sheet & Development

Capital Allocation

Healthy Balance Sheet & Cash Flow to Support Future Growth
Strong Cash Generation

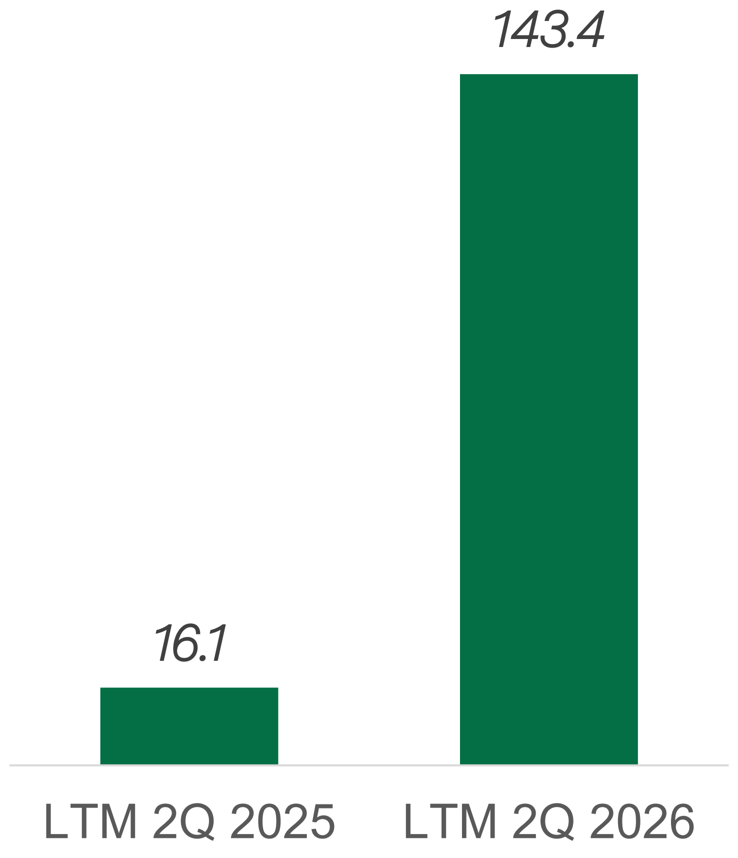
Key Debt Metrics – at period end
($million)



FitchRatings
BBB-
Stable

S&P Global Ratings
BBB-
Stable

Adjusted Free Cash Flow
($million)



- Stronger net cash provided by operating activities and capital allocation efficiency drove sequential growth in Adjusted Free Cash Flow

Notes
- *Total financial debt includes short-term debt, long-term debt, accrued interest payable and derivative instruments (net of asset portion)*
- *Net Debt = Total financial debt less cash and cash equivalents*
- *Leverage ratio = Net financial debt / LTM adjusted EBITDA*

Development & Capital Allocation
Growth and Modernization

2Q 2026 Quarter-end Restaurant Footprint

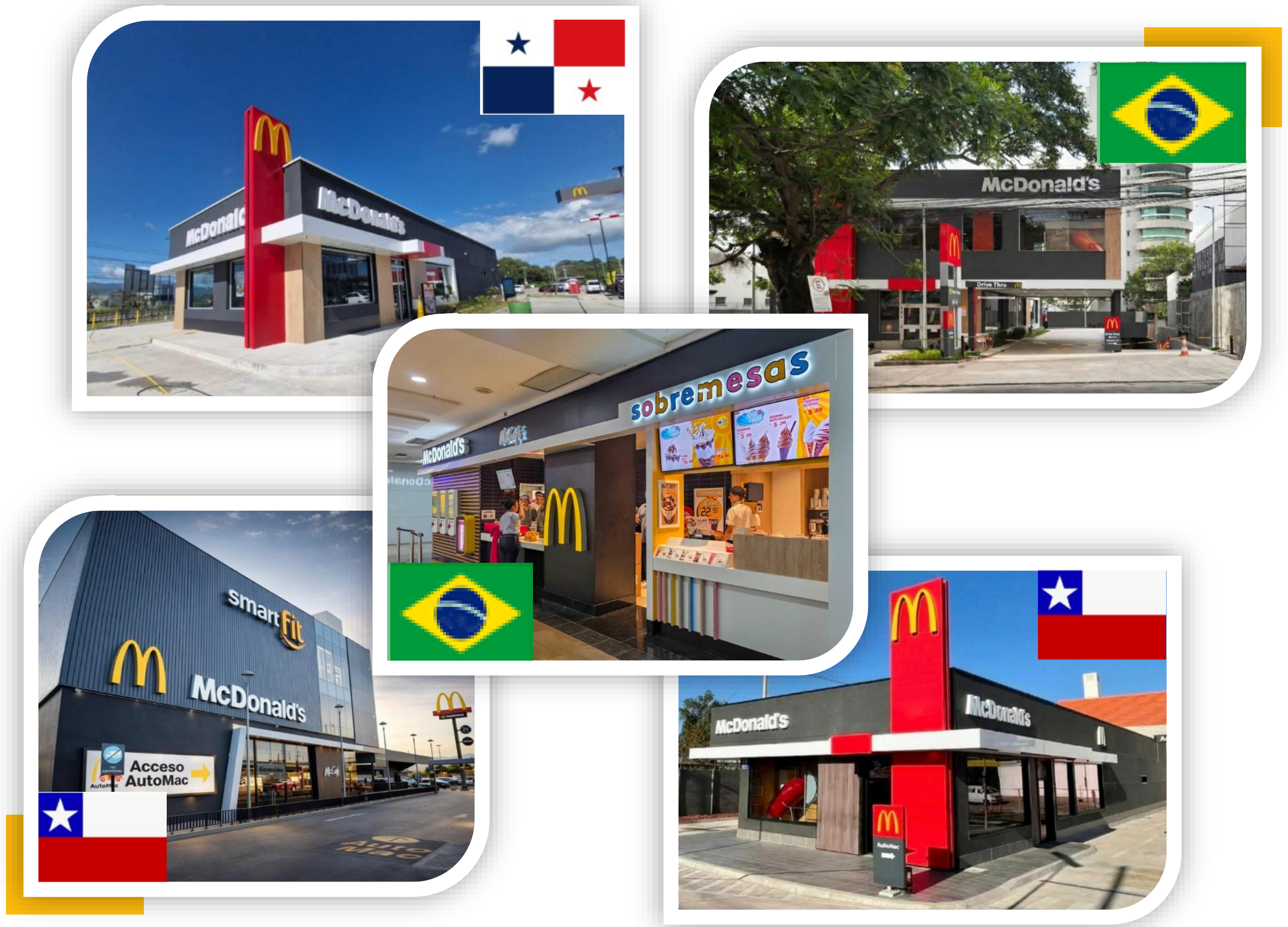
Division	Store Type			Total Restaurants	McCafé	Dessert Centers
	Freestanding	In Store	MS & FC			
BRAZIL	691	90	469	1,250	223	2,023
NOLAD	426	48	196	670	22	506
SLAD	287	124	217	628	251	738
TOTAL	1,404	262	882	2,548	496	3,267

Restaurant Openings

- 2Q26: 16 openings (10 in Brazil)
- 1H26: 35 openings (22 in Brazil)

Capital Expenditures

- 2Q26: $49.1 million in total capex
- 1H26: $85.9 million in total capex



77% of systemwide restaurant portfolio offers the most modernized restaurant experience in the Latin America and Caribbean QSR industry

5 Wrap Up

Closing Remarks

Closing Remarks

Resilience

- The Arcos Dorados business model is delivering strong results, despite more challenging operating conditions in several markets.
- Confident in the plan for the 2nd half of 2026 to provide a strong foundation for 2027.

Market Share and Brand Attributes

- An enduring connection with quick service restaurant customers throughout Latin America and the Caribbean, that strengthened during the 2nd quarter of 2026.
- Continue monetizing this connection to generate value for Arcos Dorados and its shareholders.

Digital Platform

- Beginning to move into a new phase, with new capabilities to drive sales and generate efficiencies.
- Delivery and Loyalty are the big winners today and tomorrow could be even more promising.

Progress on Three Pillars of Focus

- Today's Business, Growth and Tomorrow's Business.

2026 Arcos Dorados Investor Day

- October 1, 2026 (morning), New York, Hybrid event.

Questions
& Answers

6 Supplemental Information

2025 Social Impact and Sustainable Development Report

Key Highlights

Our People

- **120,000+** people are part of the Arcos Dorados system.
- **53%** of our employees are under 24 years old and **55%** identify as women.
- **2,400+** employees with disabilities work across our local markets.
- **351,900+** training and formal employment opportunities generated for young people.
- **2.1 million** training hours completed by our employees.

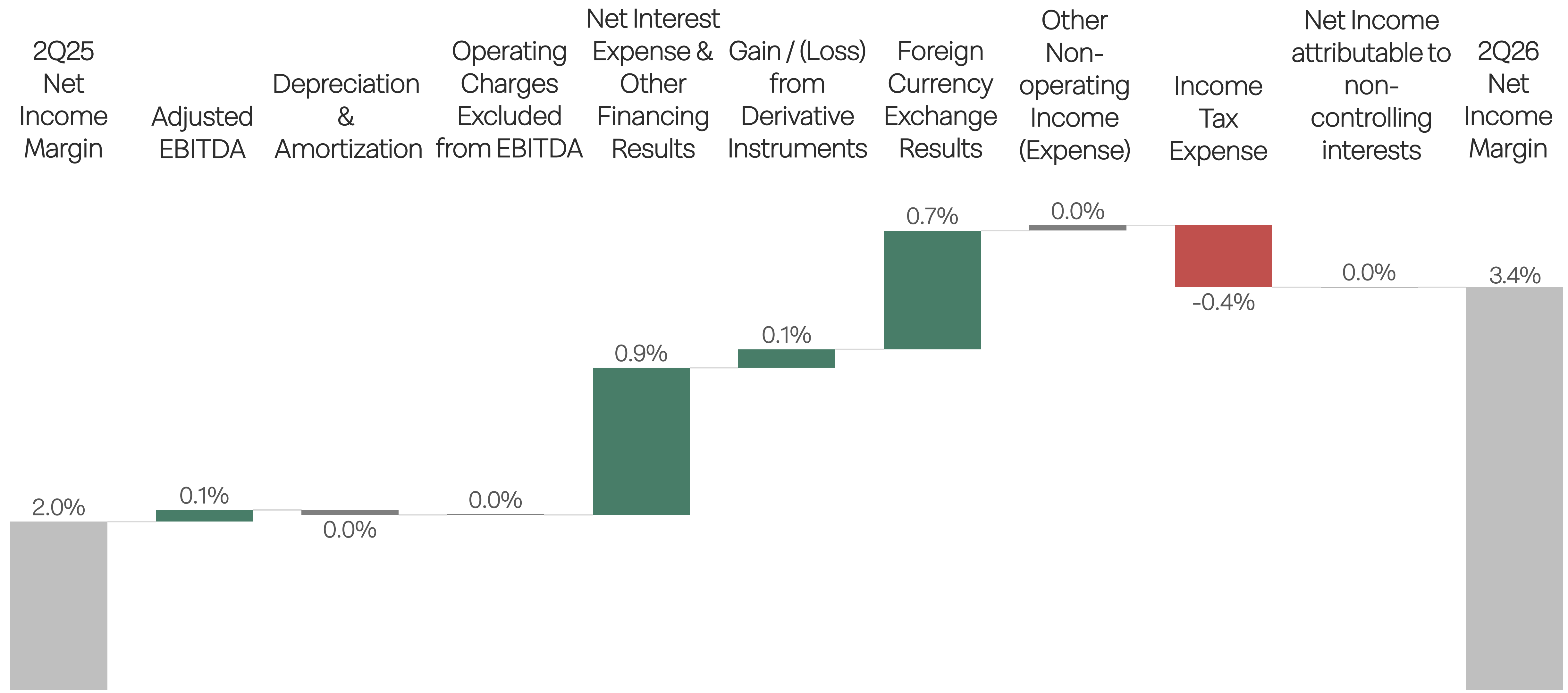
Environmental & Community Impact

- **$8.4 million** raised and donated through McHappy Day.
- **100%** of our 2025 climate goals achieved.
- **74%** of purchased made from local suppliers.
- **95.3%** of fresh eggs sourced from cage-free systems.
- **5.2 million** liters of used cooking oil converted into biodiesel.
- **100%** of Happy Meal nutritional information available digitally.

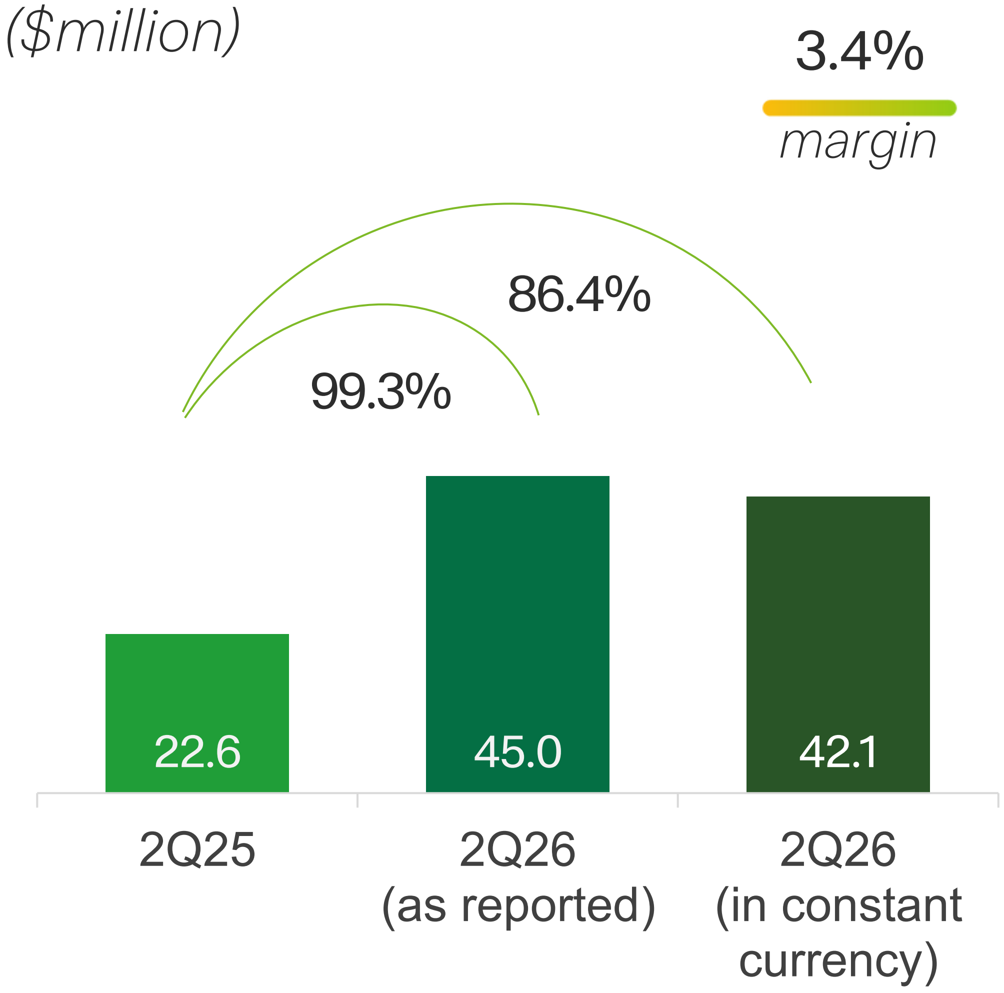
Driving sustainable growth through people development, community impact, responsible sourcing and environmental leadership across Latin America and the Caribbean.

Second Quarter 2026
Consolidated Net Income Growth & Margin Bridge

2Q26 – Net Income Margin Performance
(% of total revenue)

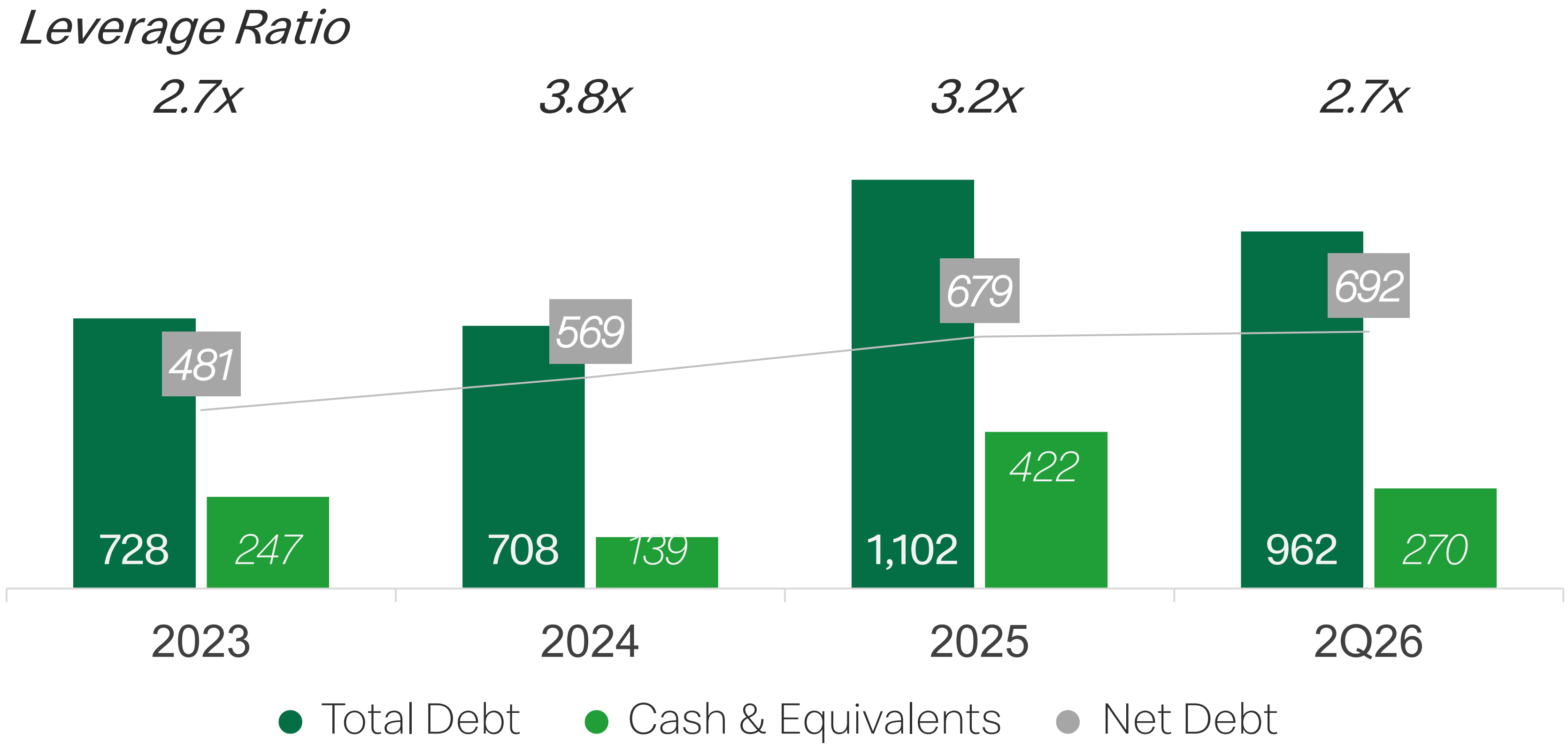


2Q26 – Net Income, attributable to AD
($million)



Net Debt to Net Income &
Adjusted Free Cash Flow Reconciliation

Key Debt Metrics – at period end
($million)



- *Total financial debt includes short-term debt, long-term debt, accrued interest payable, and derivatives instruments (net of asset portion)*
- *Net Debt = Total financial debt less cash and cash equivalents*
- *Leverage ratio = Net financial debt / Last Twelve-Month Net Income*

Adjusted Free Cash Flow Reconciliation
($million)

($ million)	LTM ended Jun 30, 2026	LTM ended Jun 30, 2025
Net cash provided by operating activities	**362,135**	**260,846**
Interest paid	68,973	50,891
Interest collected	(22,703)	(11,915)
Adjusted net cash provided by operating activities	**408,405**	**299,822**
Property and equipment expenditures	(263,076)	(282,862)
Purchases of restaurant business paid at acquisition date	(7,082)	(4,535)
Proceeds from sales of property and equipment, restaurant businesses and related advances	5,137	3,719
Adjusted free cash flow	**143,384**	**16,144**

Adjusted EBITDA
Reconciliation

($ million)	For Three-Months ended June 30, 2026	2025
Net income attributable to Arcos Dorados Holdings Inc.	**45,005**	**22,587**
Net income attributable to non-controlling interests	91	101
Income tax expense, net	25,948	18,486
Other non-operating expenses, net	95	481
Foreign currency exchange results	(5,066)	3,666
Gain from derivative instruments	(3,024)	(1,344)
Net interest expense and other financing results	9,583	18,483
Depreciation and amortization	54,424	47,913
Operating charges excluded from EBITDA computation	(237)	(262)
Adjusted EBITDA	**126,819**	**110,111**
Adjusted EBITDA Margin as % of total revenues	**9.7%**	**9.6%**

Definitions

In addition to financial measures prepared in accordance with generally accepted accounting principles (GAAP), management analyzes business trends using a variety of performance, financial and liquidity measures, which are considered non-GAAP. This presentation contains the following non-GAAP measures: Adjusted EBITDA, Adjusted net cash provided by operating activities, Adjusted free cash flow, Constant currency basis, Systemwide sales, and Systemwide comparable sales growth.

Adjusted EBITDA: Management uses Adjusted EBITDA to facilitate operating performance comparisons from period to period.

Adjusted EBITDA is defined as the Company's operating income plus depreciation and amortization plus/minus the following losses/gains: gains from sale or insurance recovery of property and equipment, write-offs of long-lived assets, impairment of long-lived assets, and reorganization and optimization plan expenses.

Management believes Adjusted EBITDA facilitates company-to-company operating performance comparisons by backing out potential differences caused by variations such as capital structures (affecting net interest expense and other financing results), taxation (affecting income tax expense) and the age and book depreciation of facilities and equipment (affecting relative depreciation expense), which may vary for different companies for reasons unrelated to operating performance. Slide 23 of this presentation includes a reconciliation of Adjusted EBITDA to Net Income attributable to Arcos Dorados. For more information, please see the Adjusted EBITDA reconciliation in Note 8 – Segment and geographic information – of our financial statements filed today with the Securities and Exchange Commission (the "SEC") on Form 6-K.

Adjusted net cash provided by operating activities and Adjusted free cash flow: Management uses Adjusted net cash provided by operating activities and Adjusted Free Cash Flow as supplemental measure to facilitate the analysis of the Company's cash generation performance and liquidity from period to period.

Adjusted net cash provided by operating activities is defined as net cash provided by (used in) operating activities plus interest paid less interest collected. Adjusted Free Cash Flow is defined as Adjusted net cash provided by operating activities less property and equipment expenditures, and purchases of restaurant businesses paid at acquisition date plus proceeds from sales of property and equipment, restaurant businesses and related advances.

Management believes Adjusted net cash provided by operating activities and Adjusted Free Cash Flow provide useful information to investors, when considered together with GAAP measures, in evaluating the Company's ability to generate cash to fund capital expenditures and financing activities. Management evaluates these measures prior to investing and financing decisions.

Adjusted net cash provided by operating activities and Adjusted Free Cash Flow are non-GAAP financial measures and should not be considered as an alternative to net cash provided by operating activities or any other measure of financial performance or liquidity prepared in accordance with GAAP. These non-GAAP financial measures are not defined in the same manner by all companies and may not be comparable to similarly titled measures used by other companies. Slide 22 of this presentation includes a reconciliation of Adjusted Free Cash Flow to net cash provided by operating activities.

Definitions

Constant currency basis: refers to amounts calculated using the same exchange rate over the periods under comparison to remove the effects of currency fluctuations from this trend analysis. To better discern underlying business trends, this release uses non-GAAP financial measures that segregate year-over-year growth into two categories: (i) Currency translation reflects the impact on growth of the appreciation or depreciation of the local currencies in which the Company conducts its business against the US dollar (the currency in which the Company's financial statements are prepared). (ii) Constant currency growth reflects the underlying growth of the business excluding the effect from currency translation. The Company also calculates variations as a percentage in constant currency, which are also considered to be non-GAAP measures, to provide a more meaningful analysis of its business by identifying the underlying business trends, without distortion from the effect of foreign currency fluctuations.

Systemwide sales: Systemwide sales represent measures for both Company-operated and sub-franchised restaurants. While sales by sub-franchisees are not recorded as revenues by the Company, management believes the information is important in understanding its financial performance because these sales are the basis on which it calculates and records sub-franchised restaurant revenues and are indicative of the financial health of its sub-franchisee base.

Systemwide comparable sales growth: this non-GAAP measure, refers to the change, on a constant currency basis, in Company-operated and sub-franchised restaurant sales in one period from a comparable period for restaurants that have been open for thirteen months or longer (year-over-year basis) including those temporarily closed. Management believes it is a key performance indicator used within the retail industry and is indicative of the success of the Company's initiatives as well as local economic, competitive and consumer trends. Sales by sub-franchisees are not recorded as revenues by the Company.

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