



Dine Brands Global, Inc. Annual Meeting of Stockholders

May 15, 2018

Disclosures

Forward-Looking Information:

The content contained in this presentation is as of May 15, 2018, unless otherwise specified herein. The Company assumes no obligation to update or supplement the information. Statements contained in this presentation may constitute 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. You can identify these forward-looking statements by words such as "may," "will," "would," "should," "could," "expect," "anticipate," "believe," "estimate," "intend," "plan," "goal" and other similar expressions. These statements involve known and unknown risks, uncertainties and other factors, which may cause actual results to be materially different from those expressed or implied in such statements. These factors include, but are not limited to: general economic conditions; our level of indebtedness; compliance with the terms of our securitized debt; our ability to refinance our current indebtedness or obtain additional financing; our dependence on information technology; potential cyber incidents; the implementation of restaurant development plans; our dependence on our franchisees; the concentration of our Applebee's franchised restaurants in a limited number of franchisees; the financial health of our franchisees; our franchisees' and other licensees' compliance with our quality standards and trademark usage; general risks associated with the restaurant industry; potential harm to our brands' reputation; possible future impairment charges; the effects of tax reform; trading volatility and fluctuations in the price of our stock; our ability to achieve the financial guidance we provide to investors; successful implementation of our business strategy; the availability of suitable locations for new restaurants; shortages or interruptions in the supply or delivery of products from third parties or availability of utilities; the management and forecasting of appropriate inventory levels; development and implementation of innovative marketing and use of social media; changing health or dietary preference of consumers; risks associated with doing business in international markets; the results of litigation and other legal proceedings; third-party claims with respect to intellectual property assets; our ability to attract and retain management and other key employees; compliance with federal, state and local governmental regulations; risks associated with our self-insurance; natural disasters or other series incidents; our success with development initiatives outside of our core business; the adequacy of our internal controls over financial reporting and future changes in accounting standards; and other factors discussed from time to time in the Company's Annual and Quarterly Reports on Forms 10-K and 10-Q and in the Company's other filings with the Securities and Exchange Commission. The forward-looking statements contained in this release are made as of the date hereof and the Company does not intend to, nor does it assume any obligation to, update or supplement any forward-looking statements after the date hereof to reflect actual results or future events or circumstances.

Non-GAAP Financial Measures:

This content includes references to the Company's non-GAAP financial measure "Adjusted free cash flow." "Adjusted free cash flow" for a given period is defined as cash provided by operating activities, plus receipts from notes and equipment contracts receivable, less capital expenditures. Management uses adjusted free cash flow in its periodic assessments of, among other things, the amount of cash dividends per share of common stock and repurchases of common stock and we believe it is important for investors to have the same measure used by management for that purpose. Adjusted free cash flow does not represent residual cash flow available for discretionary purposes. Additionally, "Adjusted EPS" is one of the metrics used in determining payouts under the Company's annual cash incentive plan. "Adjusted EPS" is computed for a given period by deducting from net income or loss available to common stockholders for such period the effect of any closure and impairment charges, any gain or loss related to debt extinguishment, any intangible asset amortization, any non-cash interest expense, any gain or loss related to the disposition of assets, and other items deemed not reflective of current operations. This is presented on an aggregate basis and a per share (diluted) basis. This content refers to the Company's non-GAAP financial measure "EBITDA." The Company defines "EBITDA" for a given period as income before income taxes less interest expense, loss on extinguishment of debt, depreciation and amortization, closure and impairment charges, non-cash stock-based compensation, gain or loss on disposition of assets and other charge backs that may be permitted under its securitization loan agreement. Management may use certain of these non-GAAP financial measures along with the corresponding U.S. GAAP measures to evaluate the performance of the business and to make certain business decisions. Management believes that these non-GAAP financial measures provide additional meaningful information that should be considered when assessing the business and the Company's performance compared to prior periods and the marketplace. Adjusted free cash flow, adjusted EPS and EBITDA are supplemental non-GAAP financial measures and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with U.S. GAAP. The Company does not provide a GAAP equivalent or non-GAAP reconciliation for 2022 guidance due to the uncertainty associated with the metrics used to calculate such reconciliations, including the fluctuation and uncertainty in Company revenues and sales performance at our IHOP and Applebee's restaurants.



Dine Brands Business Update

Steve Joyce

CHIEF EXECUTIVE OFFICER

■ Business Overview

- Two iconic brands – IHOP and Applebee's
- 3,700+ restaurants
- \$7.4 billion in system sales⁽¹⁾
- #1 in U.S. Family and Casual dining⁽²⁾
- Expanding international presence
- 100% franchised model
- 2017 revenue of \$738mm⁽³⁾ and EBITDA of \$224mm⁽⁴⁾
- Industry-leading margins and significant cash generation⁽⁵⁾

■ Commitment to Success

- Implementing a plan to stabilize and grow performance at both brands
- High-performance, values-based culture
- Executing a new strategy
- Actively supporting our brands, not overseeing them
- Optimistic about the future



OUR GOAL:

RETURN TO GROWTH & CREATE
SIGNIFICANT VALUE FOR
SHAREHOLDERS & FRANCHISEES

■ Investment Highlights

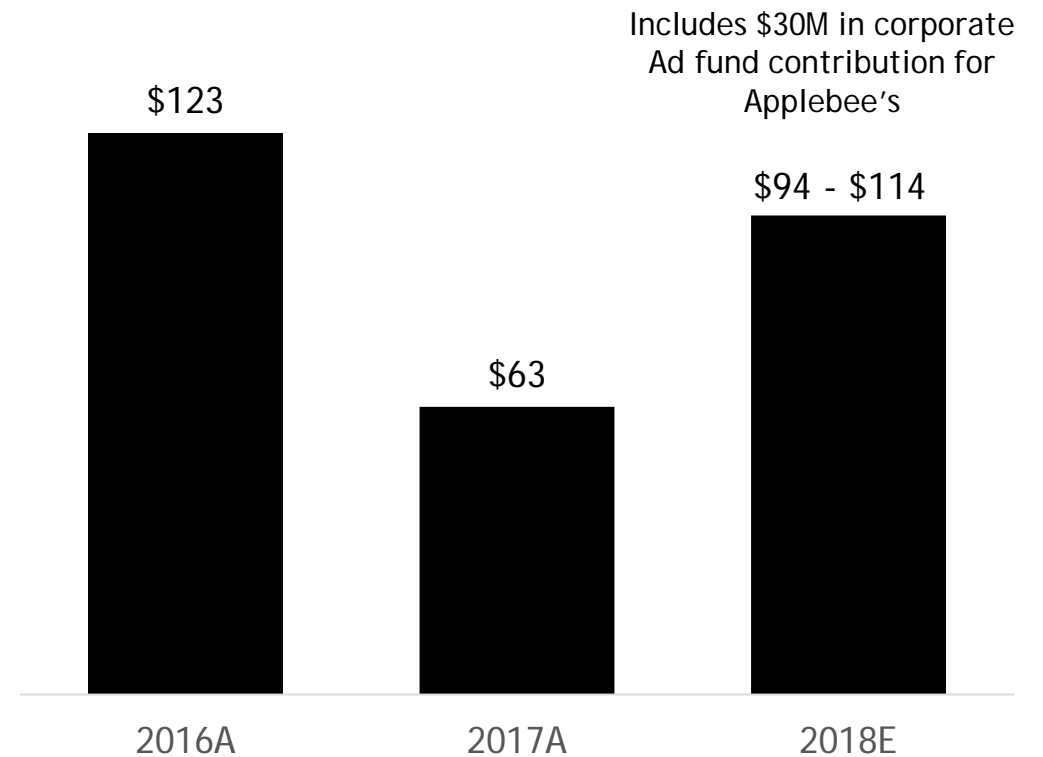
- Significant Scale in the U.S.
- International Expansion Represents a Meaningful Growth Opportunity
- Favorable Guest Dynamics with Approximately 50% of Guests Age 34 and Younger
- 100% Franchised Model with Strong and Improving Franchisee Base
- Robust EBITDA Margins
- Substantial Cash Flow Generation
- History of Significant Capital Return
- New Culture and Philosophy

■ Substantial Cash Flow Generation

- Investment to drive growth at both brands
- Attractive capital return to shareholders
- Minimal capex requirements

FULLY-FRANCHISED AND ASSET-LITE
MODEL GENERATES SUBSTANTIAL
ADJUSTED FREE CASH FLOW

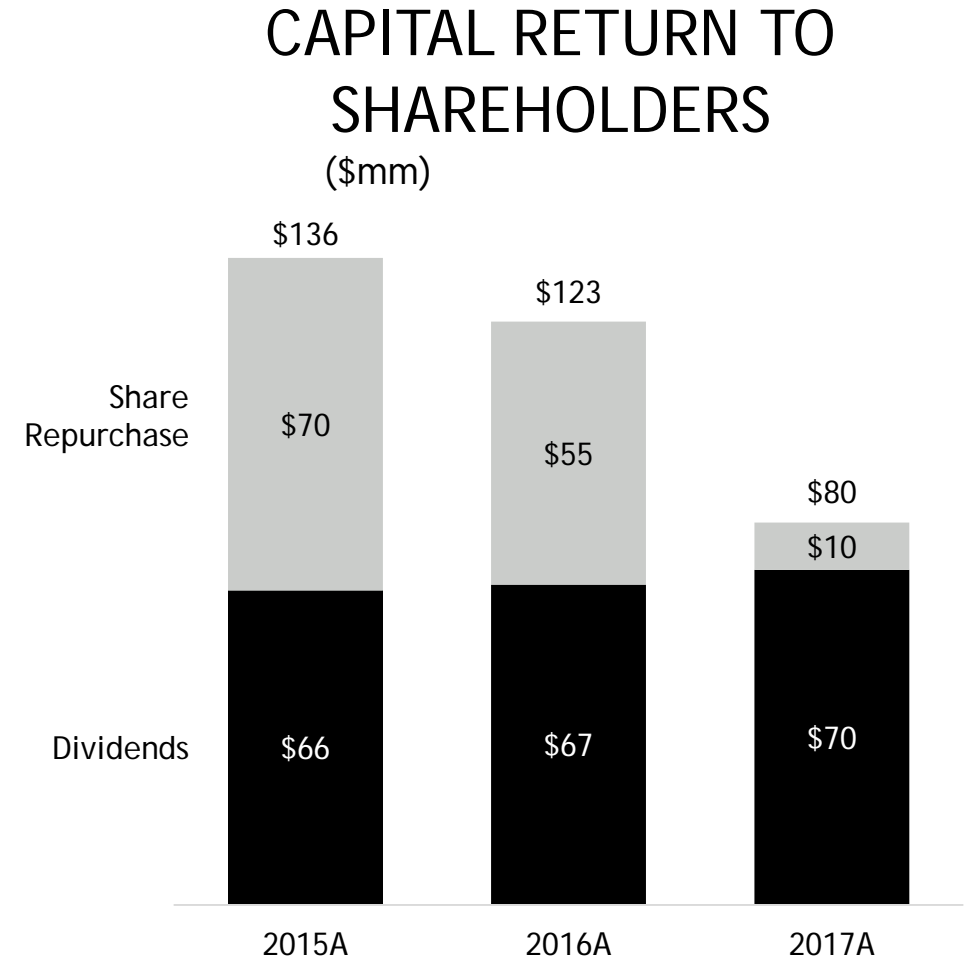
ADJUSTED FREE CASH FLOW⁽¹⁾ (\$mm)



History of Significant Capital Return

- Fully-franchised and asset-lite model generates substantial cash flow
- Shareholder-friendly capital return policy via dividends and share repurchases
- Quarterly cash dividend of \$0.63 per share in Q1 2018 (implied yield of ~3.3%⁽¹⁾, attractive vs. industry peers)

SINCE 2015, DINE HAS RETURNED ~\$340 MILLION TO SHAREHOLDERS THROUGH CASH DIVIDENDS AND SHARE REPURCHASES



■ Capital Allocation Priorities



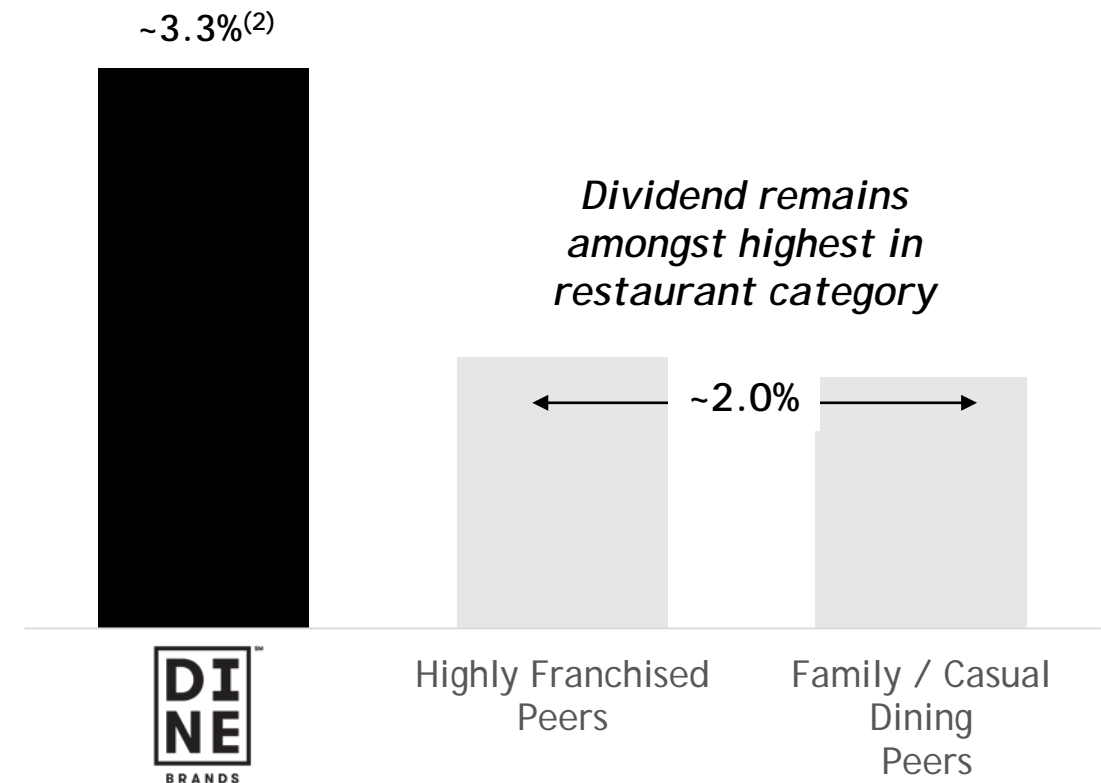
- Dividends and Share Repurchases
- Significant Investment in Existing Brands
- Scalable Platform

■ Dividends and Share Repurchases

- Quarterly cash dividend of \$0.63 per share in Q1 2018 (\$2.52 per share annualized)
- Payout ratio of ~44%⁽¹⁾
- Reduced dividend provides opportunity for meaningful share repurchases
- Continuously evaluate timing and attractiveness of share repurchases

RETURNING CAPITAL TO
SHAREHOLDERS REMAINS A TOP
PRIORITY

DIVIDEND YIELD



■ Significant Investment in Existing Brands

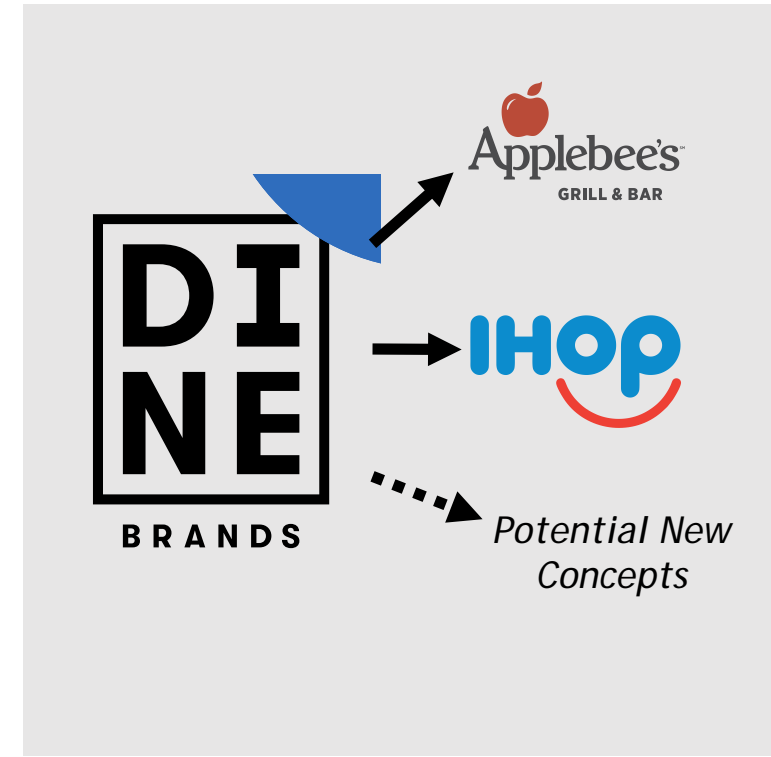
- Remodels and culinary innovation
- Enhanced traditional & digital marketing
- Dedicated training and operations
- Technology to enable greater guest access
- New growth platforms (e.g., To-Go, new formats)
- Data insights and advanced analytics
- Reassigning key functions to create greater efficiency for both brands



■ Scalable Platform for New Opportunities

STRATEGIC EXPANSION OF PORTFOLIO ENABLED BY

- Existing platform of corporate infrastructure
- Extensive experience operating franchised model
- Strong and well capitalized future franchisee base
- Proficiency in building and growing brands
- Robust cash flow for continued investment



Strong Projected Financial Performance

(\$mm)

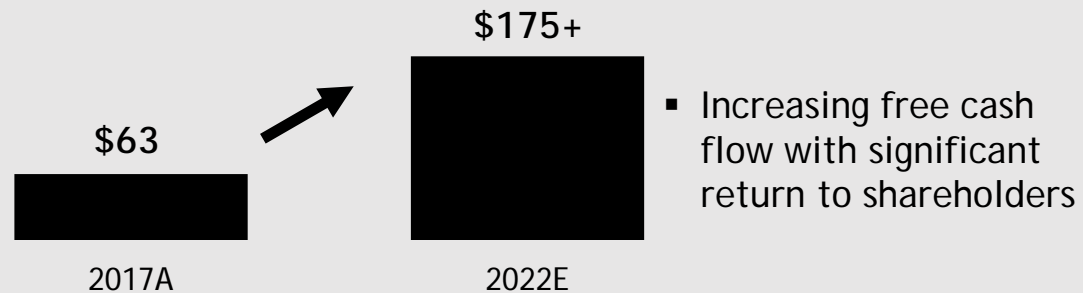
REVENUE



EBITDA⁽³⁾



ADJUSTED FREE CASH FLOW⁽³⁾



ADJUSTED EPS⁽³⁾



Source: Company’s fiscal 2017 Form 10-K filings and Company projections.

(1) Includes IHOP and Applebee’s advertising revenue

(2) Excludes advertising revenue

(3) See appendix for reconciliation of the Company’s non-GAAP financial measures.

■ Projected Annual Shareholder Growth Algorithm

WE ARE
COMMITTED TO
CREATING
SIGNIFICANT
FUTURE VALUE
FOR
SHAREHOLDERS

ADJUSTED EPS
GROWTH

High
teens

DIVIDEND
YIELD

+ ~3.3%⁽¹⁾ =

EXPECTED TOTAL
SHAREHOLDER
RETURN

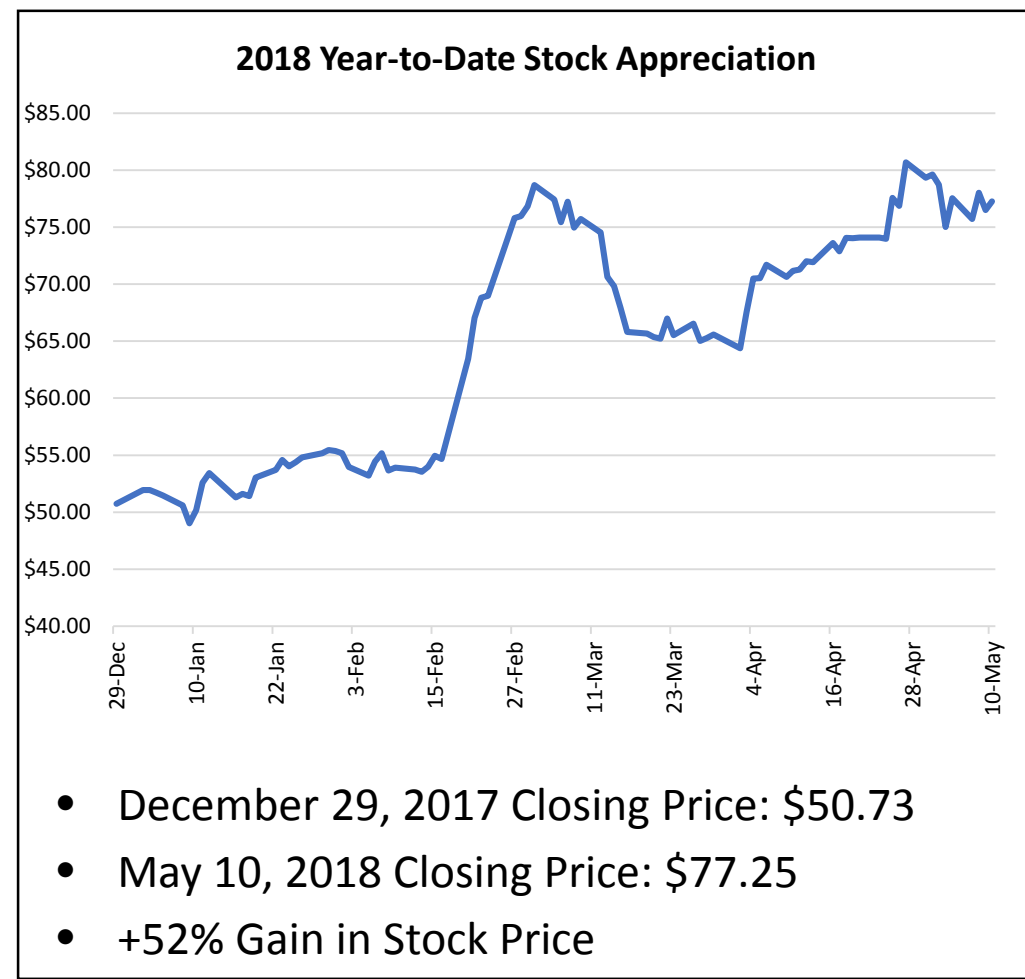
20%+



First Quarter 2018 Summary

■ First Quarter 2018 Performance Summary

- GAAP EPS of \$0.92
- Adjusted-EPS of \$1.11
- Positive Same-Restaurant Sales
 - Applebee's Q1 SRS: +3.3%
 - IHOP Q1 SRS: +1.0%
- Returned over \$27 million to shareholders
 - \$17.5 million in Dividend Payments
 - \$10.0 million in Share Repurchases





ihop

DINESM

BRANDS

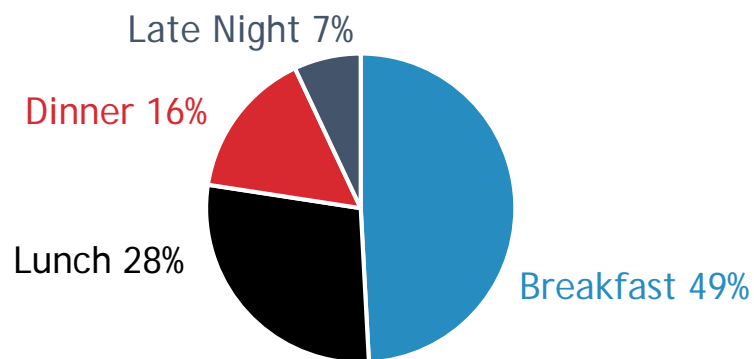
IHOP Overview

Business Overview

BRAND OVERVIEW

- Founded in 1958
- Leader in Family Dining category
- 1,671 IHOP locations domestically
- 301 domestic franchisees in the system

DINING OCCASIONS



KEY FINANCIALS

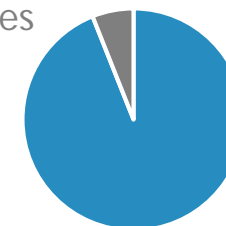
- Fiscal 2017 system-wide sales: \$3.3bn
- Fiscal 2017 Franchise revenue: \$185mm⁽¹⁾

SCALE

- #1 among Family Dining restaurants in the U.S.⁽²⁾

MARKETS (% OF UNITS)

International 6%
13 Countries

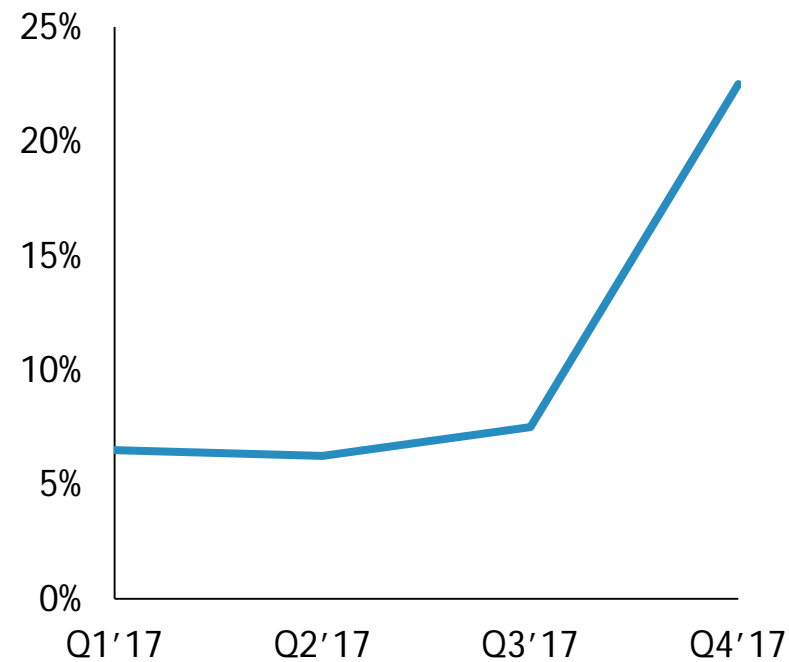


United States 94%
All 50 states

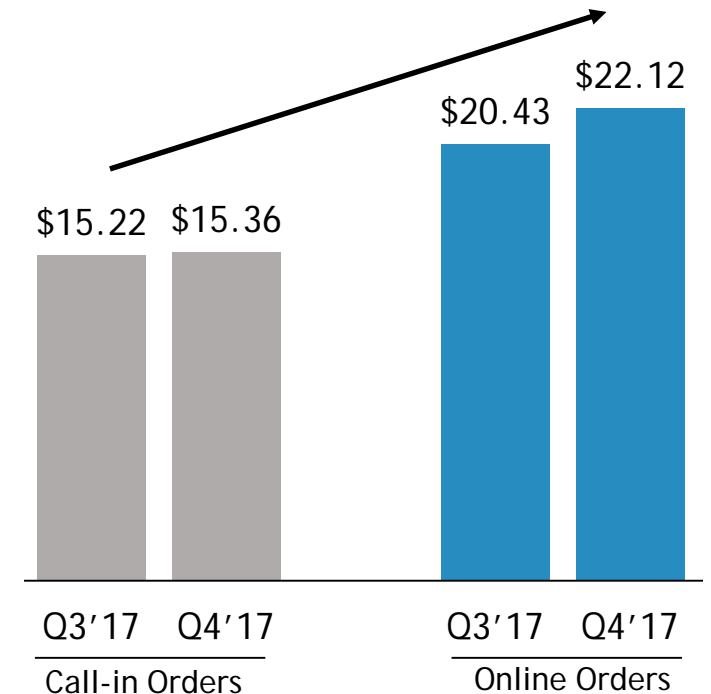
■ Growing Our Off-Premise Business

TO-GO AND
DELIVERY
BUSINESSES
TO DRIVE
SIGNIFICANT
FUTURE
GROWTH

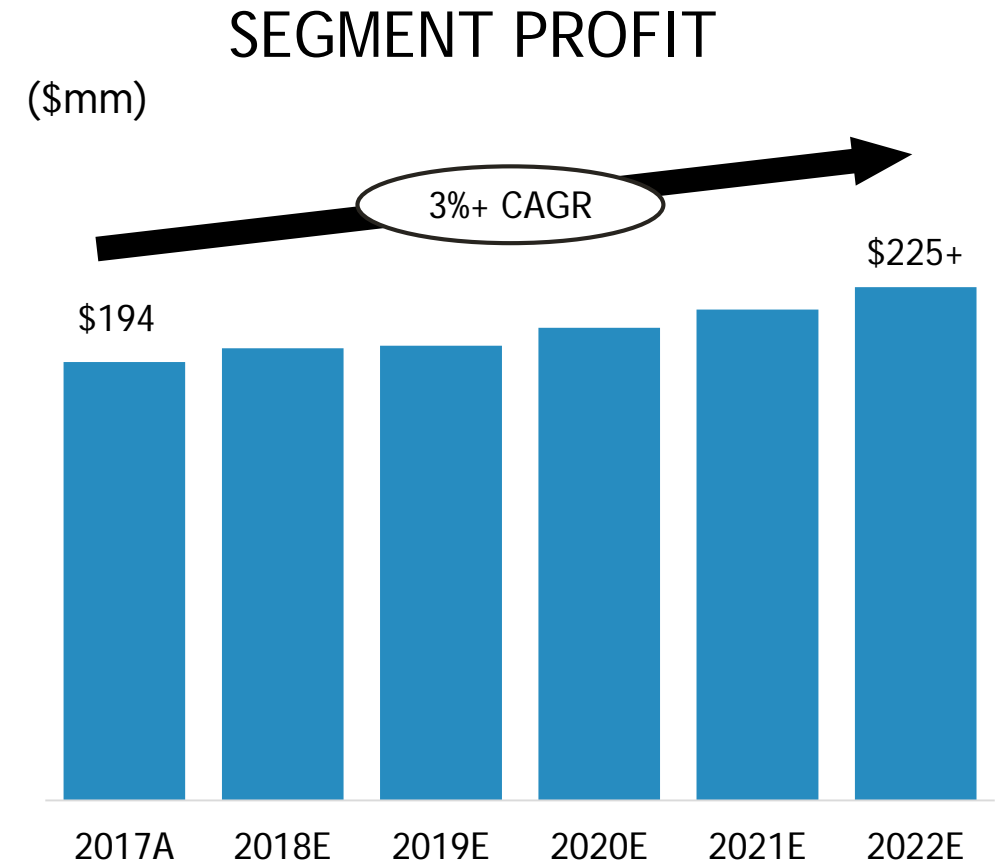
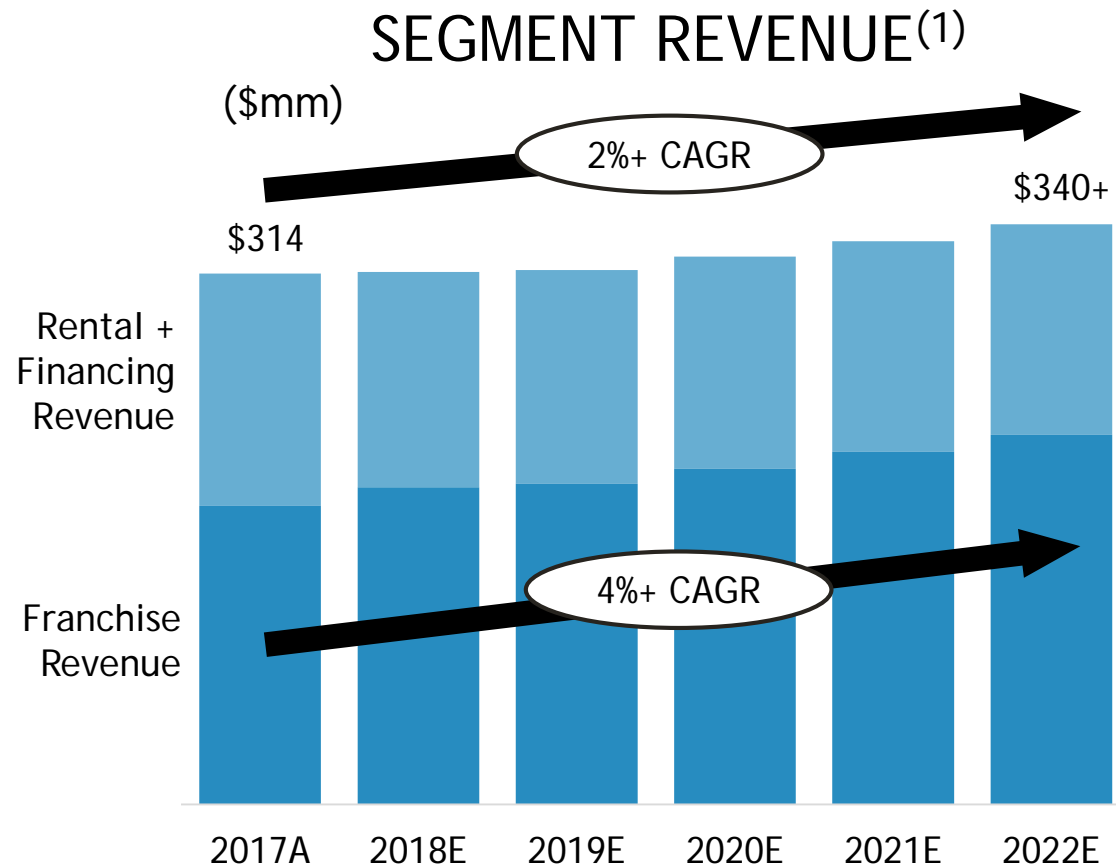
OFF-PREMISE COMP SALES



OFF-PREMISE AVERAGE CHECK



Projected Financial Performance





Applebee's
GRILL + BAR

DINE
BRANDS

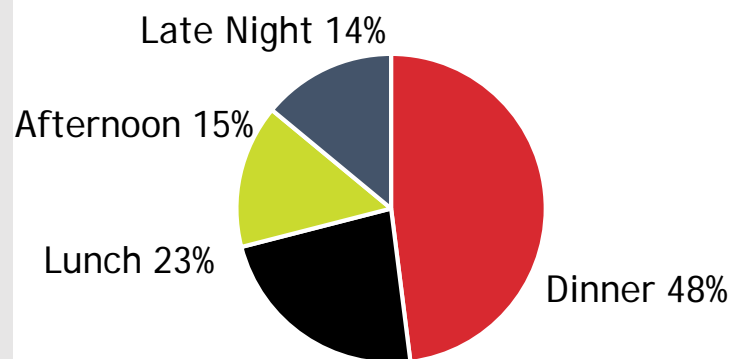
Applebee's Overview

Business Overview

BRAND OVERVIEW

- Founded in 1980
- Leader in Casual Dining category
- 1,782 Applebee's locations domestically
- 35 domestic franchisees in the system

DINING OCCASIONS



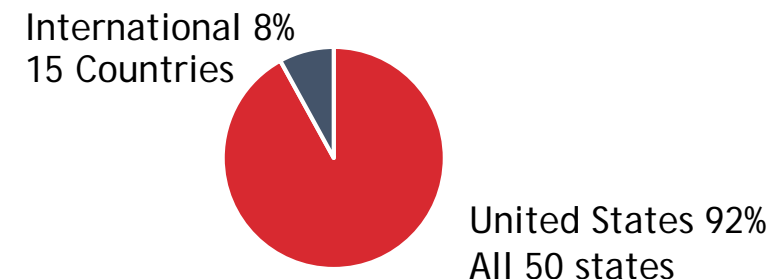
KEY FINANCIALS

- Fiscal 2017 domestic system-wide sales: \$4.1 billion
- Fiscal 2017 Franchise revenue: \$169 million⁽¹⁾

SCALE

- #1 among Casual Dining restaurants in the U.S.⁽²⁾

MARKETS (% OF UNITS)



■ Brand in Transition

- 2017 was a transition year for Applebee's
- Growth plan underway
 - Enhanced relevance
 - Sustained profitable growth
- Early momentum in 2018
 - Focusing on highly incremental off-premise sales
- Partnership, structure, strategy and execution

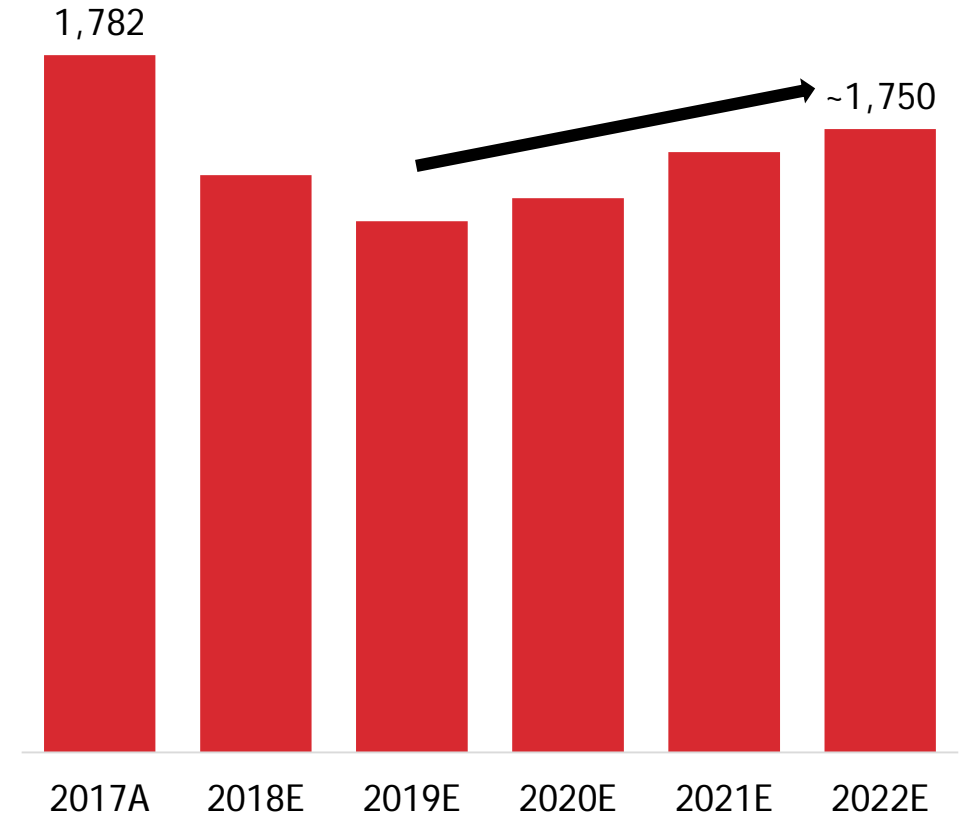


■ Strong Asset Base

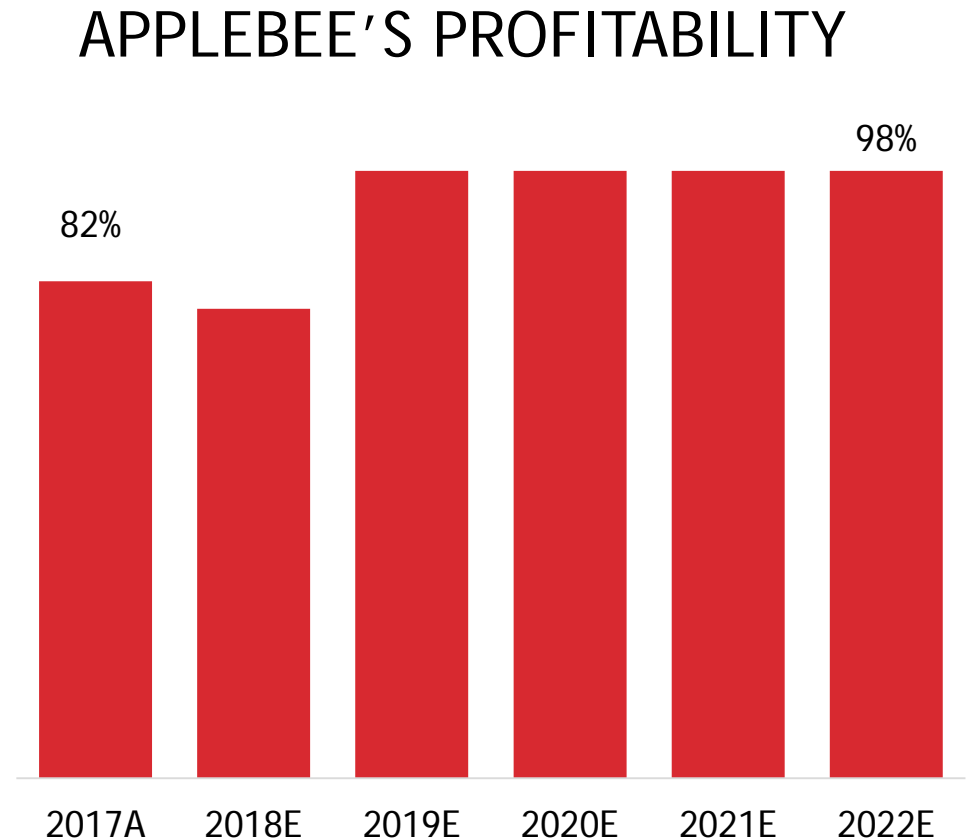
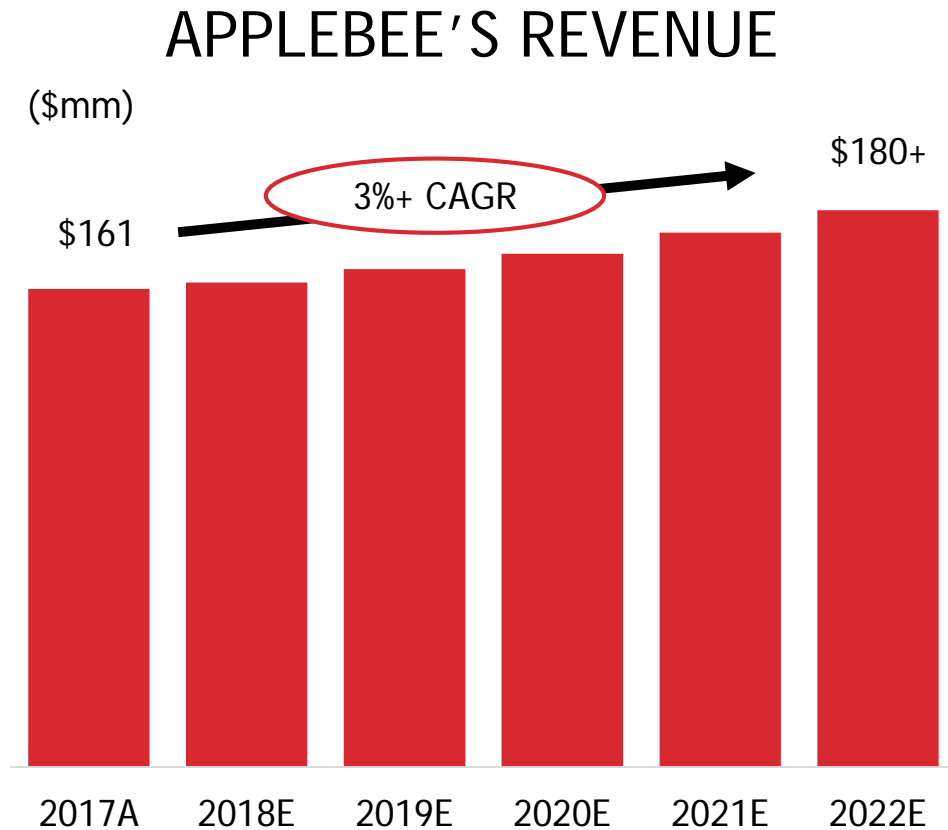


- 92% of restaurants remodeled between 2012-2015
- Closing underperforming, non-viable restaurants (~60 in 2018)
- Begin traditional and non-traditional development again in 2020

RESTAURANT COUNT



■ Projected Financial Performance





Dine Brands is Positioned for Success

■ Conclusion

- Dine Brands is well-positioned to be an even stronger company with growth potential across key metrics
- Meaningful margin expansion opportunities
- An improving adjusted free cash flow profile with significant return to shareholders
- Projected adjusted EPS growth in the high teens over the next five years
- Pursuing debt refinancing opportunity to increase our flexibility



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Appendix

■ Appendix: Adjusted Free Cash Flow

Adjusted free cash flow is a non-GAAP financial measure. Reconciliation of the cash provided by operating activities to adjusted free cash flow is as follows:

(\$ in 000s)		
	2016	2017
Cash flows provided by operating activities	\$118,110	\$65,733
Receipts from notes and equipment contracts receivable	\$10,036	\$10,614
Additions to property and equipment	(\$5,637)	(\$13,370)
Adjusted free cash flow	\$122,509	\$62,977

2018 Adjusted Free Cash Flow (Non-GAAP) Guidance Table

	(In millions)
Cash flows from operations	\$100 – 120
Approximate net receipts from notes and equipment contracts receivable	10
Approximate capital expenditures	(16)
Adjusted free cash flow (Non-GAAP)	\$94 - 114

■ Appendix: Adjusted Earnings per Share

Adjusted earnings per share is a non-GAAP financial measure. Reconciliation of net income available to common stockholders to the diluted net income available to common stockholders, as adjusted, is as follows:

Fiscal 2017 Net Income Available to Common Stockholders

Net income (loss) available to common stockholders, as reported	\$ (18.28)
Impairment of goodwill and intangible assets	26.25
Executive separation costs	0.31
Amortization of intangible assets	0.35
Closure and other impairment charges	0.14
Non-cash interest expense	0.12
Loss (gain) on disposition of assets	(0.22)
Income tax adjustments	(4.07)
Net income allocated to unvested participating restricted stock	(0.46)
Rounding	<u>0.01</u>
Diluted net income available to common stockholders per share as adjusted	<u>\$ 4.15</u>

First Quarter Fiscal 2018 Net Income Available to Common Stockholders

Net (loss) income available to common stockholders per share, as reported	\$ 0.92
Closure and impairment charges	0.11
Amortization of intangible assets	0.10
Non-cash interest expense	0.04
(Gain) on disposition of assets	(0.06)
Net income allocated to unvested participating restricted stock	<u>(0.00)</u>
Diluted net income available to common stockholders per share, as adjusted	<u>\$ 1.11</u>

Appendix: EBITDA

Reconciliation of U.S. GAAP income before taxes to EBITDA

\$ in millions

	<u>2016</u>	<u>2017</u>
Income Before Taxes	\$ 153.1	\$ (425.4)
Interest Expense	73.7	72.3
Depreciation & Amortization	30.6	30.6
Impairment & Closure Costs	2.6	535.6
Stock-Based Compensation	10.9	10.8
Non-Recurring Cash Separation Costs	-	5.9
Loss (Gain) on Sale of Assets	3.3	(6.2)
Other	1.0	0.7
EBITDA	<u>\$ 275.2</u>	<u>\$ 224.3</u>
Total Revenues	\$ 634.0	\$ 604.8
Less Advertising Revenues	(111.3)	(113.2)
	<u>\$ 522.7</u>	<u>\$ 491.6</u>
EBITDA Margin	53%	46%