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**BRANDS**



# Dine Brands Global, Inc. Investor Day

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FEBRUARY 21, 2018

# Disclosures

## Forward-Looking Information:

The content contained in this presentation is as of February 21, 2018. 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 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

# Agenda

|                  |                                       |                |
|------------------|---------------------------------------|----------------|
| 8:00-8:20 a.m.   | Introduction and Dine Brands Overview | Steve Joyce    |
| 8:20-8:50 a.m.   | Vision 2022                           | Steve Joyce    |
| 8:50-9:20 a.m.   | IHOP Strategic Review                 | Darren Rebelez |
| 9:20-9:50 a.m.   | Applebee's Strategic Review           | John Cywinski  |
| 9:50-10:10 a.m.  | International Strategic Review        | William Urrego |
| 10:10-10:25 a.m. | Break                                 |                |
| 10:25-10:45 a.m. | Technology and Innovation             | Adrian Butler  |
| 10:45-11:15 a.m. | Financial Summary                     | Gregg Kalvin   |
| 11:15-11:30 a.m. | Closing Remarks                       | Steve Joyce    |
| 11:30 a.m.- Noon | Q&A                                   | Presenters     |



# Dine Brands Overview

Steve Joyce

CHIEF EXECUTIVE OFFICER

# Dine Brands Overview



- Business Overview
- Leadership Team
- Investment Highlights
- Financial Goals



# ■ Business Overview

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

# ■ Leadership Team: Steve Joyce, CEO



- Previously President and CEO of Choice Hotels
- Has served on Dine Brands board of directors since 2012
- Spent 26+ years with Marriott in senior positions
- Active member of the hospitality industry and business community
- Served on a variety of boards and community organizations, including Chair of the International Franchise Association

# Leadership Team: Deep & Experienced



Steve Joyce  
CEO



Bryan Adel  
Senior Vice President, Legal, General Counsel & Secretary



Amy Mason  
Senior Vice President, Communications, Public Affairs & Consumer Insights



Greg Bever  
Senior Vice President & Chief People Officer



John Cywinski  
President, Applebee's



Darren Rebelez  
President, IHOP



Adrian Butler  
Senior Vice President, CIO



William Urrego  
Regional VP and General Manager, The Americas



Gregg Kalvin  
Interim CFO & Senior Vice President, Corporate Controller



Steve Levigne  
VP Consumer Insights



Joel Yashinsky  
Senior Vice President, Chief Marketing Officer



Kevin Carroll  
Senior Vice President, Operations



Scott Gladstone  
Vice President, Strategy and Off-Premise



Patrick Kirk  
Vice President, Beverage



Reid Leslie  
Vice President, Marketing



Stephen Bulgarelli  
Chief Culinary Officer



Brad Haley  
Chief Marketing Officer



Jay Johns  
Senior Vice President, Operations



Carrie Stojack  
VP Consumer Insights



Gregg Benvenuto  
Vice President, Development



Nevielle Panthaky  
Chief Culinary Officer



Adam Snow  
Vice President, Strategy and Business Analytics



Alisa Gmelich  
VP Marketing

# ■ Commitment to Success

- Implementing a plan to stabilize and grow performance at both brands
- Executing a new strategy
- Optimistic about the future



OUR GOAL:

RETURN TO GROWTH & CREATE  
SIGNIFICANT VALUE FOR  
SHAREHOLDERS & FRANCHISEES

# ■ Investment Highlights

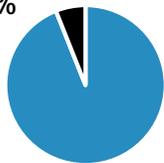
- Significant Scale in the U.S.
- Expanding International Presence
- Favorable Guest Dynamics
- 100% Franchised Model with Strong and Improving Franchisee Base
- Leader in U.S. Family and Casual Dining
- Robust EBITDA Margins
- Substantial Cash Flow Generation
- History of Significant Capital Return
- New Strategy, Culture and Philosophy

# Two Iconic Brands



- Founded in 1958
- Leader in Family Dining category
- IHOP system has 1,786 locations globally
- 2017 system-wide sales: \$3.3 billion
- 2017 franchise revenue: \$185 million<sup>(1)</sup>
- #1 among Family Dining restaurants in the U.S.<sup>(2)</sup>

International 6%  
13 Countries

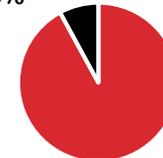


United States 94%  
All 50 states



- Founded in 1980
- Leader in Casual Dining category
- Applebee's system has 1,936 locations globally
- 2017 domestic system-wide sales: \$4.1 billion
- 2017 franchise revenue: \$169 million<sup>(1)</sup>
- #1 among Casual Dining restaurants in the U.S.<sup>(2)</sup>

International 8%  
15 Countries



United States 92%  
All 50 states



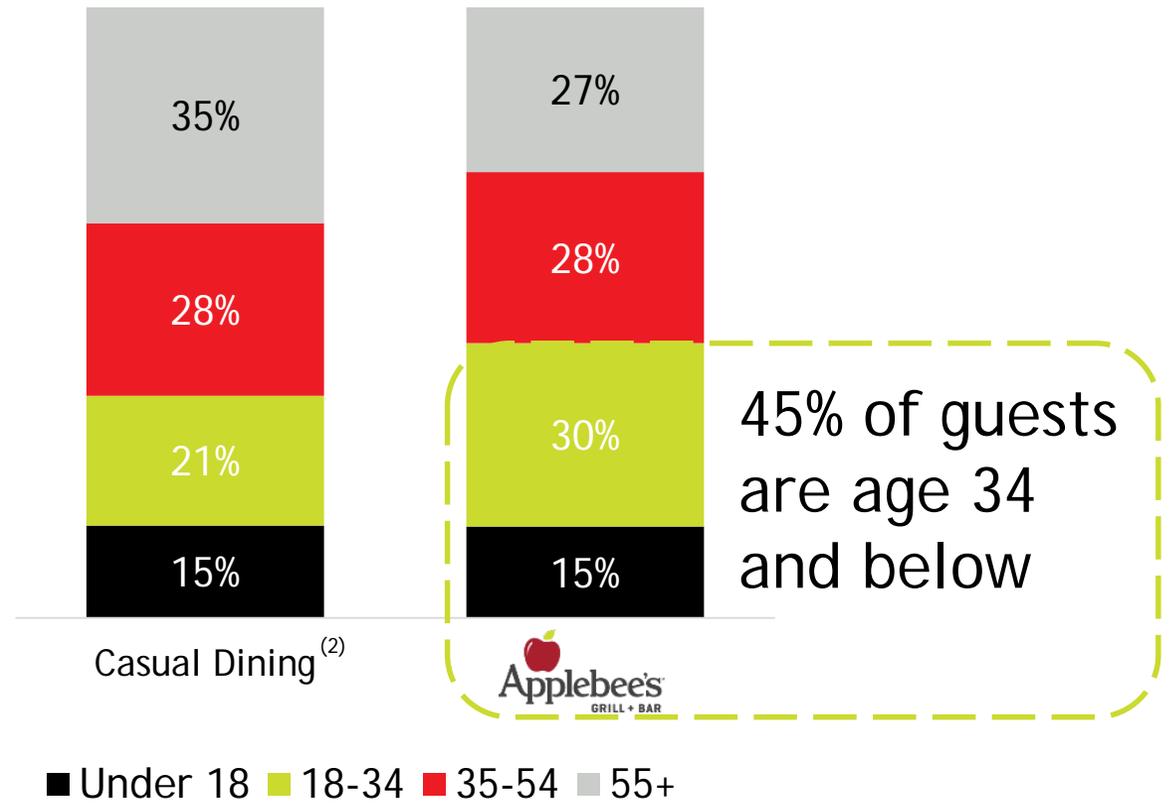
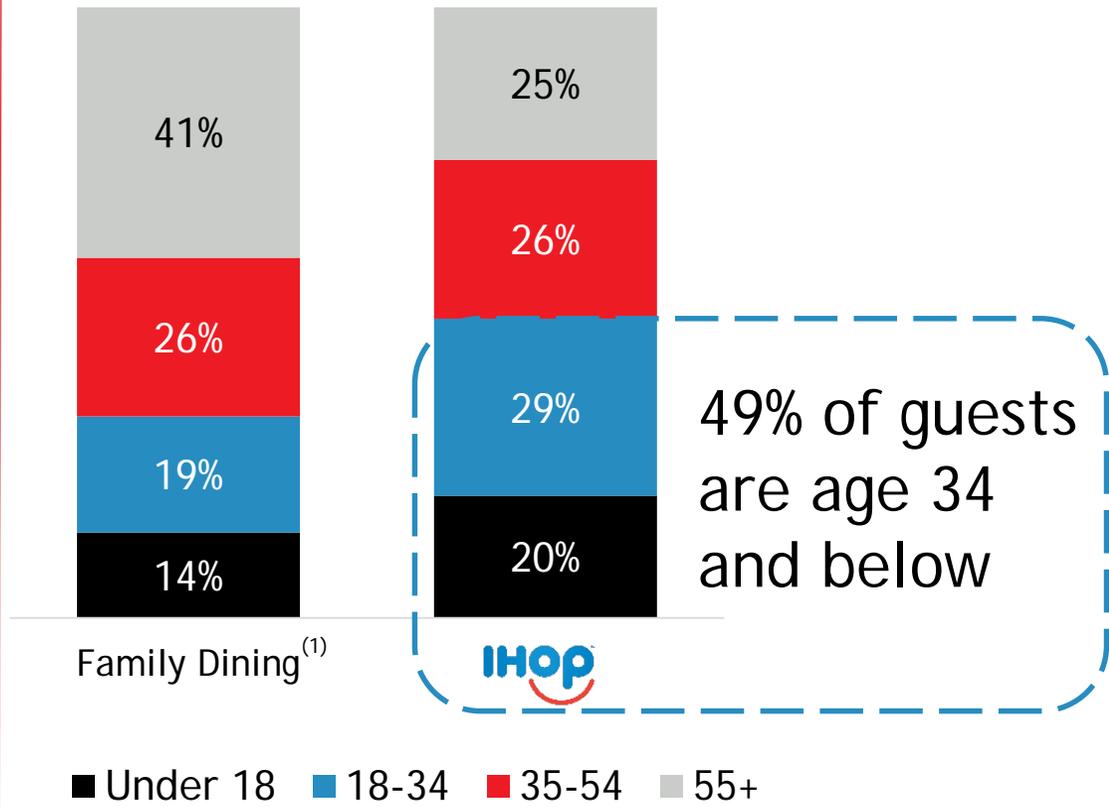
# Expanding International Presence



# Favorable Guest Dynamics

## IHOP GUEST AGE DEMOGRAPHICS

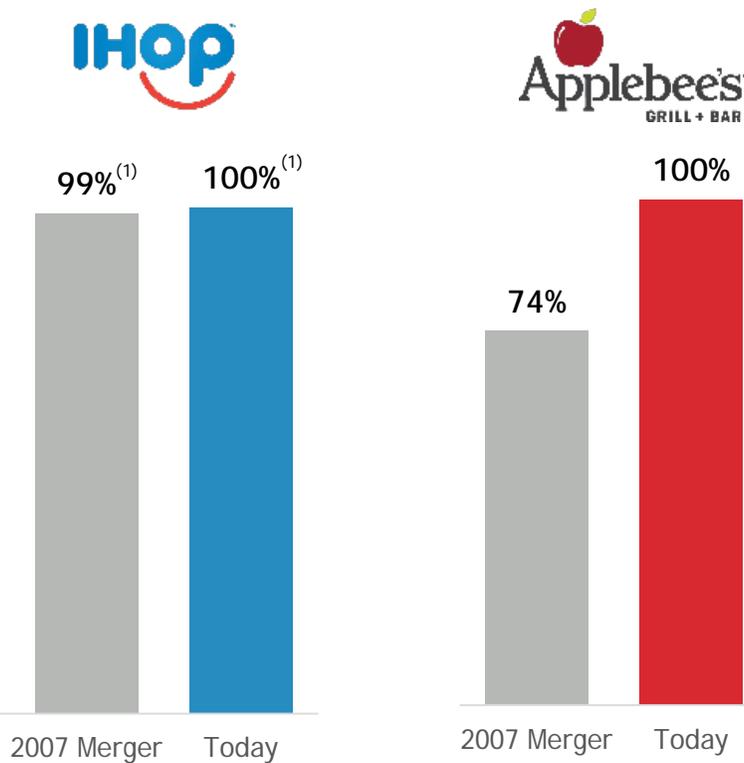
## APPLEBEE'S GUEST AGE DEMOGRAPHICS



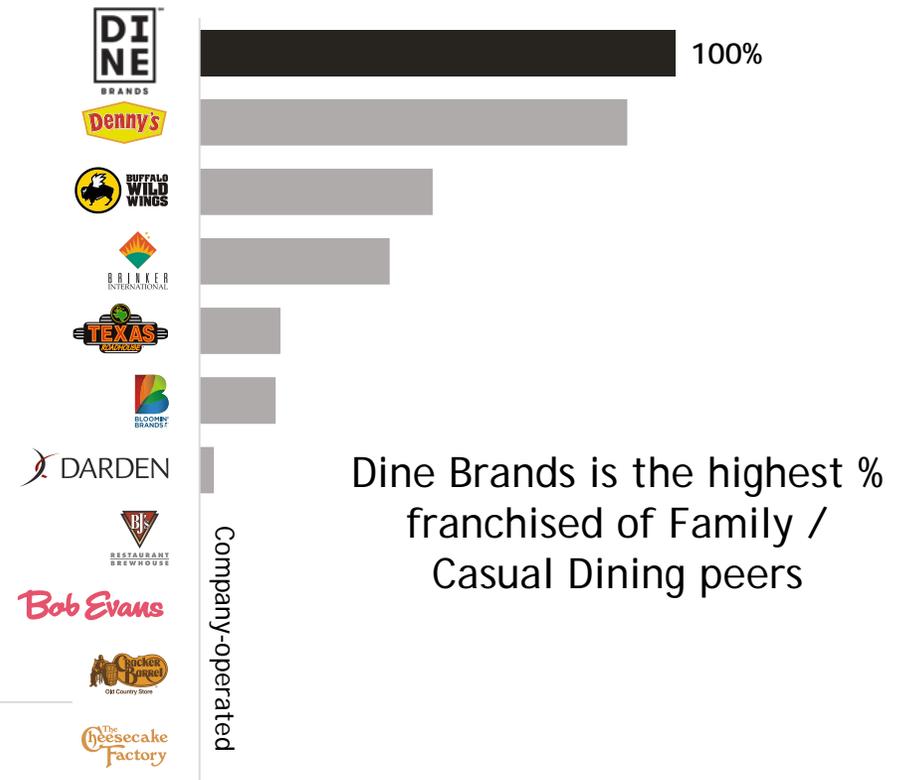
Source: NPD Consumer Reports on Eating Share Trends (CREST)  
 (1) Includes Denny's, Cracker Barrel, Bob Evans and Panera  
 (2) Includes Chili's, Ruby Tuesday, TGI Fridays, Outback and Olive Garden

# 100% Franchised Model

% FRANCHISED TODAY VS.  
AT 2007 MERGER



% FRANCHISED VS.  
FAMILY/CASUAL DINING PEERS (2)



(1) Includes restaurants operated by area licensees

(2) Public company 10-K filings

Source: Company's Form 10-K filings, earnings press releases and internal Company data

# ■ Strong and Improving Franchisee Base



- 321 franchisees globally
- Franchisee operates average of 5 units
- Strong financial health

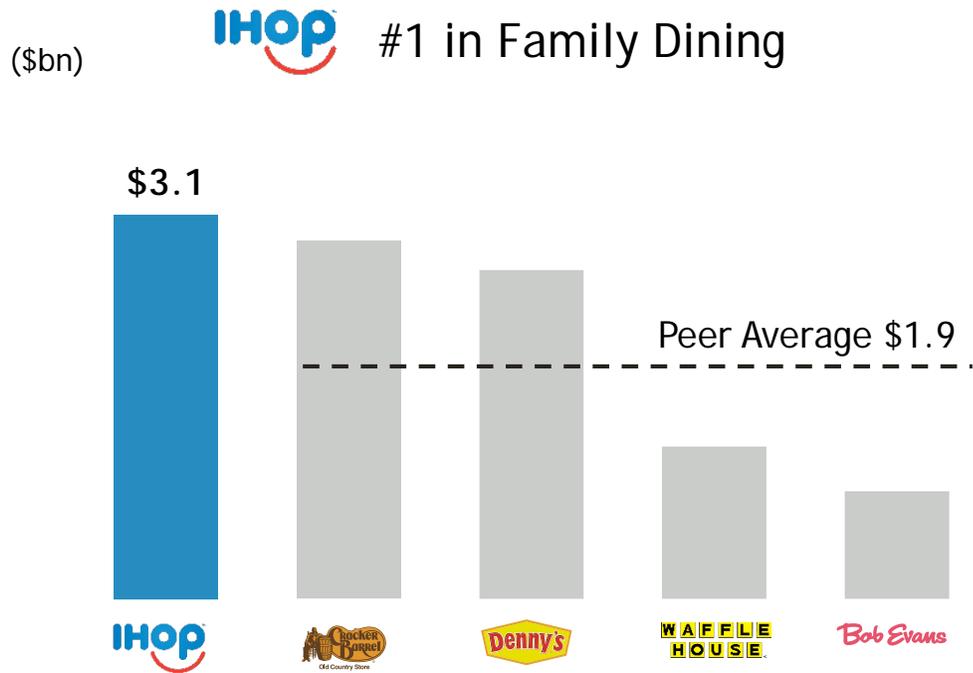


- 60 franchisees globally
- Franchisee operates average of 32 units
- Notable improvements realized in Q4 2017 and expected in 2018

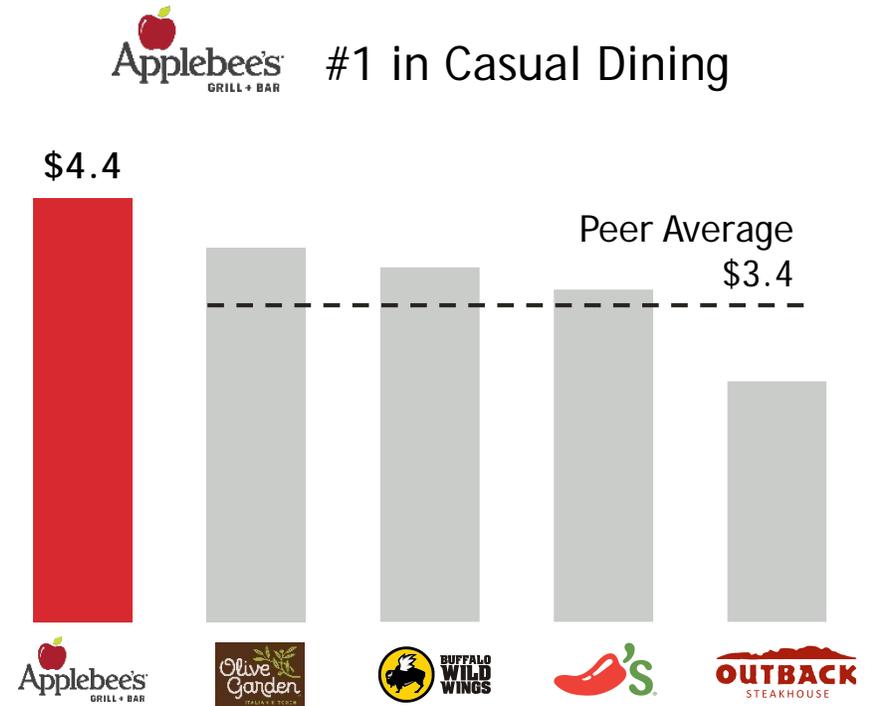
FRANCHISEES AT BOTH BRANDS ARE HIGHLY ENGAGED AND SUPPORTIVE OF BUSINESS STRATEGY

# Leader in U.S. Family and Casual Dining

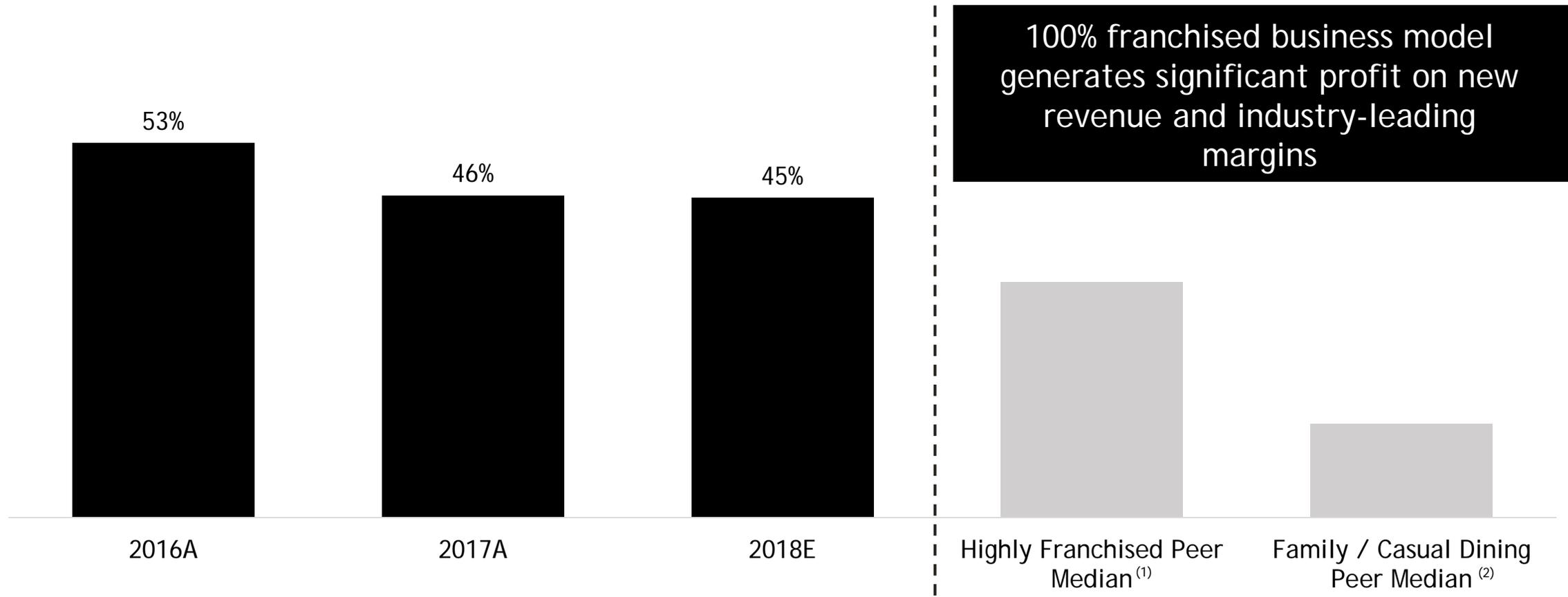
2016 U.S. SYSTEM-WIDE SALES VS. KEY PEERS



2016 U.S. SYSTEM-WIDE SALES VS. KEY PEERS



# Robust EBITDA Margins



Source: FactSet, Company's Form 10-K filings for fiscal years 2016 and 2017 and Company projections

Note: Excludes advertising revenue

See Appendix for reconciliation of non-GAAP financial measures

<sup>(1)</sup> Highly Franchised peers include Denny's, Dominos, Dunkin', Restaurant Brands International, Wendy's, Sonic, Jack in the Box and Papa John's.

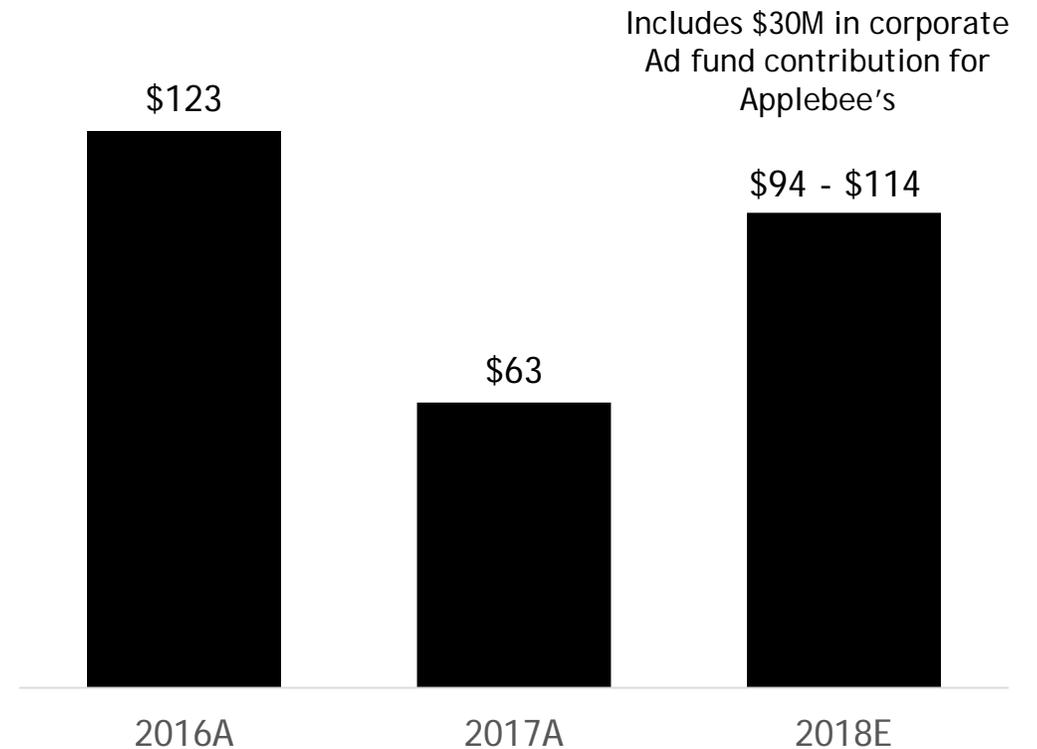
<sup>(2)</sup> Family / Casual Dining peers include Darden, Cracker Barrel, Brinker, Texas Roadhouse, Bloomin', Cheesecake Factory, Buffalo Wild Wings, BJ's, and Red Robin.

# ■ 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

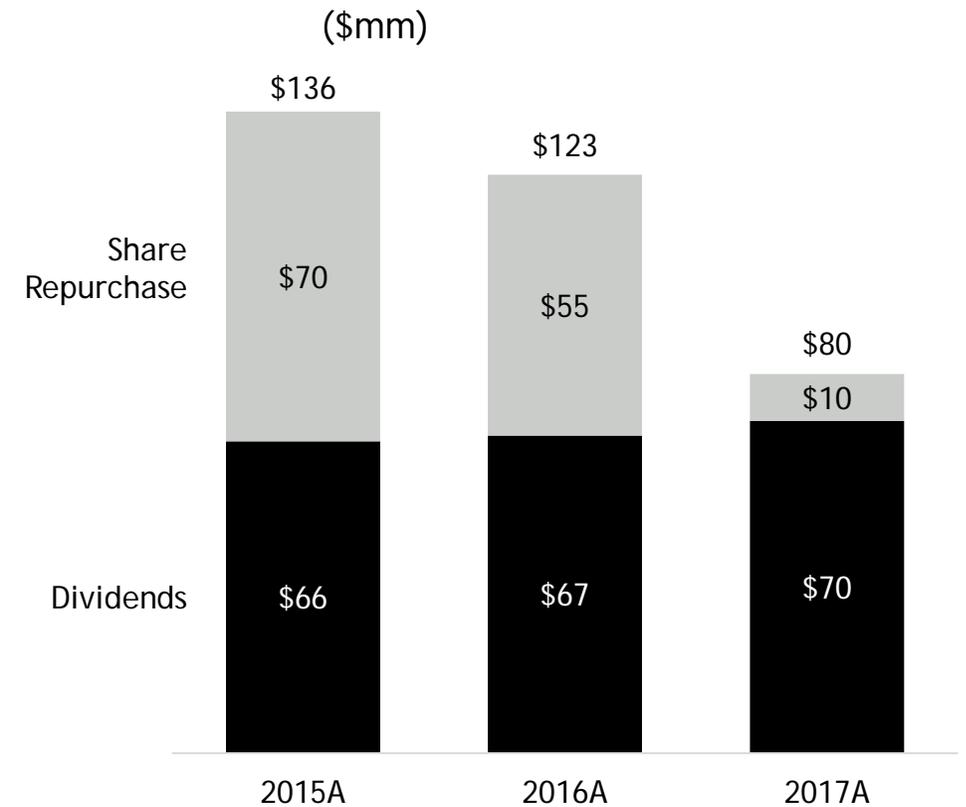
## ADJUSTED FREE CASH FLOW<sup>(1)</sup> (\$mm)



# History of Significant Capital Return

- Shareholder-friendly capital return policy via dividends and share repurchases
- Quarterly cash dividend of \$0.63 per share in Q1 2018 (implied yield of ~4.7%<sup>(1)</sup>, attractive vs. industry peers)

## CAPITAL RETURN TO SHAREHOLDERS



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

# ■ New Culture and Philosophy

Returning to growth

Actively supporting brands,  
not overseeing them

Restructuring to ensure brands  
have necessary resources



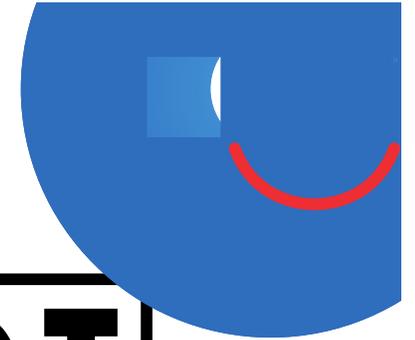
High-performance, values-  
based culture

Being bolder

Taking risks and moving  
forward

# Vision 2022

- Significant Investment in Existing Brands
- Continued Partnership with Franchisees
- Greater Emphasis on Data and Analytics
- New Technology to Enable Future Growth
- G&A Expense Discipline
- Shifting Capital Allocation Priorities
- Scalable Platform for New Opportunities
- Strong Projected Financial Performance



# ■ 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



# Continued Partnership with Franchisees

- Continued partnership on a unified approach going forward
  - Additional contributions to national advertising to fuel breakthrough content
  - Restructured organization to best support the needs of our franchisees
  - Emphasis on agility and innovation at Dine Brands to create opportunities for our franchisees



**OUR SUCCESS IS DEPENDENT ON THE SUCCESS  
OF OUR FRANCHISEES**

# ■ Greater Emphasis on Data and Analytics

WE KNOW MORE THAN EVER ABOUT...

- Who our guests are
- What matters to them
- Why they care about our brand



...AND WE'RE USING THIS INFORMATION TO...

- Deliver the value and experience our guests expect
- Make each guest visit more compelling and unique
- Drive traffic and conversion to a higher average check

# New Technology to Enable Future Growth

- Creating greater access through technology
- Improving guest and team member experience
  - Server tablets, table-side payments and WiFi
- Online ordering now available nationwide
- Currently testing delivery



UTILIZING  
TECHNOLOGY TO  
ENHANCE THE GUEST  
EXPERIENCE

# General & Administrative Expense Discipline



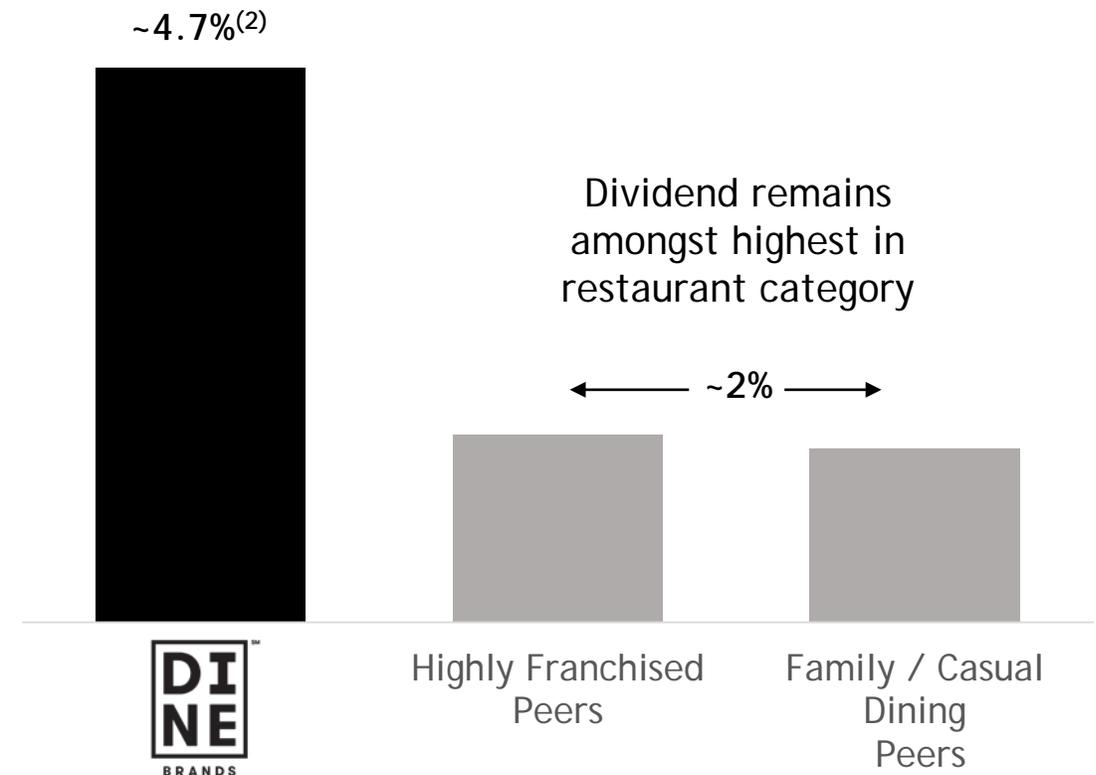
We are committed to maintaining significant cost discipline and targeting G&A growth at or below inflation

# ■ Shifting Capital Allocation Priorities

- Quarterly cash dividend of \$0.63 per share in Q1 2018 (\$2.52 per share annualized)
- Payout ratio of ~44%<sup>(1)</sup>
- Opportunity for meaningful share repurchases

RETURNING CAPITAL TO SHAREHOLDERS REMAINS A TOP PRIORITY

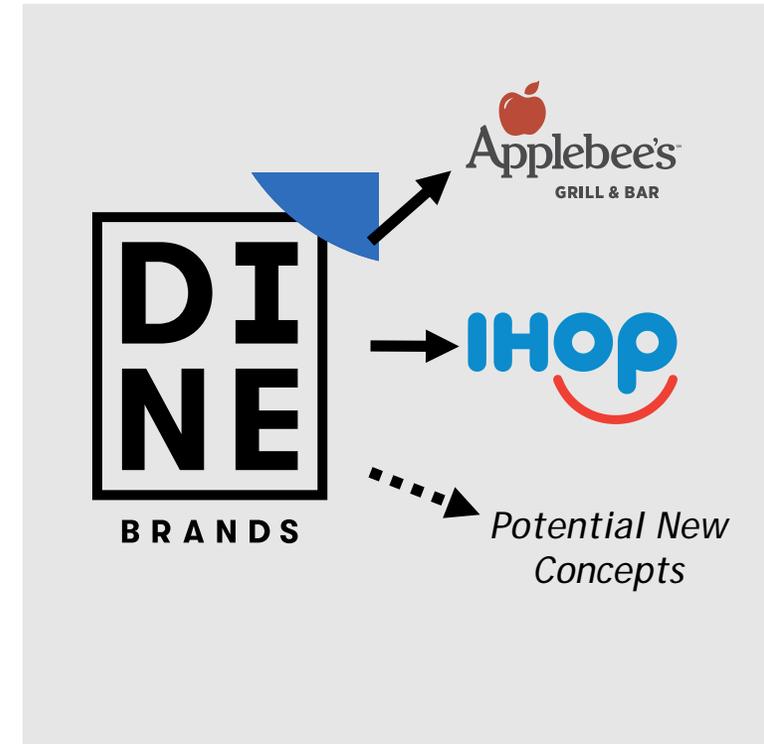
## DIVIDEND YIELD



# ■ 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

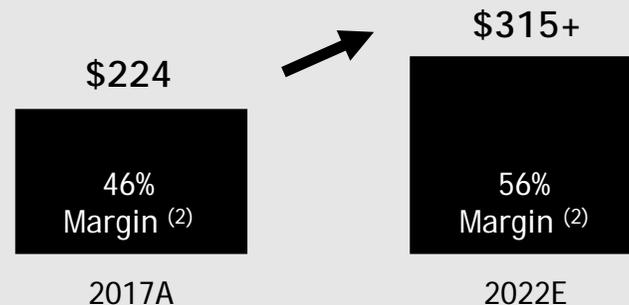
(\$mm)

## REVENUE



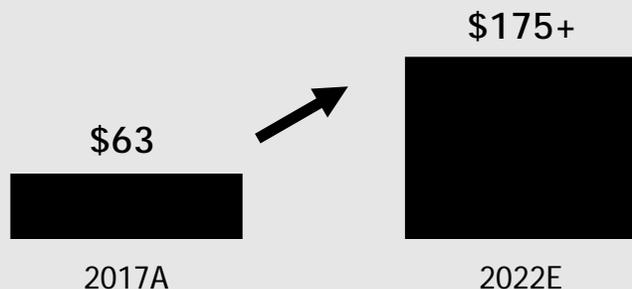
- Low single digit growth<sup>(1)</sup>
  - Applebee's: +3%
  - IHOP: +2%
  - International: +15%

## EBITDA<sup>(3)</sup>



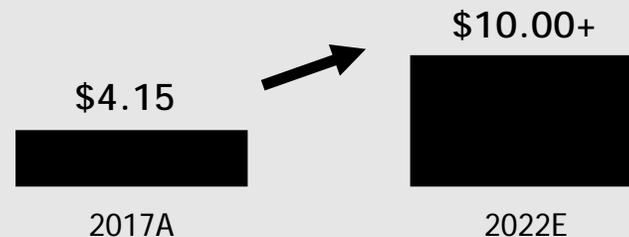
- Mid single digit growth
- 10%+ margin expansion

## ADJUSTED FREE CASH FLOW<sup>(3)</sup>



- Increasing free cash flow with significant return to shareholders

## ADJUSTED EPS<sup>(3)</sup>



- High teens EPS growth



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.



IHOP



DINE

BRANDS

# IHOP Strategic Review

Darren Rebelez

PRESIDENT, IHOP

# IHOP Strategic Review

- Business & Industry Overview
- Franchise Portfolio
- Guest Insights
- Growth Strategy
- Future Performance

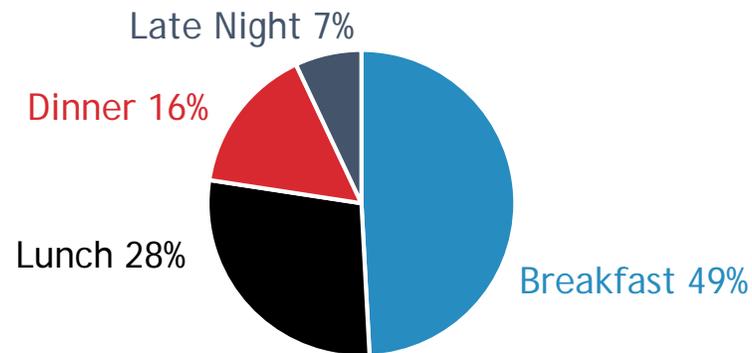


# Business Overview

## 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

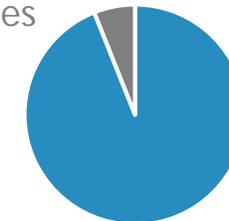
- Fiscal 2017 system-wide sales: \$3.3bn
- Fiscal 2017 Franchise revenue: \$185mm<sup>(1)</sup>

## SCALE

- #1 among Family Dining restaurants in the U.S.<sup>(2)</sup>

## MARKETS (% OF UNITS)

International 6%  
13 Countries

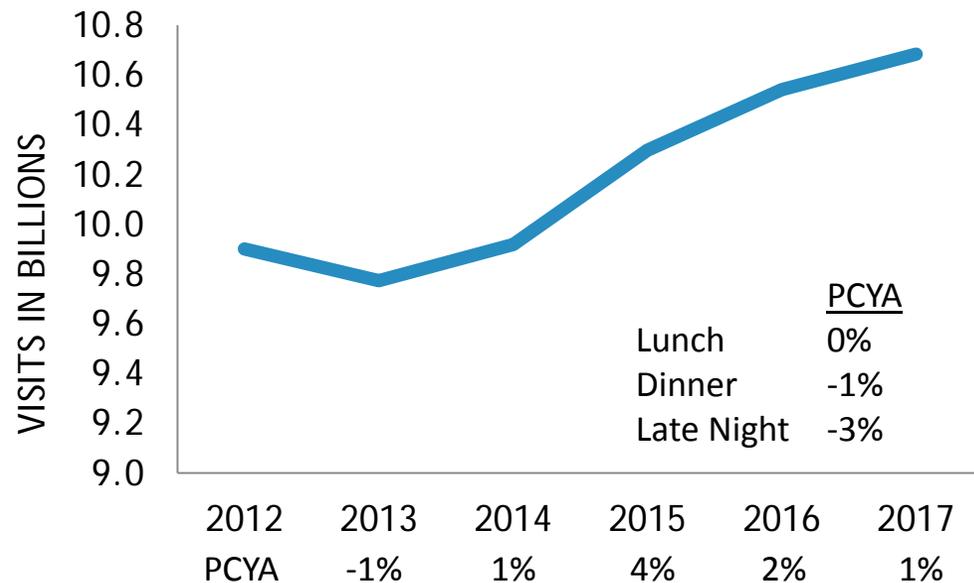


United States 94%  
All 50 states

# The Family Dining Category is Attractive and Growing

## BREAKFAST TRAFFIC IS GROWING...<sup>(2)</sup>

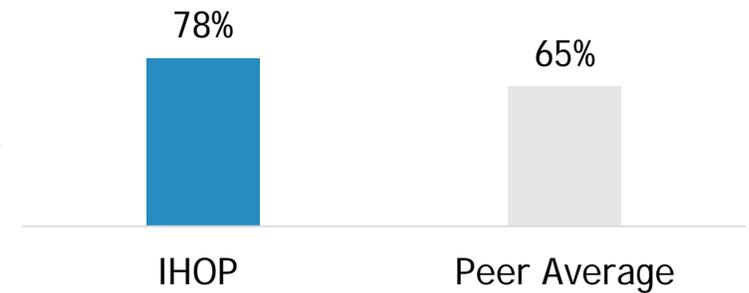
And breakfast food item servings are also increasing at PM day parts <sup>(3)</sup>



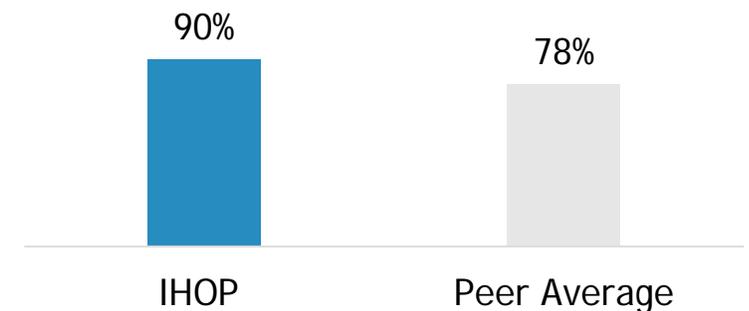
Breakfast = 6am-11am, Lunch = 11am-4pm, Dinner = 4pm-10pm, Late Night = 10pm-6am  
Source: The NPD Group/CREST YE November

## ...AND IHOP IS A BREAKFAST LEADER<sup>(1)</sup>

Guest Familiarity



Good For Breakfast Items



(1) Hypothesis, Inc. Peers include Waffle House, Cracker Barrel, Denny's and Bob Evans  
(2) Lieberman Research Worldwide  
(3) The NPD Group, Inc.



# Family Dining Has Significant Global Opportunities

IHOP BANGKOK - THAILAND



IHOP WINNIPEG- CANADA



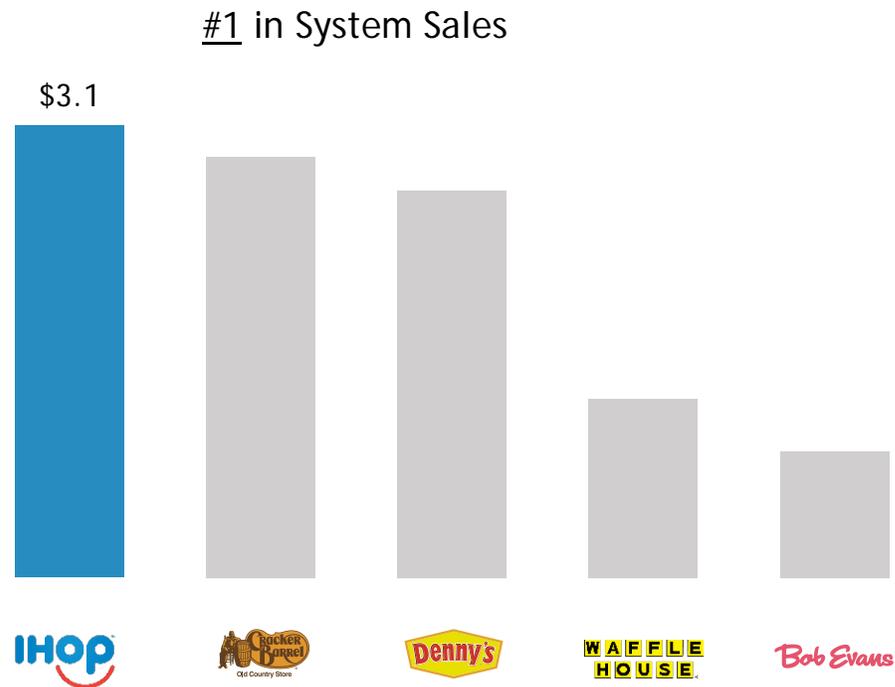
IHOP DELHI - INDIA



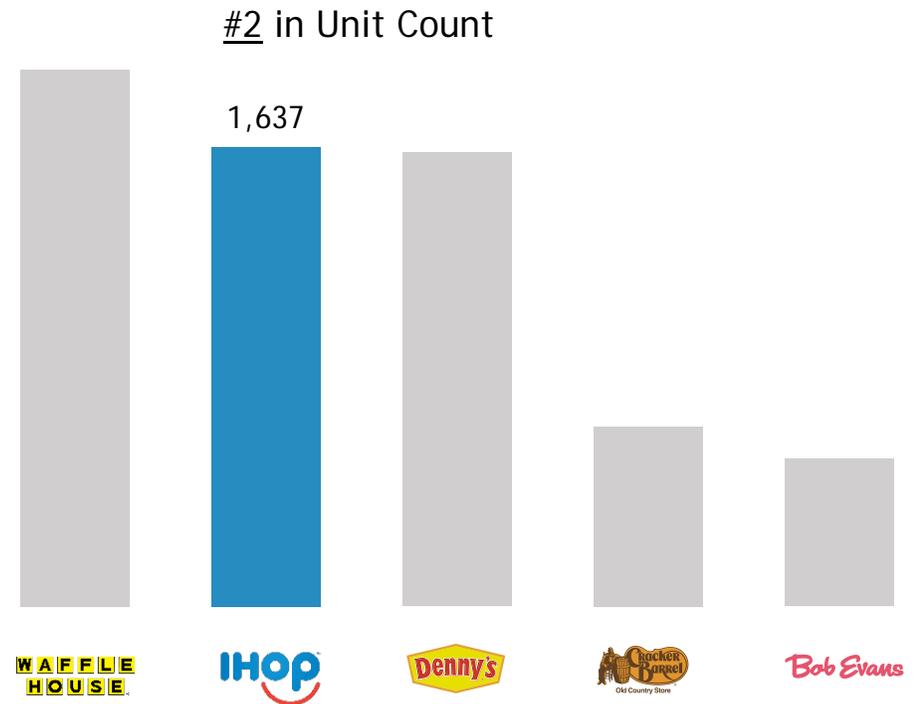
The global foodservice industry represents over \$3 trillion in sales, of which only 25% occurs in the U.S. <sup>(1)</sup>

# Leader in Family Dining for the Last 10 Years

## 2016 SYSTEM-WIDE SALES VS. PEERS



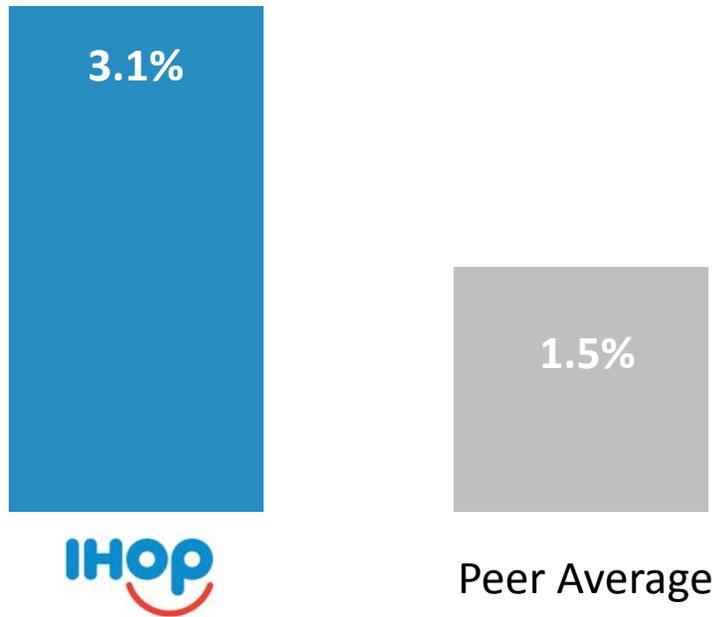
## 2016 UNIT COUNT VS. PEERS



# Historical Performance vs. Peer Average

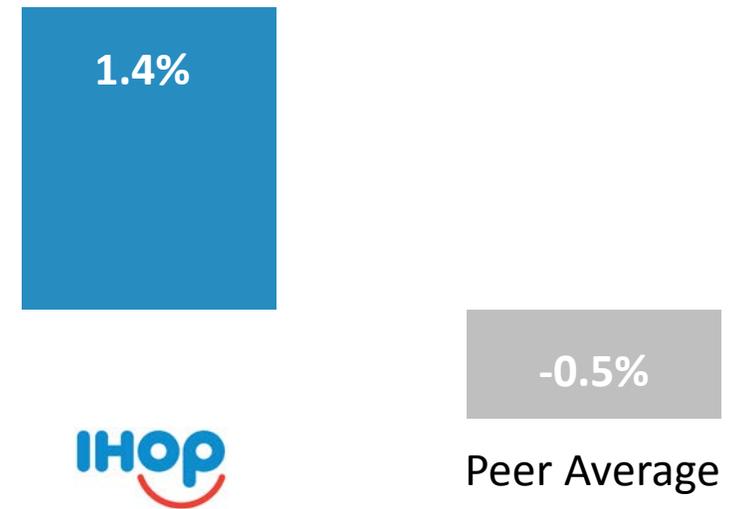
## SYSTEM SALES GROWTH

CAGR 2012-2017 (December) <sup>(1)</sup>



## NET UNIT GROWTH

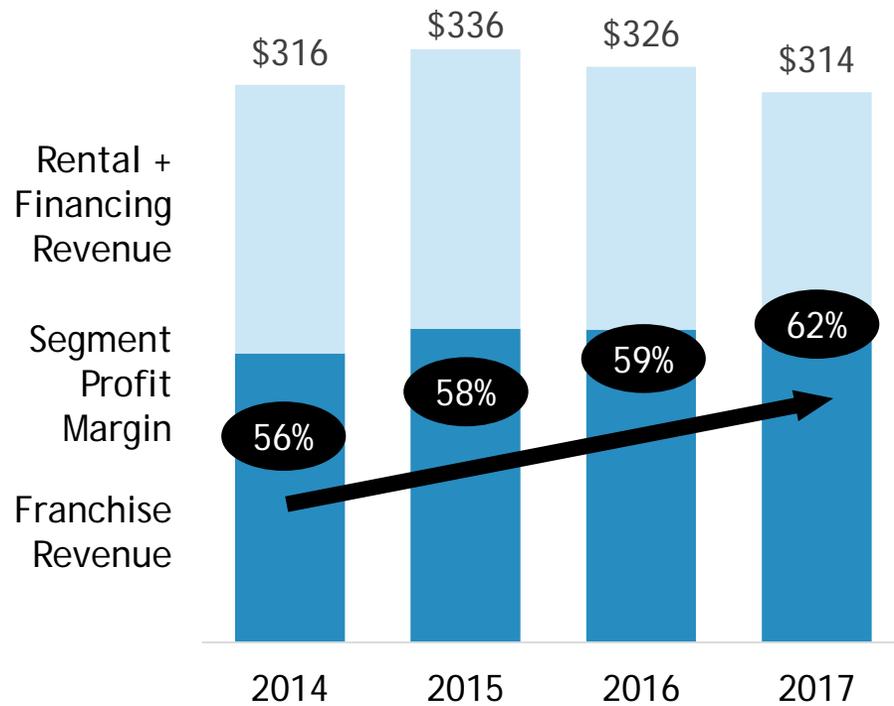
CAGR 2012-2017 (Fall 2017)<sup>(2)</sup>



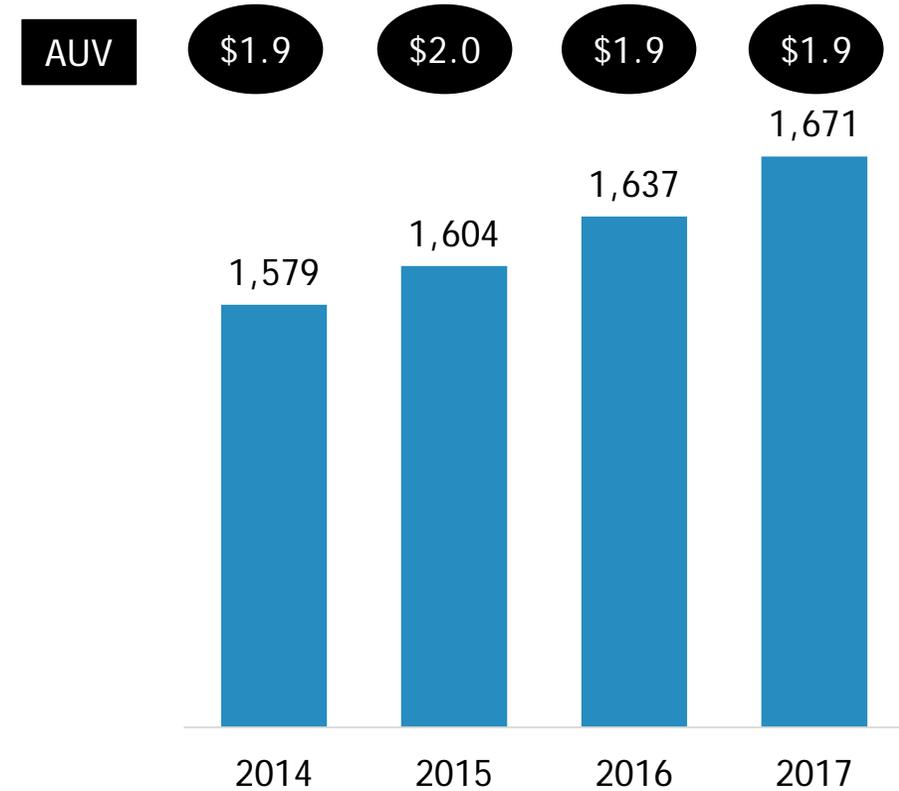
# Historical Financial Performance

## IHOP REVENUE AND PROFITABILITY<sup>(1)</sup>

Steadily improving margin profile despite structural run-off of receivables from Rental and Financing segments



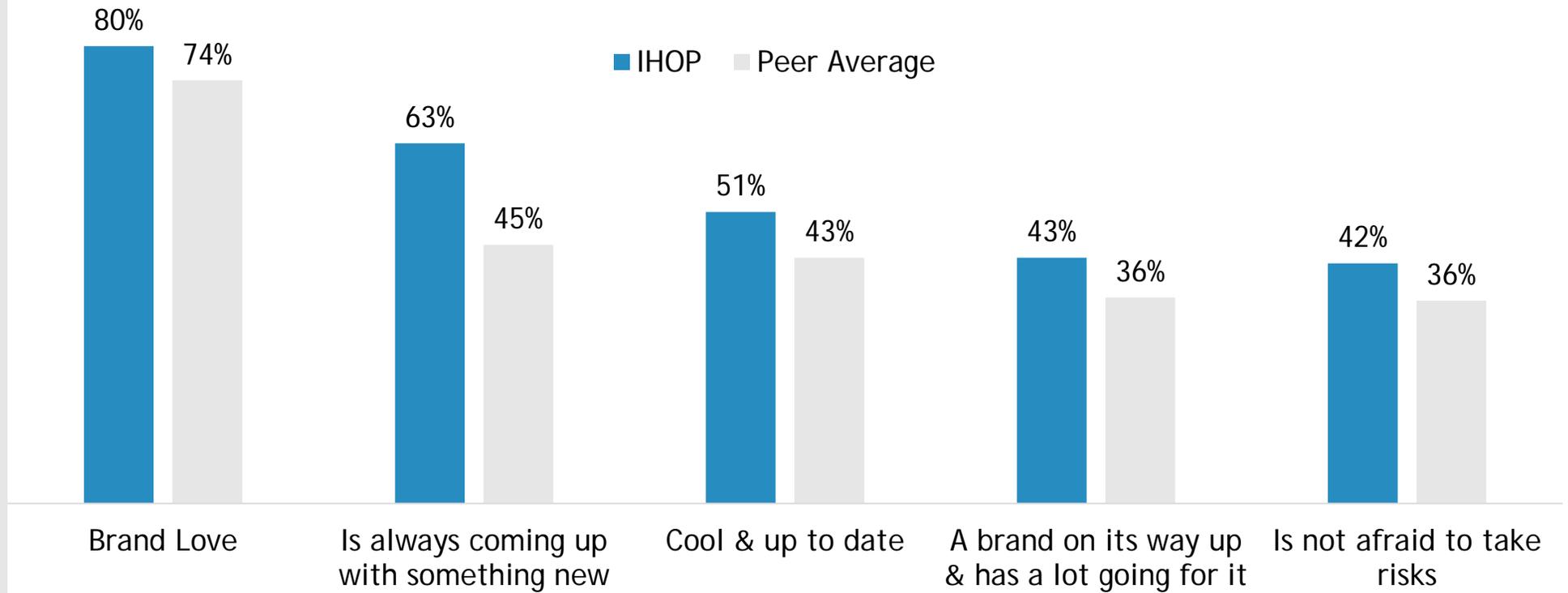
## RESTAURANT COUNT AND AUV



# Strong Brand Equity and Innovation Leader

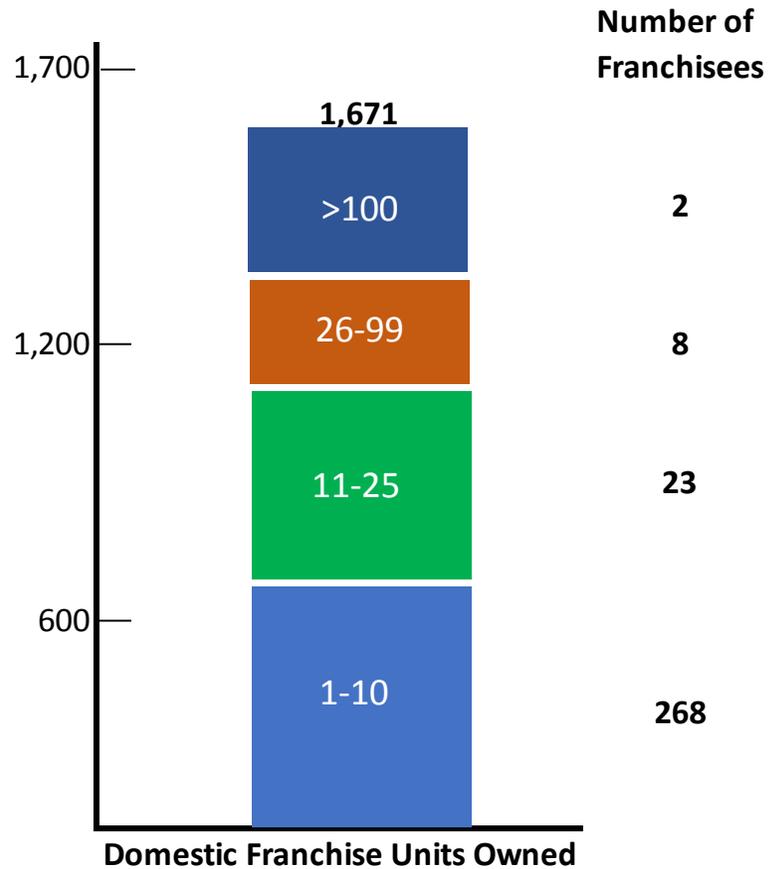
8-IN-10  
CONSUMERS  
SAY THEY  
LOVE IHOP

## IHOP GUEST PERCEPTION



# Strong Franchisee Base

IHOP FRANCHISEES BY PORTFOLIO SIZE<sup>(1)</sup>



# IHOP Leadership Team



Jay Johns  
SVP, Operations



Gregg Benvenuto  
VP, Development



Brad Haley  
SVP, Chief Marketing Officer



Carrie Stojack  
VP, Consumer Insights



Adam Snow  
VP, Strategy & Business Analytics



Alisa Gmelich  
VP, Marketing



Nevielle Panthaky  
VP, Menu Dev & Innovation

# IHOP's Strategy For Success

"GIVE ALL FOLKS  
A PLACE TO  
PANCAKE  
TOGETHER"

Drive profitable growth of Franchisees and IHOP

Deep understanding of Guest needs

Technology

Hospitality

Value

Food

Customization

Convenience

Reinvent the  
Guest experience

Run great  
restaurants

Drive traffic

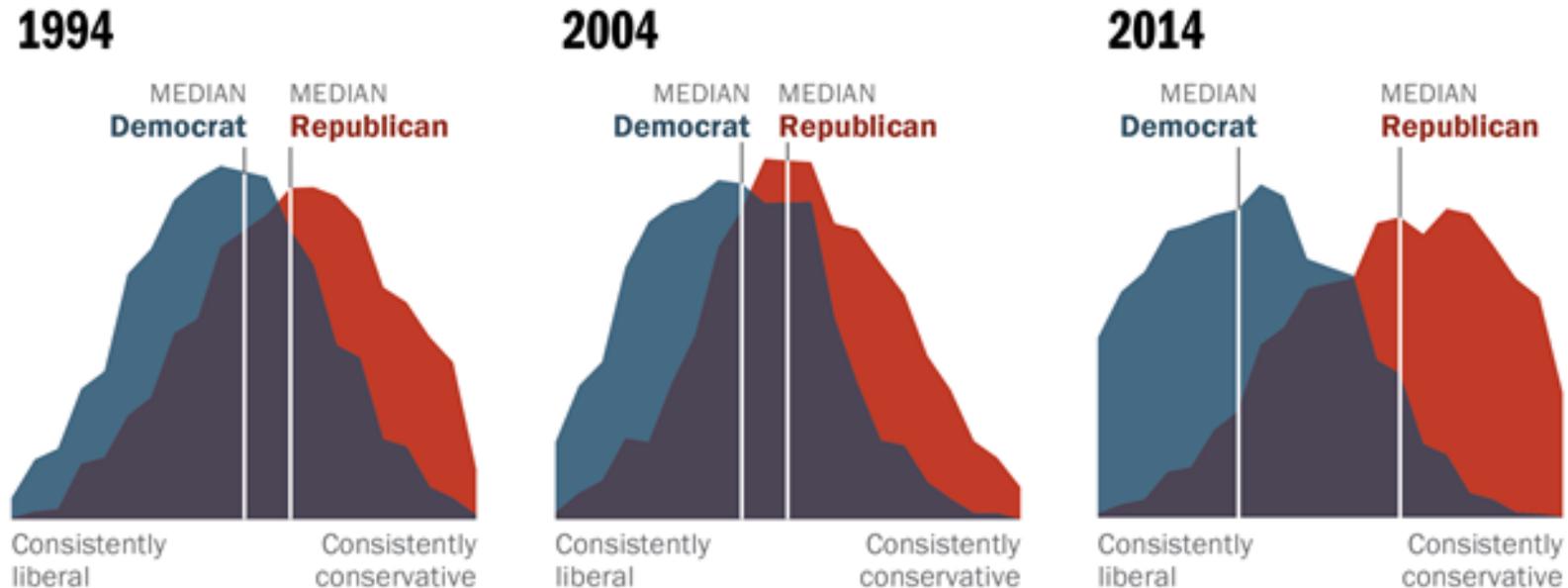
Be where  
the Guest is

Service Leadership Culture

# Cultural Context

## Democrats and Republicans More Ideologically Divided than in the Past

*Distribution of Democrats and Republicans on a 10-item scale of political values*



Source: 2014 Political Polarization in the American Public

Notes: Ideological consistency based on a scale of 10 political values questions (see Appendix A). The blue area in this chart represents the ideological distribution of Democrats; the red area of Republicans. The overlap of these two distributions is shaded purple. Republicans include Republican-leaning independents; Democrats include Democratic-leaning independents (see Appendix B).

PEW RESEARCH CENTER

# Purpose

**Give all folks a place  
to pancake together**

Dictionary

pancake

**pan·cake**  
/'pan,kāk/

*verb*  
verb: pancake; 3rd person present: pancakes, past tense: pancaked, past participle: pancaked; gerund or present participle: **pancaking**

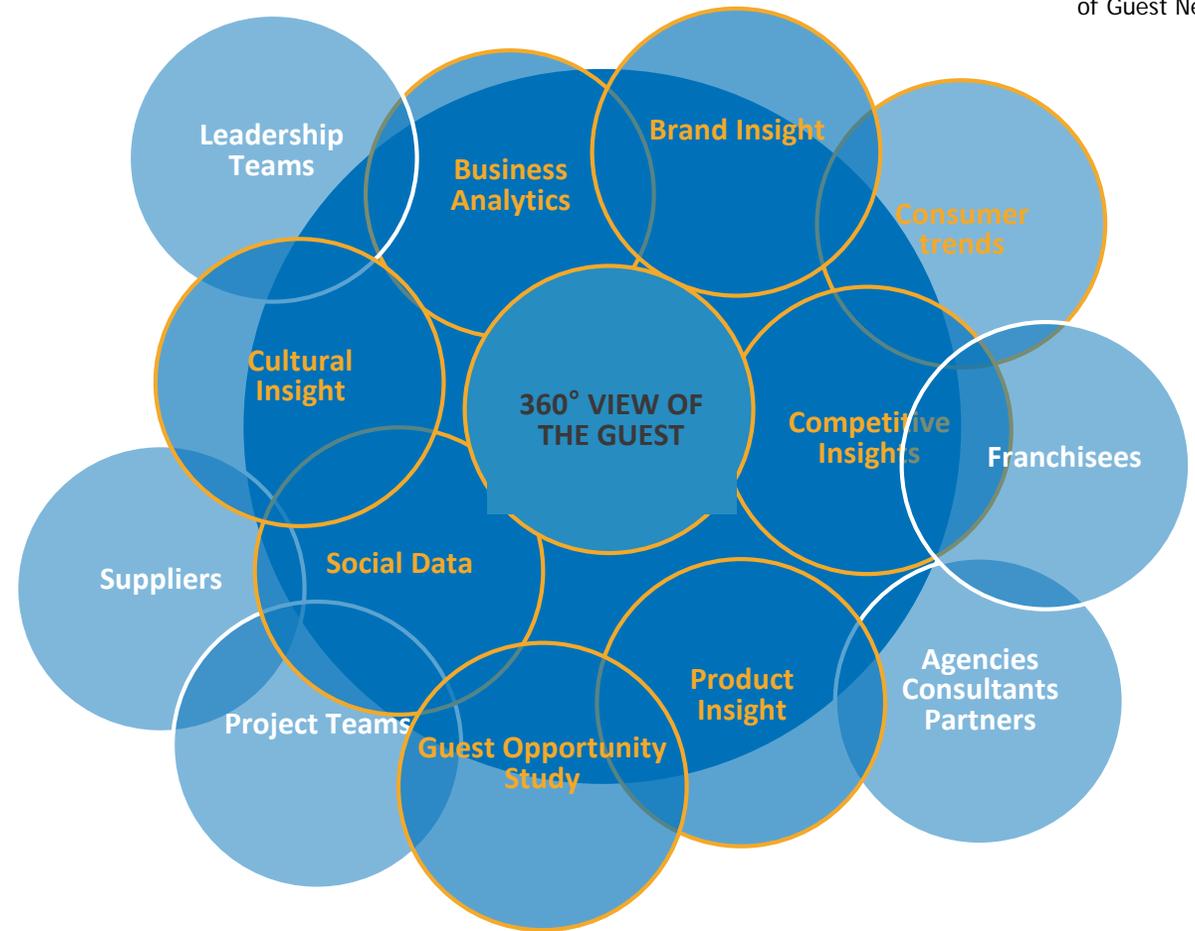
1. To indulge in any way you want knowing you'll always be accepted  
"We don't judge, we pancake"

# Dedicated Consumer Insights Team



A deep consumer understanding

- Where are they going?
- Why are they going there?
- When are they going?
- Who are they going with?
- What are they ordering?



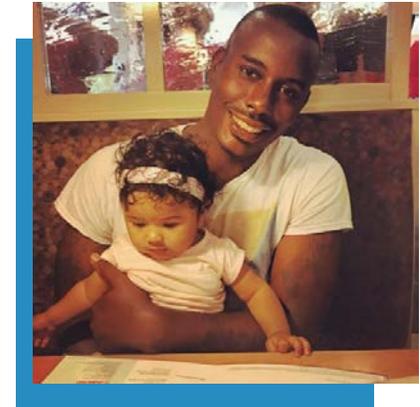
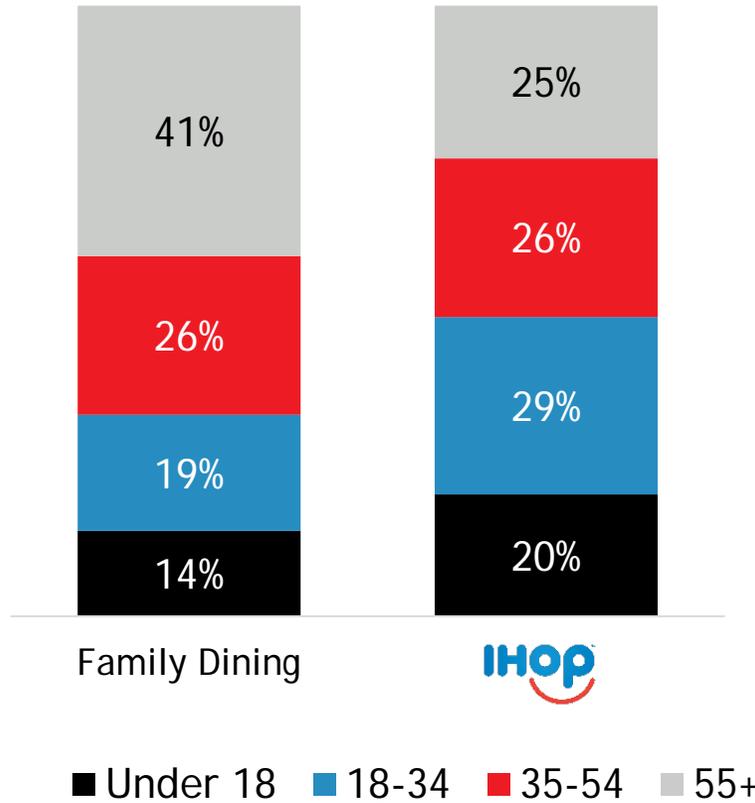
# The IHOP Guest

Deep Understanding  
of Guest Needs

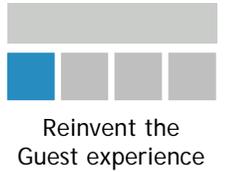
HALF OF IHOP GUESTS ARE YOUNGER THAN 35

THIS REPLENISHES OUR LONG-TERM DEMAND AND PROVIDES A LIFE-LONG SENSE OF FUN AND BELONGING

## IHOP GUEST AGE DEMOGRAPHICS



# Rise N' Shine Remodel Program



- Completed 620 remodels since 2016, representing approximately 37% of total domestic system



- Enhances guest experience and improves operational efficiency
- Low single-digit sales improvement observed at remodeled locations

# ■ Evolving In-Store Technology



Reinvent the  
Guest experience

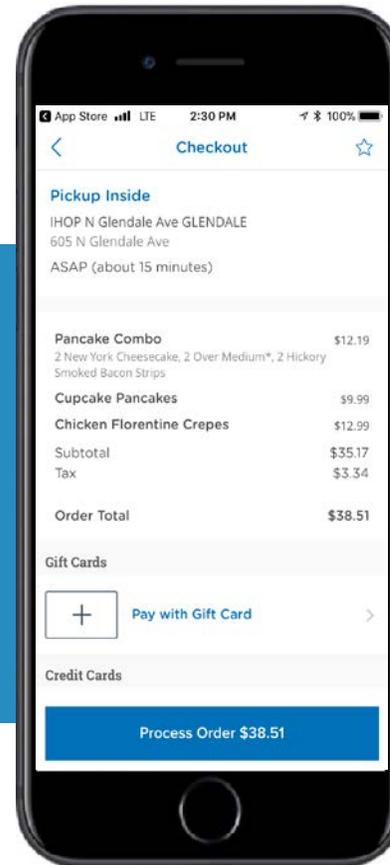
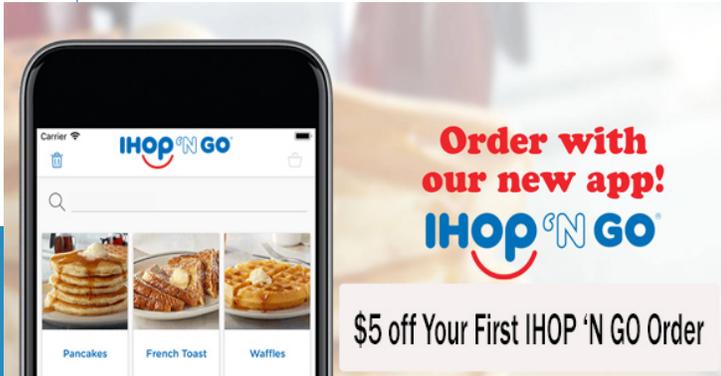


UTILIZING  
TECHNOLOGY  
TO IMPROVE  
THE GUEST  
EXPERIENCE

# Implemented Mobile Ordering Technology

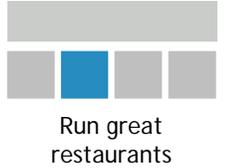


Reinvent the Guest experience

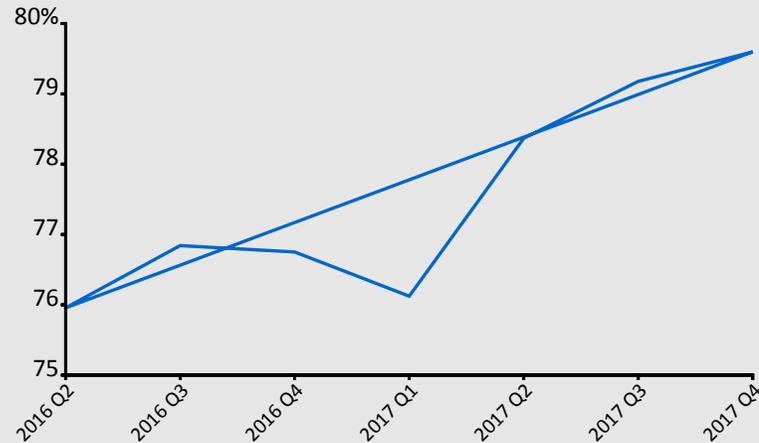


IHOP IS NOW MORE ACCESSIBLE THAN EVER

# Be Brilliant at the Basics



## Guest Overall Satisfaction Trend



- Create a culture of iHospitality
- Evolution of DinePlate training platform
- New employee recognition program
- New regional field team structure
- Continue to drive high standards of execution

IT'S ALWAYS ABOUT THE GUEST EXPERIENCE, ALL DAY, EVERY DAY

# Continued Culinary Innovation



MENU  
OPTIMIZATION



PROTECT



EVOLVE &  
CLOSE GAPS



EXPAND &  
INNOVATE



OFFER  
VALUE

# Compelling Value Proposition for Consumers



IHOP  
COMBINES  
VALUE WITH  
ITS CORE  
EQUITIES TO  
DRIVE  
FREQUENCY  
AMONG CORE  
GUESTS



# Refreshed Marketing Direction



- Insights and analytics-driven menu innovation
- State-of-the-art, analytics-based media planning
- New advertising campaign with agency powerhouse Droga5



# Pancakes, Pancakes, Pancakes



23 DRUGS + IHOP

CONSUMER

*"IHOP's voice is fun, upbeat and positive. We want IHOP to sound like a close friend or family member."* - Brand Guidelines

**People naturally talk about IHOP as a 'home'.**

Warmth, safety, family around a table, the smell of cooking - you've cultivated a restaurant that evokes the same feelings and imagery as home.

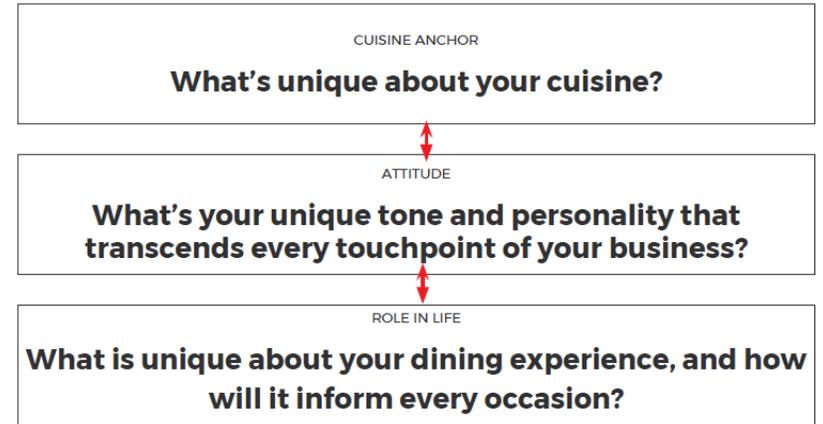
"You feel like you're at home when you're here. - IHOP Intercepts, Nicole, 17

"It's a homey thing. The little roof has a quaint, homey feel." - Christine, 62

Social mentions of "home" in IHOP conversation (last year):  
**42,376**

**Kool Kat** @DigitalFirst  
I love ihop so much, it's so under appreciated. It feels like home to me.

**Aylin Dobado** @hochosayin · May 20  
Me siento en casa, en todas las mesas de ihop estan hablando español #feelslikehome  
Translated from Spanish by Bing  
I feel at home in all the tables of ihop are speaking Spanish #feelslikehome



**But there's something more interesting about you than just fun...**

**IHOP is-in the warmest, most charming way, a bit eccentric.**

**What we think of when we think of home.**  
*Home is the sum of these parts:*



# ■ Optimized Marketing Plan: Advertising



NEW TV  
ADVERTISING  
FROM DROGA5:



"WANDERER" :45  
(IMAGE FPO, SHIPPING FEB 6)

# ■ Optimized Marketing Plan: Advertising



NEW TV  
ADVERTISING  
FROM DROGA5:



"PILOTS" :30



"STACKS" :30

# ■ Optimized Marketing Plan: Advertising



NEW TV  
ADVERTISING  
FROM DROGA5:

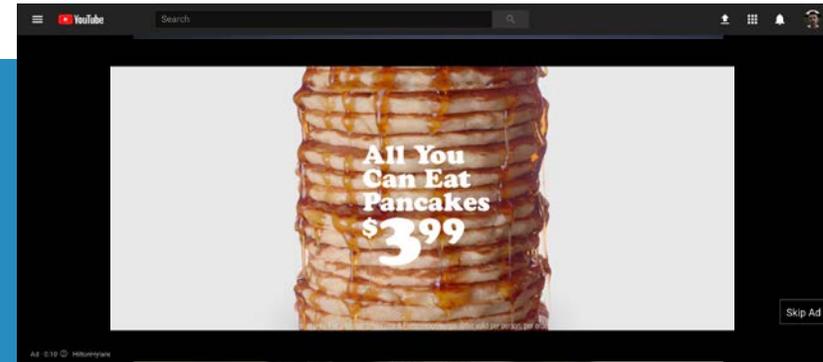
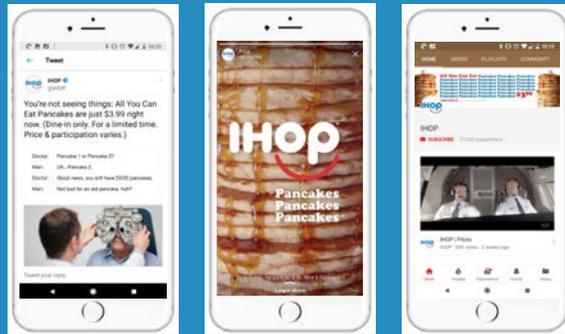


“DECLARATION OF PANCAKES” :30  
(IMAGE FPO, SHOOTING FEB 5)

# Optimized Marketing Plan: Social / Digital Media

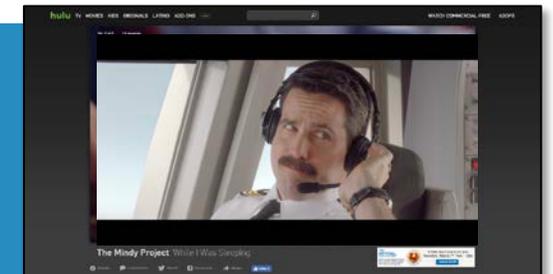


GENERATE UNPAID /  
FREE VIEWS...



...ADVANCED MEDIA ANALYTICS DRIVE TARGETED  
PLACEMENTS BASED ON ACTUAL GUEST  
VIEWING & DIGITAL BEHAVIOR

...AND ELEVATE OUR BRAND'S  
RELEVANCE ACROSS ALL  
DIGITAL AND SOCIAL  
CHANNELS

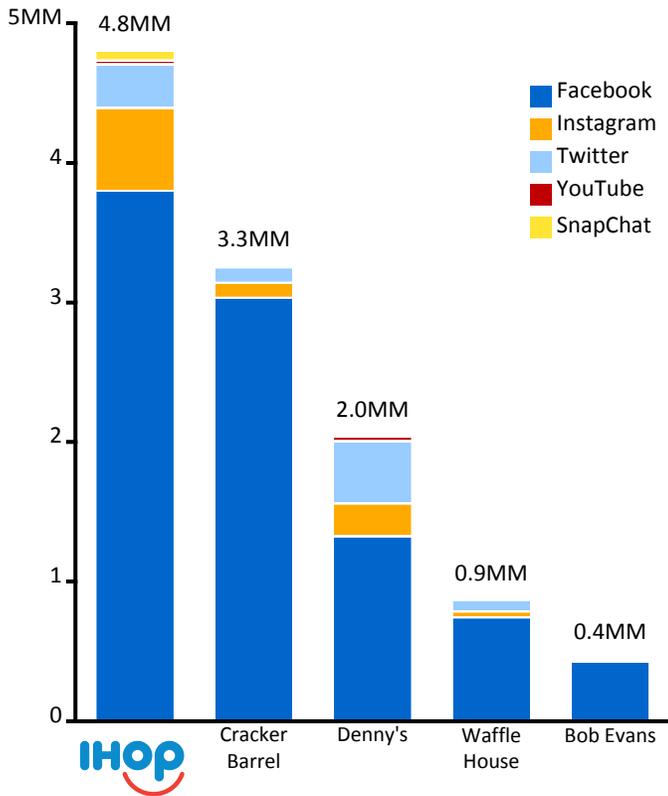


# IHOP Leads in Social Media

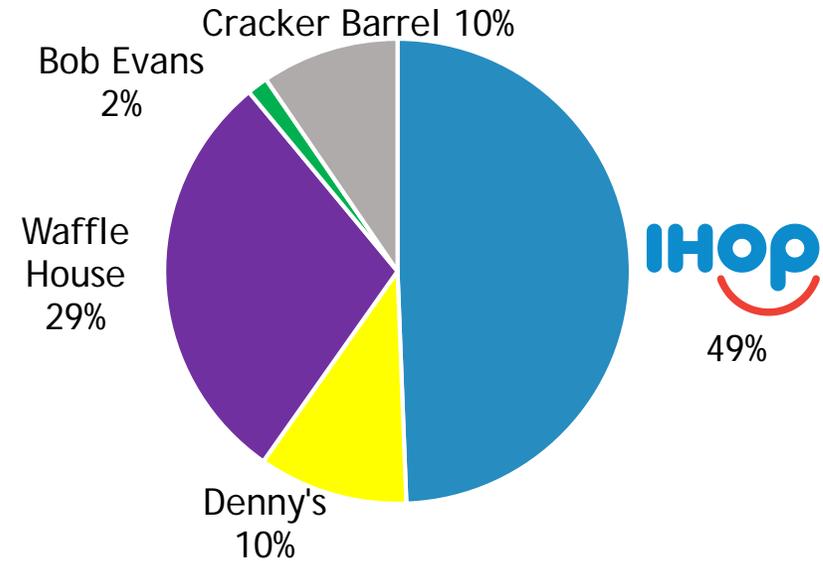


IHOP HAS 4.8MM FANS AND FOLLOWERS

Number of fans & followers



IHOP WAS MENTIONED IN 49% OF BRANDED BREAKFAST CONVERSATIONS



# A Strategic Approach to Off-Premise



Be where  
the Guest is



QUALITY PACKAGING

## TECHNOLOGY



## IN-STORE SERVICE



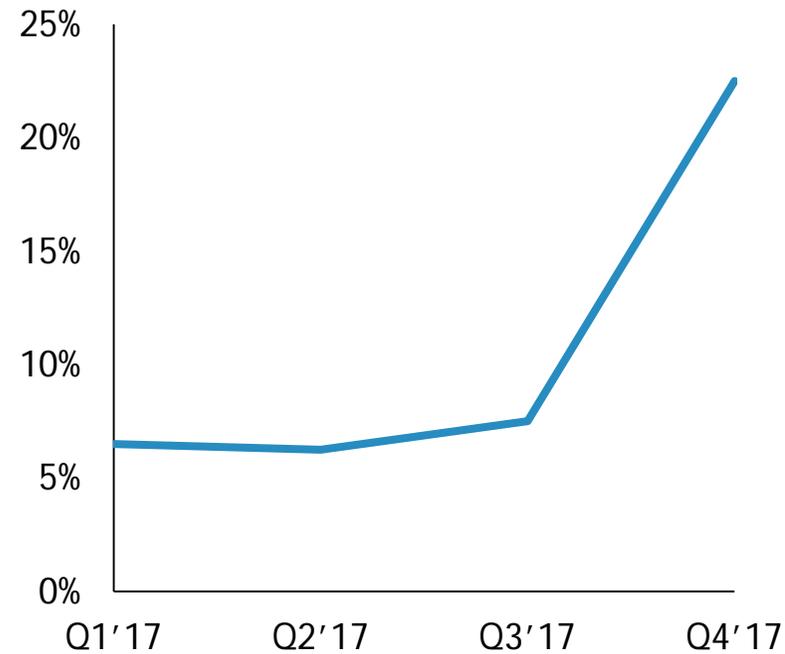
# Growing Our Off-Premise Business



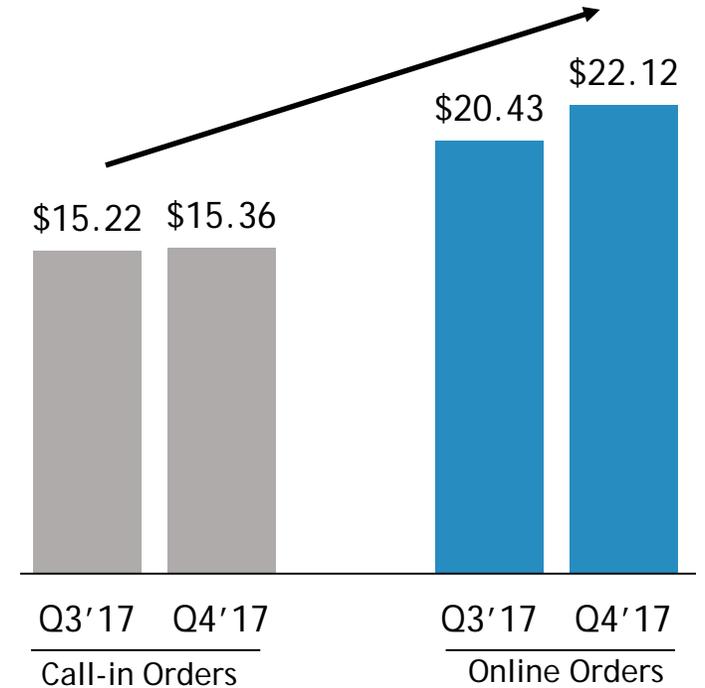
Be where  
the Guest is

TO-GO AND  
DELIVERY  
BUSINESSES  
TO DRIVE  
SIGNIFICANT  
FUTURE  
GROWTH

### OFF-PREMISE COMP SALES



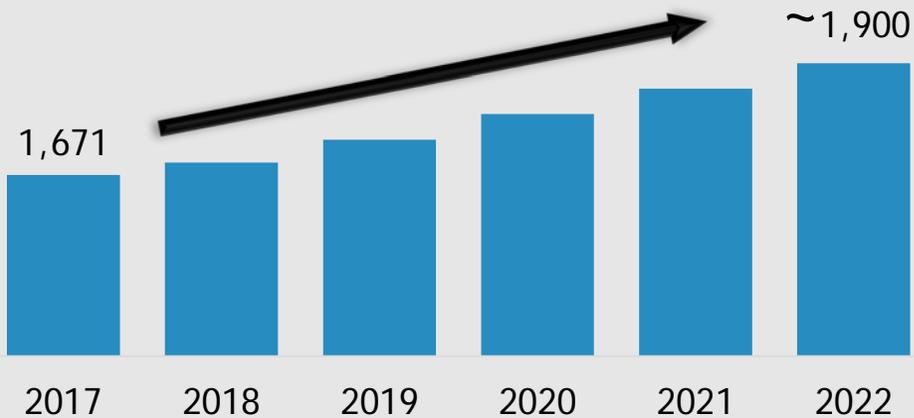
### OFF-PREMISE AVERAGE CHECK



# Consistent Restaurant Development



Be where  
the Guest is



- Continued domestic development
- Non-traditional and small formats
- Significant growth opportunities in urban/rural areas

# Development of Non-Traditional Restaurant Formats



Be where  
the Guest is



WINSTAR WORLD CASINO &  
RESORT - THACKERVILLE, OK

HARTSFIELD-JACKSON ATLANTA  
INTERNATIONAL AIRPORT



LOVE'S TRAVEL STOPS-FRANCHISED IHOP  
EXPRESS - WHITEHOUSE, TN

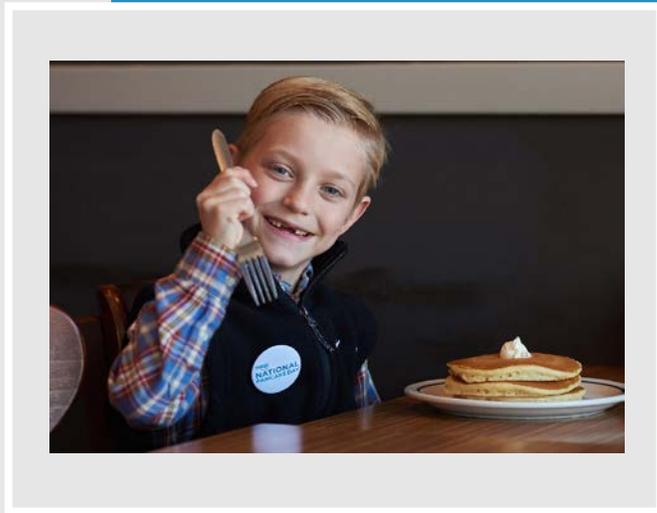


DALLAS/FORT WORTH  
INTERNATIONAL  
AIRPORT

# Doing Good is Good for Business: Community Giving



Shriners Hospitals  
for Children®



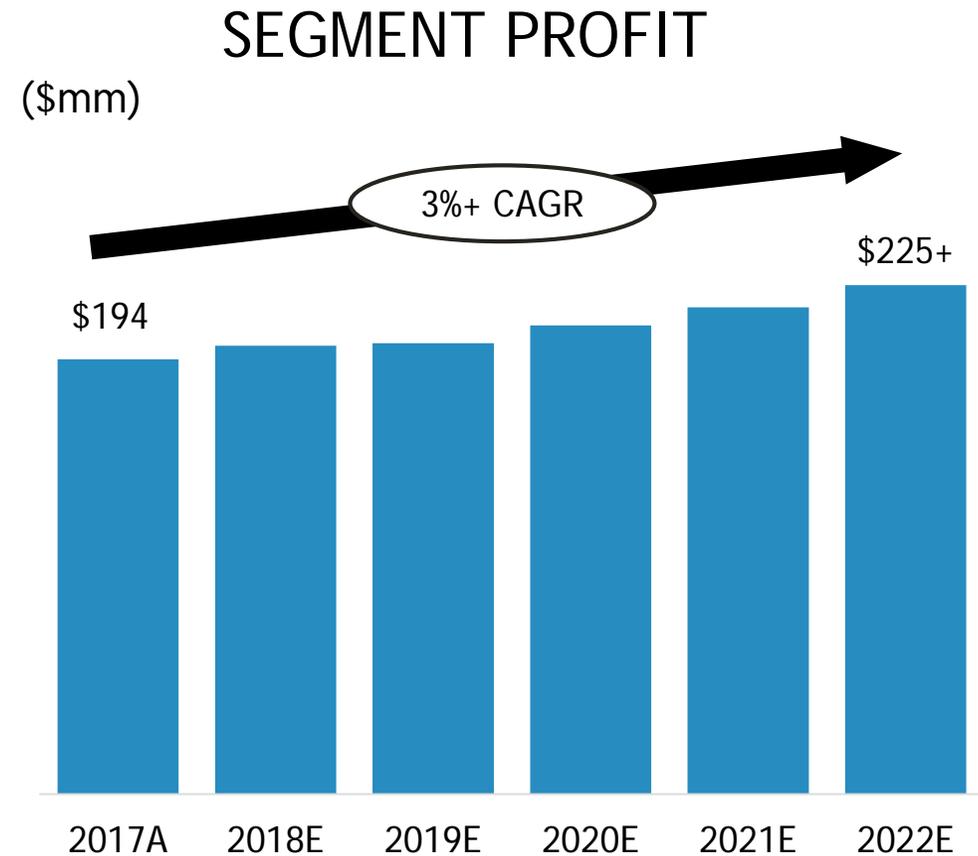
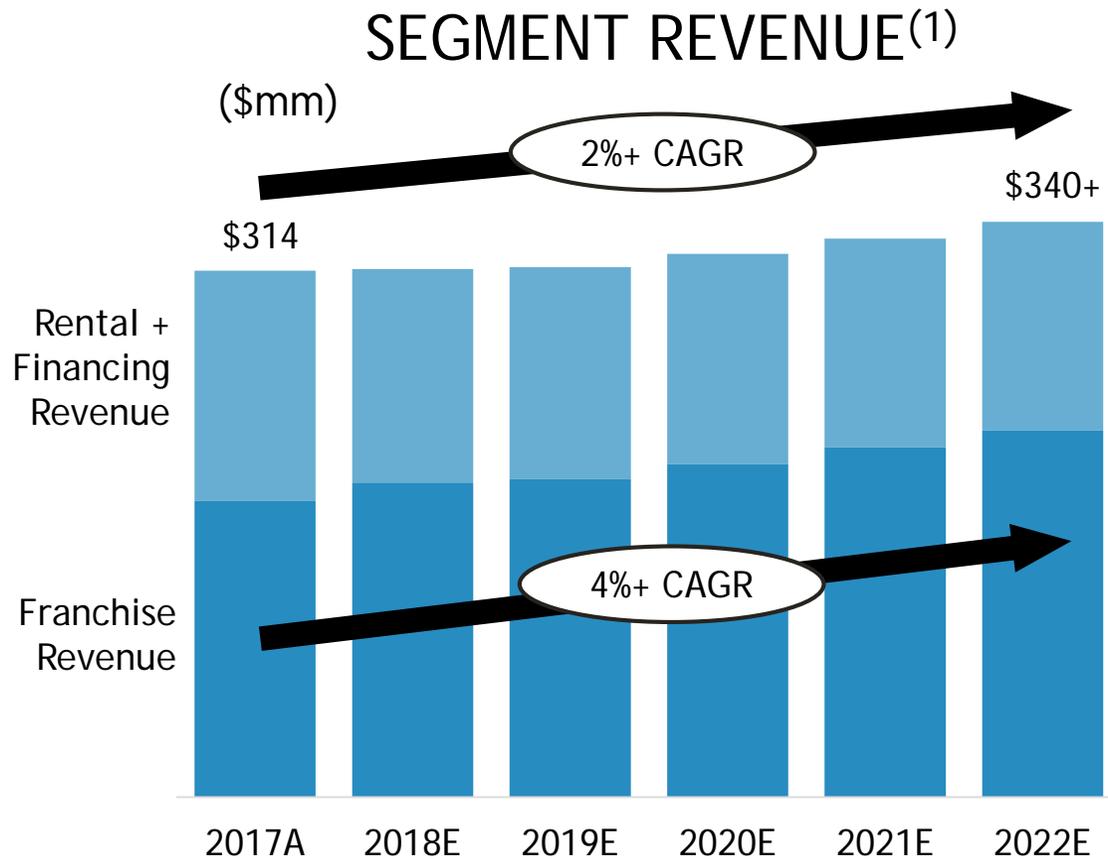
- \$30MM collected for charity partners since 2006<sup>(1)</sup>
- National Pancake Day is both our highest traffic day and our signature giving event
- Veterans Day is another cornerstone for both IHOP traffic and giving - we focus on our partnership with Children of Fallen Patriots



(1) Based on information from IHOP franchisees and internal Company data



# Projected Financial Performance



Source: Company's fiscal 2017 Form 10-K filings, fourth quarter fiscal 2017 earnings press release dated February 20, 2018 and Company projections  
 (1) Excludes advertising revenue



# Conclusion



OUR GOAL IS TO  
CREATE  
SIGNIFICANT  
VALUE FOR  
SHAREHOLDERS &  
FRANCHISEES

- New, world-class leadership team in place
- Franchisees unified behind go forward strategy
- Distinctive consumer insights and improved analytics
- Continued development of traditional and new formats
- Significant daypart expansion opportunities
- Growth through urban and underpenetrated markets



# Applebee's Strategic Review

JOHN CYWINSKI  
PRESIDENT, APPLEBEE'S

# ■ Applebee's Strategic Review

- Business Overview
- Franchisee Portfolio
- Leadership Team
- Our Guest
- Growth Strategy
- Future Performance

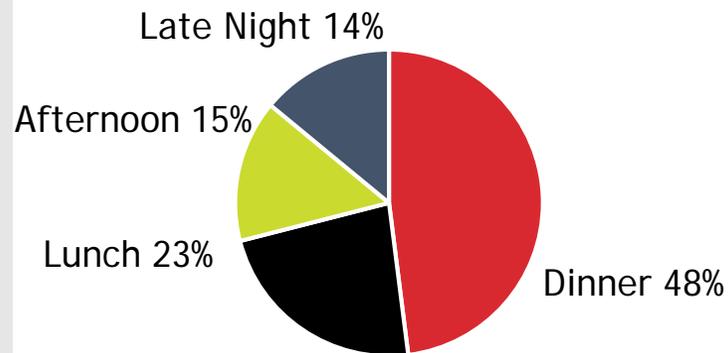


# Business Overview

## BRAND OVERVIEW

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

## DINING OCCASIONS



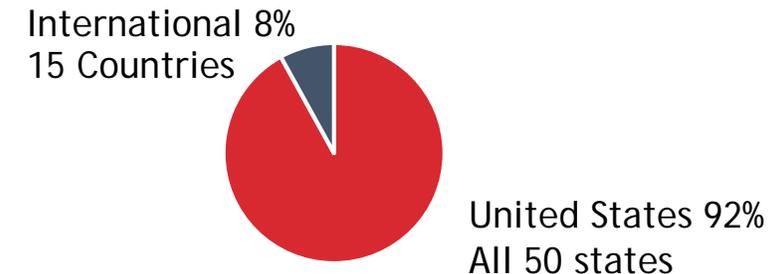
## KEY FINANCIALS

- Fiscal 2016 system-wide sales: \$4.1 billion
- Fiscal 2017 Franchise revenue: \$169 million<sup>(1)</sup>

## SCALE

- #1 among Casual Dining restaurants in the U.S.<sup>(2)</sup>

## MARKETS (% OF UNITS)



# Casual Dining Overview

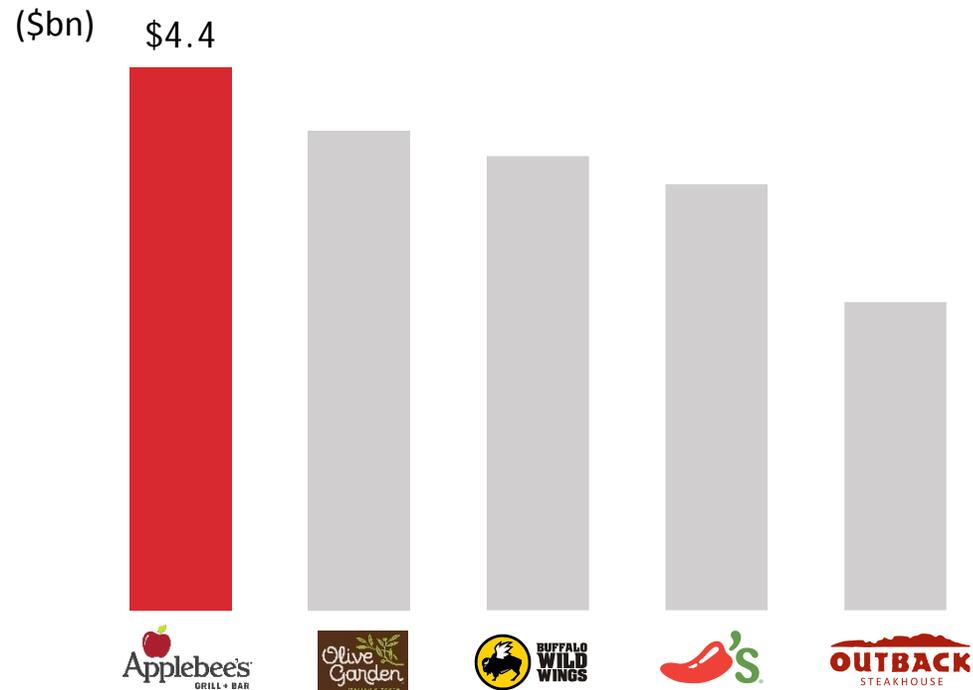


- Category showing improvement
  - Favorable economic conditions
- Chains outperforming independents on traffic (+1% vs. -5%)
  - Significant independent closures
- Bar & Grill gaining CDR share (+0.7% since 2012)
- Off-premise driving growth

# Casual Dining Leader

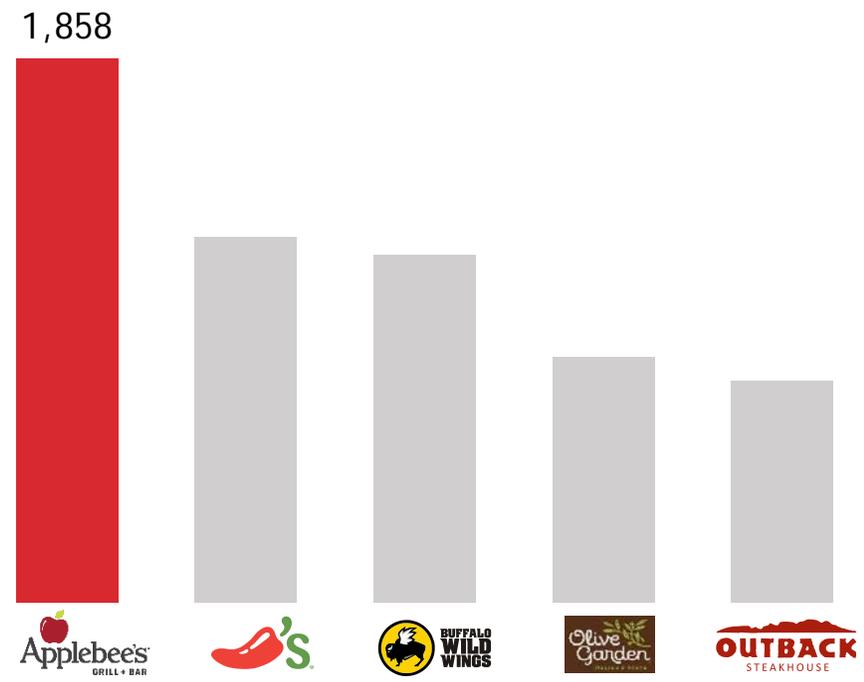
## 2016 SYSTEM-WIDE SALES VS. PEERS

#1 in System Sales



## 2016 UNIT COUNT VS. PEERS

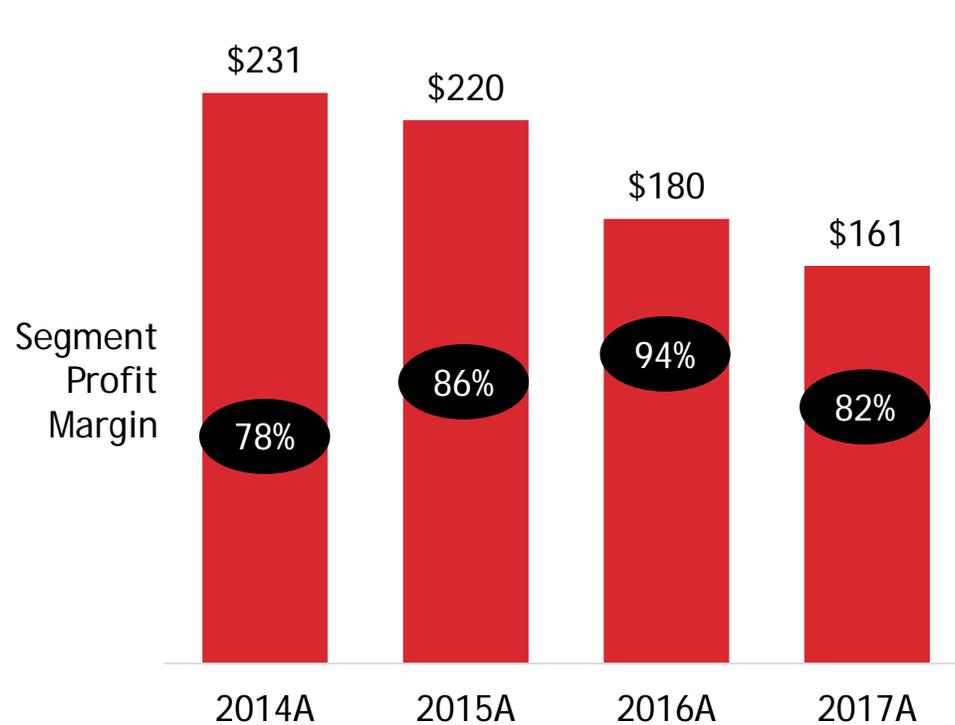
#1 in Unit Count



# Historical Financial Performance

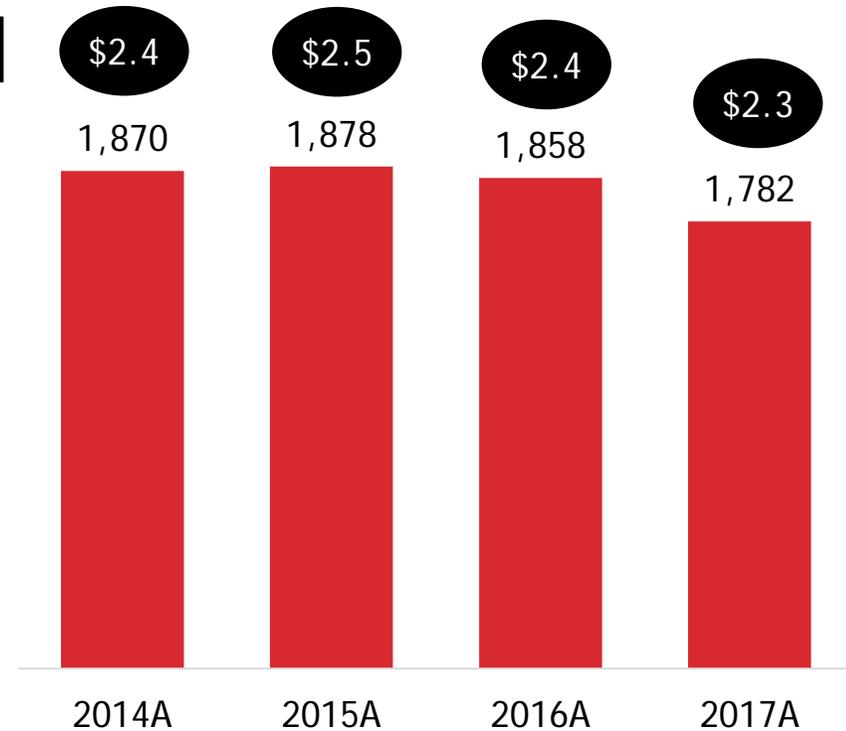
## APPLEBEE'S REVENUE & PROFITABILITY<sup>(1)</sup>

(\$mm)



## APPLEBEE'S RESTAURANT COUNT & AUV

AUV  
(\$mm)



# ■ Brand in Transition

- 2017 was a transition year for Applebee's
- Growth plan underway
  - Enhanced relevance
  - Sustained profitable growth
- Early momentum
- Partnership, structure, strategy and execution



# ■ Applebee's Franchisee Portfolio

- 35 franchise entities
  - Majority are strong performers
- Strong alignment going forward
- Fully leveraging entrepreneurial spirit and best-practice sharing
- Re-established trust, partnership & belief
- Providing financial assistance for those in need
- Portfolio will evolve... by design



# ■ Applebee's Structure

- Re-establish brand identity and culture
- Shift shared-service model to dedicated brand resources
- Clear focus and accountability
- Best-in-class leadership team in place

# Applebee's Leadership Team



Kevin Carroll  
Chief Operations Officer



Joel Yashinsky  
Chief Marketing Officer



Stephen Bulgarelli  
Chief Culinary Officer



Scott Gladstone  
VP, Strategy/Off-Premise



Steve Levigne  
VP, Consumer Insights



Karen Williams  
VP, Operations Services



Ryan Wright  
Division VP, Operations



Pamela Long  
Division VP, Operations



Reid Leslie  
VP, Marketing



Patrick Kirk  
VP, Bar/Beverage

# ■ Applebee's Starting Point

- Honest look in the mirror
- Re-define who we are and what we stand for
- Embrace our brand essence
- Guest-led ... Insight-driven

**GOOD FOOD**

**AMERICAN**

**AFFORDABLE**

**NEIGHBORLY**

**FAMILY**

**COMFORTABLE**

**FAMILIAR**



**BAR**

**Applebee's®**

**EASY**

**LIKEABLE**

**GRILL + BAR**

**AUTHENTIC**

**APPROACHABLE**

**VARIETY**

**FRIENDLY**

**ABUNDANT VALUE**

# ■ Applebee's Guest Profile

Broadly appealing demographics

- Middle income
- Family skew
- Diverse age composition

## Applebee's Traffic by Age

| Gen Z       | Millennial  | Gen X       | Boomer     |
|-------------|-------------|-------------|------------|
| 15.3% (111) | 29.9% (147) | 28.3% (104) | 26.4% (68) |



# ■ Applebee's Core Target



## Routine Traditionalists

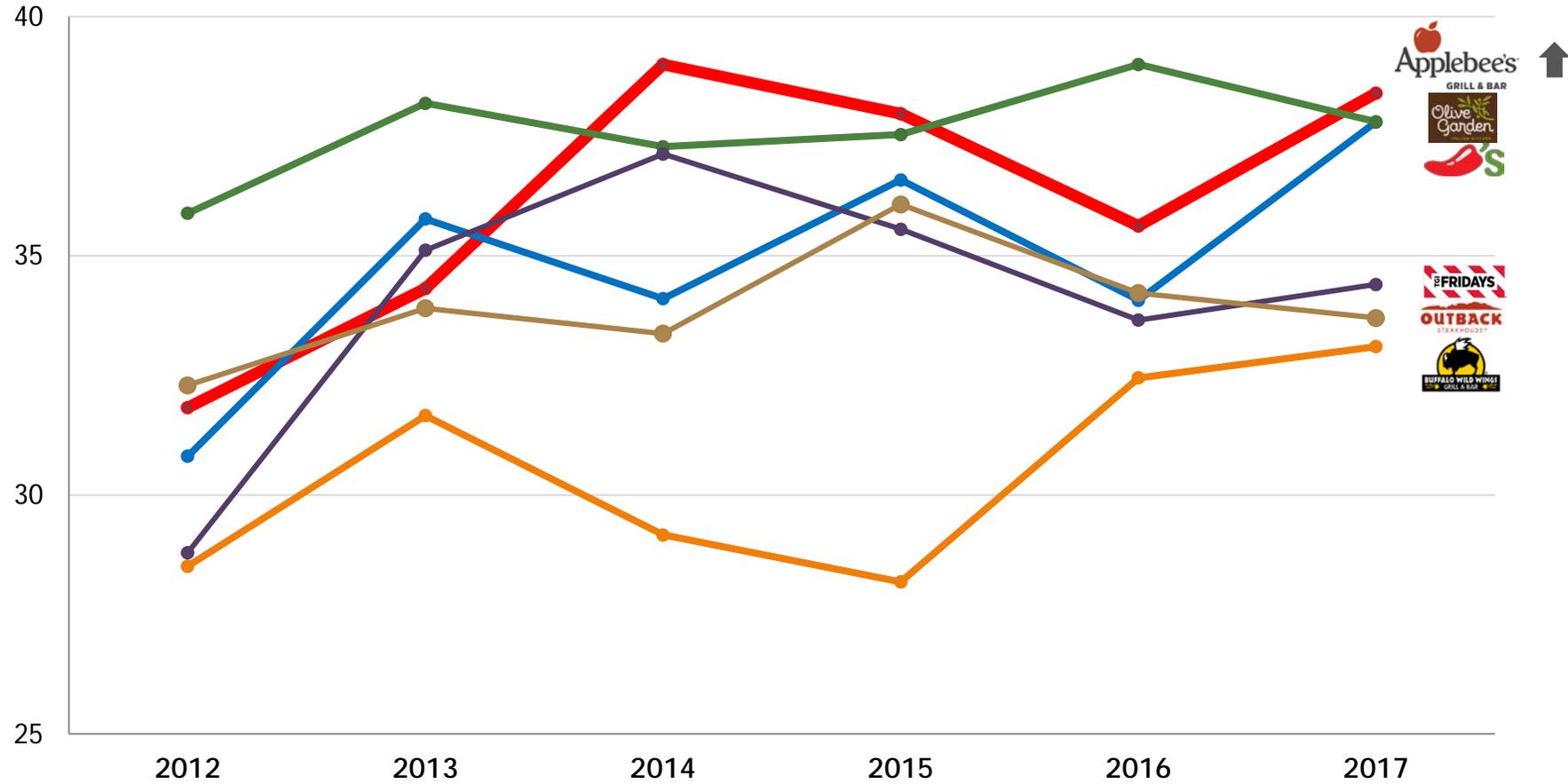
- Prefer CDR chains ... will pay more ... older ... loyal

## Value Seekers

- Prefer CDR chains ... price important ... brand switchers

# Essential Brand Metric

## Value for the Money

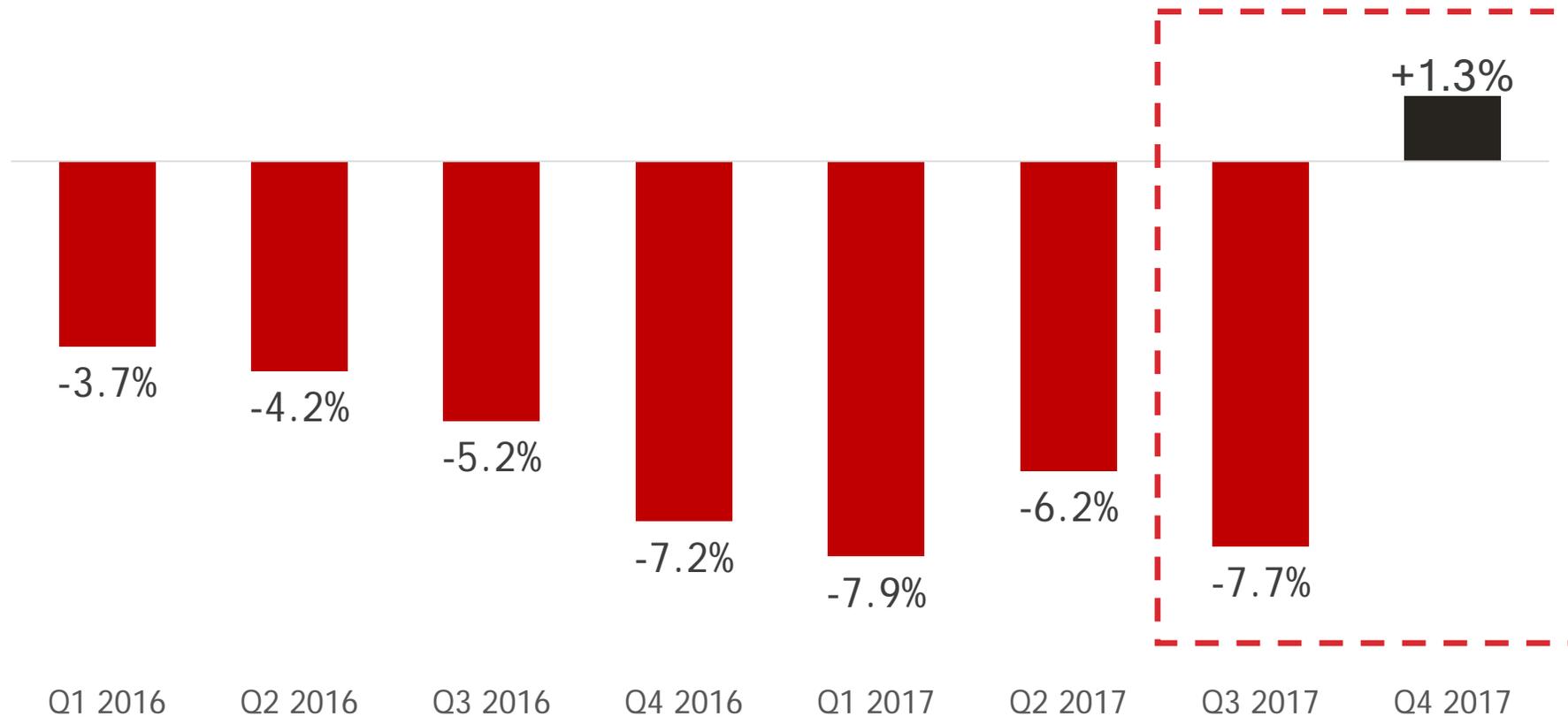


# ■ Applebee's Restaurant-Level Goal

**+\$300,000**  
(2018-2022 AUV)

---

# ■ Applebee's Quarterly Comp Sales



# ■ Applebee's Growth Strategy

1. Restaurant Excellence
2. Technology Investment
3. Culinary Innovation
4. World-Class Marketing
5. Off-Premise Relevance
6. Return to Unit Growth in 2020

# ■ Applebee's Restaurant Excellence

- New Chief Operations Officer
- Reduce operational variability
- Guest-satisfaction metrics/accountability
- Operations simplification
  - Kitchen/recipe complexity
- Engaged consultants to improve restaurant-level profitability

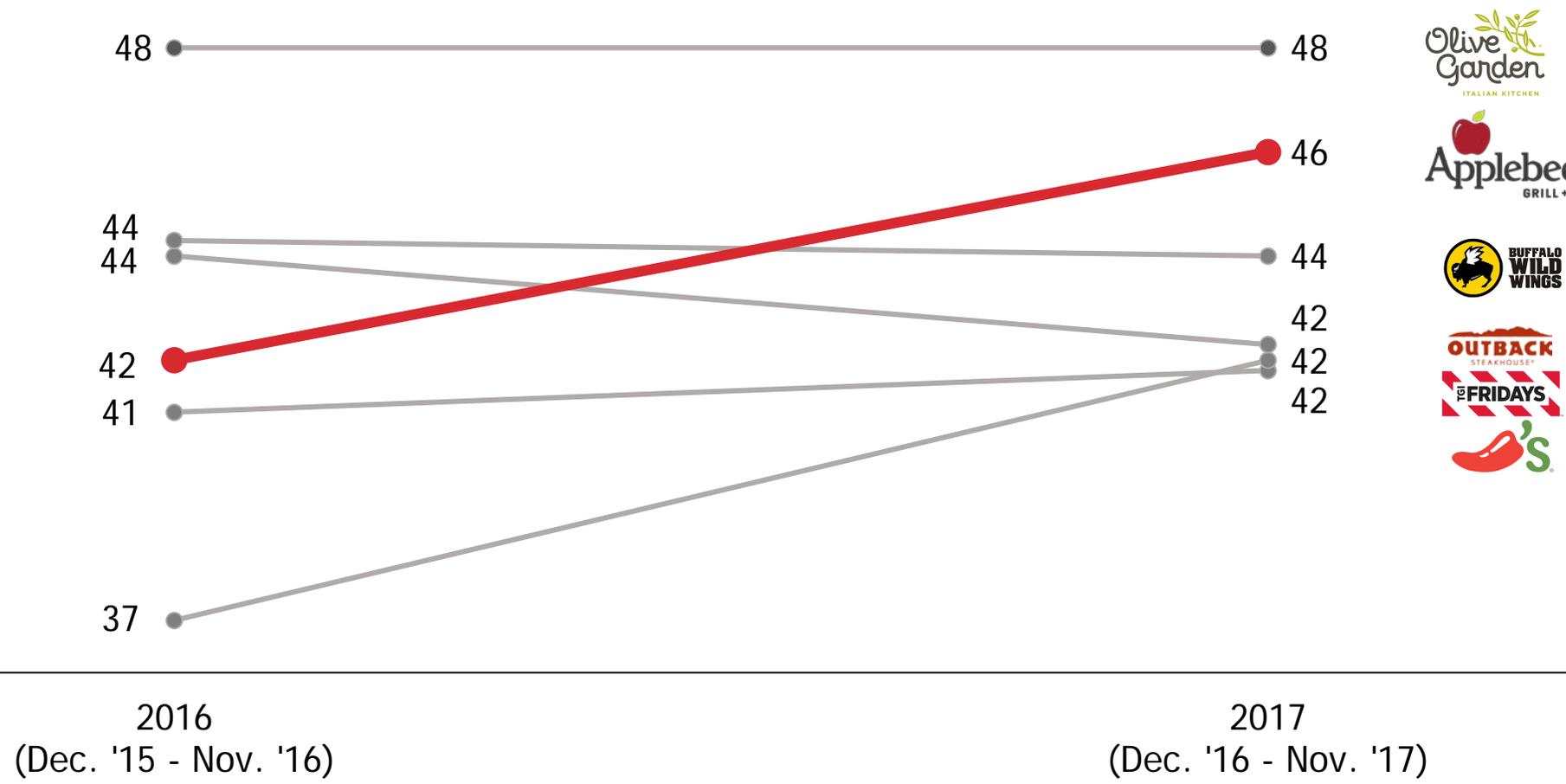


# ■ Applebee's Ops Metrics Continue to Improve

RESTAURANT TABLETOP SURVEY (5,700,000 ANNUAL RESPONSES)

|                      | 2016 | 2017 | Δ    |
|----------------------|------|------|------|
| Overall Satisfaction | 69%  | 76%  | + 7% |
| Attentive Server     | 80%  | 85%  | + 5% |
| Pace                 | 75%  | 81%  | + 6% |
| Cleanliness          | 73%  | 78%  | + 5% |
| Experience A Problem | 8%   | 5%   | - 3% |

# ■ NPD Guest Overall Satisfaction (% Top Box)



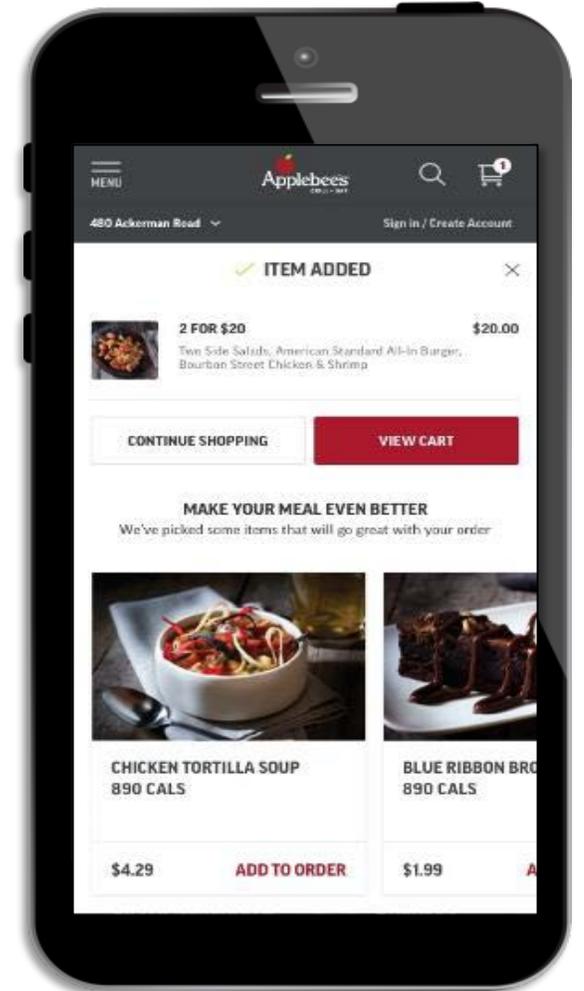
Source: NPD Group CREST, YE November 2017. Point changes reflect top box scores (% excellent) on 5 pt scale.



# ■ Applebee's Technology

Investing heavily to enable brand initiatives

- Tabletop device evolution
- Enhanced website and App functionality
- Carside arrival notification
- Carside hand-held transacting
- Modernizing POS



# Applebee's Culinary Innovation



- New Chief Culinary Officer
- Broadly appealing/mainstream flavors and recipes
- Embrace variety (something for everyone)
- Restore abundant & indulgent value
- Guest-driven, ops-validated innovation
  - Address quality and value gaps

# ■ World-Class Marketing

- New Chief Marketing Officer
- Buzzworthy promotional calendar
- Disciplined testing & validation
- Refined media strategy
  - Right target + right programming + right message
- Distinctive brand voice and personality



Eatin' Good in  
the Neighborhood

  
Applebee's®



**ALL YOU CAN EAT  
RIBLETS & TENDERS**

*Keep It Comin'*



*It's All Coming Back To Me*

# APPLEBEE'S HANDCRAFTED BURGERS

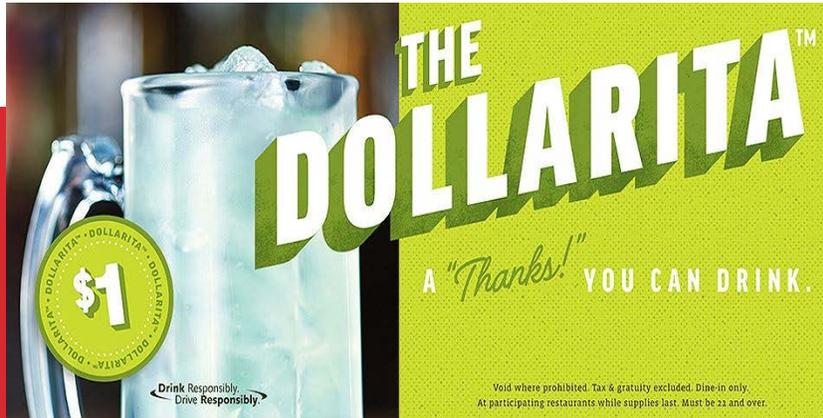
ANY BURGER

\$7.99



*Brunch Burger*  
*Quesadilla Burger*  
*Whisky Bacon Burger*

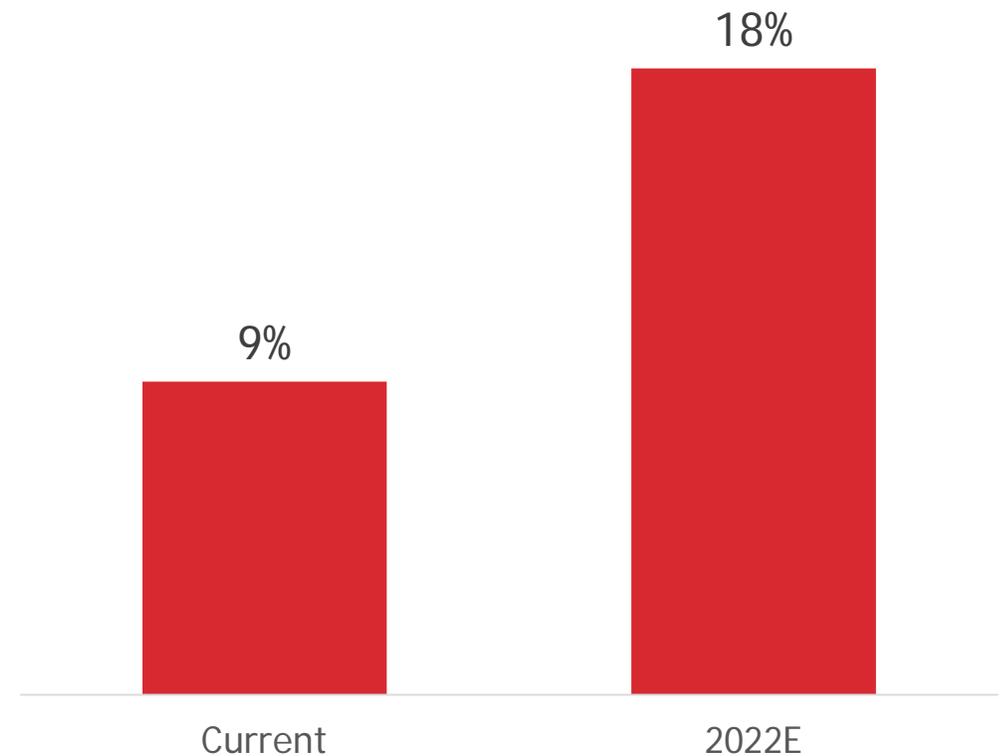
# Alcohol 15% of Sales



# ■ Off-Premise Relevance

- New Vice President, Off-Premise
- Growth engine, highly incremental
- Ongoing optimization (technology, packaging, service)
- Best-positioned brand in CDR
- Actively implementing delivery

## TO-GO % OF SALES



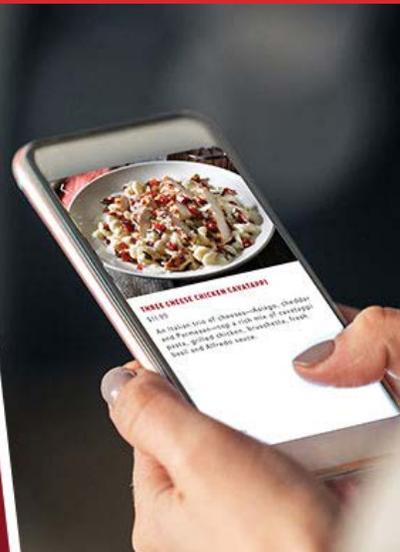


*Get Outta My Dreams*



*Come To My Window*

# Growing Our Off-Premise Business

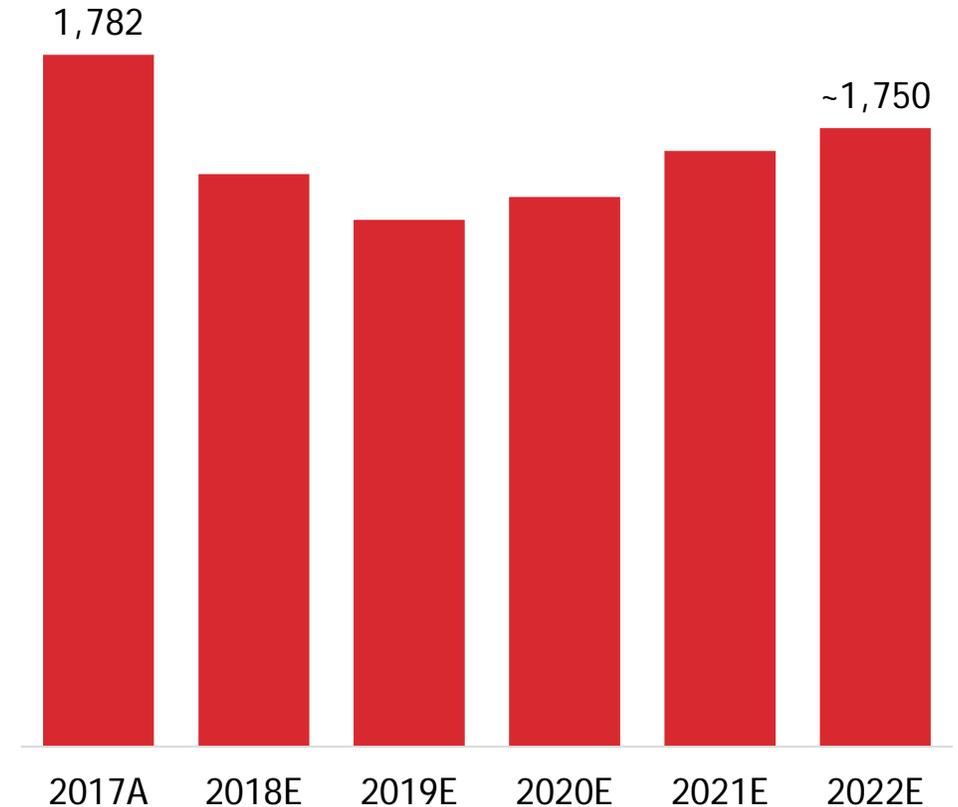


# Strong Asset Base

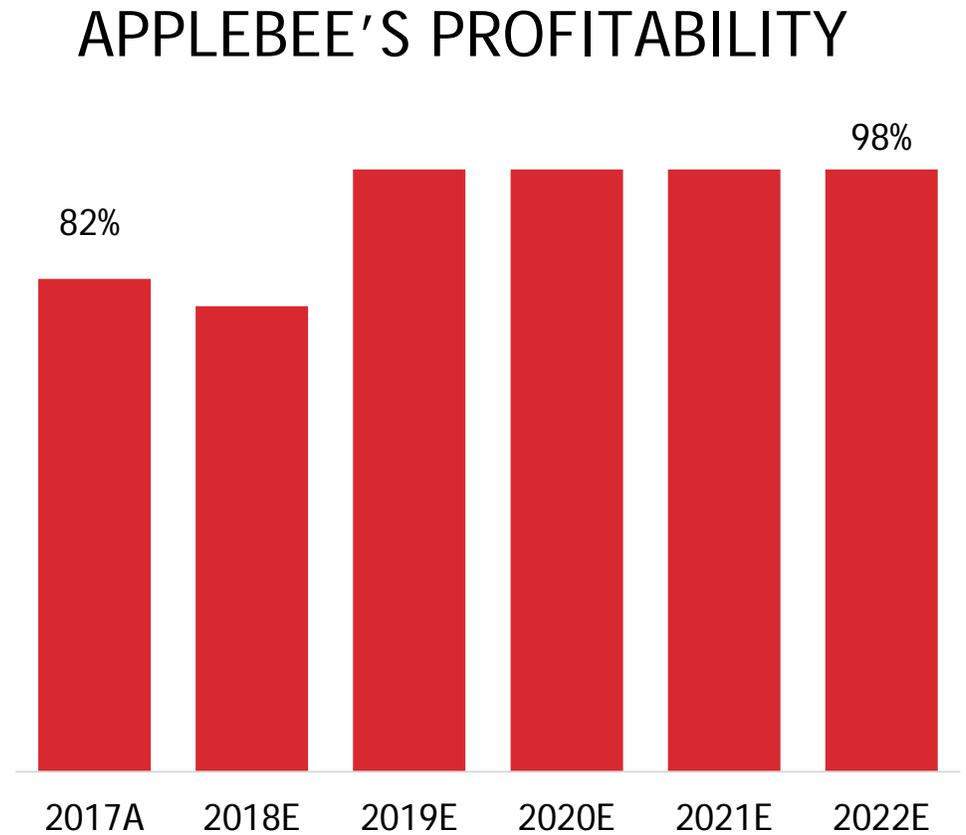
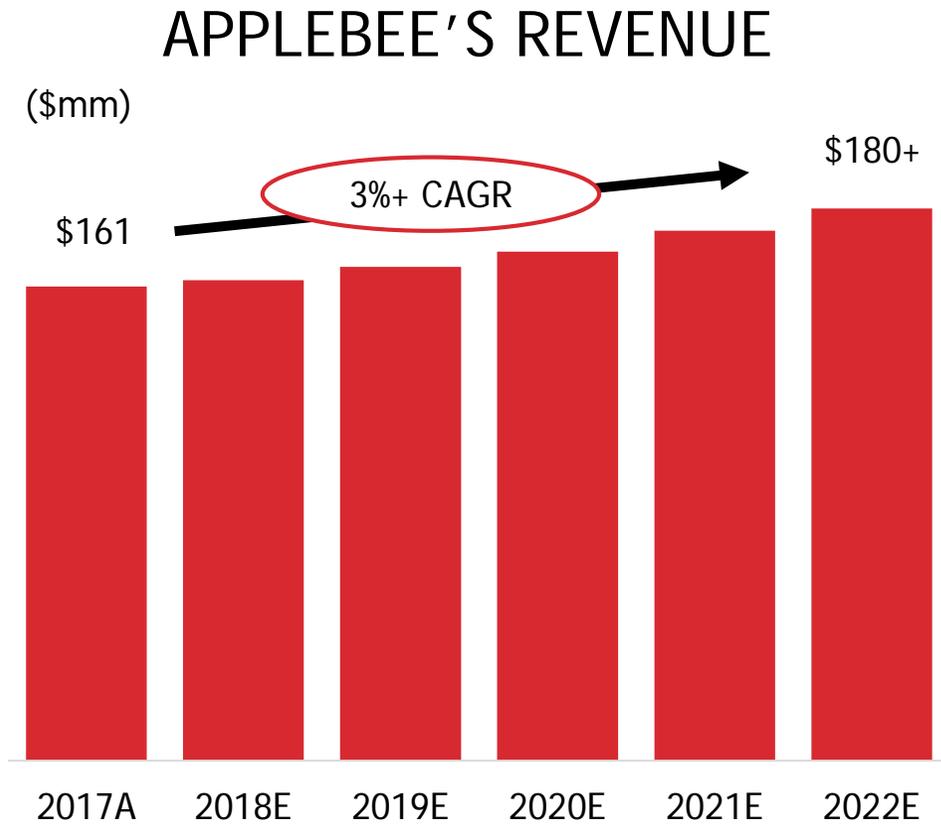


- 92% of restaurants remodeled between 2012-2015
- Closing under-performing, non-viable restaurants (~60 in 2018)
- Begin traditional and non-traditional development again in 2020

## RESTAURANT COUNT



# Projected Financial Performance



# ■ Conclusion

OUR GOAL IS TO  
CREATE  
SIGNIFICANT  
VALUE FOR  
SHAREHOLDERS  
& FRANCHISEES

- New and talented leadership team
- Plan to stabilize performance and accelerate growth
- Continued innovation and restaurant-level execution
- Genuine franchisee partnership, confidence and enthusiasm



# Franchisee Perspective

Greg Flynn

FOUNDER, CHAIRMAN & CEO  
APPLE AMERICAN GROUP



# Dine Brands Global, Inc. Investor Day

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FEBRUARY 21, 2018



# International Strategic Review

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William Urrego

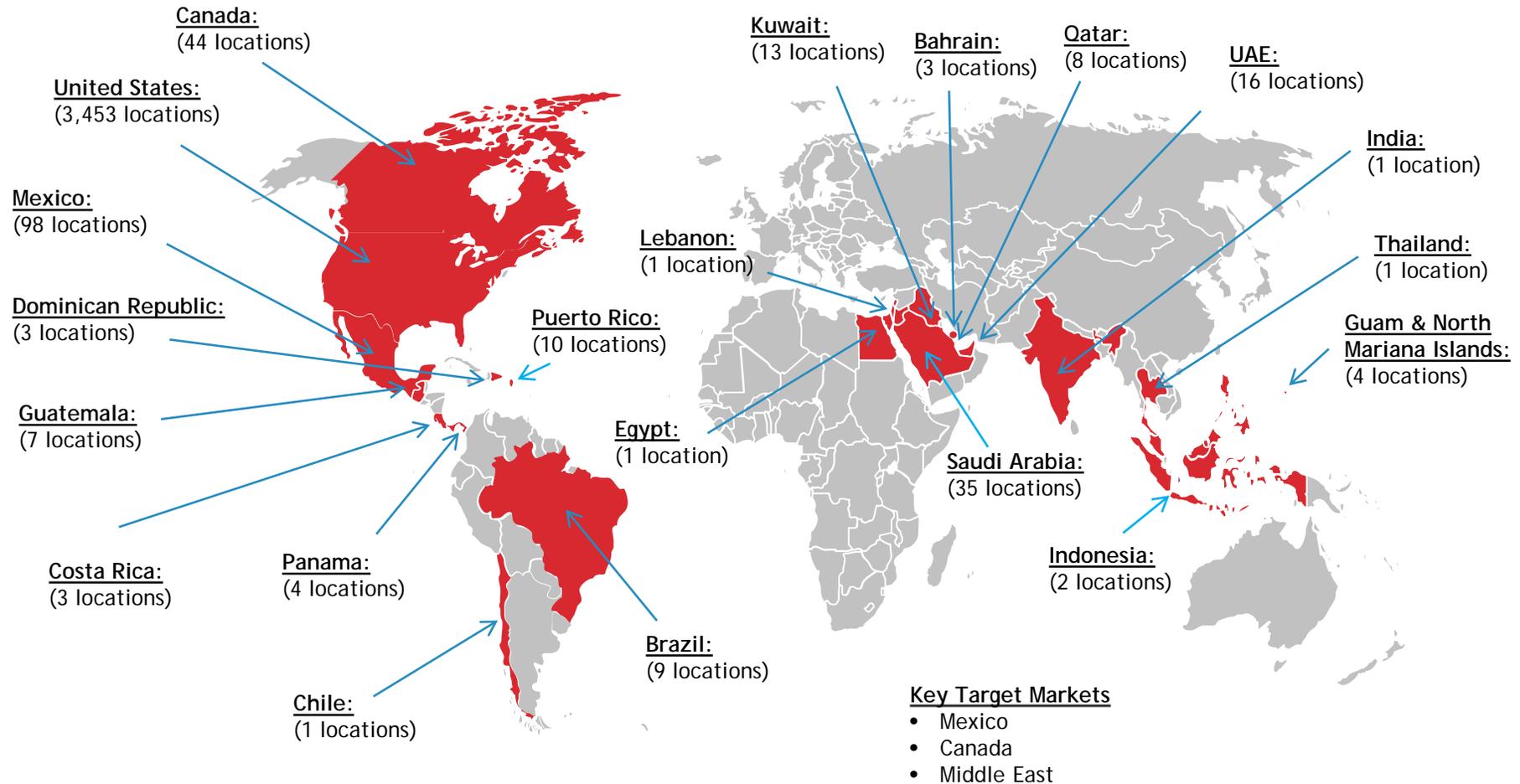
REGIONAL VICE PRESIDENT AND GENERAL MANAGER  
THE AMERICAS

# International Strategic Review

- Global Footprint
- Business Overview
- Historical Performance
- International Strategy
- Ingredients for Success



# Dine Brands: Broad Global Footprint



# ■ Global Footprint by Brand



115 restaurants

13 countries

20 franchisees

Key markets include:

- Canada
- Latin America
- Middle East



154 restaurants

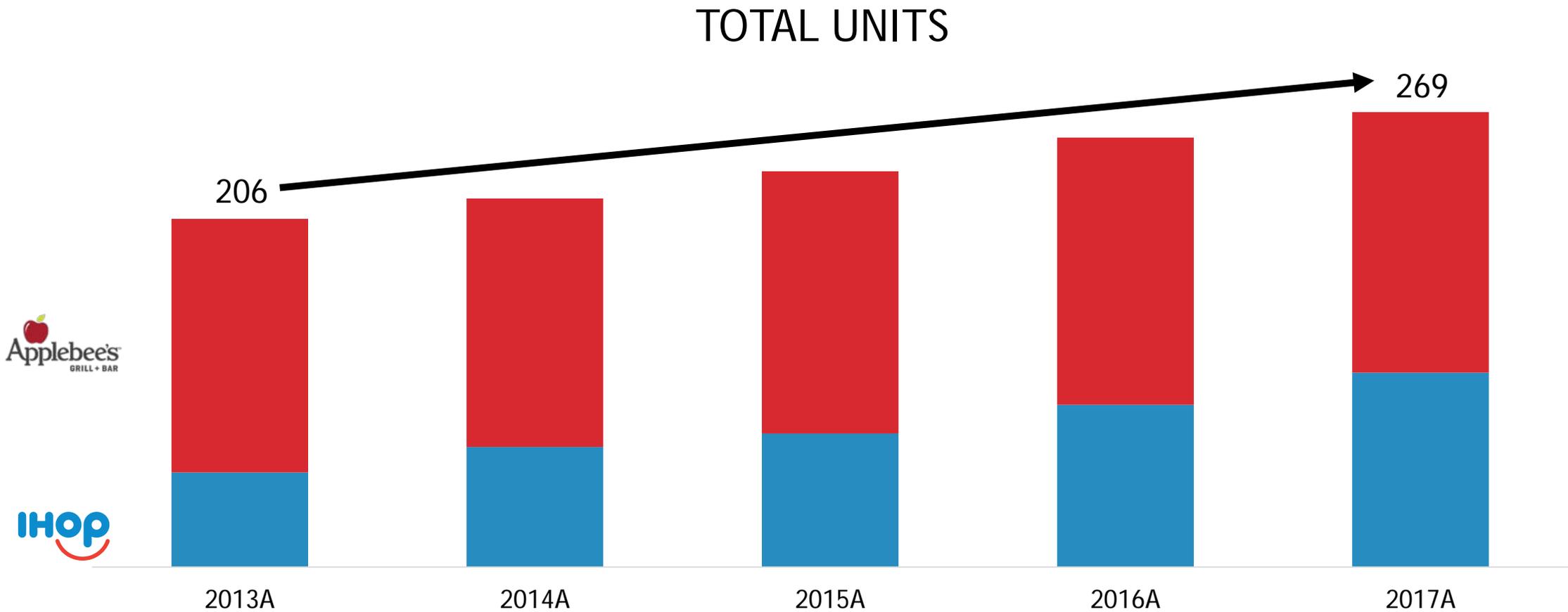
15 countries

25 franchisees

Key markets include:

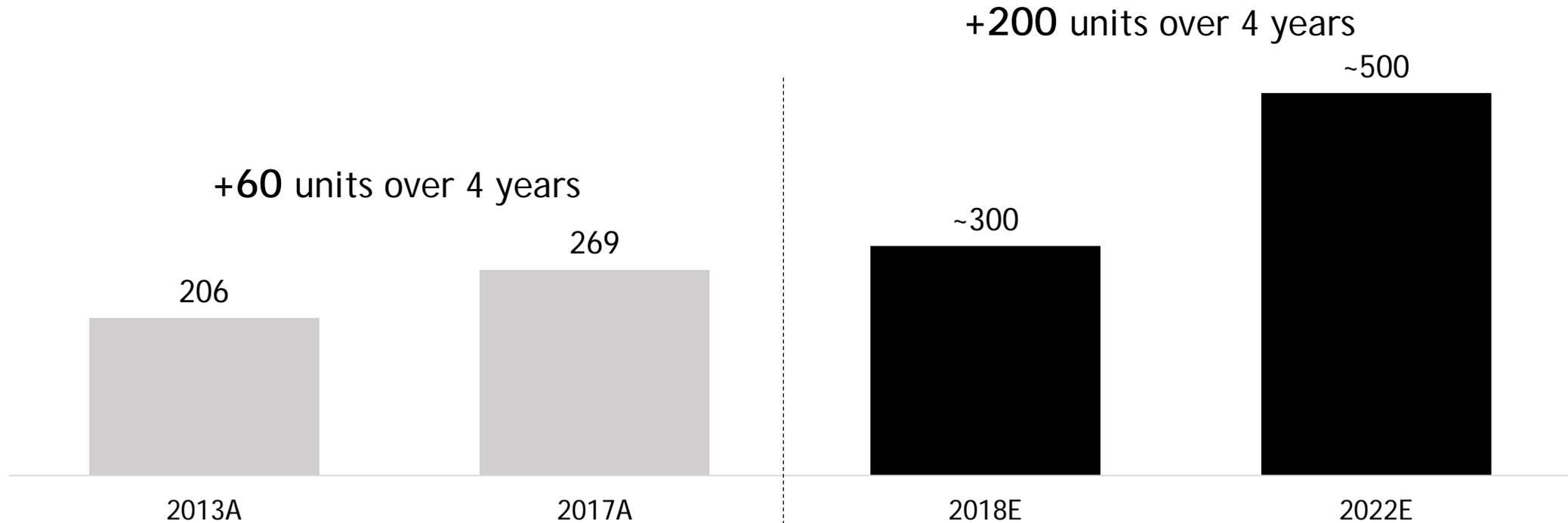
- Canada
- Latin America
- Middle East

# ■ Historical Growth



# Expected Growth Acceleration

INTERNATIONAL UNITS OVER TIME



# ■ IHOP: Spreading Happiness



# ■ Applebee's: There's Always A Reason To Celebrate



# ■ Four Pillar International Strategy



# ■ Brand Evolution Incorporated Throughout the Guest Experience



IHOP CALIFORNIA  
HERITAGE DESIGN

CELEBRATION DESIGN

# Place: International IHOP Locations



# Place: International Applebee's Locations



# ■ Key Growth Initiatives

IHOP BANGKOK, THAILAND

Smallest IHOP in the world (750 sq. ft)

Strong sales performance

1<sup>st</sup> of 10 units in 5 years



SMALLER FOOTPRINTS

Allow flexibility for our developing international partners

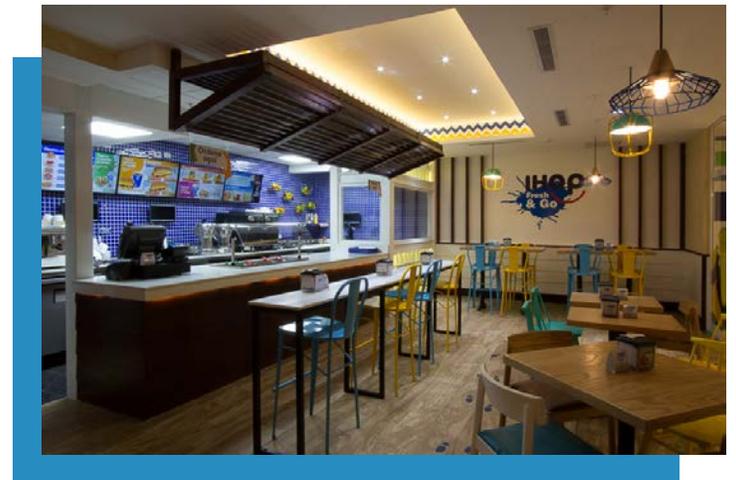
Compelling unit economics in larger cities with restrictive real-estate costs

# Flexibility Extends to New Prototypes

## Express / To-Go

### IHOP Fresh & Go, Panama

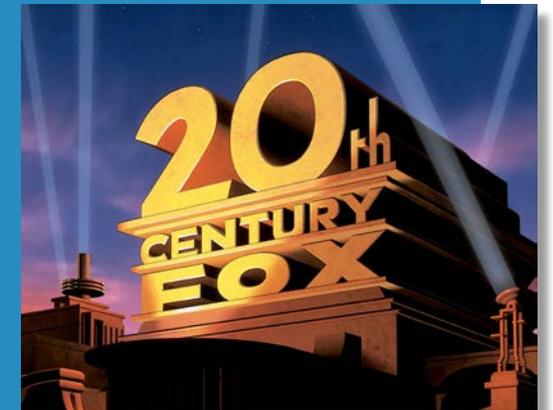
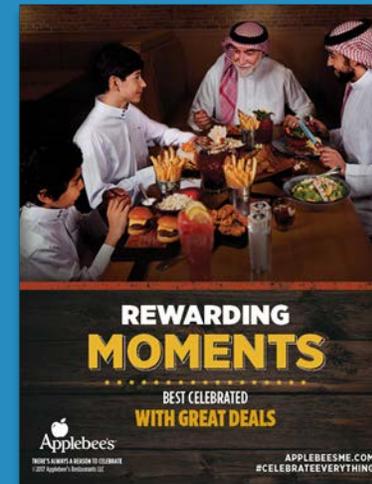
- Small 1200 sq. ft. size
- 4th Alpha unit, more under development
- Featuring packaged pre-prepared foods and shortened menu



ABILITY TO TEST  
INITIATIVES  
INTERNATIONALLY  
PRIOR TO  
LEVERAGING  
BEST PRACTICES  
IN THE U.S.

# Marketing Strategy

- Established national advertising fund for Applebee's in Mexico and the Middle East
- Developing national advertising fund for IHOP in Canada
- Strategic partnership with 20th Century Fox for IHOP, driving positive sales for locations in Mexico



# ■ Applebee's Mexico: National Advertising Fund



# International Local Marketing Initiatives



# ■ Unique International Menu Offerings



**لحظات تسوي الدنيا**  
أبل بيز  
للشركة - الفا ملبسة

**اضغط هنا**  
نعروض أخرى تسوي كثير

2020 © جميع الحقوق محفوظة

# ■ Creating a Service Culture



# ■ Key Target Markets



## MEXICO & LATIN AMERICA

- Strong affinity for American brands, especially at breakfast
- Many emerging markets with growing disposable income



## MIDDLE EAST

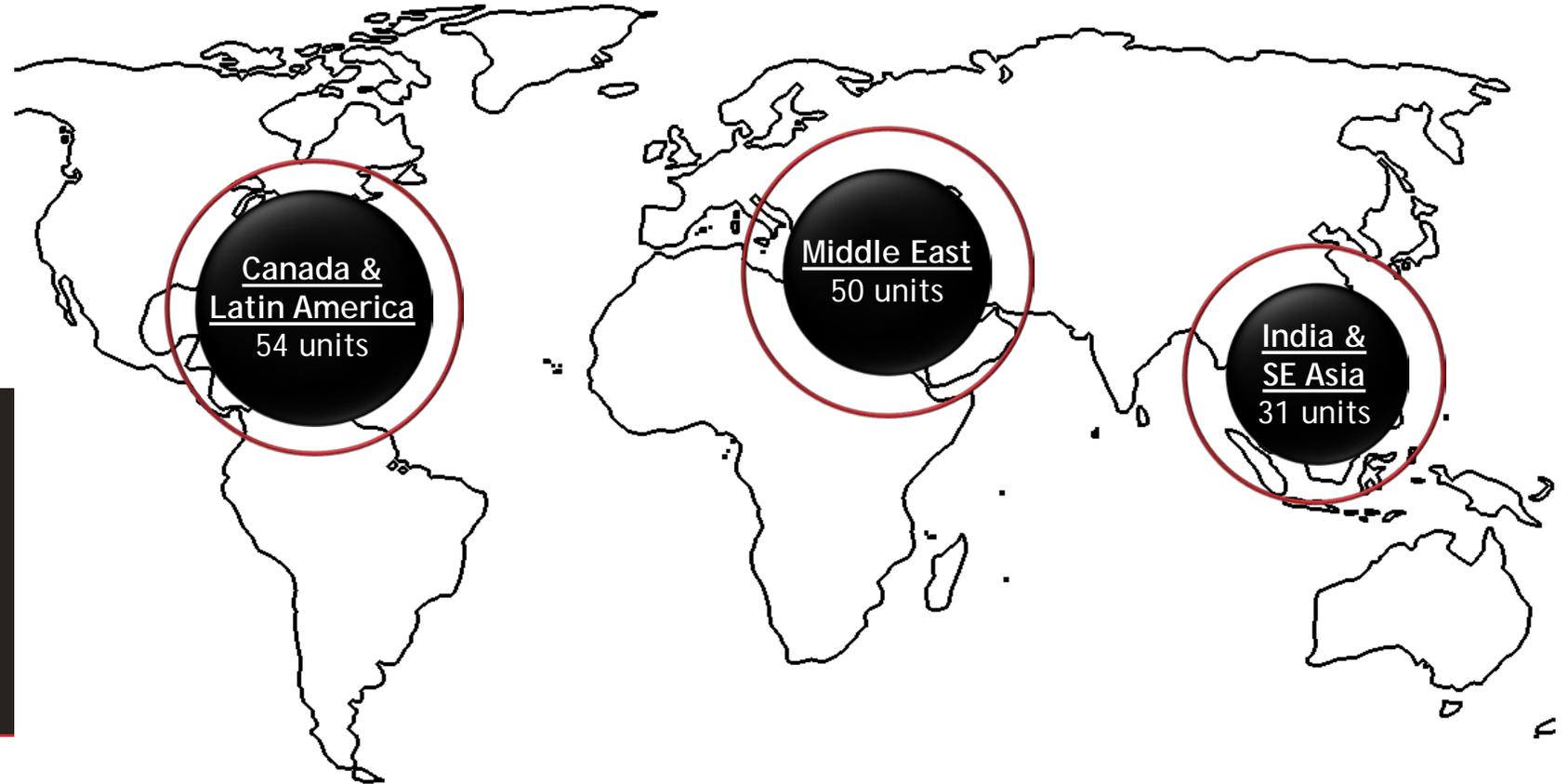
- The Middle East is the strongest market for dining out globally, as 40% of meals are purchased away from home
- Large, stable franchisee in Middle East: Alshaya Group



## CANADA

- Developed, diversified economy with high disposable income
- Affinity for classic American brands

# Franchisees Have Committed to Meaningful Openings Over Next 5 Years



EXISTING COMMITMENTS  
TO OPEN OVER 130  
INTERNATIONAL  
RESTAURANTS OVER THE  
NEXT 5 YEARS

# ■ International Infrastructure Supports Growth Plan

Dedicated and Diverse International Team



DEDICATED TEAM  
MEMBERS IN CANADA,  
MEXICO, THE MIDDLE  
EAST AND ASIA PACIFIC  
OUR TEAM REPRESENTS  
11 DIFFERENT  
NATIONALITIES  
WE ARE FLUENT IN A  
COMBINED 10  
LANGUAGES

# ■ Conclusion

INTERNATIONAL IS  
EXPECTED TO SERVE  
AS A SIGNIFICANT  
GROWTH ENGINE  
AND CREATE  
SUBSTANTIAL VALUE  
FOR SHAREHOLDERS  
AND FRANCHISEES

- Fastest growing part of the business
- Significant existing commitments for new development globally
- Expected to almost double international footprint over next 5 years
- We are excited about the future of the international business



# Dine Brands Global, Inc. Investor Day

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FEBRUARY 21, 2018



# Technology & Innovation

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Adrian Butler

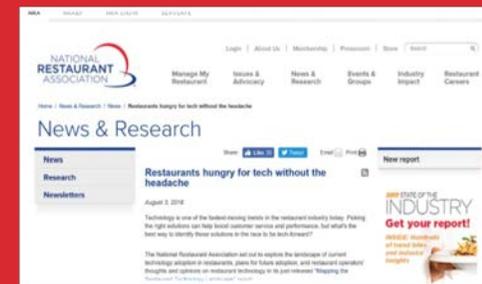
SVP, CHIEF INFORMATION OFFICER

# ■ Technology & Innovation

- Industry Trends
- Progress To Date
- Strategic Approach

# Guest Expectations Driving Current Trends

- Driving additional traffic through digital platforms
- Expansion of delivery driven by consumer demand
- Manage upward pressure on operational cost (i.e. labor)
- Business Intelligence and Marketing platforms that deliver customized offers



# 2017 Focus

## GUEST CONVENIENCE



## SPEED OF SERVICE



## REDUCING FRICTION - SEAMLESS INTEGRATED DESIGN



## AVAILABILITY - OMNI-CHANNEL & OFF-PREMISE / DELIVERY



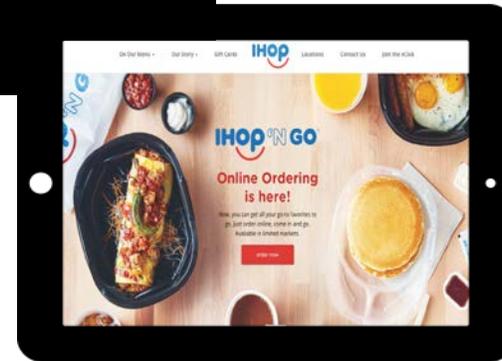
# Strategic Approach

ELEVATING GUEST AND TEAM MEMBER EXPERIENCE BOTH IN RESTAURANTS AND OFF-PREMISE THROUGH:

SMART DEVICES



ONLINE



APPS



TRANSFORMING THE GUEST EXPERIENCE THROUGH 4D TECHNOLOGY STRATEGY:

DATA

DISCOVERY

DINING

DELIVERY

# Data: Personalized 1:1 Marketing

## DEEP INSIGHTS & RICH ANALYTICS



Easy-to-use,  
intuitive, flexible



Fraud-proof  
promotions



Deep insights &  
measurement for more  
effective targeting and  
campaign performance

## 1:1 PREDICTIVE MARKETING



APPLEBEE'S® EMAIL CLUB



TRANSFORMING THE  
GUEST EXPERIENCE  
THROUGH 4D  
TECHNOLOGY  
STRATEGY:

DATA

DISCOVERY

DINING

DELIVERY

# Discovery: Advancing Digital and Mobile Technologies

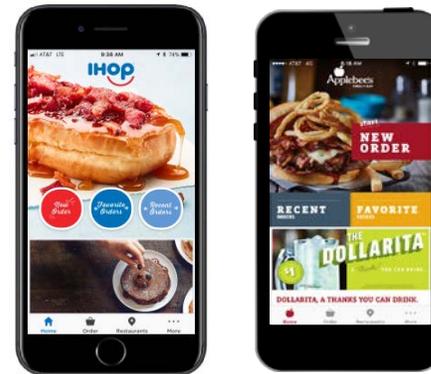
## NEW .COM PLATFORMS



## CONNECTED CAR ORDERING AND LOCATION SERVICES



## ROBUST NEW APPS



## VOICE ORDERING



TRANSFORMING THE GUEST EXPERIENCE THROUGH 4D TECHNOLOGY STRATEGY:

DATA

DISCOVERY

DINING

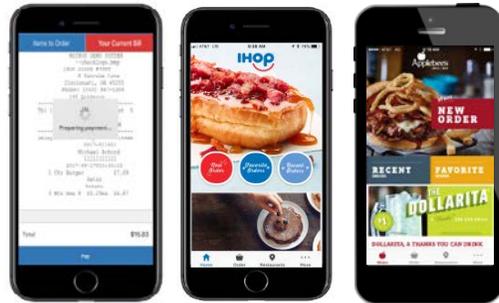
DELIVERY

# Dining: Modernizing In-Restaurant Technology

SPEED OF SERVICE  
(SERVER TABLETS)



MOBILE ORDERING  
AND PAYMENT



GUEST WiFi



TABLE SIDE PAYMENT



MODERNIZED POS



KITCHEN DISPLAY  
SYSTEM (KDS)



NEXT GENERATION  
TABLETOP



TRANSFORMING THE  
GUEST EXPERIENCE  
THROUGH 4D  
TECHNOLOGY  
STRATEGY:

DATA

DISCOVERY

DINING

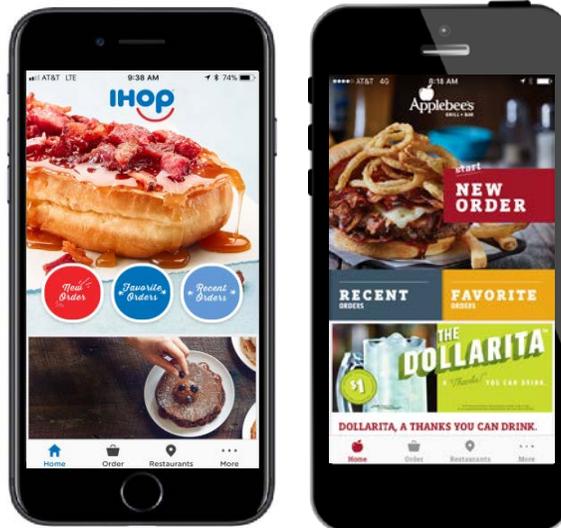
DELIVERY

# Delivery: Collaboration with Leading Providers

WORKING WITH LEADING DELIVERY PROVIDERS



INTEGRATED WITH MOBILE APP



ONLINE ORDERING



TRANSFORMING THE GUEST EXPERIENCE THROUGH 4D TECHNOLOGY STRATEGY:

DATA

DISCOVERY

DINING

DELIVERY

# ■ Conclusion

OUR AIM IS TO  
CREATE A UNIQUE  
AND INNOVATIVE  
PERSONALIZED  
EXPERIENCE FOR  
OUR GUESTS,  
WHEREVER AND  
WHENEVER THEY  
WANT

- Utilizing data and analytics to better serve our guests
- Leveraging technology to enhance the guest and team member experience
- Facilitating broader access to brands through web, mobile, voice ordering, car, etc...
- Building an omni-channel approach so guests can access our brands on their terms



# Financial Summary

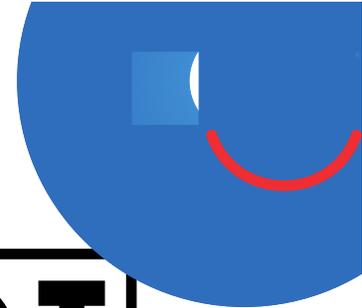
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Gregg Kalvin

Interim CFO and SVP, Corporate Controller

# ■ Financial Summary

- Historical Financial Performance
- Projected Financial Performance
- Significant Margin Improvement Opportunity
- Tax Implications
- Cash Flow Generation
- Capital Allocation Priorities
- Shareholder Growth Algorithm



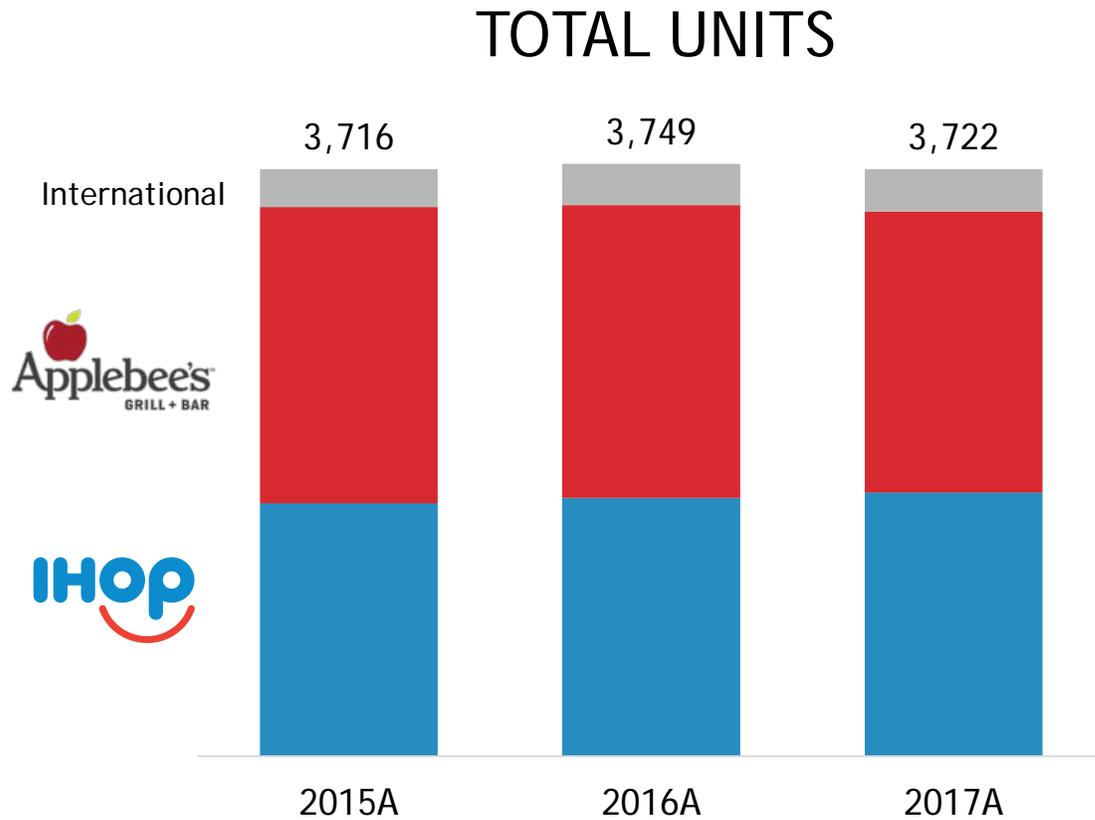
# ■ Commitment to Financial Success

- We are implementing a plan to return to growth at both brands
- We continue to pursue cost optimization opportunities
- We expect to generate substantial cash flow and earnings going forward
- We are committed to making the necessary investments to further strengthen the business for the long-term
- We are excited about the future



OUR GOAL IS TO CREATE SIGNIFICANT FUTURE VALUE FOR SHAREHOLDERS

# Historical Financial Performance: Unit Count & AUV



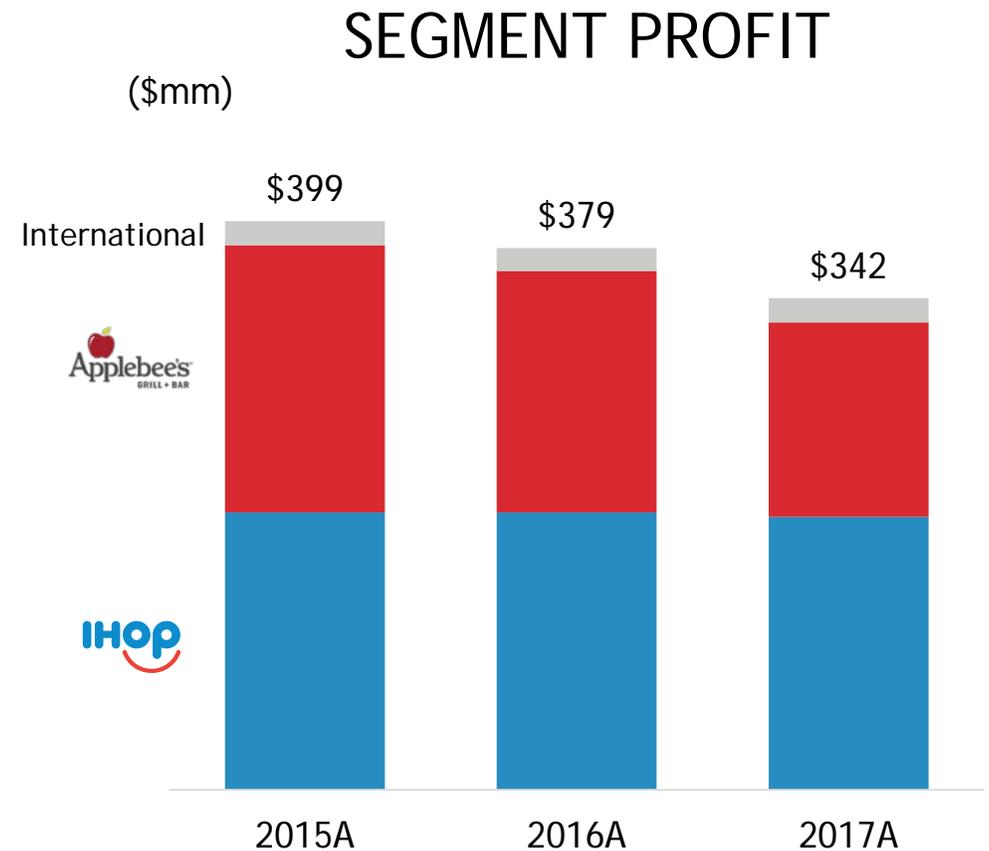
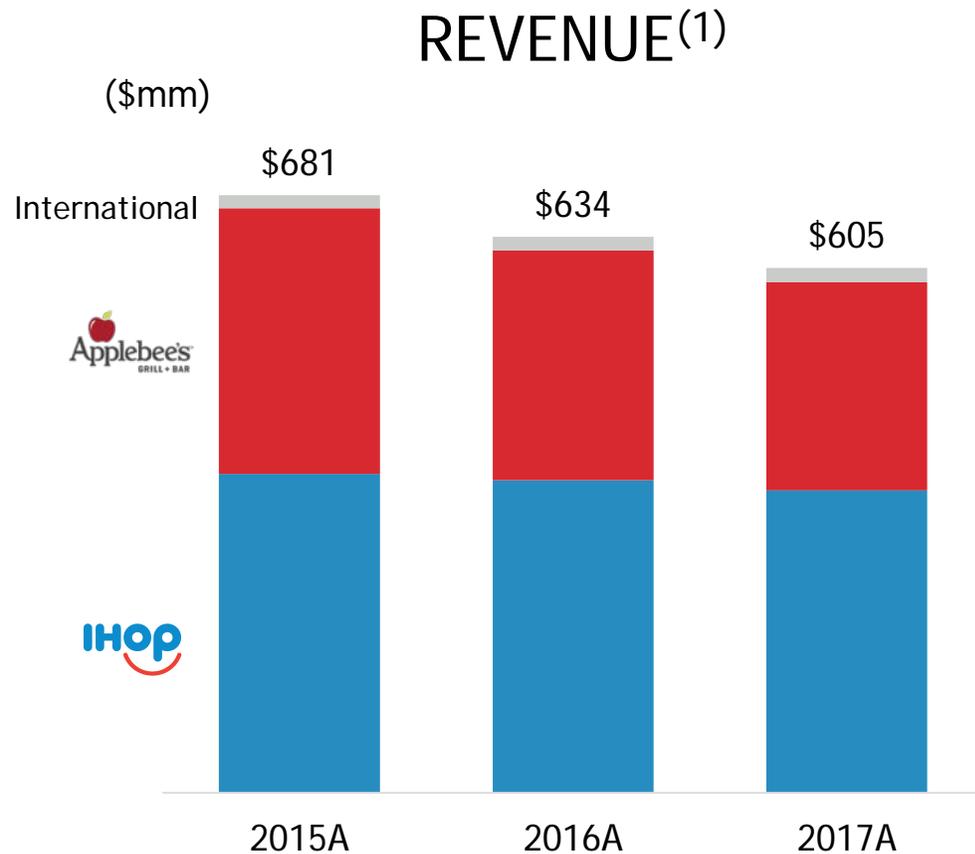
**Applebee's** AUV (\$mm)



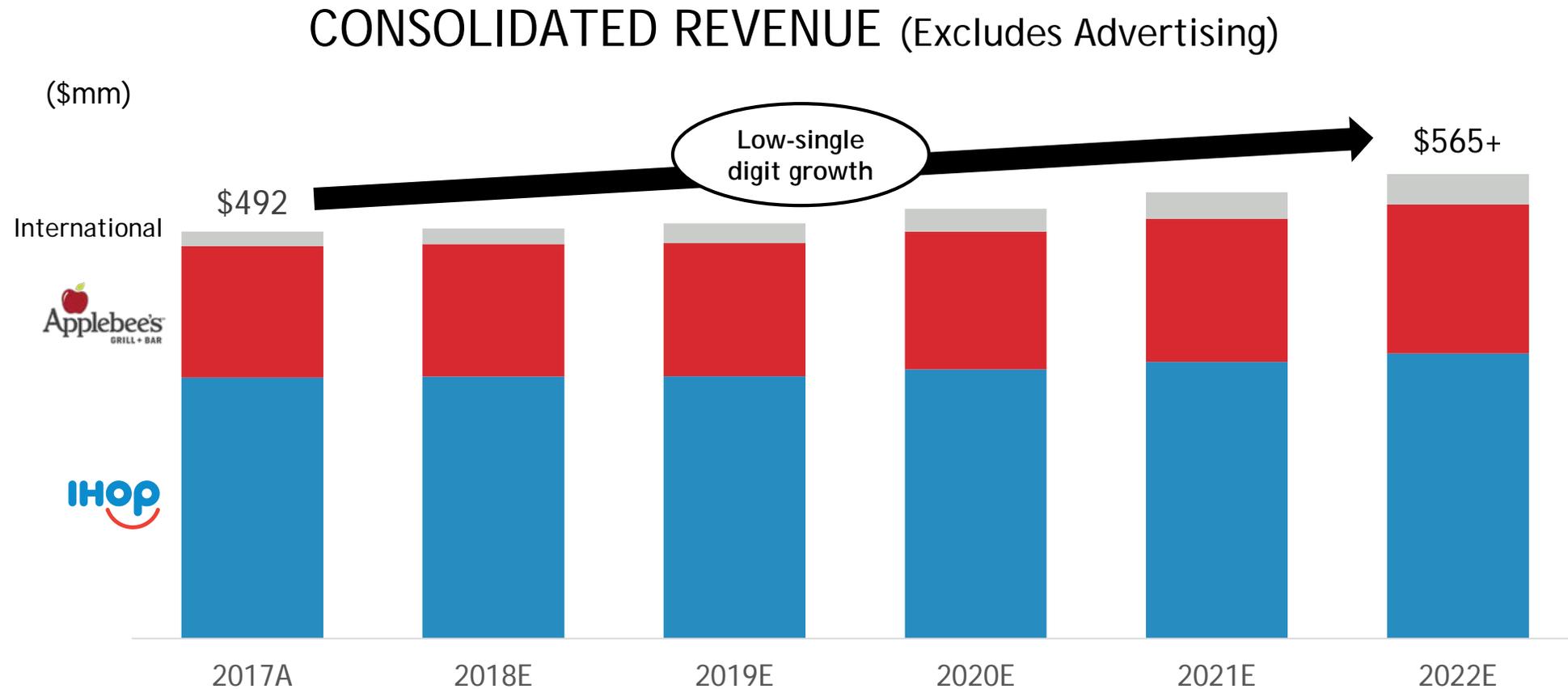
**IHOP** AUV (\$mm)



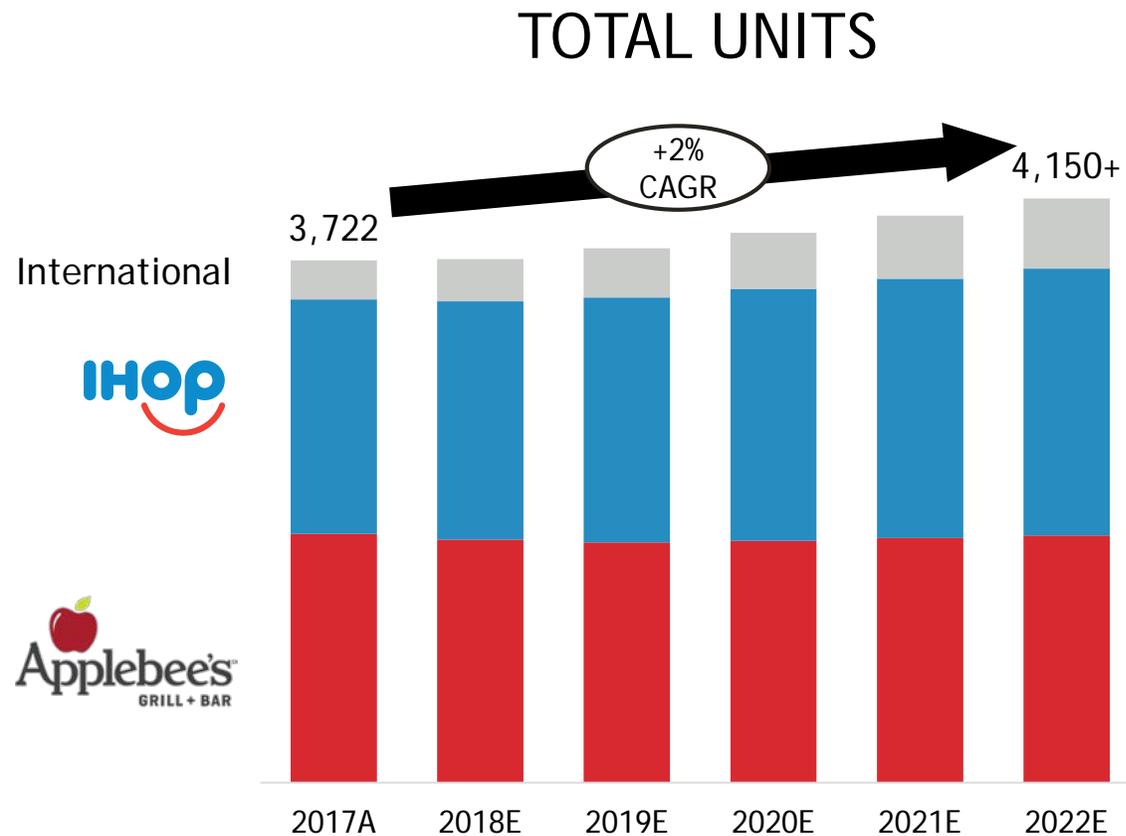
# Historical Financial Performance: Revenue & Segment Profit



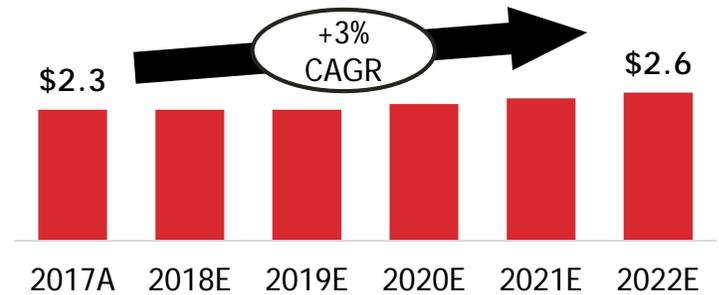
# Projected Financial Performance: Revenue



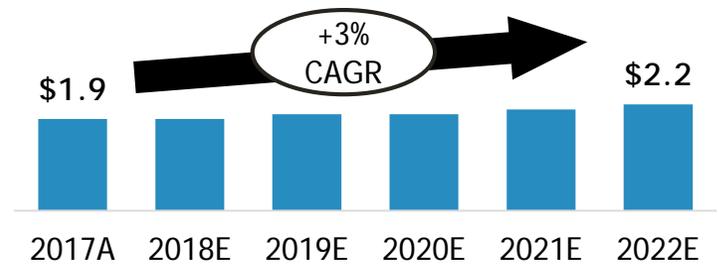
# Projected Financial Performance: Unit Count & AUV



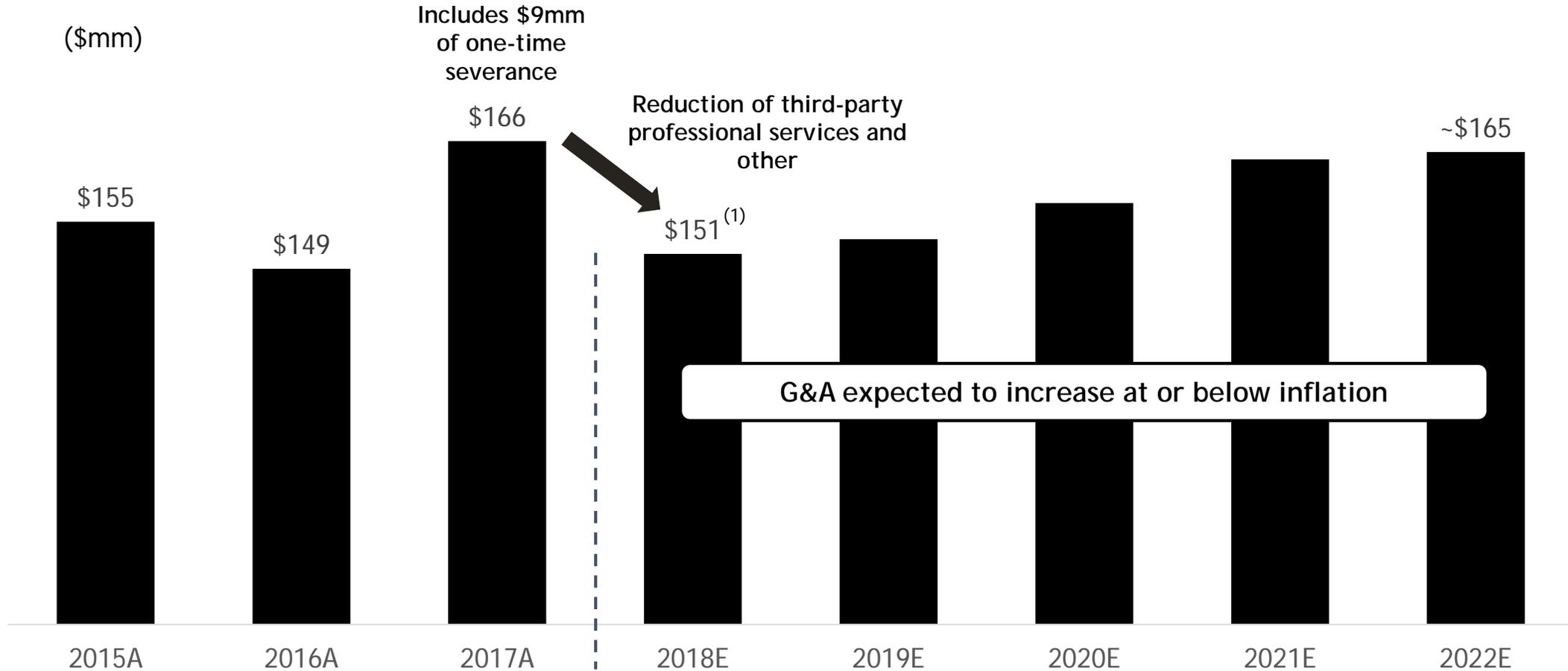
Applebee's  
GRILL + BAR AUV (\$mm)



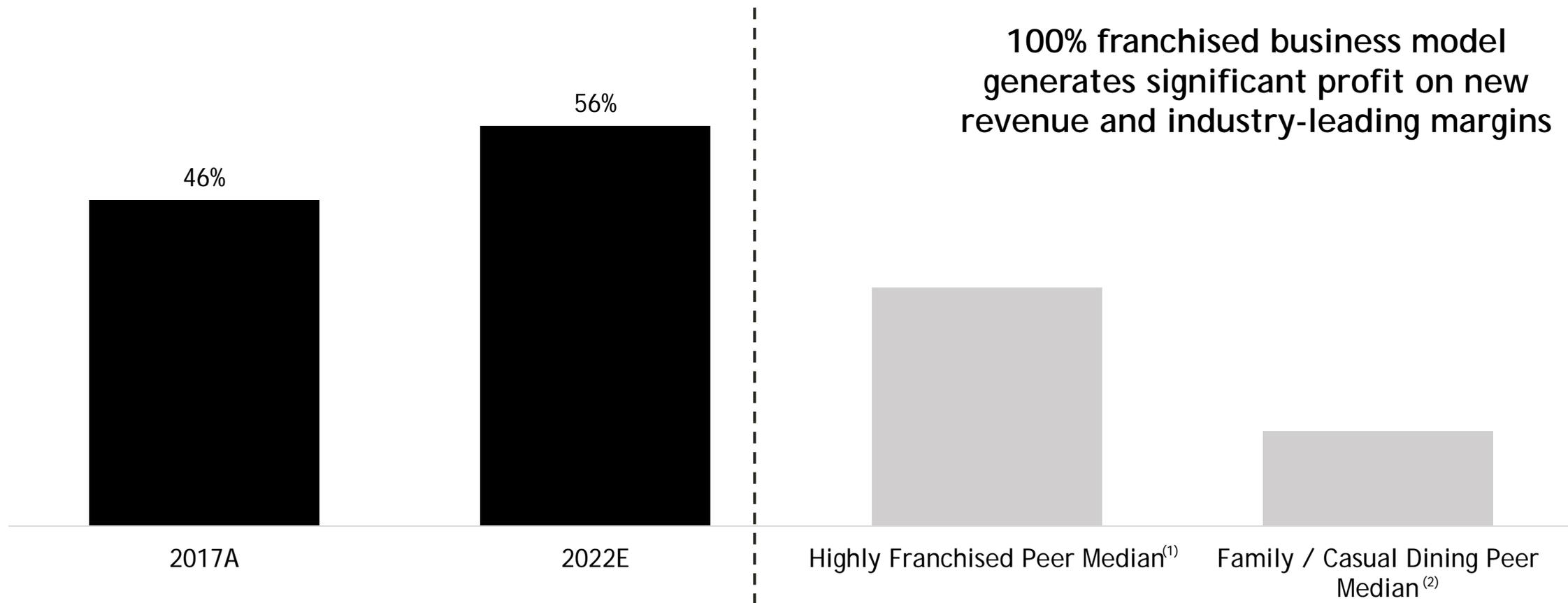
IHOP AUV (\$mm)



# General & Administrative Expense



# ■ Significant Margin Improvement



Source: FactSet, Company's fiscal 2017 Form 10-K filing and Company projections.

Note: Excludes advertising revenue

See Appendix for reconciliation of non-GAAP financial measures

<sup>(1)</sup> Highly Franchised peers include Denny's, Dominos, Dunkin', Restaurant Brands International, Wendy's, Sonic, Jack in the Box and Papa John's.

<sup>(2)</sup> Family / Casual Dining peers include Darden, Cracker Barrel, Brinker, Texas Roadhouse, Bloomin', Cheesecake Factory, Buffalo Wild Wings, BJ's, and Red Robin.

# ■ Tax Implications

Blended  
Tax Rate

40% → ~26%

Additional  
Cash  
Generated

~\$15mm in 2018

WE EXPECT TO  
UTILIZE ADDITIONAL  
CASH TO:

INVEST IN EXISTING  
BRANDS

OPPORTUNISTICALLY  
REPURCHASE SHARES

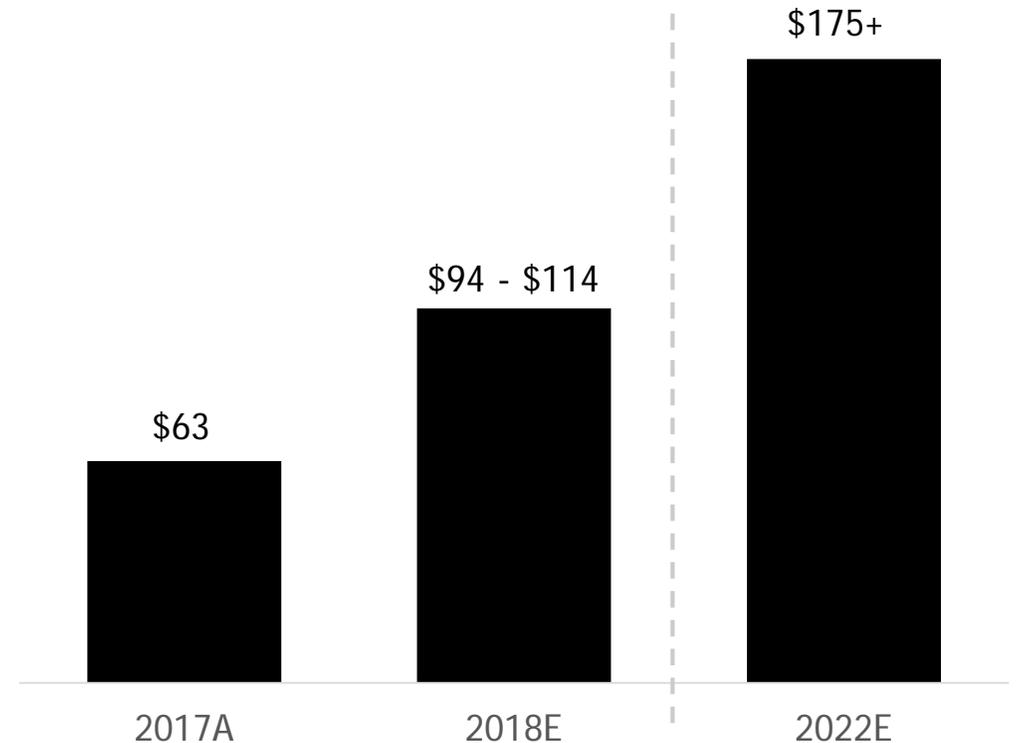
AND POTENTIALLY  
PURSUE NEW SCALE  
OPPORTUNITIES

# ■ 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<sup>(1)</sup>  
(\$mm)



# ■ Capital Allocation Priorities



- Invest in Existing Brands
- Dividends
- Repurchase Shares
- Manage Long-Term Debt
- Scalable Platform

# Invest in Existing Brands

- Culinary innovation to enhance the guest experience
- Technology to create more ways for consumers to access our brands
- New growth platforms (e.g., To-Go and new formats)
- Rigorous quantitative analysis in insights and analytics
- Establishing more responsibility and accountability at the brand level
- Reassigning key functions to create greater efficiency for both brands

Shifting investment  
into the brands  
from corporate

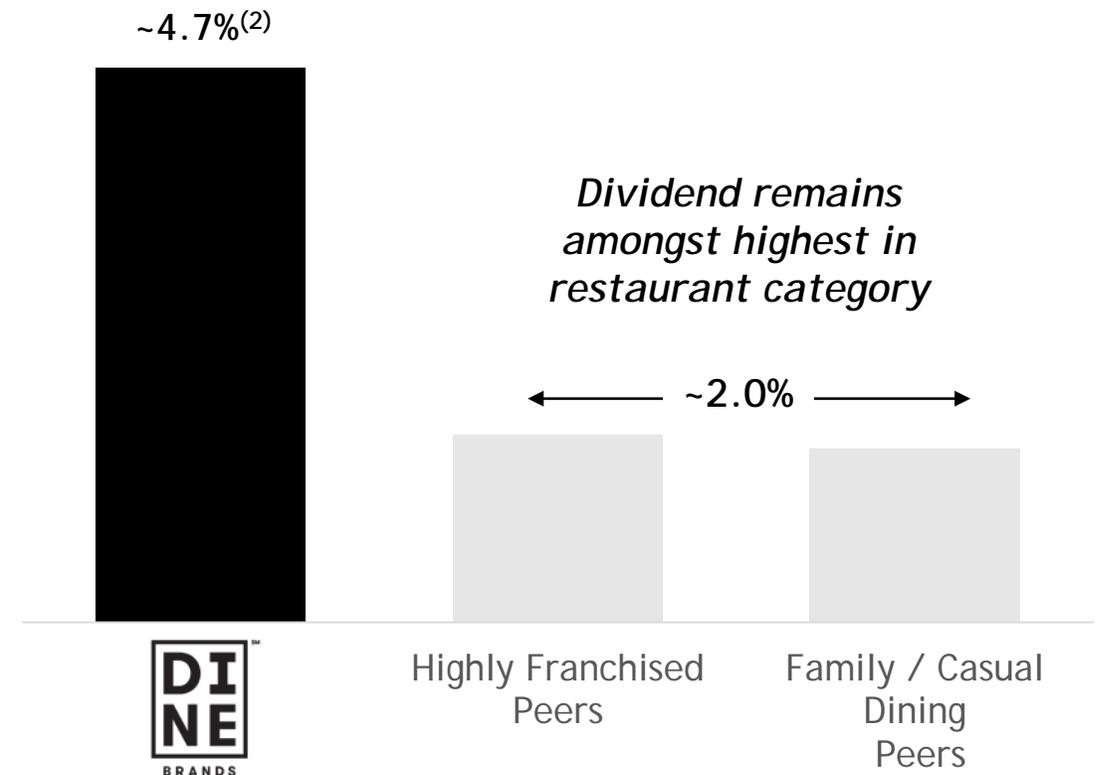
INVESTING IN...

# Dividends

- Quarterly cash dividend of \$0.63 per share in Q1 2018 (\$2.52 per share annualized)
- Payout ratio of ~44%<sup>(1)</sup>
- Opportunity for meaningful share repurchases

RETURNING CAPITAL TO SHAREHOLDERS REMAINS A TOP PRIORITY

## DIVIDEND YIELD



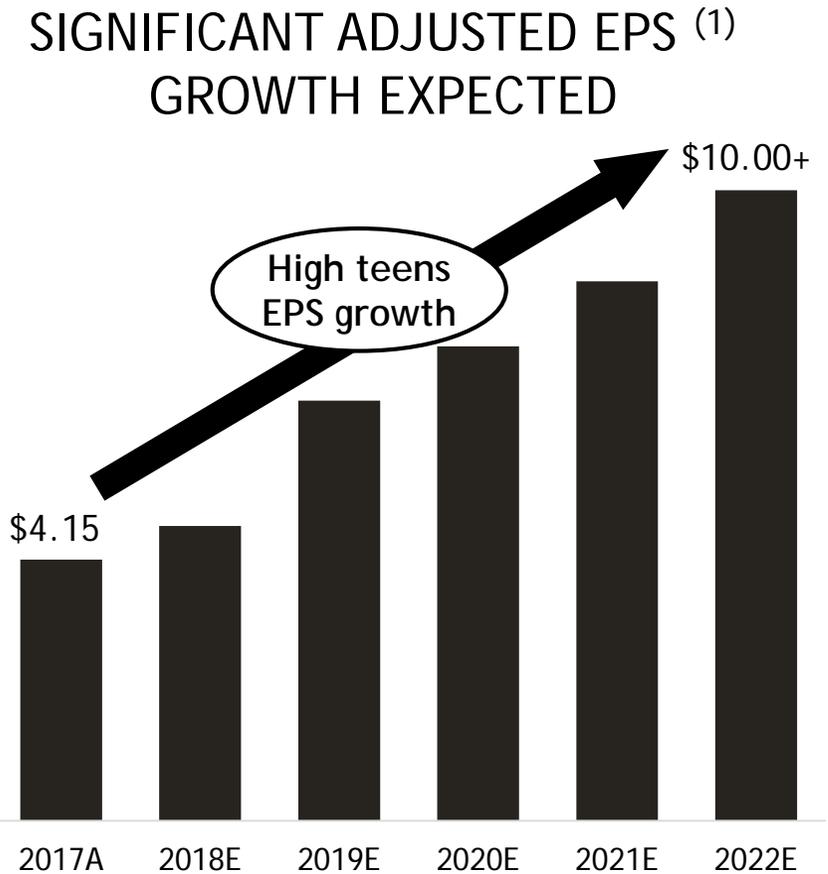
Source: Wall Street research and company filings. Highly Franchised peers include Denny's, Dominos, Dunkin', Restaurant Brands International, Wendy's, Sonic, Jack in the Box and Papa John's. Family / Casual Dining peers include Darden, Cracker Barrel, Brinker, Texas Roadhouse, Bloomin' Brands, Cheesecake Factory, Buffalo Wild Wings, BJ's Restaurants and Red Robin Gourmet Burgers.

(1) Based on an approximate mid-point of 2018 guidance for adjusted free cash flow of \$104 million.

(2) Assumes a common stock price of \$54

# Repurchase Shares

- Committed to best-in-class capital returns to shareholders
- Reduced dividend provides opportunity for meaningful share repurchases
- Continuously evaluate timing and attractiveness of share repurchases

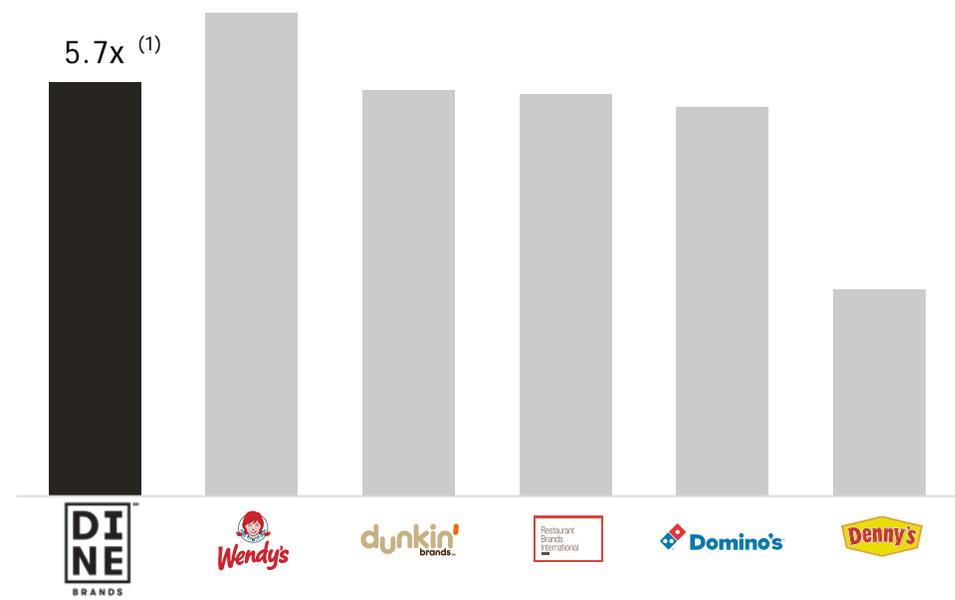


# Manage Long-Term Debt

TARGETING MEANINGFUL DELEVERAGING OVER 5-YEAR FORECAST THROUGH EBITDA GROWTH

## LEVERAGE IN-LINE WITH FRANCHISED PEERS - REFINANCING OPPORTUNITY

LTM Debt / EBITDA



Dine Brands capital structure supported by strong, predictable cash flow from franchise model

- \$1.3 billion of 4.277% Fixed Rate Senior Notes last refinanced in 2014
- Make-whole goes away in September 2018, creating an opportunity to refinance debt to increase flexibility



Source: Wall Street research and company filings.  
<sup>(1)</sup>As of 12/31/17.  
See Appendix for reconciliation of income before taxes to EBITDA

# 2018 Guidance

|  | Guidance (\$mm) |
|--|-----------------|
| <b><u>Domestic Same Restaurant Sales</u></b> |                 |
| Applebee's                                   | 0% - 3%         |
| IHOP   | 0% - 3%         |
| <b><u>Gross Development (Global)</u></b>     |                 |
| Applebee's                                   | 10 - 15         |
| IHOP   | 85 - 100        |
| <b><u>Closures (Global)</u></b>              |                 |
| Applebee's                                   | 60 - 80         |
| IHOP   | 30 - 40         |
| Franchise Segment Profit (mm)                | \$289 - \$307   |
| Rental and Financing Segment Profit (mm)     | ~\$37           |
| Consolidated G&A (mm)                        | \$147 - \$156   |
| Cash Interest Expense (mm)                   | ~\$58           |
| Income Tax Rate                              | ~ 26%           |
| Adjusted Free Cash Flow (mm) <sup>(1)</sup>  | \$94 - \$114    |
| GAAP EPS                                     | \$4.31 - \$4.61 |
| Adjusted EPS <sup>(1)</sup>                  | \$4.95 - \$5.25 |



# Strong Projected Financial Performance

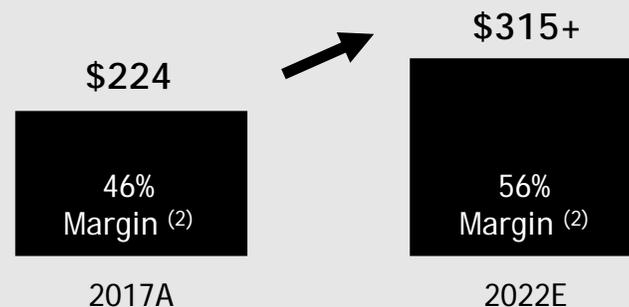
(\$mm)

## REVENUE



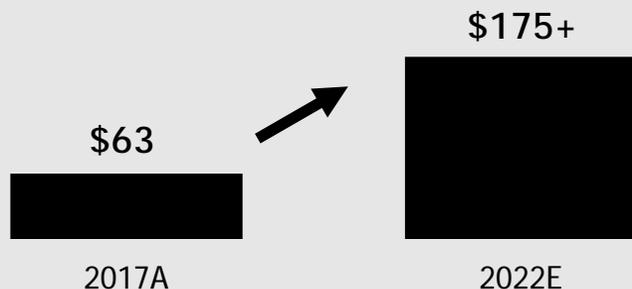
- Low single digit growth<sup>(1)</sup>
  - Applebee's: +3%
  - IHOP: +2%
  - International: +15%

## EBITDA<sup>(3)</sup>



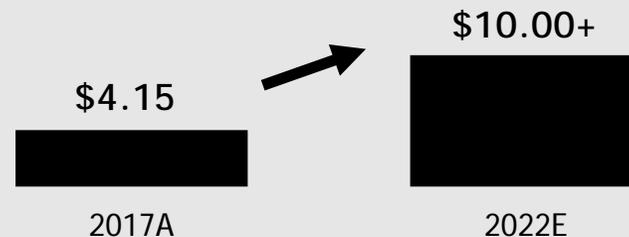
- Mid single digit growth
- 10%+ margin expansion

## ADJUSTED FREE CASH FLOW<sup>(3)</sup>



- Increasing free cash flow with significant return to shareholders

## ADJUSTED EPS<sup>(3)</sup>



- High teens EPS growth



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

+

~4.7%

=

EXPECTED TOTAL  
SHAREHOLDER  
RETURN

20%+



# Closing Remarks

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Steve Joyce

Chief Executive Officer



**DI  
NE**  
BRANDS<sup>SM</sup>

# Q & A

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**BRANDS**



# Dine Brands Global, Inc. Investor Day

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FEBRUARY 21, 2018



# Appendix

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# 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)      |
| <b>Adjusted free cash flow</b>                         | <b>\$122,509</b> | <b>\$62,977</b> |

**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)              |
| <b>Adjusted free cash flow (Non-GAAP)</b>                              | <b>\$94 - 114</b> |

# 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:

## 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        |
| Kansas City Support Center consolidation costs                                   | -             |
| 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   | \$0.01        |
| <b>Diluted net income available to common stockholders per share as adjusted</b> | <b>\$4.15</b> |

## 2018 Adjusted earnings per diluted share (Non-GAAP) Guidance Table

|   |                      |
|---|----------------------|
| GAAP earnings per diluted share                       | \$4.31-\$4.61        |
| Amortization of intangible assets                     | 0.57                 |
| Closure and impairment charges                        | 0.10                 |
| Non-cash interest expense                             | 0.20                 |
| Income tax provision for above adjustments at 26%     | (0.23)               |
| <b>Adjusted earnings per diluted share (Non-GAAP)</b> | <b>\$4.95-\$5.25</b> |



# 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> |
| <br>                                |                 |                 |
| Total Revenues                      | \$ 634.0        | \$ 604.8        |
| Less Advertising Revenues           | (111.3)         | (113.2)         |
|                                     | <u>\$ 522.7</u> | <u>\$ 491.6</u> |
| <br>                                |                 |                 |
| EBITDA Margin                       | 53%             | 46%             |