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

FORM 10-Q

(Mark One)
☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2017
OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File Number 001-15283

DineEquity, Inc.
(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	**95-3038279** (I.R.S. Employer Identification No.)
450 North Brand Boulevard, Glendale, California (Address of principal executive offices)	**91203-1903** (Zip Code)

(818) 240-6055
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒ Accelerated filer ☐

Non-accelerated filer ☐ (Do not check if a smaller reporting company)

Smaller reporting company ☐
Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding as of November 3, 2017
Common Stock, $0.01 par value	17,988,168

DineEquity, Inc. and Subsidiaries
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Cautionary Statement Regarding Forward-Looking Statements

Statements contained in this report may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. 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. You can identify these forward-looking statements by words such as "may," "will," "should," "could," "expect," "anticipate," "believe," "estimate," "intend," "plan" and other similar expressions. You should consider our forward-looking statements in light of the risks discussed under the heading "Risk Factors" in our most recent Annual Report on Form 10-K, as well as our consolidated financial statements, related notes, and the other financial information appearing elsewhere in this report and our other filings with the United States Securities and Exchange Commission. The forward-looking statements contained in this report are made as of the date hereof and the Company assumes no obligation to update or supplement any forward-looking statements.

Fiscal Quarter End

The Company's fiscal quarters end on the Sunday closest to the last day of each calendar quarter. For convenience, the fiscal quarters of each year are referred to as ending on March 31, June 30, September 30 and December 31. The first fiscal quarter of 2017 began on January 2, 2017 and ended on April 2, 2017 and the second and third fiscal quarters of 2017 ended on July 2, 2017 and October 1, 2017, respectively. The first fiscal quarter of 2016 began on January 4, 2016 and ended on April 3, 2016 and the second and third fiscal quarters of 2016 ended on July 3, 2016 and October 2, 2016, respectively.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements.

DineEquity, Inc. and Subsidiaries
Consolidated Balance Sheets
(In thousands, except share and per share amounts)

Assets	September 30, 2017	December 31, 2016
	(Unaudited)	
Current assets:		
Cash and cash equivalents	$ 104,212	$ 140,535
Receivables, net	96,657	141,389
Restricted cash	31,338	30,256
Prepaid gift card costs	36,667	47,115
Prepaid income taxes	8,749	2,483
Other current assets	5,703	4,370
Total current assets	283,326	366,148
Long-term receivables, net	131,033	141,152
Property and equipment, net	199,857	205,055
Goodwill	339,236	697,470
Other intangible assets, net	585,160	763,431
Deferred rent receivable	84,071	86,981
Non-current restricted cash	14,700	14,700
Other non-current assets, net	3,825	3,646
Total assets	$ 1,641,208	$ 2,278,583
Liabilities and Stockholders' (Deficit) Equity		
Current liabilities:		
Accounts payable	$ 26,452	$ 50,503
Gift card liability	104,317	170,812
Dividends payable	17,755	17,465
Accrued employee compensation and benefits	13,527	14,609
Current maturities of long-term debt, capital lease and financing obligations	16,202	13,144
Accrued advertising	8,359	6,369
Other accrued expenses	16,775	13,410
Total current liabilities	203,387	286,312
Long-term debt, less current maturities	1,281,950	1,282,691
Capital lease obligations, less current maturities	64,923	74,665
Financing obligations, less current maturities	39,292	39,499
Deferred income taxes, net	178,848	253,898
Deferred rent payable	65,449	69,572
Other non-current liabilities	24,036	19,174
Total liabilities	1,857,885	2,025,811
Commitments and contingencies		
Stockholders' (deficit) equity:		
Common stock, $0.01 par value, shares: 40,000,000 authorized; September 30, 2017 - 25,033,220 issued, 17,996,223 outstanding; December 31, 2016 - 25,134,223 issued, 17,969,636 outstanding	250	251
Additional paid-in-capital	292,255	292,809
(Accumulated deficit) retained earnings	(86,634)	382,082
Accumulated other comprehensive loss	(105)	(107)
Treasury stock, at cost; shares: September 30, 2017 - 7,036,997; December 31, 2016 - 7,164,587	(422,443)	(422,263)
Total stockholders' (deficit) equity	(216,677)	252,772
Total liabilities and stockholders' (deficit) equity	$ 1,641,208	$ 2,278,583

See the accompanying Notes to Consolidated Financial Statements.

DineEquity, Inc. and Subsidiaries
Consolidated Statements of Comprehensive (Loss) Income
(In thousands, except per share amounts)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Revenues:				
Franchise and restaurant revenues	$ 112,347	$ 123,259	$ 358,912	$ 380,034
Rental revenues	30,263	30,507	90,852	92,746
Financing revenues	2,061	2,251	6,280	7,019
Total revenues	144,671	156,017	456,044	479,799
Cost of revenues:				
Franchise and restaurant expenses	41,800	41,553	123,476	122,129
Rental expenses	22,318	22,771	67,665	69,032
Financing expenses	449	9	449	155
Total cost of revenues	64,567	64,333	191,590	191,316
Gross profit	80,104	91,684	264,454	288,483
General and administrative expenses	38,030	36,002	125,701	111,937
Impairment and closure charges	532,522	206	535,440	3,932
Interest expense	15,353	15,358	46,496	46,107
Amortization of intangible assets	2,507	2,500	7,507	7,480
(Gain) loss on disposition of assets	(35)	113	(6,387)	679
(Loss) income before income tax benefit (provision)	(508,273)	37,505	(444,303)	118,348
Income tax benefit (provision)	56,555	(13,232)	28,228	(41,703)
Net (loss) income	(451,718)	24,273	(416,075)	76,645
Other comprehensive (loss) income, net of tax:				
Foreign currency translation adjustment	(2)	(1)	(2)	—
Total comprehensive (loss) income	$ (451,720)	$ 24,272	$ (416,077)	$ 76,645
Net (loss) income available to common stockholders:				
Net (loss) income	$ (451,718)	$ 24,273	$ (416,075)	$ 76,645
Less: Net loss (income) allocated to unvested participating restricted stock	8,496	(338)	6,921	(1,103)
Net (loss) income available to common stockholders	$ (443,222)	$ 23,935	$ (409,154)	$ 75,542
Net (loss) income available to common stockholders per share:				
Basic	$ (24.98)	$ 1.33	$ (23.09)	$ 4.17
Diluted	$ (24.98)	$ 1.33	$ (23.09)	$ 4.15
Weighted average shares outstanding:				
Basic	17,742	17,950	17,718	18,099
Diluted	17,742	18,041	17,718	18,201
Dividends declared per common share	$ 0.97	$ 0.92	$ 2.91	$ 2.76
Dividends paid per common share	$ 0.97	$ 0.92	$ 2.91	$ 2.76

See the accompanying Notes to Consolidated Financial Statements.

DineEquity, Inc. and Subsidiaries
Consolidated Statements of Cash Flows
(In thousands)
(Unaudited)

	Nine Months Ended September 30, 2017	Nine Months Ended September 30, 2016
Cash flows from operating activities:		
Net (loss) income	$ (416,075)	$ 76,645
Adjustments to reconcile net (loss) income to cash flows provided by operating activities:		
Impairment and closure charges	535,306	1,461
Depreciation and amortization	23,053	22,924
Non-cash interest expense	2,509	2,400
Deferred income taxes	(77,345)	(14,852)
Non-cash stock-based compensation expense	8,826	8,215
Tax benefit from stock-based compensation	—	1,153
Excess tax benefit from stock-based compensation	—	(966)
(Gain) loss on disposition of assets	(6,422)	679
Other	(2,791)	456
Changes in operating assets and liabilities:		
Accounts receivable, net	(1,569)	4,312
Current income tax receivables and payables	(1,699)	(1,138)
Gift card receivables and payables	(26,387)	(30,355)
Other current assets	(1,336)	(824)
Accounts payable	(7,530)	(1,397)
Accrued employee compensation and benefits	(1,146)	(9,293)
Other current liabilities	3,606	2,638
Cash flows provided by operating activities	31,000	62,058
Cash flows from investing activities:		
Additions to property and equipment	(9,608)	(3,543)
Proceeds from sale of property and equipment	1,100	—
Principal receipts from notes, equipment contracts and other long-term receivables	15,283	13,969
Other	(356)	(393)
Cash flows provided by investing activities	6,419	10,033
Cash flows from financing activities:		
Dividends paid on common stock	(52,326)	(50,790)
Repurchase of common stock	(10,003)	(45,010)
Principal payments on capital lease and financing obligations	(10,621)	(10,391)
Tax payments for restricted stock upon vesting	(2,345)	(2,680)
Proceeds from stock options exercised	2,635	1,282
Excess tax benefit from stock-based compensation	—	966
Cash flows used in financing activities	(72,660)	(106,623)
Net change in cash, cash equivalents and restricted cash	(35,241)	(34,532)
Cash, cash equivalents and restricted cash at beginning of period	185,491	192,013
Cash, cash equivalents and restricted cash at end of period	$ 150,250	$ 157,481
Supplemental disclosures:		
Interest paid in cash	$ 50,808	$ 51,940
Income taxes paid in cash	$ 50,813	$ 56,734

See the accompanying Notes to Consolidated Financial Statements.

DineEquity, Inc. and Subsidiaries
Notes to Consolidated Financial Statements
(Unaudited)

1. General

The accompanying unaudited consolidated financial statements of DineEquity, Inc. (the “Company” or “DineEquity”) have been prepared in accordance with United States generally accepted accounting principles (“U.S. GAAP”) for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. The operating results for the nine months ended September 30, 2017 are not necessarily indicative of the results that may be expected for the twelve months ending December 31, 2017.

The consolidated balance sheet at December 31, 2016 has been derived from the audited consolidated financial statements at that date, but does not include all of the information and footnotes required by U.S. GAAP for complete financial statements.

These consolidated financial statements should be read in conjunction with the consolidated financial statements and footnotes thereto included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2016.

2. Basis of Presentation

The Company’s fiscal quarters end on the Sunday closest to the last day of each calendar quarter. For convenience, the fiscal quarters of each year are referred to as ending on March 31, June 30, September 30 and December 31. The first fiscal quarter of 2017 began on January 2, 2017 and ended on April 2, 2017 and the second and third fiscal quarters of 2017 ended on July 2, 2017 and October 1, 2017, respectively. The first fiscal quarter of 2016 began on January 4, 2016 and ended on April 3, 2016 and the second and third fiscal quarters of 2016 ended on July 3, 2016 and October 2, 2016, respectively.

The accompanying consolidated financial statements include the accounts of the Company and its subsidiaries that are consolidated in accordance with U.S. GAAP. All intercompany balances and transactions have been eliminated.

The preparation of financial statements in conformity with U.S. GAAP requires the Company’s management to make assumptions and estimates that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities, if any, at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant estimates are made in the calculation and assessment of the following: impairment of goodwill, other intangible assets and tangible assets; income taxes; allowance for doubtful accounts and notes receivables; lease accounting estimates; contingencies; and stock-based compensation. On an ongoing basis, the Company evaluates its estimates based on historical experience, current conditions and various other assumptions that are believed to be reasonable under the circumstances. The Company adjusts such estimates and assumptions when facts and circumstances dictate. Actual results could differ from those estimates.

3. Accounting Policies

Accounting Standards Adopted Effective January 2, 2017

In March 2016, the Financial Accounting Standards Board (“FASB”) issued new guidance that addresses accounting for certain aspects of share-based payments, including excess tax benefits or deficiencies, forfeiture estimates, statutory tax withholding and cash flow classification of certain share-based payment activity. The Company applied the prospective transition method in adopting the new guidance and prior period amounts have not been restated. Because of the adoption, the Company recognized an excess tax deficiency from stock-based compensation as a discrete item, increasing the income tax provision for the three and nine months ended September 30, 2017 by $0.1 million and $1.8 million, respectively. Historically, excess tax benefits or deficiencies were recorded as additional paid-in capital. The Company applied the prospective transition method with respect to the cash flow classification of certain share-based payment activity; accordingly, the cash flows for the nine months ended September 30, 2016 have not been restated. The Company has elected to maintain its practice of estimating forfeitures when recognizing expense for share-based payment awards. Amendments to the accounting for minimum statutory withholding requirements had no impact on the Company's Consolidated Financial Statements.

In November 2016, the FASB issued new guidance to reduce diversity in practice in the classification and presentation of changes in restricted cash in the statement of cash flows. The new guidance requires amounts generally described as restricted cash should be included with cash and cash equivalents when reconciling the beginning-of-period total amounts to the end-of-period total amounts shown on the statement of cash flows. Calendar year public entities will be required to adopt the new guidance beginning with the first fiscal quarter of 2018. The Company elected to adopt the new guidance retrospectively

3. Accounting Policies (Continued)

effective January 2, 2017 and the cash flows for the nine months ended September 30, 2017 were restated. Adoption of the new guidance did not impact the Company's Consolidated Balance Sheets or Consolidated Statements of Comprehensive Income.

In January 2017, the FASB issued new guidance simplifying the test of goodwill for impairment. The new guidance requires a single-step quantitative test to measure potential impairment based on the excess of a reporting unit's carrying amount over its fair value. Calendar year public entities will be required to adopt the new guidance beginning with the first fiscal quarter of 2020. The Company has elected early adoption of the new guidance, as is permitted for interim or annual tests of goodwill performed after January 1, 2017.

Newly Issued Accounting Standards Not Yet Adopted

In August 2016, the FASB issued new guidance on the classification of certain cash receipts and payments in the statement of cash flows. The new guidance is intended to reduce diversity in practice in how certain transactions are classified in the statement of cash flows. The Company will be required to adopt the new guidance beginning with its first fiscal quarter of 2018. Early adoption is permitted. The Company is currently assessing the impact that the new guidance will have on its consolidated statements of cash flows.

In June 2016, the FASB issued new guidance on the measurement of credit losses on financial instruments. The new guidance will replace the incurred loss methodology of recognizing credit losses on financial instruments that is currently required with a methodology that estimates the expected credit loss on financial instruments and reflects the net amount expected to be collected on the financial instrument. Application of the new guidance may result in the earlier recognition of credit losses as the new methodology will require entities to consider forward-looking information in addition to historical and current information used in assessing incurred losses. The Company will be required to adopt the new guidance on a modified retrospective basis beginning with its first fiscal quarter of 2020, with early adoption permitted in its first fiscal quarter of 2019. The Company is currently evaluating the impact of the new guidance on its consolidated financial statements and related disclosures and whether early adoption will be elected.

In February 2016, the FASB issued new guidance with respect to the accounting for leases. The new guidance will require lessees to recognize a right-of-use asset and a lease liability for virtually all leases, other than leases with a term of 12 months or less, and to provide additional disclosures about leasing arrangements. Accounting by lessors is largely unchanged from existing accounting guidance. The Company will be required to adopt the new guidance on a modified retrospective basis beginning with its first fiscal quarter of 2019. Early adoption is permitted.

While the Company is still in the process of evaluating the impact of the new guidance on its consolidated financial statements and disclosures, the Company expects adoption of the new guidance will have a material impact on its Consolidated Balance Sheets due to recognition of the right-of-use asset and lease liability related to its operating leases. While the new guidance is also expected to impact the measurement and presentation of elements of expenses and cash flows related to leasing arrangements, the Company does not presently believe there will be a material impact on its Consolidated Statements of Comprehensive Income or Consolidated Statements of Cash Flows. Recognition of a lease liability related to operating leases will not impact any covenants related to the Company's long-term debt because the debt agreements specify that covenant ratios be calculated using U.S. GAAP in effect at the time the debt agreements were entered into.

In January 2016, the FASB issued guidance on the recognition and measurement of financial instruments. The guidance modifies how entities measure certain equity investments and present changes in the fair value of those investments, as well as changes how fair value of financial instruments is measured for disclosure purposes. The amendment is effective commencing with the Company's first fiscal quarter of 2018. The Company is currently evaluating the impact of the new guidance on its financial statements and disclosures.

In May 2014, the FASB issued new accounting guidance on revenue recognition, which provides for a single, five-step model to be applied to all revenue contracts with customers. The new standard also requires additional financial statement disclosures that will enable users to understand the nature, amount, timing and uncertainty of revenue and cash flows relating to customer contracts. Companies have an option to use either the full retrospective method or the modified retrospective method to implement the standard. In August 2015, the FASB deferred the effective date of the new revenue guidance by one year such that the Company will be required to adopt the new guidance beginning with its first fiscal quarter of 2018. The FASB has subsequently issued several clarifications on specific topics within the new revenue recognition guidance that did not change the core principles of the guidance originally issued in May 2014.

3. Accounting Policies (Continued)

This new guidance supersedes nearly all the existing general revenue recognition guidance under U.S. GAAP as well as most industry-specific revenue recognition guidance, including guidance with respect to revenue recognition by franchisors. The Company believes the recognition of the majority of its revenues, including franchise royalty revenues and sales of IHOP pancake and waffle dry mix will not be affected by the new guidance. Additionally, lease rental revenues are not within the scope of the new guidance.

The Company believes the new guidance will impact the timing of recognition of franchise and development fees. Under existing guidance, these fees are typically recognized upon the opening of restaurants. Under the new guidance, the Company believes the fees will have to be deferred and recognized as revenue over the term of the individual franchise agreements. However, the effect of the required deferral of fees received in any given year will be mitigated by the recognition of revenue from fees retrospectively deferred from prior years. The Company has essentially completed reviewing most of its nearly 4,000 agreements to obtain the data elements necessary to implement the new guidance and is in the process of quantifying the impact of the new guidance on its consolidated financial statements and related disclosures.

The Company also believes the new guidance will impact the accounting for transactions related to the Applebee's national advertising fund. Currently, franchisee contributions to and expenditures of the Applebee's national advertising fund are not included in the Consolidated Statements of Comprehensive Income. Under the new guidance, the Company would include contributions to and expenditures from the Applebee's advertising fund within the Consolidated Statements of Comprehensive Income as is currently done with contributions to and expenditures from the IHOP national advertising fund and with international restaurants of both brands. While this change will materially impact the gross amount of reported franchise revenues and expenses, the impact would be an offsetting increase to both revenue and expense such that the impact on gross profit and net income, if any, would not be material.

The Company presently expects to use the full retrospective method of adoption when the new revenue guidance is adopted in the first fiscal quarter of 2018.

The Company reviewed all other newly issued accounting pronouncements and concluded that they either are not applicable to the Company's operations or that no material effect is expected on the Company's financial statements because of future adoption.

4. Goodwill and Intangible Assets

Changes in the carrying amount of goodwill for the nine months ended September 30, 2017 are as follows:

	Applebee's Franchise Unit	IHOP Franchise Unit	Total
		(In millions)	
Balance at December 31, 2016:			
Goodwill, gross	$ 686.7	$ 10.8	$ 697.5
Accumulated impairment loss	—	—	—
Goodwill	686.7	10.8	697.5
Impairment loss	(358.2)	—	(358.2)
Balance at September 30, 2017:			
Goodwill, gross	686.7	10.8	697.5
Accumulated impairment loss	(358.2)	—	(358.2)
Goodwill	$ 328.5	$ 10.8	$ 339.2

4. Goodwill and Intangible Assets (Continued)

Changes in the carrying amount of intangible assets for the nine months ended September 30, 2017 are as follows:

	Not Subject to Amortization		Subject to Amortization		
	Applebee's Tradename	Other	Applebee's Franchising Rights	Leaseholds	Total
			(In millions)		
Balance at December 31, 2016	$ 652.4	$ 2.0	$ 109.0	$ —	$ 763.4
Impairment	(173.4)	—	—	—	(173.4)
Amortization expense	—	—	(7.5)	(0.0)	(7.5)
Additions	—	0.4	—	2.3	2.7
Balance at September 30, 2017	$ 479.0	$ 2.4	$ 101.5	$ 2.3	$ 585.2

The Company evaluates its goodwill and the indefinite-lived Applebee's tradename for impairment annually in the fourth quarter of each year. In addition to the annual evaluation for impairment, goodwill and indefinite-lived intangible assets are evaluated more frequently if the Company believes indicators of impairment exist.

In the third quarter of 2017, the Company noted that the decline in the market price of the Company's common stock since December 31, 2016, which the Company had believed to be temporary, persisted throughout the first eight months of 2017 and that the favorable trend in Applebee's domestic same-restaurant sales experienced in the second quarter of 2017 did not continue into the first two months of the third quarter. The Company also noted a continuing increase in Applebee's bad debt expense and in royalties not recognized in income until paid in cash. Additionally, the Company also determined an increasing shortfall in franchisee contributions to the Applebee's national advertising fund could require a larger amount of future subsidization in the form of additional franchisor contributions to the fund than previously estimated. Based on these unfavorable developments, primarily the decline in the market price of the Company's common stock, the Company determined that indicators of impairment existed and that an interim test of goodwill and indefinite-lived intangible assets for impairment should be performed.

The Company performed an interim quantitative test of impairment of Applebee's goodwill and tradename in the third quarter of 2017. In performing the quantitative test of goodwill, the Company used the income approach method of valuation that included the discounted cash flow method as well as other generally accepted valuation methodologies to determine the fair value of goodwill and intangible assets. Significant assumptions used to determine fair value under the discounted cash flow model included expected future trends in sales, operating expenses, overhead expenses, capital expenditures and changes in working capital, along with an appropriate discount rate based on the Company's estimated cost of equity capital and after-tax cost of debt.

In performing the impairment review of the tradename, the Company used the relief of royalty method under the income approach method of valuation. Significant assumptions used to determine fair value under the relief of royalty method include future trends in sales, a royalty rate and a discount rate to be applied to the forecast revenue stream.

As a result of performing the quantitative test of impairment, the Company recognized an impairment of Applebee's goodwill of $358.2 million and an impairment of Applebee's tradename of $173.4 million. The Company adopted the guidance in FASB Accounting Standards Update 2017-04 on January 1, 2017; accordingly, the amount of the goodwill impairment was determined as the amount by which the carrying amount of the goodwill exceeded the fair value of the Applebee's franchise reporting unit as estimated in the impairment test. These assets are at risk of additional impairment in the future in the event of sustained downward movement in the Company's stock price, downward revisions of long-term performance assumptions or increases in the assumed long-term discount rate.

5. Stockholders' Equity

Dividends

During the nine months ended September 30, 2017, the Company paid dividends on common stock of $52.3 million, representing cash dividends of $0.97 per share declared in the fourth quarter of 2016 and the first and second quarters of 2017. On August 10, 2017, the Company's Board of Directors declared a third quarter 2017 cash dividend of $0.97 per share of common stock. This dividend was paid on October 6, 2017 to the Company's stockholders of record at the close of business on September 18, 2017. The Company reported dividends payable of $17.8 million at September 30, 2017.

Stock Repurchase Program

In October 2015, the Company's Board of Directors approved a stock repurchase program authorizing the Company to repurchase up to $150 million of DineEquity common stock (the "2015 Repurchase Program") on an opportunistic basis from time to time in open market transactions and in privately negotiated transactions based on business, market, applicable legal requirements and other considerations. The 2015 Repurchase Program, as approved by the Board of Directors, does not require the repurchase of a specific number of shares and can be terminated at any time. A summary of shares repurchased under the 2015 Repurchase Program, during the nine months ended September 30, 2017 and cumulatively, is as follows:

2015 Repurchase Program	Shares	Cost of shares
		(In millions)
Repurchased during the three months ended September 30, 2017	—	$ —
Repurchased during the nine months ended September 30, 2017	145,786	$ 10.0
Cumulative repurchases as of September 30, 2017	1,000,657	$ 82.9
Remaining dollar value of shares that may be repurchased	n/a	$ 67.1

Treasury Stock

Repurchases of DineEquity common stock are included in treasury stock at the cost of shares repurchased plus any transaction costs. Treasury stock may be re-issued when stock options are exercised, when restricted stock awards are granted and when restricted stock units settle in stock upon vesting. The cost of treasury stock re-issued is determined using the first-in, first-out ("FIFO") method. During the nine months ended September 30, 2017, the Company re-issued 273,376 shares of treasury stock at a total FIFO cost of $9.8 million.

6. Income Taxes

The Company's effective tax rate was 6.4% for the nine months ended September 30, 2017 as compared to 35.2% for the nine months ended September 30, 2016. The effective tax rate of 6.4% for the nine months ended September 30, 2017 (the tax benefit of $28.2 million on the pretax book loss of $444.3 million) was significantly different than the statutory federal tax rate of 35% because the $358.2 million impairment of goodwill (see Note 4) is not deductible for federal income tax purposes and therefore has no associated tax benefit. The Company did recognize a tax benefit of $65.1 million as a discrete item related to the $173.4 million impairment of Applebee's tradename.

The total gross unrecognized tax benefit as of September 30, 2017 and December 31, 2016 was $5.9 million and $3.9 million, respectively, excluding interest, penalties and related tax benefits. The Company estimates the unrecognized tax benefit may decrease over the upcoming 12 months by an amount up to $1.8 million related to settlements with taxing authorities and the lapse of statutes of limitations. For the remaining liability, due to the uncertainties related to these tax matters, the Company is unable to make a reasonably reliable estimate as to when cash settlement with a taxing authority will occur.

As of September 30, 2017, accrued interest was $1.0 million and accrued penalties were less than $0.1 million, excluding any related income tax benefits. As of December 31, 2016, accrued interest was $1.0 million and accrued penalties were less than $0.1 million, excluding any related income tax benefits. The Company recognizes interest accrued related to unrecognized tax benefits and penalties as a component of its income tax provision recognized in its Consolidated Statements of Comprehensive Income.

The Company files federal income tax returns and the Company or one of its subsidiaries files income tax returns in various state and foreign jurisdictions. With few exceptions, the Company is no longer subject to federal, state or non-United States tax examinations by tax authorities for years before 2011. The Internal Revenue Service commenced examination of the Company's U.S. federal income tax return for the tax years 2011 to 2013 during the year. The examination is currently in process. The Company believes that adequate reserves have been provided relating to all matters contained in the tax periods open to examination.

7. Stock-Based Compensation

The following table summarizes the components of stock-based compensation expense included in general and administrative expenses in the Consolidated Statements of Comprehensive Income:

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	2017	2016
	(In millions)			
Total stock-based compensation expense:				
Equity classified awards expense	$ 1.3	$ 2.6	$ 9.0	$ 8.3
Liability classified awards expense	—	(0.5)	(1.1)	0.6
Total pre-tax stock-based compensation expense	1.3	2.1	7.9	8.9
Book income tax benefit	(0.5)	(0.7)	(3.0)	(3.3)
Total stock-based compensation expense, net of tax	$ 0.8	$ 1.4	$ 4.9	$ 5.6

As of September 30, 2017, total unrecognized compensation expense of $17.6 million related to restricted stock and restricted stock units and $3.2 million related to stock options are expected to be recognized over a weighted average period of 2.1 years for restricted stock and restricted stock units and 1.9 years for stock options.

Fair Value Assumptions

The Company granted 537,030 stock options during the nine months ended September 30, 2017 for which the fair value was estimated using a Black-Scholes option pricing model. The following summarizes the assumptions used in the Black-Scholes model:

Risk-free interest rate	1.9%
Weighted average historical volatility	22.9%
Dividend yield	7.3%
Expected years until exercise	4.5
Weighted average fair value of options granted	$4.31

The Company granted 350,000 performance-based stock options and 175,000 performance-based restricted stock units during the three months ended September 30, 2017 for which the fair value was estimated using a Monte Carlo simulation method. The following summarizes the assumptions used in estimating the fair values:

Risk-free interest rate	1.6%
Weighted average historical volatility	30.0%
Dividend yield	9.6%
Expected years until exercise	3.4
Weighted average fair value of options granted	$3.07
Weighted average fair value of restricted stock units granted	$10.19

7. Stock-Based Compensation (Continued)

Equity Classified Awards - Stock Options

Stock option balances at September 30, 2017, and activity for the nine months ended September 30, 2017 were as follows:

	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (in Years)	Aggregate Intrinsic Value (in Millions)
Outstanding at December 31, 2016	701,134	$ 80.04		
Granted	887,030	48.35		
Exercised	(64,916)	40.59		
Expired	(58,217)	84.43		
Forfeited	(171,847)	65.82		
Outstanding at September 30, 2017	1,293,184	61.98	7.3	$ 0.9
Vested at September 30, 2017 and Expected to Vest	1,111,610	64.50	7.0	$ 0.6
Exercisable at September 30, 2017	456,308	$ 81.35	3.3	$ 0.0

The aggregate intrinsic value in the table above represents the total pre-tax intrinsic value (the difference between the closing stock price of the Company's common stock on the last trading day of the third quarter of 2017 and the exercise price, multiplied by the number of in-the-money options) that would have been received by the option holders had all option holders exercised their options on September 30, 2017. The aggregate intrinsic value will change based on the fair market value of the Company's common stock and the number of in-the-money options.

Equity Classified Awards - Restricted Stock and Restricted Stock Units

Outstanding balances as of September 30, 2017, and activity related to restricted stock and restricted stock units for the nine months ended September 30, 2017 were as follows:

	Restricted Stock	Weighted Average Grant Date Fair Value	Restricted Stock Units	Weighted Average Grant Date Fair Value
Outstanding at December 31, 2016	235,472	$ 92.81	34,058	$ 93.95
Granted	208,460	52.08	275,578	22.37
Released	(89,911)	88.65	(12,683)	81.63
Forfeited	(73,409)	79.44	—	—
Outstanding at September 30, 2017	280,612	$ 67.38	296,953	$ 28.39

Liability Classified Awards - Long-Term Incentive Awards

The Company has granted cash long-term incentive awards ("LTIP awards") to certain employees. Annual LTIP awards vest over a three-year period and are determined using a multiplier from 0% to 200% of the target award based on the total stockholder return of DineEquity common stock compared to the total stockholder returns of a peer group of companies. Although LTIP awards are only paid in cash, since the multiplier is based on the price of the Company's common stock, the awards are considered stock-based compensation in accordance with U.S. GAAP and are classified as liabilities. For the three months ended September 30, 2017, no expense was recognized. For the three months ended September 30, 2016, a credit of $0.5 million was included in total stock-based compensation expense related to LTIP awards. For the nine months ended September 30, 2017 and 2016, a credit of $1.0 million and an expense of $0.6 million, respectively, were included in total stock-based compensation expense related to LTIP awards. At September 30, 2017 and December 31, 2016, liabilities of less than $0.1 million and liabilities of $1.2 million, respectively, related to LTIP awards were included as part of accrued employee compensation and benefits in the Consolidated Balance Sheets.

8. Segments

The Company currently has three operating segments: franchise operations (an aggregation of Applebee's and IHOP franchise operations), rental operations and financing operations. Prior to June 2017, the Company operated 10 IHOP restaurants and those operations were considered to be a fourth operating segment. The Company views all operating segments as reportable segments regardless of whether an operating segment exceeds 10% of consolidated revenues, segment profit or total assets.

As of September 30, 2017, the franchise operations segment consisted of (i) 1,945 restaurants operated by Applebee's franchisees in the United States, two U.S. territories and 14 countries outside the United States and (ii) 1,761 restaurants operated by IHOP franchisees and area licensees in the United States, three U.S. territories and 13 countries outside the United States. Franchise operations revenue consists primarily of franchise royalty revenues, sales of proprietary products to franchisees (primarily pancake and waffle dry mixes for the IHOP restaurants), franchise advertising fees from domestic IHOP restaurants and international restaurants of both brands and franchise fees. Franchise operations expenses include advertising expenses from domestic IHOP restaurants and international restaurants of both brands, the cost of IHOP proprietary products, bad debt expense, franchisor contributions to marketing funds, pre-opening training expenses and other franchise-related costs.

Rental operations revenue includes revenue from operating leases and interest income from direct financing leases. Rental operations expenses are costs of operating leases and interest expense from capital leases on franchisee-operated restaurants.

Company restaurant sales are retail sales at company-operated restaurants. Company restaurant expenses are operating expenses at company-operated restaurants and include food, labor, utilities, rent and other restaurant operating costs. In June 2017, the Company refranchised nine of ten company-operated restaurants in the Cincinnati, Ohio market area; the one restaurant not refranchised was permanently closed. As a result, the Company no longer operates any IHOP restaurants on a permanent basis. The Company has not presented these restaurants as discontinued operations as defined by U.S. GAAP because the refranchising of nine restaurants out of a total of over 3,700 restaurants did not represent a strategic shift that had a major effect on the Company's operations.

From time to time, the Company may operate IHOP restaurants reacquired from franchisees on a temporary basis until those restaurants are refranchised. There were no IHOP restaurants under temporary operation at September 30, 2017.

Financing operations revenue primarily consists of interest income from the financing of franchise fees and equipment leases and sales of equipment associated with refranchised IHOP restaurants. Financing expenses are primarily the cost of restaurant equipment associated with refranchised IHOP restaurants.

DineEquity, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (Continued)

8. Segments (Continued)

Information on segments is as follows:

	Three months ended September 30, 2017	Three months ended September 30, 2016	Nine months ended September 30, 2017	Nine months ended September 30, 2016
	(In millions)			
Revenues from external customers:				
Franchise operations	$ 112.3	$ 119.2	$ 351.4	$ 366.7
Rental operations	30.3	30.5	90.9	92.7
Company restaurants	—	4.0	7.5	13.4
Financing operations	2.1	2.3	6.3	7.0
Total	$ 144.7	$ 156.0	$ 456.0	$ 479.8
Interest expense:				
Rental operations	$ 2.6	$ 2.9	$ 8.0	$ 9.0
Company restaurants	—	0.1	0.2	0.3
Corporate	15.4	15.4	46.5	46.1
Total	$ 18.0	$ 18.4	$ 54.7	$ 55.4
Depreciation and amortization:				
Franchise operations	$ 2.7	$ 2.7	$ 8.1	$ 7.9
Rental operations	3.0	3.1	9.1	9.4
Company restaurants	—	0.1	0.1	0.3
Corporate	1.9	1.5	5.8	5.3
Total	$ 7.6	$ 7.4	$ 23.1	$ 22.9
Gross profit, by segment:				
Franchise operations	$ 70.5	$ 81.9	$ 235.7	$ 258.7
Rental operations	8.0	7.7	23.2	23.7
Company restaurants	(0.0)	(0.2)	(0.3)	(0.7)
Financing operations	1.6	2.3	5.9	6.8
Total gross profit	80.1	91.7	264.5	288.5
Corporate and unallocated expenses, net	(588.4)	(54.2)	(708.8)	(170.1)
(Loss) income before income tax provision	$ (508.3)	$ 37.5	$ (444.3)	$ 118.3

DineEquity, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (Continued)

9. Net (Loss) Income per Share

The computation of the Company's basic and diluted net (loss) income per share is as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	2017	2016
	(In thousands, except per share data)			
Numerator for basic and diluted (loss) income per common share:				
Net (loss) income	$ (451,718)	$ 24,273	$ (416,075)	$ 76,645
Less: Net loss (income) allocated to unvested participating restricted stock	8,496	(338)	6,921	(1,103)
Net (loss) income available to common stockholders - basic	(443,222)	23,935	(409,154)	75,542
Effect of unvested participating restricted stock in two-class calculation	—	1	5	3
Net (loss) income available to common stockholders - diluted	$ (443,222)	$ 23,936	$ (409,149)	$ 75,545
Denominator:				
Weighted average outstanding shares of common stock - basic	17,742	17,950	17,718	18,099
Dilutive effect of stock options	—	91	—	102
Weighted average outstanding shares of common stock - diluted	17,742	18,041	17,718	18,201
Net (loss) income per common share:				
Basic	$ (24.98)	$ 1.33	$ (23.09)	$ 4.17
Diluted	$ (24.98)	$ 1.33	$ (23.09)	$ 4.15

For the three and nine months ended September 30, 2017, diluted loss per common share was computed using the weighted average number of shares outstanding during each period as the 1,000 and 11,000 shares, respectively, from common stock equivalents would have been antidilutive.

10. Fair Value Measurements

The Company does not have a material amount of financial assets or liabilities that are required under U.S. GAAP to be measured on a recurring basis at fair value. The Company is not a party to any derivative financial instruments. The Company does not have a material amount of non-financial assets or non-financial liabilities that are required under U.S. GAAP to be measured at fair value on a recurring basis. The Company has not elected to use the fair value measurement option, as permitted under U.S. GAAP, for any assets or liabilities for which fair value measurement is not presently required.

The Company believes the fair values of cash equivalents, accounts receivable and accounts payable approximate their carrying amounts due to their short duration.

The fair values of the Company's Series 2014-1 Class A-2 Notes (the "Class A-2 Notes") at September 30, 2017 and December 31, 2016 were as follows:

	September 30, 2017		December 31, 2016	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	(In millions)			
Long-term debt, current and long-term	$ 1,285.2	$ 1,274.0	$ 1,282.7	$ 1,286.2

The fair values were determined based on Level 2 inputs, including information gathered from brokers who trade in the Company's Class A-2 Notes and information on notes that are similar to those of the Company.

11. Commitments and Contingencies

Litigation, Claims and Disputes

The Company is subject to various lawsuits, administrative proceedings, audits and claims arising in the ordinary course of business. Some of these lawsuits purport to be class actions and/or seek substantial damages. The Company is required under U.S. GAAP to record an accrual for litigation loss contingencies that are both probable and reasonably estimable. Legal fees and expenses associated with the defense of all of the Company's litigation are expensed as such fees and expenses are incurred. Management regularly assesses the Company's insurance coverage, analyzes litigation information with the Company's attorneys and evaluates the Company's loss experience in connection with pending legal proceedings. While the Company does not presently believe that any of the legal proceedings to which it is currently a party will ultimately have a material adverse impact on the Company, there can be no assurance that the Company will prevail in all the proceedings the Company is party to, or that the Company will not incur material losses from them.

Lease Guarantees

In connection with the sale of Applebee's restaurants or previous brands to franchisees and other parties, the Company has, in certain cases, guaranteed or has potential continuing liability for lease payments totaling $325.2 million as of September 30, 2017. This amount represents the maximum potential liability for future payments under these leases. These leases have been assigned to the buyers and expire at the end of the respective lease terms, which range from 2017 through 2048. Excluding unexercised option periods, the Company's potential liability for future payments under these leases is $54.5 million. In the event of default, the indemnity and default clauses in the sale or assignment agreements govern the Company's ability to pursue and recover damages incurred. No material lease payment guarantee liabilities have been recorded as of September 30, 2017.

12. Allowance for Credit Losses

The Company's allowance for credit losses at September 30, 2017 and December 31, 2016 was $13.1 million and $3.1 million, respectively.

13. Restricted Cash

Current restricted cash of $31.3 million at September 30, 2017 primarily consisted of $23.9 million of funds required to be held in trust in connection with the Company's securitized debt and $7.0 million of funds from Applebee's franchisees pursuant to franchise agreements, usage of which was restricted to advertising activities. Current restricted cash of $30.3 million at December 31, 2016 primarily consisted of $25.7 million of funds required to be held in trust in connection with the Company's securitized debt and $4.3 million of funds from Applebee's franchisees pursuant to franchise agreements, usage of which was restricted to advertising activities. Non-current restricted cash of $14.7 million at September 30, 2017 and December 31, 2016 represents interest reserves required to be set aside for the duration of the Company's securitized debt.

14. Refranchising of Company-operated Restaurants

In June 2017, the Company completed the refranchising and sale of related restaurant assets of nine company-operated IHOP restaurants in the Cincinnati, Ohio market area. As part of the transaction, the Company entered into an asset purchase agreement, nine franchise agreements and nine sublease agreements for land and buildings. The Company compared the stated rent under the sublease agreements with comparable market rents and recorded net favorable lease assets of $2.3 million in connection with the transaction. The Company also received cash of $1.1 million and a note receivable for $4.8 million. After allocating a portion of the consideration to franchise fees and derecognition of the assets sold, the Company recognized a gain of $6.2 million on the refranchising and sale during the nine months ended September 30, 2017.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Cautionary Statement Regarding Forward-Looking Statements

Statements contained in this report may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. 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. You can identify these forward-looking statements by words such as “may,” “will,” “should,” “could,” “expect,” “anticipate,” “believe,” “estimate,” “intend,” “plan” and other similar expressions. You should consider our forward-looking statements in light of the risks discussed under the heading “Risk Factors” in our most recent Annual Report on Form 10-K, as well as our consolidated financial statements, related notes, and the other financial information appearing elsewhere in this report and our other filings with the United States Securities and Exchange Commission. The forward-looking statements contained in this report are made as of the date hereof and the Company assumes no obligation to update or supplement any forward-looking statements.

You should read the following Management's Discussion and Analysis of Financial Condition and Results of Operations (“MD&A”) in conjunction with the consolidated financial statements and the related notes that appear elsewhere in this report.

Overview

The following discussion and analysis provides information which we believe is relevant to an assessment and understanding of our consolidated results of operations and financial condition. The discussion should be read in conjunction with the consolidated financial statements and the notes thereto included in Item 1 of Part I of this Quarterly Report and the audited consolidated financial statements and notes thereto and the MD&A contained in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2016. Except where the context indicates otherwise, the words “we,” “us,” “our,” “DineEquity” and the “Company” refer to DineEquity, Inc., together with its subsidiaries that are consolidated in accordance with United States generally accepted accounting principles (“U.S. GAAP”).

Through various subsidiaries, we own and franchise the Applebee's Neighborhood Grill & Bar® (“Applebee's”) concept in the bar and grill segment within the casual dining category of the restaurant industry and the International House of Pancakes® (“IHOP”) concept in the family dining category of the restaurant industry. References herein to Applebee's® and IHOP® restaurants are to these two restaurant concepts, whether operated by franchisees or area licensees and their sub-licensees (collectively, “area licensees”). With over 3,700 restaurants combined, all of which are franchised, we believe we are one of the largest full-service restaurant companies in the world. The June 19, 2017 issue of *Nation's Restaurant News* reported that IHOP and Applebee's were the largest restaurant systems in the family dining and casual dining categories, respectively, in terms of United States system-wide sales during 2016. This marks the tenth consecutive year our two brands have achieved the number one ranking in *Nation's Restaurant News*.

The Company currently has three operating segments: franchise operations (an aggregation of Applebee's and IHOP franchise operations), rental operations and financing operations. Prior to June 2017, the Company operated 10 IHOP restaurants and those operations were considered to be a fourth operating segment. The Company views all operating segments as reportable segments regardless of whether an operating segment exceeds 10% of consolidated revenues, segment profit or total assets.

Key Financial Results

	Three months ended September 30, 2017	Three months ended September 30, 2016	Favorable (Unfavorable) Variance	Nine months ended September 30, 2017	Nine months ended September 30, 2016	Favorable (Unfavorable) Variance
	(In millions, except per share data)					
(Loss) income before income taxes	$ (508.3)	$ 37.5	$ (545.8)	$ (444.3)	$ 118.3	$ (562.7)
Income tax benefit (provision)	56.6	(13.2)	69.8	28.2	(41.7)	69.9
Net (loss) income	$ (451.7)	$ 24.3	$ (476.0)	$ (416.1)	$ 76.6	$ (492.7)
Effective tax rate	11.1%	35.3%	(24.2)%	6.4%	35.2%	(28.8)%
			% increase (decrease)			% increase (decrease)
Net (loss) income per diluted share	$ (24.98)	$ 1.33	n.m	$ (23.09)	$ 4.15	n.m.
Weighted average shares	17.7	18.0	(1.7)%	17.7	18.2	(2.7)%

n.m. - percentage change is not meaningful

The following sets forth the significant reasons for the decreases in our income before income taxes between each of the three and nine months ended September 30, 2017 and the respective comparable periods of 2016:

	Three months ended September 30, 2017	Nine months ended September 30, 2017
	(In millions)	
Impairment of Applebee's goodwill and tradename	$ (531.6)	$ (531.6)
Decrease in gross profit:		
Applebee's franchise operations	(10.8)	(23.4)
All other operations	(0.8)	(0.6)
Total gross profit decrease	(11.6)	(24.0)
Increase in General and Administrative (“G&A”) expenses:		
Executive separation costs	—	(8.8)
All other G&A	(2.0)	(5.0)
Total G&A increase	(2.0)	(13.8)
Gain on disposition of assets	0.1	7.1
Other	(0.7)	(0.4)
Decrease in income before income taxes	$ (545.8)	$ (562.7)

We performed an interim quantitative test of impairment of Applebee's goodwill and tradename during the three months ended September 30, 2017. As a result of performing this test, we recognized an impairment of Applebee's goodwill of $358.2 million and an impairment of Applebee's tradename of $173.4 million. See below under the heading “Significant Known Events, Trends or Uncertainties Impacting or Expecting to Impact Comparisons of Reported or Future Results - Impairment of Applebee's Goodwill and Tradename” for additional discussion of these impairments.

Our effective tax rate (“ETR”) was significantly different than the federal statutory rate of 35% for the three and nine months ended September 30, 2017, as compared to the respective periods of the prior year. The primary reason for the difference is the impairment of Applebee's goodwill noted above is not a deductible expense for federal income tax purposes so we received no tax benefit from this expense. We did recognize a deferred tax benefit of approximately $65 million related to the impairment of Applebee's tradename.

Key Performance Indicators

In evaluating the performance of each restaurant concept, we consider the key performance indicators to be the system-wide sales percentage change, the percentage change in domestic system-wide same-restaurant sales (“comp sales”) and net franchise restaurant development. Changes in both comp sales and in the number of Applebee's and IHOP franchise restaurants will impact our system-wide retail sales that drive franchise royalty revenues. Restaurant development also impacts franchise revenues in the form of initial franchise fees and, in the case of IHOP restaurants, sales of proprietary pancake and waffle dry mix.

An overview of these key performance indicators for the three and nine months ended September 30, 2017 is as follows:

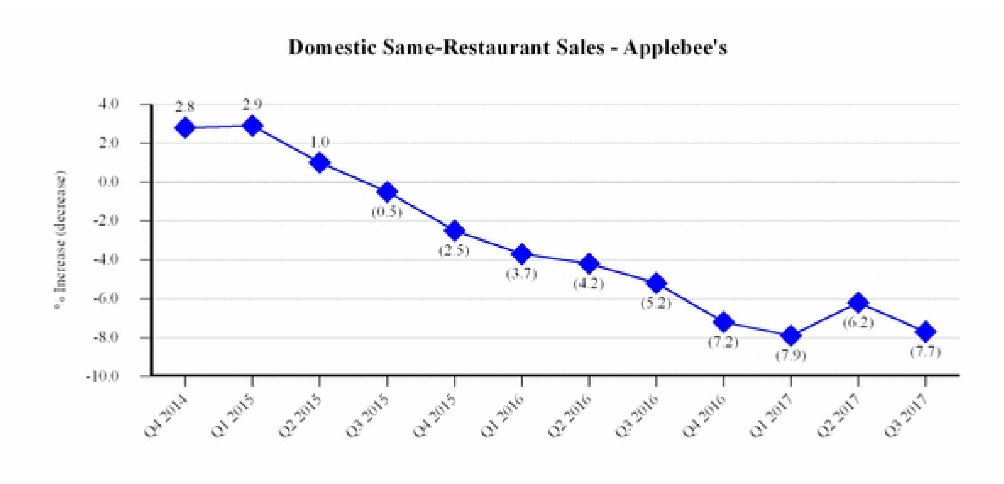
	Three months ended September 30, 2017		Nine months ended September 30, 2017	
	Applebee's	IHOP	Applebee's	IHOP
Sales percentage decrease	(9.7)%	(0.7)%	(8.6)%	(0.1)%
% decrease in domestic system-wide same-restaurant sales	(7.7)%	(3.2)%	(7.3)%	(2.5)%
Net franchise restaurant (reduction) development [1]	(23)	9	(71)	29

[1] Franchise and area license restaurant openings, net of closings

The Applebee's sales percentage decrease for the three and nine months ended September 30, 2017 was due to the combined effects of declines in comp sales and restaurant closures. The smaller IHOP sales percentage decrease for the three and nine months ended September 30, 2017 was due to declines in comp sales that were partially offset by net restaurant development.

Detailed information on each of these key performance indicators is presented under the captions "Restaurant Data," "Domestic Same-Restaurant Sales" and "Restaurant Development Activity" that follow.

Domestic Same-Restaurant Sales



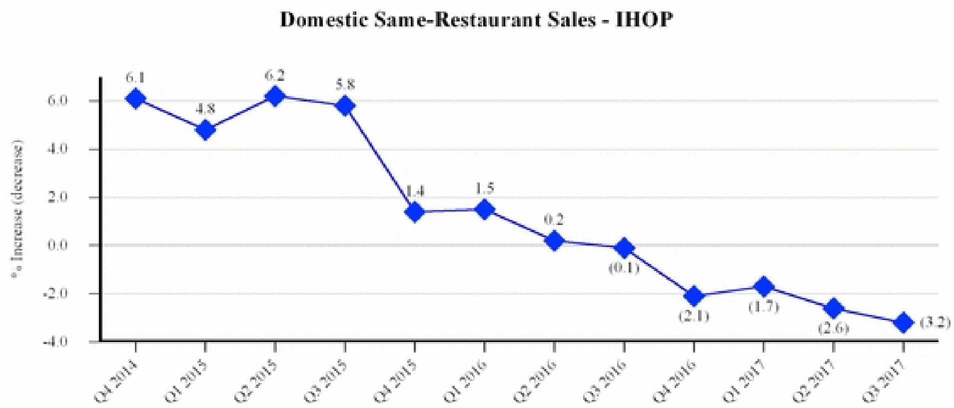
Applebee's domestic system-wide same-restaurant sales decreased 7.7% for the three months ended September 30, 2017 from the same period in 2016. Most of the decrease resulted from a decline in customer traffic, as well as a small decrease in average customer check. For the nine months ended September 30, 2017, Applebee's domestic system-wide same-restaurant sales decreased 7.3% from the same period in 2016. This decrease also resulted primarily from a decline in customer traffic as well as a small decrease in average customer check.

Based on data from Black Box Intelligence, a restaurant sales reporting firm ("Black Box"), the casual dining segment of the restaurant industry also experienced an overall decrease in same-restaurant sales during both the three and nine months ended September 30, 2017. The casual dining decreases in both periods were due to declines in customer traffic that were partially offset by an increase in average customer check. For both the three and nine months ended September 30, 2017, Applebee's declines in traffic and same-restaurant sales were substantially larger than those experienced by the overall casual dining segment. However, the 150 basis point decline in Applebee's same-restaurant sales from the second to the third quarter of 2017 was the same as that of the overall casual dining segment.

We believe the differential between Applebee's performance and that of the casual dining segment is due in large part to tactical initiatives previously implemented by Applebee's that did not generate desired results and to the inconsistent quality of operations across the Applebee's system. We engaged third-party consultants during the first half of 2017 to assess the continued decline in Applebee's traffic and same-restaurant sales and to provide actionable recommendations to stabilize the decline. We expect to incur approximately $10 million of costs related to these stabilization initiatives in 2017, of which approximately $8 million was incurred during the nine months ended September 30, 2017. We also contributed $4 million to the Applebee's National Advertising Fund (the “Applebee's NAF”) in the third quarter of 2017 to help mitigate the decline in franchisee contributions to the Applebee's NAF that are based on a percentage of restaurant sales. We expect to contribute an additional $4 million to the Applebee's NAF in the fourth quarter of 2017. We may consider additional contributions in future periods as well.

Some of the stabilization actions we are implementing relate to brand repositioning and operational improvements that will take place over the next 12 to 18 months. Shorter-term actions, such as improving the quality of the customer experience across the Applebee's system, have shown improvement as the number of restaurants receiving the lowest of our internal ratings has declined since the end of 2016.

As discussed under the heading “Financial Results - Franchise Operations,” Applebee's has experienced a decrease in royalty revenue because of the decline in same-restaurant sales that is primarily due to a decline in customer traffic. The decline in same-restaurant sales has adversely impacted some of our franchisees' financial health, resulting in increases in our bad debt expense and in our royalties not recognized as revenue until paid in cash (“cash-basis royalties”). A franchisee that represents approximately 5% of Applebee's domestic system-wide sales is exhibiting a higher level of financial difficulty than other franchisees. We are addressing all franchisees' financial health through a collaborative effort between ourselves, a third-party advisor and franchisee representatives. We are considering various forms of assistance to franchisees, such as restaurant closures, assessing franchisee debt arrangements, temporary forbearance on payment obligations, extensions of credit and other support programs. To date, the assistance provided primarily has been the approved closures of non-viable restaurants. Any additional assistance to franchisees may entail incremental costs.



IHOP’s domestic system-wide same-restaurant sales decreased 3.2% for the three months ended September 30, 2017 from the same period in 2016. The decrease resulted from a decline in customer traffic that was partially offset by an increase in average customer check. The decline in IHOP's quarter-over-quarter customer traffic has grown progressively larger during the first three quarters of 2017. The decline in traffic peaked in the middle of the third quarter and lessened towards the end of the third quarter. For the nine months ended September 30, 2017, IHOP’s domestic system-wide same-restaurant sales decreased 2.5% from the same period in 2016. That decrease was also due to a decline in customer traffic that was partially offset by an increase in average customer check. We believe the decrease in customer traffic during the three and nine months ended September 30, 2017 was due in part to softness in our dinner daypart as the result of advertising promotions that did not drive sales and traffic as anticipated.

Based on data from Black Box, the family dining segment of the restaurant industry experienced a decrease in same-restaurant sales during the three and nine months ended September 30, 2017, compared to the same periods of the prior year, due to a decrease in customer traffic that was partially offset by an increase in average customer check. The IHOP declines in customer traffic and same-restaurant sales were larger than those experienced by the overall family dining segment for the three and nine months ended September 30, 2017. IHOP's increase in average customer check was smaller than that of the overall family dining segment for the three months ended September 30, 2017, whereas IHOP's increase in average customer check was larger than that of the overall family dining segment for the nine months ended September 30, 2017.

Restaurant Data

The following table sets forth the number of "Effective Restaurants" in the Applebee's and IHOP systems and information regarding the percentage change in sales at those restaurants compared to the same periods in the prior year. Sales at restaurants that are owned by franchisees and area licensees are not attributable to the Company and, as such, the percentage change in sales at Effective Restaurants is based on non-GAAP sales data. However, we believe that presentation of this information is useful in analyzing our revenues because franchisees and area licensees pay us royalties and advertising fees that are based on a percentage of their sales, and, where applicable, rental payments under leases that partially may be based on a percentage of their sales. Management also uses this information to make decisions about plans for future development of additional restaurants as well as evaluation of current operations.

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	2017	2016
Applebee's Restaurant Data		(Unaudited)		
Effective Restaurants[(a)]				
Franchise	1,953	2,028	1,981	2,029
System-wide[(b)]				
Sales percentage change[(c)]	(9.7)%	(5.1)%	(8.6)%	(4.5)%
Domestic same-restaurant sales percentage change[(d)]	(7.7)%	(5.2)%	(7.3)%	(4.4)%
Franchise[(b)]				
Sales percentage change[(c)]	(9.7)%	(4.9)%	(8.6)%	(3.7)%
Domestic same-restaurant sales percentage change[(d)]	(7.7)%	(5.2)%	(7.3)%	(4.4)%
Average weekly domestic unit sales (in thousands)	$ 40.9	$ 43.5	$ 43.5	$ 46.2
IHOP Restaurant Data				
Effective Restaurants[(a)]				
Franchise	1,586	1,521	1,568	1,512
Area license	162	167	165	165
Company	—	10	6	11
Total	1,748	1,698	1,739	1,688
System-wide[(b)]				
Sales percentage change[(c)]	(0.7)%	1.3 %	(0.1)%	2.0 %
Domestic same-restaurant sales percentage change[(d)]	(3.2)%	(0.1)%	(2.5)%	0.5 %
Franchise[(b)]				
Sales percentage change[(c)]	0.3 %	1.4 %	0.5 %	2.2 %
Domestic same-restaurant sales percentage change[(d)]	(3.2)%	(0.1)%	(2.5)%	0.5 %
Average weekly domestic unit sales (in thousands)	$ 35.7	$ 37.1	$ 36.3	$ 37.5
Area License[(b)]				
Sales percentage change[(c)]	(5.7)%	2.4 %	(3.6)%	1.1 %

(a) "Effective Restaurants" are the weighted average number of restaurants open in each fiscal period, adjusted to account for restaurants open for only a portion of the period. Information is presented for all Effective Restaurants in the Applebee's and IHOP systems, which consist of restaurants owned by franchisees and area licensees as well as those owned by the Company.

(b) "System-wide sales" are retail sales at Applebee's restaurants operated by franchisees and IHOP restaurants operated by franchisees and area licensees, as reported to the Company, in addition to retail sales at company-operated restaurants. Sales at restaurants that are owned by franchisees and area licensees are not attributable to the Company. An increase in franchisees' reported sales will result in a corresponding increase in our royalty revenue, while a decrease in franchisees' reported sales will result in a corresponding decrease in our royalty revenue. Unaudited reported sales for Applebee's domestic franchise restaurants, IHOP franchise restaurants and IHOP area license restaurants were as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	2017	2016
Reported sales (In millions)		(Unaudited)		
Applebee's domestic franchise restaurant sales	$ 956.5	$ 1,058.9	$ 3,092.3	$ 3,382.1
IHOP franchise restaurant sales	736.9	734.3	2,220.3	2,208.6
IHOP area license restaurant sales	67.0	71.0	208.7	216.5
Total	$ 1,760.4	$ 1,864.2	$ 5,521.3	$ 5,807.2

(c) "Sales percentage change" reflects, for each category of restaurants, the percentage change in sales in any given fiscal period compared to the prior fiscal period for all restaurants in that category.

(d) "Domestic same-restaurant sales percentage change" reflects the percentage change in sales in any given fiscal period, compared to the same weeks in the prior fiscal period, for domestic restaurants that have been operated throughout both fiscal periods that are being compared and have been open for at least 18 months. Because of new restaurant openings and restaurant closures, the domestic restaurants open throughout both fiscal periods being compared may be different from period to period. Domestic same-restaurant sales percentage change does not include data on IHOP area license restaurants.

Restaurant Development Activity	**Three months ended September 30,**		**Nine months ended September 30,**	
	2017	**2016**	**2017**	**2016**
Applebee's		**(Unaudited)**		
Beginning of period	**1,968**	**2,027**	**2,016**	**2,033**
Franchise restaurants opened:				
Domestic	2	6	7	13
International	2	3	6	7
Total franchise restaurants opened	4	9	13	20
Franchise restaurants closed:				
Domestic	(22)	(8)	(74)	(20)
International	(5)	(1)	(10)	(6)
Total franchise restaurants closed	(27)	(9)	(84)	(26)
Net franchise restaurant reduction	**(23)**	**—**	**(71)**	**(6)**
Total Applebee's restaurants, end of period	**1,945**	**2,027**	**1,945**	**2,027**
Domestic	1,791	1,871	1,791	1,871
International	154	156	154	156

IHOP				
Summary - beginning of period:				
Franchise	1,586	1,519	1,556	1,507
Area license	166	166	167	165
Company	—	10	10	11
Total IHOP restaurants, beginning of period	**1,752**	**1,695**	**1,733**	**1,683**
Franchise/area license restaurants opened:				
Domestic franchise	11	7	31	26
Domestic area license	1	1	1	3
International franchise	6	8	18	11
Total franchise/area license restaurants opened	18	17	50	24
Franchise/area license restaurants closed:				
Domestic franchise	(2)	(2)	(11)	(10)
Domestic area license	(1)	—	(2)	(1)
International franchise	(5)	—	(7)	(3)
International area license	(1)	—	(1)	—
Total franchise/area license restaurants closed	(9)	(2)	(21)	(14)
Net franchise/area license restaurant development	**9**	**15**	**29**	**10**
Refranchised from Company restaurants	—	—	9	1
Net franchise/area license restaurant additions	**9**	**14**	**38**	**27**
Summary - end of period:				
Franchise	1,596	1,532	1,596	1,532
Area license	165	167	165	167
Company[(a)]	—	10	—	10
Total IHOP restaurants, end of period	**1,761**	**1,709**	**1,761**	**1,709**
Domestic	1,655	1,622	1,655	1,622
International	106	87	106	87

[(a)] During the nine months ended September 30, 2017, nine company-operated IHOP restaurants were refranchised and one was permanently closed.

For the full year of 2017, we expect Applebee's franchisees to develop between 20 and 30 new restaurants globally, most of which are expected to be international openings. As part of a detailed system-wide analysis to optimize the health of the franchisee system, we anticipate the closing of between 105 to 135 Applebee's restaurants globally for the full year of 2017. The anticipated net decline in the number of Applebee's restaurants will result in a decrease in Applebee's royalty revenues. IHOP franchisees are projected to develop between 80 and 95 new IHOP restaurants globally for the full year of 2017, most of which are expected to be domestic openings. We expect the closing of between 25 and 30 IHOP restaurants from natural attrition in 2017.

The actual number of openings may differ from both our expectations and development commitments. Historically, the actual number of restaurants developed in any given year has been less than the total number committed to be developed due to various factors, including economic conditions and franchisee noncompliance with development agreements. The timing of new restaurant openings also may be affected by various factors including weather-related and other construction delays, difficulties in obtaining timely regulatory approvals and the impact of currency fluctuations on our international franchisees. The actual number of closures also may differ from our expectations. Our franchisees are independent businesses and decisions to close restaurants can be impacted by numerous factors in addition to declines in same-restaurant sales that are outside of our control, including but not limited to, franchisees' agreements with landlords and lenders.

CONSOLIDATED RESULTS OF OPERATIONS
Comparison of the Three and Nine Months Ended September 30, 2017 and 2016

Significant Known Events, Trends or Uncertainties Impacting or Expecting to Impact Comparisons of Reported or Future Results

Impairment of Applebee's Goodwill and Tradename

We performed a quantitative test for impairment of Applebee's goodwill and tradename as of October 31, 2016, the annual testing date. We identified no impairments as a result of performing these quantitative assessments, however, we did note that the fair value of the Applebee's Franchise Reporting Unit exceeded the carrying value of the unit by 9% and therefore considered the unit to be at risk of impairment.

In the third quarter of 2017, we noted that the decline in the market price of our common stock since December 31, 2016, which we had believed to be temporary, persisted throughout the first eight months of 2017 and that the favorable trend in Applebee's domestic same-restaurant sales experienced in the second quarter of 2017 did not continue into the first two months of the third quarter. We also noted a continuing increase in Applebee's bad debt expense and in royalties not recognized in income until paid in cash. Additionally, we also determined an increasing shortfall in franchisee contributions to the Applebee's national advertising fund could require a larger amount of future subsidization in the form of additional franchisor contributions to the fund than previously estimated. Based on these unfavorable developments, primarily the decline in the market price of our common stock, we determined that indicators of impairment existed and that an interim test of goodwill and indefinite-lived intangible assets for impairment should be performed.

As a result of performing the interim quantitative test, we recognized an impairment of Applebee's goodwill of $358.2 million and an impairment of Applebee's tradename of $173.4 million. After the impairments, the balances of goodwill and the tradename intangible asset allocated to the Applebee's franchise unit as of September 30, 2017 were $328.5 million and $479.0 million, respectively.

We adopted the guidance in FASB Accounting Standards Update 2017-04 on January 1, 2017; accordingly, the amount of the goodwill impairment was determined as the amount by which the carrying amount of the goodwill exceeded the fair value of the Applebee's franchise reporting unit that was estimated in the quantitative test. These assets are at risk of additional impairment in the future in the event of sustained downward movement in the Company's stock price, downward revisions of long-term performance assumptions or increases in the assumed long-term discount rate.

See additional discussion of these impairments under the heading “Financial Results - Impairment and Closure Charges.”

Executive Separation Costs

On February 17, 2017, we announced the resignation of our former Chairman and Chief Executive Officer (the "former CEO"), effective March 1, 2017. In accordance with terms of the Separation Agreement and General Release filed as Exhibit 10.1 to Form 8-K filed on February 17, 2017, we recorded approximately $5.9 million for severance, separation pay and ancillary costs in the first quarter of 2017. All stock options and restricted stock awards held by the former CEO that were unvested at the time of the announcement became vested in connection with the separation. We recorded a charge of approximately $2.9 million related to the accelerated vesting of the equity awards in the first quarter of 2017. Total costs of $8.8 million related to the separation were included in G&A expenses for the nine months ended September 30, 2017, all of which were incurred in the first quarter of 2017.

Financial Results

Revenue	**Three months ended September 30,**		**Favorable (Unfavorable) Variance**	**Nine months ended September 30,**		**Favorable (Unfavorable) Variance**
	2017	**2016**		**2017**	**2016**	
			(In millions)			
Franchise operations	$ 112.3	$ 119.2	$ (6.9)	$ 351.4	$ 366.7	$ (15.3)
Rental operations	30.3	30.5	(0.2)	90.9	92.7	(1.8)
Company restaurant operations	—	4.0	(4.0)	7.5	13.4	(5.9)
Financing operations	2.1	2.3	(0.2)	6.3	7.0	(0.7)
Total revenue	$ 144.7	$ 156.0	$ (11.3)	$ 456.1	$ 479.8	$ (23.7)
Change vs. prior period	(7.3)%			(5.0)%		

Total revenue for the three months ended September 30, 2017 decreased compared with the same period of the prior year, primarily due to a decrease in revenue from Applebee's franchise restaurants and the refranchising of nine IHOP company-operated restaurants and closure of one IHOP company-operated restaurant in June 2017. Additional reasons for the decline in revenue include the impact of a 3.2% decrease in IHOP domestic same-restaurant sales on royalty and rental revenue and the expected progressive decline in interest revenue from rental and financing operations as receivable balances are repaid. These unfavorable factors were partially offset by IHOP franchisee restaurant development over the past twelve months.

Total revenue for the nine months ended September 30, 2017 decreased compared with the same period of the prior year, primarily due to the same factors discussed for the three-month period above. Additional reasons for the decline in revenue include the impact of a 2.5% decrease in IHOP domestic same-restaurant sales on royalty and rental revenue and the expected progressive decline in interest revenue from rental and financing operations as receivable balances are repaid. These unfavorable factors were partially offset by IHOP franchisee restaurant development over the past twelve months.

Gross Profit (Loss)	**Three months ended September 30,**		**Favorable (Unfavorable) Variance**	**Nine months ended September 30,**		**Favorable (Unfavorable) Variance**
	2017	**2016**		**2017**	**2016**	
			(In millions)			
Franchise operations	$ 70.5	$ 81.9	$ (11.4)	$ 235.7	$ 258.7	$ (23.0)
Rental operations	8.0	7.7	0.3	23.2	23.7	(0.5)
Company restaurant operations	(0.0)	(0.2)	0.2	(0.3)	(0.7)	0.4
Financing operations	1.6	2.3	(0.7)	5.9	6.8	(0.9)
Total gross profit	$ 80.1	$ 91.7	$ (11.6)	$ 264.5	$ 288.5	$ (24.0)
Change vs. prior period	(12.6)%			(8.3)%		

Total gross profit for the three and nine months ended September 30, 2017 declined compared with the same periods of the prior year, primarily due to the decreases in revenue from franchise operations, an increase in Applebee's bad debt expense and the expected progressive decline in interest revenue from financing operations.

Franchise Operations	Three months ended September 30, 2017	2016	Favorable (Unfavorable) Variance	Nine months ended September 30, 2017	2016	Favorable (Unfavorable) Variance
			(In millions, except number of restaurants)			
Effective Franchise Restaurants:[1]						
Applebee's	1,953	2,028	(75)	1,981	2,029	(48)
IHOP	1,748	1,688	60	1,733	1,677	56
Franchise Revenues:						
Applebee's	$ 39.4	$ 45.7	$ (6.3)	$ 129.3	$ 144.7	$ (15.4)
IHOP	44.9	45.8	(0.9)	137.7	138.3	(0.6)
Advertising	28.0	27.7	0.3	84.4	83.7	0.7
Total franchise revenues	112.3	119.2	(6.9)	351.4	366.7	(15.3)
Franchise Expenses:						
Applebee's	8.7	4.2	(4.5)	15.3	7.3	(8.0)
IHOP	5.1	5.4	0.3	16.0	17.0	1.0
Advertising	28.0	27.7	(0.3)	84.4	83.7	(0.7)
Total franchise expenses	41.8	37.3	(4.5)	115.7	108.0	(7.7)
Franchise Gross Profit:						
Applebee's	30.7	41.5	(10.8)	114.0	137.4	(23.4)
IHOP	39.8	40.4	(0.6)	121.7	121.3	0.4
Total franchise gross profit	$ 70.5	$ 81.9	$ (11.4)	$ 235.7	$ 258.7	$ (23.0)
Gross profit as % of revenue [2]	62.8%	68.7%		67.1%	70.5%	

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[1] Effective Franchise Restaurants are the weighted average number of franchise and area license restaurants open in each fiscal period, adjusted to account for restaurants open for only a portion of the period.

[2] Percentages calculated on actual amounts, not rounded amounts presented above.

Applebee's franchise revenue for the three months ended September 30, 2017 declined 13.8% compared to the same period of the prior year. Approximately $2.9 million of the decline was due to a 7.7% decrease in domestic same-restaurant sales. Additional factors contributing to the revenue decline were an increase of $1.7 million in cash-basis royalties and a $1.2 million decrease in royalties due to the net closure of franchise restaurants.

Applebee's franchise revenue for the nine months ended September 30, 2017 declined 10.6% compared to the same period of the prior year. Approximately $9.3 million of the decline was due to a 7.3% decrease in domestic same-restaurant sales. Additional factors contributing to the revenue decline were a $2.7 million increase in cash-basis royalties, a $2.4 million decrease in royalties due to the net closure of franchise restaurants and a $0.8 million decrease in termination fees. We do not expect to receive any termination fees from approved closures of restaurants in 2017.

The increases in Applebee's franchise expenses for the three and nine months ended September 30, 2017 compared with the same periods of the prior year were primarily due to increases in bad debt expense of $2.9 million and $6.4 million, respectively, as well as an increase of $1.5 million in franchisor contributions to the Applebee's national advertising fund which impacted both periods. The Company contributed $4.0 million to the Applebee's national advertising fund in the third quarter of 2017 compared to a contribution of $2.5 million in the third quarter of 2016.

IHOP franchise revenue for the three months ended September 30, 2017 decreased compared to the same period of the prior year, primarily due to a $1.0 million decrease in sales of pancake and waffle dry mix and a 3.2% decrease in domestic same-restaurant sales. These unfavorable items were partially offset by a 3.6% increase in Effective Franchise Restaurants due to net restaurant development and an increase in franchise fees.

IHOP franchise revenue for the nine months ended September 30, 2017 decreased slightly compared to the same period of the prior year primarily due to a $1.8 million decrease in sales of pancake and waffle dry mix and a 2.5% decrease in domestic same-restaurant sales. These unfavorable items were partially offset by a 3.3% increase in Effective Franchise Restaurants due to net restaurant development, a $0.7 million increase in international royalties and an increase in franchise fees.

The decreases in IHOP franchise expenses for the three and nine months ended September 30, 2017 compared with the same periods of the prior year were primarily due to decreases in purchases of pancake and waffle dry mix partially offset by increased Company contributions to marketing funds of $0.2 million and $0.6 million, respectively.

Advertising contributions designated for IHOP's national advertising fund and local marketing and advertising cooperatives, as well as advertising contributions from international franchise restaurants of both brands, are recognized as revenue and expense of franchise operations. However, due to differences in the administration of the Applebee's marketing fund, contributions to Applebee's domestic marketing fund are not recognized as franchise revenue and expense. Advertising revenue and expense for the three and nine months ended September 30, 2017 increased slightly compared to the same periods of the prior year, primarily due to increased contributions from international franchise restaurants of both brands. The impact on advertising revenue and expense of the increase in the number of IHOP restaurants was partially offset by the decrease in IHOP domestic same-restaurant sales.

Gross profit as a percentage of revenue declined for the three and nine months ended September 30, 2017 compared to the same respective periods of the prior year, primarily because of the decrease in Applebee's domestic same-restaurant sales and increases in cash-basis royalties and bad debt expense. We expect that gross profit of franchise operations for the remainder of 2017 will continue to be adversely impacted by Applebee's restaurant closures and increases in Applebee's bad debt expense and cash-basis royalties.

Rental Operations	**Three months ended September 30,**		**Favorable (Unfavorable) Variance**	**Nine months ended September 30,**		**Favorable (Unfavorable) Variance**
	2017	**2016**		**2017**	**2016**	
			(In millions)			
Rental revenues	$ 30.3	$ 30.5	$ (0.2)	$ 90.9	$ 92.7	$ (1.8)
Rental expenses	22.3	22.8	0.5	67.7	69.0	1.3
Rental operations gross profit	$ 8.0	$ 7.7	$ 0.3	$ 23.2	$ 23.7	$ (0.5)
Gross profit as % of revenue [(1)]	26.3%	25.4%		25.5%	25.6%	

[(1)] Percentages calculated on actual amounts, not rounded amounts presented above.

Rental operations relate primarily to IHOP franchise restaurants. Rental income includes revenue from operating leases and interest income from direct financing leases. Rental expenses are costs of prime operating leases and interest expense on prime capital leases on certain franchise restaurants.

Rental segment revenue for the three months ended September 30, 2017 was lower than the same period of the prior year primarily due to the expected progressive decline of $0.3 million in interest income as direct financing leases are repaid. Rental segment revenue for the nine months ended September 30, 2017 was lower than the same period of the prior year primarily due to a $1.2 million decrease in rental income based on a percentage of franchisees' retail sales and the expected progressive decline of $0.9 million in interest income as direct financing leases are repaid.

Rental segment expenses decreased for the three and nine months ended September 30, 2017 compared to the same periods of the prior year primarily because of the expected progressive declines in interest expense as capital lease obligations are repaid and in depreciation as assets age.

Financing Operations

Financing revenues primarily consist of interest income from the financing of equipment leases and franchise fees, as well as sales of equipment associated with refranchised IHOP restaurants. Financing expenses are the cost of any restaurant equipment sold associated with refranchised IHOP restaurants.

The decrease in financing revenue for the three and nine months ended September 30, 2017 was primarily due to the expected progressive declines of $0.2 million and $0.6 million, respectively, in interest revenue as note balances are repaid. The decrease in financing gross profit for the three and nine months ended September 30, 2017 was primarily due to costs associated with the sale of equipment related to refranchised IHOP restaurants as well as the declines in interest revenue.

Company Restaurant Operations

Effective June 19, 2017, we refranchised nine of our ten company-operated IHOP restaurants in the Cincinnati, Ohio market area; the one restaurant not refranchised was closed. As a result, we no longer operate any IHOP restaurants on a permanent basis. We did not consider these restaurants to be "discontinued operations" as defined by U.S. GAAP because the refranchising of nine restaurants out of a total of over 3,700 restaurants did not represent a strategic shift that had a major effect on our operations. From time to time, we may continue to operate IHOP restaurants reacquired from franchisees on a temporary basis until those restaurants are refranchised. There were no IHOP restaurants under temporary operation as of September 30, 2017.

Company restaurant revenues and expenses decreased for the three and nine months ended September 30, 2017 compared to the same period of the prior year primarily because we did not operate any company restaurants after June 19, 2017 and we did not operate any reacquired restaurants during the first nine months of 2017, whereas we did operate one reacquired restaurant during the first nine months of 2016. Gross profit for the three and nine months ended September 30, 2017 improved slightly because the temporary operation of reacquired restaurants typically results in a small loss.

G&A Expenses	**Three months ended September 30,**		**Favorable (Unfavorable) Variance**	**Nine months ended September 30,**		**Favorable (Unfavorable) Variance**
	2017	**2016**		**2017**	**2016**	
			(In millions)			
	$ 38.0	$ 36.0	$ (2.0)	$ 125.7	$ 111.9	$ (13.8)

The increase in G&A expenses for the three months ended September 30, 2017 compared to the same period of the prior year was primarily due to a $1.9 million increase in personnel-related costs. Increases in costs of software, depreciation and professional services were offset by lower costs of travel and conferences. The increase in personnel-related costs is primarily due to higher costs of severance and an increase in salary and benefits related to the hiring of several senior management positions over the past twelve months, partially offset by lower costs of stock-based compensation.

The increase in G&A expenses for the nine months ended September 30, 2017 compared to the same period of the prior year was primarily due to charges of $8.8 million related to the executive separation costs discussed under “Events Impacting Comparability of Financial Information.” The additional increase in G&A of $5.0 million was due to a $5.4 million increase in professional services and a $2.5 million increase in personnel-related costs, partially offset by a $2.0 million decrease in travel and conference costs and a decrease of $1.1 million in recruiting and relocation costs.

The increase in professional services was due primarily to our utilization of third-party consultants related to the Applebee's stabilization initiatives discussed under “Domestic Same-restaurant Sales - Applebee's.” The increase in personnel-related costs was primarily due to an increase in salary and benefits related to the hiring of several senior management positions over the past twelve months, an increase in severance costs and a decrease in certain employment-related incentive credits because of our reduction of personnel in the state of Missouri, partially offset by lower costs of stock-based compensation. The decrease in travel and conference costs was primarily due to the timing of our brands' franchisee conferences that will take place in the fourth quarter of 2017 as compared to taking place in the third quarter of 2016. The decrease in recruiting, relocation and occupancy expenses related to costs incurred as a result of the relocation of personnel and functions in 2016 that did not recur in 2017.

Impairment and Closure Charges	**Three months ended September 30,**		**Favorable (Unfavorable) Variance**	**Nine months ended September 30,**		**Favorable (Unfavorable) Variance**
	2017	**2016**		**2017**	**2016**	
			(In millions)			
Impairment of goodwill	$ 358.2	$ —	$ (358.2)	$ 358.2	$ —	$ (358.2)
Impairment of tradename	173.4	—	(173.4)	173.4	—	(173.4)
Other impairment and closure costs	0.9	0.2	(0.7)	3.8	4.0	0.2
	$ 532.5	$ 0.2	$ (532.3)	$ 535.4	$ 4.0	$ (531.4)

As discussed above under the heading “Significant Known Events, Trends or Uncertainties Impacting or Expecting to Impact Comparisons of Reported or Future Results - Impairment of Applebee's Goodwill and Tradename,” we performed an interim quantitative test for impairment of Applebee's goodwill and tradename during the third quarter of 2017 and recorded an impairment to goodwill of $358.2 million and an impairment to the Applebee's tradename of $173.4 million.

In determining the fair value of the Applebee's franchise reporting unit, we used the income approach method of valuation that includes the discounted cash flow method as well as other generally accepted valuation methodologies to determine the fair value of goodwill and intangible assets. Significant assumptions made by management in estimating fair value under the discounted cash flow model include future trends in sales, operating expenses, overhead expenses, depreciation, capital expenditures and changes in working capital, along with an appropriate discount rate based on our estimated cost of equity capital and after-tax cost of debt.

In determining the fair value of the Applebee's tradename, we used the relief of royalty method under the income approach method of valuation. Significant assumptions used to determine fair value under the relief of royalty method include future trends in sales, a royalty rate and a discount rate to be applied to the forecast revenue stream.

The assumptions used in both the discounted cash flow method and the relief of royalty method are determined by the Company based on historical results, trends and anticipated growth resulting from specific development initiatives planned to be implemented over the time horizon covered by the Company's projections. The most impactful assumptions are the discount rate and the forecast change in system-wide sales (due to a combination of changes in same-restaurant sales and in net restaurant development) that impact our royalty revenues.

There is an inherent degree of uncertainty in preparing any forecast of future results. The projections used in performing the impairment tests during the three months ended September 30, 2017, reflected an increase in system-wide sales from estimated full-year 2017 amounts, in progressively larger increments, over the time period covered by the projections. System-wide sales are dependent to a significant extent on national, regional and local economic conditions, and, to a lesser extent, on global economic conditions, particularly those conditions affecting the demographics of the guests that frequently patronize Applebee's restaurants. Accordingly, there are a number of potential events that could reasonably be expected to negatively affect the forecast of system-wide sales, including a decrease in customers' disposable income available for discretionary spending (because of circumstances such as job losses, credit constraints, higher housing costs, increased tax rates, energy costs, interest rates or other costs) or a decrease in the perceived wealth of customers (because of circumstances such as lower residential real estate values, increased foreclosure rates, increased tax rates or other economic disruptions). As a result, our business could experience a decline in sales and/or customer traffic as potential customers choose lower-cost alternatives (such as quick-service restaurants) or other alternatives to dining out. Additionally, negative trends in the availability of credit and in expenses such as interest rates and the cost of construction materials could affect our franchisees' ability to maintain and remodel existing restaurants. Any decreases in customer traffic or average customer check due to these or other reasons could reduce gross sales at franchise restaurants, resulting in lower royalty and other payments from franchisees. This could reduce the profitability of franchise restaurants, potentially impacting the ability of franchisees to make royalty payments owed to us when due (which could adversely impact our current cash flow from franchise operations) and negatively impacting franchisees' ability to develop new restaurants (which could adversely impact our future cash flows from franchise operations).

Other impairment and closure charges for the three months ended September 30, 2017 and 2016 were not significant. For the nine months ended September 30, 2017, other impairment and closure costs of $3.8 million primarily comprised $2.2 million of costs related to the closure of one company-operated IHOP restaurant in the Cincinnati, Ohio market area. There were no other individually significant charges.

For the nine months ended September 30, 2016, other impairment and closure costs are primarily comprised of $2.5 million of lease termination costs related to the reduction of our space requirements in Kansas City, Missouri, approximately $1.0 million of impairment charges and $0.5 million of closure charges. The largest individually significant impairment charge of $0.6 million related to one IHOP company-operated restaurant. The closure charges related to adjustments for IHOP and Applebee's restaurants closed in periods prior to September 30, 2016.

(Gain) Loss on Disposition of Assets	**Three months ended September 30,**		**Favorable (Unfavorable) Variance**	**Nine months ended September 30,**		**Favorable (Unfavorable) Variance**
	2017	**2016**		**2017**	**2016**	
			(In millions)			
	$ (0.0)	$ 0.1	$ 0.1	$ (6.4)	$ 0.7	$ 7.1

In June 2017, we completed the refranchising and sale of related restaurant assets of nine company-operated IHOP restaurants in the Cincinnati, Ohio market area. As part of the transaction, we entered into an asset purchase agreement, nine franchise agreements and nine sublease agreements for land and buildings. The Company compared the stated rent under the sublease agreements with comparable market rents and recorded net favorable lease assets of $2.3 million in related to the transaction. The Company also received cash of $1.1 million and a note receivable for $4.8 million. After allocating a portion of the consideration to franchise fees and derecognition of the assets sold, we recognized a gain of $6.2 million on the refranchising and sale during the nine months ended September 30, 2017. There were no other individually significant asset dispositions in either of the comparative periods presented above.

Other Expense and Income Items	Three months ended September 30, 2017	2016	Favorable (Unfavorable) Variance	Nine months ended September 30, 2017	2016	Favorable (Unfavorable) Variance
			(In millions)			
Interest expense	$ 15.4	$ 15.4	$ 0.0	$ 46.5	$ 46.1	$ (0.4)
Amortization of intangible assets	2.5	2.5	(0.0)	7.5	7.5	(0.0)
Total	$ 17.9	$ 17.9	$ 0.0	$ 54.0	$ 53.6	$ (0.4)

Interest expense and amortization of intangible assets for the three and nine months ended September 30, 2017 were consistent with the same periods of the prior year.

Income Taxes	Three months ended September 30, 2017	2016	Favorable (Unfavorable) Variance	Nine months ended September 30, 2017	2016	Favorable (Unfavorable) Variance
			(In millions)			
Income tax (benefit) provision	$ (56.6)	$ 13.2	$ 69.8	$ (28.2)	$ 41.7	$ 69.9
Effective tax rate	11.1%	35.3%	24.2%	6.4%	35.2%	28.8%

Our income tax provision will vary from period to period for two reasons: a change in income before income taxes and a change in the effective tax rate. Changes in our income before income taxes between 2017 and 2016 were addressed in the preceding sections of "Consolidated Results of Operations - Comparison of the Three and Nine Months Ended September 30, 2017 and 2016."

Our effective tax rates for the three and nine months ended September 30, 2017 were significantly different than the statutory federal tax rate of 35%. As noted under "Impairment and Closure Charges" above, we recorded an impairment of Applebee's goodwill of $358.2 million, which is not deductible for federal income tax purposes and therefore there is no tax benefit associated with the impairment. We did recognize a deferred tax benefit of $65.1 million as a discrete item related to the $173.4 million impairment charge related to Applebee's tradename.

Liquidity and Capital Resources

At September 30, 2017, our outstanding long-term debt consisted of $1.3 billion of Series 2014-1 4.277% Fixed Rate Senior Notes, Class A-2 (the "Class A-2 Notes"). We also have a revolving financing facility consisting of Series 2014-1 Variable Funding Senior Notes, Class A-1 (the "Variable Funding Notes"), which allows for drawings of up to $100 million of Variable Funding Notes and the issuance of letters of credit. The Class A-2 Notes and the Variable Funding Notes are referred to collectively as the "Notes." The Notes were issued in a private securitization transaction pursuant to which substantially all our domestic revenue-generating assets and our domestic intellectual property are held by certain special-purpose, wholly-owned indirect subsidiaries of the Company (the "Guarantors") that act as guarantors of the Notes and that have pledged substantially all their assets to secure the Notes.

While the Notes are outstanding, payment of principal and interest is required to be made on the Class A-2 Notes on a quarterly basis. The quarterly principal payment of $3.25 million on the Class A-2 Notes may be suspended when the leverage ratio for the Company and its subsidiaries is less than or equal to 5.25x. At September 30, 2017, our leverage ratio was 5.36x (see Exhibit 12.1). Exceeding the leverage ratio of 5.25x does not violate any covenant related to the Notes; however, we will be required to make a principal payment of $3.25 million in the fourth quarter of 2017.

We may voluntarily repay the Class A-2 Notes at any time; however, if we voluntarily repay the Class A-2 Notes prior to September 2018 we would be required to pay a make-whole premium. We would also be subject to a make-whole premium in the event of a mandatory prepayment occurring prior to September 2018 following a Rapid Amortization Event (as defined in the Class A-2 Notes) or certain asset dispositions. The make-whole premium requirements are considered derivatives embedded in the Class A-2 Notes that must be bifurcated for separate valuation. We estimated the fair value of these derivatives to be insignificant at September 30, 2017, based on the probability-weighted discounted cash flows associated with either event.

The Variable Funding Notes were not drawn upon at September 30, 2017 and we have not drawn on them since issuance. At September 30, 2017, $5.0 million was pledged against the Variable Funding Notes for outstanding letters of credit, leaving $95.0 million of Variable Funding Notes available for borrowings. The letters of credit are used primarily to satisfy insurance-related collateral requirements.

The Notes are subject to customary rapid amortization events for similar types of financing, including events tied to our failure to maintain the stated debt service coverage ratio ("DSCR"), the sum of domestic retail sales for all restaurants being below certain levels on certain measurement dates, certain manager termination events, certain events of default and the failure to repay or refinance the Notes on the Class A-2 Anticipated Repayment Date in September 2021. The Notes are also subject to certain customary events of default, including events relating to non-payment of required interest, principal or other amounts due on or with respect to the Notes, failure to maintain the stated DSCR, failure to comply with covenants within certain time frames, certain bankruptcy events, breaches of specified representations and warranties and certain judgments.

Failure to maintain a prescribed DSCR can trigger a Cash Trapping Event, A Rapid Amortization Event, a Manager Termination Event or a Default Event as described below. In a Cash Trapping Event, the Trustee is required to retain a certain percentage of excess Cash Flow (as defined) in a restricted account. In a Rapid Amortization Event, all excess Cash Flow is retained and used to retire principal amounts of debt. Key DSCRs are as follows:

- DSCR less than 1.75x but equal to or greater than 1.50x - Cash Trapping Event, 50% of Net Cash Flow
- DSCR less than 1.50x - Cash Trapping Event, 100% of Net Cash Flow
- DSCR less than 1.30x - Rapid Amortization Event
- DSCR less than 1.20x - Manager Termination Event
- DSCR less than 1.10x - Default Event

Our DSCR for the reporting period ended September 30, 2017 was 4.33x (see Exhibit 12.1).

Capital Allocation

Dividends

During the nine months ended September 30, 2017, we paid dividends on common stock of $52.3 million, representing cash dividends of $0.97 per share declared in the fourth quarter of 2016 and the first and second quarters of 2017. On August 10, 2017, our Board of Directors declared a third quarter 2017 cash dividend of $0.97 per share of common stock. This dividend was paid on October 6, 2017 to our stockholders of record at the close of business on September 18, 2017. We reported dividends payable of $17.8 million at September 30, 2017.

Share Repurchases

In October 2015, our Board of Directors approved a stock repurchase program authorizing us to repurchase up to $150 million of our common stock (the "2015 Repurchase Program") on an opportunistic basis from time to time in open market transactions and in privately negotiated transactions based on business, market, applicable legal requirements and other considerations. The 2015 Repurchase Program, as approved by the Board of Directors, does not require the repurchase of a specific number of shares and can be terminated at any time. A summary of shares repurchased under the 2015 Repurchase Program, currently and cumulatively, is as follows:

	Shares	Cost of shares
		(In millions)
Repurchased during the three months ended September 30, 2017	—	$ —
Repurchased during the nine months ended September 30, 2017	145,786	$ 10.0
Cumulative repurchases as of September 30, 2017	1,000,657	$ 82.9
Remaining dollar value of shares that may be repurchased	n/a	$ 67.1

We evaluate dividend payments on common stock and repurchases of common stock within the context of our overall capital allocation strategy with our Board of Directors on an ongoing basis, giving consideration to our current and forecast earnings, financial condition, cash requirements and other factors.

From time to time, we also repurchase shares owned and tendered by employees to satisfy tax withholding obligations on the vesting of restricted stock awards. Shares are deemed purchased at the closing price of our common stock on the vesting date. See Part II, Item 2 for detail on all share repurchase activity during the third quarter of 2017.

Cash Flows

In summary, our cash flows for the nine months ended September 30, 2017 and 2016 were as follows:

	Nine months ended September 30,		
	2017	2016	Variance
	(In millions)		
Net cash provided by operating activities	$ 31.0	$ 62.1	$ (31.1)
Net cash provided by investing activities	6.4	10.0	(3.6)
Net cash used in financing activities	(72.7)	(106.6)	33.9
Net decrease in cash, cash equivalents and restricted cash	$ (35.2)	$ (34.5)	$ (0.7)

Operating Activities

The decline in cash provided by operating activities for the nine months ended September 30, 2017 was primarily due to a decrease in net income. Our net income for the nine months ended September 30, 2017 declined $492.7 million compared to the same period of 2016, primarily because of a non-cash charge for the impairment of Applebee's goodwill and tradename. Our net income including the non-cash reconciling items shown in the statement of cash flows (primarily impairment charges, deferred taxes and depreciation) was $67.1 million for the nine months ended September 30, 2017 compared to $98.1 million the same period of 2016. The decrease of $31.1 million in cash provided by operating activities for the nine months ended September 30, 2017 was primarily due to a decline in gross profit from franchise operations and the increase in G&A expenses discussed in preceding sections of the MD&A.

Net changes in working capital used cash of $36.1 million during the first nine months of 2017, unchanged from a use of cash of $36.1 million during the first nine months of 2016.

Investing Activities

Investing activities provided net cash of $6.4 million for the nine months ended September 30, 2017. Principal receipts from notes, equipment contracts and other long-term receivables of $15.3 million and proceeds from asset sales of $1.1 million were partially offset by $9.6 million in capital expenditures.

Financing Activities

Financing activities used net cash of $72.7 million for the nine months ended September 30, 2017. Cash used in financing activities primarily consisted of cash dividends paid on our common stock totaling $52.3 million, repurchases of our common stock totaling $10.0 million and repayments of capital lease obligations of $10.6 million, partially offset by a net cash inflow of approximately $0.3 million related to equity compensation awards.

Cash and Cash Equivalents

At September 30, 2017, our cash and cash equivalents totaled $104.2 million, including $36.3 million of cash held for gift card programs and advertising funds.

Based on our current level of operations, we believe that our cash flow from operations, available cash and available borrowing capacity under our Variable Funding Notes will be adequate to meet our liquidity needs for the next twelve months.

Adjusted Free Cash Flow

We define “adjusted free cash flow” for a given period as cash provided by operating activities, plus receipts from notes and equipment contract receivables, less additions to property and equipment. Management uses this liquidity measure in its periodic assessment of, among other things, 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.

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

	Nine months ended September 30,		
	2017	2016	Variance
	(In millions)		
Cash flows provided by operating activities	$ 31.0	$ 62.1	$ (31.1)
Receipts from notes and equipment contracts receivable	8.0	7.6	0.4
Additions to property and equipment	(9.6)	(3.5)	(6.1)
Adjusted free cash flow	$ 29.4	$ 66.2	$ (36.8)

This non-U.S. GAAP measure is not defined in the same manner by all companies and may not be comparable to other similarly titled measures of other companies. Non-U.S. GAAP measures should be considered in addition to, and not as a substitute for, the U.S. GAAP information contained within our financial statements.

The decrease in adjusted free cash flow for the nine months ended September 30, 2017 compared to the same period of the prior year is primarily due to the decrease in cash from operating activities discussed above and an increase in capital expenditures. Capital expenditures are expected to be approximately $14 million for fiscal 2017.

Financial Condition

As discussed above under the heading “Significant Known Events, Trends or Uncertainties Impacting or Expecting to Impact Comparisons of Reported or Future Results - Impairment of Applebee's Goodwill and Tradename,” we performed an interim quantitative test for impairment of Applebee's goodwill and tradename during the third quarter of 2017 and recorded an impairment to goodwill of $358.2 million and an impairment to the Applebee's tradename of $173.4 million. We recognized a deferred tax benefit of $65.1 million related to the $173.4 million impairment of the Applebee's tradename. As a result of these items, our total assets, total liabilities and shareholders' equity were reduced by $531.6 million, $65.1 million and $467.5 million, respectively. Because these were non-cash transactions, there was no impact of the impairment on our consolidated cash flows.

Off-Balance Sheet Arrangements

We have obligations for guarantees on certain franchisee lease agreements, as disclosed in Note 10 - Commitments and Contingencies, of Notes to Consolidated Financial Statements of Part I, Item 1 of this Form 10-Q. Other than such guarantees, we did not have any off-balance sheet arrangements, as defined in Item 303(a)(4) of SEC Regulation S-K as of September 30, 2017.

Contractual Obligations and Commitments

There were no material changes to the contractual obligations table as disclosed in our Annual Report on Form 10-K for the year ended December 31, 2016.

Critical Accounting Policies and Estimates

The preparation of financial statements in accordance with U.S. GAAP requires us to make estimates and assumptions affecting the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of net revenues and expenses in the reporting period. We base our estimates and assumptions on current facts, historical experience and various other factors that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the accrual of costs and expenses that are not readily apparent from other sources. We continually review the estimates and underlying assumptions to ensure they are appropriate for the circumstances. Accounting assumptions and estimates are inherently uncertain and actual results may differ materially from our estimates.

A summary of our critical accounting estimates is included in Management’s Discussion and Analysis of Financial Condition and Results of Operations contained in our Annual Report on Form 10-K for the year ended December 31, 2016. During the nine months ended September 30, 2017, there were no significant changes in our estimates and critical accounting policies.

See Note 3, “Accounting Policies,” in the Notes to Consolidated Financial Statements for a discussion of recently adopted accounting standards and newly issued accounting standards.

Item 3. Quantitative and Qualitative Disclosures about Market Risk.

There were no material changes from the information contained in the Company's Annual Report on Form 10-K for the year ended December 31, 2016.

Item 4. Controls and Procedures.

Disclosure Controls and Procedures.

The Company's management, with the participation of the Company's Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of the end of the period covered by this report. Based on such evaluation, the Company's Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of such period, the Company's disclosure controls and procedures are effective at the reasonable assurance level.

Changes in Internal Control Over Financial Reporting.

There have been no changes in the Company's internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the fiscal quarter to which this report relates that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Part II. OTHER INFORMATION

Item 1. Legal Proceedings.

We are subject to various lawsuits, administrative proceedings, audits and claims arising in the ordinary course of business. Some of these lawsuits purport to be class actions and/or seek substantial damages. We are required to record an accrual for litigation loss contingencies that are both probable and reasonably estimable. Legal fees and expenses associated with the defense of all of our litigation are expensed as such fees and expenses are incurred. Management regularly assesses our insurance deductibles, analyzes litigation information with our attorneys and evaluates our loss experience in connection with pending legal proceedings. While we do not presently believe that any of the legal proceedings to which we are currently a party will ultimately have a material adverse impact on us, there can be no assurance that we will prevail in all the proceedings we are party to, or that we will not incur material losses from them.

Item 1A. Risk Factors.

There are no material changes from the risk factors set forth under Item 1A of Part I of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2016.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

Purchases of Equity Securities by the Company

Period	Total number of shares purchased	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs (b)	Approximate dollar value of shares that may yet be purchased under the plans or programs (b)
July 3, 2017 – July 30, 2017	—	—	—	$ 67,100,000
July 31, 2017 – August 27, 2017	—	—	—	$ 67,100,000
August 28, 2017 – October 1, 2017[a]	598	$40.84	—	$ 67,100,000
Total	598	$40.84	—	$ 67,100,000

(a) These amounts represent shares owned and tendered by employees to satisfy tax withholding obligations arising upon vesting of restricted stock awards.

(b) In October 2015, our Board of Directors approved a stock repurchase program authorizing us to repurchase up to $150 million of DineEquity common stock on an opportunistic basis from time to time in open market transactions and in privately negotiated transactions, including Rule 10b-5 stock repurchase plans, based on business, market, applicable legal requirements and other considerations. The program does not require the repurchase of a specific number of shares and can be terminated at any time.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not Applicable.

Item 5. Other Information.

None.

Item 6. Exhibits.

3.1	Restated Certificate of Incorporation of DineEquity, Inc. (Exhibit 99.3 to Registrant's Form 8-K filed on December 18, 2012 is incorporated herein by reference).
3.2	Amended Bylaws of DineEquity, Inc. (Exhibit 3.2 to Registrant's Form 8-K filed on August 10, 2017 is incorporated herein by reference).
*†#10.1	Employment Agreement dated as of August 9, 2017 by and between the Corporation and Stephen P. Joyce.
*†#10.2	DineEquity, Inc. 2016 Stock Incentive Plan Nonqualified Stock Option Agreement by and between the Corporation and Stephen P. Joyce.
*†#10.3	DineEquity, Inc. 2016 Stock Incentive Plan Restricted Stock Unit Award Agreement by and between the Corporation and Stephen P. Joyce - Performance-Based.
*†10.4	DineEquity, Inc. 2016 Stock Incentive Plan Restricted Stock Unit Agreement by and between the Corporation and Stephen P. Joyce - Time-Based.
*12.1	Computation of Debt Service Coverage Ratio for the Trailing Twelve Months Ended September 30, 2017 and Leverage Ratio as of September 30, 2017.
*31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended.
*31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended.
*32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.**
*32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.**
101.INS	XBRL Instance Document.***
101.SCH	XBRL Schema Document.***
101.CAL	XBRL Calculation Linkbase Document.***
101.DEF	XBRL Definition Linkbase Document.***
101.LAB	XBRL Label Linkbase Document.***
101.PRE	XBRL Presentation Linkbase Document.***

* Filed herewith.

** The certifications attached as Exhibits 32.1 and 32.2 accompany this Quarterly Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

*** Pursuant to Rule 406T of Regulation S-T, the interactive data files on Exhibit 101 hereto are deemed not filed or part of a registration statement or prospectus for purposes of Section 11 or 12 of the Securities Act of 1933, as amended, are deemed not filed for purposes of Section 18 of the Securities and Exchange Act of 1934, as amended, and otherwise are not subject to liability under those sections.

† A contract, compensatory plan or arrangement in which directors or executive officers are eligible to participate.

Portions of this exhibit have been omitted pending a determination by the Securities and Exchange Commission as to whether these portions should be granted confidential treatment.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

DineEquity, Inc.
(Registrant)

Dated: November 9, 2017	By: /s/ Stephen P. Joyce Stephen P. Joyce *Chief Executive Officer* *(Principal Executive Officer)*
Dated: November 9, 2017	By: /s/ Greggory H. Kalvin Greggory H. Kalvin *Interim Chief Financial Officer,* *Senior Vice President, Corporate Controller* *(Principal Accounting Officer)*

PORTIONS OF THIS EXHIBIT HAVE BEEN REDACTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT UNDER RULE 24B-2 OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED. INFORMATION FOR WHICH CONFIDENTIAL TREATMENT HAS BEEN REQUESTED IS OMITTED, MARKED WITH "[*]" AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

Exhibit 10.1

EMPLOYMENT AGREEMENT

This Employment Agreement ("**Agreement**") is made effective as of August 9, 2017 by and between DineEquity, Inc., a Delaware corporation (the "**Corporation**"), and Stephen P. Joyce (the "**Executive**").

WHEREAS, the Corporation desires to employ Executive on the terms and conditions set forth in this Agreement; and

WHEREAS, the Executive is willing to render services to the Corporation on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual terms and conditions hereof, the Corporation and the Executive hereby agree as follows:

1. **Employment.** The Corporation hereby employs the Executive and the Executive hereby accepts employment with the Corporation upon the terms and conditions hereinafter set forth.

2. **Exclusive Services.** The Executive shall devote all necessary working time, ability and attention to the business of the Corporation during the term of this Agreement and shall not, directly or indirectly, render any material services to any business, corporation, or organization whether for compensation or otherwise, without the prior knowledge and written consent of the Board of Directors of the Corporation (hereinafter referred to as the "**Board**"); provided, however, that the Executive may spend time (i) in connection with charitable events and in pursuit of charitable endeavors, and (ii) in connection with memberships on any boards of directors or boards of advisors listed on Schedule A or approved in advance by the Board (which consent will not be unreasonably withheld, conditioned or delayed).

3. **Duties.** The Executive is hereby employed as the Chief Executive Officer of the Corporation and shall render services at the business office of the Corporation to which the Executive is assigned. The Executive shall have such authority and shall perform such duties as are described in **Exhibit A** attached hereto. The Board of Directors shall nominate the Executive for re-election as a director at the 2018 annual meeting of stockholders.

4. **Term.** This Agreement shall have a term commencing as of September 12, 2017 (the "**Start Date**") and ending on February 1, 2021 (the "**Term**"). This Agreement is subject to earlier termination as hereinafter provided.

5. **Compensation.** As compensation for services rendered under this Agreement, the Executive shall be entitled to receive the following:

   a. **Base Salary.** The Executive shall be paid a base salary of $1,000,000 per year ("**Base Salary**"), payable in 26 equal bi-weekly installments during the term of this Agreement in accordance with the Corporation's normal payroll practices, prorated for any partial employment month. The Base Salary may not be decreased during the Term.

   b. **Additional Compensation.** The Executive shall be paid such additional compensation and bonuses as set forth below:

      (i) The Executive shall be eligible to participate in the Corporation's annual incentive plan for 2018, 2019 and 2020 and shall not be eligible to participate in the Corporation's annual incentive plan for 2017 or 2021. For each of the 2018, 2019 and 2020 annual incentive plan years, the Executive's target bonus payable under the annual incentive plan shall be 100% of the Executive's Base Salary and the maximum amount payable under the annual incentive plan shall be 200% of the Executive's Base Salary. For the avoidance of doubt, if the Executive remains employed through the last day of the Term, he shall be paid any earned bonus under the annual incentive plan for 2020, whether or not his employment terminates prior to the date such bonus becomes payable;

      (ii) The Executive shall be entitled to a one-time cash sign-on bonus of $750,000 which shall be paid within 30 days of the Start Date;

      (iii) The Executive shall receive a commuting expense allowance of $125,000 per year subject to a 5% increase for each year of the Term, which shall be payable in 26 equal bi-weekly installments with the Executive's Base Salary;

and

(iv) The Executive shall receive a temporary housing allowance of $125,000 per year subject to a 3% increase for each year of the Term, which shall be payable in 26 equal bi-weekly installments with the Executive's Base Salary.

The Executive shall not be entitled to any reimbursement or "gross-up" for taxes on the additional compensation set forth in **section 5(b)(iii) and 5(b)(iv)**.

6. **Benefits.** In addition to the compensation to be paid to the Executive pursuant to **Section 5** hereof, the Executive shall further be entitled to receive the following:

a. **Participation in Employee Plans.** The Executive shall be entitled to participate in any health, disability, life insurance, pension, retirement, profit sharing, or deferred compensation plan or any other perquisites and fringe benefits that may be extended generally from time to time to the most senior executive officers of the Corporation.

b. **Vacation.** The Executive shall be entitled to vacation in accordance with the Corporation's vacation or paid time off policy as in effect from time to time for the most senior executive officers of the Corporation.

c. **Equity and Long-Term Incentive Awards.** The Executive shall be entitled to the one-time equity-based awards set forth on **Exhibit B** ("**Incentive Equity Award**"), subject to the terms and conditions of the respective equity and long-term incentive compensation plans and award agreements and the provisions of this Agreement.

7. **Reimbursement of Expenses.** Subject to such rules and procedures as from time to time are specified by the Corporation, the Corporation shall pay for or promptly reimburse the Executive for reasonable business expenses incurred in the performance of the Executive's duties under this Agreement, including without limitation for first class airline travel and for car service.

8. **Confidentiality/Trade Secrets.** The Executive acknowledges that the Executive's position with the Corporation is one of the highest trust and confidence both by reason of the Executive's position and by reason of the Executive's access to and contact with the trade secrets and confidential and proprietary business information of the Corporation. Both during the term of this Agreement and thereafter, the Executive covenants and agrees as follows:

a. The Executive shall use best efforts and exercise reasonable diligence to protect and safeguard the trade secrets and confidential and proprietary information of the Corporation, including but not limited to any non-public strategies, business plans, marketing and advertising plans, the identity of its customers and suppliers, its arrangements with customers and suppliers, and its technical and financial data, records, compilations of information, processes, recipes and specifications relating to its customers, suppliers, products and services;

b. The Executive shall not disclose any of such trade secrets and confidential and proprietary information, except (i) as may be required in the course of the Executive's employment with the Corporation, (ii) as may be required by applicable law, order, regulation or ruling, and (iii) as may be required or appropriate in response to any summons or subpoena in connection with any litigation; and

c. The Executive shall not use, directly or indirectly, for the Executive's own benefit or for the benefit of another, any of such trade secrets and confidential and proprietary information.

All original and any copies of files, records, documents, emails, drawings, specifications, memoranda, notes, or other documents relating to the business of the Corporation, including printed, electronic or digital copies thereof, whether prepared by the Executive or otherwise coming into the Executive's possession, shall be the exclusive property of the Corporation and shall be delivered to the Corporation and not retained by the Executive upon termination of the Executive's employment for any reason whatsoever or at any other time upon request of the Corporation's General Counsel or the Board.

Confidential and proprietary information shall not include any information that (i) has been published in a form generally available to the public prior to the date the Executive proposes to disclose or use such information or otherwise is or becomes public knowledge through legal means without fault by the Executive, (ii) is already public knowledge prior to the signing of this Agreement, or (iii) was available to the Executive on a non-confidential basis prior to its disclosure by the Corporation.

9. **Discoveries.** The Executive covenants and agrees to fully inform the Corporation of and disclose to the Corporation all inventions, designs, improvements, discoveries, and processes ("**Discoveries**") that the Executive has now or may hereafter have during the Executive's employment with the Corporation and that pertain or relate to the business of the Corporation, including but not limited to the operation and franchising of restaurants, or to any experimental work, products, services, or processes of the Corporation in progress or planned for the future, whether conceived by the Executive alone or with others, and whether or not conceived during

regular working hours or in conjunction with the use of any Corporation assets. The Executive will hold in trust for the sole right and benefit of the Corporation, and will transfer, convey, release and assign to the Corporation all of the Executive's right, title, and interest, if any, in and to any and all Discoveries, whether or not patentable or registrable under copyright or similar laws, that the Executive has solely or jointly conceived or developed or reduced to practice, or caused to be conceived or developed or reduced to practice, during the period of time that the Executive is employed with the Corporation.

The Executive will assist the Corporation, or its designee, at the Corporation's expense, in every proper way to secure and enforce the Corporation's rights in the Discoveries as set forth above and any copyrights, patents, mask work rights or other intellectual property rights relating thereto in any and all countries, including the disclosure to the Corporation of all pertinent information and data with respect thereto, the execution of all applications, specifications, oaths, assignments and all other instruments which the Corporation shall deem necessary in order to apply for, obtain and maintain such rights and in order to assign and convey to the Corporation, its successors, assigns and nominees the sole and exclusive rights, title and interest in and to such Discoveries, and any copyrights, patents, mask work rights or other intellectual property rights relating thereto. The Executive will execute or cause to be executed, when it is in the Executive's power to do so, any such instrument or papers and such obligation shall continue after the termination of Executive's employment. If the Corporation is unable because of the Executive's mental or physical incapacity or for any other reason to secure the Executive's signature to apply for or to pursue any application for any United States or foreign patents or copyright registrations covering Discoveries assigned to the Corporation as set forth above, then the Executive hereby irrevocably designates and appoints the Corporation and its duly authorized officers and agents as the Executive's agent and attorney in fact, to act for and in the Executive's behalf and stead to execute and file any such applications and to do all other lawfully permitted acts to further the prosecution and issuance of letters patent or copyright registrations thereon with the same legal force and effect as if executed by the Executive.

10. **Non-Competition**. During the term of the Executive's employment under this Agreement, and for a period of 12 months following the effective date of the termination of the Executive's employment for any reason, whether voluntary or involuntary (the "**Non-Competition Period**"), the Executive shall not: (i) engage in or assist another person, firm, corporation or enterprise in engaging in the business of franchising restaurants in the casual dining restaurant industry, the family dining restaurant industry or any other segment of the restaurant industry in which the Corporation may become involved after the date hereof and prior to the date of any termination of employment (the "**Business**"), or perform services primarily involving the Business in any executive, managerial, sales, marketing, research or other competitive capacity for any person engaged in the Business, anywhere in the United States (the "**Territory**"), it being understood and agreed that the Corporation actively conducts and will conduct the Business throughout the Territory and that the Business effectively may be engaged in from any location throughout the Territory; provided, however, that the restrictions contained in this **Section 10** shall not restrict the Executive from owning not in excess of 2% of any class of capital stock or other ownership interests of any company engaged in the Business.

11. **Non-Solicitation**. The Executive agrees that during the period of the Executive's employment, and for a period of 12 months following the effective date of the termination of the Executive's employment for any reason, the Executive will not, either directly or indirectly, for the Executive or for any third party, except as otherwise agreed to in writing by the Board, solicit, induce, recruit, or cause any other person who is then employed by the Corporation to terminate his/her employment for the purpose of joining, associating, or becoming employed with any business or activity that is engaged in the casual dining restaurant industry, the family dining restaurant industry or any other segment of the restaurant industry in which the Corporation may become involved after the date hereof and prior to the date of any termination of employment.

12. **Remedies for Breach of Covenants of the Executive.**

a. The Corporation and the Executive specifically acknowledge and agree that the foregoing covenants of the Executive in **Sections 8, 9, 10 and 11** are reasonable in content and scope and are given by the Executive for adequate consideration. The Corporation and the Executive further acknowledge and agree that, if any court of competent jurisdiction or other appropriate authority shall disagree with the parties' foregoing agreement as to reasonableness, then such court or other authority shall reform or otherwise construe the foregoing covenants as reason dictates.

b. The covenants set forth in **Sections 8, 9, 10 and 11** of this Agreement, as provided in **Section 13 or 14**, shall continue to be binding upon the Executive, notwithstanding the termination of the Executive's employment with the Corporation for any reason whatsoever. Such covenants shall be deemed and construed as separate agreements independent of any other provisions of this Agreement and any other agreement between the Corporation and the Executive. The existence of any claim or cause of action by the Executive against the Corporation, unless predicated on this Agreement, shall not constitute a defense to the enforcement by the Corporation of any or all such covenants. It is expressly agreed that the remedy at law for the breach of any such covenant is inadequate and injunctive relief and specific performance shall be available to prevent the breach or any threatened breach thereof.

c. If the Executive breaches any of the covenants set forth in **Sections 8, 9, 10 and 11** of this Agreement, the

Executive shall reimburse the Corporation for any compensation received by the Executive from the Corporation under the Corporation's annual incentive plan during the 12-month period preceding the breach.

13. **Termination.** This Agreement (other than **Sections 8, 9, 10 and 11** as provided in **Section 13 or 14**, which shall survive any termination hereof for any reason) may be terminated prior to the expiration of the Term as follows:

a. The Corporation may terminate this Agreement and the Executive's employment hereunder at any time, with or without Cause, upon written notice to the Executive. The Executive may terminate this Agreement and the Executive's employment hereunder, at any time, with or without Good Reason.

b. In the event of termination by the Corporation without Cause or by the Executive for Good Reason, which shall not include a termination due to the Executive's death or Disability or a termination upon the expiration of the Term, (i) the effective date thereof shall be stated in a written notice from the Board or the Executive, as the case may be, to the other party, which in the case of a termination for Good Reason shall not be earlier than 30 days from the date such written notice is delivered; provided that in lieu of all or a portion of such a 30-day notice period the Corporation may elect, in its sole discretion, to pay the Executive the additional Base Salary the Executive otherwise would have received during such notice period or portion thereof, and (ii) the Executive shall be entitled to receive (1) within 10 business days following the effective date of such termination (or at such later time as required pursuant to the terms of an applicable deferral election) the payment of that portion of the Executive's Base Salary accrued through the date of termination to the extent not previously paid, any annual bonus earned during the prior fiscal year but not yet paid to the Executive, any incurred but unreimbursed expenses owed to the Executive in accordance with the Corporation's policy or this Agreement, and any accrued but unused vacation pay owed to the Executive in accordance with the Corporation's policy (the "**Accrued Obligations**") and (2) all amounts arising from the Executive's participation in, or benefits under, any employee benefit plans, programs or arrangements, which amounts shall be payable in accordance with the terms and conditions of such employee benefit plans, programs or arrangements (the "**Other Benefits**"). In addition, subject to the Executive's entering into and not revoking the General Release (the "**Release**") set forth in **Exhibit C** attached hereto within 30 days after the effective date of termination (i) the Executive shall be entitled to receive all Severance Payments under **Section 13(g)**, (ii) (a) in the event that such termination is on or prior to September 12, 2019, the Time-Based RSUs (as defined in **Exhibit B**) shall vest on the day immediately preceding the effective date of termination as to the total number of Time-Based RSUs granted multiplied by the ratio of the number of days the Executive remained continuously employed by the Corporation divided by 731 days and (b) in the event that such termination is after September 12, 2019, the Time-Based RSUs shall vest on the day immediately preceding the effective date of termination as to the total number of Time-Based RSUs; and (iii) (a) in the event that such termination is on or prior to September 12, 2019, the Performance-Based RSUs (as defined in **Exhibit B**) and Performance-Based Options (as defined in **Exhibit B**) will vest on the day immediately preceding the effective date of termination as to the portion of the Performance-Based RSUs and Performance-Based Options for which the Performance Criteria (as defined in **Exhibit B**) have been satisfied, as measured in accordance with **Exhibit B**, as of the day immediately preceding the effective date of termination multiplied by the ratio of the number of days the Executive remained continuously employed by the Corporation during the Term divided by 731 days and (b) in the event that such termination is after September 12, 2019, the continued employment conditions applicable to the Performance-Based RSUs and Performance-Based Options will be waived and the Performance-Based RSUs and Performance-Based Options will continue to remain outstanding and continue to vest with respect to the Performance Criteria as if the Executive remained employed by the Corporation through the last day of the Term. Any Incentive Equity Award that vests pursuant to the preceding sentence shall be settled in accordance with the terms of the underlying award agreements. Any equity awards that do not vest, or do not continue to vest, pursuant to the preceding sentence shall be forfeited in their entirety. The Severance Payment under **Section 13(g)(i)** shall be made to the Executive within 30 days after the effective date of termination; provided that if such 30-day period straddles two consecutive calendar years, payment shall be made in the second of such years.

c. The Executive's employment shall terminate automatically upon the Executive's death. Upon the Disability of the Executive, the Corporation may give to the Executive written notice of its intention to terminate the Executive's employment. In such event, the Executive's employment with the Corporation shall terminate effective on the 30th day after receipt of such notice by the Executive (the "**Disability Effective Date**"), provided that, within the 30 days after such receipt, the Executive shall not have returned to perform, with or without reasonable accommodation, the essential functions of his or her position. For purposes of this Agreement, "**Disability**" shall mean the Executive's inability to perform, with or without reasonable accommodation, the essential functions of his or her position hereunder for a period of 180 consecutive days (or 180 days within any period of 12 consecutive months) due to mental or physical incapacity, as determined by mutual agreement of a physician selected by the Corporation or its insurers and a physician selected by the Executive; provided, however, if the opinion of the Corporation's physician and the Executive's physician conflict, the Corporation's physician and the Executive's physician shall together agree upon a third physician, whose opinion shall be binding. In the event the Executive's employment terminates due to death or Disability, the Corporation shall pay to the Executive (i) the Accrued Obligations, (ii) the Other Benefits and (iii) an amount equal to the annual bonus payout for the Executive for such fiscal year based on actual

Corporation performance for such fiscal year, prorated pursuant to the terms of the Corporation's annual bonus plan and payable at the time the annual bonus would have been paid to the Executive had he or she remained employed through the end of such fiscal year. In addition, (i) the Time-Based RSUs shall immediately vest; (2) the Performance-Based RSUs and Performance-Based Options shall vest as to the greater of: (A) the portion of the Performance-Based RSUs and Performance-Based Options for which the Performance Criteria have been satisfied, as measured in accordance with **Exhibit B**, as of the Disability Effective Date or the date of death, and (B) 87,500 of the Performance-Based RSUs and 175,000 of the Performance-Based Options. Any Incentive Equity Award that vests pursuant to the preceding sentence shall be settled in accordance with the terms of the underlying award agreements.

d. In the event of termination by the Corporation with Cause, the Executive shall be entitled to receive only the Accrued Obligations and Other Benefits.

e. The following shall constitute "**Cause**":

(i) The willful failure by the Executive to substantially perform the Executive's duties with the Corporation (other than any such failure resulting from the Executive's incapacity due to physical or mental illness), after a written demand for substantial performance is delivered to the Executive by the Board, which demand specifically identifies the manner in which the Board believes that the Executive has not substantially performed the Executive's duties; or

(ii) The Executive's willful misconduct that is demonstrably and materially injurious to the Corporation, monetarily or otherwise; or

(iii) The Executive's commission of such acts of dishonesty, fraud, misrepresentation or other acts of moral turpitude as would prevent the effective performance of the Executive's duties; or

(iv) The Executive's conviction or plea of no contest to a felony or a crime of moral turpitude.

For purposes of this **subsection e**., no act, or failure to act, on the Executive's part shall be deemed "willful" unless done, or omitted to be done, by the Executive not in good faith and without the reasonable belief that the Executive's action or omission was in the best interest of the Corporation. Notwithstanding the foregoing, the Executive shall not be deemed to have been terminated for Cause unless and until there shall have been delivered to the Executive a copy of a resolution duly adopted by the affirmative vote of a majority of the non-employee members of the Board at a meeting of such members (after reasonable notice to the Executive and an opportunity for the Executive together with the Executive's counsel, to be heard before such members of the Board), finding that the Executive has engaged in the conduct set forth above in this **subsection e**. and specifying the particulars thereof in detail.

f. The Executive shall have "**Good Reason**" to effect a termination in the event that the Corporation (i) breaches its obligations to pay any salary, benefit or bonus due hereunder or otherwise materially breaches a material term of the Agreement, (ii) assigns to the Executive any duties inconsistent with the Executive's position with the Corporation or significantly and adversely alters the nature or status of the Executive's responsibilities, authority or the conditions of the Executive's employment (or requires Executive to report to any person other than the Board), (iii) reduces the Executive's Base Salary and/or annual target bonus opportunity, or (iv) requires the Executive's employment to be based anywhere other than the Corporation's principal executive offices without his consent (provided that the principal executive offices are not more than twenty-five (25) miles from the location of the Corporation's principal executive offices on the date hereof), and except for required travel on the Corporation's business; and in the event of any of (i), (ii), (iii) and (iv), the Executive has given written notice to the Board as to the details of the basis for such Good Reason within 30 days following the date on which the Executive alleges the event giving rise to such Good Reason occurred, the Corporation has failed to provide a reasonable cure within 30 days after its receipt of such notice and the effective date of the termination for Good Reason occurs within 180 days after the initial existence of the facts or circumstances constituting Good Reason. In the event of a termination by the Executive with Good Reason, the Executive will be entitled to all Severance Payments under **Section 13(g)**.

g. The "**Severance Payments**" consist of the following and, subject to **subsection h. of Section 20**, shall be paid as follows: (i) an amount, in one lump sum, equal to two times the sum of (A) the Executive's annual Base Salary, at the then current effective annual rate, plus (B) the greater of (x) the average of the Executive's actual bonus payable over the preceding three fiscal years or, if fewer, the number of complete fiscal years during which the Executive was employed by the Corporation and (y) the Executive's target bonus for the then current fiscal year; (ii) an amount equal to the annual bonus payout for the Executive for such fiscal year based on actual Corporation performance for such fiscal year, prorated pursuant to the terms of the Corporation's annual bonus plan and payable at the time the annual bonus would have been paid to the Executive had he remained employed through the end of such fiscal year; and (iii) the payment by the Corporation of premiums on behalf of the Executive, for COBRA coverage substantially similar to that provided under the Corporation's health plan and for coverage under the Corporation's life insurance plan, in each case at the same cost to the Executive as was effective immediately prior to termination, and for so long as the Executive elects to continue such coverage up to an 18-month period. To the extent that the Executive becomes covered under a health or life insurance plan maintained by a subsequent employer, the Executive shall cease to be covered under the same type of plan maintained by the Corporation. The Executive agrees to notify the Corporation within 30 days after similar health or life benefits become available to the Executive from a subsequent employer.

h. In the event of any termination of the Executive other than by the Executive for Good Reason, by the Corporation without Cause or due to the Executive's death or Disability, the Executive shall be entitled only to the Accrued Obligations and Other Benefits. In the event of any termination of the Executive, all amounts owed by the Executive to the Corporation for any reasons whatsoever will become immediately due and payable and the Corporation will transfer to the Executive any life insurance policy maintained by the Corporation for the Executive's benefit.

i. In the event of any termination of the Executive by the Executive for Good Reason or by the Corporation without Cause, the Corporation shall provide standard outplacement services at the expense of the Corporation, but not to exceed in total an amount equal to $10,000, from an outplacement firm selected by the Corporation. In order to receive outplacement services, the Executive must begin utilizing the services within 90 days of his or her date of termination and complete the use of the services within one year of his or her date of termination.

14. **Change in Control and Termination Thereafter.** If within 24 months following a Change in Control, as defined below, the employment of the Executive is terminated by the Corporation without Cause or by the Executive for Good Reason, which shall not include a termination due to the Executive's death or Disability, then the provisions of **Section 13** shall not apply and the following shall apply:

a. The Executive shall be entitled to receive all Accrued Obligations and Other Benefits. In addition, subject to **subsection h. of Section 20** and subject to the Executive's entering into and not revoking the Release within 30 days after the effective date of termination, the Executive shall receive a lump sum payment equal to three times the sum of (i) the Executive's Base Salary in effect immediately prior to the Change in Control, plus (ii) the greater of (x) the average of the Executive's actual bonus payable over the preceding three fiscal years or, if fewer, the number of complete fiscal years during which the Executive was employed by the Corporation and (y) the Executive's target bonus for the then current fiscal year. The payment described in **this subsection a.** shall be made to the Executive within 30 days after the effective date of termination; provided that if such 30-day period straddles two consecutive calendar years, payment shall be made in the second of such years.

b. The Corporation shall pay premiums on behalf of the Executive, for COBRA coverage substantially similar to that provided under the Corporation's health insurance plan and for coverage under the Corporation's life insurance plan, in each case at the same cost to the Executive as was effective immediately prior to termination, and for so long as the Executive elects to continue such coverage up to an 18-month period. To the extent that the Executive becomes covered under a health or life insurance plan maintained by a subsequent employer, the Executive shall cease to be covered under the same type of plan maintained by the Corporation. The Executive agrees to notify the Corporation within 30 days after similar health or life benefits become available to the Executive from a subsequent employer.

c. The Executive shall be entitled to vest in all of the Incentive Equity Award on the day immediately preceding the effective date of termination and any Incentive Equity Award that vests pursuant to the preceding sentence shall be settled in accordance with the terms of the underlying award agreements.

d. The Executive shall be bound by the non-compete provisions of **Section 10**, the non-solicitation provisions of **Section 11** which shall remain in full force and effect for a period of 24 months following the effective date of the Executive's termination, and to the Confidentiality/Trade Secrets and Discoveries covenants of **Sections 8 and 9**.

e. If the Executive dies after signing the Release and prior to receiving Severance Payments to which he or she is entitled pursuant to this Agreement, payment shall be made to the beneficiary designated by the Executive to the Corporation or, in the event of no designation of beneficiary, then to the estate of the deceased Executive.

15. **Definition of Change in Control**. A "**Change in Control**" shall be deemed to have occurred if:

a. any "person," as such term is used in Sections 13(d) and 14(d) of the Securities and Exchange Act of 1934, as amended (the "**Exchange Act**") (other than the Corporation; any trustee or other fiduciary holding securities under an employee benefit plan of the Corporation; or any Corporation owned, directly or indirectly, by the stockholders of the Corporation in substantially the same proportions as their ownership of Stock of the Corporation) is or becomes after the Effective Date the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Corporation (not including in the securities beneficially owned by such person any securities acquired directly from the

Corporation or its affiliates) representing 35% or more of the combined voting power of the Corporation's then outstanding securities; or

b. during any period of two consecutive years (not including any period prior to the Effective Date), individuals who at the beginning of such period constitute the Board, and any new director (other than a director designated by a person who has entered into an agreement with the Corporation to effect a transaction described in **subsections a., c. or d. of this Section 15)** whose election by the Board or nomination for election by the Corporation's stockholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority thereof; or

c. the consummation of a merger or consolidation of the Corporation with any other corporation, other than (A) a merger or consolidation which would result in the voting securities of the Corporation outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity), in combination with the ownership of any trustee or other fiduciary holding securities under an employee benefit plan of the Corporation, at least 75% of the combined voting power of the voting securities of the Corporation or such surviving entity outstanding immediately after such merger or consolidation or (B) a merger or consolidation effected to implement a recapitalization of the Corporation (or similar transaction) in which no person acquires more than 50% of the combined voting power of the Corporation's then outstanding securities; or

d. the consummation of the sale or disposition by the Corporation of all or substantially all of the Corporation's assets or stockholders of the Corporation approve a plan of complete liquidation of the Corporation;

provided, that with respect to any non-qualified deferred compensation that becomes payable on account of the Change in Control, the transaction or event described in **subsection a., b., c. or d.** also constitutes a "change in control event," as defined in Treasury Regulation §1.409A-3(i)(5) if required in order for the payment not to violate Section 409A of the Code.

16. **Parachute Payment Matters**.

Notwithstanding any other provision of this Agreement, if by reason of Section 280G of the Code any payment or benefit received or to be received by the Executive in connection with a Change in Control or the termination of the Executive's employment (whether payable pursuant to the terms of this Agreement ("**Contract Payments**") or any other plan, arrangements or agreement with the Corporation or an Affiliate (as defined below) (collectively with the Contract Payments, "**Total Payments**")) would not be deductible (in whole or part) by the Corporation, an Affiliate or other person making such payment or providing such benefit, then the Contract Payments shall be reduced and, if Contract Payments are reduced to zero, other Total Payments shall be reduced (in the reverse order in which they are due to be paid) until no portion of the Total Payments is not deductible by reason of Section 280G of the Code, provided, however, that no such reduction shall be made unless the net after-tax benefit received by the Executive after such reduction would exceed the net after-tax benefit received by the Executive if no such reduction was made. The foregoing determination and all determinations under this **Section 16** shall be made by the Accountants (as defined below). For purposes of this **Section 16**, "net after-tax benefit" shall mean (i) the Total Payments that would constitute "parachute payments" within the meaning of Section 280G of the Code, less (ii) the amount of all federal, state and local income taxes payable with respect to such payments calculated at the maximum marginal income tax rate for each year in which the foregoing shall be paid to the Executive (based on the rate in effect for such year as set forth in the Code as in effect at the time of the first payment of the foregoing), less (iii) the amount of excise taxes imposed with respect to the payments and benefits described in (i) above by Section 4999 of the Code. For purposes of the foregoing determinations, (a) no portion of the Total Payments the receipt or enjoyment of which the Executive shall have effectively waived in writing prior to the date of payment of any Contract Payment shall be taken into account; (b) no portion of the Total Payments shall be taken into account which in the opinion of the Accountants does not constitute a "parachute payment" within the meaning of Section 280G(b)(2) of the Code (without regard to subsection (A)(ii) thereof); (c) the Contract Payments (and, thereafter, other Total Payments) shall be reduced only to the extent necessary so that the Total Payments in their entirety constitute reasonable compensation for services actually rendered within the meaning of Section 280G(b)(4) of the Code, in the opinion of the Accountants; and (d) the value of any non-cash benefit or any deferred payment or benefit included in the Total Payments shall be determined by the Accountants in accordance with the principles of Sections 280G(d)(3) and (4) of the Code. For purposes of this **Section 16**, the term "**Affiliate**" means the Corporation's successors, any Person whose actions result in a Change in Control or any company affiliated (or which, as a result of the completion of the transactions causing a Change in Control shall become affiliated) with the Corporation within the meaning of Section 1504 of the Code and "**Accountants**" shall mean an independent certified public accountant selected by the Company and the Executive prior to the Change in Control. For purposes of making the determinations and calculations required herein, the Accountants may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of Sections 280G and 4999 of the Code, provided that the Accountant's determinations must be made on the basis of "substantial authority" (within the meaning of Section 6662 of the Code). All fees and expenses of the Accountants shall be borne solely by the Corporation.

17. **Arbitration of Disputes**.

a. Any dispute or claim arising out of or relating to this Agreement, the terms and conditions of Executive's employment, or any termination of the Executive's employment, other than with respect to **Sections 8 through 12**, shall be settled by final and binding arbitration in a location mutually agreeable to the parties within the state of Virginia before a single arbitrator. The arbitration shall be administered and conducted in accordance with the Commercial Arbitration rules of the American Arbitration Association ("AAA") unless the AAA finds that other rules are required to be applied, and judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof.

b. Except as provided by applicable law, the fees and expenses of the arbitration panel shall be shared equally by the Executive and the Corporation.

c. Except as provided by applicable law, the prevailing party in any arbitration brought hereunder shall be entitled to an award of its costs (including expenses and attorneys' fees), incurred in such arbitration.

d. The arbitrator shall be empowered to consider pre-hearing dispositive motions and to limit discovery in a manner that is consistent with the cost-effectiveness and efficiency that arbitration is designed to promote, subject to applicable law.

18. **No Mitigation.** The Executive shall have no duty to attempt to mitigate the level of benefits payable by the Corporation to the Executive hereunder, by seeking other employment or otherwise. To the extent that the Executive becomes covered under a health or life insurance plan maintained by a subsequent employer, the Corporation will discontinue the Executive's coverage; otherwise, the Corporation shall not be entitled to set off against the amounts payable hereunder any amounts received by the Executive from any other source, including any subsequent employer.

19. **Notices.** Any notices to be given hereunder by either party to the other may be effected either by personal delivery in writing or by mail, registered or certified, postage prepaid, with return receipt requested. Mailed notices shall be addressed as follows:

a. If to the Corporation:

DineEquity, Inc.
450 N. Brand Boulevard
Glendale, CA 91410
Attn: General Counsel

b. If to the Executive:

Stephen P. Joyce
1165 Orlo Drive
McLean, VA 22102

Either party may change its address for notice by giving notice in accordance with the terms of this **Section 19**.

20. **Indemnification**. The Corporation will provide the Executive indemnification pursuant to terms at least as favorable as those provided to executive officers or directors of the Corporation.

21. **Legal Fees**. The Corporation shall reimburse the Executive for all reasonable attorneys' fees incurred in connection with the negotiation and execution of this Agreement, up to a maximum of $20,000.

22. **General Provisions**.

a. **Governing Law; Jurisdiction; Venue.** This Agreement shall be governed by, and construed and enforced in accordance with, the internal laws of the State of Virginia, without regard to its conflict of laws provisions. The parties hereby irrevocably consent to, and agree not to object or assert any defense or challenge to, the jurisdiction and venue of the state and federal courts located in Virginia, and agree that any claim which may be brought in a court of law or equity may be brought in any such Virginia court.

b. **Invalid Provisions.** If any provision of this Agreement is held to be illegal, invalid, or unenforceable, then such provision shall be fully severable and this Agreement shall be construed and enforced as if such illegal, invalid, or unenforceable provision had never comprised a part hereof; and the remaining provisions hereof shall remain in full force and effect and shall not be affected by the illegal, invalid, or unenforceable provision or by its severance here from. Furthermore, in lieu of such illegal, invalid, or unenforceable provision there shall be added automatically as a part of this Agreement a provision as similar in terms to such illegal, invalid, or unenforceable provision as may be possible and still be legal, valid or enforceable.

c. **Entire Agreement.** With the exception of the General Release of Claims (**Exhibit C**) executed as a condition to receiving certain separation benefits hereunder, and all equity award agreements, this Agreement sets forth the entire understanding of the parties and supersedes all prior agreements or understandings, whether written or oral, with respect to the subject matter hereof and all agreements, acknowledgments, designations and directions of the Executive made or given under any Corporation policy statement or benefit program. No terms, conditions, warranties, other than those contained herein, and no amendments or modifications hereto shall be binding unless made in writing and signed by the parties hereto.

d. **Binding Effect.** This Agreement shall extend to and be binding upon and inure to the benefit to the parties hereto, their respective heirs, representatives, successors and assigns. This Agreement may not be assigned by the Executive, but may be assigned by the Corporation to any person or entity that succeeds to the ownership or operation of the business in which the Executive is primarily employed by the Corporation.

e. **Waiver.** No purported waiver of a breach or default will be valid unless specifically stated in writing by the waiving party. No such waiver waives any subsequent breach or default of the same or any other term in this Agreement.

f. **Titles.** Titles of the paragraphs herein are used solely for convenience and shall not be used for interpretation or construing any work, clause, paragraph, or provision of this Agreement.

g. **Counterparts.** This Agreement may be executed in any number of counterparts and by any electronic means, each of which shall be deemed an original and all of which, when taken together, shall constitute one and the same agreement.

h. **Compliance with IRC Section 409A.** The following provisions shall apply to this Agreement with respect to Section 409A of the Code:

(i) The lump sum cash severance payments which are payable under clause (i) of **subsection g. of Section 13 and subsection a. of Section 14.** are intended to satisfy the short-term deferral exemption under Treasury Regulation Section 1.409A-1(b)(4) and shall be made not later than the last day of the applicable two and one-half month period with respect to such payment, within the meaning of Treasury Regulation Section 1.409A-1(b)(4). For purposes of Section 409A of the Code, the Executive's right to receive any installment payments pursuant to this Agreement shall be treated as a right to receive a series of separate and distinct payments.

(ii) The payments and benefits to be provided to Executive pursuant to this Agreement are intended to comply with, or be exempt from, Section 409A and will be interpreted, administered and operated in a manner consistent with that intent. If any provision of this Agreement (or of any award of compensation, including equity compensation or benefits) would cause the Executive to incur any additional tax or interest under Section 409A of the Code or any regulations or Treasury guidance promulgated thereunder, the Corporation shall, after consulting with the Executive, reform such provision to comply with Section 409A of the Code, provided that the Corporation agrees to maintain, to the maximum extent practicable, the original intent and economic benefit the Executive of the applicable provision without violating the provisions of Section 409A of the Code.

(iii) Any payments to be made under this Agreement upon a termination of employment shall only be made upon a "separation from service" within the meaning of Section 409A of the Code. Notwithstanding any provision to the contrary in this **subsection h**., if Executive is deemed on the Termination Date to be a "specified employee" within the meaning of that term under Section 409A(a)(2)(B) of the Code, then with regard to any payment or the provision of any benefit that is required to be delayed in compliance with Section 409A(a)(2)(B) of the Code such payment or benefit shall not be made or provided (subject to the last sentence hereof) prior to the earlier of (A) the expiration of the six-month period measured from the date of the Executive's "separation from service" (as such term is defined under Section 409A of the Code) or (B) the date of the Executive's death (the "**Delay Period**"). Upon the expiration of the Delay Period, all payments and benefits delayed pursuant to this **subsection h**. (whether they would have otherwise been payable in a single sum or in installments in the absence of such delay) shall be paid or reimbursed the Executive in a lump sum, and any remaining payments and benefits due under this Agreement shall be paid or provided in accordance with the normal payment dates specified for them herein. Notwithstanding the foregoing, to the extent that the foregoing applies to the provision of any ongoing welfare benefits to the Executive that would not be required to be delayed if the premiums therefore were paid by Executive, the Executive shall pay the full cost of premiums for such welfare benefits during the Delay Period and the Corporation shall pay the Executive an amount equal to the amount of such premiums paid by the Executive during the Delay Period promptly after its conclusion.

(iv) (a) Any amount that the Executive is entitled to be reimbursed for under this Agreement will be reimbursed to the Executive as promptly as practical and in any event not later than the last day of the calendar year after the calendar year in which the expenses are incurred, (b) any right to reimbursement or in kind benefits will not be subject to liquidation or exchange for another benefit, and (c) the amount of the expenses eligible for reimbursement during any taxable year will not affect the amount of expenses eligible for reimbursement in any other taxable year.

i. **Withholding.** The Corporation may withhold from any amounts payable under this Agreement such Federal, state, local or foreign taxes as shall be required to be withheld pursuant to any applicable law or regulations.

IN WITNESS WHEREOF, the Corporation and the Executive have executed this Agreement as of the date and year first above written.

THIS AGREEMENT CONTAINS AN ARBITRATION CLAUSE.

EXECUTIVE:

By: /s/ Stephen P. Joyce
Stephen P. Joyce

DineEquity, Inc.:

By: /s/ John B. Jakubek_______
John B. Jakubek
Senior Vice President, Human Resources

Exhibit A

Executive's Authorities and Duties

Executive will serve as Chief Executive Officer, reporting directly to the Board of Directors of the Corporation, with duties, authorities and responsibilities commensurate with such title and office at the Corporation.

Exhibit B

Subject to the vesting conditions below, the Executive shall receive the Incentive Equity Award comprised of: (1) a one-time grant of 75,000 time-based restricted stock units ("**Time-Based RSUs**"); (2) a one-time grant of 350,000 performance-based stock options ("**Performance-Based Options**"); and (3) a one-time grant of 175,000 performance-based restricted stock units ("**Performance-Based RSUs**"). The Incentive Equity Award shall be subject to the terms and conditions of the Corporation's equity and long-term incentive compensation plans and award agreements and the provisions of this Agreement.

Equity Award Component	Grant	Vesting Conditions
Time-Based RSUs*	75,000 on Start Date	The Time-Based RSUs shall cliff vest at the end of the Term if and only if the Executive remains continuously employed for the entirety of the Term.

Performance-Based Options	350,000 on Start Date	The vesting of the Performance-Based Options and Performance-Based RSUs shall be subject to both of the following vesting restrictions: (1) The number of Performance-Based Options and Performance-Based RSUs that shall be subject to vesting shall be determined in accordance with the following performance criteria (the "**Performance Criteria**"): In order for each and any of the Performance Criteria to be considered satisfied, the closing stock price of the Corporation's common stock must be at or above the Target Price for a period of 20 consecutive New York Stock Exchange Trading days beginning and ending during the Term. (2) The number of Performance-Based Options and Performance-Based RSUs, as determined in accordance with the above Performance Criteria, shall cliff vest at the end of the Term if and only if the Executive remains continuously employed for the entirety of the Term ("**Time-Based Criteria**"). Except as set forth in the Agreement, the Executive shall forfeit all Performance-Based Options and Performance-Based RSUs if the Executive does not achieve any of the Performance Criteria set forth above prior to the end of the Term or if the Executive does not satisfy the Time-Based Criteria. Once a Performance Criteria has been achieved, the portion of the award for which the Performance Criteria has been achieved shall be subject only to the Time-Based Criteria.
Performance-Based RSUs*	175,000 on Start Date	

* Dividend equivalent rights shall accrue on the Time-Based RSUs and Performance-Based RSUs and shall vest proportionately with the restricted stock units to which they relate. Each dividend equivalent right is the economic equivalent of one share, or a fraction thereof, of common stock of the Corporation that could be purchased with the payment of a regular cash dividend by the Corporation prior to the settlement of such Time-Based RSUs and Performance-Based RSUs.

Exhibit C

General Release

1. **General Release by Executive.** In consideration of the benefits provided under Section 13 or 14, as applicable of the Employment Agreement by and between [Executive Name] ("**Executive**")and DineEquity, Inc., a Delaware corporation (the "**Employment Agreement**") , and subject to Section 2 below, Executive hereby releases and discharges forever the Corporation, and each of its divisions, affiliates and subsidiaries, and each of their present and former directors, officers, employees, trustees, agents, attorneys, administrators, plans, plan administrators, insurers, parent corporations, subsidiaries, divisions, related and affiliated companies and entities, shareholders, members, representatives, predecessors, successors and assigns, and all persons acting by, through, under or in concert with them (hereinafter collectively referred to as the "**Executive Released Parties**"), from and against all liabilities, claims, demands, liens, causes of action, charges, suits, complaints, grievances, contracts, agreements, promises, obligations, costs, losses, damages, injuries, attorneys' fees, and other legal responsibilities (collectively referred to as "**Claims**"), of any form whatsoever, including, but not limited to, any claims in law, equity, contract, tort, or any claims under Title VII of the Civil Rights Act of 1964, as amended, the Americans With Disabilities Act, the Age Discrimination in Employment Act (" **ADEA**"), as amended by the Older Workers Benefit Protection Act of 1990 (29 U.S.C. §§ 621, *et seq.*), the Sarbanes-Oxley Act of 2002, the Employee Retirement Income Security Act of 1974, or any other local ordinance or federal or state statute, regulation or constitution, whether known or unknown, unforeseen, unanticipated, unsuspected or latent, which Executive or Executive's successors in interest

now own or hold, or have at any time heretofore owned or held, or may at any time own or hold by reason of any matter or thing arising from any cause whatsoever prior to the date of execution of this General Release (this "**Release**"), and without limiting the generality of the foregoing, from all claims, demands and causes of action based upon, relating to, or arising out of: (a) Executive's employment relationship with the Corporation and/or any of the Executive Released Parties and the termination of that relationship; (b) Executive's relationship as a shareholder, optionholder or holder of any interest whatsoever in any of the Executive Released Parties; (c) Executive's relationship with any of the Executive Released Parties as a member of any boards of directors; and (d) any other type of relationship (business or otherwise) between Executive and any of the Executive Released Parties.

2. **Exclusions from General Release.** Notwithstanding the generality of Section 1, Executive does not release the following claims and rights:

(a) Executive's rights under the Employment Agreement;

(b) Executive's rights as a shareholder in the Corporation or the holder of an outstanding equity compensation award;

(c) any claims for unemployment compensation or any state disability insurance benefits pursuant to the terms of applicable state law;

(d) claims to continued participation in certain of the Corporation's group benefit plans pursuant to the terms and conditions of the federal law known as COBRA or the comparable California law known as Cal-COBRA;

(e) any rights vested prior to the date of Executive's termination of employment to benefits under any Corporation-sponsored retirement or welfare benefit plan;

(f) Executive's rights, if any, to indemnity and/or advancement of expenses pursuant to applicable state law, the Corporation's articles, bylaws or other corporate governance documents, and/or to the protections of any director' and officers' liability policies of the Corporation or any of its affiliates; and

(g) any other right that may not be released by private agreement.

(collectively, the **"Executive Unreleased Claims"**).

3. **Rights Under the ADEA.** Without limiting the scope of the foregoing release of Claims in any way, Executive certifies that this release constitutes a knowing and voluntary waiver of any and all rights or claims that exist or that Executive has or may claim to have under ADEA. This release does not govern any rights or claims that might arise under the ADEA after the date this Release is signed by the parties. Executive acknowledges that: (a) the consideration provided pursuant to the Employment Agreement is in addition to any consideration that he would otherwise be entitled to receive; (b) he has been and is hereby advised in writing to consult with an attorney prior to signing this Release; (c) he has been provided a full and ample opportunity to review this Release, including a period of at least 21 days within which to consider it; (d) to the extent that Executive takes less than 21 days to consider this Release prior to execution, Executive acknowledges that he had sufficient time to consider this Release with counsel and that he expressly, voluntarily and knowingly waives any additional time; and (e) Executive is aware of his right to revoke this Release at any time within the seven-day period following the date on which he executes the Release and that the Release shall not become effective or enforceable until the calendar day immediately following the expiration of the seven-day revocation period (the "**Effective Date**"). Executive further understands that he shall relinquish any right he has to the consideration specified in the Employment Agreement if he exercises his right to revoke it, other than the Accrued Obligations and Other Benefits, as defined in the Employment Agreement. Notice of revocation must be made in writing and must be received by the Senior Vice President, Human Resources of the Corporation, no later than 5:00 p.m. (Pacific Time) on the seventh calendar day immediately following the date on which Executive executes this Release.

4. **Covenant Not To Sue.** Executive represents and covenants that he has not filed, initiated or caused to be filed or initiated, any Claim, charge, suit, complaint, grievance, action or cause of action against the Corporation or any of the Executive Released Parties. Except to the extent that such waiver is precluded by law, Executive further promises and agrees that he will not file, initiate, or cause to be filed or initiated any Claim, charge, suit, complaint, grievance, action, or cause of action based upon, arising out of, or relating to any Claim, demand, or cause of action released herein, nor shall Executive participate, assist or cooperate in any Claim, charge, suit, complaint, grievance, action or proceeding regarding any of the Executive Released Parties, whether before a court or administrative agency or otherwise, unless required to do so by law. The parties acknowledge that this Release will not prevent the Executive from filing a charge with the Equal Employment Opportunity Commission (or similar state agency) or participating in any investigation conducted by the Equal Employment Opportunity Commission (or similar state agency); provided, however, that Executive acknowledges and agrees that any Claims by Executive, or brought on his behalf, for personal relief in connection with such a charge or investigation (such as reinstatement or monetary damages) would be and hereby are barred.

5. **No Assignment.** Executive represents and warrants that he has made no assignment or other transfer, and covenants that he will make no assignment or other transfer, of any interest in any Claim which he may have against the Executive Released Parties, or any of them.

6. **Indemnification of Executive Released Parties.** Executive agrees to indemnify and hold harmless the Executive Released Parties, and each of them, against any loss, claim, demand, damage, expenses, or any other liability whatsoever, including reasonable attorneys' fees and costs resulting from: (a) any breach of this release by Executive or Executive's successors in interest; (b) any assignment or transfer, or attempted assignment or transfer, of any Claims released hereunder; or (c) any action or proceeding brought by Executive or Executive's successors in interest, or any other, if such action or proceeding arises out of, is based upon, or is related to any Claims, demands, or causes of action released herein; provided, however, that this indemnification provision shall not apply to any challenge by Executive of the release of claims under the ADEA, Title VII, or similar discrimination laws, and any right of the Release Parties to recover attorneys' fees and/or expenses for such breach shall be governed by applicable law. It is the intention of the parties that this indemnity does not require payment as a condition precedent to recovery by any of the Executive Released Parties under this indemnity.

7. **Non-Disparagement by Executive.** Executive agrees not to publish or disseminate, directly or indirectly, any statements, whether written or oral, or other verbal or non-verbal communications that clearly communicate an affirmative or negative response to a question or statement, that are or could be harmful to or reflect negatively on any of the Executive Released Parties and/or their businesses, or that are otherwise disparaging of any of the Executive Released Parties and/or their businesses, or any of their past or present or future officers, directors, employees, advisors, or agents in their capacity as such, or any of their policies, procedures, practices, decision-making, conduct, professionalism or compliance with standards. For avoidance of doubt, statements by Executive, which Executive reasonably and in good faith believes to be accurate and truthful, made to the Corporation, or its subsidiaries, affiliates or representatives pursuant to Executive's obligations under Section 9 hereof shall not be deemed a violation of this Section 7.

8. **Cooperation.** Executive agrees to cooperate fully with the Corporation and its subsidiaries and affiliates in transitioning his duties in response to reasonable requests for information about the business of the Corporation or its subsidiaries or affiliates or Executive's involvement and participation therein; the defense or prosecution of any claims or actions now in existence or which may be brought in the future against or on behalf of the Corporation or its subsidiaries or affiliates which relate to event or occurrences that transpired while Executive was employed by the Corporation; and in connection with any investigation or review by any federal, state or local regulatory, quasi-regulatory or self-governing authority (including, without limitation, the Securities and Exchange Commission) as any such investigation or review relates to events or occurrences that transpired while Executive was employed by the Corporation. Executive's full cooperation shall include, but not be limited to, being available to meet and speak with officers or employees of the Corporation and/or its counsel at reasonable times and locations reasonably agreeable to the Executive, executing accurate and truthful documents, appearing at the Corporation's request as a witness at depositions, trials or other proceedings without the necessity of a subpoena, and taking such other actions as may reasonably be requested by of the Corporation and/or its counsel to effectuate the foregoing. In requesting such services, the Corporation will consider other commitments that Executive may have at the time of the request, and Executive's availability and obligations under this Section shall in all instances reasonably be subject to Executive's other commitments; provided that Executive shall not be required to perform any such actions to the extent performance would reasonably be expected to materially interfere with subsequent employment of the Executive. The Corporation agrees to reimburse Executive for any reasonable, out-of-pocket travel, hotel and meal expenses incurred in connection with Executive's performance of obligations pursuant to this Section for which Executive has obtained prior, written approval from the Corporation, and the Corporation shall pay Executive $500.00 per hour for any services performed by Executive at the request of the Corporation pursuant to this Section 8.

9. **Truthful Testimony; Notice of Request for Testimony.** Nothing in this Release is intended to or shall preclude either party from providing testimony that such party reasonably and in good faith believes to be truthful in response to a valid subpoena, court order, regulatory request or other judicial, administrative or legal process or otherwise as required by law. Executive shall notify the Corporation in writing as promptly as practicable after receiving any such request of the anticipated testimony and at least 10 days prior to providing such testimony (or, if such notice is not possible under the circumstances, with as much prior notice as is possible) to afford the Corporation a reasonable opportunity to challenge the subpoena, court order or similar legal process. Moreover, nothing in this Release shall be construed or applied so as to limit any person from providing candid statements that such party reasonably and in good faith believes to be truthful to any governmental or regulatory body or any self-regulatory organization.

10. **Permitted Communications.** Notwithstanding anything in this Release to the contrary, nothing in this Release or the Employment Agreement prohibits Executive from confidentially or otherwise communicating or filing a charge or complaint with a governmental or regulatory entity, participating in a governmental or regulatory entity investigation, or giving truthful testimony or making other disclosures to a governmental or regulatory entity (in each case, without having to disclose any such conduct to the Corporation), or from responding if properly subpoenaed or otherwise required to do so under applicable law. In addition, nothing in this Release or the Employment Agreement limits Executive's right to receive an award from a governmental or regulatory entity for

information provided to such an entity (and not as compensation for actual or alleged personal injury or damages to Executive).

DATE EXECUTIVE

__________________ ____________________________

Schedule A

- Hospitality Investors Trust, Inc.
- The Real Estate Roundtable
- Autism Learning Center
- Round House Theatre
- ServiceSource Foundation

PORTIONS OF THIS EXHIBIT HAVE BEEN REDACTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT UNDER RULE 24B-2 OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED. INFORMATION FOR WHICH CONFIDENTIAL TREATMENT HAS BEEN REQUESTED IS OMITTED, MARKED WITH "[*]" AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

Exhibit 10.2

DINEEQUITY, INC.
2016 STOCK INCENTIVE PLAN
NONQUALIFIED STOCK OPTION AGREEMENT

THIS NONQUALIFIED STOCK OPTION AGREEMENT (the "Agreement") is entered into as of September 12, 2017 (the "Date of Grant"), by and between **DINEEQUITY, INC.**, a Delaware corporation (the "Company"), and **STEPHEN P. JOYCE** (the "Optionee").

RECITALS:

The Participant has entered into an Employment Agreement, dated as of August 9, 2017, by and between the Participant and the Company (the "Employment Agreement"), pursuant to which the Participant is entitled to receive a performance-based option award.

Pursuant to the DineEquity, Inc. 2016 Stock Incentive Plan (the "Plan"), the Compensation Committee of the Board of Directors of the Company (the "Committee"), as the administrator of the Plan, has determined that the Optionee is to be granted an option (the "Option") to purchase shares of the Company's common stock, par value $0.01 per share (the "Common Stock"), on the terms and conditions set forth herein, and hereby grants such Option. The Option is not intended to constitute an "incentive stock option" within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended (the "Code").

Any capitalized terms not defined herein shall have their respective meanings set forth in the Plan.

AGREEMENT:

In consideration of the foregoing and of the mutual covenants set forth herein and other good and valuable consideration, the parties hereto agree as follows:

1. NUMBER OF OPTION SHARES AND OPTION PRICE. The Option entitles the Optionee to purchase 350,000 shares of the Company's Common Stock (the "Option Shares") at a price of $40.58000 per share (the "Option Exercise Price"), which is the Fair Market Value of a share of Common Stock as of the Date of Grant.

2. PERIOD OF OPTION AND CONDITIONS OF EXERCISE.

(a) Period of Option. Unless the Option is previously terminated pursuant to this Agreement or the Employment Agreement, the term of the Option and this Agreement shall commence on the Date of Grant and shall terminate upon the tenth anniversary of the Date of Grant. Upon termination of the Option, all rights of the Optionee (including, without limitation, his or her guardian or legal representative) hereunder shall cease.

(b) Conditions of Exercise. Subject to the Optionee's continued employment with or service to the Company, this Option shall vest in accordance with the achievement of the specific vesting conditions set forth on Exhibit A hereto. Notwithstanding anything in this Agreement to the contrary, the Option may be exercised only to purchase whole shares of Common Stock, and in no case may a fraction of a share of Common Stock be purchased. The right of the Optionee to purchase Option Shares with respect to which this Option has become exercisable as herein provided may only be exercised prior to the termination of the Option.

(c) Acceleration. Subject to the terms of the Plan and the Employment Agreement, the Committee may in its discretion accelerate the exercisability of all of the Option Shares or any part thereof, upon such circumstances and subject to such terms and conditions as the Committee deems appropriate.

3. RIGHTS UPON TERMINATION OF EMPLOYMENT.

(a) General. Except as otherwise provided in this Section 3 or in the Employment Agreement, the Option may not be exercised after the Optionee has ceased to be employed or engaged by the Company.

(b) Death. If the Optionee's employment with or service to the Company terminates by reason of his or her death, the Options shall vest and become exercisable pursuant to the terms of the Employment Agreement and thereafter may be exercised by the legal representative of the estate or by the legatee of the Optionee under the will of the Optionee, for a period of twelve (12) months from the date of such death or until the expiration of the term of the Option, whichever period is shorter.

(c) Disability. If the Optionee's employment with or service to the Company terminates by reason of Disability, the Option shall vest and become exercisable pursuant to the terms of the Employment Agreement and thereafter may be exercised for a period of twelve (12) months from the date of such termination of employment or service or until the expiration of the term of the Option, whichever period is shorter, provided, however, that, if the Optionee dies within such twelve-month period and prior to the expiration of the term of the Option, the Option shall thereafter be exercisable for a period of twelve (12) months from the time of death or until the expiration of the term of the Option, whichever period is shorter.

(d) Retirement. If the Optionee's employment with or service to the Company terminates by reason of Retirement, the Option may thereafter be exercised, to the extent it was exercisable at the time of such termination, for a period of twelve (12) months from the date of Retirement or until the expiration of the term of the Option, whichever period is shorter.

(e) Other Terminations. If an Optionee's employment with or service to the Company terminates for any reason other than death, Disability or Retirement, the Option shall vest and become exercisable pursuant to the terms of the Employment Agreement and may be exercised until the earlier to occur of (i) three (3) months from the date of such termination or (ii) the expiration of the term of the Option, whichever period is shorter.

(f) Change in Control. Upon the termination of the Optionee's employment with or service to the Company within a period of twenty-four (24) months following a Change in Control (i) by the Company other than for Cause, (ii) as a result of his or her Disability or (iii) by the Optionee for Good Reason (as such terms are defined herein below or in the Employment Agreement), in lieu of shares of Common Stock issuable upon exercise of an outstanding Option, whether or not then exercisable, the Company shall pay the Optionee a lump sum amount (less any applicable taxes), in cash, equal to the product of (i) the excess of the Fair Market Value of the Option Shares on such date of termination, over the Option Exercise Price, and (ii) the number of the then unexercised Option Shares. The Option shall be canceled upon the making of such payment.

(g) Termination of Option. Notwithstanding anything in this Section 3 to the contrary, the Option may not be exercised after the termination of the Option.

4. EXERCISE OF OPTION SHARES.

(a) Payment for Option Shares. This Option may be exercised by (i) giving written notice of exercise to the Company, specifying the number of whole Option Shares to be purchased and accompanied by payment therefor in full (or arrangement made for such payment to the Company's satisfaction) either (A) in cash, (B) by delivery (either actual delivery or by attestation procedures established by the Company) of shares of Common Stock having a Fair Market Value, determined as of the date of exercise, equal to the aggregate purchase price payable by reason of such exercise, (C) authorizing the Company to withhold whole shares of Common Stock which would otherwise be delivered having an aggregate Fair Market Value, determined as of the date of exercise, equal to the amount necessary to satisfy such obligation, (D) in cash by a broker-dealer acceptable to the Company to whom the Optionee has submitted an irrevocable notice of exercise or (E) a combination of (A), (B) and (C), and (ii) by executing such documents as the Company may reasonably request.

(b) Delivery of Option Shares. Upon exercise of the Option and payment of the Option Price pursuant to paragraph (a) of this Section 4, and subject to the requirements set forth in Section 5 and Section 12, the Company shall issue or cause to be issued, and delivered as promptly as possible to the Optionee, certificates representing the appropriate number of Option Shares, which certificates shall be registered in the name of the Optionee.

5. REQUIREMENTS OF LAW AND OF STOCK EXCHANGES. By accepting this Option, Optionee represents and agrees for himself or herself and his or her transferees by will or the laws of descent and distribution or pursuant to a qualified domestic relations order that, unless a registration statement under the Securities Act of 1933, as amended, is in effect as to the Option Shares purchased upon any exercise of this Option, (i) any and all Option Shares so purchased shall be acquired for his or her personal account and not with a view to or for sale in connection with any distribution, and (ii) each notice of the exercise of any portion of this Option shall be accompanied by a representation and warranty in writing, signed by the person entitled to exercise the same, that the Option Shares are being so acquired in good faith for his or her personal account and not with a view to or for sale in connection with any distribution.

If at any time the Company determines that the listing, registration or qualification of the shares of Common Stock subject to the Option upon any securities exchange or under any law, or the consent or approval of any governmental body, or the taking of any other action is necessary or desirable as a condition of, or in connection with, the delivery of shares thereunder, such shares shall not be delivered unless such listing, registration, qualification, consent, approval or other action shall have been effected or obtained, free of any conditions not acceptable to the Company. The Company may require that certificates evidencing shares of Common Stock delivered pursuant to any award made hereunder bear a legend indicating that the sale, transfer or other disposition thereof by the Optionee is prohibited except in compliance with the Securities Act of 1933, as amended, and the rules and regulations thereunder.

6. ADJUSTMENT IN COMMON STOCK. In accordance with the terms of the Plan, in the event of any stock split, stock dividend, recapitalization, reorganization, merger, consolidation, combination, exchange of shares, liquidation, spin-off or other similar change in capitalization or event, or any distribution to holders of Common Stock other than a regular cash dividend, a substitution or adjustment shall be made in the number and class of unexercised Option Shares and the Option Exercise Price as may be determined by the Committee, in its sole discretion. Subject to the terms of the Plan, such other substitutions or adjustments shall be made as the Committee in its sole discretion may deem appropriate.

7. NON-TRANSFERABILITY OF OPTION. The Option and this Agreement shall not be transferable other than by will, the laws of descent and distribution, or pursuant to beneficiary designation procedures approved by the Company. Notwithstanding the foregoing, the Option and this Agreement may be transferable to the Optionee's family members, to a trust or entity established by the Optionee for estate planning purposes, to a charitable organization designated by the Optionee or pursuant to a qualified domestic relations order. Except to the extent permitted by this Section 7, the Option may be exercised or settled during the Optionee's lifetime only by the Optionee or the Optionee's legal representative or similar person. Except as permitted by this Section 7, the Option may not be sold, transferred, assigned, pledged, hypothecated, encumbered or otherwise disposed of (whether by operation of law or otherwise) or be subject to execution, attachment or similar process. Upon any attempt to so sell, transfer, assign, pledge, hypothecate, encumber or otherwise dispose of the Option, the Option and all rights thereunder shall immediately become null and void.

8. DISPUTE RESOLUTION. The parties hereto will use their reasonable best efforts to resolve any dispute hereunder through good faith negotiations. A party hereto must submit a written notice to any other party to whom such dispute pertains, and any such dispute that cannot be resolved within thirty (30) calendar days of receipt of such notice (or such other period to which the parties may agree) will be submitted to an arbitrator selected by mutual agreement of the parties. In the event that, within fifty (50) days of the written notice referred to in the preceding sentence, a single arbitrator has not been selected by mutual agreement of the parties, a panel of arbitrators (with each party to the dispute being entitled to select one arbitrator and, if necessary to prevent the possibility of deadlock, one additional arbitrator being selected by such arbitrators selected by the parties to the dispute) shall be selected by the parties. Except as otherwise provided herein or as the parties to the dispute may otherwise agree, such arbitration will be conducted in accordance with the then existing rules of the American Arbitration Association. The decision of the arbitrator or arbitrators, or of a majority thereof, as the case may be, made in writing will be final and binding upon the parties hereto as to the questions submitted, and the parties will abide by and comply with such decision; provided, however, the arbitrator or arbitrators, as the case may be, shall not be empowered to award punitive damages. Unless the decision of the arbitrator or arbitrators, as the case may be, provides for a different allocation of costs and expenses determined by the arbitrators to be equitable under the circumstances, the prevailing party or parties in any arbitration will be entitled to recover all reasonable fees (including but not limited to attorneys' fees) and expenses incurred by it or them in connection with such arbitration from the non-prevailing party or parties.

9. RIGHTS OF OPTIONEE IN COMMON STOCK. The Optionee shall not be entitled to any rights as a stockholder of the Company with respect to any shares of Common Stock unless and until the Optionee becomes a stockholder of record with respect to such shares of Common Stock.

10. NOTICES. Any notice required or permitted under this Agreement shall be deemed given when delivered either personally, by overnight courier, or when deposited in a United States Post Office, postage prepaid, addressed as appropriate, to the Optionee either at his/her address set forth below or such other address as he or she may designate in writing to the Company, or to the Company: Attention: Vice President - Legal (or said designee), at the Company's address or such other address as the Company may designate in writing to the Optionee.

11. FAILURE TO ENFORCE NOT A WAIVER. The failure of the Company to enforce at any time any provision of this Agreement shall in no way be construed to be a waiver of such provision or of any other provision hereof.

12. WITHHOLDING. The Company shall have the right to require, prior to the issuance or delivery of any shares of Common Stock pursuant to the Option, payment by the Optionee of any federal, state, local or other taxes which may be required to be withheld or paid in connection with the Option. The Company shall withhold whole shares of Common Stock which would otherwise be delivered to the Optionee, having an aggregate Fair Market Value determined as of the date the obligation to withhold or pay taxes arises in connection with an award (the "Tax Date"), or withhold an amount of cash which would otherwise be payable to the Optionee, in the amount necessary to satisfy any such obligation, or the Optionee may satisfy any such obligation by any of the following means: (i) a cash payment to the Company, (ii) delivery (either actual delivery or by attestation procedures established by the Company) to the Company of previously owned whole shares of Common Stock having an aggregate Fair Market Value, determined as of the Tax Date, equal to the amount necessary to satisfy any such obligation, (iii) authorizing the Company to withhold whole shares of Common Stock which would otherwise be delivered having an aggregate Fair Market Value, determined as of the Tax Date, or withhold an amount of cash which would otherwise be payable to the Optionee, in either case equal to the amount necessary to

satisfy any such obligation, (iv) a cash payment by a broker-dealer acceptable to the Company to whom the Optionee has submitted an irrevocable notice of exercise or (v) any combination of (i), (ii) and (iii). Shares of Common Stock to be delivered or withheld may not have an aggregate Fair Market Value in excess of the amount determined by applying the minimum statutory withholding rate to the extent such excess withholding would result in adverse accounting treatment of the award, as determined by the Company. Any fraction of a share of Common Stock which would be required to satisfy such an obligation shall be disregarded and the remaining amount due shall be paid in cash by the Optionee.

13. INCORPORATION OF PLAN. The Plan is hereby incorporated by reference and made a part hereof, and the Option and this Agreement are subject to all terms and conditions of the Plan.

14. EMPLOYMENT. Neither the Plan, the granting of the Option, this Agreement nor any other action taken pursuant to the Plan shall confer upon any person any right to continued employment by or service with the Company, any Subsidiary or any affiliate of the Company or affect in any manner the right of the Company, any Subsidiary or any affiliate of the Company to terminate the employment or service of any person at any time without liability hereunder. For purposes of this Agreement, references to employment with the Company shall include employment or service with any Subsidiary of the Company.

15. AMENDMENT AND TERMINATION. The Board may amend the Plan as it shall deem advisable, subject to any requirement of stockholder approval required by applicable law, rule or regulation, including Section 162(m) of the Code and any rule of the New York Stock Exchange, or any other stock exchange on which shares of Common Stock are traded; provided, however, that no amendment may impair the rights of the Optionee without the consent of the Optionee.

16. GOVERNING LAW. To the extent not otherwise governed by the Code or the laws of the United States, this Agreement shall be governed by the laws of the State of Delaware and construed in accordance therewith without giving effect to principles of conflicts of laws.

17. COUNTERPARTS. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

18. OPTION SUBJECT TO CLAWBACK. The Option and any cash payment or shares of Common Stock delivered pursuant to the Option are subject to forfeiture, recovery by the Company or other action pursuant to this Agreement or any clawback or recoupment policy which the Company may adopt from time to time, including without limitation any such policy which the Company may be required to adopt under the Dodd-Frank Wall Street Reform and Consumer Protection Act and implementing rules and regulations thereunder, or as otherwise required by law.

19. DEFINED TERMS. As used in this Agreement, the following terms shall have the meanings set forth below:

(a) "Cause" shall have the meaning provided in the Employment Agreement.

(b) "Disability" shall have the meaning provided in the Employment Agreement.

(c) "Good Reason" shall have the meaning provided in the Employment Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first set forth above.

DINEEQUITY, INC.

By: /s/ John B. Jakubek
John B. Jakubek
Senior Vice President, Human Resources

The undersigned has had the opportunity to read the terms and provisions of the foregoing Agreement and the terms and provisions of the Plan, herein incorporated by reference. The undersigned hereby accepts and agrees to all the terms and provisions of the foregoing Agreement and to all the terms and provisions of the Plan, herein incorporated by reference.

/s/ Stephen P. Joyce
Optionee Signature

1165 Orlo Drive
Address

McLean, VA 22102
City/State/Zip

EXHIBIT A

NONQUALIFIED STOCK OPTION AGREEMENT

VESTING CONDITIONS

The vesting of the Option shall be subject to the following performance and vesting conditions and the terms of the Employment Agreement:

(1) The number of Option Shares that are earned and shall be subject to vesting shall be determined in accordance with the following performance criteria (the "Performance Criteria"):

Target closing price of the Company's stock (each, a "Target Price")	Incremental number of Option Shares subject to vesting if Target Price achieved	Total Percentage of Option Shares subject to vesting if Target Price achieved
[*]	70,000	20%
[*]	35,000	30%
[*]	35,000	40%
[*]	35,000	50%
[*]	35,000	60%
[*]	35,000	70%
[*]	35,000	80%
[*]	35,000	90%
[*]	35,000	100%

In order for each and any of the Performance Criteria to be considered satisfied, the closing stock price of the Company's common stock must be at or above the Target Price for a period of 20 consecutive New York Stock Exchange Trading days beginning and ending during the Term of the Employment Agreement (as defined in the Employment Agreement).

(2) Except as otherwise provided under the terms of the Employment Agreement, the number of Option Shares that are earned in accordance with the above Performance Criteria shall become vested at the end of the Term if and only if the Optionee remains continuously employed by the Company for the entirety of the Term ("Time-Based Criteria").

Except as otherwise provided under the terms of the Agreement or the Employment Agreement, the Optionee shall forfeit the Option in its entirety if none of the Performance Criteria set forth above are satisfied prior to the end of the Term or if the Optionee does not satisfy the Time-Based Criteria. Once a Performance Criterion has been achieved, the portion of the Award for which the Performance Criterion has been achieved shall be subject only to the Time-Based Criteria.

PORTIONS OF THIS EXHIBIT HAVE BEEN REDACTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT UNDER RULE 24B-2 OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED. INFORMATION FOR WHICH CONFIDENTIAL TREATMENT HAS BEEN REQUESTED IS OMITTED, MARKED WITH "[*]" AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

Exhibit 10.3

DINEEQUITY, INC.
2016 STOCK INCENTIVE PLAN
RESTRICTED STOCK UNIT AWARD AGREEMENT

THIS RESTRICTED STOCK UNIT AWARD AGREEMENT ("Agreement") is entered into as of September 12, 2017 by and between **DINEEQUITY, INC.**, a Delaware corporation (the "Company") and **STEPHEN P. JOYCE**, an employee of the Company (the "Participant").

RECITALS:

The Participant has entered into an Employment Agreement, dated as of August 9, 2017, by and between the Participant and the Company (the "Employment Agreement"), pursuant to which the Participant is entitled to receive an award of performance-based restricted stock units.

Pursuant to the DineEquity, Inc. 2016 Stock Incentive Plan (the "Plan"), the Compensation Committee of the Board of Directors of the Company (the "Committee"), as the administrator of the Plan, has determined that the Participant is to be granted a Restricted Stock Unit Award (the "Award") pursuant to which the Participant shall receive shares of the Company's common stock, on the terms and conditions set forth herein.

Any capitalized terms not defined herein shall have their respective meanings set forth in the Plan.

AGREEMENT:

In consideration of the foregoing and of the mutual covenants set forth herein and other good and valuable consideration, the parties hereto agree as follows:

1. GRANT OF RESTRICTED STOCK UNITS. The Company hereby grants to the Participant an award of 175,000 restricted stock units (the "Restricted Stock Units"). Each Restricted Stock Unit represents the right to receive one share of common stock, $.01 par value, of the Company (the "Common Stock"), subject to the terms and conditions set forth herein.

2. VESTING AND SETTLEMENT.

(a) Vesting. Subject to the Participant's continuous employment with the Company, the Restricted Stock Units shall vest in accordance with the achievement of the specific vesting conditions set forth on Exhibit A hereto. Restricted Stock Units that have vested in accordance with the vesting conditions set forth on Exhibit A are referred to herein as "Vested Units." Restricted Stock Units that are not vested are referred to herein as "Unvested Units."

(b) Disability or Death. If the Participant's employment with the Company terminates due to Disability or death, the Restricted Stock Units shall vest pursuant to the terms of the Employment Agreement.

(c) Change in Control. If the Participant's employment with the Company is terminated within a period of twenty-four (24) months following a Change in Control (i) by the Company other than for Cause or (ii) by the Participant for Good Reason (as such terms are defined herein below or in the Employment Agreement), the Restricted Stock Units shall become immediately and fully vested and thereafter be considered Vested Units.

(d) Termination of Unvested Units. Except as set forth in Sections 2(b) and 2(c) and the terms of the Employment Agreement, upon the termination of the Participant's employment, any then Unvested Units held by the Participant shall be forfeited and canceled as of the date of such termination.

(e) Settlement of Vested Units. The Vested Units shall be settled by the delivery to the Participant or a designated brokerage firm of one share of Common Stock per Vested Unit within thirty (30) days after the vesting of such Restricted Stock Units as set forth on Exhibit A, or upon accelerated vesting as set forth in this Section 2. No fractional shares will be issued under this Agreement.

3. ADJUSTMENT IN COMMON STOCK. In accordance with the terms of the Plan, in the event of any stock split, stock dividend, recapitalization, reorganization, merger, consolidation, combination, exchange of shares, liquidation, spin-off or other similar

change in capitalization or event, or any distribution to holders of Common Stock other than a regular cash dividend, a substitution or adjustment shall be made to the terms of the Award, including the number and class of securities subject thereto, as may be determined by the Committee, in its sole discretion. Subject to the terms of the Plan, such other substitutions or adjustments shall be made as the Committee in its sole discretion may deem appropriate.

4. NON-TRANSFERABILITY OF AWARD. The Award and this Agreement shall not be transferable other than by will, the laws of descent and distribution, or pursuant to beneficiary designation procedures approved by the Company. Notwithstanding the foregoing, the Award and this Agreement may be transferable to the Participant's family members, to a trust or entity established by the Participant for estate planning purposes, to a charitable organization designated by the Participant or pursuant to a qualified domestic relations order. Except to the extent permitted by this Section 4, the Award may be exercised or settled during the Participant's lifetime only by the Participant or the Participant's legal representative or similar person. Except as permitted by this Section 4, the Award may not be sold, transferred, assigned, pledged, hypothecated, encumbered or otherwise disposed of (whether by operation of law or otherwise) or be subject to execution, attachment or similar process. Upon any attempt to so sell, transfer, assign, pledge, hypothecate, encumber or otherwise dispose of the Award, the Award and all rights thereunder shall immediately become null and void.

5. DISPUTE RESOLUTION. The parties hereto will use their reasonable best efforts to resolve any dispute hereunder through good faith negotiations. A party hereto must submit a written notice to any other party to whom such dispute pertains, and any such dispute that cannot be resolved within thirty (30) calendar days of receipt of such notice (or such other period to which the parties may agree) will be submitted to an arbitrator selected by mutual agreement of the parties. In the event that, within fifty (50) days of the written notice referred to in the preceding sentence, a single arbitrator has not been selected by mutual agreement of the parties, a panel of arbitrators (with each party to the dispute being entitled to select one arbitrator and, if necessary to prevent the possibility of deadlock, one additional arbitrator being selected by such arbitrators selected by the parties to the dispute) shall be selected by the parties. Except as otherwise provided herein or as the parties to the dispute may otherwise agree, such arbitration will be conducted in accordance with the then existing rules of the American Arbitration Association. The decision of the arbitrator or arbitrators, or of a majority thereof, as the case may be, made in writing will be final and binding upon the parties hereto as to the questions submitted, and the parties will abide by and comply with such decision; provided, however, the arbitrator or arbitrators, as the case may be, shall not be empowered to award punitive damages. Unless the decision of the arbitrator or arbitrators, as the case may be, provides for a different allocation of costs and expenses determined by the arbitrators to be equitable under the circumstances, the prevailing party or parties in any arbitration will be entitled to recover all reasonable fees (including but not limited to attorneys' fees) and expenses incurred by it or them in connection with such arbitration from the non-prevailing party or parties.

6. NOTICES. Any notice required or permitted under this Agreement shall be deemed given when delivered either personally, by overnight courier, or when deposited in a United States Post Office, postage prepaid, addressed as appropriate, to the Participant either at his/her address set forth below or such other address as he or she may designate in writing to the Company, or to the Company: Attention: Vice President – Legal (or said designee), at the Company's address or such other address as the Company may designate in writing to the Participant.

7. RIGHTS AS A STOCKHOLDER. Prior to any issuance of shares of Common Stock in settlement of the Award, no Common Stock will be reserved or earmarked for the Participant or the Participant's account. Except as set forth in this Section 7, the Participant will not be entitled to any privileges of ownership of the shares of Common Stock subject to the Award (including, without limitation, any voting rights) underlying Vested Units and/or Unvested Units unless and until such shares of Common Stock are actually delivered to the Participant hereunder. From and after the date hereof and unless and until the Award is forfeited or otherwise transferred back to the Company, the Participant will be credited with additional Restricted Stock Units having a value equal to dividends declared by the Company (other than stock dividends), if any, with record dates that occur prior to the settlement of the Award as if the shares of Common Stock underlying the Award (whether payable in shares of Common Stock or in cash) had been issued and outstanding, based on the fair market value of a share of Common Stock on the applicable dividend payment date. Any such additional Restricted Stock Units shall be considered part of the Award and shall also be credited with additional Restricted Stock Units as dividends (other than stock dividends), if any, are declared, and shall be subject to the same terms and conditions as the Restricted Stock Units subject to the Award with respect to which they were credited (including, but not limited to, the forfeiture provisions set forth in Section 2 of this Agreement). Notwithstanding the foregoing, no such additional Restricted Stock Units will be credited with respect to any dividend declared by the Company in connection with which the Award is adjusted pursuant to Section 3.

8. FAILURE TO ENFORCE NOT A WAIVER. The failure of the Company to enforce at any time any provision of this Agreement shall in no way be construed to be a waiver of such provision or of any other provision hereof.

9. WITHHOLDING. The Company shall have the right to require, prior to the issuance or delivery of any shares of Common Stock pursuant to the Award, payment by the Participant of any federal, state, local or other taxes which may be required to be withheld or paid in connection with the Award. The Company shall withhold whole shares of Common Stock which would otherwise be delivered to the Participant, having an aggregate Fair Market Value determined as of the date the obligation to withhold or pay taxes arises in connection with an award (the "Tax Date"), or withhold an amount of cash which would otherwise be payable to the

Participant, in the amount necessary to satisfy any such obligation, or the Participant may satisfy any such obligation by any of the following means: (i) a cash payment to the Company, (ii) delivery (either actual delivery or by attestation procedures established by the Company) to the Company of previously owned whole shares of Common Stock having an aggregate Fair Market Value, determined as of the Tax Date, equal to the amount necessary to satisfy any such obligation, (iii) authorizing the Company to withhold whole shares of Common Stock which would otherwise be delivered having an aggregate Fair Market Value, determined as of the Tax Date, or withhold an amount of cash which would otherwise be payable to the Participant, in either case equal to the amount necessary to satisfy any such obligation or (iv) any combination of (i), (ii) and (iii). Shares of Common Stock to be delivered or withheld may not have an aggregate Fair Market Value in excess of the amount determined by applying the minimum statutory withholding rate to the extent such excess withholding would result in adverse accounting treatment of the award, as determined by the Company. Any fraction of a share of Common Stock which would be required to satisfy such an obligation shall be disregarded and the remaining amount due shall be paid in cash by the Participant.

10. INCORPORATION OF PLAN. The Plan is hereby incorporated by reference and made a part hereof, and the Award and this Agreement are subject to all terms and conditions of the Plan.

11. EMPLOYMENT. Neither the Plan, the granting of the Award, this Agreement nor any other action taken pursuant to the Plan shall confer upon any person any right to continued employment by or service with the Company, any Subsidiary or any affiliate of the Company or affect in any manner the right of the Company, any Subsidiary or any affiliate of the Company to terminate the employment of any person at any time without liability hereunder. For purposes of this Agreement, references to employment shall include employment or service with any Subsidiary of the Company.

12. AMENDMENT AND TERMINATION. The Board may amend the Plan as it shall deem advisable, subject to any requirement of stockholder approval required by applicable law, rule or regulation, including Section 162(m) of the Code and any rule of the New York Stock Exchange, or any other stock exchange on which shares of Common Stock are traded; provided, however, that no amendment may impair the rights of the Participant without the consent of the Participant.

13. GOVERNING LAW. This Agreement shall be governed by and construed according to the laws of the State of Delaware without regard to its principles of conflict of laws.

14. SECTION 409A. This Agreement is intended to comply with the requirements of Section 409A of the Code, and shall be interpreted and construed consistently with such intent. The payments to the Participant pursuant to this Agreement are also intended to be exempt from Section 409A of the Code to the maximum extent possible as short-term deferrals pursuant to Treasury regulation §1.409A-1(b)(4). In the event the terms of this Agreement would subject the Participant to taxes or penalties under Section 409A of the Code ("409A Penalties"), the Company and the Participant shall cooperate diligently to amend the terms of this Agreement to avoid such 409A Penalties, to the extent possible; provided that in no event shall the Company be responsible for any 409A Penalties that arise in connection with any amounts payable under this Agreement. To the extent any amounts under this Agreement are payable by reference to the Participant's termination of employment, such term shall be deemed to refer to the Participant's "separation from service," within the meaning of Section 409A of the Code. Notwithstanding any other provision in this Agreement, if the Participant is a "specified employee," as defined in Section 409A of the Code, as of the date of Participant's separation from service, then to the extent any amount payable to the Participant (i) constitutes the payment of nonqualified deferred compensation, within the meaning of Section 409A of the Code, (ii) is payable upon the Participant's separation from service and (iii) under the terms of this Agreement would be payable prior to the six-month anniversary of the Participant's separation from service, such payment shall be delayed until the earlier to occur of (a) the first business day following the six-month anniversary of the separation from service and (b) the date of the Participant's death.

15. COUNTERPARTS. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

16. AWARDS SUBJECT TO CLAWBACK. The Award and any cash payment or shares of Common Stock delivered pursuant to the Award are subject to forfeiture, recovery by the Company or other action pursuant to this Agreement or any clawback or recoupment policy which the Company may adopt from time to time, including without limitation any such policy which the Company may be required to adopt under the Dodd-Frank Wall Street Reform and Consumer Protection Act and implementing rules and regulations thereunder, or as otherwise required by law.

17. DEFINED TERMS. As used in this Agreement, the following terms shall have the meanings set forth below:

(a) "Cause" shall have the meaning provided in the Employment Agreement.

(b) "Disability" shall have the meaning provided in the Employment Agreement.

(c) "Good Reason" shall have the meaning provided in the Employment Agreement.

IN WITNESS WHEREOF, the parties have executed this Restricted Stock Unit Award Agreement on the day and year first above written.

COMPANY:

DINEEQUITY, INC.

By: /s/ John B. Jakubek
John B. Jakubek
Senior Vice President, Human Resources

PARTICIPANT:

/s/ Stephen P. Joyce
Stephen P. Joyce

1165 Orlo Drive
Address

McLean, VA 22102
City/State/Zip

EXHIBIT A

RESTRICTED STOCK UNIT AWARD AGREEMENT

VESTING CONDITIONS

The vesting of the Award shall be subject to the following performance and vesting conditions and the terms of the Employment Agreement:

(1) The number of Restricted Stock Units that are earned and shall be subject to vesting shall be determined in accordance with the following performance criteria (the "Performance Criteria"):

Target closing price of the Company's stock (each, a "Target Price")	Incremental Number of Restricted Stock Units subject to vesting if Target Price achieved	Total Percentage of Award subject to vesting if Target Price achieved
[*]	35,000	20%
[*]	17,500	30%
[*]	17,500	40%
[*]	17,500	50%

[*]	17,500	60%
[*]	17,500	70%
[*]	17,500	80%
[*]	17,500	90%
[*]	17,500	100%

In order for each and any of the Performance Criteria to be considered satisfied, the closing stock price of the Company's common stock must be at or above the Target Price for a period of 20 consecutive New York Stock Exchange Trading days beginning and ending during the Term of the Employment Agreement (as defined in the Employment Agreement).

(2) Except as otherwise provided under the terms of the Employment Agreement, the number of Restricted Stock Units that are earned, as determined in accordance with the above Performance Criteria, shall become vested at the end of the Term if and only if the Participant remains continuously employed by the Company for the entirety of the Term ("Time-Based Criteria").

Except as otherwise provided under the terms of the Agreement or the Employment Agreement, the Participant shall forfeit all of the Restricted Stock Units under the Award if none of the Performance Criteria set forth above are satisfied prior to the end of the Term or if the Participant does not satisfy the Time-Based Criteria. Once a Performance Criterion has been achieved, the portion of the Award for which the Performance Criterion has been achieved shall be subject only to the Time-Based Criteria.

Exhibit 10.4

DINEEQUITY, INC.
2016 STOCK INCENTIVE PLAN
RESTRICTED STOCK UNIT AWARD AGREEMENT

THIS RESTRICTED STOCK UNIT AWARD AGREEMENT ("Agreement") is entered into as of September 12, 2017 by and between **DINEEQUITY, INC.**, a Delaware corporation (the "Company") and **STEPHEN P. JOYCE**, an employee of the Company (the "Participant").

RECITALS:

The Participant has entered into an Employment Agreement, dated as of August 9, 2017, by and between the Participant and the Company (the "Employment Agreement"), pursuant to which the Participant is entitled to receive an award of time-based restricted stock units.

Pursuant to the DineEquity, Inc. 2016 Stock Incentive Plan (the "Plan"), the Compensation Committee of the Board of Directors of the Company (the "Committee"), as the administrator of the Plan, has determined that the Participant is to be granted a Restricted Stock Unit Award (the "Award") pursuant to which the Participant shall receive shares of the Company's common stock, on the terms and conditions set forth herein.

Any capitalized terms not defined herein shall have their respective meanings set forth in the Plan.

AGREEMENT:

In consideration of the foregoing and of the mutual covenants set forth herein and other good and valuable consideration, the parties hereto agree as follows:

1. GRANT OF RESTRICTED STOCK UNITS. The Company hereby grants to the Participant an award of 75,000 restricted stock units (the "Restricted Stock Units"). Each Restricted Stock Unit represents the right to receive one share of common stock, $.01 par value, of the Company (the "Common Stock"), subject to the terms and conditions set forth herein.

2. VESTING AND SETTLEMENT.

(a) Service Vesting. Subject to the Participant's continuous employment with the Company and the terms of the Employment Agreement, the Restricted Stock Units shall vest in accordance with the specific vesting schedule set forth on Exhibit A hereto. Restricted Stock Units that have vested in accordance with the vesting schedule set forth on Exhibit A are referred to herein as "Vested Units." Restricted Stock Units that are not vested are referred to herein as "Unvested Units."

(b) Disability or Death. If the Participant's employment with the Company terminates due to Disability or death, the Restricted Stock Units shall become immediately and fully vested and thereafter be considered Vested Units.

(c) Change in Control. If the Participant's employment with the Company is terminated within a period of twenty-four (24) months following a Change in Control (i) by the Company other than for Cause or (ii) by the Participant for Good Reason (as such terms are defined herein below or in the Employment Agreement), the Restricted Stock Units shall become immediately and fully vested and thereafter be considered Vested Units.

(d) Termination of Unvested Units. Except as set forth in Sections 2(b) and 2(c) and the terms of the Employment Agreement, upon the termination of the Participant's employment, any then Unvested Units held by the Participant shall be forfeited and canceled as of the date of such termination.

(e) Settlement of Vested Units. The Vested Units shall be settled by the delivery to the Participant or a designated brokerage firm of one share of Common Stock per Vested Unit within thirty (30) days after the vesting of such Restricted Stock Units as set forth on Exhibit A, or upon accelerated vesting as set forth in this Section 2. No fractional shares will be issued under this Agreement.

3. ADJUSTMENT IN COMMON STOCK. In accordance with the terms of the Plan, in the event of any stock split, stock dividend, recapitalization, reorganization, merger, consolidation, combination, exchange of shares, liquidation, spin-off or other similar change in capitalization or event, or any distribution to holders of Common Stock other than a regular cash dividend, a substitution or

adjustment shall be made to the terms of the Award, including the number and class of securities subject thereto, as may be determined by the Committee, in its sole discretion. Subject to the terms of the Plan, such other substitutions or adjustments shall be made as the Committee in its sole discretion may deem appropriate.

4. NON-TRANSFERABILITY OF AWARD. The Award and this Agreement shall not be transferable other than by will, the laws of descent and distribution, or pursuant to beneficiary designation procedures approved by the Company. Notwithstanding the foregoing, the Award and this Agreement may be transferable to the Participant's family members, to a trust or entity established by the Participant for estate planning purposes, to a charitable organization designated by the Participant or pursuant to a qualified domestic relations order. Except to the extent permitted by this Section 4, the Award may be exercised or settled during the Participant's lifetime only by the Participant or the Participant's legal representative or similar person. Except as permitted by this Section 4, the Award may not be sold, transferred, assigned, pledged, hypothecated, encumbered or otherwise disposed of (whether by operation of law or otherwise) or be subject to execution, attachment or similar process. Upon any attempt to so sell, transfer, assign, pledge, hypothecate, encumber or otherwise dispose of the Award, the Award and all rights thereunder shall immediately become null and void.

5. DISPUTE RESOLUTION. The parties hereto will use their reasonable best efforts to resolve any dispute hereunder through good faith negotiations. A party hereto must submit a written notice to any other party to whom such dispute pertains, and any such dispute that cannot be resolved within thirty (30) calendar days of receipt of such notice (or such other period to which the parties may agree) will be submitted to an arbitrator selected by mutual agreement of the parties. In the event that, within fifty (50) days of the written notice referred to in the preceding sentence, a single arbitrator has not been selected by mutual agreement of the parties, a panel of arbitrators (with each party to the dispute being entitled to select one arbitrator and, if necessary to prevent the possibility of deadlock, one additional arbitrator being selected by such arbitrators selected by the parties to the dispute) shall be selected by the parties. Except as otherwise provided herein or as the parties to the dispute may otherwise agree, such arbitration will be conducted in accordance with the then existing rules of the American Arbitration Association. The decision of the arbitrator or arbitrators, or of a majority thereof, as the case may be, made in writing will be final and binding upon the parties hereto as to the questions submitted, and the parties will abide by and comply with such decision; provided, however, the arbitrator or arbitrators, as the case may be, shall not be empowered to award punitive damages. Unless the decision of the arbitrator or arbitrators, as the case may be, provides for a different allocation of costs and expenses determined by the arbitrators to be equitable under the circumstances, the prevailing party or parties in any arbitration will be entitled to recover all reasonable fees (including but not limited to attorneys' fees) and expenses incurred by it or them in connection with such arbitration from the non-prevailing party or parties.

6. NOTICES. Any notice required or permitted under this Agreement shall be deemed given when delivered either personally, by overnight courier, or when deposited in a United States Post Office, postage prepaid, addressed as appropriate, to the Participant either at his/her address set forth below or such other address as he or she may designate in writing to the Company, or to the Company: Attention: Vice President – Legal (or said designee), at the Company's address or such other address as the Company may designate in writing to the Participant.

7. RIGHTS AS A STOCKHOLDER. Prior to any issuance of shares of Common Stock in settlement of the Award, no Common Stock will be reserved or earmarked for the Participant or the Participant's account. Except as set forth in this Section 7, the Participant will not be entitled to any privileges of ownership of the shares of Common Stock subject to the Award (including, without limitation, any voting rights) underlying Vested Units and/or Unvested Units unless and until such shares of Common Stock are actually delivered to the Participant hereunder. From and after the date hereof and unless and until the Award is forfeited or otherwise transferred back to the Company, the Participant will be credited with additional Restricted Stock Units having a value equal to dividends declared by the Company (other than stock dividends), if any, with record dates that occur prior to the settlement of the Award as if the shares of Common Stock underlying the Award (whether payable in shares of Common Stock or in cash) had been issued and outstanding, based on the fair market value of a share of Common Stock on the applicable dividend payment date. Any such additional Restricted Stock Units shall be considered part of the Award and shall also be credited with additional Restricted Stock Units as dividends (other than stock dividends), if any, are declared, and shall be subject to the same terms and conditions as the Restricted Stock Units subject to the Award with respect to which they were credited (including, but not limited to, the forfeiture provisions set forth in Section 2 of this Agreement). Notwithstanding the foregoing, no such additional Restricted Stock Units will be credited with respect to any dividend declared by the Company in connection with which the Award is adjusted pursuant to Section 3.

8. FAILURE TO ENFORCE NOT A WAIVER. The failure of the Company to enforce at any time any provision of this Agreement shall in no way be construed to be a waiver of such provision or of any other provision hereof.

9. WITHHOLDING. The Company shall have the right to require, prior to the issuance or delivery of any shares of Common Stock pursuant to the Award, payment by the Participant of any federal, state, local or other taxes which may be required to be withheld or paid in connection with the Award. The Company shall withhold whole shares of Common Stock which would otherwise be delivered to the Participant, having an aggregate Fair Market Value determined as of the date the obligation to withhold or pay taxes arises in connection with an award (the "Tax Date"), or withhold an amount of cash which would otherwise be payable to the Participant, in the amount necessary to satisfy any such obligation, or the Participant may satisfy any such obligation by any of the

following means: (i) a cash payment to the Company, (ii) delivery (either actual delivery or by attestation procedures established by the Company) to the Company of previously owned whole shares of Common Stock having an aggregate Fair Market Value, determined as of the Tax Date, equal to the amount necessary to satisfy any such obligation, (iii) authorizing the Company to withhold whole shares of Common Stock which would otherwise be delivered having an aggregate Fair Market Value, determined as of the Tax Date, or withhold an amount of cash which would otherwise be payable to the Participant, in either case equal to the amount necessary to satisfy any such obligation or (iv) any combination of (i), (ii) and (iii). Shares of Common Stock to be delivered or withheld may not have an aggregate Fair Market Value in excess of the amount determined by applying the minimum statutory withholding rate to the extent such excess withholding would result in adverse accounting treatment of the award, as determined by the Company. Any fraction of a share of Common Stock which would be required to satisfy such an obligation shall be disregarded and the remaining amount due shall be paid in cash by the Participant.

10. INCORPORATION OF PLAN. The Plan is hereby incorporated by reference and made a part hereof, and the Award and this Agreement are subject to all terms and conditions of the Plan.

11. EMPLOYMENT. Neither the Plan, the granting of the Award, this Agreement nor any other action taken pursuant to the Plan shall confer upon any person any right to continued employment by or service with the Company, any Subsidiary or any affiliate of the Company or affect in any manner the right of the Company, any Subsidiary or any affiliate of the Company to terminate the employment of any person at any time without liability hereunder. For purposes of this Agreement, references to employment shall include employment or service with any Subsidiary of the Company.

12. AMENDMENT AND TERMINATION. The Board may amend the Plan as it shall deem advisable, subject to any requirement of stockholder approval required by applicable law, rule or regulation, including Section 162(m) of the Code and any rule of the New York Stock Exchange, or any other stock exchange on which shares of Common Stock are traded; provided, however, that no amendment may impair the rights of the Participant without the consent of the Participant.

13. GOVERNING LAW. This Agreement shall be governed by and construed according to the laws of the State of Delaware without regard to its principles of conflict of laws.

14. SECTION 409A. This Agreement is intended to comply with the requirements of Section 409A of the Code, and shall be interpreted and construed consistently with such intent. The payments to the Participant pursuant to this Agreement are also intended to be exempt from Section 409A of the Code to the maximum extent possible as short-term deferrals pursuant to Treasury regulation §1.409A-1(b)(4). In the event the terms of this Agreement would subject the Participant to taxes or penalties under Section 409A of the Code ("409A Penalties"), the Company and the Participant shall cooperate diligently to amend the terms of this Agreement to avoid such 409A Penalties, to the extent possible; provided that in no event shall the Company be responsible for any 409A Penalties that arise in connection with any amounts payable under this Agreement. To the extent any amounts under this Agreement are payable by reference to the Participant's termination of employment, such term shall be deemed to refer to the Participant's "separation from service," within the meaning of Section 409A of the Code. Notwithstanding any other provision in this Agreement, if the Participant is a "specified employee," as defined in Section 409A of the Code, as of the date of Participant's separation from service, then to the extent any amount payable to the Participant (i) constitutes the payment of nonqualified deferred compensation, within the meaning of Section 409A of the Code, (ii) is payable upon the Participant's separation from service and (iii) under the terms of this Agreement would be payable prior to the six-month anniversary of the Participant's separation from service, such payment shall be delayed until the earlier to occur of (a) the first business day following the six-month anniversary of the separation from service and (b) the date of the Participant's death.

15. COUNTERPARTS. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

16. AWARDS SUBJECT TO CLAWBACK. The Award and any cash payment or shares of Common Stock delivered pursuant to the Award are subject to forfeiture, recovery by the Company or other action pursuant to this Agreement or any clawback or recoupment policy which the Company may adopt from time to time, including without limitation any such policy which the Company may be required to adopt under the Dodd-Frank Wall Street Reform and Consumer Protection Act and implementing rules and regulations thereunder, or as otherwise required by law.

17. DEFINED TERMS. As used in this Agreement, the following terms shall have the meanings set forth below:

(a) "Cause" shall have the meaning provided in the Employment Agreement.

(b) "Disability" shall have the meaning provided in the Employment Agreement.

(c) "Good Reason" shall have the meaning provided in the Employment Agreement.

IN WITNESS WHEREOF, the parties have executed this Restricted Stock Unit Award Agreement on the day and year first above written.

COMPANY:

DINEEQUITY, INC.

By: /s/ John B. Jakubek
John B. Jakubek
Senior Vice President, Human Resources

PARTICIPANT:

/s/ Stephen P. Joyce
Stephen P. Joyce

1165 Orlo Drive
Address

McLean, VA 22102
City/State/Zip

EXHIBIT A

RESTRICTED STOCK UNIT AWARD AGREEMENT

VESTING SCHEDULE

Except as otherwise provided under the terms of the Employment Agreement, the Restricted Stock Units (RSUs) shall become fully vested at the end of the Term of the Employment Agreement (as defined in the Employment Agreement), if and only if the Executive remains continuously employed by the Company for the entirety of the Term.

Exhibit 12.1

DINEEQUITY, INC.
Computation of Debt Service Coverage Ratio for the Trailing Twelve Months Ended September 30, 2017 and Leverage Ratio as of September 30, 2017.
(In thousands, except ratios)

Leverage Ratio Calculation:		
Indebtedness, net [1]	$	1,299,400
Covenant Adjusted EBITDA[1]		242,238
Leverage Ratio		5.36
Debt Service Coverage Ratio (DSCR) Calculation:		
Net Cash Flow [1]	$	259,815
Debt Service [1]		59,941
DSCR		4.33

(1) Definitions of all components used in calculating the above ratios are found in the Base Indenture and the related Series 2014-1 Supplement to the Base Indenture, dated September 30, 2014, filed as Exhibits 4.1 and 4.2, respectively, to our Current Report on Form 8-K filed on October 3, 2014.

Exhibit 31.1

Certification Pursuant to
Rule 13a-14(a) of the
Securities Exchange Act of 1934, As Amended

I, Stephen P. Joyce, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of DineEquity, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: November 9, 2017

/s/ Stephen P. Joyce

Stephen P. Joyce
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

Certification Pursuant to
Rule 13a-14(a) of the
Securities Exchange Act of 1934, As Amended

I, Greggory H. Kalvin, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of DineEquity, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: November 9, 2017

/s/ Greggory H. Kalvin

Greggory H. Kalvin
Interim Chief Financial Officer,
Senior Vice President, Corporate Controller
(Principal Accounting Officer)

Exhibit 32.1

Certification Pursuant to
18 U.S.C. Section 1350,
As Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report on Form 10-Q of DineEquity, Inc. (the "Company") for the quarter ended September 30, 2017, as filed with the Securities and Exchange Commission on November 9, 2017 (the "Report"), Stephen P. Joyce, as Chief Executive Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of her knowledge, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: November 9, 2017

/s/ Stephen P. Joyce

Stephen P. Joyce
Chief Executive Officer
(Principal Executive Officer)

This certification accompanies the Quarterly Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended. This certification shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Exchange Act except to the extent the Company expressly and specifically incorporates it by reference in such filing.

Exhibit 32.2

**Certification Pursuant to
18 U.S.C. Section 1350,
As Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report on Form 10-Q of DineEquity, Inc. (the “Company”) for the quarter ended September 30, 2017, as filed with the Securities and Exchange Commission on November 9, 2017 (the “Report”), Greggory H. Kalvin, as Chief Financial Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of his knowledge, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: November 9, 2017

/s/ Greggory H. Kalvin

Greggory H. Kalvin
Interim Chief Financial Officer,
Senior Vice President, Corporate Controller
(Principal Accounting Officer)

This certification accompanies the Quarterly Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended. This certification shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Exchange Act except to the extent the Company expressly and specifically incorporates it by reference in such filing.