

# DUTCH BROS

Coffee



**Supplemental Earnings Slides**

Q2 2024






# DISCLAIMER

**Forward-Looking Statements.** Statements in this presentation and the accompanying oral presentation that are not statements of historical fact are forward-looking statements. Such forward-looking statements include, without limitation, statements regarding the Company's future results of operations or financial condition, including guidance for 2024, business strategy and plans, and objectives of management for future operations. Words such as "anticipate," "believe," "contemplate," "continue," "could," "estimate," "expect," "intend," "may," "plan," "potential," "predict," "project," "should," "target," "toward," "will," or "would," or the negative of these words or other similar terms or expressions are intended to identify forward-looking statements, though not all forward-looking statements necessarily contain these identifying words. You should not rely on forward-looking statements as predictions of future events. We have based the forward-looking statements primarily on our current expectations and projections about future events and trends that we believe may affect our business, financial condition, and results of operations. The outcome of the events described in these forward-looking statements is subject to risks, uncertainties, and other factors. Moreover, we operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible for us to predict all risks and uncertainties that could have an impact on the forward-looking statements. The results, events, and circumstances reflected in the forward-looking statements may not be achieved or occur, and actual results, events or circumstances could differ materially from those described in the forward-looking statements. We undertake no obligation to update any forward-looking statements made in this presentation to reflect events or circumstances after the date of this presentation or to reflect new information, actual results, revised expectations or the occurrence of unanticipated events, except as required by law. We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures or investments. Our forward-looking statements are subject to known and unknown risks, uncertainties, assumptions and other important factors, many of which are outside Dutch Bros' control that could cause actual results to differ materially from the results discussed in the forward-looking statements, including those related to general economic conditions, inflation, increased labor costs, disruptions in our supply chain, ability to hire and retain employees, and other risks, including those described under the heading "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2023 filed with the SEC on February 23, 2024 and in our future reports to be filed with the SEC, including our Quarterly Report on Form 10-Q for the period ended June 30, 2024.

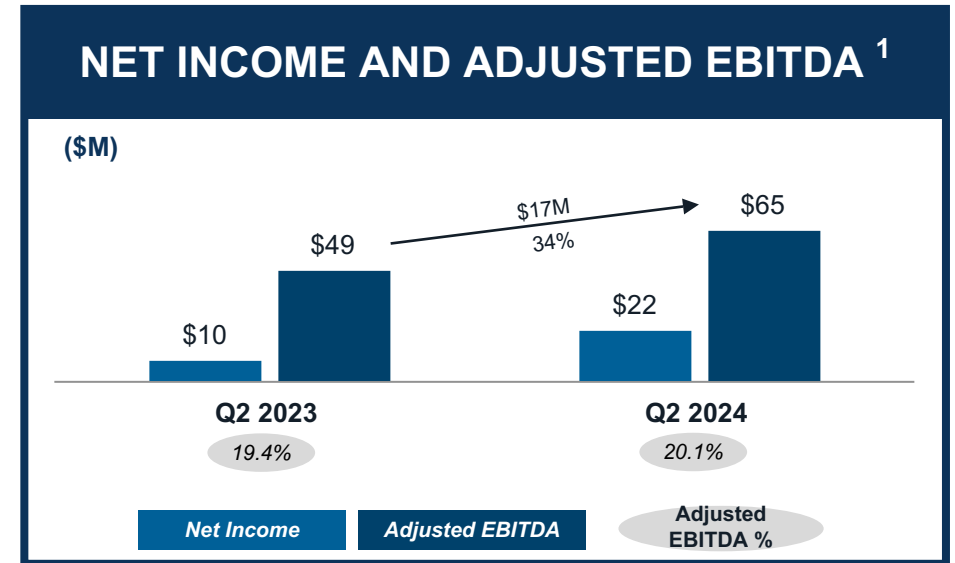
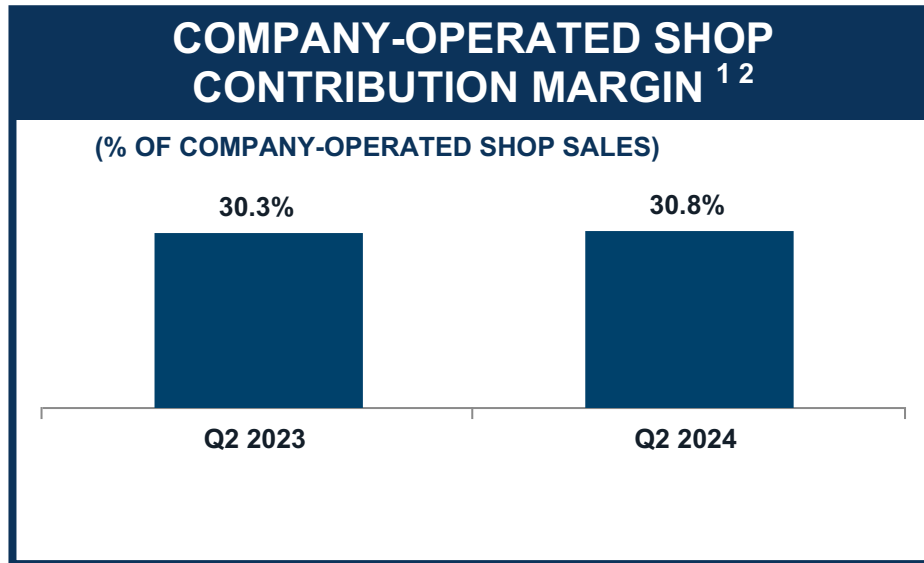
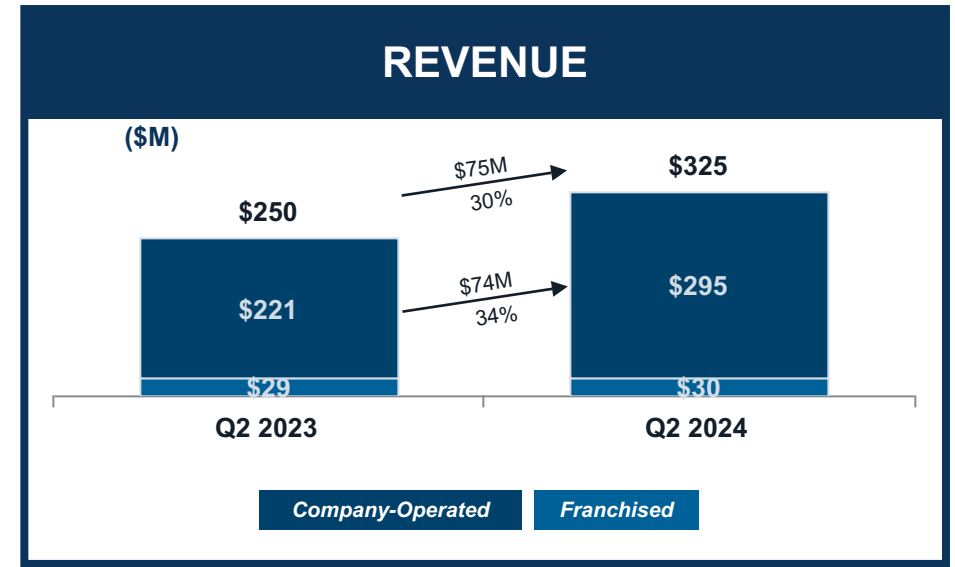
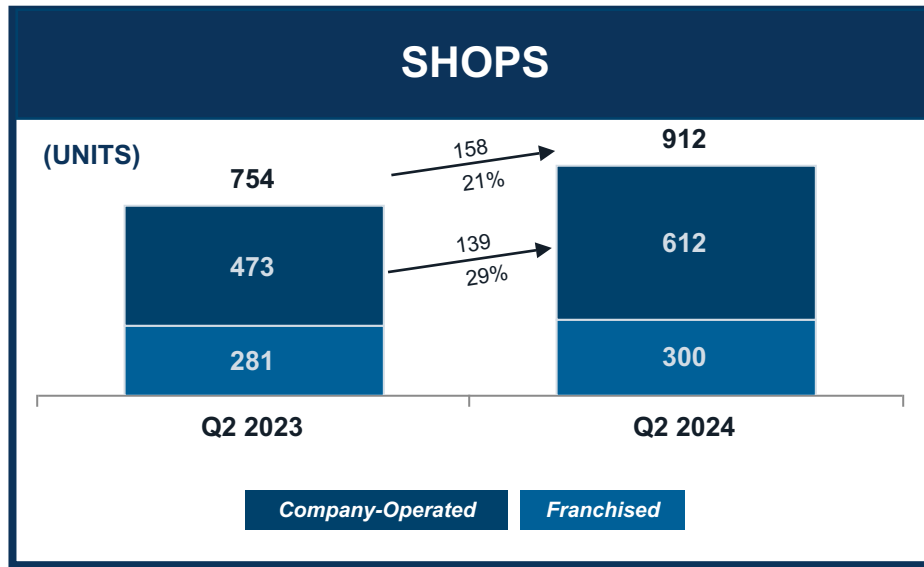
**Non-GAAP Measures.** The Company prepares and presents its consolidated financial statements in accordance with generally accepted accounting principles in the United States ("GAAP"). However, management believes that certain non-GAAP financial measures, such as Adjusted EBITDA and Company-operated shop contribution, provide investors with additional useful information in evaluating the Company's core operating performance. These non-GAAP financial measures, which may be different than similarly titled measures used by other companies, are presented to enhance investors' overall understanding of our financial performance and should not be considered a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP. We believe that these non-GAAP financial measures provide useful information about our financial performance, enhance the overall understanding of our past performance and future prospects and allow for greater transparency with respect to important measures used by our management for financial and operational decision making. We are presenting these non-GAAP financial measures to assist investors in seeing our financial performance using a management view and because, in some cases, we believe that these measures provide an additional tool for investors to use in comparing our core financial performance over multiple periods with other companies in our industry. We urge you to review the reconciliation of our non-GAAP financial measures to the most directly comparable GAAP financial measures set forth in the slides and Appendix to this presentation, and not to rely on any single financial measure to evaluate our business.

**Market and Industry Data.** This presentation contains estimates and information concerning our industry, including market position and the size and growth rates of the markets in which we participate, that are based on industry publications and reports and other information from our internal sources. This information involves a number of assumptions and limitations, and you are cautioned not to give undue weight to these estimates. We have not independently verified the accuracy or completeness of the data contained in these industry publications and reports. The industry in which we operate is subject to a high degree of uncertainty and risk.

Dutch Bros, our Windmill logo (  ), Dutch Bros. Blue Rebel and our other registered and common law trade names, trademarks and service marks are the property of Dutch Bros Inc. All other trademarks, trade names and service marks appearing in this presentation are the property of their respective owners. Solely for convenience, the trademarks and trade names in this presentation may be referred to without the ® and ™ symbols, but such references should not be construed as any indicator that their respective owners will not assert their rights thereto.



***“DUTCH BROS IS  
A FUN LOVING, MIND-BLOWING COMPANY  
MAKING A MASSIVE DIFFERENCE,  
ONE CUP AT A TIME.”***



<sup>1</sup> See appendix for a reconciliation to the most directly comparable financial measure stated in accordance with GAAP

<sup>2</sup> See slide 7 for breakdown of company-operated shop contribution



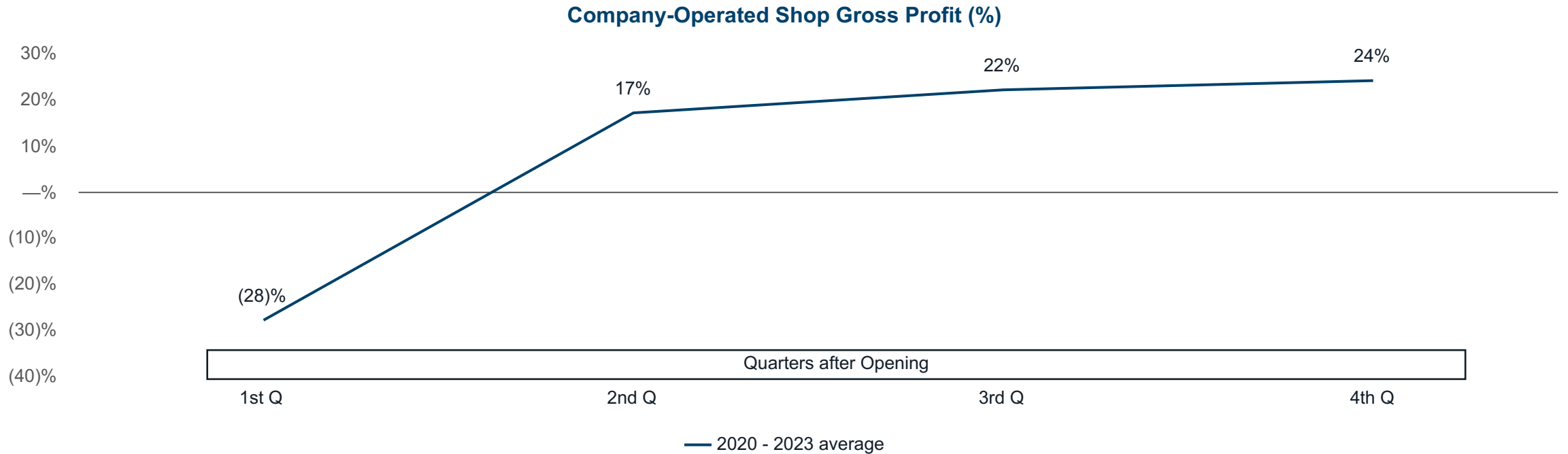
# SAME SHOP SALES

## SAME SHOP SALES VS PRIOR YEARS

Fiscal year ending December,	2022					2023					2024	
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2
Company-Operated Same Shop Sales	5.1 %	(4.3)%	1.0 %	(2.1)%	0.6 %	(3.5)%	1.6 %	2.8 %	4.6 %	1.5 %	10.9 %	5.2 %
Systemwide Same Shop Sales	6.0 %	(3.3)%	1.7 %	(0.6)%	1.0 %	(2.0)%	3.8 %	4.0 %	5.0 %	2.8 %	10.0 %	4.1 %



# COMPANY-OPERATED SHOP MARGIN PROGRESSION





# COMPANY-OPERATED SHOP RESULTS

(\$ in millions)	Three Months Ended June 30,			
	2024		2023	
	\$	%	\$	%
<b>Company-operated shop revenue</b>	\$ 295.3	100.0	\$ 221.0	100.0
Beverage, food and packaging	75.1	25.5	59.4	26.8
Labor costs	80.2	27.2	58.7	26.6
Occupancy and other costs	44.3	15.0	32.6	14.8
Pre-opening costs	4.6	1.5	3.3	1.5
Depreciation and amortization	21.0	7.1	14.8	6.7
<b>Company-operated shop gross profit</b>	<b>70.0</b>	<b>23.7</b>	<b>52.1</b>	<b>23.6</b>
Depreciation and amortization	21.0	7.1	14.8	6.7
<b>Company-operated shop contribution <sup>1</sup></b>	<b>\$ 91.1</b>	<b>30.8</b>	<b>\$ 66.9</b>	<b>30.3</b>

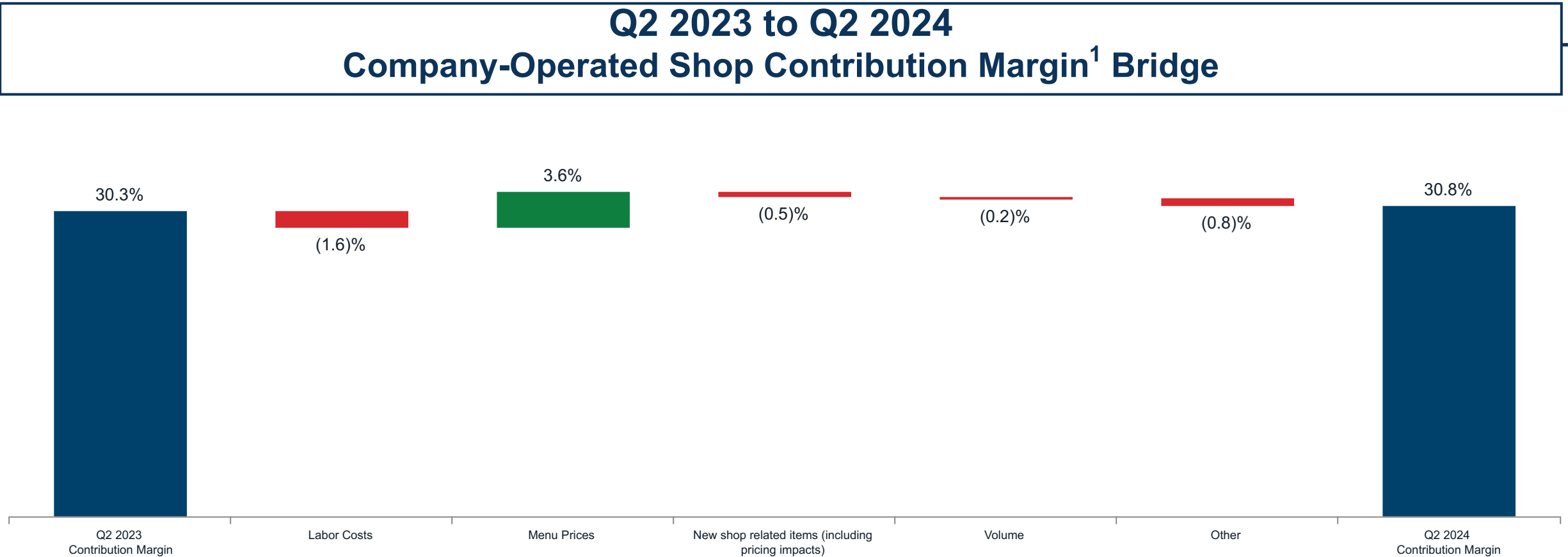
<sup>1</sup> Represents a non-GAAP measure, defined as company-operated shop gross profit plus depreciation, which the supplemental GAAP to non-GAAP reconciliation is provided in the table above.



# COMPANY-OPERATED SHOP CONTRIBUTION MARGIN<sup>1</sup> BRIDGE

Q2 2023 to Q2 2024

## Company-Operated Shop Contribution Margin<sup>1</sup> Bridge



<sup>1</sup> Contribution margin is non-GAAP measure, the definition and the GAAP to non-GAAP reconciliation are provided on slide 7. The company-operated shop gross margin was 23.6% for Q2 2023 and 23.7% for Q2 2024.





# OUTLOOK

FY 2024 Outlook	
Total System New Shop Openings	150 to 165
Revenue	between \$1.215 billion to \$1.230 billion
Same Shop Sales Growth	approximately low single digits
Adjusted EBITDA <sup>1</sup>	between \$200 million to \$210 million
Adjusted SG&A <sup>1</sup>	between \$190 million to \$200 million
Capital Expenditures	between \$270 million to \$290 million



*Full Year 2024 Outlook is Derived From Recent Trends and Does Not Assume Material Changes to the Current Operating Environment*

<sup>1</sup> We have not reconciled guidance for Adjusted EBITDA and Adjusted SG&A to the corresponding GAAP financial measure because the various reconciling items are not available on a forward-looking basis. We are unable to determine the probable significance of reconciling items because certain items are outside of our control and vary significantly from period to period. Accordingly, reconciliation to the corresponding GAAP financial measure is not available without unreasonable effort.



# SG&A LEVERAGE

(\$ in thousands)	2022				2023				2024	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
<b>Total revenues</b>	\$152,156	\$186,381	\$198,648	\$201,827	\$197,267	\$249,879	\$264,507	\$254,123	\$275,099	\$324,918
<b>Selling, general, and administrative <sup>1</sup></b>	\$45,214	\$42,342	\$45,378	\$50,594	\$45,976	\$51,662	\$50,490	\$56,946	\$46,194	\$58,097
<i>As a percentage of total revenue</i>	29.7 %	22.7 %	22.8 %	25.1 %	23.3 %	20.7 %	19.1 %	22.4 %	16.8 %	17.9 %
<b>Adjustments <sup>2</sup></b>										
Depreciation and amortization	(700)	(712)	(708)	(596)	(417)	(420)	(413)	(399)	(264)	(235)
Equity-based compensation	(9,900)	(10,446)	(10,649)	(10,662)	(9,170)	(10,149)	(9,698)	(10,205)	(1,839)	(3,056)
Expenses associated with equity offerings	—	—	—	—	—	—	—	—	(961)	(528)
COVID-19: prepaid costs not utilized	(1,200)	—	—	(1,105)	—	—	—	—	—	—
Milestone events	(2,434)	—	—	—	—	—	—	—	—	—
Executive transitions costs	—	—	—	(691)	(150)	(225)	(225)	(400)	(75)	—
Legal proceedings	—	—	—	—	—	(1,950)	—	—	—	—
Organization realignment and restructuring:										
Consulting	—	—	—	—	—	—	—	(2,153)	—	—
Employee-related costs	—	—	—	—	—	—	—	—	(2,625)	(6,664)
Other	—	—	—	—	—	—	—	—	—	(30)
<b>Total adjustments</b>	\$ (14,234)	\$ (11,158)	\$ (11,357)	\$ (13,054)	\$ (9,737)	\$ (12,744)	\$ (10,336)	\$ (13,157)	\$ (5,764)	\$ (10,513)
<b>Adjusted selling, general, and administrative</b>	\$30,980	\$31,184	\$34,021	\$37,540	\$36,239	\$38,918	\$40,154	\$43,789	\$40,430	\$47,584
<i>As a percentage of total revenue</i>	20.4 %	16.7 %	17.1 %	18.6 %	18.4 %	15.6 %	15.2 %	17.2 %	14.7 %	14.6 %
<b>Compared to the prior year</b>					(2.0)%	(1.2)%	(1.9)%	(1.4)%	(3.7)%	(1.0)%

<sup>1</sup> Selling, general, and administrative includes depreciation and amortization.

<sup>2</sup> See appendix for explanations of each non-GAAP adjustment.



# APPENDIX



# INCOME STATEMENT

(\$ in thousands; except per share data)	Three Months Ended June 30,	
	2024	2023
Revenues:		
Company-operated stores	\$ 295,268	\$ 220,952
Franchising and other	29,650	28,927
<b>Total revenues</b>	<b>\$ 324,918</b>	<b>\$ 249,879</b>
Costs and expenses:		
Cost of sales	234,637	178,636
Selling, general and administrative	58,097	51,662
Total costs and expenses	292,734	230,298
<b>INCOME FROM OPERATIONS</b>	<b>\$ 32,184</b>	<b>\$ 19,581</b>
OTHER EXPENSE		
Interest expense, net	(6,997)	(9,058)
Other income, net	829	1,039
Total other expense	(6,168)	(8,019)
<b>INCOME BEFORE INCOME TAXES</b>	<b>\$ 26,016</b>	<b>\$ 11,562</b>
Income tax expense	3,860	1,851
<b>NET INCOME</b>	<b>\$ 22,156</b>	<b>\$ 9,711</b>
Less: Net income attributable to non-controlling interests	10,216	6,959
<b>NET INCOME ATTRIBUTABLE TO DUTCH BROS INC.</b>	<b>\$ 11,940</b>	<b>\$ 2,752</b>
Net income per share of Class A and Class D common stock		
Basic	\$ 0.12	\$ 0.05
Diluted	\$ 0.12	\$ 0.05
Weighted-average shares of class A and class D common stock outstanding:		
Basic	101,965	56,734
Diluted	102,356	57,428





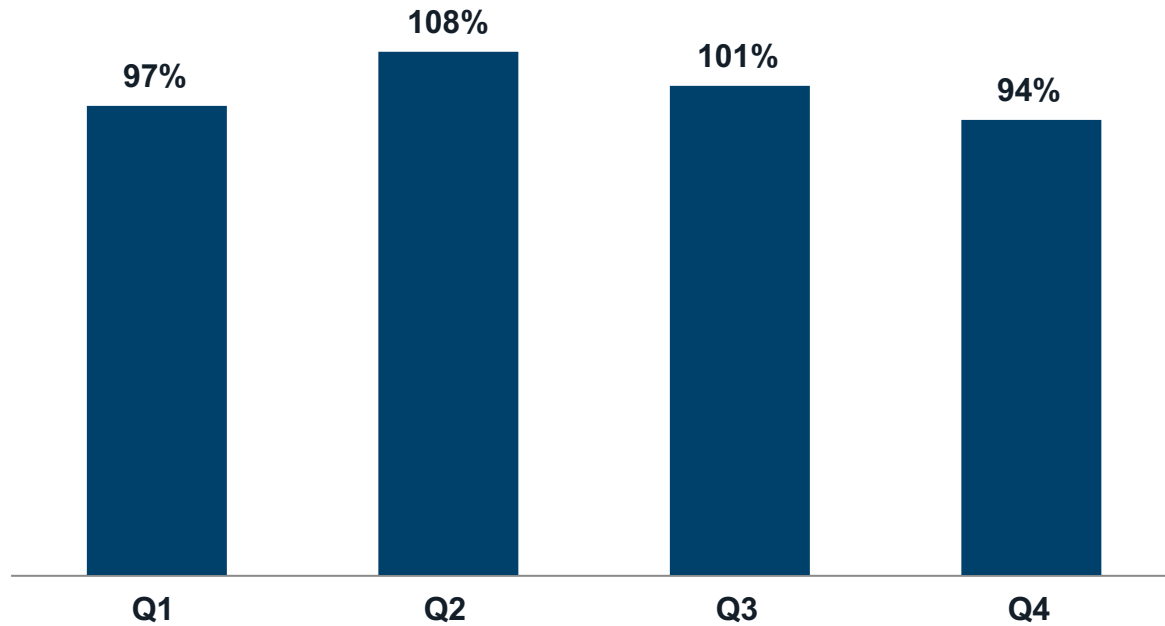
# INCOME STATEMENT – SEGMENTS

(\$ in thousands)	Three Months Ended June 30,	
	2024	2023
Revenues:		
Company-operated shops	295,268	220,952
Franchising and other	29,650	28,927
<b>Total revenues</b>	<b>\$ 324,918</b>	<b>\$ 249,879</b>
Cost of Sales:		
Company-operated shops	225,252	168,873
Franchising and other	9,385	9,763
<b>Total cost of sales</b>	<b>234,637</b>	<b>178,636</b>
Segment gross profit:		
Company-operated shops	70,016	52,079
Franchising and other	20,265	19,164
<b>Total gross profit</b>	<b>\$ 90,281</b>	<b>\$ 71,243</b>
Depreciation and amortization:		
Company-operated shops	21,038	14,799
Franchising and other	1,077	1,297
All other	235	420
<b>Total depreciation and amortization</b>	<b>22,350</b>	<b>16,516</b>
Segment contribution:		
Company-operated shops	91,054	66,878
Franchising and other	21,342	20,461
<b>Total segment contribution</b>	<b>\$ 112,396</b>	<b>\$ 87,339</b>
Selling, general and administrative	(58,097)	(51,662)
Interest expense, net	(6,997)	(9,058)
Other expense, net	829	1,039
<b>INCOME BEFORE INCOME TAXES</b>	<b>\$ 26,016</b>	<b>\$ 11,562</b>



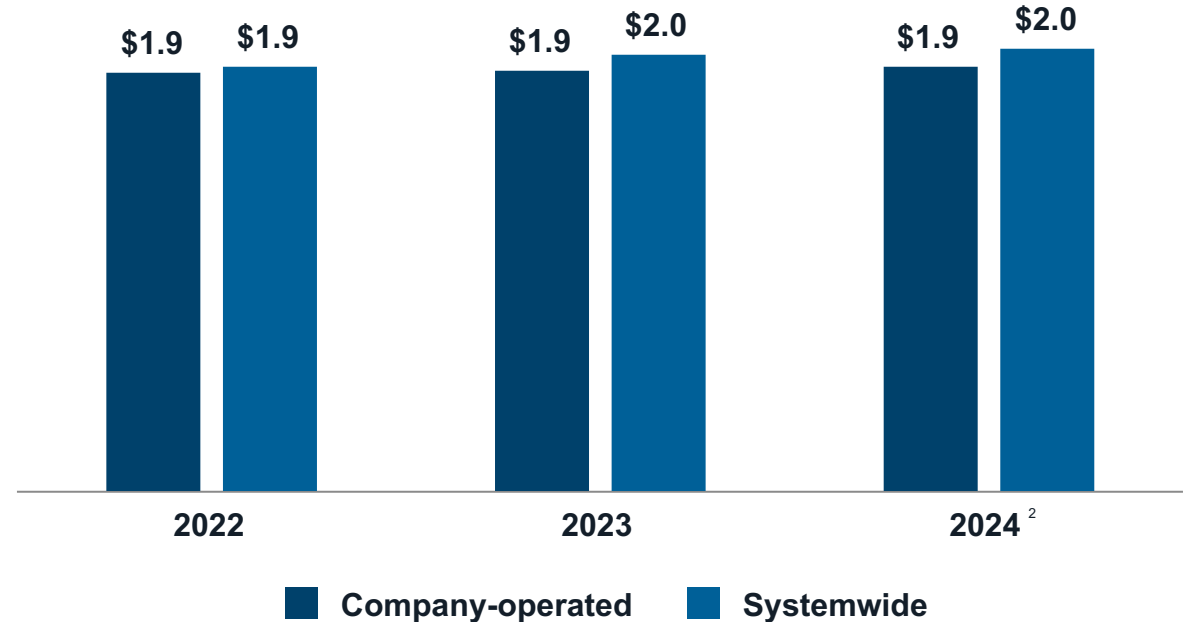
# SEASONALITY AND AUV

## TYPICAL SHOP SALES SEASONALITY



## TRAILING 12-MONTH AUV <sup>1</sup>

(\$M)



<sup>1</sup> AUVs are determined based on the net sales for any trailing twelve-month period for systemwide and company-operated shops that have been open a minimum of 15 months. AUVs are calculated by dividing the net sales by the total number of systemwide and company-operated shops, respectively.



# SUMMARY QUARTERLY DATA

(\$ in millions; except Shop Count)	2022				2023				2024	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Company-Operated Shop Count	310	336	370	396	438	473	510	542	582	612
<b>Total Shop Count</b>	<b>572</b>	<b>603</b>	<b>641</b>	<b>671</b>	<b>716</b>	<b>754</b>	<b>794</b>	<b>831</b>	<b>831</b>	<b>912</b>
Company-Operated Shop Revenue	\$ 130.2	\$ 160.5	\$ 173.5	\$ 175.5	\$ 173.2	\$ 221.0	\$ 236.5	\$ 227.4	\$ 248.1	\$ 295.3
<b>Total Revenue</b>	<b>\$ 152.2</b>	<b>\$ 186.4</b>	<b>\$ 198.6</b>	<b>\$ 201.8</b>	<b>\$ 197.3</b>	<b>\$ 249.9</b>	<b>\$ 264.5</b>	<b>\$ 254.1</b>	<b>\$ 275.1</b>	<b>\$ 324.9</b>
Company-operated Shop Gross Profit Margin	\$ 16.6	\$ 31.2	\$ 34.7	\$ 38.8	\$ 28.9	\$ 52.1	\$ 57.0	\$ 42.3	\$ 54.3	\$ 70.0
Company-operated Shop Depreciation & Amortization	\$ 7.1	\$ 8.3	\$ 9.6	\$ 11.2	\$ 13.0	\$ 14.8	\$ 16.3	\$ 18.0	\$ 19.7	\$ 21.0
Company-Operated Shop Contribution <sup>1</sup>	\$ 23.8	\$ 39.5	\$ 44.3	\$ 50.0	\$ 41.9	\$ 66.9	\$ 73.3	\$ 60.2	\$ 74.0	\$ 91.1
Adjusted EBITDA	\$ 9.7	\$ 23.9	\$ 27.8	\$ 29.8	\$ 23.9	\$ 48.6	\$ 53.0	\$ 34.6	\$ 52.5	\$ 65.2
Net Income (Loss)	\$ (16.3)	\$ (1.8)	\$ 1.6	\$ (2.8)	\$ (9.4)	\$ 9.7	\$ 13.4	\$ (3.8)	\$ 16.2	\$ 22.2

<sup>1</sup> Represents company-operated shop gross profit plus depreciation, see Company-operated Shop Results on slide 7 for reconciliation to the most directly comparable financial measure stated in accordance with GAAP



# COMMON UNITS OUTSTANDING

The following table summarizes the ownership interest in Dutch Bros OpCo<sup>1</sup>:

(in thousands)	June 30, 2024	
	OpCo Units	Ownership %
Dutch Bros OpCo Class A common units held by Dutch Bros Inc.	113,817	64.2%
Dutch Bros OpCo Class A common units held by non-controlling interest holders	63,369	35.8%
<b>Total Dutch Bros OpCo Class A common units outstanding</b>	<b>177,186</b>	<b>100.0%</b>

<sup>1</sup> Dutch Mafia, LLC, a Delaware limited liability company and direct subsidiary of Dutch Bros Inc.





# NON-GAAP ADJUSTMENTS

Below are the definitions of the non-GAAP adjustments that are used in the calculation of our non-GAAP measures, which are included in the GAAP to non-GAAP reconciliations on the following slides.

**Equity-based compensation** — Non-cash expenses related to the grant and vesting of stock awards, including restricted stock awards and restricted stock units, in Dutch Bros Inc. to certain eligible employees.

**Expenses associated with equity offerings** — Costs incurred as a result of our equity offerings, including secondary offerings by our Sponsor. These costs include, but are not limited to, legal fees, consulting fees, tax fees, and accounting fees.

**COVID-19: "thank you" pay and catastrophic leave** — Costs related to two separate programs established to support employees during the COVID-19 pandemic. We implemented an hourly wage supplement program for shop employees who continued to work while their state or county was under a stay at home order or similar lockdown requirement. This program lasted in various markets until April 2021. We also established a catastrophic leave policy that provided paid leave to employees who were required to quarantine due to in-shop exposures and could not work their regular hours. All COVID-19-related protocols, including catastrophic leave, will remain in effect until the end of the COVID-19 pandemic as determined by the appropriate government agency. The catastrophic leave program was retired in May 2023.

**COVID-19: Prepaid costs not utilized** — Costs related to the write-off of previously prepaid expenses for the cancellation of our 2023 annual kick-off meeting as a result of COVID-19 concerns and the development of a virtual corporate engagement platform built in response to the health restrictions of the COVID-19 pandemic. The platform was developed as a substitute for in person engagement practices used pre-pandemic. The platform has been determined ineffective, particularly as we shift back to in-person events with the easing of restrictions related to the COVID-19 pandemic.

**Milestone events** — Costs incurred for company-wide events to celebrate 30 years of serving high QUALITY, hand-crafted beverages with unparalleled SPEED and superior SERVICE to our customers.

**Executive transitions** — Employee severance and related benefit costs, as well as sign-on bonus(es) for several executive-level transitions occurring in 2022 and 2023, and amortized through the first quarter of 2024.

**TRA remeasurement** — (Gain) loss impacts related to adjustments of our TRAs liabilities.

**Legal proceedings** — Loss accrual related to certain legal disputes.

**Sale of aircraft** — Gain impact related to the sale of the Company airplane to our Co-Founder.

**Organization realignment and restructuring** — Fees and costs, including consulting, employee-related and other costs, in connection with our comprehensive initiative to develop and implement a long-term strategy involving changes to our organizational structure to support our growth, and the resulting realignment activities that have occurred in 2023 and 2024, and are expected to continue for at least the next year. Given this strategic initiative's magnitude and scope, the Company does not expect such costs will recur in the foreseeable future. The Company does not consider such costs reflective of the ongoing costs necessary to operate its business.

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<sup>1</sup> Dutch Bros PubCo refers to Dutch Bros Inc., a Delaware Corporation, in which its Class A common stock are publicly traded on the New York Stock Exchange under the symbol "BROS".

<sup>2</sup> Dutch Bros OpCo refers to Dutch Mafia, LLC, a Delaware limited liability company, and a direct subsidiary of Dutch Bros Inc.



# ADJUSTED EBITDA RECONCILIATION

(\$ in thousands)	2022				2023				2024	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
<b>Net income (loss)</b>	<b>\$(16,279)</b>	<b>\$(1,751)</b>	<b>\$1,594</b>	<b>\$(2,817)</b>	<b>\$(9,391)</b>	<b>\$9,711</b>	<b>\$13,401</b>	<b>\$(3,769)</b>	<b>\$16,215</b>	<b>\$22,156</b>
Depreciation and amortization	9,182	10,539	11,810	13,197	14,779	16,516	18,116	19,724	21,253	22,350
Interest expense, net	2,489	3,596	5,011	6,922	7,886	9,058	9,325	6,052	6,393	6,997
Income tax expense (benefit)	(214)	885	(3,371)	5,299	2,580	1,851	1,828	708	8,772	3,860
<b>EBITDA</b>	<b>\$(4,822)</b>	<b>\$13,269</b>	<b>\$15,044</b>	<b>\$22,601</b>	<b>\$15,854</b>	<b>\$37,136</b>	<b>\$42,670</b>	<b>\$22,715</b>	<b>\$52,633</b>	<b>\$55,363</b>
Equity-based compensation	9,900	10,446	10,649	10,662	9,170	10,149	9,698	10,205	1,933	3,326
Expenses associated with equity offerings	—	—	—	—	—	—	—	—	961	528
COVID-19: "thank you pay" and catastrophic leave	950	224	227	67	—	—	—	—	—	—
COVID-19: prepaid costs not utilized	1,200	—	—	1,105	—	—	—	—	—	—
Milestone events	2,434	—	—	—	—	—	—	—	—	—
Executive transitions	—	—	—	691	150	225	225	400	75	—
TRA remeasurement	—	—	1,910	(5,376)	(1,294)	(861)	415	(898)	(5,687)	—
Legal proceedings	—	—	—	—	—	1,950	—	—	—	—
Sale of Aircraft (gain)	—	—	—	—	—	—	—	—	—	(752)
Organization realignment and restructuring:	—	—	—	—	—	—	—	—	—	—
Consulting	—	—	—	—	—	—	—	2,153	—	—
Employee-related costs	—	—	—	—	—	—	—	—	2,625	6,664
Other	—	—	—	—	—	—	—	—	—	30
<b>Adjusted EBITDA</b>	<b>\$9,662</b>	<b>\$23,939</b>	<b>\$27,830</b>	<b>\$29,750</b>	<b>\$23,880</b>	<b>\$48,599</b>	<b>\$53,008</b>	<b>\$34,575</b>	<b>\$52,540</b>	<b>\$65,159</b>
Adjusted EBITDA margin	6.4 %	12.8 %	14.0 %	14.7 %	12.1 %	19.4 %	20.0 %	13.6 %	19.1 %	20.1 %



# CONTACT INFORMATION

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*"IT'S ABOUT*  
**FUN,**  
*IT'S ABOUT*  
**PEOPLE**  
*AND IT'S ABOUT*  
**GREAT**  
**COFFEE."**

- TRAV  
BOERSMA

