

DUTCH BROS

Coffee



Supplemental Earnings Slides

Q3 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 September 30, 2024.

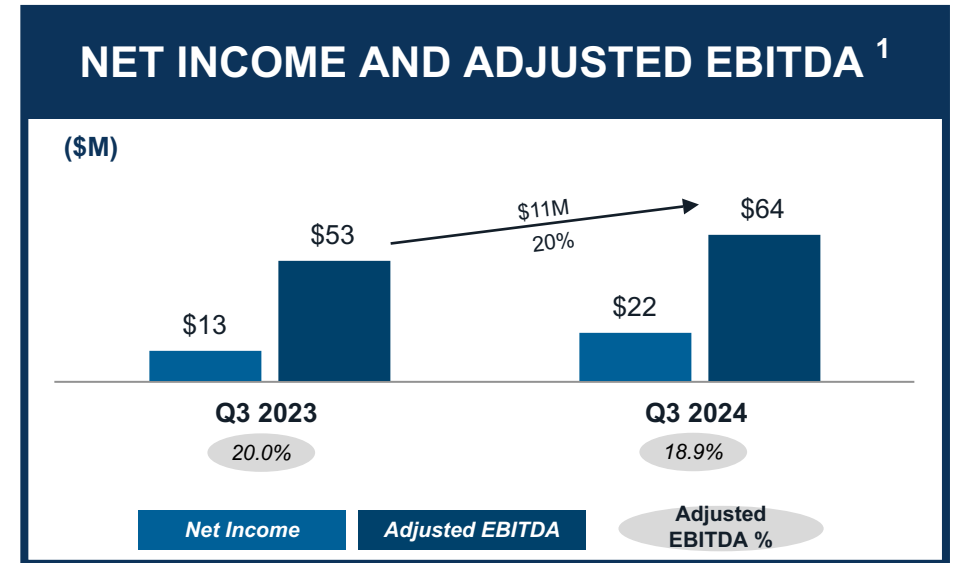
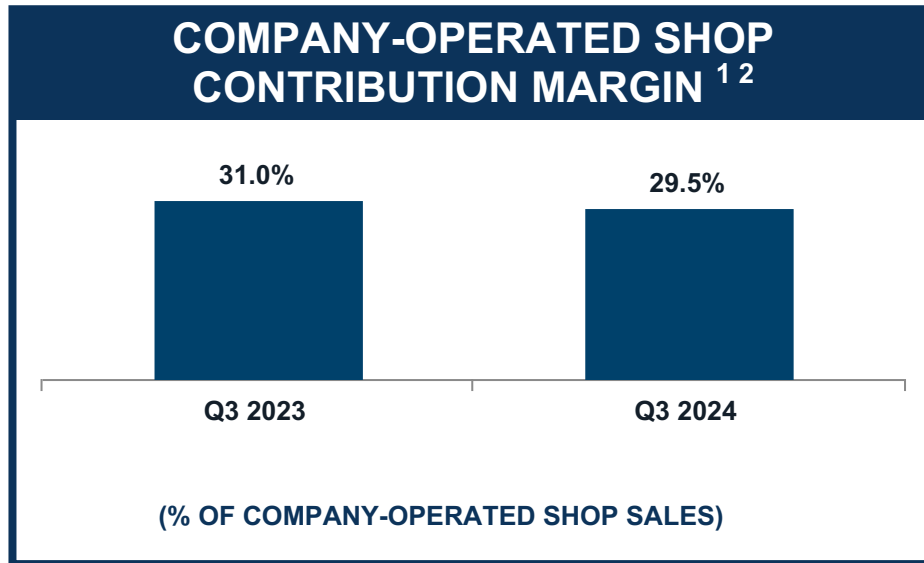
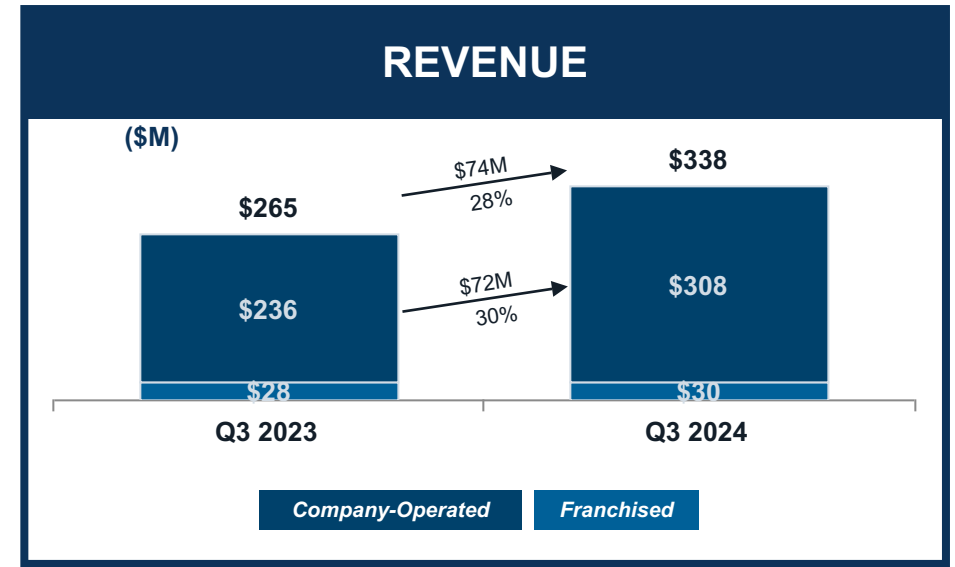
Non-GAAP Measures. The Company prepares and presents its consolidated financial statements in accordance with generally accepted accounting principles in the United States ("GAAP"). However, management believes that certain non-GAAP financial measures, such as Adjusted EBITDA and Company-operated shop 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.”***



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

² See slide 7 for breakdown of company-operated shop contribution



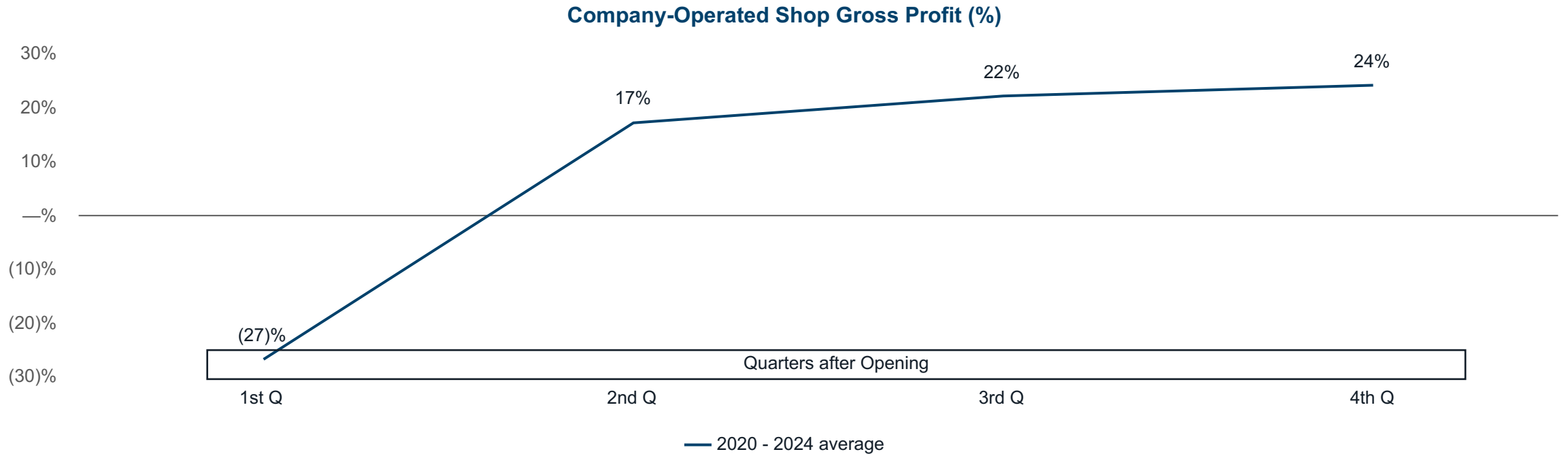
SAME SHOP SALES

SAME SHOP SALES VS PRIOR YEARS

	2023					2024		
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3
<i>Fiscal year ending December,</i>								
Systemwide Same Shop Sales	(2.0)%	3.8 %	4.0 %	5.0 %	2.8 %	10.0 %	4.1 %	2.7 %
Ticket	6.3 %	6.4 %	9.5 %	5.4 %	7.2 %	8.8 %	6.1 %	1.9 %
Transactions	(8.3)%	(2.6)%	(5.5)%	(0.4)%	(4.4)%	1.2 %	(2.0)%	0.8 %
Company-Operated Same Shop Sales	(3.5)%	1.6 %	2.8 %	4.6 %	1.5 %	10.9 %	5.2 %	4.0 %
Ticket	6.5 %	6.1 %	9.1 %	4.9 %	7.1 %	8.2 %	6.0 %	1.6 %
Transactions	(10.0)%	(4.5)%	(6.3)%	(0.3)%	(5.6)%	2.7 %	(0.8)%	2.4 %



COMPANY-OPERATED SHOP MARGIN PROGRESSION





COMPANY-OPERATED SHOP RESULTS

(\$ in millions)	Three Months Ended September 30,			
	2024		2023	
	\$	%	\$	%
Company-operated shop revenue	\$308.3	100.0 %	\$236.5	100.0 %
Beverage, food and packaging	78.1	25.3	61.3	25.9
Labor costs	85.1	27.6	61.5	26.0
Occupancy and other costs	50.7	16.4	36.1	15.3
Pre-opening costs	3.6	1.2	4.2	1.8
Depreciation and amortization	22.5	7.3	16.3	6.9
Company-operated shop gross profit	68.4	22.2	57.0	24.1
Depreciation and amortization	22.5	7.3	16.3	6.9
Company-operated shop contribution ¹	\$90.8	29.5 %	\$73.3	31.0 %

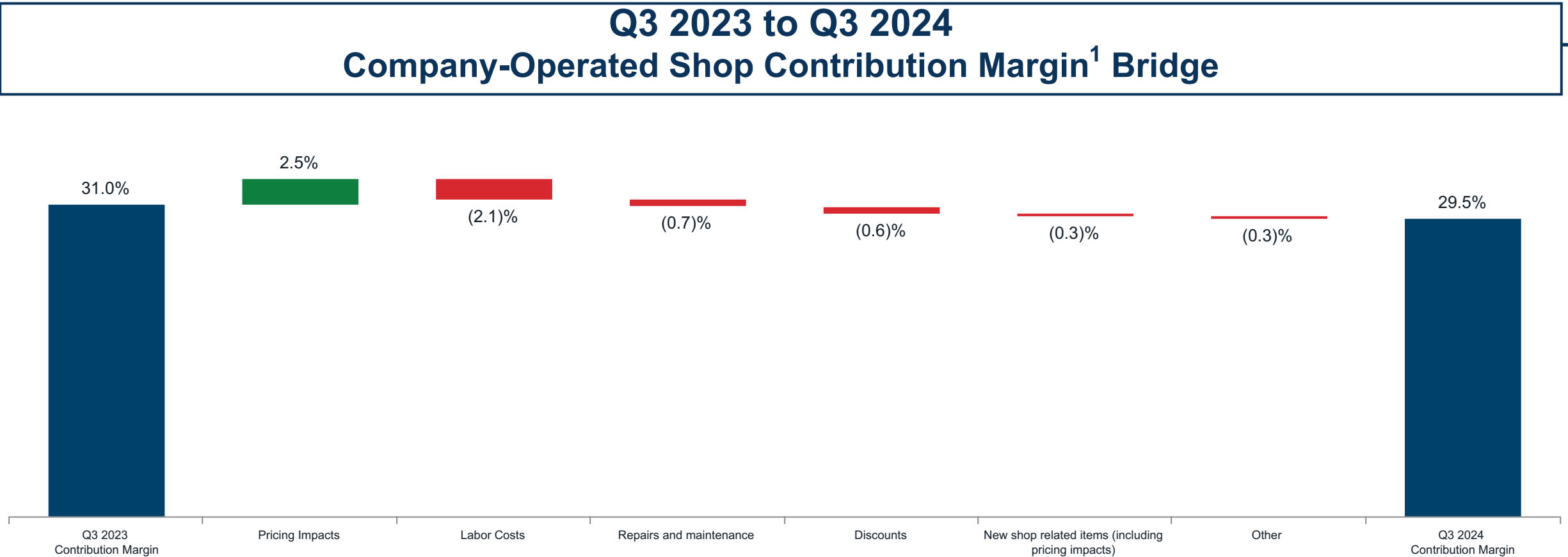
¹ Represents a non-GAAP measure, defined as company-operated shop gross profit plus depreciation, which the supplemental GAAP to non-GAAP reconciliation is provided in the table above.



COMPANY-OPERATED SHOP CONTRIBUTION MARGIN¹ BRIDGE

Q3 2023 to Q3 2024

Company-Operated Shop Contribution Margin¹ Bridge

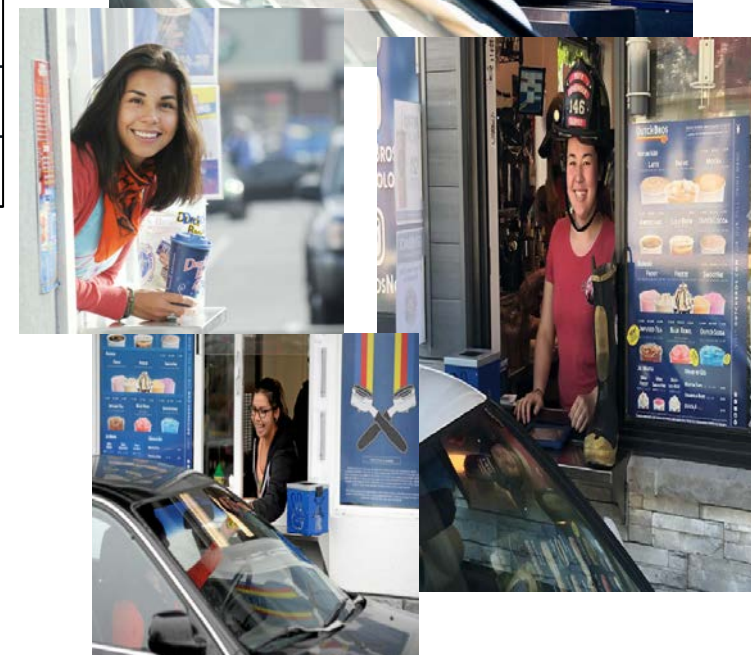


¹ Contribution margin is non-GAAP measure, the definition and the GAAP to non-GAAP reconciliation are provided on slide 7. The company-operated shop gross margin was 24.1% for Q3 2023 and 22.2% for Q3 2024.



OUTLOOK

2024 Outlook	
Total System New Shop Openings	150
Revenue	between \$1.255 billion to \$1.260 billion
Same Shop Sales Growth	Full Year: approximately 4.25% Q4: between 1% and 2%
Adjusted EBITDA ¹	between \$215 million to \$220 million
Adjusted SG&A ¹	between \$195 million to \$200 million
Capital Expenditures	between \$245 million to \$265 million



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

¹ 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	Q3
Total revenues	\$152,156	\$186,381	\$198,648	\$201,827	\$197,267	\$249,879	\$264,507	\$254,123	\$275,099	\$324,918	\$338,212
Selling, general, and administrative ¹	\$45,214	\$42,342	\$45,378	\$50,594	\$45,976	\$51,662	\$50,490	\$56,946	\$46,194	\$58,097	\$57,536
<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 %	17.0 %
Adjustments ²											
Depreciation and amortization	(700)	(712)	(708)	(596)	(417)	(420)	(413)	(399)	(264)	(235)	(389)
Equity-based compensation	(9,900)	(10,446)	(10,649)	(10,662)	(9,170)	(10,149)	(9,698)	(10,205)	(1,839)	(3,056)	(2,688)
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)	(3,998)
Other	—	—	—	—	—	—	—	—	—	(30)	(193)
Total adjustments	\$ (14,234)	\$ (11,158)	\$ (11,357)	\$ (13,054)	\$ (9,737)	\$ (12,744)	\$ (10,336)	\$ (13,157)	\$ (5,764)	\$ (10,513)	\$ (7,268)
Adjusted selling, general, and administrative	\$30,980	\$31,184	\$34,021	\$37,540	\$36,239	\$38,918	\$40,154	\$43,789	\$40,430	\$47,584	\$50,268
<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 %	14.9 %
Compared to the prior year					(2.0)%	(1.2)%	(1.9)%	(1.4)%	(3.7)%	(1.0)%	(0.3)%

¹ Selling, general, and administrative includes depreciation and amortization.

² See appendix for explanations of each non-GAAP adjustment.



APPENDIX



INCOME STATEMENT

(\$ in thousands; except per share data)	Three Months Ended September 30,	
	2024	2023
Revenues:		
Company-operated stores	\$308,295	\$236,472
Franchising and other	29,917	28,035
Total revenues	\$338,212	\$264,507
Costs and expenses:		
Cost of sales	248,161	189,323
Selling, general and administrative	57,536	50,490
Total costs and expenses	305,697	239,813
INCOME FROM OPERATIONS	\$32,515	\$24,694
OTHER EXPENSE		
Interest expense, net	(6,869)	(9,325)
Other income (expense), net	764	(140)
Total other expense	(6,105)	(9,465)
INCOME BEFORE INCOME TAXES	\$26,410	\$15,229
Income tax expense	4,698	1,828
NET INCOME	\$21,712	\$13,401
Less: Net income attributable to non-controlling interests	9,068	9,191
NET INCOME ATTRIBUTABLE TO DUTCH BROS INC.	\$12,644	\$4,210
Net income per share of Class A and Class D common stock		
Basic	\$0.11	\$0.07
Diluted	\$0.11	\$0.07
Weighted-average shares of class A and class D common stock outstanding:		
Basic	113,819	59,366
Diluted	114,252	60,214



INCOME STATEMENT – SEGMENTS

(\$ in thousands)	Three Months Ended September 30,	
	2024	2023
Revenues:		
Company-operated shops	308,295	236,472
Franchising and other	29,917	28,035
Total revenues	\$338,212	\$264,507
Cost of Sales:		
Company-operated shops	239,918	179,480
Franchising and other	8,243	9,843
Total cost of sales	248,161	189,323
Segment gross profit:		
Company-operated shops	68,377	56,992
Franchising and other	21,674	18,192
Total gross profit	\$90,051	\$75,184
Depreciation and amortization:		
Company-operated shops	22,470	16,332
Franchising and other	1,022	1,371
All other	389	413
Total depreciation and amortization	23,881	18,116
Segment contribution:		
Company-operated shops	90,847	73,324
Franchising and other	22,696	19,563
Total segment contribution	\$113,543	\$92,887
Selling, general and administrative	(57,536)	(50,490)
Interest expense, net	(6,869)	(9,325)
Other expense, net	764	(140)
INCOME BEFORE INCOME TAXES	\$26,410	\$15,229



SUMMARY QUARTERLY DATA

(\$ in millions; except Shop Count)	2022				2023				2024		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Company-Operated Shop Count	310	336	370	396	438	473	510	542	582	612	645
Total Shop Count	572	603	641	671	716	754	794	831	831	912	950
Company-Operated Shop Revenue	\$130.2	\$160.5	\$173.5	\$175.5	\$173.2	\$221.0	\$236.5	\$227.4	\$248.1	\$295.3	\$308.3
Total Revenue	\$152.2	\$186.4	\$198.6	\$201.8	\$197.3	\$249.9	\$264.5	\$254.1	\$275.1	\$324.9	\$338.2
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	\$68.4
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	\$22.5
Company-Operated Shop Contribution ¹	\$23.8	\$39.5	\$44.3	\$50.0	\$41.9	\$66.9	\$73.3	\$60.2	\$74.0	\$91.1	\$90.8
Adjusted EBITDA	\$9.7	\$23.9	\$27.8	\$29.8	\$23.9	\$48.6	\$53.0	\$34.6	\$52.5	\$65.2	\$63.8
Net Income (Loss)	-\$16.3	-\$1.8	\$1.6	-\$2.8	-\$9.4	\$9.7	\$13.4	-\$3.8	\$16.2	\$22.2	\$21.7

¹ 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 OpCo¹:

(in thousands)	September 30, 2024	
	OpCo Units	Ownership %
Dutch Bros OpCo Class A common units held by Dutch Bros Inc.	113,823	64.2%
Dutch Bros OpCo Class A common units held by non-controlling interest holders	63,369	35.8%
Total Dutch Bros OpCo Class A common units outstanding	177,192	100.0%

¹ 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 our airplane, hangar and related equipment 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. This initiative resulted in realignment activities that occurred in 2023, and restructuring activities that commenced in 2024, and are expected to continue for at least the next year. Given this strategic initiative's magnitude and scope, we do not expect such costs will recur in the foreseeable future, and do not consider such costs reflective of the ongoing costs necessary to operate our business.

¹ 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".

² 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	Q3
Net income (loss)	\$(16,279)	\$(1,751)	\$1,594	\$(2,817)	\$(9,391)	\$9,711	\$13,401	\$(3,769)	\$16,215	\$22,156	\$21,712
Depreciation and amortization	9,182	10,539	11,810	13,197	14,779	16,516	18,116	19,724	21,253	22,350	23,881
Interest expense, net	2,489	3,596	5,011	6,922	7,886	9,058	9,325	6,052	6,393	6,997	6,869
Income tax expense (benefit)	(214)	885	(3,371)	5,299	2,580	1,851	1,828	708	8,772	3,860	4,698
EBITDA	\$(4,822)	\$13,269	\$15,044	\$22,601	\$15,854	\$37,136	\$42,670	\$22,715	\$52,633	\$55,363	\$57,160
Equity-based compensation	9,900	10,446	10,649	10,662	9,170	10,149	9,698	10,205	1,933	3,326	2,961
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	—	—	—	—	—	—	—	—	—	(752)	(550)
Organization realignment and restructuring:	—	—	—	—	—	—	—	—	—	—	—
Consulting	—	—	—	—	—	—	—	2,153	—	—	—
Employee-related costs	—	—	—	—	—	—	—	—	2,625	6,664	3,998
Other	—	—	—	—	—	—	—	—	—	30	193
Adjusted EBITDA	\$9,662	\$23,939	\$27,830	\$29,750	\$23,880	\$48,599	\$53,008	\$34,575	\$52,540	\$65,159	\$63,762
Adjusted EBITDA margin	6.4 %	12.8 %	14.0 %	14.7 %	12.1 %	19.4 %	20.0 %	13.6 %	19.1 %	20.1 %	18.9 %



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

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