# 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 October 6, 2024**

**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: 001-34851**

# RED ROBIN GOURMET BURGERS, INC.
(Exact name of registrant as specified in its charter)

| | |
|---|---|
| **Delaware** | **84-1573084** |
| (State or other jurisdiction of incorporation or organization) | (I.R.S. Employer Identification No.) |

**10000 E. Geddes Avenue, Suite 500**
**Englewood, Colorado 80112**
(Address of principal executive offices) (Zip Code)

**(303) 846-6000**
(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Exchange Act:

| Title of each class | Trading symbol(s) | Name of each exchange on which registered |
|---|---|---|
| Common Stock, $0.001 par value | RRGB | Nasdaq (Global Select Market) |

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 every Interactive Data File required to be submitted 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 such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the 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 | ▯ | 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 ☒

As of November 4, 2024, there were 15,776,961 shares of the registrant's common stock, par value of $0.001 per share outstanding.

**RED ROBIN GOURMET BURGERS, INC.**

**TABLE OF CONTENTS**

## PART I — FINANCIAL INFORMATION

### ITEM 1. Financial Statements (unaudited)

### RED ROBIN GOURMET BURGERS, INC.

### CONDENSED CONSOLIDATED BALANCE SHEETS

**(Unaudited)**

| (in thousands, except for per share amounts) | October 6, 2024 | December 31, 2023 |
|---|---|---|
| **Assets:** | | |
| Current assets: | | |
| Cash and cash equivalents | $ 21,988 | $ 23,634 |
| Accounts receivable, net | 11,283 | 21,592 |
| Inventories | 27,498 | 26,839 |
| Prepaid expenses and other current assets | 10,370 | 11,785 |
| Restricted cash | 8,300 | 7,931 |
| Total current assets | 79,439 | 91,781 |
| Property and equipment, net | 217,073 | 261,258 |
| Operating lease assets, net | 345,364 | 361,609 |
| Intangible assets, net | 13,676 | 15,491 |
| Other assets, net | 13,896 | 11,795 |
| Total assets | $ 669,448 | $ 741,934 |
| **Liabilities and stockholders' equity (deficit):** | | |
| Current liabilities: | | |
| Accounts payable | $ 29,573 | $ 27,726 |
| Accrued payroll and payroll-related liabilities | 33,908 | 32,524 |
| Unearned revenue | 15,338 | 36,067 |
| Current portion of operating lease obligations | 51,423 | 43,819 |
| Accrued liabilities and other | 49,455 | 46,201 |
| Total current liabilities | 179,697 | 186,337 |
| Long-term debt | 180,688 | 182,594 |
| Long-term portion of operating lease obligations | 353,435 | 383,439 |
| Other non-current liabilities | 8,965 | 10,006 |
| Total liabilities | 722,785 | 762,376 |
| Commitments and contingencies (see Note 8. Commitments and Contingencies) | | |
| Stockholders' equity (deficit): | | |
| Common stock; \$0.001 par value: 45,000 shares authorized; 20,449 shares issued; 15,779 and 15,528 shares outstanding as of October 6, 2024 and December 31, 2023 | 20 | 20 |
| Preferred stock, \$0.001 par value: 3,000 shares authorized; no shares issued and outstanding as of October 6, 2024 and December 31, 2023 | — | — |
| Treasury stock 4,670 and 4,921 shares, at cost, as of October 6, 2024 and December 31, 2023 | (165,747) | (174,702) |
| Paid-in capital | 225,666 | 229,680 |
| Accumulated other comprehensive loss, net of tax | (33) | (22) |
| Accumulated deficit | (113,243) | (75,418) |
| Total stockholders' equity (deficit) | (53,337) | (20,442) |
| Total liabilities and stockholders' equity (deficit) | $ 669,448 | $ 741,934 |

See Notes to Condensed Consolidated Financial Statements

**RED ROBIN GOURMET BURGERS, INC.**

**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)**

**(Unaudited)**

| | Twelve Weeks Ended | | Forty Weeks Ended | |
|---|---|---|---|---|
| (in thousands, except for per share amounts) | October 6, 2024 | October 1, 2023 | October 6, 2024 | October 1, 2023 |
| Revenues: | | | | |
| Restaurant revenue | $ 270,605 | $ 273,133 | $ 943,630 | $ 973,307 |
| Franchise revenue | 3,007 | 3,418 | 12,635 | 12,245 |
| Other revenue | 1,026 | 1,009 | 7,068 | 8,468 |
| Total revenues | 274,638 | 277,560 | 963,333 | 994,020 |
| Costs and expenses: | | | | |
| Restaurant operating costs (excluding depreciation and amortization shown separately below): | | | | |
| Cost of sales | 65,105 | 65,128 | 224,759 | 236,171 |
| Labor | 107,692 | 103,741 | 370,559 | 358,841 |
| Other operating | 49,740 | 50,351 | 168,014 | 174,243 |
| Occupancy | 23,826 | 23,523 | 79,850 | 76,806 |
| Depreciation and amortization | 13,330 | 14,672 | 44,886 | 52,253 |
| Selling, general, and administrative expenses | 26,290 | 27,961 | 94,329 | 89,348 |
| Pre-opening costs | — | — | — | 586 |
| Other charges (gains), net | 1,532 | (5,878) | 487 | (6,726) |
| Total costs and expenses | 287,515 | 279,498 | 982,884 | 981,522 |
| | | | | |
| Income (loss) from operations | (12,877) | (1,938) | (19,551) | 12,498 |
| Other expense: | | | | |
| Interest expense | 6,322 | 6,103 | 18,907 | 20,355 |
| Interest income and other, net | (225) | (158) | (676) | (814) |
| Loss before income taxes | (18,974) | (7,883) | (37,782) | (7,043) |
| Income tax provision (benefit) | (98) | 278 | 43 | 453 |
| Net loss | $ (18,876) | $ (8,161) | $ (37,825) | $ (7,496) |
| Loss per share: | | | | |
| Basic | $ (1.20) | $ (0.52) | $ (2.42) | $ (0.47) |
| Diluted | $ (1.20) | $ (0.52) | $ (2.42) | $ (0.47) |
| Weighted average shares outstanding: | | | | |
| Basic | 15,754 | 15,799 | 15,652 | 15,949 |
| Diluted | 15,754 | 15,799 | 15,652 | 15,949 |
| | | | | |
| Other comprehensive income (loss): | | | | |
| Foreign currency translation adjustment | $ 3 | $ (12) | $ (12) | $ 1 |
| Other comprehensive income (loss), net of tax | 3 | (12) | (12) | 1 |
| Total comprehensive loss | $ (18,873) | $ (8,173) | $ (37,837) | $ (7,495) |

See Notes to Condensed Consolidated Financial Statements.

**RED ROBIN GOURMET BURGERS, INC.**

**CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)**

**(Unaudited)**

| (in thousands) | Common Stock Shares | Common Stock Amount | Treasury Stock Shares | Treasury Stock Amount | Paid-in Capital | Accumulated Other Comprehensive Income/(Loss), net of tax | Accumulated Deficit | Total |
|---|---|---|---|---|---|---|---|---|
| **Balance, December 31, 2023** | 20,449 | $ 20 | 4,921 | $ (174,702) | $ 229,680 | $ (22) | $ (75,418) | $ (20,442) |
| Exercise of options, issuance of restricted stock, shares exchanged for exercise and tax, and stock issued through employee stock purchase plan | — | — | (84) | 3,011 | (3,382) | — | — | (371) |
| Non-cash stock compensation | — | — | — | — | 1,190 | — | — | 1,190 |
| Net loss | — | — | — | — | — | — | (9,460) | (9,460) |
| Other comprehensive income (loss), net of tax | — | — | — | — | — | (18) | — | (18) |
| **Balance, April 21, 2024** | 20,449 | $ 20 | 4,837 | $ (171,691) | $ 227,488 | $ (40) | $ (84,878) | $ (29,101) |
| Exercise of options, issuance of restricted stock, shares exchanged for exercise and tax, and stock issued through employee stock purchase plan | — | — | (143) | 5,106 | (4,919) | — | — | 187 |
| Non-cash stock compensation | — | — | — | — | 1,856 | — | — | 1,856 |
| Net loss | — | — | — | — | — | — | (9,489) | (9,489) |
| Other comprehensive income (loss), net of tax | — | — | — | — | — | 4 | — | 4 |
| **Balance, July 14, 2024** | 20,449 | $ 20 | 4,694 | $ (166,585) | $ 224,425 | $ (36) | $ (94,367) | $ (36,543) |
| Exercise of options, issuance of restricted stock, shares exchanged for exercise and tax, and stock issued through employee stock purchase plan | — | — | (24) | 838 | (897) | — | — | (59) |
| Non-cash stock compensation | — | — | — | — | 2,138 | — | — | 2,138 |
| Net loss | — | — | — | — | — | — | (18,876) | (18,876) |
| Other comprehensive income (loss), net of tax | — | — | — | — | — | 3 | — | 3 |
| **Balance, October 6, 2024** | 20,449 | $ 20 | 4,670 | $ (165,747) | $ 225,666 | $ (33) | $ (113,243) | $ (53,337) |

| (in thousands) | Common Stock Shares | Common Stock Amount | Treasury Stock Shares | Treasury Stock Amount | Paid-in Capital | Accumulated Other Comprehensive Income/(Loss), net of tax | Accumulated Deficit | Total |
|---|---|---|---|---|---|---|---|---|
| **Balance, December 25, 2022** | 20,449 | $ 20 | 4,515 | $ (182,810) | $ 238,803 | $ (34) | $ (54,190) | $ 1,789 |
| Exercise of options, issuance of restricted stock, shares exchanged for exercise and tax, and stock issued through employee stock purchase plan | — | — | (129) | 5,330 | (5,106) | — | — | 224 |
| Non-cash stock compensation | — | — | — | — | 2,179 | — | — | 2,179 |
| Net loss | — | — | — | — | — | — | (3,256) | (3,256) |
| Other comprehensive income (loss), net of tax | — | — | — | — | — | 8 | — | 8 |
| **Balance, April 16, 2023** | 20,449 | $ 20 | 4,386 | $ (177,480) | $ 235,876 | $ (26) | $ (57,446) | $ 944 |
| Exercise of options, issuance of restricted stock, shares exchanged for exercise and tax, and stock issued through employee stock purchase plan | — | — | (250) | 9,933 | (8,297) | — | — | 1,636 |
| Acquisition of treasury stock | — | — | 382 | (4,999) | — | — | — | (4,999) |
| Non-cash stock compensation | — | — | — | — | 1,519 | — | — | 1,519 |
| Net income | — | — | — | — | — | — | 3,922 | 3,922 |
| Other comprehensive income (loss), net of tax | — | — | — | — | — | 4 | — | 4 |
| **Balance, July 9, 2023** | 20,449 | $ 20 | 4,518 | $ (172,546) | $ 229,098 | $ (22) | $ (53,524) | $ 3,026 |
| Exercise of options, issuance of restricted stock, shares exchanged for exercise and tax, and stock issued through employee stock purchase plan | — | — | (31) | 694 | (809) | — | — | (115) |
| Acquisition of treasury stock | — | — | 480 | (4,961) | — | — | — | (4,961) |
| Non-cash stock compensation | — | — | — | — | 1,480 | — | — | 1,480 |
| Net loss | — | — | — | — | — | — | (8,161) | (8,161) |
| Other comprehensive income (loss), net of tax | — | — | — | — | — | (12) | — | (12) |
| **Balance, October 1, 2023** | 20,449 | $ 20 | 4,967 | $ (176,813) | $ 229,769 | $ (34) | $ (61,685) | $ (8,743) |

See Notes to Condensed Consolidated Financial Statements.

**RED ROBIN GOURMET BURGERS, INC.**

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

**(Unaudited)**

| | Forty Weeks Ended | |
|---|---|---|
| (in thousands) | October 6, 2024 | October 1, 2023 |
| Cash flows from operating activities: | | |
| Net loss | $ (37,825) | $ (7,496) |
| Adjustments to reconcile net income (loss) to net cash provided by operating activities: | | |
| Depreciation and amortization | 44,886 | 52,253 |
| Asset impairment | 1,306 | 7,187 |
| Non-cash other charges (gains), net | (68) | (1,819) |
| Stock-based compensation expense | 5,184 | 5,171 |
| Gain on sale of restaurant property | (7,425) | (29,865) |
| Other, net | 1,574 | 733 |
| Changes in operating assets and liabilities, net of business acquisition: | | |
| Accounts receivable | 10,111 | 9,607 |
| Income tax receivable | 197 | 100 |
| Inventories | (737) | (377) |
| Prepaid expenses and other current assets | 2,551 | 1,354 |
| Operating lease assets, net of liabilities | (3,308) | (9,975) |
| Trade accounts payable and accrued liabilities | 7,936 | 5,416 |
| Unearned revenue | (20,729) | (15,057) |
| Other operating assets and liabilities, net | (1,813) | 129 |
| Net cash provided by operating activities | 1,840 | 17,361 |
| Cash flows from investing activities: | | |
| Purchases of property, equipment, and intangible assets | (19,414) | (37,074) |
| Net proceeds from sale-leaseback | 23,271 | 58,801 |
| Proceeds from sales of property and equipment and other investing activities | 1,016 | 794 |
| Acquisition of franchised restaurants | — | (3,529) |
| Net cash provided by investing activities | 4,873 | 18,992 |
| Cash flows from financing activities: | | |
| Proceeds from borrowings on revolving credit facilities | 50,500 | — |
| Repayments of borrowings on revolving credit facilities | (30,500) | (15,000) |
| Repayments of borrowings on term loan | (21,232) | (9,857) |
| Repayments of finance lease obligations | (934) | (668) |
| Purchase of treasury stock | — | (9,960) |
| Debt issuance costs | (2,726) | — |
| (Uses) Proceeds from other financing activities, net | (3,098) | 1,744 |
| Net cash used in financing activities | (7,990) | (33,741) |
| Net change in cash and cash equivalents, and restricted cash | (1,277) | 2,612 |
| Cash and cash equivalents, and restricted cash, beginning of period | 31,565 | 58,206 |
| Cash and cash equivalents, and restricted cash, end of period | $ 30,288 | $ 60,818 |
| Supplemental disclosure of cash flow information | | |
| Income tax paid, net | $ 69 | $ 210 |
| Interest paid, net of amounts capitalized | $ 16,566 | $ 18,261 |
| Right of use assets obtained in exchange for operating lease obligations | $ 23,587 | $ 50,769 |
| Right of use assets obtained in exchange for finance lease obligations | $ — | $ 81 |

See Notes to Condensed Consolidated Financial Statements.

**RED ROBIN GOURMET BURGERS, INC.**

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**(Unaudited)**

## 1. Basis of Presentation and Recent Accounting Pronouncements

Red Robin Gourmet Burgers, Inc., a Delaware corporation, together with its subsidiaries ("Red Robin" or the "Company"), primarily operates, franchises, and develops full-service restaurants in North America. As of October 6, 2024, the Company owned and operated 408 restaurants located in 39 states. The Company also had 92 franchised full-service restaurants in 14 states and one Canadian province. The Company operates its business asone operating and one reportable segment.

### Basis of Presentation

The accompanying unaudited Condensed Consolidated Financial Statements include the accounts of Red Robin and its wholly owned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation. The Company's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information. In the opinion of management, all adjustments (consisting of normal recurring adjustments) considered necessary for a fair presentation have been included. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The results of operations for any interim period are not necessarily indicative of results for the full year.

The accompanying Condensed Consolidated Financial Statements of Red Robin have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC"), including the instructions to Form 10-Q and Article 10 of Regulation S-X. Certain information and footnote disclosures normally included in the Company's annual Condensed Consolidated Financial Statements on Form 10-K have been condensed or omitted. The Condensed Consolidated Balance Sheet as of December 31, 2023 has been derived from the audited Condensed Consolidated Financial Statements as of that date but does not include all disclosures required for audited annual financial statements. For further information, please refer to and read these interim Condensed Consolidated Financial Statements in conjunction with the Company's audited Condensed Consolidated Financial Statements included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2023 filed with the SEC on February 28, 2024.

Our current, prior, and upcoming year periods, period end dates, and number of weeks included in the period are summarized in the table below:

| Periods | Period End Date | Number of Weeks in Period |
|---|---|---|
| *Current, Prior and Upcoming Fiscal Quarters:* | | |
| First Quarter 2024 | April 21, 2024 | 16 |
| First Quarter 2023 | April 16, 2023 | 16 |
| Second Quarter 2024 | July 14, 2024 | 12 |
| Second Quarter 2023 | July 9, 2023 | 12 |
| Third Quarter 2024 | October 6, 2024 | 12 |
| Third Quarter 2023 | October 1, 2023 | 12 |
| *Current and Prior Fiscal Years:* | | |
| Fiscal Year 2024 | December 29, 2024 | 52 |
| Fiscal Year 2023 | December 31, 2023 | 53 |
| *Upcoming fiscal year:* | | |
| Fiscal Year 2025 | December 28, 2025 | 52 |

**Reclassifications**

Certain amounts presented have been reclassified to conform with the current period presentation. The reclassifications had no effect on the Company's consolidated results. We made adjustments to the Condensed Consolidated Statements of Operations and Comprehensive Income (Loss) to disaggregate franchise and other revenue and to disaggregate interest expense and interest income and other, net. Additionally, we made adjustments to the Condensed Consolidated Statements of Cash Flows to disaggregate borrowings and repayments on revolving credit facilities, repayments on the term loan and finance lease obligations and to reclassify gift card breakage within unearned revenue.

***Recently Issued and Recently Adopted Accounting Standards***

In December 2023, FASB issued Update 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures which updates income tax disclosures related to the rate reconciliation and requires disclosure of income taxes paid by jurisdiction. The amendment also provides further disclosure comparability. The amendment is effective for fiscal years beginning after December 15, 2024. Early adoption is permitted. The amendments should be applied prospectively. However, retrospective application is permitted. We do not expect these amended disclosures will have a material impact to the Company's Consolidated Financial Statements or Notes to the Consolidated Financial Statements upon adoption.

In November 2023, FASB issued Update 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures, which updates reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. The amendments are effective for fiscal years beginning after December 15, 2023 and for interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted. The amendments should be applied retrospectively to all prior periods presented in the financial statements. Management is currently evaluating this ASU to determine its impact on the Company's disclosures.

We reviewed all other recently issued accounting pronouncements and concluded they were either not applicable or not expected to have a significant impact on the Company's Condensed Consolidated Financial Statements.

***Summary of Significant Accounting Policies***

**Revenue Recognition** - Revenues consist of sales from restaurant operations (including third party delivery), franchise revenue, and other revenue including gift card breakage and miscellaneous revenue. The Company recognizes revenue when it satisfies a performance obligation by transferring control over a product or service to a restaurant Guest, franchisee, or other customer.

The Company recognizes revenues from restaurant operations when payment is tendered at the point of sale, as the Company's performance obligation to provide food and beverage to the customer has been satisfied.

The Company sells gift cards which do not have an expiration date, and it does not deduct dormancy fees from outstanding gift card balances. We recognize revenue from gift cards as either: (i) Restaurant revenue, when the Company's performance obligation to provide food and beverage to the customer is satisfied upon redemption of the gift card, or (ii) gift card breakage, as discussed below.

Gift card breakage is recognized when the likelihood of a gift card being redeemed by the customer is remote and the Company determines there is not a legal obligation to remit the unredeemed gift card balance to the relevant jurisdiction. The determination of the gift card breakage rate is based upon the Company's specific historical redemption patterns. The Company recognizes gift card breakage by applying its estimate of the rate of gift card breakage on a pro rata basis over the period of estimated redemption.

During the second quarter of fiscal 2024, we re-launched our Red Robin Royalty™ program ("Royalty"). Under the re-launched program, Royalty members generally earn points for every dollar spent. We may also periodically offer promotions, which typically provide the customer with the opportunity to earn bonus points or other rewards. Upon reaching certain point thresholds, Royalty members earn rewards that may be redeemed for food and beverage items. Earned rewards generally expire 90 days after they are issued, and points generally expire if a qualifying purchase is not made within 365 days of the last purchase. We defer revenue based on the estimated stand-alone selling price of points or rewards earned by customers as each point or reward is earned, net of points or rewards we do not expect to be redeemed. Our estimate of points and rewards expected to be redeemed is based on historical Company-specific data. We evaluate Royalty redemption rates annually, or more frequently as circumstances warrant. Estimating future redemption rates requires judgment based on current and historical trends, and actual redemption rates may vary from our estimates.

Revenues we receive from our franchise arrangements include sales-based royalties, advertising fund contributions, and franchise fees. Red Robin franchisees are required to remit 4.0% to 5.0% of their revenues as royalties to the Company and contribute up to 3% of revenues to two national advertising funds. The Company recognizes these sales-based royalties and advertising fund contributions as the underlying franchisee sales occur. Contributions to these Advertising Funds from franchisees are recorded as revenue under Franchise revenue in the Consolidated Statements of Operations and Comprehensive Income (Loss) in accordance with ASC Topic 606, *Revenue from Contracts with Customers*.

The Company typically grants franchise rights to franchisees for a term of 20 years, with the right to extend the term for an additional 10 years if various conditions are satisfied by the franchisee.

Other revenue consists of gift card breakage, licensing income, and recycling income.

**2. Revenue**

**Disaggregation of revenue**

In the following table, revenue is disaggregated by type of good or service (in thousands):

| | Twelve Weeks Ended | | Forty Weeks Ended | |
|---|---|---|---|---|
| | October 6, 2024 | October 1, 2023 | October 6, 2024 | October 1, 2023 |
| Restaurant revenue | $ 270,605 | $ 273,133 | $ 943,630 | $ 973,307 |
| Franchise revenue | 3,007 | 3,418 | 12,635 | 12,245 |
| Gift card breakage | 735 | 589 | 5,923 | 5,930 |
| Other revenue | 291 | 420 | 1,145 | 2,538 |
| Total revenues | $ 274,638 | $ 277,560 | $ 963,333 | $ 994,020 |

**Contract Liabilities**

Components of Unearned revenue in the Condensed Consolidated Balance Sheets are as follows (in thousands):

| | October 6, 2024 | December 31, 2023 |
|---|---|---|
| Unearned gift card revenue | $ 13,005 | $ 28,558 |
| Unearned Royalty revenue | 2,333 | 7,509 |
| Unearned revenue | $ 15,338 | $ 36,067 |

Revenue recognized in the Condensed Consolidated Statements of Operations and Comprehensive Income (Loss) for the redemption and breakage of gift cards that were included in the liability balance at the beginning of the fiscal year was as follows (in thousands):

| | Forty Weeks Ended | |
|---|---|---|
| | October 6, 2024 | October 1, 2023 |
| Gift card revenue | $ 15,672 | $ 16,865 |

We recognize Royalty revenue within Restaurant revenue in the Condensed Consolidated Statements of Operations and Comprehensive Income (Loss) when a customer redeems an earned reward. Unearned revenue associated with Royalty is included in Unearned revenue in our Condensed Consolidated Balance Sheets.

Changes in our unearned revenue balance related to our Royalty program (in thousands):

| | Twelve Weeks Ended | | Forty Weeks Ended | |
|---|---|---|---|---|
| | October 6, 2024 | October 1, 2023 | October 6, 2024 | October 1, 2023 |
| Unearned Royalty revenue, beginning balance | $ 1,804 | $ 11,623 | $ 7,509 | $ 11,107 |
| Revenue deferred | 914 | 963 | 3,953 | 5,726 |
| Revenue recognized[(1)] | (385) | (1,188) | (9,129) | (5,435) |
| Unearned Royalty revenue, ending balance | $ 2,333 | $ 11,398 | $ 2,333 | $ 11,398 |

[(1)] Restaurant revenue includes an approximately $ 6.4 million credit related to the transition to the new Royalty program in the second quarter of 2024, primarily due to the cancellation of unused points that were earned more than 365 days prior to the launch of the new program.

**3. Leases**

The components of lease expense, including variable lease costs primarily consisting of common area maintenance charges and real estate taxes, are included in Occupancy on our Condensed Consolidated Statement of Operations and Comprehensive Income (Loss) as follows (in thousands):

| | Twelve Weeks Ended | | Forty Weeks Ended | |
|---|---|---|---|---|
| | October 6, 2024 | October 1, 2023 | October 6, 2024 | October 1, 2023 |
| Operating lease cost | $ 17,339 | $ 16,691 | $ 57,757 | $ 53,865 |
| Finance lease cost: | | | | |
| Amortization of right of use assets | 216 | 216 | 720 | 764 |
| Interest on lease liabilities | 96 | 116 | 339 | 400 |
| Total finance lease cost | $ 312 | $ 332 | $ 1,059 | $ 1,164 |
| Variable lease cost | 4,445 | 4,994 | 14,886 | 15,263 |
| Total | $ 22,096 | $ 22,017 | $ 73,702 | $ 70,292 |

See Note 5, *Other Charges (Gains), net*, for information regarding the sale-leaseback transactions completed during the quarter and year to date periods ended October 6, 2024 and October 1, 2023, respectively.

**4. Earnings (Loss) Per Share**

Basic earnings (loss) per share amounts are calculated by dividing net income (loss) by the weighted-average number of shares of common stock outstanding during the period. Diluted earnings per share amounts are calculated based upon the weighted-average number of shares of common stock and potentially dilutive shares of common stock outstanding during the period. Potentially dilutive shares are excluded from the computation in periods in which they have an anti-dilutive effect. Diluted earnings per share reflects the potential dilution that could occur if holders of options exercised their options into common stock. As the Company was in a net loss position for both the quarter to date and year to date periods ended October 6, 2024, all potentially dilutive common shares are considered anti-dilutive.

The Company uses the treasury stock method to calculate the effect of outstanding stock options and awards.Basic weighted average shares outstanding is reconciled to diluted weighted average shares outstanding as follows (in thousands):

| | Twelve Weeks Ended | | Forty Weeks Ended | |
|---|---|---|---|---|
| | October 6, 2024 | October 1, 2023 | October 6, 2024 | October 1, 2023 |
| Basic weighted average shares outstanding | 15,754 | 15,799 | 15,652 | 15,949 |
| Dilutive effect of stock options and awards | — | — | — | — |
| Diluted weighted average shares outstanding | 15,754 | 15,799 | 15,652 | 15,949 |
| Awards excluded due to anti-dilutive effect on diluted income (loss) per share | 2,262 | 1,420 | 1,846 | 1,421 |

**5. Other Charges (Gains), net**

Other charges (gains), net consisted of the following (in thousands):

| | Twelve Weeks Ended | | Forty Weeks Ended | |
|---|---|---|---|---|
| | October 6, 2024 | October 1, 2023 | October 6, 2024 | October 1, 2023 |
| Gain on sale of restaurant property | $ — | $ (14,883) | $ (7,425) | $ (29,413) |
| Litigation contingencies | 271 | 3,600 | 1,047 | 9,140 |
| Restaurant closure costs (gains), net | (175) | (91) | 422 | 1,546 |
| Severance and executive transition | 22 | 341 | 1,104 | 3,195 |
| Asset impairment | 178 | 4,800 | 1,306 | 7,187 |
| Asset disposal and other, net | 1,179 | 277 | 3,799 | 1,366 |
| Closed corporate office costs, net of sublease income | 57 | 78 | 234 | 253 |
| Other charges (gains), net | $ 1,532 | $ (5,878) | $ 487 | $ (6,726) |

**Gain on Sale of Restaurant Property**

During the first quarter of fiscal 2024, the Company sold ten restaurant properties for total proceeds of $23.9 million in a sale-leaseback transaction that resulted in a gain, net of expenses of $7.4 million. During the third quarter of fiscal 2023, the Company sold nine restaurant properties for total proceeds of $30.4 million in a sale-leaseback transaction that resulted in a gain, net of expenses of $14.9 million. During the second quarter of fiscal 2023, the Company sold nine restaurant properties for total proceeds of $28.5 million in a sale-leaseback transaction that resulted in a gain, net of expenses of $14.6 million.

**Restaurant Closure Costs, net**

Restaurant closure costs (gains) include the ongoing restaurant operating costs for closed Company-owned restaurants and closed restaurant lease termination gains or losses.

**Severance and Executive Transition**

During the third quarter and year to date periods of fiscal 2024, the Company incurred costs primarily related to a reduction in force of Team Members. During the third quarter and year to date periods of fiscal 2023, the Company incurred severance and executive transition costs associated with changes in leadership positions.

**Asset Impairment**

During the third quarter and year to date periods of fiscal 2024, the Company recognized non-cash impairment charges primarily related to the closure of three and five locations, respectively. During the third quarter and year to date periods of fiscal 2023, the Company recognized non-cash impairment charges primarily related to impairments of long-lived assets at eight and twelve Company-owned locations, respectively. The Company also recognized non-cash impairment charges related to the closed corporate office during the year to date period of fiscal 2023. See Note 7. Fair Value Measurements.

**Asset Disposal and Other**

Asset disposals and other relate primarily to terminated capital projects, special projects, and initiatives costs.

**6. Borrowings**

Borrowings as of October 6, 2024 and December 31, 2023 are summarized below (in thousands):

| | October 6, 2024 | Variable Interest Rate | December 31, 2023 | Variable Interest Rate |
|---|---|---|---|---|
| Revolving line of credit | $ 20,000 | 12.62 % | $ — | — % |
| Term loan | $ 167,911 | 12.76 % | $ 189,143 | 11.62 % |
| Total borrowings | 187,911 | | 189,143 | |
| Less: unamortized debt issuance costs and discounts | 7,223 | | 6,549 | |
| Long-term debt | $ 180,688 | | $ 182,594 | |
| | | | | |
| Revolving line of credit unamortized deferred financing charges: | $ 1,116 | | $ 752 | |

**Credit Agreement**

On March 4, 2022, the Company entered into a credit agreement (the "Credit Agreement") by and among the Company, Red Robin International, Inc., as the borrower, the lenders from time to time party thereto, the issuing banks from time to time party thereto, Fortress Credit Corp., as Administrative Agent and as Collateral Agent and JPMorgan Chase Bank, N.A., as Sole Lead Arranger and Sole Bookrunner. The five-year $240.0 million Credit Agreement provides for a $40.0 million revolving line of credit and a $200.0 million term loan (collectively, the "Credit Facility"). The borrower maintains the option to increase the Credit Facility in the future, subject to lenders' participation, by up to an additional $40.0 million in the aggregate on the terms and conditions set forth in the Credit Agreement.

The Credit Facility will mature on March 4, 2027. No amortization is required with respect to the revolving line of credit. The term loans require quarterly principal payments in an aggregate annual amount equal to 1.0% of the original principal amount of the term loan. Quarterly principal payments are no longer required as a result of the debt repayments from the proceeds of the sale-leaseback transactions. The Credit Agreement's interest rate references the Secured Overnight Financing Rate ("SOFR"), a new index calculated by short-term repurchase agreements and backed by U.S. Treasury securities, or the Alternate Base Rate, which represents the highest of (a) the Prime Rate, (b) the Federal Funds Rate plus 0.5% per annum, or (c) one-month term SOFR plus 1.0% per annum.

As of October 6, 2024, the Company had outstanding borrowings under the Credit Facility of $180.7 million, including $20.0 million drawn on its revolving line of credit. As of December 31, 2023, the Company had outstanding borrowings under the Credit Facility of $182.6 million, with no amounts drawn on its revolving line of credit. In addition, the Company had amounts issued under letters of credit of $8.1 million and $7.7 million as of October 6, 2024 and December 31, 2023, respectively.

Red Robin International, Inc., is the borrower under the Credit Agreement, and certain of its subsidiaries and the Company are guarantors of the borrower's obligations under the Credit Agreement. Borrowings under the Credit Agreement are secured by substantially all of the assets of the borrower and the guarantors, including the Company, and are available to: (i) refinance certain existing indebtedness of the borrower and its subsidiaries, (ii) pay any fees and expenses in connection with the Credit Agreement, and (iii) provide for the working capital and general corporate requirements of the Company, the borrower and its subsidiaries, including permitted acquisitions and capital expenditures, but excluding restricted payments.

On March 4, 2022, Red Robin International, Inc., the Company, and the guarantors also entered into a Pledge and Security Agreement (the "Security Agreement") granting to the Administrative Agent a first priority security interest in substantially all of the assets of the borrower and the guarantors to secure the obligations under the Credit Agreement.

Red Robin International, Inc. as the borrower is obligated to pay customary fees to the agents, lenders and issuing banks under the Credit Agreement with respect to providing, maintaining, or administering, as applicable, the credit facilities.

On July 17, 2023, the Company amended the Credit Agreement (the "First Amendment") to, among other things, remove the previously included $50.0 million aggregate cap on sale-leasebacks of Company-owned real property that are permitted under the Credit Agreement, subject to certain conditions set forth in the Credit Agreement.

On August 21, 2024, the Company entered into the second amendment to our Credit Agreement (the "Second Amendment"). The Second Amendment, among other things, provides certain relief from the financial covenant by increasing the required maximum net total leverage ratio beginning in the third quarter of 2024 through the end of the third quarter of 2025; increases the aggregate revolving commitments by $15.0 million to $40.0 million through the end of the third quarter of 2025; removes the variable pricing grid and increases the applicable margin on all term loans and revolving loans that are SOFR-based loans to 7.50% per annum and that are ABR-based loans to 6.50% per annum; and adds certain additional reporting requirements.

In conjunction with the execution of the Second Amendment, the Company paid certain customary amendment fees to the lenders under the credit facility totaling approximately $2.9 million. The Company performed an analysis of the Second Amendment under ASC Topic 470, *Debt*, and determined that debt modification accounting was appropriate for our term loan and revolving line of credit due to the change in total capacity and the increase in applicable margin interest rates under the new amendment. During the third quarter of 2024, the Company capitalized $2.7 million of the amendment fees as deferred loan fees which will be amortized over the remaining term of the Credit Facility, and expensed the remaining $0.2 million of fees.

The summary descriptions of the Credit Agreement, the Security Agreement, the First Amendment, and the Second Amendment, do not purport to be complete and are qualified in their entirety by reference to the full text of each agreement, each of which was filed February 28, 2024, as an exhibit to the Annual Report on Form 10-K, except for the Second Amendment which was filed August 22, 2024 as an exhibit to the Quarterly Report on Form 10-Q for the period ended July 14, 2024.

On November 4, 2024, the Company entered into the third amendment to our Credit Agreement (the "Third Amendment"). See Note 9. Subsequent Event

### 7. Fair Value Measurements

**Assets and Liabilities Measured at Fair Value on a Recurring Basis**

The carrying amounts of the Company's cash and cash equivalents, accounts receivable, accounts payable, and current accrued expenses and other liabilities approximate fair value due to the short-term nature or maturity of the instruments.

The Company maintains a rabbi trust to fund obligations under a deferred compensation plan. Amounts in the rabbi trust are invested in mutual funds, which are designated as trading securities and carried at fair value and are included in Other assets, net in the accompanying Condensed Consolidated Balance Sheets. Fair market value of mutual funds is measured using level 1 inputs (quoted prices for identical assets in active markets).

The following tables present the Company's assets measured at fair value on a recurring basis (in thousands):

| | October 6, 2024 | Level 1 | Level 2 | Level 3 |
|---|---|---|---|---|
| **Assets:** | | | | |
| Investments in rabbi trust | $ 1,853 | $ 1,853 | $ — | $ — |
| Total assets measured at fair value | $ 1,853 | $ 1,853 | $ — | $ — |

| | December 31, 2023 | Level 1 | Level 2 | Level 3 |
|---|---|---|---|---|
| **Assets:** | | | | |
| Investments in rabbi trust | $ 2,079 | $ 2,079 | $ — | $ — |
| Total assets measured at fair value | $ 2,079 | $ 2,079 | $ — | $ — |

**Assets and Liabilities Measured at Fair Value on a Nonrecurring Basis**

Assets and liabilities recognized or disclosed at fair value in the Condensed Consolidated Financial Statements on a nonrecurring basis include items such as property, plant and equipment, right of use assets, and other intangible assets. These assets are measured at fair value if determined to be impaired.

During 2024 and 2023, the Company measured non-financial assets for impairment using continuing and projected future cash flows, which were based on significant inputs not observable in the market and thus represented a level 3 fair value measurement.

During the third quarter and year to date periods of fiscal 2024, we impaired long-lived assets at three and five restaurant locations, respectively, with a carrying value of approximately $1.9 million and $5.0 million, respectively. We determined the fair value of these long-lived assets to be $1.1 million and $2.0 million as a result of the closures, resulting in a $0.2 million and $1.3 million impairment charge and a $0.6 million and $1.7 million decrease in right of use assets due to remeasurement for the quarter and year to date periods of fiscal 2024, respectively. During the third quarter and year to date periods of fiscal 2023, we impaired long-lived assets at eight and twelve restaurant locations, respectively. We also impaired the closed corporate office during the year to date period of 2023. The carrying value of the assets impaired in the third quarter of 2023 was $15.3 million and the carrying value of the assets impaired during the year to date period of 2023 was $27.7 million. We determined the fair value of these long-lived assets to be $10.5 million and $20.5 million, resulting in a $4.8 million and $7.2 million impairment charge during the quarter and year to date periods of fiscal 2023, respectively.

**Disclosures of Fair Value of Other Assets and Liabilities**

The Company's liability under its Credit Facility is carried at historical cost in the accompanying Condensed Consolidated Balance Sheets. As of October 6, 2024, the fair value of the Credit Facility was approximately $178.0 million and the principal amount carrying value was $187.9 million. The Credit Facility term loan is reported net of $7.2 million in unamortized discount and debt issuance costs in the Condensed Consolidated Balance Sheet as of October 6, 2024. The carrying value of the Credit Facility was $189.1 million and the fair value of the Credit Facility was $186.9 million as of December 31, 2023. The interest rate on the Credit Facility represents a level 2 fair value input.

**8. Commitments and Contingencies**

Because litigation is inherently unpredictable, assessing contingencies related to litigation is a complex process involving highly subjective judgment about potential outcomes of future events. When evaluating litigation contingencies, we may be unable to provide a meaningful estimate due to a number of factors, including the procedural status of the matter in question, the availability of appellate remedies, insurance coverage related to the claim or claims in question, the presence of complex or novel legal theories, and the ongoing discovery and development of information important to the matter. In addition, damage amounts claimed in litigation against us may be unsupported, exaggerated, or unrelated to possible outcomes, and as such are not meaningful indicators of our potential liability or financial exposure. Accordingly, we review the adequacy of accruals and disclosures each quarter in consultation with legal counsel, and we assess the probability and range of possible losses associated with contingencies for potential accrual in the Condensed Consolidated Financial Statements. However, the ultimate resolution of litigated claims may differ from our current estimates.

As of October 6, 2024, we had reserves of $8.3 million for loss contingencies included within Accrued liabilities and other on our Condensed Consolidated Balance Sheet. In the normal course of business, there are various claims in process, matters in litigation, administrative proceedings, and other contingencies. These include employment related claims and class action lawsuits, claims from Guests or Team Members alleging illness, injury, food quality, health, or operational concerns, and lease and other commercial disputes. To date, none of these claims, certain of which are covered by insurance policies, have had a material effect on the Company. While it is not possible to predict the outcome of these suits, legal proceedings, and claims with certainty, management is of the opinion that adequate provision for potential losses associated with these matters has been made in the financial statements and that the ultimate resolution of these matters will not have a material adverse effect on our financial position and results of operations. However, a significant increase in the number of these claims, or one or more successful claims resulting in greater liabilities than we currently anticipate, could materially and adversely affect our business, financial condition, results of operations, and cash flows.

As of October 6, 2024, we had non-cancellable purchase commitments primarily related to certain vendors who provide food and beverage and other supplies to our restaurants, for an aggregate of $188.1 million. We expect to fulfill our commitments under these agreements in the normal course of business, and as such, no liability has been recorded.

**9. Subsequent Event**

Subsequent to the end of the third quarter of fiscal 2024, the Company entered into the Third Amendment to our Credit Agreement (the "Third Amendment"). The Third Amendment amends the Credit Agreement to:

- increase the permitted Maximum Net Total Leverage Ratio beginning in the fourth fiscal quarter of 2025 through the end of the first fiscal quarter of 2026;
- maintain the revolving commitments under the Credit Agreement at $40 million through the end of the first fiscal quarter of 2026. The revolving commitments were previously scheduled to be reduced to $25 million at the end of the third fiscal quarter of 2025.

In conjunction with the Third Amendment, the Company paid certain customary amendment fees to the lenders under the credit facility totaling approximately $1.6 million, which will be added to the term loan and payable at maturity. Terms in this section that are capitalized but not defined have the meanings given to them in the Third Amendment. The summary description of the Third Amendment does not purport to be complete and is qualified in its entirety to the full text of the Third Amendment, which is attached hereto as Exhibit 10.1 and is incorporated by reference herein.

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

Management's Discussion and Analysis of Financial Condition and Results of Operations provides a narrative of our financial performance and condition that should be read in conjunction with the accompanying Condensed Consolidated Financial Statements. References to the third quarter and year to date periods of fiscal 2024 and fiscal 2023 refer to the twelve and forty weeks ended October 6, 2024 and October 1, 2023, respectively.

***Description of Business***

Red Robin Gourmet Burgers, Inc., a Delaware corporation, together with its subsidiaries ("Red Robin," "we," "us," "our," or the "Company"), primarily operates, franchises, and develops full-service restaurants with 500 locations in North America. As of October 6, 2024, the Company owned 408 restaurants located in 39 states, and had 92 franchised restaurants in 14 states and one Canadian province. The Company operates its business as one operating and one reportable segment.

Our primary source of revenue is from the sale of food and beverages at Company-owned restaurants. We also earn revenue from royalties and fees from franchised restaurants.

***Highlights for the Third Quarter of Fiscal 2024, Compared to the Third Quarter of Fiscal 2023:***

- Total revenues are $274.6 million, a decrease of $2.9 million.
- Comparable restaurant revenue[(1)] increased 0.6%.
- Net loss is $18.9 million, compared to a net loss of $8.2 million last year.
- Adjusted EBITDA[(2)] is $2.1 million compared to $6.8 million last year.
- Relaunched Loyalty Program increased to 14.5 million members compared to 13.1 million last year.
- Subsequent to the close of the third quarter, executed an amendment to the credit agreement that extends the adjustments to the financial covenants and expanded revolver capacity through the first quarter of fiscal 2026.

***Highlights for the Year to Date Period of Fiscal 2024, Compared to the Year to Date Period of Fiscal 2023:***

- Total revenues are $963.3 million, a decrease of $30.7 million.
- Comparable restaurant revenue[(1)] declined 2.6% excluding a deferred revenue benefit led by the change in the Company's loyalty program. Including this benefit, Comparable restaurant revenue[(1)] declined 2.1%.
- Net loss is $37.8 million, compared to net loss of $7.5 million last year.
- Adjusted EBITDA[(2)] is $26.1 million compared to $58.3 million last year.
- Completed a sale-leaseback transaction for ten restaurants in the first quarter of fiscal 2024, generating net proceeds of approximately $23.3 million and a gain, net of expenses of $7.4 million.

[(1)] Comparable restaurant revenue represents revenue from Company-owned restaurants that have operated for 18 months as of the beginning of the period presented.

[(2)] See below for a reconciliation of Adjusted EBITDA to Net income (loss).

***Key Performance Indicators***

Restaurant Revenue, compared to the same quarter in the prior year, is presented in the table below:

| (Dollars in millions) | Twelve Weeks Ended | Forty Weeks Ended |
|---|---|---|
| Restaurant Revenue for the period ended October 1, 2023 | $ 273.1 | $ 973.3 |
| Increase/(decrease) in comparable restaurant revenue | 1.5 | (19.6) |
| Decrease in non-comparable and closed restaurant revenue | (4.1) | (10.1) |
| Total increase/(decrease) | (2.6) | (29.7) |
| Restaurant Revenue for the period ended October 6, 2024 | $ 270.5 | $ 943.6 |

***Restaurant Data***

The following table details restaurant unit data for our Company-owned and franchised locations for the periods presented:

| | Twelve Weeks Ended | | Forty Weeks Ended | |
|---|---|---|---|---|
| | October 6, 2024 | October 1, 2023 | October 6, 2024 | October 1, 2023 |
| Company-owned: | | | | |
| Beginning of period | 411 | 418 | 415 | 414 |
| Opened during the period | — | — | — | 1 |
| Acquired from franchisees | — | — | — | 5 |
| Closed during the period | (3) | (1) | (7) | (3) |
| End of period | 408 | 417 | 408 | 417 |
| Franchised: | | | | |
| Beginning of period | 92 | 91 | 92 | 97 |
| Opened during the period | — | — | — | — |
| Closed during the period | — | — | — | (1) |
| Sold to Company during the period | — | — | — | (5) |
| End of period | 92 | 91 | 92 | 91 |
| Total number of restaurants | 500 | 508 | 500 | 508 |

***Comparable Restaurant Revenue***

As of the first quarter of fiscal 2024, the Company revised its definition of comparable restaurant revenue to reflect Company-owned restaurants that have operated for 18 months as of the beginning of the period presented. The prior definition included Company-owned restaurants that have operated for five full quarters as of the beginning of the period presented. The Company believes this change will provide investors with a better understanding of our financial performance from period to period. The change did not have a material impact on previously reported results and as such, prior periods were not revised to reflect the new definition.

For the third quarter and year to date periods of fiscal 2024, there were 402 and 401 comparable restaurants, respectively.

The following table presents total Company-owned and franchised restaurants by state or province as of October 6, 2024:

| | Company-Owned Restaurants | Franchised Restaurants |
|---|---|---|
| *State:* | | |
| Arkansas | 2 | 1 |
| Alaska | | 3 |
| Alabama | 3 | |
| Arizona | 18 | 1 |
| California | 57 | |
| Colorado | 21 | |
| Connecticut | 3 | |
| Delaware | | 5 |
| Florida | 17 | |
| Georgia | 6 | |
| Iowa | 5 | |
| Idaho | 8 | |
| Illinois | 17 | |
| Indiana | 11 | |
| Kansas | | 5 |
| Kentucky | 4 | |
| Louisiana | 1 | |
| Massachusetts | 5 | |
| Maryland | 11 | |
| Maine | 2 | |
| Michigan | | 19 |
| Minnesota | 4 | |
| Missouri | 8 | 3 |
| Montana | | 1 |
| North Carolina | 17 | |
| Nebraska | 4 | |
| New Hampshire | 3 | |
| New Jersey | 11 | 1 |
| New Mexico | 3 | |
| Nevada | 6 | |
| New York | 14 | |
| Ohio | 16 | 3 |
| Oklahoma | 5 | |
| Oregon | 15 | 5 |
| Pennsylvania | 11 | 20 |
| Rhode Island | 1 | |
| South Carolina | 4 | |
| South Dakota | 1 | |
| Tennessee | 9 | |
| Texas | 18 | 9 |
| Utah | 1 | 5 |
| Virginia | 18 | |
| Washington | 37 | |
| Wisconsin | 11 | |
| | | |
| *Province:* | | |
| British Columbia | | 11 |
| Total | 408 | 92 |

**Results of Operations**

Operating results for each fiscal period presented below are expressed as a percentage of total revenues, except for the components of restaurant operating costs, which are expressed as a percentage of restaurant revenue.

This information has been prepared on a basis consistent with our audited 2023 annual financial statements, and, in the opinion of management, includes all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of the information for the periods presented. Our operating results may fluctuate significantly as a result of a variety of factors, and operating results for any period presented are not necessarily indicative of results for a full fiscal year.

| | Twelve Weeks Ended | | Forty Weeks Ended | |
|---|---|---|---|---|
| (Dollars in thousands) | October 6, 2024 | October 1, 2023 | October 6, 2024 | October 1, 2023 |
| **Revenues:** | | | | |
| Restaurant revenue | 98.5 % | 98.4 % | 98.0 % | 97.9 % |
| Franchise revenue | 1.1 | 1.2 | 1.3 | 1.2 |
| Other revenue | 0.4 | 0.4 | 0.7 | 0.9 |
| Total revenues | 100.0 | 100.0 | 100.0 | 100.0 |
| **Costs and expenses:** | | | | |
| Restaurant operating costs [1] (excluding depreciation and amortization shown separately below): | | | | |
| Cost of sales | 24.1 | 23.8 | 23.8 | 24.3 |
| Labor | 39.8 | 38.0 | 39.3 | 36.9 |
| Other operating | 18.4 | 18.4 | 17.8 | 17.9 |
| Occupancy | 8.8 | 8.6 | 8.5 | 7.9 |
| Total restaurant operating costs | 90.9 | 88.8 | 89.3 | 86.8 |
| Depreciation and amortization | 4.9 | 5.3 | 4.7 | 5.3 |
| Selling, general, and administrative expenses | 9.6 | 10.1 | 9.8 | 9.0 |
| Pre-opening costs | — | — | — | 0.1 |
| Other charges (gains), net | 0.6 | (2.1) | 0.1 | (0.7) |
| Income (loss) from operations | (4.7) | (0.7) | (2.0) | 1.3 |
| **Other expense (income):** | | | | |
| Interest expense | 2.3 | 2.3 | 2.0 | 2.1 |
| Interest income and other, net | (0.1) | (0.2) | (0.1) | (0.1) |
| Loss before income taxes | (6.9) | (2.8) | (3.9) | (0.7) |
| Income tax provision (benefit) | — | 0.1 | — | — |
| Net loss | (6.9) % | (2.9) % | (3.9) % | (0.8) % |

(1) Expressed as a percentage of restaurant revenue.

***Revenues***

| (Dollars in thousands) | Twelve Weeks Ended October 6, 2024 | Twelve Weeks Ended October 1, 2023 | Twelve Weeks Ended Percent Change | Forty Weeks Ended October 6, 2024 | Forty Weeks Ended October 1, 2023 | Forty Weeks Ended Percent Change |
|---|---|---|---|---|---|---|
| Restaurant revenue | $ 270,605 | $ 273,133 | (0.9) % | $ 943,630 | $ 973,307 | (3.0) % |
| Franchise revenue | 3,007 | 3,418 | (12.0) % | 12,635 | 12,245 | 3.2 % |
| Other revenue | 1,026 | 1,009 | 1.7 % | 7,068 | 8,468 | (16.5) % |
| Total revenues | $ 274,638 | $ 277,560 | (1.1) % | $ 963,333 | $ 994,020 | (3.1) % |
| Average weekly net sales volumes in Company-owned restaurants | $ 55,007 | $ 54,572 | 0.8 % | $ 57,261 | $ 58,446 | (2.0) % |
| Total operating weeks | 4,920 | 5,005 | (1.7) % | 16,480 | 16,653 | (1.0) % |

Restaurant revenue, which is comprised primarily of food and beverage sales, decreased $2.5 million, or 0.9%, in the third quarter of fiscal 2024, as compared to the comparable period of 2023. Restaurant revenue decreased primarily due to the closure of 9 locations subsequent to October 1, 2023. Comparable restaurant revenue increased 0.6% and includes a 4.9% increase in average Guest check offset in part by a 4.3% decrease in Guest count. The increase in average Guest check resulted from a 7.5% increase in menu prices, partially offset by a 1.1% decrease from menu mix and a 1.4% decrease from additional discounts. The decrease in menu mix was primarily driven by greater incidence of promotional menu items offered at reduced prices.

Restaurant revenue decreased $29.7 million or 3.0% in the year to date period of fiscal 2024, as compared to the same period of 2023. Restaurant revenue decreased primarily due to a 2.1% decrease in comparable restaurant revenue inclusive of a benefit from the change in the Company's loyalty program. Comparable restaurant revenue reflects a 6.5% decrease in Guest count, partially offset by a 4.4% increase in average Guest check. The decrease in Guest count is due in part to overlapping elevated performance in the first quarter of fiscal 2023, our exit of virtual brands in the third quarter of fiscal 2023, and adverse weather impacts during the first quarter of fiscal 2024. The increase in average Guest check resulted from a 6.7% increase in menu prices, partially offset by a 2.0% decrease from menu mix and a 0.8% decrease from discounts. The decrease in menu mix was primarily driven by Guests shifting visits from third party delivery platforms with elevated menu prices, to dine in visits at standard menu prices, and reduced incidence of add on menu items. Dine-in sales comprised 76.5% of total food and beverage sales during the year to date period of 2024, as compared to 74.8% in the same period in 2023.

Average weekly net sales volumes are calculated as the total restaurant revenue for all Company-owned Red Robin restaurants for each time period presented, divided by the number of operating weeks in the period.

Franchise revenue decreased by $0.4 million, or 12.0%, in the third quarter of fiscal 2024 compared to the same period of 2023, primarily due to a decrease in franchisee contributions. Franchise revenue increased by $0.4 million, or 3.2%, in the year to date period of fiscal 2024 compared to the same period of 2023, primarily due to an increase in franchisee contributions. Franchisee contributions were reduced in the third quarter of fiscal 2024 in line with the reduction in overall selling expense, following an increase in the first half of fiscal 2024. Franchise restaurants reported a decrease of 1.6% in comparable restaurant revenue in the third quarter of fiscal 2024 and a decrease of 2.7% for the year to date period of fiscal 2024 compared to the same periods in fiscal 2023.

Other revenue did not change and decreased $1.4 million in the third quarter and year to date periods of fiscal 2024 compared to 2023, respectively. The decrease in the year to date period of fiscal 2024 compared to 2023 is primarily related to business interruption insurance recoveries recognized in 2023.

***Cost of Sales***

| (In thousands, except percentages) | Twelve Weeks Ended October 6, 2024 | Twelve Weeks Ended October 1, 2023 | Twelve Weeks Ended Percent Change | Forty Weeks Ended October 6, 2024 | Forty Weeks Ended October 1, 2023 | Forty Weeks Ended Percent Change |
|---|---|---|---|---|---|---|
| Cost of sales | $ 65,105 | $ 65,128 | — % | $ 224,759 | $ 236,171 | (4.8)% |
| As a percent of restaurant revenue | 24.1 % | 23.8 % | 0.3 % | 23.8 % | 24.3 % | (0.5)% |

Cost of sales, which comprises food and beverage costs, is variable and generally fluctuates with sales volume. Cost of sales as a percentage of restaurant revenue increased 30 basis points for the third quarter of fiscal 2024 as compared to the comparable period in 2023. The increase was primarily driven by commodity inflation, product mix shift to higher cost menu items, and higher discounts, partially offset by menu price increases and vendor contributions to support our Managing Partner conference recorded as a reduction to cost of sales.

Cost of sales as a percentage of restaurant revenue decreased 50 basis points for the year to date period of fiscal 2024 as compared to the comparable period in 2023. The improvement was primarily driven by menu price increases and implementation of various cost savings initiatives, partially offset by product mix shifts to higher cost menu items and commodity inflation.

***Labor***

| | Twelve Weeks Ended | | | Forty Weeks Ended | | |
|---|---|---|---|---|---|---|
| (In thousands, except percentages) | October 6, 2024 | October 1, 2023 | Percent Change | October 6, 2024 | October 1, 2023 | Percent Change |
| Labor | $ 107,692 | $ 103,741 | 3.8 % | $ 370,559 | $ 358,841 | 3.3 % |
| As a percent of restaurant revenue | 39.8 % | 38.0 % | 1.8 % | 39.3 % | 36.9 % | 2.4 % |

Labor costs include restaurant level hourly wages and management salaries as well as related taxes and benefits. For the third quarter of fiscal 2024, labor as a percentage of restaurant revenue increased 180 basis points compared to the same period in 2023. The increase was primarily driven by strategic investments in management labor and incentive compensation related to a new partner bonus plan, increased hourly labor costs, and higher workers compensation insurance costs.

For the year to date period of fiscal 2024, labor as a percentage of restaurant revenue increased 240 basis points compared to the same period in 2023. The increase was primarily driven by strategic investments in hourly and management labor, increased incentive compensation related to a new partner bonus plan, and higher workers compensation and group health insurance costs.

***Other Operating***

| | Twelve Weeks Ended | | | Forty Weeks Ended | | |
|---|---|---|---|---|---|---|
| (In thousands, except percentages) | October 6, 2024 | October 1, 2023 | Percent Change | October 6, 2024 | October 1, 2023 | Percent Change |
| Other operating | $ 49,740 | $ 50,351 | (1.2)% | $ 168,014 | $ 174,243 | (3.6)% |
| As a percent of restaurant revenue | 18.4 % | 18.4 % | — % | 17.8 % | 17.9 % | (0.1)% |

Other operating costs include costs such as repair and maintenance costs, restaurant supplies, utilities, restaurant technology, and other miscellaneous costs. For the third quarter of fiscal 2024, other operating costs as a percentage of restaurant revenue is unchanged compared to the same period in 2023.

For the year to date period of fiscal 2024, other operating costs as a percentage of restaurant revenue decreased 10 basis points as compared to the same period in 2023. The decrease was primarily driven by reduced third party commission expenses associated with lower off premise mix and lower commission rates.

***Occupancy***

| | Twelve Weeks Ended | | | Forty Weeks Ended | | |
|---|---|---|---|---|---|---|
| (In thousands, except percentages) | October 6, 2024 | October 1, 2023 | Percent Change | October 6, 2024 | October 1, 2023 | Percent Change |
| Occupancy | $ 23,826 | $ 23,523 | 1.3 % | $ 79,850 | $ 76,806 | 4.0 % |
| As a percent of restaurant revenue | 8.8 % | 8.6 % | 0.2 % | 8.5 % | 7.9 % | 0.6 % |

Occupancy costs include fixed rents, property taxes, common area maintenance charges, general liability insurance, contingent rents, and other property costs. Occupancy costs as a percentage of restaurant revenue increased 20 basis points for the third quarter of fiscal 2024 compared to the same period in 2023. The increase is due primarily to the impact of fixed rents associated with the sale-leaseback of 28 locations.

Occupancy costs as a percentage of restaurant revenue increased 60 basis points for the year to date period of fiscal 2024 compared to the same period in 2023. The increase is due primarily to the impact of fixed rents associated with the sale-leaseback of 28 locations and the acquisition of five restaurants from a franchisee in the second quarter of fiscal 2023.

***Depreciation and Amortization***

| (In thousands, except percentages) | Twelve Weeks Ended | | | Forty Weeks Ended | | |
|---|---|---|---|---|---|---|
| | October 6, 2024 | October 1, 2023 | Percent Change | October 6, 2024 | October 1, 2023 | Percent Change |
| Depreciation and amortization | $ 13,330 | $ 14,672 | (9.1)% | $ 44,886 | $ 52,253 | (14.1)% |
| As a percent of total revenues | 4.9 % | 5.3 % | (0.4)% | 4.7 % | 5.3 % | (0.6)% |

Depreciation and amortization include depreciation on capital expenditures for restaurants and corporate assets as well as amortization of reacquired franchise rights, leasehold interests, and certain liquor licenses. For the third quarter of fiscal 2024, depreciation and amortization expense as a percentage of revenue decreased 40 basis points compared to the comparable period in 2023, primarily due to asset impairments and sale-leaseback transactions reducing the depreciable asset base.

For the year to date period of fiscal 2024, depreciation and amortization expense as a percentage of revenue decreased 60 basis points compared to the comparable period in 2023, primarily due to asset impairments and sale-leaseback transactions reducing the depreciable asset base.

***Selling, General, and Administrative***

| (In thousands, except percentages) | Twelve Weeks Ended | | | Forty Weeks Ended | | |
|---|---|---|---|---|---|---|
| | October 6, 2024 | October 1, 2023 | Percent Change | October 6, 2024 | October 1, 2023 | Percent Change |
| Selling, general, and administrative | $ 26,290 | $ 27,961 | (6.0)% | $ 94,329 | $ 89,348 | 5.6 % |
| As a percent of total revenues | 9.6 % | 10.1 % | (0.5)% | 9.8 % | 9.0 % | 0.8 % |

Selling, general, and administrative costs include all corporate and administrative functions. Components of this category include marketing and advertising costs; restaurant support center, regional, and franchise support salaries and benefits; travel; professional and consulting fees; corporate information systems; legal expenses; office rent; training; and Board of Directors' expenses. Selling, general and administrative expense decreased $1.7 million, or 6.0% in the third quarter of fiscal 2024 as compared to the comparable period in 2023.

General and administrative costs in the third quarter of fiscal 2024 were $20.8 million, an increase of $2.3 million compared to the comparable period in 2023. The increase is primarily related to costs incurred for the 2024 Managing Partner conference, partially offset by reduced incentive compensation and legal fees as compared to the prior year quarter.

Selling costs in the third quarter of fiscal 2024 were $5.5 million, a decrease of $4.0 million compared to the comparable period in 2023. The decrease was primarily driven by reduced marketing communication with consumers and related production costs.

General and administrative costs in the year to date period of fiscal 2024 were $63.3 million, a decrease of $1.5 million compared to the comparable period in 2023. The decrease is primarily related to reduced incentive compensation accruals as compared to the same period last year, partially offset by costs associated with the 2024 Managing Partner conference.

Selling costs in the year to date period of fiscal 2024 were $31.1 million, an increase of $6.5 million compared to the comparable period in 2023. The increase was primarily driven by increased marketing communication with consumers and related production costs in the first half of fiscal 2024.

***Pre-opening Costs***

| (In thousands, except percentages) | Twelve Weeks Ended | | | Forty Weeks Ended | | |
|---|---|---|---|---|---|---|
| | October 6, 2024 | October 1, 2023 | Percent Change | October 6, 2024 | October 1, 2023 | Percent Change |
| Pre-opening costs | $ — | $ — | — % | $ — | $ 586 | (100.0)% |
| As a percent of total revenues | — % | — % | — % | — % | 0.1 % | (0.1)% |

Pre-opening costs, which are expensed as incurred, comprise the costs related to preparing restaurants to introduce Donatos® and other initiatives, as well as direct costs, including labor, occupancy, training, and marketing, incurred related to opening new restaurants and hiring the initial work force. Our pre-opening costs fluctuate from period to period, depending upon, but not limited to, the number of restaurants where Donatos® has been introduced, the number of restaurant openings, the size of the restaurants being opened, and the location of the restaurants. Pre-opening costs for any period will typically include expenses associated with restaurants opened during the period as well as expenses related to restaurants opening in subsequent periods.

We did not open any new restaurants or roll out any Donatos® locations in the year to date period of fiscal 2024. We opened one restaurant and completed the rollout of 25 Donatos® locations in the year to date period of fiscal 2023.

***Interest Expense***

Interest expense for the third quarter of fiscal 2024 and 2023 was $6.3 million and $6.1 million, respectively. The $0.2 million increase was primarily due to an increase in the weighted average interest rate to 14.0% in the third quarter of fiscal 2024 compared to 13.4% in the prior year quarter. Average outstanding debt was $191.6 million and $194.5 million as of October 6, 2024 and October 1, 2023, respectively.

Interest expense was $18.9 million for the year to date period of fiscal 2024 and $20.4 million for the year to date period of fiscal 2023. The $1.4 million decrease was primarily due to the net paydown of debt with the proceeds from the sale-leaseback transactions, partially offset by an increase in the weighted average interest rate to 13.3% for the year to date period of fiscal 2024 compared to 12.6% in the same period last year. Average outstanding debt was $185.2 million and $205.9 million as of October 6, 2024 and October 1, 2023, respectively.

***Income Tax Provision***

The effective tax rate for the third quarter of fiscal 2024 was a 0.5% benefit, compared to a 3.5% expense for the third quarter of fiscal 2023. The effective tax rate for the year to date period of fiscal 2024 was 0.1%, compared to 6.4% for the year to date period of fiscal 2023. The effective tax rate for the quarter and year to date periods of fiscal 2024 reflects the valuation allowance recorded against the Company's net tax assets in addition to certain state income taxes due to attribute limitations, minimum state income taxes, and state franchise taxes. The higher effective tax rate for the fiscal 2023 periods as compared to the fiscal 2024 periods is due to the near break-even pretax book income generated in fiscal 2023.

**Non-GAAP Financial Measures**

Restaurant revenue and operating costs, and restaurant level operating profit for the periods presented are detailed in the table below:

| (Dollars in millions) | Twelve Weeks Ended October 6, 2024 | Twelve Weeks Ended October 1, 2023 | Increase/ (Decrease) | Forty Weeks Ended October 6, 2024 | Forty Weeks Ended October 1, 2023 | Increase/ (Decrease) |
|---|---|---|---|---|---|---|
| Restaurant revenue | $ 270.6 | $ 273.1 | (0.9) % | $ 943.6 | $ 973.3 | (3.0) % |
| Restaurant operating costs: | | | | | | |
| Cost of sales | 65.1 | 65.1 | — % | 224.8 | 236.2 | (4.8) % |
| Labor | 107.7 | 103.7 | 3.9 % | 370.6 | 358.8 | 3.3 % |
| Other operating | 49.7 | 50.4 | (1.4) % | 168.0 | 174.2 | (3.6) % |
| Occupancy | 23.8 | 23.5 | 1.3 % | 79.9 | 76.8 | 4.0 % |
| Total Restaurant Operating Costs | $ 246.4 | $ 242.7 | 1.5 % | $ 843.2 | $ 846.1 | (0.3) % |
| Restaurant level operating profit[(1)] | $ 24.2 | $ 30.4 | (20.4) % | $ 100.4 | $ 127.2 | (21.1) % |

[(1)] Restaurant level operating profit is a non-GAAP measure. See below for a reconciliation of restaurant level operating profit to income from operations and income from operations as a percentage of total revenues.

| (Dollars in millions) | Twelve Weeks Ended October 6, 2024 | Twelve Weeks Ended October 1, 2023 | Increase/ (Decrease) | Forty Weeks Ended October 6, 2024 | Forty Weeks Ended October 1, 2023 | Increase/(Decrease) |
|---|---|---|---|---|---|---|
| Restaurant revenue | $ 270.6 | $ 273.1 | (0.9) % | $ 943.6 | $ 973.3 | (3.0) % |
| Restaurant operating costs: | (Percentage of Restaurant Revenue) | | (Basis Points) | (Percentage of Restaurant Revenue) | | (Basis Points) |
| Cost of sales | 24.1 % | 23.8 % | 30 | 23.8 % | 24.3 % | (50) |
| Labor | 39.8 | 38.0 | 180 | 39.3 | 36.9 | 240 |
| Other operating | 18.4 | 18.4 | — | 17.8 | 17.9 | (10) |
| Occupancy | 8.8 | 8.6 | 20 | 8.5 | 7.9 | 60 |
| Total Restaurant Operating Costs | 90.9 % | 88.8 % | 210 | 89.3 % | 86.8 % | 250 |
| Restaurant level operating profit | 9.0 % | 11.1 % | (210) | 10.6 % | 13.1 % | (250) |

Certain percentage and basis point amounts in the table above do not total due to rounding as well as restaurant operating costs being expressed as a percentage of restaurant revenue and not total revenues.

The following table summarizes net income (loss), income (loss) per diluted share, and adjusted income (loss) per diluted share for the periods presented:

| (in thousands, except per share amounts) | Twelve Weeks Ended October 6, 2024 | Twelve Weeks Ended October 1, 2023 | Forty Weeks Ended October 6, 2024 | Forty Weeks Ended October 1, 2023 |
|---|---|---|---|---|
| Net income (loss) as reported | $ (18,876) | $ (8,161) | $ (37,825) | $ (7,496) |
| | | | | |
| Income (loss) per share - diluted: | | | | |
| Net income (loss) as reported | $ (1.20) | $ (0.52) | $ (2.42) | $ (0.47) |
| Other charges (gains), net: | | | | |
| Gain on sale of restaurant property | — | (0.94) | (0.47) | (1.84) |
| Litigation contingencies | 0.02 | 0.23 | 0.07 | 0.57 |
| Restaurant closure costs (gains), net | (0.01) | (0.01) | 0.03 | 0.10 |
| Severance and executive transition | — | 0.02 | 0.07 | 0.20 |
| Asset impairment | 0.01 | 0.30 | 0.08 | 0.45 |
| Asset disposal and other, net | 0.07 | 0.02 | 0.24 | 0.09 |
| Closed corporate office costs, net of sublease income | — | — | 0.01 | 0.02 |
| Income tax effect | (0.03) | 0.10 | (0.01) | 0.11 |
| Adjusted income (loss) per share - diluted | $ (1.13) | $ (0.79) | $ (2.39) | $ (0.78) |
| | | | | |
| Weighted average shares outstanding: | | | | |
| Basic | 15,754 | 15,799 | 15,652 | 15,949 |
| Diluted | 15,754 | 15,799 | 15,652 | 15,949 |

The following table summarizes Net loss, EBITDA, and Adjusted EBITDA for the periods presented (in thousands):

| | Twelve Weeks Ended | | Forty Weeks Ended | |
|---|---|---|---|---|
| | October 6, 2024 | October 1, 2023 | October 6, 2024 | October 1, 2023 |
| Net income (loss) as reported | $ (18,876) | $ (8,161) | $ (37,825) | $ (7,496) |
| Interest expense, net | 6,193 | 5,885 | 18,504 | 19,766 |
| Income tax provision (benefit) | (98) | 278 | 43 | 453 |
| Depreciation and amortization | 13,330 | 14,672 | 44,886 | 52,253 |
| EBITDA | 549 | 12,674 | 25,608 | 64,976 |
| | | | | |
| Other charges (gains), net: | | | | |
| Gain on sale of restaurant property | — | (14,883) | (7,425) | (29,413) |
| Litigation contingencies | 271 | 3,600 | 1,047 | 9,140 |
| Restaurant closure costs (gains), net | (175) | (91) | 422 | 1,546 |
| Severance and executive transition | 22 | 341 | 1,104 | 3,195 |
| Asset impairment | 178 | 4,800 | 1,306 | 7,187 |
| Asset disposal and other, net | 1,179 | 277 | 3,799 | 1,366 |
| Closed corporate office costs, net of sublease income | 57 | 78 | 234 | 253 |
| Adjusted EBITDA | $ 2,081 | $ 6,796 | $ 26,095 | $ 58,250 |

We define EBITDA as net income (loss) before interest expense, income taxes, and depreciation and amortization. Adjusted EBITDA and Adjusted income (loss) per share-diluted are supplemental measures of our performance that are not required by or presented in accordance with GAAP. We believe these non-GAAP measures give the reader additional insight into the ongoing operational results of the Company and are intended to supplement the presentation of the Company's financial results in accordance with GAAP. Adjusted EBITDA and adjusted income (loss) per share-diluted exclude the impact of non-operating or nonrecurring items including changes in estimates, asset impairments, litigation contingencies, gains (losses) on debt extinguishment, restaurant and office closure costs, gains on sale leaseback transactions, severance and executive transition costs and other non-recurring, non-cash or discrete items net of income tax impacts. Other companies may define these non-GAAP measures differently, and as a result our measures may not be directly comparable to those of other companies. Adjusted income (loss) per share-diluted and Adjusted EBITDA should be considered in addition to, and not as a substitute for, net income (loss) as reported in accordance with U.S. GAAP as a measure of performance.

The following table summarizes income (loss) from operations and restaurant level operating profit for the periods presented (dollars in thousands):

| | Twelve Weeks Ended | | | | Forty Weeks Ended | | | |
|---|---|---|---|---|---|---|---|---|
| | October 6, 2024 | | October 1, 2023 | | October 6, 2024 | | October 1, 2023 | |
| Income (loss) from operations | $ (12,877) | (4.7)% | $ (1,938) | (0.7)% | $ (19,551) | (2.0)% | $ 12,498 | 1.3% |
| | | | | | | | | |
| Less: | | | | | | | | |
| Franchise revenue | 3,007 | 1.1% | 3,418 | 1.2% | 12,635 | 1.3% | 12,245 | 1.2% |
| Other revenue | 1,026 | 0.4% | 1,009 | 0.4% | 7,068 | 0.7% | 8,468 | 0.9% |
| | | | | | | | | |
| Add: | | | | | | | | |
| Other charges (gains), net | 1,532 | 0.6 | (5,878) | (2.1) | 487 | 0.1 | (6,726) | (0.7) |
| Pre-opening costs | — | — | — | — | — | — | 586 | 0.1 |
| Selling | 5,467 | 2.0 | 9,418 | 3.4 | 31,052 | 3.2 | 24,547 | 2.5 |
| General and administrative expenses | 20,823 | 7.6 | 18,543 | 6.7 | 63,277 | 6.6 | 64,801 | 6.5 |
| Depreciation and amortization | 13,330 | 4.9 | 14,672 | 5.3 | 44,886 | 4.7 | 52,253 | 5.3 |
| Restaurant level operating profit | $ 24,242 | 9.0% | $ 30,390 | 11.1% | $ 100,448 | 10.6% | $ 127,246 | 13.1% |
| | | | | | | | | |
| Income (loss) from operations as a percentage of total revenues | (4.7)% | | (0.7)% | | (2.0)% | | 1.3% | |
| Restaurant level operating profit margin (as a percentage of restaurant revenue) | 9.0% | | 11.1% | | 10.6% | | 13.1% | |

The Company believes restaurant level operating profit is an important measure for management and investors because it is widely regarded in the restaurant industry as a useful metric by which to evaluate restaurant level operating efficiency and performance. The Company defines restaurant level operating profit to be income from operations less franchise revenue and other revenue, plus other charges (gains), net, pre-opening costs, selling costs, general and administrative expenses, and depreciation and amortization. The measure includes restaurant level occupancy costs that include fixed rents, percentage rents, common area maintenance charges, real estate and personal property taxes, general liability insurance, and other property costs, but excludes depreciation and amortization expense, substantially all of which is related to restaurant level assets, because such expenses represent historical sunk costs which do not reflect current cash outlay for the restaurants. The measure also excludes costs associated with selling, general, and administrative functions, and pre-opening costs, as well as, other charges (gains), net because these costs are non-operating or nonrecurring and therefore not related to the ongoing operations of its restaurants. Restaurant level operating profit is not a measurement determined in accordance with GAAP and should not be considered in isolation, or as an alternative, to income (loss) from operations as an indicator of financial performance. Restaurant level operating profit as presented may not be comparable to other similarly titled measures of other companies in the Company's industry.

**Liquidity and Capital Resources**

Our primary sources of liquidity are cash from operations, cash and cash equivalents on hand and availability under our revolving credit facility. Cash and cash equivalents, and restricted cash decreased $1.3 million to $30.3 million as of October 6, 2024, from $31.6 million at the beginning of the fiscal year. As of October 6, 2024, the Company had approximately $42.0 million in liquidity, including cash and cash equivalents and $20.0 million available borrowing capacity under our Credit Facility.

***Cash Flows***

The table below summarizes our cash flows from operating, investing, and financing activities for each period presented (in thousands):

| | Forty Weeks Ended | |
|---|---|---|
| | October 6, 2024 | October 1, 2023 |
| Net cash provided by operating activities | $ 1,840 | $ 17,361 |
| Net cash provided by investing activities | 4,873 | 18,992 |
| Net cash used in financing activities | (7,990) | (33,741) |
| Net change in cash and cash equivalents, and restricted cash | $ (1,277) | $ 2,612 |

***Operating Cash Flows***

Net cash flows provided by operating activities decreased $15.5 million to $1.8 million for the year to date period of fiscal 2024 compared to $17.4 million for the comparable period in fiscal 2023. The decrease in net cash provided by operating activities is primarily attributable to the decrease in restaurant level profitability.

***Investing Cash Flows***

Net cash flows provided by investing activities decreased to $4.9 million for the year to date period of fiscal 2024, as compared to net cash flows provided by investing activities of $19.0 million for the comparable period in fiscal 2023. The $14.1 million decrease in cash flows provided by investing activities is primarily due to lower proceeds from sale lease-back transactions in the current year period, partially offset by a reduction in current year capital expenditures. In addition, cash provided by investing activities in the prior year included a $3.5 million cash outflow for the acquisition of five franchised restaurants.

The following table lists the components of our capital expenditures for the periods presented (in thousands):

| | Forty Weeks Ended | |
|---|---|---|
| | October 6, 2024 | October 1, 2023 |
| Restaurant improvement capital and other | $ 9,772 | $ 16,715 |
| Technology, infrastructure, and other | 9,642 | 10,336 |
| Donatos® expansion | — | 8,602 |
| New restaurants and restaurant refreshes | — | 1,421 |
| Total capital expenditures | $ 19,414 | $ 37,074 |

***Financing Cash Flows***

Net cash flows used in financing activities decreased to $8.0 million for the year to date period of fiscal 2024, as compared to $33.7 million for the comparable period in fiscal 2023. Cash flows used in financing activities in fiscal 2024 primarily relate to the paydown of $21.2 million of debt with proceeds from the sale-leaseback transaction and debt issuance costs associated with an amendment to the credit facility, partially offset by $20 million in net borrowings on the revolving credit facility. Cash flows used in financing activities in fiscal 2023 primarily relate to the net paydown of debt of $24.6 million and $10.0 million in share repurchases.

***Credit Facility***

On March 4, 2022, the Company entered into a credit agreement (as amended, the "Credit Agreement"), which provides for a Senior Secured Term Loan and Revolving Credit Facility (the "Credit Facility"). The Credit Agreement's interest rate references the Secured Overnight Financing Rate ("SOFR"), a new index calculated by short-term repurchase agreements and backed by U.S. Treasury securities, or the Alternate Base Rate, which represents the highest of (a) the Prime Rate, (b) the Federal Funds Rate plus 0.5% per annum, or (c) one-month term SOFR plus 1.0% per annum.

On August 21, 2024, the Company entered into the second amendment to our Credit Agreement (the “Second Amendment”). The Second Amendment among other things: provides certain relief from the financial covenant by increasing the required maximum net total leverage ratio beginning in the third quarter of 2024 through the end of the third quarter of 2025; increases the aggregate revolving commitments by $15.0 million to $40.0 million through the end of the third quarter of 2025; removes the variable pricing grid and increases the applicable margin on all term loans and revolving loans that are SOFR-based loans to 7.50% per annum and that are ABR-based loans to 6.50% per annum; and adds certain additional reporting requirements.

On November 4, 2024, the Company entered into the third amendment to our Credit Agreement (the "Third Amendment") which extends the provisions of the Second Amendment through the end of the first fiscal quarter of 2026.

As of October 6, 2024, the Company had outstanding borrowings under the Credit Facility of $180.7 million, net of $7.2 million of unamortized deferred financing charges and discounts, none of which was classified as current. As of October 6, 2024, the Company had $20.0 million of available borrowing capacity under its Credit Facility and $8.1 million of letters of credit issued against cash collateral. The Company's cash collateral is reported in Restricted cash on our Condensed Consolidated Balance Sheets.

***Covenants***

We are subject to a number of customary covenants under our Credit Facility, including limitations on additional borrowings, acquisitions, stock repurchases, sales of assets, and dividend payments, as well as a net total leverage ratio covenant, as defined, that adjusts periodically as specified in the Third Amendment to our Credit Agreement. As of October 6, 2024, we were in compliance with all debt covenants.

Additionally, as noted under "*Credit Facility*” above, the Third Amendment extended the increase in the required maximum net total leverage ratio covenant from the third quarter of 2025 through the end of the first quarter of 2026.

***Working Capital***

We typically maintain current liabilities in excess of our current assets which results in a working capital deficit. We are able to operate with a working capital deficit because restaurant sales are primarily conducted on a cash or credit card basis. Rapid turnover of inventory results in limited investment in inventories, and cash from sales is usually received before related payables for food, supplies, and payroll become due. In addition, receipts from the sale of gift cards are received well in advance of related redemptions. Rather than maintain higher cash balances that would result from this pattern of operating cash flows, we typically utilize operating cash flows in excess of those required for currently maturing liabilities to pay for capital expenditures, debt repayment, or to repurchase stock. When necessary, we utilize our Credit Facility to satisfy short-term liquidity requirements. We believe our future cash flows generated from restaurant operations combined with our borrowing capacity under the Credit Facility, and cash on hand, will be sufficient to meet our anticipated cash requirements and fund capital expenditures over the next 12 months.

***Share Repurchase***

On August 9, 2018, the Company's board of directors authorized the Company's current share repurchase program of up to a total of $75.0 million of the Company's common stock. The share repurchase authorization will terminate upon completing repurchases of $75.0 million of common stock unless otherwise terminated by the board. Pursuant to the repurchase program, purchases may be made from time to time at the Company's discretion and the Company is not obligated to acquire any particular amount of common stock. From the date of the current program approval through October 6, 2024, we have repurchased a total of 1,088,588 shares at an average price of $15.18 per share for an aggregate amount of $16,520,000. The Company completed no share repurchases during the quarter and year to date periods ended October 6, 2024. Accordingly, as of October 6, 2024, we had $58.5 million of availability under the current share repurchase program. Our Credit Agreement limits our ability to repurchase shares to certain conditions set forth by the lenders in the Credit Facility.

***Seasonality***

Our business is subject to seasonal fluctuations. Sales in most of our restaurants were historically higher during the spring months and winter holiday season due to factors including our retail-oriented locations and family appeal. As a result, our quarterly operating results may fluctuate significantly as a result of seasonality, and seasonality of sales may shift over time. Accordingly, results for any one quarter or year are not necessarily indicative of results to be expected for any other quarter or for any year.

***Contractual Obligations***

There were no other material changes outside the ordinary course of business to our contractual obligations since the filing of the 2023 Annual Report on Form 10-K for the fiscal year ended December 31, 2023. See Note 8. Commitments and Contingencies**.**

***Critical Accounting Estimates***

Critical accounting estimates are those we believe are both significant and that require us to make difficult, subjective, or complex judgments, often because we need to estimate the effect of inherently uncertain matters. We base our estimates and judgments on historical experiences and various other factors we believe to be appropriate under the circumstances. Actual results may differ from these estimates, including our estimates of future restaurant level cash flows, which are subject to the current economic environment and potentially unknown future events, and we might obtain different results if we use different assumptions or conditions. We had no significant changes in our critical accounting estimates which were disclosed in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023.

**Forward-Looking Statements**

Certain information and statements contained in this report are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 (the "PSLRA") codified at Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Forward-looking statements include statements regarding our expectations, beliefs, intentions, plans, objectives, goals, strategies, future events or performance, and underlying assumptions and other statements which are other than statements of historical facts. These statements may be identified, without limitation, by the use of forward-looking terminology such as "anticipate," "assume," "believe," "could," "estimate," "expect," "future," "intend," "may," "plan," "project," "will," "would," and similar expressions. Forward-looking statements in this report relate to, among other things: (i) our business objectives and strategic plans; (ii) working capital, and the ability of our future cash flows from restaurant operations and our borrowing capacity to satisfy future working capital deficits and capital expenditures; (iii) our share repurchase program; (iv) our expectations about restaurant operating costs, including commodity and food prices and labor and energy costs, and our ability to mitigate potential increases in such costs; (v) anticipated continued investments in our partnership with Donatos® and other restaurant improvements, including the timing thereof; (vi) our expectations about anticipated uses of, and risks associated with, future cash flows, liquidity, capital expenditures, other capital deployment opportunities and taxes; (vii) the seasonality of our business; (viii) our ability to successfully implement, and our expectations regarding, our North Star five-point plan to enhance the Company's competitive positioning; (ix) litigation contingencies and the adequacy of our reserves for legal matters; (x) our expectations regarding, and our ability to mitigate changes in, interest rates, commodity prices, and other factors; (xi) our strategies to enhance our liquidity position; and (xii) transactions including sale-leaseback transactions and acquisitions of certain restaurants from a franchisee.

Although we believe the expectations reflected in our forward-looking statements are based on reasonable assumptions, such expectations may prove to be materially incorrect due to known and unknown risks and uncertainties.

In some cases, information regarding certain important factors that could cause actual results to differ materially from a forward-looking statement appears together with such statement. In addition, the factors described under Risk Factors, as well as other possible factors not listed, could cause actual results to differ materially from those expressed in forward-looking statements, including, without limitation, the effectiveness of the Company's strategic initiatives, including our "North Star" plan, labor and service models, and operational improvement initiatives and our ability to execute on such strategic initiatives; the global and domestic economic and geopolitical environment; our ability to effectively compete in the industry and attract and retain Guests; the adequacy of cash flows and the cost and availability of capital or credit facility borrowings; a privacy or security breach or a failure of our information technology systems; the effectiveness and timing of the Company's marketing and branding strategies, including the loyalty program and social media platforms; changes in consumer preferences; leasing space including the location of such leases in areas of declining traffic; changes in cost and availability of commodities; interruptions in the delivery of food and other products from third parties; pricing increases and labor costs; changes in consumer behavior or preference; expanding our restaurant base; maintaining and improving our existing restaurants; the transition and retention of our key personnel; our ability to recruit, staff, train, and retain our workforce; operating conditions, including adverse weather conditions, natural disasters, pandemics and other events affecting the regions where our restaurants are operated; actions taken by our franchisees that could harm our business or reputation; negative publicity regarding food safety or health concerns; protection of our intellectual property rights; changes in federal, state, or local laws and regulations affecting the operation of our restaurants; an increase in litigation or legal claims by Team Members, franchisees, customers, vendors, stockholders and others; and the other Risk Factors described from time to time in our filings with the Securities and Exchange Commission, including our Annual Report on Form 10-K for the fiscal year ended December 31, 2023.

All forward-looking statements speak only as of the date made. All subsequent written and oral forward-looking statements attributable to us, or persons acting on our behalf, are expressly qualified in their entirety by the cautionary statements. Except as required by law, we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which it is made or to reflect the occurrence of anticipated or unanticipated events or circumstances.

## ITEM 3. Quantitative and Qualitative Disclosures About Market Risk

There has been no material change in the interest rate risk or commodity price risk since the filing of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2023.

We continue to monitor our interest rate risk on an ongoing basis and may use interest rate swaps or similar instruments in the future to manage our exposure to interest rate changes related to our borrowings as the Company deems appropriate. As of October 6, 2024, we had $187.9 million of borrowings subject to variable interest rates. A 1.0% change in the effective interest rate applied to these loans would have resulted in pre-tax interest expense fluctuation of $1.9 million on an annualized basis.

We purchase food, supplies and other commodities for use in our operations based on prices established with our suppliers. We may or may not have the ability to increase menu prices, or vary menu items, in response to commodity price increases. A 1.0% increase in food and beverage costs would negatively impact cost of sales by approximately $2.9 million on an annualized basis.

## ITEM 4. Controls and Procedures

### Evaluation of Disclosure Controls and Procedures

The Company maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in the Company's reports under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to the management of the Company ("Management"), including the Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, Management recognizes that any controls and procedures, no matter how well designed and operated, can only provide reasonable assurance of achieving the desired control objectives. The Company's CEO and CFO have concluded that, based upon the evaluation of disclosure controls and procedures (as defined in Rule 13a-15(e) or 15d-15(e) under the Exchange Act), the Company's disclosure controls and procedures were effective, as of the end of the period covered by this report.

### Changes in Internal Control Over Financial Reporting

There were no changes in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal quarter 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

Evaluating contingencies related to litigation is a complex process involving subjective judgment on the potential outcome of future events and the ultimate resolution of litigated claims may differ from our current analysis. Accordingly, we review the adequacy of accruals and disclosures each quarter in consultation with legal counsel and we assess the probability and range of possible losses associated with contingencies for potential accrual in the Condensed Consolidated Financial Statements.

For further information related to our litigation contingencies, see Note 8. Commitments and Contingencies, in the Notes to the Condensed Consolidated Financial Statements in Part 1, Item 1 of this Quarterly Report on Form 10-Q.

### ITEM 1A. Risk Factors

Risk factors associated with our business are contained in Item 1, "Risk Factors," of our Annual Report on Form 10-K for the fiscal year ended December 31, 2023 filed with the SEC on February 28, 2024. There have been no material changes from the risk factors disclosed in the fiscal year 2023 Annual Report on Form 10-K.

### ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds

During the third quarter of fiscal 2024, the Company did not have any sales of securities in transactions that were not registered under the Securities Act of 1933, as amended, that have not been reported in a Current Report on Form 8-K, nor were any share repurchases made by the Company.

## ITEM 5. Other Information

***Securities Trading Plans of Directors and Executive Officers***

During the third quarter ended October 6, 2024, none of our directors or officersadopted, modified or terminated a “Rule 10b5-1 trading arrangement” or a “non-Rule 10b5-1 trading arrangement” as such terms are defined under Item 408 of Regulation S-K.

***Third Amendment to Credit Agreement***

On November 4, 2024, the Company entered into an incremental amendment to its Credit Agreement (the “Third Amendment”), by and among the Company, Red Robin International, Inc., as the borrower (the “Borrower”), certain subsidiary guarantors party thereto, certain lenders party thereto (constituting the Required Lenders and each Revolving Facility Lender holding a Second Amendment Incremental Revolving Facility Commitment) and Fortress Credit Corp., as administrative agent and as collateral agent (the “Agent”), which amends the Credit Agreement, dated as of March 4, 2022 (as amended by that certain Amendment No. 1, dated as of July 17, 2023, and that certain Amendment No. 2, dated as of August 21, 2024, the “Credit Agreement”, and by the Third Amendment, the “Amended Credit Agreement”), by and among the Company, the Borrower, the lenders and issuing banks from time to time party thereto, the Agent and the other parties from time to time party thereto. All capitalized terms not defined herein have the meanings given to them in the Amended Credit Agreement.

The Third Amendment provides additional flexibility to continue to implement our business strategy, making the following changes to the Credit Agreement:

- Maintaining the revolving commitments under the Credit Agreement at $40 million through the end of the first fiscal quarter of 2026. The revolving commitments were previously scheduled to be reduced to $25 million at the end of the third fiscal quarter of 2025.
- Providing additional relief from the financial covenant by increasing the permitted Maximum Net Total Leverage Ratio beginning in the fourth fiscal quarter of 2025 through the end of the first fiscal quarter of 2026.

The summary descriptions of the Third Amendment do not purport to be complete and are qualified in their entirety by reference to the full text of the Third Amendment, a copy of which is attached hereto as Exhibit 10.1 and is incorporated herein by reference.

**ITEM 6. Exhibits**

| Exhibit Number | Description |
|---|---|
| (3.1) | Restated Certificate of Incorporation of Red Robin Gourmet Burgers, Inc., dated as of May 28, 2015. Incorporated by reference to Exhibit 3.1 to our Current Report on Form 8-K filed on May 29, 2015. |
| (3.2) | Fifth Amended and Restated Bylaws dated March 20, 2023. Incorporated by reference to Exhibit 3.1 to our Current Report on Form 8-K filed on March 24, 2023. |
| 10.1 | Amendment No. 3, dated November 4, 2024, by and among Red Robin Gourmet Burgers, Inc., RedRobin International, Inc., Fortress Credit Corp. and the lenders party thereto, to Credit Agreement dated March 4, 2022. |
| 31.1 | Rule 13a-14(a) Certification of Chief Executive Officer |
| 31.2 | Rule 13a-14(a) Certification of Chief Financial Officer |
| 32.1 | Section 1350 Certifications of Chief Executive Officer and Chief Financial Officer |
| 101 | The following financial information from the Quarterly Report on Form 10-Q of Red Robin Gourmet Burgers, Inc. for the quarter ended October 6, 2024 formatted in XBRL (extensible Business Reporting Language): (i) Condensed Consolidated Balance Sheets at October 6, 2024 and December 31, 2023; (ii) Condensed Consolidated Statements of Operations and Comprehensive Income (Loss) for the forty weeks ended October 6, 2024 and October 1, 2023; (iii) Condensed Consolidated Statements of Stockholders' Equity at October 6, 2024 and October 1, 2023; (iv) Condensed Consolidated Statements of Cash Flows for the forty weeks ended October 6, 2024 and October 1, 2023; and (v) the Notes to Condensed Consolidated Financial Statements, tagged as blocks of text. |
| 104 | Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101). |

( ) Exhibits previously filed in the Company's periodic filings as specifically noted.

* Executive compensation plans and arrangements.

**SIGNATURE**

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

RED ROBIN GOURMET BURGERS, INC.
(Registrant)

| | | |
|---|---|---|
| November 6, 2024 | By: | /s/ Todd Wilson |
| (Date) | | Todd Wilson<br>*(Chief Financial Officer)* |

AMENDMENT NO. 3 (this "**Amendment**"), dated as of November 4, 2024, to the Credit Agreement, dated as of March 4, 2022 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time prior to the Amendment No. 3 Effective Date (as defined below), the "**Existing Credit Agreement**"), by and among RED ROBIN INTERNATIONAL, INC. (the "**Borrower**"), RED ROBIN GOURMET BURGERS, INC. ("**Holdings**"), the LENDERS and the ISSUING BANKS from time to time party thereto, FORTRESS CREDIT CORP., as Administrative Agent and Collateral Agent and JPMORGAN CHASE BANK, N.A., as Sole Lead Arranger and Sole Bookrunner.

WHEREAS, pursuant to Section 9.08 of the Existing Credit Agreement, the applicable Lenders and the Borrower may amend the Existing Credit Agreement, including the amendments contemplated herein.

WHEREAS, the Borrower, the Administrative Agent and the Lenders party hereto (constituting the Required Lenders and each Revolving Facility Lender holding a Second Amendment Incremental Revolving Facility Commitment (as defined below)) desire to enter into this Amendment to effect the amendments to the Existing Credit Agreement set forth herein subject to the conditions set forth in Section 5 hereof.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

**SECTION 1. Defined Terms.** Capitalized terms used and not otherwise defined herein shall have the meanings assigned to such terms in the Existing Credit Agreement, as amended by this Amendment (the "**Amended Credit Agreement**").

**SECTION 2. Amendment.** Each of the parties hereto agrees that, effective on the Amendment No. 3 Effective Date:

(a) Section 6.11 of the Existing Credit Agreement is amended and restated in its entirety with the following:

Section 6.11 Financial Covenant. The Borrower shall not permit the Net Total Leverage Ratio as of any date set forth below to be greater than the maximum ratio set forth in the table below opposite such date (beginning with the end of the first full fiscal quarter ending after the Closing Date):

| Date | Maximum Net Total Leverage Ratio |
|---|---|
| July 10, 2022 | 4.50:1.00 |
| October 2, 2022 | 4.50:1.00 |
| December 25, 2022 | 4.50:1.00 |
| April 16, 2023 | 4.50:1.00 |
| July 9, 2023 | 4.00:1.00 |
| October 1, 2023 | 4.00:1.00 |
| December 31, 2023 | 4.00:1.00 |
| April 21, 2024 | 4.00:1.00 |
| July 14, 2024 | 3.50:1.00 |
| October 6, 2024 | 5.00:1.00 |
| December 29, 2024 | 5.50:1.00 |
| April 20, 2025 | 5.00:1.00 |
| July 13, 2025 | 4.25:1.00 |
| October 5, 2025 | 3.25:1.00 |
| December 28, 2025 | 3.25:1.00 |
| April 19, 2026 | 3.25:1.00 |
| July 12, 2026 and the last day of each fiscal quarter thereafter | 3.00:1.00 |

(b) The effective date of the automatic reduction of the Second Amendment Incremental Revolving Facility Commitments contemplated by Section 2(b) of that certain Amendment No. 2 to the Existing Credit Agreement, dated August 21, 2024 (“**Amendment No. 2**”), shall be extended from October 6, 2025 to April 19, 2026 such that, notwithstanding any notice or other requirements set forth in Section 2.06 of the Amended Credit Agreement, or anything to the contrary set forth in Amendment No 2, on April 19, 2026, (x) the Second Amendment Incremental Revolving Facility Commitments (as defined in Amendment No. 2) of the applicable Revolving Facility Lenders to make any Second Amendment Incremental Revolving Loans (as defined in Amendment No. 2) under the Amended Credit Agreement or the other Loan Documents shall be automatically terminated (such that, for the avoidance of doubt, the then current Revolving Facility Commitments shall be reduced by $15,000,000), and no such Revolving Facility Lender shall have any further obligation to make any Second Amendment Incremental Revolving Loans to the Borrower and (y) the Borrower shall repay in full in immediately available funds any outstanding Revolving Facility Loans to the extent the Revolving Facility Credit Exposure exceeds the Revolving Facility Commitments after giving effect to such reduction. Such reduction shall be made ratably among the Revolving Facility Lenders in accordance with their Revolving Facility Commitments.

**SECTION 3. Amendment Fee**. The Borrower shall pay to the Lenders a fully earned, non-refundable amendment fee equal to 0.75% of the sum of (x) the aggregate principal amount of Term Loans outstanding immediately prior to the Amendment No. 3 Effective Date and (y) the aggregate principal amount of the Revolving Facility Commitments in effect immediately prior to the Amendment No. 3 Effective Date (which aggregate amount, for the avoidance of doubt, shall equal $1,559,334.68), which amendment fee shall automatically be paid in kind (in lieu of cash) on the Amendment No. 3 Effective Date by increasing the principal amount of each Lender’s Initial Term Loan by its pro rata amount of the foregoing amendment fee. Such amendment fee added as principal to the Initial Term Loans shall be treated in the same manner as all other principal of such Initial Term Loans under the Amended Credit Agreement.

**SECTION 4. Representations and Warranties.** To induce the other parties hereto to enter into this Amendment, each Loan Party represents and warrants (as to itself) to the other parties hereto on the Amendment No. 3 Effective Date that:

(a) each Loan Party (i) is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization and (ii) has all requisite power and authority to execute and deliver this Amendment;

(b) this Amendment has been duly authorized by all corporate, shareholder, partnership, limited liability company or similar action required to be obtained by such Loan Party;

(c) this Amendment does not and will not (i) (A) violate any provision of law, statute, rule or regulation applicable to such Loan Party, (B) the certificate or articles of incorporation, amalgamation or other constitutive documents (including any partnership, limited liability company, operating or shareholders' agreements) or by-laws of such Loan Party, (C) any applicable order of any court or any rule, regulation or order of any Governmental Authority applicable to such Loan Party or (D) any provision of any indenture, certificate of designation for preferred shares, agreement or other instrument to which such Loan Party is a party or by which any of them or any of its property is or may be bound, (ii) result in a breach of or constitute (alone or with due notice or lapse of time or both) a default under, give rise to a right of or result in any cancellation or acceleration of any right or obligation (including any payment) under any such indenture, certificate of designation for preferred shares, agreement or other instrument, where any such conflict, violation, breach or default referred to in clause (i) (other than clause (B) thereof) or this clause (ii), would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, or (iii) result in the creation or imposition of any Lien upon or with respect to any property or assets now owned or hereafter acquired by such Loan Party, other than the Liens created by the Loan Documents and Permitted Liens.

(d) this Amendment does not and will not require any action, consent or approval or, registration or filing with or any other action by any Governmental Authority, except (i) such as have been made or obtained and are in full force and effect, (ii) such actions, consents and approvals the failure or which to be obtained or made would not reasonably be expected to have a Material Adverse Effect and (iii) any other filings, registrations or notifications required by the Security Documents;

(e) all representations and warranties of the Borrower and each other Loan Party contained in Section 3 of the Existing Credit Agreement or any other Loan Document are true and correct (i) in the case of the representations and warranties qualified or modified as to materiality in the text thereof, in all respects and (ii) otherwise, in all material respects, in each case, on and as of the Amendment No. 3 Effective Date, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they are true and correct in all material respects (and in all respects if any such representation or warranty is already qualified by materiality) as of such earlier date; and

(f) no Default or Event of Default exists or has occurred and is continuing on and as of the Amendment No. 3 Effective Date or, after giving effect hereto.

**SECTION 5. Amendment No. 3 Effective Date.** The effectiveness of this Amendment shall be subject to the satisfaction (or waiver) of the following conditions precedent (the date of which this Amendment becomes effective, the "**Amendment No. 3 Effective Date**"):

(a) the Administrative Agent (or its counsel) shall have received a counterpart signature page of this Amendment duly executed by the Borrower, each other Loan Party, the Administrative Agent, the Collateral Agent, the Required Lenders and each Revolving Facility Lender holding a Second Amendment Incremental Revolving Facility Commitment (in each case, including by way of facsimile or other electronic transmission);

(b) on the Amendment No. 3 Effective Date, the representations and warranties of each Loan Party set forth in the Loan Documents shall be true and correct (i) in the case of the representations and warranties qualified or modified as to materiality in the text thereof, in all respects and (ii) otherwise, in all material respects, in each case on and as of such date, except in the case of any such representation and warranty that expressly relates to an earlier date, in which case such representation and warranty shall be so true and correct on and as of such earlier date;

(c) no Default or Event of Default exists or has occurred and is continuing on and as of the Amendment No. 3 Effective Date or, after giving effect hereto; and

(d) the Administrative Agent shall have received, to the extent invoiced at least one (1) Business Day prior to the Amendment No. 3 Effective Date, reimbursement or payment of all reasonable and documented out-of-pocket expenses (including reasonable fees, charges and disbursements of Alston & Bird LLP) required to be reimbursed or paid by the Loan Parties under the Loan Documents to the Agents or to any Lender on or prior to the Amendment No. 3 Effective Date.

**SECTION 6. Effect of Amendment.**

(a) Except as expressly set forth herein, this Amendment shall not by implication or otherwise limit, impair, constitute a waiver of or otherwise affect the rights and remedies of the Lenders, the Administrative Agent or the Collateral Agent under the Existing Credit Agreement or any other Loan Document, and shall not alter, modify, amend or in any way affect any of the terms, conditions, obligations, covenants or agreements contained in the Existing Credit Agreement or any other provision of the Existing Credit Agreement or of any other Loan Document, all of which are ratified and affirmed in all respects and shall continue in full force and effect. Nothing herein shall be deemed to entitle the Borrower to a consent to, or a waiver, amendment, modification or other change of, any of the terms, conditions, obligations, covenants or agreements contained in the Existing Credit Agreement or any other Loan Document in similar or different circumstances.

(b) From and after the Amendment No. 3 Effective Date, each reference in the Amended Credit Agreement to “this Agreement”, “hereunder”, “hereof”, “herein”, or words of like import, and each reference to the “Credit Agreement” in any other Loan Document shall be deemed a reference to the Existing Credit Agreement as amended hereby.

(c) From and after the Amendment No. 3 Effective Date, this Amendment shall constitute a “Loan Document” for all purposes of the Amended Credit Agreement.

**SECTION 7. Amendments; Severability.** (a) Once effective, this Amendment may not be amended nor may any provision hereof be waived except pursuant to Section 9.08 of the Amended Credit Agreement.

(a) If any provision of this Amendment is held to be illegal, invalid or unenforceable in any jurisdiction, the legality, validity and enforceability of the remaining provisions of this Amendment in such jurisdiction shall not be affected or impaired thereby. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. The parties shall endeavor in good faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions, the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

**SECTION 8. Ratification and Reaffirmation.** Each Loan Party hereto hereby (a) consents to the execution, delivery and performance of this Amendment and the performance of the Existing Credit Agreement (as amended hereby) and (b) ratifies and reaffirms: (x) its Obligations in respect of the Existing Credit Agreement and each of the other Loan Documents to which it is a party, as such Obligations have been amended by this Amendment, and all of the covenants, duties, indebtedness and liabilities under the Amended Credit Agreement and the other Loan Documents to which it is a party and (y) the Liens and security interests created in favor of the Collateral Agent and the Lenders pursuant to each Collateral Document, which Liens shall continue to secure the Obligations, in each case, on and subject to the terms and conditions set forth in the Amended Credit Agreement and the other Loan Documents.

**SECTION 9. GOVERNING LAW; Waiver of Jury Trial; Jurisdiction. THIS AMENDMENT AND ANY CLAIMS, CONTROVERSY, DISPUTE OR CAUSES OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS AMENDMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO ANY PRINCIPLE OF CONFLICTS OF LAW THAT COULD REQUIRE THE APPLICATION OF ANY OTHER LAW.** The provisions of Sections 9.11 and 9.15 of the Existing Credit Agreement as amended by this Amendment are incorporated herein by reference, *mutatis mutandis*.

**SECTION 10. Headings.** Section headings herein are included for convenience of reference only and shall not affect the interpretation of this Amendment.

**SECTION 11. Counterparts.** This Amendment may be executed in two or more counterparts, each of which shall constitute an original but all of which, when taken together, shall constitute but one contract, and shall become effective as provided in Section 5. Delivery of an executed counterpart to this Agreement by facsimile transmission (or other electronic transmission pursuant to procedures approved by the Administrative Agent) shall be as effective as delivery of a manually signed original. The words "execution," "execute", "signed," "signature," and words of like import in or related to any document to be signed in connection with this Amendment and the transactions contemplated hereby shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by the Administrative Agent, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

**SECTION 12. Release**. In further consideration of the execution of this Amendment by Agents and the Lenders party hereto, each Loan Party, individually and on behalf of its respective successors (including any trustees acting on behalf of such Loan Party, and any debtor-in-possession with respect to such Loan Party), assigns, participants, subsidiaries and affiliates, hereby forever releases Agents and each Lender and their respective successors, assigns, parents, subsidiaries, affiliates, officers, employees, directors, agents and attorneys (collectively, the "**Releasees**") from any and all debts, claims, demands, liabilities, responsibilities, disputes, causes, damages, actions and causes of actions (whether at law or in equity), and obligations of every nature whatsoever, whether liquidated or unliquidated, whether matured or unmatured, whether fixed or contingent, that such Loan Party has or may have against the Releasees, or any of them, which arise from or relate to any actions which the Releasees, or any of them, have or may have taken or omitted to take in connection with the Amended Credit Agreement or the other Loan Documents prior to the date hereof.

[*Remainder of page intentionally left blank*]

**IN WITNESS WHEREOF**, the parties hereto have caused this Amendment to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

**RED ROBIN INTERNATIONAL, INC.**, as the Borrower

By: /s/ Todd Wilson______________
Name: Todd Wilson
Title: President and Treasurer

**RED ROBIN GOURMET BURGERS, INC.**, as Holdings

By: /s/ Todd Wilson
Name: Todd Wilson
Title: Chief Financial Officer

**RED ROBIN NORTH HOLDINGS, INC.**
**RED ROBIN WEST, INC.**
**WESTERN FRANCHISE DEVELOPMENT, INC.**
each as a Loan Party

By: /s/ Todd Wilson
Name: Todd Wilson
Title: President and Treasurer

**RED ROBIN DISTRIBUTING COMPANY LLC**
as a Loan Party

By: /s/ Todd Wilson______________
Name: Todd Wilson
Title: Manager

**NORTHWEST ROBINS, L.L.C.**
as a Loan Party

By: /s/ Todd Wilson
Name: Todd Wilson
Title: President and Treasurer of Red Robin International, Inc., the sole member and manager of Northwest Robins, L.L.C.

**FORTRESS CREDIT CORP.**, as Administrative Agent and Collateral Agent

By: /s/ Avraham Dreyfuss
Name: Avraham Dreyfuss
Title: Chief Financial Officer

[Signature Page to Amendment No. 3]

**TCW DIRECT LENDING VIII LLC**, as a Lender
By: TCW Asset Management Company, LLC, its investment manager

By: /s/ Suzanne Grosso
Name: Suzanne Grosso
Title: Managing Director

**TCW WV FINANCING LLC,** as a Lender
By: TCW Asset Management Company, LLC, its Collateral Manager

By: /s/ Suzanne Grosso
Name: Suzanne Grosso
Title: Managing Director

**TCW SKYLINE LENDING LP**, as a Lender
By: TCW Asset Management Company, LLC, its Investment Advisor

By: /s/ Suzanne Grosso
Name: Suzanne Grosso
Title: Managing Director

**TCW BRAZOS FUND LLC**, as a Lender
By: TCW Asset Management Company, LLC, its Investment Advisor

By: /s/ Suzanne Grosso
Name: Suzanne Grosso
Title: Managing Director

**TCW DIRECT LENDING STRUCTURED SOLUTIONS 2019 LLC**, as a Lender
By: TCW Asset Management Company, LLC, its Investment Advisor

By: /s/ Suzanne Grosso
Name: Suzanne Grosso
Title: Managing Director

**TCW DL VIII FINANCING LLC**, as a Lender
By: TCW Asset Management Company, LLC, its Investment Advisor

By: /s/ Suzanne Grosso
Name: Suzanne Grosso
Title: Managing Director

[Signature Page to Amendment No. 3]

**Drawbridge Special Opportunities Fund LP**
By: Drawbridge Special Opportunities GP LLC, its general partner

By: /s/ Avraham Dreyfuss
Name: Avraham Dreyfuss
Title: Chief Financial Officer

**DBDB Funding LLC**

By: /s/ Avraham Dreyfuss
Name: Avraham Dreyfuss
Title: Chief Financial Officer

**FLF III AB Holdings Finance L.P.**
By: FLF III AB Holdings Finance CM LLC, as Servicer
By: Fortress Lending III Holdings L.P., its sole member
By: Fortress Lending Advisors III LLC, its investment manager

By: /s/ Avraham Dreyfuss
Name: Avraham Dreyfuss
Title: Chief Financial Officer

**FLF III GMS Holdings Finance L.P.**
By: FLF III GMS Holdings Finance CM LLC, as servicer
By: Fortress Lending III Holdings L.P., its sole member
By: Fortress Lending Advisors III LLC, its investment manager

By: /s/ Avraham Dreyfuss
Name: Avraham Dreyfuss
Title: Chief Financial Officer

**FLF III Holdings Finance L.P.**
By: Fortress Lending III Holdings L.P., its sole member
By: Fortress Lending Advisors III LLC, its investment manager

By: /s/ Avraham Dreyfuss
Name: Avraham Dreyfuss
Title: Chief Financial Officer

**FLF III SM Holdings Finance L.P.**
By: FLF III SM HOLDINGS FINANCE CM
LLC, its servicer
By: Fortress Lending III Holdings L.P., its sole member
By: Fortress Lending Advisors III LLC, its investment manager

By: /s/ Avraham Dreyfuss
Name: Avraham Dreyfuss
Title: Chief Financial Officer

**FLF III-IV MA-CRPTF Holdings Finance L.P.**
By: FLF III-IV MA-CRPTF Advisors LLC, its collateral manager

By: /s/ Avraham Dreyfuss
Name: Avraham Dreyfuss
Title: Chief Financial Officer

**FLF IV Holdings Finance L.P.**
By: Fortress Lending IV Holdings L.P., its sole member
By: Fortress Lending Advisors IV LLC, its investment manager

By: /s/ Avraham Dreyfuss
Name: Avraham Dreyfuss
Title: Chief Financial Officer

**Fortress Credit Opportunities IX CLO Limited**
By: FCOD CLO Management LLC, its collateral manager

By: /s/ Avraham Dreyfuss
Name: Avraham Dreyfuss
Title: Chief Financial Officer

**Fortress Credit Opportunities VI CLO Limited**
By: FCOO CLO Management LLC, its collateral manager

By: /s/ Avraham Dreyfuss
Name: Avraham Dreyfuss
Title: Chief Financial Officer

**Fortress Credit Opportunities VIII CLO LLC**
By: FCOO CLO Management LLC, its collateral manager

By: /s/ Avraham Dreyfuss
Name: Avraham Dreyfuss
Title: Chief Financial Officer

**Fortress Credit Opportunities XI CLO Limited**
By: FCOD CLO Management LLC, its collateral manager

By: /s/ Avraham Dreyfuss
Name: Avraham Dreyfuss
Title: Chief Financial Officer

**Fortress Credit Opportunities XIX CLO LLC**
By: FCOD CLO Management LLC, its collateral manager

By: /s/ Avraham Dreyfuss
Name: Avraham Dreyfuss
Title: Chief Financial Officer

**Fortress Credit Opportunities XV CLO Limited** By: FCOD CLO Management LLC, its collateral manager

By: /s/ Avraham Dreyfuss
Name: Avraham Dreyfuss
Title: Chief Financial Officer

**Fortress Credit Opportunities XXI CLO LLC**
By: FCOD CLO Management LLC, its collateral manager

By: /s/ Avraham Dreyfuss
Name: Avraham Dreyfuss
Title: Chief Financial Officer

**Fortress Credit Opportunities XXIII CLO LLC** By: FCOD CLO Management LLC, its collateral manager

By: /s/ Avraham Dreyfuss
Name: Avraham Dreyfuss
Title: Chief Financial Officer

**Fortress Lending Fund III-IV MA-CRPTF LP**
By: FLF III-IV MA-CRPTF Advisors LLC, its investment manager

By: /s/ Avraham Dreyfuss
Name: Avraham Dreyfuss
Title: Chief Financial Officer

**Fortress Lending III Holdings L.P.**
By: Fortress Lending Advisors III LLC, its investment manager

By: /s/ Avraham Dreyfuss
Name: Avraham Dreyfuss
Title: Chief Financial Officer

**Fortress Lending IV Holdings L.P.**
By: Fortress Lending Advisors IV LLC, its investment manager

By: /s/ Avraham Dreyfuss
Name: Avraham Dreyfuss
Title: Chief Financial Officer

**ALCOF II NUBT, L.P.**
By: Arbour Lane Fund II GP, LLC
Its General Partner,
as a Lender

By: /s/ Kenneth Hoffman
Name: Kenneth Hoffman
Title: Manager

**ALCOF III NUBT, L.P.**
By: Arbour Lane Fund III GP, LLC
Its General Partner,
as a Lender

By: /s/ Kenneth Hoffman
Name: Kenneth Hoffman
Title: Manager

**Exhibit 31.1**

**CEO CERTIFICATION**

I, GJ Hart, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Red Robin Gourmet Burgers, 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 Rule 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.

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|---|---|
| November 6, 2024 | /s/ GJ Hart |
| (Date) | GJ Hart<br>*Chief Executive Officer* |

**Exhibit 31.2**

**CFO CERTIFICATION**

I, Todd Wilson, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Red Robin Gourmet Burgers, 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 Rule 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.

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| November 6, 2024 | /s/ Todd Wilson |
| (Date) | Todd Wilson<br>*Chief Financial Officer* |

**Exhibit 32.1**

**Written Statement**
**Pursuant To**
**18 U.S.C. Section 1350**

In connection with the Quarterly Report of Red Robin Gourmet Burgers, Inc. (the “Company”) on Form 10-Q for the period ended October 6, 2024, as filed with the Securities and Exchange Commission on November 6, 2024 (the “Report”), the undersigned, GJ Hart, Chief Executive Officer, and Todd Wilson, Chief Financial Officer, of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that;

(a) the Quarterly Report on Form 10-Q for the period ended October 6, 2024 of the Company (the “Periodic Report”) fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934; and

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

| | | |
|---|---|---|
| Dated: | November 6, 2024 | /s/ GJ Hart |
| | | GJ Hart<br>*Chief Executive Officer* |
| Dated: | November 6, 2024 | /s/ Todd Wilson |
| | | Todd Wilson<br>*Chief Financial Officer* |

**A signed original of this written statement required by Section 906 has been provided to Red Robin Gourmet Burgers, Inc. and will be retained by Red Robin Gourmet Burgers, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.**

The foregoing certification is being furnished to the Securities and Exchange Commission pursuant to 18 U.S.C. Section 1350. It is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.