

DUTCH BROS

Coffee



Supplemental Earnings Slides
Q1 2024



DISCLAIMER

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

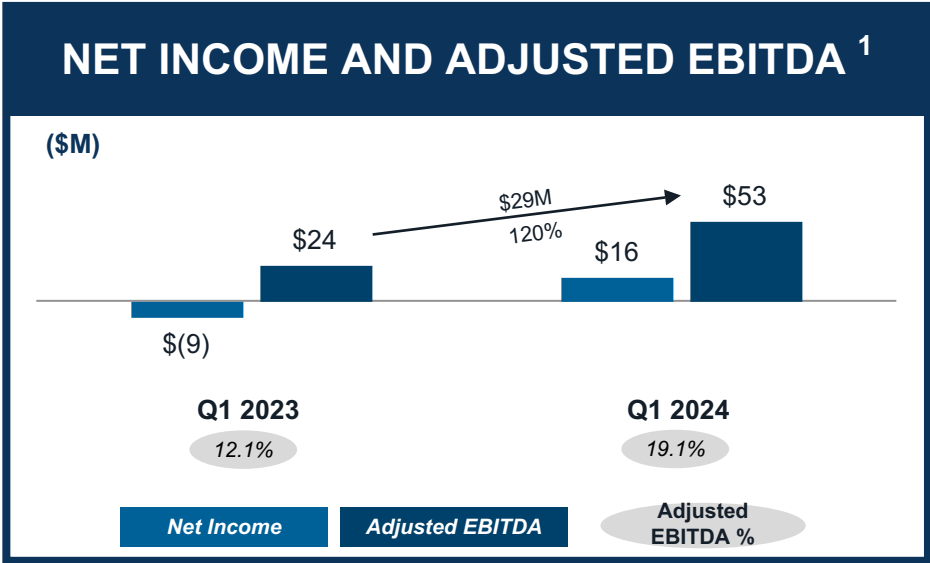
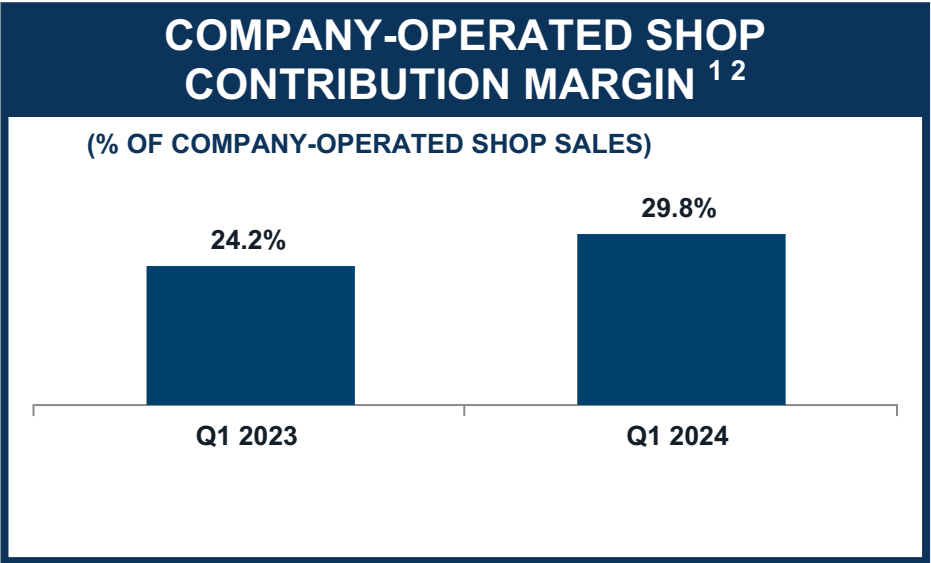
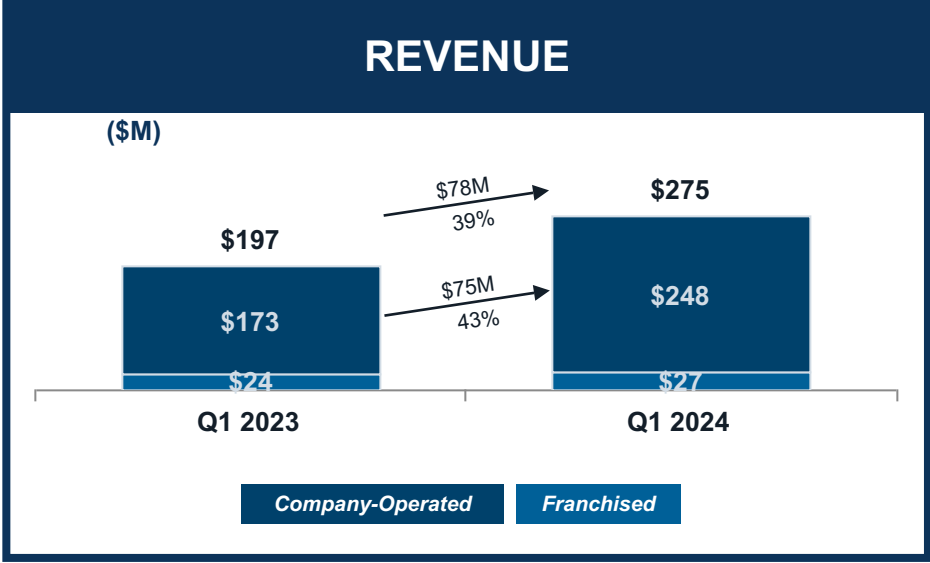
Non-GAAP Measures. The Company prepares and presents its consolidated financial statements in accordance with generally accepted accounting principles in the United States ("GAAP"). However, management believes that certain non-GAAP financial measures, such as Adjusted EBITDA and Company-operated shop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

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

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



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



¹ See appendix for a reconciliation to the most directly comparable financial measure stated in accordance with GAAP
² See slide 7 for breakdown of company-operated shop contribution



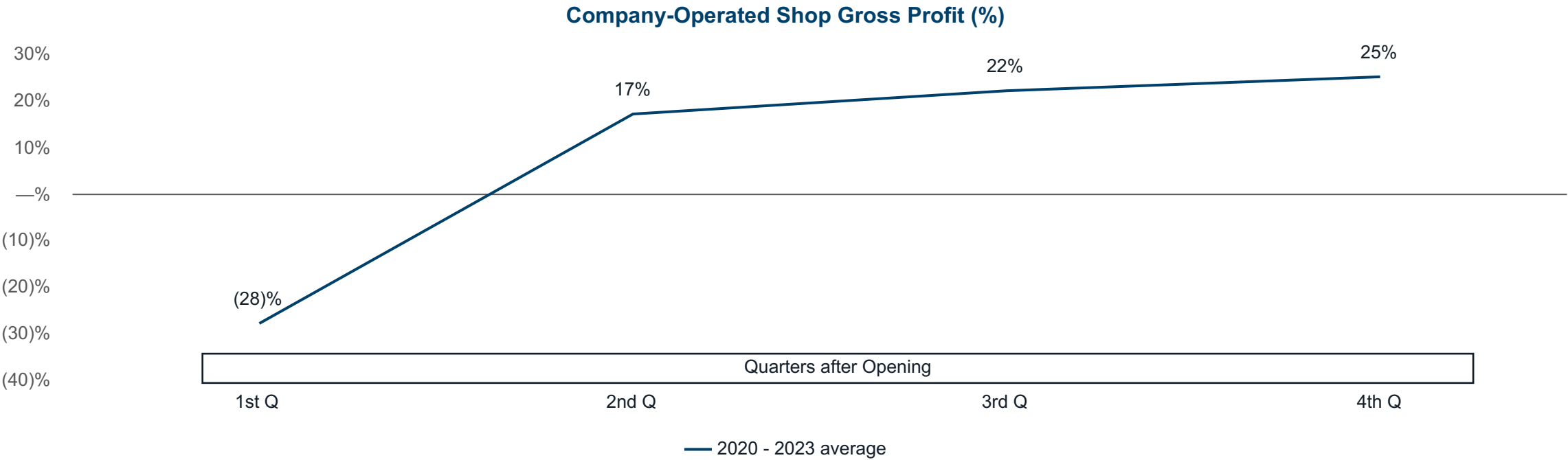
SAME SHOP SALES

SAME SHOP SALES VS PRIOR YEARS

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



COMPANY-OPERATED SHOP MARGIN PROGRESSION





COMPANY-OPERATED SHOP RESULTS

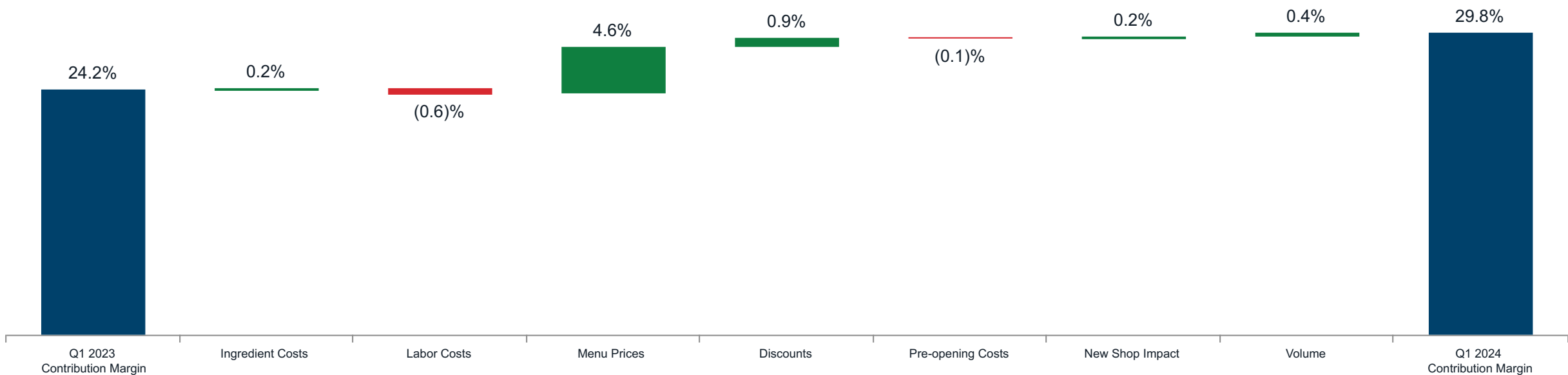
(\$ in millions)	Three Months Ended March 31,			
	2024		2023	
	\$	%	\$	%
Company-operated shop revenue	\$ 248.1	100.0	\$ 173.2	100.0
Beverage, food and packaging	63.7	25.7	49.0	28.3
Labor costs	65.4	26.4	48.5	28.0
Occupancy and other costs	41.5	16.7	30.6	17.6
Pre-opening costs	3.4	1.4	3.2	1.9
Depreciation and amortization	19.7	7.9	13.0	7.5
Company-operated shop gross profit	54.3	21.9	28.9	16.7
Depreciation and amortization	19.7	7.9	13.0	7.5
Company-operated shop contribution ¹	\$ 74.0	29.8	\$ 41.9	24.2

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



COMPANY-OPERATED SHOP CONTRIBUTION MARGIN¹ BRIDGE

Q1 2023 to Q1 2024
Company-Operated Shop Contribution Margin¹ Bridge



¹ Contribution margin is non-GAAP measure, the definition and the GAAP to non-GAAP reconciliation are provided on slide 7. The company-operated shop gross margin was 16.7% for Q1 2023 and 21.9% for Q1 2024.



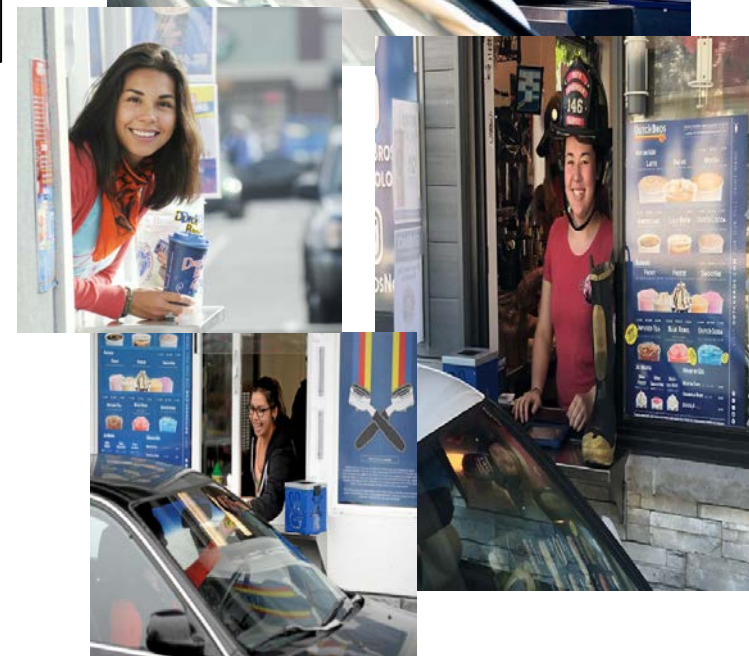
OUTLOOK

FY 2024 Outlook

Total System New Shop Openings	150 to 165
Revenue	between \$1.20 billion to \$1.215 billion
Same Shop Sales Growth	approximately low single digits
Adjusted EBITDA ¹	between \$195 million to \$205 million
Capital Expenditures	between \$280 million to \$320 million

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

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





SG&A LEVERAGE

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

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

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



APPENDIX



INCOME STATEMENT

(\$ in thousands; except per share data)	Three Months Ended March 31,	
	2024	2023
Revenues:		
Company-operated stores	\$ 248,085	\$ 173,164
Franchising and other	27,014	24,103
Total revenues	\$ 275,099	\$ 197,267
Costs and expenses:		
Cost of sales	203,326	151,523
Selling, general and administrative	46,194	45,976
Total costs and expenses	249,520	197,499
INCOME (LOSS) FROM OPERATIONS	\$ 25,579	\$ (232)
OTHER EXPENSE		
Interest expense, net	(6,393)	(7,886)
Other income, net	5,801	1,307
Total other expense	(592)	(6,579)
INCOME (LOSS) BEFORE INCOME TAXES	\$ 24,987	\$ (6,811)
Income tax expense	8,772	2,580
NET INCOME (LOSS)	\$ 16,215	\$ (9,391)
Less: Net income (loss) attributable to non-controlling interests	9,153	(5,549)
NET INCOME (LOSS) ATTRIBUTABLE TO DUTCH BROS INC.	\$ 7,062	\$ (3,842)
Net income (loss) per share of Class A and Class D common stock		
Basic	\$ 0.08	\$ (0.07)
Diluted	\$ 0.08	\$ (0.07)
Weighted-average shares of class A and class D common stock outstanding:		
Basic	83,328	56,664
Diluted	83,410	56,664



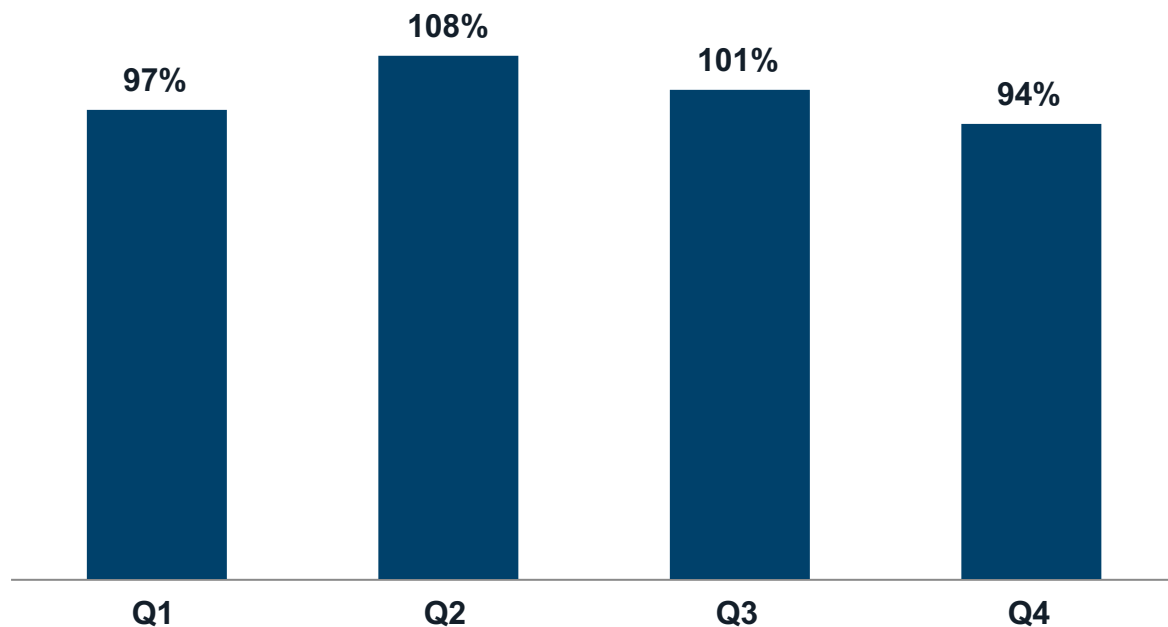
INCOME STATEMENT – SEGMENTS

(\$ in thousands)	Three Months Ended March 31,	
	2024	2023
Revenues:		
Company-operated shops	248,085	173,164
Franchising and other	27,014	24,103
Total revenues	\$ 275,099	\$ 197,267
Cost of Sales:		
Company-operated shops	193,780	144,292
Franchising and other	9,546	7,231
Total cost of sales	203,326	151,523
Segment gross profit:		
Company-operated shops	54,305	28,872
Franchising and other	17,468	16,872
Total gross profit	\$ 71,773	\$ 45,744
Depreciation and amortization:		
Company-operated shops	19,694	13,001
Franchising and other	1,295	1,361
All other	264	417
Total depreciation and amortization	21,253	14,779
Segment contribution:		
Company-operated shops	73,999	41,873
Franchising and other	18,763	18,233
Total segment contribution	\$ 92,762	\$ 60,106
Selling, general and administrative	(46,194)	(45,976)
Interest expense, net	(6,393)	(7,886)
Other expense, net	5,801	1,307
INCOME (LOSS) BEFORE INCOME TAXES	\$ 24,987	\$ (6,811)



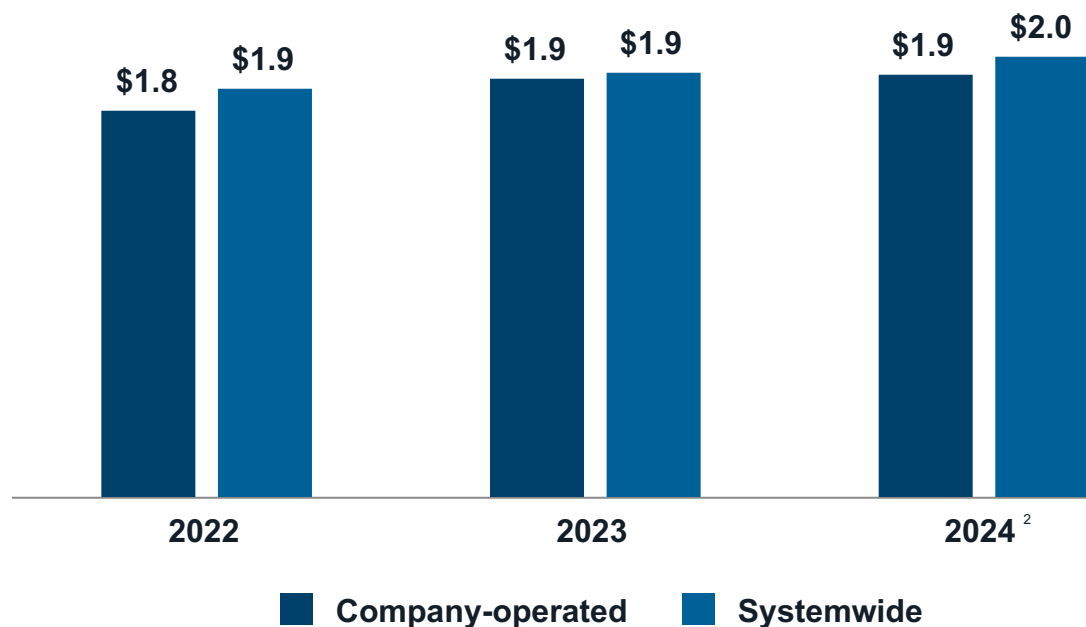
SEASONALITY AND AUV

TYPICAL SHOP SALES SEASONALITY



TRAILING 12-MONTH AUV ¹

(\$M)



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



SUMMARY QUARTERLY DATA

(\$ in millions; except Shop Count)	2022				2023				2024
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Company-Operated Shop Count	310	336	370	396	438	473	510	542	582
Total Shop Count	572	603	641	671	716	754	794	831	876
Company-Operated Shop Revenue	\$ 130.2	\$ 160.5	\$ 173.5	\$ 175.5	\$ 173.2	\$ 221.0	\$ 236.5	\$ 227.4	\$ 248.1
Total Revenue	\$ 152.2	\$ 186.4	\$ 198.6	\$ 201.8	\$ 197.3	\$ 249.9	\$ 264.5	\$ 254.1	\$ 275.1
Company-operated Shop Gross Profit Margin	\$ 16.6	\$ 31.2	\$ 34.7	\$ 38.8	\$ 28.9	\$ 52.1	\$ 57.0	\$ 42.3	\$ 54.3
Company-operated Shop Depreciation & Amortization	\$ 7.1	\$ 8.3	\$ 9.6	\$ 11.2	\$ 13.0	\$ 14.8	\$ 16.3	\$ 18.0	\$ 19.7
Company-Operated Shop Contribution ¹	\$ 23.8	\$ 39.5	\$ 44.3	\$ 50.0	\$ 41.9	\$ 66.9	\$ 73.3	\$ 60.2	\$ 74.0
Adjusted EBITDA	\$ 9.7	\$ 23.9	\$ 27.8	\$ 29.8	\$ 23.9	\$ 48.6	\$ 53.0	\$ 34.6	\$ 52.5
Net Income (Loss)	\$ (16.3)	\$ (1.8)	\$ 1.6	\$ (2.8)	\$ (9.4)	\$ 9.7	\$ 13.4	\$ (3.8)	\$ 16.2

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



NON-GAAP ADJUSTMENTS

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

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

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

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

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

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

Executives transition costs — Employee severance and related benefit costs, as well as sign-on bonus(es) for several executive-level transitions occurring in 2022 and 2023, and amortized through early 2024.

TRA remeasurement — (Gain) loss impacts on condensed consolidated statements of operations related to adjustments of our TRAs liabilities.

Legal proceedings — Estimated loss accrual related to certain legal disputes.

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

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

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



ADJUSTED EBITDA RECONCILIATION

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



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

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