

**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 June 30, 2025

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 001-40798



DUTCH BROS INC.

(Exact name of Registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

**1930 W. Rio Salado Pkwy
Tempe, Arizona**

(Address of Principal Executive Offices)

87-1041305

(I.R.S. Employer Identification No.)

85281

(Zip Code)

(877) 899-2767

(Registrant's telephone number, including area code)

300 N Valley Dr, Grants Pass, Oregon 97526

(Former name or former address, if changed since last report)

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

Title of Each Class	Trading Symbol	Name of Exchange on which Registered
Class A Common Stock, par value \$0.00001 per share	BROS	The New York Stock Exchange

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 Act). Yes ☐ No ☒

As of July 31, 2025, the registrant’s outstanding shares of common stock were as follows:

Class A common stock	126,960,284
Class B common stock	35,210,946
Class C common stock	2,347,346

DUTCH BROS INC.
QUARTERLY REPORT ON FORM 10-Q
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GLOSSARY

As used in this Quarterly Report on Form 10-Q (this Form 10-Q), the terms identified below have the meanings specified below unless otherwise noted or the context requires otherwise. References in this Form 10-Q to “Dutch Bros,” the “Company,” “we,” “us” and “our” refer to Dutch Bros Inc. and its consolidated subsidiaries unless the context indicates otherwise.

Term	Definition
2022 Credit Facility	Has the meaning set forth in NOTE 9 — Debt to the condensed consolidated financial statements, included elsewhere in this Form 10-Q
2025 Credit Facility	Has the meaning set forth in NOTE 9 — Debt to the condensed consolidated financial statements, included elsewhere in this Form 10-Q
AOCI	Accumulated Other Comprehensive Income
ASU	Accounting Standards Update
AUV	Average Unit Volume
BPS or bps	Basis points, which is used to express differences in rates. One basis point is the equivalent of 1/100 of one percent
CEO	Chief Executive Officer
CODM	Chief Operating Decision Maker
Co-Founder	Travis Boersma, our Executive Chairman and Co-Founder, and affiliated entities over which he maintains voting control
Continuing Members	The Co-Founder and the Sponsor
Dutch Bros OpCo	Dutch Mafia, LLC, a Delaware limited liability company and direct subsidiary of Dutch Bros Inc.
Dutch Bros Inc.	A Delaware corporation, the Class A common stock of which is publicly traded on the New York Stock Exchange under the symbol “BROS”
EBITDAR	Earnings before interest, taxes, depreciation, amortization, and rent costs
FASB	Financial Accounting Standards Board
GAAP	U.S. Generally Accepted Accounting Principles
IPO	Initial Public Offering
N/A	Not applicable
N/M	Not meaningful
OpCo LLC Agreement	The Fifth Amended and Restated Limited Liability Company Agreement of Dutch Bros OpCo
OpCo Units	Class A common units, Class B voting units and Class C voting units of Dutch Bros OpCo, each as further defined in the OpCo LLC Agreement, collectively
PSU	Performance-Based Stock Units
RSA	Restricted Stock Awards
RSU	Restricted Stock Units
Same Shop Sales	The estimated percentage change in year-over-year sales, for the comparable shop base, which we define as shops open for 15 complete months or longer as of the first day of the reporting period
SEC	Securities and Exchange Commission
SOFR	Secured Overnight Financing Rate
Sponsor	TSG Consumer Partners, L.P. and certain of its affiliates
Tax Receivable Agreements (TRAs)	The Tax Receivable Agreement (Exchanges) that Dutch Bros Inc. entered into with the Continuing Members and the Tax Receivable Agreement (Reorganization) that Dutch Bros Inc. entered into with TSG7 A AIV VI Holdings-A, L.P. and DG Coinvestor Blocker Aggregator, L.P. or their assignees or successors, in connection with the IPO

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 Form 10-Q are the property of their respective owners. Solely for convenience, the trademarks and trade names in this Form 10-Q 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.



Forward-Looking Statements

Certain statements in this Form 10-Q, including those in the section titled “Management’s Discussion and Analysis,” that are not historical facts, including those regarding the impact of inflation, increased minimum wages, interest rate risk, and general macroeconomic conditions on our results of operations, supply chain, or liquidity, the potential impact of actions we have taken to mitigate the impact of unforeseen circumstances, taxes and tax rates, our expectations regarding the number of new shops we may open, anticipated future revenues and earnings, consumer demand, and our expectations to generate positive cash flow in the foreseeable future are forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. We use words such as “anticipate,” “believe,” “could,” “estimate,” “expect,” “intend,” “may,” “predict,” “project,” “should,” “target,” and similar terms and phrases, including references to assumptions, to identify forward-looking statements. In addition, statements that “we believe” and similar statements reflect our beliefs and opinions on the relevant subject. While we believe that information provides a reasonable basis for these statements, that information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all relevant information. These forward-looking statements are based on information available to us as of the date of this Form 10-Q, and we assume no obligation to update these forward-looking statements. These statements are subject to risks and uncertainties that could cause actual results to differ materially from those described in the statements. You should not place undue reliance on forward-looking statements, which speak only as of the date of this Form 10-Q.

You should read the following unaudited condensed consolidated financial statements and the related notes in this Form 10-Q together with our analysis and discussion of our financial condition and results of operations and other financial information included elsewhere in this Form 10-Q. You should also read our Annual Report on Form 10-K for the year ended December 31, 2024, filed with the SEC on February 13, 2025 (2024 Form 10-K).

While we believe that our assumptions are reasonable, we caution that it is very difficult to predict the impact of known factors, and it is impossible for us to anticipate all factors that could affect actual results. You should evaluate all forward-looking statements made in this report in the context of the factors that could cause outcomes to differ materially from expectations. These factors include, but are not limited to, those listed under the “Risk Factors” section of this Form 10-Q, and in our 2024 Form 10-K, as such risk factors may be amended, supplemented or superseded from time to time by other reports we file with the SEC.

Website Disclosure

We use our website as a distribution channel of material company information. Financial and other important information regarding our company is routinely posted on and accessible through our website at <https://investors.dutchbros.com>. In addition, you may automatically receive email alerts and other information about our company when you subscribe your email address by visiting the “Investor Email Alerts” section of our investor relations page at <https://investors.dutchbros.com/resources>. The information on our website is not incorporated herein or otherwise a part of this Form 10-Q.



PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

DUTCH BROS INC.

Condensed Consolidated Balance Sheets

(in thousands, except per share amounts; unaudited)		June 30, 2025	December 31, 2024
Assets			
Current assets:			
Cash and cash equivalents	\$	254,415	\$ 293,354
Accounts receivable, net		13,533	10,598
Inventories, net		42,419	36,488
Prepaid expenses and other current assets		15,213	17,501
Total current assets		325,580	357,941
Property and equipment, net		747,831	683,971
Finance lease right-of-use assets, net		382,420	374,623
Operating lease right-of-use assets, net		375,350	315,256
Intangibles, net		2,035	2,947
Goodwill		21,629	21,629
Deferred income tax assets, net		955,190	742,126
Other long-term assets		2,212	2,592
Total assets	\$	2,812,247	\$ 2,501,085
Liabilities and Equity			
Current liabilities:			
Accounts payable	\$	33,646	\$ 32,225
Accrued compensation and benefits		41,512	49,778
Other accrued liabilities		32,328	26,516
Other current liabilities		14,174	7,067
Deferred revenue		43,533	42,868
Current portion of tax receivable agreements liability		514	71
Current portion of finance lease liabilities		14,297	13,256
Current portion of operating lease liabilities		15,045	13,979
Current portion of long-term debt		3,877	17,311
Total current liabilities		198,926	203,071
Deferred revenue, net of current portion		7,740	8,015
Finance lease liabilities, net of current portion		380,128	369,297
Operating lease liabilities, net of current portion		370,753	309,311
Long-term debt, net of current portion		196,838	219,755
Tax receivable agreements liability, net of current portion		823,933	627,763
Other long-term liabilities		—	8
Total liabilities		1,978,318	1,737,220
Commitments and contingencies (Note 15)			



DUTCH BROS INC.

Condensed Consolidated Balance Sheets (continued)

(in thousands, except per share amounts; unaudited)

	June 30, 2025	December 31, 2024
Preferred stock, \$0.00001 par value per share - 20,000 shares authorized; zero shares issued and outstanding as of June 30, 2025 and December 31, 2024, respectively	—	—
Class A common stock, \$0.00001 par value per share - 400,000 shares authorized; 126,932 and 115,432 shares issued and outstanding as of June 30, 2025 and December 31, 2024, respectively	1	1
Class B common stock, \$0.00001 par value per share - 144,000 shares authorized; 35,211 and 35,227 shares issued and outstanding as of June 30, 2025 and December 31, 2024, respectively	—	—
Class C common stock, \$0.00001 par value per share - 105,000 shares authorized; 2,347 and 3,545 shares issued and outstanding as of June 30, 2025 and December 31, 2024, respectively	—	—
Additional paid-in capital	575,240	517,074
Accumulated other comprehensive income	284	628
Retained earnings	60,643	19,666
Total stockholders' equity attributable to Dutch Bros Inc.	636,168	537,369
Non-controlling interests	197,761	226,496
Total equity	833,929	763,865
Total liabilities and equity	\$ 2,812,247	\$ 2,501,085

See accompanying notes to condensed consolidated financial statements.



DUTCH BROS INC.

Condensed Consolidated Statements of Operations

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
(in thousands, except per share amounts; unaudited)				
Revenues				
Company-operated shops	\$ 380,500	\$ 295,268	\$ 706,921	\$ 543,353
Franchising and other	35,313	29,650	64,044	56,664
Total revenues	415,813	324,918	770,965	600,017
Costs and Expenses				
Cost of sales	295,769	234,637	560,928	437,887
Selling, general and administrative	65,385	58,097	124,306	104,330
Total costs and expenses	361,154	292,734	685,234	542,217
Income from operations	54,659	32,184	85,731	57,800
Other expense				
Interest expense, net	(7,076)	(6,997)	(14,191)	(13,390)
Other income (expense), net	(1,983)	829	(2,001)	6,593
Total other expense	(9,059)	(6,168)	(16,192)	(6,797)
Income before income taxes	45,600	26,016	69,539	51,003
Income tax expense	7,243	3,860	8,702	12,632
Net income	\$ 38,357	\$ 22,156	\$ 60,837	\$ 38,371
Less: Net income attributable to non-controlling interests	12,733	10,216	19,860	19,369
Net income attributable to Dutch Bros Inc.	\$ 25,624	\$ 11,940	\$ 40,977	\$ 19,002
Net income per share of Class A and Class D common stock:				
Basic	\$ 0.20	\$ 0.12	\$ 0.33	\$ 0.21
Diluted	\$ 0.20	\$ 0.12	\$ 0.33	\$ 0.20
Weighted-average shares of Class A and Class D common stock outstanding:				
Basic	126,390	101,965	123,615	92,647
Diluted	126,830	102,356	124,178	93,049

See accompanying notes to condensed consolidated financial statements.



DUTCH BROS INC.

Condensed Consolidated Statements of Comprehensive Income

(in thousands; unaudited)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Net income	\$ 38,357	\$ 22,156	\$ 60,837	\$ 38,371
Other comprehensive income (loss):				
Unrealized gain (loss) on derivative securities, effective portion, net of income tax expense (benefit) of \$(54), \$(15), \$(147) and \$64, respectively	(241)	113	(590)	787
Comprehensive income	38,116	22,269	60,247	39,158
Less: comprehensive income attributable to non-controlling interests	12,646	10,182	19,614	19,628
Comprehensive income attributable to Dutch Bros Inc.	\$ 25,470	\$ 12,087	\$ 40,633	\$ 19,530

See accompanying notes to condensed consolidated financial statements.



DUTCH BROS INC.

Condensed Consolidated Statements of Stockholders' Equity

Three Months Ended June 30, 2025

(in thousands; unaudited)	Dutch Bros Inc. Stockholders' Equity										
	Class A		Class B		Class C		Additional Paid-in Capital	Accumulated Other Comprehensive Income	Retained Earnings	Non- Controlling Interests	Total Equity
	Common Stock		Common Stock		Common Stock						
	Shares	Amount	Shares	Amount	Shares	Amount					
Balance, March 31, 2025	125,174	\$ 1	35,211	\$ —	2,347	\$ —	\$ 563,600	\$ 438	\$ 35,019	\$ 197,244	\$ 796,302
Net income	—	—	—	—	—	—	—	—	25,624	12,733	38,357
Unrealized loss on derivative securities, effective portion, net of income tax benefit of \$54	—	—	—	—	—	—	(12)	(154)	—	(87)	(253)
Equity-based compensation expense	—	—	—	—	—	—	3,341	—	—	1,330	4,671
Issuance of Class A common stock pursuant to vesting of equity awards	8	—	—	—	—	—	—	—	—	—	—
Issuance of Class A common stock for conversion of Dutch Bros OpCo Class A common units, pursuant to exchange transactions	1,750	—	—	—	—	—	—	—	—	—	—
Effect of equity transactions of Dutch Bros OpCo Class A common units	—	—	—	—	—	—	6,592	—	—	(6,592)	—
Impacts of Tax Receivable Agreements	—	—	—	—	—	—	1,719	—	—	—	1,719
Distributions paid to non-controlling interest holders	—	—	—	—	—	—	—	—	—	(6,867)	(6,867)
Balance, June 30, 2025	126,932	\$ 1	35,211	\$ —	2,347	\$ —	\$ 575,240	\$ 284	\$ 60,643	\$ 197,761	\$ 833,929



DUTCH BROS INC.

Condensed Consolidated Statements of Stockholders' Equity (continued)

Six Months Ended June 30, 2025

(in thousands)	Dutch Bros Inc. Stockholders' Equity										
	Class A		Class B		Class C		Additional Paid-in- Capital	Accumulated Other Comprehensive Income	Retained Earnings	Non- Controlling Interests	Total Equity
	Common Stock		Common Stock		Common Stock						
	Shares	Amount	Shares	Amount	Shares	Amount					
Balance, December 31, 2024	115,432	\$ 1	35,227	\$ —	3,545	\$ —	\$ 517,074	\$ 628	\$ 19,666	\$ 226,496	\$ 763,865
Net income	—	—	—	—	—	—	—	—	40,977	19,860	60,837
Unrealized loss on derivative securities, effective portion, net of income tax benefit of \$147	—	—	—	—	—	—	(108)	(344)	—	(246)	(698)
Equity-based compensation expense	—	—	—	—	—	—	6,241	—	—	2,624	8,865
Issuance of Class A common stock pursuant to vesting of equity awards, net of stock withheld for tax withholding obligations	303	—	—	—	—	—	(7,771)	—	—	(3,247)	(11,018)
Issuance of Class A common stock for conversion of Dutch Bros OpCo Class A common units, and for surrender and cancellation of Class C common stock, pursuant to exchange transactions	11,197	—	—	—	(1,197)	—	—	—	—	—	—
Effect of equity transactions of Dutch Bros OpCo Class A common units	—	—	—	—	—	—	40,859	—	—	(40,859)	—
Impacts of Tax Receivable Agreements	—	—	—	—	—	—	18,945	—	—	—	18,945
Reverse Split transaction pursuant to OpCo Recapitalization	—	—	(16)	—	(1)	—	—	—	—	—	—
Distributions paid to non-controlling interest holders	—	—	—	—	—	—	—	—	—	(6,867)	(6,867)
Balance, June 30, 2025	126,932	\$ 1	35,211	\$ —	2,347	\$ —	\$ 575,240	\$ 284	\$ 60,643	\$ 197,761	\$ 833,929



DUTCH BROS INC.

Condensed Consolidated Statements of Stockholders' Equity (continued)

Three Months Ended June 30, 2024

(in thousands; unaudited)	Dutch Bros Inc. Stockholders' Equity												
	Class A Common Stock		Class B Common Stock		Class C Common Stock		Class D Common Stock		Additional Paid-in- Capital	Accumulated Other Comprehensive Income	Retained Earnings (Accumulated Deficit)	Non- Controlling Interests	Total Equity
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount					
Balance, March 31, 2024	86,575	\$ 1	60,071	\$ 1	23,879	\$ —	6,653	\$ —	\$ 424,721	\$ 925	\$ (8,530)	\$ 278,845	\$ 695,963
Net income	—	—	—	—	—	—	—	—	—	—	11,940	10,216	22,156
Unrealized gain on derivative securities, effective portion, net of income tax benefit of \$15	—	—	—	—	—	—	—	—	(193)	147	—	(34)	(80)
Equity-based compensation expense	—	—	—	—	—	—	—	—	1,973	—	—	1,353	3,326
Issuance of Class A common stock pursuant to vesting of equity awards	7	—	—	—	—	—	—	—	—	—	—	—	—
Issuance of Class A common stock in exchange for surrender and cancellation of Class D common stock, and conversion of Dutch Bros OpCo Class A common units for surrender and cancellation of Class B and C common stock, pursuant to exchange transactions	27,235	—	(1,844)	—	(18,737)	—	(6,653)	—	—	—	—	—	—
Effect of equity transactions of Dutch Bros OpCo Class A common units	—	—	—	—	—	—	—	—	69,708	—	—	(69,708)	—
Impacts of Tax Receivable Agreements	—	—	—	—	—	—	—	—	8,448	—	—	—	8,448
Class B common stock decoupled from Dutch Bros OpCo Class A common units, surrendered and cancelled	—	—	(23,000)	(1)	—	—	—	—	—	—	—	—	(1)
Balance, June 30, 2024	113,817	\$ 1	35,227	\$ —	5,142	\$ —	—	\$ —	\$ 504,657	\$ 1,072	\$ 3,410	\$ 220,672	\$ 729,812



DUTCH BROS INC.

Condensed Consolidated Statements of Stockholders' Equity (continued)

Six Months Ended June 30, 2024

	Dutch Bros Inc. Stockholders' Equity													
	Class A Common Stock		Class B Common Stock		Class C Common Stock		Class D Common Stock							
(in thousands)	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Additional Paid-in- Capital	Accumulated Other Comprehensive Income	Retained Earnings (Accumulated Deficit)	Non- Controlling Interests	Total Equity	
Balance, December 31, 2023	69,958	\$ 1	60,629	\$ 1	35,864	\$ —	10,669	\$ —	\$ 379,391	\$ 544	\$ (15,592)	\$ 311,576	\$ 675,921	
Net income	—	—	—	—	—	—	—	—	—	—	19,002	19,369	38,371	
Unrealized gain on derivative securities, effective portion, net of income tax expense of \$64	—	—	—	—	—	—	—	—	(328)	528	—	259	459	
Equity-based compensation expense	—	—	—	—	—	—	—	—	2,964	—	—	2,295	5,259	
Issuance of Class A common stock pursuant to vesting of equity awards, net of stock withheld for tax withholding obligations	65	—	—	—	—	—	—	—	1,867	—	—	(2,742)	(875)	
Issuance of Class A common stock in exchange for surrender and cancellation of Class D common stock, and conversion of Dutch Bros OpCo Class A common units for surrender and cancellation of Class B and C common stock, pursuant to exchange transactions	43,794	—	(2,402)	—	(30,722)	—	(10,669)	—	—	—	—	—	—	
Effect of exchange transactions of Dutch Bros OpCo Class A common units	—	—	—	—	—	—	—	—	110,085	—	—	(110,085)	—	
Impacts of Tax Receivable Agreements	—	—	—	—	—	—	—	—	10,678	—	—	—	10,678	
Class B common stock decoupled from Dutch Bros OpCo Class A common units, surrendered and cancelled	—	—	(23,000)	(1)	—	—	—	—	—	—	—	—	(1)	
Balance, June 30, 2024	113,817	\$ 1	35,227	\$ —	5,142	\$ —	—	\$ —	\$ 504,657	\$ 1,072	\$ 3,410	\$ 220,672	\$ 729,812	

See accompanying notes to condensed consolidated financial statements.



DUTCH BROS INC.

Condensed Consolidated Statements of Cash Flows

(in thousands; unaudited)	Six Months Ended June 30,	
	2025	2024
Cash flows from operating activities:		
Net income	\$ 60,837	\$ 38,371
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	54,323	43,603
Non-cash interest expense	506	556
Loss (gain) on disposal of assets	53	(765)
Loss on extinguishment of debt	809	—
Equity-based compensation	8,865	5,259
Deferred income taxes	7,340	11,686
Remeasurement gain on TRAs	—	(5,687)
Non-cash operating lease cost	9,566	7,085
Changes in operating assets and liabilities:		
Accounts receivable, net	(2,935)	(3,214)
Inventories, net	(5,931)	302
Prepaid expenses and other current assets	2,085	1,079
Other long-term assets	(1,634)	(138)
Accounts payable	(488)	4,854
Accrued compensation and benefits	(8,266)	437
Other accrued liabilities	(1,120)	1,264
Other current liabilities	7,107	(550)
Deferred revenue	390	1,495
Other long-term liabilities	(8)	—
Operating lease liabilities	(4,718)	(4,908)
Net cash provided by operating activities	126,781	100,729
Cash flows from investing activities:		
Purchases of property and equipment	(99,762)	(121,910)
Proceeds from disposal of fixed assets	31	8,670
Net cash used in investing activities	(99,731)	(113,240)
Cash flows from financing activities:		
Payments on finance lease liabilities	(7,111)	(4,493)
Proceeds from long-term debt	250,000	150,000
Payments on long-term debt	(284,748)	(4,744)
Payments of debt issuance costs	(1,547)	—
Tax withholding payments upon vesting of equity awards	(11,018)	(875)
Distributions to non-controlling interest holders	(6,867)	—
Payments under tax receivable agreements	(4,698)	—
Net cash provided by (used in) financing activities	(65,989)	139,888
Net increase (decrease) in cash and cash equivalents	(38,939)	127,377
Cash and cash equivalents, beginning of period	293,354	133,545
Cash and cash equivalents, end of period	\$ 254,415	\$ 260,922



DUTCH BROS INC.

Condensed Consolidated Statements of Cash Flows (continued)

(in thousands; unaudited)	Six Months Ended June 30,	
	2025	2024
Supplemental disclosure of cash flow information		
Interest paid	\$ 20,154	\$ 18,777
Income taxes paid	890	775
Supplemental disclosure of noncash investing and financing activities		
Additions of property and equipment accrued as of end of period	21,475	17,421

See accompanying notes to condensed consolidated financial statements.



DUTCH BROS INC.

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DUTCH BROS INC.

Notes to Condensed Consolidated Financial Statements (Unaudited)

NOTE 1 — Organization and Background

Business

Dutch Bros Inc., a Delaware corporation, together with its subsidiaries (the Company, we, us, or our, collectively) is in the business of operating and franchising drive-thru coffee shops as well as the wholesale and distribution of coffee, coffee-related products, and accessories. As of June 30, 2025, there were 1,043 shops in operation in 19 U.S. states, of which 725 were company-operated and 318 were franchised.

Organization

Dutch Bros Inc. is the sole managing member of Dutch Bros OpCo and operates and controls all of the business and affairs of Dutch Bros OpCo. As a result, Dutch Bros Inc. consolidates the financial results of Dutch Bros OpCo and reports a non-controlling interest representing the economic interest in Dutch Bros OpCo held by the other members of Dutch Bros OpCo. The Company's fiscal year end is December 31. As of June 30, 2025, Dutch Bros Inc. held 100.0% of the voting interest and 71.5% of the economic interest of Dutch Bros OpCo. The Continuing Members held no voting interest and the remaining 28.5% of the economic interest of Dutch Bros OpCo.

Dutch Bros OpCo Recapitalization

From time to time, Dutch Bros Inc. receives cash distributions from Dutch Bros OpCo pursuant to the OpCo LLC Agreement. Dutch Bros Inc. may then loan any cash in excess of its liabilities back to Dutch Bros OpCo for operations, under the open-ended balance Subordinated Intercompany Note, between Dutch Bros OpCo and Dutch Bros Inc., dated February 28, 2022 (the Intercompany Note).

On February 7, 2025, Dutch Bros Inc. entered into a subscription agreement with Dutch Bros OpCo, pursuant to which Dutch Bros OpCo issued 51,942 newly authorized Dutch Bros OpCo Class A common units to Dutch Bros Inc. in exchange for satisfaction of the outstanding balance of the Intercompany Note, which at that time was approximately \$3.5 million.

In accordance with the OpCo LLC Agreement, all outstanding Dutch Bros OpCo Class A common units were then recapitalized through a reverse unit split (the Reverse Split) in order to maintain a one-to-one ratio between the number of Dutch Bros OpCo Class A common units owned by Dutch Bros Inc. and the number of outstanding shares of Class A common stock. Consequently, 15,734 outstanding shares of Class B common stock, and 1,220 outstanding shares of Class C common stock, that were paired with Dutch Bros OpCo Class A common units eliminated as a result of the Reverse Split, were cancelled.

NOTE 2 — Basis of Presentation and Summary of Significant Accounting Policies

Financial Statements Presentation

Our condensed consolidated financial statements as of June 30, 2025 and for the three and six months ended June 30, 2025 and 2024 have been prepared in accordance with GAAP and pursuant to the rules and regulations of the SEC, consistent in all material respects with those applied in the 2024 Form 10-K and as updated by this Form 10-Q.

We have made estimates and judgments affecting the amounts reported in its condensed consolidated financial statements and the accompanying notes. Although management bases its estimates on historical experience and assumptions that are believed to be reasonable under the circumstances, actual results could differ from those estimates. This report should be read in conjunction with the consolidated financial statements in the 2024 Form 10-K that includes additional information on accounting estimates, policies, and the methods and assumptions used in its estimates.



In the opinion of management, the accompanying condensed consolidated financial statements reflect all adjustments, consisting of normal recurring adjustments, necessary to present fairly our consolidated financial statements for the periods presented. Operating results for the three and six months ended June 30, 2025 are not necessarily indicative of the results that may be expected for the fiscal year ending December 31, 2025.

Significant Accounting Policies Updates

There have been no material updates to our significant accounting policies during the six months ended June 30, 2025 from those previously reported in the 2024 Form 10-K.

Recently Issued Accounting Standards

In December 2023, the FASB issued ASU No. 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. The amendments in this update are intended to enhance the transparency and decision usefulness of income tax disclosures, primarily through improvements to the rate reconciliation and income taxes paid information, specifically requiring (1) consistent categories and greater disaggregation of information in the rate reconciliation, and (2) income taxes paid disaggregation by jurisdiction. These amendments are effective for public business entities' annual periods beginning after December 15, 2024 and interim periods within fiscal years beginning after December 15, 2025, and should be applied on a prospective basis. Early adoption is permitted for annual financial statements that have not yet been issued. We expect to provide additional detail and disclosures under the new guidance in our Form 10-K to be filed for the year ending December 31, 2025.

In November 2024, the FASB issued ASU No. 2024-03, *Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40)*. The intent of this ASU is to improve public entity financial footnote disclosures around types of expenses in commonly presented expense categories (i.e., cost of sales; selling, general, and administrative expense; and research and development expense). The amendments in this ASU do not change or remove current expense disclosure requirements, but rather 1) impact where this information appears in the notes to the consolidated financial statements and 2) add additional disclosure requirements for certain expense line items appearing on the face of our consolidated statements of operations. ASU 2024-03, as amended, is effective for annual reporting periods beginning after December 15, 2026 and interim reporting periods beginning after December 15, 2027. Early adoption is permitted. We are currently assessing potential impacts of this standard on our business processes and future disclosures.

NOTE 3 — Revenue Recognition

Revenue

The following table disaggregates revenue by major component:

(in thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Company-operated shops	\$ 380,500	\$ 295,268	\$ 706,921	\$ 543,353
Franchising	33,574	28,080	60,665	53,851
Other	1,739	1,570	3,379	2,813
Total revenues	\$ 415,813	\$ 324,918	\$ 770,965	\$ 600,017



Deferred Revenue

Components of our deferred revenue liability are as follows:

(in thousands)	June 30, 2025	December 31, 2024
Gift card and loyalty programs	\$ 48,777	\$ 48,265
Other deferred revenue, net ¹	2,496	2,618
Total deferred revenue	\$ 51,273	\$ 50,883

¹ Other deferred revenue, net, includes initial unearned franchise fees and performance obligations that have not been satisfied related to sales to distributors.

Deferred revenue activity was as follows:

(in thousands)	Six Months Ended June 30,	
	2025	2024
Beginning balance	\$ 50,883	\$ 37,025
Revenue deferred ¹	265,623	194,898
Revenue recognized ²	(265,111)	(193,569)
Other deferred revenue, net	(122)	166
Ending balance	51,273	38,520
Less: current portion	(43,533)	(31,405)
Deferred revenue, net of current portion	\$ 7,740	\$ 7,115

¹ Revenue deferred includes gift card activations, loyalty app cash loads and loyalty points and rewards earned.

² Revenue recognized includes redemptions of gift cards, loyalty app and loyalty rewards, and breakage.

Revenue recognized during the three and six months ended June 30, 2025 and 2024, respectively, that was included in the respective deferred revenue liability balances at the beginning of the period are shown below.

(in thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Gift card redemptions ¹	\$ 1,315	\$ 1,083	\$ 6,407	\$ 5,100
Earned franchise fees	113	111	227	224

¹ Amounts exclude cash loads and transactions related to our loyalty rewards program.

Future recognition of initial unearned franchise fees as of June 30, 2025 is as follows:

(in thousands)	
Remainder of 2025	\$ 218
2026	406
2027	361
2028	312
2029	267
Thereafter	932
Total	\$ 2,496



NOTE 4 — Organization Realignment and Restructurings

On January 29, 2024, our Board of Directors approved an organizational realignment and restructuring plan to expand support operations at our Phoenix, Arizona office. As part of this large-scale initiative, we relocated certain support center staff from our Grants Pass, Oregon headquarters to the Phoenix office. As of March 31, 2025, this initiative was substantially complete, including the build-out and move into our new Phoenix office location. We incurred total aggregate charges of approximately \$19.1 million related to this initiative, consisting of (i) approximately \$16.6 million in employee-related costs, including relocation, retention and transition costs, termination benefits, and duplicate transition wages and benefits; and (ii) approximately \$2.5 million in other costs, including the donation of a building, consulting fees, and duplicate rent. Substantially all of the charges have resulted in current or expected future cash expenditures.

On May 13, 2025, our Board of Directors approved the plan for an additional restructuring program, primarily related to the relocation and streamlining of our remaining back-office operations from our former Grants Pass, Oregon headquarters to our newly-designated Phoenix office corporate headquarters. Affected employees were either offered an opportunity to relocate and continue employment in the Phoenix office or were offered a severance package; these communications were largely completed by May 20, 2025. For this program, we expect to incur total aggregate charges of up to \$8.5 million, consisting of (i) employee-related costs, including relocation, retention and transition costs, termination benefits, and duplicate transition wages and benefits; and (ii) other costs, including consulting fees. Substantially all of the estimated charges are expected to result in current and future cash expenditures. We expect that by December 31, 2025, substantially all of our headquarters employees will be located in our Phoenix office.

During the three and six months ended June 30, 2025 and 2024, we recorded restructuring charges for employee-related and other costs in selling, general and administrative expenses on the condensed consolidated statements of operations as follows:

(in thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Relocation and travel costs	\$ 250	\$ 5,064	\$ 781	\$ 7,493
Termination benefits	1,484	1,600	1,962	1,796
Total employee-related costs	1,734	6,664	2,743	9,289
Duplicate rent	—	30	244	30
Consulting	29	—	4	—
Total other costs	29	30	248	30
Total restructuring costs incurred	\$ 1,763	\$ 6,694	\$ 2,991	\$ 9,319



As of June 30, 2025 and December 31, 2024, the accruals for corporate restructuring costs are included in accounts payable, accrued compensation and benefits, and accrued expenses on the condensed consolidated balance sheets. The following tables summarize the activity for the restructuring liabilities during the six months ended June 30, 2025:

(in thousands)	Liability, December 31, 2024	Charges	Cash Payments	Liability, June 30, 2025
Relocation and travel costs	\$ 698	\$ 781	\$ (1,328)	\$ 151
Termination benefits	2,028	1,962	(2,159)	1,831
Total employee-related costs	2,726	2,743	(3,487)	1,982
Duplicate rent	—	244	(244)	—
Consulting	55	4	(40)	19
Total other costs	55	248	(284)	19
Totals	\$ 2,781	\$ 2,991	\$ (3,771)	\$ 2,001

NOTE 5 — Inventories

Inventories, net consist of the following:

(in thousands)	June 30, 2025	December 31, 2024
Raw materials	\$ 20,848	\$ 14,594
Finished goods	21,571	21,894
Total inventories	\$ 42,419	\$ 36,488

NOTE 6 — Property and Equipment

Property and equipment, net consists of the following:

(dollars in thousands)	Useful Life (Years)	June 30, 2025	December 31, 2024
Software	3	\$ 11,666	\$ 10,666
Equipment and fixtures	3 — 7	243,192	229,307
Leasehold improvements	5 — 15	60,494	54,535
Buildings	10 — 39	547,857	487,060
Land	N/A	7,022	7,022
Construction-in-progress ¹	N/A	93,871	71,951
Property and equipment, gross		964,102	860,541
Less: accumulated depreciation		(216,271)	(176,570)
Property and equipment, net		\$ 747,831	\$ 683,971

¹ Construction-in-progress primarily consists of construction and equipment costs for new and existing shops.



Depreciation expense included in our condensed consolidated statements of operations was as follows:

(in thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Cost of sales	\$ 19,942	\$ 15,105	\$ 38,907	\$ 29,023
Selling, general, and administrative	801	220	1,188	468
Total depreciation expense	\$ 20,743	\$ 15,325	\$ 40,095	\$ 29,491

NOTE 7 — Intangible Assets

The details of the intangible assets are as follows:

(dollars in thousands)	Weighted-average amortization period (in years)	June 30, 2025	December 31, 2024
Reacquired franchise rights	3.1	\$ 27,049	\$ 27,049
Less: accumulated amortization		(25,014)	(24,102)
Intangibles, net		\$ 2,035	\$ 2,947

Amortization expense included in our condensed consolidated statements of operations was as follows:

(in thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Cost of sales	\$ 409	\$ 652	\$ 912	\$ 1,452

NOTE 8 — Leases

The components of lease costs, excluding short-term lease costs and sublease income (both immaterial for the periods presented), were as follows:

	Statements of Operations	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands)	Classification	2025	2024	2025	2024
Finance lease costs					
Amortization of right-of-use assets	Cost of sales	\$ 6,725	\$ 6,358	\$ 13,285	\$ 12,630
Amortization of right-of-use assets	Selling, general, and administrative	15	15	30	30
Interest on lease liabilities	Interest expense	5,729	5,506	11,338	10,958
Total finance lease costs		12,469	11,879	24,653	23,618
Operating lease costs					
Lease expenses	Cost of sales	9,656	6,968	18,319	12,912
Lease expenses	Selling, general, and administrative	699	232	1,399	279
Total operating lease costs		10,355	7,200	19,718	13,191
Variable lease costs	Cost of sales	2,310	1,565	4,425	3,124
Total lease costs		\$ 25,134	\$ 20,644	\$ 48,796	\$ 39,933



Supplemental cash flow information related to leases is as follows for the periods presented:

(in thousands)	Six Months Ended June 30,	
	2025	2024
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from finance leases	\$ 11,337	\$ 10,958
Operating cash flows from operating leases	14,872	11,012
Financing cash flows from finance leases	7,111	4,493
Right-of-use assets obtained in exchange for lease obligations		
Finance leases	18,982	9,575
Operating leases	67,354	89,368

NOTE 9 — Debt

Credit Facility

On May 29, 2025 (the Effective Date), we amended and restated our existing \$650 million senior secured credit facility, dated February 28, 2022 (as previously amended, the 2022 Credit Facility), with JPMorgan Chase Bank, N.A. as administrative agent (Administrative Agent) and other financial institutions as the lenders party thereto (the 2025 Credit Facility). The 2025 Credit Facility consists of a \$500 million revolving credit facility and a term loan facility of up to \$150 million. The 2025 Credit Facility also includes sublimits for letters of credit and swingline loans of up to \$100 million and \$20 million, respectively. The 2025 Credit Facility expires on May 29, 2030 (the Maturity Date). It also contains an option allowing the Loan Parties to increase the size of the 2025 Credit Facility by up to an additional (i) \$230 million or (ii) 80% of EBITDAR, whichever is greater, with the agreement of the Administrative Agent and the applicable lenders party thereto.

On the Effective Date, we drew the full \$150 million in term loan and \$50 million in revolving loans under the 2025 Credit Facility, and all outstanding debt under the 2022 Credit Facility was repaid. As a result of the amendment and restatement, we recognized a loss on debt extinguishment of approximately \$2.0 million, comprised of: (i) approximately \$1.2 million of fees to intermediaries and other costs related to the 2025 Credit Facility, and (ii) the write-off of approximately \$0.8 million unamortized loan costs related to the 2022 Credit Facility. These expenses were recognized in Other income (expense), net on our condensed consolidated statements of operations. In addition, we capitalized approximately \$1.5 million of debt issuance costs related to the 2025 Credit Facility in Long-term debt, net of current portion on our condensed consolidated balance sheets.

Interest on borrowings under the 2025 Credit Facility is based on (i) the Alternate Base Rate plus an applicable margin, or (ii) the Term SOFR Rate plus an applicable margin (each as defined in the 2025 Credit Facility), and is payable in accordance with the selected interest rate period and upon maturity. Principal payments for the term loans are required on a quarterly basis in accordance with an amortization schedule up through and including the Maturity Date.

We are required to pay a commitment fee on a quarterly basis, at a per annum rate of between 0.20% and 0.45%, depending on the Net Lease-Adjusted Total Leverage Ratio (as defined in the 2025 Credit Facility), based on the average daily unused portion of the revolving credit facility. These fees are recorded as interest expense on our condensed consolidated statements of operations.



The 2025 Credit Facility contains financial covenants that require us to not exceed a maximum Net Lease-Adjusted Total Leverage Ratio and maintain a minimum Coverage Ratio (as defined in the 2025 Credit Facility). The 2025 Credit Facility also contains certain negative covenants that, among other things, restrict our ability to incur additional debt, grant liens on assets, merge with or acquire other companies, make other investments, dispose of assets, and make restricted payments. Obligations under the 2025 Credit Facility are guaranteed by Dutch Bros OpCo and its subsidiaries, and secured by a first priority perfected security interest in substantially all of the assets of the guarantors.

As of June 30, 2025, \$50.0 million was outstanding on our revolving credit facility, and \$439.4 million was available for borrowing, net of \$10.6 million in letters of credit, and approximately \$150.0 million of principal was outstanding on the term loan facility. The revolving loan and term loan both bear interest at approximately 5.83% as of June 30, 2025, excluding any impacts from our interest rate swap. We were in compliance with our financial covenants as of that date.

Long-Term Debt

Our long-term debt consisted of the following for the periods presented:

(in thousands)	June 30, 2025	December 31, 2024
Term loan under credit facility	\$ 150,000	\$ 234,688
Revolving loan under credit facility	50,000	—
Finance obligations ¹	3,022	3,022
Unsecured note payable	239	299
Total debt	203,261	238,009
Less: loan origination fees	(2,546)	(943)
Less: current portion	(3,877)	(17,311)
Total long-term debt, net of current portion	\$ 196,838	\$ 219,755

¹ Represents failed sale-leaseback arrangements.

Future annual maturities of long-term debt as of June 30, 2025 are as follows:

(in thousands)	
Remainder of 2025	\$ 1,938
2026	3,881
2027	5,670
2028	7,500
2029	11,250
Thereafter	173,022
Total	\$ 203,261

NOTE 10 — Derivative Financial Instruments

We have a receive-variable (Receive Leg), pay-fixed (Pay Leg) interest rate swap with JPMorgan Chase Bank, N.A. As of June 30, 2025, the interest rate swap had a notional amount of approximately \$61.7 million and hedges interest rate risk on the term loan under the 2025 Credit Facility. The interest rate swap matures on February 28, 2027, and has a fixed rate of 2.67% per annum for the Pay Leg. The variable rate on the Receive Leg of the interest rate swap is the one-month adjusted term SOFR plus an applicable margin. As of June 30, 2025, the one-month adjusted term SOFR was 4.33%.

Our interest rate swap has been designated as a cash flow hedge, and as such, we record the change in fair value for the effective portion of the interest rate swap in AOCI rather than in current period earnings until the underlying hedged transaction affects earnings. As of June 30, 2025, we expect to reclassify a gain of approximately \$0.8 million from AOCI to earnings within the next twelve months.

Designated as a Level 2 instrument within the fair value hierarchy, the fair value and effect of the derivative instrument included in our condensed consolidated financial statements was as follows:

(in thousands)	Balance Sheets Classification	June 30, 2025	December 31, 2024
Derivative instrument designated as cash flow hedge			
Interest rate swap contract	Prepaid expenses and other current assets	\$ 750	\$ 953
Interest rate swap contract	Other long-term assets	189	832
Total derivative instrument designated as cash flow hedge		\$ 939	\$ 1,785

(in thousands)	Financial Statements Classification	Three Months Ended June 30,		Six Months Ended June 30,	
		2025	2024	2025	2024
Derivative instrument designated as cash flow hedge					
Income (loss) recognized in other comprehensive income before reclassifications	Statements of Comprehensive Income	\$ (15)	\$ 562	\$ (175)	\$ 1,784
Reclassification from accumulated other comprehensive income to earnings for the effective portion	Statements of Operations - Interest expense, net	(280)	(464)	(562)	(933)
Income tax benefit (expense)	Statements of Operations - Income tax expense	54	15	147	(64)

The amendment to our credit facility, as discussed in NOTE 9 — Debt, had no impact on our interest rate swap derivative.

NOTE 11 — Income Taxes

(dollars in thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Income tax expense	\$ 7,243	\$ 3,860	\$ 8,702	\$ 12,632
Effective tax rate	15.9 %	14.8 %	12.5 %	24.8 %



The effective tax rate for the quarter ended June 30, 2025, was 15.9%, which reflects the US federal statutory rate of 21% on pre-tax income, offset with the tax benefits of federal tax credits and income attributable to non-controlling interests. The increase in the effective tax rate from 14.8% in the same period in 2024 is due to the increase in our economic interest of Dutch Bros OpCo.

The effective tax rate for the six months ended June 30, 2025, was 12.5%. The decrease in the effective tax rate from 24.8% in the same period in 2024 is due to tax deductions related to stock-based compensation, as well as a change in state earnings mix that occurred in 2024.

On July 4, 2025, the One Big Beautiful Bill Act (OBBBA) was enacted in the U.S. The OBBBA includes significant provisions, such as the permanent extension of certain expiring provisions of the Tax Cuts and Jobs Act and the restoration of favorable tax treatment for specific business provisions. The legislation has multiple effective dates, with some provisions taking effect in 2025 and others phased in through 2027. In accordance with ASC 740, the effects of changes in tax rates and laws are recognized in the period in which the legislation is enacted. While we do not currently anticipate a material impact on our consolidated financial statements, we are evaluating its potential effects.

Tax Receivable Agreements

In connection with our IPO, we executed two TRAs which require payment to certain Dutch Bros OpCo owners of 85% of the income tax benefits, if any, that we actually realize or in some cases is deemed to realize (calculated using certain assumptions) as a result of certain tax attributes and benefits covered by the TRAs.

The TRAs-related liabilities are classified on our condensed consolidated balance sheets as current or non-current based on the expected date of payment under the captions “Current portion of tax receivable agreements liability” and “Tax receivable agreements liability, net of current portion,” respectively.

As of June 30, 2025, our total TRAs-related liabilities were \$824.4 million. The changes related to these liabilities were as follows:

(in thousands)	June 30, 2025	December 31, 2024
Beginning balance	\$ 627,834	\$ 290,920
Additions (reductions) to TRAs:		
Exchange of Dutch Bros OpCo Class A common units for Class A common stock	201,311	341,161
Payments under TRA	(4,698)	—
TRAs remeasurements ¹	—	(4,247)
Ending balance	\$ 824,447	\$ 627,834
Less: current portion	(514)	(71)
TRAs liability, net of current portion	\$ 823,933	\$ 627,763

¹ Impact primarily related to state tax rates and adjustments from previous estimates upon finalization of the tax attributes subject to the TRAs.

NOTE 12 — Equity-Based Compensation

Restricted Stock Units

RSU activity was as follows:

(in thousands, except per share amounts)	Restricted Stock Units	Weighted-average grant date fair value per share
Balance, December 31, 2024	1,211	\$ 32.38
New grants	283	79.62
Vested	(442)	34.22
Forfeitures	(131)	37.87
Balance, June 30, 2025	921	\$ 45.23

PSU activity was as follows:

(in thousands, except per share amounts)	Performance - Based Stock Units	Weighted-average grant date fair value per share
Balance, December 31, 2024	—	\$ —
New grants	63	132.96
Forfeitures	(7)	132.96
Balance, June 30, 2025	56	\$ 132.96

Total release date fair value of vested equity awards for the six months ended June 30, 2025 and 2024 are presented below:

(in thousands, except per share amounts)	Six Months Ended June 30,			
	2025		2024	
	Awards/units	WA vest date fair value	Awards/units	WA vest date fair value
RSAs	—	\$ —	39,752	\$ 30.99
RSUs	34,823	78.86	2,916	30.90

Equity-Based Compensation

Equity-based compensation expense is recognized on a straight-line basis and is included in our condensed consolidated statements of operations as follows:

(in thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Cost of sales	\$ 575	\$ 270	\$ 975	\$ 364
Selling, general, and administrative expenses	4,096	3,056	7,890	4,895
Total stock-based compensation expense	\$ 4,671	\$ 3,326	\$ 8,865	\$ 5,259



As of June 30, 2025, total unrecognized stock-based compensation related to unvested RSUs and PSUs was \$39.4 million, which will be recognized as follows:

(in thousands)

Remainder of 2025	\$	10,032
2026		16,668
2027		10,688
2028		1,995
2029		—
Thereafter		—
Total unrecognized stock-based compensation	\$	39,383

NOTE 13 — Non-Controlling Interests

Dutch Bros Inc. is the sole managing member of Dutch Bros OpCo, and, as a result, consolidates the financial results of Dutch Bros OpCo. We report a non-controlling interest representing the economic interest in the Dutch Bros OpCo held by the other members of Dutch Bros OpCo. The OpCo LLC Agreement provides that holders of Dutch Bros OpCo Class A common units may, from time to time, require Dutch Bros OpCo to redeem all or a portion of their Dutch Bros OpCo Class A common units for newly issued shares of Class A common stock on a one-for-one basis. In connection with any redemption or exchange, Dutch Bros Inc. will receive a corresponding number of Dutch Bros OpCo Class A common units, increasing Dutch Bros Inc.'s total ownership in Dutch Bros OpCo. Changes in Dutch Bros Inc.'s ownership in Dutch Bros OpCo, while Dutch Bros Inc. retains its controlling interest in Dutch Bros OpCo, will be accounted for as equity transactions. As such, future redemptions or direct exchanges of Dutch Bros OpCo Class A common units by the other members of Dutch Bros OpCo will result in a change in ownership and reduce the amount recorded as non-controlling interest and increase additional paid-in-capital.

The following table summarizes the ownership interest in Dutch Bros OpCo¹:

(units in thousands)	June 30, 2025	
	OpCo Units	Ownership %
Dutch Bros OpCo Class A common units held by Dutch Bros Inc.	126,932	71.5 %
Dutch Bros OpCo Class A common units held by non-controlling interest holders	50,548	28.5 %
Total Dutch Bros OpCo Class A common units outstanding	177,480	100.0 %

¹ Dutch Bros OpCo effected a recapitalization on February 7, 2025. For additional information, refer to NOTE 1 — Organization and Background.

The following table summarizes the effect of changes in ownership of Dutch Bros OpCo on our equity for the periods presented:

(in thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Net income attributable to Dutch Bros Inc.	\$ 25,624	\$ 11,940	\$ 40,977	\$ 19,002
Other comprehensive income (loss):				
Unrealized gain (loss) on derivative securities, effective portion, net of income tax impacts	(154)	147	(344)	528
Transfers from (to) non-controlling interests:				
Increase in additional paid-in capital as a result of equity-based compensation	3,341	1,973	6,241	2,964
Increase (decrease) in additional paid-in capital as a result of common stock issuances pursuant to vesting of equity awards, net of stock withheld for tax	—	—	(7,771)	1,867
Increase in additional paid-in capital as a result of the acquisition of Dutch Bros OpCo Class A common units	6,592	69,708	40,859	110,085
Total effect of changes in ownership interest on equity attributable to Dutch Bros Inc.	\$ 35,403	\$ 83,768	\$ 79,962	\$ 134,446

The weighted-average ownership percentage for the applicable reporting period is used to attribute net income to Dutch Bros Inc. and the non-controlling interest holders. The non-controlling interest holders' weighted-average ownership percentage were as follows for the periods presented:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Weighted-average ownership percentage of non-controlling interest holders	28.8 %	42.5 %	30.3 %	47.7 %

Under the OpCo LLC Agreement, Dutch Bros OpCo is required to make certain distributions to its members with regard to tax obligations. Such distributions paid to members were as follows for the periods presented, and no amounts were payable as of the periods then ended.

(in thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Amounts paid to non-controlling interest holders	\$ 6,867	\$ —	\$ 6,867	\$ —



NOTE 14 — Income Per Share

The following tables set forth the numerators and denominators used to compute basic and diluted net income per share of Class A and Class D common stock for the periods presented:

(in thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Numerator:				
Net income	\$ 38,357	\$ 22,156	\$ 60,837	\$ 38,371
Less: Net income attributable to non-controlling interests	12,733	10,216	19,860	19,369
Net income attributable to Dutch Bros Inc.	\$ 25,624	11,940	\$ 40,977	\$ 19,002
(in thousands, except per share amounts)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Basic net income per share attributable to common stockholders				
Numerator:				
Net income attributable to Dutch Bros Inc.	\$ 25,624	\$ 11,940	\$ 40,977	\$ 19,002
Denominator:				
Weighted-average number of shares of Class A and Class D common stock outstanding - basic ¹	126,390	101,965	123,615	92,647
Basic net income per share attributable to common stockholders ¹	\$ 0.20	\$ 0.12	\$ 0.33	\$ 0.21

¹ Class D common shares were included in net income per share and weighted-average number of shares calculations in periods prior to June 2024. As of June 2024, all Class D common shares were converted to Class A common shares.



(in thousands, except per share amounts)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Diluted net income per share attributable to common stockholders				
Numerator:				
Undistributed net income for basic computation	\$ 25,624	\$ 11,940	\$ 40,977	\$ 19,002
Increase in net income attributable to common stockholders upon conversion of potentially dilutive instruments	31	23	63	44
Allocation of undistributed net income	\$ 25,655	\$ 11,963	\$ 41,040	\$ 19,046
Denominator:				
Number of shares used in basic computation	126,390	101,965	123,615	92,647
Add: weighted-average effect of dilutive securities				
RSAs	—	14	—	22
RSUs	440	377	563	380
Weighted-average number of shares of Class A and Class D common stock outstanding used to calculate diluted net income per share ¹	126,830	102,356	124,178	93,049
Diluted net income per share attributable to common stockholders ¹	\$ 0.20	\$ 0.12	\$ 0.33	\$ 0.20

¹ Class D common shares were included in net income per share and weighted-average number of shares calculations in periods prior to June 2024. As of June 2024, all Class D common shares were converted to Class A common shares.

The following Class A common stock equivalents were excluded from diluted net income per share in the periods presented because they were anti-dilutive:

(in thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
PSUs	63	—	46	—
RSUs	243	87	172	101
Total anti-dilutive securities	306	87	218	101

NOTE 15 — Commitments and Contingencies

Purchase Obligations

We enter into fixed-price and price-to-be fixed green coffee purchase commitments. For both fixed-price and price-to-be fixed purchase commitments, we expect to take delivery of green coffee and to utilize the coffee in a reasonable period of time in the ordinary course of business. Such contracts are used for the normal purchases of green coffee and not for speculative purposes. We do not enter into futures contracts or other derivative instruments related to our green coffee purchase commitments.



Guarantees

We periodically provide guarantees to franchise partners for lease payments. Annually, we determine if a liability needs to be recorded related to these guarantees. As of June 30, 2025 and December 31, 2024, we had guaranteed approximately \$8.0 million and \$8.2 million, respectively, in franchise partners' lease payments and have not established a liability for these guarantees as any liability arising from the guarantees is not material to the condensed consolidated financial statements.

Legal Proceedings

The Company is a party to routine legal actions arising in the ordinary course of and incidental to its business. These claims, legal proceedings, and litigation principally arise from alleged casualty, employment, and other disputes.

In determining loss contingencies, the Company considers the likelihood of loss as well as the ability to reasonably estimate the amount of such loss or liability. An estimated loss is recognized when it is considered probable that a liability has been incurred and when the amount of loss can be reasonably estimated.

Because litigation is inherently unpredictable, assessing contingencies is highly subjective and requires judgments about 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, developments in legislation or regulations that affect the validity of certain claims and defenses, the availability of appellate remedies, insurance coverage related to the claim or claims in question, the presence of complex or novel legal theories, and/or the ongoing discovery and development of information important to the matter.

Any claim, proceeding, or litigation has an element of uncertainty, and an unfavorable outcome may have a material adverse effect on the Company's financial condition, results of operations, or cash flows.

Liabilities Under Tax Receivable Agreements

Under the TRAs, Dutch Bros Inc. is contractually committed to pay the non-controlling interest holders 85% of the amount of any tax benefits that Dutch Bros Inc. actually realizes, or in some cases is deemed to realize, as a result of certain transactions. As of June 30, 2025, Dutch Bros Inc. recognized \$824.4 million of liabilities related to its obligations under the TRAs. Refer to NOTE 11 — Income Taxes for additional information.

NOTE 16 — Related Party Transactions

Related party transactions were as follows for the periods presented:

(in thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Distributions and TRA payments to Co-Founder and Sponsor ¹	\$ 11,494	\$ —	\$ 11,565	\$ —
Donations to Dutch Bros Foundation	2,062	1,562	2,125	1,625

¹ See NOTE 11 — Income Taxes and NOTE 13 — Non-Controlling Interests for further information.

The Dutch Bros Foundation is a not-for-profit organization founded by our Company that provides philanthropy to coffee farmers and local communities. Our Vice Chair, Chief Financial Officer, Chief People Officer, and Chief Legal Officer serve on the board of directors, our Vice Chair serves as the President, and our Chief Legal Officer serves as the Secretary-Treasurer.

NOTE 17 — Segment Reporting

Segment information is prepared on the same basis that our CEO, who is the CODM, manages the segments, evaluates financial results and makes key operating decisions. Our CEO evaluates financial performance based on two operating segments, which offer distinct products and services to different customers: Company-operated shops and Franchising and other. The Company-operated shops segment includes retail coffee shop sales to end consumers. The Franchising and other segment includes bean and product sales to franchise partners, initial franchise fees, royalties, and marketing fees related to the franchise partners, as well as sales of products through our website.

The CODM reviews segment performance and allocates resources based upon segment contribution, which is defined as segment gross profit before depreciation and amortization. Segment contribution is used to monitor and assess segment results compared to prior periods, forecasted results, and our annual operating plan.

All segment revenue is earned in the United States. All intercompany sales amongst the Dutch Bros entities are fully eliminated in consolidation. Further, there are no intersegment revenues. The CODM does not evaluate operating segments using discrete asset information.

Selling, general and administrative expenses primarily consist of unallocated corporate expenses. Unallocated corporate expenses include corporate administrative functions that support the segments but are not directly attributable to or managed by any segment and are not included in the reported financial results of the segments.

No changes have been made to our segments during the three and six months ended June 30, 2025. In addition, no customer represented 10% or more of total revenue for the three and six months ended June 30, 2025 and 2024.



Financial information for our reportable segments was as follows for the periods presented:

(in thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Revenues				
Company-operated shops	\$ 380,500	\$ 295,268	\$ 706,921	\$ 543,353
Franchising and other	35,313	29,650	64,044	56,664
Total revenues	415,813	324,918	770,965	600,017
Cost of sales				
Company-operated shops				
Beverage, food & packaging	96,468	75,147	177,847	138,863
Labor costs	101,270	80,236	190,709	145,663
Occupancy & other costs	59,984	44,277	113,911	85,773
Pre-opening costs	4,542	4,554	10,153	8,001
Franchising and other	6,429	8,308	15,204	16,483
Segment cost of sales ¹	268,693	212,522	507,824	394,783
Segment contribution				
Company-operated shops	118,236	91,054	214,301	165,053
Franchising and other	28,884	21,342	48,840	40,181
Total segment contribution	\$ 147,120	\$ 112,396	\$ 263,141	\$ 205,234
Segment depreciation and amortization	(27,076)	(22,115)	(53,104)	(43,104)
Selling, general and administrative	(65,385)	(58,097)	(124,306)	(104,330)
Interest expense, net	(7,076)	(6,997)	(14,191)	(13,390)
Other income (expense), net	(1,983)	829	(2,001)	6,593
Income before income taxes	\$ 45,600	\$ 26,016	\$ 69,539	\$ 51,003

¹ Segment cost of sales for this presentation excludes the impact of depreciation and amortization.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Index to Management's Discussion and Analysis of Financial Condition and Results of Operations

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Overview

Dutch Bros is a high growth operator and franchisor of drive-thru shops that focus on serving high QUALITY, hand-crafted beverages with unparalleled SPEED and superior SERVICE. Founded in 1992 by brothers Dane and Travis Boersma, Dutch Bros began with a double-head espresso machine and a pushcart in Grants Pass, Oregon. Today, we believe that Dutch Bros is one of the fastest-growing brands in the quick service beverage industry in the United States.

Impact of Global Events

General Macroeconomic Uncertainties

As a retailer that is dependent upon consumer discretionary spending, our results of operations are sensitive to changes in macroeconomic conditions. Inflation may have a material adverse effect on our business, financial condition or results of operations. Our customers may have or in the future may have less money available for discretionary purchases and may reduce or stop purchasing our products.

On a macro level, conditions, including changes in tariffs, tax laws, interest rates, inflation, bank failures and other events affecting financial institutions, geopolitical conflicts, and significant weather events (such as the recent wildfires in California), have created significant uncertainty in the global economy. While we are not able to fully predict the potential impacts of these conditions, we do not currently believe any potential impacts of these macroeconomic conditions would be material to our business.

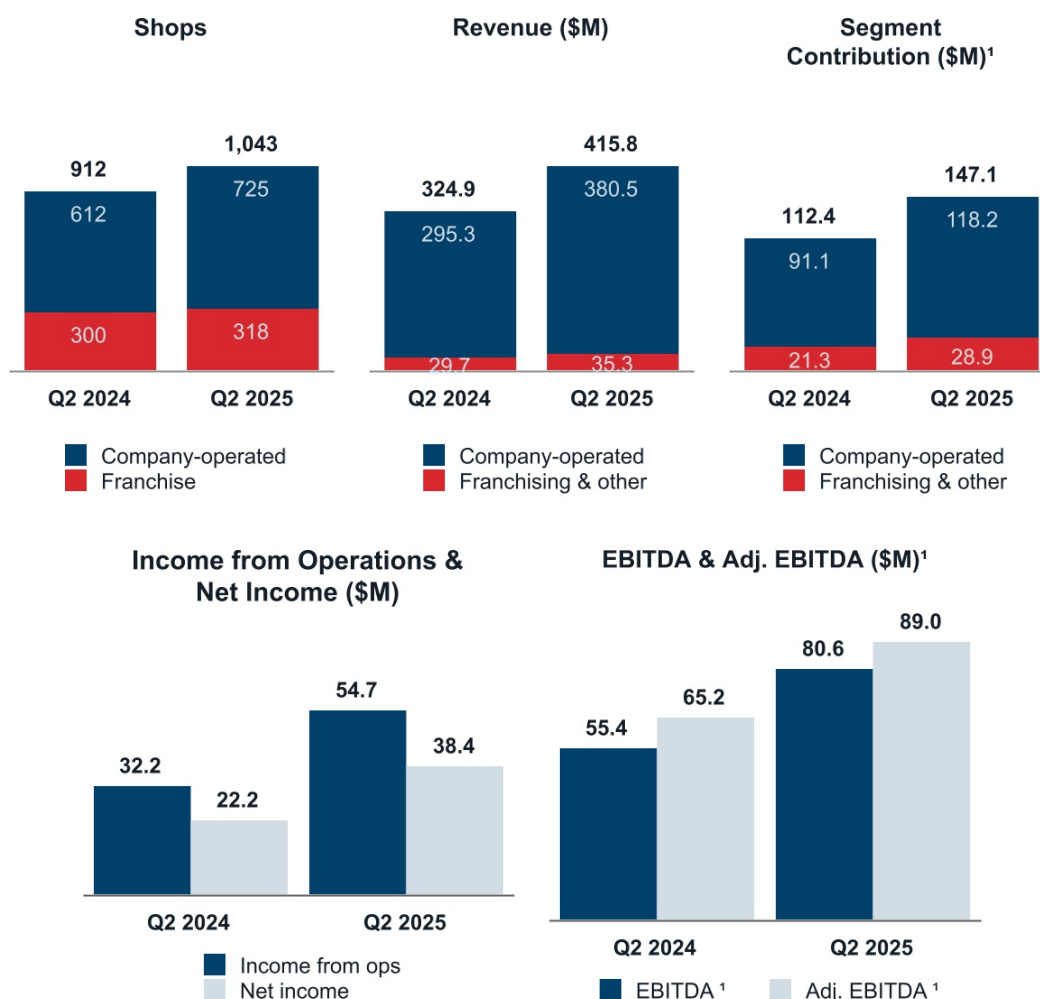
Minimum Wage Increases

We continued to experience the effects of legislated minimum wage increases that took effect in 2024 in certain states. We expect these pressures to continue to affect our operating results in the foreseeable future. For example, California's minimum wage increased to \$20 per hour effective April 2024 for covered employees in our industry. Additionally, several other states that we operate in have increased their minimum wage requirements in 2025. While these pressures have impacted our operating results, we have taken measures to gradually increase our menu prices, adjust our Dutch Rewards loyalty program, and make operating adjustments that increase productivity to help offset them. Menu price increases may lead to decreases in consumer demand. We will continue to evaluate further pricing actions to protect our operating results, however, if there is a time lag between increasing costs and our ability to increase menu prices or take other action in response, or if we choose not to pass on the cost increases by increasing menu prices, our operating results could be negatively affected.



Results of Operations

As of June 30, 2025, we had 1,043 company-operated and franchised shops in 19 states, an increase of approximately 14.4% from the same period in the prior year. For the three months ended June 30, 2025, we generated \$415.8 million of revenue, \$38.4 million of net income, and \$0.20 of income per diluted share. We have two reportable operating segments: Company-operated shops and Franchising and other.



¹ Reconciliation of GAAP to non-GAAP results is provided in the section "Non-GAAP Financial Measures" in Part I, Item 2 "Management's Discussion and Analysis of Financial Condition and Results of Operations".

2025 vs 2024	
Increase in total shops	14.4 %
Increase in total revenue	28.0 %

Key Performance Indicators

The key performance indicators that we use to effectively manage and evaluate our business are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
(dollars in thousands; unaudited)				
Shop count, beginning of period				
Company-operated	695	582	670	542
Franchised	317	294	312	289
Total shop count	1,012	876	982	831
Company-operated new openings	30	30	55	70
Franchised new openings	1	6	6	11
Shop count, end of period				
Company-operated	725	612	725	612
Franchised	318	300	318	300
Total shop count	1,043	912	1,043	912
Systemwide AUV ¹	N/A	N/A	\$ 2,053	\$ 2,005
Company-operated shops AUV ¹	N/A	N/A	\$ 1,982	\$ 1,923
Systemwide same shop sales ^{2, 3}	6.1 %	4.1 %	5.3 %	6.8 %
Ticket	2.4 %	6.1 %	3.0 %	7.4 %
Transactions	3.7 %	(2.0)%	2.3 %	(0.6)%
Company-operated same shop sales ²	7.8 %	5.2 %	7.2 %	7.8 %
Ticket	1.9 %	6.0 %	2.6 %	7.0 %
Transactions	5.9 %	(0.8)%	4.6 %	0.8 %
Systemwide sales ³	\$ 571,273	\$ 466,432	\$ 1,060,945	\$ 863,985
Company-operated shops operating weeks ⁴	9,184	7,709	17,921	14,983
Franchising shops operating weeks ⁴	4,119	3,842	8,130	7,621
Dutch Rewards transactions as a percentage of total transactions ⁵	71.6 %	66.7 %	71.7 %	66.6 %



	Three Months Ended June 30,				Six Months Ended June 30,			
	2025		2024		2025		2024	
	\$	%	\$	%	\$	%	\$	%
(dollars in thousands; unaudited)								
Company-operated shops revenues	380,500	100.0	295,268	100.0	706,921	100.0	543,353	100.0
Company-operated shops gross profit	92,552	24.3	70,016	23.7	164,050	23.2	124,321	22.9
Company-operated shops contribution ⁶	118,236	31.1	91,054	30.8	214,301	30.3	165,053	30.4
Selling, general, and administrative expenses	65,385	15.7	58,097	17.9	124,306	16.1	104,330	17.4
Adjusted selling, general, and administrative expenses ⁶	58,709	14.1	47,584	14.6	112,206	14.6	88,053	14.7
Net income	38,357	9.2	22,156	6.8	60,837	7.9	38,371	6.4
Adjusted EBITDA ⁶	89,003	21.4	65,159	20.1	151,909	19.7	117,699	19.6

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 systemwide and company-operated shops net sales by the total number of systemwide and company-operated shops, respectively. Management uses these metrics as an indicator of shop growth and future expectations of mature locations.

² Same shop sales represents the estimated percentage change in year-over-year sales, for the comparable shop base, which we define as shops open for 15 complete months or longer as of the first day of the reporting period. Same shop sales can be impacted by changes in customer transaction counts and by changes in the per-ticket amounts. Management uses these metrics as an indicator of shop growth and future expansion strategy. The number of shops included in the systemwide and company-operated comparable bases for the respective periods are presented in the following table.

(unaudited)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Systemwide shop base	831	671	794	641
Company-operated shops base	542	396	510	370

³ Systemwide sales and systemwide same shop sales are operating measures that include sales at company-operated shops and sales at franchised shops during the comparable periods presented. Franchise sales represent sales at all franchise shops and are revenues to our franchise partners. We do not record franchise sales as revenues; however, our royalty revenues and advertising fund contributions are calculated based on a percentage of franchise sales. As these metrics include sales reported to us by our non-consolidated franchise partners, these metrics should be considered as a supplement to, not a substitute for, our results as reported under GAAP. Management uses these metrics as indicators of our system's overall financial health, growth and future expansion prospects.

⁴ Company-operated and franchise shops operating weeks are calculated based on the number of operating days for the shop base and dividing by 7. Our shop base is defined as shops opened as of the period end date. The operating weeks calculations reflect re-acquired franchises through 2022. Management uses these metrics as indicators of our system's overall financial health, growth and future expansion prospects.

⁵ Dutch Rewards is our digitally based rewards program available exclusively through the Dutch Rewards app. Management uses this metric as an indicator of customer loyalty adoption of our Dutch Rewards app and future promotional plans.

⁶ Reconciliation of GAAP to non-GAAP results is provided in the section "Non-GAAP Financial Measures" in Part I, Item 2 "Management's Discussion and Analysis of Financial Condition and Results of Operations."



Company-operated Shops Results

Results for our company-operated shops segment were as follows:

(dollars in thousands; unaudited)	Three Months Ended June 30,				Six Months Ended June 30,			
	2025		2024		2025		2024	
	\$	%	\$	%	\$	%	\$	%
Company-operated shops revenues	380,500	100.0	295,268	100.0	706,921	100.0	543,353	100.0
Beverage, food, and packaging costs	96,468	25.3	75,147	25.5	177,847	25.2	138,863	25.5
Labor costs	101,270	26.6	80,236	27.2	190,709	27.0	145,663	26.8
Occupancy and other costs	59,984	15.8	44,277	15.0	113,911	16.1	85,773	15.8
Pre-opening costs	4,542	1.2	4,554	1.5	10,153	1.4	8,001	1.5
Depreciation and amortization	25,684	6.8	21,038	7.1	50,251	7.1	40,732	7.5
Company-operated shops costs and expenses	287,948	75.7	225,252	76.3	542,871	76.8	419,032	77.1
Company-operated shops gross profit	92,552	24.3	70,016	23.7	164,050	23.2	124,321	22.9
Company-operated shops contribution ¹	118,236	31.1	91,054	30.8	214,301	30.3	165,053	30.4

¹ Reconciliation of GAAP to non-GAAP results is provided in the section "Non-GAAP Financial Measures" in Part I, Item 2 "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Company-operated Shops Segment Performance

Company-operated Shops Revenue

(dollars in thousands; unaudited)	Three Months Ended June 30,				Six Months Ended June 30,			
	2025	2024	2025 v. 2024		2025	2024	2025 v. 2024	
Company-operated shops revenue	\$380,500	\$295,268	\$85,232	28.9%	\$706,921	\$543,353	\$163,568	30.1%

Three Months Ended June 30, 2025 v. 2024

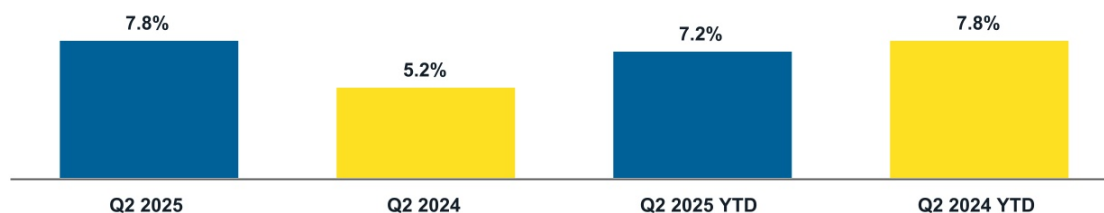
The company-operated shops revenue increase was driven by \$63.9 million from newly opened shops not yet in the comparable shop base and \$21.3 million from a 7.8% increase in same shop sales within the comparable shop base.

Six Months Ended June 30, 2025 v. 2024

The company-operated shops revenue increase was driven by \$128.1 million from newly opened shops not yet in the comparable shop base and \$35.5 million from a 7.2% increase in same shop sales within the comparable shop base.



Comparable Same Shop Sales



Beverage, Food, and Packaging Costs

(dollars in thousands; unaudited)	Three Months Ended June 30,				Six Months Ended June 30,			
	2025	2024	2025 v. 2024		2025	2024	2025 v. 2024	
Beverage, food and packaging costs	\$96,468	\$75,147	\$21,321	28.4%	\$177,847	\$138,863	\$38,984	28.1%
As a percentage of company-operated shops revenues	25.3%	25.5%	N/A	(20) bps	25.2%	25.5%	N/A	(30) bps

Three Months Ended June 30, 2025 v. 2024

As a percentage of company-operated shops revenues, beverage, food and packaging costs decreased by 20 basis points. This was primarily due to a 60 basis point decrease for the impact of pricing on the comparable shop base, offset by an increase in ingredient costs. The increase in ingredient costs was driven by higher coffee costs and partially offset by favorable dairy pricing.

Six Months Ended June 30, 2025 v. 2024

As a percentage of company-operated shops revenues, beverage, food and packaging costs decreased by 30 basis points. This was primarily due to a 70 basis point decrease for the impact of pricing on the comparable shop base, partially offset by a 50 basis point increase in ingredient costs.

Labor Costs

(dollars in thousands; unaudited)	Three Months Ended June 30,				Six Months Ended June 30,			
	2025	2024	2025 v. 2024		2025	2024	2025 v. 2024	
Labor costs	\$101,270	\$80,236	\$21,034	26.2%	\$190,709	\$145,663	\$45,046	30.9%
As a percentage of company-operated shops revenues	26.6%	27.2%	N/A	(60) bps	27.0%	26.8%	N/A	20 bps

Three Months Ended June 30, 2025 v. 2024

As a percentage of company-operated shops revenues, labor costs decreased by 60 basis points primarily due to the impact of pricing.

Six Months Ended June 30, 2025 v. 2024

As a percentage of company-operated shops revenues, labor costs increased by 20 basis points. This was primarily due to 90 basis points from increased wages partially offset by a decrease of 80 basis points from the impact of pricing.



Occupancy and Other Costs

(dollars in thousands; unaudited)	Three Months Ended June 30,				Six Months Ended June 30,			
	2025	2024	2025 v. 2024		2025	2024	2025 v. 2024	
Occupancy and other costs	\$59,984	\$44,277	\$15,707	35.5%	\$113,911	\$85,773	\$28,138	32.8%
<i>As a percentage of company-operated shops revenues</i>	15.8%	15.0%	N/A	80 bps	16.1%	15.8%	N/A	30 bps

Three and Six Months Ended June 30, 2025 v. 2024

As a percentage of company-operated shops revenues, occupancy and other costs increased by 80 basis points and 30 basis points for the three and six months ended June 30, 2025, respectively. These increases were primarily due to the impact of occupancy rates from new shops.

Pre-opening Costs

(dollars in thousands; unaudited)	Three Months Ended June 30,				Six Months Ended June 30,			
	2025	2024	2025 v. 2024		2025	2024	2025 v. 2024	
Pre-opening costs	\$4,542	\$4,554	\$(12)	(0.3)%	\$10,153	\$8,001	\$2,152	26.9%
<i>As a percentage of company-operated shops revenues</i>	1.2%	1.5%	N/A	(30) bps	1.4%	1.5%	N/A	(10) bps
New company-operated shops opened	30	30	—	—%	55	70	(15)	(21.4)%
Pre-opening costs per new company-operated shop	\$151	\$152	\$(1)	(0.7)%	\$185	\$114	\$71	62.3%

Six Months Ended June 30, 2025 v. 2024

The increase in pre-opening costs was primarily driven by increased travel for setup and training teams, and lease expense related to unopened shops, in the six months ended June 30, 2025 as compared to the same period in 2024.

Depreciation and Amortization

(dollars in thousands; unaudited)	Three Months Ended June 30,				Six Months Ended June 30,			
	2025	2024	2025 v. 2024		2025	2024	2025 v. 2024	
Depreciation and amortization	\$25,684	\$21,038	\$4,646	22.1%	\$50,251	\$40,732	\$9,519	23.4%
<i>As a percentage of company-operated shops revenues</i>	6.8%	7.1%	N/A	(30) bps	7.1%	7.5%	N/A	(40) bps

Three and Six Months Ended June 30, 2025 v. 2024

The increase in depreciation and amortization was primarily driven by the increase in the number of company-operated shops in the current period compared to the prior period.



Company-operated Shops Gross Profit and Contribution¹

(dollars in thousands; unaudited)	Three Months Ended June 30,				Six Months Ended June 30,			
	2025	2024	2025 v. 2024		2025	2024	2025 v. 2024	
Company-operated shops gross profit	\$92,552	\$70,016	\$22,536	32.2%	\$164,050	\$124,321	\$39,729	32.0%
<i>As a percentage of company-operated shops revenues</i>	24.3%	23.7%	N/A	60 bps	23.2%	22.9%	N/A	30 bps
Company-operated shops contribution	\$118,236	\$91,054	\$27,182	29.9%	\$214,301	\$165,053	\$49,248	29.8%
<i>As a percentage of company-operated shops revenues</i>	31.1%	30.8%	N/A	30 bps	30.3%	30.4%	N/A	(10) bps

¹ Reconciliation of GAAP to non-GAAP results is provided in the section "Non-GAAP Financial Measures" in Part I, Item 2 "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Three and Six Months Ended June 30, 2025 v. 2024

The company-operated shops gross profit margin increased by 60 basis points and 30 basis points for the three and six months ended June 30, 2025, respectively. This was primarily driven by leverage from increased sales in the comparable shop base.

Franchising and Other Segment Performance

(dollars in thousands; unaudited)	Three Months Ended June 30,				Six Months Ended June 30,			
	2025	2024	2025 v. 2024		2025	2024	2025 v. 2024	
Franchising and other revenue	\$35,313	\$29,650	\$5,663	19.1%	\$64,044	\$56,664	\$7,380	13.0%
Franchising and other gross profit	\$27,492	\$20,265	\$7,227	35.7%	\$45,987	\$37,809	\$8,178	21.6%
<i>As a percentage of franchising and other revenue</i>	77.9%	68.3%	N/A	960 bps	71.8%	66.7%	N/A	510 bps

Three and Six Months Ended June 30, 2025 v. 2024

The franchising and other gross profit increases for the three and six months ended June 30, 2025 were primarily driven by inventory management and newly opened franchised shops not in the comparable shop base.

Selling, General, and Administrative

(dollars in thousands; unaudited)	Three Months Ended June 30,				Six Months Ended June 30,			
	2025	2024	2025 v. 2024		2025	2024	2025 v. 2024	
Selling, General, and Administrative	\$65,385	\$58,097	\$7,288	12.5%	\$124,306	\$104,330	\$19,976	19.1%
<i>As a percentage of total revenues</i>	15.7%	17.9%	N/A	(220) bps	16.1%	17.4%	N/A	(130) bps



[Three Months Ended June 30, 2025 v. 2024](#)

The selling, general, and administrative increase of approximately \$7.3 million was primarily driven by increased expenses of \$8.7 million consisting of investments in human capital to support our revenue growth and higher performance-based compensation; an increase of \$1.9 million related to professional fees and technology services to support our growing business; \$1.0 million of higher equity-based compensation; and \$1.0 million of increased donations related to our philanthropic activities. These increases were partially offset by lower realignment and restructuring charges of \$4.9 million and lower nonrecurring equity offering expenses of \$0.5 million.

[Six Months Ended June 30, 2025 v. 2024](#)

The selling, general, and administrative increase of approximately \$20.0 million was primarily driven by increased expenses of \$15.4 million consisting of investments in human capital to support our revenue growth and higher performance-based compensation; an increase of \$7.5 million related to professional fees and technology services to support our growing business; \$3.0 million of higher equity-based compensation; and \$1.9 million of increased donations related to our philanthropic activities. These increases were partially offset by lower realignment and restructuring charges of \$6.3 million and lower nonrecurring equity offering expenses of \$1.5 million.

Other Expense

(dollars in thousands; unaudited)	Three Months Ended June 30,				Six Months Ended June 30,			
	2025	2024	2025 v. 2024		2025	2024	2025 v. 2024	
Interest expense on finance leases	\$ (5,729)	\$ (5,506)	\$ (223)	4.1%	\$ (11,338)	\$ (10,958)	\$ (380)	3.5%
Other interest expense, net	(1,347)	(1,491)	144	(9.7)%	(2,853)	(2,432)	(421)	17.3%
Interest expense, net	\$ (7,076)	\$ (6,997)	\$ (79)	1.1%	\$ (14,191)	\$ (13,390)	\$ (801)	6.0%
Other income (expense), net	(1,983)	829	(2,812)	N/M	(2,001)	6,593	(8,594)	N/M
Total other expense	\$ (9,059)	\$ (6,168)	\$ (2,891)	46.9%	\$ (16,192)	\$ (6,797)	\$ (9,395)	138.2%

[Three Months Ended June 30, 2025 v. 2024](#)

The decrease in other income (expense), net was primarily driven by expenses associated with our credit facility refinance in May 2025 (see NOTE 9 — Debt for additional details) and a non-recurring prior year gain on sale of the Company hangar and related equipment to our Co-Founder.

[Six Months Ended June 30, 2025 v. 2024](#)

The increase in interest expense, net was primarily driven by higher interest expense on debt and additional interest on finance leases for new shop builds.

The decrease in other income (expense), net was primarily driven by remeasurement gains in the prior year related to the TRAs liability, expenses associated with our credit facility refinance in May 2025 (see NOTE 9 — Debt for additional details), and a prior year non-recurring gain on sale of the Company hangar and related equipment to our Co-Founder.

Income Tax Expense

(dollars in thousands; unaudited)	Three Months Ended June 30,				Six Months Ended June 30,			
	2025	2024	2025 v. 2024		2025	2024	2025 v. 2024	
Income tax expense	\$7,243	\$3,860	\$3,383	87.6%	\$8,702	\$12,632	\$(3,930)	(31.1)%
Effective tax rate	15.9%	14.8%	N/A	N/A	12.5%	24.8%	N/A	N/A

[Three Months Ended June 30, 2025 v. 2024](#)

The increase in the effective tax rate to 15.9% from 14.8% in the same period in 2024 is due to the increase in our economic interest of Dutch Bros OpCo.



[Six Months Ended June 30, 2025 v. 2024](#)

The decrease in the effective tax rate to 12.5% from 24.8% in the same period in 2024 is due to tax deductions related to stock-based compensation, as well as a change in state earnings mix that occurred in 2024.

Liquidity and Capital Resources

Cash Overview

We had cash and cash equivalents of \$254.4 million and \$293.4 million as of June 30, 2025 and December 31, 2024, respectively.

For the six months ended June 30, 2025, our principal sources of liquidity were cash flows from operations and the refinancing of our credit facility. Our principal uses of liquidity for the six months ended June 30, 2025 were to payoff our prior credit facility, fund our new shop builds and other working capital needs.

Cash Flows

The following table summarizes our cash flows for the periods presented:

	Six Months Ended June 30,			
	2025	2024	2025 v. 2024	
(dollars in thousands; unaudited)				
Net cash provided by operating activities	\$ 126,781	\$ 100,729	\$ 26,052	25.9%
Net cash used in investing activities	(99,731)	(113,240)	13,509	(11.9)
Net cash provided by (used in) financing activities	(65,989)	139,888	(205,877)	(147.2)%
Net increase (decrease) in cash and cash equivalents	\$ (38,939)	\$ 127,377	\$ (166,316)	(130.6)%
Cash and cash equivalents at beginning of period	293,354	133,545	159,809	119.7
Cash and cash equivalents at end of period	\$ 254,415	\$ 260,922	\$ (6,507)	(2.5)%

Operating Activities

The increase in operating activities cash flows was primarily driven by higher net income as a result of year-over-year sales growth, expanded company-operated shop contribution, and leverage of selling, general and administrative costs.

Investing Activities

The decrease in investing activities cash outflows was primarily driven by lower investment in capital expenditures due to fewer new company-operated shops openings in the current period compared to the same period in the prior year.

Financing Activities

The decrease in financing activities cash flows was primarily driven by the net payoff of our 2022 Credit Facility, partially offset by proceeds from our 2025 Credit Facility.

Cash Requirements

We believe that cash provided by operating activities and proceeds from our 2025 Credit Facility are adequate to fund our debt service requirements, lease obligations, cash distributions required by the OpCo LLC Agreement and the TRAs, and working capital obligations for at least the next 12 months.

Our future capital requirements may vary materially from period to period and will depend on many factors, primarily our expansion and growth by opening additional company-operated shops and/or reacquiring existing franchised shops. Further, the payments that we may be required to make under the TRAs may be significant. We currently expect to fund our current and long-term material capital requirements with operating cash flows and, as needed, additional proceeds from our 2025 Credit Facility, but we may also seek additional debt or equity financing. From time to time, we may explore additional financing sources which could include equity, equity-linked, and debt financing arrangements.

As of June 30, 2025, cash requirements for the following items have materially changed from our 2024 Form 10-K:

- **Operating lease liabilities** — increased approximately \$124 million from newly commenced leases.
- **Debt obligations** — decreased approximately \$35 million on a net basis primarily due to the payoff of our 2022 Credit Facility, partially offset by proceeds from the 2025 Credit Facility.

Credit Facility

JPMorgan Credit Facility

On May 29, 2025 (the Effective Date), we amended and restated our existing \$650 million senior secured credit facility, dated February 28, 2022 (as previously amended, the 2022 Credit Facility), with JPMorgan Chase Bank, N.A. as administrative agent and other financial institutions as the lenders party thereto (the 2025 Credit Facility). The 2025 Credit Facility consists of a \$500 million revolving credit facility and a term loan facility of up to \$150 million. The 2025 Credit Facility also includes sublimits for letters of credit and swingline loans of up to \$100 million and \$20 million, respectively. The 2025 Credit Facility expires on May 29, 2030 (the Maturity Date). It also contains an option allowing the Loan Parties to increase the size of the 2025 Credit Facility by up to an additional (i) \$230 million or (ii) 80% of EBITDAR, whichever is greater, with the agreement of the Administrative Agent and the applicable lenders party thereto.

On the Effective Date, we drew the full \$150 million in term loan and \$50 million in revolving loans under the 2025 Credit Facility, and all outstanding debt under the 2022 Credit Facility was repaid.

Interest on borrowings under the 2025 Credit Facility is based on (i) the Alternate Base Rate plus an applicable margin, or (ii) the Term SOFR Rate plus an applicable margin (each as defined in the 2025 Credit Facility), and is payable in accordance with the selected interest rate period and upon maturity. Principal payments for the term loans are required on a quarterly basis in accordance with an amortization schedule up through and including the Maturity Date.

Obligations under the 2025 Credit Facility are guaranteed by Dutch Bros OpCo and certain of its subsidiaries, and secured by a first priority perfected security interest in substantially all of the assets of the guarantors.

Interest Rate Swap Contract

We have an interest rate swap with JPMorgan Chase Bank, N.A. As of June 30, 2025, the interest rate swap had a notional amount of approximately \$62 million and hedges interest rate risk on the term loan under the 2025 Credit Facility. The purpose of the floating-to-fixed interest rate swap is to fix the interest base rate charged on the term loan at 2.67% for the notional amount. The interest rate swap matures on February 28, 2027.

The amendment to our credit facility had no impact on our interest rate swap contract.

See NOTE 9 — Debt and NOTE 10 — Derivative Financial Instruments for additional details related to our 2025 Credit Facility and interest rate swap contract.

Organizational Realignment and Restructurings

We expect to recognize additional costs associated with our May 2025 back-office streamlining and restructuring program of up to \$8.5 million, including cash expenditures for (i) employee-related costs and (ii) other costs, including consulting costs.

See NOTE 4 — Organization Realignment and Restructurings for additional details.

Seasonality

Our business is subject to seasonal fluctuations that impact our revenue and company-operated shops gross profit margins. We typically experience higher system sales in the summer months, which impacts revenue and company-operated shops gross profit margins in the second and third quarters of our fiscal year.

Critical Accounting Estimates

There have been no material changes to our critical accounting estimates from those disclosed in our 2024 Form 10-K.

Non-GAAP Financial Measures

In addition to disclosing financial results in accordance with GAAP, this document contains references to the non-GAAP financial measures below. We believe these non-GAAP financial measures provide investors with useful supplemental information about our operating performance, enable comparison of financial trends and results between periods where certain items may vary independent of business performance, and allow for greater transparency with respect to key metrics used by management in operating our business and measuring our performance.

Our non-GAAP financial measures reflect adjustments based on one or more of the following items, as well as the related income tax effects where applicable. Income tax effects have been calculated based on the combined total non-GAAP adjustments using our total effective tax rate. These non-GAAP financial measures should not be considered a substitute for, or superior to, financial measures calculated in accordance with GAAP, and the financial results calculated in accordance with GAAP and reconciliations from these results should be carefully evaluated.

Segment contribution

Definition and/or calculation

Segment gross profit, before depreciation and amortization.

Usefulness to management and investors

This non-GAAP measure is used by our management in making performance decisions without the impact of non-cash depreciation and amortization charges. This is a standard metric used across our industry by investors.

EBITDA, Adjusted EBITDA

EBITDA — definition and/or calculation

Net income before interest expense (net of interest income), income tax expense, and depreciation and amortization expense.

Adjusted EBITDA — definition and/or calculation

Defined as EBITDA, excluding equity-based compensation, expenses associated with equity offerings, expenses associated with credit facility refinancing executives transitions costs, (gain) loss on the remeasurement of the liability related to the TRAs, sale of Aircraft, and organization realignment and restructurings costs.



[Usefulness to management and investors](#)

These non-GAAP measures are supplemental operating performance measures we believe facilitate comparisons to historical performance and competitors' operating results. We believe these non-GAAP measures presented provide investors with a supplemental view of our operating performance that facilitates analysis and comparisons of our ongoing business operations because they exclude items that may not be indicative of our ongoing operating performance.

Adjusted selling, general, and administrative

[Definition and/or calculation](#)

Selling, general, and administrative expenses, excluding depreciation and amortization, equity-based compensation expense, expenses associated with equity offerings, executive transitions costs, and organization realignment and restructurings costs.

[Usefulness to management and investors](#)

This non-GAAP measure is used as a supplemental measure of operating performance that we believe is useful to evaluate our performance period over period and relative to our competitors. We believe the non-GAAP measure presented provides investors with a supplemental view of our operating performance that facilitates analysis and comparisons of our ongoing business operations because it excludes items that may not be indicative of our ongoing operating performance.

Non-GAAP adjustments

Below are the definitions of the non-GAAP adjustments that are used in the calculation of our non-GAAP measures, as described above.

[Equity-based compensation](#)

Non-cash expenses related to the grant and vesting of stock awards, including RSAs, RSUs and PSUs, 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.

[Expenses associated with 2022 credit facility refinancing](#)

Costs incurred as a result of refinancing our credit facility in May 2025, including write-off of unamortized loan costs related to the amendment and restatement of our 2022 Credit Facility, and intermediary fees and other costs related to our 2025 Credit Facility.

[Executive transitions](#)

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

[TRAs remeasurements](#)

(Gain) loss impacts related to adjustments of our TRAs liabilities.

[Sale of Aircraft](#)

Gain impact related to the sale of the Company airplane to our Co-Founder.



Organization realignment and restructurings

Fees and costs, including consulting, employee-related and other costs, in connection with our comprehensive initiatives to develop and implement a long-term strategy involving changes to our organizational structure to support our growth. Our 2024 initiative resulted in realignment activities that occurred in 2023, and restructuring activities to expand our support center operations in Phoenix, Arizona including the build out and move into our new office, that commenced in 2024, and were substantially completed in March 2025. The activities related to our 2025 initiative, which commenced in May 2025 and are expected to continue through at least the first half of 2026, primarily relate to relocation and streamlining of our remaining back-office operations to our new Phoenix, Arizona corporate headquarters. Given the magnitude and scope of these strategic initiatives, we do not expect such costs will recur in the foreseeable future, and do not consider such costs reflective of the ongoing costs necessary to operate our business.

The following are reconciliations of the most comparable GAAP metric to non-GAAP metrics (presented in dollars and as a percentage of revenue):

	Three Months Ended June 30,				Six Months Ended June 30,			
	2025		2024		2025		2024	
	\$	%	\$	%	\$	%	\$	%
(dollars in thousands; unaudited)								
Company-operated shops gross profit	92,552	24.3	70,016	23.7	164,050	23.2	124,321	22.9
Depreciation and amortization	25,684	6.8	21,038	7.1	50,251	7.1	40,732	7.5
Company-operated shops contribution	118,236	31.1	91,054	30.8	214,301	30.3	165,053	30.4

	Three Months Ended June 30,				Six Months Ended June 30,			
	2025		2024		2025		2024	
	\$	%	\$	%	\$	%	\$	%
(dollars in thousands; unaudited)								
Franchising and other gross profit	27,492	77.9	20,265	68.4	45,987	71.8	37,809	66.7
Depreciation and amortization	1,392	3.9	1,077	3.6	2,853	4.5	2,372	4.2
Franchising and other contribution	28,884	81.8	21,342	72.0	48,840	76.3	40,181	70.9



	Three Months Ended June 30,				Six Months Ended June 30,			
	2025		2024		2025		2024	
	\$	%	\$	%	\$	%	\$	%
(dollars in thousands; unaudited)								
Net income	38,357	9.2	22,156	6.8	60,837	7.9	38,371	6.4
Depreciation and amortization	27,893	6.7	22,350	6.9	54,323	7.0	43,603	7.3
Interest expense, net	7,076	1.8	6,997	2.2	14,191	1.9	13,390	2.2
Income tax expense	7,243	1.7	3,860	1.1	8,702	1.1	12,632	2.1
EBITDA	80,569	19.4	55,363	17.0	138,053	17.9	107,996	18.0
Equity-based compensation	4,671	1.1	3,326	1.0	8,865	1.1	5,259	0.9
Expenses associated with equity offerings	—	—	528	0.2	—	—	1,489	0.2
Expenses associated with 2022 credit facility refinancing	2,000	0.5	—	—	2,000	0.3	—	—
Executive transitions	—	—	—	—	—	—	75	—
TRAs remeasurement	—	—	—	—	—	—	(5,687)	(0.9)
Sale of Aircraft	—	—	(752)	(0.2)	—	—	(752)	(0.1)
Organization realignment and restructurings:								
Employee-related costs	1,734	0.4	6,664	2.1	2,743	0.4	9,289	1.5
Other costs	29	—	30	—	248	—	30	—
Total organization realignment and restructurings	1,763	0.4	6,694	2.1	2,991	0.4	9,319	1.5
Adjusted EBITDA	89,003	21.4	65,159	20.1	151,909	19.7	117,699	19.6

	Three Months Ended June 30,				Six Months Ended June 30,			
	2025		2024		2025		2024	
	\$	%	\$	%	\$	%	\$	%
(dollars in thousands; unaudited)								
Selling, general, and administrative	65,385	15.7	58,097	17.9	124,306	16.1	104,330	17.4
Depreciation and amortization	(817)	(0.2)	(235)	(0.1)	(1,219)	(0.2)	(499)	(0.1)
Equity-based compensation	(4,096)	(1.0)	(3,056)	(0.9)	(7,890)	(0.9)	(4,895)	(0.9)
Expenses associated with equity offerings	—	—	(528)	(0.2)	—	—	(1,489)	(0.2)
Executives transition	—	—	—	—	—	—	(75)	—
Organization realignment and restructurings:								
Employee-related costs	(1,734)	(0.4)	(6,664)	(2.1)	(2,743)	(0.4)	(9,289)	(1.5)
Other costs	(29)	—	(30)	—	(248)	—	(30)	—
Total organization realignment and restructurings	(1,763)	(0.4)	(6,694)	(2.1)	(2,991)	(0.4)	(9,319)	(1.5)
Adjusted selling, general, and administrative	58,709	14.1	47,584	14.6	112,206	14.6	88,053	14.7



ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Commodity Risks

Our profitability is dependent on, among other things, our ability to anticipate and react to changes in the costs of key operating resources, including beverage commodities, energy, and other commodities. We have been able to partially offset cost increases resulting from several factors, including market conditions, shortages or interruptions in supply due to weather or other conditions beyond our control, governmental regulations, and inflation by increasing our menu prices over the past year, and making operational adjustments that increase productivity. However, tariffs, sustained inflation of, or substantial increases in costs and expenses, including dairy, coffee, fuel, sugar, cocoa, and packaging commodities pricing, could impact our operating results to the extent that such costs and expenses remain elevated or increase and cannot be offset by menu price increases. Additionally, if there is a time lag between increasing commodity prices and our ability to increase menu prices or take other action in response, or if we choose not to pass on the cost increases by increasing menu prices, our operating results could be negatively affected.

Labor Costs

We have experienced minimum wage increases, which directly affect our labor costs, and other upward pressure on wage rates in several states, including in California beginning in April 2024. Additionally, several other states that we operate in have increased their minimum wage requirements in 2025. In the future, we may or may not be able to offset these cost increases with operational efficiencies, menu price increases, or other adjustments. As of June 30, 2025, we employed approximately 20,000 hourly workers in our company-operated shops.

Interest Rate Risk

We have historically been exposed to interest rate risk through fluctuations in interest rates on our debt obligations. Our 2025 Credit Facility carries interest at a floating rate. We seek to manage exposure to adverse interest rate changes through our normal operating and financing activities, including through the use of interest rate swaps to mitigate the potential impacts of changes in benchmark interest rates on interest expense and cash flows. As of June 30, 2025, we had \$50.0 million in revolving loans outstanding, and \$150.0 million was outstanding on our term loan facility. A hypothetical increase of interest rates up to 1% on our outstanding term loan as of June 30, 2025 would result in an increase in our annual interest expense of approximately \$2.0 million, excluding any potential impacts of interest rate swaps.

Impact of Inflation

The primary inflation factors affecting our operations are commodity and supply costs, energy costs, labor costs, and construction costs of company-operated shops. Increases in the minimum wage requirements directly affect our labor costs. Our leases require us to pay taxes, maintenance, repairs, insurance, and utilities, all of which are generally subject to inflationary increases. Finally, the total cost to build our shops is impacted by inflation. Specifically, increases in sitework and permitting, construction materials, labor, and equipment may increase our overall development costs and capital expenditures, and potentially result in higher rent expenses for new shops. We continue to encounter current commodity inflation, known or pending legislation that will increase minimum wages in certain states, and labor market forces that at times may cause us to increase wages in order to adequately staff our shops. We expect these to affect our operating results in the foreseeable future. While these cost increases have impacted our operating results, we have taken measures to gradually increase our menu prices, adjust our Dutch Rewards loyalty program, and make operating adjustments that increase productivity to help offset these pressures. Price increases and other inflationary pressures may lead to decreases in consumer demand.



ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

As of June 30, 2025, under the supervision and with the participation of our management, including the Chief Executive Officer and Chief Financial Officer, we evaluated the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rule 13(a)-15(e) of the Securities Exchange Act of 1934, as amended (the Exchange Act). Based on the evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures were effective as of that date.

Changes in Internal Control over Financial Reporting

There have been no changes during the three months ended June 30, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.



PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We may, from time to time, be a party to litigation and subject to claims incident to the ordinary course of business. As our company matures, we may become party to an increasing number of litigation matters and claims. The outcome of litigation and claims cannot be predicted with certainty, and the resolution of these matters could materially and adversely affect our business, financial condition, results of operations, and growth prospects.

Please refer to NOTE 15 — Commitments and Contingencies under the heading “Legal Proceedings” for further information.

ITEM 1A. RISK FACTORS

Except for the items noted below, there have been no material changes in our risk factors from those disclosed in Part I, Item 1A of our 2024 Form 10-K. The risk factors described in our 2024 Form 10-K, as well as other information set forth in this Quarterly Report on Form 10-Q, could materially adversely affect our business, financial condition and results of operations, and should be carefully considered. The risks and uncertainties that we face, however, are not limited to those described in the 2024 Form 10-K. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also adversely affect our business and the trading price of our Class A common stock.

International trade policies, including tariffs, sanctions and trade barriers may adversely affect our business, financial condition, results of operations, and prospects.

The recent announcements of substantial new U.S. tariffs and other restrictive trade policies have created a dynamic and unpredictable trade landscape, which may adversely impact our business.

Current or future tariffs or other restrictive trade measures may raise the costs of our imported green coffee beans and other goods, which may adversely impact our product offerings, operational expenses, and construction costs. Such cost increases may reduce our margins and require us to increase prices, which could harm our competitive position, reduce customer demand, and damage customer relationships. Our suppliers and distribution channels are also affected by the current trade environment, and we and they may experience supply chain disruptions as a result of increased costs and uncertainty, as well as risks to the long-term viability of key suppliers, which may impact our ability to meet customer demand or manage inventory efficiently. Tariff and other trade-related cost pressures and supply chain disruptions may lead to reputational harm if we are unable to supply our shops with sufficient products or supply products on expected timelines, or if any price increases are poorly received by customers. In addition, evolving trade policies, including tariffs and trade restrictions, may decrease consumer discretionary spending and result in decreased demand for our products.

Trade disputes, trade restrictions, tariffs and other political tensions between the U.S. and other countries may also exacerbate unfavorable macroeconomic conditions including inflationary pressures, foreign exchange volatility, financial market instability, and economic recessions or downturns, which may also necessitate pricing actions and result in a negative impact on customer demand for our products, limit expansion opportunities, limit our access to capital, or otherwise negatively impact our business and operations. Ongoing tariff, trade restrictions and macroeconomic uncertainty may contribute to volatility in the price of our Class A common stock.

Ongoing uncertainty regarding trade policies may also complicate our short- and long-term strategic planning, and that of our suppliers and distributors, including decisions regarding hiring, product strategy, capital investment, supply chain design, and geographic expansion.



While we continue to monitor trade developments, the ultimate impact of these risks remains uncertain and any prolonged economic downturn, escalation in trade tensions, or deterioration in international perception of U.S.-based companies could materially and adversely affect our business, results of operations, financial condition, and prospects. In addition, tariffs and other trade developments have and may continue to heighten the risks related to the other risk factors described in our 2024 Form 10-K.

Legislation and regulations requiring the display and provision of nutritional information for our menu offerings, and new information, attitudes, or regulations regarding additives, diet and health or adverse opinions about the health effects of consuming our menu offerings, could affect consumer preferences and negatively impact our business, financial condition, and results of operations.

Government regulation and customer consumption habits may impact our business as a result of changes in attitudes regarding diet and health (including use of weight-loss or appetite-suppressing drugs) or new information regarding the health effects of consuming our menu offerings. These changes have resulted in, and may continue to result in, the enactment of laws and regulations that impact the ingredients and nutritional content of our menu offerings, or laws and regulations requiring us to disclose the nutritional content of our food offerings.

For example, a number of states, counties, and cities have enacted menu labeling laws requiring multi-unit restaurant operators to disclose certain nutritional information to customers, or have enacted legislation restricting the use of certain types of ingredients in food sold at restaurants. Furthermore, the Patient Protection and Affordable Care Act of 2010 (the PPACA) establishes a uniform, federal requirement for certain restaurants to post certain nutritional information on their menus. Specifically, the PPACA amended the Federal Food, Drug and Cosmetic Act to require certain chain restaurants to publish the total number of calories of standard menu items on menus and menu boards, along with a statement that puts this calorie information in the context of a total daily calorie intake. The PPACA also requires covered restaurants to provide to consumers, upon request, a written summary of detailed nutritional information for each standard menu item, and to provide a statement on menus and menu boards about the availability of this information. The PPACA further permits the Food and Drug Administration to require covered restaurants to make additional nutrient disclosures, such as disclosure of trans-fat content. More recently, U.S. regulatory authorities, including the Food and Drug Administration, have indicated their intent to restrict or prohibit the use of certain food dyes currently permitted for lawful use in the food supply by the end of 2026. The Food and Drug Administration has also announced its intent to revise its post-market food chemical review program. Furthermore, an increasing number of states have proposed or enacted laws prohibiting or limiting the use of certain food and color additives. Should such regulatory change affect the ingredients currently used in our products and we are unable to identify or secure comparable and cost-effective alternative ingredients, such change could have an adverse effect on our results of operations and financial position. An unfavorable report on, or reaction to, our current or future menu ingredients, the size of our portions, or the nutritional content of our menu items could negatively influence the demand for our offerings.

We cannot make any assurances regarding our ability to effectively respond to changes in customer health perceptions or our ability to successfully implement nutrient content disclosure requirements or other resulting regulations, including potential regulations around the use of certain ingredients, dyes, or other additives, or to adapt our menu offerings to trends in drinking and consumption habits. The imposition of menu-labeling laws, additional restrictions on certain food additives, and such other regulations could have an adverse effect on our results of operations and financial position, as well as the food service and restaurant industry in general.



We may be unable to identify all potential allergens present in our products at the time of purchase, whether they may have been introduced by us or by our third party vendors. This could result in the inability of some customers to purchase our products, or could result in negative health consequences for individuals sensitive to such allergens who choose to purchase our products regardless. A potentially serious allergic reaction to our products may result in negative public perception and could harm our business and results of operations.

In addition, social media has contributed to an increase in “secret menu” style drinks that are not created or marketed by us. Such drinks can be ordered by customers, for example, by asking for specific combinations of flavors or ingredients. We have no control over such trends, may not become timely aware of them, and may be unable to provide nutritional information for them. Such trends may also result in a mixture of ingredients in ways that could be perceived negatively, including with regard to health effects, and such perception could harm our business.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Unregistered Sales of Equity Securities

On April 28, 2025, pursuant to Section 3(a)(9) of the Securities Act, we made an unregistered issuance of Dutch Bros Inc.’s Class A common stock via exchange of 1.75 million Dutch Bros OpCo Class A common units held by entities controlled by our Co-Founder for shares of our Class A common stock on a one-for-one basis. Such shares of Class A common stock were then reserved for sale directly by entities controlled by our Co-Founder pursuant to a Rule 10b5-1 trading arrangement, and we received no proceeds.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

None.



ITEM 6. EXHIBITS

(a) Exhibits.

The following exhibits are included herein or incorporated herein by reference:

Exhibit Number	Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
3.1	<u>Amended and Restated Certificate of Incorporation of Registrant</u>	8-K	001-40798	3.1	September 17, 2021	
3.2	<u>Amended and Restated Bylaws of Registrant</u>	S-1	333-258988	3.4	August 20, 2021	
4.1	<u>Form of Common Stock Certificate</u>	S-1/A	333-258988	4.1	September 13, 2021	
10.1†	<u>Offer Letter, dated as of December 26, 2024, by and between the Company and Nicholas Daddario</u>	8-K	001-40798	10.1	May 16, 2025	
10.2	<u>Second Amended and Restated Credit Agreement, dated May 29, 2025, by and among Dutch Bros., LLC, DB Franchising USA, LLC, Boersma Bros. LLC, and the other Loan Parties party thereto, the financial institutions party thereto, and J.P. Morgan Chase Bank, N.A. as Administrative Agent</u>	8-K	001-40798	10.1	May 30, 2025	
31.1	<u>Certification of Chief Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) of the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</u>					X
31.2	<u>Certification of Chief Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) of the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</u>					X
32.1*	<u>Certifications of Chief Executive Officer and Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</u>					X
101.INS	XBRL Instance Document					X
101.SCH	XBRL Taxonomy Extension Schema Document					X
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document					X
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document					X
101.LAB	XBRL Taxonomy Extension Label Linkbase Document					X
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document					X
104	Cover Page with Interactive Data File (formatted as Inline XBRL with applicable taxonomy extension information contained in Exhibits 101)					X

† Management contract or compensatory plan or arrangement.

* The certifications furnished in Exhibit 32.1 hereto are deemed to accompany this Quarterly Report on Form 10-Q and will not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, except to the extent that the registrant specifically incorporates it by reference.



SIGNATURES

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

DUTCH BROS INC.
(Registrant)

August 6, 2025

Date

By: **/s/ Christine Barone**
Christine Barone
Chief Executive Officer and President
(Principal Executive Officer)

August 6, 2025

Date

By: **/s/ Joshua Guenser**
Joshua Guenser
Chief Financial Officer
(Principal Financial Officer)

August 6, 2025

Date

By: **/s/ Nicholas Daddario**
Nicholas Daddario
Chief Accounting Officer
(Principal Accounting Officer)

DUTCH BROS INC.

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO RULE 13a-14(a) AND RULE 15d-14(a) OF
THE SECURITIES EXCHANGE ACT OF 1934
AS ADOPTED PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002

I, Christine Barone, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the period ended June 30, 2025 of Dutch Bros Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August 6, 2025

Date

/s/ Christine Barone

Christine Barone
Chief Executive Officer and President
(Principal Executive Officer)



DUTCH BROS INC.

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO RULE 13a-14(a) AND RULE 15d-14(a) OF
THE SECURITIES EXCHANGE ACT OF 1934
AS ADOPTED PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002

I, Joshua Guenser, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the period ended June 30, 2025 of Dutch Bros Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August 6, 2025

Date

/s/ Joshua Guenser

Joshua Guenser
Chief Financial Officer
(Principal Financial Officer)



DUTCH BROS INC.

CERTIFICATIONS OF
CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906 OF
THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Dutch Bros Inc. (the Company) on Form 10-Q for the period ended June 30, 2025, as filed with the Securities and Exchange Commission on the date of the signatures below (the Report), Christine Barone, Chief Executive Officer and President of the Company, and Joshua Guenser, Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of their respective knowledge:

1. the Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934; and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

August 6, 2025

Date

/s/ Christine Barone

Christine Barone

Chief Executive Officer and President
(Principal Executive Officer)

August 6, 2025

Date

/s/ Joshua Guenser

Joshua Guenser

Chief Financial Officer
(Principal Financial Officer)

This certification accompanies the Report to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of Dutch Bros Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Report), irrespective of any general incorporation language contained in such filing.

