

DUTCH BROS

Coffee



Supplemental Earnings Slides
Q3 2023



DISCLAIMER

Forward-Looking Statements. Statements in this presentation and the accompanying oral presentation that are not statements of historical fact are forward-looking statements. Such forward-looking statements include, without limitation, statements regarding the Company's future results of operations or financial condition, business strategy and plans, and objectives of management for future operations. Words such as "anticipate," "believe," "contemplate," "continue," "could," "estimate," "expect," "intend," "may," "plan," "potential," "predict," "project," "should," "target," "toward," "will," or "would," or the negative of these words or other similar terms or expressions are intended to identify forward-looking statements, though not all forward-looking statements necessarily contain these identifying words. You should not rely on forward-looking statements as predictions of future events. We have based the forward-looking statements primarily on our current expectations and projections about future events and trends that we believe may affect our business, financial condition, and results of operations. The outcome of the events described in these forward-looking statements is subject to risks, uncertainties, and other factors. Moreover, we operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible for us to predict all risks and uncertainties that could have an impact on the forward-looking statements. The results, events, and circumstances reflected in the forward-looking statements may not be achieved or occur, and actual results, events or circumstances could differ materially from those described in the forward-looking statements. We undertake no obligation to update any forward-looking statements made in this presentation to reflect events or circumstances after the date of this presentation or to reflect new information, actual results, revised expectations or the occurrence of unanticipated events, except as required by law. We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures or investments. Our forward-looking statements are subject to known and unknown risks, uncertainties, assumptions and other important factors, many of which are outside Dutch Bros' control that could cause actual results to differ materially from the results discussed in the forward-looking statements, including those related to general economic conditions, commodity inflation, increased labor costs, disruptions in our supply chain, ability to hire and retain employees, and other risks, including those described under the heading "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2022 filed with the SEC on February 27, 2023 and in our future reports to be filed with the SEC, including our Quarterly Report on Form 10-Q for the period ended September 30, 2023.

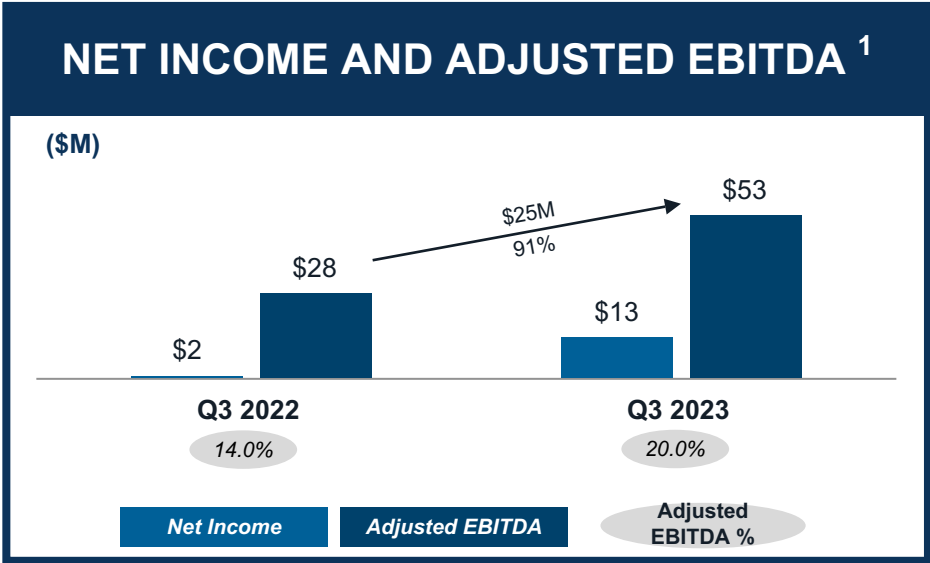
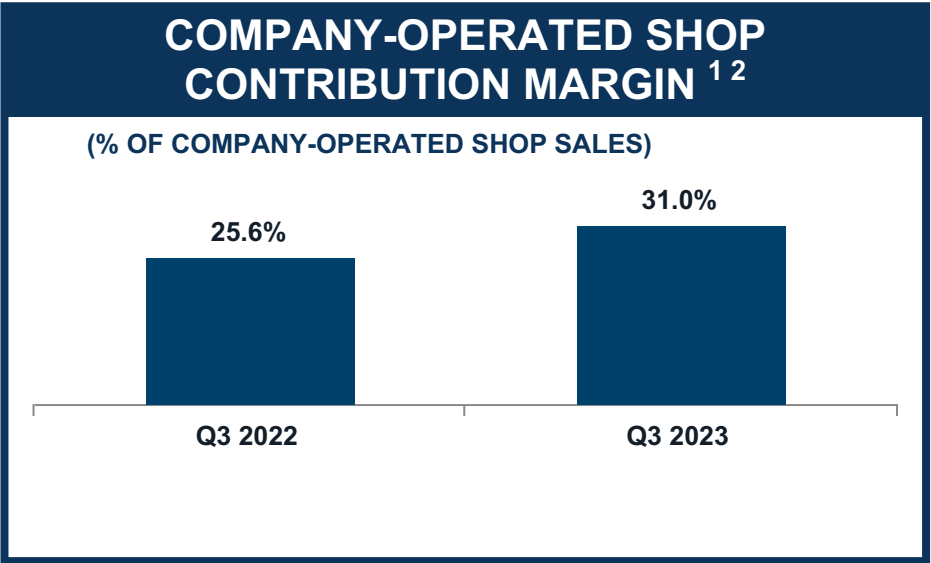
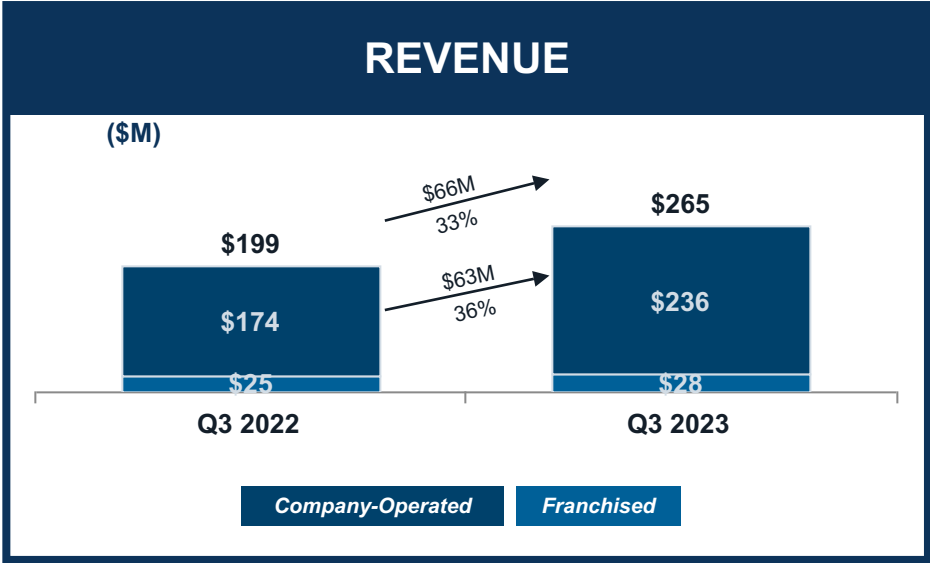
Non-GAAP Measures. The Company prepares and presents its consolidated financial statements in accordance with generally accepted accounting principles in the United States ("GAAP"). However, management believes that certain non-GAAP financial measures, such as Adjusted EBITDA and Company-operated shop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

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

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



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



¹ See appendix for a reconciliation to the most directly comparable financial measure stated in accordance with GAAP
² See slide 8 for breakdown of Company-operated Shop Contribution



SAME SHOP SALES

SAME SHOP SALES VS PRIOR YEAR

Fiscal year ending December,	2021					2022					2023		
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3
Company-Operated Same Shop Sales	9.5 %	9.9 %	4.7 %	11.5 %	9.0 %	5.1 %	(4.3)%	1.0 %	(2.1)%	0.6 %	(3.5)%	1.6 %	2.8 %
Systemwide Same Shop Sales	6.7 %	9.4 %	7.3 %	10.1 %	8.4 %	6.0 %	(3.3)%	1.7 %	(0.6)%	1.0 %	(2.0)%	3.8 %	4.0 %



2023 COMPANY-OPERATED SHOP MARGIN

	Company-Operated Shop Opening Periods			Company-Operated Shop Opening Periods		
	Trailing Twelve Months Ended September 30, 2023			For the Three Months Ended September 30, 2023		
(in millions, except shop count and percentages)	Total Company-Operated Shops	2018 and Prior ²	2019-2021 ³	Total Company-Operated Shops	2018 and Prior ²	2019-2021 ³
Net company-operated shop AUV ¹	\$1.90	\$1.71	\$2.04	N/A	N/A	N/A
Company-operated shop gross profit	21.9%	24.5%	25.9%	24.1%	25.9%	28.3%
Company-operated shop depreciation & amortization	6.9%	2.8%	5.6%	6.9%	3.0%	5.3%
Company-operated shop contribution	28.8%	27.4%	31.5%	31.0%	28.9%	33.5%
Company-operated shops	510	104	172	510	104	172

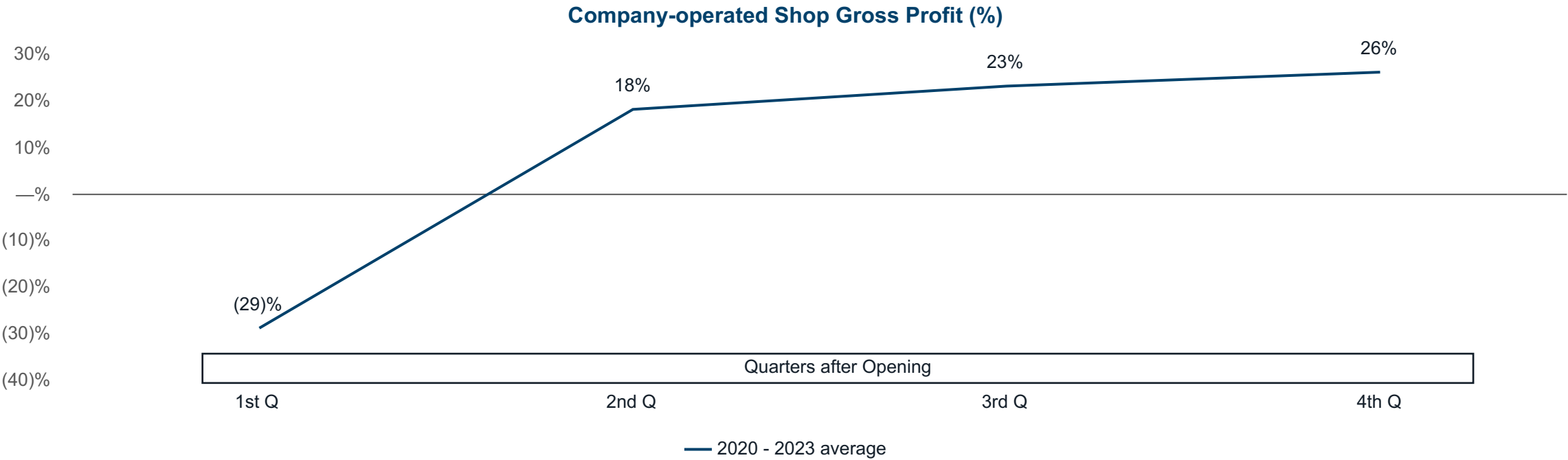
¹ AUVs are determined based on the net sales for any trailing twelve-month period for company-operated shops that have been open a minimum of 15 months. AUVs are calculated by dividing the net sales by the total number of systemwide and company-operated shops, respectively.

² Includes all company-operated shops opened through December 31, 2018.

³ Includes all company-operated shops opened after December 31, 2018 through December 31, 2021.



COMPANY-OPERATED SHOP MARGIN PROGRESSION





COMPANY-OPERATED SHOP RESULTS

(\$ in millions)	Three Months Ended September 30,			
	2023		2022	
	\$	%	\$	%
Company-operated shop revenue	\$ 236.5	100.0	\$ 173.5	100.0
Beverage, food and packaging	61.3	25.9	47.1	27.1
Labor costs	61.5	26.0	49.0	28.3
Occupancy and other costs	36.1	15.3	28.5	16.4
Pre-opening costs	4.2	1.8	4.5	2.6
Depreciation and amortization	16.3	6.9	9.6	5.6
Company-operated shop gross profit	57.0	24.1	34.7	20.0
Depreciation and amortization	16.3	6.9	9.6	5.6
Company-operated shop contribution ¹	\$ 73.3	31.0	\$ 44.3	25.6

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



Company-Operated Shops Contribution

Q3 2022 to Q3 2023
Company-Operated Shops Contribution Bridge

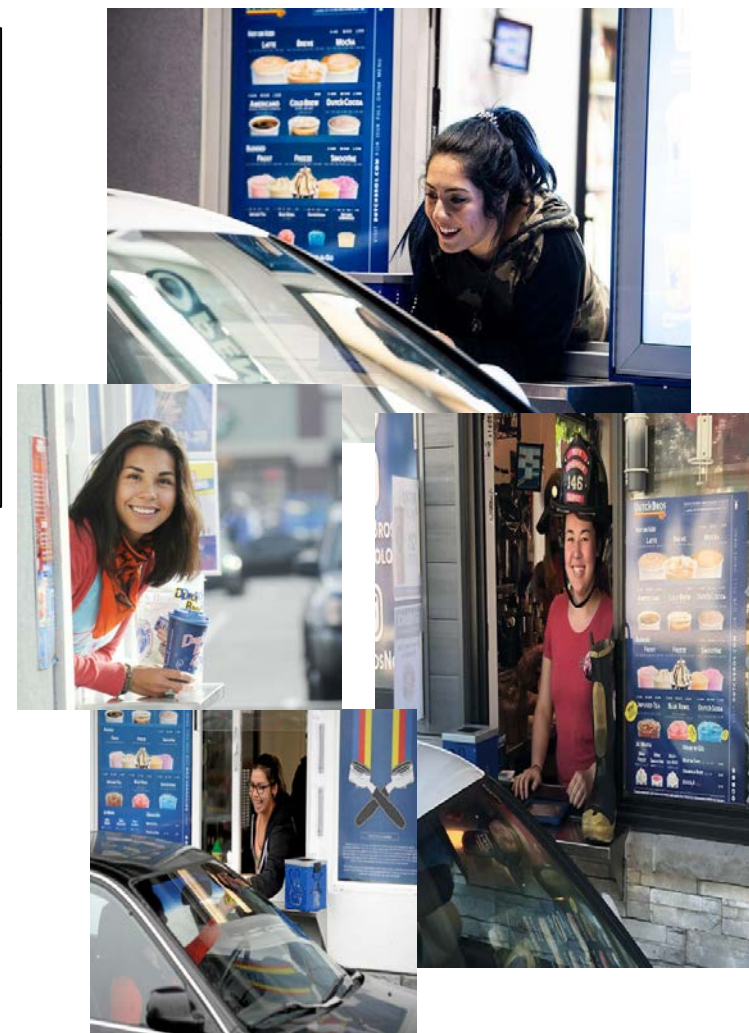


¹ Contribution Margin is a non-GAAP measure, the definition and the GAAP to non-GAAP reconciliation are provided on slide 8. The company-operated shops gross margin was 20.0% for Q3 2022 and 24.1% for Q3 2023.

FY 2023 Outlook	
Total System New Shop Openings	at least 150
Company-operated Shop Openings	at least 130
Revenue	lower end of the range of \$950 million to \$1 billion
Same Shop Sales Growth	approximately low single digits
Adjusted EBITDA ¹	between \$150 million and \$155 million
Capital Expenditures	\$225 million to \$250 million

Full Year 2023 Outlook is Derived From Recent Trends and Does Not Assume Material Changes to the Current Operating Environment

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





SG&A LEVERAGE

(\$ in thousands)	2022				2023		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Total revenues	\$ 152,156	\$ 186,381	\$ 198,648	\$ 201,827	\$ 197,267	\$ 249,879	\$ 264,507
Selling, general, and administrative ¹	\$ 45,214	\$ 42,342	\$ 45,378	\$ 50,594	\$ 45,976	\$ 51,662	\$ 50,490
<i>As a percentage of total revenue</i>	<i>29.7 %</i>	<i>22.7 %</i>	<i>22.8 %</i>	<i>25.1 %</i>	<i>23.3 %</i>	<i>20.7 %</i>	<i>19.1 %</i>
Adjustments ²							
Equity-based compensation	(9,900)	(10,446)	(10,649)	(10,662)	(9,170)	(10,149)	(9,698)
COVID-19: prepaid costs not utilized	(1,200)	—	—	(1,105)	—	—	—
Milestone events	(2,434)	—	—	—	—	—	—
Executive transitions costs	—	—	—	(691)	(150)	(225)	(225)
Legal Proceedings	—	—	—	—	—	(1,950)	—
Total adjustments	\$ (13,534)	\$ (10,446)	\$ (10,649)	\$ (12,458)	\$ (9,320)	\$ (12,324)	\$ (9,923)
Adjusted selling, general, and administrative	\$ 31,680	\$ 31,896	\$ 34,729	\$ 38,136	\$ 36,656	\$ 39,338	\$ 40,567
<i>As a percentage of total revenue</i>	<i>20.8 %</i>	<i>17.1 %</i>	<i>17.5 %</i>	<i>18.9 %</i>	<i>18.6 %</i>	<i>15.7 %</i>	<i>15.3 %</i>
Compared to the prior year					(2.2)%	(1.4)%	(2.2)%

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

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



APPENDIX



INCOME STATEMENT

(\$ in thousands; except per share data)	Three Months Ended September 30,	
	2023	2022
Revenues:		
Company-operated stores	\$ 236,472	\$ 173,501
Franchising and other	28,035	25,147
Total revenues	\$ 264,507	\$ 198,648
Costs and expenses:		
Cost of sales	189,323	148,092
Selling, general and administrative	50,490	45,378
Total costs and expenses	239,813	193,470
INCOME (LOSS) FROM OPERATIONS	\$ 24,694	\$ 5,178
OTHER EXPENSE		
Interest expense, net	(9,325)	(5,011)
Other income (expense), net	(140)	(1,944)
Total other expense	(9,465)	(6,955)
INCOME (LOSS) BEFORE INCOME TAXES	\$ 15,229	\$ (1,777)
Income tax expense (benefit)	1,828	(3,371)
NET INCOME (LOSS)	\$ 13,401	\$ 1,594
Less: Net income (loss) attributable to non-controlling interests	9,191	(169)
NET INCOME (LOSS) ATTRIBUTABLE TO DUTCH BROS INC.	\$ 4,210	\$ 1,763
Net income (loss) per share of Class A and Class D common stock		
Basic	\$ 0.07	\$ 0.03
Diluted	\$ 0.07	\$ 0.03
Weighted-average shares of class A and class D common stock outstanding:		
Basic	59,366	53,118
Diluted	60,214	54,418



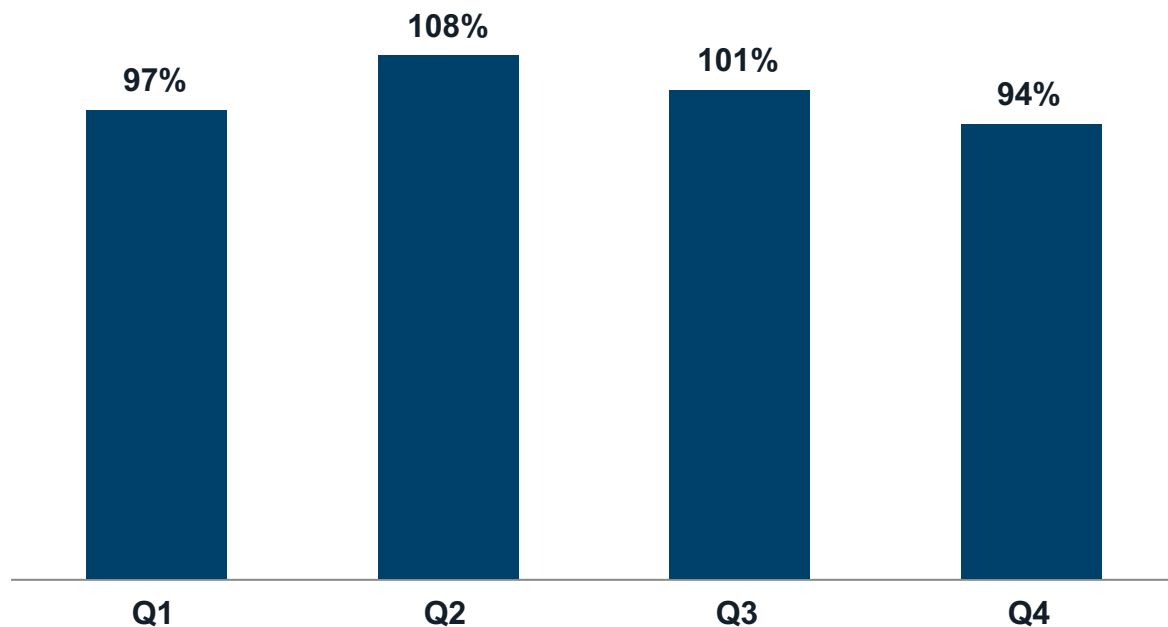
INCOME STATEMENT – SEGMENTS

(\$ in thousands)	Three Months Ended September 30,	
	2023	2022
Revenues:		
Company-operated shops	236,472	173,501
Franchising and other	28,035	25,147
Total revenues	\$ 264,507	\$ 198,648
Cost of Sales:		
Company-operated shops	179,480	138,781
Franchising and other	9,843	9,311
Total cost of sales	189,323	148,092
Segment gross profit:		
Company-operated shops	56,992	34,720
Franchising and other	18,192	15,836
Total gross profit	\$ 75,184	\$ 50,556
Depreciation and amortization:		
Company-operated shops	16,332	9,624
Franchising and other	1,371	1,478
All other	413	708
Total depreciation and amortization	18,116	11,810
Segment contribution:		
Company-operated shops	73,324	44,344
Franchising and other	19,563	17,314
Total segment contribution	\$ 92,887	\$ 61,658
Selling, general and administrative	(50,490)	(45,378)
Interest expense, net	(9,325)	(5,011)
Other expense, net	(140)	(1,944)
INCOME (LOSS) BEFORE INCOME TAXES	\$ 15,229	\$ (1,777)



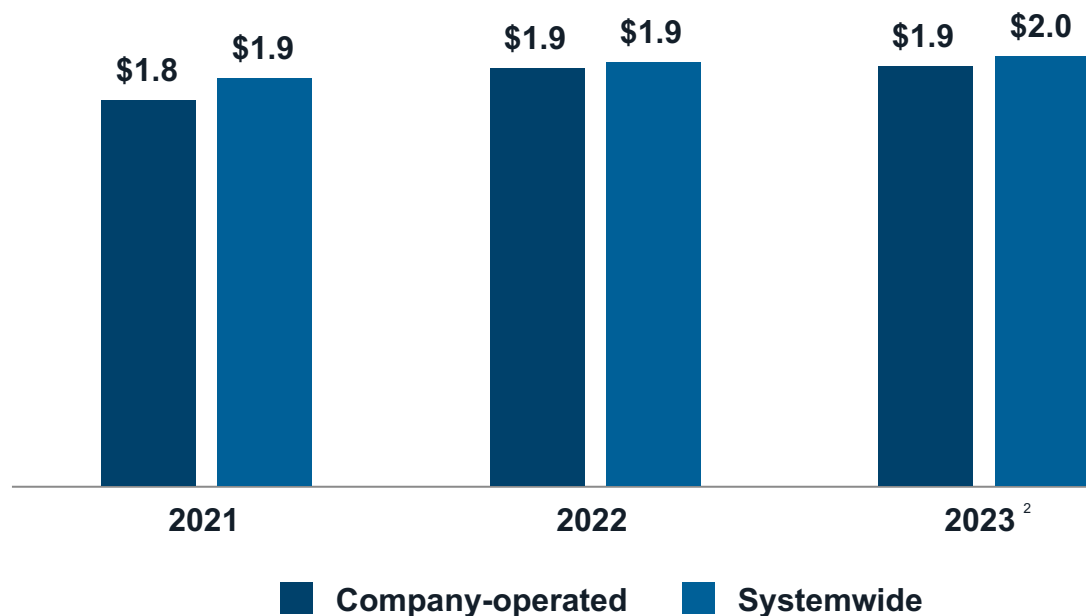
SEASONALITY AND AUV

TYPICAL SHOP SALES SEASONALITY



TRAILING 12-MONTH AUV ¹

(\$M)



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



SUMMARY QUARTERLY DATA

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

¹ Represents company-operated shop gross profit plus depreciation, see Company-operated Shop Results on slide 8 for reconciliation to the most directly comparable financial measure stated in accordance with GAAP



NON-GAAP ADJUSTMENTS

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

Equity-based compensation — Non-cash expenses related to the grant and vesting of stock awards, restricted stock awards and restricted stock units in Dutch Bros Pubco¹ and/or Profit Interest Units in Dutch Bros Opco² to certain eligible employees. These awards are accounted for in accordance with guidance prescribed for in accounting for share-based compensation.

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

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

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

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

TRA remeasurement — Loss impact on condensed consolidated statements of operations of adjustments to liabilities under our TRAs.

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

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

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



ADJUSTED EBITDA RECONCILIATION

(\$ in thousands)	2022				2023		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Net income (loss)	\$(16,279)	\$(1,751)	\$ 1,594	\$(2,817)	\$(9,391)	\$ 9,711	\$13,401
Depreciation and amortization	9,182	10,539	11,810	13,197	14,779	16,516	18,116
Interest expense, net	2,489	3,596	5,011	6,922	7,886	9,058	9,325
Income tax expense (benefit)	(214)	885	(3,371)	5,299	2,580	1,851	1,828
EBITDA	\$ (4,822)	\$13,269	\$15,044	\$22,601	\$15,854	\$37,136	\$42,670
Equity-based compensation	9,900	10,446	10,649	10,662	9,170	10,149	9,698
COVID-19: "thank you pay" and catastrophic leave	950	224	227	67	—	—	—
COVID-19: prepaid costs not utilized	1,200	—	—	1,105	—	—	—
Milestone events	2,434	—	—	—	—	—	—
Executive transition costs	—	—	—	691	150	225	225
TRA remeasurement	—	—	1,910	(5,376)	(1,294)	(861)	415
Legal proceedings	—	—	—	—	—	1,950	—
Adjusted EBITDA	\$ 9,662	\$23,939	\$27,830	\$29,750	\$23,880	\$48,599	\$53,008
Adjusted EBITDA margin	6.4 %	12.8 %	14.0 %	14.7 %	12.1 %	19.4 %	20.0 %



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

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BOERSMA

