



DUTCH BROS
Coffee

Company Overview

January 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. Such 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 disruptions in our supply chain, ability to hire and retain employees, inflation, changes in consumer demand, increased minimum wages, increased commodity costs, the conflict between Russia and Ukraine, taxes and tax rates, the COVID-19 pandemic, 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, 2021 filed with the SEC on March 11, 2022, our Quarterly Report on Form 10-Q for the period ended September 30, 2022 filed with the SEC on November 10, 2022, and in our future reports to be filed with the SEC. Forward-looking statements contained in this presentation are made as of this date, and Dutch Bros undertakes no duty to update such information except as required under applicable law.

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 Selling, General, and Administrative and Company-operated Shop Contribution provides 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 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.”***

WHO WE ARE

BROS is a uniquely positioned growth company

1. A **BEVERAGE** company focused on Speed, Quality, and Service. Beverage occasions lead to **daily repetition**.
2. Our Blue Rebel[®] proprietary **ENERGY drink** and a high degree of **CUSTOMIZATION** are key points for differentiation
3. Delivering **consistent Revenue and unit GROWTH** throughout a period of generational disruption (COVID) speaks to our ability to **EXECUTE**

CONSISTENT AND PREDICTABLE GROWTH

Consistent Revenue and New Shop Growth

What We've Delivered

- Doubled shops, tripled revenue since 2019
- Opened 30+ shops in 6 consecutive quarters

What's Next:

- 5-year goal of 800 shops by 2023 will be exceeded
- \$1B TTM Revenue late 2023, early 2024
- Reach 1,000 shop milestone in H1 2025

Expanding AUVs Demonstrate Demand for Dutch Bros

- New shop AUVs (+35% vs. class of 2017 and Prior)
- Newer shop AUVs are steady and consistent
- AUVs strong despite aggressive fortressing to balance service times, capture share

New Shops have Predictable and Attractive Economics

- Quick maturation curve, reaching 30%+ year-2 EBITDA target several quarters post open
- New shops are beginning to have positive effect on overall margins
- Achieving G&A leverage while making investments in growth capabilities

Why We are Confident for the Future



Simple and Elegant Model

- 90% drive-thru
- Flexible systems + simple ingredient basket + high customization
- High AUVs spread across dayparts with a solid evening business

Differentiated Customer Service

- Consistent, great service, makes Dutch Bros a highlight to any customer's day
- This creates lasting relationships that stick

Compelling Product Mix

- Beverages are more routine than food
- Energy unlocks secondary afternoon daypart and new customer segments
- On-trend with cold beverages (80% TTM), enabler for high customization

Strong Development System

- Experienced real estate team, robust pipeline primed to deliver reliable, quality growth

Many Levers Still to Pull

- Loyalty program in early innings
- Middle of P&L initiatives to improve drink build and take out/redeploy costs

BUSINESS SNAPSHOT (Q3 2022)

641

Q3 Systemwide Shops
(+27% YoY)

671

Q4 Systemwide Shops
(+25% YoY)

\$313M

Systemwide Sales

\$199M

Q3 Revenue
(+53% YoY)

90%

Drive Thru Mix

63%

Penetration of Loyalty
Transactions

\$1.9M

Company-Operated
Shop AUV

\$8.60

Systemwide Avg Check

20.0%

Company-Operated Shop Gross
Profit

25.6%

Company-Operated Shop
Contribution Margin¹

58%

Company-Operated
Shop Mix

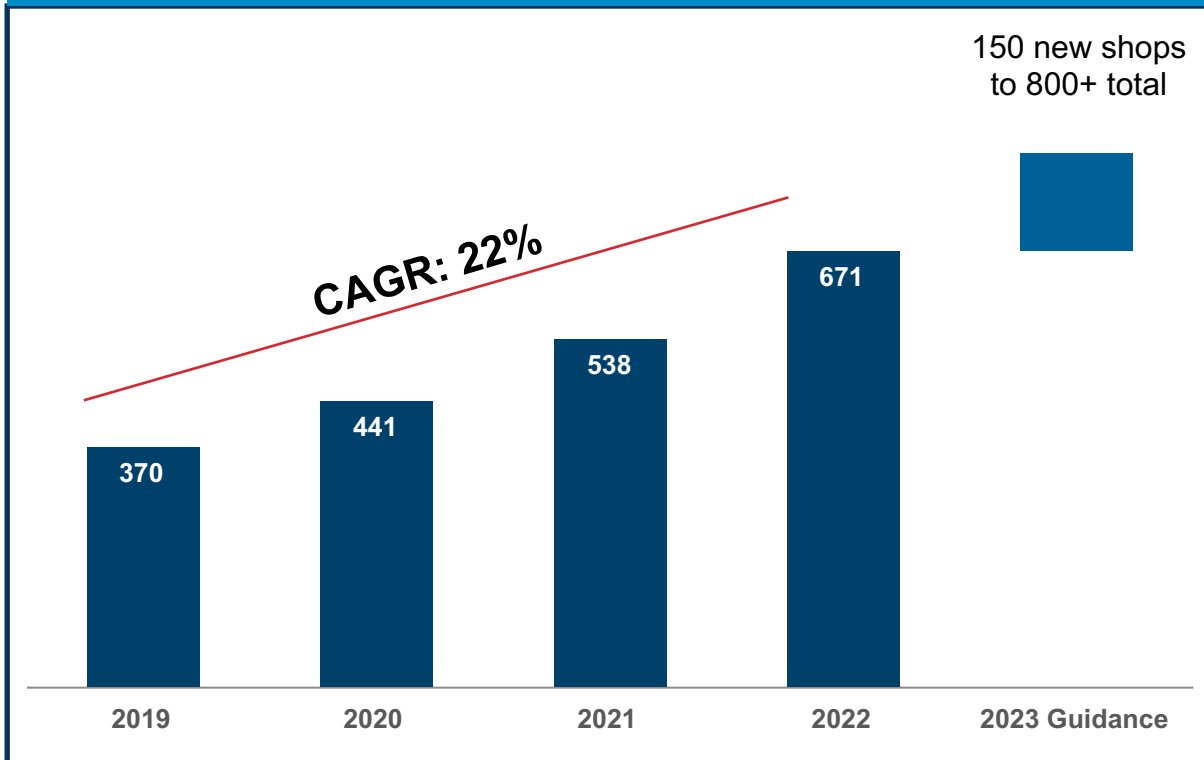
Operating in
14
States

¹ Company-operated shop contribution margin is a non-GAAP measure, the GAAP to non-GAAP reconciliation are provided on slide 10.

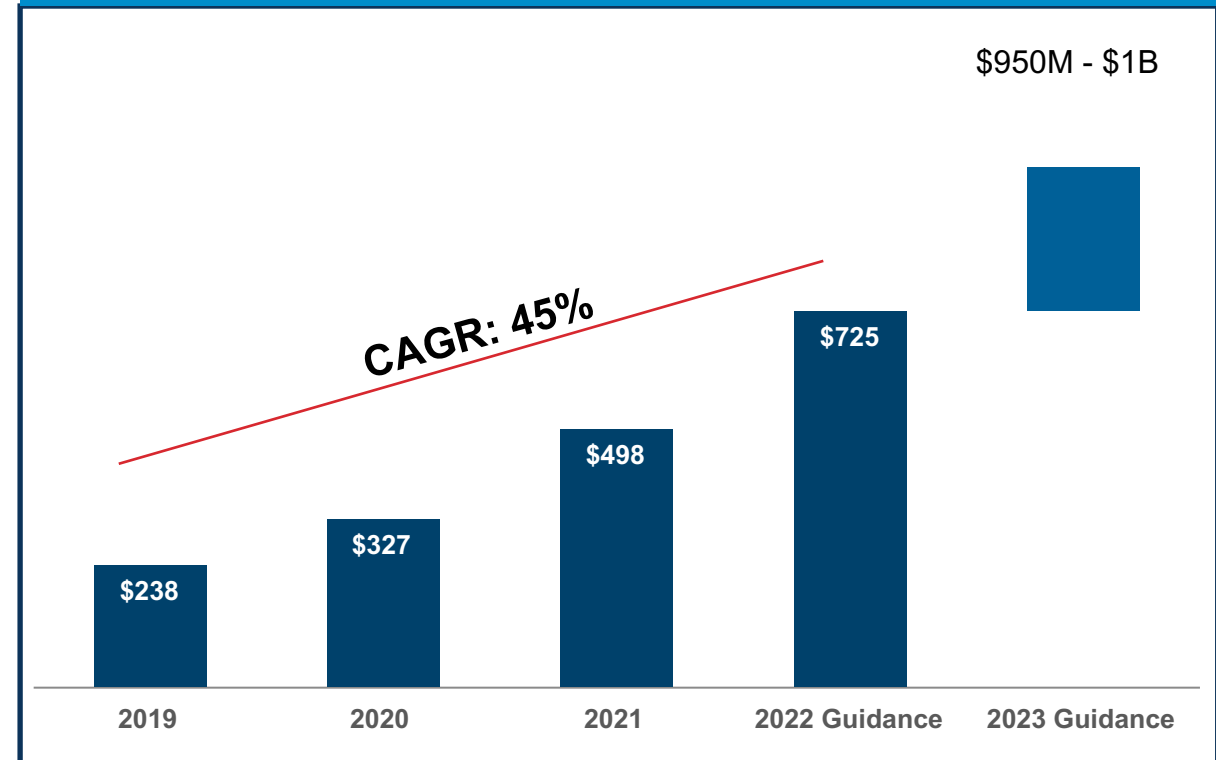
LONG-TERM GROWTH: PROMISED AND DELIVERED

- From 2019-2022, shops almost doubled and revenue tripled (based on guidance)
- 6 consecutive quarters with at least 30 shop openings

SHOP COUNT



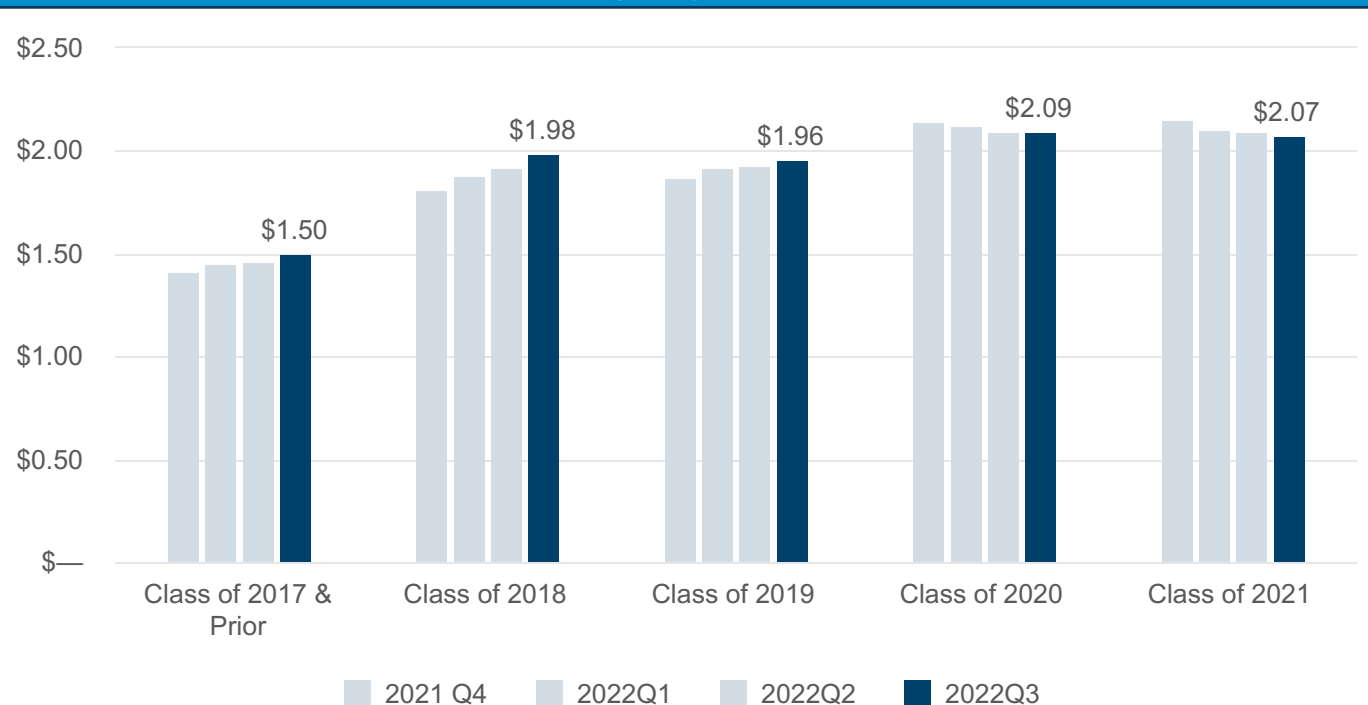
REVENUE (\$M)



AUVS EXPANDING: WHILE OPENING NEW MARKETS AND FORTRESSING AS WE GO

- New shops opened since 2017 have 35% higher AUVS's

TTM AUV BY AGE CLASS (\$M)



DRIVERS OF AUV GROWTH

- Newer, larger prototypes have superior circulation and throughput potential
- Successful real estate strategy execution: targeting higher-potential trade zones, while keeping rents affordable

COMPELLING 4-WALL ECONOMICS

- 4-wall contribution margin recovering from COVID disruption, reaching 25.6% in Q3, including 2.6% of preopening costs

Company-Operated Shop Results (\$M)

	2021		2022							
	Q4		Q1		Q2		Q3			
	\$	%	\$	%	\$	%	\$	%		
Company-operated shop revenues	\$ 114.2	100.0 %	\$ 130.2	100.0 %	\$ 160.5	100.0 %	\$ 173.5	100.0 %		
Company-operated shop gross profit ¹	16.6	14.5 %	16.6	12.8 %	\$ 31.2	19.4 %	34.7	20.0 %		
Depreciation and amortization	5.3	4.6 %	7.1	5.5 %	\$ 8.3	5.2 %	9.6	5.6 %		
Company-operated shop contribution ^{1,2}	\$ 21.8	19.1 %	\$ 23.8	18.3 %	\$ 39.5	24.6 %	\$ 44.3	25.6 %		
Preopening costs	\$ 6.2	5.4 %	\$ 6.0	4.6 %	\$ 3.6	2.2 %	\$ 4.5	2.6 %		

¹ Preopening costs are included in Company-operated shop gross profit and Company-operated shop contribution.

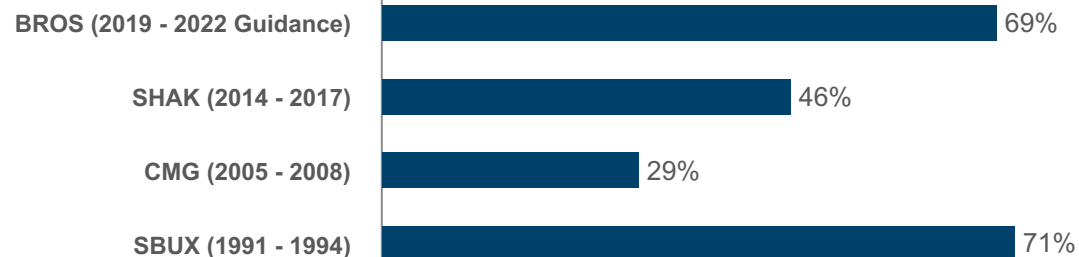
² Company-operated shop contribution is a non-GAAP measure.

BROS VS. HIGH GROWTH PEERS

BROS compares favorably to our high-growth, company-operated peers around their IPO

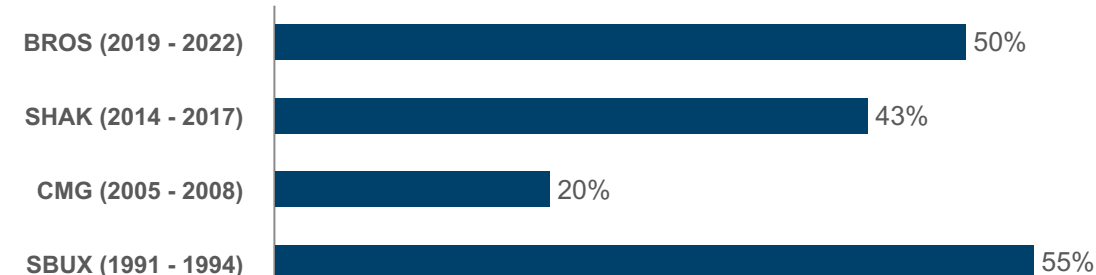
3-YEAR REVENUE CAGR¹

Beginning 1-Year Prior to
IPO



3-YEAR UNIT COUNT CAGR¹

Beginning 1-Year Prior to
IPO



¹ Revenue and unit count are based on U.S. company-owned shops except for SBUX which represents North American company-owned retail and CMG revenue which includes international units.

Note: Data points in the charts on this slide for SHAK, CMG, and SBUX come from each company's public filings. Dutch Bros makes no representation regarding the accuracy or reliability of such data points or the information on which they are based. The comparisons in the charts on this slide are based upon our historical data and are not indicative of, nor intended to forecast, future performance.

TRAFFIC DRIVING STRATEGIES FOR 2023

Even as we expand, real opportunities for growth and improvement are achievable

Aspect	Initiatives	Desired Outcomes
Loyalty	Targeted 1:1 offers for rewards members	Increase frequency, menu exploration
Tap System	Deploy Rebel and cold brew tap systems in new and select existing shops	Increased throughput, higher consistency, waste reduction
Labor Deployment	Improve scheduling and labor deployment to increase on/off peak efficiency	Increased throughput, improved broista and customer experience
Shop Layout	Improve shop ergonomics to simplify processes	Improved broistas experience, and increased throughput
POS Enhancement	Simplify order experience and increase POS versatility	Improved broistas and customer experience, and increased throughput
Dutch Pass	Train broistas and customers on time-saving benefits of paying with stored value. Shave time off payment process in fast-paced environment	Increased throughput, higher stored value usage (via points offer incentives, initially)

LONG-TERM (5-10 YEAR) GROWTH TARGETS

ANNUAL SYSTEM SHOP GROWTH

Mid-Teens Annual Growth

SYSTEM SAME-SHOP SALES

Low Single Digits

REVENUE GROWTH

~20%

ADJ. EBITDA

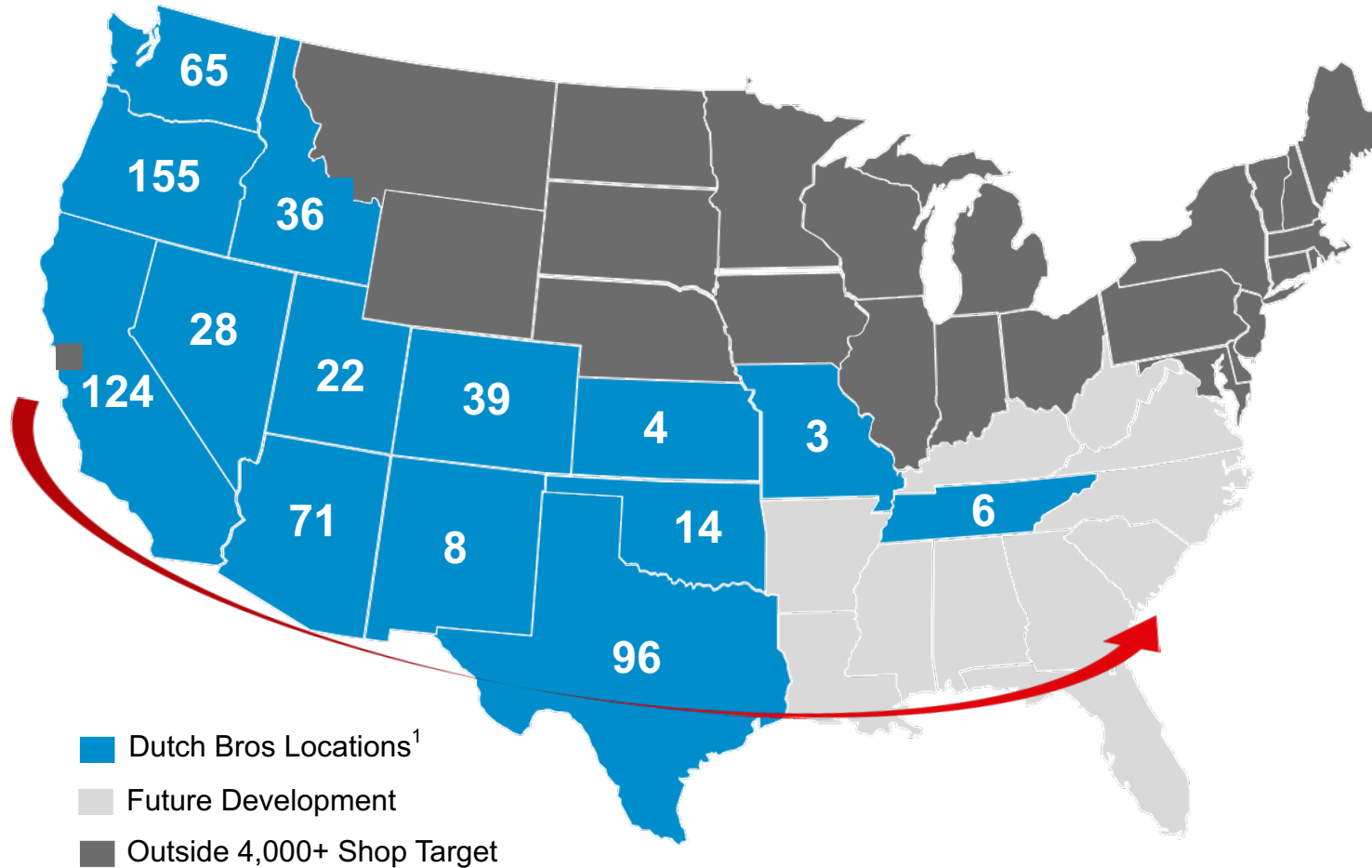
Higher Than Revenue Growth

Note: This slide includes goals that are forward-looking, are subject to significant business, economic, regulatory and competitive uncertainties and contingencies, many of which are beyond the control of the Company and its management and are based on assumptions with respect to future decisions, which are subject to change. Actual results will vary and those variations may be material. Nothing in this presentation should be regarded as a representation by any person that these goals will be achieved, and the Company undertakes no duty to update its goals.



Appendix

14 STATES TODAY¹ WITH PATH TOWARDS 4,000+ SHOPS IN 10-15 YEARS



4,000+

POTENTIAL LONG-TERM DUTCH BROS LOCATIONS



Balance between infill and new geographies

- Fortressing increases market share / acceptable wait times via Sales Transfer



Company-operated focus

- All new states company-operated



“Smiley Face” expansion strategy

- Focusing development around the mouth of the “smile”
- From PNW, through CA and Southwest, Texas, Southeast, up to Mid-Atlantic
- TAM excludes Northeast, Midwest, and dense urban cores (i.e. SFO, DTLA)

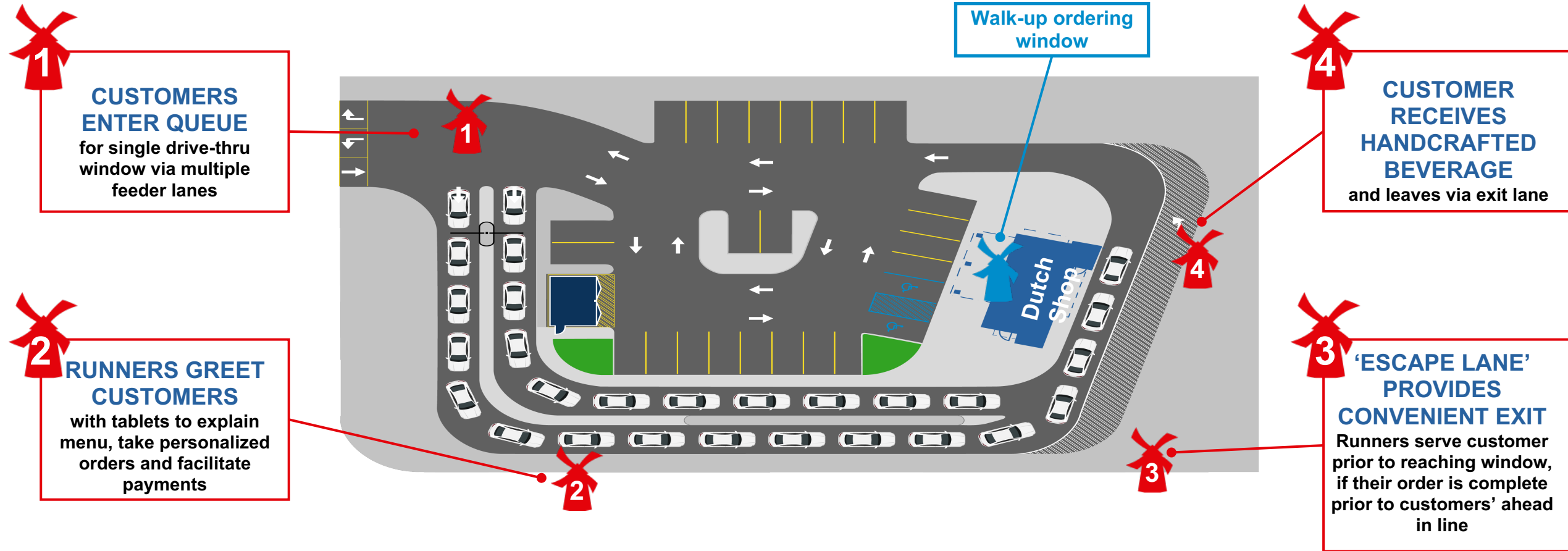


Near-term focus on CA and TX

- ~60% of development in 2023

Note 1: State count is as of December 31, 2022

THE DUTCH BROS EXPERIENCE

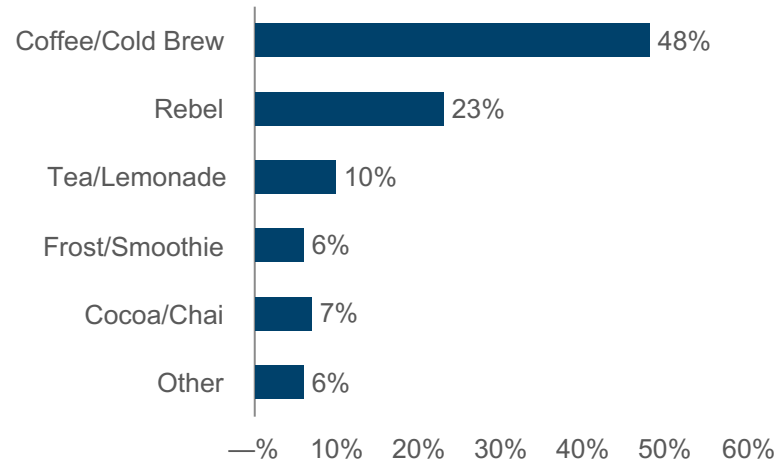


HIGH DEGREE OF CUSTOMIZATION LED BY COLD BEVERAGES

- 80%+ of menu is cold and ~50% is coffee-based
- Our proprietary energy drink product (Blue Rebel) is 27% of net sales¹, reaching new customer occasions and anchoring afternoon/late night daypart

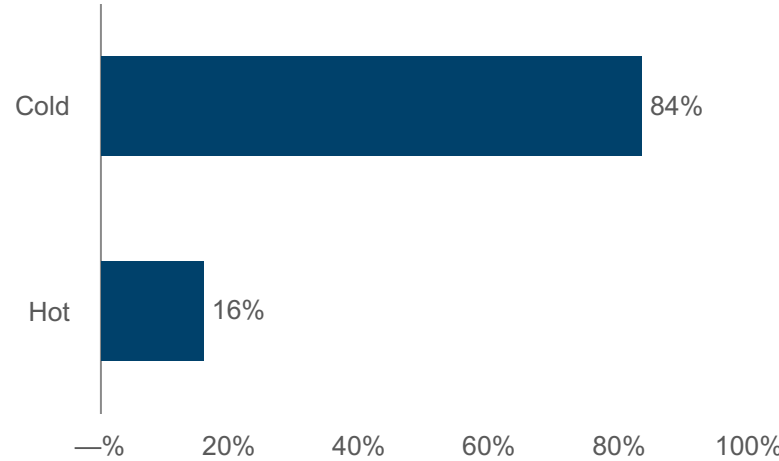
Diverse Beverage Mix

Rolling 12 Months Thru Q3 2022



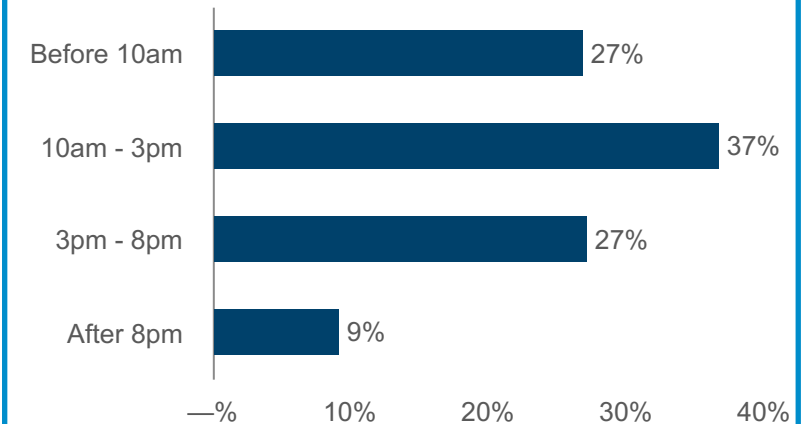
On-Trend “Cold” Format

Rolling 12 Months Thru Q3 2022



Across Multiple Dayparts

Net Sales Distribution by Daypart
Rolling 12 Months Thru Q3 2022



¹ For the nine months ended September 30, 2022.

ACHIEVING G&A LEVERAGE

1. SG&A as a % of total revenue decreased 690bps to 22.8% from 29.7% in Q1 2022
2. Removing equity-based compensation and one-time expenses, adjusted SG&A was 17.5% in Q3, down 110bps vs. the prior year
3. SG&A includes our regional operator costs, that we expect to scale moderately over time as shop spans broaden

G&A Progression								
(\$ in thousands)	2021 ¹				2022			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	
Total revenues	\$ 98,785	\$ 129,208	\$ 129,803	\$ 140,080	\$ 152,156	\$ 186,381	\$ 198,648	
Selling, general, and administrative ²	\$ 35,986	\$ 33,488	\$ 153,700	\$ 41,355	\$ 45,214	\$ 42,342	\$ 45,378	
<i>As a percentage of total revenue</i>	36.4 %	25.9 %	118.4 %	29.5 %	29.7 %	22.7 %	22.8 %	
Adjustments								
Equity-based compensation	(14,650)	(8,332)	(124,779)	(9,955)	(9,900)	(10,446)	(10,649)	
Expenses associated with equity offering	(76)	(2,253)	(3,332)	(862)	—	—	—	
Donations associated with equity offering	—	—	(1,392)	(2,400)	—	—	—	
COVID-19: prepaid costs not utilized	—	—	—	—	(1,200)	—	—	
Milestone events	—	—	—	—	(2,434)	—	—	
Total adjustments	\$ (14,726)	\$ (10,585)	\$ (129,503)	\$ (13,217)	\$ (13,534)	\$ (10,446)	\$ (10,649)	
Adjusted selling, general, and administrative	\$ 21,260	\$ 22,903	\$ 24,197	\$ 28,138	\$ 31,680	\$ 31,896	\$ 34,729	
<i>As a percentage of total revenue</i>	21.5 %	17.7 %	18.6 %	20.1 %	20.8 %	17.1 %	17.5 %	
Compared to the prior year					(0.7)%	(0.6)%	(1.1)%	

¹ Refer to NOTE 2 — Basis of Presentation and Summary of Significant Accounting Policies in our Quarterly Report on Form 10-Q for the quarter ended September 30, 2022 regarding our revised historical results related to an immaterial error correction for employee sick leave accrual.

² Selling, general, and administrative includes depreciation and amortization.

**// IT'S ABOUT
FUN,
IT'S ABOUT
PEOPLE
AND IT'S ABOUT
GREAT
COFFEE"**

- TRAV BOERSMA

