Dutch Bros: The Sweet Spot in the Coffee Market

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I. Executive Summary

Dutch Bros Overview

Dutch Bros Coffee was founded in 1992 in Oregon by Dane and Travis Boersma, starting as a simple pushcart expresso shop serving the local community

The Dutch Bros Experience

Speed: Drive-thru store formats with escape lanes enable an efficient customer experience. Dutch Bros mobile ordering functionality and walk-up windows provide further convenience

Quality: Broistas are trained with 2 days of cultural immersion and 10 shifts. They are taught to prioritize getting every component of a drink right over speed

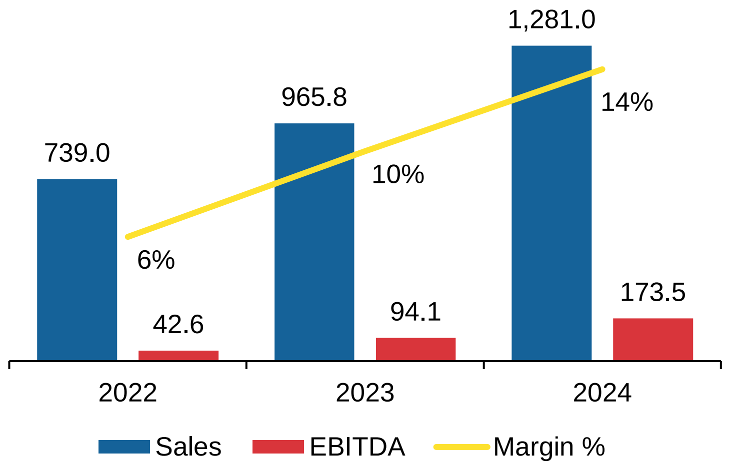
Service: Broistas deliver a "customer first experience," and are responsible for fostering an environment of love, acceptance, and kindness

A High-Growth Drive-Thru Coffee Chain

High-Quality, Hand-Crafted Beverages	Dutch Bros is a high growth operator and franchiser of drive-thru shops that focus on serving high-quality, hand-crafted beverages
Expanding Across the United States	Over 1,000 locations across the western United States, with a significant presence in Oregon, California, and Texas

These unique qualities have provided Dutch Bros with a loyal fanbase that continues to be excited about the brand

Dutch Bros by the Numbers ($ in M)



High Level Overview of Assets and KPIS

33.3%
Total Revenue Growth year-over-year

95%
Implemented Mobile Ordering in systemwide shops

151
New Dutch Bros Shops in 2024

$1.3 B
Total Revenues

22.3%
Same-Store Sales Gross Profit Margin

6.8%
Same-Shop Sales Growth

Dutch Bros Through the Years

Tracing Dutch Bros Development: Significant Achievements and Historical Milestones

1992

Founded by Dane and Travis Boersma

2003

First Shop Outside of Oregon Opens in Chico, CA

2012

Launched Blue Rebel their exclusive new Energy Drink

2017

Began Prioritizing Company Growth, Stopped Accepting Franchisees

2021

Launched Dutch Rewards Program

2021

Shop 500 Opens in Temple, TX

2021

IPOs raising nearly $500 million

2024

Launched Mobile Order

2025

Shop 1,000 opens in Orlando, FL

Product Portfolio

Dutch Bros wide range of customizable hot, iced, and blended beverages

Coffee
50% Sales

Seasonal Drinks

Protein Coffee

Blended Freeze

Energy
25% Sales

Iced Rebel Energy Drink

Blended Rebel Energy Drink

Poppin' Boba Rebel Energy Drink

Refreshments and Other
25% Sales

Snacks account for **2%** of total sales

Snacks

Shakes

Iced Tea

Pioneer in the Relationship Business

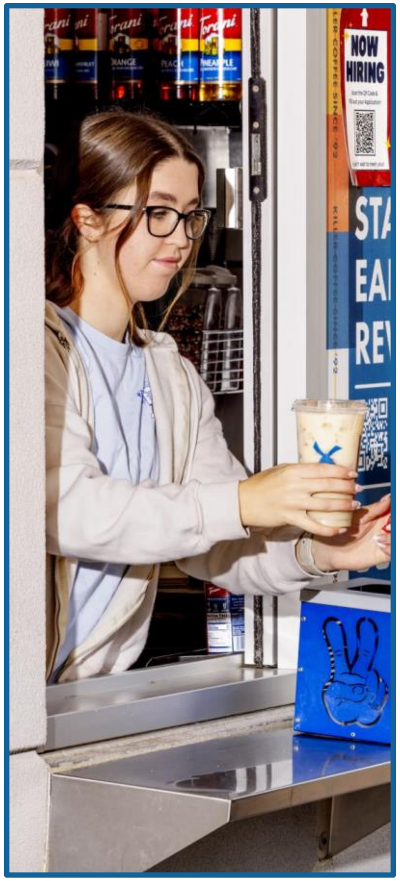
17,000+ Company Shop Employees

8,000+ Franchised Shop Employees

550,000 Applications Received for **14,000** Openings in 2024

14% Shop Manager Turnover, **77%** Overall Turnover

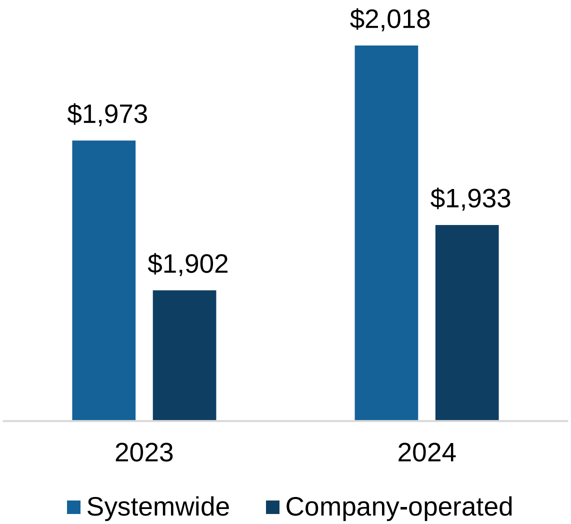
Upwards mobility with stores exclusively operated by internal employees



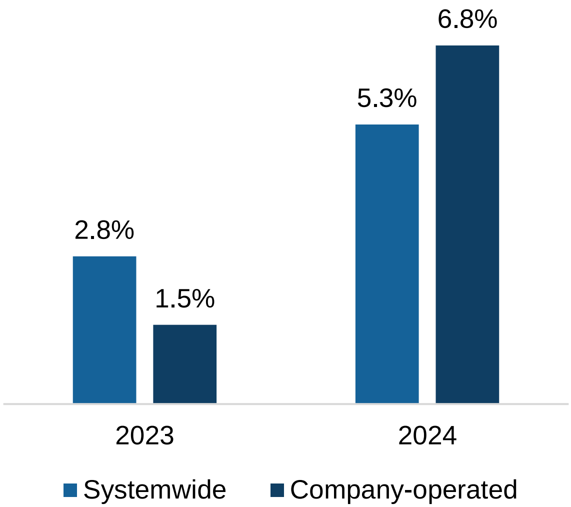
Broistas	Serve up smiles and drinks with a focus on making a difference
Shift Leader	Encourage crews, amp up customers and develop leadership skills
Shop Lead	Ensure the crew and shop have everything they need to give a mind-blowing experience to every customer
Shop Manager	Lead, develop, and inspire each member of the crew to deliver a mind-blowing experience to every customer every time
Regional Manager	Partner with the Regional Operator to ensure all shops are fully staffed and equipped
Regional Operator	Opens and oversees Dutch Bros shops

Dutch Bros Over the Past Year

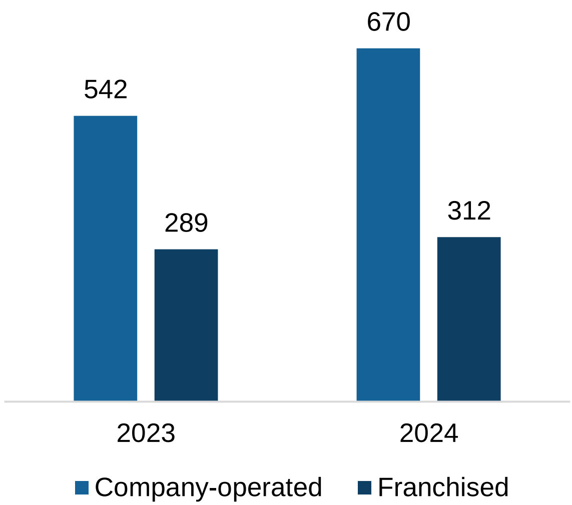
Average Unit Value



Same Store Sales Growth



Store Count



Unit Economics are Strengthening

Both systemwide and company-operated average unit volumes grew YoY, signaling that new stores are ramping quickly, and the overall brand continues to resonate

Growing Customer Demand and Retention

Company-operated locations drove **6.8%** SSS growth, outperforming the system, meanwhile, systemwide growth of **5.3%** suggest the broader network is benefiting from brand strength and digital expansion

Growth Strategy Favors Company-owned

Store count grew **18%** YoY, with company-operated units growing faster than franchised; this signals a shift toward tighter control of operations and customer experience

Dutch Bros vs Starbucks Layout

Evaluating the strategic advantages of Dutch Bros convenience model over Starbucks' evolving identity

Dutch Bros

Focused on speed, convenience, and customer service

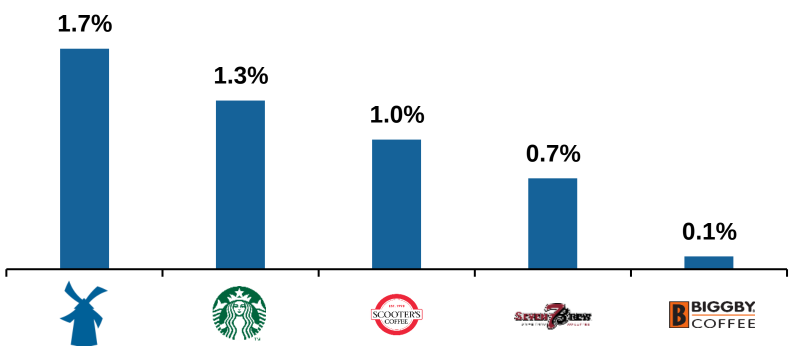
- Thrives with a drive-thru model focused on speed, convenience, and personalized customer service
- Maintains strong customer loyalty through vibrant, engaging service and a fun atmosphere
- Reports positive same-store sales growth and rapid expansion, with a clear focus on innovation and efficiency

Starbucks

Focused on atmosphere and handcrafted beverages

- Struggles to balance its identity as a welcoming "third place" with the growing demand for convenience
- Facing challenges with declining customer satisfaction as it shifts towards a more transactional experience
- Experiences declining global same-store sales and operational challenges, including rising costs and increased competition

Change in Coffee/Tea Market Share 2019-2024



Starbucks Performance Challenges

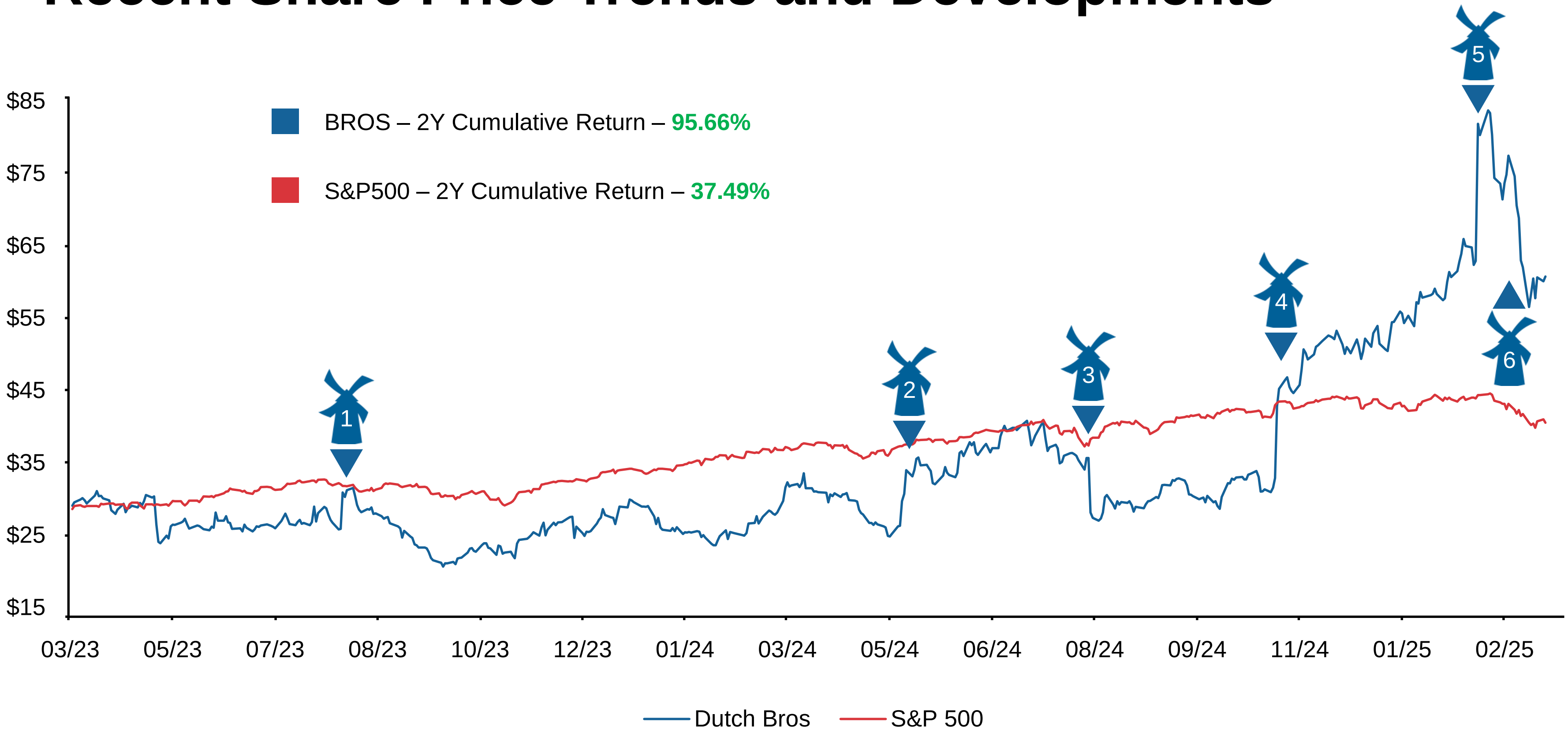
(8%)	(4%)	(6%)
Comparable Transaction Volume	Global Store Sales	Comparable Transactions

Dutch Bros Shop ROI

In comparison with competitors, Dutch Bros offers store operators a lower initial investment cost with a higher annual return

	Initial Investment	Franchise Fee	Royalty Fee	Annual Revenue	Annual Profit
	$150k–600K	Internal Only	5%	$2M	$240K
	$315K–2.1M	No Fee	7%	$1.4M	Varies
DUNKIN'	$228K–1.7M	$40K–90K	5.9%	$900K	$100–150K
Tim Hortons	$680K–1.9M	$35K	6%	$1M	$100K–150K
EST. 1998 SCOOTER'S COFFEE	$512K–861K	$40K	6%	$800K	$110K-190K
BIGGBY COFFEE	$246K–745K	$20K	6%	$676K	$101K–135K

Recent Share Price Trends and Developments



1 **August 08, 2023** - +17.86% **-** Q2 EPS **$0.13** vs FactSet **$0.06**; Christine Barone announced as new CEO

2 **May 08, 2024** - +11.79% **-** Q1 EPS **$0.09** vs FactSet **$0.01**; same store sales **+10.9%** y/y

3 **August 07, 2024** - -19.84% - Q2 EPS **$0.19** vs FactSet **$0.13**; poor guidance for same store sales and openings

4 **November 06, 2024** - +28.13% - Q3 EPS **$0.16** vs FactSet **$0.12**; positive guidance for top and bottom line

5 **February 12, 2025** - +29.10% - Q4 EPS **$0.07** vs FactSet **$0.02**; total openings in 2025 estimated to be at least **160**

6 **March 1-17, 2025** - -23.78% - Travis Boersma co-founder and chairman sells **$193M** in stock; economic tensions

Supply Chain Efficiency

Dutch Bros: Bean to Cup

1. Sourcing

- Dutch Bros sources high-quality coffee beans from Central and South America including Colombia, Brazil and El Salvador
- Since 2021, Dutch Bros has partnered with Enveritas, an independent nonprofit organization that provides sustainability verifications for coffee
- Dutch Bros sponsors a Coffee Origins Impact Program focused on continuous improvement and targeted investments in ESG conditions with the supply chain

2. Roasting

- Dutch Bros roasts all coffee in facilities in Grants Pass, Oregon and Melissa, Texas
- The company then blends roasted beans to create their signature Private Reserve espresso brand

3. Packaging and Shipping

- Dutch Bros packages and ships the Private Reserve, Decaf, and White Coffee espresso blends to several distributors across the country that supply all company-operated and franchised shops
- As Dutch Bros grows eastward, they're continuously adjusting their supplier and distribution network to find partners centrally located to the expanding shop base

4. Flexibility

- Dutch Bros supply chain is designed to be flexible to changes in the market
- On average, there is approximately four months of green coffee bean inventory stored at Dutch Bros two ports of entry in the US or at roasting facilities

Investment Thesis

Dutch Bros is continuing to develop strategic marketing and capital tactics to drive company growth

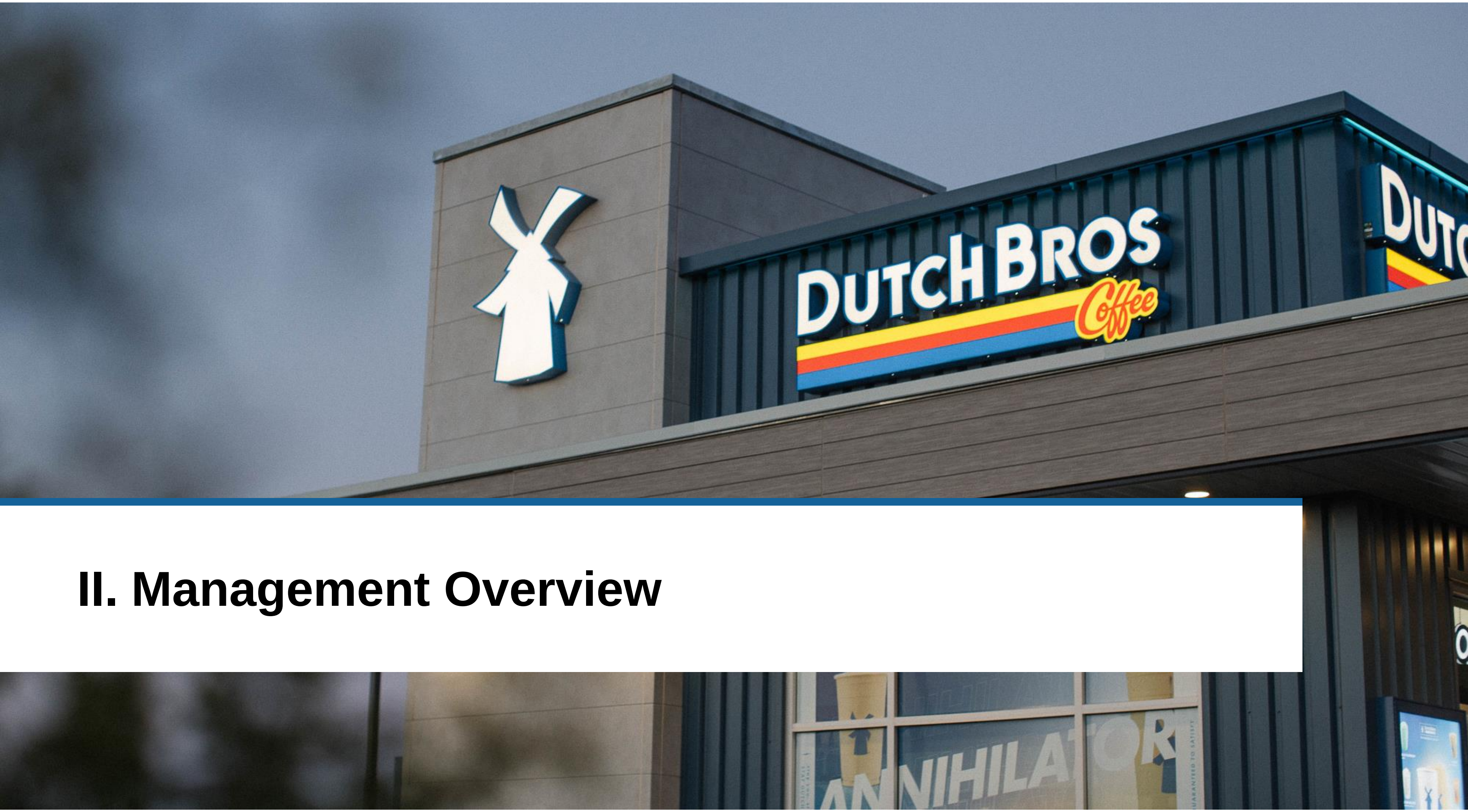
Human Capital Development
- Recruit, develop, and retain the support of employees
- Provide robust internal training and career advancement programs
- Selectively promote regional operators from a list of **350+ qualified candidates**

Strategic Real Estate Acquisition
- Top-tier new shop returns support growth aspirations toward east coast
- Long-term objective of mid-teen annual percentage growth rate in total shop count
- Leverage strong unit-level economics; building types, lease financing structures

Customer Engagement
- Continue increasing the sophistication of the rewards program, offering more targeted offers
- Utilize innovation and data-driven insights to refine menu offerings and promotions

Operating Leverage and Transaction Growth
- Continue targeting **year-2 contribution margins of 30%+** which supports fund growth
- Invest in state-of-the-art roasting facility in Texas to support expansion strategy

Targets **4,000+ shops** within the next 15 years



II. Management Overview

Management Team Overview

Christine Barone
President and Chief Executive Officer

- Before joining Dutch Bros in February 2023, Ms. Barone served as CEO of True Food Kitchen a high-growth restaurant and lifestyle brand, and held various leadership roles at Starbucks
- Ms. Barone previously worked at Bain & Company and Raymond James. She holds a BA in Applied Mathematics and an MBA from Harvard

Josh Guenser
Chief Financial Officer

- Mr. Guenser served as CFO of Dutch Bros since May 2024, he was previously CFO at MOD Super Fast Pizza Holdings, LLC for four years
- Prior to MOD Pizza, Mr. Guenser held roles at Starbucks Corporation from October 2009 to March 2020, including Senior Vice President, Finance - Americas, and Vice President, Finance - US Retail

Jess Elmquist
Chief People Officer

- Mr. Elmquist joined Dutch Bros in January 2024, having previously served as Chief Human Resources Officer and Chief Evangelist for Phenom, a global HR technology company
- Mr. Elmquist has held leadership roles at Lifetime, including Chief Learning Officer and EVP of Human Capital

Venki Krishnababu
Chief Technology and Information Officer

- Mr. Krishnababu joined Dutch Bros in December 2024, after serving seven years at lululemon athletica inc. (NASDAQ: LULU), most recently as Chief Technology Officer
- Mr. Krishnababu has led transformational tech strategies in health care and retail sectors, including roles at Premera Blue Cross and Nordstrom, Inc

Extended Leadership Team

Christine Barone
President & CEO

TRUE FOOD KITCHEN

BAIN & COMPANY

Josh Guenser
Chief Financial Officer

KPMG

Brian Maxwell
Vice Chair

Dutch Bros

Jess Elmquist
Chief People Officer

LIFE TIME

Venki Krishnababu
Chief Technology Officer

Sumi Ghosh
President of Operations

Yum!

Victoria Tullett
Chief Legal Officer

Papa Murphy's

KinderCare

Tana Davila
Chief Marketing Officer

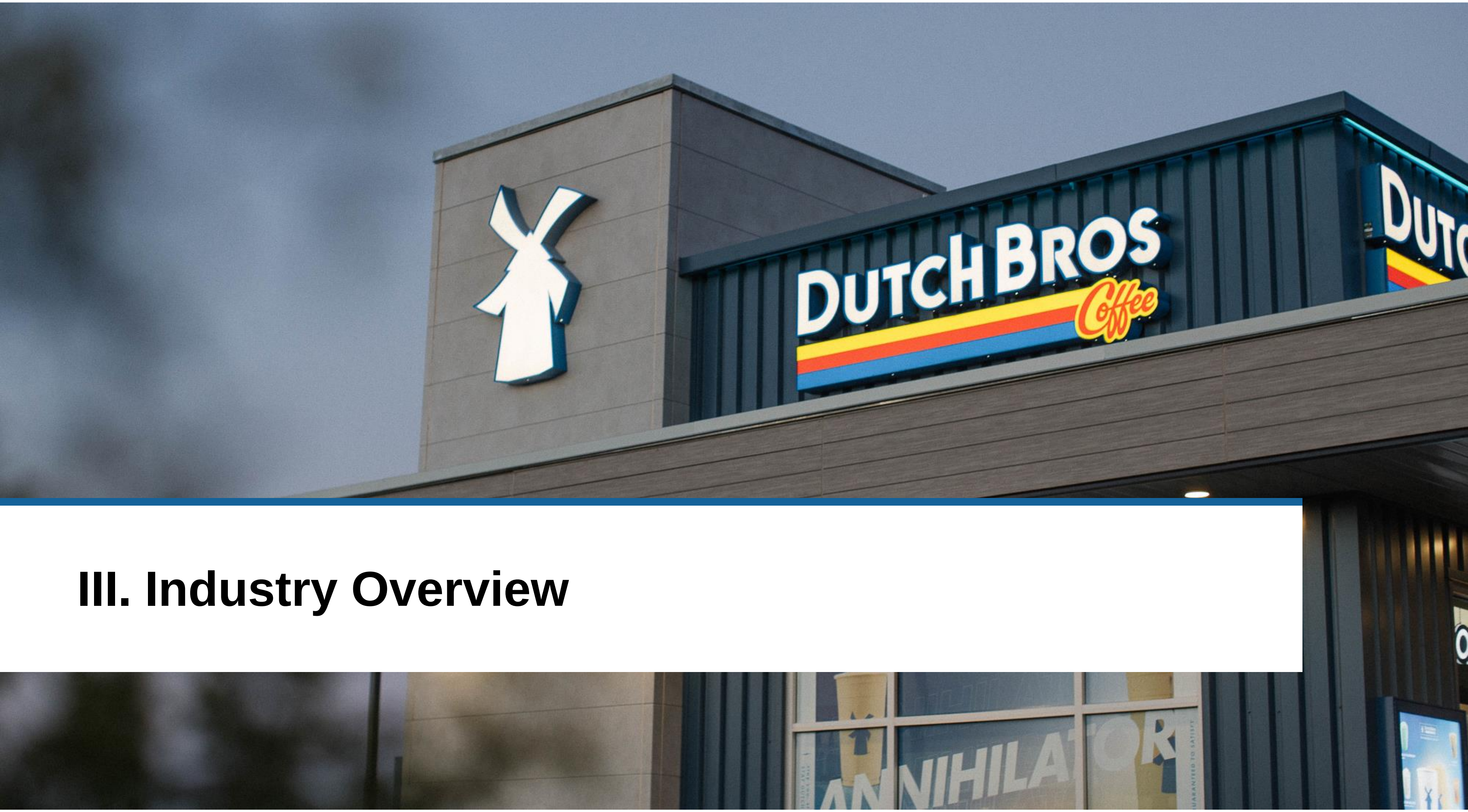
P.F. Chang's

CKE Restaurants

Grupo Bimbo

Travis Boersma
Co-founder & Executive Chairman

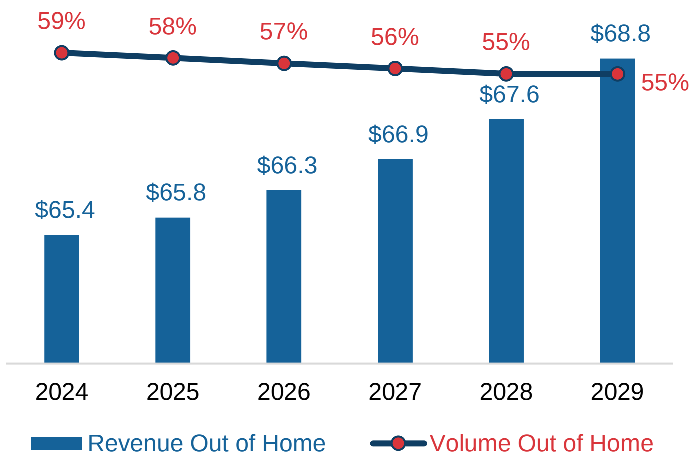
Dutch Bros



III. Industry Overview

Coffee Industry a Fragmented Market

Smaller Sips, Bigger Check Sizes



Market Snapshot

Roughly **60%** of the American population drink coffee every day. Consumers spend more than **$300M** on coffee products each day– nearly **$110B** per year

The United States coffee industry is highly fragmented with at least **44%** of coffee consumers buying from franchise cafes several times a week. Starbucks remains the industry leader with **$27.5B** in sales followed by Dunkin at **$11.2B**. There are **29** national player's total

Dutch Bros outperforms well-established competitors Starbucks (AUV **$1.8M**) and Dunkin (AUV **$1.3M**) on a per store basis with an AUV **$2M** per store

Industry Insights

Coffee Business Landscape

Over 99% of America's coffee must be imported

The US' top sources of green coffee beans are Brazil (32%), Colombia (20%), Vietnam (8%), and Honduras (7%)

Every $1 in coffee imports generate $43 of value for the US economy

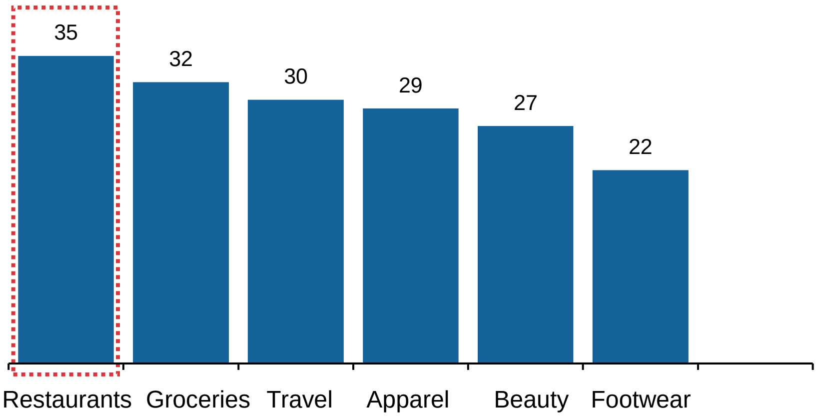
The US coffee market is approximated to be $89.7B, with 29 national players

Loyalty Programs

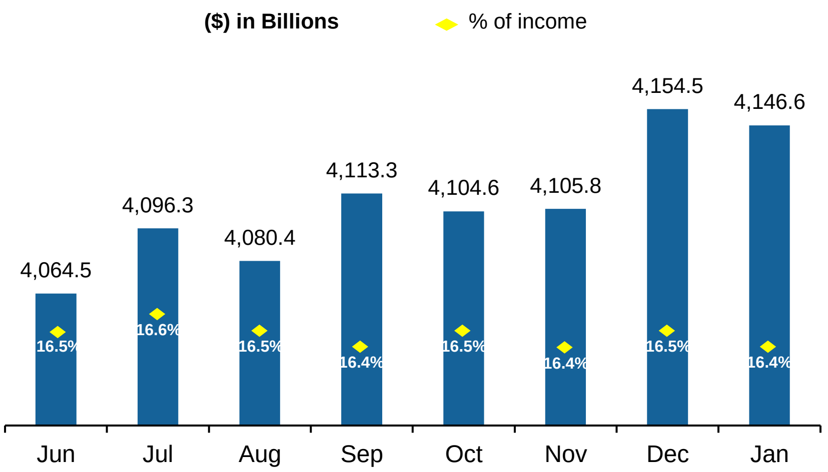
- 67% of companies plan on increasing their investment in customer retention through loyalty programs
- Enhanced loyalty programs have driven a 4.8x return on investment for businesses
- 87.7% of businesses state that micro-targeting and personalized rewards improve retention & satisfaction

Macroeconomic Indicators

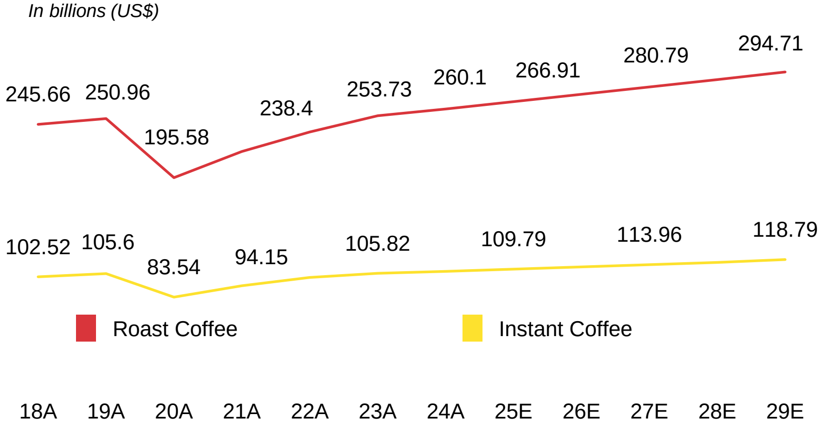
Consumer Treat Categories



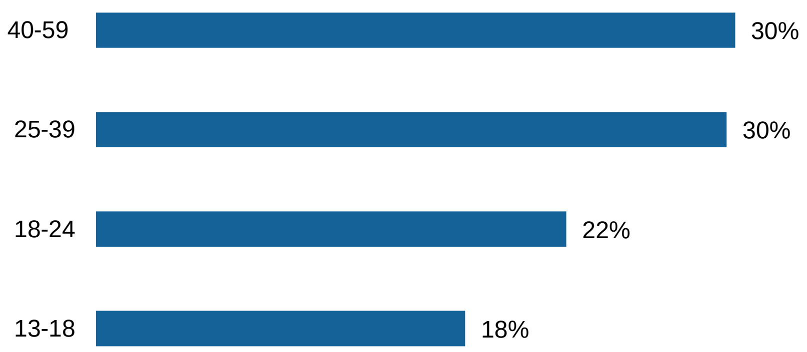
Consumer Spending on Nondurable Goods



Revenue Out-of-Home Coffee



Coffee Consumption by Age Group



IV. Growth Opportunities

Dutch Bros Limited Offerings & Promotions

Menu Innovations

Poppin' Boba Hyper Chrome Lemonade (Blue Raz)
Orange, Pomegranate, Passion Fruit Blended Energy Drink

Candy Cane Mocha
Dark Chocolate Mocha w/ Soft Top and Peppermint

Birthday Cake Shake w/ Soft Top
Cupcake Shake w/ Birthday Sprinkles

Double Rain Bro
Coconut, Peach, and Strawberry Iced Tea

Shark Attack
Blue Raspberry, Coconut & Lime w/ Pomegranate Float

Protein Coffee Launch

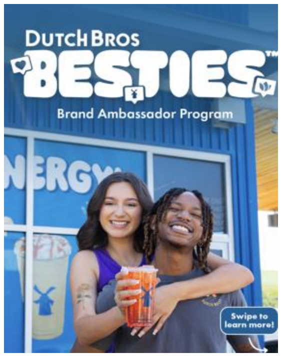
- In January 2024, Dutch Bros launched its protein coffee in four varieties: protein latte, vanilla protein latte, salted caramel protein latte, and salted caramel protein mocha
- Same-store sales increased 10% in the first quarter of 2024, marking its strongest single quarter since Q4 2021

Snack Expansion (Starting 2026)

- Sales in the morning daypart make up only 25% of Dutch Bros sales, while other leading coffee chains experience 50% of their sales in the morning daypart
- Dutch bros is adding eight hot food items, including wraps, breakfast sandwiches, waffles and various baking products

Dutch Bros Target Demographic

Collabs and Ambassadors	Release of Merchandise Products	Community Engagement



Customer Range

- While many coffee franchises focus on the transactional nature of selling coffee, Dutch Bros has built its reputation on relationships—both with customers and within the communities it serves
- Around 56% of customers are under the age of 25 (as measured by the Dutch Rewards program)
- **67% of customers for Dutch Bros are female**, and around 56% of customers are under the age of 25

Appeal to Audience

- Strong efforts towards the community through philanthropic efforts and local partnerships
- Collaborations with Owala create customers with a desirable product but also reinforce a trendy and customer-centric brand
- Dutch Bros has catered to Gen Z and their preferences towards iced beverages and digital engagement

Dutch Bros Loyalty Program

"Technology is such a critical component in delivering great customer experiences, building community, helping our Broistas and scale the enterprise to the future" – Venki Krishnababu, Chief Technology and Information Officer

~ 71%

of Transactions

> 50%

Repeat Rate Among Dutch Reward Members

~ 20%

Increase in Registrations Per Shop

Dutch Rewards

- In 2024, approximately 68% of all transactions were attributable to Dutch Rewards members
- Dutch Pass, their app function to preload funds allows for increased speed of service

Mobile Order

- Dutch Bros launched the mobile order functionality in 2024
- As of December 31, 2024, over 95% of systemwide shops had mobile order functionality enabled

Dutch Bros Announces Production of CPGs

New Revenue Stream through CPG

- Dutch Bros recently announced their plan to launch a comprehensive offering of roasting ground coffee in K-cups
- Anticipated to be distributed in grocery, mass, and club channels beginning in 2026

“ This new channel, structured as a licensing agreement, will allow us to share our passion for exceptional beverages with a broader audience” – Cristine Barone, Chief Executive Officer

Builds brand awareness, especially in newer markets

Provides exposure to new potential customers

Reinforces brand equity and funds philanthropic efforts

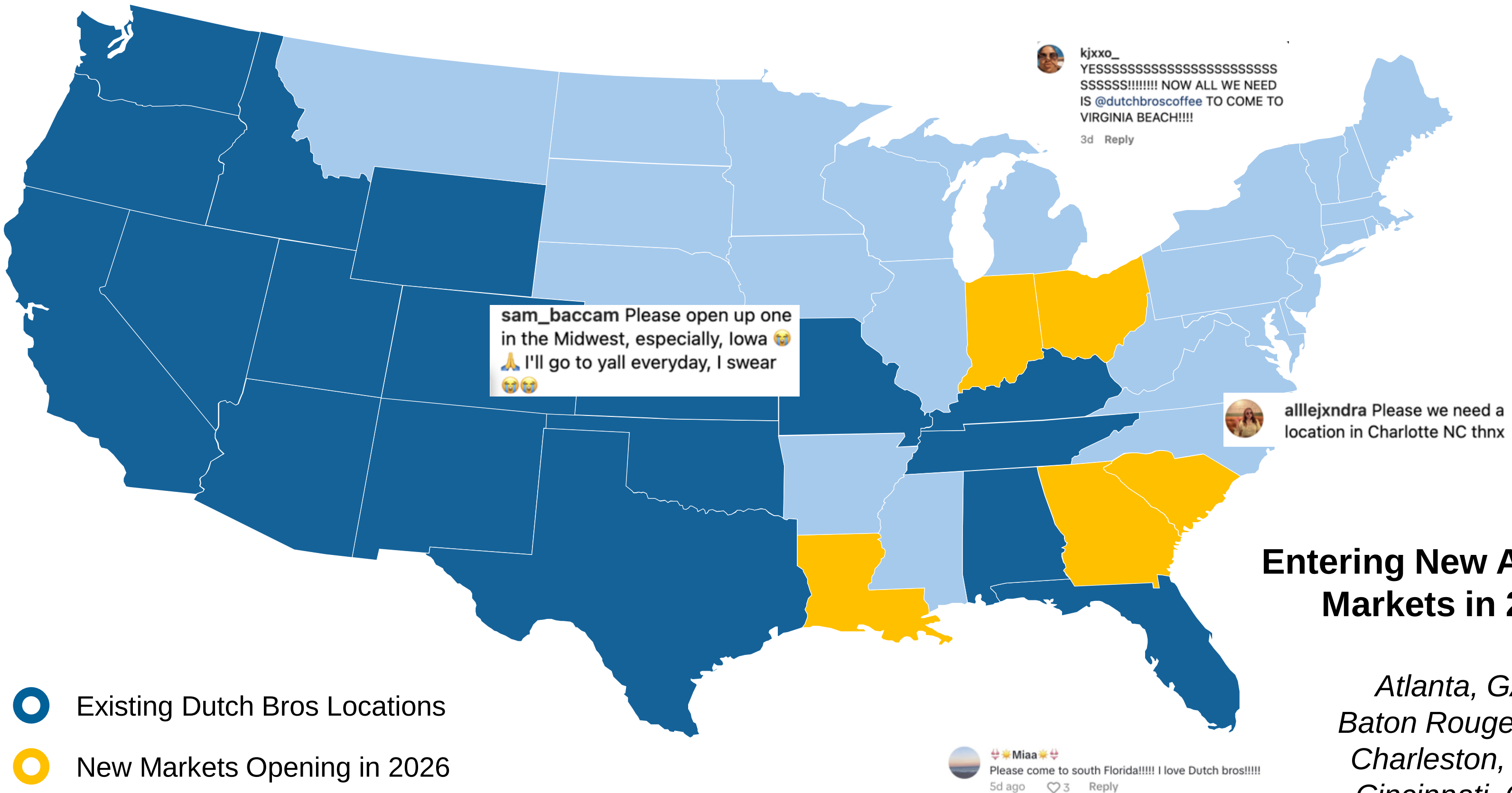
Trilliant Food & Nutrition Licensing Agreement

- Dutch Bros plans to launch its first retail packaged coffees in partnership with Trilliant Food & Nutrition
- Trilliant is one of the largest coffee manufacturers and has products available in more than 50,000 retail stores across the country
- The CPG channel will also allow Dutch Bros to highlight its philanthropic arm, as a portion of the proceeds go towards the communities it serves

Packaging
IN PROGRESS – NOT FINAL

2025 Pipeline: 160+ New Shops

As of December 31, 2024, Dutch Bros had 982 shops, of which 670 were company-operated and 312 were franchised across 18 states. Dutch Bros plans to expand geographic reach by utilizing a mix of lease types and prototypes to drive trial and build traffic in new markets



- Existing Dutch Bros Locations
- New Markets Opening in 2026
- Future Development

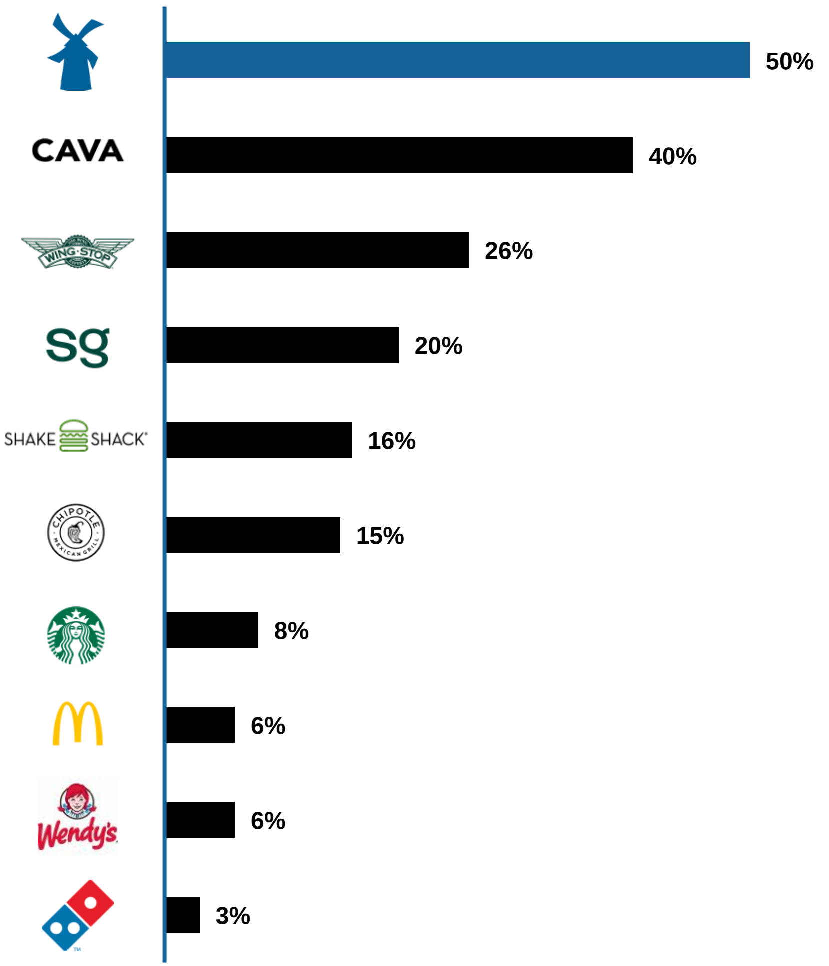
Entering New Adjacent Markets in 2025

Atlanta, GA
Baton Rouge, LA
Charleston, SC
Cincinnati, OH
Indianapolis, IN

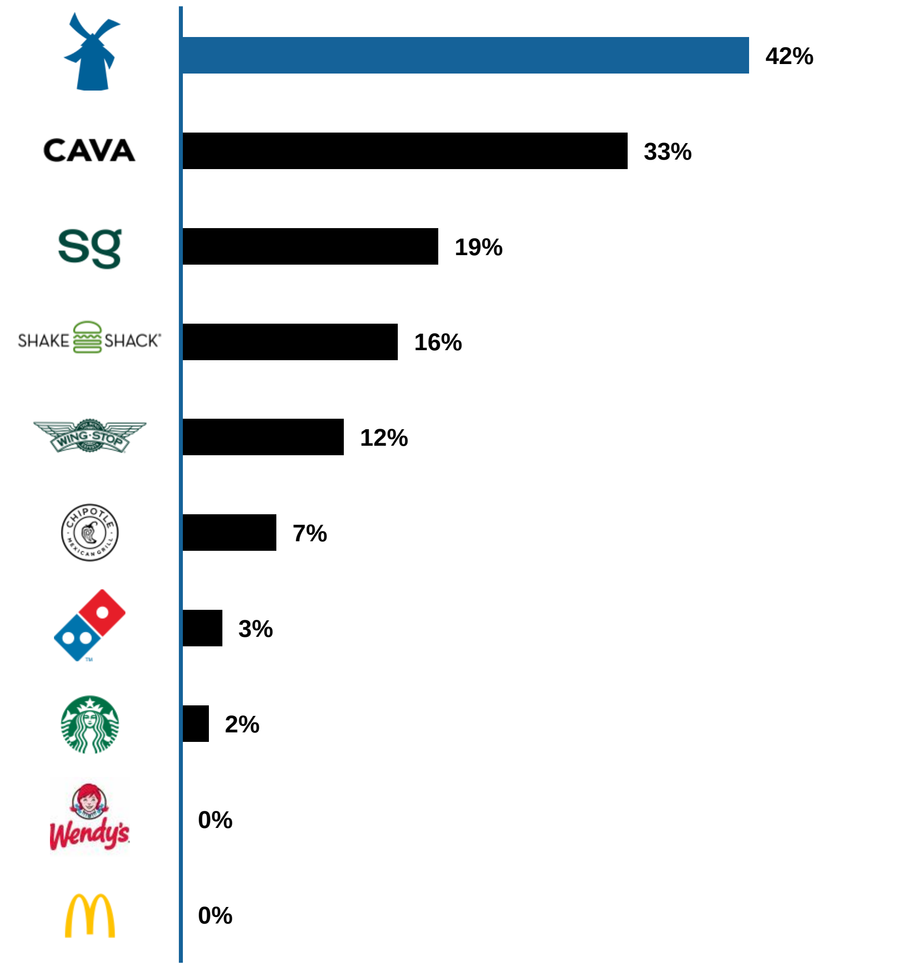
V. Valuation

Top-Tier Growth Delivery

5 – Year Revenue CAGR

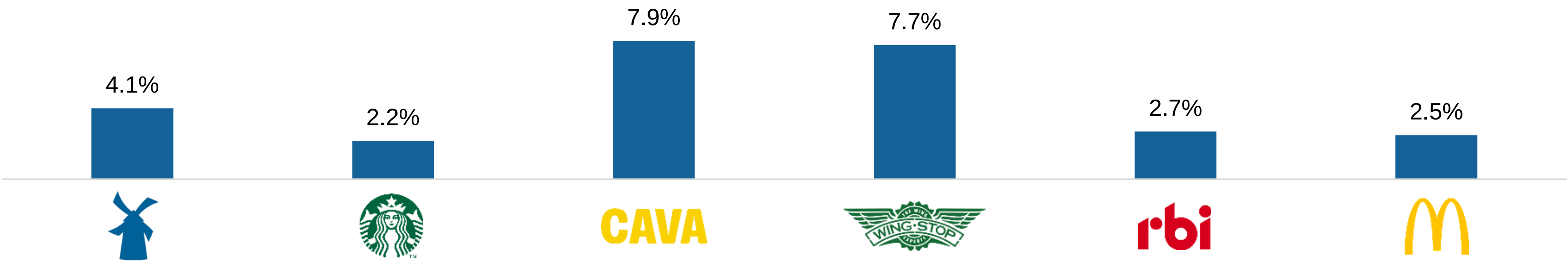


5 – Year Unit Growth CAGR

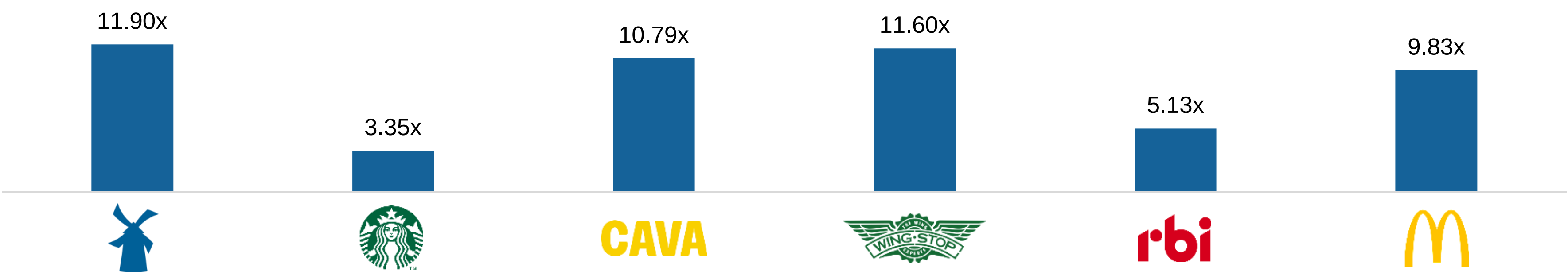


Diverse Peer Group: Benchmark and Analysis

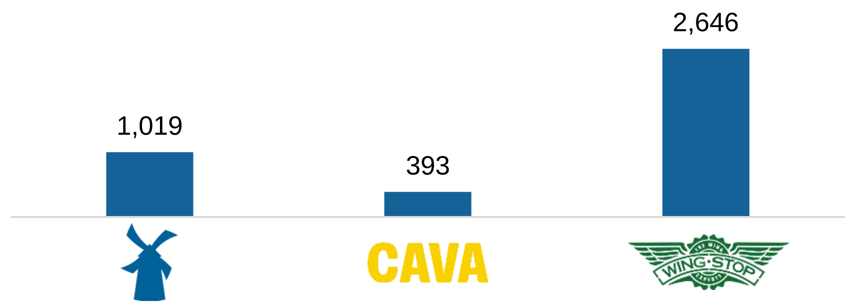
Same Store Sales Growth



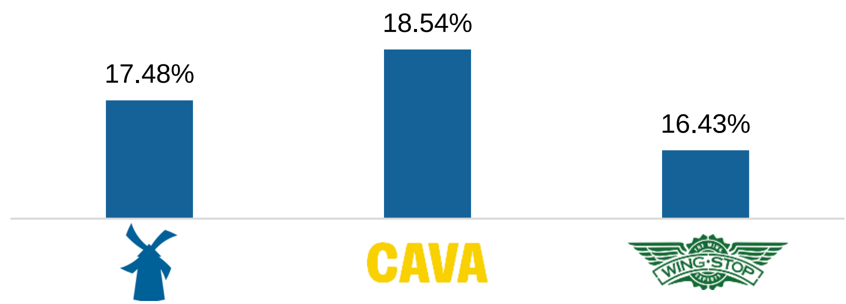
EV/Sales



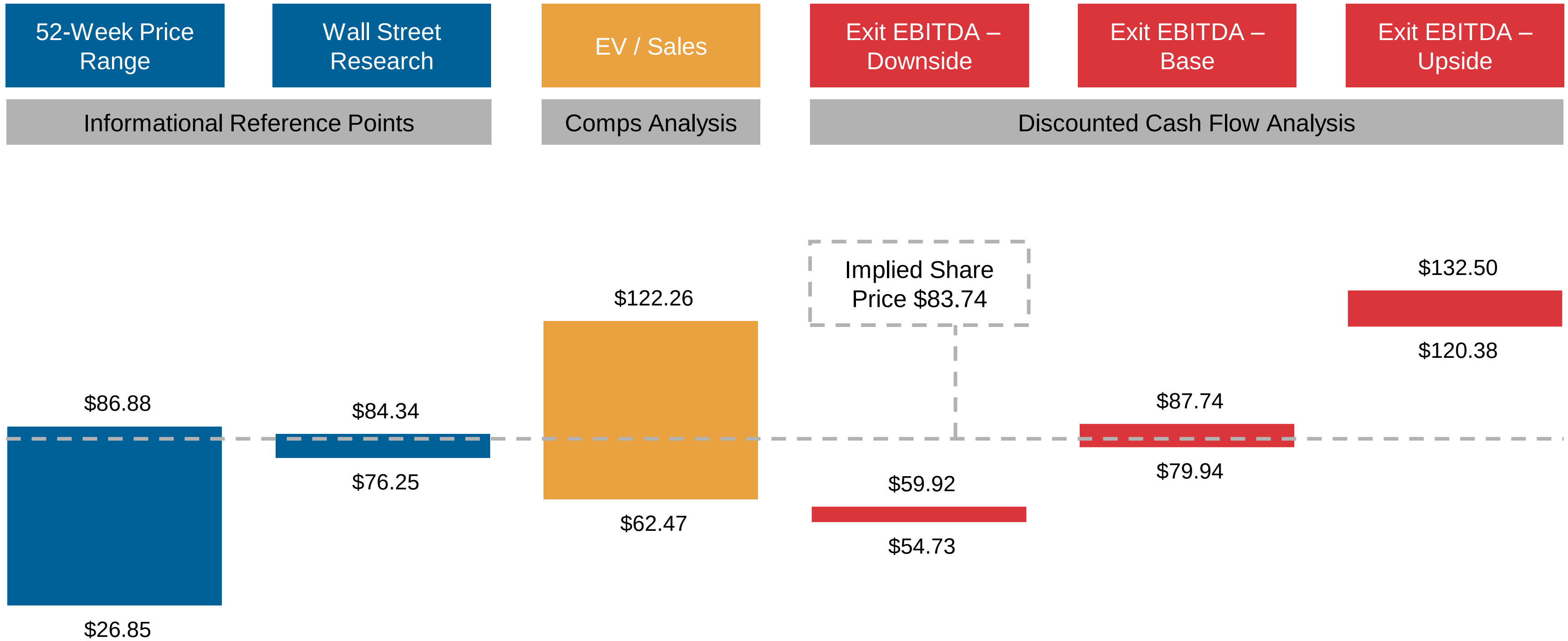
Store Count



Store Count Growth



Illustrative Valuation for Dutch Bros



52-Week Price Range

Low	High
$26.85	$86.88
Reached on:	
5/2/2024	2/13/2025

Wall Street Research

Low	High
$76.25	$84.34

EV / Sales

Low	High
Multiples	
5.12x	9.98x
2024 Sales	
$1,281.02	$1,281.02
Implied Reference Range	
$62.47	$122.26

Exit EBITDA – Downside

Low	High
Multiples	
17.5x	18.5x
2024 EBITDA	
$405.65	$405.65
Implied Reference Range	
$54.73	$59.92

Exit EBITDA – Base

Low	High
Multiples	
17.5x	18.5x
2024 EBITDA	
$610.75	$610.75
Implied Reference Range	
$79.94	$87.74

Exit EBITDA – Upside

Low	High
Multiples	
17.5x	18.5x
2024 EBITDA	
$935.15	$935.15
Implied Reference Range	
$120.38	$132.50

VI. Appendix

Management Commentary

“Dutch Bros' future has never looked brig hter. And we saw that represented in our 2024 results. Revenue growth in 2024 was outstanding. We delivered 33% total revenue growth, driven by a healthy balance of 18% new shop growth with 151 new shop openings, and 5.3% system same shop sales growth in the year.”
– Christine Barone , CEO

"We have a strong 2025 pipeline. In the second half of 2024, we made investments in our development, construction, and market planning teams, and continued elevating our site selection process. These investments combined with our extensive whitespace, and strong four-wall model, elevate our confidence in our pipeline in 2025, and position us to accelerate quarterly unit growth in the back half of this year.“
– Christine Barone, CEO

"We have top tier growth. In Q4, we delivered 35% year-over-year revenue growth and 32 new shop openinhgs. We have multiyear visibility on key initiatives, including our core foundation of innovation, paid media and Dutch Rewards and exciting growth opportunities with mobile order and food."
– Josh Guenser, CFO

“ Adjusted SG&A fell below 15% for the first time since our IPO to 14.7%, 370 basis points lower than Q1 of 2023. Adjusted EBITDA increased to $53M, growing 120% year over year… Company operated shops saw strong leverage up and down the P&L, driven primarily by strong comparable sales results, and continued strong margins from newer shops.”
– Charles L. Jemley, Former CFO

“There are many different ways for the brand to extend itself... She had posted a TikTok of her and Charli D’Amelio, who were in Target with Dutch Bros drinks – and Charli reps Dunkin’! – and we approached her about it, She has since done some content for us, and it’s performed very well”
–Tana Davila, CMO

“In 2010, we didn’t open any new stores and instead stepped back and assessed... It’s rooted in the customer experience and the commitment we made in our foundational elements, principles and values that couldn’t be compromised. It has evolved into a company model in which we can fund all the growth, and the opportunity is there for the best people in our organization.”
– Travis Boersma, Founder

Model Toggle

Case	Base

	2020A	2021A	2022A	2023A	2024A	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Revenue Build															
Shop Count, in beginning of period															
Company - Operated	118	182	271	396	542	670	840	1010	1180	1350	1520	1690	1860	2030	2200
Franchised	252	259	267	275	289	312	330	350	371	392	415	437	458	478	497
Company-operated new openings	59	82	120	146	128	170	170	170	170	170	170	170	170	170	170
Franchised new openings	13	16	13	13	23	18	20	21	21	23	22	21	20	19	18
Closures 1	(1)	(1)	0	1	—	—	—	—	—	—	—	—	—	—	—
Shop Count, end of period	**441**	**538**	**671**	**831**	**982**	**1170**	**1360**	**1551**	**1742**	**1935**	**2127**	**2318**	**2508**	**2697**	**2885**
Store Growth Drivers															
Company Operated New Openings	118	182	271	396	542	170	170	170	170	170	170	170	170	170	170
Downside						160	160	160	160	160	160	160	160	160	160
Base						170	170	170	170	170	170	170	170	170	170
Upside						180	180	180	180	180	180	180	180	180	180
(in thousands)															
Total Revenue for Company Operated	244,514.0	403,746.0	639,710.0	857,939.0	1,165,830.0	1,235,779.8	1,632,004.2	2,119,443.9	2,659,501.2	3,256,735.2	3,916,063.2	4,642,786.3	5,442,618.4	6,321,716.2	7,286,712.4
Average Revenue per Company Operated	1630.09	1782.54	1918.17	1829.29	1923.81	2039.2	2161.6	2291.3	2428.8	2574.5	2729.0	2892.7	3066.3	3250.2	3445.3
Company Operated Revenue Per Store Growth		*9.4%*	*7.6%*	*-4.6%*	*5.2%*	*6.0%*	*6.0%*	*6.0%*	*6.0%*	*6.0%*	*6.0%*	*6.0%*	*6.0%*	*6.0%*	*6.0%*
Downside						5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Base						6%	6%	6%	6%	6%	6%	6%	6%	6%	6%
Upside						8%	8%	8%	8%	8%	8%	8%	8%	8%	8%
(in thousands)															
Total Revenue for Franchised	82,899.0	94,130.0	99,302.0	107,837.0	115,185.0	120,944.3	135,654.8	150,868.4	167,963.1	186,634.7	207,267.3	229,766.2	253,430.5	278,292.2	304,382.1
Average Revenue per Franchised	324.46	357.91	366.43	382.40	383.31	402.48	422.60	443.73	465.92	489.21	513.67	539.36	566.33	594.64	624.37
Franchised New Openings	13	16	13	13	23	18	20	21	21	23	22	21	20	19	18
Downside						16	18	18	19	20	19	18	17	16	15
Base						18	20	21	21	23	22	21	20	19	18
Upside						20	22	25	25	25	24	23	22	21	20
Franchised Revenue Per Store Growth		*10.3%*	*2.4%*	*4.4%*	*0.2%*	*5.0%*	*5.0%*	*5.0%*	*5.0%*	*5.0%*	*5.0%*	*5.0%*	*5.0%*	*5.0%*	*5.0%*
Downside						4%	4%	4%	4%	4%	4%	4%	4%	4%	4%
Base						5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Upside						6%	6%	6%	6%	6%	6%	6%	6%	6%	6%
Total Revenue	327,413.0	497,876.0	739,012.0	965,776.0	1,281,015.0	1,356,724.1	1,767,659.0	2,270,312.3	2,827,464.3	3,443,370.0	4,123,330.5	4,872,552.5	5,696,048.9	6,600,008.4	7,591,094.4
% growth		52%	48%	31%	33%	6%	30%	28%	25%	22%	20%	18%	17%	16%	15%

Cost of Sales

	2020A	2021A	2022A	2023A	2024A	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Total Cost of Sales	184,173.5	346,091.0	558,096.0	714,480.0	940,886.0	1,035,696.8	1,356,085.9	1,749,000.0	2,184,467.0	2,666,024.6	3,197,739.7	3,783,821.3	4,428,599.4	5,137,018.2	5,914,406.5
% growth		88%	61%	28%	32%	10%	31%	29%	25%	22%	20%	18%	17%	16%	15%

	2020A	2021A	2022A	2023A	2024A	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Company-operated shops															
Beverage, food & packaging	54.8	102.2	171.9	230.1	296.8	321.3	424.3	551.1	691.5	846.8	1018.2	1207.1	1415.1	1643.6	1894.5
Labor costs	71.7	123.7	182.9	230.5	315.8	358.4	473.3	614.6	771.3	944.5	1135.7	1346.4	1578.4	1833.3	2113.1
Occupancy & other costs	38.6	63.6	109.4	140.9	191.4	210.1	277.4	360.3	452.1	553.6	665.7	789.3	925.2	1074.7	1238.7
Pre-opening costs	9.3	12.8	18.0	14.1	15.1	17.1	19.3	21.8	24.7	27.9	31.5	35.6	40.2	45.5	51.4
Depreciation	9.7	16.3	36.3	62.1	86.8	86.5	114.2	148.4	186.2	228.0	274.1	325.0	381.0	442.5	510.1
Franchising and other	27.5	27.5	39.7	36.8	35.0	42.3	47.5	52.8	58.8	65.3	72.5	80.4	88.7	97.4	106.5
Selling, General, and Administrative	($104.935)	($264.529)	($183.528)	($205.074)	($234.036)	312.0	406.6	522.2	650.3	792.0	948.4	1120.7	1310.1	1518.0	1746.0

COGS Drivers

	2020A	2021A	2022A	2023A	2024A	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Beverage, food & packaging %Rev	55	102	172	230	297	0.26	0.26	0.26	0.26	0.26	0.26	0.26	0.26	0.26	0.26
Downside						27%	27%	27%	27%	27%	27%	27%	27%	27%	27%
Base	22%	25%	27%	27%	25%	26%	26%	26%	26%	26%	26%	26%	26%	26%	26%
Upside						25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Labor costs % Rev	72	124	183	231	316	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29
Downside						30%	30%	30%	30%	30%	30%	30%	30%	30%	30%
Base	29%	31%	29%	27%	27%	29%	29%	29%	29%	29%	29%	29%	29%	29%	29%
Upside						28%	28%	28%	28%	28%	28%	28%	28%	28%	28%
Occupancy & other costs %Rev	39	64	109	141	191	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17
Downside						18%	18%	18%	18%	18%	18%	18%	18%	18%	18%
Base	16%	16%	17%	16%	16%	17%	17%	17%	17%	17%	17%	17%	17%	17%	17%
Upside						16%	16%	16%	16%	16%	16%	16%	16%	16%	16%
Pre-Opening Average Per Store Cost	259.08	261.24	270.47	177.14	200.44	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13
Downside						14%	14%	14%	14%	14%	14%	14%	14%	14%	14%
Base	259.08	261.24	270.47	177.14	200.44	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%
Upside		0.8%	3.5%	-34.5%	13.1%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%
Depreciation	9.74	16.29	36.31	62.09	86.81	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07
Downside						8%	8%	8%	8%	8%	8%	8%	8%	8%	8%
Base	0.004%	0.004%	0.006%	0.007%	0.0074%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%
Upside						6%	6%	6%	6%	6%	6%	6%	6%	6%	6%
Franchising & Other %Franchising Rev		28	40	37	35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35
Downside						38%	38%	38%	38%	38%	38%	38%	38%	38%	38%
Base	0%	29%	40%	34%	30%	35%	35%	35%	35%	35%	35%	35%	35%	35%	35%
Upside						33%	33%	33%	33%	33%	33%	33%	33%	33%	33%
Selling, General and Administrative % Total Rev	$ (104.94)	$ (264.53)	$ (183.53)	$ (205.07)	$ (234.04)	0.23	0.23	0.23	0.23	0.23	0.23	0.23	0.23	0.23	0.23
Downside						27%	27%	27%	27%	27%	27%	27%	27%	27%	27%
Base	32%	53%	25%	21%	18%	23%	23%	23%	23%	23%	23%	23%	23%	23%	23%
Upside						20%	20%	20%	20%	20%	20%	20%	20%	20%	20%

Income Statement

	2020A	2021A	2022A	2023A	2024A	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Total revenues	327.4	497.9	739.0	965.8	1,281.0	1,356.7	1,767.7	2,270.3	2,827.5	3,443.4	4,123.3	4,872.6	5,696.0	6,600.0	7,591.1
Company-operated shops	244.5	403.7	639.7	857.9	1,165.8	1,235.8	1,632.0	2,119.4	2,659.5	3,256.7	3,916.1	4,642.8	5,442.6	6,321.7	7,286.7
Franchising and other	82.9	94.1	99.3	107.8	115.2	120.9	135.7	150.9	168.0	186.6	207.3	229.8	253.4	278.3	304.4
Total costs and expenses	(316.4)	(609.1)	(741.6)	(919.6)	(1,174.9)	(1,347.7)	(1,762.6)	(2,271.2)	(2,834.8)	(3,458.0)	(4,146.1)	(4,904.5)	(5,738.7)	(6,655.0)	(7,660.4)
Cost of sales	(211.5)	(344.6)	(558.1)	(714.5)	(940.9)	(1,035.7)	(1,356.1)	(1,749.0)	(2,184.5)	(2,666.0)	(3,197.7)	(3,783.8)	(4,428.6)	(5,137.0)	(5,914.4)
Selling, general and administrative	(104.9)	(264.5)	(183.5)	(205.1)	(234.0)	(312.0)	(406.6)	(522.2)	(650.3)	(792.0)	(948.4)	(1,120.7)	(1,310.1)	(1,518.0)	(1,746.0)
Operating Income (EBIT)	11.0	(111.2)	(2.6)	46.2	106.1	9.0	5.0	(0.9)	(7.3)	(14.6)	(22.8)	(32.0)	(42.6)	(55.0)	(69.3)

Debt Schedule

		2024A	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
3-Month SOFR Curve January			4.68%	3.73%	3.60%	3.67%	3.74%	3.82%	3.89%	3.94%	3.98%	4.03%
3-Month SOFR Curve December			3.76%	3.60%	3.66%	3.74%	3.80%	3.88%	3.94%	3.98%	4.03%	4.09%
Average			4.22%	3.67%	3.63%	3.71%	3.77%	3.85%	3.92%	3.96%	4.01%	4.06%
Term Loan												
Rate	S + 175											
Beginning Balance			91.25	91.25	91.25	91.25	91.25	91.25	91.25	91.25	91.25	91.25
(-) Mandatory Amortization												
(-) Voluntary Paydown			0	0	0	0	0	0	0	0	0	0
(-) Maturity Payment			0	0	(91.3)	0	0	0	0	0	0	0
Ending Balance			91.25	91.25	91.25	91.25	91.25	91.25	91.25	91.25	91.25	91.25
Interest Rate			5.97%	5.42%	5.38%	5.46%	5.52%	5.60%	5.67%	5.71%	5.76%	5.81%
Interest Expense			5.4	4.9	4.9	5.0	5.0	5.1	5.2	5.2	5.3	5.3

Net Working Capital

	2020A	2021A	2022A	2023A	2024A	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Total Current Assets	31.4	42.8	62.1	71.7	64.6	98.5	128.5	165.1	205.6	250.5	300.0	354.6	414.5	480.4	552.6
Accounts receivable, net	10.8	10.6	12.0	9.1	10.6	67.8	88.4	113.5	141.4	172.2	206.2	243.6	284.8	330.0	379.6
Inventories	15.6	23.3	39.2	47.0	36.5	10.36	13.56	17.49	21.84	26.66	31.98	37.84	44.29	51.37	59.14
Prepaid expenses and other current assets	5.0	8.8	10.9	15.6	17.5	20.35	26.51	34.05	42.41	51.65	61.85	73.09	85.44	99.00	113.87
Total Current Liabilities	38.7	70.7	81.9	113.9	158.5	137.0	178.5	229.3	285.6	347.8	416.5	492.1	575.3	666.6	766.7
Accounts payable	16.1	20.4	21.3	30.0	32.2	40.70	53.03	68.11	84.82	103.30	123.70	146.18	170.88	198.00	227.73
Accrued compensation and liabilities	10.0	21.0	19.7	31.4	49.8	47.49	61.87	79.46	98.96	120.52	144.32	170.54	199.36	231.00	265.69
Other accrued liabilities	0.0	0.0	9.7	15.8	26.5	27.13	35.35	45.41	56.55	68.87	82.47	97.45	113.92	132.00	151.82
Other current liabilities	1.4	6.5	5.9	6.4	7.1	8.14	10.61	13.62	16.96	20.66	24.74	29.24	34.18	39.60	45.55
Deferred revenue	11.2	22.8	25.3	30.3	42.9	13.57	17.68	22.70	28.27	34.43	41.23	48.73	56.96	66.00	75.91
Net Working Capital	**(7.3)**	**(27.9)**	**(19.8)**	**(42.2)**	**(93.9)**	**(38.5)**	**(50.1)**	**(64.2)**	**(79.9)**	**(97.3)**	**(116.5)**	**(137.6)**	**(160.8)**	**(186.2)**	**(214.1)**
Change		*(20.6)*	*8.1*	*(22.4)*	*(51.7)*	*55.4*	*(11.6)*	*(14.2)*	*(15.7)*	*(17.4)*	*(19.2)*	*(21.1)*	*(23.2)*	*(25.5)*	*(27.9)*

NWC Drivers

	2020A	2021A	2022A	2023A	2024A	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Accounts Recievable %Rev	31.43	42.79	62.14	71.71	64.59	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05
Downside						4%	4%	4%	4%	4%	4%	4%	4%	4%	4%
Base	9.6%	8.6%	8.4%	7.4%	5.0%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Upside						6%	6%	6%	6%	6%	6%	6%	6%	6%	6%
Inventories % COGS	10.8	10.6	12.0	9.1	10.6	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
Downside						1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Base	5.1%	3.1%	2.1%	1.3%	1.1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Upside						2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
Prepaid expenses and other current assets %Rev	5.0	8.8	10.9	15.6	17.5	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02
Downside						1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Base	1.53%	1.77%	1.48%	1.62%	1.37%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
Upside						3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Accounts Payable %Rev	16.1	20.4	21.3	30.0	32.2	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03
Downside						4%	4%	4%	4%	4%	4%	4%	4%	4%	4%
Base	4.91%	4.11%	2.88%	3.10%	2.52%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Upside						2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
Accrued compensation and liabilities %Rev	10.04	20.97	19.71	31.41	49.78	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04
Downside						5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Base	3.065%	4.212%	2.667%	3.252%	3.886%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%
Upside						3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Other accrued liabilities %Rev	-	-	9.67	15.77	26.52	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02
Downside						3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Base	0%	0%	1%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
Upside						1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Other current liabilities %Rev	1.43	6.47	5.94	6.42	7.07	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
Downside						1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Base	0.4%	1.3%	0.8%	0.7%	0.6%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Upside						1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Deferred Revenue %Rev	11	23	25	30	43	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
Downside						1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Base	3.4%	4.6%	3.4%	3.1%	3.3%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Upside						2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
CapEx %Rev	(41)	(118)	(188)	(228)	(222)	0.19	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20
Downside						25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Base	12.4%	23.8%	25.4%	23.7%	17.3%	19%	20%	20%	20%	20%	20%	20%	20%	20%	20%
Upside						17%	17%	17%	17%	17%	17%	17%	17%	17%	17%

Discounted Cash Flow Analysis

	2020A	2021A	2022A	2023A	2024A	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Total revenues	327.4	497.9	739.0	965.8	1,281.0	1,356.7	1,767.7	2,270.3	2,827.5	3,443.4	4,123.3	4,872.6	5,696.0	6,600.0	7,591.1
Company-operated shops	244.5	403.7	639.7	857.9	1,165.8	1,235.8	1,632.0	2,119.4	2,659.5	3,256.7	3,916.1	4,642.8	5,442.6	6,321.7	7,286.7
Franchising and other	82.9	94.1	99.3	107.8	115.2	120.9	135.7	150.9	168.0	186.6	207.3	229.8	253.4	278.3	304.4
Total costs and expenses	(316.4)	(609.1)	(741.6)	(919.6)	(1,174.9)	(1,347.7)	(1,762.6)	(2,271.2)	(2,834.8)	(3,458.0)	(4,146.1)	(4,904.5)	(5,738.7)	(6,655.0)	(7,660.4)
Cost of sales	(211.5)	(344.6)	(558.1)	(714.5)	(940.9)	(1,035.7)	(1,356.1)	(1,749.0)	(2,184.5)	(2,666.0)	(3,197.7)	(3,783.8)	(4,428.6)	(5,137.0)	(5,914.4)
Selling, general and administrative	(104.9)	(264.5)	(183.5)	(205.1)	(234.0)	(312.0)	(406.6)	(522.2)	(650.3)	(792.0)	(948.4)	(1,120.7)	(1,310.1)	(1,518.0)	(1,746.0)
Operating Income (EBIT)	11.0	(111.2)	(2.6)	46.2	106.1	9.0	5.0	(0.9)	(7.3)	(14.6)	(22.8)	(32.0)	(42.6)	(55.0)	(69.3)
(-) Tax Expense	(1.3)	(1.5)	(0.4)	(19.0)	(23.0)	(1.9)	(1.1)	0.2	1.5	3.1	4.8	6.7	9.0	11.6	14.5
NOPAT	9.7	(112.7)	(3.0)	27.2	83.1	7.1	4.0	(0.7)	(5.8)	(11.6)	(18.0)	(25.2)	(33.7)	(43.5)	(54.7)
(+) D&A Expense	9.74	16.29	36.31	62.09	86.81	86.50	114.24	148.36	186.17	227.97	274.12	325.00	380.98	442.52	510.07
(-) CapEx	(40.6)	(118.4)	(187.9)	(228.5)	(221.7)	(257.8)	(353.5)	(454.1)	(565.5)	(688.7)	(824.7)	(974.5)	(1,139.2)	(1,320.0)	(1,518.2)
Change in NWC	(7.3)	(27.9)	(19.8)	(42.2)	(93.9)	(38.5)	(50.1)	(64.2)	(79.9)	(97.3)	(116.5)	(137.6)	(160.8)	(186.2)	(214.1)
Unlevered Free Cash Flow	52.7	(5.9)	201.4	275.5	297.7	312.9	421.7	537.5	665.9	807.8	964.3	1,136.7	1,325.7	1,532.8	1,759.4
Period						0.5	1.5	2.5	3.5	4.5	5.5	6.5	7.5	8.5	9.5
Discount Factor						0.95	0.85	0.76	0.68	0.61	0.54	0.48	0.43	0.39	0.35
Present Value of FCF						295.94	356.78	406.87	450.96	489.37	522.63	551.11	575.02	594.78	610.75

Sum of Present Values 1999.92

Terminal Value, Perpetuity Growth Method	
Year 10 Cash Flows	610.75
Perpetuity Growth Rate	3.00%
Terminal Value	6955.0
PV of Terminal Value	4213.4
PV of Cash Flows	1999.9
Enterprise Value	6,213.4
(-) Debt	234.0
(+) Cash	293.4
Equity Value	**6,272.7**
Shares	104.1
Implied Share Price	60.24

Terminal Value, Exit Multiple Method	
Year 5 EBITDA	610.75
Exit Multiple	18.00
Terminal Value	10,993.48
PV of Terminal Value	6660.0
PV of Cash Flows	1999.9
Enterprise Value	8,659.9
(-) Debt	234.0
(+) Cash	293.4
Equity Value	**8,719.2**
Shares	104.1
Implied Share Price	83.74

DCF Assumptions

Tax Rate	*12.2%*	*1.4%*	*15.6%*	*41.2%*	*21.7%*	*21.0%*	*21.0%*	*21.0%*	*21.0%*	*21.0%*	*21.0%*	*21.0%*	*21.0%*	*21.0%*	*21.0%*

WACC Calculation	
Total Equity	14,210.6
Total Debt	234.0
Total Capitalization	**14,444.6**
% Equity	*98.4%*
% Debt	*1.6%*
Cost of Debt	5.50%
% of Debt	1.6%
Tax Rate	21.7%
Weighted Aftertax COD	**0.07%**
Risk-Free Rate	4.33%
Beta	1.75
% of Equity	98.4%
Equity Risk Premium	4.33%
Weighted COE	**11.71%**
WACC	**11.78%**

Evolving Store Landscape

Legacy Configuration	Current Configuration	Endcap Configuration
		
Size: ~ 500 Square Feet	**Size**: ~ 800 – 1,000 Square Feet	**Size**: ~ 1,200 Square Feet
Geographies: Legacy West Coast	**Geographies:** Widespread	**Geographies:** Selected Locations
Characteristics: • May have drive-thru lanes on both sides of the building • Walk-up window optional • No lobby • Storage outbuilding may be needed	**Characteristics:** • Multiple drive-thru lanes served by one window • Ample car stacking and circulation, escape lane likely • Walk-up window standard • No lobby	**Characteristics:** • Attached to the end of a strip center or purpose built with co-tenants • May have lobby with a walk-up window • No seating