REFINITIV

DELTA REPORT

10-Q

DENN - DENNYS CORP

10-Q - JUNE 26, 2024 COMPARED TO 10-Q - MARCH 27, 2024

The following comparison report has been automatically generated

TOTAL DELTAS	560
CHANGES	179
DELETIONS	185
ADDITIONS	196

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 March 27, June 26, 2024
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 0-18051

Dennys.gif

DENNY'S CORPORATION
(Exact name of registrant as specified in its charter)

Delaware	**13-3487402**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
203 East Main Street	
Spartanburg, South Carolina	**29319-0001**
(Address of principal executive offices)	(Zip Code)

(864) 597-8000
(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
$.01 Par Value, Common Stock	DENN	The Nasdaq Stock Market LLC

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 ý 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 during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ý 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	ý	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 Exchange Act).
Yes ☐ No ý

As of April 25, 2024 July 25, 2024, 52,018,583 51,373,969 shares of the registrant's common stock, par value $0.01 per share, were outstanding.

TABLE OF CONTENTS

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

Denny’s Corporation and Subsidiaries
Consolidated Balance Sheets
(Unaudited)

	March 27, 2024	December 27, 2023	June 26, 2024	December 27, 2023
	(In thousands, except per share amounts)		(In thousands, except per share amounts)	
Assets	**Assets**		**Assets**	
Current assets:	Current assets:		Current assets:	
Cash and cash equivalents				
Investments				
Receivables, net				
Inventories				
Assets held for sale				
Prepaid and other current assets				
Total current assets				
Property, net of accumulated depreciation of $161,735 and $159,879, respectively				
Finance lease right-of-use assets, net of accumulated amortization of $7,393 and $8,220, respectively				
Property, net of accumulated depreciation of $160,053 and $159,879, respectively				
Finance lease right-of-use assets, net of accumulated amortization of $7,725 and $8,220, respectively				
Operating lease right-of-use assets, net				
Goodwill				
Intangible assets, net				

Deferred financing costs, net				
Other noncurrent assets				
Other noncurrent assets				
Other noncurrent assets				
Total assets				
Liabilities	**Liabilities**		**Liabilities**	
Current liabilities:	Current liabilities:		Current liabilities:	
Current finance lease liabilities				
Current operating lease liabilities				
Accounts payable				
Other current liabilities				
Total current liabilities				
Long-term liabilities:	Long-term liabilities:		Long-term liabilities:	
Long-term debt				
Noncurrent finance lease liabilities				
Noncurrent operating lease liabilities				
Liability for insurance claims, less current portion				
Deferred income taxes, net				
Other noncurrent liabilities				
Total long-term liabilities				
Total liabilities				
Shareholders' deficit	**Shareholders' deficit**		**Shareholders' deficit**	
Common stock $0.01 par value; 135,000 shares authorized; March 27, 2024: 53,262 shares issued and 52,119 outstanding; December 27, 2023: 52,906 shares issued and 52,239 shares outstanding				
Common stock $0.01 par value; 135,000 shares authorized; June 26, 2024: 53,339 shares issued and 51,569 outstanding; December 27, 2023: 52,906 shares issued and 52,239 shares outstanding				
Paid-in capital				
Deficit				
Accumulated other comprehensive loss, net				
Treasury stock, at cost, 1,143 and 667 shares, respectively				
Treasury stock, at cost, 1,770 and 667 shares, respectively				
Total shareholders' deficit				
Total liabilities and shareholders' deficit				

See accompanying notes

Denny's Corporation and Subsidiaries
Consolidated Statements of Income
(Unaudited)

		Quarter Ended		**Quarter Ended**		**Two Quarters Ended**	
		March 27, 2024	**March 29, 2023**	**June 26, 2024**	**June 28, 2023**	**June 26, 2024**	**June 28, 2023**
		(In thousands, except per share amounts)		**(In thousands, except per share amounts)**			
Revenue:	Revenue:		Revenue:				
Company restaurant sales							
Franchise and license revenue							
Total operating revenue							

Costs of company restaurant sales, excluding depreciation and amortization:	Costs of company restaurant sales, excluding depreciation and amortization:		Costs of company restaurant sales, excluding depreciation and amortization:
Product costs			
Payroll and benefits			
Occupancy			
Other operating expenses			
Total costs of company restaurant sales, excluding depreciation and amortization			
Costs of franchise and license revenue, excluding depreciation and amortization			
General and administrative expenses			
Depreciation and amortization			
Goodwill impairment charges			
Operating (gains), losses and other charges, net			
Total operating costs and expenses, net			
Operating income			
Interest expense, net			
Other nonoperating (income) expense, net			
Income before income taxes			
Provision for income taxes			
Net income			
Net income per share - basic			
Net income per share - basic			
Net income per share - basic			
Net income per share - diluted			
Basic weighted average shares outstanding			
Basic weighted average shares outstanding			
Basic weighted average shares outstanding			
Diluted weighted average shares outstanding			

See accompanying notes

Denny’s Corporation and Subsidiaries
Consolidated Statements of Comprehensive Income
(Unaudited)

	Quarter Ended	Quarter Ended			Two Quarters Ended	
	March 27, 2024	March 29, 2023	June 26, 2024	June 28, 2023	June 26, 2024	June 28, 2023
	(In thousands)	(In thousands)				
Net income						
Other comprehensive income (loss), net of tax:						
Minimum pension liability adjustment, net of tax of $6 and $22, respectively						
Minimum pension liability adjustment, net of tax of $6 and $22, respectively						
Minimum pension liability adjustment, net of tax of $6 and $22, respectively						
Changes in the fair value of cash flow hedges, net of tax of $2,423 and $321, respectively						
Reclassification of cash flow hedges to interest expense, net of tax of $(381) and $(236), respectively						
Minimum pension liability adjustment, net of tax of $13, $4, $19 and $26, respectively						
Minimum pension liability adjustment, net of tax of $13, $4, $19 and $26, respectively						
Minimum pension liability adjustment, net of tax of $13, $4, $19 and $26, respectively						
Changes in the fair value of cash flow hedges, net of tax of $680, $975, $3,103 and $1,296, respectively						
Reclassification of cash flow hedges to interest expense, net of tax of $(387), $(313), $(768) and $(549), respectively						

Amortization of unrealized losses related to interest rate swaps to interest expense, net of tax of $36 and $14, respectively
Amortization of unrealized losses related to interest rate swaps to interest expense, net of tax of $36 and $14, respectively
Amortization of unrealized losses related to interest rate swaps to interest expense, net of tax of $36 and $14, respectively
Amortization of unrealized losses related to interest rate swaps to interest expense, net of tax of $42, $21, $78 and $35, respectively
Amortization of unrealized losses related to interest rate swaps to interest expense, net of tax of $42, $21, $78 and $35, respectively
Amortization of unrealized losses related to interest rate swaps to interest expense, net of tax of $42, $21, $78 and $35, respectively
Other comprehensive income
Total comprehensive income

See accompanying notes

Denny's Corporation and Subsidiaries
Consolidated Statements of Shareholders' Deficit
For the Quarter Quarters Ended March 27, 2024 June 26, 2024 and March 29, 2023 June 28, 2023
(Unaudited)

	Common Stock	Treasury Stock	Paid-in Capital	Deficit	Accumulated Other Comprehensive Loss, Net	Total Shareholders' Deficit	Common Stock	Treasury Stock	Paid-in Capital	Deficit	Accumulated Other Comprehensive Loss, Net	Total Shareholders' Deficit
	(In thousands)				(In thousands)							
Balance, December 27, 2023												
Balance, March 27, 2024												
Net income												
Net income												
Net income												
Other comprehensive income												
Share-based compensation on equity classified awards, net of withholding tax												
Share-based compensation on equity classified awards, net of withholding tax												
Share-based compensation on equity classified awards, net of withholding tax												
Purchase of treasury stock, including excise tax												
Issuance of common stock for share-based compensation												
Issuance of common stock for share-based compensation												
Issuance of common stock for share-based compensation												
Balance, March 27, 2024												
Balance, March 27, 2024												
Balance, March 27, 2024												
Balance, June 26, 2024												
Balance, June 26, 2024												
Balance, June 26, 2024												

	Common Stock	Treasury Stock	Paid-in Capital	Deficit	Accumulated Other Comprehensive Loss, Net	Total Shareholders' Deficit	Common Stock	Treasury Stock	Paid-in Capital	Deficit	Accumulated Other Comprehensive Loss, Net	Total Shareholders' Deficit
	(In thousands)				(In thousands)							

Balance, December 28, 2022
Balance, March 29, 2023
Net income
Net income
Net income
Other comprehensive income
Share-based compensation on equity classified awards, net of withholding tax
Share-based compensation on equity classified awards, net of withholding tax
Share-based compensation on equity classified awards, net of withholding tax
Purchase of treasury stock, including excise tax
Issuance of common stock for share-based compensation
Issuance of common stock for share-based compensation
Issuance of common stock for share-based compensation
Balance, March 29, 2023
Balance, March 29, 2023
Balance, March 29, 2023
Balance, June 28, 2023
Balance, June 28, 2023
Balance, June 28, 2023

See accompanying notes

Denny's Corporation and Subsidiaries
Consolidated Statements of Shareholders' Deficit
For the Two Quarters Ended June 26, 2024 and June 28, 2023
(Unaudited)

	Common Stock		Treasury Stock				Accumulated Other Comprehensive Loss, Net	Total Shareholders' Deficit
	Shares	Amount	Shares	Amount	Paid-in Capital	Deficit		
				(In thousands)				
Balance, December 27, 2023	52,906	$ 529	(667)	$ (6,460)	$ 6,688	$ (21,784)	$ (41,659)	$ (62,686)
Net income	—	—	—	—	—	8,259	—	8,259
Other comprehensive income	—	—	—	—	—	—	7,198	7,198
Share-based compensation on equity classified awards, net of withholding tax	—	—	—	—	3,451	—	—	3,451
Purchase of treasury stock, including excise tax	—	—	(1,103)	(9,465)	—	—	—	(9,465)
Issuance of common stock for share-based compensation	433	4	—	—	(4)	—	—	—
Balance, June 26, 2024	53,339	$ 533	(1,770)	$ (15,925)	$ 10,135	$ (13,525)	$ (34,461)	$ (53,243)

	Common Stock		Treasury Stock				Accumulated Other Comprehensive Loss, Net	Total Shareholders' Deficit
	Shares	Amount	Shares	Amount	Paid-in Capital	Deficit		
				(In thousands)				
Balance, December 28, 2022	64,998	$ 650	(8,270)	$ (95,476)	$ 142,136	$ (41,729)	$ (42,697)	$ (37,116)
Net income	—	—	—	—	—	9,135	—	9,135
Other comprehensive income	—	—	—	—	—	—	2,376	2,376

Share-based compensation on equity classified awards, net of withholding tax	—	—	—	—	2,377	—	—	2,377
Purchase of treasury stock, including excise tax	—	—	(1,730)	(19,390)	—	—	—	(19,390)
Issuance of common stock for share-based compensation	710	7	—	—	(7)	—	—	—
Balance, June 28, 2023	65,708	$ 657	(10,000)	$ (114,866)	$ 144,506	$ (32,594)	$ (40,321)	$ (42,618)

See accompanying notes

Denny's Corporation and Subsidiaries
Consolidated Statements of Cash Flows
(Unaudited)

		Quarter Ended		Two Quarters Ended		
		March 27, 2024	March 29, 2023		June 26, 2024	June 28, 2023
		(In thousands)		(In thousands)		
Cash flows from operating activities:	Cash flows from operating activities:			Cash flows from operating activities:		
Net income						
Adjustments to reconcile net income to cash flows provided by operating activities:	Adjustments to reconcile net income to cash flows provided by operating activities:			Adjustments to reconcile net income to cash flows provided by operating activities:		
Depreciation and amortization						
Goodwill impairment charges						
Operating (gains), losses and other charges, net						
Losses and amortization on interest rate swaps, net						
Amortization of deferred financing costs						
Gains on investments						
Losses on early termination of debt and leases						
Deferred income tax (benefit) expense						
Decrease of tax valuation allowance						
Increase of tax valuation allowance						
Share-based compensation expense						
Changes in assets and liabilities, excluding acquisitions and dispositions:	Changes in assets and liabilities, excluding acquisitions and dispositions:			Changes in assets and liabilities, excluding acquisitions and dispositions:		
Receivables						
Inventories						
Prepaids and other current assets						
Other noncurrent assets						
Operating lease assets and liabilities						
Accounts payable						
Other accrued liabilities						
Other noncurrent liabilities						
Net cash flows provided by operating activities						
Cash flows from investing activities:	Cash flows from investing activities:			Cash flows from investing activities:		
Capital expenditures						
Proceeds from sales of real estate and other assets						
Proceeds from sales of real estate, restaurants and other assets						
Proceeds from sales of real estate and other assets						
Proceeds from sales of real estate, restaurants and other assets						
Proceeds from sales of real estate and other assets						
Proceeds from sales of real estate, restaurants and other assets						

Investment purchases		
Collections on notes receivable		
Collections on notes receivable		
Collections on notes receivable		
Issuance of notes receivable		
Net cash flows used in investing activities		
Cash flows from financing activities:	Cash flows from financing activities:	Cash flows from financing activities:
Revolver borrowings		
Revolver payments		
Repayments of finance leases		
Tax withholding on share-based payments		
Tax withholding on share-based payments		
Tax withholding on share-based payments		
Purchase of treasury stock		
Purchase of treasury stock		
Purchase of treasury stock		
Net bank overdrafts		
Net bank overdrafts		
Net bank overdrafts		
Net cash flows provided by (used in) financing activities		
(Decrease) increase in cash and cash equivalents		
Net cash flows used in financing activities		
Decrease in cash and cash equivalents		
Cash and cash equivalents at beginning of period		
Cash and cash equivalents at end of period		

See accompanying notes

Denny's Corporation and Subsidiaries
Notes to Consolidated Financial Statements
(Unaudited)

Note 1. Introduction and Basis of Presentation

Introduction

Denny's Corporation, or the Company, is one of America's largest full-service restaurant chains based on number of restaurants. As of March 27, 2024 June 26, 2024, the Company consisted of 1,614 1,603 restaurants, 1,539 1,528 of which were franchised/licensed restaurants and 75 of which were company operated.

The Company consists of the Denny's brand ("Denny's") and the Keke's Breakfast Café brand ("Keke's"). As of March 27, 2024 June 26, 2024, the Denny's brand consisted of 1,553 1,541 restaurants, 1,489 1,477 of which were franchised/licensed restaurants and 64 of which were company operated. At March 27, 2024 As of June 26, 2024, the Keke's brand consisted of 61 62 restaurants, 50 51 of which were franchised restaurants and 11 of which were company operated.

Basis of Presentation

Our unaudited consolidated financial statements have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission for interim financial information. Therefore, certain information and notes normally included in financial statements prepared in accordance with U.S. generally accepted accounting principles ("GAAP") have been omitted. In our opinion, all adjustments considered necessary for a fair presentation of the interim periods presented have been included. Such adjustments are of a normal and recurring nature. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. Actual results may differ from these estimates under different assumptions or conditions; however, we believe that our estimates are reasonable.

These interim consolidated financial statements should be read in conjunction with our consolidated financial statements and notes thereto as of and for the fiscal year ended December 27, 2023 which are contained in our audited Annual Report on Form 10-K for the fiscal year ended December 27, 2023. The results of operations for the interim periods presented are not necessarily indicative of the results for the entire fiscal year ending December 25, 2024. Our significant interim accounting policies include the recognition of advertising and marketing costs, generally in proportion to revenue, and the recognition of income taxes using an estimated annual effective rate.

Change in Presentation

Certain reclassifications have been made in the 2023 interim consolidated financial statements to conform to the 2024 presentation. These reclassifications did not affect total revenues or net income.

Note 2. Summary of Significant Accounting Policies

Newly Adopted Accounting Standards

In March 2020, the FASB issued ASU 2020-04, “Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting”, which was later clarified in January 2021 by ASU 2021-01, “Reference Rate Reform (Topic 848): Scope”. Additionally, in December 2022, the FASB issued ASU 2022-06, “Reference Rate Reform (Topic 848): Deferral of the Sunset Date of Topic 848”, which allows ASU 2020-04 to be adopted and applied prospectively to contract modifications made on or before December 31, 2024. The guidance provides optional guidance, for a limited time, to ease the potential burden in accounting for or recognizing the effects of reference rate reform on financial reporting. The Company adopted ASU 2020-04 on March 12, 2020. The adoption of and future elections under this new guidance did not and are not expected to have a material impact on the Company’s consolidated financial position or results of operations. The guidance is effective through December 31, 2024.

Accounting Standards to be Adopted

In November 2023, the FASB issued ASU 2023-07, “Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures”. The new guidance requires enhanced reportable segment disclosures to include significant segment expenses. ASU 2023-07 is effective for annual periods beginning after December 15, 2023 (our fiscal 2024) and interim periods beginning after December 15, 2024 (our fiscal 2025). We are currently evaluating the impact that the adoption of this new guidance will have on our Consolidated Financial Statements and will add necessary disclosures upon adoption.

In December 2023, the FASB issued ASU 2023-09, “Income Taxes (Topic 740): Improvements to Income Tax Disclosures”. The new guidance requires enhanced effective tax rate reconciliation and income taxes paid disclosures. ASU 2023-09 is effective for annual periods beginning after December 15, 2024 (our fiscal 2025). We are currently evaluating the impact that the adoption of this new guidance will have on our Consolidated Financial Statements and will add necessary disclosures upon adoption.

We reviewed all other newly issued accounting pronouncements and concluded that they are either not applicable to our business or are not expected to have a material effect on our consolidated financial statements as a result of future adoption.

Note 3. Receivables

Receivables consisted of the following:

	March 27, 2024	December 27, 2023	June 26, 2024	December 27, 2023
	(In thousands)		(In thousands)	
Receivables, net:	Receivables, net:		Receivables, net:	
Trade accounts receivable from franchisees				
Notes and loan receivables from franchisees				
Vendor receivables				
Vendor receivables				
Vendor receivables				
Credit card receivables				
Other				
Allowance for credit losses				
Total receivables, net				

Note 4. Goodwill and Intangible Assets

	June 26, 2024	(In thousands)
Balance, beginning of year		
Reclassifications from Keke's assets held for sale		
Reclassifications from Keke's assets held for sale		
Reclassifications from Keke's assets held for sale		
Impairment charges related to Denny's assets held for sale		
Impairment charges related to Denny's assets held for sale		
Impairment charges related to Denny's assets held for sale		
Balance, end of period		

Goodwill by segment consisted of the following:

Goodwill by segment consisted of the following:

Goodwill by segment consisted of the following:

	March 27, 2024 March 27, 2024 March 27, 2024 June 26, 2024 June 26, 2024 June 26, 2024	December 27, 2023 December 27, 2023
	(In thousands)	
Denny's Denny's Denny's		
Other		
Total goodwill		

Intangible assets consisted of the following:

	March 27, 2024		December 27, 2023		June 26, 2024		December 27, 2023	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
	(In thousands)				(In thousands)			
Intangible assets with indefinite lives:	Intangible assets with indefinite lives:				Intangible assets with indefinite lives:			
Trade names								
Liquor licenses								
Intangible assets with definite lives:	Intangible assets with definite lives:				Intangible assets with definite lives:			
Reacquired franchise rights								
Franchise agreements								
Intangible assets, net								

Amortization expense for intangible assets with definite lives totaled $0.4 million and $0.8 million for each of the quarters and year-to-date periods ended March 27, 2024 June 26, 2024 and March 29, 2023. June 28, 2023, respectively.

Note 5. Other Current Liabilities

Other current liabilities consisted of the following:

	March 27, 2024	December 27, 2023	June 26, 2024	December 27, 2023
	(In thousands)		(In thousands)	
Accrued payroll				
Current portion of liability for insurance claims				
Accrued taxes				
Accrued advertising				
Gift cards				
Accrued legal settlements				
Accrued interest				
Other				
Other current liabilities				

Note 6. Fair Value of Financial Instruments

Financial assets and liabilities measured at fair value on a recurring basis are summarized below:

	Total	Quoted Prices in Active Markets for Identical Assets/Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total	Quoted Prices in Active Markets for Identical Assets/Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	(In thousands)				(In thousands)			
Fair value measurements as of March 27, 2024:								
Fair value measurements as of June 26, 2024:								
Deferred compensation plan investments (1)								
Deferred compensation plan investments (1)								
Deferred compensation plan investments (1)								
Interest rate swaps (2)								
Investments (3)								
Total								
Fair value measurements as of December 27, 2023:								
Fair value measurements as of December 27, 2023:								
Fair value measurements as of December 27, 2023:								
Deferred compensation plan investments (1)								
Deferred compensation plan investments (1)								
Deferred compensation plan investments (1)								
Interest rate swaps (2)								
Investments (3)								
Total								

(1) The fair values of our deferred compensation plan investments are based on the closing market prices of the elected investments and are included in other noncurrent assets in our Consolidated Balance Sheets.
(2) The fair values of our interest rate swaps are based upon Level 2 inputs, which include valuation models. The key inputs for the valuation models are quoted market prices, interest rates, forward yield curves and credit risk adjustments that are necessary to reflect the probability of default by the counterparty or us. For disclosures about the fair value measurements of our derivative instruments, see Note 7.
(3) The fair values of our investments are valued using a readily determinable net asset value per share based on the fair value of the underlying securities. There are no significant redemption restrictions associated with these investments.

Those assets and liabilities measured at fair value on a non-recurring basis are summarized below:

	Significant Unobservable Inputs (Level 3)	Impairment Charges
	(In thousands)	
Fair value measurements as of March 27, 2024:		
Assets held and used (1)	$ —	$ 95

(1) As of March 27, 2024, impaired assets were written down to their fair value. To determine fair value, we used the income approach, which assumes that the future cash flows reflect current market expectations. These fair value measurements require significant judgment using Level 3 inputs, such as discounted cash flows from operations, which are not observable from the market, directly or indirectly. There is uncertainty in the projected future cash flows used in the Company's impairment analysis, which requires the use of estimates and assumptions. If actual performance does not achieve the projections, or if the assumptions used change in the future, the Company may be required to recognize impairment charges in future periods.

	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Impairment Charges
		(In thousands)	
Fair value measurements as of June 26, 2024:			

Assets held for sale, including goodwill and intangible assets (1)	$ 350	$ —	$ 519
Assets held and used (2)	$ —	$ —	$ 120

(1) As of June 26, 2024, assets held for sale were written down to their estimated fair value. The fair value of assets held for sale is based on Level 2 inputs, which include anticipated sales agreements.

(2) As of June 26, 2024, impaired assets were written down to their fair value. To determine fair value, we used the income approach, which assumes that the future cash flows reflect current market expectations. These fair value measurements require significant judgment using Level 3 inputs, such as discounted cash flows from operations, which are not observable from the market, directly or indirectly. There is uncertainty in the projected future cash flows used in the Company's impairment analysis, which requires the use of estimates and assumptions. If actual performance does not achieve the projections, or if the assumptions used change in the future, the Company may be required to recognize impairment charges in future periods.

Assets that are measured at fair value on a non-recurring basis include property, operating lease right-of-use assets, finance lease right-of-use assets, goodwill and intangible assets. During the quarter and year-to-date period ended March 27, 2024 June 26, 2024, we recognized impairment charges of $0.1 $0.6 million and $0.7 million, respectively, related to certain of these assets. See Note 4 and Note 9.

The carrying amounts of cash and cash equivalents, accounts receivable, accounts payable and accrued expenses are deemed to approximate fair value due to the immediate or short-term maturity of these instruments. The fair value of notes receivable approximates the carrying value after consideration of recorded allowances and related risk-based interest rates. The liabilities under our credit facility are carried at historical cost, which approximates fair value. The fair value of our senior secured revolver approximates its carrying value since it is a variable rate facility (Level 2).

Note 7. Long-Term Debt

The Company and certain of its subsidiaries have a credit facility consisting of a five-year $400 million senior secured revolver (with a $25 million letter of credit sublimit). The credit facility includes an accordion feature that would allow us to increase the size of the facility to $450 million. Borrowings bear a tiered interest rate, which is based on the Company's consolidated leverage ratio. The maturity date for the credit facility is August 26, 2026.

The credit facility is available for working capital, capital expenditures and other general corporate purposes. The credit facility is guaranteed by the Company and its material subsidiaries and is secured by assets of the Company and its subsidiaries, including the stock of its subsidiaries (other than its insurance captive subsidiary). It includes negative covenants that are usual for facilities and transactions of this type. The credit facility also includes certain financial covenants with respect to a maximum consolidated leverage ratio and a minimum consolidated fixed charge coverage ratio. We were in compliance with all financial covenants as of March 27, 2024 June 26, 2024.

As of March 27, 2024 June 26, 2024, we had outstanding revolver loans of $261.2 million $257.5 million and outstanding letters of credit under the credit facility of $17.0 million $16.3 million. These balances resulted in unused commitments of $121.8 million $126.2 million as of March 27, 2024 June 26, 2024 under the credit facility.

As of March 27, 2024 June 26, 2024, borrowings under the credit facility bore interest at a rate of Adjusted Daily Simple SOFR plus 2.25%. Letters of credit under the credit facility bore interest at a rate of 2.38%. The commitment fee, paid on the unused portion of the credit facility, was set to 0.35%.

Prior to considering the impact of our interest rate swaps, described below, the weighted-average interest rate on outstanding revolver loans was 7.69% 7.68% and 7.41% as of March 27, 2024 June 26, 2024 and December 27, 2023, respectively. Taking into consideration our interest rate swaps that are designated as cash flow hedges, the weighted-average interest rate of outstanding revolver loans was 5.30% 5.18% and 5.04% as of March 27, 2024 June 26, 2024 and December 27, 2023, respectively.

Interest Rate Hedges

We have receive-variable, pay-fixed interest rate swaps to hedge the forecasted cash flows of our floating rate debt. A summary of our interest rate swaps as of March 27, 2024 June 26, 2024 is as follows:

Trade Date	Trade Date	Effective Date	Maturity Date	Notional Amount		Fair Value		Fixed Rate	Trade Date	Effective Date		Maturity Date		Notional Amount	
			(In thousands)												
Swaps designated as cash flow hedges															
Swaps designated as cash flow hedges															
Swaps designated as cash flow hedges															
March 20, 2015															

March 20, 2015

March 20, 2015		March 29, 2018	March 31, 2025	$120,000	$	$3,040	2.34	2.34 %		March 29, 2018	March 31, 2025	$ 120,000	$ $
October 1, 2015	October 1, 2015	March 29, 2018	March 31, 2026	$ 50,000	$	$1,980	2.37	2.37 %	October 1, 2015	March 29, 2018	March 31, 2026	$ 50,000	$
February 15, 2018	February 15, 2018	March 31, 2020	December 31, 2033	$ 44,000 (1)	(1)	$11,958	3.09	3.09 %	February 15, 2018	March 31, 2020	December 31, 2033	$52,000 (1)	(1) $13,764
Total													

(1) The notional amounts of the swaps entered into on February 15, 2018 increase periodically until they reach the maximum notional amount of $335 million on August 31, 2033.

Termination and Designation of Certain Interest Rate Swaps

During the quarter ended March 29, 2023, we terminated a portion of our hedging relationship entered into in 2018 ("2018 Swaps"), reducing the previous maximum notional amount of $425 million on August 31, 2033 to $335 million. We received $1.5 million of cash as a result of the termination, which is recorded as a component of operating activities in our Consolidated Statement of Cash Flows for the quarter year-to-date period ended March 29, 2023 June 28, 2023.

In addition, during the quarter ended March 29, 2023, we designated the remaining 2018 Swaps as cash flow hedges of our exposure to variability in future cash flows attributable to variable rate interest payments due on forecasted notional amounts.

Changes in Fair Value of Interest Rate Swaps

To the extent the swaps are highly effective in offsetting the variability of the hedged cash flows, changes in the fair value of the swaps are not included in the Consolidated Statements of Income but are reported as a component of other comprehensive income (loss). Our interest rate swaps are designated as cash flow hedges with unrealized gains and losses recorded as a component of accumulated other comprehensive loss, net.

As of March 27, 2024 June 26, 2024, the fair value of the swaps designated as cash flow hedges was an asset of $17.0 $18.1 million, recorded as a component of other noncurrent assets. The designated swaps have an offsetting amount (before taxes) recorded as a component of accumulated other comprehensive loss, net in our Consolidated Balance Sheets. See Note 13 for amounts recorded in accumulated other comprehensive loss related to interest rate swaps. For During the quarter year-to-date period ended March 27, 2024 June 26, 2024, we reclassified $1.5 $3.0 million from accumulated other comprehensive loss, net as a reduction to interest expense, net. We expect to reclassify $6.2 $6.5 million from accumulated other comprehensive loss, net as a reduction to interest expense, net in our Consolidated Statements of Income related to swaps designated as cash flow hedges during the next 12 months.

For the periods prior to their designation as cash flow hedges, changes in the fair value of the 2018 Swaps were recorded as a component of other nonoperating (income) expense, net in our Consolidated Statements of Income. For the quarter year-to-date period ended March 29, 2023 June 28, 2023, we recorded expense of $10.6 million as a component of other nonoperating (income) expense, net related to the 2018 Swaps resulting from changes in fair value.

Amortization of Certain Amounts Included in Accumulated Other Comprehensive Loss, Net

At March 27, 2024 June 26, 2024, we had a total of $64.0 $63.9 million (before taxes) included in accumulated other comprehensive loss, net related to (i) the discontinuance of hedge accounting treatment related to certain cash flow hedges in prior years and (ii) the fair value of certain swaps at the date of designation as cash flow hedges that are being amortized into our Consolidated Statements of Income as a component of interest expense, net over the remaining term of the related swap.

For the quarter and year-to-date period ended March 27, 2024 June 26, 2024, we recorded unrealized losses of $0.2 million and $0.3 million, respectively, to interest expense, net. For the quarter and year-to-date period ended June 28, 2023, we recorded unrealized losses of $0.1 million to interest expense, net. For the quarter ended March 29, 2023, we recorded unrealized losses of less than $0.1 million to interest expense, net. We expect to amortize $0.9 $1.6 million from accumulated other comprehensive loss, net to interest expense, net in our Consolidated Statements of Income related to dedesignated interest rate swaps during the next 12 months.

Note 8. Revenues

The following table disaggregates our revenue by sales channel and type of good or service:

	Quarter Ended		Quarter Ended		Two Quarters Ended	
	March 27, 2024	March 29, 2023	June 26, 2024	June 28, 2023	June 26, 2024	June 28, 2023
	(In thousands)		(In thousands)			
Company restaurant sales						
Franchise and license revenue:						
Royalties						
Royalties						
Royalties						
Advertising revenue						

Initial and other fees	
Occupancy revenue	
Franchise and license revenue	
Total operating revenue	

Franchise occupancy revenue consisted of the following:

	Quarter Ended	Quarter Ended			Two Quarters Ended	
	March 27, 2024	March 29, 2023	June 26, 2024	June 28, 2023	June 26, 2024	June 28, 2023
	(In thousands)	(In thousands)				
Operating lease revenue						
Variable lease revenue						
Total occupancy revenue						

Balances related to contracts with customers consist of receivables, contract assets, deferred franchise revenue and deferred gift card revenue. See Note 3 for details on our receivables.

Deferred franchise revenue consists primarily of the unamortized portion of initial franchise fees that are currently being amortized into revenue and amounts related to development agreements and unopened restaurants that will begin amortizing into revenue when the related restaurants are opened. Deferred franchise revenue represents our remaining performance obligations to our franchisees, excluding amounts of variable consideration related to sales-based royalties and advertising.

The components of the change in deferred franchise revenue are as follows:

	(In thousands)
Balance, December 27, 2023	$ 19,150
Fees received from franchisees	220 459
Revenue recognized (1)	(779) (1,591)
Balance, March 27, 2024 June 26, 2024	18,591 18,018
Less current portion included in other current liabilities	2,132 2,098
Deferred franchise revenue included in other noncurrent liabilities	$ 16,459 15,920

(1) Of this amount $0.7 million $1.4 million was included in the deferred franchise revenue balance as of December 27, 2023.

We record contract assets related to incentives and subsidies provided to franchisees related to new unit openings and/or equipment upgrades. These amounts will be recognized as a component of franchise and license revenue over the remaining term of the related franchise agreements.

The components of the change in contract assets are as follows:

	(In thousands)
Balance, December 27, 2023	$ 6,608
Franchisee deferred costs	27 293
Contract asset amortization	(347) (684)
Balance, March 27, 2024 June 26, 2024	6,288 6,217
Less current portion included in other current assets	1,005 982
Contract assets included in other noncurrent assets	$ 5,283 5,235

The Company purchases equipment related to various programs for franchise restaurants, including kitchen and point-of-sale system equipment. We bill our franchisees and recognize revenue when the related equipment is installed, less amounts contributed from the Company, which have been deferred as contract assets in the table above. We recognized $0.3 $0.2 million and $0.5 million of revenue, recorded as a component of initial and other fees, related to the sale of equipment to franchisees during the quarter and year-to-date period ended March 27, 2024. June 26, 2024, respectively. We recognized $2.4 $0.5 million and $2.9 million of revenue, recorded as a component of initial and other fees, related to the sale of equipment to franchisees during the quarter and year-to-date period ended March 29, 2023. June 28, 2023, respectively. As of March 27, 2024 June 26, 2024, we had $0.5 $0.3 million in inventory and $0.1 $0.3 million in receivables related to the purchased equipment. As of December 27, 2023, we had $0.6 million in inventory and $0.3 million in receivables related to the purchased equipment.

As of March 27, 2024 June 26, 2024, deferred franchise revenue, net of contract asset amortization, expected to be recognized in the future is as follows:

	(In thousands)
Remainder of 2024	
2025	
2026	
2027	

2028	
Thereafter	
Deferred franchise revenue, net	

Deferred gift card liabilities consist of the unredeemed portion of gift cards sold in company restaurants and at third party locations. The balance of deferred gift card liabilities represents our remaining performance obligations to our customers. The balance of deferred gift card liabilities as of March 27, 2024 June 26, 2024 and December 27, 2023 was $6.4 million and $7.8 million, respectively. During the quarter ended March 27, 2024 June 26, 2024, we recognized revenue of $0.2 million $0.3 million from gift card redemptions at company restaurants.

Note 9. Operating (Gains), Losses and Other Charges, Net

Operating (gains), losses and other charges, net consisted of the following:

	Quarter Ended		Two Quarters Ended	
	June 26, 2024	June 28, 2023	June 26, 2024	June 28, 2023
	Quarter Ended	(In thousands)		
	March 27, 2024	March 29, 2023		
	(In thousands)			
Gains on sales of assets and other, net				
Losses (gains) on sales of assets and other, net				
Impairment charges (1)				
Restructuring charges and exit costs				
Impairment charges				
Operating (gains), losses and other charges, net				

(1) Impairment charges include impairments related to property, operating right-of-use assets, finance right-of-use assets, and reacquired franchise rights.

During the quarters quarter and year-to-date period ended March 27, 2024 June 26, 2024, losses (gains) on sales of assets and March 29, 2023 other, net were primarily related to the sales of restaurants and real estate. During the quarter and year-to-date period ended June 28, 2023, gains losses (gains) on sales of assets and other, net were primarily related to the sales of real estate.

As of March 27, 2024 June 26, 2024, we had recorded assets held for sale at the lesser of the carrying value or fair value amount of $1.1 million $0.4 million (consisting of property of $0.6 million and goodwill of $0.5 million) property) related to three Keke's Denny's restaurants. As of December 27, 2023, we had recorded assets held for sale at their carrying amount of $1.5 million (consisting of property of $0.9 million, goodwill of $0.5 million and other assets of $0.1 million) related to one parcel of real estate and three Keke's restaurants.

We recorded impairment charges of $0.6 million and $0.7 million for the quarter and year-to-date period ended June 26, 2024, respectively, primarily related to assets held for sale and resulting from our assessments of underperforming units and closed units. The $0.6 million included $0.5 million related to property and $0.1 million related to reacquired franchise rights. The $0.7 million included $0.6 million related to property and $0.1 million related to reacquired franchise rights.

Restructuring charges and exit costs consisted of the following:

	Quarter Ended		Quarter Ended		Two Quarters Ended	
	March 27, 2024	March 29, 2023	June 26, 2024	June 28, 2023	June 26, 2024	June 28, 2023
	(In thousands)		(In thousands)			
Exit costs						
Severance and other restructuring charges						
Total restructuring charges and exit costs						

Exit costs primarily consist of costs related to closed restaurants. Exit cost liabilities related to lease costs are included as a component of operating lease liabilities in our Consolidated Balance Sheets.

As of March 27, 2024 June 26, 2024 and December 27, 2023, we had accrued severance and other restructuring charges of $1.0 million $0.7 million and $1.4 million, respectively. The balance as of March 27, 2024 June 26, 2024 is expected to be paid during the next 12 months.

We recorded impairment charges of $0.1 million related to property for the quarter ended March 27, 2024, resulting from our assessment of closed units.

Note 10. Share-Based Compensation

Total share-based compensation included as a component of general and administrative expenses was as follows:

	Quarter Ended	Quarter Ended	Two Quarters Ended

	March 27, 2024	March 29, 2023	June 26, 2024	June 28, 2023	June 26, 2024	June 28, 2023
	(In thousands)	(In thousands)				
Employee share awards						
Restricted stock units for board members						
Total share-based compensation						

Employee Share Awards

During the quarter year-to-date period ended March 27, 2024 June 26, 2024, we granted certain employees 0.6 million performance share units ("PSUs") with a weighted average grant date fair value of $15.48 per share that vest based on the total shareholder return ("TSR") of our common stock compared to the TSRs of a group of peer companies. As the TSR based PSUs contain a market condition, a Monte Carlo valuation was used to determine the grant date fair value. The performance period for these PSUs is the three-year fiscal period beginning December 28, 2023 and ending December 30, 2026. The PSUs will vest and be earned at the end of the performance period at which point the relative TSR achievement percentages will be applied to the vested units (from 0% to 200% of the target award).

During the quarter year-to-date period ended March 27, 2024 June 26, 2024, we also granted certain employees 0.7 million restricted stock units ("RSUs") with a weighted average grant date fair value of $10.81 $10.80 per share. These RSUs generally vest evenly over the three-year fiscal period beginning December 28, 2023 and ending December 30, 2026. We recognize compensation cost associated with these RSU awards on a straight-line basis over the entire performance period of the award.

During the quarter year-to-date period ended March 27, 2024 June 26, 2024, we issued 0.4 million shares of common stock related to vested PSUs and RSUs. In addition, 0.2 million shares of common stock were withheld in lieu of taxes related to vested PSUs and RSUs.

As of March 27, 2024 June 26, 2024, we had $24.0 million $19.8 million of unrecognized compensation cost related to unvested PSU awards and RSU awards outstanding, which have a weighted average remaining contractual term of 2.4 2.1 years.

Restricted Stock Units for Board Members

During the quarter and year-to-date period ended June 26, 2024, we granted 0.1 million RSUs (which are equity classified) with a weighted average grant date fair value of $8.09 per unit to non-employee members of our Board of Directors. The RSUs vest after a one-year service period. A director may elect to convert these awards to shares of common stock either on a specific date in the future (while still serving as a member of our Board of Directors), upon termination as a member of our Board of Directors, or in three equal annual installments commencing after termination of service as a member of our Board of Directors.

During the quarter and year-to-date period ended June 26, 2024, fewer than 0.1 million RSUs were converted into shares of common stock.

As of March 27, 2024 June 26, 2024, we had $0.1 million $0.8 million of unrecognized compensation cost related to unvested RSU awards outstanding, which have a weighted average remaining contractual term of 0.1 0.9 years.

Note 11. Income Taxes

The effective income tax rate was 24.6% 25.1% for the quarter and 24.8% for the year-to-date period ended March 27, 2024 June 26, 2024, compared to 61.5% 23.8% and 28.3% for the prior year period. periods, respectively. The effective income tax rate for the quarter and year-to-date period ended March 29, 2023 June 28, 2023 included discrete items relating to share-based compensation of 36.6%. (3.9)% and 2.5%, respectively. We did not have a similar discrete item for the quarter and year-to-date period ended March 27, 2024 June 26, 2024.

Note 12. Net Income Per Share

The amounts used for the basic and diluted net income per share calculations are summarized below:

	Quarter Ended	Quarter Ended			Two Quarters Ended	
	March 27, 2024	March 29, 2023	June 26, 2024	June 28, 2023	June 26, 2024	June 28, 2023
	(In thousands, except per share amounts)	(In thousands, except per share amounts)				
Net income						
Weighted average shares outstanding - basic						
Weighted average shares outstanding - basic						
Weighted average shares outstanding - basic						
Effect of dilutive share-based compensation awards						
Weighted average shares outstanding - diluted						
Net income per share - basic						
Net income per share - basic						
Net income per share - basic						
Net income per share - diluted						
Anti-dilutive share-based compensation awards						

Anti-dilutive share-based compensation awards

Anti-dilutive share-based compensation awards

Note 13. Shareholders' Deficit

Share Repurchases

Our credit facility permits the repurchase of the Company's stock and the payment of cash dividends subject to certain limitations. Our Board of Directors approves share repurchases of our common stock. Under these authorizations, we may, from time to time, purchase shares in the open market (including pre-arranged stock trading plans in accordance with the guidelines specified in Rule 10b5-1 under the Securities Exchange Act of 1934, as amended) or in privately negotiated transactions, subject to market and business conditions. Currently, we are operating under a $250 million share repurchase authorization approved by the Board of Directors in December 2019.

During the quarter year-to-date period ended March 27, 2024 June 26, 2024, we repurchased a total of 0.5 1.1 million shares of our common stock for $4.8 $9.5 million, including excise taxes. This brings the total amount repurchased under the current authorization to $154.3 $159.0 million, leaving $95.7 $91.0 million that can be used to repurchase our common stock under this authorization as of March 27, 2024 June 26, 2024. Repurchased shares are included as treasury stock in our Consolidated Balance Sheets and our Consolidated Statements of Shareholders' Deficit.

In the fourth quarter of fiscal 2023, the Board approved the retirement of 12.8 million shares of treasury stock at a weighted average share price of $11.02, including excise taxes. As of March 27, 2024 June 26, 2024, 1.1 1.8 million shares were held in treasury stock.

Accumulated Other Comprehensive Loss, Net

The components of the change in accumulated other comprehensive loss, net were as follows:

	Defined Benefit Plans	Defined Benefit Plans	Derivatives	Accumulated Other Comprehensive Loss, Net	Defined Benefit Plans	Derivatives	Accumulated Other Comprehensive Loss, Net
		(In thousands)					
Balance as of December 27, 2023							
Amortization of net loss (1)							
Amortization of net loss (1)							
Amortization of net loss (1)							
Changes in the fair value of cash flow hedges							
Changes in the fair value of cash flow hedges							
Settlement loss recognized							
Changes in the fair value of cash flow hedges							
Reclassification of cash flow hedges to interest expense, net (2)							
Amortization of unrealized losses related to interest rate swaps to interest expense, net							
Amortization of unrealized losses related to interest rate swaps to interest expense, net							
Amortization of unrealized losses related to interest rate swaps to interest expense, net							
Income tax expense related to items of other comprehensive income (loss)							
Balance as of March 27, 2024							
Balance as of June 26, 2024							

(1) Before-tax amount related to our defined benefit plans that was reclassified from accumulated other comprehensive loss, net and included as a component of pension expense within general and administrative expenses in our Consolidated Statements of Income during the quarter year-to-date period ended March 27, 2024 June 26, 2024.

(2) Amounts reclassified from accumulated other comprehensive loss, net into interest expense, net in our Consolidated Statements of Income represent payments either (received from) or made to the counterparty for the interest rate hedges. See Note 7 for additional details.

Note 14. Commitments and Contingencies

Legal Proceedings

There are various claims and pending legal actions against or indirectly involving us, incidental to and arising out of the ordinary course of the business. In the opinion of management, based upon information currently available, the ultimate liability with respect to these proceedings and claims will not materially affect our consolidated results of operations or financial position.

Note 15. Supplemental Cash Flow Information

	Quarter Ended	Two Quarters Ended		
	March 27, 2024	March 29, 2023	June 26, 2024	June 28, 2023
	(In thousands)	(In thousands)		
Income taxes paid, net				
Interest paid				
Noncash investing and financing activities:				
Noncash investing and financing activities:				
Noncash investing and financing activities:				
Accrued purchase of property				
Accrued purchase of property				
Accrued purchase of property				
Issuance of common stock, pursuant to share-based compensation plans				
Execution of finance leases				
Execution of finance leases				
Execution of finance leases				
Treasury stock payable				
Treasury stock payable, including excise taxes				

Note 16. Segment Information

We manage our business by brand and as a result have identified two operating segments, Denny's and Keke's. In addition, we have identified Denny's as a reportable segment. The Denny's reportable segment includes the results of all company and franchised and licensed Denny's restaurants. Our Keke's operating segment, which includes the results of all company and franchised Keke's restaurants, is included in Other.

The primary sources of revenues for all operating segments are the sale of food and beverages at our company restaurants and the collection of royalties, advertising revenue, initial and other fees, including occupancy revenue, from restaurants operated by our franchisees. We do not rely on any major customer as a source of sales and the customers and assets of all operating segments are located predominantly in the United States. There are no material transactions between segments.

Management's measure of segment income is restaurant-level operating margin. The Company defines restaurant-level operating margin as operating income excluding the following three four items: general and administrative expenses, depreciation and amortization, goodwill impairment charges and operating (gains), losses and other charges, net. The Company excludes general and administrative expenses, which include primarily non restaurant-level costs associated with the support of company and franchised restaurants and other activities at their corporate office. The Company excludes depreciation and amortization expense, substantially all of which is related to company restaurant-level assets, because such expenses represent historical sunk costs which do not reflect current cash outlays for the restaurants. The Company excludes operating (gains), losses and other charges, net, to provide a clearer perspective of its ongoing operating performance. Restaurant-level operating margin is used by our chief operating decision maker ("CODM") to evaluate restaurant-level operating efficiency and performance.

The following tables present revenues by segment and a reconciliation of restaurant-level operating margin to net income:

		Quarter Ended		Quarter Ended			Two Quarters Ended
		Quarter Ended					
		Quarter Ended					
				March 27, 2024		March 29, 2023	
		June 26, 2024	June 28, 2023		June 26, 2024		June 28, 2023
Revenues by operating segment:	Revenues by operating segment:	(In thousands)	Revenues by operating segment:		(In thousands)		
Denny's							
Other							
Total operating revenue							
Segment income:							
Segment income:							
Segment income:							

Denny’s
Denny’s
Denny’s
Other
Total restaurant-level operating margin
General and administrative expenses
General and administrative expenses
General and administrative expenses
Depreciation and amortization
Goodwill impairment charges
Operating (gains), losses and other charges, net
Total other operating expenses
Operating income
Interest expense, net
Other nonoperating expense (income), net
Other nonoperating (income) expense, net
Income before income taxes
Provision for income taxes
Net income

		March 27, 2024		December 27, 2023
		June 26, 2024		December 27, 2023
Segment assets:	**Segment assets:**	**(In thousands)**	**Segment assets:**	**(In thousands)**
Denny’s				
Other				
Total assets				

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

The following Management’s Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") should be read in conjunction with our Consolidated Financial Statements and the notes thereto that appear elsewhere in this report and the MD&A contained in our Annual Report on Form 10-K for the fiscal year ended December 27, 2023.

Forward-Looking Statements

This report includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, as codified in Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The Company urges caution in considering its current trends and any outlook on its operations and financial results disclosed in this report. In addition, certain matters discussed in this report may constitute forward-looking statements. These forward-looking statements, which reflect management's best judgment based on factors currently known, are intended to speak only as of the date such statements are made and involve risks, uncertainties, and other factors that may cause the actual performance of Denny’s Corporation, its subsidiaries, and underlying restaurants to be materially different from the performance indicated or implied by such statements. Words such as “expect”, “anticipate”, “believe”, “intend”, “plan”, “hope”, "will" and variations of such words and similar expressions are intended to identify such forward-looking statements. Except as may be required by law, the Company expressly disclaims any obligation to update these forward-looking statements to reflect events or circumstances after the date of this report or to reflect the occurrence of unanticipated events. Factors that could cause actual performance to differ materially from the performance indicated by these forward-looking statements include, among others: economic, public health and political conditions that impact consumer confidence and spending; commodity and labor inflation; the ability to effectively staff restaurants and support personnel; our ability to maintain adequate levels of liquidity for our cash needs, including debt obligations, payment of dividends, planned share repurchases and capital expenditures as well as the ability of our customers, suppliers, franchisees and lenders to access sources of liquidity to provide for their own cash needs; competitive pressures from within the restaurant industry; our ability to integrate and derive the expected benefits from our acquisition of Keke's; the level of success of our operating initiatives and advertising and promotional efforts; adverse publicity; health concerns arising from food-related pandemics, outbreaks of flu viruses, or other diseases; changes in business strategy or development plans; terms and availability of capital; regional weather conditions; overall changes in the general economy (including with regard to energy costs), particularly at the retail level; political environment and geopolitical events (including acts of war and terrorism); and other factors from time to time set forth in the Company’s SEC reports and other filings, including but not limited to the discussion in Management’s Discussion and Analysis and the risks identified in Item 1A. Risk Factors contained in the Company’s Annual Report on Form 10-K for the fiscal year ended December 27, 2023 and in the Company's subsequent quarterly reports on Form 10-Q.

Overview

We manage our business by brand and as a result have identified two operating segments, Denny's and Keke's. As of March 27, 2024 June 26, 2024, the Denny's brand consisted of 1,553 1,541 restaurants, 1,489 1,477 of which were franchised/licensed restaurants and 64 of which were company operated. At March 27, 2024 June 26, 2024, the Keke's brand consisted of 61 62 restaurants, 50 51 of which were franchised restaurants and 11 of which were company operated.

In addition, we have identified Denny's as a reportable segment. The Denny's reportable segment includes the results of all company and franchised and licensed Denny's restaurants. Total revenues at Keke's for the quarter and year-to-date period ended March 27, 2024 June 26, 2024 represented less than 10% of total consolidated revenues, therefore, the Keke's operating segment is included in Other for segment reporting purposes.

Information discussed in Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations relates to the Denny's brand unless otherwise noted.

Statements of Income

The following table contains information derived from our Consolidated Statements of Income expressed as a percentage of total operating revenue, except as noted below. Percentages may not add due to rounding.

		Quarter Ended						Quarter Ended				Two Quarters Ended		
		March 27, 2024			March 29, 2023				June 26, 2024		June 28, 2023		June 26, 2024	
			(In thousands)							(In thousands)				
Revenue:	Revenue:							Revenue:						
Company restaurant sales	Company restaurant sales	$ 52,342	47.6	47.6 %	$ 53,452	45.5	45.5 %	Company restaurant sales	$ 54,348	46.9	46.9 %	$ 54,881	46.9	[illegible]
Franchise and license revenue	Franchise and license revenue	57,632	52.4	52.4 %	64,019	54.5	54.5 %	Franchise and license revenue	61,579	53.1	53.1 %	62,034	53.1	[illegible]
Total operating revenue	Total operating revenue	109,974	100.0	100.0 %	117,471	100.0	100.0 %	Total operating revenue	115,927	100.0	100.0 %	116,915	100.0	[illegible]
Costs of company restaurant sales, excluding depreciation and amortization (a):														
Product costs														
Product costs														
Product costs		13,311	25.4	25.4 %	14,039	26.3	26.3 %		13,632	25.1	25.1 %	14,170	25.8	25.8 %
Payroll and benefits	Payroll and benefits	20,474	39.1	39.1 %	20,240	37.9	37.9 %	Payroll and benefits	20,493	37.7	37.7 %	20,488	37.3	[illegible]
Occupancy	Occupancy	4,573	8.7	8.7 %	4,094	7.7	7.7 %	Occupancy	4,671	8.6	8.6 %	4,080	7.4	[illegible]
Other operating expenses	Other operating expenses	9,760	18.6	18.6 %	8,119	15.2	15.2 %	Other operating expenses	8,782	16.2	16.2 %	7,830	14.3	[illegible]
Total costs of company restaurant sales, excluding depreciation and amortization	Total costs of company restaurant sales, excluding depreciation and amortization	48,118	91.9	91.9 %	46,492	87.0	87.0 %	Total costs of company restaurant sales, excluding depreciation and amortization	47,578	87.5	87.5 %	46,568	84.9	[illegible]

Costs of franchise and license revenue, excluding depreciation and amortization (a)	Costs of franchise and license revenue, excluding depreciation and amortization (a)	27,374	47.5	47.5 %	32,387	50.6	50.6 %	Costs of franchise and license revenue, excluding depreciation and amortization (a)	33,428	54.3	54.3 %	30,460	49.1	49.
General and administrative expenses	General and administrative expenses	21,222	19.3	19.3 %	20,118	17.1	17.1 %	General and administrative expenses	20,486	17.7	17.7 %	20,160	17.2	17.
Depreciation and amortization	Depreciation and amortization	3,581	3.3	3.3 %	3,656	3.1	3.1 %	Depreciation and amortization	3,735	3.2	3.2 %	3,617	3.1	3.
Goodwill impairment charges		20	0.0 %		—	0.0 %			20		0.0 %	—		0.
Operating (gains), losses and other charges, net	Operating (gains), losses and other charges, net	(327)	(0.3)	(0.3)%	(1,329)	(1.1)	(1.1)%	Operating (gains), losses and other charges, net	1,565	1.3	1.3 %	1,176	1.0	1.
Total operating costs and expenses, net	Total operating costs and expenses, net	99,968	90.9	90.9 %	101,324	86.3	86.3 %	Total operating costs and expenses, net	106,812	92.1	92.1 %	101,981	87.2	87.
Operating income	Operating income	10,006	9.1	9.1 %	16,147	13.7	13.7 %	Operating income	9,115	7.9	7.9 %	14,934	12.8	12.
Interest expense, net	Interest expense, net	4,420	4.0	4.0 %	4,505	3.8	3.8 %	Interest expense, net	4,573	3.9	3.9 %	4,402	3.8	3.
Other nonoperating (income) expense, net	Other nonoperating (income) expense, net	(637)	(0.6)	(0.6)%	10,093	8.6	8.6 %	Other nonoperating (income) expense, net	(224)	(0.2)	(0.2) %	(666)	(0.6)	(0.
Income before income taxes	Income before income taxes	6,223	5.7	5.7 %	1,549	1.3	1.3 %	Income before income taxes	4,766	4.1	4.1 %	11,198	9.6	9.
Provision for income taxes	Provision for income taxes	1,532	1.4	1.4 %	952	0.8	0.8 %	Provision for income taxes	1,198	1.0	1.0 %	2,660	2.3	2.
Net income	Net income	$ 4,691	4.3	4.3 %	$ 597	0.5	0.5 %	Net income	$ 3,568	3.1	3.1 %	$ 8,538	7.3	7.

(a) Costs of company restaurant sales percentages are as a percentage of company restaurant sales. Costs of franchise and license revenue percentages are as a percentage of franchise and license revenue. All other percentages are as a percentage of total operating revenue.

Statistical Data		Statistical Data	Quarter Ended				Two Quarters Ended	
Statistical Data								
Statistical Data		Quarter Ended						
					March 27, 2024	March 29, 2023		
		June 26, 2024			June 28, 2023		June 26, 2024	June 28, 2023
	(Dollars in thousands)						(Dollars in thousands)	(Dollars in thousands)
Denny's	Denny's			Denny's				
Company average unit sales	Company average unit sales	$743	$762	Company average unit sales	$774	$786	$1,517	$1,548
Franchise average unit sales	Franchise average unit sales	$457	$452	Franchise average unit sales	$473	$466	$930	$918
Company equivalent units (a)	Company equivalent units (a)	65	65	Company equivalent units (a)	64	65	64	65
Franchise equivalent units (a)	Franchise equivalent units (a)	1,501	1,529	Franchise equivalent units (a)	1,485	1,525	1,493	1,527

Company same-store sales (decrease) increase vs. prior year (b)(c)	Company same-store sales (decrease) increase vs. prior year (b)(c)	(3.0)%	11.4%	Company same-store sales (decrease) increase vs. prior year (b)(c)	(2.6)%	3.0%	(2.8)%	7.0%
Domestic franchise same-store sales (decrease) increase vs. prior year (b)(c)	Domestic franchise same-store sales (decrease) increase vs. prior year (b)(c)	(1.2)%	8.1%	Domestic franchise same-store sales (decrease) increase vs. prior year (b)(c)	(0.4)%	3.0%	(0.8)%	5.5%
Keke's								
Keke's								
Keke's								
Company average unit sales								
Company average unit sales								
Company average unit sales		$455	$466		$447	$459	$902	$925
Franchise average unit sales	Franchise average unit sales	$472	$491	Franchise average unit sales	$457	$476	$929	$967
Company equivalent units (a)	Company equivalent units (a)	9	8	Company equivalent units (a)	11	8	10	8
Franchise equivalent units (a)	Franchise equivalent units (a)	50	46	Franchise equivalent units (a)	51	47	50	46
Company same-store sales decrease vs. prior year (b)(d)	Company same-store sales decrease vs. prior year (b)(d)	(1.1)%	N/A	Company same-store sales decrease vs. prior year (b)(d)	(4.4)%	N/A	(2.7)%	N/A
Franchise same-store sales decrease vs. prior year (b)(d)	Franchise same-store sales decrease vs. prior year (b)(d)	(4.0)%	N/A	Franchise same-store sales decrease vs. prior year (b)(d)	(4.6)%	N/A	(4.3)%	N/A

(a) Equivalent units are calculated as the weighted average number of units in operation during a defined time period.

(b) Same-store sales include sales from company restaurants or non-consolidated franchised and licensed restaurants that were open during the comparable periods noted.

(c) Prior year amounts have not been restated for 2024 comparable units.

(d) Same-store sales data for the quarter ended March 29, 2023 June 28, 2023 is not reported due to the acquisition being completed during the quarter ended September 28, 2022.

Unit Activity	**Quarter Ended**	
	March 27, 2024	**March 29, 2023**
Denny's		
Company restaurants, beginning of period	65	66
Units opened	—	—
Units closed	(1)	—
End of period	64	66
Franchised and licensed restaurants, beginning of period	1,508	1,536
Units opened	5	5
Units closed	(24)	(13)
End of period	1,489	1,528
Total restaurants, end of period	1,553	1,594

Keke's

Keke's

Keke's

Unit Activity	**Quarter Ended**		**Two Quarters Ended**	
	June 26, 2024	**June 28, 2023**	**June 26, 2024**	**June 28, 2023**
Denny's				
Company restaurants, beginning of period				
Company restaurants, beginning of period				
Company restaurants, beginning of period				
Units opened				
Units closed				
Units closed				
Units closed				
End of period				
Franchised restaurants, beginning of period				

Franchised restaurants, beginning of period
Franchised restaurants, beginning of period
Franchised and licensed restaurants, beginning of period
Franchised and licensed restaurants, beginning of period
Franchised and licensed restaurants, beginning of period
Units opened
Units closed
Units closed
Units closed
End of period
Total restaurants, end of period

	Quarter Ended		Two Quarters Ended	
	June 26, 2024	June 28, 2023	June 26, 2024	June 28, 2023
Keke's				
Company restaurants, beginning of period	11	8	8	8
Units opened	1	—	4	—
Units sold to franchisees	(1)	—	(1)	—
End of period	11	8	11	8
Franchised restaurants, beginning of period	50	46	50	46
Units opened	—	1	—	1
Units purchased from Company	1	—	1	—
End of period	51	47	51	47
Total restaurants, end of period	62	55	62	55

Company Restaurant Operations

Company restaurant sales decreased $1.1 million $0.5 million, or 2.1% 1.0%, for the quarter ended March 27, 2024 June 26, 2024 and $1.6 million, or 1.5%, year-to-date compared to the prior year period, periods, primarily resulting from a decrease of 3.0% in Denny's same-store sales partially offset by one additional Keke's equivalent unit of 2.6% for the current quarter and 2.8% year-to-date compared to the prior year period. periods. The decreases were partially offset by three additional Keke's equivalent units for the current quarter and two additional Keke's equivalent units year-to-date compared to the prior year periods.

Total costs of company restaurant sales as a percentage of company restaurant sales were 91.9% 87.5% for the quarter ended March 27, 2024 June 26, 2024 and 89.7% year-to-date compared to 87.0% 84.9% and 85.9% for the prior year period. periods, respectively.

Product costs as a percentage of company restaurant sales were 25.4% 25.1% for the quarter ended March 27, 2024 June 26, 2024 and 25.3% year-to-date compared to 26.3% 25.8% and 26.0% for the prior year period, periods, respectively, primarily due to increased pricing, partially offset by higher commodity costs.

Payroll and benefits as a percentage of company restaurant sales were 39.1% 37.7% for the quarter ended March 27, 2024 June 26, 2024 and 38.4% year-to-date compared to 37.9% in 37.3% and 37.6%, respectively, for the prior year period. periods. The current quarter increase as a percentage of company restaurant sales is primarily due to a 0.3 percentage point increase in medical insurance costs. The year-to-date increase as a percentage of company restaurant sales was primarily due to a 1.0 0.5 percentage point increase in workers' compensation costs, primarily resulting from negative claims development in the current quarter. year, and a 0.2 percentage point increase in medical insurance costs.

Occupancy costs as a percentage of company restaurant sales were 8.7% 8.6% for the quarter ended March 27, 2024 June 26, 2024 and 8.7% year-to-date compared to 7.7% in 7.4% and 7.5%, respectively, for the prior year period. periods. The current quarter increase as a percentage of company restaurant sales was primarily due to a 0.9 0.7 percentage point increase in general liability insurance costs resulting from negative claims development in the current quarter. quarter and a 0.4 percentage point increase in rent and property taxes. The year-to-date increase as percentage of company restaurant sales was primarily due to a 0.8 percentage point increase in general liability insurance costs resulting from negative claims development in the current year and a 0.3 percentage point increase in rent and property taxes.

Other operating expenses consist of the following amounts and percentages of company restaurant sales:

	Quarter Ended		Quarter Ended		Two Quarters Ended	
	March 27, 2024	March 29, 2023	June 26, 2024	June 28, 2023	June 26, 2024	June 28, 2023
	(In thousands)		(In thousands)			

Utilities	Utilities	$ 1,655	3.2	3.2 %	$ 2,057	3.8	3.8 %	Utilities	$ 1,695	3.1	3.1 %	$ 1,860	3.4	3.4 %	$ 3,350	3.1	3.1 %	$ 3,917	3.6	3.6 %
Repairs and maintenance	Repairs and maintenance	1,005	1.9	1.9 %	889	1.7	1.7 %	Repairs and maintenance	1,008	1.9	1.9 %	782	1.4	1.4 %	2,013	1.9	1.9 %	1,671	1.5	1.5 %
Marketing	Marketing	1,604	3.1	3.1 %	1,395	2.6	2.6 %	Marketing	1,876	3.5	3.5 %	1,419	2.6	2.6 %	3,480	3.3	3.3 %	2,814	2.6	2.6 %
Legal settlements	Legal settlements	1,449	2.8	2.8 %	109	0.2	0.2 %	Legal settlements	208	0.4	0.4 %	121	0.2	0.2 %	1,657	1.6	1.6 %	230	0.2	0.2 %
Pre-opening costs	Pre-opening costs	366	0.7	0.7 %	—	0.0	0.0 %	Pre-opening costs	191	0.4	0.4 %	25	0.0	0.0 %	557	0.5	0.5 %	25	0.0	0.0 %
Other direct costs	Other direct costs	3,681	7.0	7.0 %	3,669	6.9	6.9 %	Other direct costs	3,804	7.0	7.0 %	3,623	6.6	6.6 %	7,485	7.0	7.0 %	7,292	6.7	6.7 %
Other operating expenses	Other operating expenses	$ 9,760	18.6	18.6 %	$ 8,119	15.2	15.2 %	Other operating expenses	$ 8,782	16.2	16.2 %	$ 7,830	14.3	14.3 %	$ 18,542	17.4	17.4 %	$ 15,949	14.7	14.7 %

Other operating expenses were higher as a percentage of company restaurant sales as compared to the prior year period periods primarily due to increased marketing, repairs and maintenance, and unfavorable developments in certain legal claims during the quarter ended March 27, 2024. current year periods, partially offset by lower utilities.

Franchise Operations

Franchise and license revenue and costs of franchise and license revenue consisted of the following amounts and percentages of franchise and license revenue for the periods indicated:

	Quarter Ended			
	March 27, 2024		March 29, 2023	
	(In thousands)			
Royalties	$ 29,306	50.8 %	$ 30,027	46.9 %
Advertising revenue	18,138	31.5 %	19,668	30.7 %
Initial and other fees	1,816	3.2 %	4,990	7.8 %
Occupancy revenue	8,372	14.5 %	9,334	14.6 %
Franchise and license revenue	$ 57,632	100.0 %	$ 64,019	100.0 %
Advertising costs	$ 18,138	31.5 %	$ 19,668	30.7 %
Occupancy costs	5,132	8.9 %	5,672	8.9 %
Other direct costs	4,104	7.1 %	7,047	11.0 %
Costs of franchise and license revenue	$ 27,374	47.5 %	$ 32,387	50.6 %

	Quarter Ended				Two Quarters Ended			
	June 26, 2024		June 28, 2023		June 26, 2024		June 28, 2023	
	(In thousands)							
Royalties	$ 30,014	48.7 %	$ 30,376	49.0 %	$ 59,320	49.8 %	$ 60,403	47.9 %
Advertising revenue	20,788	33.8 %	19,853	32.0 %	38,926	32.7 %	39,521	31.4 %
Initial and other fees	2,448	4.0 %	2,616	4.2 %	4,264	3.6 %	7,606	6.0 %
Occupancy revenue	8,329	13.5 %	9,189	14.8 %	16,701	14.0 %	18,523	14.7 %
Franchise and license revenue	$ 61,579	100.0 %	$ 62,034	100.0 %	$ 119,211	100.0 %	$ 126,053	100.0 %
Advertising costs	$ 20,788	33.8 %	$ 19,853	32.0 %	$ 38,926	32.7 %	$ 39,521	31.4 %
Occupancy costs	5,094	8.3 %	5,792	9.3 %	10,226	8.6 %	11,464	9.1 %
Other direct franchise costs	7,546	12.3 %	4,815	7.8 %	11,650	9.8 %	11,862	9.4 %
Costs of franchise and license revenue	$ 33,428	54.3 %	$ 30,460	49.1 %	$ 60,802	51.0 %	$ 62,847	49.9 %

Franchise and license revenue decreased $6.4 million $0.5 million, or 10.0% 0.7%, for the quarter ended March 27, 2024 June 26, 2024 and $6.8 million, or 5.4%, year-to-date compared to the prior year period. periods. Royalties decreased $0.7 million $0.4 million, or 2.4% 1.2%, and $1.1 million, or 1.8%, for the current quarter and year-to-date period, respectively, compared to the prior year period. periods. The decrease decreases in royalties primarily resulted from a 1.2% decrease in Denny's domestic franchise same-store sales of 0.4% for the current quarter and 0.8% year-to-date as compared to the prior year periods and a decrease of 40 Denny's franchise equivalent units for the current quarter and 34 franchise equivalent units year-to-date, compared to the prior year periods. The decreases were partially offset by an increase in Keke's franchise equivalent units of four units for the current quarter and year-to-date.

Advertising revenue increased $0.9 million, or 4.7%, for the current quarter and decreased $0.6 million, or 1.5%, year-to-date compared to the prior year periods. The increase in advertising revenue for the current quarter primarily resulted from a $1.0 million increase in local advertising co-op contributions, partially offset by the impact from a 0.4% decrease in Denny's franchise same-store sales and a decrease of 40 Denny's franchise equivalent units. The decrease in advertising revenue for the year-to-date period primarily resulted from a $0.4 million decrease in local advertising co-op contributions, the impact of a 0.8% decrease in Denny's domestic franchise same-store sales and a decrease of 28 34 Denny's franchise equivalent units for the current quarter compared to the prior year period.

Advertising revenue decreased $1.5 million, or 7.8%, for the current quarter compared to the prior year period. The decrease in advertising revenue primarily resulted from a $1.4 million decrease in local advertising co-op contributions. The decrease in advertising revenue also includes the impact from a 1.2% decrease in Denny's domestic franchise same-store sales and a decrease of 28 Denny's franchise equivalent units for the current quarter compared to the prior year period. The decrease during the current quarter was partially offset by an increase of $0.5 million collected from Keke's franchise restaurants.

Initial and other fees decreased $3.2 million $0.2 million, or 63.6% 6.4%, for the quarter ended March 27, 2024 June 26, 2024 and $3.3 million, or 43.9%, year-to-date compared to the prior year period. periods. The decrease decreases in initial and other fees primarily resulted from a $2.1 million $0.2 million and $2.3 million decrease in revenue from the sale of equipment to franchisees during the current quarter and year-to-date period, respectively, as a result of the completion of our kitchen modernization program in 2023. Additionally, menu revenue decreased $1.0 million due to the timing of the prior year menu rollout. The revenue recorded related to the sale of equipment and menus has an equal and offsetting expense recorded in other direct costs as described below. Occupancy revenue decreased $1.0 million $0.9 million, or 10.3% 9.4%, for the current quarter and $1.8 million, or 9.8%, year-to-date compared to the prior year period, periods, primarily due to lease terminations.

Costs of franchise and license revenue decreased $5.0 million increased $3.0 million, or 15.5% 9.7%, for the quarter ended March 27, 2024 June 26, 2024 and decreased $2.0 million, or 3.3%, year-to-date compared to the prior year period. periods. Advertising costs decreased $1.5 million increased $0.9 million, or 7.8% 4.7%, for the current quarter and decreased $0.6 million, or 1.5%, year-to-date, which corresponds to the related advertising revenue increase for the current quarter and advertising revenue decrease year-to-date noted above. Occupancy costs decreased $0.5 million $0.7 million, or 9.5% 12.1%, for the current quarter and $1.2 million, or 10.8%, year-to-date compared to the prior year period, periods, primarily due to lease terminations, which corresponds to the related occupancy revenue decrease noted above. Other direct franchise costs decreased $2.9 million increased $2.7 million, or 41.8% 56.7%, for the current quarter and decreased $0.2 million, or 1.8%, year-to-date compared to the prior year period. periods. The increase in other direct franchise costs for the current quarter was primarily due to a $2.6 million distribution to franchisees related to a review of advertising costs, partially offset by a $0.2 million decrease in costs from the sale of equipment to franchisees as noted above. The year-to-date decrease in other direct franchise costs was primarily due to a $2.3 million decrease of $2.2 million of expense for in costs from the current quarter related to the cost sale of equipment sold to franchisees as mentioned above. Additionally, other direct franchise costs included note above, partially offset by a decrease $2.6 million distribution to franchisees related to a review of $1.0 million in menu costs for the current quarter. advertising costs. As a result of the changes in franchise and license revenue discussed above, costs of franchise and license revenue decreased increased to 47.5% 54.3% and 51.0% of franchise and license revenue for the quarter and year-to-date period ended March 27, 2024 June 26, 2024, respectively, from 50.6% 49.1% and 49.9% for the prior year period. periods, respectively.

Other Operating Costs and Expenses

Other operating costs and expenses such as general and administrative expenses and depreciation and amortization expense relate to both company and franchise operations.

General and administrative expenses consisted of the following:

	Quarter Ended	Quarter Ended			Two Quarters Ended	
	March 27, 2024	March 29, 2023	June 26, 2024	June 28, 2023	June 26, 2024	June 28, 2023
	(In thousands)	(In thousands)				
Corporate administrative expenses						
Share-based compensation						
Incentive compensation						
Deferred compensation valuation adjustments						
Total general and administrative expenses						

Corporate administrative expenses increased $1.0 million $0.6 million for the quarter ended March 27, 2024 June 26, 2024 and $1.6 million year-to-date compared to the prior year period. periods. The increase was increases were primarily due to compensation increases and increased travel. increases. Share-based compensation decreased $0.3 million increased $0.1 million for the current quarter primarily due to forfeitures in the prior year period and decreased $0.2 million year-to-date primarily due to forfeitures and our performance against plan metrics. Changes in deferred compensation valuation adjustments have offsetting gains or losses on the underlying nonqualified deferred plan investments included as a component of other non-operating expense (income), net, for the corresponding periods.

Depreciation and amortization consisted of the following:

	Quarter Ended	Quarter Ended			Two Quarters Ended	
	March 27, 2024	March 29, 2023	June 26, 2024	June 28, 2023	June 26, 2024	June 28, 2023
	(In thousands)	(In thousands)				
Depreciation of property and equipment						
Amortization of finance lease ROU assets						
Amortization of intangible and other assets						
Total depreciation and amortization expense						

Depreciation and amortization expense decreased increased during the quarter and year-to-date period ended March 27, 2024 June 26, 2024, primarily due to certain fixed asset depreciation related to new Keke's units.

Goodwill impairment charges were less than $0.1 million for the quarter and year-to-date period ended June 26, 2024 related to assets becoming fully depreciated. held for sale.

Operating (gains), losses and other charges, net consisted of the following:

	Quarter Ended		Two Quarters Ended	
	June 26, 2024	June 28, 2023	June 26, 2024	June 28, 2023
	Quarter Ended	(In thousands)		
	March 27, 2024	March 29, 2023		
	(In thousands)			
Gains on sales of assets and other, net				
Losses (gains) on sales of assets and other, net				
Impairment charges (1)				
Restructuring charges and exit costs				
Impairment charges				
Operating (gains), losses and other charges, net				

Gains (1) Impairment charges include impairments related to property, operating right-of-use assets, finance right-of-use assets, and reacquired franchise rights.

Losses (gains) on sales of assets and other, net for the quarter and year-to-date period ended March 27, 2024 and March 29, 2023 June 26, 2024 were primarily related to the sale of restaurants and real estate. Losses (gains) on sales of assets and other, net for the quarter and year-to-date period ended June 28, 2023 were primarily related to the sale of real estate.

Restructuring charges and exit costs consisted of the following:

	Quarter Ended	
	March 27, 2024	March 29, 2023
	(In thousands)	
Exit costs	$ 42	$ —
Severance and other restructuring charges	156	64
Total restructuring and exit costs	$ 198	$ 64

We recorded impairment charges of $0.1 million (consisting of property) $0.6 million and $0.7 million during the quarter and year-to-date period ended March 27, 2024 June 26, 2024, respectively, primarily related to assets held for sale and resulting from our assessment assessments of underperforming units and closed units. We recorded impairment

Restructuring charges and exit costs consisted of $0.1 million (consisting of property and right-of-use assets) during the quarter ended March 29, 2023, related to a unit held for sale. following:

	Quarter Ended		Two Quarters Ended	
	June 26, 2024	June 28, 2023	June 26, 2024	June 28, 2023
	(In thousands)			
Exit costs	$ 49	$ 52	$ 91	$ 52
Severance and other restructuring charges	371	1,646	527	1,710
Total restructuring and exit costs	$ 420	$ 1,698	$ 618	$ 1,762

Operating income was $10.0 million $9.1 million for the current quarter and $19.1 million year-to-date compared to $16.1 million $14.9 million and $31.1 million, respectively, for the prior year period. periods.

Interest expense, net consisted of the following:

	Quarter Ended		Quarter Ended		Two Quarters Ended	
	March 27, 2024	March 29, 2023	June 26, 2024	June 28, 2023	June 26, 2024	June 28, 2023
	(In thousands)		(In thousands)			
Interest on credit facility						
Interest income on interest rate swaps						
Interest on finance lease liabilities						
Letters of credit and other fees						
Interest income						

Total cash interest, net	
Amortization of deferred financing costs	
Amortization of interest rate swap losses	
Interest accretion on other liabilities	
Total interest expense, net	
Total interest expense, net	
Total interest expense, net	

Other nonoperating (income) expense, income, net was income of $0.6 million decreased $0.4 million for the quarter ended June 26, 2024 and increased $10.3 million year-to-date compared to the prior year periods. The decrease for the current quarter compared was due to expense of $10.1 million for the prior year period. Other nonoperating income, net for the current quarter primarily consisted of $0.7 million of fewer gains on deferred compensation plan investments, partially offset by losses of $0.1 million related investments. The increase for the year-to-date period was primarily due to early lease terminations. Prior year other nonoperating expense, net primarily consisted of $10.6 million of losses related to dedesignated interest rate swap valuation adjustments partially offset by gains of $0.5 million on deferred compensation plan investments. in the prior year period.

During the quarter ended March 29, 2023, we terminated a portion of our hedging relationship entered into in 2018 ("2018 Swaps"), reducing the previous maximum notional amount of $425 million on August 31, 2033 to $335 million. In addition, during the quarter ended March 29, 2023, we designated the remaining 2018 Swaps as cash flow hedges of our exposure to variability in future cash flows attributable to variable rate interest payments due on forecasted notional amounts. As a result, subsequent to the designation of the 2018 Swaps, gains and losses related to these cash flow hedges have been and will be recorded as a component of accumulated other comprehensive loss, net.

Provision for income taxes was $1.5 million $1.2 million for the quarter ended March 27, 2024 June 26, 2024 and $2.7 million year-to-date compared to $1.0 million $2.7 million and $3.6 million, respectively, for the prior year period. periods. The effective tax rate was 24.6% 25.1% for the current quarter and 24.8% year-to-date, compared to 61.5% 23.8% and 28.3% for the prior year period. periods, respectively. We expect the 2024 fiscal year effective tax rate to be between 23% and 27%. The annual effective tax rate cannot be determined until the end of the fiscal year; therefore, the actual rate could differ from our current estimates.

Net income was $4.7 million $3.6 million for the quarter ended March 27, 2024 June 26, 2024 and $8.3 million year-to-date compared to $0.6 million $8.5 million and $9.1 million, respectively, for the prior year period. periods.

Liquidity and Capital Resources

Our primary sources of liquidity and capital resources are cash generated from operations and borrowings under our credit facility (as described below). Principal uses of cash are operating expenses, capital expenditures, and the repurchase of shares of our common stock.

The following table presents a summary of our sources and uses of cash and cash equivalents for the periods indicated:

	Quarter Ended		Two Quarters Ended	
	March 27, 2024	March 29, 2023	June 26, 2024	June 28, 2023
	(In thousands)		(In thousands)	
Net cash provided by operating activities				
Net cash used in investing activities				
Net cash provided by (used in) financing activities				
(Decrease) increase in cash and cash equivalents				
Net cash used in financing activities				
Decrease in cash and cash equivalents				

Net cash flows provided by operating activities were $0.2 million $14.4 million for the quarter year-to-date period ended March 27, 2024 June 26, 2024 compared to $16.2 million $35.7 million for the quarter year-to-date period ended March 29, 2023 June 28, 2023. The decrease in net cash flows provided by operating activities was primarily due to a decrease in operating income and a decrease in inventory usage and receivable collections due to the timing completion of payments for accounts payable and other current liabilities over the past two years. our kitchen modernization program in 2023. We believe that our estimated cash flows from operations, combined with our capacity for additional borrowings under our credit facility and cash on hand, will enable us to meet our anticipated cash requirements and fund capital expenditures over the next 12 months.

Net cash flows used in investing activities were $5.3 million $10.3 million for the quarter year-to-date period ended March 27, 2024 June 26, 2024. These cash flows included capital expenditures of $4.9 million $9.9 million and investment purchases of $1.5 million, partially offset by net proceeds from the sale asset sales of real estate for $1.0 million. Net cash flows used in investing activities were $0.6 million $1.2 million for the quarter year-to-date period ended March 29, 2023 June 28, 2023. These cash flows included capital expenditures of $3.3 million and investment purchases of $1.3 million, partially offset by net proceeds from the sale of three parcels of real estate for $1.7 million $3.1 million.

Our principal capital requirements have been largely associated with the following:

Quarter Ended		Two Quarters Ended	
March 27, 2024	March 29, 2023	June 26, 2024	June 28, 2023
(In thousands)		(In thousands)	

Facilities
New construction
Remodeling
Information technology
Other
Capital expenditures

Net cash flows provided by used in financing activities were $1.4 million $7.8 million for the quarter year-to-date period ended March 27, 2024 June 26, 2024, including net long-term debt borrowings of $5.3 million and net bank overdrafts of $2.7 million, partially offset by cash payments for stock repurchases of $4.8 million $9.4 million and payments of tax withholding on share-based compensation of $1.9 million, partially offset by net long-term debt borrowings of $1.3 million and net bank overdrafts of $2.2 million. Net cash flows used in financing activities were $10.2 million $36.9 million for the quarter year-to-date period ended March 29, 2023 June 28, 2023, which included cash payments for stock repurchases of $9.0 million and $19.7 million, payments of tax withholding on share-based compensation of $2.8 million $3.0 million and net long-term debt payments of $15.4 million, partially offset by net long-term debt borrowings bank overdrafts of $2.0 million $1.2 million.

Our working capital deficit was $55.0 million $60.9 million at March 27, 2024 June 26, 2024 compared to $59.3 million at December 27, 2023, primarily due to a decrease in current assets, partially offset by a decrease in accounts payable during the quarter year-to-date period ended March 27, 2024 June 26, 2024. We are able to operate with a substantial working capital deficit because (1) restaurant operations and most food service operations are conducted primarily on a cash (and cash equivalent) basis with a low level of accounts receivable, (2) rapid turnover allows for a limited investment in inventories, and (3) accounts payable for food, beverages and supplies usually becomes due after the receipt of cash from the related sales.

Credit Facility

The Company and certain of its subsidiaries have a credit facility consisting of a five-year $400 million senior secured revolver (with a $25 million letter of credit sublimit). The credit facility includes an accordion feature that would allow us to increase the size of the facility to $450 million. Borrowings bear a tiered interest rate, which is based on the Company's consolidated leverage ratio. The maturity date for the credit facility is August 26, 2026.

The credit facility is available for working capital, capital expenditures and other general corporate purposes. The credit facility is guaranteed by the Company and its material subsidiaries and is secured by assets of the Company and its subsidiaries, including the stock of its subsidiaries (other than its insurance captive subsidiary). It includes negative covenants that are usual for facilities and transactions of this type. The credit facility also includes certain financial covenants with respect to a maximum consolidated leverage ratio and a minimum consolidated fixed charge coverage ratio. We were in compliance with all financial covenants as of March 27, 2024 June 26, 2024.

As of March 27, 2024 June 26, 2024, we had outstanding revolver loans of $261.2 million $257.5 million and outstanding letters of credit under the credit facility of $17.0 million $16.3 million. These balances resulted in unused commitments of $121.8 million $126.2 million as of March 27, 2024 June 26, 2024 under the credit facility.

As of March 27, 2024 June 26, 2024, borrowings under the credit facility bore interest at a rate of Adjusted Daily Simple SOFR plus 2.25%. Letters of credit under the credit facility bore interest at a rate of 2.38%. The commitment fee, paid on the unused portion of the credit facility, was set to 0.35%.

Prior to considering the impact of our interest rate swaps, described below, the weighted-average interest rate on outstanding revolver loans was 7.69% 7.68% and 7.41% as of March 27, 2024 June 26, 2024 and December 27, 2023, respectively. Taking into consideration our interest rate swaps that are designated as cash flow hedges, the weighted-average interest rate of outstanding revolver loans was 5.30% 5.18% and 5.04% as of March 27, 2024 June 26, 2024 and December 27, 2023, respectively.

Technology Transformation Initiatives

The Company has committed to investing approximately $4 million toward a new cloud-based restaurant technology platform in domestic franchise restaurants, which will lay the foundation for future technology initiatives to further enhance the guest experience. We currently expect the rollout to occur in 2024 and 2025.

Critical Accounting Policies and Estimates

For information regarding our Critical Accounting Policies and Estimates, see the "Critical Accounting Policies and Estimates" section in Part II, Item 7, "Management’s Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the fiscal year ended December 27, 2023.

Implementation of New Accounting Standards

Information regarding the implementation of new accounting standards is incorporated by reference from Note 2 to our unaudited Consolidated Financial Statements set forth in Part I, Item 1 of this report.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Interest Rate Risk

We have exposure to interest rate risk related to certain instruments entered into for other than trading purposes. Specifically, as of March 27, 2024 June 26, 2024, borrowings under our credit facility bore interest at variable rates based on Adjusted Daily Simple SOFR plus 2.25% per annum.

We have receive-variable, pay-fixed interest rate swaps to hedge the forecasted cash flows of our floating rate debt. A summary of our interest rate swaps as of March 27, 2024 June 26, 2024 is as follows:

Trade Date	Trade Date	Effective Date	Maturity Date	Notional Amount		Fair Value			Fixed Rate	Trade Date	Effective Date	Maturity Date	Notional Amount	
			(In thousands)											
Swaps designated as cash flow hedges														
Swaps designated as cash flow hedges														
Swaps designated as cash flow hedges														
March 20, 2015														
March 20, 2015														
March 20, 2015		March 29, 2018	March 31, 2025	$ 120,000	$	$ 3,040	2.34		2.34 %		March 29, 2018	March 31, 2025	$ 120,000	$ $
October 1, 2015	October 1, 2015	March 29, 2018	March 31, 2026	$ 50,000	$	$ 1,980	2.37		2.37 %	October 1, 2015	March 29, 2018	March 31, 2026	$ 50,000	$
February 15, 2018	February 15, 2018	March 31, 2020	December 31, 2033	$ 44,000	(1) (1)	$ 11,958		3.09	3.09 %	February 15, 2018	March 31, 2020	December 31, 2033	$ 52,000 (1) (1)	$ 13,764
Total														

(1) The notional amounts of the swaps entered into on February 15, 2018 increase periodically until they reach the maximum notional amount of $335 million on August 31, 2033.

As of March 27, 2024 June 26, 2024, our swaps effectively increased our ratio of fixed rate debt from 4% of total debt to 83% 87% of total debt. Based on the levels of borrowings under the credit facility at March 27, 2024 June 26, 2024, if interest rates changed by 100 basis points, our annual cash flow and income before taxes would change by $0.3 million $0.2 million. This computation is determined by considering the impact of hypothetical interest rates on the credit facility at March 27, 2024 June 26, 2024, taking into consideration the interest rate swaps that will be in effect during the next 12 months. However, the nature and amount of our borrowings may vary as a result of future business requirements, market conditions and other factors.

Depending on market considerations, fluctuations in the fair values of our interest rate swaps could be significant. With the exception of these changes in the fair value of our interest rate swaps and in the levels of borrowings under our credit facility, there have been no material changes in our quantitative and qualitative market risks since the prior reporting period. For additional information related to our interest rate swaps, including changes in the fair value, refer to Note 6, Note 7 and Note 13 to our unaudited Consolidated Financial Statements in Part I, Item 1 of this report.

Item 4. Controls and Procedures

As required by Rule 13a-15(b) under the Exchange Act, our management conducted an evaluation (under the supervision and with the participation of our Chief Executive Officer, Kelli F. Valade, and our Executive Vice President and Chief Financial Officer, Robert P. Verostek) as of the end of the period covered by this Quarterly Report on Form 10-Q, of the effectiveness of our disclosure controls and procedures as defined in Rule 13a-15(e) under the Exchange Act. Based on that evaluation, Ms. Valade and Mr. Verostek each concluded that our disclosure controls and procedures are effective to provide reasonable assurance that information required to be disclosed in the reports that we file or submit under the Exchange Act (i) is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms and (ii) is accumulated and communicated to our management, including Ms. Valade and Mr. Verostek, as appropriate to allow timely decisions regarding required disclosure.

There were no changes in our internal control over financial reporting identified in connection with the evaluation required by Rule 13a-15(d) of the Exchange Act that occurred during our fiscal quarter ended March 27, 2024 June 26, 2024 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

Information regarding legal proceedings is incorporated by reference from Note 14 to our unaudited Consolidated Financial Statements set forth in Part I, Item 1 of this report.

Item 1A. Risk Factors

There have been no material changes in the risk factors set forth in Part I, Item 1A, “Risk Factors” in our Annual Report on Form 10-K for the fiscal year ended December 27, 2023.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Purchases of Equity Securities by the Issuer

The table below provides information concerning repurchases of shares of our common stock during the quarter ended March 27, 2024 June 26, 2024.

Period	Total Number of Shares Purchased	Average Price Paid Per Share (1)	Total Number of Shares Purchased as Part of Publicly Announced Programs (2)	Dollar Value of Shares that May Yet be Purchased Under the Programs (2)
	(In thousands, except per share amounts)			
December 28, 2023 - January 24, 2024	155	$ 10.63	155	$ 98,775
January 25, 2024 - February 21, 2024	176	10.09	176	$ 96,998
February 22, 2024 - March 27, 2024	145	9.11	145	$ 95,665
Total	476	$ 9.97	476	

Period	Total Number of Shares Purchased	Average Price Paid Per Share (1)	Total Number of Shares Purchased as Part of Publicly Announced Programs (2)	Dollar Value of Shares that May Yet be Purchased Under the Programs (2)
	(In thousands, except per share amounts)			
March 28, 2024 - April 24, 2024	95	$ 8.48	95	$ 94,859
April 25, 2024 - May 22, 2024	135	8.03	135	$ 93,772
May 23, 2024 - June 26, 2024	397	6.94	397	$ 90,963
Total	627	$ 7.41	627	

(1) Average price paid per share excludes commissions and any excise taxes paid.

(2) On December 2, 2019, we announced that our Board of Directors approved a share repurchase program, authorizing us to repurchase up to an additional $250 million of our common stock (in addition to prior authorizations). Such repurchases may take place from time to time in the open market (including pre-arranged stock trading plans in accordance with the guidelines specified in Rule 10b5-1 under the Exchange Act) or in privately negotiated transactions, subject to market and business conditions. During the quarter ended March 27, 2024 June 26, 2024, we purchased 0.5 million 0.6 million shares of our common stock for an aggregate consideration of $4.8 million $4.7 million pursuant to the share repurchase program.

Item 5. Other Information

Rule 10b5-1 Trading Plans

During the quarter ended March 27, 2024 June 26, 2024, none of the Company’s directors or officers informed the Company of the adoption or termination of a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as those terms are defined in Regulation S-K, Item 408.

Item 6. Exhibits

The following are included as exhibits to this report:

Exhibit No.	Description
10.1	Form of 2024 Long-Term Incentive Program Restricted Share Unit Award Certificate.
10.2	Form of 2024 Long-Term Incentive Program Performance Share Unit Award Certificate.
31.1	Certification of Kelli F. Valade, Chief Executive Officer of Denny's Corporation, pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Robert P. Verostek, Executive Vice President and Chief Financial Officer of Denny's Corporation, pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Kelli F. Valade, Chief Executive Officer of Denny's Corporation, and Robert P. Verostek, Executive Vice President and Chief Financial Officer of Denny's Corporation, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document)
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

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.

DENNY'S CORPORATION

Date:	April July 30, 2024	By:	/s/ Robert P. Verostek
			Robert P. Verostek
			Executive Vice President and Chief Financial Officer
Date:	April July 30, 2024	By:	/s/ Jay C. Gilmore
			Jay C. Gilmore
			Senior Vice President, Chief Accounting Officer and Corporate Controller

slide1

2024 Long-Term Incentive Program Denny's Corporation Restricted Stock Unit 203 East Main Street Award Certificate Spartanburg, SC 29319 «Name» ("Grantee"), Denny's Corporation (the "Company") has granted to you ("Grantee") a restricted stock unit award (the "Award") denominated in a number of restricted stock units (the "Restricted Stock Units"). The terms and conditions relating to the Restricted Stock Units are set forth in this Award Certificate. The Restricted Stock Units are rights that entitle you to earn shares of the Company's $0.01 par value common stock ("Shares"), on a one-for-one basis. The Award is granted under the Denny's Corporation 2021 Omnibus Incentive Plan (the "Plan"). By accepting the Award, you shall be deemed to have agreed to the terms and conditions set forth in this Award Certificate. The Restricted Stock Units will vest (become non-forfeitable) in three (3) equal installments on the last day of the Company's 2024, 2025, and 2026 fiscal years, subject in each case to your continued employment with the Company through such date, unless vesting is accelerated under Section 2 or Section 3 of the attached Terms and Conditions in the event of certain employment terminations or a change in control. The number of Restricted Stock Units covered by your Award will be determined as follows: Target Value of Restricted Stock Units ("Target Value") = $_____ Number of Restricted Stock Units = Target Value/$[xx.xx]1 or _____ Restricted Stock Units2 This Award is governed by the terms of the Plan, and subject to the Terms and Conditions on the following page. Capitalized terms used herein and not otherwise defined shall have the meanings assigned to such terms in the Plan. Grant Date: ________________ [Officer Name] [Officer Title] Denny's Corporation 1The average closing market price per Share for the last 20 trading days of the Company's 2023 fiscal year. 2Rounded up to the nearest whole share.

---

slide2

TERMS AND CONDITIONS 1. Vesting and Forfeiture of Award. The Award will vest and become non-forfeitable in three (3) equal installments on the last day of the Company's 2024, 2025 and 2026 fiscal years (each a "Regular Vesting Date") subject in each case to Grantee's continued employment. Only a whole number of Restricted Stock Units will become vested as of any given Regular Vesting Date. If the number of Restricted Stock Units determined as of a Regular Vesting Date is a fractional number, the number vesting will be rounded down to the nearest whole number with any fractional portion carried forward. The Award shall vest, in full or in part, on an accelerated basis under certain circumstances as provided in Section 2 and Section 3 below. Notwithstanding anything contained herein to the contrary, if Grantee's employment with the Company terminates for any reason other than as set forth in paragraph (a) or (b) of Section 2 below, Grantee shall forfeit all of Grantee's right, title and interest in and to any unvested Restricted Stock Units as of the date of termination of employment. In addition, if Grantee's employment is terminated by the Company for Cause, Grantee shall also forfeit any vested Restricted Stock Units that have not yet been converted to Shares. 2. Accelerated Vesting Under Certain Employment Terminations. The Award shall be subject to accelerated vesting in connection with a termination of employment under certain circumstances, as set forth below. (a) Death or Disability. Upon Grantee's termination of employment with the Company due to death or Disability, a pro rata portion of the Restricted Stock Units, to the extent then outstanding and not previously vested, will vest and become non- forfeitable. The pro rata portion shall be determined by multiplying one third (1/3) of the number of Restricted Stock Units covered by Grantee's Award by a fraction, (i) the numerator of which is the number of days that Grantee was employed during the Company's fiscal year in which the employment termination date occurs, and (ii) the denominator of which is the total number of days in that fiscal year, rounded up to the next whole Restricted Stock Unit (as so determined, the "Pro Rata Amount"). (b) Retirement. Upon Grantee's termination of employment with the Company due to Retirement (as defined below), the Pro Rata Amount (as defined in Section 2(a) above) of the Restricted Stock Units will vest and become non-forfeitable, provided Grantee does not engage in any Restricted Activities with a Competitor (each as defined below) prior to the next Regular Vesting Date (to the extent such restrictions are permissible under applicable law). For purposes of this Award Certificate: "Competitor" means all breakfast and family dining restaurants, including without limitation, [LIST OF NAMED COMPETITORS]. "Restricted Activities" means with respect to a Competitor, accepting employment, serving on a board of directors or otherwise being engaged as a consultant or advisor.

slide3

“Retirement” means Grantee’s voluntary resignation or termination of employment without Cause on or after attainment of age 55, provided that the sum of Grantee’s age and years of service with the Company is equal to or greater than 70. 3. Accelerated Vesting Upon a Change in Control. Upon a Change in Control of the Company during Grantee’s employment, the Restricted Stock Units (to the extent then unvested and not previously forfeited) will vest and become non-forfeitable. 4. Settlement of Restricted Stock Units. Except as otherwise provided in this Section 4 or in Section 6, (i) Restricted Stock Units that vest pursuant to Section 1 on a Regular Vesting Date (and are not otherwise forfeited due to a termination for Cause) shall convert into Shares and be paid out within 30 days following the applicable Regular Vesting Date, (ii) the Pro Rata Amount of Restricted Stock Units that vest pursuant to Section 2(a) (termination due to death or Disability) shall convert into Shares and be paid out within 30 days following the date of termination of employment, (iii) the Pro Rata Amount of Restricted Stock Units that vest pursuant to Section 2(b) (Retirement) shall convert into Shares and be paid out within 30 days following the next Regular Vesting Date to occur (or if sooner, a Change in Control), but in no event later than March 15 of the year following the year in which the termination of employment described in Section 2 occurs, and (iv) Restricted Stock Units that vest pursuant to Section 3 shall convert into Shares and be paid out within 30 days following the Change in Control. Shares paid upon conversion of the Restricted Stock Units will be registered on the books of the Company in Grantee’s name (or in street name to Grantee’s brokerage account) as of the date of payment in uncertificated (book-entry) form. 5. Limitation of Rights. The Award does not confer to Grantee or Grantee’s beneficiary any rights of a stockholder of the Company unless and until Shares are in fact issued to such person in connection with the Award. Nothing in this Award Certificate shall interfere with or limit in any way the right of the Company or any Affiliate to terminate Grantee’s employment at any time, nor confer upon Grantee any right to continue in employment of the Company or any Affiliate. From and after the Grant Date and until the earlier of (a) the time when the Restricted Stock Units become vested and are paid in accordance with this Award Certificate or (b) the time when Grantee’s right to receive Shares in payment of the Restricted Stock Units is forfeited in accordance with this Award Certificate, on the date the Company pays a cash dividend (if any) to holders of Shares generally, Grantee shall be credited with a cash amount per Restricted Stock Unit equal to the amount of such dividend per Share. Any amounts credited pursuant to the immediately preceding sentence shall be subject to the same applicable terms and conditions (including vesting, payment and forfeitability) as apply to the Restricted Stock Units to which they relate, and such cash amounts shall be paid only if and when the Restricted Stock Units to which they relate are settled. 6. Payment of Taxes. Grantee will owe federal, state, and local taxes in connection with the Award (the “Taxes”)). The withholding of Taxes shall be mandatorily satisfied by withholding from the settlement of the Restricted Stock Units a number of Shares having a fair market value equal to the amount required to be withheld for the Taxes. Grantee’s

---

slide4

acceptance of the Award constitutes Grantee’s acknowledgement that the Company will withhold on Grantee’s behalf a number of Shares sufficient to satisfy the Taxes. The obligations of the Company under this Award Certificate will be conditional on such payment of the Taxes by Grantee. Notwithstanding anything to the contrary contained in this Section 6, Section 15, or otherwise, the Company (i) makes no representations or undertakings regarding the treatment of Taxes in connection with any aspect of this Award, and (ii) does not commit to structure the terms of the Award to reduce or eliminate Grantee’s liability for Taxes. 7. Restrictions on Issuance of Shares. If at any time the Compensation and Incentives Committee of the Board (the “Compensation Committee”) shall determine, in its discretion, that registration, listing or qualification of the Shares underlying the Restricted Stock Units upon any securities exchange or similar self-regulatory organization or under any foreign, federal, or local law or practice, or the consent or approval of any governmental regulatory body, is necessary or desirable as a condition to the settlement of the Restricted Stock Units, the Shares will not be paid unless and until such registration, listing, qualification, consent or approval shall have been effected or obtained free of any conditions not acceptable to the Compensation Committee. 8. Plan Controls. The terms contained in the Plan are incorporated into and made a part of this Award Certificate and this Award Certificate shall be governed by and construed in accordance with the Plan. In the event of any actual or alleged conflict between the provisions of the Plan and the provisions of this Award Certificate, the provisions of the Plan shall be controlling and determinative. 9. Successors. This Award Certificate shall be binding upon any successor of the Company, in accordance with the terms of this Award Certificate and the Plan. 10. Severability. If any one or more of the provisions contained in this Award Certificate is deemed to be invalid, illegal or unenforceable, the other provisions of this Award Certificate will be construed and enforced as if the invalid, illegal or unenforceable provision had never been included. 11. Notice. Notices and communications under this Award Certificate must be in writing and either personally delivered or sent by registered or certified United States mail, return receipt requested, postage prepaid. Notices to the Company must be addressed to Denny’s Corporation, 203 East Main Street, Spartanburg, SC 29319-0001, Attn: Secretary, or any other address designated by the Company in a written notice to Grantee. Notices to Grantee will be directed to the address of Grantee then currently on file with the Company, or at any other address given by Grantee in a written notice to the Company. 12. Compensation Recovery (Clawback) Policies. (a) Dodd-Frank Clawback Policy. The Award is subject to the requirements of (i) Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (regarding recovery of erroneously awarded compensation) and any implementing rules and regulations thereunder (the “Dodd-Frank Clawback Rules”), and (ii) the

slide5

Company's Dodd-Frank Clawback Policy and any other policies adopted by the Company to implement such requirements, all to the extent determined by the Company in its discretion to be applicable to Grantee. For the avoidance of doubt, if the Dodd-Frank Clawback Rules and any implementing policy apply to Grantee, then the Company may take action against this Award or any proceeds the Grantee receives from it to recover any erroneously awarded compensation the Grantee may have received from the Company (whether related to this Award or otherwise), all in accordance with the Dodd-Frank Clawback Rules and the applicable implementing policy and subject to the requirements of applicable law. This Section 12(a) is in addition to, and not in lieu of, Section 15.7 of the Plan. (b) Other Clawback Policies. In addition to the provisions of Section 12(a) and in consideration for the grant of the Award, Grantee agrees to be subject to the “Other Clawback Policies,” which consist of: (i) any compensation, clawback, recoupment or similar policies of the Company or its Affiliates that may be in effect from time to time, whether adopted before or after the Grant Date (including, but not limited to, the Company’s Incentive Compensation Clawback Policy), and (ii) to such other clawback provisions and policies as may be required by applicable law, regulation or exchange listing standard. Grantee understands that the Other Clawback Policies are not limited in their application to the Award, or to equity or cash received in connection with the Award. To the extent that any Other Clawback Policies are now or in the future applicable to Grantee, Grantee agrees that Grantee is hereby bound by such Other Clawback Policies in its entirety. This Section 12(b) is in addition to, and not in lieu of, Section 15.7 of the Plan. 13. Other Company Policies. Grantee agrees, in consideration for the grant of the Restricted Stock Units, to be subject to any policies of the Company and its Affiliates regarding securities trading, and hedging or pledging of securities, that may be in effect from time to time, or as may otherwise be required by applicable law, regulation or exchange listing standard. 14. Governing Law. This Award Certificate shall be governed by the laws of the State of Delaware, excluding any conflicts or choice of law, rule or principle that might otherwise refer construction or interpretation of this Award Certificate to the substantive law of another jurisdiction. 15. Section 409A Compliance. This Award Certificate is intended to be exempt from or otherwise comply with the provisions of Section 409A of the Code. The Company may change or modify the terms of this Award Certificate without Grantee’s consent or signature if the Company determines, in its sole discretion, provided that such change or modification is necessary for purposes of compliance with or exemption from the requirements of Section 409A of the Code or any regulations or other guidance issued thereunder. 16. Electronic Delivery of Documents. Grantee authorizes the Company to deliver electronically any prospectuses or other documentation related to the Award and any other compensation or benefit plan or arrangement in effect from time to time (including, without

---

slide6

limitation, reports, proxy statements or other documents that are required to be delivered to participants in such arrangements pursuant to federal or state laws, rules or regulations). For this purpose, electronic delivery will include, without limitation, delivery by means of e-mail or e-mail notification that such documentation is available on the Company's Intranet site. Upon written request, the Company will provide to Grantee a paper copy of any document also delivered to Grantee electronically. The authorization described in this paragraph may be revoked by Grantee at any time by written notice to the Company. 17. Further Assurances. Grantee agrees, upon demand of the Company or the Compensation Committee, to do all acts and execute, deliver, and perform all additional documents, instruments, and agreements that may be reasonably required by the Company or the Compensation Committee, as the case may be, to implement the provisions and purposes of this Award and the Plan.

slide1

2024 Long-Term Incentive Program Denny's Corporation Performance Share Unit 203 East Main Street Award Certificate Spartanburg, SC 29319 «Name» ("Grantee") Denny's Corporation (the "Company") has granted to you a performance share unit award (the "Award") denominated in a target number of performance share units (the "Performance Share Units" or "PSUs"). The PSUs are rights that entitle you to earn shares of the Company's $0.01 par value common stock ("Shares"), on a one-for-one basis. The Award is granted under the Denny's Corporation 2021 Omnibus Incentive Plan (the "Plan"). By accepting the Award, you shall be deemed to have agreed to the terms and conditions set forth in this Award Certificate and the Plan. As described in detail in the Terms and Conditions attached to this Award Certificate, you may earn between 0 to 200% of the PSUs based on the Company's achievement of [THE PERFORMANCE VESTING REQUIREMENT(S) LISTED ON APPENDIX A] during the Performance Period. The target number of PSUs underlying this Award was determined as follows: Target Grant Date Value of Award: $________/$[xx.xx]1 = ______ Target PSUs Performance Period: December 28, 2023 to December 30, 2026 This Award is governed by the terms of the Plan, and subject to the Terms and Conditions on the pages that follow. Capitalized terms used herein and not otherwise defined shall have the meanings assigned to such terms in the Plan. Grant Date: [OFFICER NAME] [TITLE] Denny's Corporation 1 The average closing market price per Share for the last 20 trading days of the Company's 2023 fiscal year. The Target PSUs is then rounded up to nearest whole share.

---

slide2

2 TERMS AND CONDITIONS 1. Vesting and Forfeiture of Award. The Award will vest and become non-forfeitable on the last day of the Performance Period, subject to Grantee's continued employment through such date and based on the achievement of [THE PERFORMANCE VESTING REQUIREMENT(S)], as described below. (a) [INSERT PERFORMANCE VESTING CRITERIA] (b) The Award shall vest on an accelerated basis under certain circumstances, as provided in Section 2 and Section 3 below. Notwithstanding anything contained herein to the contrary, if Grantee's employment with the Company terminates for any reason other than as set forth in Section 2(a) or Section 2(b) below, Grantee shall forfeit all of Grantee's right, title and interest in and to unvested PSUs as of the date of termination of employment. In addition, if Grantee's employment is terminated by the Company for Cause, Grantee shall also forfeit any vested PSUs that have not yet been converted to Shares; provided, that the foregoing shall not apply to any vested PSUs that are deferred pursuant to Section 15 below. 2. Accelerated Vesting Under Certain Employment Terminations. The Award shall be subject to accelerated vesting in connection with a termination of employment under certain circumstances, as set forth below. (a) Death or Disability. Upon Grantee's termination of employment with the Company due to death or Disability prior to the end of the Performance Period, the Company will multiply the Target PSUs by a fraction, the numerator of which is the number of days elapsed from the first day of the Performance Period through the employment termination date, and the denominator of which is 1,099 (such amount, the "Pro Rata Target PSUs"). The Award will then vest in accordance with Section 1(a) above, provided that, (x) for purposes of the calculation, "Pro Rata Target PSUs" will be substituted for "Target PSUs," and (y) [FOR TSR-BASED GOALS: the Performance Period shall be considered to have ended on the last day of the Company's most recently completed fiscal quarter] OR [FOR OTHER PERFORMANCE CRITERIA: 100% of the Pro Rata Target PSUs shall vest]. (b) Retirement. Upon Grantee's termination of employment with the Company due to Retirement (as defined below), the Award will vest in accordance with Section 1(a) above at the end of the regular Performance Period, provided that, (x) for purposes of the calculations, "Pro Rata Target PSUs" will be substituted for "Target PSUs," and (y) Grantee has not engaged in any Restricted Activities with a Competitor (each as defined below) during the Performance Period (to the extent such restrictions are permissible under applicable law). For the avoidance of doubt, the calculation described in this Section 2(b) shall be based on [PERFORMANCE CRITERIA] for the three-year Performance Period, provided that in the event of a Change in Control following Grantee's Retirement but before the end of the Performance Period, the number of PSUs earned shall be calculated in accordance with Section 3 but shall still be prorated in accordance with this Section 2(b) based upon the Grantee's Retirement date.

slide3

3 3. Accelerated Vesting Upon a Change in Control. Upon a Change in Control of the Company during the Performance Period, the Award will vest in accordance with Section 1(a), subject to Grantee's continued employment through the Change in Control, provided that [FOR TSR-BASED GOALS: the Performance Period shall be considered to have ended on the date of the Change in Control] OR [FOR OTHER PERFORMANCE CRITERIA: the number of PSUs to vest will be based on assumed [PERFORMANCE CRITERIA] performance results at the greater of (i) target and (ii) estimated actual performance through the Change in Control, as determined by the Committee]. 4. Settlement of Performance Share Units. Except to the extent deferred in accordance with Section 15 below, (i) PSUs that vest pursuant to Section 1 (and are not otherwise forfeited due to a termination for Cause) will convert into Shares and be paid out as soon as practicable following the end of the Performance Period, but in no event later than 60 days following the end of the Performance Period, (ii) PSUs that vest pursuant to Section 2(a) (termination due to death or Disability) will convert into Shares and be paid out within 30 days following the employment termination date, (iii) PSUs that vest pursuant to Section 2(b) (Retirement) will convert into Shares and be paid out as soon as practicable following the end of the Performance Period, but in no event later than 60 days following the end of the Performance Period (or if sooner, within 30 days following a Change in Control) and (iv) PSUs that vest pursuant to Section 3 (Change in Control) will convert into Shares and be paid out within 30 days following the Change in Control. Any fractional Shares will be rounded up or down to the nearest next whole Share. Any PSUs that do not become vested will be forfeited. Stock certificates evidencing Shares paid hereunder will be registered on the books of the Company in Grantee's name (or in street name to Grantee's brokerage account) as of the date of payment in uncertificated (book-entry) form. 5. Definitions. For purposes of this Award Certificate: (a) [ADD APPLICABLE DEFINITIONS FOR PERFORMANCE CRITERIA] (b) "Competitor" means all breakfast and family dining restaurants, including without limitation, [LIST OF NAMED COMPETITORS]. (c) "Restricted Activities" means with respect to a Competitor, accepting employment, serving on a board of directors or otherwise being engaged as a consultant or advisor. (d) "Retirement" means Grantee's voluntary resignation or termination of employment without Cause on or after attainment of age 55, provided that the sum of Grantee's age and years of service with the Company is equal to or greater than 70. 6. Limitation of Rights. The Award does not confer to Grantee or Grantee's beneficiary any rights of a stockholder of the Company unless and until Shares are in fact issued to such person in connection with the Award. Nothing in this Award Certificate shall interfere with or limit in any way the right of the Company or any Affiliate to terminate Grantee's employment at any time, nor confer upon Grantee any right to continue in employment of the Company or any Affiliate. 7. Payment of Taxes. Grantee will owe

federal, state, and local taxes in connection with the Award (the "Taxes")). The withholding of Taxes shall be mandatorily satisfied by withholding from the settlement of the PSUs a number of Shares having a fair market value equal to the amount

slide4

4 required to be withheld for the Taxes (provided, however, that if Grantee has elected to defer 100% of the Grantee's Award as provided in Section 15 herein (or a lesser amount but the remaining number of Shares are insufficient to cover the applicable FICA obligation), any Grantee FICA obligation will be separately payable to the Company by cash or check). Grantee's acceptance of the Award constitutes Grantee's acknowledgement that the Company will withhold on Grantee's behalf a number of Shares sufficient to satisfy the Taxes. The obligations of the Company under this Award Certificate will be conditional on such payment of the Taxes by Grantee. Notwithstanding anything to the contrary contained in this Section 7, Section 15, Section 17, or otherwise, the Company (i) makes no representations or undertakings regarding the treatment of Taxes in connection with any aspect of this Award, and (ii) does not commit to structure the terms of the Award to reduce or eliminate Grantee's liability for Taxes. 8. Restrictions on Issuance of Shares. If at any time the Compensation and Incentives Committee of the Board (the "Compensation Committee") shall determine, in its discretion, that registration, listing or qualification of the Shares underlying the PSUs upon any securities exchange or similar self-regulatory organization or under any foreign, federal, or local law or practice, or the consent or approval of any governmental regulatory body, is necessary or desirable as a condition to the settlement of the PSUs, the Shares will not be paid unless and until such registration, listing, qualification, consent or approval shall have been effected or obtained free of any conditions not acceptable to the Compensation Committee. 9. Plan Controls. The terms contained in the Plan are incorporated into and made a part of this Award Certificate and this Award Certificate shall be governed by and construed in accordance with the Plan. In the event of any actual or alleged conflict between the provisions of the Plan and the provisions of this Award Certificate, the provisions of the Plan shall be controlling and determinative. 10. Successors. This Award Certificate shall be binding upon any successor of the Company, in accordance with the terms of this Award Certificate and the Plan. 11. Severability. If any one or more of the provisions contained in this Award Certificate is deemed to be invalid, illegal or unenforceable, the other provisions of this Award Certificate will be construed and enforced as if the invalid, illegal or unenforceable provision had never been included. 12. Notice. Notices and communications under this Award Certificate must be in writing and either personally delivered or sent by registered or certified United States mail, return receipt requested, postage prepaid. Notices to the Company must be addressed to Denny's Corporation, 203 East Main Street, Spartanburg, SC 29319-0001, Attn: Secretary, or any other address designated by the Company in a written notice to Grantee. Notices to Grantee will be directed to the address of Grantee then currently on file with the Company, or at any other address given by Grantee in a written notice to the Company. 13. Compensation Recovery (Clawback) Policies. (a) Dodd-Frank Clawback Policy. The Award is subject to the requirements of (i) Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (regarding

slide5

5 recovery of erroneously awarded compensation) and any implementing rules and regulations thereunder (the “Dodd-Frank Clawback Rules”), and (ii) the Company’s Dodd-Frank Clawback Policy and any other policies adopted by the Company to implement such requirements, all to the extent determined by the Company in its discretion to be applicable to Grantee. For the avoidance of doubt, if the Dodd-Frank Clawback Rules and any implementing policy apply to Grantee, then the Company may take action against this Award or any proceeds the Grantee receives from it to recover any erroneously awarded compensation the Grantee may have received from the Company (whether related to this Award or otherwise), all in accordance with the Dodd-Frank Clawback Rules and the applicable implementing policy and subject to the requirements of applicable law. This Section 13(a) is in addition to, and not in lieu of, Section 15.7 of the Plan. (b) Other Clawback Policies. In addition to the provisions of Section 13(a) and in consideration for the grant of the Award, Grantee agrees to be subject to the “Other Clawback Policies,” which consist of: (i) any compensation, clawback, recoupment or similar policies of the Company or its Affiliates that may be in effect from time to time, whether adopted before or after the Grant Date (including, but not limited to, the Company’s Incentive Compensation Clawback Policy), and (ii) to such other clawback provisions and policies as may be required by applicable law, regulation or exchange listing standard. Grantee understands that the Other Clawback Policies are not limited in their application to the Award, or to equity or cash received in connection with the Award. To the extent that any Other Clawback Policies are now or in the future applicable to Grantee, Grantee agrees that Grantee is hereby bound by such Other Clawback Policies in its entirety. This Section 13(b) is in addition to, and not in lieu of, Section 15.7 of the Plan. 14. Other Company Policies. Grantee agrees, in consideration for the grant of the PSUs, to be subject to any policies of the Company and its Affiliates regarding securities trading, and the hedging or pledging of securities, that may be in effect from time to time, or as may otherwise be required by applicable law, regulation or exchange listing standard. 15. Deferral Election. Notwithstanding anything contained herein to the contrary, Grantee will be permitted to make deferral elections with respect to the Award pursuant to the Denny’s Deferred Compensation Plan, as amended and restated (the “DC Plan”). Any deferral election shall be made in accordance with Section 409A of the Code, the DC Plan terms and pursuant to a Deferral Agreement (as defined in the DC Plan) and may be credited with Dividend Equivalents as set forth in the DC Plan. 16. Governing Law. This Award Certificate shall be governed by the laws of the State of Delaware, excluding any conflicts or choice of law, rule or principle that might otherwise refer construction or interpretation of this Award Certificate to the substantive law of another jurisdiction. 17. Section 409A Compliance. This Award Certificate is intended to be exempt from or otherwise comply with the provisions of Section 409A of the Code. The Company may change or modify the terms of this Award Certificate without Grantee’s consent or signature if the Company determines, in its sole discretion, provided that such change or modification is necessary for purposes of compliance with or exemption from the requirements of Section 409A of the Code or any regulations or other guidance issued thereunder.

---

slide6

6 18. Electronic Delivery of Documents. Grantee authorizes the Company to deliver electronically any prospectuses or other documentation related to the Award and any other compensation or benefit plan or arrangement in effect from time to time (including, without limitation, reports, proxy statements or other documents that are required to be delivered to participants in such arrangements pursuant to federal or state laws, rules or regulations). For this purpose, electronic delivery will include, without limitation, delivery by means of e-mail or e-mail notification that such documentation is available on the Company's Intranet site. Upon written request, the Company will provide to Grantee a paper copy of any document also delivered to Grantee electronically. The authorization described in this paragraph may be revoked by Grantee at any time by written notice to the Company. 19. Further Assurances. Grantee agrees, upon demand of the Company or the Compensation Committee, to do all acts and execute, deliver, and perform all additional documents, instruments, and agreements that may be reasonably required by the Company or the Compensation Committee, as the case may be, to implement the provisions and purposes of this Award and the Plan.

Exhibit 31.1

CERTIFICATION

I, Kelli F. Valade, certify that:

1. I have reviewed this report on Form 10-Q of Denny's Corporation;

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 function):

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 controls over financial reporting.

Date:	April July 30, 2024	By:	/s/ Kelli F. Valade
			Kelli F. Valade
			Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, Robert P. Verostek, certify that:

1. I have reviewed this report on Form 10-Q of Denny's Corporation;

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 function):

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 controls over financial reporting.

Date:	April July 30, 2024	By:	/s/ Robert P. Verostek
			Robert P. Verostek
			Executive Vice President and
			Chief Financial Officer

Exhibit 32.1

CERTIFICATION

Kelli F. Valade
Chief Executive Officer
of Denny's Corporation

and

Robert P. Verostek
Executive Vice President and Chief Financial Officer
of Denny's Corporation

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 Denny's Corporation (the "Company") on Form 10-Q for the quarter ended March 27, 2024 June 26, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Kelli F. Valade, Chief Executive Officer of the Company, and I, Robert P. Verostek, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1) The Report fully complies with the requirements of Section 13(a) or 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.

Date:	April July 30, 2024	By:	/s/ Kelli F. Valade
			Kelli F. Valade
			Chief Executive Officer

Date:	April July 30, 2024	By:	/s/ Robert P. Verostek
			Robert P. Verostek
			Executive Vice President and
			Chief Financial Officer

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Denny's Corporation and will be retained by Denny's Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

DISCLAIMER

THE INFORMATION CONTAINED IN THE REFINITIV CORPORATE DISCLOSURES DELTA REPORT™ IS A COMPARISON OF TWO FINANCIALS PERIODIC REPORTS. THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE REPORT INCLUDING THE TEXT AND THE COMPARISON DATA AND TABLES. IN NO WAY DOES REFINITIV OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BASED UPON THE INFORMATION PROVIDED IN THIS REPORT. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S ACTUAL SEC FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.