







restaurant sales during the nine months ended September 30, 2024. Approximately 45 of the leases met the sales levels that required variable rent payments by the Company (as lessee), based on a percentage of restaurant sales during the nine months ended September 30, 2024.12Table of ContentsDine Brands Global, Inc. and SubsidiariesNotes to Consolidated Financial Statements (Continued)6. Leases (Continued)The Company's lease (income) cost for the three and nine months ended September 30, 2024 and 2023 was as follows: Three Months Ended September 30,Nine Months Ended September 30,2024202320242023(In millions)Finance lease cost:Amortization of right-of-use assets\$0.7A \$0.6A \$0.2A \$1.9A Interest on lease liabilities0.7A 0.7A 2.2A 2.1A Operating lease cost18.3A 18.5A 54.8A 56.7A Variable lease cost1.9A 1.8A 5.9A 5.9A Short-term lease cost0.0A 0.0A 0.0A 0.0A Sublease income(25.8)(26.8)(79.7)(83.3)Lease income\$(4.2)\$(5.2)\$(14.8)\$(16.7)Future minimum lease payments under noncancelable leases as lessee as of September 30, 2024 were as follows:FinanceLeasesOperatingLeasesA (in millions)2024 (remaining three months)\$2.0A \$20.7A 2025.9A 77.7A 2026.7A 61.9A 2027.5A 53.3A 20284.8A 38.9A Thereafter26.0A 153.3A Total minimum lease payments54.8A 415.8A Less: interest/imputed interest(13.8)(83.4)Total obligations41.0A 332.4A Less: current portion(5.3)(61.2)Long-term lease obligations\$35.7A \$271.2A The weighted average remaining lease term as of September 30, 2024 was 5.6 years for finance leases and 6.0 years for operating leases. The weighted average discount rate as of September 30, 2024 was 9.2% for finance leases and 5.9% for operating leases. During the three and nine months ended September 30, 2024 and 2023, the Company made the following cash payments for leases:Three Months Ended September 30,Nine Months Ended September 30,2024202320242023(In millions)Principal payments on finance lease obligations\$1.3A \$1.7A \$4.4A \$5.3A Interest payments on finance lease obligations0.7A 0.7A 2.2A 2.1A Payments on operating leases20.8A 20.1A 62.6A 61.3A Variable lease payments1.9A 1.9A 6.0A 6.0A 13Table of ContentsDine Brands Global, Inc. and SubsidiariesNotes to Consolidated Financial Statements (Continued)6. Leases (Continued)The Company's income from operating leases for the three and nine months ended September 30, 2024 and 2023 was as follows: Three Months Ended September 30,Nine Months Ended September 30,2024202320242023(In millions)Minimum lease payments\$23.7A \$24.6A \$72.3A \$76.3A Variable lease income3.9A 4.1A 12.9A 13.0A Total operating lease income\$27.6A \$28.7A \$85.2A \$89.3A Future minimum payments to be received as lessor under noncancelable operating leases as of September 30, 2024 were as follows: (in millions)2024 (remaining three months)\$25.4A 202593.6A 202680.4A 202763.4A 202847.1A Thereafter170.1A Total minimum rents receivable\$480.0A The Company's income from real estate leases for the three and nine months ended September 30, 2024 and 2023 was as follows: Three Months Ended September 30,Nine Months Ended September 30,2024202320242023A (in millions)Interest income\$0.3A \$0.3A \$0.9A \$0.8A Variable lease income0.1A 0.1A 0.2A 0.3A Selling profit(6.0A 0.2A 0.0A) Total real estate lease income\$0.4A \$0.4A \$1.3A \$1.1A Future minimum payments to be received as lessor under noncancelable real estate leases as of September 30, 2024 were as follows: (in millions)2024 (remaining three months)\$0.7A 20252.5A 20262.5A 20272.5A Thereafter15.4A Total minimum rents receivable26.1A Less: unearned income(7.5) Total real estate leases receivable18.6A Less: current portion(1.4) Long-term real estate leases receivable\$17.2A 14Table of ContentsDine Brands Global, Inc. and SubsidiariesNotes to Consolidated Financial Statements (Continued)7. Long-Term DebtA At September 30, 2024 and December 31, 2023, long-term debt consisted of the following components: September 30, 2024December 31, 2023A (in millions)Series 2019-1 4.723% Fixed Rate Senior Secured Notes, Class A-2-II\$594.0A \$594.0A Series 2022-1 Variable Funding Senior Secured Notes, Class A-1, variable interest rate of 7.82% and 7.95% at September 30, 2024 and December 31, 2023, respectively100.0A 100.0A Series 2023-1 7.824% Fixed Rate Senior Secured Notes, Class A-2500.0A 500.0A Unamortized debt issuance costs(8.0)(9.5) Long-term debt, net of debt issuance costs1,186.0A 1,184.5A Less: current portion of long-term debt(100.0)(100.0) Long-term debt1,086.0A \$1,084.5A On June 5, 2019, Applebe  's Funding LLC and IHOP Funding LLC (the   Co-Issuers  ), each a special purpose, wholly-owned indirect subsidiary of the Company, issued two tranches of fixed rate senior secured notes, the Series 2019-1 4.194% Fixed Rate Senior Secured Notes, Class A-2-I (the   2019 Class A-2-I Notes  ) in an initial aggregate principal amount of \$700 million and the Series 2019-1 4.723% Fixed Rate Senior Secured Notes, Class A-2-II in an initial aggregate principal amount of \$600 million (the   2019 Class A-2-II Notes  ) and, together with the 2019 Class A-2-I Notes, the   2019 Class A-2 Notes  ). The 2019 Class A-2 Notes were issued pursuant to an offering exempt from registration under the Securities Act of 1933, as amended. On August 12, 2022, the Co-Issuers established a new revolving financing facility, the 2022-1 Variable Funding Senior Secured Notes, Class A-1 (the   Credit Facility  ), that allows for drawings up to \$325A million of variable funding notes on a revolving basis and the issuance of letters of credit. In connection with this transaction, the Co-Issuers terminated their \$225A million revolving financing facility, the 2019-1 Variable Funding Senior Secured Notes, Class A-1. On April 17, 2023, the Co-Issuers completed a refinancing transaction and issued \$500A million of Series 2023-1 7.824% Fixed Rate Senior Secured Notes, Class A-2 (the   2023 Class A-2 Notes  ). The 2023 Class A-2 Notes were issued pursuant to an offering exempt from registration under the Securities Act of 1933, as amended. The Company used the net proceeds of the 2023 Class A-2 Notes to repay the entire outstanding balance of approximately \$585.1A million of the 2019 Class A-2-I Notes and to pay fees and expenses incurred in connection with the issuance of the 2023 Class A-2 Notes. The remaining 2019 Class A-2-II Notes and the Credit Facility, together with the 2023 Class A-2 Notes are referred to collectively herein as the   Notes  . The Notes were issued in securitization transactions pursuant to which substantially all the domestic revenue-generating assets and domestic intellectual property held by the Co-Issuers and certain other special-purpose, wholly-owned indirect subsidiaries of the Company (the   Guarantors  ) were pledged as collateral to secure the Notes. The Notes were issued under a Base Indenture, dated as of September 30, 2014, amended and restated as of June 5, 2019 and further amended and restated as of April 17, 2023 (the   Base Indenture  ). In addition, the 2019 Class A-2-II Notes were issued under the related Series 2019-1 Supplement to the Base Indenture, dated June 5, 2019 (the   Series 2019-1 Supplement  ), among the Co-Issuers and Citibank, N.A., as trustee (in such capacity, the   Trustee  ) and securities intermediary, the Credit Facility was issued under the related Series 2022-1 Supplement to the Base Indenture, dated August 12, 2022 (the   Series 2022-1 Supplement  ), among the Co-Issuers and Citibank, N.A., as Trustee and securities intermediary, and the 2023 Class A-2 Notes were issued under the related Series 2023-1 Supplement to the Base Indenture, dated April 17, 2023 (the   Series 2023-1 Supplement  ), among the Co-Issuers and Citibank, N.A., as Trustee and securities intermediary. The Base Indenture, Series 2019-1 Supplement, Series 2022-1 Supplement, and Series 2023-1 Supplement (collectively, the   Indenture  ) will allow the Co-Issuers to issue additional series of notes in the future subject to certain conditions set forth therein.2019 Class A-2 Notes The 2019 Class A-2-I Notes were voluntarily repaid in full on April 17, 2023, while the 2019 Class A-2-II Notes remain outstanding as of September 30, 2024. For a description of the 2019 Class A-2-I Notes, refer to Note 8 at   Long-Term Debt of the Notes to Consolidated Financial Statements included in the Company  's Annual Report on Form 10-K for the year ended December 31, 2022. The legal final maturity of the 2019 Class A-2-II Notes is June 2049, but rapid amortization will apply if the 2019 Class A-2-II Notes are not repaid by June 2026 (the   2019 Class A-2-II Anticipated Repayment Date  ). If the Co-15Table of ContentsDine Brands Global, Inc. and SubsidiariesNotes to Consolidated Financial Statements (Continued)7. Long-Term Debt (Continued)Issuers have not repaid or refinanced the 2019 Class A-2-II Notes by the 2019 Class A-2-II Anticipated Repayment Date, then additional interest will accrue on the 2019 Class A-2-II Notes, as applicable, at the greater of: (A) 5.0% and (B) the amount, if any, by which the sum of the following exceeds the applicable 2019 Class A-2-II Note interest rate: (x) the yield to maturity (adjusted to a quarterly bond-equivalent basis) on the 2019 Class A-2-II Anticipated Repayment Date of the United States Treasury Security having a term closest to 10 years plus (y) 7.64% for the 2019 Class A-2-II Notes. While the 2019 Class A-2-II Notes are outstanding, payment of principal and interest is required to be made on the 2019 Class A-2-II Notes on a quarterly basis. The quarterly principal payment of \$1.5 million on the 2019 Class A-2-II Notes may be suspended when the leverage ratio for the Company and its subsidiaries is less than or equal to 5.25x. Exceeding the leverage ratio of 5.25x does not violate any covenant related to the Notes. In general, the leverage ratio is the Company's indebtedness (as defined in the Indenture) divided by adjusted EBITDA (as defined in the Indenture) for the four preceding quarterly periods. The complete definitions of all calculation elements of the leverage ratio are contained in the Indenture. As of September 30, 2024, the Company's leverage ratio was approximately 4.1x. As a result, quarterly principal payments on the 2019 Class A-2-II Notes of \$1.5A million currently are not required. The Company may voluntarily repay the 2019 Class A-2-II Notes at any time without any associated make-whole premium. 2022 Class A-1 NotesIn August 2022, the Co-Issuers entered into the Credit Facility that allows for drawings up to \$325A million of variable funding notes on a revolving basis and the issuance of letters of credit. The applicable interest rate under the Credit Facility depends on the type of borrowing by the Co-Issuers. The applicable interest rate for advances is generally calculated at a per annum rate equal to the commercial paper funding rate or one-, two-, three- or six-month Term SOFR Rate, in either case, plus 2.50%. The applicable interest rate for swingline advances and unreimbursed draws on outstanding letters of credit is a per annum base rate equal to the sum of (A) the greatest of (i) the Prime Rate in effect from time to time; (ii) the Federal Funds Rate in effect from time to time plus 0.50%; and (iii) Term SOFR for a one-month tenor in effect at such time plus 0.50% plus (B) 2.00%. The legal final maturity of the Credit Facility is June 2052, but rapid amortization will apply if there are outstanding amounts under the Credit Facility after June 2027 (the   Class A-1 Renewal Date  ). The Class A-1 Renewal Date may be extended at the Co-Issuers   election for up to two successive one-year periods if certain conditions are met. If the Co-Issuers have not repaid or refinanced the Credit Facility by the Class A-1 Renewal Date (after giving effect to any extensions), then interest will accrue on the Credit Facility at a rate equal to 5.00% in addition to the regular interest rate applicable to the Credit Facility. As of September 30, 2024, the outstanding balance of the Credit Facility was \$100A million. The amount of \$0.6 million was pledged against the Credit Facility for outstanding letters of credit, leaving \$224.4A million of the Credit Facility available for borrowing at September 30, 2024. It is anticipated that any principal and interest on the Credit Facility outstanding will be repaid in full on or prior to the quarterly payment date in June 2027, subject to two additional one-year extensions at the option of the Company upon the satisfaction of certain conditions. The letters of credit are used primarily to satisfy insurance-related collateral requirements. The weighted average interest rate for the period outstanding during the nine months ended September 30, 2024 was 7.93%.2023 Class A-2 NotesThe legal final maturity of the 2023 Class A-2 Notes is in March 2053, but it is anticipated that, unless repaid earlier to the extent permitted under the Indenture, the 2023 Class A-2 Notes will be repaid in June 2029 (the   2023 Class A-2 Anticipated Repayment Date  ). If the Co-Issuers have not repaid or refinanced the 2023 Class A-2 Notes by the 2023 Class A-2 Anticipated Repayment Date, then additional interest will accrue on the 2023 Class A-2 Notes, as applicable, at the greater of: (A) 5.0% and (B) the amount, if any, by which the sum of the following exceeds the Series 2023-1 Class A-2 Note interest rate: (x) the yield to maturity (adjusted to a quarterly bond-equivalent basis) on the 2023 Class A-2 Anticipated Repayment Date of the United States Treasury Security having a term closest to 10 years plus (y) 9.24% for the 2023 Class A-2 Notes. While the 2023 Class A-2 Notes are outstanding, payment of principal and interest is required to be made on the 2023 Class A-2 Notes on a quarterly basis. The quarterly principal payment of \$1.25A million on the 2023 Class A-2 Notes may be suspended when the leverage ratio for the Company and its subsidiaries is less than or equal to 5.25x. As of September 30, 2024, the Company's leverage ratio was approximately 4.1x. As a result, quarterly principal payments on the 2023 Class A-2 Notes of \$1.25A million currently are not required. 16Table of ContentsDine Brands Global, Inc. and SubsidiariesNotes to Consolidated Financial Statements (Continued)7. Long-Term Debt (Continued)The Company may voluntarily repay the 2023 Class A-2 Notes at any time; however, if the 2023 Class A-2 Notes are repaid prior to certain dates, the Company would be required to pay make-whole premiums. As of September 30, 2024, the make-whole premium associated with voluntary prepayment of the 2023 Class A-2 Notes was approximately \$37.8 million. The Company also would be subject to a make-whole premium in the event of a mandatory prepayment required following a Rapid Amortization Event or certain asset dispositions. The mandatory make-whole premium requirements are considered derivatives embedded in the Notes that must be bifurcated for separate valuation. The Company estimated the fair value of these derivatives to be immaterial as of September 30, 2024, based on the probability-weighted discounted cash flows associated with either event. Repurchase ProgramOn February 16, 2023, the Company's Board of Directors authorized a debt repurchase program of up to \$100A million. Repurchases of the Company  's debt, if any, are expected to reduce future cash interest payments, as well as future amounts due at maturity or upon redemption. Under the authorization, the Company may make repurchases of the Company's debt from time to time in the open market or in privately negotiated transactions upon such terms and at such prices as management may determine. Covenants and Restrictions The Notes are subject to a series of covenants and restrictions customary for transactions of this type, including: (i) that the Co-Issuers maintain specified reserve accounts to be used to make required payments in respect of the Notes, (ii) provisions relating to optional and mandatory prepayments, and the related payment of specified amounts, including specified call redemption premiums in the case of Class A-2 Notes under certain circumstances; (iii) certain indemnification payments in the event, among other things, the transfers of the assets pledged as collateral for the Notes are in stated ways defective or ineffective and (iv) covenants relating to recordkeeping, access to information and similar matters. The Notes are subject to customary rapid amortization events provided for in the Indenture, including events tied to failure of the Securitization Entities (as defined in the Indenture) to maintain the stated debt service coverage ratio (  DSCR  ), the sum of domestic retail sales for all restaurants being below certain levels on certain measurement dates, certain manager termination events, certain events of default and the failure to repay or refinance the Class A-2 Notes on the anticipated repayment dates. The Notes are also subject to certain customary events of default, including events relating to non-payment of required interest, principal or other amounts due on or with respect to the Notes, failure of the Securitization Entities to maintain the stated DSCR, failure to comply with covenants within certain time frames, certain bankruptcy events, breaches of specified representations and warranties and certain judgments. In general, the DSCR ratio is Net Cash Flow (as defined in the Indenture) for the four quarters preceding the calculation date divided by the total debt service payments (as defined in the Indenture) of the preceding four quarters. The complete definitions of the DSCR and all calculation elements are contained in the Indenture. Failure to maintain a prescribed DSCR can trigger a Cash Flow Sweeping Event, a Rapid Amortization Event, a Manager Termination Event or a Default Event (each as defined in the Indenture) as described below. In a Cash Flow Sweeping Event, the Trustee is required to retain 50% of excess Cash Flow (as defined in the Indenture) in a restricted account. In a Rapid Amortization Event, all excess Cash Flow is retained and used to retire principal amounts of debt. In a Manager Termination Event, the Company may be replaced as manager of the assets securitized under the Indenture. In a Default Event, the outstanding principal amount and any accrued but unpaid interest can be called to become immediately due and payable. Key DSCRs are as follows:  DSCR less than 1.75x - Cash Flow Sweeping Event  DSCR less than 1.20x - Rapid Amortization Event  Interest-only DSCR less than 1.20x - Manager Termination Event  Interest-only DSCR less than 1.10x - Default EventThe Company's DSCR for the reporting period ended September 30, 2024 was approximately 3.5x. Debt Issuance Costs2023 Class A-2 NotesThe Company incurred costs of approximately \$8.0A million in connection with the issuance of the 2023 Class A-2 Notes. These debt issuance costs are being amortized using the effective interest method over the estimated life of the 2023 Class A-2 Notes. Amortization costs of \$0.3 million and \$0.8A million, respectively, were included in interest expense for the three and nine months ended September 30, 2024. Amortization costs of \$0.3A million and \$0.9A million, respectively, were included in interest expense for the three and nine months ended September 30, 2023. As of September 30, 2024, unamortized debt issuance costs of \$6.5 million are reported as a direct reduction of the 2023 Series Class A-2 Notes in the Consolidated Balance Sheets.2022 Class A-1 NotesIn August 2022, the Company incurred costs of approximately \$6.3A million in connection with the issuance of the Credit Facility. These debt issuance costs are being amortized over the estimated life of the Credit Facility. Amortization costs of \$0.3A million and \$0.9A million, respectively, of these costs were included in interest expense for the three and nine months ended September 30, 2024. Amortization costs of \$0.3A million and \$0.9A million, respectively, were included in interest expense for the three and nine months ended September 30, 2023. As of September 30, 2024, unamortized debt issuance costs of \$3.8A million related to the Credit Facility are classified as other non-current assets in the Consolidated Balance Sheets. 2019 Class A-2 NotesThe Company incurred costs of approximately \$12.9A million in connection with the issuance of the 2019 Class A-2 Notes. These debt issuance costs are being amortized using the effective interest method over estimated life of each tranche of the 2019 Class A-2 Notes. Amortization costs of \$0.2A million and \$0.7A million were included in interest expense for the three and nine months ended September 30, 2024, respectively. Amortization costs of \$0.2A million and \$1.3A million were included in interest expense for the three and nine months ended September 30, 2023, respectively. The Company repaid the entire outstanding balance of approximately \$585.1A million of its 2019 Class A-2-I Notes during the second quarter of fiscal year 2023 and wrote off the related remaining issuance costs of \$1.7A million. As of September 30, 2024, unamortized debt issuance costs of \$1.5 million are reported as a direct reduction of the 2019 Class A-2-II Notes in the Consolidated Balance Sheets. Loss (Gain) on Extinguishment of DebtThe Company purchased \$67.9A million of its 2019 Class A-2-I Notes under par and recognized a \$1.7A million gain on extinguishment of debt during the nine months ended September 30, 2023. In connection with the repayment of the 2019 Class A-2-I Notes, the Company recognized a loss on extinguishment of debt of \$1.7A million, representing the remaining unamortized costs related to the 2019 Class A-2-I Notes, during the nine months ended September 30, 2023. Maturities of Long-term Debt  

The final maturity of the 2019 Class A-2-II Notes is in June 2049, but it is anticipated that, unless repaid earlier, the 2019 Class A-2-II Notes will be repaid in June 2026. The final maturity of the 2023 Class A-2 Notes is in March 2053, but it is anticipated that, unless repaid earlier, to the extent permitted under the Indenture, the 2023 Class A-2 Notes will be repaid in June 2029. The renewal date of the Credit Facility is June 2027, subject to two additional one-year extensions at the option of the Company upon the satisfaction of certain conditions. Quarterly principal payments on the 2019 Class A-2-II Notes totaling \$1.5 million (\$6.0 million per annum) are required if the Company's leverage ratio is greater than 5.25x. Quarterly principal payments on the 2023 Class A-2 Notes totaling \$1.25 million (\$5.0 million per annum) are required if the Company's leverage ratio is greater than 5.25x. 8. Stockholders' DeficitDividends Dividends declared and paid per share for the three and nine months ended September 30, 2024 and 2023 were as follows: Three Months Ended September 30, Nine Months Ended September 30, 2024 2023 2024 2023 Dividends declared per common share \$0.51 A \$0.51 A \$1.53 A \$1.53 A Dividends paid per common share \$0.51 A \$1.02 A \$1.53 A \$2.04 A During the nine months ended September 30, 2024 and 2023, the Company paid dividends of \$23.5 million and \$31.7 million, respectively. 18 Table of ContentsDine Brands Global, Inc. and SubsidiariesNotes to Consolidated Financial Statements (Continued) 8. Stockholders' Deficit (Continued) On September 5, 2024, the Board of Directors declared a third quarter 2024 cash dividend of \$0.51 per share of common stock, paid on October 8, 2024 to the stockholders of record as of the close of business on September 20, 2024. On May 14, 2024, the Board of Directors declared a second quarter 2024 cash dividend of \$0.51 per share of common stock, paid on July 5, 2024 to the stockholders of record as of the close of business on June 20, 2024. On February 26, 2024, the Board of Directors declared a first quarter 2024 cash dividend of \$0.51 per share of common stock, paid on April 5, 2024 to the stockholders of record as of the close of business on March 20, 2024. On November 30, 2023, the Board of Directors declared a fourth quarter 2023 cash dividend of \$0.51 per share of common stock, paid on January 5, 2024 to the stockholders of record as of the close of business on December 20, 2023. Stock Repurchase Program In February 2022, the Company's Board of Directors approved a stock repurchase program, effective April 1, 2022, authorizing the Company to repurchase up to \$250 million of the Company's common stock (the "2022 Repurchase Program") on an opportunistic basis from time to time in the open market or in privately negotiated transactions based on business, market, applicable legal requirements and other considerations. The 2022 Repurchase Program, as approved by the Board of Directors, does not require the repurchase of a specific number of shares and can be terminated at any time. During the nine months ended September 30, 2024, the Company repurchased 269,621 shares of common stock at a cost of \$12.0 million. Cumulatively, the Company repurchased 1,865,399 shares at a cost of \$116.7 million. As of September 30, 2024, a remaining amount of \$133.3 million in the value of shares may be repurchased under the 2022 Repurchase Program. Treasury Stock Repurchases of the Company's common stock are included in treasury stock at the cost of shares repurchased plus any transaction costs. Treasury stock may be re-issued when stock options are exercised, when restricted stock awards are granted and when restricted stock units settle in stock upon vesting. The cost of treasury stock re-issued is determined using the first-in, first-out ("FIFO") method. During the nine months ended September 30, 2024, the Company re-issued 280,953 shares of treasury stock at a total FIFO cost of \$13.6 million. 9. Income Taxes The Company's effective tax rate was 26.9% for the nine months ended September 30, 2024, as compared to 25.0% for the nine months ended September 30, 2023. The effective tax rate for the nine months ended September 30, 2024 was higher than the rate of the prior comparable period primarily due to a lower tax deduction related to stock-based compensation. The total gross unrecognized tax benefit as of September 30, 2024 and December 31, 2023 was \$2.6 million and \$3.5 million, respectively, excluding interest, penalties and related income tax benefits. The Company estimates the unrecognized tax benefit as of September 30, 2024 may decrease over the upcoming 12 months by \$0.1 million related to settlements with taxing authorities and statute of limitations expirations. For the remaining liability, due to the uncertainties related to these tax matters, the Company is unable to make a reasonable estimate as to when cash settlement with a taxing authority will occur. As of September 30, 2024, the accrued interest was \$0.8 million, excluding any related income tax benefits. As of December 31, 2023, the accrued interest was \$0.9 million, excluding any related income tax benefits. The Company recognizes interest accrued related to unrecognized tax benefits and penalties as a component of the income tax provision recognized in the Consolidated Statements of Comprehensive Income. The Company files federal income tax returns and the Company or one of its subsidiaries file income tax returns in various state and international jurisdictions. With few exceptions, the Company is no longer subject to federal tax examinations by tax authorities for years before 2020 and state or non-United States tax examinations by tax authorities for years before 2019. The Company believes that adequate reserves have been provided relating to all matters contained in the tax periods open to examination. 19 Table of ContentsDine Brands Global, Inc. and SubsidiariesNotes to Consolidated Financial Statements (Continued) 10. Stock-Based Compensation The following table summarizes the components of stock-based compensation expense included in general and administrative expenses in the Consolidated Statements of Comprehensive Income: Three Months Ended September 30, Nine Months Ended September 30, 2024 2023 2024 2023 (In \$ millions) Equity classified awards expense \$3.8 A \$2.9 A \$12.7 A \$8.2 A Liability classified awards (credit) expense 0.1 A 0.2 A 0.2 A (0.4) Total stock-based compensation expense \$4.0 A \$3.1 A \$12.9 A \$8.7 A As of September 30, 2024, total unrecognized compensation expense of \$19.1 million related to restricted stock and restricted stock units and \$3.4 million related to stock options is expected to be recognized over a weighted average period of 1.4 years for restricted stock and restricted stock units and 1.5 years for stock options. Fair Value Assumptions The following table summarizes the assumptions used in the Black-Scholes model for stock options granted during the nine months ended September 30, 2024: Risk-free interest rate 4.3 A % Historical volatility 70.2 A % Dividend yield 4.2 A % Expected years until exercise 4.5 Fair value of options granted \$22.26 Equity Classified Awards - Stock Options Stock option balances at September 30, 2024, and activity for the nine months ended September 30, 2024 were as follows: A Number of Shares Under Option Weighted Average Exercise Price Per Share Weighted Average Remaining Contractual Term (In Years) Aggregate Intrinsic Value (in Millions) Outstanding at December 31, 2023 46,506 A \$77.59 A A Granted 133,729 A 49,06 A A Exercised 46,486 A \$7.12 A Forfeited (2,316) 56.54 A A Outstanding at September 30, 2024 54,433 A 69.90 A 6.3 A % Vested and Expected to Vest at September 30, 2024 52,502 A 70.55 A 6.2 A % A Exercisable at September 30, 2024 349,411 A \$76.95 A 4.8 A % A The aggregate intrinsic value in the table above represents the total pre-tax intrinsic value (the difference between the closing stock price of the Company's common stock on the last trading day of the third quarter of 2024 and the exercise price, multiplied by the number of in-the-money options) that would have been received by the option holders had all option holders exercised their options on September 30, 2024. The aggregate intrinsic value will change based on the fair market value of the Company's common stock and the number of in-the-money options. 20 Table of ContentsDine Brands Global, Inc. and SubsidiariesNotes to Consolidated Financial Statements (Continued) 10. Stock-Based Compensation (Continued) Equity Classified Awards - Restricted Stock and Restricted Stock Units Outstanding balances as of September 30, 2024, and activity related to restricted stock and restricted stock units for the nine months ended September 30, 2024 were as follows: A Shares of Restricted Stock Weighted Average Grant Date Fair Value Stock Settled Restricted Stock Units Weighted Average Grant Date Fair Value Outstanding at December 31, 2023 338,622 A \$73.33 A 58,475 A \$54.07 A Granted 280,953 A 48.91 A 31,402 A 49.06 A Released (147,378) 74.84 A (18,115) 73.97 A Forfeited (45,300) 60.13 A (18) 74.94 A Outstanding at September 30, 2024 446,897 A \$58.14 A 71,744 A \$46.84 A Liability Classified Awards - Long-Term Incentive Awards The Company has granted cash long-term incentive awards ("LTIP awards") to certain employees. Annual LTIP awards vest over a three-year period and are determined using multipliers from 0% to 200% of the target award based on the total stockholder return of Dine Brands Global common stock compared to the total stockholder returns of a peer group of companies. The awards are considered stock-based compensation and are classified as liabilities measured at fair value as of the respective period end. For the three months ended September 30, 2024 and 2023, an expense of \$0.1 million and \$0.2 million, respectively, were included in total stock-based compensation expense related to LTIP awards. For the nine months ended September 30, 2024 and 2023, an expense of \$0.2 million and a credit of \$0.4 million, respectively, were included in total stock-based compensation expense related to LTIP awards. At September 30, 2024 and December 31, 2023, liabilities of \$0.9 million and \$0.7 million, respectively, related to LTIP awards were included as part of accrued employee share compensation and benefits and other non-current liabilities in the Consolidated Balance Sheets. 11. Net Income per Share The computation of the Company's basic and diluted net income per share is as follows: A Three Months Ended September 30, Nine Months Ended September 30, 2024 2023 (In \$ thousands, A except A per A share A) Numerator for basic and diluted income per common share: A Net income \$19,061 A \$18,479 A \$59,716 A \$64,137 A Less: Net income allocated to unvested participating restricted stock (553)(431)(1,760)(1,551) Net income available to common stockholders - basic 18,508 A 18,048 A 57,956 A 62,586 A Effect of unvested participating restricted stock in two-class calculation: A 1 A 1 A % A Net income available to common stockholders - diluted \$18,508 A \$18,049 A \$57,957 A \$62,586 A Denominator: A Weighted average outstanding shares of common stock - basic 14,897 A 15,217 A 14,940 A 15,275 A Dilutive effect of stock options: A 3 A % A 14 A Weighted average outstanding shares of common stock - diluted 14,897 A 15,220 A 14,940 A 15,289 A Net income per common share: A Basic \$1.24 A \$1.19 A \$3.88 A \$4.10 A Diluted \$1.24 A \$1.19 A \$3.88 A \$4.09 A 21 Table of ContentsDine Brands Global, Inc. and SubsidiariesNotes to Consolidated Financial Statements (Continued) 12. Segments The Company identifies its reporting segments based on the organizational units used by management to monitor performance and make operating decisions. The Company currently has six operating segments: Applebee's franchise operations, IHOP franchise operations, Fuzzy's franchise operations, rental operations, financing operations, and company-operated restaurant operations. The Company has four reporting segments: franchise operations (an aggregation of each restaurant concept's franchise operations), company-operated restaurant operations, rental operations and financing operations. As of September 30, 2024, the franchise operations segment consisted of 1,618 restaurants operated by Applebee's franchisees in the United States, two U.S. territories and 14 countries outside the United States; 1,809 restaurants operated by IHOP franchisees and area licensees in the United States, two U.S. territories and 14 countries outside the United States; and 118 restaurants operated by Fuzzy's franchisees in the United States. Franchise operations revenue consists primarily of franchise royalty revenues, franchise advertising revenue, sales of proprietary products to franchisees, and other franchise fees. Franchise operations expenses include advertising expense, the cost of proprietary products, pre-opening training expenses and other franchise-related costs. Rental operations revenue includes revenue from operating leases and interest income from real estate leases. Rental operations expenses are costs of operating leases and interest expense from finance leases on which the Company is the lessee. Financing operations revenue primarily consists of interest income from the financing of IHOP equipment leases and franchise fees and interest income on notes receivable due from franchisees. Financing operations expenses primarily are the cost of taxes related to IHOP equipment leases. In December 2022, three company-operated Fuzzy's restaurants were acquired, of which two were subsequently franchised in the second quarter of 2023. As of September 30, 2024, the company restaurants segment consisted of one company-operated Fuzzy's restaurant located in the United States. Company-operated restaurant operation revenue consists of retail sales at company-operated restaurants. Company-operated restaurant operation expenses are operating expenses such as food, beverage, labor, benefits, utilities, rent and other operating costs. Information on segments is as follows: A Three Months Ended September 30, Nine Months Ended September 30, 2024 2023 (In \$ millions) Revenues from external customers: A Franchise operations \$166.4 A \$172.5 A \$518.7 A \$530.4 A Rental operations 28.0 A 29.1 A 86.5 A 90.5 A Company restaurants 0.3 A 0.3 A 0.8 A 1.8 A Financing operations 0.4 A 0.6 A 1.4 A 2.0 A Total revenues from external customers \$195.0 A \$202.6 A \$607.5 A \$624.8 A Interest expense: A Rental operations \$1.0 A \$0.9 A \$3.1 A \$2.9 A Company restaurants: A A A A Corporate 18.4 A 19.1 A 54.3 A 51.5 A Total interest expenses \$19.4 A \$20.0 A \$57.4 A \$54.4 A Depreciation and amortization: A Franchise operations \$2.4 A \$2.4 A \$7.1 A \$7.3 A Rental operations 2.5 A 2.6 A 7.7 A 7.8 A Company restaurants 0.0 A 0.0 A 0.1 A 0.0 A Corporate 4.7 A 3.6 A 14.2 A 11.1 A Total depreciation and amortization \$9.6 A \$8.6 A \$29.0 A \$26.2 A 22 Table of ContentsDine Brands Global, Inc. and SubsidiariesNotes to Consolidated Financial Statements (Continued) 12. Segments (Continued) A Three Months Ended September 30, Nine Months Ended September 30, 2024 2023 (In \$ millions) Gross profit by segment: A Franchise operations \$86.6 A \$89.4 A \$267.6 A \$271.6 A Rental operations 6.4 A 7.4 A 21.3 A 24.9 A Company restaurants 0.0 A 0.0 A 0.10 A 0.0 A Financing operations 0.3 A 0.5 A 1.2 A 1.7 A Total gross profit \$93.3 A 97.3 A 290.0 A 298.3 A Corporate and unallocated expenses, net (66.9)(72.4)(208.3)(212.7) Income before income taxes \$26.5 A \$24.9 A \$81.7 A \$85.6 A A A A 13. Closure and Impairment Charges Closure and impairment charges for the three and nine months ended September 30, 2024 and 2023 were as follows: Three Months Ended September 30, Nine Months Ended September 30, 2024 2023 (In \$ millions) Closure charges \$0.4 A \$0.3 A \$1.4 A \$1.4 A A Long-lived tangible asset impairment: A 1.5 A % A 2.0 A Total closure and impairment charges \$0.4 A \$1.8 A \$1.4 A \$3.1 A The closure charges for the three and nine months ended September 30, 2024 were related to the establishment of or revisions to existing closure reserves, including accretion, primarily for 21 IHOP restaurants closed prior to December 31, 2023. The closure charges for the three and nine months ended September 30, 2023 were related to revisions to existing closure reserves, including accretion, for approximately 30 IHOP restaurants. The long-lived asset impairment for the three months ended September 30, 2023 related to the impairment of four IHOP master land and building leases. The long-lived asset impairment for the nine months ended September 30, 2023 primarily related to technology that was developed in connection with the IHOP Flip'd initiative that was stopped, and the impairment of four IHOP master land and building leases in the third quarter of 2023. 14. Fair Value Measurements The Company does not have a material amount of financial assets or liabilities that are required under U.S. GAAP to be measured on a recurring basis at fair value. The Company is not a party to any material derivative financial instruments. The Company does not have a material amount of non-financial assets or non-financial liabilities that are required under U.S. GAAP to be measured at fair value on a recurring basis. The Company has not elected to use the fair value measurement option, as permitted under U.S. GAAP, for any assets or liabilities for which fair value measurement is not presently required. The Company believes the fair values of cash equivalents, accounts receivable and accounts payable approximate their carrying amounts due to their short duration. 23 Table of ContentsDine Brands Global, Inc. and SubsidiariesNotes to Consolidated Financial Statements (Continued) 14. Fair Value Measurements (Continued) The fair values of the Company's long-term debt, excluding the Credit Facility, at September 30, 2024 and December 31, 2023 were as follows: A September 30, 2024 December 31, 2023 (In \$ millions) Face Value \$1,094.0 A \$1,094.0 A Fair Value \$1,108.8 A \$1,085.8 A The fair values were determined based on Level 2 inputs, including information gathered from brokers who trade in the Company's long-term debt, as well as information on notes that are similar to those of the Company. 15. Commitments and Contingencies Litigation, Claims and Disputes The Company is subject to various lawsuits, administrative proceedings, audits and claims arising in the ordinary course of business. Some of these lawsuits purport to be class actions and/or seek substantial damages. The Company is required under U.S. GAAP to record an accrual for litigation loss contingencies that are both probable and reasonably estimable. Legal fees and expenses associated with the defense of all of the Company's litigation are expensed as such fees and expenses are incurred. Management regularly assesses the Company's insurance coverage, analyzes litigation information with the Company's attorneys and evaluates the Company's loss experience in connection with pending legal proceedings. While the Company does not presently believe that any of the legal proceedings to which it is currently a party will ultimately have a material adverse impact on the Company, there can be no assurance that the Company will prevail in all the proceedings the Company is party to, or that the Company will not incur material losses from them. Lease Guarantees In connection with the franchising of Applebee's restaurants to franchisees, the Company has, in certain cases, guaranteed or has potential continuing liability for lease payments totaling \$367.6 million as of September 30, 2024. This amount represents the maximum potential liability for future payments under these leases. These leases have been assigned to the buyers and expire at the end of the respective lease terms, which range from 2024 through 2058. Excluding unexercised option periods, the Company's potential liability for future payments under these leases is \$91.6 million. In the event of default, the indemnity and default clauses in the sale or assignment agreements govern the Company's ability to pursue and recover damages incurred. 16. Cash, Cash Equivalents and Restricted Cash Cash and Cash Equivalents The Company considers all highly liquid investment securities with remaining maturities at the date of purchase of three months or less to be cash equivalents. These cash equivalents are stated at cost which approximates market value. Cash held related to IHOP advertising funds and the Company's gift card programs is not considered to be restricted cash as there are no restrictions on the use of these funds. The components of cash and cash equivalents were as follows: September 30, 2024 December 31, 2023 (In \$ millions) Money market funds \$19.0 A \$42.0 A IHOP advertising funds and gift card programs 64.0 A 82.8 A Other depository accounts 86.6 A 21.2 A Total cash and cash equivalents \$169.6 A \$146.0 A Current Restricted Cash Current restricted cash primarily consisted of funds required to be held in trust in connection with the Company's securitized debt and funds from Applebee's franchisees pursuant to franchise agreements, usage of which was restricted to advertising activities. 24 Table of ContentsDine Brands Global, Inc. and SubsidiariesNotes to Consolidated Financial Statements (Continued) 16. Cash, Cash Equivalents and Restricted Cash (Continued) The components of current restricted cash were as follows: September 30, 2024 December 31, 2023 (In \$ millions) Securitized debt reserves \$40.9 A \$31.2 A Applebee's advertising funds 4.2 A 2.0 A Other 0.9 A 1.9 A Total current restricted cash \$46.0 A \$35.1 A Non-current Restricted Cash Non-current restricted cash was \$19.5 million at September 30, 2024 and December 31, 2023 and represents interest reserves required to be set aside for the duration of the

Company's securities debt.25Table of ContentsItem 2.Â Management's Discussion and Analysis of Financial Condition and Results of Operations.You should read the following Management's Discussion and Analysis of Financial Condition and Results of Operations (â€œMD&Aâ€) in conjunction with the consolidated financial statements and the related notes that appear elsewhere in this report and the MD&A contained in the Companyâ€™s Annual Report on Form 10-K for the fiscal year ended December 31, 2023. Statements contained in this report may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Please refer to the section of this report under the heading â€œCautionary Statement Regarding Forward-Looking Statementsâ€ for more information. Except where the context indicates otherwise, the words â€œour,â€ â€œwe,â€ â€œour,â€ â€œDine Brands Globalâ€ and the â€œCompanyâ€ refer to Dine Brands Global, Inc., together with its subsidiaries that are consolidated in accordance with United States generally accepted accounting principles (â€œU.S. GAAPâ€).OverviewThrough various subsidiaries, we own and franchise the Applebee's Neighborhood Grill & BarÂ® (â€œApplebee'sâ€) concept in the American full-service segment within the casual dining category of the restaurant industry, the International House of PancakesÂ® (â€œIHOPâ€) concept in the mid-scale full-service restaurant segment within the family dining category of the restaurant industry, and the Fuzzy's Taco ShopÂ® (â€œFuzzy'sâ€) concept in the Mexican limited-service restaurant segment within the fast-casual dining category of the restaurant industry. References herein to Applebee'sÂ®, IHOPÂ® and Fuzzy's Taco ShopÂ® restaurants are to these three restaurant concepts, whether operated by franchisees, area licensees and their sub-licensees (collectively, â€œlicenseesâ€) or by us. With over 3,500 restaurants, we believe we are one of the largest full-service restaurant companies in the world. We identify our business segments based on the organizational units used by management to monitor performance and make operating decisions. We currently have six operating segments: Applebee's franchise operations, IHOP franchise operations, Fuzzy's franchise operations, rental operations, financing operations, and company-operated restaurant operations. We have four reportable segments: franchise operations (an aggregation of each restaurant concept's franchise operations), rental operations, financing operations, and company-operated restaurant operations. Key Financial ResultsThe financial tables appearing in this MD&A present amounts in millions of dollars that are rounded from our consolidated financial statements presented in thousands of dollars. As a result, the tables may not foot or crossfoot due to rounding. Three Months Ended September 30, Favorable(Unfavorable) VarianceNine Months Ended September 30, Favorable(Unfavorable) VarianceÂ 2024202320242023A (InÂ millions, except per share data)Income before income taxes\$26.5A \$24.9A \$1.5A \$81.7A \$85.6A \$(3.8)Income tax provision(7.4)(6.5)(22.0)(21.4)(0.6)Net income\$19.1A \$18.5A \$0.6A \$59.7A \$64.1A \$(4.4)Effective tax rate28.0% 25.9% 9.4% (2.0)% 26.9% 25.0% 0.1% (1.9)%Net income per diluted share\$1.24A \$1.19A \$0.05A \$3.88A \$4.09A \$(0.21)% decrease% decreaseWeighted average diluted shares14.9A 15.2A (2.0)% 14.9A 15.3A (2.6)%The effective tax rate for the three and nine months ended September 30, 2024 was higher than the rate of the comparable prior periods primarily due to a lower tax deduction related to stock-based compensation.26Table of ContentsThe following table highlights the primary components of the increase (decrease) in our income before income taxes for the three and nine months ended September 30, 2024, compared to our income before income taxes for the comparable prior periods (in millions): Favorable(Unfavorable) VarianceThree Months Ended September 30, 2024Nine Months Ended September 30, 2024Increase (decrease) in gross profit:Applebee's franchise operations\$(1.4)\$(2.2)IHOP franchise operations(1.3)1.5A Fuzzy's franchise operations(0.1)(3.3)Company restaurant operations0.0A (0.1)Rental and financing operations(1.2)(4.1)Total decrease in gross profit(4.0)(8.2)Decrease in general and administrative ("G&A") expenses3.2A 3.1A Decrease (increase) in interest expense, net0.7A (2.7)Change in loss (gain) on disposition of assets0.2A 2.4A Decrease in closure and impairment charges1.4A 1.6A Increase (decrease) in income before income taxes\$1.5A \$(3.8)Total gross profit for the three months ended September 30, 2024 decreased compared with the same period of the prior year due to decreased revenue from franchise and rental operations. Income before income taxes for the three months ended September 30, 2024 increased compared to the prior year period primarily due to decreased G&A expenses, decreased impairment charges and decreased interest expense. The decrease in G&A expenses is primarily attributable to a decrease in compensation-related expenses (predominantly incentive compensation), partially offset by an increase in depreciation expense. The decrease in impairment charges is primarily related to the impairment of four IHOP master land and building leases in the same period of the prior year. Total gross profit for the nine months ended September 30, 2024 decreased compared with the same period of the prior year due to decreased revenue from franchise and rental operations and increased franchisor advertising contribution. In addition, income before income taxes for the nine months ended September 30, 2024 decreased compared to the prior year period due to increased interest expense, offset by a decrease in G&A expenses, a loss on disposition of assets in the same period in the prior year. The increase in interest expense primarily related to higher-rate securitized notes and borrowings from our revolving line of credit. The decrease in G&A expenses is primarily attributable to expenses related to the stopping of the IHOP Flip'd initiative in the same period of the prior year, a decrease in professional services, a decrease in occupancy costs, and a decrease in compensation-related expenses, offset by an increase in depreciation expense (see G&A Expenses section below for further detail). The decrease in impairment charges is primarily related to the technology that was developed in connection with the IHOP Flip'd initiative that was stopped and the impairment of four IHOP master land and building leases in the same period of the prior year. Increases in commodity, labor and other restaurant operating costs experienced at restaurants owned and operated by our franchisees could impact us to the extent our franchisees are adversely impacted by a sustained decline in their operating margins. At company operated restaurants, when applicable, increases in commodity, labor and other restaurant operating costs impact us directly. See â€œConsolidated Results of Operations - Comparison of the Three and Nine Months Ended September 30, 2024 and 2023â€ for additional discussion of the changes shown above. Key Performance IndicatorsIn evaluating the performance of each restaurant concept, we consider the key performance indicators to be the system-wide sales percentage change, the percentage change in domestic system-wide same-restaurant sales (â€œdomestic same-restaurant salesâ€), net franchise restaurant development and the change in effective restaurants. Changes in both domestic same-restaurant sales and in the number of Applebee's, IHOP and Fuzzy's restaurants will impact our system-wide retail sales that drive franchise royalty revenues. Restaurant development also impacts franchise revenues in the form of initial franchise fees and, in the case of IHOP and Fuzzy's restaurants, sales of proprietary products. 27Table of ContentsOur key performance indicators for the three and nine months ended September 30, 2024 were as follows:Three Months EndedNine Months EndedSeptember 30, 2024September 30, 2024Applebee's|IHOP|Fuzzy's|Applebee's|IHOP|Fuzzy's|Sales percentage decrease in reported retail sales - 2024 vs. 2023(7.1%)(1.6%)(15.8%)(5.3%)(0.5%)(13.7)% Decrease in domestic system-wide same-restaurant sales(5.9%)(2.1%)(9.6%)(4.1%)(1.7%)(8.9)%Net franchise restaurant reduction(1)(7)(2)(6)(24)(5)(13)Net (decrease) increase in total effective restaurants(2)(34)13A (16)(36)18A (12) (1) Franchise and area license restaurant closings, net of openings, during the three and nine months ended September 30, 2024. (2) Change in the weighted average number of franchise, area license and company-operated restaurants open during the three and nine months ended September 30, 2024, compared to the weighted average number of those open during the same periods of 2023. The change in total effective restaurants for each brand reflects both permanent closures, net of openings, over the past 12 months as well as the weighted effect of restaurants temporarily closed during each period.Applebee's system-wide domestic same-restaurant sales decreased 5.9% for the three months ended September 30, 2024 and decreased 4.1% for the nine months ended September 30, 2024 as compared to the same periods of 2023. The decrease in same-restaurant sales was primarily due to a decrease in traffic, partially offset by an increase in average check. Based on data from Black Box Intelligence, a restaurant sales reporting firm (â€œBlack Boxâ€), Applebee's same-restaurant sales for the three and nine months ended September 30, 2024 underperformed the casual dining segment of the restaurant industry (excluding Applebee's) during the same period. Applebee's Off-Premise Sales DataThree Months Ended September 30,Nine Months Ended September 30,2024202320242023Off-premise sales (in millions) (1)\$208.9A \$221.4A \$672.2A \$729.3A % sales mix21.7A %21.5A %21.8A %22.4A % (1) Primarily to-go, delivery and catering sales for comparable 2024 and 2023 restaurants.28Table of ContentsIHOP's system-wide domestic same-restaurant sales decreased 2.1% for the three months ended September 30, 2024 and 1.7% for the nine months ended September 30, 2024 as compared to the same periods of 2023. The decrease in same-restaurant sales was primarily due to a decrease in traffic, partially offset by an increase in average check.Based on data from Black Box, IHOP's decrease in same-restaurant sales for the three and nine months ended September 30, 2024 underperformed the family dining segment of the restaurant industry (excluding IHOP) during the same period.IHOP Off-Premise Sales DataThree Months Ended September 30,Nine Months Ended September 30,2024202320242023Off-premise sales (in millions) (1)\$140.7A \$143.2A \$446.2A \$460.6A % sales mix19.3A %19.5A %20.2A %20.6A % (1) Primarily to-go, delivery and catering sales for comparable 2024 and 2023 restaurants.29Table of ContentsQuarterly Domestic Same-Restaurant Sales - Fuzzy's|Fuzzy's|Sales system-wide domestic same-restaurant sales decreased 9.6% for the three months ended September 30, 2024 and 8.9% for the nine months ended September 30, 2024 as compared to the same periods of 2023. The decrease in same-restaurant sales was primarily due to a decrease in traffic, partially offset by an increase in average check. Fuzzy's Off-Premise Sales DataThree Months Ended September 30,Nine Months Ended September 30,2024202320242023Off-premise sales (in millions) (1)\$17.2A \$19.0A \$55.3A \$59.7A % sales mix38.7A %38.6A %39.6A %38.9A % (1) Primarily to-go, delivery and catering sales for comparable 2024 and 2023 restaurants.30Table of ContentsRestaurant DataGlobal Effective Restaurants(a) A A A Franchise1,620A 1,654A 1,627A 1,663A Companyâ€"A â€"A â€"A â€"A Total1,620A 1,654A 1,627A 1,663A System-wide(b) A A A Domestic sales percentage change(c) (7.1%)(3.2%)(5.3%)(0.3%)Domestic same-restaurant sales percentage change(d)(5.9%)(2.4%)(4.1%)(0.9)% Average weekly domestic unit sales (in thousands)\$49.5A \$52.1A \$52.7A \$54.4A IHOP Restaurant DataA A A Global Effective Restaurants(a) A A A Franchise1,645A 1,631A 1,645A 1,626A Area license155A 156A 155A 156A Total1,800A 1,787A 1,800A 1,782A System-wide(b) A A A Sales percentage change(c)(1.6%)(4.2A %)(0.5%)(6.6% )Domestic same-restaurant sales percentage change, including area license restaurants(d)(2.1%)(2.0A %)(1.7%)(4.2A %) Average weekly unit sales (in thousands)\$37.0A \$37.7A \$38.3A Area license(b) A A A Sales percentage change(c)(3.8)(1.1A %)(1.6%)(4.0% )Fuzzy's Restaurant DataGlobal Effective Restaurants(a) Franchise120A 136A 124A 135A Company1A 1A 2A Total211A 137A 125A 137A System-wide(b) Domestic sales percentage change(c)(15.8%)(5.2%)(13.7%)(1.1%)Domestic same-restaurant sales percentage change(d)(9.6%)(6.1%)(8.9%)(3.7%)Average weekly domestic unit sales (in thousands)\$29.4A \$30.7A \$30.0A \$31.6A (a) A A A Effective Restaurantsâ€ are the weighted average number of restaurants open in each fiscal period, adjusted to account for restaurants open for only a portion of the period. Information is presented for all Effective Restaurants in the Applebee'sâ€, IHOP and Fuzzy's systems, which consist of restaurants owned by franchisees and area licensees as well as those owned by the Company. Effective Restaurants do not include units operated as ghost kitchens (small kitchens with no store-front presence, used to fill off-premise orders). 30Table of Contents(b) A A A System-wide salesâ€ are retail sales at Applebee'sâ€ and Fuzzy's restaurants operated by franchisees and IHOP restaurants operated by franchisees and area licensees, as reported to the Company, in addition to retail sales at company-operated Fuzzy's restaurants. System-wide sales do not include retail sales of ghost kitchens.Â Sales at restaurants that are owned by franchisees and area licensees are not attributable to the Company. An increase in franchisees' reported sales will result in a corresponding increase in our royalty revenue, while a decrease in franchisees' reported sales will result in a corresponding decrease in our royalty revenue. Unaudited reported sales for Applebee's and Fuzzy's franchise restaurants, Fuzzy's company-operated restaurants, IHOP franchise restaurants and IHOP area license restaurants were as follows:Â Three Months Ended September 30,Nine Months Ended September 30,A 2024202320242023Reported sales (in millions)Applebee's franchise restaurant sales\$1,007.7A \$1,085.3A \$3,230.5A \$3,411.5A IHOP franchise restaurant sales790.3A 801.0A 2,416.2A 2,425.9A IHOP area license restaurant sales71.4A 74.3A 224.4A 228.1A Fuzzy's franchise restaurant sales45.8A 54.4A 144.9A 167.1A Fuzzy's company-operated restaurants0.3A 0.3A 0.9A 1.9A Total\$1,915.5A \$2,015.3A \$6,016.9A \$6,234.5A (c) A A A Sales percentage changeâ€ reflects, for each category of restaurants, the percentage change in sales in any given fiscal period compared to the prior period for all restaurants in that category. (d) A A A Domestic same-restaurant sales percentage changeâ€ reflects the percentage change in sales in any given fiscal period, compared to the same weeks in the prior period, for domestic restaurants that have been operated during both periods that are being compared and have been open for at least 18Â months. Because of new restaurant openings and restaurant closures, the domestic restaurants open throughout both fiscal periods being compared may be different from period to period.Â Restaurant Development ActivityThree Months Ended September 30,Nine Months Ended September 30,A 2024202320242023Applebee's Summary - beginning of period:Franchise1,625A 1,661A 1,642A 1,678A Companyâ€"A â€"A â€"A â€"A Beginning of period1,625A 1,661A 1,642A 1,678A Franchise restaurants opened:Â A Domesticâ€"A 2A â€"A 3A International4A 2A 9A Total franchise restaurants opened4A 4A 9A 8A Franchise restaurants permanently closed:Â A Domestic(9)(12)(25) (28)International(2)(1)(8)(6)Total franchise restaurants permanently closed(1)(13)(34)Net franchise restaurant reduction(7)(9)(24)(26)Summary - end of period:Franchise1,618A 1,652A 1,618A 1,652A Companyâ€"A â€"A â€"A â€"A Total Applebee's restaurants, end of period1,618A 1,652A 1,618A 1,652A Domestic1,511A 1,544A 1,511A 1,544A International107A 108A 107A 108A 31Table of ContentsA Restaurant Development ActivityThree Months Ended September 30,Nine Months Ended September 30,A 2024202320242023IHOP A Summary - beginning of period:Franchise1,656A 1,634A 1,657A 1,625A Area license155A 156A 155A 156A Total IHOP restaurants, beginning of period1,811A 1,790A 1,814A 1,781A Franchise/area license restaurants opened:Domestic franchise4A 5A 14A 27A Domestic area licenseâ€"A â€"A 1A 2A International franchise2A 5A 11A 11A Total franchise/area license restaurants opened6A 10A 26A 40A Franchise/area license restaurants permanently closed:A Domestic franchise(7)(5)(24)(23)Domestic area licenseâ€"A â€"A (3)(2)International franchise(1)(1)(4)(2)Total franchise/area license restaurants permanently closed(8)(6)(31)(27)Net increase (decrease) in franchise/area license restaurants(2)A (5)(13)Summary - end of period:Franchise1,654A 1,638A 1,654A 1,638A Area license155A 156A 155A 156A Total IHOP restaurants, end of period1,809A 1,794A 1,809A 1,794A Domestic1,684A 1,681A 1,684A 1,681A International125A 113A 125A 113A Fuzzy's Summary - beginning of period:Franchise124A 137A 131A 134A Company1A 1A 2A 3A Beginning of period125A 138A 132A 137A Franchise restaurants opened:Â A Domestic1A 1A 1A 3A Franchise restaurants permanently closed:Â A Domestic(7)(1)(4)(2)Net franchise restaurant addition (reduction)(6)â€"A (13)A Refranchised from Company restaurantsâ€"A â€"A â€"A 2Net franchise restaurant addition (reduction)(6)â€"A (13)A Summary - end of period:Franchise118A 137A 118A 137A Company1A 1A 1A 1A Total Fuzzy's restaurants, end of period119A 138A 119A 138A Domestic119A 138A 119A 138A Internationalâ€"A â€"A â€"A â€"A 32Table of ContentsThe restaurant counts and activity presented above include 13 dual-branded international Applebee's and IHOP restaurants at September 30, 2024, and six dual-branded international Applebee's and IHOP restaurants at September 30, 2023, which are tabulated in both brandsâ€™ activities. Dual-branded restaurants are defined as restaurants that run two of our concepts and share an entrance, front of the house staff and a kitchen. The restaurant counts and activity presented above do not include one domestic Applebee's ghost kitchen (small kitchens with no store-front presence, used to fill off-premise orders), seven international Applebee's ghost kitchens and 34 international IHOP ghost kitchens. The closures presented in the tables above represent permanent closures of restaurants. Temporary closures, which can occur for a variety of reasons, are not reflected as reductions in this table and are included in the summary counts at the beginning and end of each period shown. Temporary closures are reflected in the weighted calculation of Effective Restaurants presented in the preceding Restaurant Data table. Closures of restaurants adversely impact our system-wide retail sales that drive our franchise royalty revenues as well as, in the case of IHOP and Fuzzy's restaurants, sales of proprietary products. Further, with certain restaurants, we own or lease the underlying property and sublease it to the applicable franchisee. Thus, our rental income also could be adversely affected due to the loss of such income, as well as our obligation to make rental or other payments for such properties.CONSOLIDATED RESULTS OF OPERATIONSComparison of the Three and Nine Months Ended September 30, 2024 and 2023 Financial ResultsRevenueThree Months Ended September 30,Favorable(Unfavorable) VarianceNine Months Ended September 30,Favorable(Unfavorable) VarianceA 2024202320242023A (InÂ millions)Franchise

operations\$166.4Â \$172.5Â \$(6.1)\$518.7Â \$530.4Â \$(11.7)Rental operations28.0Â 29.1Â (1.1)86.5Â 90.5Â (4.0)Company restaurant operations0.3Â 0.3Â 0.0Â 0.8Â 1.8Â (1.0)Financing operations0.4Â 0.6Â (0.2)1.4Â 2.0Â (0.6)Total revenue\$195.1Â \$202.5Â \$(7.4)\$607.4Â \$624.7Â \$(17.3)Change vs. prior period(3.7%)(2.8%)Total revenue for the three and nine months ended September 30, 2024 decreased compared with the same periods of the prior year, primarily due to the decrease in franchise and rental operations revenue. The decrease in franchise operations revenue was primarily attributable to the decrease in domestic same-restaurant sales and the decrease in the number of Applebee's and Fuzzy's effective restaurants, partially offset by increases in the number of effective restaurants and proprietary product sales at IHOP. Rental operations revenue for the three months ended September 30, 2024 decreased compared with the same period of the prior year, primarily due to operating lease terminations and a decrease in percentage rent. Rental operations revenue for the nine months ended September 30, 2024 decreased compared with the same period of the prior year, primarily due to prior year lease buyouts and operating lease terminations. A Gross Profit Three Months Ended September 30,Favorable(Unfavorable) VarianceNine Months Ended September 30,Favorable(Unfavorable) VarianceÂ 2024202320242023Â (In millions)Franchise operations\$86.6Â \$89.4Â \$(2.8)\$267.6Â \$271.6Â \$(4.0)Rental operations6.4Â 7.4Â (1.0)21.3Â 24.9Â (3.6)Company restaurant operations0.0Â 0.0Â 0.0Â (0.1)0.0Â (0.1)Financing operations0.3Â 0.5Â (0.2)1.2Â 1.7Â (0.5)Total gross profit\$93.3Â \$97.3Â \$(4.0)\$290.0Â \$298.3Â \$(8.2)Change vs. prior period(4.1%)(2.8%)Total gross profit for the three and nine months ended September 30, 2024 decreased compared with the same periods of the prior year, primarily due to the decrease in franchise and rental operations revenue. The franchise operations gross profit decreased for the three months ended September 30, 2024 primarily due to Applebee's and IHOP decreased franchise gross profit. The franchise operations gross profit decreased for the nine months ended September 30, 2024 primarily due to Fuzzy's and 33Table of ContentsApplebee's decreased franchise gross profit. The decrease in rental operations gross profit for the three and nine months ended September 30, 2024 was primarily due to decreased rental revenue as described above. Franchise OperationsThree Months Ended September 30,Favorable(Unfavorable) VarianceNine Months Ended September 30,Favorable(Unfavorable) VarianceÂ 2024202320242023Â (In millions, except number of restaurants)Effective Franchise Restaurants:(1)Applebeeâ€™s1,620Â 1,654Â (34)1,627Â 1,663Â (36)IHOP1,800Â 1,787Â 13Â 1,800Â 1,782Â 18Â Fuzzy's120Â 136Â (16)124Â 135Â (11)Franchise RevenuesÂ 1Â 1Â Applebeeâ€™s franchise fees\$40.1Â \$41.7Â \$(1.6)\$126.5Â \$131.7Â \$(5.2)IHOP franchise fees53.4Â 54.1Â (0.7)163.1Â 161.8Â 1.3Â Fuzzy's franchise fees3.1Â 3.3Â (0.2)9.6Â 10.5Â (0.9)Advertising fees69.8Â 73.4Â (3.6)219.6Â 226.4Â (6.8)Total franchise revenues166.4Â 172.5Â (6.1)518.7Â 530.4Â (11.7)Franchise ExpensesÂ 1Â 1Â Applebeeâ€™s\$0.7Â 1.0Â 0.3Â 0.7Â 3.4Â 3.0Â IHOP8.9Â 8.3Â (0.6)27.6Â 27.8Â 0.2Â Fuzzy's0.3Â 0.5Â 0.2Â 3.3Â 0.9Â (2.4)Advertising expenses69.8Â 73.4Â 3.6Â 219.6Â 226.4Â 6.8Â Total franchise expenses79.7Â 83.1Â 3.4Â 251.2Â 258.8Â 7.6Â Franchise Gross Profit:Â 1Â 1Â Applebeeâ€™s\$39.4Â 40.7Â (1.4)125.8Â 128.0Â (2.2)IHOP44.5Â 45.8Â (1.3)135.5Â 134.0Â 1.5Â Fuzzy's2.7Â 2.8Â (0.1)6.3Â 9.6Â (3.3)Total franchise gross profit\$86.6Â \$89.4Â \$(2.8)\$267.6Â \$271.6Â \$(4.0)Gross profit as % of franchise revenue(2)52.1Â %\$1.6Â %51.2Â %\$1.2Â %Gross profit as % of franchise fees(2)

(3)89.7Â %90.2Â %89.4Â %89.3Â %  
(1) Effective Franchise Restaurants are the weighted average number of franchise and area license restaurants open in each fiscal period, adjusted to account for restaurants open for only a portion of the period.(2) Percentages calculated on actual amounts, not rounded amounts presented above.(3) From time to time, advertising fee revenue may be different from advertising expenses in a given accounting period. Over the long term, advertising activity should not generate gross profit or loss.Applebee's franchise fee revenue for the three months ended September 30, 2024 decreased 4.0% as compared with the same period of the prior year, primarily attributable to the unfavorable impact on royalties of a 9.5% decrease in domestic same-restaurant sales and a decrease in the number of effective franchise restaurants, offset by improved collections from international franchisees. Applebee's franchise fee revenue for the nine months ended September 30, 2024 decreased 4.0% as compared with the same period of the prior year, primarily attributable to the unfavorable impact on royalties of a 4.1% decrease in domestic same-restaurant sales and the decrease in the number of effective franchise restaurants, offset by an increase in accelerated franchise fee recognition due to restaurant closures.Applebee's franchise expenses for the three months ended September 30, 2024 decreased \$0.3Â million compared with the same period of the prior year primarily due to a recovery of previously written off receivables from international franchisees. Applebee's franchise expenses for the nine months ended September 30, 2024 decreased \$3.0Â million compared with the same period of the prior year primarily due to a decrease in bad debt expense.IHOP's franchise fee revenue for the three months ended September 30, 2024 decreased 1.3% as compared with the same period of the prior year, primarily due to a decrease in domestic same-restaurant sales of 2.1% and a decrease in licensing revenue, partially offset by an increase in the number of effective franchise restaurants and proprietary product sales. IHOP's franchise fee revenue for the nine months ended September 30, 2024 increased 0.8%, as compared with the same period of the 34Table of Contentsprior year, primarily due to an increase in proprietary product sales and the number of effective franchise restaurants, partially offset by a 1.7% decrease in domestic same-restaurant sales and a decrease in virtual brand revenue. IHOP's franchise expenses for the three months ended September 30, 2024 increased \$0.6Â million as compared with the same period of the prior year, primarily due to an increase in bad debt expense and an increase in the cost of proprietary product sales. IHOP's franchise expenses for the nine months ended September 30, 2024 decreased \$0.2Â million as compared with the same period of the prior year primarily due to a decrease in the cost of proprietary product sales. Fuzzy's franchise expenses for the three months ended September 30, 2024 decreased \$0.9Â million as compared with the same period of the prior year, primarily attributable to a 8.9% decrease in same-restaurant sales and a decrease in the number of effective franchise restaurants, partially offset by an increase in termination fees. Fuzzy's franchise expenses for the nine months ended September 30, 2024 decreased \$0.2Â million as compared with the same period of the prior year primarily due to a decrease in the cost of proprietary product sales. Fuzzy's franchise expenses for the three months ended September 30, 2024 increased \$2.4Â million as compared with the same period of the prior year primarily due to an increase in franchisor advertising contribution and an increase in bad debt expense. Advertising Revenues and ExpensesThree Months Ended September 30,Increase (Decrease)Nine Months Ended September 30,Increase (Decrease)2024202320242023Â (In millions)Applebeeâ€™s\$40.8Â \$43.7Â \$(2.9)\$130.3Â \$136.4Â \$(6.1)IHOP28.1Â 28.7Â (0.6)86.4Â 87.0Â (0.6)Fuzzy's0.9Â 1.0Â (0.1)2.9Â 2.9Â 0.0Â Total advertising revenues and expenses\$69.8Â \$73.4Â \$(3.6)\$219.6Â \$226.3Â \$(6.7)Applebee's advertising revenues and expenses for the three months ended September 30, 2024 decreased 6.7% compared to the same period of the prior year primarily due to a 5.9% decrease in domestic franchise same-restaurant sales and a decrease in the number of effective franchise restaurants. IHOP advertising revenues and expenses for the three months ended September 30, 2024 decreased 2.2% compared to the same period of the prior year, primarily due to a 2.1% decrease in same-restaurant sales, partially offset by an increase in the number of effective franchise restaurants.Applebee's advertising revenues and expenses for the nine months ended September 30, 2024 decreased 4.5% compared to the same period of the prior year primarily due to a 4.1% decrease in domestic franchise same-restaurant sales and decrease in the number of effective franchise restaurants. IHOP's advertising revenues and expenses for the nine months ended September 30, 2024 decreased 0.7% as compared with the same period of the prior year, primarily due to a 1.7% decrease in same-restaurant sales partially offset by an increase in the number of effective franchise restaurants. It is our accounting policy to recognize any deficiency in advertising fee revenue compared to advertising expenditure or any recovery of a previously recognized deficiency in advertising fee revenue compared to advertising expenditure in the fourth quarter of our fiscal year.Rental OperationsThree Months Ended September 30,Favorable(Unfavorable) VarianceNine Months Ended September 30,Favorable(Unfavorable) VarianceÂ 2024202320242023Â (In millions)Rental revenues\$28.0Â \$29.1Â \$(1.1)\$86.5Â \$90.5Â \$(4.0)Rental expenses21.6Â 21.7Â 0.1Â 65.2Â 65.6Â 0.4Â Rental operations gross profit\$6.4Â \$7.4Â \$(1.0)\$21.3Â \$24.9Â \$(3.6)Gross profit as % of rental revenue(1)22.8Â %25.4Â %24.6Â %27.5Â %  
(1) Percentages calculated on actual amounts, not rounded amounts presented above.35Table of ContentsRental operations relate primarily to IHOP franchise restaurants. Rental income includes sublease revenue from operating leases and interest income from finance leases. Rental expenses are costs of prime operating leases and interest expense on prime finance leases.Rental operations gross profit for the three months ended September 30, 2024 decreased compared with the same period of the prior year, primarily due to operating lease terminations and a decrease in percentage rent. Rental operations gross profit for the nine months ended September 30, 2024 decreased as compared to the same period of the prior year, primarily due to prior year lease buyouts and operating lease terminations. Company Restaurant and Financing OperationsThree Months Ended September 30,Favorable(Unfavorable) VarianceNine Months Ended September 30,Favorable(Unfavorable) VarianceÂ 2024202320242023Â (in millions)Company Restaurant OperationsCompany restaurant sales\$0.3Â \$0.3Â \$0.0Â \$0.8Â \$1.8Â \$(1.0)Company restaurant revenues\$0.4Â \$0.6Â \$(0.2)\$1.4Â \$2.0Â \$(0.6)Financing expenses0.1Â 0.1Â 0.0Â 0.2Â 0.3Â 0.1Â Total financing operations\$0.3Â \$0.5Â \$(0.2)\$1.2Â \$1.7Â \$(0.5)For the three and nine months ended September 30, 2023, company restaurant operations consisted of three Fuzzy's restaurants that were acquired in December 2022, of which two were subsequently rebranded in the second quarter of 2023. Company segment restaurant expenses may include costs associated with reacquired restaurants in the process of being rebranded. There were no reacquired restaurants expenses during the nine months ended September 30, 2024 and 2023.Financing revenues primarily consist of interest income from the financing of IHOP equipment leases and franchise fees as well as interest income on notes receivable due from franchisees. Financing expenses are sales and use taxes related to IHOP equipment leases. Financing revenue and gross profit for the three and nine months ended September 30, 2024 declined compared to the same periods of the prior year, primarily due to progressive decline in interest income as note balances are repaid.G&A ExpensesThree Months Ended September 30,Favorable(Unfavorable) VarianceNine Months Ended September 30,Favorable(Unfavorable) VarianceÂ 2024202320242023Â (In millions)Total G&A expenses\$45.4Â \$48.6Â \$(3.2)\$144.4Â \$147.5Â \$(3.1)G&A expenses for the three months ended September 30, 2024 decreased 6.6% compared to the same period of the prior year, primarily due to a decrease in compensation-related expenses (predominantly incentive compensation), partially offset by an increase in depreciation expense. G&A expenses for the nine months ended September 30, 2024 decreased 2.1% compared to the same period of the prior year, primarily due to a decrease in incentive compensations, expenses related to the stopping of the IHOP Flip'd initiative in the same period of the prior year, a decrease in professional services and a decrease in occupancy costs, offset by an increase in stock-based compensation, depreciation expense and severance costs. 36Table of ContentsOther Income and Expense ItemsThree Months Ended September 30,Favorable(Unfavorable) VarianceNine Months Ended September 30,Favorable(Unfavorable) VarianceÂ 2024202320242023Â (In millions)Interest expense, net\$18.4Â \$19.1Â \$0.7Â \$54.3Â \$51.5Â \$(2.7)Loss on extinguishment of debtâ€™sÂ 1Â 1Â 1Â 1Â 1Â 1Â Closure and impairment charges0.4Â 1.8Â 1.4Â 1.4Â 3.1Â 1.6Â Amortization of intangible assets2.7Â 2.7Â 0.0Â 8.2Â 8.2Â 0.0Â Loss (gain) on disposition of assets0.0Â 0.2Â 0.2Â (0.1)2.3Â 2.4Â Total other income and expenses\$21.5Â \$23.7Â \$2.3Â \$63.8Â \$65.1Â \$1.3Â Interest expense, net and loss on extinguishment of debtInterest expense, net for the three months ended September 30, 2024 was slightly lower than the same period of the prior year, primarily due to lower interest expense from less borrowings under the revolving Credit Facility as well as an increase in interest income. Interest expense, net for the nine months ended September 30, 2024 increased compared to the same periods of the prior year, primarily due to the higher interest rate on our refinanced securitized notes as well as on our Credit Facility, partially offset by the increase in interest income from improved yields.The Company repaid the entire outstanding balance of approximately \$585.1Â million of its 2019 Class A-2 Notes during the nine months ended September 30, 2023 and recognized a \$1.7Â million loss on extinguishment of debt from the write-off of the related remaining issuance costs. This loss was offset by a \$1.7Â million gain on extinguishment of debt from the purchase of \$67.9Â million of its 2019 Class A-2 Notes under par during the nine months ended September 30, 2023.Loss (gain) on disposition of assetsThe loss on disposition of assets for the three and nine months ended September 30, 2023 primarily related to the disposition of certain IHOP Flip'd assets. Income TaxesThree Months Ended September 30,Favorable(Unfavorable) VarianceNine Months Ended September 30,Favorable(Unfavorable) VarianceÂ 2024202320242023Â (In millions)Income before income taxes\$26.5Â \$24.9Â \$1.5Â \$81.7Â \$85.6Â \$(3.8)Income tax provision\$7.4Â \$6.5Â \$(0.9)\$22.0Â \$21.4Â \$(0.6)Effective tax rate28.0Â %25.9Â % (0.2)%26.9Â %25.0Â % (1.9)%Our income tax provision or benefit will vary from period to period in our normal course of business for two reasons: a change in income before income taxes and a change in the effective tax rate. Changes in our income before income taxes were addressed in the preceding sections of the Consolidated Results of Operations - Comparison of the Three and Nine Months Ended September 30, 2024 and 2023."Our effective tax rate for the three and nine months ended September 30, 2024 was higher than the rate of the comparable prior periods primarily due to a lower tax deduction related to stock-based compensation.Liquidity and Capital ResourcesKey provisions of our long-term debt potentially impacting liquidity are summarized below. See Note 7 â€™ Long-Term Debt, of the Notes to the Consolidated Financial Statements, for additional detail on long-term debt, including the balances outstanding at September 30, 2024 and 2023.InstrumentsOur long-term debt includes two series of fixed rate senior secured notes, the Series 2019-1 4.723% Fixed Rate Senior Secured Notes in an initial aggregate principal amount of \$600Â million (the â€œ2019 Class A-2 Notesâ€™) and the Series 2023-1 7.824% Fixed Rate Senior Secured Notes, Class A-2 in an initial aggregate principal amount of \$500Â million (the â€œ2023 Class A-2 Notesâ€™) and, together with the 2019 Class A-2 Notes, the Class A-2 Notes. The Series 2019-1 4.194% Fixed Rate Senior Secured Notes, Class A-2-I (the â€œ2019 Class A-2 Notesâ€™) were voluntarily repaid in full on April 17, 2023. For a description 37Table of Contents of the 2019 Class A-2 Notes, refer to Note 8 â€™ Long-Term Debt of the Notes to the Consolidated Financial Statements included in the Companyâ€™s Annual Report on Form 10-K for the year ended December 31, 2022.Our long-term debt also includes a revolving financing facility, the 2022-1 Variable Funding Senior Notes, Class A-1 (the â€œCredit Facilityâ€™) that allows for drawings up to \$325Â million of variable funding notes on a revolving basis and the issuance of letters of credit.MaturityThe final maturity of the 2019 Class A-2 Notes is in June 2049, but it is anticipated that, unless repaid earlier, the 2019 Class A-2 Notes will be repaid in June 2026. The final maturity of the 2023 Class A-2 Notes is in March 2053, but it is anticipated that, unless repaid earlier, to the extent permitted under the Indenture, the 2023 Class A-2 Notes will be repaid in June 2029.The renewal date of the Credit Facility is June 2027, subject to two additional one-year extensions at the option of the Company upon the satisfaction of certain conditions.A Payment of Principal and InterestWhile the Class A-2 Notes are outstanding, payment of principal and interest is required to be made on the Class A-2 Notes on a quarterly basis. The payment of principal on the Class A-2 Notes may be suspended when the leverage ratio for the Company and its subsidiaries is less than or equal to 5.25x. As of September 30, 2024, our leverage ratio was approximately 4.1x. Therefore, quarterly principal payments are not required. Exceeding the leverage ratio of 5.25x does not violate any covenant related to the Class A-2 Notes. On February 16, 2023, the Company's Board of Directors authorized a debt repurchase program of up to \$100 million. Repurchases of the Companyâ€™s debt, if any, are expected to reduce future cash interest payments, as well as future amounts due at maturity or upon redemption. Under the authorization, the Company may make repurchases of the Company's debt from time to time in the open market or in privately negotiated transactions upon such terms and at such prices as management may determine. Make-whole PremiumsWe may voluntarily repay the Class A-2 Notes at any time; however, if repaid prior to certain dates we would be required to pay make-whole premiums. As of September 30, 2024, there was no make-whole premium associated with voluntary prepayment of the 2019 Class A-2 Notes. As of September 30, 2024, the make-whole premium associated with voluntary prepayment of the 2023 Class A-2 Notes was approximately \$37.8 million. We also would be subject to a make-whole premium in the event of a mandatory prepayment required following certain rapid amortization events or certain asset dispositions. The mandatory make-whole premium requirements are considered derivatives embedded that must be bifurcated for separate valuation. We estimated the fair value of these derivatives to be immaterial as of September 30, 2024, based on the probability-weighted discounted cash flows associated with either event.Covenants and RestrictionsOur long-term debt is subject to a series of covenants and restrictions customary for transactions of this type, including maintenance of a debt service coverage ratio ("DSCR"). In general, the DSCR ratio is net cash flow for the four quarters preceding the calculation date divided by the total debt service payments of the preceding four quarters. The complete definitions of the DSCR and all calculation elements are contained in the indenture, and subsequent amendments thereto, under which the Class A-2 Notes were issued.Failure to maintain a prescribed DSCR can trigger the following events:â€¢ DSCR less than 1.75x - Cash Flow Sweeping Eventâ€¢ DSCR less than 1.20x - Rapid Amortization Eventâ€¢ Interest-only DSCR less than 1.20x - Manager Termination Eventâ€¢ Interest-only DSCR less than 1.10x - Default EventOur DSCR for the reporting period ended September 30, 2024 was approximately 3.5x. Credit FacilityIn August 2022, the Co-Issuers entered into the Credit Facility that allows for drawings up to \$325 million of variable funding notes on a revolving basis and the issuance of letters of credit. The applicable interest rate under



and(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and (5) the registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions): (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting. Dated: 6th day of November, 2024/s/ Vance Y. Chang Chief Financial Officer(Principal Financial Officer) Document Exhibit A 32.1 Certification Pursuant to 18 U.S.C. Section A 1350, As Adopted Pursuant to Section A 906 of the Sarbanes-Oxley Act of 2002 In connection with the Quarterly Report on Form A 10-Q of Dine Brands Global, Inc. (the "Company") for the quarter ended September 30, 2024, as filed with the Securities and Exchange Commission on the 6th day of November, 2024 (the "Report"). John W. Peyton, as Chief Executive Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section A 1350, as adopted pursuant to Section A 906 of the Sarbanes-Oxley Act of 2002, to the best of his knowledge, that: (1) The Report fully complies with the requirements of Section A 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company. Dated: 6th day of November, 2024/s/ John W. Peyton Chief Executive Officer(Principal Executive Officer) This certification accompanies the Report pursuant to Section A 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of Section A 18 of the Securities Exchange Act of 1934, as amended. This certification shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Exchange Act except to the extent the Company expressly and specifically incorporates it by reference in such filing. Document Exhibit A 32.2 Certification Pursuant to 18 U.S.C. Section A 1350, As Adopted Pursuant to Section A 906 of the Sarbanes-Oxley Act of 2002 In connection with the Quarterly Report on Form A 10-Q of Dine Brands Global, Inc. (the "Company") for the quarter ended September 30, 2024, as filed with the Securities and Exchange Commission on the 6th day of November, 2024 (the "Report"), Vance Y. Chang, as Chief Financial Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section A 1350, as adopted pursuant to Section A 906 of the Sarbanes-Oxley Act of 2002, to the best of his knowledge, that: (1) The Report fully complies with the requirements of Section A 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company. Dated: 6th day of November, 2024/s/ Vance Y. Chang Chief Financial Officer(Principal Financial Officer) This certification accompanies the Report pursuant to Section A 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of Section A 18 of the Securities Exchange Act of 1934, as amended. This certification shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Exchange Act except to the extent the Company expressly and specifically incorporates it by reference in such filing.