
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of report (Date of earliest event reported): **February 21, 2019**

Dine Brands Global, Inc.
(Exact Name of Registrant as Specified in Charter)

Delaware
(State or other jurisdiction
of incorporation or organization)

001-15283
(Commission File
No.)

95-3038279
(I.R.S. Employer
Identification No.)

**450 North Brand Boulevard, Glendale,
California**
(Address of principal executive offices)

91203-2306
(Zip Code)

(818) 240-6055
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the Registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b of this chapter).

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.

Item 2.02 Results of Operations and Financial Condition

On February 21, 2019, Dine Brands Global, Inc., a Delaware corporation (the “Corporation”), issued a press release announcing its fourth quarter and fiscal 2018 financial results. A copy of the press release is attached hereto as Exhibit 99.1, and is incorporated herein by reference.

The information contained in this Item 2.02, including the related information set forth in the press release attached hereto as Exhibit 99.1 and incorporated by reference herein, is being “furnished” and shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise. The information in this Item 2.02 shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, as amended, or into any filing or other document pursuant to the Exchange Act, except as otherwise expressly stated in any such filing.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Gregory H. Kalvin, Senior Vice President, Corporate Controller of the Corporation will retire from the Corporation effective March 8, 2019. Thomas H. Song, the Corporation’s Chief Financial Officer will assume the role of principal accounting officer for the Corporation effective immediately.

The Corporation and Mr. Kalvin have entered into a Separation Agreement and General Release dated February 20, 2019 (the “Separation Agreement”). Pursuant to the Separation Agreement, in connection with Mr. Kalvin’s retirement from the Corporation, he will receive severance payments and benefits consistent with those provided under the Dine Brands Global, Inc. Amended and Restated Executive Severance and Change in Control Policy, including 12 months of base salary and an amount equal to Mr. Kalvin’s bonus under the annual cash incentive plan for 2019, pro-rated based on the portion of the performance period that will have elapsed prior to the effective date of Mr. Kalvin’s retirement from the Corporation and adjusted based on actual performance through the performance period. In addition, any unvested stock options and restricted stock awards held by Mr. Kalvin will vest as of the effective date of Mr. Kalvin’s retirement. Mr. Kalvin will be eligible to receive payments under all long-term cash-based performance awards held by Mr. Kalvin based on actual performance during the applicable performance period. Such payouts will be paid to Mr. Kalvin at the time such award would have been paid to Mr. Kalvin had he remained employed with the Corporation through such date. Mr. Kalvin will forfeit the cash-settled restricted stock units granted to Mr. Kalvin in June 2018. Mr. Kalvin will also receive certain COBRA and outplacement benefits. The foregoing description of the Separation Agreement does not purport to be complete and is qualified in its entirety by the full text of the Separation Agreement, a copy of which is attached hereto as Exhibit 10.1, and is incorporated herein by reference.

Item 7.01 Regulation FD Disclosure.

The press release referenced in Item 2.02 of this Current Report on Form 8-K also includes information concerning the Corporation's 2019 financial outlook. A copy of the press release is attached hereto as Exhibit 99.1, and is incorporated herein by reference.

The information contained in this Item 7.01, including the related information set forth in the press release attached hereto as Exhibit 99.1 and incorporated by reference herein, is being "furnished" and shall not be deemed "filed" for the purposes of Section 18 of the Exchange Act or otherwise. The information in this Item 7.01 shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, as amended, or into any filing or other document pursuant to the Exchange Act, except as otherwise expressly stated in any such filing.

Item 8.01 Other Events.

The press release referenced in Item 2.02 of this Current Report on Form 8-K also includes information announcing that the Board of Directors of the Corporation declared a cash dividend of \$0.69 per share of common stock, payable on April 5, 2019 to stockholders of record as of the close of business on March 20, 2019. The press release also announced that the Board of Directors of the Corporation approved an increase to the Corporation's share repurchase authorization, effective immediately, to \$200 million (the "2019 Share Repurchase Program") from the approximately \$32.2 million share repurchase authorization remaining at the end of 2018 under the existing share repurchase authorization approved by the Board of Directors in October 2015 (the "2015 Share Repurchase Program"). In connection with the approval of the 2019 Share Repurchase Program, the Board of Directors terminated the 2015 Share Repurchase Program. A copy of the press release is attached hereto as Exhibit 99.1 and incorporated herein by reference.

The Board of Directors of the Corporation approved certain amendments to the Corporation's Restated Certificate of Incorporation to declassify the Board of Directors, subject to approval and adoption by the Corporation's stockholders at the 2019 Annual Meeting of Stockholders ("Annual Meeting"). A management proposal on this matter will be included in the proxy statement and voted upon by stockholders at the Annual Meeting. If such proposal is duly approved and adopted by the Corporation's stockholders at the Annual Meeting, the classified board structure will be phased out over a two-year period, with all directors subject to annual election beginning with the 2021 annual meeting of stockholders.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit Number	Description
10.1	Separation Agreement and General Release dated February 20, 2019.
99.1	Press Release issued by the Corporation on February 21, 2019.

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.

Date: February 21, 2019

DINE BRANDS GLOBAL, INC.

By: /s/ Thomas H. Song

Thomas H. Song
Chief Financial Officer

SEPARATION AGREEMENT AND GENERAL RELEASE

This Separation Agreement and General Release (the “**Agreement**”) dated as of February 20, 2019, is entered into by and between Gregory H. Kalvin (hereinafter referred to as “**Executive**”) and Dine Brands Global, Inc., a Delaware Corporation, its affiliates and subsidiaries (hereinafter referred to as the “**Corporation**”). Throughout this Agreement, Executive and the Corporation may be referred to collectively as the “parties”.

Recitals

A. Executive has been employed by the Corporation. Executive’s last day of employment by the Corporation will be March 8, 2019 (the “**Separation Date**”).

B. Executive and the Corporation wish to enter into an Agreement to clarify and resolve any disputes that may exist between them arising out of the employment relationship and its termination, and any continuing obligations of the parties to one another following the end of the employment relationship.

C. In consideration of the Corporation’s agreement to pay Executive a severance payment set forth herein, the Corporation has asked Executive to waive any and all rights Executive may have in potential claims against the Corporation, except for those rights provided in this Agreement and Executive’s continuing right to enforce the terms and provisions of this Agreement against the Corporation. The Corporation has advised Executive of Executive’s right to consult an attorney at Executive’s own expense prior to signing this Agreement and has provided Executive with 21 calendar days in which to consider this Agreement and seek legal assistance. Executive has either consulted an attorney of Executive’s choice or voluntarily elected not to consult legal counsel, and understands that except for Executive’s rights preserved and provided for above and elsewhere in this Agreement, Executive is waiving all potential claims against the Corporation and its agents.

D. This Agreement is not and should not be construed as an admission or statement by either party that it or any other party has acted wrongfully or unlawfully. Both parties expressly deny any wrongful or unlawful action and enter this Agreement for the sole purpose of clarifying and resolving any potential issues between them.

E. The Effective Date of this Agreement is defined in paragraph 10(d) hereof. Each of the covenants and obligations set forth herein is contingent upon the occurrence of the Effective Date.

Agreement

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual promises contained below, it is agreed as follows:

1. Employment Ending Date. Executive’s employment with the Corporation will terminate effective on the Separation Date. Executive will have no further employment duties or responsibilities to the Corporation after the Separation Date.

2. Payments and Benefits. In exchange for the promises contained in this Agreement, and so long as Executive does not revoke this Agreement:

a. Base Salary: The Corporation shall pay to Executive the sum of \$350,000, representing 12 months of base salary, less applicable tax, withholdings and deductions required by law, as severance pay and in exchange for the promises, agreements, understandings and releases contained in this Agreement. This sum will be paid as a lump sum through the Corporation's payroll after the Effective Date, but not later than 30 days after the Effective Date. Executive understands that, under applicable law, no Corporation match of 401(k) contributions can be made based on the separation payment.

b. Pro Rata Bonus: The Corporation agrees to pay Executive an amount equal to Executive's bonus under the annual incentive plan for the applicable fiscal year, prorated based on the portion of the performance period that has elapsed prior to the Separation Date, and based on actual performance. Executive's prorated target bonus is \$35,000, which Executive acknowledges is the target amount that will be adjusted under the annual incentive plan according to actual performance of the Corporation. This pro rata bonus less applicable tax, withholdings, and deductions required by law, shall be paid in accordance with the Corporation's administration practices at the time the annual bonus would have been paid to the Executive had Executive remained employed.

c. Benefits: All Executive's benefits shall cease on Executive's last day of work except Executive's medical, vision, and dental benefits coverage, if any, will end as of the last day of month of the Separation Date. In the event Executive elects COBRA coverage, the Corporation will pay 50% of the COBRA premium cost for Executive and such dependent(s) as are designated as of the Separation Date for 12 months, or until Executive becomes eligible for benefits through another employer, whichever is earlier. To the extent that Executive becomes eligible for benefits through another employer during this time, Executive agrees to give prompt written notice to the Corporation. The payment by the Corporation does not increase or otherwise affect the total number of months of coverage available through COBRA.

d. Outplacement Services: The Corporation shall provide standard outplacement services at the expense of the Corporation up to \$5,000, from an outplacement firm selected by the Corporation. In order to receive outplacement services, Executive must begin utilizing the services within 90 days of the Separation Date.

e. Equity. The Corporation agrees that the following will vest on the Effective Date:

- (1) 5,247 stock options granted on March 3, 2017, and 4,814 stock options granted on February 22, 2018; and
- (2) Restricted stock award of 1,234 shares granted on March 3, 2017, 3,654 shares granted on April 17, 2017, and 1,200 shares granted on February 22, 2018.

Additionally, Executive shall be entitled to payouts for the 2017 – 2019 performance period and the 2018 – 2020 performance period under the Corporation’s cash long-term incentive plan based on actual performance through such performance periods. The Corporation shall make such payouts, if any, at the time the payouts would have been paid to Executive had Executive remained employed by the Corporation through such date. Any payout shall be paid in accordance with the Corporation’s administration practices and shall be subject to any applicable tax, withholdings, and deductions required by law.

Other than as set forth in this Subparagraph 2 (e), Executive acknowledges that Executive is not entitled to any other unvested stock options, stock appreciation rights, restricted stock awards, restricted stock units, and any other equity or cash-based awards held by Executive as of the Separation Date. Except as provided in this Agreement, all restricted stock and stock options and shall remain subject to the terms and conditions of the plans, grant notices and agreements pursuant to which they were awarded. Notwithstanding the above, any stock options held by the Executive shall remain exercisable until the earlier of five years after the Effective Date or their original expiration.

The benefits described in (a) through (e) of this Paragraph constitutes the “**Separation Benefits.**” Executive agrees to indemnify and hold the Corporation harmless from and against any claims made against the Corporation for any non-payment of taxes by Executive. In addition to the Separation Benefits set forth above, Executive will receive all wages through the Separation Date separate and apart from this Agreement.

3. Valid Consideration. The parties hereto acknowledge and agree that Executive’s right to be paid the Separation Benefits identified in paragraph 2 is expressly conditioned on Executive signing this Agreement, and not thereafter revoking this Agreement. The parties further acknowledge and agree that the mutual promises and covenants contained herein constitute good, valid and sufficient consideration for this Agreement.

4. Return of Corporation Property. Executive covenants, represents and warrants to the Corporation that on the Separation Date, Executive will return to the Corporation any and all materials and property of the Corporation of any type whatsoever (including, without limitation, any vehicles and vehicles’ keys, mobile phones, office or other keys, access cards, identification badges, computer equipment, correspondence, tangible proprietary information or intellectual property, documents, records, notes, contracts, and other confidential or proprietary materials) that are in Executive’s possession or control.

5. Non-Disclosure of Confidential Information and Non-solicitation.

(a) Executive acknowledges that during the term of Executive’s employment with the Corporation, Executive has had access to material intellectual property, trade secrets, proprietary and confidential information of the Corporation, including but not limited to, information concerning the Corporation’s services; products; product formulas; recipes; business models; marketing; employees; franchisees; technology; consultants and experts; customer, dealer, vendor and partner data, including history, usage, pricing, preferences, incentives and rebate data for each; business plans, records and affairs; business partners; methods of doing business;

merchandising concepts, strategies and plans; financial matters; pricing information; 'trade secrets'; and suppliers, as well as other information including but not limited to information learned by Executive from employees, contractors or agents of the Corporation through inspection of the Corporation's premises or financial statements, or that relates to the Corporation's products, services, packaging, designs, business plans, business opportunities, customers, dealers, clients, consultants, experts, finances, research, development, know-how, personnel, litigation, workouts, or third-party confidential information disclosed to Executive by the Corporation, together with any material prepared by Executive which contains or otherwise relates to such information (the "**Confidential Information**"). However, notwithstanding the forgoing, the following information shall be excluded from the above referenced definition of Confidential Information: any item of Confidential Information which (i) was publicly known at the time of its disclosure by the Corporation to Executive, (ii) was already in the Executive's possession at the time of its disclosure by the Corporation to Executive, (iii) was lawfully received by Executive from a third party without violation of any obligation of confidentiality to the Corporation, (iv) becomes publicly known through no fault of the Executive, (v) is approved for Executive's disclosure by written authorization of the Corporation, or (vi) is required to be disclosed pursuant to any applicable law, rule, regulation or order of a court.

(b) Executive hereby represents, warrants and covenants that in any future employment or self-employment, Executive shall not disclose any Confidential Information, and shall refrain from any action or conduct which might reasonably or foreseeably be expected to compromise the confidentiality or proprietary nature of Confidential Information. Further, Executive hereby represents, warrants and covenants that Executive will not use Confidential Information in a manner that is adverse to the interests of the Corporation, or in any manner whatsoever without prior written approval of the Corporation in each instance.

(d) Executive acknowledges and agrees that breach of the covenants in this Paragraph 5 will irreparably harm the Corporation for which the Corporation may not have an adequate remedy at law. As such, Executive agrees that the Corporation shall be entitled to any proper injunction, including but not limited to temporary, preliminary, final injunctions, temporary restraining orders, and temporary protective orders, to enforce said covenants in the event of breach or threatened breach by Executive, in addition to any other remedies available to the Corporation at law or in equity. Executive further agrees that no bond or other security shall be required in obtaining such equitable relief and hereby agrees to comply with an order of a court of competent jurisdiction, issuing such injunction and ordering specific performance thereof. The covenants contained in this Agreement are independent of any other obligations between the parties, and the existence of any other claim or cause of action against the Corporation is not a defense to enforcement of said covenants by injunction.

6. Confidentiality of Separation Agreement; Non-Disparagement.

(a) Executive agrees to keep the terms of this Agreement (including, but not limited to the Separation Benefits) completely confidential, and that Executive will not disclose any information concerning this Agreement or its terms to anyone other than Executive's immediate family, and legal counsel, and/or financial advisors, who will be informed of and bound by this

confidentiality clause, or in response to a subpoena issued by a court of competent jurisdiction or as otherwise required by law.

(b) Executive shall not disparage the Corporation, its officers, directors, independent contractors, and employees.

(c) The Corporation will respond to requests for information from prospective employers by stating Executive's dates of employment and position held.

7. General Release of Claims. Executive expressly waives any and all claims against the Corporation and releases it, including, without limitation, each of its officers, directors, partners, members, stockholders, managers, employees, consultants, agents, attorneys, parent and subsidiary corporations, and representatives (the "**Corporation Releasees**"), from any and all claims, demands, lawsuits, causes of action, obligations, and liabilities of whatever kind, which Executive may have or thinks Executive may have against the Corporation Releasees or any of them based upon events or facts arising at any time on or before the Effective Date of this Agreement, including but not limited to, claims that relate to Executive's employment and/or the separation of employment with the Corporation. Executive agrees this general release of claims includes, but is not limited to, claims for breach of any implied or express contract or covenant; claims for promissory estoppel; claims of entitlement to any pay; claims of wrongful denial of insurance and employee benefits; claims for wrongful termination, public policy violations, defamation, invasion of privacy, fraud, misrepresentation, emotional distress or other common law or tort matters; claims of harassment, retaliation or discrimination based on age, race, color, religion, sex, national origin, ancestry, physical or mental disability, legally protected medical condition, genetic information, marital or family status, sexual orientation, gender identity or expression, union activity, military status or veteran status, or any other status protected by law; claims based upon the California or United States Constitutions; any claims based on alleged restrictions on the Corporation's right to terminate, not to hire or promote employees, or on the Corporation's ability to change an employee's compensation or other terms and conditions of employment; and claims based on any federal, state or local law, including, without limitation: Title VII of the Civil Rights Act of 1964, as amended; the Civil Rights Act of 1991; the Equal Pay Act, 29 U.S.C. § 206(d)(1); the Americans with Disabilities Act; the Americans with Disabilities Act Amendments Act; the Labor Management Relations Act; the Family and Medical Leave Act; the Employee Retirement Income Security Act; the Worker Adjustment and Retraining Notification Act ("WARN"); the California WARN Act; the California Fair Employment and Housing Act; the California Labor Code; the California Family Rights Act, the California Constitution; the California Industrial Welfare Commission Wage Orders; and the California Government Code, as well as any amendments to those laws. Executive expressly understands that among the various claims and rights being waived by Executive in this Agreement are those arising under the Age Discrimination in Employment Act ("ADEA"), as amended, and in that regard Executive specifically acknowledges that Executive has read and understands the provisions of paragraph 10 below before signing this Agreement.

8. Exclusions From General Release/Additional Protections. Excluded from the General Release above are: (i) rights and claims which cannot be waived by law, including claims for workers' compensation, unemployment compensation, and accrued and vested retirement benefits; (ii) claims arising after the Effective Date of this Agreement; and (iii) claims

for breach of the Agreement. Neither the General Release above nor anything else in this Agreement limits Executive's rights to file a charge with an administrative agency (such as the U.S. Equal Employment Opportunity Commission), provide information to an administrative agency, or participate in an agency investigation. The Exclusions and Protections contained in this paragraph 8 override any language to the contrary in any other part of this Agreement. Executive is, however, waiving all rights to receive money or other individual relief in connection with an administrative charge or investigation, regardless of whether that charge or investigation was initiated by Executive, on Executive's behalf, on behalf of a group or class to which Executive purportedly belongs, or otherwise, provided, however, that Executive may accept bounty money properly awarded by the U.S. Securities and Exchange Commission.

9. Release of Unknown Claims. It is the intention of Executive and the Corporation that this Agreement is a General Release which shall be effective as a bar to each and every claim, demand, or cause of action it releases. Executive recognizes that Executive may have some claim, demand, or cause of action against the Corporation of which the Executive is totally unaware and unsuspecting which Executive is giving up by execution of the General Release. It is the intention of the Executive in executing this Agreement that it will deprive Executive of each such claim, demand or cause of action and prevent Executive from asserting it against the Corporation. In furtherance of this intention, Executive expressly waives any rights or benefits conferred by the provisions of Section 1542 of the Civil Code of the State of California (and/or other similar provision(s) of any other jurisdiction), which provides as follows:

“A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or his/her settlement with the debtor.”

10. Right of Revocation. In compliance with the Older Workers Benefit Protection Act (P.L. 101433), Executive does hereby acknowledge and agree as follows:

- (a) That this Agreement does not purport to waive rights or claims that may arise from acts or events occurring after the date that this Agreement is executed by the parties;
- (b) That this Agreement specifically applies to any rights or claims Executive may have against the Corporation under the federal Age Discrimination in Employment Act of 1967, as amended;
- (c) That the consideration provided for in this Agreement is in addition to that to which Executive is already entitled;
- (d) That this Agreement shall be revocable by Executive for a 7-day period following execution of this Agreement by Executive. Accordingly, this Agreement shall not become effective or enforceable until the expiration of the 7-day revocation period (“**Effective Date**”); and
- (e) That Executive, having carefully read this Agreement and knowing the contents hereof, freely and voluntarily consents to all the terms and conditions herein, understands the

final and binding effect of this Agreement, has been advised of Executive's right to and has been given a chance to consult with and review this Agreement with an attorney of Executive's choice prior to signing this Agreement, and has been given a period of 21 days within which to consider whether to sign this Agreement. In the event that Executive chooses to waive this 21 day period, Executive acknowledges that Executive was given a reasonable period of time within which to consider this Agreement and that Executive's waiver was made freely and voluntarily and without duress or any coercion by any other person, including anyone at the Corporation or the Corporation Releasees.

11. Payment of Moneys Owed. The parties acknowledge and agree that the Corporation has paid Executive or shall pay Executive all wages or salary earned, including any accrued, but unused or unpaid vacation pay according to the Corporation policy and eligibility requirements, business expenses and other benefits, if any, to which Executive was entitled during employment, through the Separation Date. Executive shall provide the Corporation with final expense report(s) no later than 7 days before the Separation Date, and the Corporation shall reimburse Executive for such expenses, in accordance with the Corporation's policy. Executive is entitled to this payment regardless of whether Executive signs this Agreement.

12. Section 409A. The payments made under this Agreement are intended to comply with section 409A of the Internal Revenue Code of 1986, as amended, and applicable guidance issued thereunder ("Section 409A"). Payments made under this Agreement will be interpreted and construed, to the extent possible, to be distributed in the short-term deferral period, as defined under Treasury Regulation section 1.409A-1(b)(4), or the separation pay exemption, as provided in Treasury Regulation section 1.409A-1(b)(9). For purposes of this Agreement, the phrase "Separation Date" means the date in which Executive's "separation from service," as defined in Treasury Regulation section 1.409A-1(h), occurred. For purposes of this Agreement, each payment made and benefits provided under this Agreement is hereby designated as a separate payment, and will not collectively be treated as a single payment, as provided in Treasury Regulation section 1.409A-2(b)(2)(iii).

13. No Assignment. Executive represents and warrants that Executive has made no assignment or other transfer, and covenants that Executive will make no assignment or other transfer, of any interest in any Claim which Executive may have against the Corporation Releasees, or any of them.

14. Indemnification of Released Parties. Executive agrees to indemnify and hold harmless the Corporation Releasees, and each of them, against any loss, claim, demand, damages, expenses, or any other liability whatsoever, including reasonable attorneys' fees and costs resulting from: (a) any breach of this release by Executive or Executive's successors in interest; (b) any assignment or transfer, or attempted assignment or transfer, of any claims released hereunder; or (c) any action or proceeding brought by Executive or Executive's successors in interest, or any other, if such action or proceeding arises out of, is based upon, or is related to any claims, demands, or causes of action released herein; provided, however, that this indemnification provision shall not apply to any challenge by Executive of the release of claims under the ADEA, Title VII, or similar discrimination laws, and any right of the released parties to recover attorneys' fees and/or expenses for such breach shall be governed by applicable law.

It is the intention of the parties that this indemnity does not require payment as a condition precedent to recovery by any of the Corporation Releasees under this indemnity

15. No On-the-Job Injury. Executive represents and warrants that Executive has not experienced a job-related illness or injury during employment with the Corporation for which Executive has not already filed a claim, and that Executive has disclosed to the Corporation any pending or previously filed claim relating to an on-the-job injury or illness.

16. Cooperation. Executive agrees to cooperate fully with the Corporation and its subsidiaries and affiliates in the defense or prosecution of any claims or actions now in existence or which may be brought in the future against or on behalf of the Corporation or its subsidiaries or affiliates which relate to events or occurrences that transpired while Executive was employed by the Corporation; and in connection with any investigation or review by any federal, state or local regulatory, quasi-regulatory or self-governing authority (including, without limitation, the Securities and Exchange Commission) as any such investigation or review relates to events or occurrences that transpired while Executive was employed by the Corporation. Executive's full cooperation shall include, but not be limited to, being available to meet and speak with officers or employees of the Corporation and/or its counsel at reasonable times and locations, executing accurate and truthful documents, appearing at the Corporation's request as a witness at depositions, trials or other proceedings without the necessity of a subpoena, with reasonable advance notice, and taking such other actions as may reasonably be requested by of the Corporation and/or its counsel to effectuate the foregoing. In requesting such services, the Corporation will consider other commitments that Executive may have at the time of the request, and Executive's availability and obligations under this Section shall in all instances reasonably be subject to Executive's other commitments. The Corporation agrees to reimburse Executive for any reasonable, out-of-pocket travel, hotel and meal expenses incurred in connection with Executive's performance of obligations pursuant to this Section for which Executive has obtained prior, written approval from the Corporation, and the Corporation shall pay Executive \$165 per hour for any services performed by Executive at the request of the Corporation pursuant to this Paragraph.

17. Truthful Testimony; Notice of Request for Testimony. Nothing in this Agreement is intended to or shall preclude either party from providing testimony that such party reasonably and in good faith believes to be truthful in response to a valid subpoena, court order, regulatory request or other judicial, administrative or legal process or otherwise as required by law. Executive shall notify the Corporation in writing as promptly as practicable after receiving any such request of the anticipated testimony and at least 10 days prior to providing such testimony (or, if such notice is not possible under the circumstances, with as much prior notice as is possible) to afford the Corporation a reasonable opportunity to challenge the subpoena, court order or similar legal process. Moreover, nothing in this Agreement shall be construed or applied so as to limit any person from providing candid statements that such party reasonably and in good faith believes to be truthful to any governmental or regulatory body or any self-regulatory organization.

18. Tax Indemnification. It is understood between the parties that Executive has not relied upon any representation, express or implied, made by the Corporation or any of its representatives as to the tax consequences of this Agreement and that Executive releases the

Corporation Releasees from any and all liability in connection with any such tax consequences. The Corporation's payments to Executive described above in paragraph 2 represent a compromise of any and all of Executive's known or unknown claims against the Corporation Releasees. Executive agrees that any liability for state or federal income tax payments or penalties arising from said payments shall be Executive's sole responsibility. Executive agrees to indemnify and to hold harmless the Corporation Releasees from any and all actions, claims or demands brought by any tax or other authority based upon Executive's tax obligations arising from payments to be made pursuant to this Agreement, and Executive agrees specifically to reimburse the Corporation for any taxes, interest and penalties paid by the Corporation and for the costs, legal fees, and any other expenses incurred by the Corporation as a result of any such actions, claims or demands.

19. Arbitration. Except for an action for injunctive relief to enforce the terms of this Agreement, any dispute concerning the application of this Agreement, and any other dispute from time to time between Executive and the Corporation, shall be settled by arbitration, to take place in Los Angeles, California before an arbitrator selected by the parties. Unless otherwise provided by law, the parties will each share 50% of the arbitration costs and fees. The decision of the arbitrator shall be final and conclusive, and the parties waive the right to trial de novo or appeal.

PLEASE READ CAREFULLY. THIS AGREEMENT INCLUDES THE RELEASE OF ALL KNOWN AND UNKNOWN CLAIMS.

20. Binding Agreement. This Agreement shall be binding upon each party and its and his or her heirs, administrators, representatives, executors, successors and assigns, and shall inure to the benefit of the Corporation Releasees and each of them, and to their heirs, administrators, representatives, executors, successors, and assigns.

21. Contract Interpretation. The language of this Agreement shall not be construed for or against any particular party. The section headings are inserted as a matter of convenience and in no way define, limit or describe the scope of such section or affect the interpretation of this Agreement. The invalidity or enforceability, in whole or in part, of any provision of this Agreement will not affect the validity or enforceability of any other provision. In the event of a conflict or inconsistency between the terms of this Agreement and any other agreement between the parties, the terms of this Agreement shall control.

22. Entire Agreement/Survival. Executive acknowledges that no promises or representations other than those set forth in this Agreement have been made to Executive to induce Executive to sign this Agreement, and that Executive only has relied on promises expressly stated herein. This Agreement sets forth the entire understanding between Executive and the Corporation and supersedes any prior agreements or understandings, express or implied, pertaining to the terms of Executive's employment with the Corporation and the termination of the employment relationship. The provisions of this Agreement shall survive the Separation Date and the termination of Executive's employment.

23. Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the internal laws of the State of California, without regard to its conflict of laws provisions.

24. Waiver. No purported waiver of a breach or default will be valid unless specifically stated in writing by the waiving party. No such waiver waives any subsequent breach or default of the same or any other term in this Agreement.

25. No Further Amendment. No amendment or modification of this Agreement will be binding unless executed in writing by the parties or their permitted successors or assigns. No course of conduct or course of performance under this Agreement or any other agreement between the parties will be deemed to amend or modify this Agreement.

26. Attorney's Fees. Executive acknowledges and agrees that Executive is solely responsible for paying any attorneys' fees and costs that Executive has incurred in connection with this matter. The parties also agree that execution of this Agreement does not make Executive the "substantially prevailing party" or "prevailing party" under any statute or regulation, and Executive agrees not to seek an award of attorneys' fees or costs from the Corporation in any forum. However, should legal action be necessary to enforce or interpret this Agreement, the prevailing party shall be entitled to reasonable attorney's fees and costs.

27. Counterparts. This Agreement may be executed in any number of counterparts and by any electronic means, each of which shall be deemed an original and all of which, when taken together, shall constitute one and the same agreement.

The parties have executed this Agreement, consisting of 10 pages, including this page, as of the dates indicated below.

Dated: February 20, 2019

DINE BRANDS GLOBAL, INC. the "Corporation"

By: /s/ Gregory Bever

Its: Senior Vice President, Chief
People Officer

Dated: February 20, 2019

Greggory H. Kalvin, the "Executive"

/s/ Greggory H. Kalvin



News Release

Investor Contact

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Dine Brands Global, Inc. Reports Strong Fourth Quarter and Fiscal 2018 Results

Applebee's Fourth Quarter Same-Restaurant Sales Increase 3.5%

IHOP Fourth Quarter Same-Restaurant Sales Increase 3.0%

**Company Declares and Raises First Quarter 2019 Dividend
New Share Repurchase Authorization of \$200 Million**

GLENDALE, Calif., February 21, 2019 – Dine Brands Global, Inc. (NYSE: DIN), the parent company of Applebee's Neighborhood Grill + Bar® and IHOP® restaurants, today announced financial results for the fourth quarter and fiscal 2018.

"Dine Brand's strong performance in the fourth quarter and throughout 2018 is the result of a clear strategic vision and unwavering commitment to sustainable growth. Both Applebee's and IHOP have outperformed their respective categories by delivering on comprehensive efforts to drive their businesses and delight guests. The momentum we are seeing is bolstered by meaningful improvements in the in-restaurant experience, ongoing investment in guest-facing technologies, breakthrough marketing and further extending our off-premise platforms for both brands. I am very proud of the Dine teams, our franchisees and their operators and team members for their contributions, hard work and commitment to a multi-pronged strategy and our collective success," said Steve Joyce, Chief Executive Officer of Dine Brands Global, Inc.

Mr. Joyce continued, "As we head into 2019, we are very encouraged by our outlook and growth opportunities. We have the right strategies in place to drive long-term momentum and create additional value for our shareholders."

Key Highlights

- Applebee's comparable same-restaurant sales increased 3.5% for the fourth quarter of fiscal 2018, achieving the fifth consecutive quarter of sales growth.
- IHOP's comparable same-restaurant sales increased 3.0% for the fourth quarter of fiscal 2018, achieving the fourth consecutive quarter of sales growth.

- IHOP's reported system-wide sales for the fourth quarter of fiscal 2018 increased 4.5% year-over-year to \$863.7 million.
- Gross profit for the fourth quarter of fiscal 2018 increased 41.9% year-over-year to \$98.4 million.
- GAAP earnings per diluted share of \$1.47 for the fourth quarter of fiscal 2018 compares to \$3.82 for the fourth quarter of fiscal 2017. The decline was primarily due to a tax benefit of \$58.8 million in the fourth quarter of fiscal 2017, partially offset by a \$29.0 million increase in gross profit.
- Adjusted earnings per diluted share increased to \$1.70 for the fourth quarter of fiscal 2018 compared to \$0.48 in the fourth quarter of fiscal 2017. (See "Non-GAAP Financial Measures" below.)
- GAAP net income for the fourth quarter of fiscal 2018 was \$27.0 million.
- Consolidated adjusted EBITDA for the fourth quarter of fiscal 2018 increased 66.7% year-over-year to \$65.0 million. (See "Non-GAAP Financial Measures" and reconciliation of GAAP net income to consolidated adjusted EBITDA.)
- IHOP franchisees and area licensees developed 34 net new domestic restaurants in fiscal 2018, marking at least a decade of consecutive net domestic development.
- For the twelve-month period ended December 31, 2018, the Company repurchased 478,839 shares of its common stock for a total cost of approximately \$34.9 million and paid quarterly cash dividends totaling approximately \$51.1 million.

Fourth Quarter of Fiscal 2018 Financial Highlights

- GAAP net income available to common stockholders was \$26.1 million, or earnings per diluted share of \$1.47, for the fourth quarter of fiscal 2018. This compares to net income available to common stockholders of \$67.8 million, or earnings per diluted share of \$3.82, for the fourth quarter of fiscal 2017. The decrease in net income was primarily due to a tax benefit of \$58.8 million in the fourth quarter of fiscal 2017. The tax benefit was mainly a result of the revaluation of our deferred tax assets and liabilities due to a future reduction in our corporate tax rate following the enactment of the Tax Cuts and Jobs Act tax legislation in December 2017. There was no similar tax benefit from the revaluation of our deferred tax assets and liabilities in the fourth quarter of fiscal 2018. This item was partially offset by an increase in gross profit of \$29.0 million, which was due to lower bad debt expense and cash collections of previously unrecognized royalty revenues, a lower advertising fund deficit, increases in Applebee's and IHOP domestic system-wide comparable same-restaurant sales and IHOP restaurant development.
- Adjusted net income available to common stockholders was \$30.3 million, or adjusted earnings per diluted share of \$1.70, for the fourth quarter of fiscal 2018. This compares to adjusted net income available to common stockholders of \$8.6 million, or adjusted earnings per diluted share of \$0.48, for the fourth quarter of fiscal 2017. The increase in adjusted net income was mainly due to higher franchise segment profit as the result of increases in Applebee's and IHOP domestic system-wide comparable same-restaurant sales, lower bad debt expense and cash collections of previously unrecognized royalty revenues. These items were partially offset by an increase in general and administrative expenses. (See "Non-GAAP Financial Measures" below.)
- General and administrative expenses were \$45.3 million for the fourth quarter of fiscal 2018 compared to \$40.0 million for the fourth quarter of fiscal 2017. The increase was primarily due to

higher personnel-related costs and business acquisition costs related to 69 Applebee's restaurants acquired by the Company in December 2018. These items were partially offset by a decline in costs related to conferences and professional services.

Fiscal 2018 Financial Highlights

- GAAP net income available to common stockholders was \$77.6 million, or earnings per diluted share of \$4.37, for fiscal 2018. This compares to a net loss available to common stockholders of \$336.0 million, or a net loss per diluted share of \$18.96, for fiscal 2017. The increase in net income was primarily due to non-cash impairment charges totaling \$531.6 million in fiscal 2017 related to the write-downs of Applebee's goodwill and other intangible assets as well as higher gross profit. The non-cash impairment charges were partially offset by a tax benefit of \$85.6 million in 2017 primarily because of a fourth-quarter revaluation of our deferred tax assets and liabilities due to a future reduction in our corporate tax rate.
- Consolidated adjusted EBITDA for fiscal 2018 was \$230.6 million. This compares to adjusted EBITDA for fiscal 2017 of \$221.3 million. (See "Non-GAAP Financial Measures" and reconciliation of GAAP net income to consolidated adjusted EBITDA.)
- Adjusted net income available to common stockholders was \$95.5 million, or adjusted earnings per diluted share of \$5.37, for fiscal 2018. This compares to adjusted net income available to common stockholders of \$72.5 million, or adjusted earnings per diluted share of \$4.09, for fiscal 2017. The increase in adjusted net income was mainly due to lower income tax expense, as well as higher franchise segment profit, driven by increases in Applebee's and IHOP domestic system-wide comparable same-restaurant sales, lower bad debt expense and cash collections of previously unrecognized royalty revenues. These items were partially offset by an increase in general and administrative expenses. (See "Non-GAAP Financial Measures" below.)
- General and administrative expenses were \$166.7 million for fiscal 2018 compared to \$165.7 million for fiscal 2017. The increase was due to higher costs of stock-based and other incentive compensation, partially offset by a decline in professional services costs.
- Cash flows from operating activities were \$140.3 million for fiscal 2018 compared to \$65.7 million for fiscal 2017. Adjusted free cash flow was \$140.9 million for fiscal 2018 compared to \$63.0 million for fiscal 2017. (See "Non-GAAP Financial Measures" below.)

Fiscal 2018 Same-Restaurant Sales Performance

- Applebee's domestic system-wide comparable same-restaurant sales increased 5.0% for fiscal 2018.
- IHOP's domestic system-wide comparable same-restaurant sales increased 1.5% for fiscal 2018.

GAAP Effective Tax Rate

Our effective tax rates for the fourth quarter and fiscal 2018 were 15.8% and 27.4%, respectively. The fourth quarter effective tax rate was 15.8% primarily due to the revaluation of state deferred taxes due to the December 2018 acquisition of Applebee's 69 restaurants in North Carolina and South Carolina and state legislative changes enacted in 2018. The effective tax rates were impacted by the Tax Cuts and Jobs Act (the "Tax Act") enacted in December 2017, which lowered the federal statutory corporate tax rate from 35% to 21%, beginning in 2018.

During fiscal, 2018, we increased our tax provision by \$5.1 million related to adjustments resulting from IRS audits for tax years 2011 through 2013. This increased our effective tax rate from what would have been an estimated combined federal and state rate of 25% (reflecting the reduction in the federal tax rate from the Tax Act) to approximately 27.4% for fiscal 2018. Completion of the IRS audits for tax years 2011 through 2013 will allow us to accelerate the collection of certain tax benefits recognized in prior years. As a result, we expect to receive a cash refund of approximately \$12.5 million within the next 12 months.

Capital Allocation

The Company's board of directors approved a 10% increase in its quarterly cash dividend to \$0.69 per share of common stock. The dividend for the first quarter of fiscal 2019 will be payable on April 5, 2019 to the Company's stockholders of record at the close of business on March 20, 2019.

The board of directors also approved replacing the Company's existing share repurchase authorization for its common stock, effective immediately, with an authorization of up to \$200 million.

Financial Performance Guidance for Fiscal 2019

The following financial performance guidance for fiscal 2019 is based on management's expectations as of February 21, 2019. The projections are as of this date, and the Company assumes no obligation to update or supplement these estimates.

- Applebee's domestic system-wide comparable same-restaurant sales performance is expected to range between positive 2.0% and positive 4.0%.
- IHOP's domestic system-wide comparable same-restaurant sales performance is expected to range between positive 2.0% and positive 4.0%.
- Development activity by Applebee's franchisees is expected to result in net closures between 20 and 30 restaurants globally, the majority of which are expected to be domestic closures.
- IHOP franchisees and area licensees are expected to develop between 35 and 55 net new restaurants globally, the majority of which are expected to be domestic openings.
- Total segment profit, excluding the company restaurants segment, is expected to be between approximately \$373 million and \$394 million.
- General and administrative expenses are expected to range between approximately \$165 million and approximately \$170 million, including non-cash stock-based compensation expense and depreciation totaling approximately \$40 million. This projection includes approximately \$6 million of general and administrative expenses related to the company restaurants segment.
- GAAP net income is expected to range between approximately \$104 million and approximately \$113 million.
- Consolidated adjusted EBITDA is expected to range between approximately \$268 million and approximately \$277 million. This projection includes company restaurants segment EBITDA, which is expected to be between approximately \$9 million and approximately \$11 million. (See "Non-GAAP Financial Measures" and reconciliation of GAAP net income to consolidated adjusted EBITDA.)
- GAAP earnings per diluted share is expected to range from \$6.15 to \$6.45.
- Adjusted earnings per diluted share is expected to range from \$6.90 to \$7.20. (See "Non-GAAP Financial Measures" and reconciliation of GAAP earnings per diluted share to adjusted earnings per diluted share.)

2019 Diluted Net Income Available to Common Stockholders Per Share⁽¹⁾, As Adjusted Reconciliation Guidance Table

Net income available to common stockholders per diluted share	\$6.15 – \$6.45
Closure and impairment charges	0.14
Amortization of intangible assets	0.61
Non-cash interest expense	0.27
Income tax provision for above adjustments at 26%	(0.27)
Diluted net income available to common stockholders per share, as adjusted	\$6.90 – \$7.20

(1) The adjustments to net income available to common stockholders per diluted share are midpoint estimates.

2019 Net Income to Consolidated Adjusted EBITDA Reconciliation Guidance Table⁽¹⁾ (\$ in millions)

Net income	\$104 – \$113
Interest charges	74
Income tax provision	38
Depreciation and amortization	36
Non-cash stock-based compensation	14
Impairment and closure charges	2
Consolidated adjusted EBITDA (Non-GAAP)	\$268 – 277

(1) The adjustments to net income are midpoint estimates.

Fourth Quarter and Fiscal 2018 Conference Call Details

Dine Brands will host a conference call to discuss its results on February 21, 2019 at 6:00 a.m. Pacific Time/9:00 a.m. Eastern Time. To participate on the call, please dial (888) 771-4371 and reference passcode 48199137. International callers, please dial (847) 585-4405 and reference passcode 48199137.

A live webcast of the call will be available on www.dinebrands.com and may be accessed by visiting Events and Presentations under the site's Investors section. Participants should allow approximately ten minutes prior to the call's start time to visit the site and download any streaming media software needed to listen to the webcast. A telephonic replay of the call may be accessed from 8:30 a.m. Pacific Time/11:30 a.m. Eastern Time on February 21, 2019 through 8:59 p.m. Pacific Time/11:59 p.m. Eastern Time on February 28, 2019 by dialing (888) 843-7419 and referencing passcode 48199137#. International callers, please dial (630) 652-3042 and reference passcode 48199137#. An online archive of the webcast will also be available on Events and Presentations under the Investors section of the Company's website.

About Dine Brands Global, Inc.

Based in Glendale, California, Dine Brands Global, Inc. (NYSE: DIN), through its subsidiaries, franchises restaurants under both the Applebee's Neighborhood Grill & Bar and IHOP brands. With approximately 3,700 restaurants combined in 18 countries and approximately 380 franchisees, Dine Brands is one of the largest full-service restaurant companies in the world. For more information on Dine Brands, visit the Company's website located at www.dinebrands.com.

Forward-Looking Statements

Statements contained in this press release may constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. You can identify these forward-looking statements by words such as “may,” “will,” “would,” “should,” “could,” “expect,” “anticipate,” “believe,” “estimate,” “intend,” “plan,” “goal” and other similar expressions. These statements involve known and unknown risks, uncertainties and other factors, which may cause actual results to be materially different from those expressed or implied in such statements. These factors include, but are not limited to: general economic conditions; our level of indebtedness; compliance with the terms of our securitized debt; our ability to refinance our current indebtedness or obtain additional financing; our dependence on information technology; potential cyber incidents; the implementation of restaurant development plans; our dependence on our franchisees; the concentration of our Applebee’s franchised restaurants in a limited number of franchisees; the financial health our franchisees; our franchisees’ and other licensees’ compliance with our quality standards and trademark usage; general risks associated with the restaurant industry; potential harm to our brands’ reputation; possible future impairment charges; the effects of tax reform; trading volatility and fluctuations in the price of our stock; our ability to achieve the financial guidance we provide to investors; successful implementation of our business strategy; the availability of suitable locations for new restaurants; shortages or interruptions in the supply or delivery of products from third parties or availability of utilities; the management and forecasting of appropriate inventory levels; development and implementation of innovative marketing and use of social media; changing health or dietary preference of consumers; risks associated with doing business in international markets; the results of litigation and other legal proceedings; third-party claims with respect to intellectual property assets; our ability to attract and retain management and other key employees; compliance with federal, state and local governmental regulations; risks associated with our self-insurance; natural disasters or other series incidents; our success with development initiatives outside of our core business; the adequacy of our internal controls over financial reporting and future changes in accounting standards; and other factors discussed from time to time in the Company’s Annual and Quarterly Reports on Forms 10-K and 10-Q and in the Company’s other filings with the Securities and Exchange Commission. The forward-looking statements contained in this release are made as of the date hereof and the Company does not intend to, nor does it assume any obligation to, update or supplement any forward-looking statements after the date hereof to reflect actual results or future events or circumstances.

Non-GAAP Financial Measures

This press release includes references to the Company’s non-GAAP financial measure “adjusted net income available to common stockholders”, “adjusted earnings per diluted share (Adjusted EPS)”, “Adjusted EBITDA” and “Adjusted free cash flow.” Adjusted EPS is computed for a given period by deducting from net income or loss available to common stockholders for such period the effect of any closure and impairment charges, any gain or loss related to debt extinguishment, any intangible asset amortization, any non-cash interest expense, any gain or loss related to the disposition of assets, and other items deemed not reflective of current operations. This is presented on an aggregate basis and a per share (diluted) basis. Adjusted EBITDA is computed for a given period by deducting from net income or loss for such period the effect of any closure and impairment charges, any interest charges, any income tax provision or benefit, any non-cash stock-based compensation, any depreciation and amortization, any gain or loss related to the disposition of assets and other items deemed not reflective of current operations. “Adjusted free cash flow” for a given period is defined as cash provided by operating activities, plus receipts from notes and equipment contracts receivable, less capital expenditures. Management may use certain of these non-GAAP financial measures along with the corresponding U.S. GAAP measures to evaluate the performance of the business and to make certain business decisions. Management uses adjusted free cash flow in its periodic assessments of, among other things, the amount of cash dividends per share of common stock and repurchases of common stock and we believe it is important for investors to have the same measure used by management for that purpose. Adjusted free cash flow does not represent residual cash flow available for discretionary purposes. Additionally, adjusted EPS is one of the metrics used in determining payouts under the Company’s annual cash incentive plan. Management believes that these non-GAAP financial measures provide additional

meaningful information that should be considered when assessing the business and the Company's performance compared to prior periods and the marketplace. Adjusted EPS and adjusted free cash flow are supplemental non-GAAP financial measures and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with U.S. GAAP.

Dine Brands Global, Inc. and Subsidiaries
Consolidated Statements of Comprehensive Income (Loss)
(In thousands, except per share amounts)

	Three Months Ended December 31, (unaudited)		Twelve Months Ended December 31,	
	2018	2017 (as adjusted)	2018	2017 (as adjusted)
Revenues:				
Franchise revenues:				
Royalties, franchise fees and other	\$ 99,865	\$ 88,266	\$ 375,640	\$ 360,253
Advertising revenue	74,737	55,785	268,294	234,165
Total Franchise revenues	174,602	144,051	643,934	594,418
Rental revenues	30,642	30,585	121,934	121,437
Financing revenues	1,870	2,072	7,979	8,352
Company restaurant sales	7,084	—	7,084	7,518
Total revenues	214,198	176,708	780,931	731,725
Cost of revenues:				
Franchise expenses:				
Advertising expenses	76,033	64,716	269,590	243,096
Other franchise expenses	11,429	19,549	61,029	50,890
Total Franchise expenses	87,462	84,265	330,619	293,986
Rental expenses	22,345	22,927	90,756	90,592
Financing expenses	148	149	597	598
Company restaurant expenses	5,872	31	5,872	7,838
Total cost of revenues	115,827	107,372	427,844	393,014
Gross profit	98,371	69,336	353,087	338,711
Impairment of goodwill and intangible assets	—	—	—	531,634
General and administrative expenses	45,260	39,978	166,683	165,679
Interest expense	15,576	15,483	61,686	61,979
Amortization of intangible assets	2,592	2,502	10,105	10,009
Closure and other impairment charges	1,988	162	2,107	3,968
Debt refinancing costs	(9)	—	2,523	—
Loss (gain) on disposition of assets	910	138	(625)	(6,249)
Income (loss) before income tax (provision) benefit	32,054	11,073	110,608	(428,309)
Income tax (provision) benefit	(5,073)	58,827	(30,254)	85,559
Net income (loss)	<u>\$ 26,981</u>	<u>\$ 69,900</u>	<u>\$ 80,354</u>	<u>\$ (342,750)</u>
Net income (loss) available to common stockholders:				
Net income (loss)	\$ 26,981	\$ 69,900	\$ 80,354	\$ (342,750)
Less: Net (income) loss allocated to unvested participating restricted stock	(917)	(2,095)	(2,711)	6,768
Net income (loss) available to common stockholders	<u>\$ 26,064</u>	<u>\$ 67,805</u>	<u>\$ 77,643</u>	<u>\$ (335,982)</u>
Net income (loss) available to common stockholders per share:				
Basic	<u>\$ 1.49</u>	<u>\$ 3.82</u>	<u>\$ 4.43</u>	<u>\$ (18.96)</u>
Diluted	<u>\$ 1.47</u>	<u>\$ 3.82</u>	<u>\$ 4.37</u>	<u>\$ (18.96)</u>
Weighted average shares outstanding:				
Basic	<u>17,446</u>	<u>17,745</u>	<u>17,533</u>	<u>17,725</u>
Diluted	<u>17,785</u>	<u>17,764</u>	<u>17,789</u>	<u>17,740</u>
Dividends declared per common share				
	<u>\$0.63</u>	<u>\$0.97</u>	<u>\$2.52</u>	<u>\$3.88</u>
Dividends paid per common share				
	<u>\$0.63</u>	<u>\$0.97</u>	<u>\$2.86</u>	<u>\$3.88</u>

Dine Brands Global, Inc. and Subsidiaries
Consolidated Balance Sheets
(In thousands, except share and per share amounts)

	<u>December 31, 2018</u>	<u>December 31, 2017</u> (as adjusted)
Assets		
Current assets:		
Cash and cash equivalents	\$ 137,164	\$ 117,010
Receivables, net	137,504	140,188
Restricted cash	48,515	31,436
Prepaid gift card costs	38,195	40,725
Prepaid income taxes	17,402	43,654
Other current assets	3,410	12,615
Total current assets	382,190	385,628
Long-term receivables, net	103,102	126,570
Other intangible assets, net	585,889	582,787
Goodwill	345,314	339,236
Property and equipment, net	240,264	199,585
Deferred rent receivable	77,069	82,971
Non-current restricted cash	14,700	14,700
Other non-current assets, net	26,152	4,135
Total assets	<u>\$ 1,774,680</u>	<u>\$ 1,735,612</u>
Liabilities and Stockholders' Deficit		
Current liabilities:		
Current maturities of long-term debt	\$ 25,000	\$ 12,965
Accounts payable	43,468	55,028
Gift card liability	160,438	164,441
Dividends payable	11,389	17,748
Current maturities of capital lease and financing obligations	14,031	14,193
Accrued employee compensation and benefits	27,479	13,547
Deferred franchise revenue, short-term	10,138	11,001
Other accrued expenses	24,243	16,001
Total current liabilities	316,186	304,924
Long-term debt, less current maturities	1,274,087	1,269,849
Capital lease obligations, less current maturities	87,762	61,895
Financing obligations, less current maturities	38,482	39,200
Deferred income taxes, net	105,816	117,669
Deferred franchise revenue, long-term	64,557	70,432
Deferred rent payable	62,744	69,112
Other non-current liabilities	27,319	18,071
Total liabilities	1,976,953	1,951,152
Commitments and contingencies		
Stockholders' deficit:		
Common stock, \$0.01 par value; shares: 40,000,000 authorized; December 31, 2018 - 24,984,898 issued, 17,644,267 outstanding; December 31, 2017 - 25,022,312 issued, 17,993,124 outstanding	250	250
Additional paid-in-capital	237,726	276,408
Retained earnings (accumulated deficit)	10,414	(69,940)
Accumulated other comprehensive loss	(60)	(105)
Treasury stock, at cost; shares: December 31, 2018 - 7,340,631; December 31, 2017 - 7,029,188	(450,603)	(422,153)
Total stockholders' deficit	(202,273)	(215,540)
Total liabilities and stockholders' deficit	<u>\$ 1,774,680</u>	<u>\$ 1,735,612</u>

Dine Brands Global, Inc. and Subsidiaries
Consolidated Statements of Cash Flows
(In thousands)

	Twelve Months Ended December 31,	
	2018	2017 (as adjusted)
Cash flows from operating activities:		
Net income (loss)	\$ 80,354	\$ (342,750)
Adjustments to reconcile net income (loss) to cash flows provided by operating activities:		
Impairment of goodwill and intangible assets	—	531,634
Deferred income taxes	(11,847)	(136,127)
Depreciation and amortization	32,175	30,648
Non-cash interest expense	3,792	3,364
Closure and other impairment charges	2,038	3,834
Non-cash stock-based compensation expense	10,546	10,752
Gain on disposition of assets	(623)	(6,285)
Other	(6,526)	(10,980)
Changes in operating assets and liabilities:		
Accounts receivable, net	3,149	(8,430)
Current income tax receivables and payables	8,119	(8,490)
Gift card receivables and payables	(1,488)	(3,322)
Other current assets	10,425	(8,247)
Accounts payable	(9,940)	7,208
Accrued employee compensation and benefits	13,183	(1,126)
Other current liabilities	6,989	4,050
Cash flows provided by operating activities	<u>140,346</u>	<u>65,733</u>
Cash flows from investing activities:		
Principal receipts from notes, equipment contracts and other long-term receivables	25,771	20,486
Proceeds from sale of property and equipment	655	1,100
Acquisition of business	(20,155)	—
Additions to property and equipment	(14,279)	(13,370)
Additions to long-term receivables	(6,500)	—
Other	(293)	(541)
Cash flows (used in) provided by investing activities	<u>(14,801)</u>	<u>7,675</u>
Cash flows from financing activities:		
Borrowings from revolving credit facilities	75,000	—
Repayments of revolving credit facilities	(50,000)	—
Repayment of long-term debt	(13,000)	(3,250)
Dividends paid on common stock	(51,125)	(69,790)
Repurchase of Dine Brands Global common stock	(33,603)	(10,003)
Principal payments on capital lease and financing obligations	(13,907)	(12,949)
Payment of debt issuance costs	(3,633)	—
Proceeds from stock options exercised	3,928	2,635
Tax payments for restricted stock upon vesting	(1,972)	(2,396)
Cash flows used in financing activities	<u>(88,312)</u>	<u>(95,753)</u>
Net change in cash, cash equivalents and restricted cash	37,233	(22,345)
Cash, cash equivalents and restricted cash at beginning of period	163,146	185,491
Cash, cash equivalents and restricted cash at end of period	<u>\$ 200,379</u>	<u>\$ 163,146</u>

Dine Brands Global, Inc. and Subsidiaries
Non-GAAP Financial Measures
(In thousands, except per share amounts)
(Unaudited)

Reconciliation of net income (loss) available to common stockholders to net income (loss) available to common stockholders, as adjusted for the following items: closure and other impairment charges; executive separation costs; amortization of intangible assets; non-cash interest expense; gain or loss on disposition of assets; debt financing costs; business acquisition costs; the combined tax effect of the preceding adjustments; and other tax-related adjustments, as well as related per share data:

	Three Months Ended		Twelve Months Ended	
	December 31,		December 31,	
	2018	2017 (as adjusted)	2018	2017 (as adjusted)
Net income (loss) available to common stockholders, as reported	\$ 26,064	\$ 67,805	\$ 77,643	\$ (335,982)
Impairment of goodwill and intangible assets	—	—	—	531,634
Closure and other impairment charges	1,988	162	2,107	3,968
Executive separation costs	—	—	—	8,782
Amortization of intangible assets	2,592	2,502	10,105	10,009
Non-cash interest expense	1,103	855	3,792	3,364
Loss (gain) on disposition of assets	910	138	(625)	(6,249)
Debt refinancing costs	(9)	—	2,523	—
Business acquisition costs	1,114	—	1,114	—
Income tax provision	(2,001)	(1,390)	(4,944)	(73,444)
Deferred tax impact of tax rate change	—	(66,519)	—	(66,519)
Income tax adjustments ⁽¹⁾	(1,310)	3,207	4,434	5,426
Net (income) loss allocated to unvested participating restricted stock	(154)	1,828	(631)	(8,508)
Net income (loss) available to common stockholders, as adjusted	<u>\$ 30,297</u>	<u>\$ 8,588</u>	<u>\$ 95,518</u>	<u>\$ 72,481</u>
Diluted net income (loss) available to common stockholders per share:				
Net income (loss) available to common stockholders, as reported	\$ 1.47	\$ 3.82	\$ 4.37	\$ (18.96)
Impairment of goodwill and intangible assets	—	—	—	26.25
Closure and other impairment charges	0.08	0.01	0.09	0.14
Executive separation costs	—	—	—	0.31
Amortization of intangible assets	0.11	0.09	0.42	0.35
Non-cash interest expense	0.05	0.03	0.16	0.12
Loss (gain) on disposition of assets	0.04	0.00	(0.03)	(0.22)
Debt refinancing costs	(0.00)	—	0.10	—
Business acquisition costs	0.05	—	0.05	—
Deferred tax impact of tax rate change	—	(3.74)	—	(3.75)
Income tax adjustments ⁽¹⁾	(0.07)	0.18	0.25	0.31
Net (income) loss allocated to unvested participating restricted stock	(0.01)	0.10	(0.04)	(0.48)
Rounding	(0.02)	(0.01)	—	0.02
Diluted net income (loss) available to common stockholders per share, as adjusted	<u>\$ 1.70</u>	<u>\$ 0.48</u>	<u>\$ 5.37</u>	<u>\$ 4.09</u>
Numerator for basic EPS-income available to common stockholders, as adjusted				
	\$ 30,297	\$ 8,588	\$ 95,518	\$ 72,481
Effect of unvested participating restricted stock using the two-class method	12	—	25	—
Numerator for diluted EPS-income available to common stockholders after assumed conversions, as adjusted				
	<u>\$ 30,309</u>	<u>\$ 8,588</u>	<u>\$ 95,543</u>	<u>\$ 72,481</u>
Denominator for basic EPS-weighted-average shares				
	17,446	17,745	17,533	17,725
Dilutive effect of stock options				
	339	19	256	15
Denominator for diluted EPS-weighted-average shares and assumed conversions				
	<u>17,785</u>	<u>17,764</u>	<u>17,789</u>	<u>17,740</u>

⁽¹⁾2018: Charges related to adjustments resulting from IRS audits for tax years 2011 through 2013; 2017: Unrecognized tax benefits related to domestic manufacturing deduction taken in years prior to 2017.

Dine Brands Global, Inc. and Subsidiaries
Non-GAAP Financial Measures
(Unaudited)

Reconciliation of the Company's cash provided by operating activities to "adjusted free cash flow" (cash provided by operating activities, plus receipts from notes and equipment contracts receivable, less additions to property and equipment). Management uses this liquidity measure in its periodic assessments of, among other things, the amount of cash dividends per share of common stock and repurchases of common stock. We believe it is important for investors to have the same measure used by management for that purpose. Adjusted free cash flow does not represent residual cash flow available for discretionary purposes.

	Twelve Months Ended	
	December 31,	
	2018	2017
	(In millions)	
Cash flows provided by operating activities	\$ 140.3	\$ 65.7
Receipts from notes and equipment contracts receivable	14.9	10.6
Additions to property and equipment	(14.3)	(13.3)
Adjusted free cash flow	140.9	63.0
Dividends paid on common stock	(51.1)	(69.8)
Repurchase of Dine Brands Global common stock	(33.6)	(10.0)
	<u>\$ 56.2</u>	<u>\$ (16.8)</u>

Dine Brands Global, Inc. and Subsidiaries
Non-GAAP Financial Measures
(Unaudited)

Reconciliation of the Company's net income (loss) to "adjusted EBITDA." The Company defines adjusted EBITDA as net income (loss), adjusted for the effect of any closure and impairment charges, any interest charges, any income tax provision or benefit, any non-cash stock-based compensation, any depreciation and amortization, any gain or loss related to the disposition of assets, other non-income based taxes and other items deemed not reflective of current operations. Management may use certain non-GAAP measures along with the corresponding U. S. GAAP measures to evaluation the performance of the company and to make certain business decisions.

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2018	2017 (as adjusted)	2018	2017 (as adjusted)
Net income (loss), as reported	\$ 26,981	\$ 69,900	\$ 80,354	\$ (342,750)
Interest charges	17,929	17,906	71,537	72,281
Income tax provision (benefit)	5,073	(58,827)	30,254	(85,559)
Depreciation and amortization	8,445	7,595	32,175	30,648
Non-cash stock-based compensation	2,530	1,926	10,546	10,752
Impairment of goodwill and intangible assets	—	—	—	531,634
Closure and other impairment charges	1,988	162	2,107	3,968
Loss (gain) on disposition of assets	910	138	(625)	(6,249)
Cash executive separation costs	—	—	—	5,901
Debt refinancing costs	—	—	2,523	—
Business acquisition costs	1,114	—	1,114	—
Other taxes	57	218	605	677
Adjusted EBITDA	<u>\$ 65,027</u>	<u>\$ 39,018</u>	<u>\$ 230,590</u>	<u>\$ 221,303</u>

Dine Brands Global, Inc. and Subsidiaries
Restaurant Data
(Unaudited)

The following table sets forth, for the three and twelve months ended December 31, 2018 and 2017, the number of “Effective Restaurants” in the Applebee’s and IHOP systems and information regarding the percentage change in sales at those restaurants compared to the same periods in the prior year and, as such, the percentage change in sales at Effective Restaurants is based on non-GAAP sales data. Sales at restaurants that are owned by franchisees and area licensees are not attributable to the Company. However, we believe that presentation of this information is useful in analyzing our revenues because franchisees and area licensees pay us royalties and advertising fees that are generally based on a percentage of their sales, and, where applicable, rental payments under leases that partially may be based on a percentage of their sales. Management also uses this information to make decisions about future plans for the development of additional restaurants as well as evaluation of current operations.

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2018	2017	2018	2017
Applebee’s				
Effective Restaurants(a)				
Franchise	1,835	1,936	1,883	1,970
Company	11	—	3	—
Total	<u>1,846</u>	<u>1,936</u>	<u>1,886</u>	<u>1,970</u>
System-wide(b)				
Domestic sales percentage change(c)	0.3 %	(1.1)%	2.3 %	(6.8)%
Domestic same-restaurant sales percentage change(d)	3.5 %	1.3 %	5.0 %	(5.3)%
Franchise(b)				
Domestic sales percentage change(c)	(0.4)%	(1.1)%	2.1 %	(6.8)%
Domestic same-restaurant sales percentage change(d)	3.4 %	1.3 %	4.9 %	(5.3)%
Average weekly domestic unit sales (in thousands)	\$ 46.5	\$ 44.2	\$ 46.7	\$ 43.6
IHOP				
Effective Restaurants(a)				
Franchise	1,649	1,598	1,633	1,576
Area license	159	164	162	164
Company	—	—	—	5
Total	<u>1,808</u>	<u>1,762</u>	<u>1,795</u>	<u>1,745</u>
System-wide(b)				
Sales percentage change(c)	4.5 %	3.1%	3.9%	0.7%
Domestic same-restaurant sales percentage change(d)	3.0 %	(0.4)%	1.5 %	(1.9)%
Franchise(b)				
Sales percentage change(c)	5.2 %	3.1 %	4.4 %	1.2 %
Domestic same-restaurant sales percentage change(d)	3.0 %	(0.4)%	1.5 %	(1.9)%
Average weekly unit sales (in thousands)	\$ 37.0	\$ 36.3	\$ 36.6	\$ 36.3
Area License (b)				
Sales percentage change(c)	(3.1)%	9.0 %	0.5 %	(0.7)%

Dine Brands Global, Inc. and Subsidiaries
Restaurant Data

- (a) “Effective Restaurants” are the weighted average number of restaurants open in a given 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’s and IHOP systems, which includes restaurants owned by franchisees and area licensees as well as those owned by the Company.
- (b) “System-wide” sales are retail sales at domestic Applebee’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 restaurants. Sales at restaurants that are owned by franchisees and area licensees are not attributable to the Company. An increase or decrease in franchisees’ reported sales will result in a corresponding increase or decrease in our royalty revenue. Unaudited reported sales for Applebee’s domestic franchise restaurants, IHOP franchise restaurants and IHOP area license restaurants for the three and twelve months ended December 31, 2018 and 2017 and sales by company-operated restaurants were as follows:

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2018	2017	2018	2017
	(In millions)			
Reported sales				
Applebee’s domestic franchise restaurant sales	\$ 1,020.6	\$ 1,024.8	\$ 4,204.1	\$ 4,117.1
Applebee’s company-operated restaurants	7.1	—	7.1	—
IHOP franchise restaurant sales	793.9	754.3	3,106.7	2,974.6
IHOP area license restaurant sales	69.8	72.0	282.0	280.6
IHOP company-operated restaurants	—	—	—	7.5
Total	\$ 1,891.4	\$ 1,851.1	\$ 7,599.9	\$ 7,379.8

- (c) “Sales percentage change” reflects, for each category of restaurants, the percentage change in sales in any given fiscal period compared to the prior fiscal period for all restaurants in that category.
- (d) “Domestic same-restaurant sales percentage change” reflects the percentage change in sales, in any given fiscal period, compared to the same weeks in the prior year for domestic restaurants that have been operated throughout both fiscal periods that are being compared and have been open for at least 18 months. Because of new unit openings and restaurant closures, the domestic restaurants open throughout both fiscal periods being compared may be different from period to period. Same-restaurant sales percentage change does not include data on IHOP area license restaurants located in Florida.

Dine Brands Global, Inc. and Subsidiaries
Restaurant Data

(Unaudited)

The following table summarizes our restaurant development activity:

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2018	2017	2018	2017
Applebee's Restaurant Development Activity				
Summary - beginning of period:	1,856	1,945	1,936	2,016
Franchise restaurants opened:				
Domestic	—	3	2	10
International	2	3	5	9
Total franchise restaurants opened	2	6	7	19
Franchise restaurants closed:				
Domestic	(14)	(12)	(91)	(86)
International	(7)	(3)	(15)	(13)
Total franchise restaurants closed	(21)	(15)	(106)	(99)
Net franchise restaurant reduction	(19)	(9)	(99)	(80)
Refranchised from Company restaurants	(69)	—	(69)	—
Net franchise restaurant decrease	(88)	(9)	(168)	(80)
Summary - end of period:				
Franchise	1,768	1,936	1,768	1,936
Company	69	—	69	—
Total Applebee's restaurants, end of period	1,837	1,936	1,837	1,936
Domestic	1,693	1,782	1,693	1,782
International	144	154	144	154
IHOP Restaurant Development Activity				
Summary - beginning of period:				
Franchise	1,652	1,596	1,622	1,556
Area license	162	165	164	167
Company	—	—	—	10
Total IHOP restaurants, beginning of period	1,814	1,761	1,786	1,733
Franchise/area license restaurants opened:				
Domestic franchise	19	17	51	48
Domestic area license	—	—	3	1
International franchise	3	10	17	28
Total franchise/area license restaurants opened	22	27	71	77
Franchise/area license restaurants closed:				
Domestic franchise	(5)	—	(15)	(11)
Domestic area license	—	(1)	(5)	(3)
International franchise	—	(1)	(6)	(8)
International area license	—	—	—	(1)
Total franchise/area license restaurants closed	(5)	(2)	(26)	(23)
Net franchise/area license restaurant development	17	25	45	54
Refranchised from Company restaurants	—	—	1	9
Franchise restaurants reacquired by the Company	—	—	(1)	—
Net franchise/area license restaurant additions	17	25	45	63
Summary - end of period				
Franchise	1,669	1,622	1,669	1,622
Area license	162	164	162	164
Company	—	—	—	—
Total IHOP restaurants, end of period	1,831	1,786	1,831	1,786
Domestic	1,705	1,671	1,705	1,671
International	126	115	126	115