



Denny Marie Post

Welcome

Jonathan Muhtar

Marketing & Off-Premise

Q & A and Break

Carin Stutz

Operations Update

Les L. Lehner

Development Strategy

Guy Constant

Financials

Q & A and Break

Denny Marie Post

Closing

Q & A

SAFE HARBOR STATEMENT

Forward-looking statements in this presentation regarding the Company's strategy and initiatives, marketing and media plans, off-premise opportunities and sales, operational goals and targets, development plans and markets including franchise development and impact, expected new restaurant opening trend, future performance, margin improvement including occupancy leverage, G&A leverage, EBITDA, cost of goods, and restaurant labor, capital allocation including debt / leverage ratios and share repurchases, capital expenditures and ROIC, earnings per share growth, and all other statements that are not historical facts, are made under the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These statements are based on assumptions believed by the Company to be reasonable and speak only as of the date on which such statements are made. Without limiting the generality of the foregoing, words such as "expect," "anticipate," "intend," "plan," "project" or "estimate," or the negative or other variations thereof or comparable terminology are intended to identify forward-looking statements. Except as required by law, the Company undertakes no obligation to update such statements to reflect events or circumstances arising after such date, and cautions investors not to place undue reliance on any such forward-looking statements. Forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those described in the statements based on a number of factors, including but not limited to the following: the effectiveness of the Company's business improvement initiatives; the effectiveness of marketing strategies and initiatives to achieve restaurant sales growth; the ability to increase off-premise sales; the ability to fulfill planned expansion; the cost and availability of key food products, labor, and energy; the ability to achieve anticipated revenue and cost savings from new technology systems and tools in the restaurants and other initiatives; availability of capital or credit facility borrowings; the adequacy of cash flows or available debt resources to fund operations and growth opportunities; federal, state, and local regulation of the Company's business; and other risk factors described from time to time in the Company's Form 10-K, Form 10-Q, and Form 8-K reports (including all amendments to those reports) filed with the U.S. Securities and Exchange Commission.

Red Robin Analyst & Investor Day

WELCOME

Denny Marie Post

Chief Executive Officer



4 YEAR STRATEGIC PLAN

RED ROBIN MISSION





Red Robin Analyst & Investor Day

MARKETING & OFF-PREMISE

Jonathan Muhtar

*Senior Vice President,
Chief Marketing Officer*

1



DIFFERENTIATED BRAND

**WHAT WE
WILL
LEVERAGE**

2



FOCUS ON THE GUEST

**HOSPITALITY,
VALUE, &
AWARENESS**

3



OFF-PREMISE GROWTH

**WHEN, WHERE, &
HOW THEY WANT
RED ROBIN**

A POWERFUL DIFFERENTIATOR

RED ROBIN

Guttural craving

Immersive, bonding experiences

Real, raw moments

CASUAL DINING

Consensus rules

Fragmented menu, independent eating

Passively pleasant & generic

7/10 AGREE

Casual dining =
convenient, but
generic

KBS QUANTITATIVE

“Other restaurants
have random stuff,
and they don’t have a
thing they do well.”

GUEST DISCOVERY PROCESS

7X

Brands with a clear, strong
brand identity outgrow the
competition

MARKETING MAGAZINE

NOTHING IS AS BELOVED AS THE HAMBURGER

“The hamburger has a special semiotic power...
At the end of the day, nothing says American like a hamburger.”

— Josh Ozersky, *The Hamburger*

9/10

Had a burger in the
last 3 months

**Burgers
=
Guiltless**

#1

Most popular
menu item

WHO IS OUR GUEST?

AND WHAT ARE THEY LIKE?

Male and Female

Skew

- Families
- Older Millennials
- Hispanics

Lifestyle

- Connected
- Cost-conscious
- Entertainment lovers

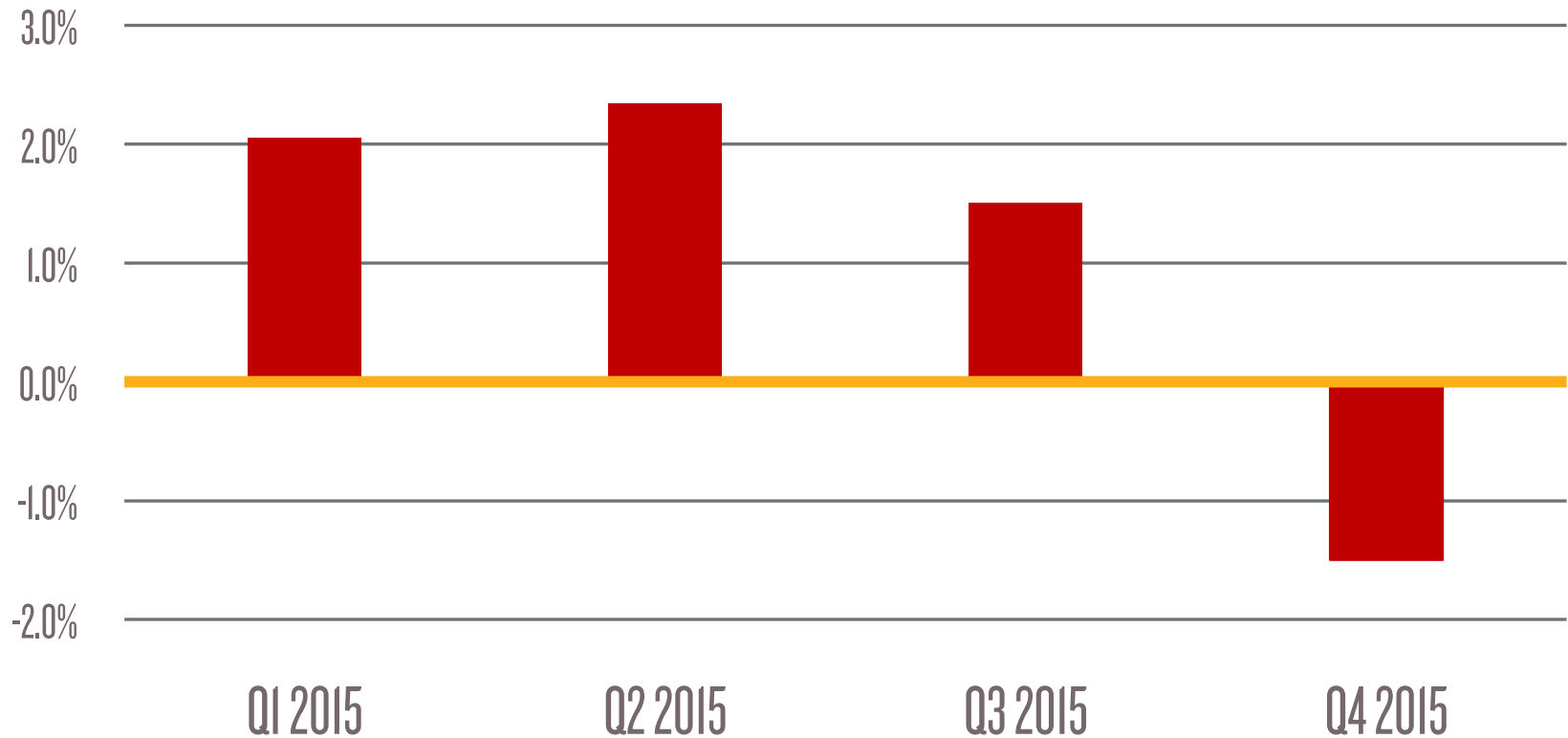


WHAT OUR GUESTS VALUE

Quality & Craveability	Attentive Service	Value for the Money
<ul style="list-style-type: none">• Food quality• Innovation• Abundance	<ul style="list-style-type: none">• Hospitality• Appropriate speed for occasion• Spirit of generosity	<ul style="list-style-type: none">• Portion size for price paid• Abundance• Royalty incentives

WAKE UP CALL

RRGB TRAFFIC vs. CASUAL DINING





WHAT OUR GUESTS TOLD US

FOUR KEY DRIVERS IN GUEST VISITATION



**GUEST
EXPERIENCE**



VALUE



**TOP OF
MIND
AWARENESS**



**OFF-PREMISE
ACCESS**



GUEST EXPERIENCE

ONGOING MENU AND MARKETING CONTRIBUTIONS TO IMPROVE SERVICE



Reduce number of promotional windows



Simplify recipes and procedures



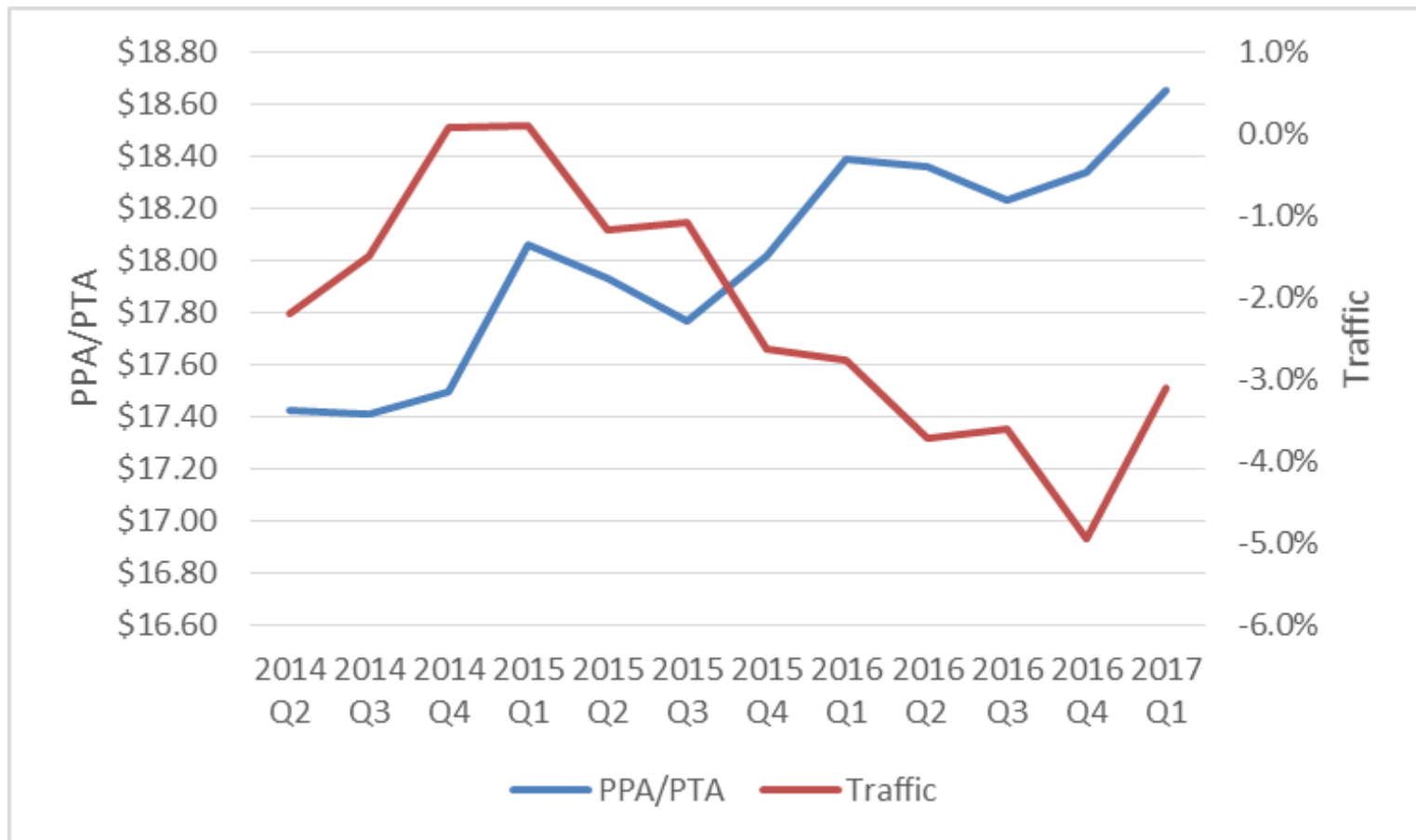
Remove slow moving menu items



Minimize single use SKUs and prep steps



CASUAL DINING PPA AND TRAFFIC TRENDS





VALUE : PAST

Innovation focused on Finest



MadLove Finest Burger



Billion Dollar Baby Finest Burger



VALUE : PIVOT

Launched first new tavern items in Q3 of 2016



**Buzz Mac 'N' Cheese Tavern
Double**



Four Cheese Melt



Pub Mac 'N' Cheese



VALUE : PRESENT



TAVERN



GOURMET





VALUE : BOTTOMLESS EQUITY

Reinforcing Bottomless across all channels





VALUE : RED ROBIN ROYALTY

6,633,082+ Current Royalty Members

Royalty Program Objective: Drive profitable sales and traffic through the analysis and reward of Guest behavior.

Royalty members visited 3.7 times more on average in 2016

Creates a I-to-I relationship.



**FREE BIRTHDAY
BURGER**



**EVERY 10TH
ITEM FREE**



**\$20 TOWARDS
YOUR 6TH VISIT**



**SPECIAL MILITARY
OFFERS**



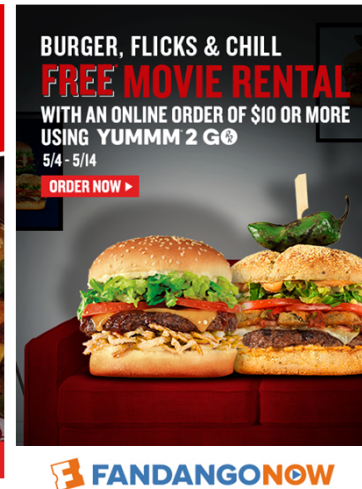
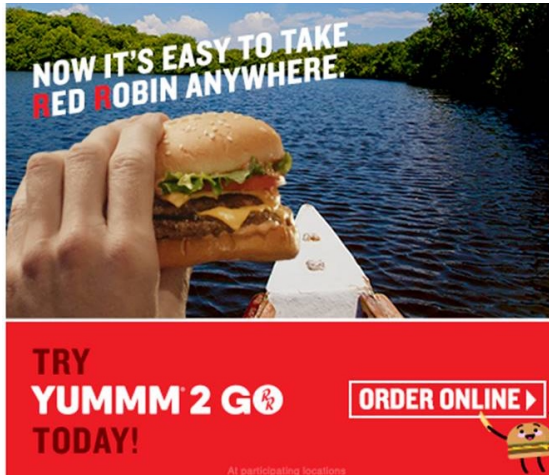
**EXCLUSIVE
SURPRISES**



VALUE : RED ROBIN ROYALTY

THREE MAIN MESSAGING OBJECTIVES:

1. Surprise & Delight Offers
2. New Product Introductions
3. Support Key Growth Channels





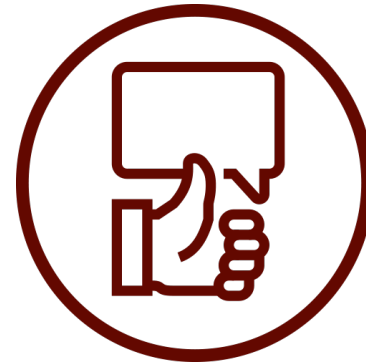
TOP OF MIND AWARENESS



**RIGHT
MESSAGE**



**SMART
MEDIA**

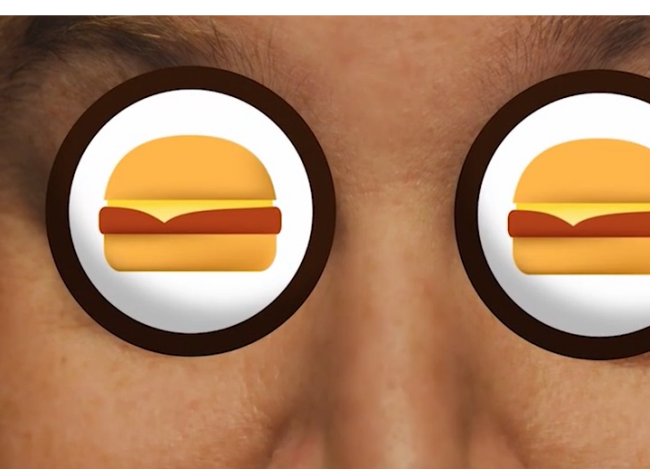
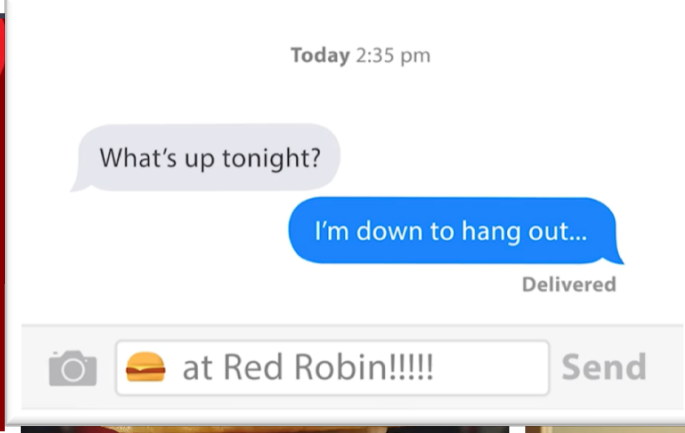


**SOCIAL
ENGAGEMENT**

**LET'S
BUR
GER**

“OUR RALLY CRY.”

**IT GIVES PEOPLE THE PERMISSION TO LET
GO, LEAN IN, AND ENJOY THE RED ROBIN
EXPERIENCE IN ALL ITS GLORY.**





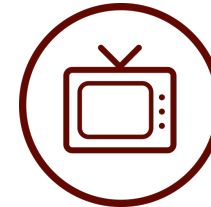
SYNCHRONIZED NATIONAL MEDIA



REDROBIN.COM



EMAIL & ROYALTY



TV



PAID SOCIAL



SOCIAL CONTENT & COMMUNITY MANAGEMENT



SEARCH



DISPLAY ADS



MEDIA

NATIONAL ENHANCEMENTS



*Building Reach &
Efficiency with an
Adult Target*



*Tightening the
Network Set*



*Seeking Opportunistic
High Profile
Programming*



*Contemporizing
the Media Mix*



LOCAL MEDIA UPSIDE



Target spend to markets with potential greatest impact (% sales and ROAI)



Drive higher sales, for more weeks, with local TV and radio supplementing national



Reach Hispanic consumers in key local markets



SOCIAL MEDIA ENGAGEMENT

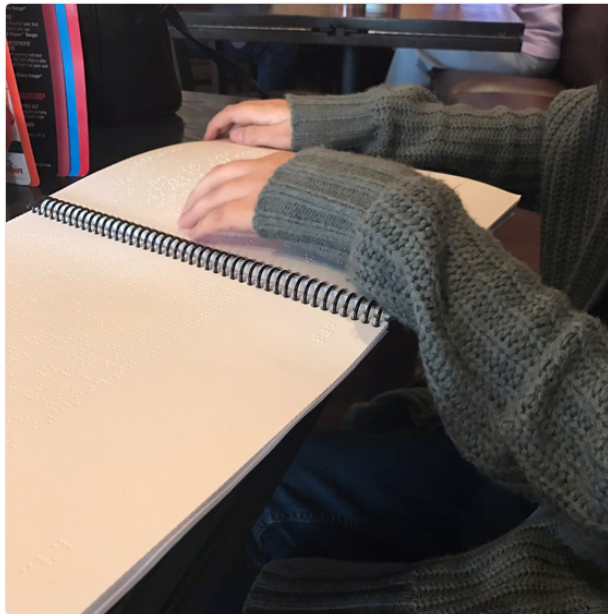


Alyssa

@alyssaherrera33

Follow

My sister has been in this world for 18 yrs and today is the first time she has been offered a menu at a restaurant



RETWEETS 103,839 LIKES 384,961



10:32 AM - 27 Mar 2017

624 104K 385K



Brittani Michelle Howard ▶ Red Robin Gourmet Burgers

17 hrs · 🌐

Today my boyfriend, 13 mo twins, and I had mother days dinner at your location in Shenandoah on 45. Our sweet waitress Kendra, sat down and helped feed my 13 month old twins so I could eat my dinner. It was the sweetest, nicest thing I've ever witnessed! Thank you, Kendra for being so sweet and allowing me to eat before my food got cold lol!



25

2 Comments

Like

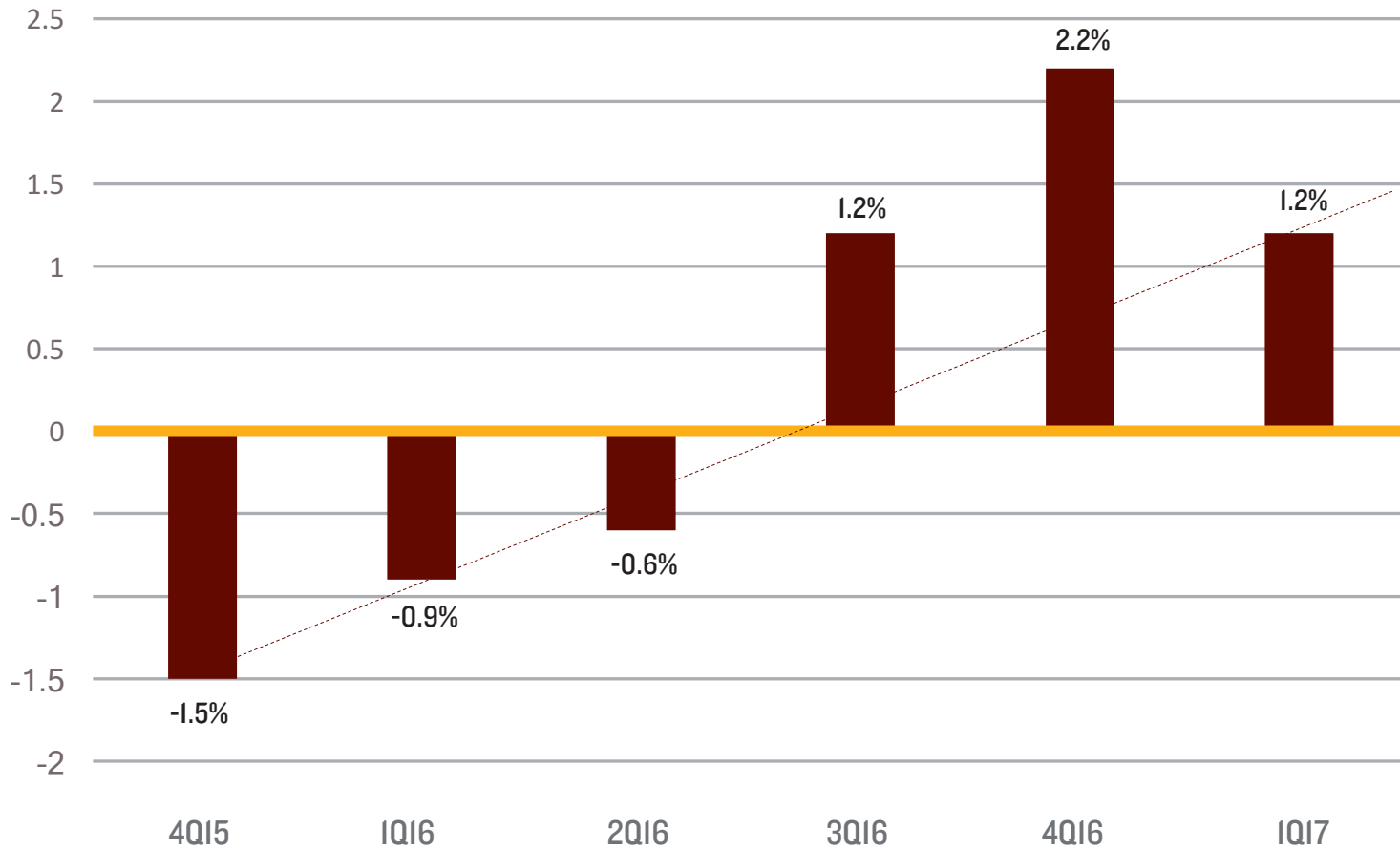
Comment

Share

Message



RRGB TRAFFIC vs. CASUAL DINING



YUMMM 2 GO

PICKUP

STARVING Artists?
★ DRAW. ERASE. REPEAT

NEXT
TIME,
ORDER
ONLINE



Red Robin

TAKING YUMMM
OFF-PREMISE



THE PROMISE OF OFF-PREMISE

OFF-PREMISE IS ONLY GROWTH AREA IN CDR

Includes To-go, Delivery, & Catering

CONSUMERS EXPECT TO GET THEIR FOOD WHEN, WHERE AND HOW THEY WANT IT

Restaurants must learn from retail

KEYS TO WINNING

Seamless accessibility

Order accuracy

Quality

Temperature of food



OFF-PREMISE OPPORTUNITY

Half of consumers claim that having burgers as conveniently available as pizza would increase frequency

Delivery, having food available for carry-out, and availability of catering/large group orders were cited as motivators of increased frequency

Room to grow — we are at about half of the industry average



OFF-PREMISE OPPORTUNITY

RED ROBIN ROLLOUT STATUS



CARRY-OUT

ONLINE ORDERING

100%

CURBSIDE PICKUP

10%

CALL CENTER

20%

MARKETING SUPPORT

10%

LARGE PARTY

10%

DELIVERY

3RD PARTY DELIVERY

30%

SELF-DELIVERY

0%

CATERING

CATERING

0%



OFF-PREMISE THE RED ROBIN WAY



RED ROBIN ARAPAHOE

8585 E Arapahoe Rd, Greenwood Village, CO 80112

[change location](#)

Phone: (303) 771-3350

Pickup Inside Hours: Open today 8am-10pm

Curbside Hours: 10am-9pm

Accepted Cards: Mastercard, Visa, American Express, Discover



DON'T MISS OUT ON YOUR REWARDS!

You must create an online ordering account to apply your Red Robin Royalty® benefits. >> **CREATE ACCOUNT**

Not Red Robin Royalty? See what you're missing at [royalty.redrobin.com](#)

Appetizers

Finest Gourmet Burgers

Gourmet Burgers

Red's Tavern Menu



FAVORITES GROUP ORDER

[Login or Register](#)
to use this feature.

ORDER CONTENTS

SUB TOTAL	\$0.00
TAX	\$0.00
TOTAL	\$0.00



Street address or zip code **GO**



RECRISP!

Fries so good they're tasty twice.
5 minutes at 425°F on a baking sheet.





CARRY-OUT: GUEST RESPONSE

FOLLOWING THE ENHANCEMENTS IN OUR TEST LOCATIONS

78% of Red Robin Guests said their To-Go experience was “Very Good” or “Excellent”

90% said they “Probably” or “Definitely Would” use Red Robin again for To-Go in the future

72% rated Red Robin’s To-Go as better or the same as competitors





COMING THIS SUMMER: MARKETING SUPPORT



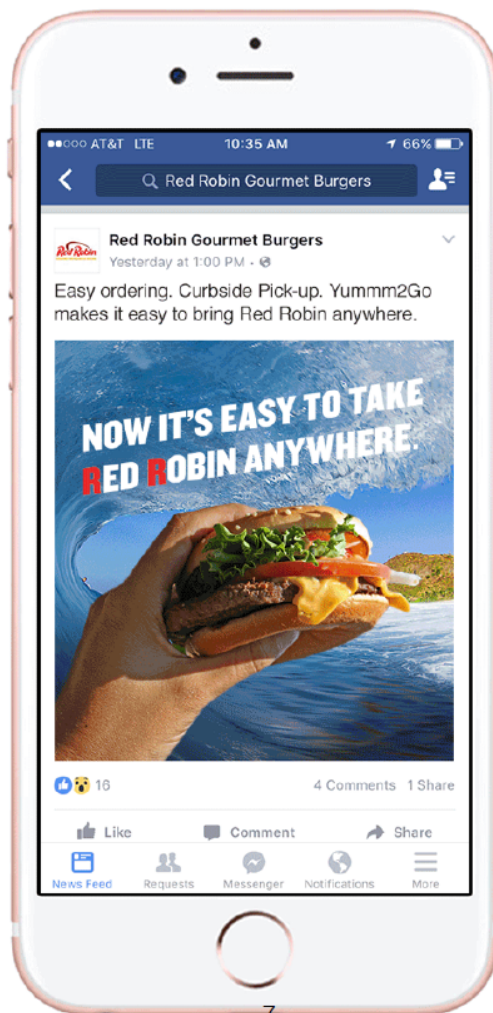
Red Robin
GOURMET BURGERS AND BREWS

ROYAL RED ROBIN BURGER

20% OFF
YOUR ENTIRE ORDER

GET IT TO-GO AT REDROBIN.COM
USE PROMO CODE: YUMMM20

20% off your purchase with no minimum spend required. Excludes alcohol, gift cards and merchandise. One-time use only. No cash value. Excludes tax and gratuity. Dine-in, to-go or online ordering. Limit one offer per order and cannot be combined with any other offer. Photocopied, internet-printed, altered or purchased offers are not valid. Valid only at participating Red Robin restaurants. Expires 6/18/17.
POS Key: B2B20%OFF



INTRODUCING RED ROBIN'S

GOURMET BURGER BAR

Fun, fresh and hassle-free, our Gourmet Burger Bar comes with a made-to-order selection of burgers that can be customized to each individual's taste and dietary needs.

Red Robin
GOURMET BURGERS AND BREWS

TO-GO & CATERING MENU

YUMMM FOR EVERY OCCASION

YUMMM 2 GO
Order Online at RedRobin.com

Red Robin
GOURMET BURGERS AND BREWS

GET IT TO-GO
REDROBIN.COM



COMING THIS SUMMER: LARGE PARTY CARRY-OUT





**DIFFERENTIATED
BRAND**



**FOCUS ON THE
GUEST**



**OFF-PREMISE
GROWTH**

Red Robin Analyst & Investor Day

Q&A





COMING UP

Break

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Q & A

Red Robin Analyst & Investor Day

BREAK TIME

15 minutes

Red Robin Analyst & Investor Day

OPERATIONS UPDATE

Carin Stutz

*Executive Vice President,
Chief Operating Officer*

4 YEAR STRATEGIC PLAN

ALIGNING OPERATIONS TO OUR STRATEGY



B.U.R.G.E.R.

EVALUATING OUR BUSINESS

FIVE KEY VALUES

Leadership Do we have the right team and talent?

Performance How can we quickly get momentum?

Strategy Move dependency from NROs to 4-wall growth

Relationships Re-engaging with our franchisees

Operations Raise the bar

OUR APPROACH

A SUSTAINABLE MODEL



Cut costs the right way

Engage team members in problem-solving

Develop financial acumen

Inform operators of the “why” behind change

Provide clarity of goals and standards

+ Generate an “excellence” mindset

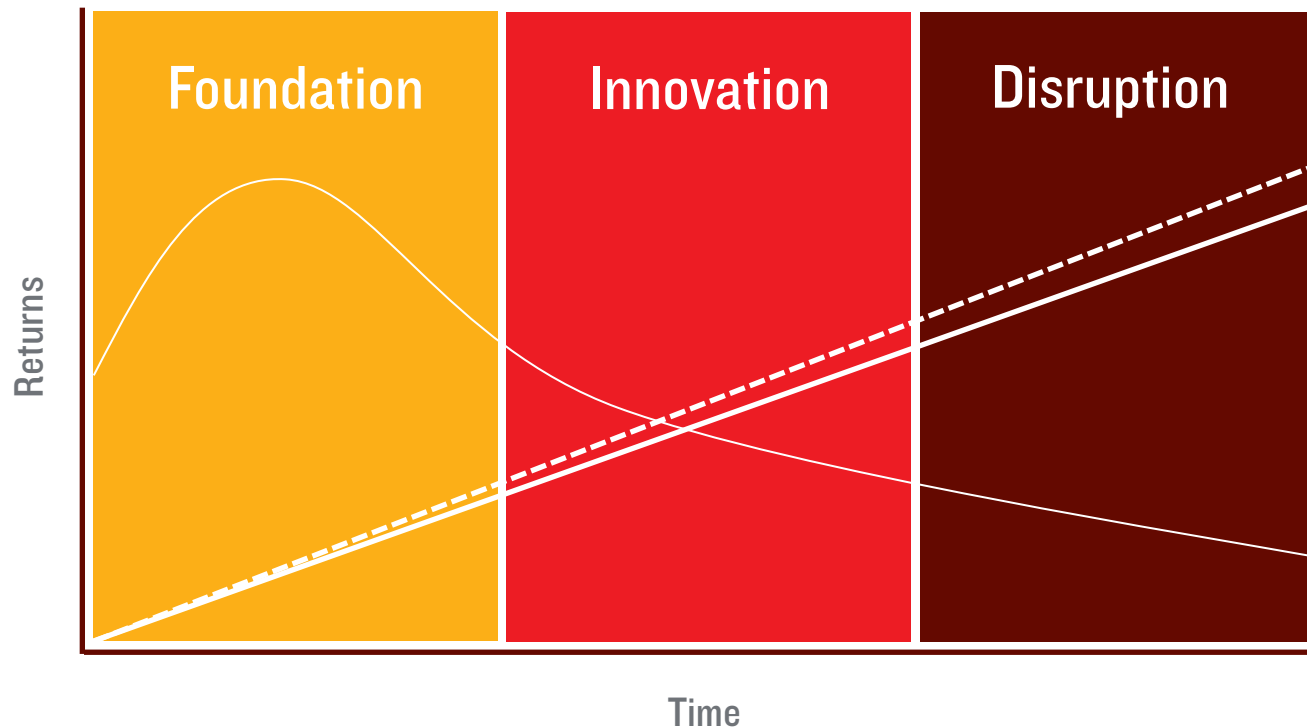
Improved Returns

Sustainable Model

Long Term
Shareholder Value

LONG TERM SHAREHOLDER VALUE

OPERATIONAL FOUNDATION



Off-Premise

A strong operational foundation will support innovative and disruptive opportunities in the future, leading to long term value.

AN EXISTING FOUNDATION

ENHANCING EXISTING ATTRIBUTES



- BFBH culture – an important legacy, we have a responsibility to not break it, but enhance it
 - School of Leadership
 - Hay Climate Feedback
- An engaged team that believes in the brand
- Envable position in CDR – niche player
- Community involvement
- BURGER values

STRENGTHENING OUR FOUNDATION

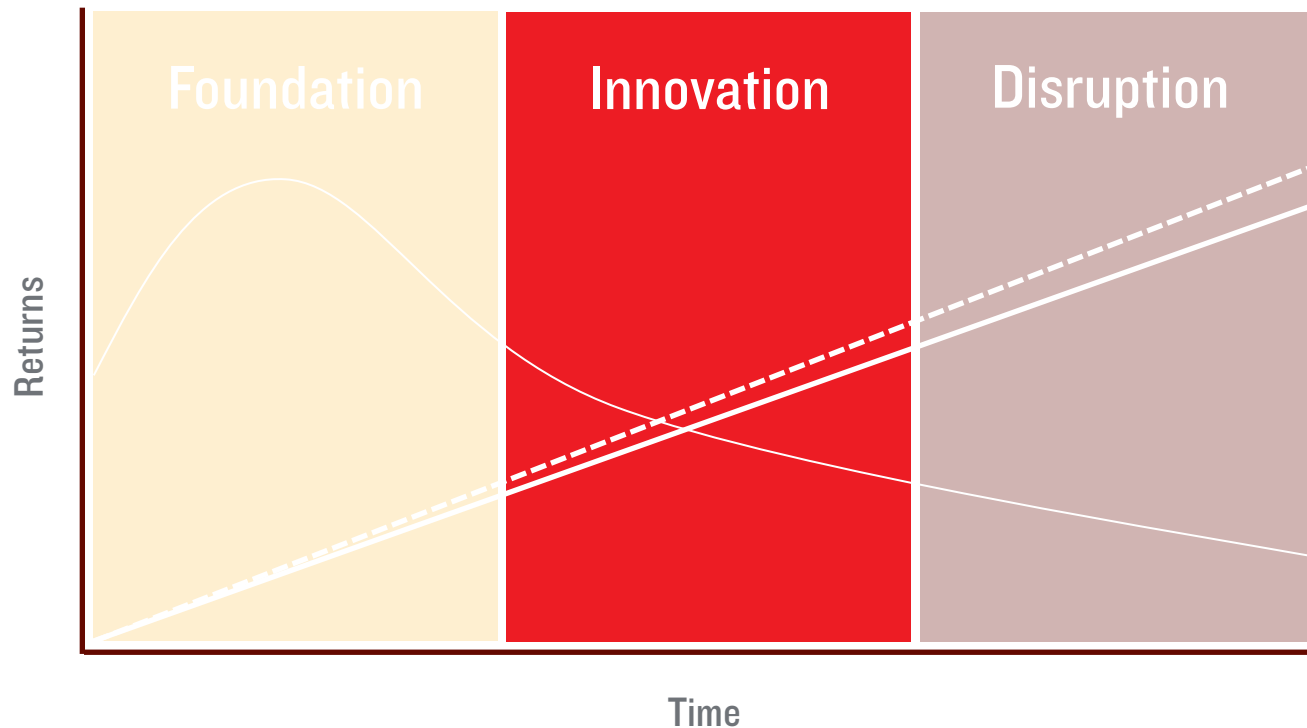
YEAR IN REVIEW



- Hiring and retaining our best people
 - Performance driven culture; Engagement on the rise
 - Made key people decisions to elevate results
- Educating the RVP team on higher level financials
- Focused approach on key initiatives
 - Momentum in all areas of focus (Sales, Staffing and Labor)
 - Added COGs, Cash and R&M
 - Scorecard revamped with appropriate weighting
 - Bonus makeover 70% profits and 30% sales
- Setting the tone for excellence in operations
 - Food culture re-ignited; Speed to table - maximizing ROI of KDS
 - NPS – guest scores reach new highs
- Building credibility in our systems, reporting, and P&Ls
 - Simplified reporting designed for action
 - Accuracy and stability

LONG TERM SHAREHOLDER VALUE

OPERATIONAL FOUNDATION



Off-Premise

A strong operational foundation will support innovative and disruptive opportunities in the future, leading to long term value.

SEEDING THE INNOVATION

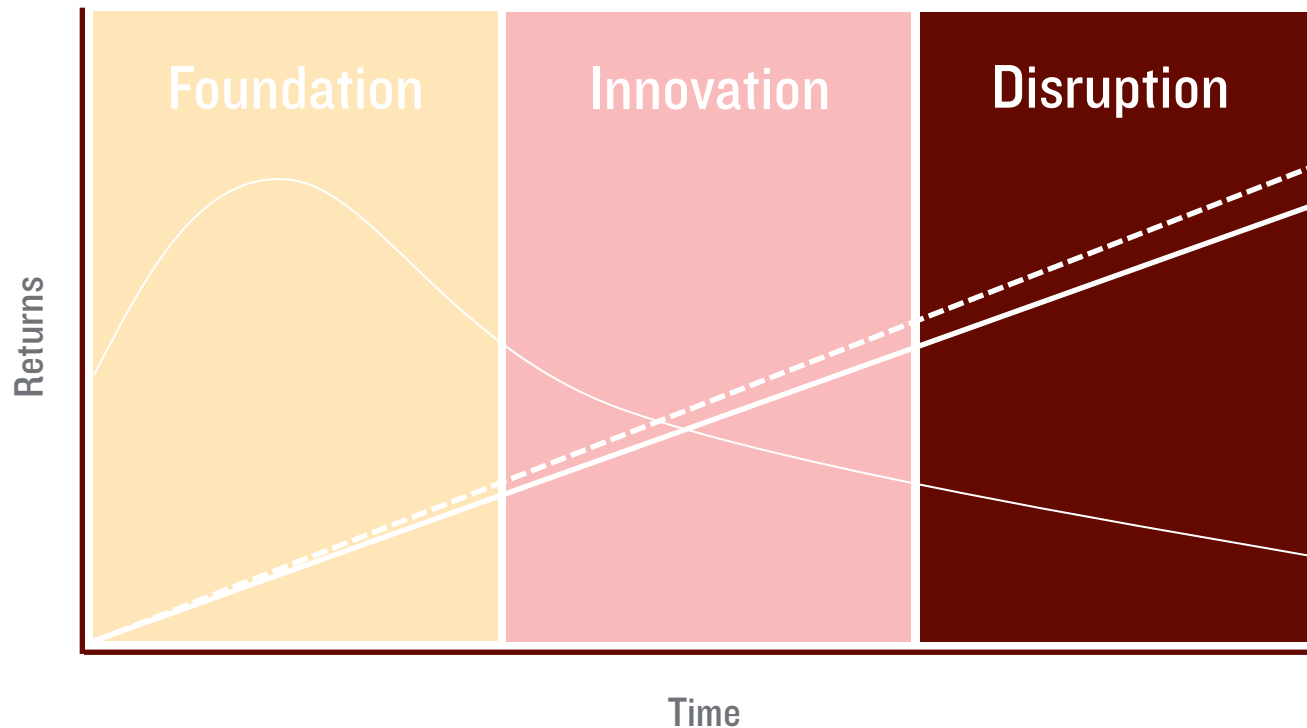
FUTURE OPPORTUNITY



- Off-Premise/To-Go/Catering/Delivery
- FOH Service Models – 6 in test
- New equipment for quality, speed, labor and cost improvements
- Payment options – frictionless guest experience
- Manager scheduling models – compliance to/changing pars
- Menu/prep simplification

LONG TERM SHAREHOLDER VALUE

OPERATIONAL FOUNDATION



Off-Premise

A strong operational foundation will support innovative and disruptive opportunities in the future, leading to long term value.

PREPARING FOR DISRUPTION

THE FUTURE OF CDR IS UNKNOWN

Perhaps...

- Flexible Service Model – customizing the guest experience
- Technology plays a bigger role
- Frictionless
- What is the future role of full service?
- Future of aggregators
- How big is Off-Premise?

REGAINING OUR OPERATIONAL EDGE

REGAINING OPERATIONAL EDGE

OPPORTUNITY FOR IMPROVEMENT



Focus: RVPs and RODs spending more time in restaurants, moving from Administrators to Multi-Unit Leaders.

- Scaled back **in-person meetings** from 11 per year to 3, while providing resources for web hosted or Burginar meetings
- Building library of **Red Talks** to help Operators
- **Stairway to Excellence visits**: root causing exercises, includes celebrating wins + planning next quarter
- **Exception reporting**; Helping RODs move from analysis to action
 - Labor: OT reporting, forecast and scheduling exceptions
 - COGs: Weekly A vs T reporting, focus item reporting
 - Cash handling exception reporting

REGAINING OPERATIONAL EDGE

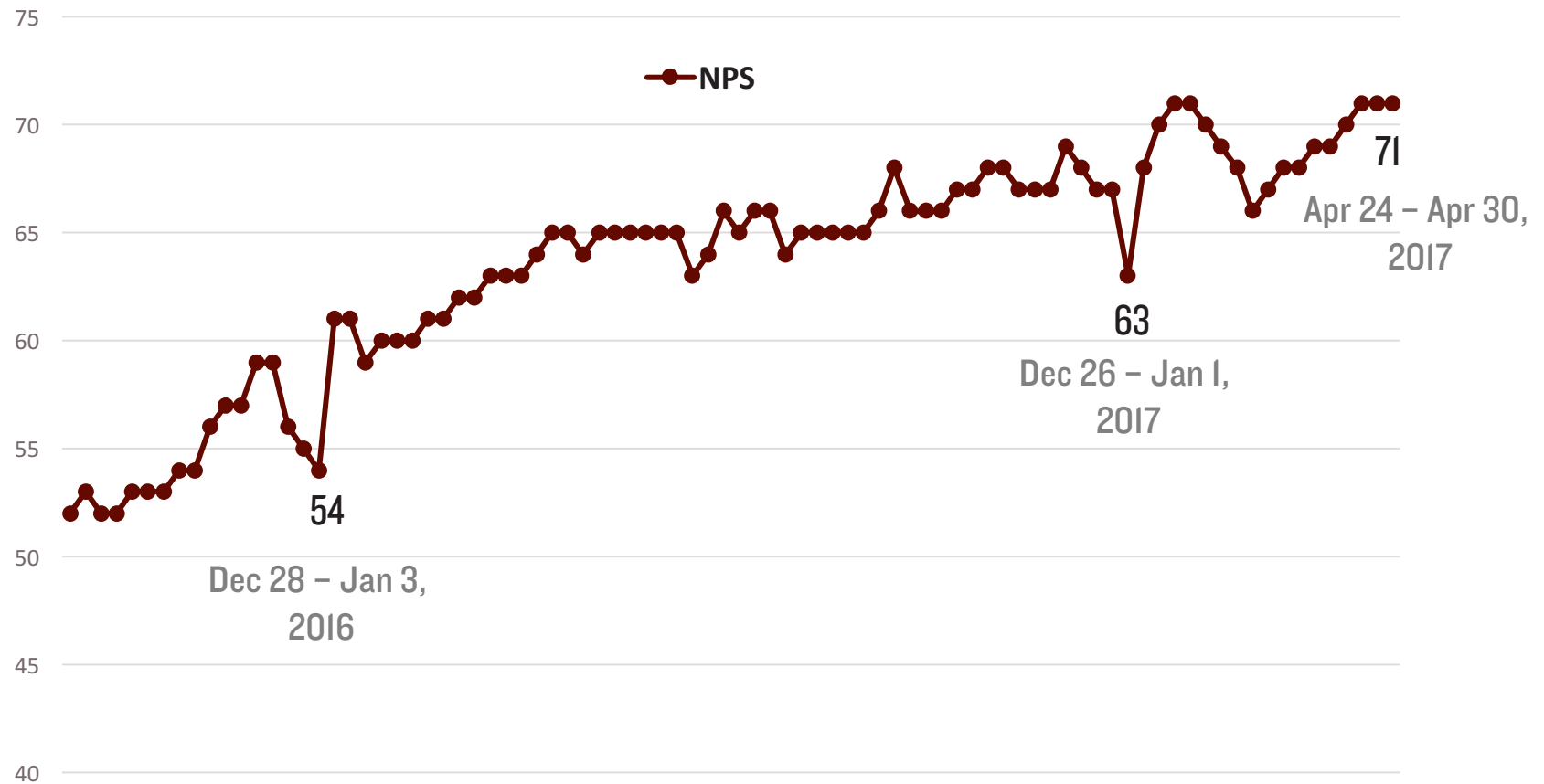
OPPORTUNITY FOR IMPROVEMENT



- **Reengaging Franchise community**
 - Franchise advisory board
 - Operations committee - Sharing best practices for common issues
- **Presidents Club GMs/ROD Council**
 - Early feedback on initiatives from the best of the best
 - Work groups to influence peers - For operators by operators
- **Innovation**
 - Service model tests in 6 Divisions

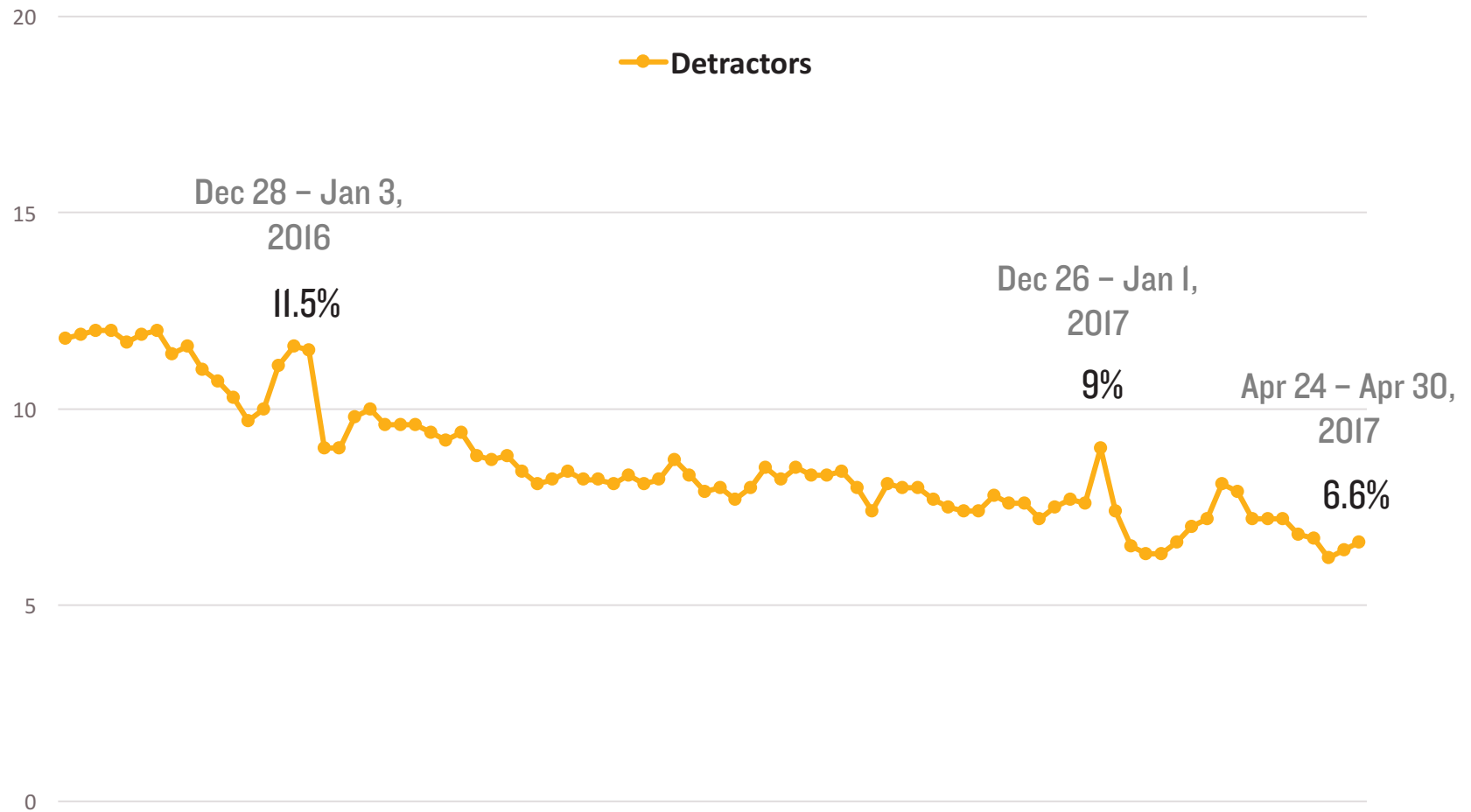
GUEST VOICE – RRGB USA

9/7/15 – 4/30/17



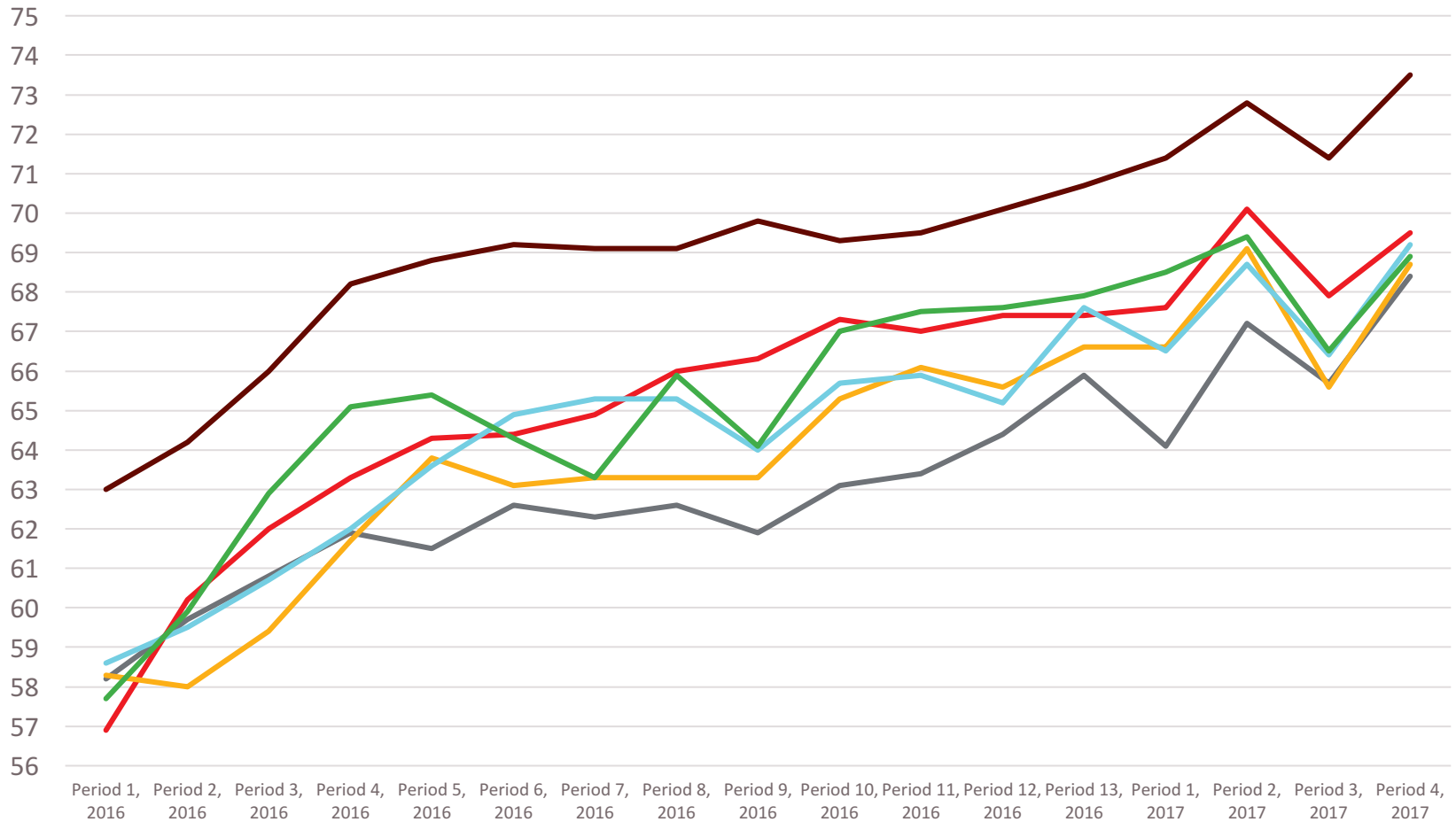
GUEST VOICE – RRGB USA

9/7/15 – 4/30/17



NPS BY RVP

2016 - 2017



NPS

PRE AND POST KDS



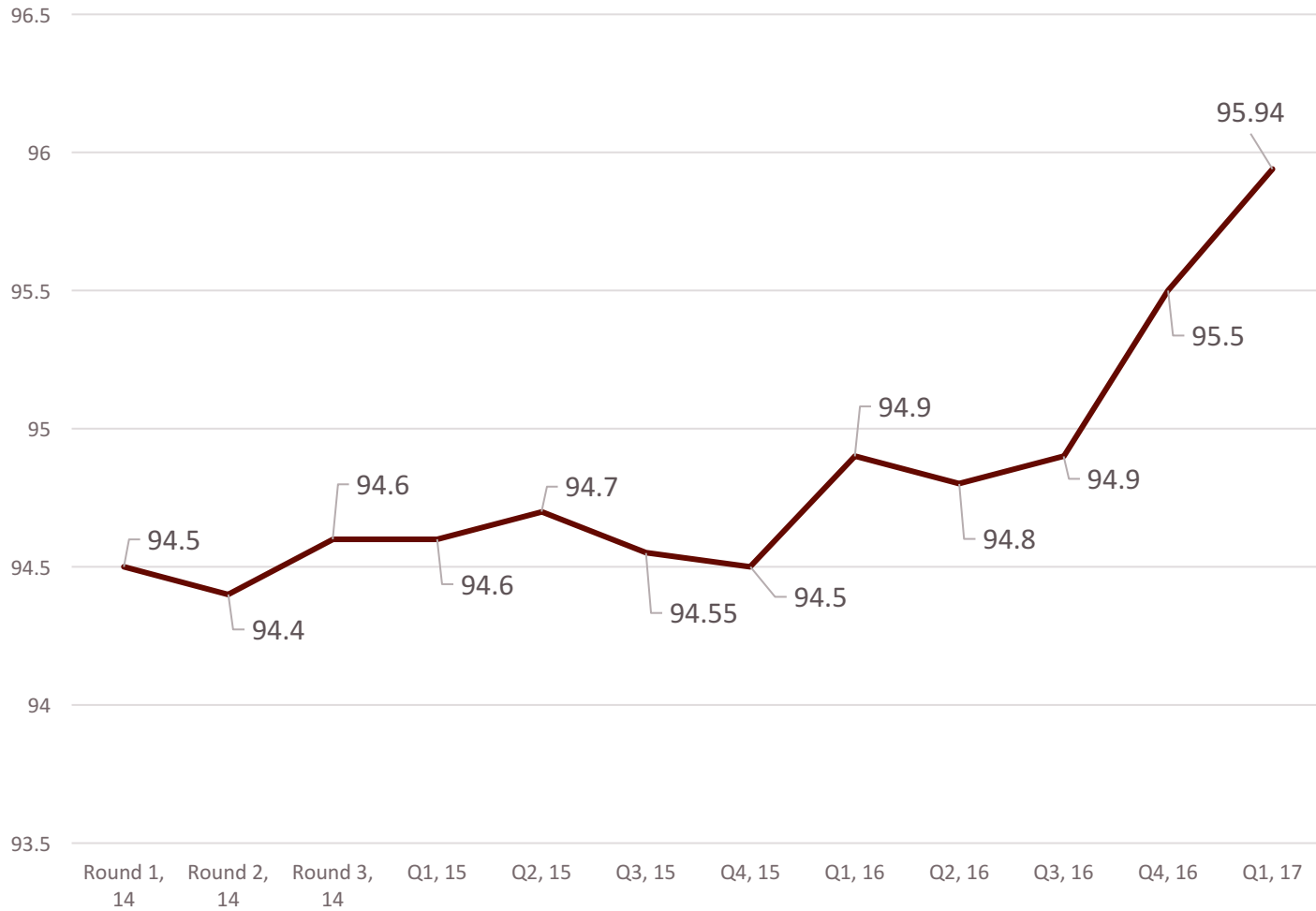
KDS / Dine Time:

- **Service Time** and **Food Quality** are both measured on guest survey
- KDS is having positive impact on restaurant operations

Service Time			Food Quality		
12/28/2015 - 8/28/2016		10/2/2016 - 4/16/2017	12/28/2015 - 8/28/2016		10/2/2016 - 4/16/2017
Pre KDS Score		Post KDS Score	Var	Pre KDS Score	
71.6%		75.7%	4.1%	67.7%	
				71.0%	
				3.3%	

FOOD SAFETY TREND

AUDIT SCORES



WHAT'S NOT WORKING

OPPORTUNITY FOR IMPROVEMENT



- Labor pressure
 - Staffing levels at 95% - not enough to minimize overtime
 - Wage pressures; minimum wage increases in 21 states
 - Heavy competition for HOH TMs
 - Service and labor model tests only support FOH
- Restaurant Manager role continues to grow more complex
 - Running a time / motion study on Managers; Looking to reduce administration
 - New bonus program eliminates normalizing the P&L

BUILDING TEAM MEMBER ENGAGEMENT

MEASURING ENGAGEMENT

TOOLS AND DEVELOPMENT

- New measurement tools
- New development tools

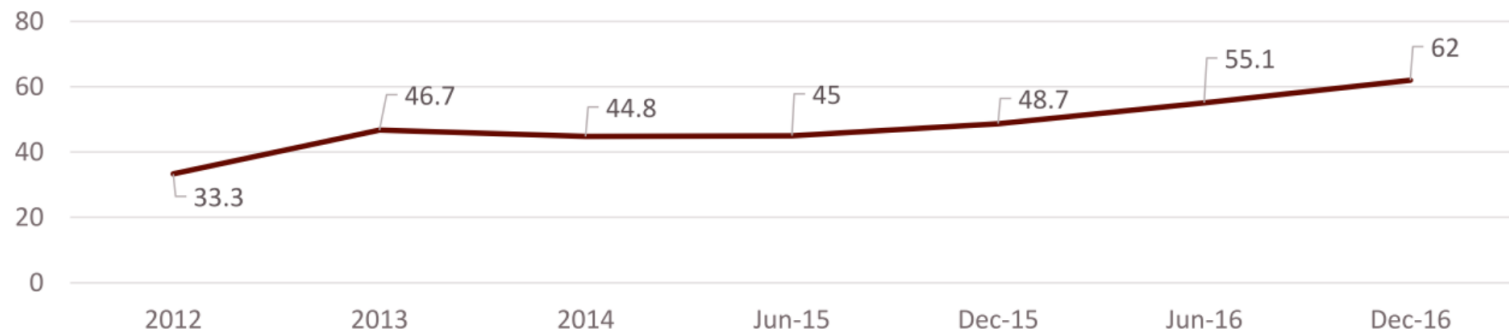
**Without the engagement of Operators,
even the best ideas won't be sustainable.**

TEAM MEMBER VOICE

HISTORICAL RESULTS



Operations



**THE GO-TO FOR
GREAT BURGERS**

BECOMING THE “GO-TO”

CONSISTENT EXECUTION



To become the go-to destination for high quality hamburgers, Red Robin must consistently and strategically execute on:



Quality



Guest Experience

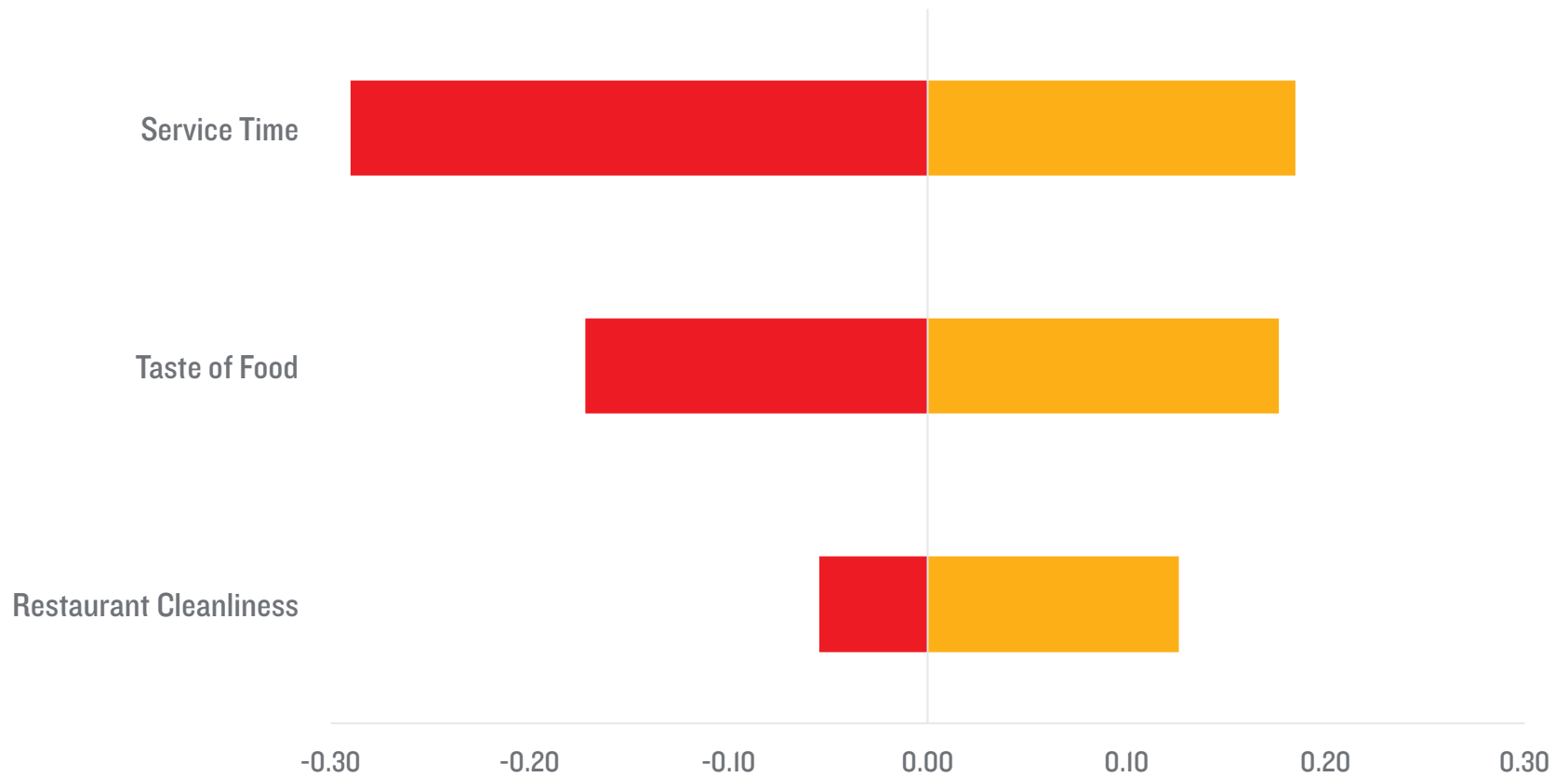
- Speed
- Attentiveness



Bottomless

REWARD & PENALTY

DRIVERS IMPACTING OVERALL NPS

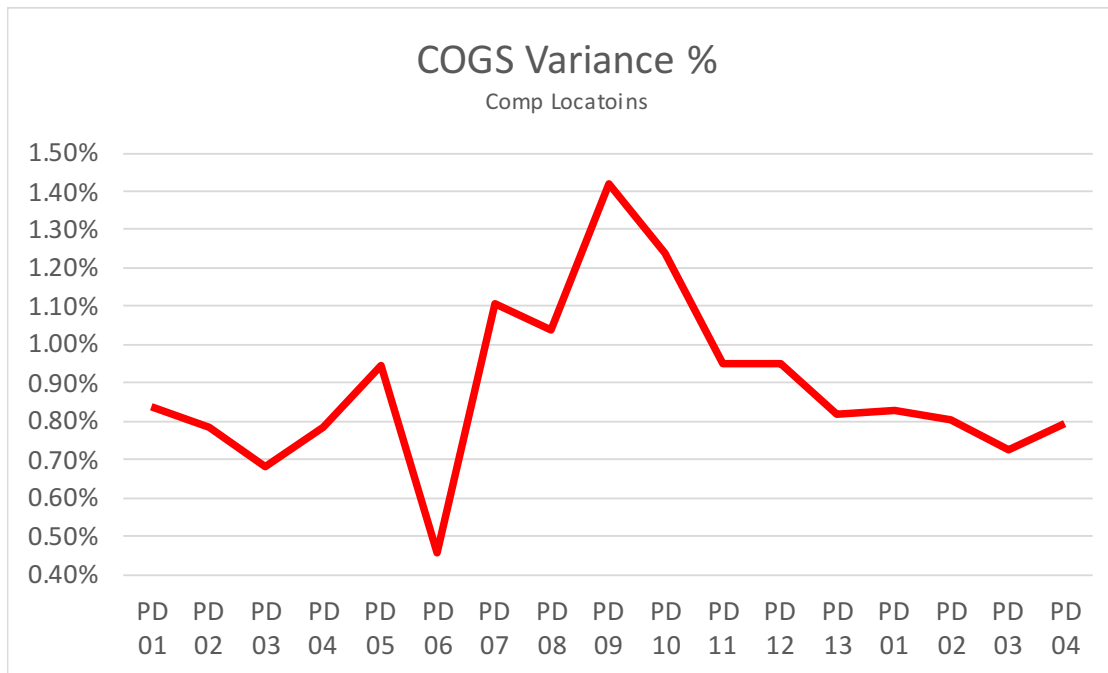


**DELIVERING GREAT
SHAREHOLDER VALUE**

FOOD AND BEVERAGE COSTS

WASTE CONSIDERATION

Improvement in waste (AvT) seen since yield change to food and beverage items in Q3 2016.

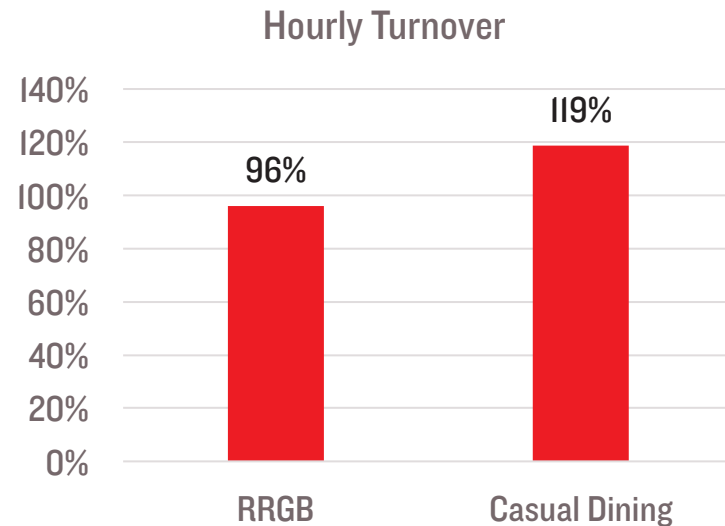
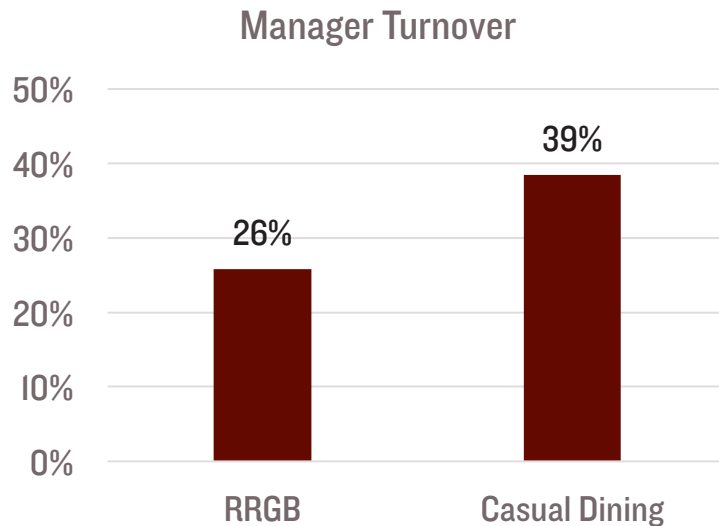


- Refocused effort on AvT with new automated COGS report to the field
- Food waste has normalized to pre-yield change levels

INDUSTRY TURNOVER

MANAGER VS HOURLY

- In this tight labor market, attracting and retaining talent is more important than ever.
- While Casual Dining turnover is on the rise, Red Robin has managed to **reduce turnover**.



As of IQ17, Red Robin GM turnover is down to 19%, lowest levels since 2011.

EVALUATING OUR BUSINESS

FIVE KEY VALUES

Leadership Do we have the right team and talent?

Performance How can we quickly get momentum?

Strategy Move dependency from NROs to 4-wall growth

Relationships Re-engaging with our franchisees

Operations Raise the bar

Red Robin Analyst & Investor Day

DEVELOPMENT STRATEGY

Les L. Lehner

*Senior Vice President,
Chief Development Officer*

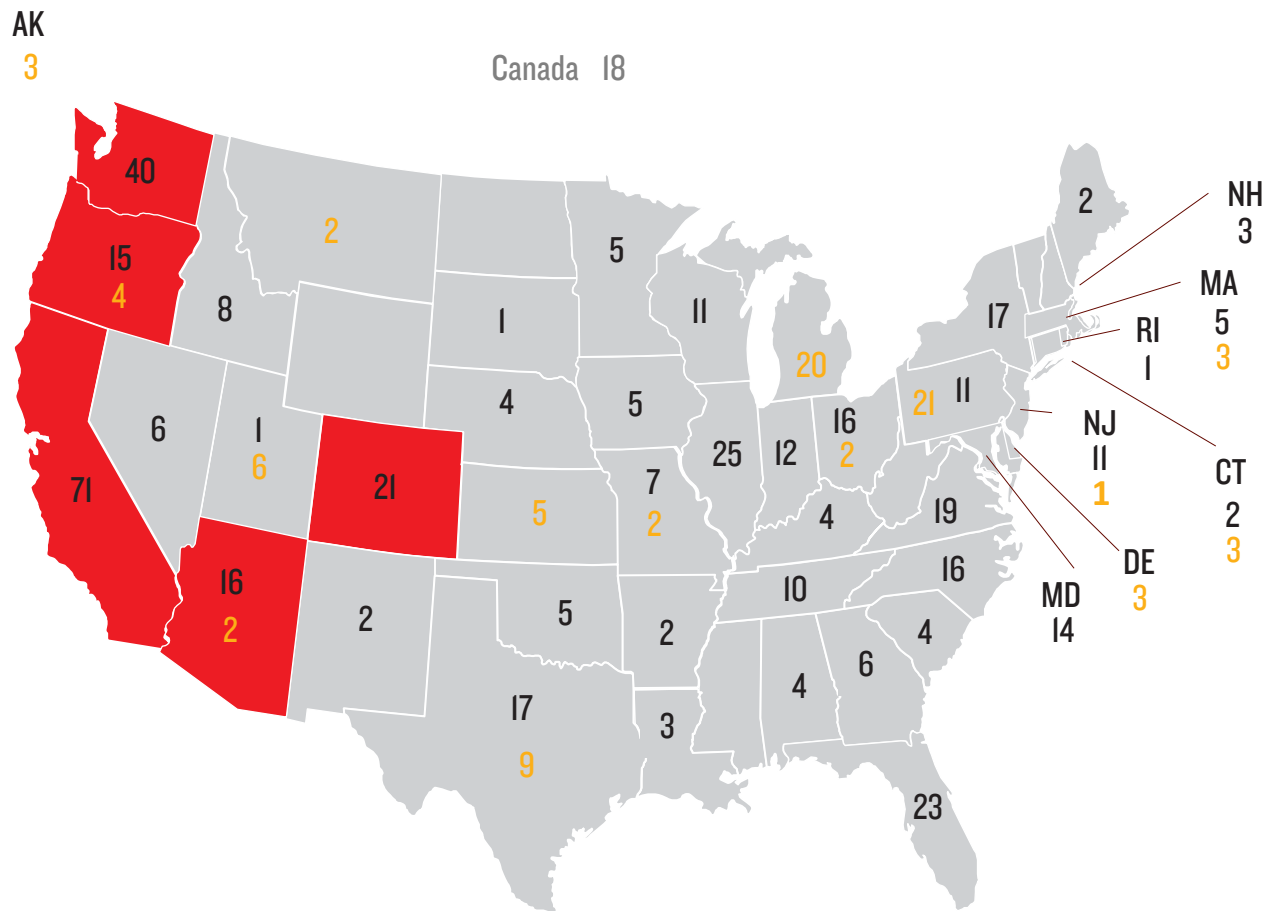
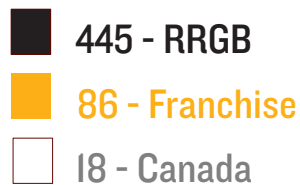
PORTFOLIO CONCENTRATION

2016 YEAR END – 549 OPERATING RESTAURANTS



~ 1/3

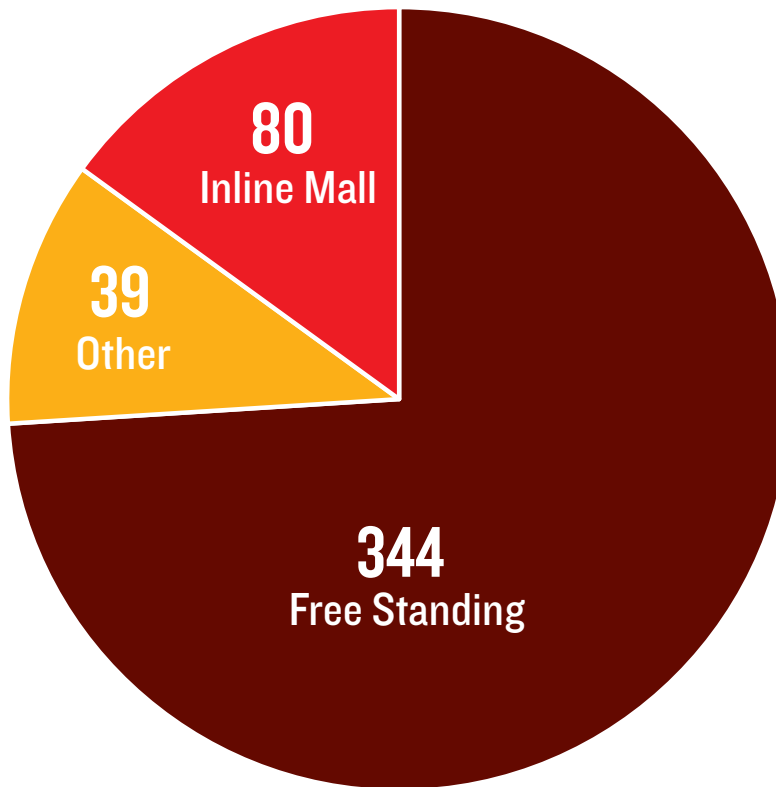
of our portfolio
resides in 5 states
on the West Coast.



PORTFOLIO MAKEUP

2016 YEAR END

463 Total Corporate Restaurants



Preferred Build Requirements:

- Free Standing
- Self Parked
- High Traffic
- Retail Gravity
- High Visibility
- To-Go Access

Preferred Major Co-Tenancy:

- Costco
- Lowes
- Target
- Grocery (Whole Foods, Wegmans, Trader Joes)

THE OBSTACLE OF MALLS

EXISTING – 17% OF TOTAL

Mall Red Robin Locations:

2016 Average Sales = \$2,826,647

2016 Average RLOP = 14.6%



Non-Mall Red Robin Locations:

VS.

2016 Average Sales = \$2,998,430

2016 Average RLOP = 21.2%

STORE CLOSING

Mall locations have been experiencing higher occupancy costs, increasingly unpredictable seasonality, an overall drop in traffic and frequency, and they lack the flexibility for “Off-Premise” programs.

THE OBSTACLE OF MALLS

PROJECTED REDUCTION



Changing Direction:

- **PRE - 2015**
Active mall development
- **2015**
Mall development halted
- **2017**
No new mall development;
No more long term lease renewals;
Analyze mall sites individually and
develop strategy to exit or improve
profitability in existing locations

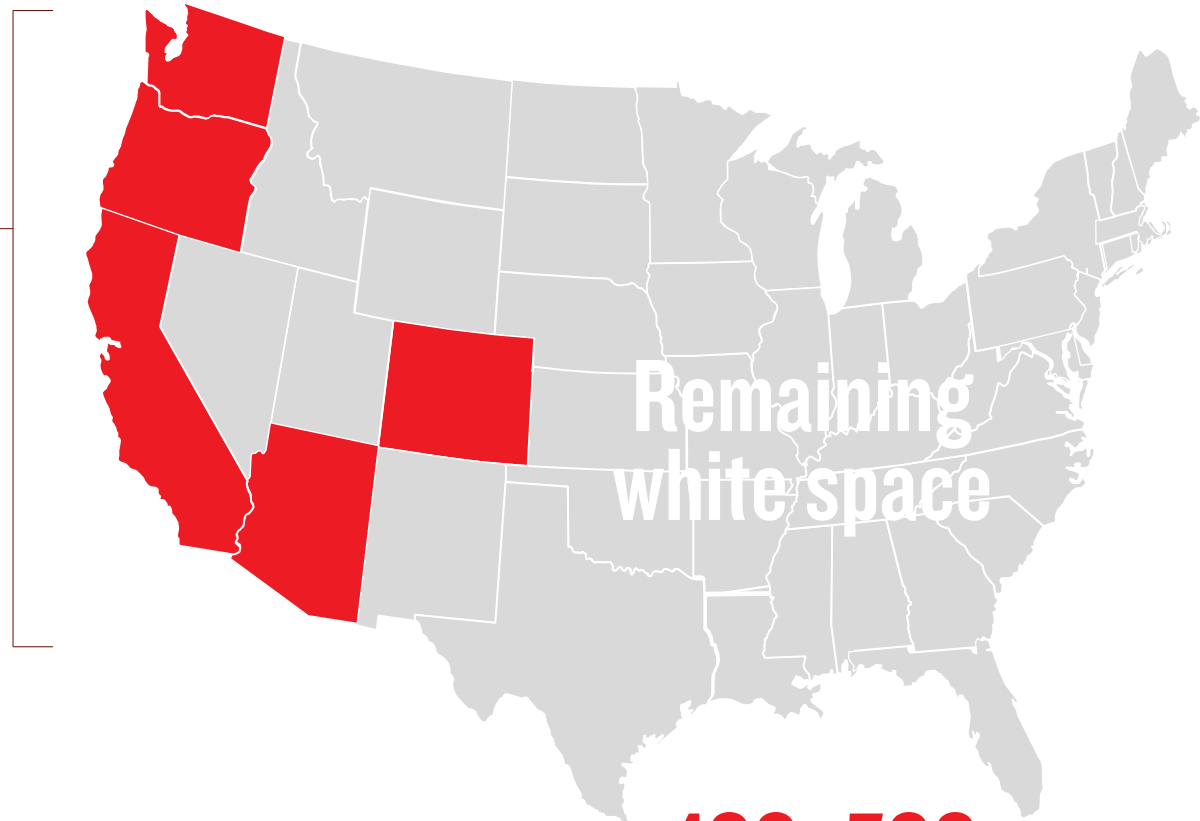
OPPORTUNITY OF WHITE SPACE

QUALITY RETURNS, ENORMOUS OPPORTUNITY



45%

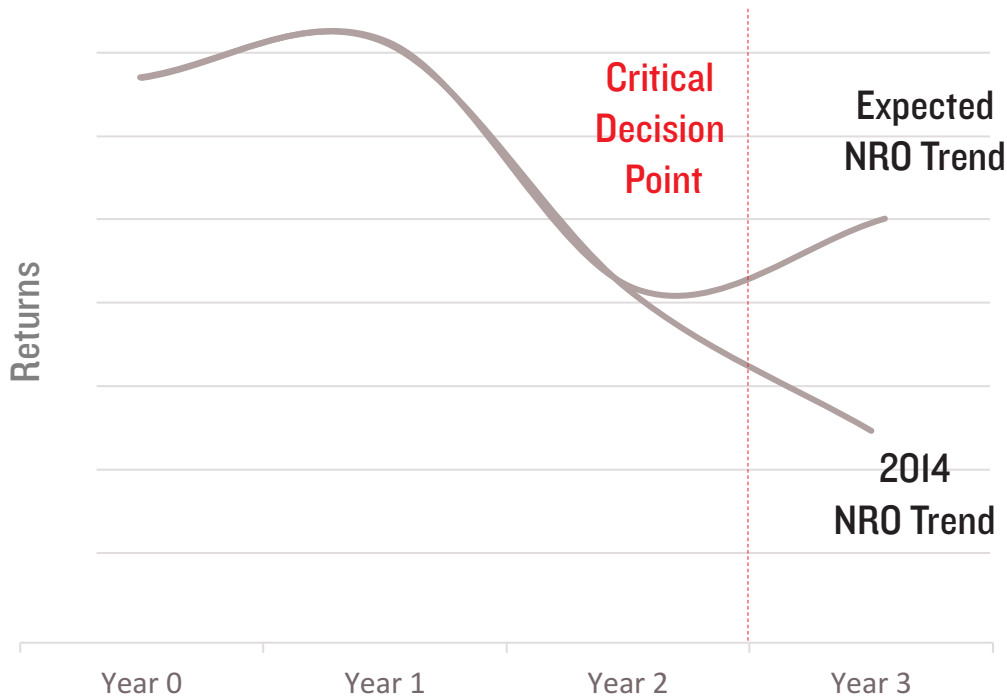
of our total
revenue comes
from 5 states on
the West Coast.



Based on current data analytics, **400- 500** could be added.
restaurants

RECENT NRO PERFORMANCE

IMPROVEMENTS IN PROCESS



\$300,000 in cost reductions have occurred since 2016.

During 2016, Red Robin recognized a drop in returns, and NRO growth was immediately reduced.

Learnings for future success:

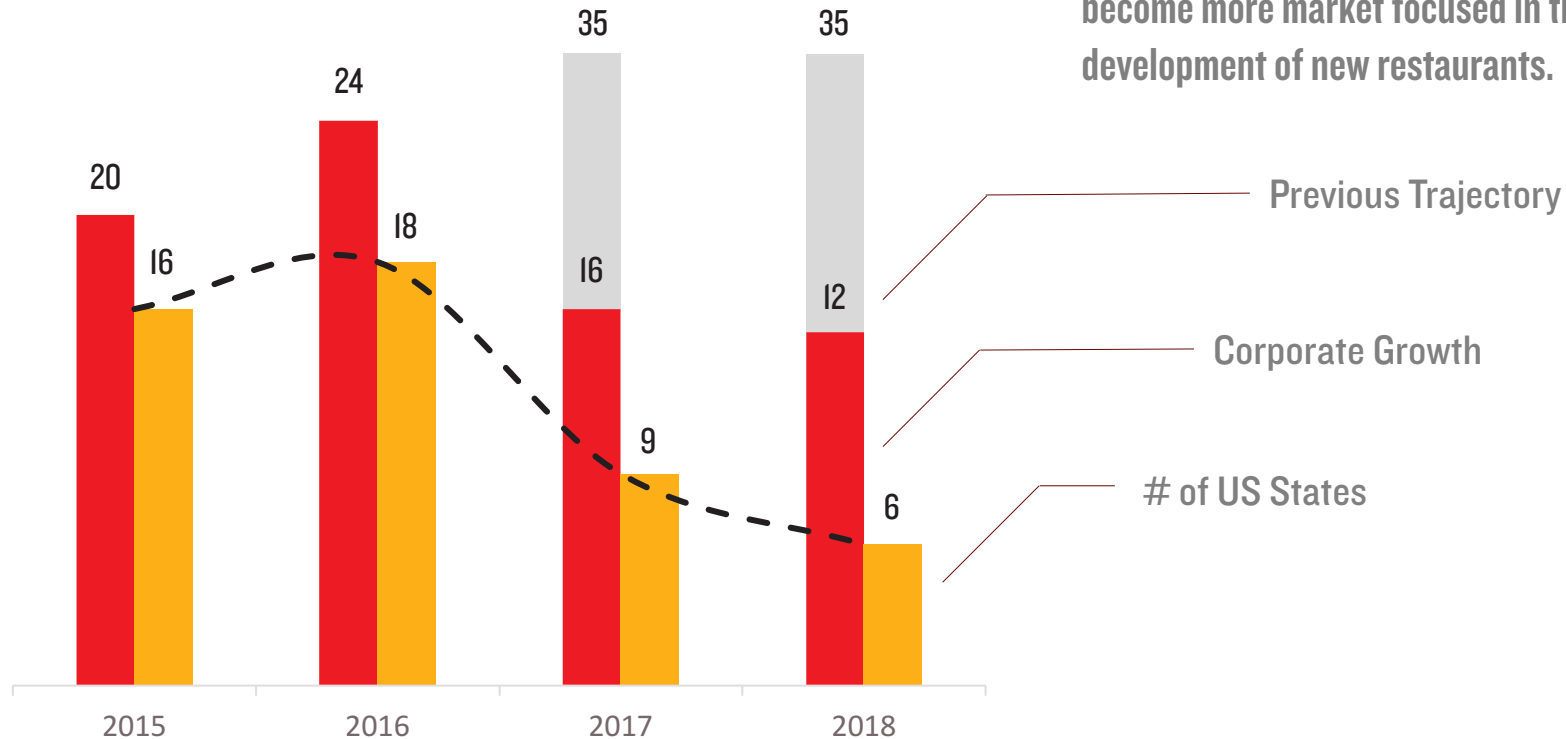
- Brand awareness
- Location type
- Ops efficiency
- Seasoned markets

Red Robin will achieve desired returns to continue NRO program.
2015 & 2016 classes are showing material improvement.

STRATEGY FOR DEVELOPMENT

LEVERAGING MARKET CONDITIONS

Since 2015, Red Robin has become more market focused in the development of new restaurants.



By focusing in specific markets, many benefits / improvements can be realized:

- Distribution Efficiency
- Development Cost
- Leverage Local Marketing Campaigns
- Above 4 Wall Overhead
- Construction / Shipping Cost

STRATEGY FOR DEVELOPMENT

SETTING THE RIGHT PATH



1

We compiled data on all major markets in the US, regardless of geographic location.

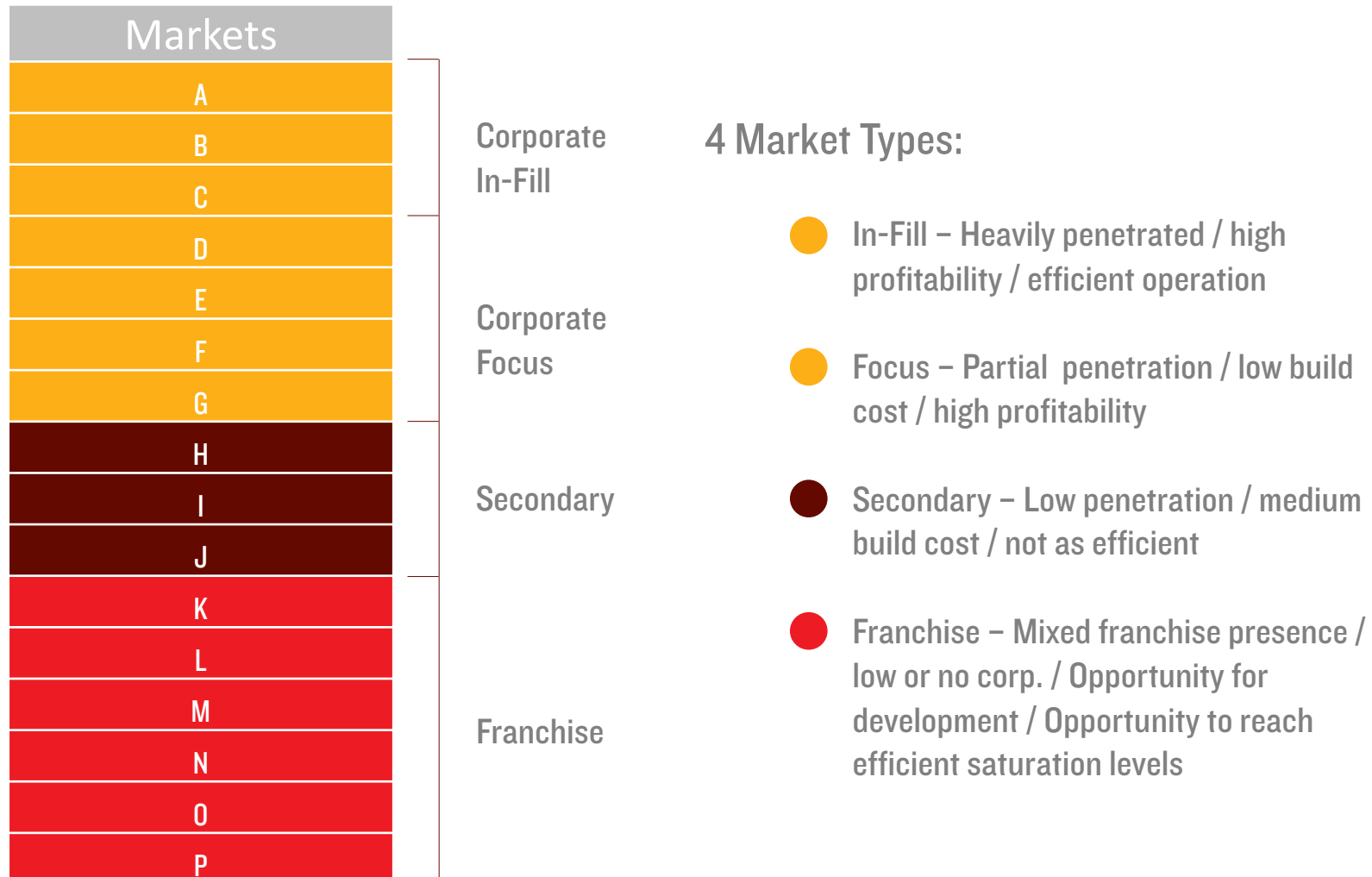
2

We analyzed the data using **critical categories** of comparison:

- DMA/MSA Density
- State Population
- CDR Penetration Level
- White Space Runway
- Restaurant Sales Volumes
- Average Occupancy
- Operational Profitability
- Existing Tip Credit
- Pending Wage Regulation
- 3 Year Construction Means Index
- Distribution Benefit
- Availability of Real Estate

STRATEGY FOR DEVELOPMENT

PRIORITIZING DEVELOPMENT PATHS



STRATEGY FOR DEVELOPMENT

CORPORATE AND FRANCHISE OPPORTUNITY



Corporate Development:

- Focus on In-Fill and Focus Markets
- Maximize operational efficiency
- Improve brand awareness
- Leverage local marketing
- Decrease capital costs
- 200+ available trade areas

Franchise Development:

- Focus on Franchise Markets
- Up to 100 locations are available for seeding key franchise relationships
- Strategically select business partners to assure success
- Some markets are highly profitable
- 200+ available trade areas

CORPORATE DEVELOPMENT

RETURNS & ROI IMPROVEMENT

5 critical assumptions must be realized for continued growth:

1

Upside through
Off-Premise
programs

2

Continued
Capital investment
reduction

3

Marketing
improvements

4

Operational
improvements

5

Evolve
to meet guest
needs

Financial returns will dictate process and pace!

FRANCHISE DEVELOPMENT

POTENTIAL OF AREA DEVELOPMENT AGREEMENTS

Under current corporate growth strategy, it would take > a decade for select markets to fully develop.



So, existing franchise groups have already begun pursuing new Area Development Agreements (ADA).

Area Development Agreements

- 3 ADA's executed in 1st Quarter
- 2 additional ADA's "in process" of negotiation
- Up to 100 existing corporate locations in markets designated for franchise development
- Marketing of Trade Areas to begin in 2018

HYPOTHETICAL IMPACT

IMPACT ON RED ROBIN & SHAREHOLDERS



Transactional Good Guys?

- Gain Royalties
- Gain Marketing Contribution
- Additional G&A Savings
- Gain Proceeds

Transactional Bad Guys?

- Lost Revenue
- Lost EBITDA
- Additional Franchise Expense

Big Picture:

\$200M

Revenue Loss

~\$10M

EBITDA Loss

\$90-120M

Proceeds

Red Robin Analyst & Investor Day

FINANCIALS

Guy Constant

*Executive Vice President,
Chief Financial Officer*

HOW WE GOT HERE

ELEVATED CAPITAL SPEND



Tired Restaurant Experience

Aging restaurants and deferred maintenance resulted in higher than expected BTI capital investments ultimately lowering returns.

\$180mm

Growth Myopia

Over the past four years, Red Robin has opened 96 new restaurants and has acquired 50 franchise locations.

\$330mm

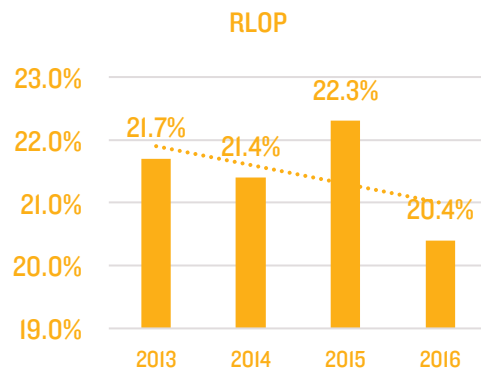
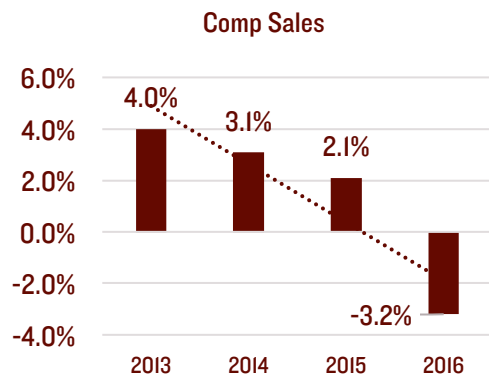
Lagging Technology

Product innovation, home office systems, and kitchen complexity demanded a necessary investment in technology (Workday, iCube, Fusion, KDS, Dine-Time, Ziosk).

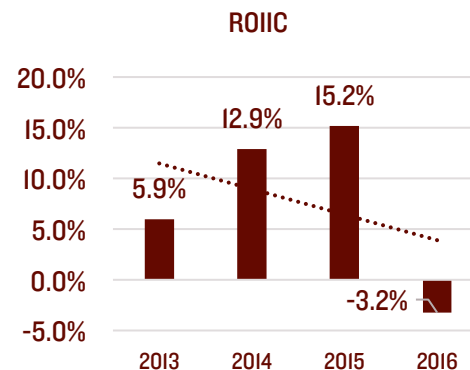
\$60mm

HOW WE GOT HERE

ALL THE WHILE...



Note: 2015 favorability driven by lower beef prices.



Topline Sales Declined

Red Robin and industry-wide comp sales have declined in recent years.

Margins Compressed

Deleverage from declining comp sales combined with labor inflation and rising maintenance costs resulted in margin erosion.

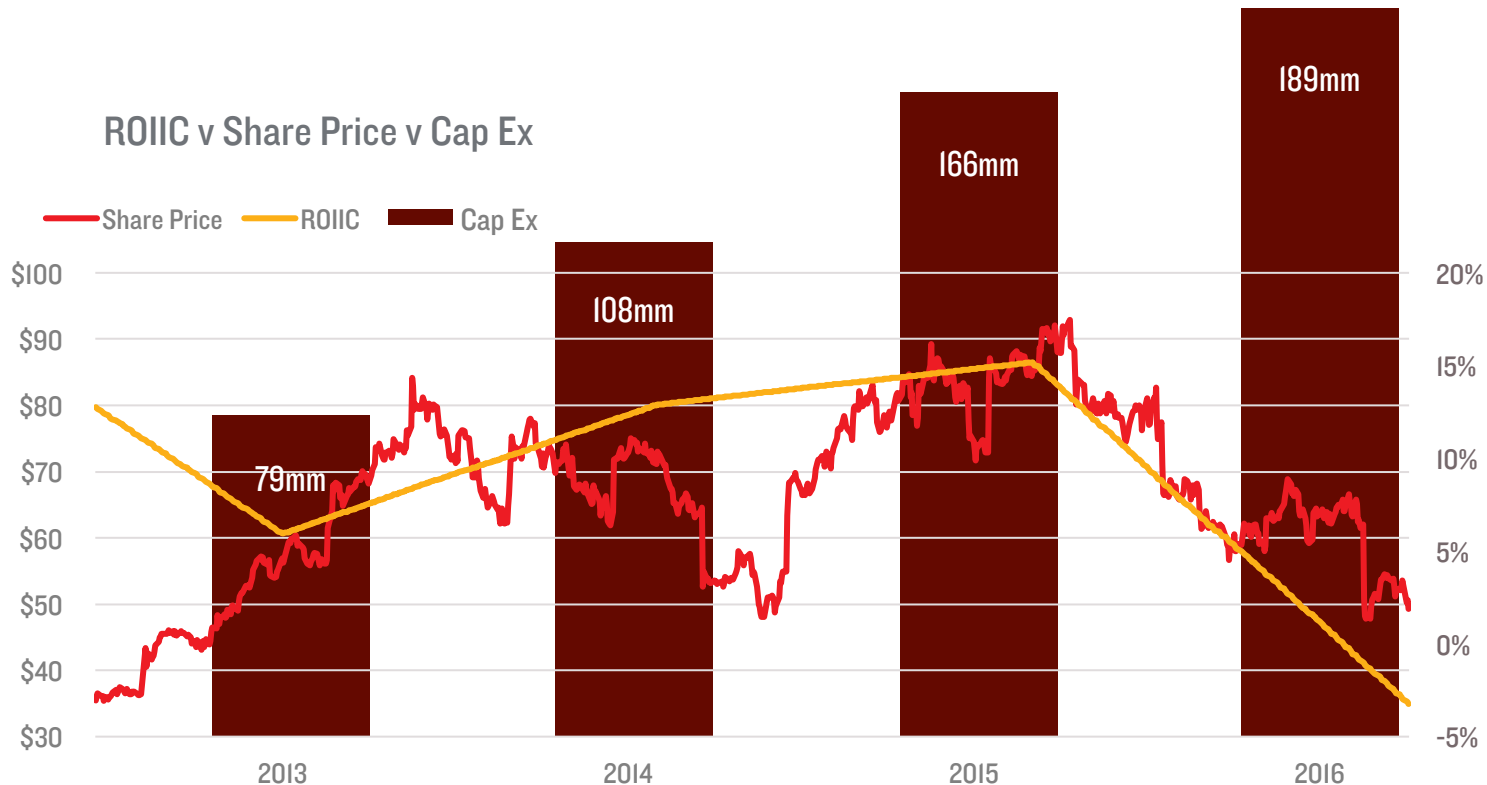
Returns Suffered

Returns on BTI, NROs, and acquisitions declined in a rising cost, challenging top line, and margin-compression environment.

REFLECTED IN THE VALUATION

2013 - 2016

As many maturing stocks are, RRGB share price has been highly correlated to ROIIC.



It was time for a strategic pivot with a focus on value creation.

A COMPELLING INVESTMENT

OPPORTUNITIES TO CREATE VALUE

Post Q416 earnings release, Red Robin was trading at a discount to its peers:

- EV/EBITDA < **7x**

Foundational investments in **Facilities, Process,
Technology, and People**

New management in place with relevant experience and vision to drive value

To earn higher multiple, we must focus on: **Reliability and Predictability**

A STRONG FOUNDATION HAS BEEN SET

A COMPELLING INVESTMENT

By setting up the business to deliver expanded free cash flow, we will be able to further reduce debt ('17-'18), restart share repurchases ('18-'21), and drive value.

Ziosk improved guest experience and enable real-time feedback

Remodel of restaurants investment completed

Labor model refinements in-test to position us to address margin impact

Core Market Analysis set in motion

Material pay-down of revolver, driven by lower Cap Ex, reversed rising debt levels

Q315

Q316

KDS investment improved speed of service, food waste, order accuracy and NPS scores

Q416

Capabilities + technology testing and development to grow Off-Premise business

Slowed unit-growth to re-focus investments on high-return projects

Q117

Comp sales trajectory improved

Media model pivot to incremental local marketing

Menu Simplification I.O rolled out

CORE TACTICS TO BE DEPLOYED

FOUR CORE FUNCTIONS



1

Marketing

Lean into value, and increase focus on core markets and exploit Off-Premise opportunity

2

Operations

Regain operational edge through focus on speed of service, simplification, and improved guest experience; Improve 4-wall economics

3

Development

Slow unit growth, improve new unit ROI, and implement company/franchise market-development strategy

4

Finance

Create shareholder value through returns-based, disciplined capital allocation and targeted cost-saving opportunities

ASSUMPTIONS

THE MODEL



Included in the Model:

- Continued focus on Every Day Value
- Growing the business through Off-Premise
- Accelerating organic franchise growth
- EBITDA margin improvement, focusing on both restaurant and corporate-level costs
- Slowing traditional unit growth, governed by ROIC
- Share repurchases, which RRGB has historically pursued

Not Included in the Model:

- Disruptive labor models
- Implications of new franchise development strategy
- Non-traditional prototypes
- Dividends

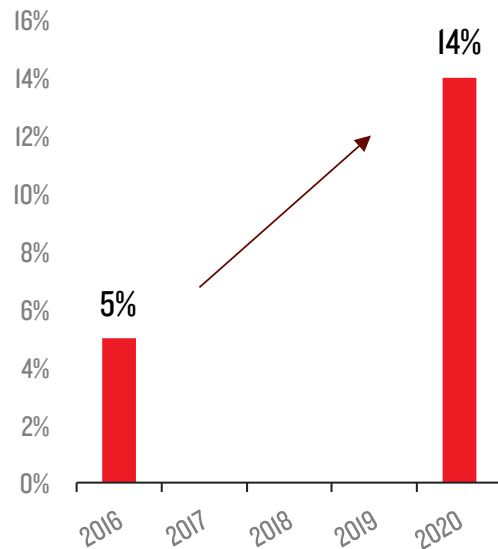
REVENUE GROWTH

OFF-PREMISE AS IT RELATES TO SALES

Annual revenues projected to grow by **2 – 4%** through 2021.

Comp sales projected to grow by **1 – 2%** per year.

Net new corporate unit growth of **~1%** per year.



Off-Premise to grow to **14%** of revenues by 2020.

MARGIN IMPROVEMENT

OPPORTUNITY FOR 200-300 BPS

Occupancy Leverage

Higher AUVs and deeper
market penetration

G & A Leverage

Shifting from unit growth model to
returns-focused model keeps G&A
growing slower than revenue

EBITDA

Projecting EBITDA improvement
of 50 -75 bps (3-5%) annually

Cost of Goods

KDS, menu simplification, and
kitchen investments offset a low
commodity inflation environment

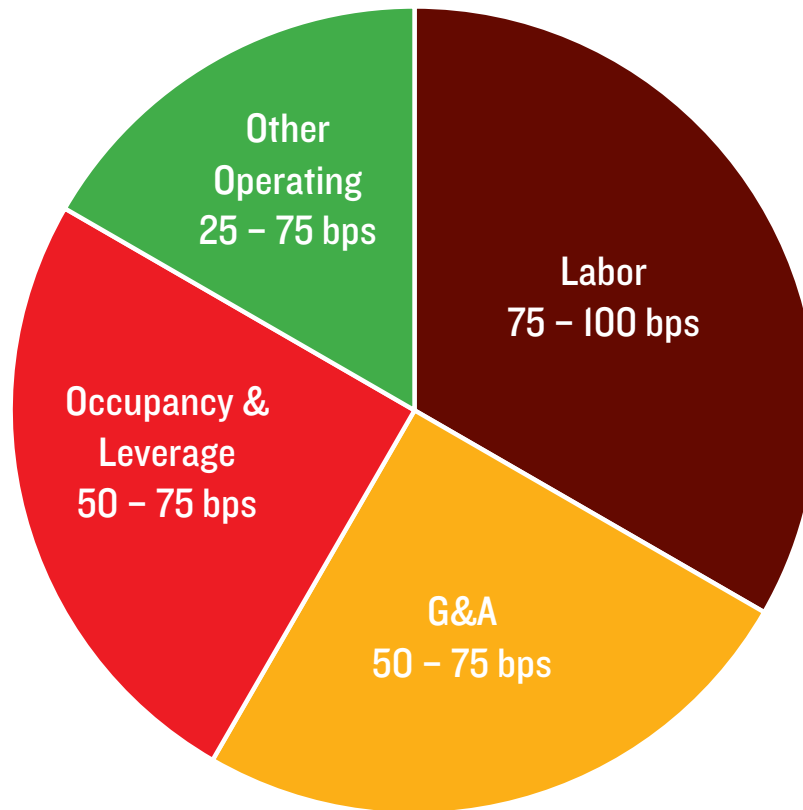
Restaurant Labor

Labor model changes overcome
wage inflation and drive some
margin improvement

MARGIN IMPROVEMENT

EBITDA MARGIN GROWTH 2017-2021

Cumulative Margin Expansion (2017 - 2021) by Category



■ Labor ■ G&A ■ Occupancy & Leverage ■ Other Operating

A keen focus on the middle of the P&L, combined with leveraging higher AUVs, will drive meaningful margin expansion over the next five years.

CAPITAL ALLOCATION

CAPITAL INVESTMENT

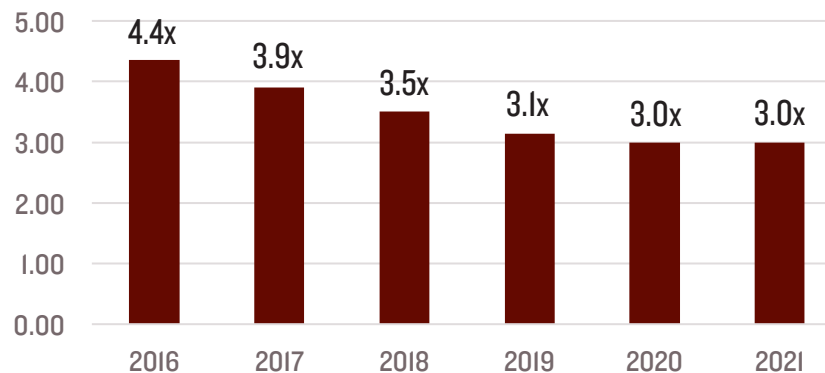


- Expect to build **16 new units** in 2017.
- Unit returns have deteriorated, but are improving.
- Focus on improving 4 wall economics and reducing required investment.
- Plan assumes **8-12 new units** and **5 closings** per year.
- Growth will be determined by returns.
- Smoothing of IT and remodel investments (smaller; continual).
- Cap Ex ranges from **\$60 – 80 million** from 2018 – 2021.

CAPITAL ALLOCATION

DEBT / LEVERAGE

- Debt and **Leverage Ratio** at Q4 2016 was **\$335m** and **4.35x**



Lease Adjusted
Leverage Ratio

- Temporary covenant relief obtained in Q1 to protect against downside scenario.
- Focus will be to pay down debt (3.0x LALR).
 - Equates to 0.8x debt to EBITDA
 - Expect to reach target range by 2019-2020
 - Will blend share repurchases and debt repayment beginning in 2018

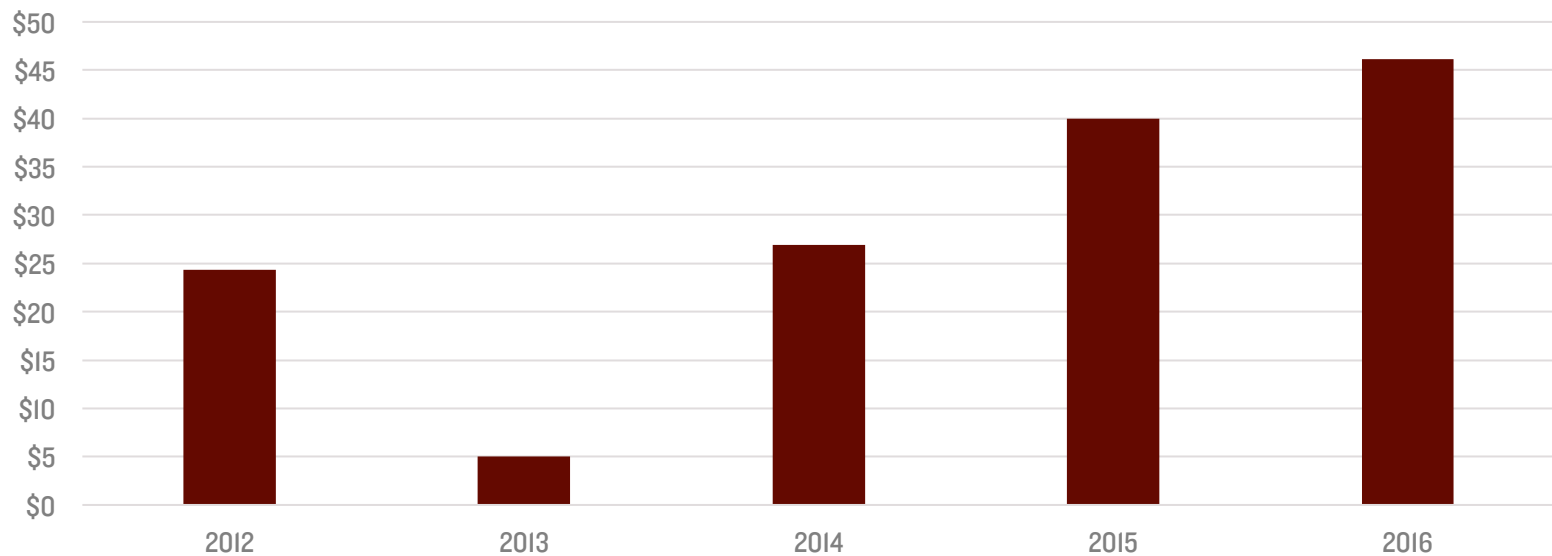
CAPITAL ALLOCATION

SHARE REPURCHASES



As an attractive way to improve shareholder returns, **share repurchases** have historically been actively pursued by RRGB.

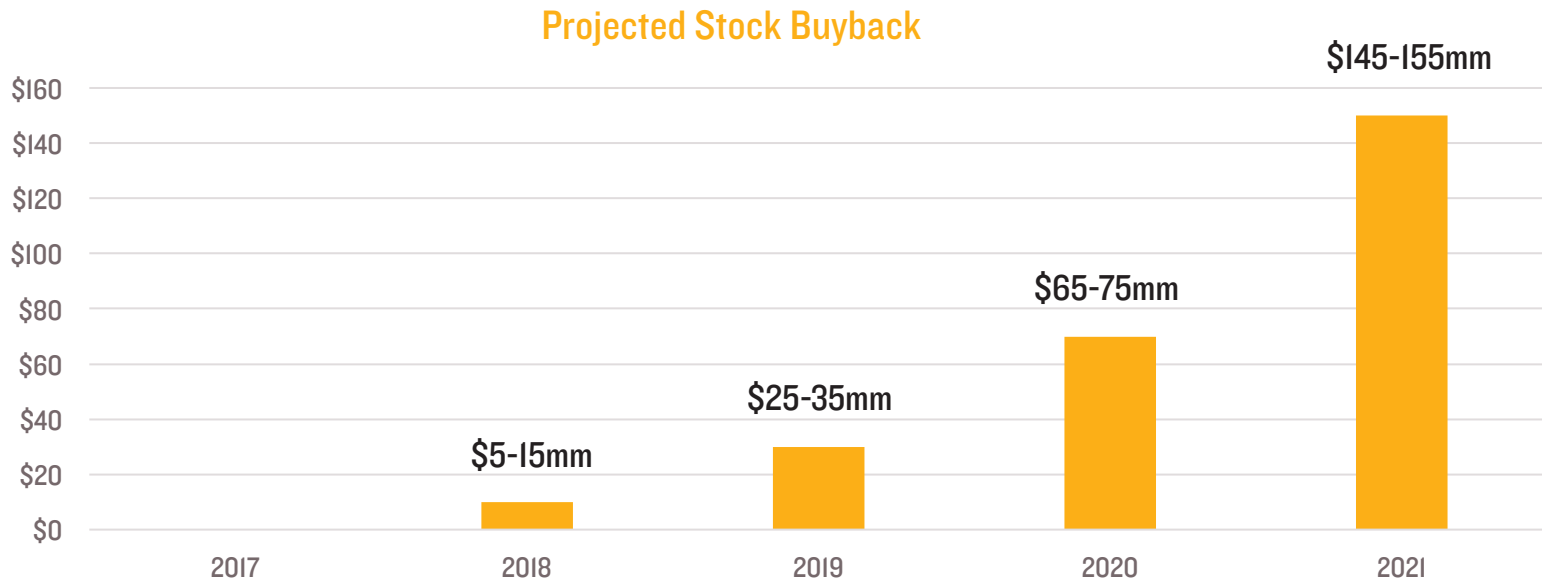
Historical Share Repurchases (\$ millions)



CAPITAL ALLOCATION

SHARE REPURCHASES

Anticipate resuming **share repurchases** in 2018 and accelerating through 2021 as free cash flow increases (estimate repurchasing ~4 - 6% of float on average during those years).

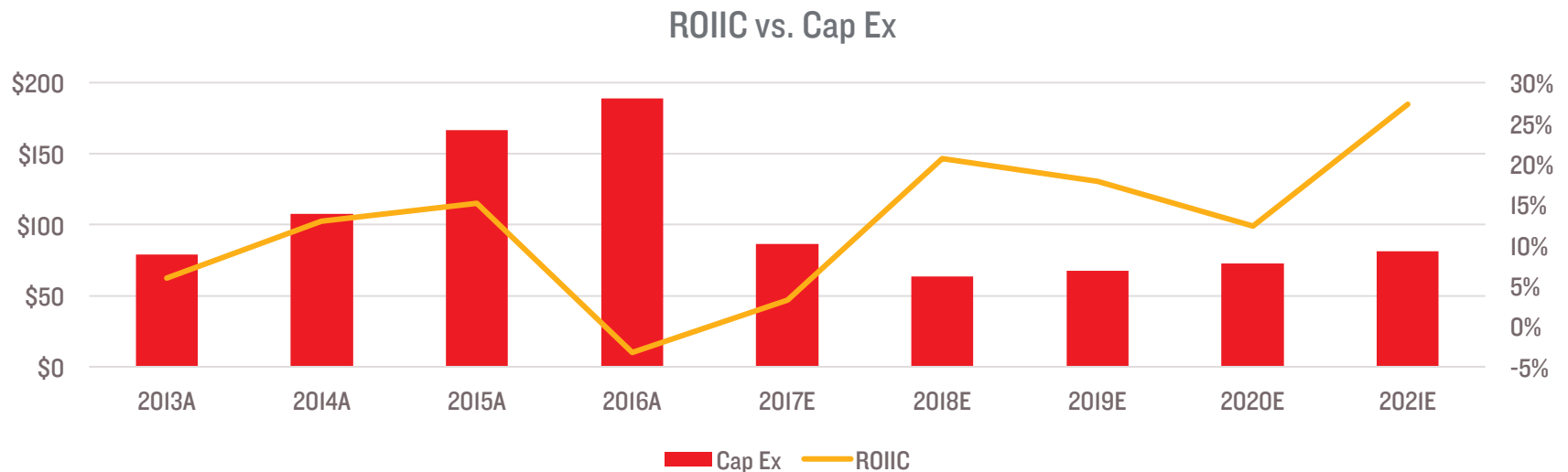


IN SUMMARY

ROIIC VS CAP EX

With renewed focus on innovative business drivers, margin expansion, capital structure, and capital allocation, RRGB expects to deliver:

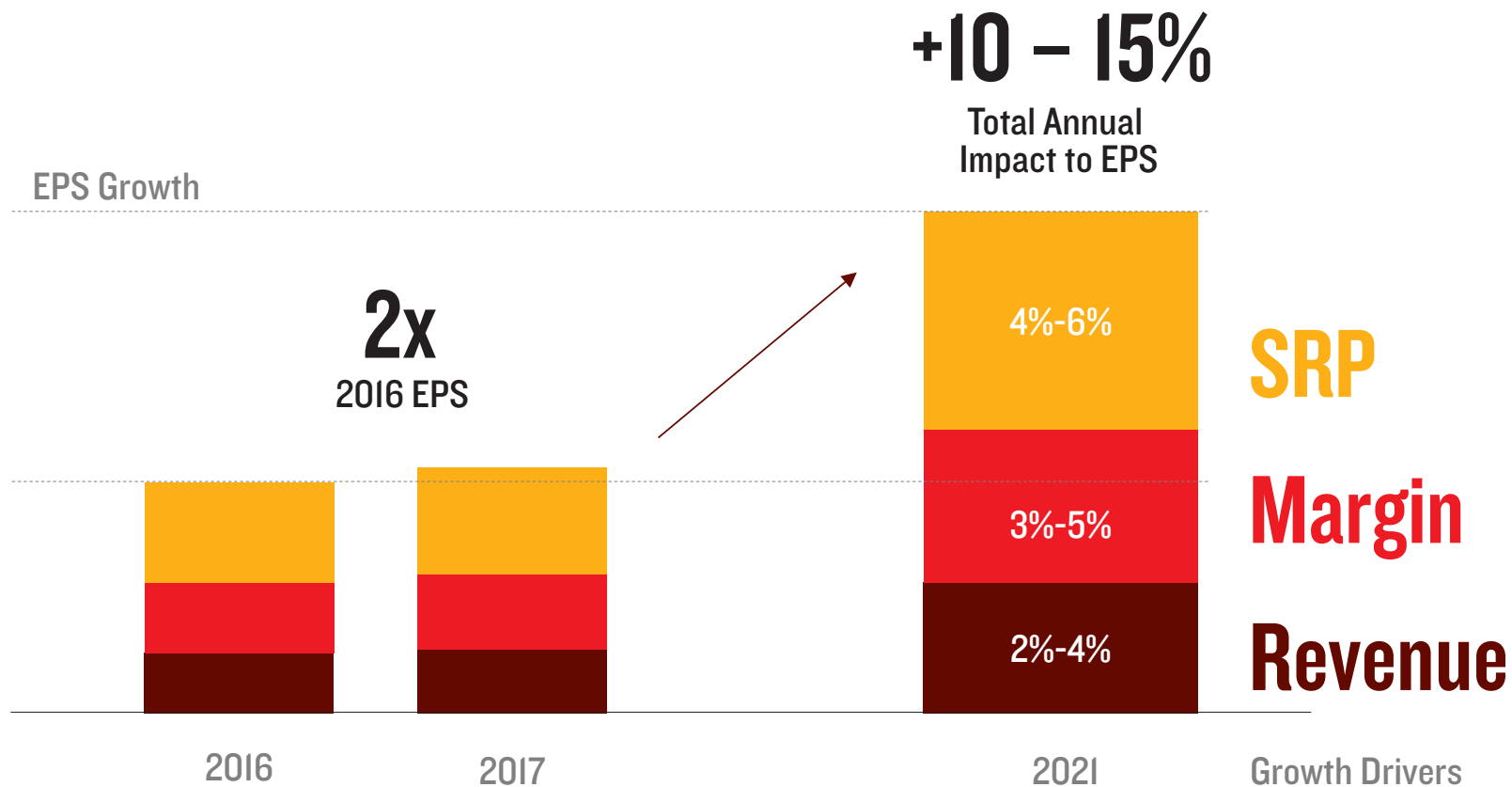
- ~\$200mm in EBITDA by 2021
- Average annual FCF of \$100 – 120mm from 2018 to 2021



Driven by EBITDA growth and moderated Cap Ex, ROIIC levels will average ~20% from 2018 to 2021.

IN SUMMARY

EPS GROWTH



Red Robin Analyst & Investor Day

Q&A





COMING UP

Break

Denny Marie Post

Closing

Q & A

Red Robin Analyst & Investor Day

BREAK TIME

15 minutes

Red Robin Analyst & Investor Day

GOING FORWARD

Denny Marie Post

Chief Executive Officer

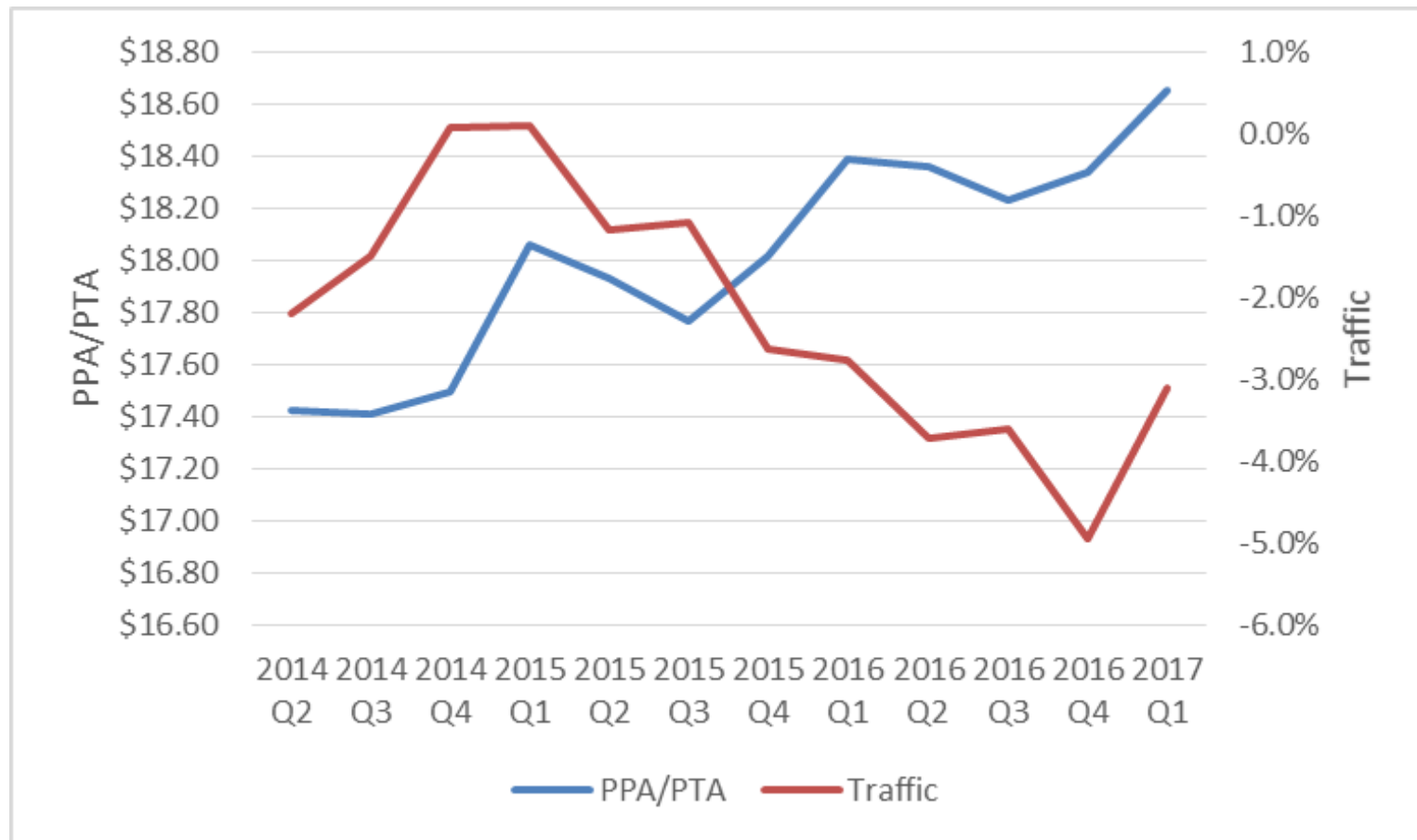


TO SUMMARIZE....

- Topline drivers in place to outpace CDR
- Off-Premise upside considerable
- Operations regaining our historical edge
- Margin upside identified and in-test
- Refocusing on selective growth in core markets
- Reigniting franchise development

....we can optimize existing model.

CASUAL DINING PPA AND TRAFFIC TRENDS





INSTEAD OF RISKING ANYTHING NEW,
LET'S PLAY IT SAFE BY CONTINUING OUR
SLOW DECLINE INTO OBSOLESCENCE.



**“ MY DESTINATION IS NO
LONGER A PLACE, RATHER
A NEW WAY OF SEEING. ”**

– Marcel Proust

UNDER CONSIDERATION

NEW WAYS WITHIN THE EXISTING FOUR WALLS



- Heart of the house revamp
- Redefine full service for the next generation
- Individualize experience to guest occasion and location

UNDER CONSIDERATION

NEW WAYS BEYOND THE EXISTING FOUR WALLS

- Differentiated delivery that is economically viable
- Production kitchens to infill and open up new territories
- Unique partnerships that enable us to reach more guests
- Large party Off-Premise
- And more...

IN THE END?



GOURMET BURGERS AND BREWS

Red Robin Analyst & Investor Day

Q&A

