



Investor Presentation

November 2014

Michael Ansley

President, CEO & Board Chairman

David G. Burke

Chief Financial Officer & Treasurer



Safe Harbor Statement

The information made available in this presentation contains forward-looking statements which reflect the Company's current view of future events, results of operations, cash flows, performance, business prospects and opportunities. Wherever used, the words "anticipate," "believe," "expect," "intend," "plan," "project," "will continue," "will likely result," "may," and similar expressions identify forward-looking statements as such term is defined in the Securities Exchange Act of 1934. Any such forward-looking statements are subject to risks and uncertainties and the Company's actual growth, results of operations, financial condition, cash flows, performance, business prospects and opportunities could differ materially from historical results or current expectations. Some of these risks include, without limitation, the impact of economic and industry conditions, competition, food and drug safety issues, store expansion and remodeling, labor relations issues, costs of providing employee benefits, regulatory matters, legal and administrative proceedings, information technology, security, severe weather, natural disasters, accounting matters, other risk factors relating to our business or industry and other risks detailed from time to time in the Securities and Exchange Commission filings of DRH. Forward-looking statements contained herein speak only as of the date made and, thus, DRH undertakes no obligation to update or publicly announce the revision of any of the forward-looking statements contained herein to reflect new information, future events, developments or changed circumstances or for any other reason.



Premier Restaurant Concepts



The creator, developer and operator of the unique, full-service, ultra-casual restaurant and bar Bagger Dave's Burger Tavern and one of the largest franchisees of Buffalo Wild Wings

MISSION

To **"delight guests"** by providing experiences that create loyalty

VISION

To be the preferred, **"ultra-casual"** dining destination in our market



NASDAQ: BAGR

Market Segmentation

Fast-Casual

Attractive Price Point

Focused Menu



FIVE GUYS
FAMOUS
BURGERS and FRIES



Ultra-Casual

Bridging the gap as the newly defined "Ultra-Casual" concepts



- Fresh food
- No walk-in freezers
- 4,000-4,800 sq-ft. footprint
- Fully customizable meal



- Sports atmosphere
- 40-100 televisions
- Guests move tables to accommodate their party

Casual Dining

Full Service

Bar Experience



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Company Background



BWW-Novi



Carmel, IN

- **Michael Ansley (Founder, Chairman, President and CEO) became a BWW franchisee in 1996**
- **Currently one of the largest BWW franchisees in U.S. and Canada**
 - One of the first franchisees in the BWW system to offer full-service dining
- **Won numerous awards for restaurant performance within the BWW system**
 - Highest Annual Restaurant Sales, 2004 – 2006
 - Franchisee of the Year by the International Franchise Association, Sept 2001
- **Bagger Dave's was developed in 2008 to introduce an ultra-casual, full-service concept in the better-burger space**



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Key Investment Highlights

- Diversified, yet highly complementary concepts provide guests with strong value proposition
- Fresh, high quality and differentiated menu has broad appeal and drives top-line growth
- Significant growth opportunities that can leverage operational expertise and infrastructure
- Flexible business model with attractive unit economics and returns
- Experienced and dedicated management team possesses significant insider ownership

Founded: 2006

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Total Restaurants	62	Additional Planned Openings 2014	4
Market Capitalization (millions)	\$135.1	LTM Revenue (millions)	\$121.7
Recent Price	\$5.17	Avg. Vol. (3 months, thousands)	17.6
52 wk. Price Range	\$3.92 - \$8.45	Shares Outstanding (millions)	26.1

Market Data as of November 11, 2014 [Source: Bloomberg LP]; Year End is Last Sunday in December



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Strength Through Diversification



BWW-Detroit



Bagger Dave's – Carmel, IN

Complementary Concepts Generate Operational Synergies

- **Leverage experienced Managing Partners of BWW**
 - Provides a new career path for restaurant-level managers through Bagger Dave's
 - Reduces turnover in restaurant-level management
- **Standardized systems and processes enhance restaurant-level management**
 - Reduces time to train new restaurant-level management
 - Facilitates training of personnel and improves level of customer service
- **Shared infrastructure**
 - Locations featuring both Bagger Dave's and Buffalo Wild Wings can share real estate and other fixed costs
 - Existing infrastructure supports Bagger Dave's expansion



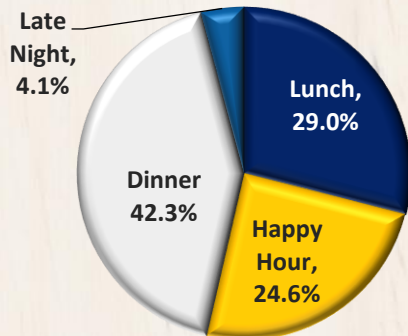
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Diversified Day Part and Sales Mix

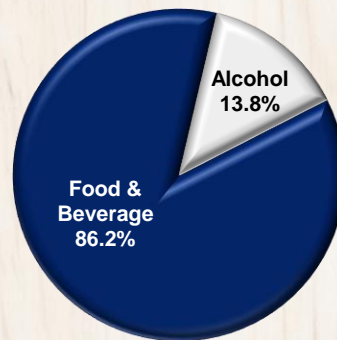
Diverse day part and strong alcohol sales mix further differentiate us from both the fast-casual and casual dining segments

Bagger Dave's

Q3 2014 LTM Day Part Mix

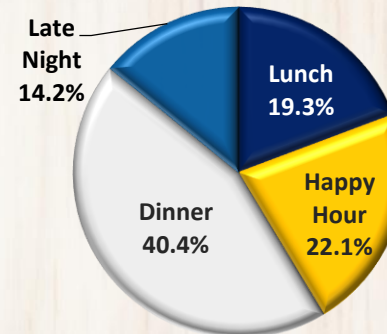


Q3 2014 LTM Sales Mix



Buffalo Wild Wings

Q3 2014 LTM Day Part Mix

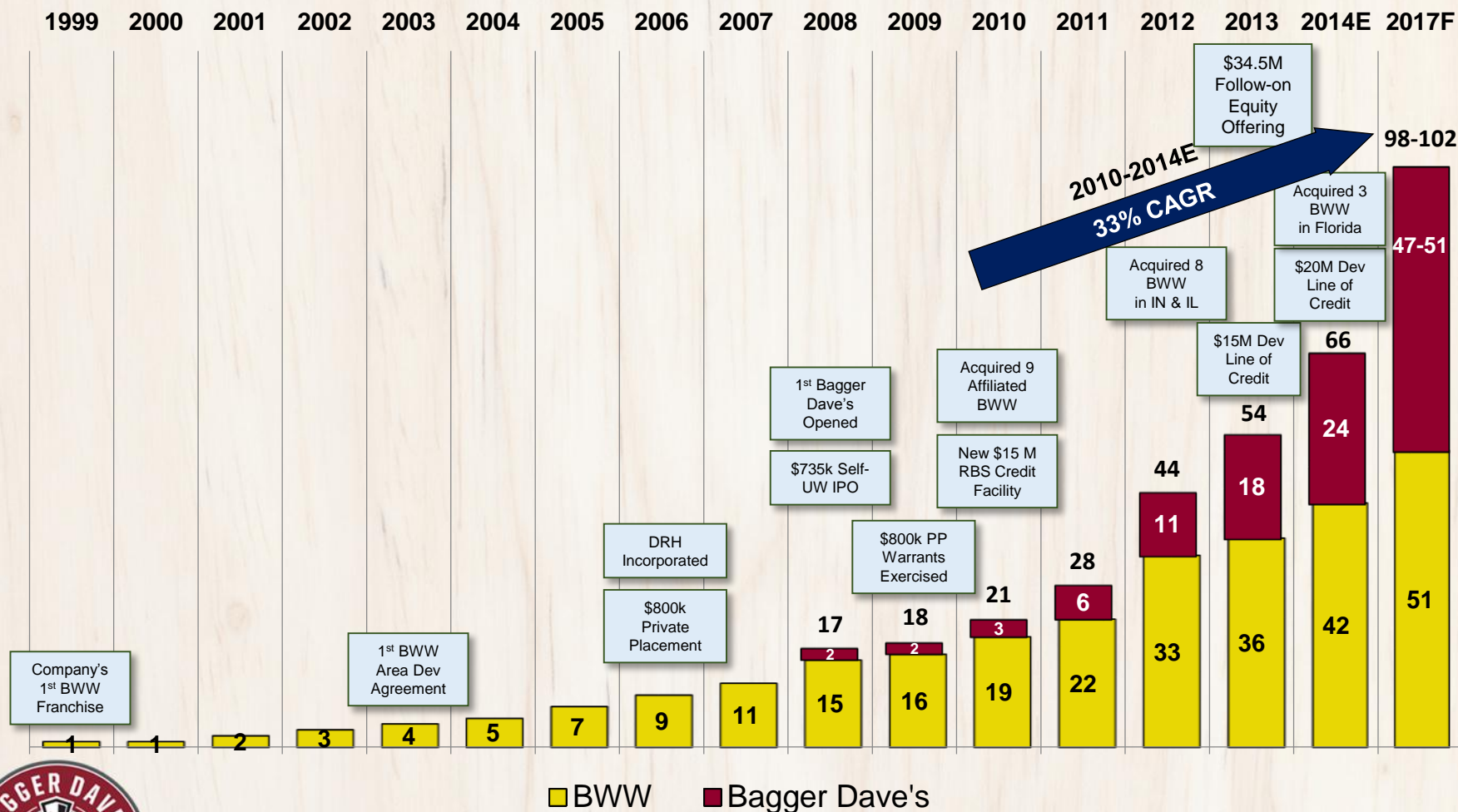


Q3 2014 LTM Sales Mix



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Roadmap to Growth



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Current & Planned Locations



2013A YEAR-END	18	36	54
CURRENT	22	40	61
2014E YEAR-END	24	42	66
GROWTH RATE	33%	17%	22%



- Current Bagger Dave's
- Planned Bagger Dave's
- Current BWW
- Planned BWW



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What is Bagger Dave's?

- **Full-service restaurant and bar**
 - Fresh, quality food and in-house recipes – no walk-in freezer
 - Family-friendly, casual, comfortable atmosphere
 - Historical photos celebrate local area
 - Electric train runs above the perimeter of dining room
- **Menu focused on hot sandwiches, hot sides and locally crafted beer**
 - Guest in complete control to customize their order
 - Create your own burger with the following options:
 - Four proteins
 - Five cheeses
 - Four buns
 - Seven Bagger Dave's sauces
 - Over 30 toppings



Amazingly Delicious Black Bean Turkey Chili ®



The Blues Burger ®



Ono Chicken Sandwich



January 2014

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Focused on Sustainable Sales Growth

Multiple initiatives in place to drive same store sales growth

Traffic

- Stay ahead of the curve through differentiated, customizable and proprietary menu offerings that decrease “veto” vote and enhance guest experience

Check

- Table side selling of food and beverage items encourages higher attachment and productivity gains

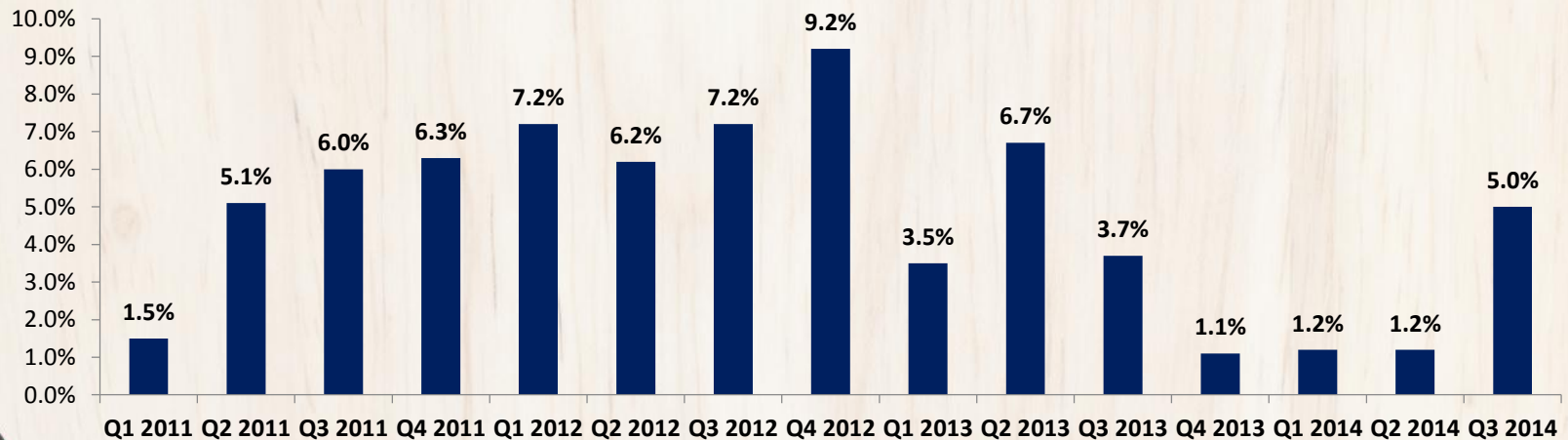
Marketing

- New marketing program creates “buzz” around concept
- Technologically sophisticated loyalty program attracts and retains guests

Reimaging

- New prototype designs for both Bagger Dave's and BWW improve brand image
 - Features edgier feel with an increased emphasis on bar area and experience

15 Consecutive Quarters of Positive Same Store Sales Growth



Strong New Marketing Message



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Bagger Dave's Menu Evolution



- **Fresh, diverse menu offerings create customer and media excitement**
 - Featured on several local news broadcasts
- **Menu offerings generating buzz:**
 - 8oz Prime Rib Recipe Burger
 - Farm-Raised Grilled Chicken Breast
 - Turkey Burger
 - Custom Made Sauces
 - Chopped Salads
 - Fresh-made Mac & Cheese
 - Fresh Hand-cut Fries
 - Hand-cut Sweet Potato Chips
 - Local Craft Beers
 - Own-brand soda with specialty flavors



DIFFERENT KINDS OF BURGERS. DIFFERENT KINDS OF BEER.

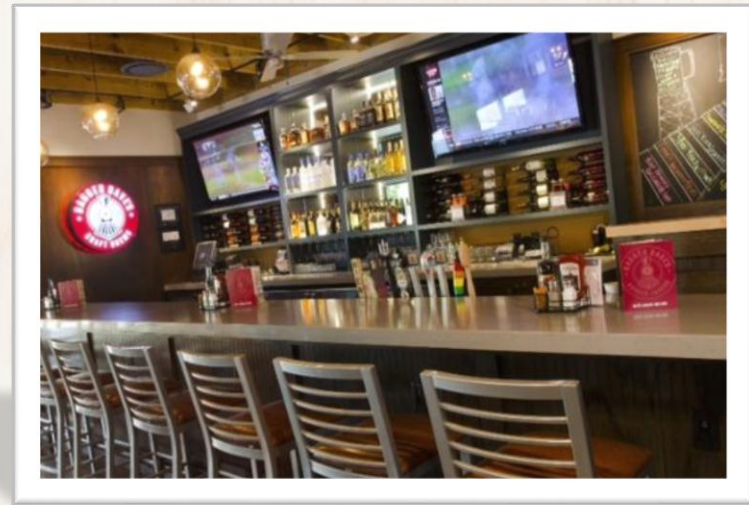
GLUTEN-FREE MENU

We might wave to you,
but we don't make waves, and we
**CERTAINLY DON'T
MICROWAVE.**
WE'RE COOL
but not frozen, so
**NO WALK-IN
FREEZERS.**
100% USDA
BEEF
Not to sound snooty,
but our burger is a
**PRIME RIB
RECIPE!**
**OUR TURKEY
BURGERS ARE**
**FARM
RAISED**
(the turkeys, not the burgers).
THEY'RE LEAN,
SO YOU WILL BE, TOO.
FRESH-CUT FRIES
IT'S ALL ABOUT THE POTATO.
**SWEET POTATO
CHIPS**
THE "WHY-DON'T-SOMEONE-
THINK-OF-THIS-BEFORE" CHIP.
**LOCAL CRAFT
BEERS, O**
but far super local, we make
**OUR OWN
SODAS.**

Bagger Dave's Interior Design



- New innovated interior design debuted in Carmel, Fishers, and Schererville IN and Woodhaven, MI locations opened this year.
- Hipper look and feel provided with updated flooring, furniture and fixtures.
- New bar design emphasizes liquor, wine and draft beer offerings.



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Bagger Dave's Exterior Design

Current Exterior Design



Avon, IN

Transition Design



Carmel, IN

New Exterior Design



Front View



Rear View



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Average Check Comparison



Source: Company filings as of most recent available fiscal year end and management commentary.

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Bagger Dave's Craft Soda



- **Premium Craft Soda sold on draft**
 - Eight flavors available
 - Includes mystery rotator flavor
- **Retail bottle sales launched in July**
 - In-store only; brings customers into restaurant
- **Ability to add proprietary flavors**
- **Unique differentiator**
- **Flexibility to add / promote new flavors**
- **Exceedingly better margins than Coca-Cola or Pepsi**
- **50-year supply agreement**

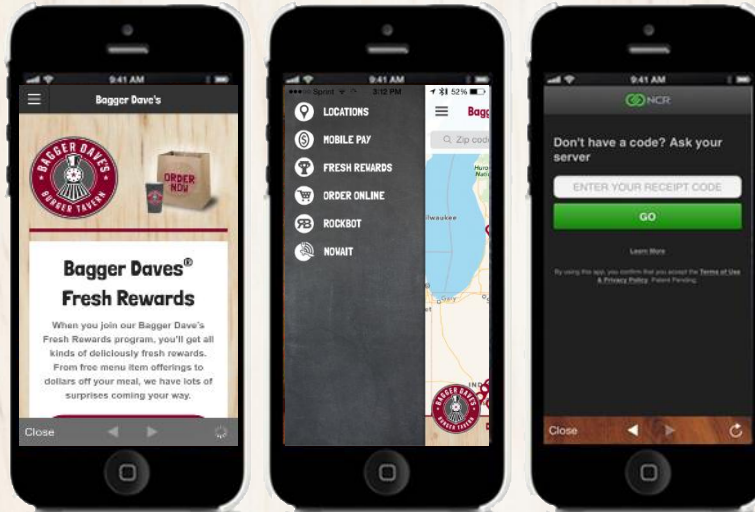
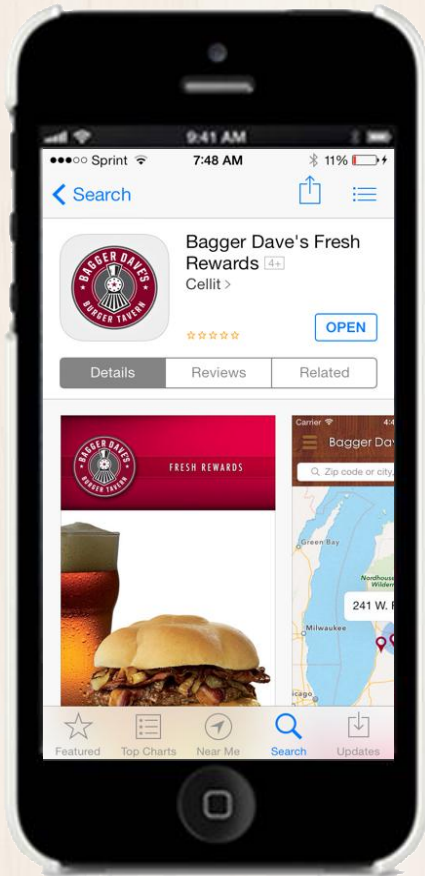


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Fresh Rewards Loyalty Program



Bagger Dave's new Fresh Rewards Loyalty Program has gone mobile! Newly-developed apps for iOS and Android platforms will enhance the success of this program.



www.baggerdaves.com/freshrewards

■ Mobile App

- Fresh Rewards
- Mobile Pay
- Online Ordering
- Guest Feedback
- Social Media
- Music Controller
- Wait List Communication

■ Fresh Rewards

- Full POS Integration
- Visit Frequency Based
- 3-Tiered Program
- Surprise & Delight



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Technology Driving Efficiencies

Bagger Dave's invests in technology to improve guest experience and productivity – driving sales and increasing margins.

Tableside Ordering

- Allows servers to spend more time with guests
- Increases order accuracy
- Improves ticket times



Online Ordering

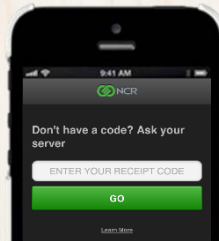
- Online ordering allows guests to order from their computer or mobile device – anytime, anywhere
- Integrated with POS

www.baggerdaves.com



Mobile Payment

- Guests can pay using their phone
- Credit card never has to leave guest's wallet
- Fully integrated with POS



Kitchen Display Units

- Integrated with POS
- Fully integrated with online ordering
- Critical to allowing customization options
- Working with NCR to further advance this technology for BD



Table Management

- Host manages seating with iPad
- Guest receives text when table is ready



nowait

Music Experience

- Guests can see what's playing, rate it and queue up their favorite songs



ROCKBOT



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Bagger Dave's Unit Economics and Real Estate

Disciplined Site Selection

- Average Income \$60k – \$90k
- Average Population of 50k
- Day Part Drivers:
 - Primary - strong dinner and weekend traffic
 - Secondary – strong lunch (office)
- Well-anchored shopping or lifestyle entertainment centers; in close proximity to high-traffic venues
- Preference for strong end-cap position or free-standing
- Target®, Lowes® and other big-box retailers
- Area near other restaurants

TARGET STORE FOOTPRINT (SQUARE FEET)	~4,200
TOTAL CASH INVESTMENT* (EX REAL ESTATE)	\$1,100,000 - \$1,400,000
TARGET ANNUAL REVENUE PER STORE (1–3 YEARS)	\$1,600,000
TARGET RESTAURANT-LEVEL EBITDA MARGIN	20%



Bagger Dave's – Carmel, IN



Bagger Dave's – Traverse City, MI

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Buffalo Wild Wings Expansion Strategy

Similarly Disciplined Site Selection

- Well-anchored shopping or lifestyle entertainment centers; in close proximity to high-traffic venues

New interior and exterior prototype design drives customer excitement

Expect to open 2 – 3 BWW locations each year

11 restaurants remaining in development agreement, excluding new acquisitions

Buffalo Wild Wings Stadia Design



TARGET STORE FOOTPRINT (SQUARE FEET)	~6,500
TOTAL CASH INVESTMENT* (EX REAL ESTATE)	\$1,900,000 - \$2,100,000
TARGET ANNUAL REVENUE PER STORE (1–3 YEARS)	\$3,000,000
TARGET RESTAURANT-LEVEL EBITDA MARGIN	20%



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Progress with Margin Enhancing Initiatives

- Improving restaurant productivity is an ongoing priority
- Opportunity to leverage corporate G&A
- Bagger Dave's strong unit growth momentum facilitates operating leverage
- Acquisition of BWW franchises in Florida enhances market positioning with ability to leverage scale



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2014 Guidance & Outlook

Fiscal 2014 Guidance*	
Revenue	\$128.0 million to \$130.0 million
Restaurant-Level EBITDA	\$22.6 million to \$24.1 million
Adjusted EBITDA	\$14.0 million to \$15.0 million
Capital Expenditures	\$33.0 million to \$36.0 million

* Guidance provided on 11/6/2014

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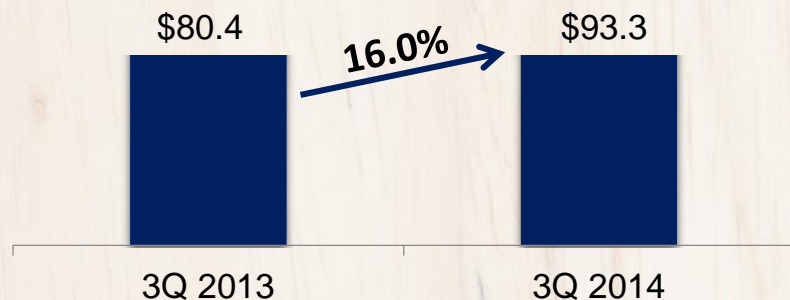


Supplemental Information

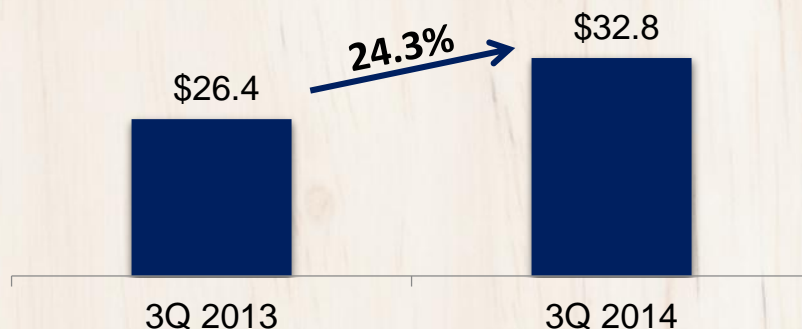


Recent Financial Highlights

**2014 YTD Revenue
(\$ millions)**



**3Q 2014 Quarterly Revenue
(\$ millions)**



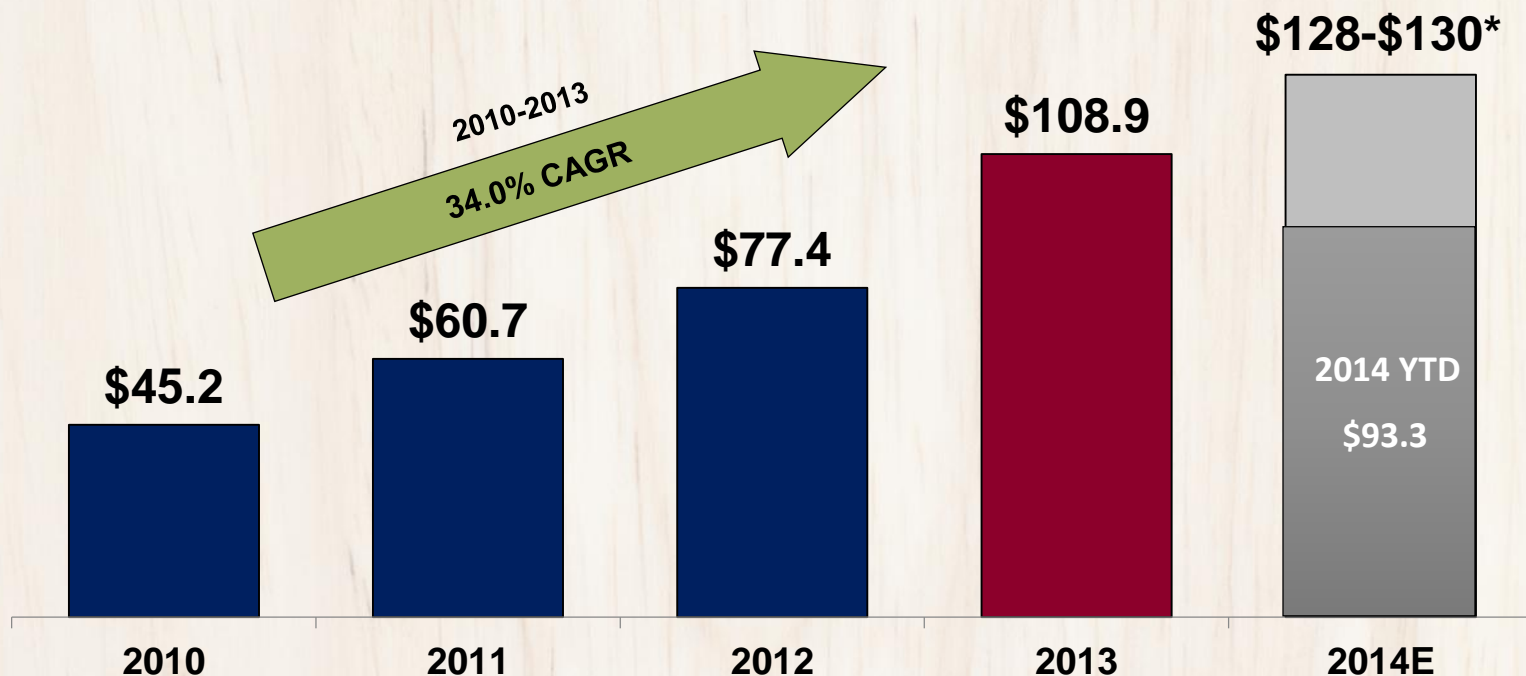
- **Solid Results in Third Quarter of 2014**
 - Double digit sales growth
 - 5.0% SSS
 - 15th consecutive positive SSS quarter
- **Strong YTD Margin Expansion**
 - 12.2% YTD Adjusted EBITDA, up 30 bps
 - 18.9% YTD Restaurant-level EBITDA, up 90bps
- **Expanding Florida Market for BWW**
 - Acquired 3 new Florida BWW restaurants
 - Opened Pinellas Park, Stadia design BWW
- **Currently 62 Restaurants; up 13 since Q313**
 - 40 Buffalo Wild Wings; 22 Bagger Dave's
- **Great YTD Progress with Initiatives**
 - 2 BWW relocated to Stadia design
 - 4 Bagger Dave's with new prototype design
 - Tableside automated ordering



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Expanding Revenue

(\$ in millions)



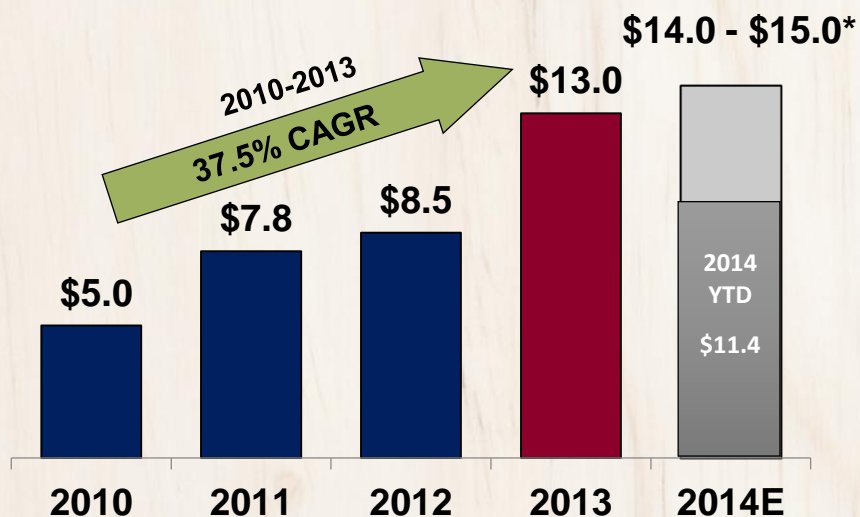
* Guidance provided on 11/6/14

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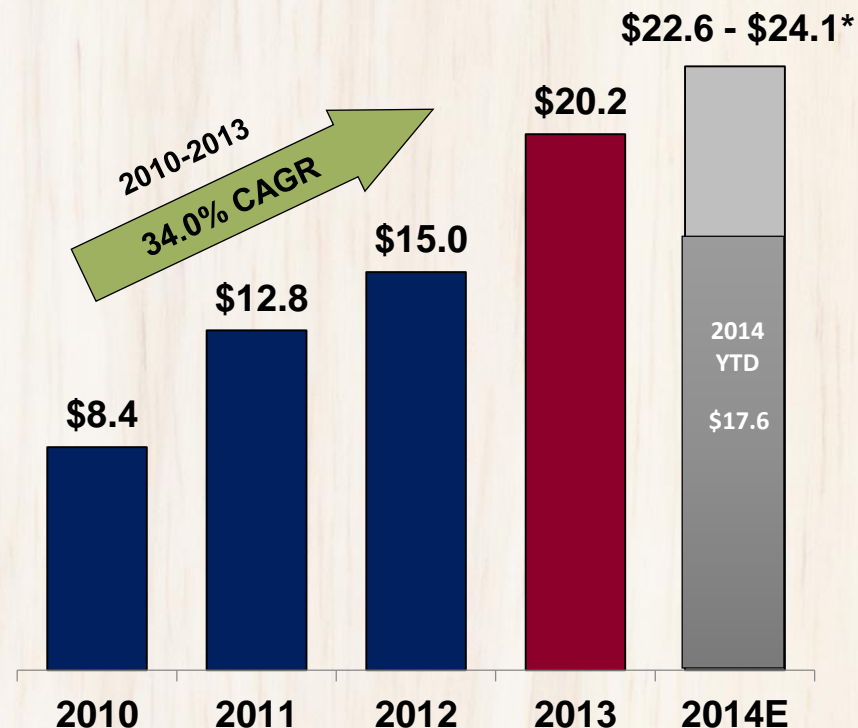
Growth in EBITDA

(\$ in millions, % of revenue)

Adjusted EBITDA



Restaurant-Level EBITDA



See following slides for EBITDA reconciliation and other important disclaimers regarding EBITDA

* Guidance provided on 11/6/14

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EBITDA Reconciliation

<i>For the fiscal year ended,</i>	2010	2011	2012	2013	9/29/2013	9/28/2014
Net Income attributable to DRH	\$167,854	\$1,842,186	\$180,099	\$134,308	\$311,847	\$85,252
+ Income Tax Provision (Benefit)	(125,826)	586,086	(167)	(261,450)	52,186	(180,030)
+ Interest Expense	1,322,502	1,137,725	1,282,991	1,718,711	1,375,646	1,436,092
+ Other Income (Expense), net	(74,456)	(366,497)	(20,081)	(151,292)	(92,958)	(86,426)
+ Loss on Disposal of Property and Equipment	20,965	31,465	36,833	98,162	83,711	353,333
+ Depreciation and Amortization	2,689,584	3,479,360	4,587,310	7,974,481	5,539,874	7,612,125
EBITDA	\$4,316,912	\$7,110,988	\$6,205,386	\$9,512,920	\$7,270,306	\$9,220,346
+ Pre-opening Expense	654,764	714,330	1,792,168	3,230,122	2,036,022	2,063,800
+ Non recurring Expense	-	-	513,500	271,000	271,000	126,322
Adjusted EBITDA	\$4,971,676	\$7,825,318	\$8,511,054	\$13,014,042	\$9,577,328	\$11,410,468
<i>Adjusted EBITDA Margin (%)</i>	<i>11.0%</i>	<i>12.9%</i>	<i>11.0%</i>	<i>12.0%</i>	<i>11.9%</i>	<i>12.2%</i>
- Non recurring Expense					(131,000)	(126,322)
+ Adjusted General and Administrative	3,463,831	5,023,212	6,472,408	7,139,579	5,058,879	6,336,493
Restaurant-Level EBITDA	\$8,435,507	\$12,848,530	\$14,983,462	\$20,153,639	\$14,505,207	\$17,620,639
<i>Restaurant-Level EBITDA Margin (%)</i>	<i>18.60%</i>	<i>21.20%</i>	<i>19.30%</i>	<i>18.50%</i>	<i>18.0%</i>	<i>18.9%</i>

* See next slide for footnotes and references regarding EBITDA



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EBITDA Reconciliation

Restaurant-Level EBITDA represents net income plus the sum of non-restaurant specific general and administrative expenses, restaurant pre-opening costs, loss on property and equipment disposals, the change in fair value of derivative instruments, depreciation and amortization, other income and expenses, interest, taxes and non-recurring acquisition related costs expenses. Adjusted EBITDA represents net income plus the sum of restaurant pre-opening costs, loss on property and equipment disposals, the change in fair value of derivative instruments, depreciation and amortization, other income and expenses, interest, taxes and non-recurring acquisition related costs expenses. We are presenting Restaurant-Level EBITDA and Adjusted EBITDA, which are not prepared in accordance with GAAP, because we believe that they provide an additional metric by which to evaluate our operations and, when considered together with our GAAP results and the reconciliation to our net income, we believe they provide a more complete understanding of our business than could be obtained absent this disclosure. We use Restaurant-Level EBITDA and Adjusted EBITDA, together with financial measures prepared in accordance with GAAP, such as revenue, income from operations, net income and cash flows from operations, to assess our historical and prospective operating performance and to enhance our understanding of our core operating performance. Restaurant-Level EBITDA and Adjusted EBITDA are presented because: (i) we believe they are useful measures for investors to assess the operating performance of our business without the effect of non-cash depreciation and amortization expenses; (ii) we believe that investors will find these measures useful in assessing our ability to service or incur indebtedness; and (iii) we use Restaurant-Level EBITDA and Adjusted EBITDA internally as benchmarks to evaluate our operating performance or compare our performance to that of our competitors.

Additionally, we present Restaurant-Level EBITDA because it excludes the impact of general and administrative expenses, which are not incurred at the restaurant level, and restaurant pre-opening costs, which are non-recurring at the restaurant level. The use of Restaurant-Level EBITDA thereby enables us and our investors to compare our operating performance between periods and to compare our operating performance to the performance of our competitors. The measure is also widely used within the restaurant industry to evaluate restaurant level productivity, efficiency and performance. The use of Restaurant-Level EBITDA and Adjusted EBITDA as performance measures permits a comparative assessment of our operating performance relative to our performance based on our GAAP results, while isolating the effects of some items that vary from period to period without any correlation to core operating performance or that vary widely among similar companies. Companies within our industry exhibit significant variations with respect to capital structures and cost of capital (which affect interest expense and tax rates) and differences in book depreciation of facilities and equipment (which affect relative depreciation expense), including significant differences in the depreciable lives of similar assets among various companies. Our management believes that Restaurant-Level EBITDA and Adjusted EBITDA facilitate company-to-company comparisons within our industry by eliminating some of the foregoing variations.

Restaurant-Level EBITDA and Adjusted EBITDA are not determined in accordance with GAAP and should not be considered in isolation or as an alternative to net income, income from operations, net cash provided by operating, investing or financing activities or other financial statement data presented as indicators of financial performance or liquidity, each as presented in accordance with GAAP. Neither Restaurant-Level EBITDA nor Adjusted EBITDA should be considered as a measure of discretionary cash available to us to invest in the growth of our business. Restaurant-Level EBITDA and Adjusted EBITDA as presented may not be comparable to other similarly titled measures of other companies and our presentation of Restaurant-Level EBITDA and Adjusted EBITDA should not be construed as an inference that our future results will be unaffected by unusual items. Our management recognizes that Restaurant-Level EBITDA and Adjusted EBITDA have limitations as analytical financial measures, including the following:

- Restaurant-Level EBITDA and Adjusted EBITDA do not reflect our current capital expenditures or future requirements for capital expenditures;
- Restaurant-Level EBITDA and Adjusted EBITDA do not reflect the interest expense, or the cash requirements necessary to service interest or principal payments, associated with our indebtedness;
- Restaurant-Level EBITDA and Adjusted EBITDA do not reflect depreciation and amortization, which are non-cash charges, although the assets being depreciated and amortized will likely have to be replaced in the future, nor do Restaurant-Level EBITDA and Adjusted EBITDA reflect any cash requirements for such replacements;
- Restaurant-Level EBITDA and Adjusted EBITDA do not reflect changes in, or cash requirements for, our working capital needs;
- Restaurant-Level EBITDA and Adjusted EBITDA do not reflect disposals or other non-recurring income and expenses;
- Restaurant-Level EBITDA and Adjusted EBITDA do not reflect changes in fair value of derivative instruments;
- Restaurant-Level EBITDA and Adjusted EBITDA do not reflect restaurant pre-opening costs; and
- Restaurant-Level EBITDA does not reflect general and administrative expenses.

Adjusted EBITDA margin and Restaurant-Level EBITDA margin is defined as the ratio of Adjusted EBITDA and Restaurant-Level EBITDA to revenue. We present Adjusted EBITDA margin and Restaurant-Level EBITDA margin because it is used by management as a performance measurement to judge the level of Adjusted EBITDA and Restaurant-Level EBITDA generated from revenue and we believe its inclusion is appropriate to provide additional information to investors.



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Balance Sheet Provides Flexibility for Growth

(\$ in millions)

Cash, Cash Equivalents and Investments



Capital Expenditures



- Existing cash, cash from operations, our development line of credit, and proceeds from recent sale leaseback transaction will be sufficient to meet operational funding, development, and obligations
- CapEx focused on New Restaurant Development, Existing Restaurant Updates and Upgrades, and Improved Technology
- Total Debt to Equity was 1.7x at the end of Q3 2014



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