

INVESTOR PRESENTATION

February Through April 2021

FORWARD-LOOKING STATEMENTS AND NON-GAAP FINANCIAL MEASURES

Denny's Corporation urges caution in considering its current trends and any outlook on earnings disclosed in this press release. In addition, certain matters discussed in this release may constitute forward-looking statements. These forward-looking statements, which reflect management's best judgment based on factors currently known, are intended to speak only as of the date such statements are made and involve risks, uncertainties, and other factors that may cause the actual performance of Denny's Corporation, its subsidiaries, and underlying restaurants to be materially different from the performance indicated or implied by such statements. Words such as "expect", "anticipate", "believe", "intend", "plan", "hope", "will", and variations of such words and similar expressions are intended to identify such forward-looking statements. Except as may be required by law, the Company expressly disclaims any obligation to update these forward-looking statements to reflect events or circumstances after the date of this release or to reflect the occurrence of unanticipated events. Factors that could cause actual performance to differ materially from the performance indicated by these forward-looking statements include, among others: the rapidly evolving COVID-19 pandemic and related containment measures, including the potential for further operational disruption from government mandates affecting restaurants; economic, public health, social and political conditions that impact consumer confidence and spending with respect to social unrest and the COVID-19 pandemic; competitive pressures from within the restaurant industry; the level of success of the Company's operating initiatives and advertising and promotional efforts; adverse publicity; health concerns arising from food-related pandemics, outbreaks of flu viruses or other diseases; changes in business strategy or development plans; terms and availability of capital; regional weather conditions; overall changes in the general economy (including with regard to energy costs), particularly at the retail level; political environment (including acts of war and terrorism); and other factors from time to time set forth in the Company's SEC reports and other filings, including but not limited to the discussion in Management's Discussion and Analysis and the risks identified in Item 1A. Risk Factors contained in the Company's Annual Report on Form 10-K for the year ended December 25, 2019 (and in the Company's subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K).

The presentation includes references to the Company's non-GAAP financials measures. All such measures are designated by an asterisk (*). The Company believes that, in addition to other financial measures, Adjusted EBITDA, Adjusted Free Cash Flow, Adjusted Net Income (Loss) and Adjusted Net Income (Loss) Per Share are appropriate indicators to assist in the evaluation of its operating performance on a period-to-period basis. The Company also uses Adjusted EBITDA and Adjusted Free Cash Flow internally as performance measures for planning purposes, including the preparation of annual operating budgets, and for compensation purposes, including bonuses for certain employees. Adjusted EBITDA is also used to evaluate its ability to service debt because the excluded charges do not have an impact on its prospective debt servicing capability and these adjustments are contemplated in its credit facility for the computation of its debt covenant ratios. The Company defines Adjusted Free Cash Flow for a given period as Adjusted EBITDA less the cash portion of interest expense net of interest income, capital expenditures, and cash taxes. Management believes that the presentation of Adjusted Free Cash Flow provides useful information to investors because it represents a liquidity measure used to evaluate, among other things, operating effectiveness and is used in decisions regarding the allocation of resources. However, Adjusted EBITDA, Adjusted Free Cash Flow, Adjusted Net Income (Loss) and Adjusted Net Income (Loss) Per Share should be considered as a supplement to, not a substitute for, operating income, net income (loss), net cash provided by operating activities, or other financial performance and liquidity measures prepared in accordance with U.S. generally accepted accounting principles. See Appendix for non-GAAP reconciliations to the following GAAP measures:

$ Millions (except per share amounts)	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Operating Income	$51.0	$56.4	$47.5	$57.3	$53.2	$47.0	$70.7	$73.6	$165.0	$6.7
Net Income (Loss)	$112.3	$22.3	$24.6	$32.7	$36.0	$19.4	$39.6	$43.7	$117.4	($5.1)
Net Income (Loss) per Share	$1.15	$0.23	$0.26	$0.37	$0.42	$0.25	$0.56	$0.67	$1.90	($0.08)
Cash Provided By (Used In):										
Operating Activities	$59.5	$59.2	$57.0	$74.6	$83.3	$71.2	$78.3	$73.7	$43.3	($3.1)
Investing Activities	($7.7)	($3.5)	($16.5)	($21.3)	($32.7)	($32.7)	($27.1)	($32.0)	$105.0	$4.7
Financing Activities	($67.1)	($55.9)	($51.2)	($53.2)	($52.0)	($37.6)	($48.7)	($41.6)	($150.0)	($1.0)

DENNY'S INVESTMENT HIGHLIGHTS

CONSISTENT SAME-STORE SALES[1] GROWTH HISTORY

- Nine consecutive fiscal years of domestic system-wide same-store sales[1] growth prior to the pandemic[2]
- Strong same-store sales[1] performance relative to peers

GLOBAL FOOTPRINT WITH SEASONED FRANCHISEES

- 227 well diversified, experienced and energetic franchisees[3]
- 1,650 restaurants around the globe, including 1,504 domestic locations[3]
- 146 international locations across 13 countries and U.S. territories[3]

STRONG ADJUSTED FREE CASH FLOW* AND SHAREHOLDER RETURN

- Generated over $418M in Adjusted Free Cash Flow* over the last 10 fiscal years[3]
  - Includes approximately $11M in real estate acquisitions[2]
- Approximately $554M allocated to share repurchase program since November 2010[4]

DURABLE BUSINESS FOCUSED ON THE FUTURE

- Recent transition to a more highly franchised model with reduced business risk
- Proven revitalization strategies to continue propelling the brand forward
- Record of consistent financial performance with market share opportunities post-pandemic

* See Appendix for reconciliation of Net Income (Loss) and Net Cash Provided by (Used in) Operating Activities to Non-GAAP Financial Measures, as well as the reconciliation of Operating Income (Loss) to Non-GAAP Financial Measures.

1. Same-store sales include sales at company restaurants and non-consolidated franchised and licensed restaurants that were open the same period in the noted prior period. Total operating revenue is limited to company restaurant sales and royalties, advertising revenue, fees and occupancy revenue from non-consolidated franchised and licensed restaurants. Accordingly, domestic franchise same-store sales and domestic system-wide same-store sales should be considered as a supplement to, not a substitute for, the Company's results as reported under GAAP.
2. Data as of December 25, 2019, the end of Fiscal Fourth Quarter 2019.
3. Data as of December 30, 2020, the end of Fiscal Fourth Quarter 2020.
4. Data as of February 27, 2020 (date the Company suspended share repurchases). The Company raised nearly $70M through the issuance of 8M shares of Common Stock in July 2020.

2020 RESULTS & COVID-19 BUSINESS RESPONSE

FISCAL 2020 HIGHLIGHTS

Domestic System-Wide Same-Store Sales[1]

69% of 2019

Available Liquidity

~$82M

New Unit Openings

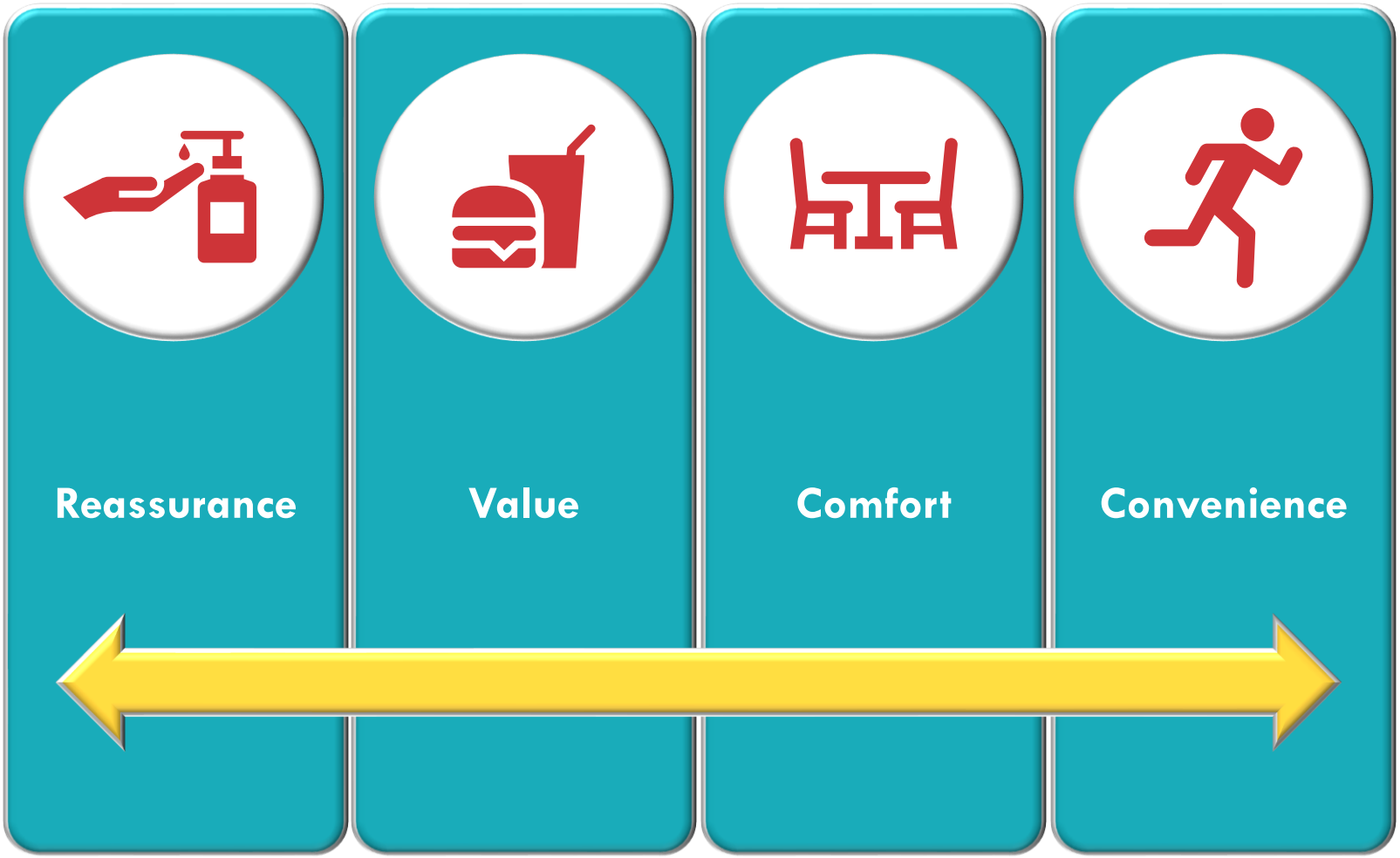
20 New Openings

Portfolio

1,650 Restaurants Globally

1. Same-store sales include sales at company restaurants and non-consolidated franchised and licensed restaurants that were open the same period in the noted prior period. Total operating revenue is limited to company restaurant sales and royalties, advertising revenue, fees and occupancy revenue from non-consolidated franchised and licensed restaurants. Accordingly, domestic franchise same-store sales and domestic system-wide same-store sales should be considered as a supplement to, not a substitute for, our results as reported under GAAP.

CONSUMER FOCUS AREAS



REASSURANCE

We Remain Focused on the Safety and Well-being of Our Guests, Restaurant Teams, Franchisees, Employees and Suppliers

- Enhanced training materials and communications distributed to entire system of restaurants
- Reinforcing strict food safety procedures, handwashing and personal hygiene standards, and enhanced daily deep cleaning protocols
- Remain in close contact with public health officials and government agencies to ensure all public health concerns are addressed









VALUE

Utilizing Our Well-Known, Traffic-Driving Value Platforms to Provide an Array of Value for All Customers

PRICE

$2$4$6$8 Value menu affinity held strong at 14% incidence[1] even with the introduction of new platforms





BUNDLED

Sold nearly 385,000 of our new Family Meal Packs

Everyday Value 23%[1]

ABUNDANT

Sold nearly 11,000,000 Super Slams[1], a 30% increase from PY





CONVENIENCE

Over 500,000 transactions[1] through our free delivery promotions

1. Data for the Fiscal Year Ended December 30, 2020.

Denny's COMFORT

Ensuring Denny's is a Place Where Our Modern American Family Guests Receive Feel-Good Comfort Food and are Welcomed and Valued

Food





Introduced a new line of melts and bowls

Service



Reinforced the "Rules We Live By"

Atmosphere





Providing comfort indoors and outdoors

CONVENIENCE

Bringing Denny's to Our Guests Wherever They Want, Whenever They Want, and Doing So With Integrated and Seamless Systems to Facilitate an Excellent Guest Experience



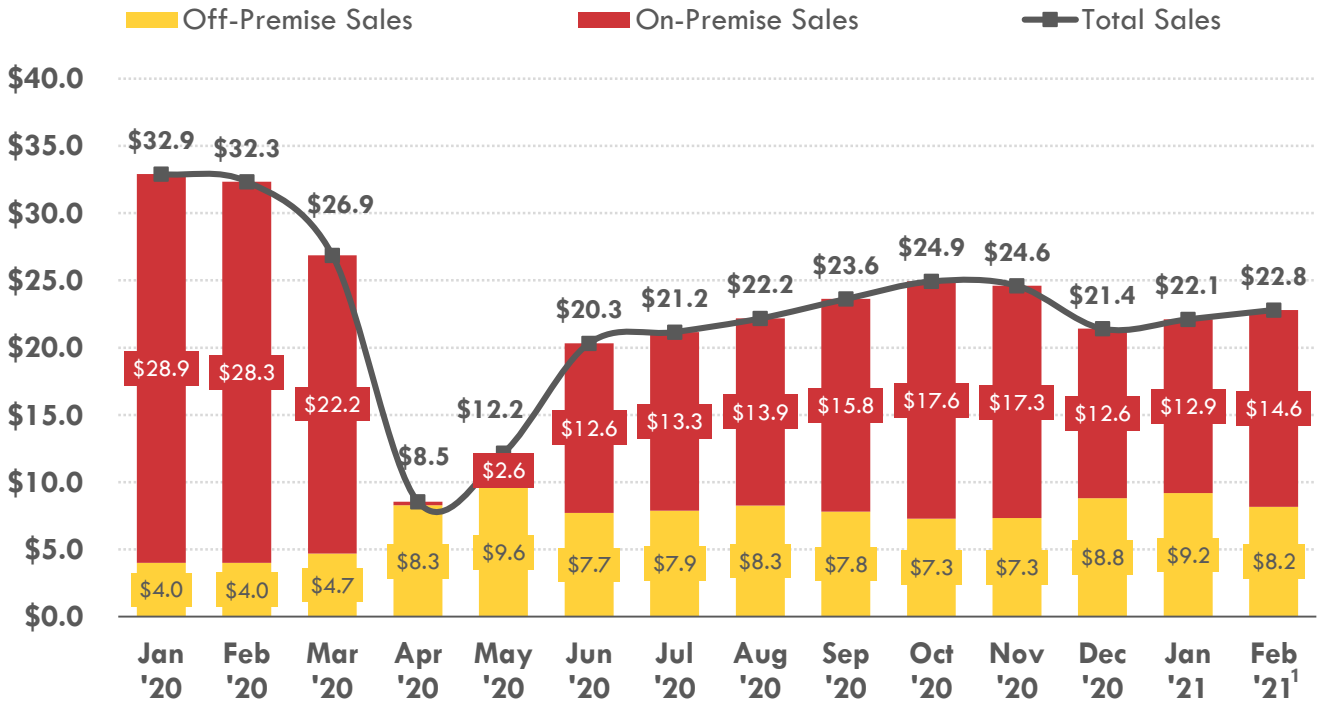




DENNY'S ON DEMAND®

Average Weekly Off-Premise Sales Have More Than Doubled From Pre-Pandemic Levels[1]

Average Domestic Restaurant Sales by Channel per Week



1st

Family Dining Chain to Launch Mobile & Online Ordering Nationally

>90%

Domestic Restaurants Active with Delivery[2]

~60%

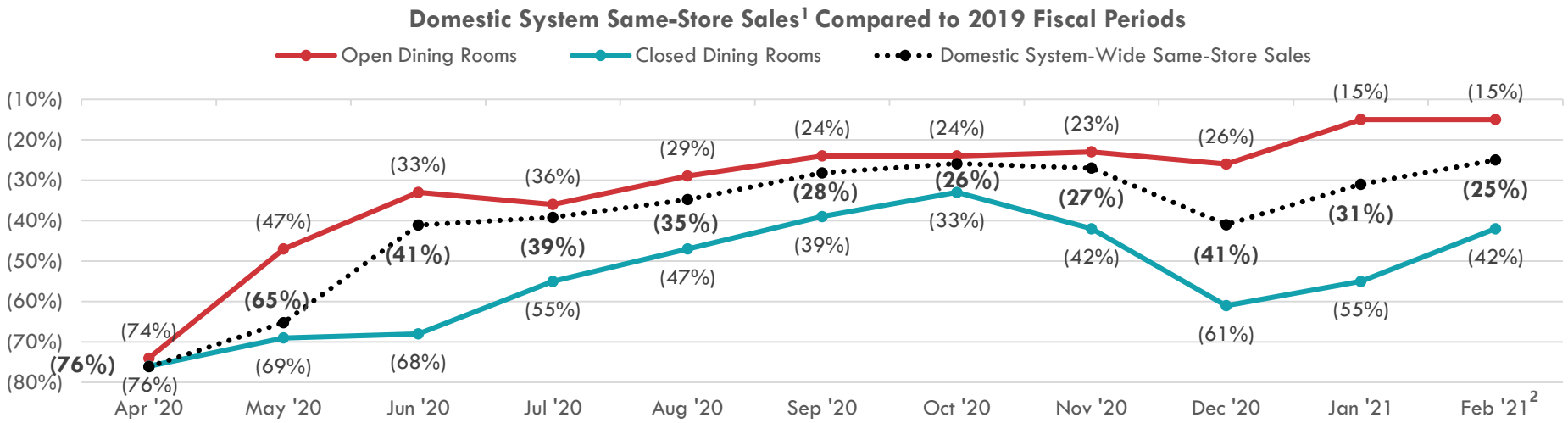
Online Transactions from 18-44 Year Old Guests[1]

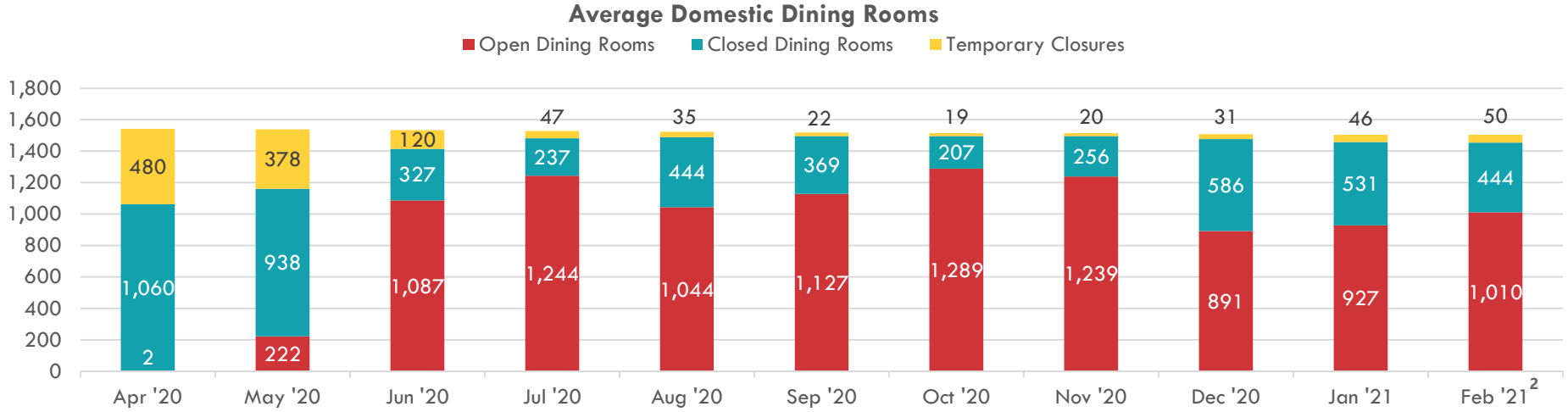
~62%

Incidence Rate of Breakfast Plates for Off-Premise Orders[1]

1. Data through the first two weeks of Fiscal February 2021.
2. Data as of February 12, 2021.

SALES TRENDS AND REOPENINGS





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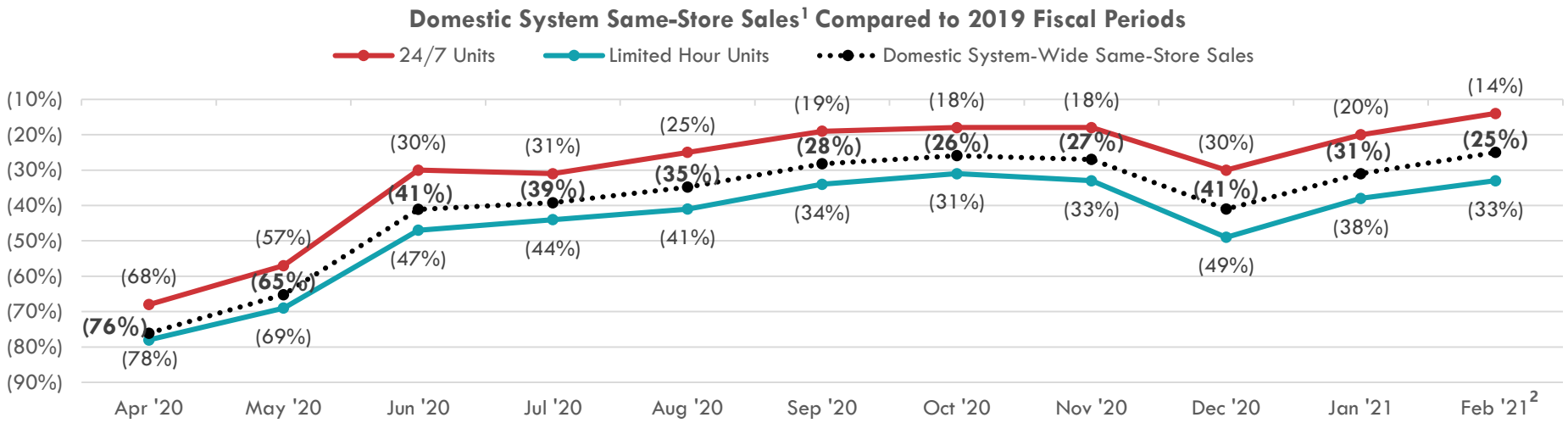
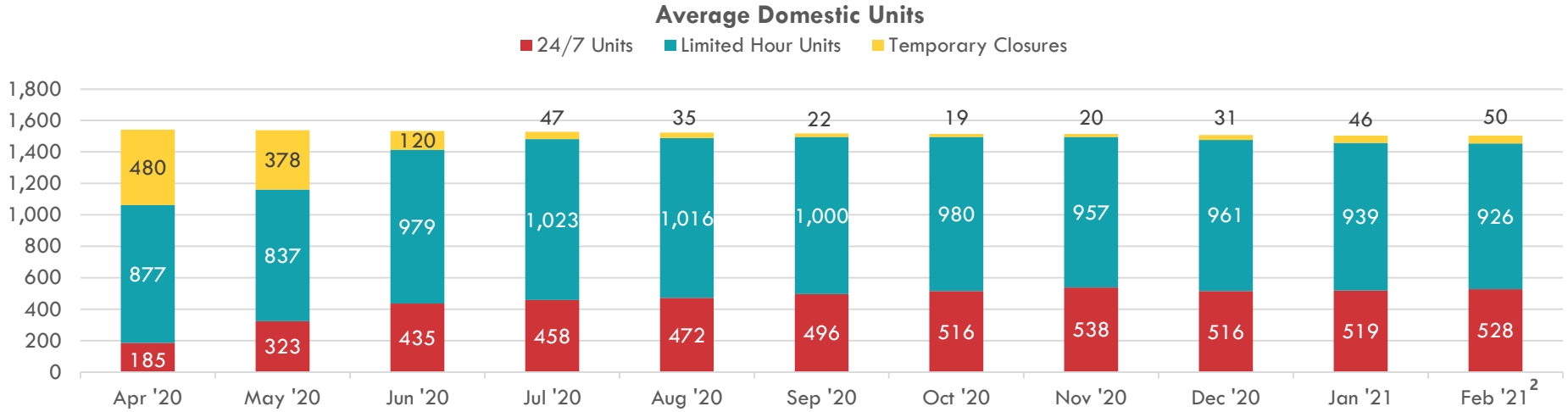
2. Data through the first two weeks of Fiscal February 2021.

24/7 OPERATIONS SALES TRENDS





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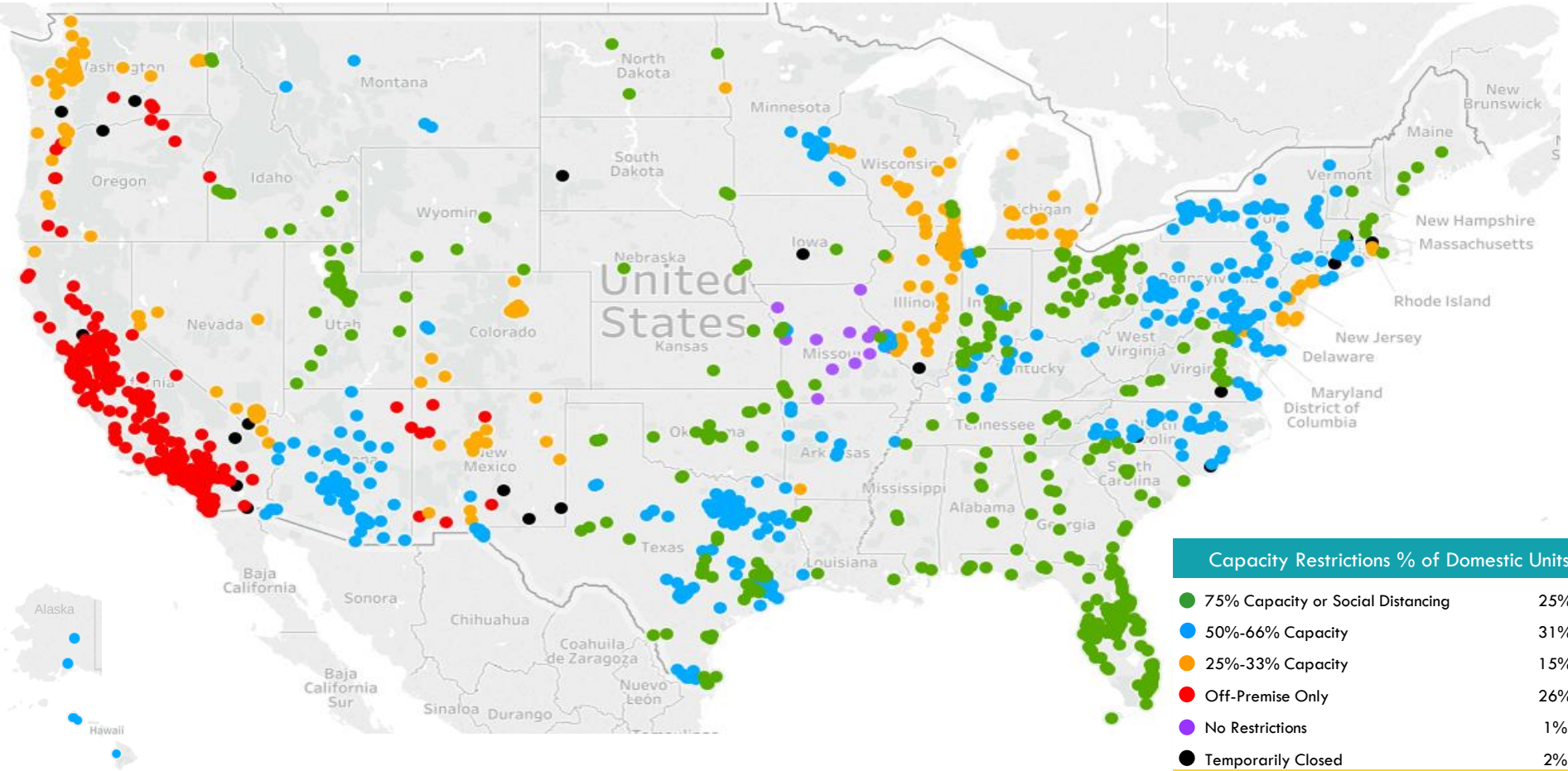
2. Data through the first two weeks of Fiscal February 2021.

CAPACITY RESTRICTIONS

As of February 12, 2021, Over 70% of Our Domestic Restaurants Have Open Dining Rooms[1]

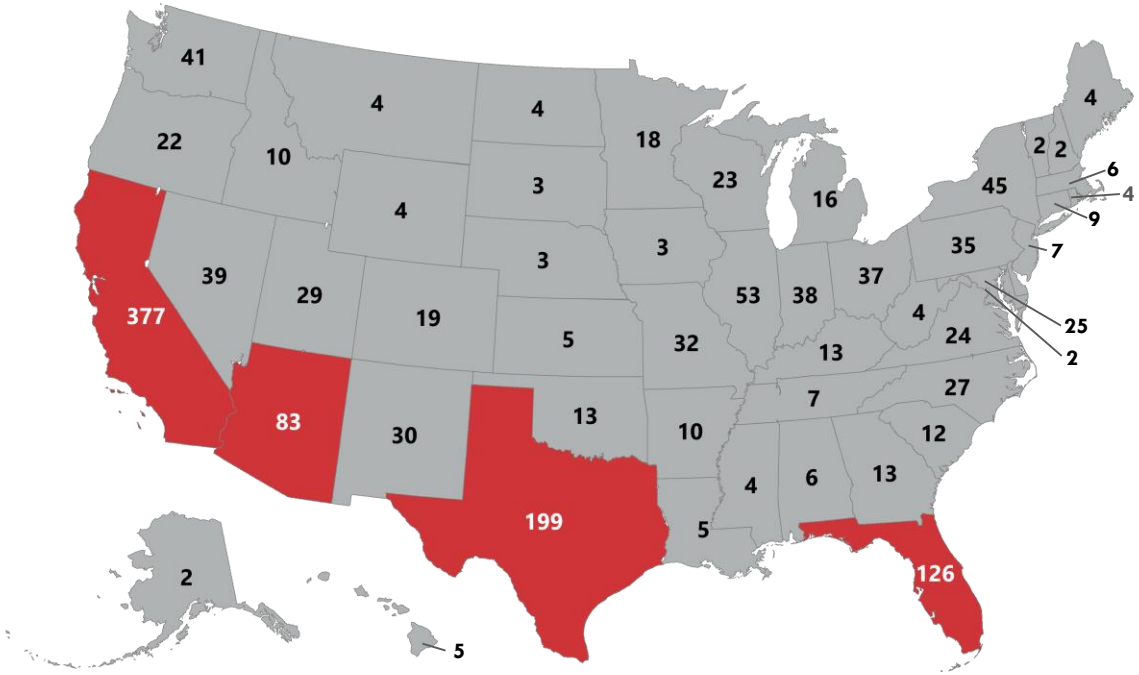


Capacity Restrictions % of Domestic Units[1]	
75% Capacity or Social Distancing	25%
50%-66% Capacity	31%
25%-33% Capacity	15%
Off-Premise Only	26%
No Restrictions	1%
Temporarily Closed	2%
Total	100%

1. Preliminary data as of February 12, 2021.

DOMESTIC FOOTPRINT

Total of 1,504 Restaurants in the U.S.[1] with Strongest Presence in California, Arizona, Texas, and Florida



TOP 10 U.S. MARKETS[1]	
DMA	**UNITS**
Los Angeles	175
Phoenix	64
Houston	63
Dallas/Ft. Worth	52
Sacramento/Stockton	48
San Francisco/Oakland	40
Orlando/Daytona	40
San Diego	38
Chicago	35
Miami/Ft. Lauderdale	35
% of Domestic System	**39%**

1. Data as of December 30, 2020, the end of Fiscal Fourth Quarter 2020.

INTERNATIONAL FOOTPRINT

International Presence of 146 Restaurants in 13 Countries and U.S. Territories has Grown by ~68% Since Year End 2010[1]



Honduras



Guatemala City



Ontario



Philippines

FOOTPRINT	
COUNTRY	**UNITS**
United States	1,504
Canada	78
Puerto Rico	15
Mexico	12
Philippines	10
New Zealand	7
Honduras	6
United Arab Emirates	6
Costa Rica	3
El Salvador	2
Guam	2
Guatemala	2
Indonesia	2
United Kingdom	1
TOTAL	**1,650**

1. Data as of December 30, 2020, the end of Fiscal Fourth Quarter 2020.

STRONG PARTNERSHIP WITH FRANCHISEES

Well Diversified, Experienced, and Energetic Group of 227 Franchisees[1]

- 36 franchisees with more than 10 restaurants each collectively comprise approximately 65% of the franchise system.
- Strong support and energy at the 2019 Annual Denny's Franchisee Association Convention for returns on quality investments in food, service, and atmosphere.

Ownership of 1,585 Franchisee Restaurants[1]

Number of Franchised Units	Number of Franchisees	Franchisees as % of Total	Total Franchised Units	Franchised Units as % of Total
1	79	35%	79	5%
2–5	81	36%	232	15%
6–10	31	14%	245	15%
11–15	14	6%	169	11%
16–30	10	4%	211	13%
>30	12	5%	649	41%
Total	**227**	**100%**	**1,585**	**100%**

1. Data as of December 30, 2020, the end of Fiscal Fourth Quarter 2020.

COVID-19 BUSINESS RESPONSE



Franchisee Support

- Provided over $15M of royalty, advertising and rent relief, including approximately $7M of abatements
- Deferred remodels and new store development commitments
- Secured relief from key vendors and primary third-party franchise lenders
- Approximately 99% of domestic franchise restaurants received funding under the first round of the Paycheck Protection Program with enhanced benefits expected in round two



Cost Savings Initiatives

- Eliminated non-essential spending and placed holds on corporate and field open positions
- Significantly reduced restaurant level staffing across the company portfolio
- Reduced compensation for Board of Directors and multiple levels of management
- Corporate furloughs and reduction in workforce
- Recognized approximately $2.6M in tax credits related to the CARES Act[1]



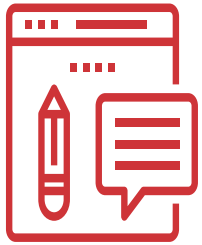
Capital Allocation

- Raised net proceeds of $69.6M through the issuance and sale of 8.0M shares of common stock
- Secured amendments to credit facility[2], temporarily waiving financial covenants with certain restrictions, followed by more favorable financial covenant levels through Q3 ‘21
- Suspended share repurchases in February 2020 and are precluded from repurchasing shares through receipt of the Q3 ’21 compliance certificate

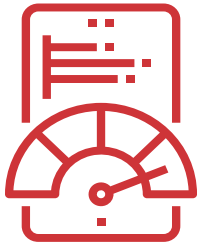
1. Data for the Fiscal Year Ended December 30, 2020.
2. Secured Second Amendment to the credit facility on May 13, 2020 and a Third Amendment to the credit facility on December 15, 2020. For further details, see our Current Reports on Form 8-K filed with the SEC.

A RESILIENT AND DURABLE BRAND FOCUSED ON THE FUTURE

EXECUTION OF BRAND REVITALIZATION STRATEGY DRIVING RESULTS



Deliver a Differentiated and Relevant Brand



Consistently Operate Great Restaurants



Grow the Global Franchise



Drive Profitable Growth for All Stakeholders

"Become the World's Largest, Most Admired and Beloved Family of Local Restaurants"



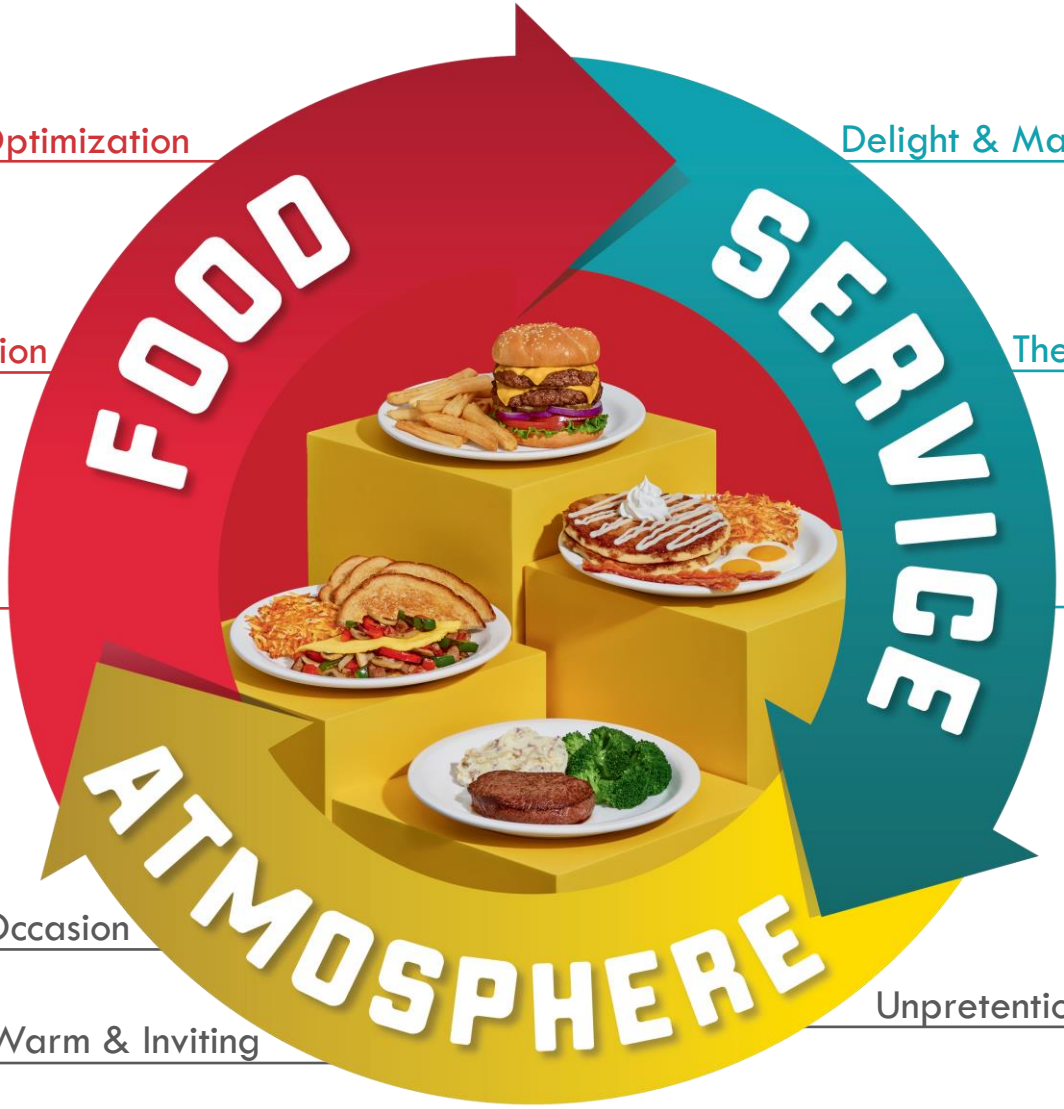
Enabled Through Technology and Training

+



Close Collaboration with Franchise Partners

DELIVERING A DIFFERENTIATED AND RELEVANT BRAND & CONSISTENTLY OPERATE GREAT RESTAURANTS



- Menu Optimization
- Product Innovation
- Everyday Value
- Everyday Occasion
- Warm & Inviting
- Delight & Make it Right
- The Rules We Live By
- Pride Review Program
- Unpretentious

FOCUS ON A MENU WITH QUALITY ITEMS AT OPTIMAL PRICES THAT DRIVE PROFIT TO THE BOTTOM LINE

Approximately 80% of Core Menu Entrées Changed or Improved Since Our Revitalization Began

Current Core Menu is Approximately 25% Smaller than Our Pre-Pandemic Menu









FOCUS ON CONSISTENTLY OPERATING GREAT RESTAURANTS LEADING TO SUSTAINED IMPROVEMENT

- Investments in training talent, tools, and strategies, such as Ignite E-Learning and our latest Delight & Make It Right service programs, driving improvements in service scores
- Denny's Pride Review Program used to evaluate and share best practices
- Close collaboration with franchisees to drive improvements in speed of service and margins



REMODELS KEY TO REVITALIZING LEGACY BRAND

Heritage 2.0





Heritage 1.0





Legacy Denny's



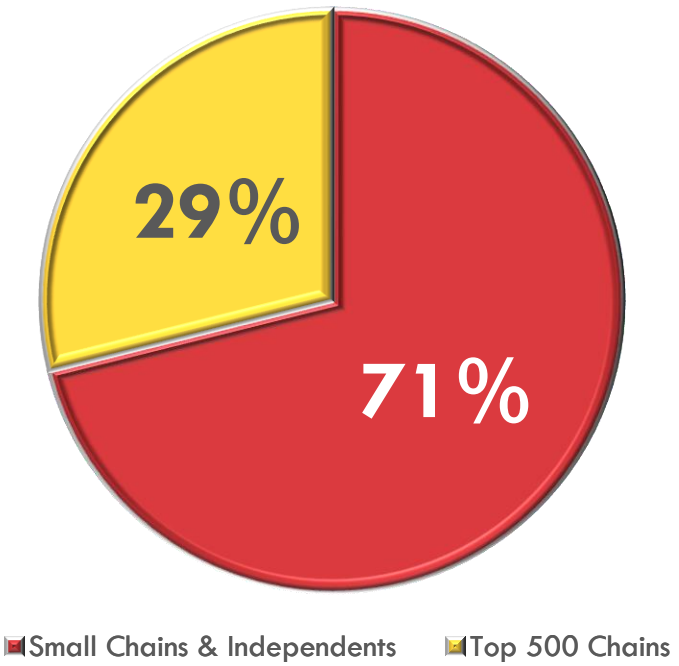


WELL-ESTABLISHED PIPELINE WITH OPPORTUNITIES

Market Share Opportunities Through Potential Industry Rationalization Will Only Bolster the 78 Commitments Secured from Our Recent Refranchising Initiative

- Secured 78 domestic development commitments through the sale of 113 company owned restaurants during 2018 and 2019
- Considerable experience converting existing spaces into new Denny's restaurants
- With 71% of the full-service segment sales maintained by small chains and independents, as potential industry rationalization occurs, market share opportunities will emerge

2019 U.S. Full-Service Restaurant Industry Sales[1]



1. Technomic Top 500 Chain Restaurant Report 2020

VIRTUAL BRANDS PROVIDE ADDITIONAL MARKET SHARE OPPORTUNITIES



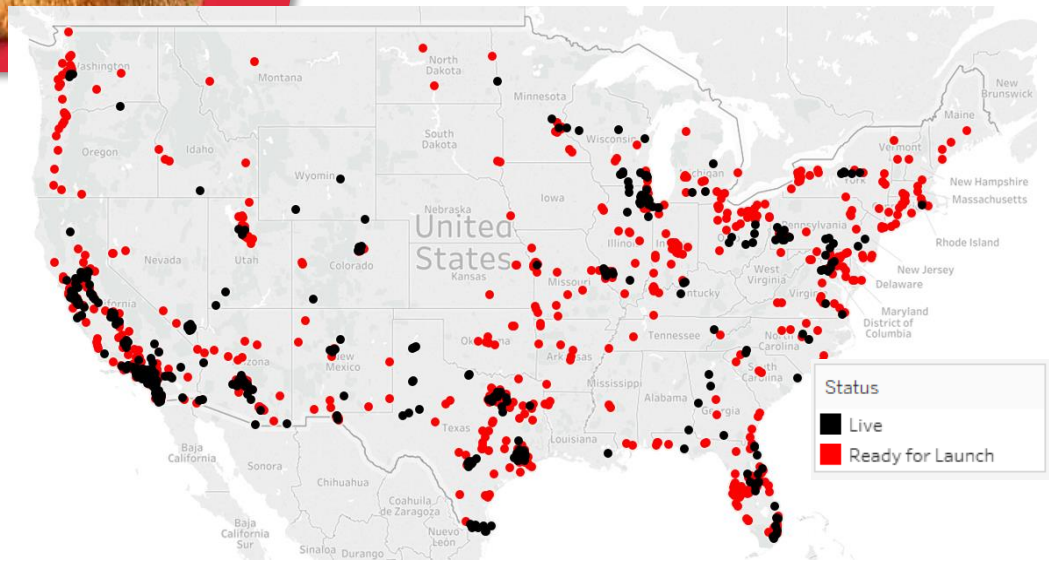
DOORDASH

POSTMATES

Uber Eats

Over ½ of Domestic Locations Signed Up With Rolling Launch Starting in February 2021

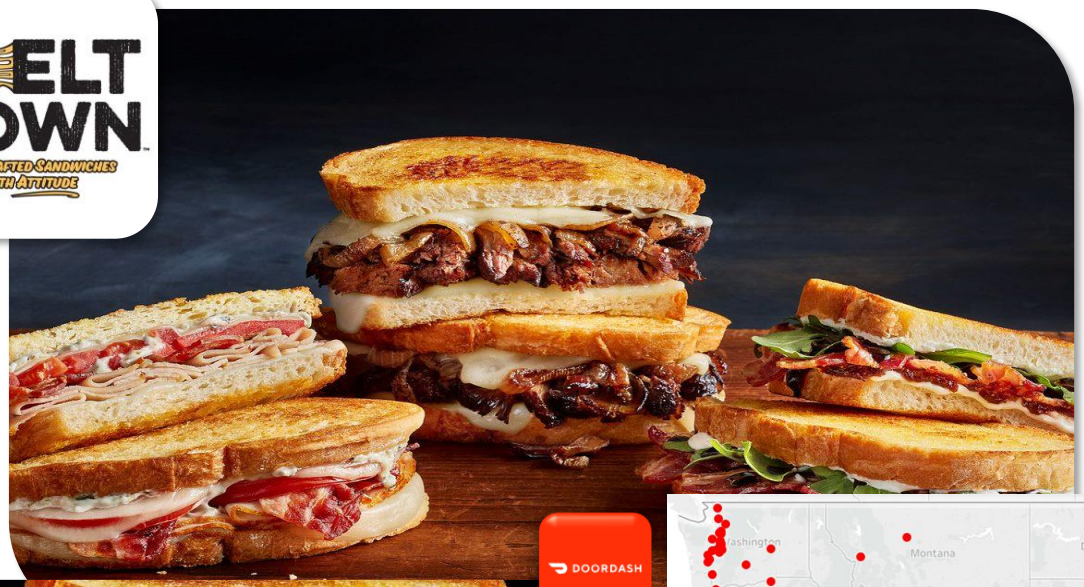
Over 70% of Transactions Occurring During the Dinner and Late-Night Dayparts[1]



1. Data for the Fiscal Year Ended December 30, 2020.

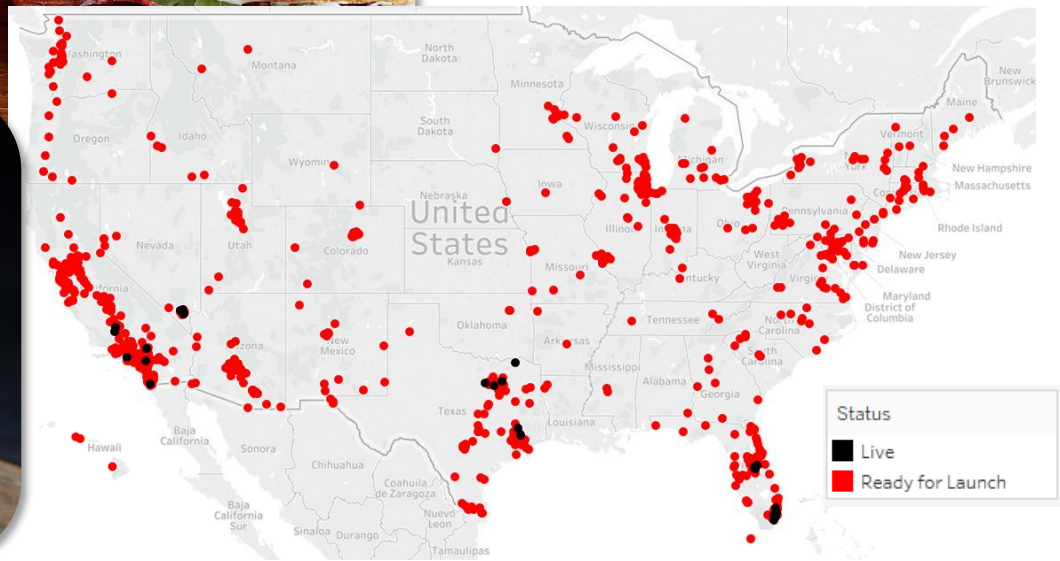
VIRTUAL BRANDS PROVIDE ADDITIONAL MARKET SHARE OPPORTUNITIES

The MELT DOWN
HANDCRAFTED SANDWICHES WITH ATTITUDE





- Door Dash Exclusive Test
- 23 Test Locations
- Over ½ of Domestic Locations Will Go Live in Spring 2021



STRONG COLLABORATION WITH FRANCHISEES

Denny's Franchisee Association

Annual Convention
Steering Committee Meetings
Joint Board Meetings

Marketing Brand Advisory Council



Menu Innovation
Media Support
Product Testing

Operations Brand Advisory Council



Training Initiatives
Pride Reviews
Operations Support

Supply Chain Oversight Committee



Purchase Product for System
Outperformed PPI by Avg of ~1ppt
Each Year Over the Last Decade

Development Brand Advisory Council



Successful Heritage Remodels
Prototype Development
Lease & Asset Management

Technology Brand Advisory Council



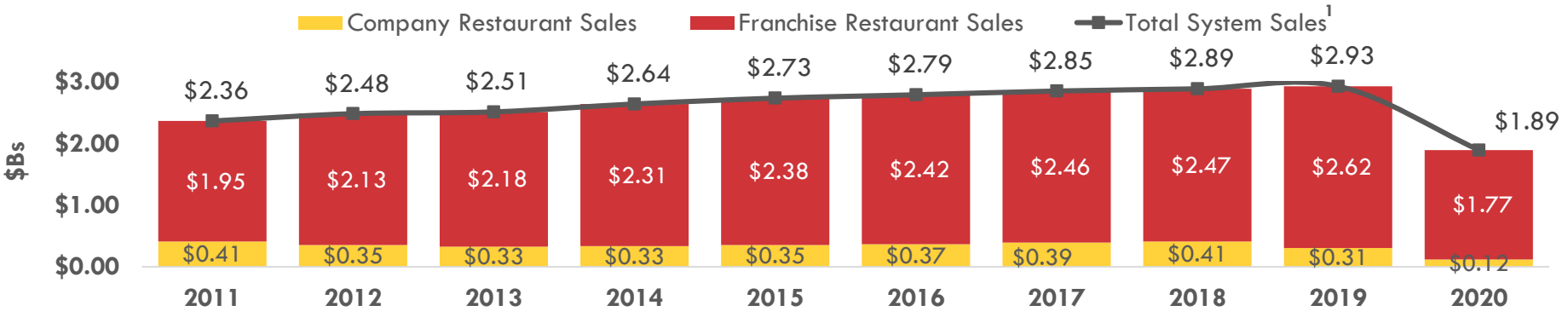
Customer Facing Technology
Denny's On Demand
Common POS Platform

HISTORICAL PERFORMANCE

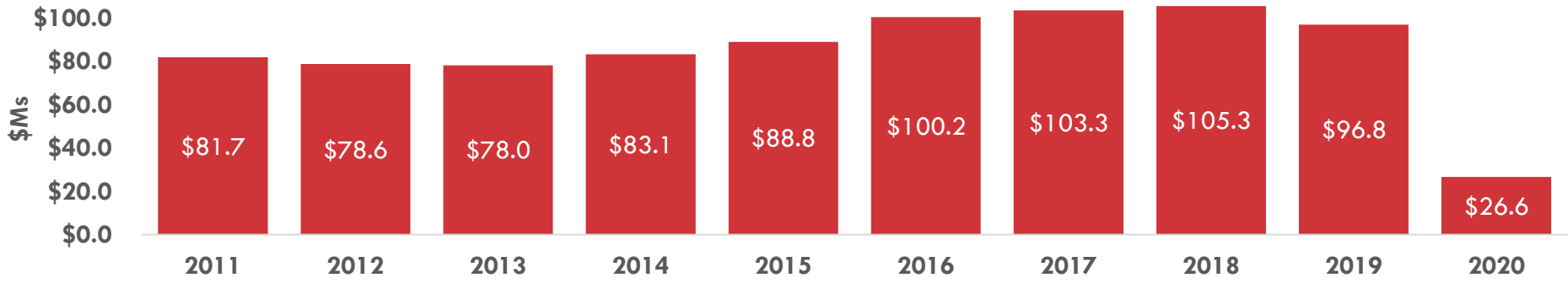
TOTAL SYSTEM SALES[1] AND ADJUSTED EBITDA*

Total System Sales[1] Grew by Over $550 Million Through 2019

Total System Sales[1]



Adjusted EBITDA*



1. Total system sales is a non-GAAP measure representing the sum of sales generated at all Denny's locations worldwide, including franchise and licensed restaurants which are non-consolidated entities. Total operating revenue is limited to company restaurant sales and royalties, advertising revenue, fees and occupancy revenue from non-consolidated franchised and licensed restaurants. Accordingly, total system sales should be considered as a supplement to, not a substitute for, our results as reported under GAAP.

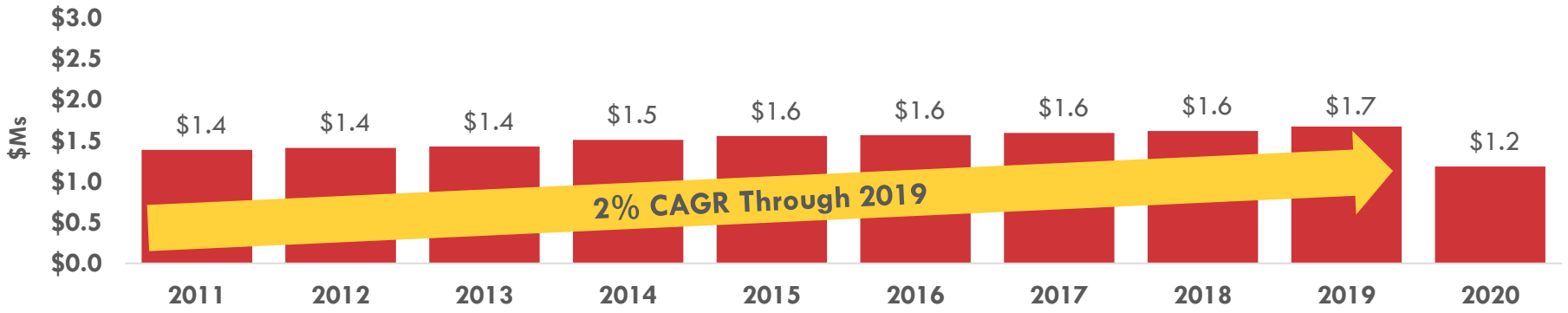
* See Appendix for reconciliation of Net Income (Loss) and Net Cash Provided by (Used in) Operating Activities to Non-GAAP Financial Measures, as well as the reconciliation of Operating Income (Loss) to Non-GAAP Financial Measures.

FRANCHISED AND COMPANY RESTAURANT SALES

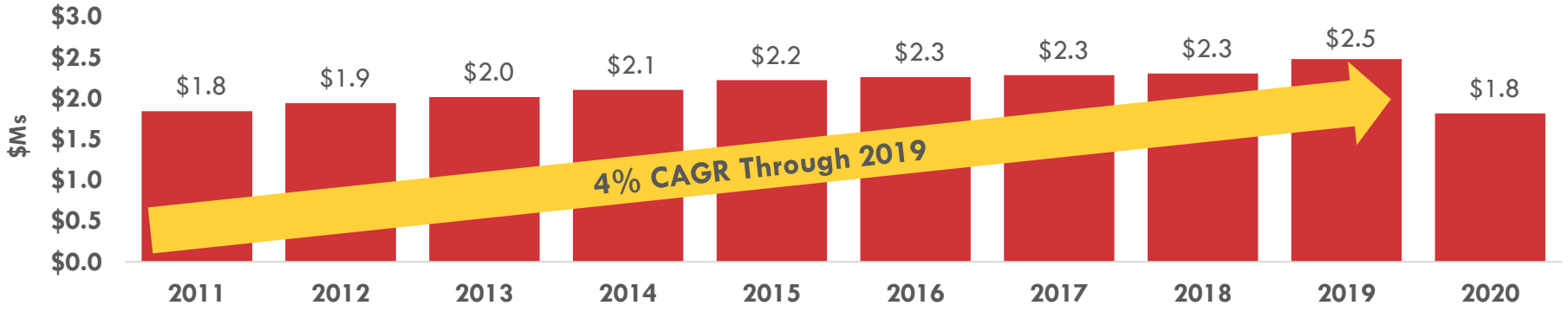
History of Steady Growth in Franchised and Company Average Unit Volumes

Refranchising Strategy Benefited AUVs at Both Franchised and Company Restaurants in 2019

Franchised Restaurant AUVs



Company Restaurant AUVs

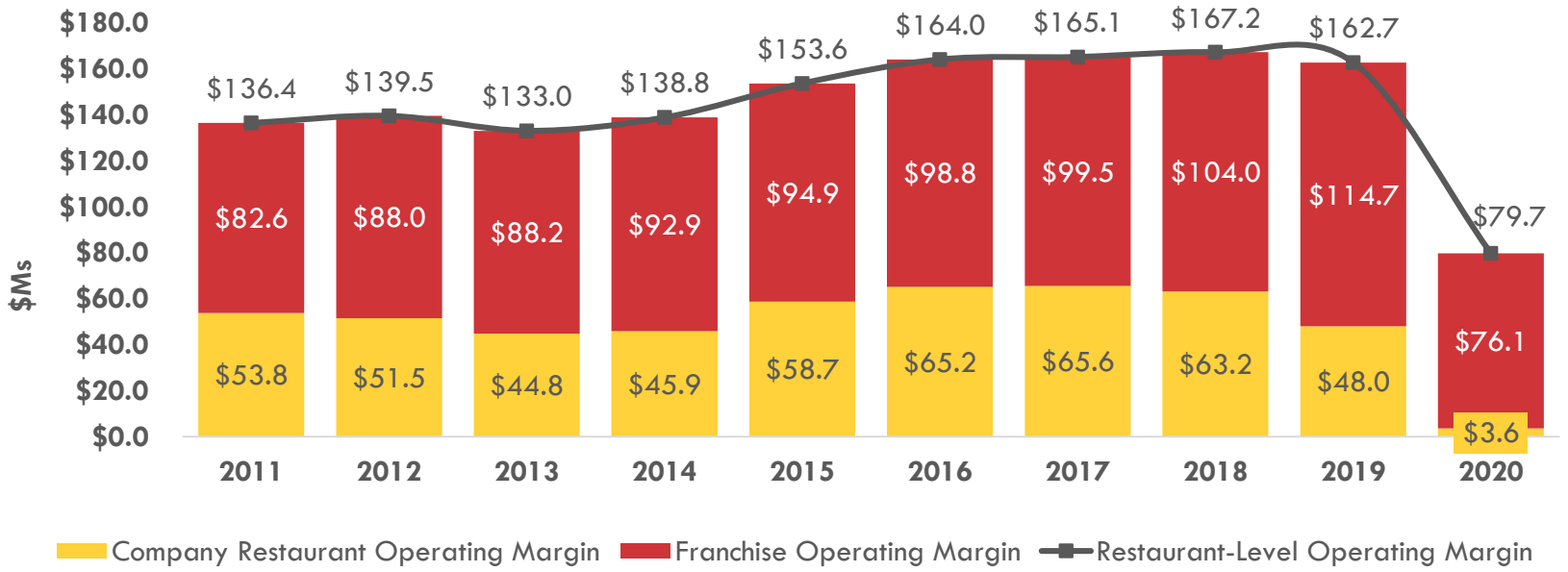


FRANCHISE AND COMPANY MARGINS

Total Restaurant-Level Operating Margin[1] Grew Over 19% From 2011 Through 2019

Highly Franchised Business Has Historically Provided Stable Restaurant-Level Operating Margins[1]

Franchise and Company Operating Margins[1]

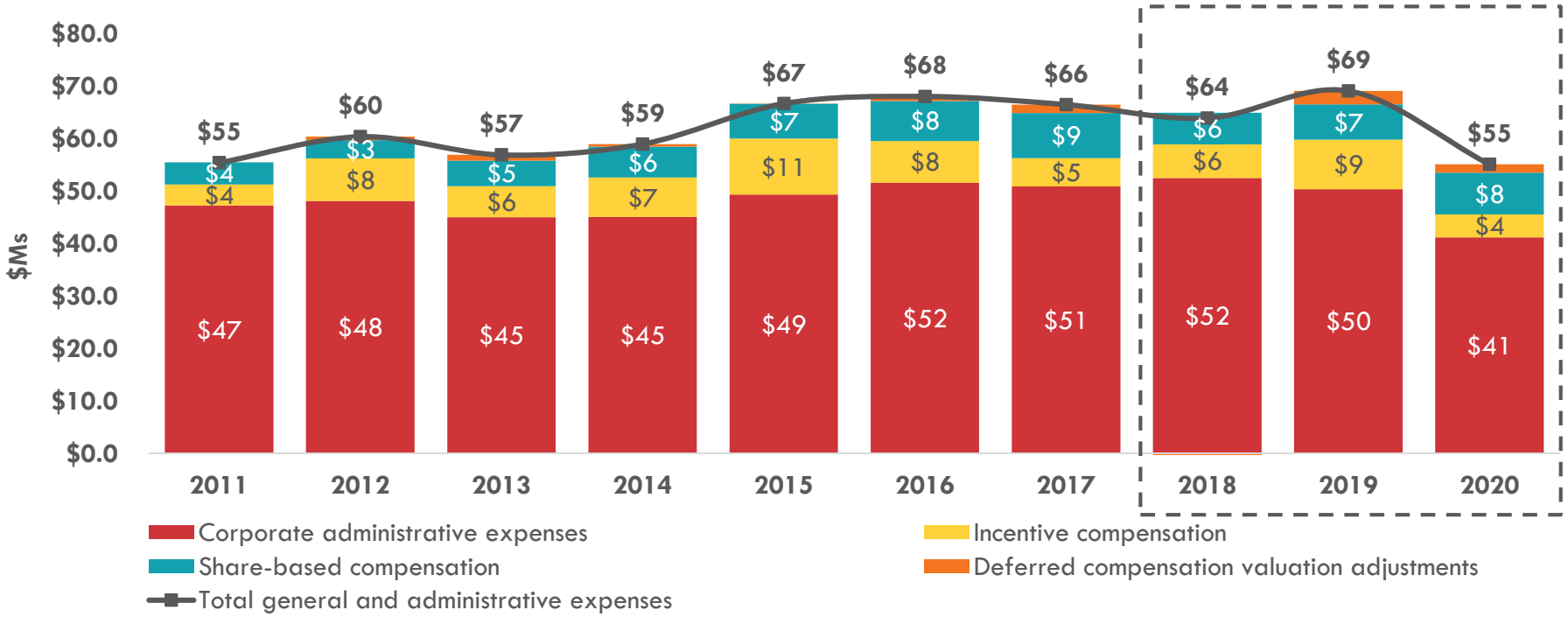


1. The Company believes that, in addition to GAAP measures, certain other non-GAAP financial measures are appropriate indicators to assist in the evaluation of restaurant-level operating efficiency and performance of ongoing restaurant-level operations. Restaurant-Level Operating Margin is the total of Company Restaurant Operating Margin and Franchise Operating Margin. We define Company Restaurant Operating Margin as company restaurant sales less costs of company restaurant sales (which include product costs, company restaurant level payroll and benefits, occupancy costs, and other operating costs including utilities, repairs and maintenance, marketing and other expenses) and present it as a percent of company restaurant sales. We define Franchise Operating Margin as franchise and license revenue (which includes franchise royalties and other non-food and beverage revenue streams such as initial franchise fees, advertising revenue and occupancy revenue) less costs of franchise and license revenue and present it as a percent of franchise and license revenue.

GENERAL AND ADMINISTRATIVE EXPENSES

We Have Successfully Achieved Our Goal Set Forth During Our Refranchising and Development Strategy of Reducing Corporate Administrative Expenses by $7 Million - $8 Million[1]

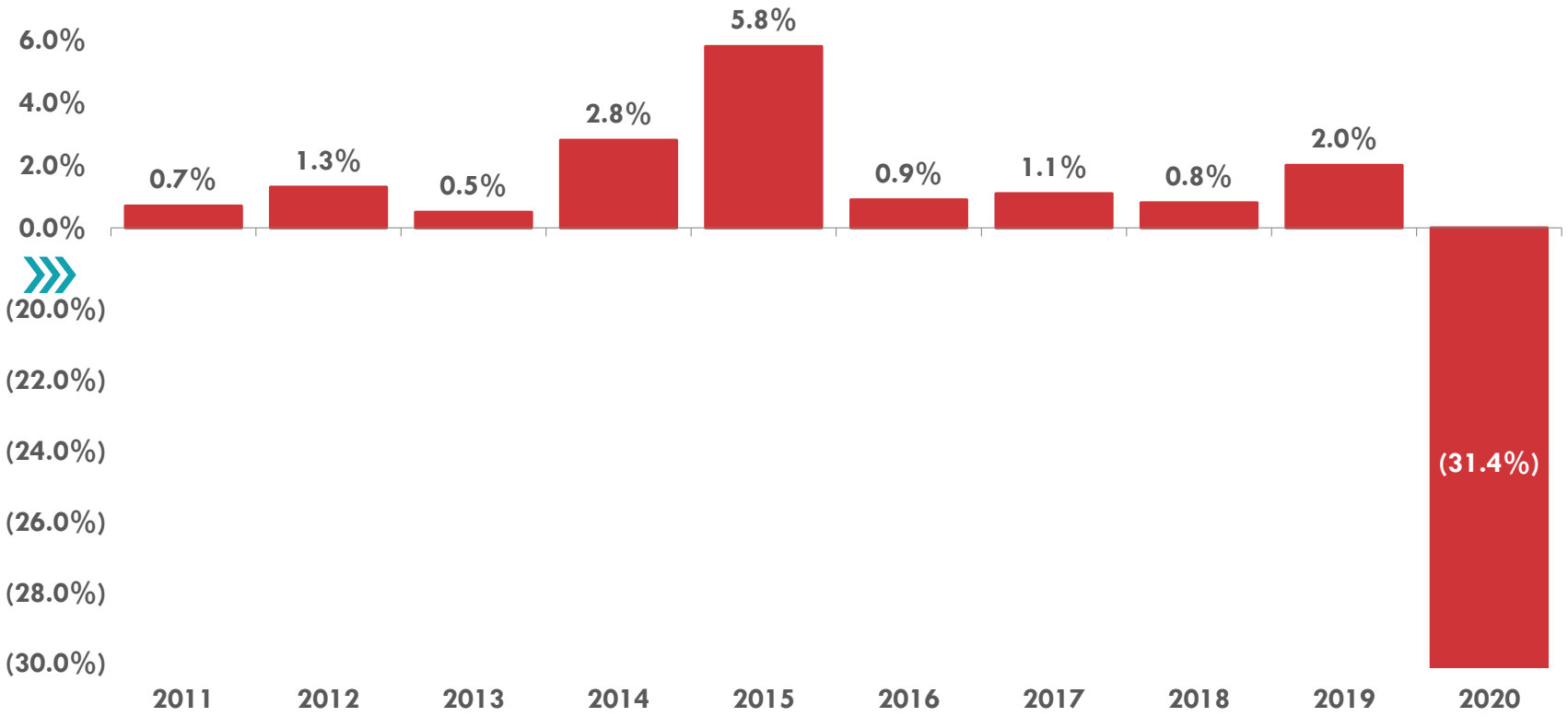
$52M 2018 + **~$3M** Two years of inflation and an additional operating week in 2020 − **~$7M** Refranchising and development strategy cost reductions − **~$7M** 2020 Cost reductions due to COVID-19 *(half of which are permanent)* = **$41M 2020**



1. During our 2018-2019 refranchising and development strategy, we stated there would be $11M - $13M of cost savings. These savings were split as follows: 40% field support, 35% corporate support, and 25% franchise support cost sharing. The corporate support and franchise support cost sharing elements flow through corporate administrative expenses for a total of 60% expected savings, or $7M - $8M.

DOMESTIC SYSTEM-WIDE SAME-STORE SALES[1]

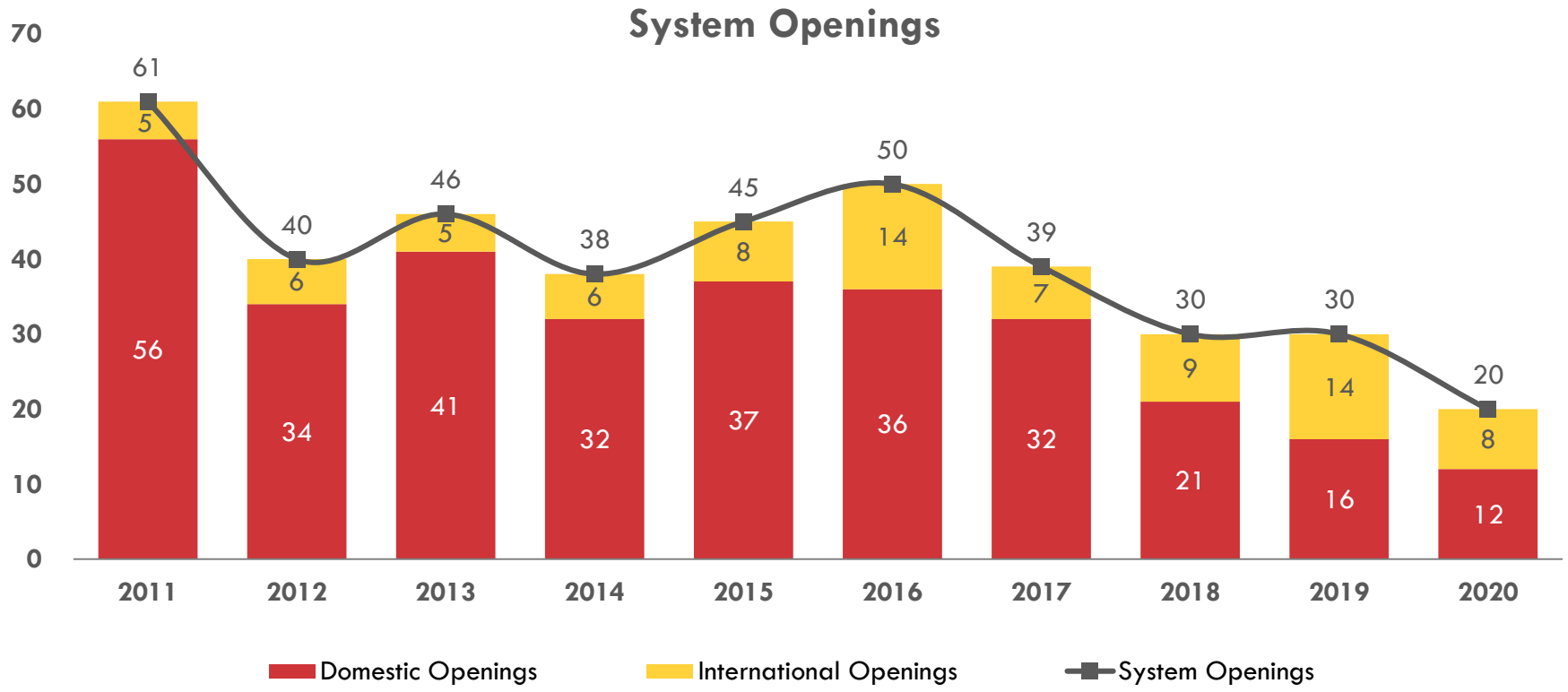
Nine Consecutive Fiscal Years of Positive Domestic System-Wide Same-Store Sales[1] Growth From 2011 Through 2019



1. Same-store sales include sales at company restaurants and non-consolidated franchised and licensed restaurants that were open the same period in the noted prior period. Total operating revenue is limited to company restaurant sales and royalties, advertising revenue, fees and occupancy revenue from non-consolidated franchised and licensed restaurants. Accordingly, domestic franchise same-store sales and domestic system-wide same-store sales should be considered as a supplement to, not a substitute for, our results as reported under GAAP.

GLOBAL DEVELOPMENT

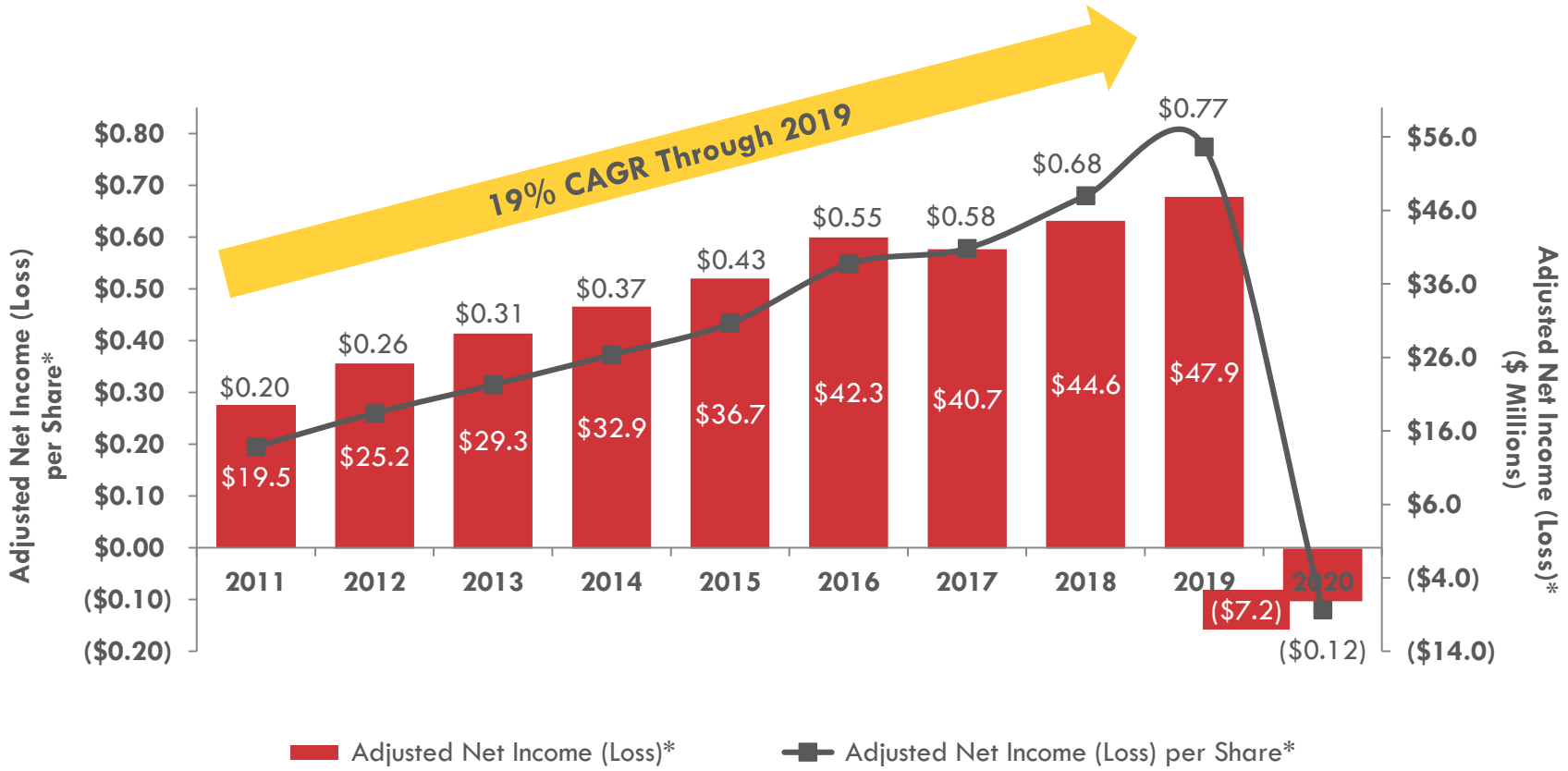
Growth Initiatives Enabled Approximately 400 New Restaurant Openings Since 2011 With 95% Opened by Franchisees[1]



1. Data as of December 30, 2020, the end of Fiscal Fourth Quarter 2020.

ADJUSTED NET INCOME (LOSS) PER SHARE*

Growth in Adjusted Net Income (Loss) Per Share* Between 2011 and 2019 Driven by Successful Revitalization Initiatives and Share Repurchase Program

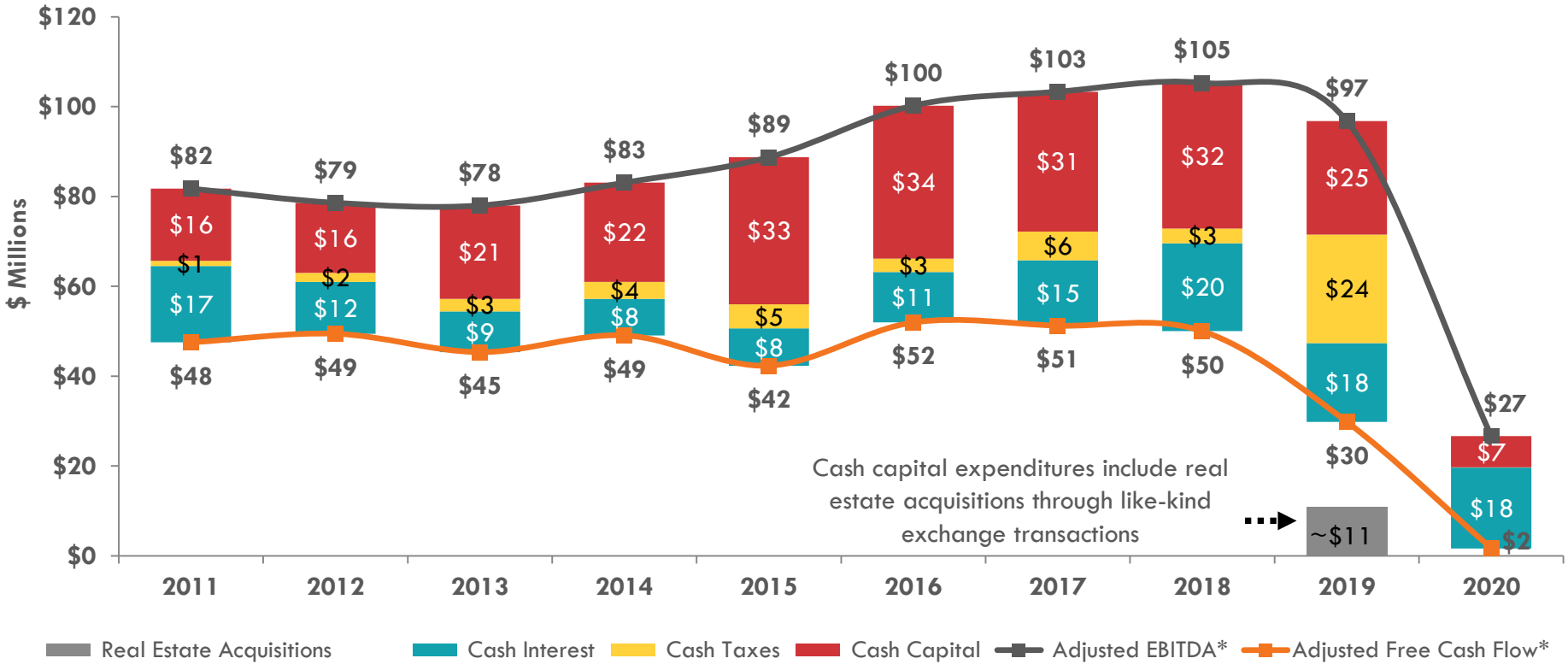


* See Appendix for reconciliation of Net Income (Loss) and Net Cash Provided by (Used in) Operating Activities to Non-GAAP Financial Measures, as well as the reconciliation of Operating Income (Loss) to Non-GAAP Financial Measures.

ADJUSTED FREE CASH FLOW*

Over $418 Million in Adjusted Free Cash Flow* Generated Over Last 10 Fiscal Years

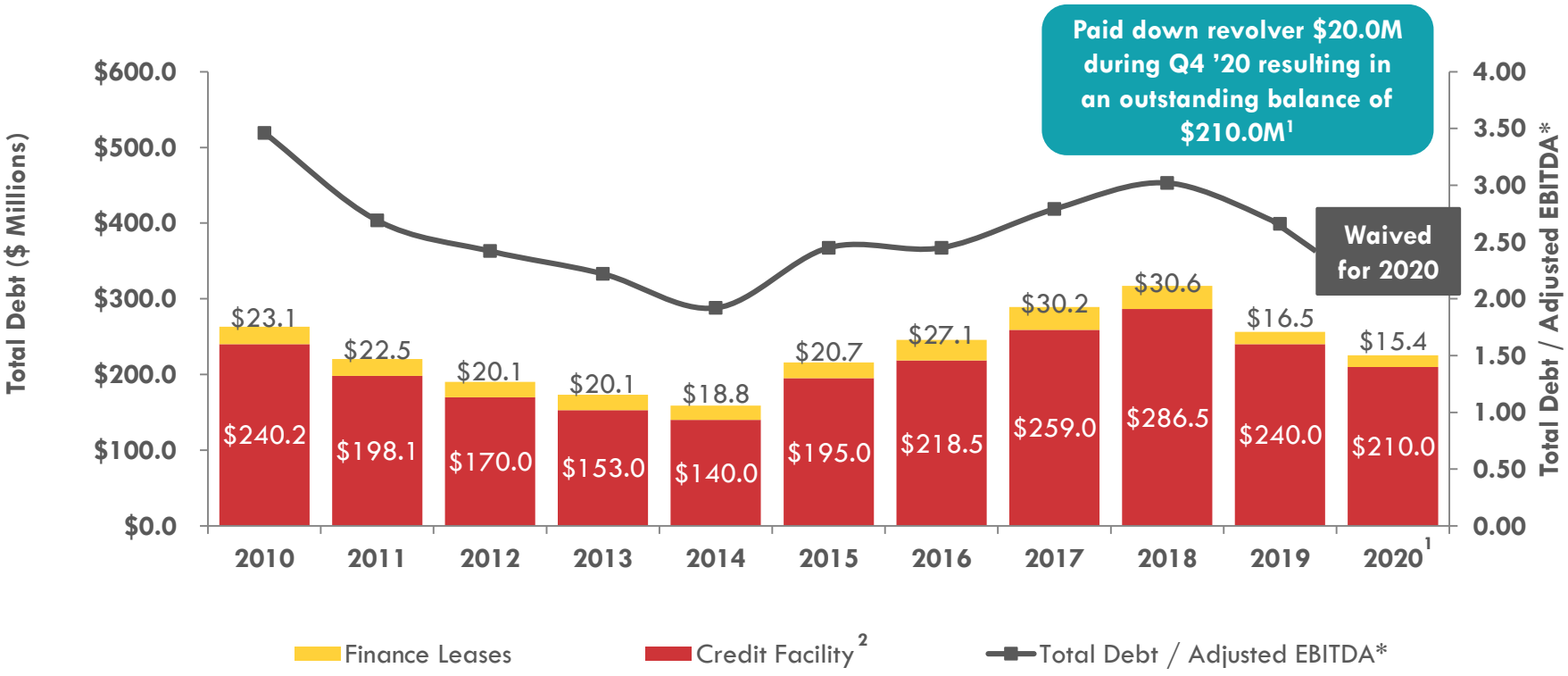
Adjusted Free Cash Flow* Impacted by ~$11 Million of Real Estate Acquisitions in 2019



* See Appendix for reconciliation of Net Income (Loss) and Net Cash Provided by (Used in) Operating Activities to Non-GAAP Financial Measures, as well as the reconciliation of Operating Income (Loss) to Non-GAAP Financial Measures.

SOLID BALANCE SHEET WITH FLEXIBILITY

Disciplined Focus on Debt Leverage with Total Available Liquidity of Approximately $82 Million[1] After Considering Liquidity Covenants



1. Data as of December 30, 2020, the end of Fiscal Fourth Quarter 2020. Total Debt / Adjusted EBITDA* leverage ratio is waived starting in Q2 '20 through Q1' 21.
2. On December 15, 2020, we entered into a third amendment to our credit agreement which reduced the revolver commitment to $375M with an additional stepdown to $350M on the first day of Q3 '21. The amendment also temporarily waives certain financial covenants through Q1 '21; provides favorable covenant measurements and restricts capital expenditures through Q3 '21; prohibits the Company from paying dividends and making stock repurchases and other general investments, and adds a $70M monthly minimum liquidity covenant, defined as the sum of unrestricted cash and revolver availability, through receipt of the Q3 '21 compliance certificate; and increases the interest rate to LIBOR plus 3.00% through receipt of the Q4 '21 compliance certificate.

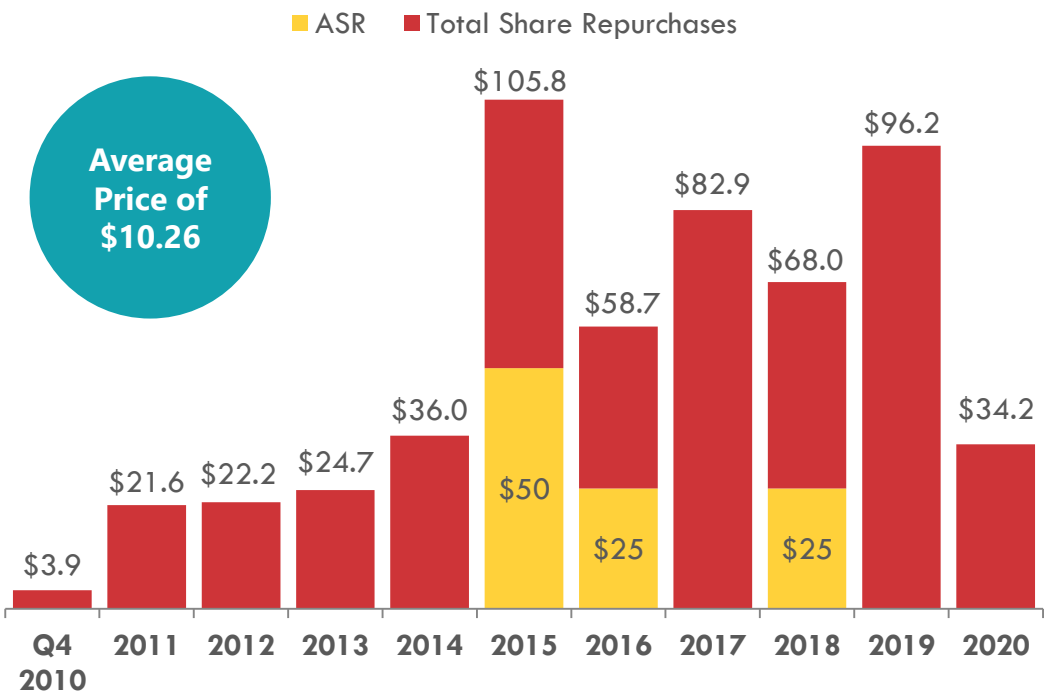
* See Appendix for reconciliation of Net Income (Loss) and Net Cash Provided by (Used in) Operating Activities to Non-GAAP Financial Measures, as well as the reconciliation of Operating Income (Loss) to Non-GAAP Financial Measures.

HISTORY OF CONSISTENTLY RETURNING EXCESS CAPITAL TO SHAREHOLDERS

Approximately $554 Million Allocated Towards Share Repurchases Since We Started to Return Excess Capital to Shareholders in late 2010[1]

- Allocated $34.2 million toward share repurchases during 2020 before suspending share repurchases as of February 27, 2020
- Paid an average of $10.26 per share to repurchase approximately 54 million shares resulting in a 44% net reduction in our share count since late 2010
- We entered into amendments to our credit agreement on May 13, 2020 and December 15, 2020, which, among other things, temporarily prohibit us from paying dividends and making stock repurchases

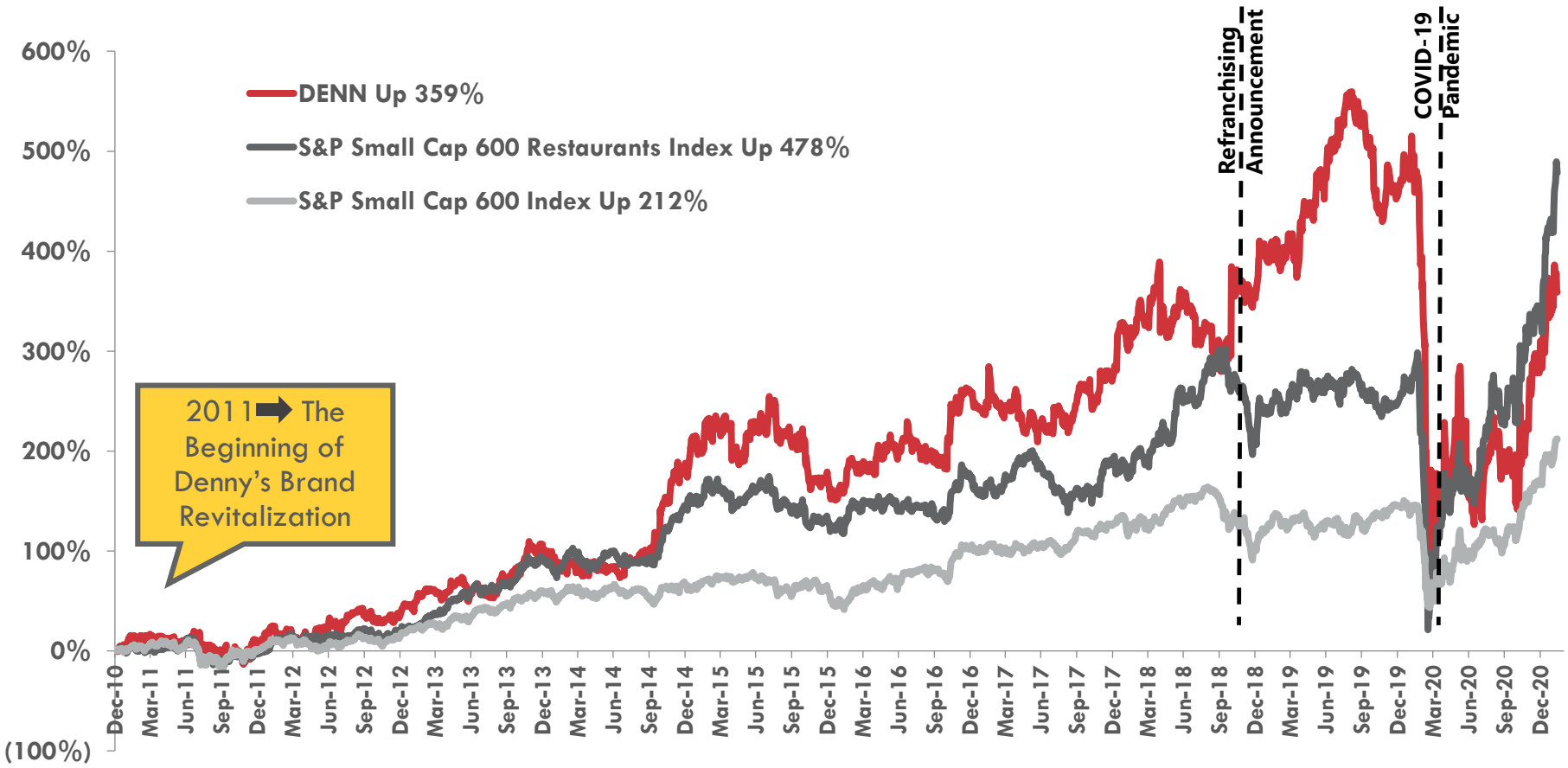
SHARE REPURCHASES ($ Millions)



1. Data as of February 27, 2020 (date the Company suspended share repurchases).

STOCK PRICE PERFORMANCE

Between 2010 and February 12, 2021, Denny's Stock Price Rose 359% Compared to the S&P Small Cap 600 Restaurants Index of 478% and S&P Small Cap 600 Index of 212%



DENNY'S INVESTMENT HIGHLIGHTS

- **Consistent same-store sales[1] growth** through brand revitalization strategies to enhance food, service, and atmosphere
- **Global footprint with seasoned franchisees** supported by a strong domestic presence and pipeline of development commitments
- **Strong Adjusted Free Cash Flow* and shareholder return** supported by solid balance sheet with flexibility to support brand investments and a focus on highly accretive and shareholder friendly allocations of Adjusted Free Cash Flow*
- **Durable business focused on the future** with a lower risk, highly-franchised business model supported by proven revitalization strategies, a sustained record of consistent financial performance and well-fortified balance sheet

1. Same-store sales include sales at company restaurants and non-consolidated franchised and licensed restaurants that were open the same period in the noted prior period. Total operating revenue is limited to company restaurant sales and royalties, advertising revenue, fees and occupancy revenue from non-consolidated franchised and licensed restaurants. Accordingly, domestic franchise same-store sales and domestic system-wide same-store sales should be considered as a supplement to, not a substitute for, our results as reported under GAAP.

* See Appendix for reconciliation of Net Income (Loss) and Net Cash Provided by (Used in) Operating Activities to Non-GAAP Financial Measures, as well as the reconciliation of Operating Income (Loss) to Non-GAAP Financial Measures.

APPENDIX

EXPERIENCED AND COMMITTED LEADERSHIP TEAM



John C. Miller, Chief Executive Officer joined Denny's in 2011 with over 30 years experience in restaurant operations and management. Prior to joining Denny's, served as President of Taco Bueno and spent 17 years with Brinker International where positions held included President of Romano's Macaroni Grill and President of Brinker's Mexican Concepts.



F. Mark Wolfinger, President joined Denny's in 2005 as Chief Financial Officer. Previous roles include Chief Financial Officer of Danka Business Systems and senior financial positions with Hollywood Entertainment, Metromedia Restaurant Group (operators of Bennigans, Ponderosa Steakhouse, and Steak & Ale), and the Grand Metropolitan.



Christopher D. Bode, Senior Vice President, Chief Operating Officer. Prior to joining Denny's in 2011, served as Chief Operating Officer of QSR Management, LLC (a franchisee of Dunkin' Donuts) and Vice President of Development & Construction of Dunkin' Brands, Inc. Before joining the restaurant industry, served as a United States Navy Communications Specialist.



John W. Dillon, Executive Vice President, Chief Brand Officer. Prior to joining Denny's in 2007, held multiple marketing leadership positions with various organizations, including 10 years with YUM! Brands/Pizza Hut, and was Vice President of Marketing for the National Basketball Association's Houston Rockets.



Stephen C. Dunn, Senior Vice President, Chief Global Development Officer. Prior to joining Denny's in 2004, held executive-level positions with Church's Chicken, El Pollo Loco, Mr. Gatti's, and TCBY. Earned the distinction of Certified Franchise Executive by the International Franchise Association Educational Foundation. Served as an Infantry Officer in the United States Army.



Michael L. Furlow, Senior Vice President, Chief Information Officer. Prior to joining Denny's in 2017, served as Chief Information Officer and Senior Vice President of IT at Red Robin Gourmet Burgers and CEC Entertainment, Inc. (an operator and franchisor of Chuck E. Cheese's and Peter Piper Pizza).



Gail S. Myers, Senior Vice President, General Counsel. Prior to joining Denny's in 2020, served as Executive Vice President, General Counsel, Secretary and Chief Compliance Officer for American Tire Distributors, Inc., Senior Vice President, Deputy General Counsel and Chief Compliance Counsel at U.S. Foods and Senior Vice President, General Counsel and Secretary at Snyder's-Lance, Inc.



Robert P. Verostek, Senior Vice President, Chief Financial Officer. Joined Denny's in 1999 and served in numerous leadership positions across the Finance and Accounting teams. Named Vice President of Financial Planning and Analysis in 2012 and Chief Financial Officer is 2020. Prior experience includes various accounting roles for Insignia Financial Group.

RECONCILIATION OF NET INCOME (LOSS) AND NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES TO NON-GAAP FINANCIAL MEASURES

$ Millions	2011	2012	2013	2014[1]	2015	2016	2017	2018	2019	2020[1]
Net Income (Loss)	**$112.3**	**$22.3**	**$24.6**	**$32.7**	**$36.0**	**$19.4**	**$39.6**	**$43.7**	**$117.4**	**($5.1)**
Provision for (Benefit from) Income Taxes[2]	(84.0)	12.8	11.5	16.0	17.8	16.5	17.2	8.6	31.8	(2.0)
Operating (Gains) Losses and Other Charges, Net	2.1	0.5	7.1	1.3	2.4	26.9	4.3	2.6	(91.2)	1.8
Other Nonoperating Expense (Income), Net	2.6	7.9	1.1	(0.6)	0.1	(1.1)	(1.7)	0.6	(2.8)	(4.2)
Share-Based Compensation	4.2	3.5	4.9	5.8	6.6	7.6	8.5	6.0	6.7	7.9
Deferred Compensation Plan Valuation Adjustments[3]	(0.1)	0.7	1.1	0.5	0.0	0.9	1.6	(1.0)	2.6	1.6
Interest Expense, Net	20.0	13.4	10.3	9.2	9.3	12.2	15.6	20.7	18.5	18.0
Depreciation and Amortization	28.0	22.3	21.5	21.2	21.5	22.2	23.7	27.0	19.8	16.2
Cash Payments for Restructuring Charges and Exit Costs	(2.7)	(3.8)	(2.8)	(2.0)	(1.5)	(1.8)	(1.7)	(1.1)	(2.6)	(3.0)
Cash Payments for Share-Based Compensation	(0.8)	(1.0)	(1.2)	(1.1)	(3.4)	(2.5)	(3.9)	(1.9)	(3.6)	(4.6)
Adjusted EBITDA[3]	**$81.7**	**$78.6**	**$78.0**	**$83.1**	**$88.8**	**$100.2**	**$103.3**	**$105.3**	**$96.8**	**$26.6**
Adjusted EBITDA Margin %	15.2%	16.1%	16.9%	17.6%	18.1%	19.8%	19.5%	16.7%	17.9%	9.2%
Net Cash Provided By (Used In) Operating Activities	**$59.5**	**$59.2**	**$57.0**	**$74.6**	**$83.2**	**$71.2**	**$78.3**	**$73.7**	**$43.3**	**($3.1)**
Capital Expenditures	(16.1)	(14.2)	(16.8)	(22.1)	(27.0)	(19.7)	(18.8)	(22.0)	(14.0)	(7.0)
Acquisition of Restaurants and Real Estate	0.0	(1.4)	(4.0)	0.0	(5.8)	(14.3)	(12.4)	(10.4)	(11.3)	0.0
Cash Payments for Restructuring Charges and Exit Costs	(2.7)	(3.8)	(2.8)	(2.0)	(1.5)	(1.8)	(1.7)	(1.1)	(2.6)	(3.0)
Cash Payments for Share-Based Compensation	(0.8)	(1.0)	(1.2)	(1.1)	(3.4)	(2.5)	(3.9)	(1.9)	(3.6)	(4.6)
Deferred Compensation Plan Valuation Adjustments[3]	(0.1)	0.7	1.1	0.5	0.0	0.9	1.6	(1.0)	2.6	1.6
Other Nonoperating Expense (Income), Net	2.6	7.9	1.1	(0.6)	0.1	(1.1)	(1.7)	0.6	(2.8)	(4.2)
Gains on Investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.1
Gains (Losses) on Early Extinguishment of Debt and Leases	(2.6)	(8.3)	(2.2)	0.0	(0.2)	0.0	(0.1)	0.2	0.0	(0.2)
Amortization of Deferred Financing Costs	(1.4)	(0.8)	(0.5)	(0.5)	(0.5)	(0.6)	(0.6)	(0.6)	(0.6)	(0.9)
Gains (Losses) on Interest Rate Swap Derivatives, Net	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.2
Interest Expense, Net	20.0	13.4	10.3	9.2	9.3	12.2	15.6	20.7	18.5	18.0
Cash Interest Expense, Net[4]	(17.0)	(11.6)	(9.1)	(8.1)	(8.3)	(11.2)	(14.6)	(19.6)	(17.6)	(18.0)
Deferred Income Tax Expense	(3.2)	(11.4)	(9.1)	(13.2)	(14.0)	(8.8)	(10.3)	(6.2)	(16.0)	(4.0)
Decrease (Increase) in Tax Valuation Allowance[2]	89.1	0.7	0.4	0.3	0.1	(0.1)	(0.2)	(0.1)	2.9	3.0
Provision for (Benefit from) Income Taxes[2]	(84.0)	12.8	11.5	16.0	17.8	16.5	17.2	8.6	31.8	(2.0)
Income Taxes Received (Paid), Net	(1.1)	(2.0)	(2.8)	(3.8)	(5.4)	(3.0)	(6.4)	(3.3)	(24.1)	(0.0)
Changes in Operating Assets and Liabilities	5.7	9.4	12.4	(0.1)	(2.2)	14.5	9.1	12.4	22.9	23.7
Adjusted Free Cash Flow[3]	**$47.5**	**$49.4**	**$45.3**	**$49.1**	**$42.3**	**$51.9**	**$51.2**	**$50.0**	**$29.8**	**$1.6**

1. Includes 53 operating weeks.
2. In 2011, we recorded an $89 million net deferred tax benefit from the release of a substantial portion of the valuation allowance on certain deferred tax assets. This release was primarily based on our improved historical and projected pre-tax income.
3. Beginning in 2018, historical presentations of Adjusted EBITDA and Adjusted Free Cash Flow have been restated to exclude the impact of market valuation changes in the Company's non-qualified deferred compensation plan liabilities.
4. Includes cash interest expense, net and cash payments of approximately $1.9 million for dedesignated interest rate swap derivatives for the year ended December 30, 2020.

RECONCILIATION OF NET INCOME (LOSS) AND NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES TO NON-GAAP FINANCIAL MEASURES

$ Millions (except per share amounts)	2011	2012	2013	2014[1]	2015	2016	2017	2018	2019	2020[1]
Adjusted EBITDA[2]	**$81.7**	**$78.6**	**$78.0**	**$83.1**	**$88.8**	**$100.2**	**$103.3**	**$105.3**	**$96.8**	**$26.6**
Adjusted EBITDA Margin %	15.2%	16.1%	16.9%	17.6%	18.1%	19.8%	19.5%	16.7%	17.9%	9.2%
Cash Interest Expense, Net[5]	(17.0)	(11.6)	(9.1)	(8.1)	(8.3)	(11.2)	(14.6)	(19.6)	(17.6)	(18.0)
Cash Paid for Income Taxes, Net	(1.1)	(2.0)	(2.8)	(3.8)	(5.4)	(3.0)	(6.4)	(3.3)	(24.1)	(0.0)
Cash Paid for Capital Expenditures	(16.1)	(15.6)	(20.8)	(22.1)	(32.8)	(34.0)	(31.2)	(32.4)	(25.3)	(7.0)
Adjusted Free Cash Flow[2]	**$47.5**	**$49.4**	**$45.3**	**$49.1**	**$42.3**	**$51.9**	**$51.2**	**$50.0**	**$29.8**	**$1.6**
Net Income (Loss)	**$112.3**	**$22.3**	**$24.6**	**$32.7**	**$36.0**	**$19.4**	**$39.6**	**$43.7**	**$117.4**	**($5.1)**
Pension Settlement Loss	0.0	0.0	0.0	0.0	0.0	24.3	0.0	0.0	0.0	0.0
(Gains) Losses on Interest Rate Swap Derivatives	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(2.2)
(Gains) Losses on Sales of Assets and Other, Net	(3.2)	(7.1)	(0.1)	(0.1)	(0.1)	0.0	3.5	(0.5)	(93.6)	(4.7)
Impairment Charges	4.1	3.7	5.7	0.4	0.9	1.1	0.3	1.6	0.0	4.1
Early Extinguishment of Debt	1.4	7.9	1.2	0.0	0.3	0.0	0.0	0.0	0.0	0.0
Tax Reform	0.0	0.0	0.0	0.0	0.0	0.0	(1.6)	0.0	0.0	0.0
Tax Effect[3]	(0.8)	(1.6)	(2.2)	(0.1)	(0.4)	(2.5)	(1.2)	(0.2)	24.1	0.7
Adjusted Provision for Income Taxes[4]	(94.3)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Adjusted Net Income (Loss)	**$19.5**	**$25.2**	**$29.3**	**$32.9**	**$36.7**	**$42.3**	**$40.7**	**$44.6**	**$47.9**	**($7.2)**
Diluted Net Income (Loss) Per Share	**$1.15**	**$0.23**	**$0.26**	**$0.37**	**$0.42**	**$0.25**	**$0.56**	**$0.67**	**$1.90**	**($0.08)**
Adjustments Per Share	($0.95)	$0.03	$0.05	$0.00	$0.01	$0.30	$0.02	$0.01	($1.13)	($0.04)
Adjusted Net Income (Loss) Per Share	**$0.20**	**$0.26**	**$0.31**	**$0.37**	**$0.43**	**$0.55**	**$0.58**	**$0.68**	**$0.77**	**($0.12)**
Diluted Weighted Average Shares Outstanding (000's)	**99,588**	**96,754**	**92,903**	**88,355**	**84,729**	**77,206**	**70,403**	**65,562**	**61,833**	**60,812**

1. Includes 53 operating weeks.
2. Beginning in 2018, historical presentations of Adjusted EBITDA and Adjusted Free Cash Flow have been restated to exclude the impact of market valuation changes in the Company's non-qualified deferred compensation plan liabilities.
3. Tax adjustments for full year 2013, 2014, 2015, 2017 and 2018 use full year effective tax rates of 31.9%, 32.9%, 33.0%, 30.3% and 16.4%, respectively. Tax adjustments for full year 2011 and 2012 are calculated using the full year 2012 effective rate of 36.4%. The tax adjustment for the loss on pension termination in 2016 is calculated using an effective tax rate of 8.8%., with all remaining adjustments calculated using an effective tax rate of 30.9%. Tax adjustments for the gains on sales of assets and other, net in 2019 are calculated using an effective rate of 25.7%. For the year ended December 30, 2020, the tax adjustments are calculated using an effective tax rate of 25.6%.
4. The adjusted provision for income taxes based on effective income tax rate of 36.4% for full year ended Dec. 27, 2012 and excludes impact of net deferred tax benefit.
5. Includes cash interest expense, net and cash payments of approximately $1.9 million for dedesignated interest rate swap derivatives for the year ended December 30, 2020.

RECONCILIATION OF OPERATING INCOME TO NON-GAAP FINANCIAL MEASURES

The Company believes that, in addition to GAAP measures, certain other non-GAAP financial measures are appropriate indicators to assist in the evaluation of restaurant-level operating efficiency and performance of ongoing restaurant-level operations. The Company uses Restaurant-level Operating Margin, Company Restaurant Operating Margin and Franchise Operating Margin internally as performance measures for planning purposes, including the preparation of annual operating budgets, and these three non-GAAP measures are used to evaluate operating effectiveness.

The Company defines Restaurant-level Operating Margin as operating income (loss) excluding the following three items: general and administrative expenses, depreciation and amortization, and operating (gains), losses and other charges, net. Total Operating Margin is presented as a percent of total operating revenue. The Company excludes general and administrative expenses, which include primarily non-restaurant-level costs associated with support of company and franchised restaurants and other activities at their corporate office. The Company excludes depreciation and amortization expense, substantially all of which is related to company restaurant-level assets, because such expenses represent historical sunk costs which do not reflect current cash outlays for the restaurants. The Company excludes special items, included within operating (gains), losses and other charges, net, to provide investors with a clearer perspective of its ongoing operating performance and a more relevant comparison to prior period results.

Restaurant-level Operating Margin is the total of Company Restaurant Operating Margin and Franchise Operating Margin. The Company defines Company Restaurant Operating Margin as company restaurant sales less costs of company restaurant sales (which include product costs, company restaurant level payroll and benefits, occupancy costs, and other operating costs including utilities, repairs and maintenance, marketing and other expenses) and present it as a percent of company restaurant sales. The Company defines Franchise Operating Margin as franchise and license revenue (which includes franchise royalties and other non-food and beverage revenue streams such as initial franchise fees, advertising revenue and occupancy revenue) less costs of franchise and license revenue and present it as a percent of franchise and license revenue.

These non-GAAP financial measures provide a meaningful comparison between periods and enable investors to focus on the performance of restaurant-level operations by excluding revenues and costs unrelated to food and beverage sales in addition to corporate general and administrative expense, depreciation and amortization, and operating (gains), losses and other charges, net. However, each of these non-GAAP financial measures should be considered as a supplement to, not a substitute for, operating income (loss), net income (loss) or other financial performance measures prepared in accordance with U.S. generally accepted accounting principles. Restaurant-level Operating Margin, Company Restaurant Operating Margin and Franchise Operating Margin do not accrue directly to the benefit of shareholders because of the aforementioned excluded items, and are not indicative of the overall results for the Company.

$ Millions	2011	2012	2013	2014[1]	2015	2016	2017	2018	2019	2020[1]
Operating Income	**$51.0**	**$56.4**	**$47.5**	**$57.3**	**$63.2**	**$47.0**	**$70.7**	**$73.6**	**$165.0**	**$6.7**
General and Administrative Expenses	55.4	60.3	56.8	58.9	66.6	68.0	66.4	63.8	69.0	55.0
Depreciation and Amortization	28.0	22.3	21.5	21.2	21.5	22.2	23.7	27.0	19.8	16.2
Operating (Gains) Losses and Other Charges, Net	2.1	0.5	7.1	1.3	2.4	26.9	4.3	2.6	(91.2)	1.8
Restaurant-Level Operating Margin	**$136.4**	**$139.5**	**$132.9**	**$138.7**	**$153.6**	**$164.0**	**$165.2**	**$167.1**	**$162.7**	**$79.7**
Restaurant-Level Operating Margin Consists Of:										
Company Restaurant Operating Margin	53.8	51.5	44.8	45.9	58.7	65.2	65.6	63.2	48.0	3.6
Franchise Operating Margin	82.6	88.0	88.2	92.9	94.9	98.8	99.5	104.0	114.7	76.1
Restaurant-Level Operating Margin	**$136.4**	**$139.5**	**$132.9**	**$138.7**	**$153.6**	**$164.0**	**$165.2**	**$167.1**	**$162.7**	**$79.7**

1. Includes 53 operating weeks.