

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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): April 17, 2016

RED ROBIN GOURMET BURGERS, INC.

(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation)	001-34851 (Commission File Number)	84-1573084 (IRS Employer Identification No.)
6312 S. Fiddler's Green Circle, Suite 200N Greenwood Village, Colorado (Address of principal executive offices)		80111 (Zip Code)

Registrant's telephone number, including area code: **(303) 846-6000**

Not Applicable

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

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

ITEM 2.02 Results of Operations and Financial Condition

On May 17, 2016, Red Robin Gourmet Burgers, Inc. issued a press release describing selected financial results for the first fiscal quarter ended April 17, 2016. A copy of this press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference. A copy of the supplemental financial information for the first fiscal quarter ended April 17, 2016, that will be referred to during today's investor conference call and webcast is being furnished as Exhibit 99.2 to this Form 8-K.

The information in this Item 2.02, including the information set forth in Exhibits 99.1 and 99.2, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, regardless of any general incorporation language in such filing, except as shall be expressly set forth by specific reference in such filing.

ITEM 9.01 Financial Statements and Exhibits

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	Red Robin Gourmet Burgers, Inc. Press Release dated May 17, 2016.
99.2	Supplemental Financial Information dated May 17, 2016, provided by Red Robin Gourmet Burgers, Inc.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

RED ROBIN GOURMET BURGERS, INC.

Date: May 17, 2016

By: /s/ Stuart B. Brown
Name: Stuart B. Brown
Title: Senior Vice President and Chief Financial Officer

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
99.1	Red Robin Gourmet Burgers, Inc. Press Release dated May 17, 2016.
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Red Robin Gourmet Burgers Reports Results for the Fiscal First Quarter Ended April 17, 2016

Greenwood Village, CO – May 17, 2016 – Red Robin Gourmet Burgers, Inc., (NASDAQ: RRGB), a casual dining restaurant chain serving an innovative selection of high-quality gourmet burgers in a family-friendly atmosphere, today reported financial results for the quarter ended April 17, 2016.

First Quarter 2016 Financial Highlights Compared to First Quarter 2015

- Total revenues were \$402.1 million, an increase of 1.8%
- Comparable restaurant revenue decreased 2.6% (using constant currency rates)
- Restaurant-level operating profit, as a percent of restaurant revenue, was 22.5% compared to 23.0% (see Schedule II)
- Adjusted EBITDA was \$51.0 million, an increase of 8.5% from \$47.0 million (see Schedule III)
- GAAP earnings per diluted share was \$1.03 compared to \$1.16. Adjusted earnings per diluted share was \$1.27, an increase of 15.5% from \$1.10 (See Schedule I)
- Net income was \$14.2 million compared to \$16.6 million. Adjusted net income was \$17.6 million, an increase of 12.5% from \$15.6 million (see Schedule I)
- Acquired 13 franchised restaurants in Texas

Adjusted net income for the sixteen weeks ended April 17, 2016 increased 12.5% to \$17.6 million from \$15.6 million for the same period a year ago. Excluding the impact of \$0.20 per diluted share related to litigation contingencies, and a charge of \$0.04 per diluted share for restaurant impairment, adjusted earnings per diluted share for the sixteen weeks ended April 17, 2016 was \$1.27, an increase of 15.5% from \$1.10 for the same period a year ago. See Schedule I for a reconciliation of adjusted net income and adjusted earnings per share (each, a non-GAAP financial measure) to net income and earnings per share, respectively.

“We achieved higher revenues and adjusted earnings per share in the first quarter of 2016 compared to a year ago, and we were encouraged by the sequential improvement in our performance versus the fourth quarter of 2015,” said Steve Carley, Red Robin Gourmet Burgers, Inc. chief executive officer. “Nevertheless, we were disappointed, particularly with our guest counts. We have a solid strategy for long-term success, including a number of operations and marketing initiatives. We believe these efforts will generate superior results in a highly competitive casual dining environment.”

Operating Results

Total Company revenues, which primarily include Company-owned restaurant revenue and franchise royalties, increased 1.8% to \$402.1 million in the first quarter of 2016 from \$394.9 million in the first quarter of 2015. Restaurant revenues increased \$19.6 million due to new restaurant openings and acquired restaurants, partially offset by an \$11.0 million, or 2.9%, decrease in comparable restaurant revenue, which included a \$1.2 million, or 0.3%, unfavorable foreign exchange impact, and \$0.4 million from closed restaurants. Franchise and other revenue decreased \$1.0 million, primarily driven by a decrease in gift card breakage revenue from the same period a year ago.

System-wide restaurant revenue (including franchised units) for the first quarter of 2016 totaled \$493.0 million, compared to \$488.1 million for the first quarter in 2015.

Using constant currency rates, comparable revenue decreased 2.6% in the first quarter of 2016 compared to the same period a year ago, driven by a 4.1% decrease in guest counts, which was partially offset by a 1.5% increase in average guest check. Comparable restaurants are those Company-owned restaurants that have operated five full quarters during the period presented, and such restaurants are only included in the comparable metrics if they are comparable for the entirety of both periods presented.

Restaurant-level operating profit margin (a non-GAAP financial measure) was 22.5% in the first quarter of 2016 compared to 23.0% in the same period a year ago. First quarter 2015 included an 80 basis point benefit from lower health care and workers' compensation costs. Excluding this benefit a year ago, the 30 basis point margin increase in the first quarter of 2016 resulted from a 70 basis point increase in labor costs, a 50 basis point increase in other restaurant operating expenses, and a 40 basis point increase in occupancy costs, offset by a 190 basis point decrease in cost of sales. Schedule II of this earnings release defines restaurant-level operating profit, discusses why it is a useful metric for investors, and reconciles this metric to income from operations and net income.

Restaurant Revenue Performance ⁽¹⁾

	Q1 2016	Q1 2015
Average weekly sales per unit:		
Company-owned – Total ⁽²⁾	\$ 56,950	\$ 59,032
Company-owned – Comparable ⁽²⁾	\$ 57,412	\$ 58,930
Franchised units – Comparable	\$ 63,670	\$ 63,641
Total operating weeks:		
Company-owned units	6,931	6,526
Franchised units	1,532	1,584

(1) Excludes Red Robin Burger Works[®] fast casual restaurants, which had 157 and 134 total operating weeks in the first quarter of 2016 and 2015.

(2) Calculated using constant currency rates. Using historical currency rates, the average weekly sales per unit in the first quarter of 2015 for Company-owned – Total and Company-owned – Comparable was \$59,207 and \$59,113.

Other Results

Depreciation and amortization costs increased to \$24.0 million in the first quarter of 2016 from \$23.0 million in the first quarter of 2015. The increased depreciation was primarily related to restaurants remodeled under the Brand Transformation Initiative and new restaurants opened since the first quarter 2015, partially offset by a change in estimated useful lives of certain assets.

General and administrative costs were \$35.9 million, or 8.9% of total revenues, in the first quarter of 2016, compared to \$35.0 million, or 8.9% of total revenues in the same period a year ago. Excluding \$3.9 million of litigation contingencies, general and administrative costs decreased 8.6% to \$32.0 million from the same period a year ago, primarily due to a decrease in incentive compensation.

Selling expenses decreased to \$11.4 million, or 2.8% of total revenues, in the first quarter of 2016, compared to \$13.1 million, or 3.3%, of total revenues during the same period in the prior year. The decrease was primarily due to lower spending on television media in the first quarter.

Pre-opening costs were \$1.7 million in the first quarter of 2016, compared to \$1.0 million in the same period a year ago. The increase was primarily due to timing of restaurant openings. In the first quarter of 2016, the Company recorded \$0.7 million of acquisition costs related to the acquired franchised restaurants.

During the first quarter of 2016, the Company recognized a \$0.8 million charge for asset impairment costs related to the relocation of one restaurant.

The Company had an effective tax rate of 23.3% in the first quarter of fiscal year 2016, compared to a 27.3% effective tax rate in the same period a year ago.

Restaurant Development and Acquisitions

As of the end of the first quarter of 2016, there were 443 Company-owned Red Robin[®] restaurants, 11 Red Robin Burger Works[®] and 86 franchised Red Robin restaurants, for a total of 540 restaurants. During the first quarter, the Company opened two Red Robin restaurants and one Red Robin Burger Works. The Company also relocated one Red Robin Burger Works.

As previously announced, on March 21, 2016, the Company completed the acquisition of 13 franchised restaurants in the U.S. for approximately \$40.0 million, including \$18.8 million for four properties and other leasehold improvements and equipment based on the preliminary purchase price allocation. The 13 franchised restaurants generate approximately \$35.0 million in restaurant revenue on an annualized basis.

Under the Brand Transformation Initiative, the Company completed 32 restaurant remodels during the first quarter 2016. The Company has over 350 restaurants conforming to its new brand standards, including new restaurant openings, and will substantially complete the remodeling of Company-owned restaurants by the end of 2016.

Balance Sheet and Liquidity

As of April 17, 2016, the Company had cash and cash equivalents of \$25.2 million and total debt of \$262.2 million, including \$7.8 million of capital lease liabilities. The Company funded the acquisition, restaurant remodels, construction of new restaurants and other capital expenditures with cash flow from operations and incremental borrowings of \$51.5 million on its credit facility during the first quarter 2016. As of April 17, 2016, the Company had outstanding borrowings under its credit facility of \$253.5 million, in addition to amounts issued under letters of credit of \$8.3 million, which reduced the amount available under its credit facility but were not recorded as debt. The Company's current credit facility provides a total borrowing capacity of \$325 million.

Outlook for 2016

Red Robin's 2016 fiscal year consists of 52 weeks, which will end on December 25, 2016 ("2016").

The Company expects total revenues to grow around 8.0% in 2016, comprised of flat to slightly negative comparable revenue growth, with the remainder due to increased operating weeks associated with locations opened in 2015 and 2016 and acquired restaurants. The Company plans to open approximately 25 new Red Robins and three Burger Works in 2016.

Earnings before interest taxes and depreciation (EBITDA) is expected to range between \$150 million and \$155 million in 2016. EBITDA is a non-GAAP number and defined in Schedule III.

Depreciation and amortization is projected to be between \$82 million and \$84 million in 2016 while interest expense is expected to be approximately \$6 million. The 2016 annual tax rate is projected to be approximately 23.0%.

The Company expects capital investments of around \$190 million, which includes the 13 restaurants acquired in the first quarter. In addition to new restaurant openings, the Company expects to remodel around 70 locations as part of its Brand Transformation Initiative.

The sensitivity of the Company's earnings per diluted share to a 1% change in guest counts for fiscal year 2016 is estimated to be \$0.34 on an annualized basis. Additionally, a 10 basis point change in restaurant-level operating profit margin is expected to impact earnings per diluted share by approximately \$0.09, and a change of approximately \$143,000 in pre-tax income or expense is equivalent to approximately \$0.01 per diluted share.

Investor Conference Call and Webcast

Red Robin will host an investor conference call to discuss its first quarter 2016 results today at 10:00 a.m. ET. The conference call number is (888) 668-1637, or for international callers (913) 312-1384. The financial information that the Company intends to discuss during the conference call is included in this press release and will be available in the "Company" section of the Company's website at www.redrobin.com by selecting the "News Releases" link. Prior to the conference call, the Company will post supplemental financial information that will be discussed during the call and live webcast.

To access the supplemental financial information and webcast, please visit www.redrobin.com and select the "Investors" link from the menu. A replay of the live conference call will be available from two hours after the call until midnight on Tuesday, May 24, 2016. The replay can be accessed by dialing (877) 870-5176, or (858) 384-5517 for international callers. The conference ID is 6044426.

About Red Robin Gourmet Burgers, Inc. (NASDAQ: RRGB)

Red Robin Gourmet Burgers, Inc. (www.redrobin.com), a casual dining restaurant chain founded in 1969 that operates through its wholly-owned subsidiary, Red Robin International, Inc., and under the trade name Red Robin Gourmet Burgers and Brews, is the Gourmet Burger Authority™, famous for serving more than two dozen craveable, high-quality burgers with Bottomless Steak Fries® in a fun environment welcoming to guests of all ages. Whether a family dining with kids, adults grabbing a drink at the bar, or teens enjoying a meal, Red Robin offers an unparalleled experience for its guests. In addition to its many burger offerings, Red Robin serves a wide variety of salads, soups, appetizers, entrees, desserts and signature beverages. Red Robin offers a variety of options behind the bar, including its extensive selection of local and regional beers, and innovative adult beer shakes and cocktails, earning the restaurant a VIBE Vista Award for Best Beer Program in a Multi-Unit Chain Restaurant. There are more than 540 Red Robin restaurants across the United States and Canada, including Red Robin Burger Works® locations and

those operating under franchise agreements. Red Robin... YUMMM®! Connect with Red Robin on [Facebook](#), [Instagram](#), and [Twitter](#).

Forward-Looking Statements

Forward-looking statements in this press release regarding our strategic initiatives, future performance, revenues, EBITDA, capital investments, anticipated number and timing of new restaurant openings (including Red Robin Burger Works) and operating weeks, the anticipated number and timing of restaurant remodels under the Brand Transformation Initiative, anticipated costs, expenses including depreciation, amortization, and interest expense, tax rate, sensitivity of earnings per share and other projected financial measures, statements under the heading "Outlook for 2016" 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," "believe," "anticipate," "intend," "plan," "project," "will" or "estimate," or the negative or other variations thereof or comparable terminology are intended to identify forward-looking statements. We undertake no obligation to update such statements to reflect events or circumstances arising after such date, and we caution 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 our business improvement initiatives; the ability to fulfill planned expansion and restaurant remodeling; the effectiveness of our marketing strategies and initiatives to achieve restaurant sales growth; ; the cost and availability of key food products, labor, and energy; our ability to achieve anticipated revenue and cost savings from our anticipated new technology systems and tools in the restaurants and other initiatives; availability of capital or credit facility borrowings; our ability to increase our to-go and other offerings; the adequacy of cash flows or available debt resources to fund operations and growth opportunities; federal, state, and local regulation of our 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.

For media relations questions contact:

Jennifer DeNick, Coyne PR
(973) 588-2000

For investor relations questions contact:

Stuart Brown, Chief Financial Officer
(303) 846-6000

RED ROBIN GOURMET BURGERS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)
(Unaudited)

	Sixteen Weeks Ended	
	April 17, 2016	April 19, 2015
Revenues:		
Restaurant revenue	\$ 396,770	\$ 388,509
Franchise royalties, fees and other revenue	5,356	6,392
Total revenues	<u>402,126</u>	<u>394,901</u>
Costs and expenses:		
Restaurant operating costs (exclusive of depreciation and amortization shown separately below):		
Cost of sales	92,325	97,950
Labor	132,984	124,356
Other operating	49,708	46,584
Occupancy	32,498	30,147
Depreciation and amortization	23,951	23,003
General and administrative	35,880	34,995
Selling	11,408	13,066
Pre-opening costs and acquisition costs	2,372	955
Asset impairment	825	—
Total costs and expenses	<u>381,951</u>	<u>371,056</u>
Income from operations	20,175	23,845
Other expense:		
Interest expense, net and other	1,638	1,060
Income before income taxes	18,537	22,785
Provision for income taxes	4,312	6,220
Net income	<u>\$ 14,225</u>	<u>\$ 16,565</u>
Earnings per share:		
Basic	<u>\$ 1.04</u>	<u>\$ 1.18</u>
Diluted	<u>\$ 1.03</u>	<u>\$ 1.16</u>
Weighted average shares outstanding:		
Basic	<u>13,635</u>	<u>14,077</u>
Diluted	<u>13,783</u>	<u>14,275</u>

RED ROBIN GOURMET BURGERS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except per share amounts)

	(Unaudited) April 17, 2016	December 27, 2015
Assets:		
Current Assets:		
Cash and cash equivalents	\$ 25,167	\$ 22,705
Accounts receivable, net	15,110	27,760
Inventories	28,679	28,223
Prepaid expenses and other current assets	14,636	18,052
Total current assets	83,592	96,740
Property and equipment, net	657,536	603,686
Goodwill	97,282	81,957
Intangible assets, net	44,799	39,573
Other assets, net	24,660	18,023
Total assets	\$ 907,869	\$ 839,979
Liabilities and Stockholders' Equity:		
Current Liabilities:		
Trade accounts payable	\$ 21,279	\$ 23,392
Construction related payables	36,460	28,692
Accrued payroll and payroll related liabilities	37,987	47,587
Unearned revenue	34,636	48,392
Accrued liabilities and other	38,515	29,610
Total current liabilities	168,877	177,673
Deferred rent	68,399	66,470
Long-term debt	254,375	202,875
Long-term portion of capital lease obligations	7,257	7,441
Other non-current liabilities	16,628	11,209
Total liabilities	515,536	465,668
Stockholders' Equity:		
Common stock; \$0.001 par value: 45,000 shares authorized; 17,851 and 17,851 shares issued; 13,652 and 13,628 shares outstanding	18	18
Preferred stock, \$0.001 par value: 3,000 shares authorized; no shares issued and outstanding	—	—
Treasury stock 4,199 and 4,223 shares, at cost	(166,371)	(167,339)
Paid-in capital	207,344	205,995
Accumulated other loss, net of tax	(3,899)	(5,379)
Retained earnings	355,241	341,016
Total stockholders' equity	392,333	374,311
Total liabilities and stockholders' equity	\$ 907,869	\$ 839,979

Reconciliation of Non-GAAP Results to GAAP Results
(In thousands, except per share data)

In addition to the results provided in accordance with Generally Accepted Accounting Principles (“GAAP”) throughout this press release, the Company has provided non-GAAP measurements which present the 16 weeks ended April 17, 2016 and the 16 weeks ended April 19, 2015, net income and basic and diluted earnings per share, excluding the effects of litigation contingencies, restaurant closure expense, and a change in accounting estimate for gift card breakage. The Company believes that the presentation of net income and earnings per share exclusive of the identified item gives the reader additional insight into the ongoing operational results of the Company. This supplemental information will assist with comparisons of past and future financial results against the present financial results presented herein. Income tax expense related to the change in accounting estimate was calculated based on the change in the total tax provision calculation after adjusting for the identified item. The non-GAAP measurements are intended to supplement the presentation of the Company’s financial results in accordance with GAAP.

	Sixteen Weeks Ended	
	April 17, 2016	April 19, 2015
Net income as reported	\$ 14,225	\$ 16,565
Litigation contingencies	3,900	—
Asset impairment	825	—
Change in estimate for gift card breakage	—	(1,369)
Income tax benefit (expense)	(1,356)	439
Adjusted net income	<u>\$ 17,594</u>	<u>\$ 15,635</u>
Basic net income per share:		
Net income as reported	\$ 1.04	\$ 1.18
Litigation contingencies	0.29	—
Asset impairment	0.06	—
Change in estimate for gift card breakage	—	(0.10)
Income tax benefit (expense)	(0.10)	0.03
Adjusted earnings per share - basic	<u>\$ 1.29</u>	<u>\$ 1.11</u>
Diluted net income per share:		
Net income as reported	\$ 1.03	\$ 1.16
Litigation contingencies	0.28	—
Asset impairment	0.06	—
Change in estimate for gift card breakage	—	(0.09)
Income tax benefit (expense)	(0.10)	0.03
Adjusted earnings per share - diluted	<u>\$ 1.27</u>	<u>\$ 1.10</u>
Weighted average shares outstanding		
Basic	13,635	14,077
Diluted	13,783	14,275

**Reconciliation of Non-GAAP Restaurant-Level Operating Profit to Income
from Operations and Net Income
(In thousands)**

The Company believes that restaurant-level operating profit is an important measure for management and investors because it is widely regarded in the restaurant industry as a useful metric by which to evaluate restaurant-level operating efficiency and performance. The Company defines restaurant-level operating profit to be restaurant revenue minus restaurant-level operating costs, excluding restaurant impairment and closure costs. The measure includes restaurant-level occupancy costs, which include fixed rents, percentage rents, common area maintenance charges, real estate and personal property taxes, general liability insurance, and other property costs, but excludes depreciation related to restaurant buildings and leasehold improvements. The measure excludes depreciation and amortization expense, substantially all of which is related to restaurant-level assets, because such expenses represent historical sunk costs which do not reflect current cash outlay for the restaurants. The measure also excludes selling, general and administrative costs, and therefore excludes occupancy costs associated with selling, general and administrative functions, and pre-opening costs. The Company excludes restaurant closure costs as they do not represent a component of the efficiency of continuing operations. Restaurant impairment costs are excluded, because, similar to depreciation and amortization, they represent a non-cash charge for the Company's investment in its restaurants and not a component of the efficiency of restaurant operations. Restaurant-level operating profit is not a measurement determined in accordance with GAAP and should not be considered in isolation, or as an alternative, to income from operations or net income as indicators of financial performance. Restaurant-level operating profit as presented may not be comparable to other similarly titled measures of other companies in our industry. The table below sets forth certain unaudited information for the 16 weeks ended April 17, 2016 and the 16 weeks ended April 19, 2015, expressed as a percentage of total revenues, except for the components of restaurant-level operating profit, which are expressed as a percentage of restaurant revenue.


	Sixteen Weeks Ended			
	April 17, 2016		April 19, 2015	
Restaurant revenues	\$ 396,770	98.7%	\$ 388,509	98.4%
Restaurant operating costs (exclusive of depreciation and amortization shown separately below):				
Cost of sales	92,325	23.3%	97,950	25.2%
Labor	132,984	33.5%	124,356	32.0%
Other operating	49,708	12.5%	46,584	12.0%
Occupancy	32,498	8.2%	30,147	7.8%
Restaurant-level operating profit	89,255	22.5%	89,472	23.0%
Add – Franchise royalties, fees and other revenue	5,356	1.3%	6,392	1.6%
Deduct – other operating:				
Depreciation and amortization	23,951	6.0%	23,003	5.8%
General and administrative expenses	35,880	8.9%	34,995	8.9%
Selling	11,408	2.8%	13,066	3.3%
Pre-opening & acquisition costs	2,372	0.6%	955	0.2%
Asset impairment	825	0.2%	—	—%
Total other operating	74,436	18.5%	72,019	18.2%
Income from operations	20,175	5.0%	23,845	6.0%
Interest expense, net and other	1,638	0.4%	1,060	0.3%
Income tax expense	4,312	1.1%	6,220	1.5%
Total other	5,950	1.5%	7,280	1.8%
Net income	\$ 14,225	3.5%	\$ 16,565	4.2%

Certain percentage amounts in the table above do not total due to rounding as well as the fact that components of restaurant-level operating profit are expressed as a percentage of restaurant revenue and not total revenues.

Reconciliation of Net Income to EBITDA and Adjusted EBITDA
(In thousands, unaudited)

The Company defines EBITDA as net income before interest expense, provision for income taxes, depreciation and amortization, and non-cash stock based compensation. EBITDA and adjusted EBITDA are presented because the Company believes that investors' understanding of our performance is enhanced by including these non-GAAP financial measures as a reasonable basis for evaluating our ongoing results of operations without the effect of non-cash charges such as depreciation and amortization expenses and asset disposals, stock-based compensation, closure costs and asset impairment charges. EBITDA and adjusted EBITDA are supplemental measures of operating performance that do not represent and should not be considered as alternatives to net income or cash flow from operations, as determined by GAAP, and our calculation thereof may not be comparable to that reported by other companies in our industry or otherwise. Adjusted EBITDA further adjusts EBITDA to reflect the additions and eliminations shown in the table below. The use of adjusted EBITDA as a performance measure 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. Adjusted EBITDA as presented may not be comparable to other similarly-titled measures of other companies, and our presentation of adjusted EBITDA should not be construed as an inference that our future results will be unaffected by excluded or unusual items.

	Sixteen Weeks Ended	
	April 17, 2016	April 19, 2015
Net income as reported	\$ 14,225	\$ 16,565
Interest expense, net	1,655	1,088
Provision for income taxes	4,312	6,220
Depreciation and amortization	23,951	23,003
Non-cash stock based compensation	2,090	1,446
EBITDA	46,233	48,322
Litigation contingencies	3,900	—
Asset impairment	825	—
Change in estimate for gift card breakage	—	(1,369)
Adjusted EBITDA	\$ 50,958	\$ 46,953



May 17, 2016

First Quarter 2016 Results



Forward-Looking Statements

Forward-looking statements in this presentation regarding our strategic initiatives, future performance, revenues, EBITDA, capital investments, anticipated number and timing of new restaurant openings (including Red Robin Burger Works), the anticipated number and timing of restaurant remodels under the Brand Transformation Initiative, anticipated costs, expenses including depreciation, amortization, and interest expense, tax rate, statements under the heading "Outlook for 2016" 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. We undertake no obligation to update such statements to reflect events or circumstances arising after such date, and we caution 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 our business improvement initiatives; ability to fulfill planned expansion and restaurant remodeling; the effectiveness of our marketing strategies and initiatives to achieve restaurant sales growth; the cost and availability of key food products, labor, and energy; our ability to achieve anticipated revenue and cost savings from our new technology systems and tools in the restaurants and other initiatives; our ability to increase our to-go and other offerings; 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 our 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.

This presentation may also contain non-GAAP financial information. Management uses this information in its internal analysis of results and believes that this information may be informative to investors in gauging the quality of our financial performance, identifying trends in our results, and providing meaningful period-to-period comparisons. For a reconciliation of non-GAAP measures presented in this document, see the Appendix of this presentation or the Schedules to the Q1 press release posted on redrobin.com.

Red Robin Q1-2016 Results

- Total revenues increased 1.8%
- Comparable restaurant revenue down 2.6%, at constant currency rates
- Guest counts decreased 4.1%, 90 basis points below casual dining peers
- Restaurant-level operating profit was 22.5% compared to 23.0% in prior year
- Adjusted diluted EPS was \$1.27, an increase of 15.5% over prior year
- Adjusted EBITDA was \$51.0 million, an increase of 8.5% over prior year
- Opened 2 Red Robin® restaurants, opened 1 and relocated 1 Red Robin Burger Works®
- Acquired 13 franchised restaurants in Texas

NOTE: See reconciliations of restaurant-level operating profit in Appendix.



Project RED²

GOAL: DOUBLE EBITDA OVER 5 YEARS

Revenue

- Seating Utilization/Turns
- 12+12 Brews Initiative
- To-Go
- Burger Works – channel growth
- Catering
- Hispanic Market
- Order-Ahead
- Delivery

Expense

- Supply Chain Management System
- Cost-saving Initiatives
- Labor Models
- G&A Leverage

Capital Deployment

- Complete BTI remodels
 - Restaurant-level Technology
 - Midsize Unit Emphasis
 - Franchise Acquisitions
 - Stock Buy-Backs
 - Increased Pace of Growth
-

Making Progress on **RED²** Initiatives

Revenue Growth

- KDS and table management software
- To-Go and online ordering

Expense Management

- Cloud-based repair and maintenance application
- Supply chain management software
- Project Blueprint cost-saving initiatives

Deployment of Capital

- Completion of brand transformation remodels in 2016
- Acquisition of 13 franchised restaurants in Texas
- Solid returns on new restaurants





Marketing Update



A Strong Brand Foundation



Double Tavern Double Plus Promo



LIMITED TIME
**DOUBLE TAVERN
DOUBLE PLUS**

2 TAVERN DOUBLE™ BURGERS
plus A SELECT APPETIZER or
DESSERT FOR

\$15

For a limited time only at participating locations. Offer excludes Red's Big Tavern®. Appetizer and dessert options are limited for this offer. Price does not include beverage or tax. No substitutions except Veggie or Bacon® burger. Not valid at Red Robin Burger Works. Select appetizers and desserts may vary by restaurant.

PICK ANY 2
TAVERN DOUBLE™ BURGERS
SERVED WITH BOTTOMLESS STEAK FRIES®



Red's Tavern Double® • Nacho Crunch
Turbo-O • Pig Out • Fiery Ghost®

PLUS PICK 1

APPETIZER
Red's Bold Boneless Wings
(half order)
O-Ring Shorty®
Pretzel Bites
Guac, Salsa & Chips
Baja Dip 'N' Chips
Classic Mini Wedge Salad

or

DESSERT
Dohl Ring Shorty™
Freckled Lemonade® Cake
Goey Chocolate Brownie Cake
Double Berry Cheesecake
Chocolate Fruffles™

Upgrade to a full order of Red's
Bold Boneless Wings or Towering
Onion Rings® FOR JUST \$2 MORE!




Bottomless Kids Pasta

Red Robin bottomless video at:

<https://www.youtube.com/watch?v=ngt6azYQBt8>



Q1 Product News



Our competitive edge: A great Team
and can-do culture!



Carin Stutz, EVP & Chief Operating Officer

- Recognized industry leader
- More than 30 years of restaurant operations experience
- Served in leadership roles for top casual dining and fast casual brands
- Past board chair and member of board of directors for Woman's Foodservice Forum



Carin Stutz

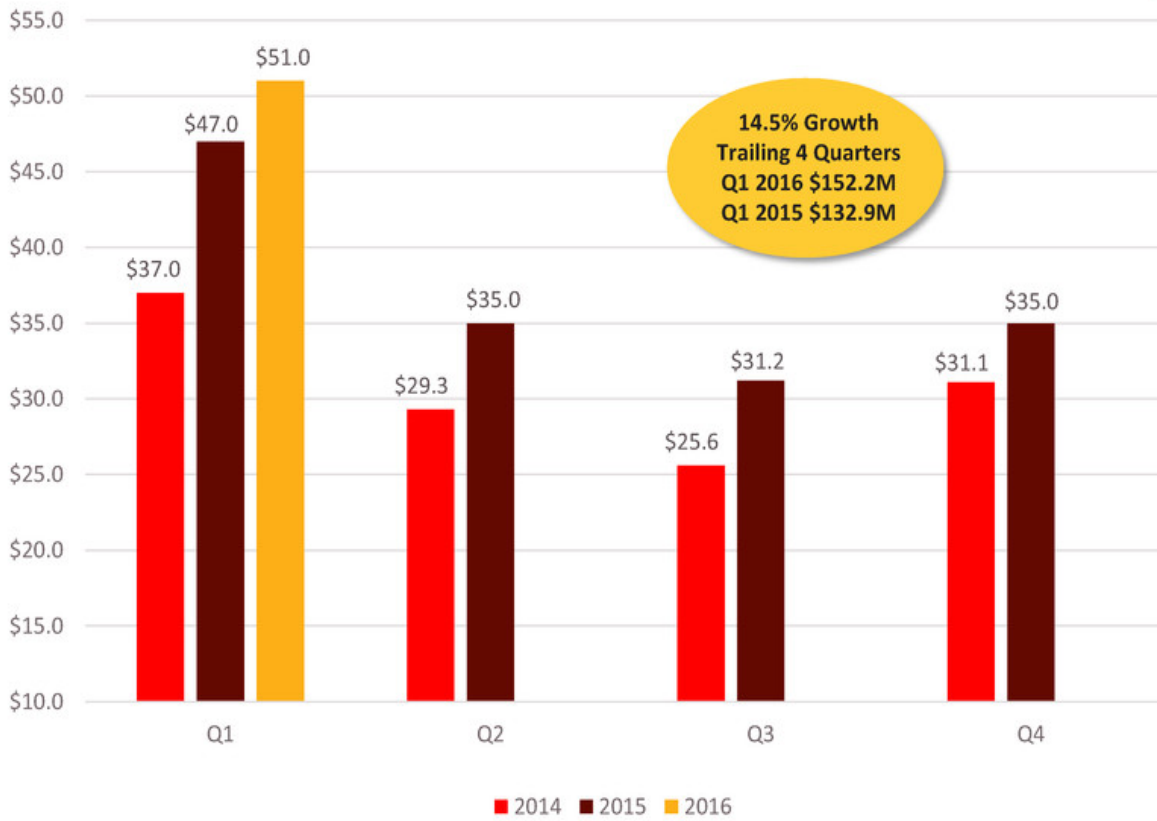


Financial Update



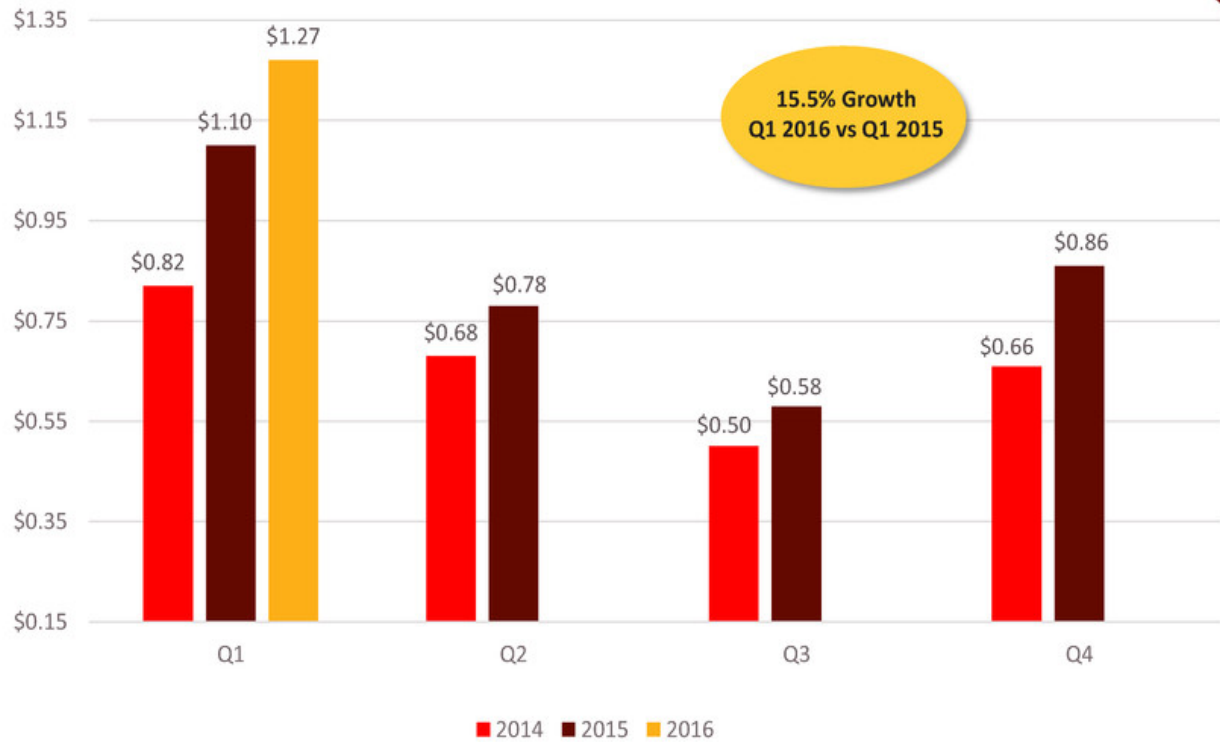
Adjusted EBITDA

(\$ in millions)



See appendix for reconciliation of non-GAAP Adjusted EBITDA to Net Income

Adjusted Earnings Per Diluted Share



See appendix for reconciliation of non-GAAP Adjusted Earnings Per Diluted Share to Earnings Per Diluted share

Q1-16 Sales Highlights

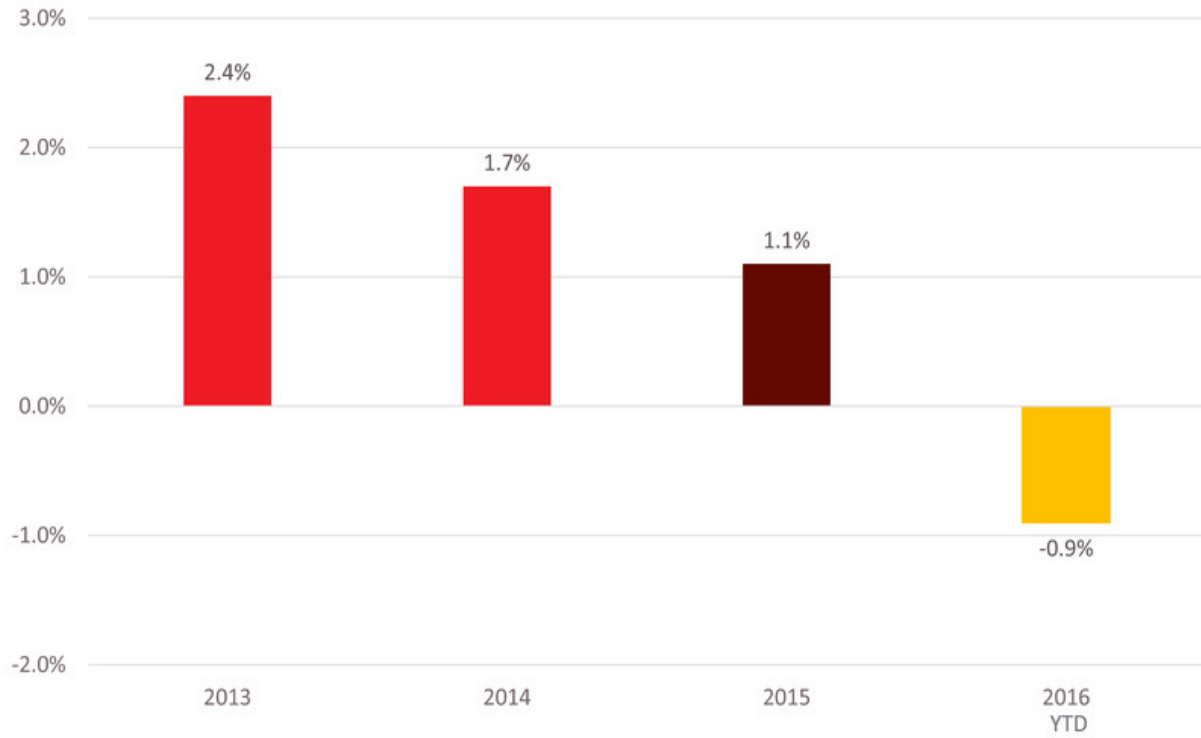
	Q1-16 (16 Weeks)	Q1-15 (16 Weeks)	Change
Restaurant revenue	\$396.8 million	\$388.5 million	2.1%
Total company revenues	\$402.1 million	\$394.9 million	1.8%
Company-owned comp revenue ⁽²⁾	-2.6%	3.1%	
Price/Mix	1.5%	2.0%	
Guest counts	-4.1%	1.1%	
Franchised comp revenue	0.0%	6.8%	
Company avg. weekly revenue/unit ⁽¹⁾⁽²⁾ – total	\$56,950	\$59,032	-3.5%
Company avg. weekly revenue/unit ⁽¹⁾⁽²⁾ – comp	\$57,412	\$58,930	-2.6%
Avg. weekly restaurant level operating profit/unit ⁽¹⁾⁽²⁾ – comp	\$13,193	\$13,684	-3.6%
Red Robin operating weeks ⁽¹⁾	6,931	6,526	6.2%
Burger Works operating weeks	157	134	17.2%
Net sales/sq. ft (TTM)	\$461	\$465	-0.9%

(1) Excludes Red Robin Burger Works® fast casual restaurants

(2) Based on constant currency rates

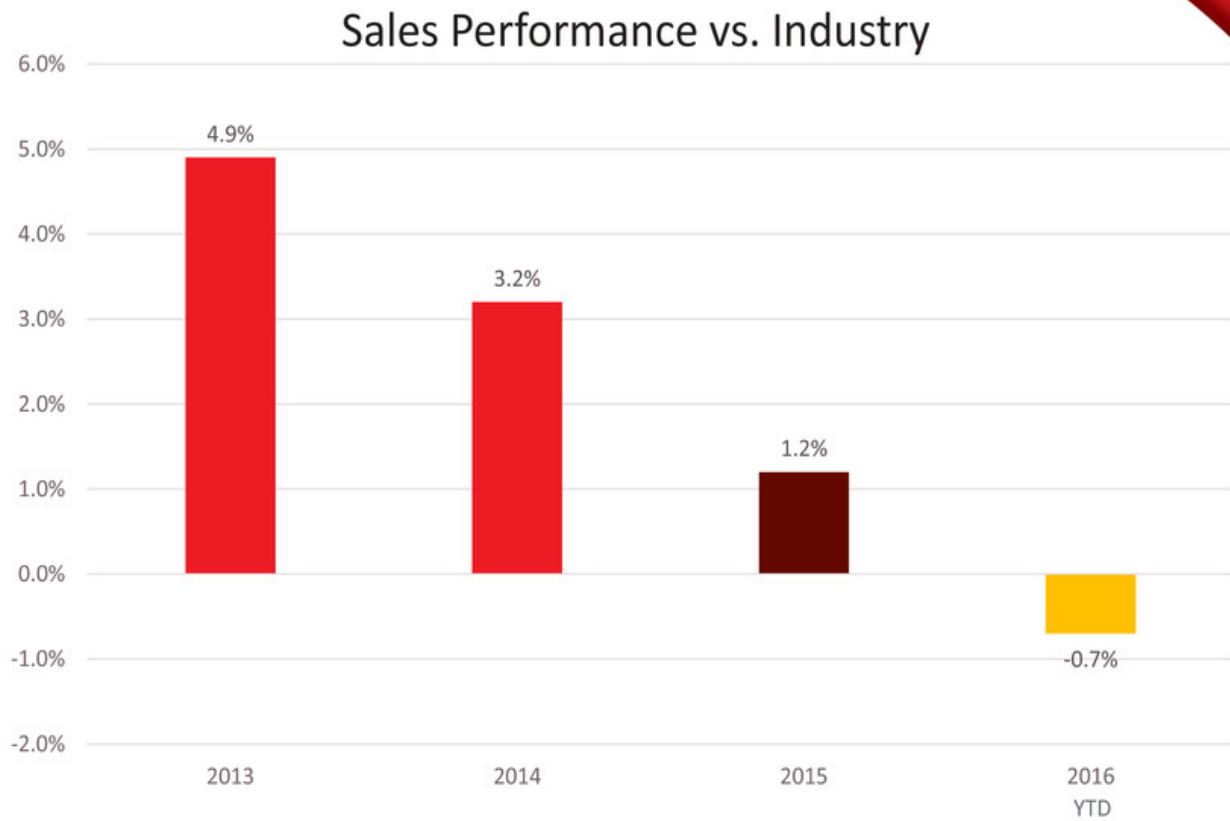
Market Share – Year Over Year

Traffic Performance vs. Industry



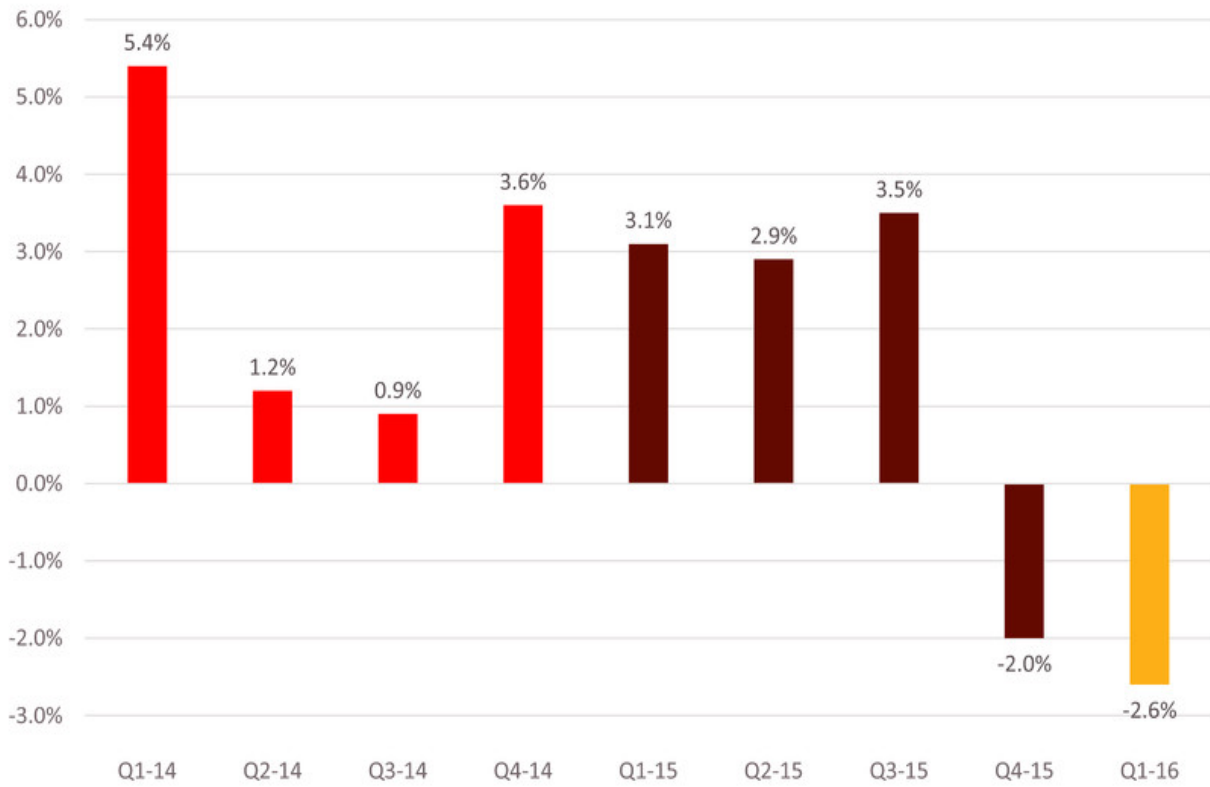
Source: Based on Black Box Intelligence Casual Dining (All Cuisine) peers as of April 17, 2016

Market Share – Year Over Year



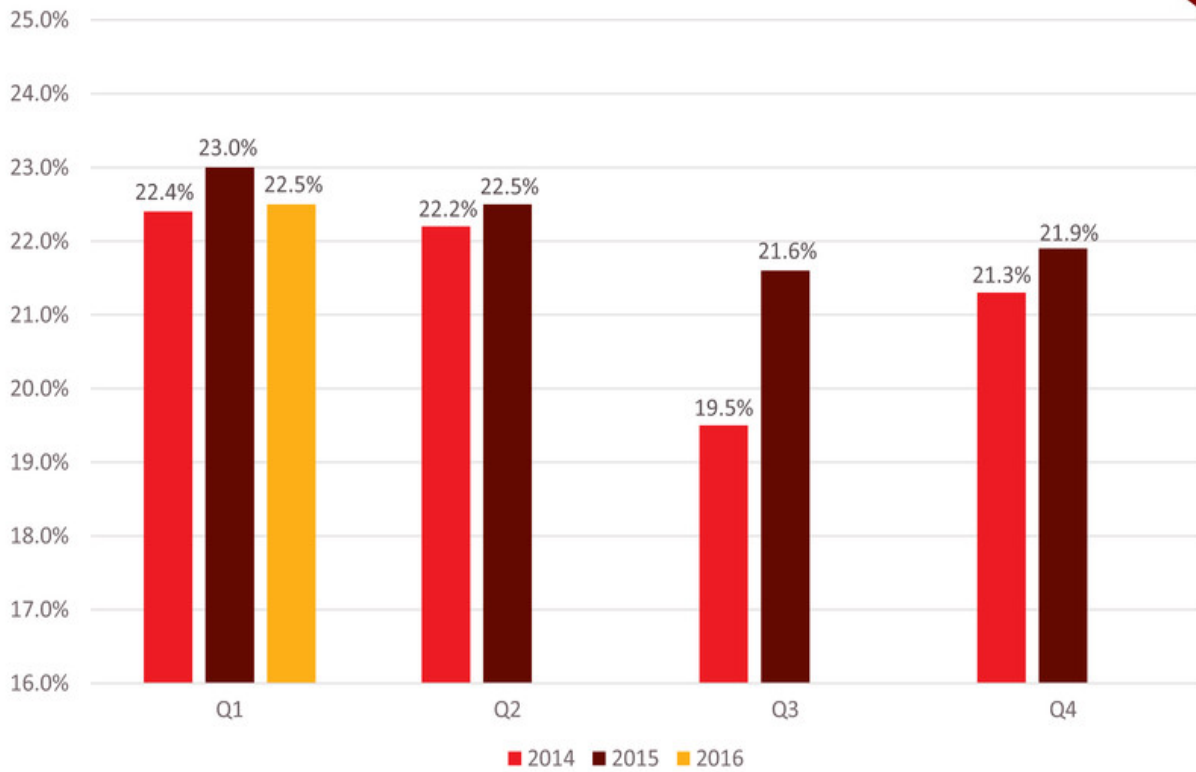
Source: Based on Black Box Intelligence Casual Dining (All Cuisine) peers as of April 17, 2016

Comparable Restaurant Revenue Trend⁽¹⁾



(1) Calculated at constant currency rates.

Restaurant Level Operating Profit ⁽¹⁾ Margins



(1) See reconciliation of non-GAAP restaurant-level operating profit to income from operations and net income on Schedule II of the Q1 press release posted on redrobin.com

2016 Outlook

- Total revenue growth around 8.0%
- Flat to slightly negative comparable restaurant revenue growth
- EBITDA is expected to range between \$150 and \$155 million
- Open approximately 25 new Red Robin restaurants, 3 Red Robin Burger Works, and complete around 70 remodels
- Depreciation and amortization projected to be between \$82 and \$84 million
- Interest expense expected to be approximately \$6 million and the income tax rate is expected to be approximately 23.0%
- Capital investments expected to be around \$190 million including 13 restaurants acquired in first quarter





In Closing



Thank you to all of our Team Members!





Appendix

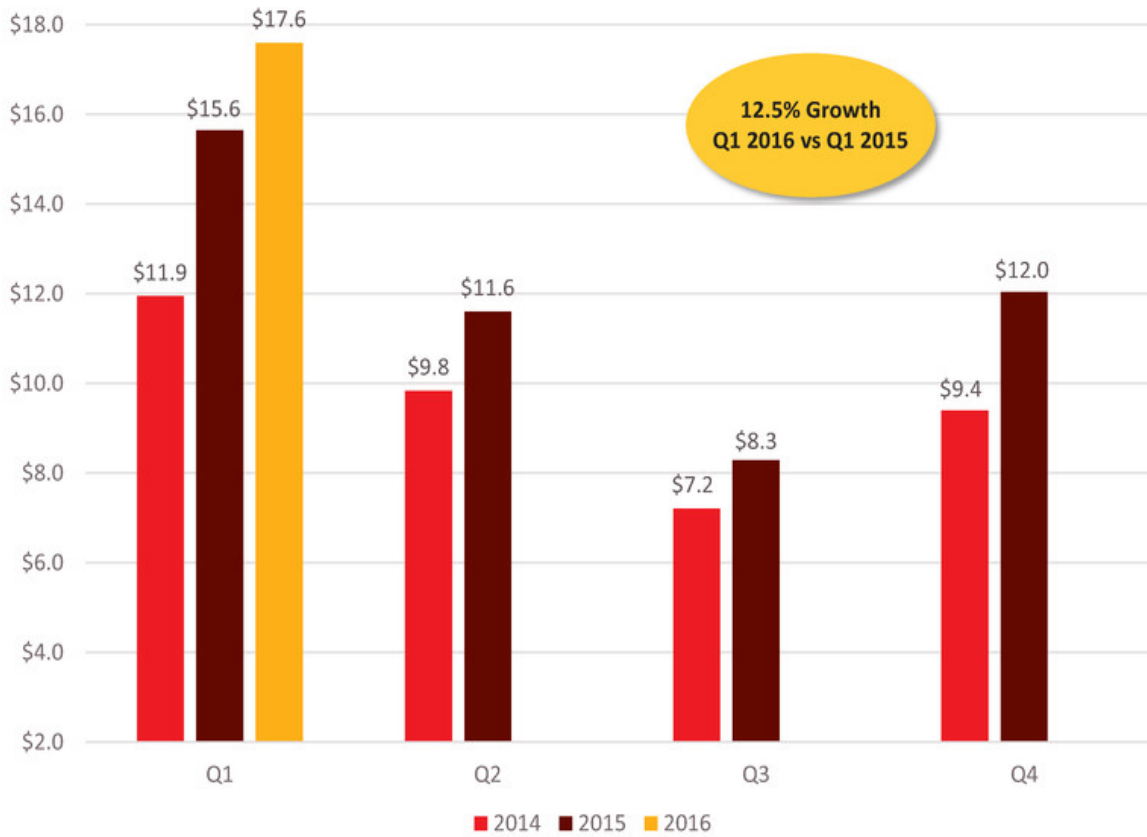


Q1-16 Restaurant Results

	% of Restaurant Revenue Q1-16	% of Restaurant Revenue Q1-15	Favorable (Unfavorable)
Cost of sales	23.3%	25.2%	190 bps
Labor	33.5%	32.0%	(150 bps)
Other operating	12.5%	12.0%	(50 bps)
Occupancy	8.2%	7.8%	(40 bps)
Restaurant Level Operating Profit (Non-GAAP)	22.5%	23.0%	(50 bps)

Adjusted Net Income

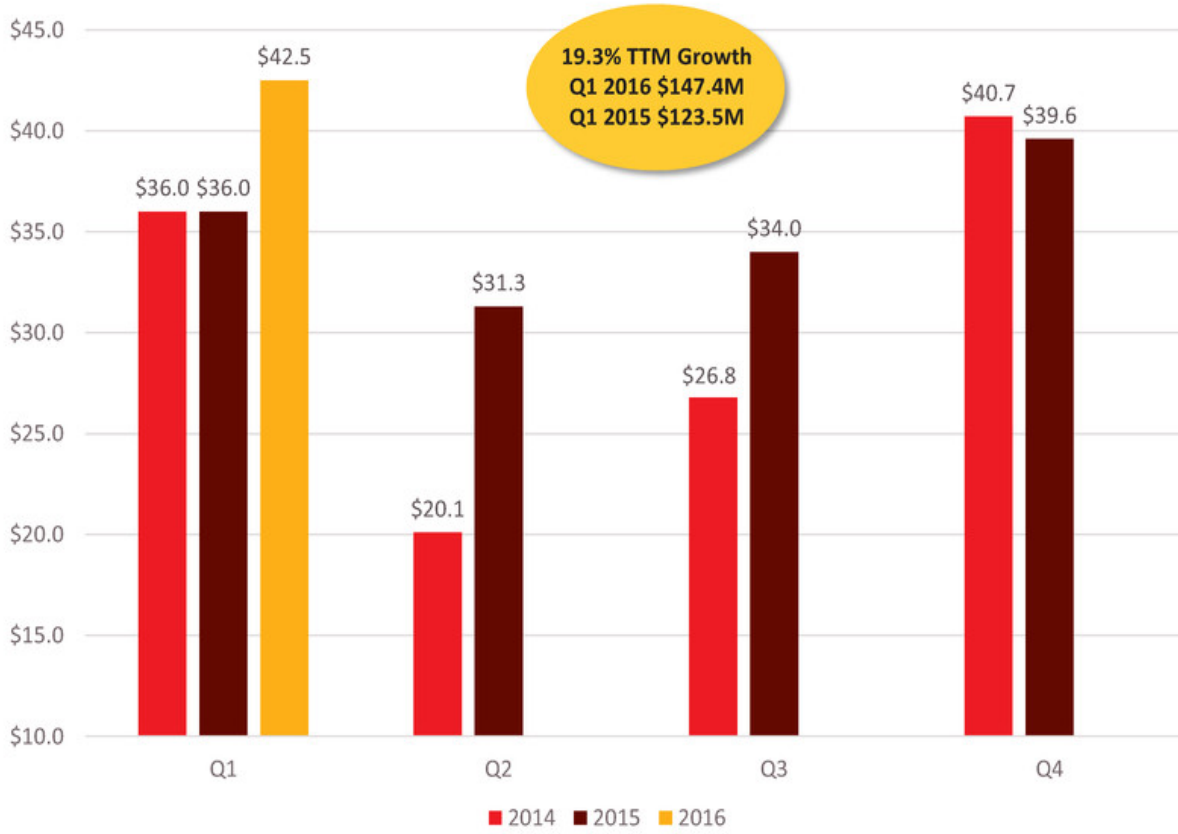
(\$ in millions)



See slide 30 for reconciliation of non-GAAP Adjusted Net Income to Net Income

Cash Flow from Operations

(\$ in millions)



Q1-16 Commodity Update

	% of Total COGS in Q1-16	Market vs. Contract
Ground beef	12.9%	Market
Steak fries	10.8%	Contract through 10/16
Poultry	10.8%	100% covered thru 12/16
Meat	7.1%	Bacon through 7/16; Prime rib through 12/16
Produce	7.5%	90% contracted through 10/16
Bread	6.3%	Contract through 12/16
Seafood	3.5%	Cod through 12/16; Shrimp through 12/16
Fry oil	1.7%	Contract through 12/16

EBITDA and Adjusted EBITDA Reconciliation to Net Income

(\$ in thousands)

	2014				2015				2016
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Net income as reported	\$11,944	\$9,470	\$ 7,208	\$3,939	\$16,565	\$11,166	\$8,282	\$11,691	\$14,225
Adjustments to net income:									
Income tax expense	4,424	3,521	1,032	321	6,220	4,410	2,325	2,577	4,312
Interest expense, net	689	619	927	720	1,088	805	777	959	1,655
Depreciation and amortization	18,886	14,120	15,209	16,364	23,003	17,260	18,618	18,493	23,951
Non-cash stock-based compensation	1,009	1,021	1,178	959	1,446	1,403	1,194	681	2,090
EBITDA	\$36,952	\$28,751	\$25,554	\$22,303	\$48,322	\$35,044	\$31,196	\$34,401	\$46,233
Litigation reserves	-	-	-	-	-	-	-	-	3,900
Impairment and closure charges	-	-	-	8,833	-	-	-	581	825
Change in estimate for gift card breakage	-	-	-	-	(1,369)	-	-	-	-
Executive transition costs	-	544	-	-	-	-	-	-	-
Adjusted EBITDA	\$36,952	\$29,295	\$25,554	\$31,136	\$46,953	\$35,044	\$31,196	\$34,982	\$50,958

Reconciliation of Adjusted Net Income to Net Income and Adjusted Earnings Per Diluted Share to Earnings Per Diluted Share

(\$ in thousands, except per share data)

	2014				2015				2016
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Net income as reported	\$11,944	\$ 9,470	\$ 7,208	\$ 3,939	\$ 16,565	\$ 11,166	\$ 8,282	\$ 11,691	\$14,225
Adjustments to net income:									
Litigation reserves	-	-	-	-	-	-	-	-	3,900
Impairment and closure charges	-	-	-	8,833	-	-	-	581	825
Change in estimate for gift card breakage	-	-	-	-	(1,369)	-	-	-	-
Executive transition & severance	-	544	-	-	-	-	-	-	-
Income tax expense of adjustments	-	(183)	-	(3,379)	439	-	-	(227)	(1,356)
Adjusted net income	\$ 11,944	\$ 9,831	\$ 7,208	\$ 9,393	\$ 15,635	\$ 11,166	\$ 8,282	\$ 12,045	\$ 17,594
Diluted net income per share:									
Net income as reported	\$ 0.82	\$ 0.65	\$ 0.50	\$ 0.28	\$ 1.16	\$ 0.78	\$ 0.58	\$ 0.84	\$ 1.03
Adjustments to net income:									
Litigation reserves	-	-	-	-	-	-	-	-	0.28
Impairment and closure charges	-	-	-	0.62	-	-	-	0.04	0.06
Change in estimate for gift card breakage	-	-	-	-	(0.09)	-	-	-	-
Executive transition & severance	-	0.04	-	-	-	-	-	-	-
Income tax expense of adjustments	-	(0.01)	-	(0.24)	0.03	-	-	(0.02)	(0.10)
Adjusted EPS – diluted	\$ 0.82	\$ 0.68	\$ 0.50	\$ 0.66	\$ 1.10	\$ 0.78	\$ 0.58	\$ 0.86	\$ 1.27

