

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): November 2, 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 November 2, 2016, Red Robin Gourmet Burgers, Inc. issued a press release describing selected financial results for the third fiscal quarter ended October 2, 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 third fiscal quarter ended October 2, 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 November 2, 2016.
99.2	Supplemental Financial Information dated November 2, 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: November 2, 2016

By: /s/ Terry D. Harryman
Name: Terry D. Harryman
Title: Chief Accounting Officer and Interim Chief Financial Officer

EXHIBIT INDEX

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Red Robin Gourmet Burgers Reports Final Results for the Fiscal Third Quarter Ended October 2, 2016

Greenwood Village, CO – November 2, 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 October 2, 2016.

Third Quarter 2016 Financial Highlights Compared to Third Quarter 2015

- Total revenues were \$297.3 million, an increase of 4.9%
- Comparable restaurant revenue decreased 3.6%
- Restaurant-level operating profit margin was 18.6% compared to 21.6% (see Schedule II)
- Adjusted EBITDA was \$27.3 million compared to \$31.2 million (see Schedule III)
- Net loss was \$1.3 million, or \$0.10 per diluted share, compared to net income of \$8.3 million, or \$0.58 per diluted share
- Adjusted net income was \$5.0 million, or \$0.38 per diluted share, excluding restaurant impairment and closure costs (see Schedule I)
- The Company repurchased \$11.5 million of its common stock

Net loss for the third quarter ended October 2, 2016 was \$1.3 million compared to net income of \$8.3 million for the same period a year ago. Diluted loss per share for the third quarter 2016 was \$0.10 compared to earnings per diluted share of \$0.58 in third quarter 2015. Year to date net income for the forty weeks ended October 2, 2016, was \$20.5 million compared to \$36.0 million for the same period a year ago. Year to date earnings per diluted share for the forty weeks ended October 2, 2016 were \$1.50 compared to \$2.52 a year ago.

Excluding the impacts of a charge of \$0.48 per diluted share for restaurant impairment and closure costs, adjusted earnings per diluted share for the third quarter ended October 2, 2016 were \$0.38 compared to \$0.58 for the same period a year ago. Year to date adjusted net income for the forty weeks ended October 2, 2016, was \$32.9 million, compared to \$35.1 million 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.

“The investments we are making in Everyday Value and improved service are already having a positive impact on our performance versus the competition,” said Denny Marie Post, Red Robin Gourmet Burgers, Inc. chief executive officer. “We have made significant gains in traffic and guest satisfaction. We look forward to sharing more about these outcomes, as well as our new direction on capital deployment, specifically a significant reduction in planned new unit development.”

Operating Results

Total Company revenues, which primarily include Company-owned restaurant revenue and franchise royalties, increased 4.9% to \$297.3 million in the third quarter of 2016 from \$283.4 million in the third quarter of 2015. Restaurant revenues increased \$25.2 million due to new restaurant openings and acquired restaurants, partially offset by a \$9.8 million, or 3.6%, decrease in comparable restaurant revenue and \$1.0 million from closed restaurants. Franchise and other revenue decreased \$0.5 million, primarily driven by a decrease in the number of franchisees from the same period a year ago.

System-wide restaurant revenue (including franchised units) for the third quarter of 2016 totaled \$355.5 million, compared to \$350.6 million for the third quarter in 2015.

Comparable restaurant revenue decreased 3.6% in the third quarter of 2016 compared to the same period a year ago, driven by a 2.4% decrease in guest counts and a 1.2% decrease 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 18.6% in the third quarter of 2016 compared to 21.6% in the same period a year ago. The 300 basis point margin decrease in the third quarter of 2016 resulted from a 180 basis point increase in labor costs, a 160 basis point increase in other restaurant operating expenses, and a 40 basis point increase in occupancy costs, partially offset by a 80 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⁾

	Q3 2016	Q3 2015
Average weekly sales per unit:		
Company-owned – Total ⁽²⁾	\$ 53,387	\$ 55,780
Company-owned – Comparable ⁽²⁾	\$ 53,667	\$ 55,694
Franchised units – Comparable	\$ 59,751	\$ 60,701
Total operating weeks:		
Company-owned units	5,470	4,978
Franchised units	1,032	1,195

(1) Excludes Red Robin Burger Works[®] fast casual restaurants, which had 143 and 120 total operating weeks in the third quarter of 2016 and 2015.

(2) Calculated using historical currency rates. Using constant currency rates, the average weekly sales per unit in the third quarter of 2015 for Company-owned – Total and Company-owned – Comparable was \$55,804 and \$55,711. The Company calculates non-GAAP constant currency average weekly sales per unit by translating prior year local currency average weekly sales per unit to U.S. dollars based on current quarter average exchange rates. The Company considers non-GAAP constant currency average weekly sales per unit to be a useful metric to investors and management as they facilitate a more useful comparison of current performance to historical performance.

Other Results

Depreciation and amortization costs increased to \$21.5 million in the third quarter of 2016 from \$18.6 million in the third quarter of 2015. The increased depreciation was primarily related to new restaurants opened and acquired since the third quarter 2015 and restaurants remodeled under the Brand Transformation Initiative.

General and administrative costs were \$20.3 million, or 6.8% of total revenues, in the third quarter of 2016, compared to \$23.7 million, or 8.4% of total revenues in the same period a year ago. The decrease of \$3.4 million resulted primarily from decreased incentive compensation and travel and entertainment.

Selling expenses were \$8.7 million, or 2.9% of total revenues, in the third quarter of 2016, compared to \$7.9 million, or 2.8%, of total revenues during the same period in the prior year.

Pre-opening costs were \$2.4 million in the third quarter of 2016, compared to \$2.2 million in the same period a year ago. The increase was primarily due to timing of restaurant openings.

The Company had an effective tax rate benefit of 77.8% in the third quarter of fiscal year 2016, compared to an effective tax rate expense of 21.9% in the same period a year ago. The change in the quarterly effective tax rate is primarily due to a decrease in income resulting in the recognition of a quarterly tax benefit.

Restaurant Development and Acquisitions

As of the end of the third quarter of 2016, there were 459 Company-owned Red Robin[®] restaurants, three Red Robin Burger Works[®] fast casual restaurants, and 86 franchised Red Robin restaurants, for a total of 548 restaurants. During the third quarter, the Company opened ten Red Robin restaurants and opened one Red Robin Burger Works restaurant. The Company previously announced the closing of nine existing Red Robin Burger Works locations during the third quarter and plans to rebrand its fast casual platform to Red Robin Express.

Under the Brand Transformation Initiative, the Company completed seven restaurant remodels during the third quarter 2016. The Company has over 400 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.

The Company plans to reduce new restaurant development to no more than 16 units in 2017 and the same number of units or less in 2018.

Balance Sheet and Liquidity

During the third quarter of 2016, the Company purchased 235,045 shares of its common stock for \$11.5 million. Year to date the Company purchased 623,958 shares of its common stock for \$31.5 million. As of October 2, 2016, there was approximately \$68.5 million remaining under the current board authorization for stock repurchases.

As of October 2, 2016, the Company had cash and cash equivalents of \$15.5 million and total debt of \$316.5 million, including \$11.6 million of capital lease liabilities. The Company funded the share repurchases, restaurant remodels, construction of new restaurants, and other capital expenditures with cash flow from operations and incremental borrowings of \$11.5 million on its credit facility during the third quarter 2016. As of October 2, 2016, the Company had outstanding borrowings under its credit facility of \$304.0 million, in addition to amounts issued under letters of credit of \$8.8 million, which reduce the amount available under its credit facility but were not recorded as debt.

Outlook for Fourth Quarter 2016

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

For the fourth quarter, the Company expects total revenues to grow between 4.0% and 6.0%, driven by increased operating weeks associated with locations opened and acquired in 2015 and 2016, partially offset by lower comparable restaurant revenue between 1.5% and 3.5%. The Company plans to open five new Red Robin restaurants in the fourth quarter.

General and administrative costs are expected to be up to \$22.0 million, while selling expenses are expected to be approximately 3.5% of total revenues.

Depreciation and amortization is projected to be approximately \$21.5 million.

The Company's income tax rate is expected to be in the range of 2% to 6% for the year.

Adjusted earnings before interest, taxes and depreciation (EBITDA) is expected to range between \$28 million and \$32 million in the fourth quarter, which would bring 2016 adjusted EBITDA to a range of \$141 million to \$145 million. EBITDA is a non-GAAP number and defined in Schedule III.

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 \$0.40 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 \$0.10, and a change of approximately \$135,000 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 third quarter 2016 results on November 2, 2016 at 5:00 p.m. ET. The conference call number is (888) 211-0226, or for international callers (913) 312-0944. 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 "Investor Relations" link, then 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 "Company" section, then the "Investor Relations" link, then the "Presentations" link. A replay of the live conference call will be available from two hours after the call until midnight on Wednesday, November 9, 2016. The replay can be accessed by dialing (877) 870-5176, or (858) 384-5517 for international callers. The conference ID is 7982911.

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

548 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 the Company's strategic initiatives, future performance, revenues, EBITDA, capital investments, anticipated number and timing of new restaurant openings and operating weeks, the anticipated number and timing of restaurant remodels under the Brand Transformation Initiative, anticipated costs, expenses including depreciation and amortization, tax rate, sensitivity of earnings per share and other projected financial measures, statements under the heading "Outlook for Fourth Quarter 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. The Company undertakes no obligation to update such statements to reflect events or circumstances arising after such date, and cautions investors not to place undue reliance on any such forward-looking statements. Forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those described in the statements based on a number of factors, including but not limited to the following: the effectiveness of the Company's business improvement initiatives; the 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; the ability to achieve anticipated revenue and cost savings from anticipated new technology systems and tools in the restaurants and other initiatives; the ability to increase to-go and other off-premise 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 the Company's business; and other risk factors described from time to time in the Company's Form 10-K, Form 10-Q, and Form 8-K reports (including all amendments to those reports) filed with the U.S. Securities and Exchange Commission.

For media relations questions contact:

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(203) 682-8200

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

	Twelve Weeks Ended		Forty Weeks Ended	
	October 2, 2016	October 4, 2015	October 2, 2016	October 4, 2015
Revenues:				
Restaurant revenue	\$ 293,858	\$ 279,496	\$ 992,745	\$ 956,709
Franchise royalties, fees and other revenue	3,449	3,916	12,237	14,583
Total revenues	<u>297,307</u>	<u>283,412</u>	<u>1,004,982</u>	<u>971,292</u>
Costs and expenses:				
Restaurant operating costs (exclusive of depreciation and amortization shown separately below):				
Cost of sales	69,447	68,197	232,603	237,812
Labor	102,294	92,097	338,125	309,966
Other operating	42,463	36,144	132,446	118,084
Occupancy	25,121	22,804	82,524	76,161
Depreciation and amortization	21,468	18,618	64,578	58,881
General and administrative	20,328	23,709	76,180	81,748
Selling	8,718	7,899	31,173	32,047
Pre-opening costs and acquisition costs	2,382	2,239	6,992	4,563
Restaurant impairment and closure	9,321	—	14,006	—
Total costs and expenses	<u>301,542</u>	<u>271,707</u>	<u>978,627</u>	<u>919,262</u>
Income (loss) from operations	(4,235)	11,705	26,355	52,030
Other expense:				
Interest expense, net and other	1,612	1,098	4,736	3,062
Income (loss) before income taxes	(5,847)	10,607	21,619	48,968
Provision (benefit) for income taxes	(4,547)	2,325	1,142	12,955
Net income (loss)	<u>\$ (1,300)</u>	<u>\$ 8,282</u>	<u>\$ 20,477</u>	<u>\$ 36,013</u>
Earnings (loss) per share:				
Basic	<u>\$ (0.10)</u>	<u>\$ 0.59</u>	<u>\$ 1.52</u>	<u>\$ 2.55</u>
Diluted	<u>\$ (0.10)</u>	<u>\$ 0.58</u>	<u>\$ 1.50</u>	<u>\$ 2.52</u>
Weighted average shares outstanding:				
Basic	<u>13,214</u>	<u>14,138</u>	<u>13,471</u>	<u>14,115</u>
Diluted	<u>13,214</u>	<u>14,308</u>	<u>13,606</u>	<u>14,297</u>

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

	(Unaudited) October 2, 2016	December 27, 2015
Assets:		
Current Assets:		
Cash and cash equivalents	\$ 15,531	\$ 22,705
Accounts receivable, net	14,160	27,760
Inventories	28,130	28,223
Prepaid expenses and other current assets	25,654	18,052
Total current assets	83,475	96,740
Property and equipment, net	676,978	603,686
Goodwill	96,301	81,957
Intangible assets, net	43,462	39,573
Other assets, net	22,042	18,023
Total assets	\$ 922,258	\$ 839,979
Liabilities and Stockholders' Equity:		
Current Liabilities:		
Trade accounts payable	\$ 20,898	\$ 23,392
Construction related payables	19,979	28,692
Accrued payroll and payroll related liabilities	35,308	47,587
Unearned revenue	32,077	48,392
Accrued liabilities and other	45,283	29,610
Total current liabilities	153,545	177,673
Deferred rent	72,705	66,470
Long-term debt	304,875	202,875
Long-term portion of capital lease obligations	10,973	7,441
Other non-current liabilities	11,325	11,209
Total liabilities	553,423	465,668
Stockholders' Equity:		
Common stock; \$0.001 par value: 45,000 shares authorized; 17,851 and 17,851 shares issued; 13,069 and 13,628 shares outstanding	18	18
Preferred stock, \$0.001 par value: 3,000 shares authorized; no shares issued and outstanding	—	—
Treasury stock 4,782 and 4,223 shares, at cost	(196,274)	(167,339)
Paid-in capital	207,980	205,995
Accumulated other loss, net of tax	(4,382)	(5,379)
Retained earnings	361,493	341,016
Total stockholders' equity	368,835	374,311
Total liabilities and stockholders' equity	\$ 922,258	\$ 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 12 and 40 weeks ended October 2, 2016 and October 4, 2015, net income and basic and diluted earnings per share, excluding the effects of litigation contingencies, asset impairment and restaurant closure charges, 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.

	Twelve Weeks Ended		Forty Weeks Ended	
	October 2, 2016	October 4, 2015	October 2, 2016	October 4, 2015
Net income (loss) as reported	\$ (1,300)	\$ 8,282	\$ 20,477	\$ 36,013
Restaurant impairment and closure	9,321	—	14,006	—
Litigation contingencies	—	—	3,900	—
Change in estimate for gift card breakage	—	—	—	(1,369)
Income tax benefit (expense)	(2,993)	—	(5,502)	439
Adjusted net income	<u>\$ 5,028</u>	<u>\$ 8,282</u>	<u>\$ 32,881</u>	<u>\$ 35,083</u>
Basic net income (loss) per share:				
Net income (loss) as reported	\$ (0.10)	\$ 0.59	\$ 1.52	\$ 2.55
Restaurant impairment and closure	0.70	—	1.04	—
Litigation contingencies	—	—	0.29	—
Change in estimate for gift card breakage	—	—	—	(0.10)
Income tax benefit (expense)	(0.22)	—	(0.41)	0.03
Adjusted earnings per share - basic	<u>\$ 0.38</u>	<u>\$ 0.59</u>	<u>\$ 2.44</u>	<u>\$ 2.48</u>
Diluted net income per share:				
Net income (loss) as reported	\$ (0.10)	\$ 0.58	\$ 1.50	\$ 2.52
Restaurant impairment and closure	0.70	—	1.03	—
Litigation contingencies	—	—	0.29	—
Change in estimate for gift card breakage	—	—	—	(0.09)
Income tax benefit (expense)	(0.22)	—	(0.40)	0.03
Adjusted earnings per share - diluted	<u>\$ 0.38</u>	<u>\$ 0.58</u>	<u>\$ 2.42</u>	<u>\$ 2.46</u>
Weighted average shares outstanding				
Basic	13,214	14,138	13,471	14,115
Diluted	13,214	14,308	13,606	14,297

**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 12 and 40 weeks ended October 2, 2016 and October 4, 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.

	Twelve Weeks Ended				Forty Weeks Ended			
	October 2, 2016		October 4, 2015		October 2, 2016		October 4, 2015	
Restaurant revenue	\$ 293,858	98.8 %	\$ 279,496	98.6%	\$ 992,745	98.8%	\$ 956,709	98.5%
Restaurant operating costs ⁽¹⁾ :								
Cost of sales	69,447	23.6 %	68,197	24.4%	232,603	23.4%	237,812	24.9%
Labor	102,294	34.8 %	92,097	33.0%	338,125	34.1%	309,966	32.4%
Other operating	42,463	14.5 %	36,144	12.9%	132,446	13.3%	118,084	12.3%
Occupancy	25,121	8.5 %	22,804	8.1%	82,524	8.3%	76,161	8.0%
Restaurant-level operating profit	54,533	18.6 %	60,254	21.6%	207,047	20.9%	214,686	22.4%
Add – Franchise royalties, fees and other revenue	3,449	1.2 %	3,916	1.4%	12,237	1.2%	14,583	1.5%
Deduct – other operating:								
Depreciation and amortization	21,468	7.2 %	18,618	6.6%	64,578	6.4%	58,881	6.1%
General and administrative expenses	20,328	6.8 %	23,709	8.4%	76,180	7.6%	81,748	8.4%
Selling	8,718	2.9 %	7,899	2.8%	31,173	3.1%	32,047	3.3%
Pre-opening & acquisition costs	2,382	0.8 %	2,239	0.8%	6,992	0.7%	4,563	0.5%
Restaurant impairment and closure	9,321	3.1 %	—	0.0%	14,006	1.4%	—	0.0%
Total other operating	62,217	20.8 %	52,465	18.6%	192,929	19.2%	177,239	18.3%
Income (loss) from operations	(4,235)	(1.4)%	11,705	4.1%	26,355	2.6%	52,030	5.4%
Interest expense, net and other	1,612	0.6 %	1,098	0.4%	4,736	0.4%	3,062	0.4%
Income tax (benefit) expense	(4,547)	(1.6)%	2,325	0.8%	1,142	0.2%	12,955	1.3%
Total other	(2,935)	(1.0)%	3,423	1.2%	5,878	0.6%	16,017	1.7%
Net income (loss)	\$ (1,300)	(0.4)%	\$ 8,282	2.9%	20,477	2.0%	36,013	3.7%

(1) Excluding depreciation and amortization which is shown separately

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.

The Company has not provided a reconciliation of our restaurant-level operating profit outlook to the most comparable GAAP measure of net income. Providing net income guidance is potentially misleading and not practical given the difficulty of projecting event driven transactional and other non-core operating items that are included in net income, including asset impairments and income tax valuation adjustments. The reconciliation restaurant-level operating profit to income from operations and net income for the historical periods presented above are indicative of the reconciliations that will be prepared upon completion of the periods covered by the non-GAAP guidance.

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, and asset impairment and restaurant closure 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. We have not provided a reconciliation of our adjusted EBITDA outlook to the most comparable GAAP measure of net income. Providing net income guidance is potentially misleading and not practical given the difficulty of projecting event driven transactional and other non-core operating items that are included in net income, including asset impairments and income tax valuation adjustments. The reconciliations of adjusted EBITDA to net income for the historical periods presented below are indicative of the reconciliations that will be prepared upon completion of the periods covered by the non-GAAP guidance.

	Twelve Weeks Ended		Forty Weeks Ended	
	October 2, 2016	October 4, 2015	October 2, 2016	October 4, 2015
Net income (loss) as reported	\$ (1,300)	\$ 8,282	\$ 20,477	\$ 36,013
Interest expense, net	1,822	777	5,032	2,670
Provision (benefit) for income taxes	(4,547)	2,325	1,142	12,955
Depreciation and amortization	21,468	18,618	64,578	58,881
Non-cash stock based compensation	505	1,194	3,584	4,043
EBITDA	17,948	31,196	94,813	114,562
Restaurant impairment and closure	9,321	—	14,006	—
Litigation contingencies	—	—	3,900	—
Change in estimate for gift card breakage	—	—	—	(1,369)
Adjusted EBITDA	\$ 27,269	\$ 31,196	\$ 112,719	\$ 113,193



November 2, 2016

Third Quarter 2016 Results



Forward-Looking Statements

Forward-looking statements in this presentation regarding the Company's strategic initiatives, future performance, revenues, EBITDA, capital investments, anticipated number and timing of new restaurant openings, anticipated costs, expenses including depreciation and amortization, tax rate, statements under the heading "2016 Outlook" 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. The Company undertakes no obligation to update such statements to reflect events or circumstances arising after such date, and cautions investors not to place undue reliance on any such forward-looking statements. Forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those described in the statements based on a number of factors, including but not limited to the following: the effectiveness of the Company's business improvement initiatives; the ability to fulfill planned expansion and restaurant remodeling; the effectiveness of marketing strategies and initiatives to achieve restaurant sales growth; the cost and availability of key food products, labor, and energy; the ability to achieve anticipated revenue and cost savings from new technology systems and tools in the restaurants and other initiatives; the ability to increase to-go and other off-premise 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 the Company's business; and other risk factors described from time to time in the Company's Form 10-K, Form 10-Q, and Form 8-K reports (including all amendments to those reports) filed with the U.S. Securities and Exchange Commission.

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 the Company's financial performance, identifying trends in 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 Q3 press release posted on redrobin.com.

Red Robin Q3-2016 Results

- Total revenues increased 4.9%
- Comparable restaurant revenue down 3.6%
- Restaurant-level operating profit⁽¹⁾ was 18.6% compared to 21.6% in prior year
- Adjusted EBITDA⁽¹⁾ was \$27.3 million
- Diluted loss per share was \$0.10 compared to diluted earnings per share of \$0.58 in Q3 2015. Adjusted diluted EPS⁽¹⁾ was \$0.38
- Opened 10 new Red Robin® restaurants and 1 Red Robin Burger Works restaurant
- Closed 9 Red Robin Burger Works restaurants



(1) See reconciliations of non-GAAP financial measures to the most comparable GAAP financial measures in Appendix.

Resetting Priorities and Plans for Growth

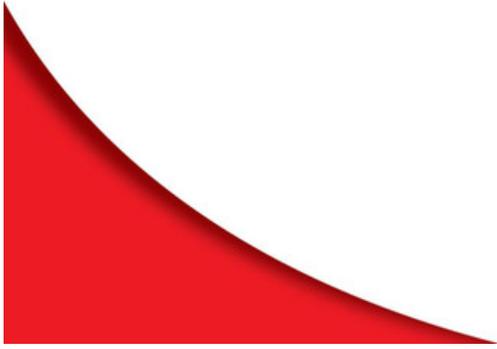
- Reasserting Everyday Value
- New “Let’s Burger” advertising campaign
- Improving speed of service and guest satisfaction
- Piloting off-premise – carry out, delivery, catering
- Streamlining leadership, reducing overhead and pace of new unit development

Focusing on fewer, bigger opportunities to fuel more profitable growth

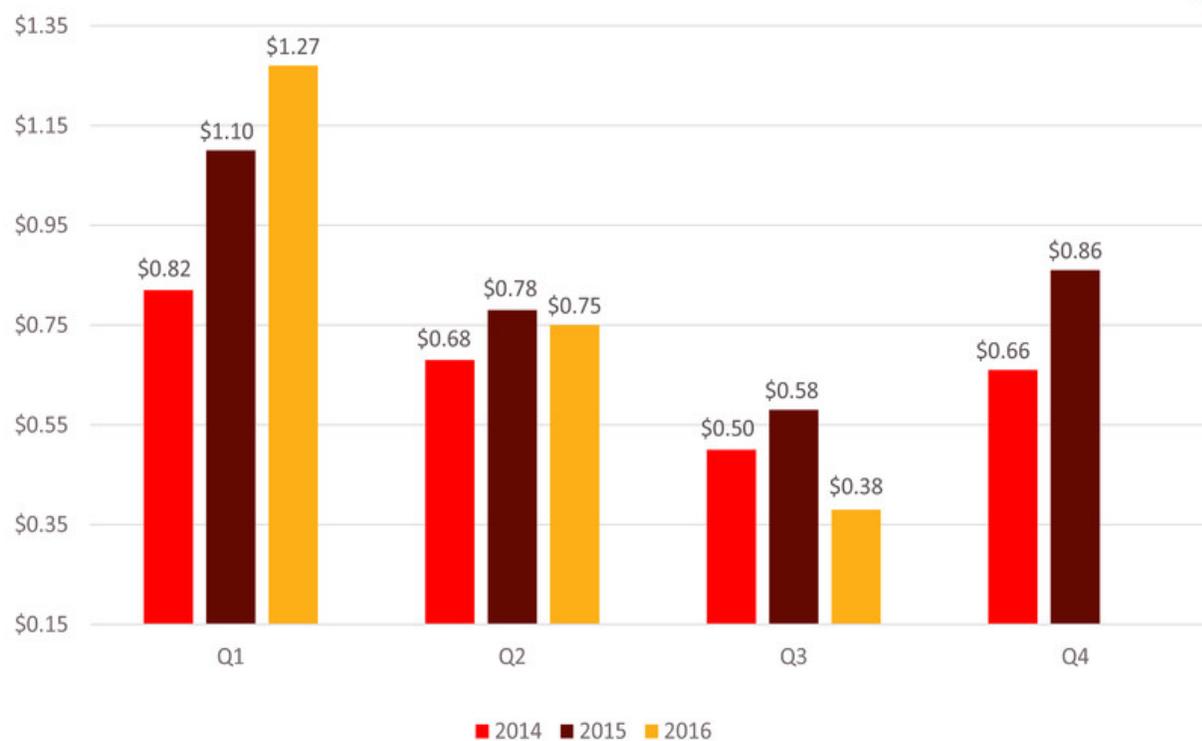




Financial Update



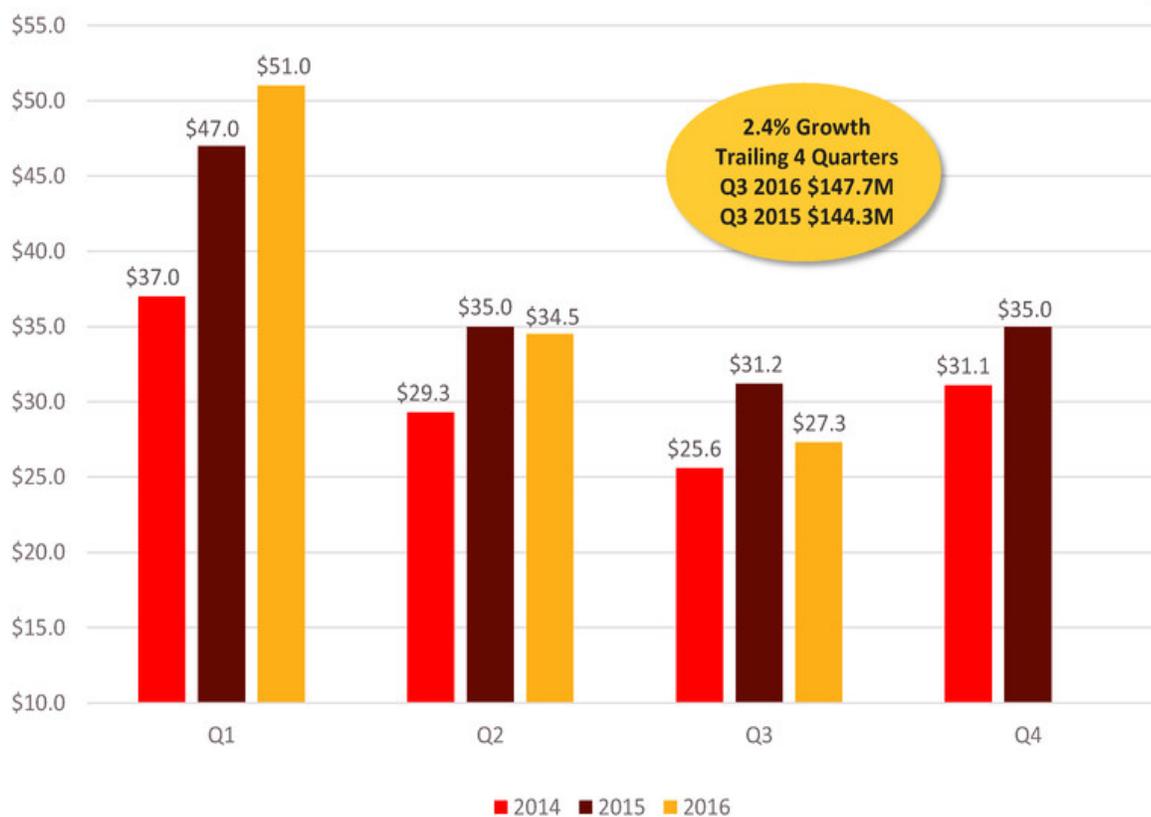
Adjusted Earnings Per Diluted Share



See Appendix for reconciliation of non-GAAP Adjusted Earnings Per Diluted Share to Earnings (Loss) Per Diluted Share

Adjusted EBITDA

(\$ in millions)



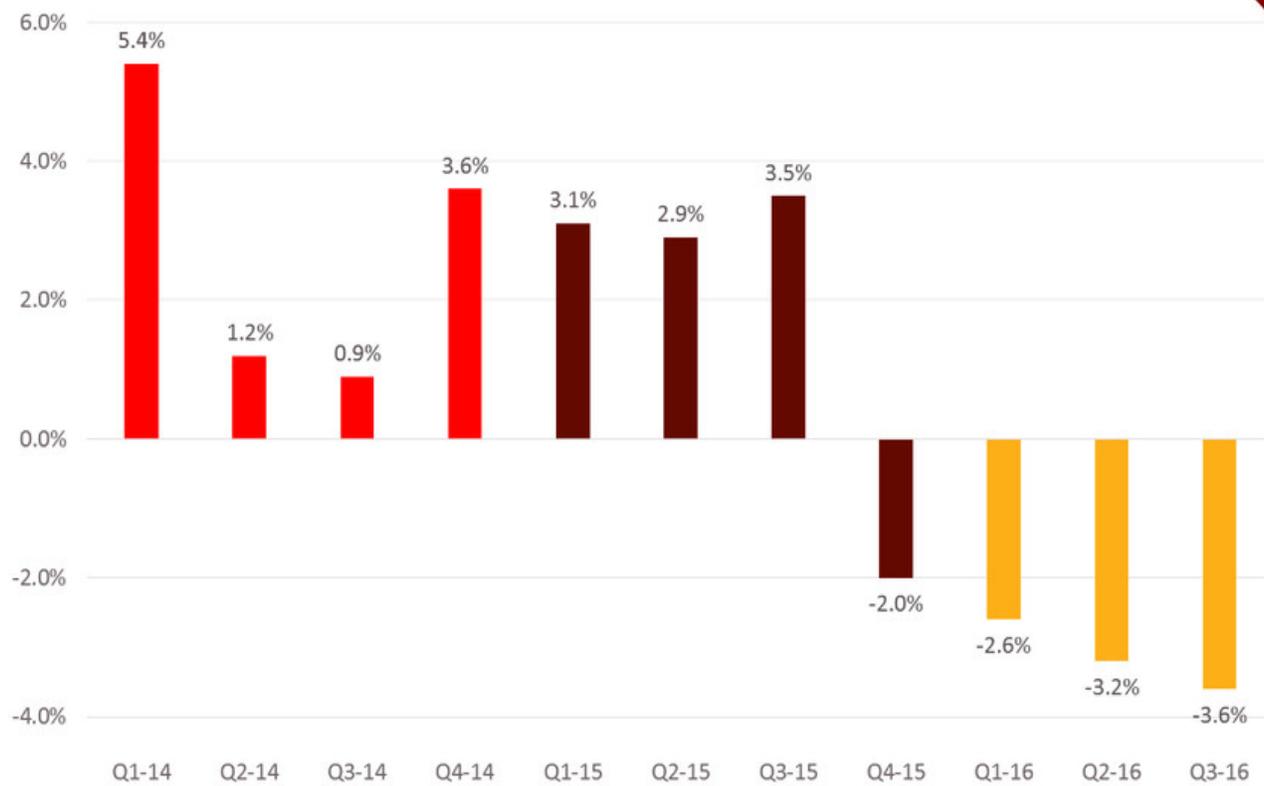
See Appendix for reconciliation of non-GAAP Adjusted EBITDA to Net Income (Loss)

Q3-16 Sales Highlights

	Q3-16 (12 Weeks)	Q3-15 (12 Weeks)	Change	Q3-16 YTD (40 Weeks)	Q3-15 YTD (40 Weeks)	Change
Restaurant revenue	\$293.9 million	\$279.5 million	5.1%	\$992.7 million	\$956.7 million	3.8%
Total company revenues	\$297.3 million	\$283.4 million	4.9%	\$1.00 billion	\$971.3 million	3.5%
Company-owned comp revenue	-3.6%	3.5%		-2.9%	3.2%	
Price/Mix	-1.2%	3.6%		0.6%	2.5%	
Guest counts	-2.4%	-0.1%		-3.5%	0.7%	
Franchised comp revenue	-1.4%	4.3%		-1.2%	6.3%	
Company avg. weekly revenue/unit ⁽¹⁾ – total	\$53,387	\$55,787	-4.3%	\$55,539	\$57,904	-4.1%
Company avg. weekly revenue/unit ⁽¹⁾ – comp	\$53,667	\$55,694	-3.6%	\$56,150	\$57,941	-3.1%
Avg. weekly restaurant level operating profit/unit ⁽¹⁾ - comp	\$10,236	\$12,252	-16.5%	\$12,094	\$13,248	-8.7%
Red Robin operating weeks ⁽¹⁾	5,470	4,977	9.9%	17,773	16,420	8.2%
Burger Works operating weeks	143	120	19.2%	432	374	15.5%
Net Sales/ sq. ft. (TTM)	\$455	\$469	-3.0%			

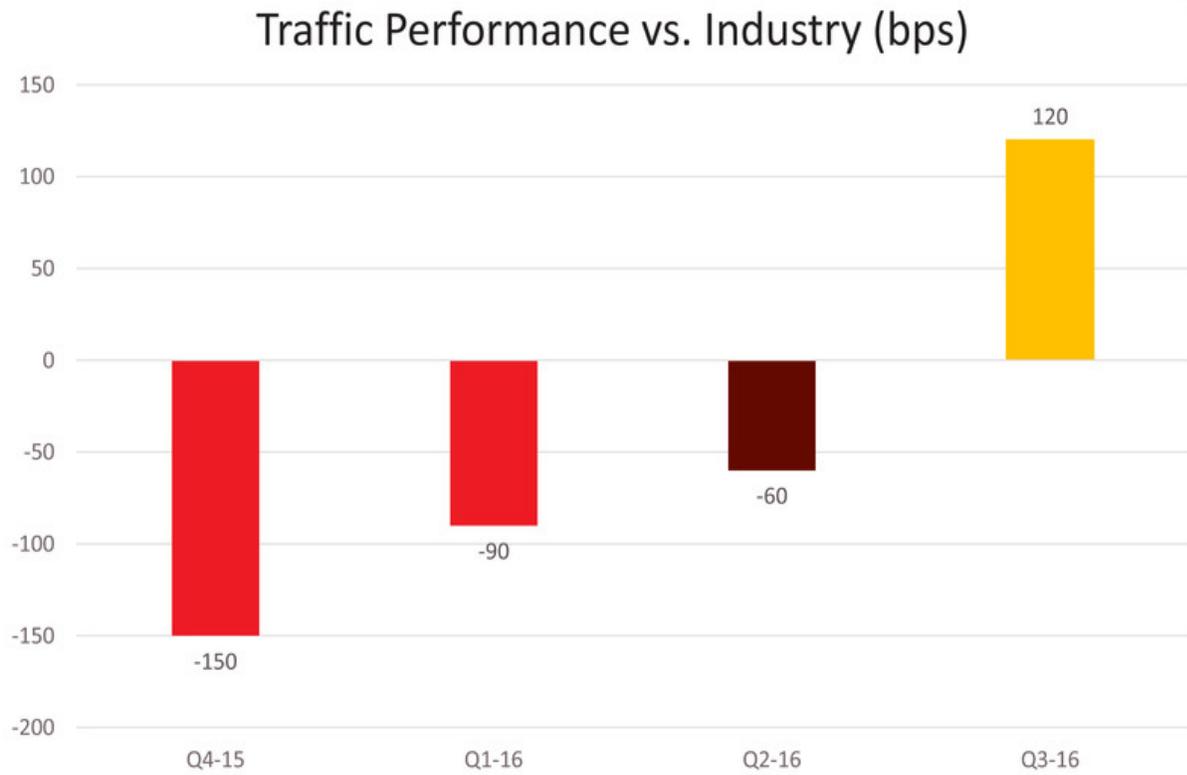
(1) Excludes Red Robin Burger Works® fast casual restaurants

Comparable Restaurant Revenue Trend⁽¹⁾



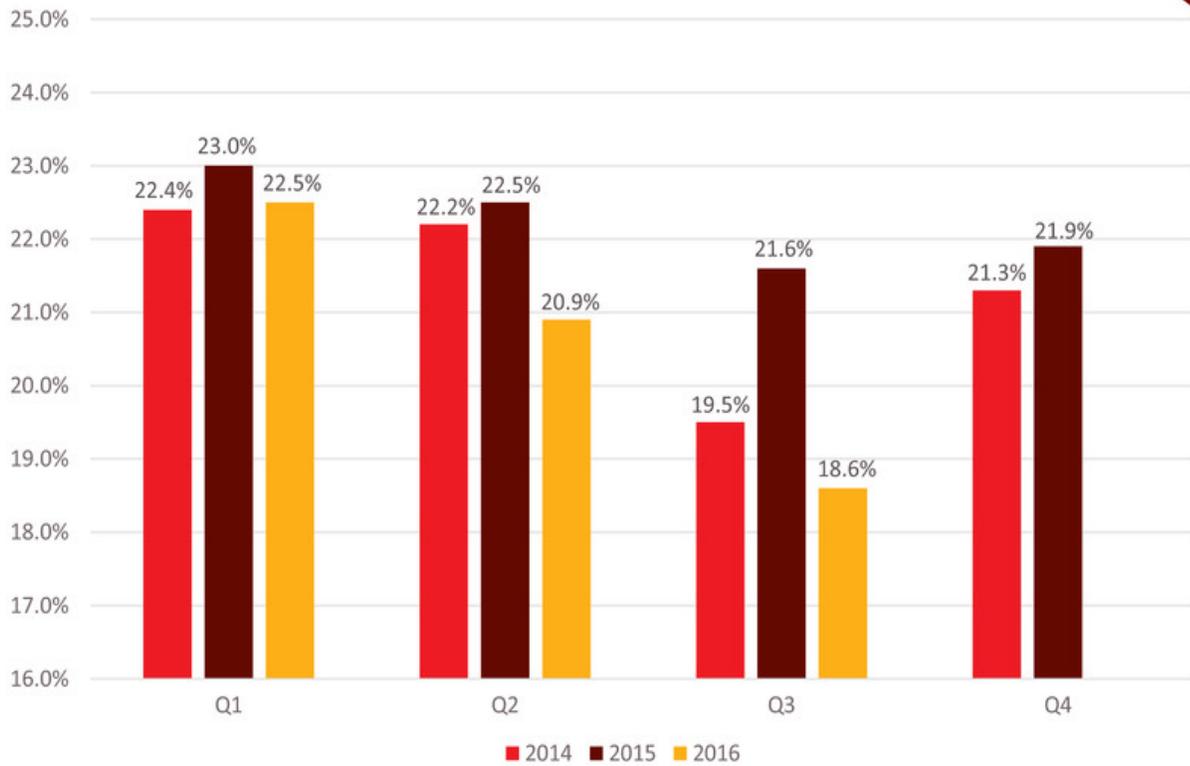
(1) Calculated at constant currency rates

BlackBox Traffic Gap



Source: Based on Black Box Intelligence Casual Dining (All Cuisine) peers as of October 2, 2016

Restaurant Level Operating Profit⁽¹⁾ Margins



(1) See Appendix for reconciliation of non-GAAP restaurant-level operating profit to net income (loss)

2016 Outlook

- For fourth fiscal quarter:
 - Revenue growth between 4.0% and 6.0%, lower comparable restaurant revenue between 1.5% and 3.5%
 - Open five new Red Robin restaurants
 - G&A costs up to \$22 million
 - Depreciation and amortization approximately \$21.5 million
 - Adjusted EBITDA between \$28 and \$32 million
- Tax rate between 2% and 6% for fiscal year 2016
- 2016 fiscal year adjusted EBITDA between \$141 million and \$145 million

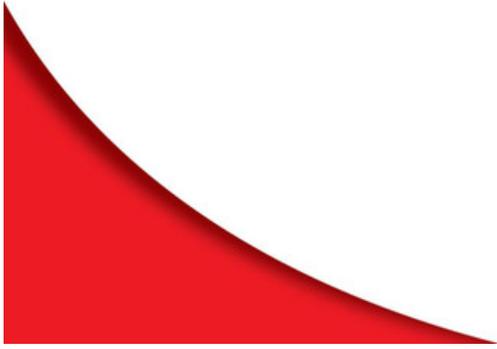


Thank you to all of our Team Members!





Appendix



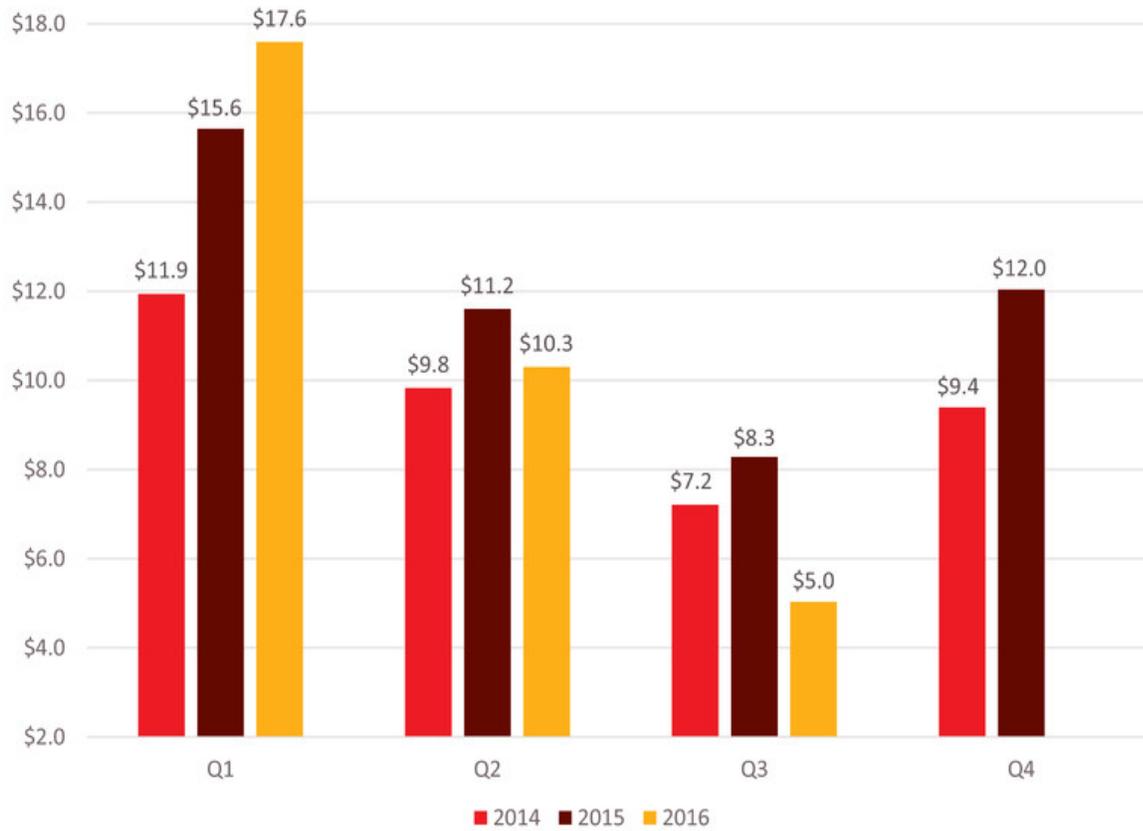
Q3-16 Restaurant Results

	% of Restaurant Revenue Q3-16	% of Restaurant Revenue Q3-15	Favorable (Unfavorable)
Cost of sales	23.6%	24.4%	80 bps
Labor	34.8%	33.0%	(180 bps)
Other operating	14.5%	12.9%	(160 bps)
Occupancy	8.5%	8.1%	(40 bps)
Restaurant Level Operating Profit ⁽¹⁾	18.6%	21.6%	(300 bps)

(1) See Appendix for reconciliation of non-GAAP restaurant-level operating profit to net income (loss)

Adjusted Net Income⁽¹⁾

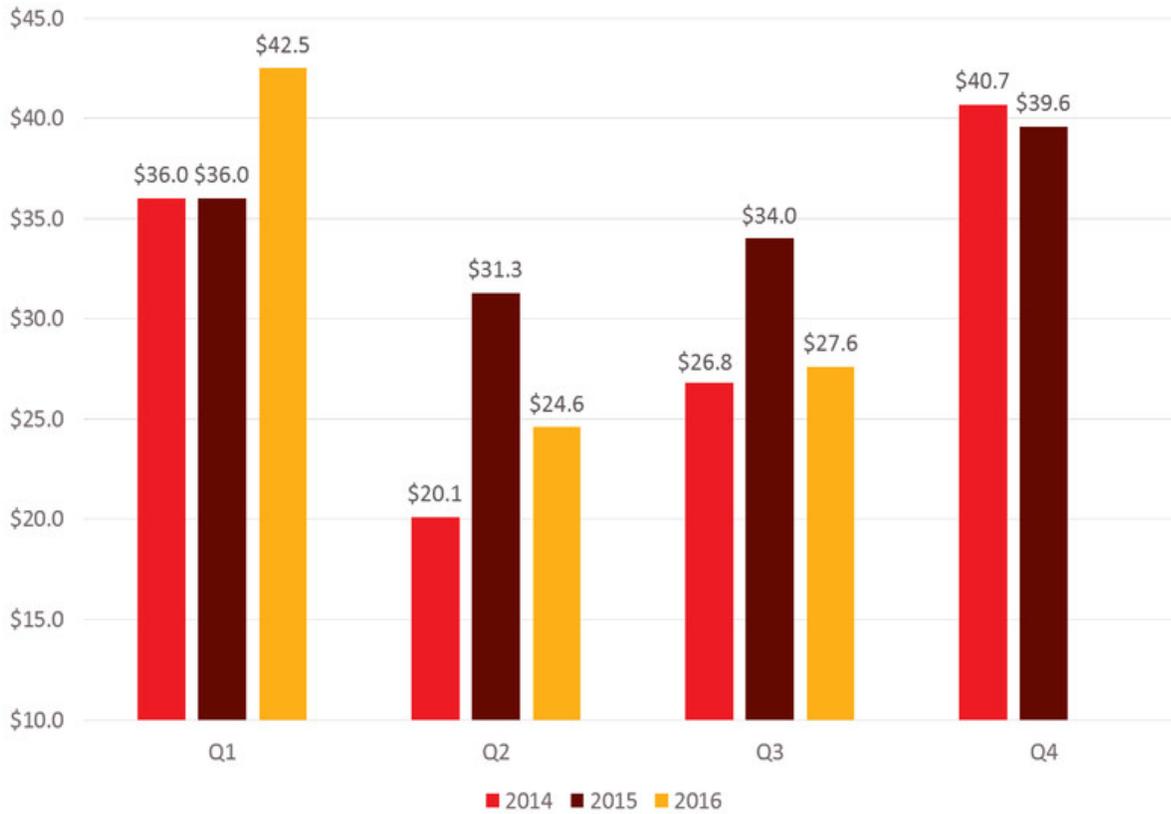
(\$ in millions)



(1) See Appendix for reconciliation of non-GAAP Adjusted Net Income to Net Income (Loss)

Cash Flow from Operations

(\$ in millions)



Q3-16 Commodity Update

	% of Total COGS in Q3-16	Market vs. Contract
Ground beef	13.1%	Market
Steak fries	10.9%	Contract through 10/17
Poultry	10.1%	100% covered thru 12/16
Produce	8.2%	90% contracted through 10/17
Meat	7.6%	Bacon through 12/16; Prime rib through 12/16
Bread	6.3%	Contract through 12/16
Seafood	2.8%	Cod through 3/17; Shrimp through 12/16
Fry oil	1.7%	Contract through 6/17

Reconciliation of Adjusted Net Income to Net Income (Loss) and Adjusted Earnings Per Diluted Share to Earnings (Loss) Per Diluted Share

(\$ in thousands, except per share data)

	2014				2015				2016		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Net income (loss) as reported	\$11,944	\$9,470	\$7,208	\$3,939	\$16,565	\$11,166	\$8,282	\$11,691	\$14,225	\$7,552	(1,300)
Adjustments to net income (loss):											
Restaurant impairment and closure	-	-	-	8,833	-	-	-	581	825	3,860	9,321
Litigation contingencies	-	-	-	-	-	-	-	-	3,900	-	-
Change in estimate for gift card breakage	-	-	-	-	(1,369)	-	-	-	-	-	-
Executive transition & severance	-	544	-	-	-	-	-	-	-	-	-
Income tax (expense) benefit of adj.	-	(183)	-	-	439	-	-	(227)	(1,356)	(1,153)	(2,993)
Adjusted net income	\$11,944	\$ 9,831	\$ 7,208	\$ 9,393	\$15,635	\$11,166	\$ 8,282	\$12,045	\$17,594	\$10,259	\$ 5,028
Diluted net income (loss) per share:											
Net income (loss) as reported	\$ 0.82	\$ 0.65	\$ 0.50	\$ 0.28	\$ 1.16	\$ 0.78	\$ 0.58	\$ 0.84	\$ 1.03	\$ 0.55	\$ (0.10)
Adjustments to net income:											
Restaurant impairment and closure	-	-	-	0.62	-	-	-	0.04	0.06	0.28	0.70
Litigation contingencies	-	-	-	-	-	-	-	-	0.28	-	-
Change in estimate for gift card breakage	-	-	-	-	(0.09)	-	-	-	-	-	-
Executive transition & severance	-	0.04	-	-	-	-	-	-	-	-	-
Income tax (expense) benefit of adj.	-	(0.01)	-	(0.24)	0.03	-	-	(0.02)	(0.10)	(0.08)	(0.22)
Adjusted EPS - diluted	\$ 0.82	\$ 0.68	\$ 0.50	\$ 0.66	\$ 1.10	\$ 0.78	\$ 0.58	\$ 0.86	\$ 1.27	\$ 0.75	\$ 0.38

Restaurant Level Operating Profit Reconciliation to Income from Operations and Net Income (Loss)

(\$ in thousands)

	2014				2015				2016		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Restaurant revenue	\$ 334,995	\$ 251,818	\$ 263,883	\$ 278,439	\$ 388,509	\$ 288,704	\$ 279,496	\$ 282,189	\$ 396,770	\$ 302,117	\$ 293,858
Restaurant operating costs ⁽¹⁾ :											
Cost of sales	84,220	63,689	68,241	71,071	97,950	71,665	68,197	66,825	92,325	70,831	69,447
Labor	110,921	82,572	88,818	90,246	124,356	93,513	92,097	93,551	132,984	102,847	102,294
Other operating	40,597	31,022	34,124	35,229	46,584	35,356	36,144	36,260	49,708	40,275	42,463
Occupancy	24,282	18,618	21,222	22,612	30,147	23,210	22,804	23,846	32,498	24,905	25,121
Restaurant-level operating profit	74,975	55,917	51,378	59,281	89,472	64,960	60,254	61,707	89,255	63,259	54,533
Add – Franchise royalties, fees, and other revenue	5,489	4,315	3,493	3,670	6,392	4,275	3,916	4,111	5,356	3,432	3,449
Deduct – Other operating:											
Depreciation and amortization	18,886	14,120	15,209	16,364	23,003	17,260	18,618	18,493	23,951	19,159	21,468
General and administrative expenses	32,100	20,442	20,106	22,103	34,995	23,044	23,709	21,257	35,880	19,972	20,328
Selling	10,323	9,878	7,725	9,481	13,066	11,082	7,899	8,027	11,408	11,047	8,718
Pre-opening and acquisition costs	2,113	2,326	2,605	1,220	955	1,369	2,239	2,445	2,372	2,238	2,382
Asset impairment and restaurant closures	-	-	-	8,822	-	-	-	581	825	3,860	9,321
Total other operating	63,422	46,766	45,645	58,001	72,019	52,755	52,465	50,803	74,436	56,276	62,217
Income (loss) from operations	17,042	13,466	9,226	4,950	23,845	16,480	11,705	15,015	20,175	10,415	(4,235)
Interest expense, net and other	674	475	986	690	1,060	904	1,098	747	1,638	1,486	1,612
Income tax expense (benefit)	4,424	3,521	1,032	321	6,220	4,410	2,325	2,577	4,312	1,377	(4,547)
Total other	5,098	3,996	2,018	1,011	7,280	5,314	3,423	3,324	5,950	2,863	(2,935)
Net income (loss)	\$ 11,944	\$ 9,470	\$ 7,208	\$ 3,939	\$ 16,565	\$ 11,166	\$ 8,282	\$ 11,691	\$ 14,225	\$ 7,552	\$ (1,300)

(1) Excluding depreciation and amortization, which is shown separately.

EBITDA and Adjusted EBITDA Reconciliation to Net Income (Loss)

(\$ in thousands)

	2014				2015				2016		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Net income (loss) as reported	\$11,944	\$9,470	\$7,208	\$3,939	\$16,565	\$11,166	\$8,282	\$11,691	\$14,225	\$7,552	(1,300)
Adjustments to net income:											
Income tax expense (benefit)	4,424	3,521	1,032	321	6,220	4,410	2,325	2,577	4,312	1,377	(4,547)
Interest expense, net	689	619	927	720	1,088	805	777	959	1,655	1,555	1,822
Depreciation and amortization	18,886	14,120	15,209	16,364	23,003	17,260	18,618	18,493	23,951	9,159	21,468
Non-cash stock-based compensation	1,009	1,021	1,178	959	1,446	1,403	1,194	681	2,090	989	505
EBITDA	\$36,952	\$28,751	\$25,554	\$22,303	\$48,322	\$35,044	\$31,196	\$34,401	\$46,233	\$30,632	\$17,948
Litigation contingencies	-	-	-	-	-	-	-	-	3,900	-	-
Asset impairment and restaurant closures	-	-	-	8,833	-	-	-	581	825	3,860	9,321
Change in estimate for gift card breakage	-	-	-	-	(1,369)	-	-	-	-	-	-
Executive transition & severance	-	544	-	-	-	-	-	-	-	-	-
Adjusted EBITDA	\$36,952	\$29,295	\$25,554	\$31,136	\$46,953	\$35,044	\$31,196	\$34,982	\$50,958	\$34,492	\$27,269

