



DINE BRANDS GLOBAL, INC.

Dine Brands Global, Inc. (DIN) is a restaurant operator that owns and franchises Applebee's, International House of Pancakes and Fuzzy's Taco Shop. 83% of total revenue is generated from the two largest franchise operating segments, Applebee's and IHOP. Internationally, Dine restaurants are in 18 countries and two United States territories. The company has 1,642 Applebee's franchised restaurants, 1,814 IHOP franchised and 131 Fuzzy's franchised restaurants.

Since the high in 2021 of \$100 per share the shares have continuously fallen to a recent price of \$29. On the most recent conference call, the company slightly lowered guidance: "Starting with the top line, we now expect Applebee's domestic system-wide comp sales to fall between negative 4% to negative 2% compared to the previous range of 0% to 2%. At IHOP, we expect domestic system-wide comp sales to range between negative 2% to 0% compared to the 1% to 3% range of growth we initially provided." The National Restaurant association reported that: Only 20% of restaurant operators said their samestore sales rose between July 2023 and July 2024. Although the industry has been challenged some operators are growing and doing well.

One key to success right now revolves around value strategies. Chili's, which has growing revenue, is using a value strategy. Joe Guszowski (Restaurant business): "The chain has been aggressive on value at a time when consumers are smarting from years' worth of menu price inflation. Chili's has invested heavily in promoting its 3 for Me value menu, which offers customers an appetizer, entree and a non-alcoholic beverage starting at \$10.99. Chili's is seeing sales growth across all income brackets, even as other chains are reporting fewer visits from lower-income consumers." As another example Papa Johns pizza reported a decline as Dominos reported an increase in sales. CEO of Dominos: "It's not about just having the lowest price in the market, it's about providing value that's innovative." So, we know that value driving strategies are working and Dine is not executing on this.

We are attracted to Dine due to the strong value of the shares, such as the 29% free cash flow yield, 5 to 6 X earnings multiple and the 6.9% dividend. However, we can see that in the current restaurant world managements need to be focused on value strategies and Dine is not right now. Our hold recommendation is based on the excellent value of the shares, which may be a good enough reason for new buyers in the face of declining sales. But, as soon as the management adjusts strategy, Dine will probably quickly turn around.

INITIAL REPORT SEPTEMBER 21, 2024 LAST UPDATED SEPTEMBER 21, 2024

\$29.61 / Recommendation: HOLD, target \$30.00

Company Stats & Estimates \$	
Shares Outstanding	15
Equity Market Cap	442
Enterprise Value	1,474
EBITDA	235
EV EBITDA multiple	6.27
2024 EPS	5.47
2025 EPS	6.26
2024 Cash Flow Yield	29%
Projected Dividend Coverage %	414%
2024 Current Cash Flow Yield	29.08%
Enterprise Value	1,474
Dividend coverage	414%
Dividend Yield	6.90%

DIN INVESTOR RELATIONS

Stock Chart DINE



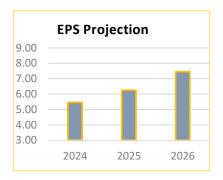


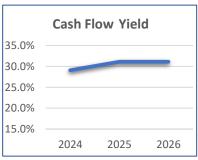
BROXTON CAP	ITAL ADVISORS	DIN as of 6/30/2024

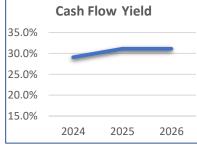
Saturday, September 21, 2024

share price	\$29.61		
PROJECTIONS IN MM fiscal yr	2024	2025	2026
Income Statement			
Revenue	813	837	862
Franchisee Expense	338	351	362
Total Cost of Revenues	427	440	451
Corporate Expenses	84	84	84
SG&A	87	87	87
Interest	72	72	72
Corporate Total	286	287	288
Net Income	83	92	104
Net Income / Share GAAP	5.47	6.26	7.45
EBITDA	235	245	254
Cash Flow	129	138	138
EV EBITDA multiple	6.27	6.02	
Per Share dividend	2	2	2
Projected Gross Dividend	31.11	30.09	28.56
Projected Dividend Coverage %	414%	457%	482%
Cash Flow Yield	29.1%	31.1%	31.1%
Valuations			
Available Dist. Earnings Yield	29.1%	31.1%	31.1%
Projected Dividend Yield	6.9%	6.9%	6.9%
PE ratio	5.4	4.7	4.0
Enterprise Value	1,474	1,474	
Equity Market Cap	442	442	442
Capital Structure			
Shares outstanding	15		
Long-Term debt	1,185		
Liquidity	as of 6/30/	24	

Revenue Projection			
900			
800			-
700	-	-	-
600			_
	2024	2025	2026









Liquidity	as of 6/30/24
Cash	153
Borrowing Availability est.	200+
Total Assets	1,693
Total Liabilities & PFD	1,925
Ratio	88%
Book Value	

 $\mathsf{N}\mathsf{A}$

Book Value NOTES:



Disclosures

Previous reports are available upon request. Smart Yield Fund targets a mix of different security classes that contain the risk of loss. Investors should carefully consider the Fund's investment objectives and risk factors before investing. Investing involves risk, including possible loss of principal. Investors should consider the loss of principle and targeted returns are not guaranteed. Individual investors in Smart Yield are generally required to be accredited investors. Smart Yield is a fund operated through individual accounts creating the composite. Smart Yield Fund is a new product with an inception date of September 30, 2020, and as such does not have historical data. Asset Mix Projections on page 2 and 6, Smart Yield Portfolio Metrics on page 5 are estimated or targets of the fund. Asset class mix and targets may change based on the direction of the managers. Portfolio allocation projected annual return and beta assumption for each asset class on pages 7-10 are estimated. Beta for the fund and each asset class is estimated versus the S&P 500. The average beta for the entire fund is projected to be .32. Beta is a measure of the fund's volatility in relation to S&P 500 Index. This index has a beta of 1.0. The fund targets a total gross return before fees and expenses of 9.24%. The fund projects a blended return based on income securities and capital gains. Smart Yield attempts to continuously improve the value of investment portfolios by investing in corporate bonds, convertible bonds, other types of bonds (investment grade and sub-investment grade, [which may also have limited liquidity]), dividend paying equities, non-dividend paying equities, ETFs, including leveraged ETFs, and other securities. Fixed income risks include interestrate and credit risk. Typically, when interest rates rise, there is a corresponding decline in bond values. Credit risk refers to the possibility that the bond issuer will not be able to make principal and interest payments. 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Also, from time-to-time we may also discuss and display charts, graphs, formulas which are not intended to be used by themselves to determine which securities to buy or sell, or when to buy or sell them. Such charts and graphs offer limited information and should not be used on their own to make investment decisions.

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