UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

FOR THE QUARTERLY PERIOD ENDED May 6, 2025

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

FOR THE TRANSITION PERIOD FROM_____TO_____

Commission File No. 001-35664

Dave & Buster's Entertainment, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**35-2382255**
(State of Incorporation)	**(I.R.S. Employer ID)**
1221 S. Belt Line Rd., Suite 500, Coppell, Texas, 75019	**(214) 357-9588**
(Address of principal executive offices) (Zip Code)	**(Registrant's telephone number)**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock $0.01 par value	**PLAY**	**NASDAQ Global Select Market**

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by checkmark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by checkmark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging Growth Company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by checkmark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of June 4, 2025, the registrant had 34,576,047 shares of common stock, $0.01 par value per share, outstanding.

DAVE & BUSTER'S ENTERTAINMENT, INC.
FORM 10-Q FOR QUARTERLY PERIOD ENDED MAY 6, 2025
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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

DAVE & BUSTER'S ENTERTAINMENT, INC.
CONSOLIDATED BALANCE SHEETS
(in millions, except per share amounts)

	May 6, 2025 (Unaudited)	February 4, 2025 (Audited)
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 11.9	$ 6.9
Inventories	41.3	39.8
Prepaid expenses	30.0	18.5
Income taxes receivable	1.0	9.1
Accounts receivable	29.2	20.1
Total current assets	113.4	94.4
Property and equipment (net of $1,466.6 and $1,403.1 of accumulated depreciation as of May 6, 2025 and February 4, 2025, respectively)	1,686.5	1,634.6
Operating lease right of use assets, net	1,294.8	1,318.4
Deferred tax assets	11.3	10.1
Tradenames	178.2	178.2
Goodwill	742.5	742.6
Other assets and deferred charges	38.0	37.5
Total assets	$ 4,064.7	$ 4,015.8
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Current installments of long-term debt	$ 7.0	$ 7.0
Accounts payable	109.9	134.4
Accrued liabilities	300.0	290.7
Income taxes payable	14.5	1.8
Total current liabilities	431.4	433.9
Deferred income taxes	59.4	73.0
Operating lease liabilities	1,550.3	1,575.1
Other long-term liabilities	307.3	308.9
Long-term debt, net	1,569.5	1,479.1
Commitments and contingencies		
Stockholders' equity:		
Common stock, par value $0.01; authorized: 400.00 shares; issued: 63.16 shares at May 6, 2025 and February 4, 2025; outstanding: 34.55 shares at May 6, 2025 and 35.55 at February 4, 2025	0.6	0.6
Preferred stock, 50.00 authorized; none issued	—	—
Paid-in capital	612.9	609.9
Treasury stock, 28.65 and 27.61 shares as of May 6, 2025 and February 4, 2025, respectively	(1,144.7)	(1,120.6)
Accumulated other comprehensive loss	(1.2)	(1.6)
Retained earnings	679.2	657.5
Total stockholders' equity	146.8	145.8
Total liabilities and stockholders' equity	$ 4,064.7	$ 4,015.8

See accompanying notes to consolidated financial statements.

DAVE & BUSTER'S ENTERTAINMENT, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in millions, except per share amounts; unaudited)

	Three Months Ended	
	May 6, 2025	**May 5, 2024**
Entertainment revenues	$ 366.6	$ 385.7
Food and beverage revenues	201.1	202.4
Total revenues	567.7	588.1
Cost of entertainment	30.6	33.2
Cost of food and beverage	51.5	54.1
Total cost of products	82.1	87.3
Operating payroll and benefits	135.0	141.6
Other store operating expenses	188.4	176.0
General and administrative expenses	24.4	28.0
Depreciation and amortization expenses	63.2	62.8
Pre-opening costs	6.1	3.3
Other charges and gains	5.3	3.6
Total operating costs	504.5	502.6
Operating income	63.2	85.5
Interest expense, net	36.8	33.1
Income before income taxes	26.4	52.4
Provision for income taxes	4.7	11.0
Net income	21.7	41.4
Unrealized foreign currency translation gain (loss)	0.4	(0.1)
Total other comprehensive income (loss)	0.4	(0.1)
Total comprehensive income	$ 22.1	$ 41.3
Net income per share:		
Basic	$ 0.63	$ 1.03
Diluted	$ 0.62	$ 0.99
Weighted average shares used in per share calculations:		
Basic	34.72	40.32
Diluted	35.19	41.64

See accompanying notes to consolidated financial statements.

DAVE & BUSTER'S ENTERTAINMENT, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(in millions; unaudited)

	Three Months Ended May 6, 2025							
	Common Stock		Paid-In Capital	Treasury Stock at Cost		Accumulated Other Comprehensive Loss	Retained Earnings	Total
	Shares	Amount		Shares	Amount			
Balance February 4, 2025	63.16	$ 0.6	$ 609.9	27.61	$ (1,120.6)	$ (1.6)	$ 657.5	$ 145.8
Net income	—	—	—	—	—	—	21.7	21.7
Unrealized foreign currency translation loss	—	—	—	—	—	0.4	—	0.4
Share-based compensation	—	—	3.0	—	—	—	—	3.0
Repurchase of common stock	—	—	—	1.04	(24.1)	—	—	(24.1)
Balance May 6, 2025	63.16	$ 0.6	$ 612.9	28.65	$ (1,144.7)	$ (1.2)	$ 679.2	$ 146.8

	Three Months Ended May 5, 2024							
	Common Stock		Paid-In Capital	Treasury Stock at Cost		Accumulated Other Comprehensive Loss	Retained Earnings	Total
	Shares	Amount		Shares	Amount			
Balance February 4, 2024	62.86	$ 0.6	$ 597.6	22.59	$ (945.3)	$ (0.9)	$ 599.2	$ 251.2
Net income	—	—	—	—	—	—	41.4	41.4
Unrealized foreign currency translation gain	—	—	—	—	—	(0.1)	—	(0.1)
Share-based compensation	—	—	4.0	—	—	—	—	4.0
Issuance of common stock	0.29	—	7.5	—	—	—	—	7.5
Repurchase of common stock	—	—	—	0.21	(11.5)	—	—	(11.5)
Balance May 5, 2024	63.15	$ 0.6	$ 609.1	22.80	$ (956.8)	$ (1.0)	$ 640.6	$ 292.5

See accompanying notes to consolidated financial statements.

DAVE & BUSTER'S ENTERTAINMENT, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions; unaudited)

	Three Months Ended	
	May 6, 2025	**May 5, 2024**
Operating activities:		
Net income	$ 21.7	$ 41.4
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization expense	63.2	62.8
Non-cash interest expense	2.4	2.8
Deferred taxes	(14.8)	1.0
Share-based compensation	3.0	4.0
Other, net	(0.3)	3.0
Changes in assets and liabilities:		
Inventories	(1.5)	(0.6)
Prepaid expenses	(11.5)	(15.9)
Income tax receivable	8.1	9.7
Accounts receivable	(9.1)	1.3
Other assets and deferred charges	(1.0)	(1.4)
Accounts payable	14.8	1.8
Accrued liabilities	9.3	(3.1)
Income taxes payable	12.7	0.7
Other long-term liabilities	(1.2)	1.3
Net cash provided by operating activities:	95.8	108.8
Investing activities:		
Capital expenditures	(154.6)	(113.0)
Proceeds from sales of property and equipment	—	0.2
Net cash used in investing activities:	(154.6)	(112.8)
Financing activities:		
Proceeds from term loan and revolver	290.0	81.0
Term loan and revolver payments	(201.8)	(78.2)
Principal payments on sale-leaseback financing	(0.5)	—
Proceeds from the exercise of stock options	—	7.5
Repurchases of common stock under share repurchase program	(23.9)	(9.8)
Repurchases of common stock to satisfy employee withholding tax obligations	—	(1.7)
Net cash provided by (used in) financing activities:	63.8	(1.2)
Increase (decrease) in cash and cash equivalents	5.0	(5.2)
Beginning cash and cash equivalents	6.9	37.3
Ending cash and cash equivalents	$ 11.9	$ 32.1
Supplemental disclosures of cash flow information:		
Decrease in accounts payable for the acquisition of property and equipment	$ (39.4)	$ (11.0)
Cash (refunds) paid for income taxes, net	$ (1.4)	$ 0.1
Cash paid for interest, net	$ 29.0	$ 35.7

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See accompanying notes to consolidated financial statements.

Note 1: Summary of Significant Accounting Policies

The accompanying consolidated financial statements include the accounts of Dave & Buster's Entertainment, Inc. (referred to herein as the "Company," "we," "us" and "our"), any predecessor companies and its wholly-owned subsidiaries, Dave & Buster's Holdings, Inc. ("D&B Holdings"), which owns 100% of the outstanding common stock of Dave & Buster's, Inc. ("D&B Inc"), the operating company. The Company, headquartered in Coppell, Texas, is a leading operator of high-volume entertainment and dining venues ("stores") in North America for adults and families.

The Company operates its business as one reportable operating segment with two reporting units based on its major brands, Dave & Buster's and Main Event. The Company has one reportable operating segment as both brands provide similar products and services to a similar customer base, are managed together by a single management team and share similar economic characteristics. See further discussion of segment consideration at **Note 8** - Segment Information to the consolidated financial statements.

During the three months ended May 6, 2025, the Company opened two stores and relocated one store. As of May 6, 2025, the Company owned and operated 234 stores in 44 states, Puerto Rico and one Canadian province.

Fiscal Calendar — The Company operates on a 52- or 53-week fiscal year ending on the Tuesday after the Monday closest to January 31. Each quarterly period reported has 13 weeks, except for 53-week fiscal years when the fourth quarter has 14 weeks. Fiscal 2024, which ended on February 4, 2025, followed this calendar and had 52 weeks. The first quarter of both fiscal 2025 and fiscal 2024 had 13 weeks, however the first quarter of 2024 followed our previous fiscal calendar, which ended on a Sunday.

Basis of Presentation — The Company's financial statements have been prepared in accordance with generally accepted accounting principles ("GAAP") in the United States for interim financial information as prescribed by the Securities and Exchange Commission ("SEC"). Accordingly, they do not include all the information and notes required by GAAP for complete financial statements. In the opinion of management, these financial statements contain all adjustments, consisting of normal recurring accruals, necessary to present fairly the financial position, results of operations and cash flows for the periods indicated. Our quarterly financial data should be read in conjunction with the audited financial statements and notes thereto for the year ended February 4, 2025, included in our Annual Report on Form 10-K as filed with the SEC on April 7, 2025.

The preparation of consolidated financial statements in conformity with GAAP requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and related disclosures of contingent assets and liabilities at the date of the consolidated financial statements and for the period then ended. Actual results could differ from those estimates. Operating results for the three months ended May 6, 2025 are not necessarily indicative of results that may be expected for any other interim period or for the full fiscal year ending February 3, 2026.

Cash and Cash Equivalents — We consider transaction settlements in process from credit card companies and all highly-liquid investments with original maturities of three months or less to be cash equivalents. Our cash management system provides for the daily funding of all major bank disbursement accounts as checks are presented for payment. Under this system, outstanding checks in excess of the cash balances at certain banks can create book overdrafts. There were no book overdrafts as of May 6, 2025 or as of February 4, 2025.

Fair Value of Financial Instruments — Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions. In determining fair value, the accounting standards establish a three-level hierarchy for inputs used in measuring fair value.

The carrying amounts of cash and cash equivalents, accounts and notes receivable, accounts payable, and other current liabilities approximate fair value because of their short-term nature. The fair value of the Company's debt is determined based on traded price data as of the measurement date, which we classify as a level two input within the fair value hierarchy as defined under GAAP. The fair value of the Company's debt was as follows as of the periods indicated:

	May 6, 2025	February 4, 202
Revolving credit facility	$ 225.0	$ 1
Term loans	1,289.9	1,3
Total debt	$ 1,514.9	$ 1,4

Revenues — Our entertainment revenues primarily consist of attractions including redemption and simulation games, bowling, laser tag, billiards and gravity ropes. Our food and beverage revenues consist of full meals, appetizers and both alcoholic and non-alcoholic beverages. The Company's revenue by categories was as follows:

	Three Months Ended	
	May 6, 2025	May 5, 2024
Entertainment	$ 359.1	$ 3
Other [1]	7.5	
Entertainment revenues	$ 366.6	$ 3
Food and non-alcoholic beverages	$ 137.5	$ 1
Alcoholic beverages	63.6	
Food and beverage revenues	$ 201.1	$ 2

[1] Primarily consists of revenue earned from party rentals and gift card breakage (see *Revenue recognition* below).

Revenue Recognition — Customers purchase cards with game play credits to be used on a variety of redemption and simulation games. Entertainment revenues related to game play primarily consist of game play credits, which are used by customers to activate video and redemption games. Redemption games allow customers to earn tickets, which may be redeemed for prizes. We have deferred a portion of entertainment revenues for the estimated unfulfilled performance obligations related to unredeemed game play credits and tickets. The deferred entertainment revenue is based on an estimated rate of future use by customers of unused game play credits and the material right provided to customers to redeem tickets in the future for prizes. The Company recognizes expected breakage as revenue in proportion to the pattern of redemption by the customers. This breakage is based on the Company's specific historical redemption patterns and will change as those redemption patterns change over time. Recognized game play credits and tickets breakage revenue is included in entertainment revenues in the statement of comprehensive income. During the three months ended May 6, 2025, we recognized revenue of $38.8 related to the amount in deferred entertainment revenues as of the end of fiscal 2024. Historically, select Company promotional programs include multiple performance obligations that are discounted from the standalone selling prices. We allocate the entire discount to the remaining performance obligation.

We recognize revenue on unredeemed gift cards in proportion to the pattern of redemption by the customers. During the three months ended May 6, 2025, we recognized revenue of $3.4 related to the amount in deferred gift card revenue as of the end of fiscal 2024. These revenues are included in Entertainment revenues on the Consolidated Statements of Comprehensive Income.

Earnings Per Share — Basic net income per share is computed by dividing net income available to common shareholders by the basic weighted average number of common shares outstanding for the reporting period. Diluted net income per share reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock. For the calculation of diluted net income per share, the basic weighted average shares outstanding is increased by the dilutive effect of stock options and restricted share awards. Stock options and restricted share awards with an anti-dilutive effect are not included in the diluted net income per share calculation.

Basic weighted average shares outstanding are reconciled to diluted weighted average shares outstanding as follows:

	Three Months Ended	
	May 6, 2025	May 5, 2024
Basic weighted average shares outstanding	34.72	40.32
Weighted average dilutive impact of awards	0.47	1.32
Diluted weighted average shares outstanding	35.19	41.64
Weighted average awards excluded as anti-dilutive	0.62	0.10

Recent Accounting Pronouncements — We reviewed the accounting pronouncements that became effective for fiscal year 2025 and determined that either they were not applicable, or they did not have a material impact on the consolidated financial statements. See discussion at Note 1 to the consolidated financial statements in the Company's Annual Report on Form 10-K for the year ended February 4, 2025 for previously issued accounting pronouncements that may have an impact to the Company in the future.

Accounting reclassifications — We made certain reclassifications of amounts in the Consolidated Statements of Comprehensive Income for the period ended May 5, 2024 to be consistent with the presentation for the period ended May 6, 2025. We reclassified certain costs and gains from "Other store operating expenses" and "General and administrative expenses" to "Other charges and gains" for the following reasons:

- System implementation costs - These costs are enterprise wide and not specifically attributable to store operations or general and administrative costs.
- Asset and currency gains and losses - These costs and gains include the disposal or impairment of assets and the impact of currency revaluation and are not directly attributable to specific store operations or general and administrative costs and may be irregular in nature.

A summary of the reclassifications for the three months ended May 5, 2024 is as follows:

	Three Months Ended May 5, 2024				
	Previously Reported	System Implementation	Currency (Gain) Loss	Asset (Gain) Loss	Adjusted
Other store operating expenses	$ 176.1	$ (0.3)	$ (0.1)	$ 0.3	$ 176.0
General and administrative expenses	$ 31.5	$ (3.5)	$ —	$ —	$ 28.0
Other charges and gains	$ —	$ 3.8	$ 0.1	$ (0.3)	$ 3.6

Note 2: Accrued Liabilities

Accrued liabilities consist of the following as of the dates presented:

	May 6, 2025	February 4, 2025
Deferred entertainment revenue	$ 88.7	$ 95.7
Current portion of operating lease liabilities, net [(1)]	85.3	77.8
Compensation and benefits	26.9	26.2
Deferred gift card revenue	18.4	22.4
Sales and use and other taxes	8.5	8.1
Property taxes	13.5	10.7
Customer deposits	15.7	10.4
Accrued interest	3.3	2.2
Utilities	7.9	7.4
Current portion of self-insurance reserves	5.4	5.7
Current portion of deferred occupancy costs	2.3	1.6
Other	24.1	22.5
Total accrued liabilities	$ 300.0	$ 290.7

(1) Balances are net of leasehold incentive receivables from landlords and prepaid amounts.

Note 3: Leases

We currently lease the vast majority of the buildings or sites for our stores, store support center, and warehouse space under facility operating leases. These leases typically have initial terms ranging from ten to twenty years and include one or more options to renew. When determining the lease term, we include option periods for which renewal is reasonably certain. Most of the leases require us to pay property taxes, insurance, and maintenance of the leased assets. Our lease agreements do not contain any material residual value guarantees or material restrictive covenants. Operating leases also include certain equipment leases that have a term in excess of one year. Certain facility leases also have provisions for additional contingent rentals based on revenues.

Operating lease cost, variable lease cost and short-term lease cost related primarily to our facilities is included in "Other store operating expenses" for our operating stores, "Pre-opening costs" for our stores not yet operating, or "General and administrative expenses" for our store support center and warehouse, in the Consolidated Statement of Comprehensive Income.

The components of lease expense, including variable lease costs primarily consisting of common area maintenance charges and property taxes, are as follows:

	Three Months Ended	
	May 6, 2025	May 5, 2024
Operating lease cost	$ 52.7	$ 50.3
Variable lease cost	12.0	10.9
Short-term lease cost	1.0	0.3
Total	$ 65.7	$ 61.5

Operating lease payments in the table above include minimum lease payments for future sites for which the leases have commenced. As of May 6, 2025, the Company had signed lease agreements with total lease payments of $151.7 related to seven facility leases which had not yet commenced. Fixed minimum lease payments related to these facilities are not included in the right-of-use assets and lease liabilities on the Consolidated Balance Sheets as of May 6, 2025.

Sale-leaseback transactions

The Company has entered into sale and master lease agreements (a "sale leaseback") with unrelated third parties. Under these agreements, the Company has sold certain store properties, including land, buildings and certain improvements and then leased the assets back through the sale leaseback transactions.

These transactions were accounted for as failed sale leasebacks based on GAAP under ASC 842, *Leases*. As a result, the store property assets remain on the Consolidated Balance Sheet at their historical net book value and are depreciated over the remaining term of the applicable master lease. Financing liabilities were recognized in the amount of the proceeds received, net of certain transactions costs. The Company will not recognize rent expense related to the leased assets. Instead, monthly rent payments under the applicable master lease agreement are recorded as interest expense and a reduction of the outstanding liability.

As of May 6, 2025, the Company had financing liabilities related to twelve properties. The current outstanding liability of $0.5 is included in accrued liabilities and the long-term outstanding liability of $263.4 is included in Other long-term liabilities on the Consolidated Balance Sheet.

Note 4: Debt

Long-term debt consisted of the following as of the dates presented:

	May 6, 2025	February 4, 2025
Credit facility—revolver	$ 225.0	$ 135.0
Credit facility—term loans	1,387.5	1,389.3
Total debt outstanding	1,612.5	1,524.3
Less current installments of long-term debt	(7.0)	(7.0)
Less debt issue discounts and debt issuance costs	(36.0)	(38.2)
Long-term debt, net	$ 1,569.5	$ 1,479.1

Credit Facility

In fiscal 2022, the Company entered into a senior secured credit agreement which included a revolving credit facility (the "Revolving Credit Facility") and a term loan facility (together with the Revolving Credit Facility, the "Credit Facility"). On November 1, 2024, D&B Inc. entered into an amendment with its banking syndicate, which amended the Credit Facility (the "Fourth Amendment"). The Credit Facility is unconditionally guaranteed by D&B Holdings and certain of D&B Inc.'s existing and future wholly owned material domestic subsidiaries.

The Fourth Amendment, among other things:

- provided for a new tranche of term loans in an aggregate principal amount of $700.0 (the "Incremental Term B Loans") with a maturity date of November 1, 2031, and
- increased the Revolving Credit Facility by $150.0 to a total $650.0 and extended the maturity to November 1, 2029.

The proceeds from the Incremental Term B Loans were primarily used to:

- redeem the $440.0 of then outstanding senior secured notes, and
- pay down $200.0 of the term loans outstanding under the Credit Facility immediately prior to the Fourth Amendment (the "Existing Term B Loans").

Both the Existing Term B Loans and the Incremental Term B Loans bear interest at Term SOFR or ABR (each, as defined in the amended Credit Facility) plus (i) in the case of Term SOFR loans, 3.25% per annum and (ii) in the case of ABR loans, 2.25% per annum. Loans under the Revolving Credit Facility bear interest subject to a pricing grid based on net total leverage, at Term SOFR plus a spread ranging from 2.50% to 3.00% per annum or ABR plus a spread ranging from 1.50% to 2.00% per annum. Unused commitments under the Revolving Credit Facility incur initial commitment fees of 0.30% to 0.50%. Additionally, the interest rate margin applicable to the Existing Term B Loans and loans outstanding under the Revolving Credit Facility would be subject to an additional 0.25% step-down if a rating of B1/B+ or higher from Moody's and S&P is achieved (which will step back up if such rating is subsequently not maintained).

A portion of the Revolving Credit Facility not to exceed $35.0 is available for the issuance of letters of credit. As of May 6, 2025, we had letters of credit outstanding of $13.7 and an unused commitment balance of $411.3 under the Revolving Credit Facility. The Credit Facility may be increased through incremental facilities, by an amount equal to the greater of (i) $650.0 and (ii) 0.75 times trailing twelve-month Adjusted EBITDA, as defined in the Credit Facility, plus additional amounts subject to compliance with applicable leverage ratio and/or interest coverage ratio requirements.

Restrictive covenants and debt compliance

Our debt agreements contain restrictive covenants that, among other things, place certain limitations on our ability to incur additional indebtedness, make loans or advances to subsidiaries and other entities, pay dividends, acquire other businesses or sell assets. The Credit Facility also requires the Company to maintain a maximum net total leverage ratio, as defined, as of the end of each fiscal quarter. As of May 6, 2025, we believe we were in compliance with our debt covenants and the terms of our debt agreements.

Interest expense

The Company's weighted average effective interest rate on our total debt facilities was 8.6% and 9.7% for the three months ended May 6, 2025 and May 5, 2024, respectively.

The following table sets forth our recorded interest expense, net for the periods presented:

	Three Months Ended	
	May 6, 2025	May 5, 2024
Interest expense on debt	$ 31.9	$
Amortization of debt issue discount and debt issuance cost	2.4	
Interest expense on sale-leaseback transactions [1]	4.6	
Interest income	(0.4)	
Capitalized interest	(1.7)	
Total interest expense, net	$ 36.8	$

[1] See discussion of sale-leaseback transaction at Note 3 to the unaudited consolidated financial statements.

Note 5: Commitments and Contingencies

California Arbitrations

On April 17, 2025, a mass arbitration claim was filed on behalf of 980 individuals alleging that certain language previously contained in the Company's website and mobile app (which has since been deleted) requiring users to agree not to "disparage, tarnish or otherwise harm" the Company, its website or its app, was violative of a provision of the California Civil Code prohibiting companies from limiting consumers' rights to make negative comments about the Company or its products. Previously, on October 21, 2024, the attorneys representing the 980 claimants had filed ten arbitration claims on an individual basis alleging the same statutory violations by the Company. The claimants' attorneys purport to represent more than 3,000 additional individuals who have similar unasserted claims.

The Company believes that it has substantial defenses to these claims, and it intends to vigorously defend itself against the claimants' allegations. The Company does not believe at this time that a loss is probable in this matter, nor can a range of possible losses be determined. Accordingly, no accrual or range of loss has been included in the accompanying financial statements.

Other Matters

We are subject to certain legal proceedings and claims that arise in the ordinary course of our business, including claims alleging violations of federal and state law regarding workplace and employment matters, discrimination, slip-and-fall and other customer-related incidents and similar matters. In the opinion of management, based upon consultation with legal counsel, the amount of ultimate liability, with respect to such legal proceedings and claims will not materially affect the consolidated results of our operations or our financial condition. Legal costs related to such claims are expensed as incurred.

We are subject to the terms of a settlement agreement with the Federal Trade Commission that requires us, on an ongoing basis, to establish, implement, and maintain a comprehensive information security program that is reasonably designed to protect the security, confidentiality, and integrity of personal information collected from or about consumers. The agreement does not require us to pay any fines or other monetary assessments, and we do not believe that the terms of the agreement will have a material adverse effect on our business, operations, or financial performance.

Note 6: Stockholders' Equity and Share-Based Compensation

Share issuances and repurchases

The Company treats shares withheld for tax purposes on behalf of our employees in connection with the vesting of time-based and performance-based restricted stock units as common stock repurchases because they reduce the number of shares that would have been issued upon vesting. These were immaterial for all periods presented.

In March 2023, our Board of Directors approved a share repurchase program with an authorization limit of $100.0. Subsequently, our board approved additional repurchases in increments of $100.0, for a total authorization limit of $600.0 under the plan as of May 6, 2025. During the three months ended May 6, 2025, the Company repurchased 1.04 shares at an

average of $23.03 per share. The remaining dollar value of shares that may be repurchased under the program was $104.1 as of May 6, 2025. Future decisions to repurchase shares continue to be at the discretion of the Board of Directors and will be dependent on our operating performance, financial condition, capital expenditure requirements and other factors that the Board of Directors considers relevant.

Share-based compensation

In October 2024, the 2014 Plan expired pursuant to its terms. Subsequently, the Company adopted the 2025 Omnibus Incentive Plan (the "2025 Plan"), subject to shareholder approval at the Company's 2025 Annual Meeting.

Our compensation expense related to share-based compensation was as follows:

	Three Months Ended	
	May 6, 2025	May 5, 2024
General and administrative expenses	$ 3.0	$ 4.0

Share-based awards

Prior to October 2024, the Company maintained an equity incentive plan, the Amended and Restated 2014 Omnibus Incentive Plan (the "2014 Plan"), under which it granted awards denominated in the Company's common stock or units of the Company's common stock, as well as cash variable compensation awards. The Company's long-term incentive compensation provided awards to executive and management personnel as well as directors and issued share-based awards under our 2014 Plan. We also granted stock options or restricted stock units to executive and management personnel and members of our Board. Options granted to employees generally become exercisable ratably over a three-year period from the grant date. Performance-based restricted stock units and market stock units ("MSUs") awarded to employees generally either vest ratably over three years or fully vest after three years, subject to the achievement of specified performance or market conditions, as applicable. Time-based restricted stock units have various service periods not exceeding five years.

Our share-based compensation award activity during the three months ended May 6, 2025 was as follows:

	Options	Restricted Stock Units	Total
Outstanding at February 4, 2025	0.66	0.93	1.59
RSUs vested	—	(0.10)	(0.10)
Forfeited	(0.18)	(0.01)	(0.19)
Outstanding at May 6, 2025	0.48	0.82	1.30
Remaining unrecognized compensation expense	$ 0.6	$ 4.7	$ 5.3

The fair value of our time-based and performance-based restricted stock units is based on our closing stock price on the date of grant. The grant date fair value of stock options was determined using the Black-Scholes option valuation model. The grant date fair value of performance-based awards with market conditions was determined using the Monte Carlo valuation model. The unrecognized expense will be substantially recognized by the end of fiscal 2027.

Note 7: Income Taxes

The effective tax rate for the three months ended May 6, 2025, was 17.8%, compared to 21.0% for the three months ended May 5, 2024. The effective tax rate decrease for the three months ended May 6, 2025 in comparison to the three months ended May 5, 2024 was impacted by a significant reduction in pre-tax book income. As pre-tax income decreases, the effect of certain tax attributes and permanent items, specifically our employment tax credits become more pronounced, which cause fluctuations in the effective tax rate.

Note 8: Segment Information

The Company provides premier entertainment and dining experiences for adults and families under the Dave & Buster's and Main Event brands and offers guests the opportunity to "Eat Drink Play and Watch," all in one location. The Company's Chief Executive Officer, the Company's chief operating decision maker ("CODM"), reviews the financial information presented on a consolidated basis. The CODM assesses performance and allocates resources based on the Company's Consolidated Statements of Comprehensive Income, since the Company provides its offerings and key metrics, costs and margins similarly to both business units. The CODM manages and evaluates the results of the business in a consolidated manner to drive synergies and develop uniform strategies. Accordingly, key components and processes of the Company's operations are centrally managed, including site acquisition and development, customer service, marketing, human resources, finance and accounting, legal, risk management, and government affairs. Segment asset information is not used by the CODM to allocate resources. Under the described organizational and reporting structure, the Company has one reportable segment. As a single reportable segment entity, the Company's segment performance measure is net income attributable to its shareholders. See Note 1 for a description of the Company's disaggregated revenues by offering (entertainment and other revenues and food and beverage revenues). Significant segment expenses are presented in the Company's Consolidated Statement of Comprehensive Income. Some expenses not separately presented on the Company's Consolidated Statements of Operations have been disaggregated on a functional basis and presented below.

	Three Months Ended	
Other store operating expenses	**May 6, 2025**	**May 5, 2024**
Store lease expenses [1]	$ 52.7	$ 50.3
Advertising and marketing costs [2]	27.7	23.0
Other costs [3]	108.0	102.7
Total other store operating expenses	$ 188.4	$ 176.0

[1] Amounts represent minimum and variable lease costs incurred to operate certain of our stores. See Note 3 for further discussion.
[2] Amounts represent costs incurred to market our brands at a local and national level.
[3] Remaining amounts include various costs incurred to operate our stores that are not considered individually significant.

	Three Months Ended	
Other charges and gains	**May 6, 2025**	**May 5, 2024**
System implementation costs [1]	$ 1.5	$ 3.8
Currency loss	—	0.1
Asset (gains) and losses [2]	3.8	(0.3)
Total other charges and gains	$ 5.3	$ 3.6

[1] Amounts represent noncapitalizeable costs incurred to implement software at both the store and corporate level.
[2] Amounts represent the write-off of assets retired or impaired.

Overview

The following discussion and analysis of our financial condition and results of operations should be read together with the accompanying consolidated financial statements and the related notes in Item 1 and with the audited consolidated financial statements and the related notes included in our Annual Report on Form 10-K as filed with the SEC on April 7, 2025.

Unless otherwise specified, the meanings of all defined terms in "Management's Discussion and Analysis of Financial Condition and Results of Operations" are consistent with the meanings of such terms as defined in the Notes to consolidated financial statements. This discussion contains statements that are, or may be deemed to be, "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes," "estimates," "anticipates," "expects," "intends," "may," "will" or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this report and include statements regarding our intentions, beliefs or current expectations concerning, among other things, our results of operations, financial condition, liquidity, prospects, growth, strategies and the industry in which we operate.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not a guarantee of future performance and our actual results of operations, financial condition and liquidity, and the development of the industry in which we operate may differ materially from those made in or suggested by the forward-looking statements contained in this quarterly report as a result of various factors, including those set forth in the section entitled "Risk Factors" in our Annual Report on Form 10-K filed with the SEC on April 7, 2025. In addition, even if our results of operations, financial condition and liquidity, and the development of the industry in which we operate are consistent with the forward-looking statements contained in this Form 10-Q, such results or developments may not be indicative of results or developments in subsequent periods.

Quarterly Financial Highlights

- First quarter revenue of $567.7 decreased 3.5% from the first quarter of 2024.
- Comparable store sales decreased 8.3% compared to the same calendar period in 2024. See further discussion of comparable store sales below at *Revenues*.
- Net income totaled $21.7, or $0.62 per diluted share, compared with net income of $41.4, or $0.99 per diluted share in the first quarter of 2024.
- Adjusted EBITDA of $136.1 decreased 14.5%, or $23.0, from the first quarter of 2024. See further discussion of Adjusted EBITDA, a non-GAAP measure, at *Non-GAAP Financial Measures* below along with a reconciliation to net income, the most comparable GAAP measure, at *Reconciliations of Non-GAAP Financial Measures* below.

General

We are a leading owner and operator of high-volume venues primarily in North America that combine dining and entertainment for both adults and families under the "Dave & Buster's" and "Main Event" brands. The core of our concept is to offer our customers various forms of entertainment along with quality dining all in one location. Our entertainment offerings provide an extensive assortment of attractions centered around playing games, bowling, and watching live sports and other televised events. Our brands appeal to a relatively balanced mix of male and female adults, as well as families and teenagers. We believe we appeal to a diverse customer base by providing a highly customizable experience in a dynamic and fun setting.

Our Dave & Buster's stores average 37,000 square feet and range in size between 16,000 and 70,000 square feet. Our Main Event stores average 54,000 square feet and range in size between 37,500 and 78,000 square feet. Generally, our stores are open seven days a week, with normal hours of operation generally from between 10:00 to 11:30 a.m. until midnight, with stores typically open for extended hours on weekends.

Key Measures of Our Performance

We monitor and analyze several key performance measures to manage our business and evaluate financial and operating performance, including:

Comparable store sales — Comparable store sales are a comparison of sales to the same period of prior years for the comparable store base. We historically define the comparable store base to include those stores open for a full 18 months before the beginning of the current fiscal year and excluding stores permanently closed or planned for closure during the current fiscal year. For fiscal 2025, our comparable store base consists of 210 stores, of which 153 are Dave & Buster's branded stores and 57 are Main Event branded stores.

New store openings — Our ability to expand our business and reach new customers is influenced by the opening of additional stores in both new and existing markets. The success of our new stores is indicative of our brand appeal and the efficacy of our site selection and operating models. For the three months ended May 6, 2025, we opened two new Dave & Buster's branded stores and relocated one additional Dave & Buster's branded store.

Non-GAAP Financial Measures

In addition to the results provided in accordance with GAAP, we provide non-GAAP measures which present operating results on an adjusted basis. These are supplemental measures of performance that are not required by or presented in accordance with GAAP and include Adjusted EBITDA, Credit Adjusted EBITDA and Store Operating Income Before Depreciation and Amortization (defined below). These non-GAAP measures do not represent and should not be considered as an alternative to net income or cash flows from operations, as determined in accordance with GAAP, and our calculations thereof may not be comparable to similarly titled measures reported by other companies and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP.

Although we use these non-GAAP measures to assess the operating performance of our business, they have significant limitations as an analytical tool because they exclude certain material costs. For example, Adjusted EBITDA does not take into account a number of significant items, including our interest expense and depreciation and amortization expense. In addition, Adjusted EBITDA excludes certain other costs that may be important in analyzing our GAAP results. Because Adjusted EBITDA does not account for these expenses, its utility as a measure of our operating performance has material limitations. Our calculations of Adjusted EBITDA adjust for these amounts because they do not directly relate to the ongoing operations of the currently underlying business of our stores and therefore complicate comparison of the underlying business between periods. Nevertheless, because of the limitations described above, management does not view Adjusted EBITDA, Credit Adjusted EBITDA or Store Operating Income Before Depreciation and Amortization in isolation and also uses other measures, such as revenues, gross margin, operating income and net income to measure operating performance.

Adjusted EBITDA

We define "Adjusted EBITDA" as net income, plus interest expense, net, loss on debt refinancing, provision for (benefit from) income taxes, depreciation and amortization expense, (gain) loss on property and equipment transactions, impairment of long-lived assets, share-based compensation, currency transaction (gains) losses and other costs.

Adjusted EBITDA is presented because we believe that it provides useful information to investors and analysts regarding our operating performance. By reporting Adjusted EBITDA, we provide a basis for comparison of our business operations between current, past and future periods by excluding items that we do not believe are indicative of our core operating performance.

Credit Adjusted EBITDA

We define "Credit Adjusted EBITDA" as net income plus certain items as defined at *Adjusted EBITDA* above, as well as certain other adjustments as defined in our Credit Facility (see *Liquidity and Capital Resources* below for additional discussion and reconciliation). These other adjustments include (i) increases in entertainment revenue deferrals, (ii) the cost of new projects, including store pre-opening costs, and (iii) other costs and adjustments as permitted by the debt agreements. We believe the presentation of Credit Adjusted EBITDA is appropriate as it provides additional information to investors about the calculation of, and compliance with, certain financial covenants in the Credit Facility.

Store Operating Income Before Depreciation and Amortization

We define "Store Operating Income Before Depreciation and Amortization" as operating income, plus depreciation and amortization expense, general and administrative expenses, pre-opening costs and other charges and gains. Store Operating Income Before Depreciation and Amortization allows us to evaluate operating performance of each store across stores of varying size and volume.

We believe that Store Operating Income Before Depreciation and Amortization is another useful measure in evaluating our operating performance because it removes the impact of general and administrative expenses, which are not incurred at the store level, and the costs of opening new stores, which are non-recurring at the store level, and thereby enables the comparability of the operating performance of our stores for the periods presented. We also believe that Store Operating Income Before Depreciation and Amortization is a useful measure in evaluating our operating performance within the entertainment and dining industry because it permits the evaluation of store-level productivity, efficiency, and performance, and we use Store Operating Income Before Depreciation and Amortization as a means of evaluating store financial performance compared with our competitors. However, because this measure excludes significant items such as general and administrative expenses, pre-opening costs, and other charges and gains, as well as our interest expense, net, loss on debt refinancing and depreciation and amortization expense, which are important in evaluating our consolidated financial performance from period to period, the value of this measure is limited as a measure of our consolidated financial performance.

Presentation of Operating Results

We operate on a 52- or 53-week fiscal year that ends on the Tuesday after the Monday closest to January 31. Each quarterly period reported has 13 weeks, except for 53-week fiscal years when the fourth quarter has 14 weeks. Fiscal 2024, which ended on February 4, 2025, followed this calendar and had 52 weeks. The first quarter of both fiscal 2025 and 2024 had 13 weeks, however the first quarter of 2024 followed our previous fiscal calendar, which ended on a Sunday. The fourth quarter of fiscal 2025 will end on February 3, 2026.

Store-Level Variability, Quarterly Fluctuations, Seasonality and Inflation

We operate stores of various sizes and experience significant store variability in volumes, operating results and net investment costs.

Our new stores typically open with sales volumes in excess of their expected long-term run-rate levels, which we refer to as a "honeymoon" effect. We traditionally expect our new store sales volumes in year two to be lower than our year one targets, and to grow in line with the rest of our comparable store base thereafter. As a result of the substantial revenues associated with each new store, the number and timing of new store openings will result in significant fluctuations in quarterly results.

New store operating margins (excluding pre-opening expenses) during the first year of operation may benefit from honeymoon sales leverage on occupancy, management labor and other fixed costs. This benefit is partially offset by normal inefficiencies in hourly labor and other costs associated with establishing a new store. In year two, operating margins may decline due to the loss of honeymoon sales leverage on fixed costs, which is partially offset by improvements in store operating efficiency.

Our operating results historically have fluctuated due to seasonal factors. Typically, we have higher revenues associated with the spring and year-end holidays, and sales and customer traffic during these periods are susceptible to the impact of severe, unfavorable or unseasonably mild weather. Our third quarter, which encompasses the back-to-school fall season, has historically had lower revenues as compared to other quarters.

Economic and environmental conditions and changes in regulatory legislation could exert pressure on both supplier pricing and consumer spending related to entertainment and dining alternatives. There is no assurance that our cost of products will remain stable or that federal, state, or local minimum wage rates will not increase beyond amounts currently legislated, however, the effects of any supplier price increase or wage rate increases might be partially offset by selective price increases if competitively appropriate.

Three Months Ended May 6, 2025 (the "2025 period") Compared to the Three Months Ended May 5, 2024 (the "2024 period")

Results of operations

The following table sets forth selected data for the periods indicated (in dollars and a percentage of revenues). All information is derived from the accompanying Consolidated Statement of Comprehensive Income.

	Three Months Ended			
	May 6, 2025		May 5, 2024	
Entertainment revenues	$ 366.6	64.6 %	$ 385.7	65.6 %
Food and beverage revenues	201.1	35.4 %	202.4	34.4 %
Total revenues	567.7	100.0 %	588.1	100.0 %
Cost of entertainment [1]	30.6	8.3 %	33.2	8.6 %
Cost of food and beverage [1]	51.5	25.6 %	54.1	26.7 %
Total cost of products	82.1	14.5 %	87.3	14.8 %
Operating payroll and benefits	135.0	23.8 %	141.6	24.1 %
Other store operating expenses [2]	188.4	33.2 %	176.0	29.9 %
General and administrative expenses [2]	24.4	4.3 %	28.0	4.8 %
Depreciation and amortization expenses	63.2	11.1 %	62.8	10.7 %
Pre-opening costs	6.1	1.1 %	3.3	0.6 %
Other charges and gains [2]	5.3	0.9 %	3.6	0.6 %
Total operating costs	504.5	88.9 %	502.6	85.5 %
Operating income	63.2	11.1 %	85.5	14.5 %
Interest expense, net	36.8	6.5 %	33.1	5.6 %
Income before provision for income taxes	26.4	4.7 %	52.4	8.9 %
Provision for income taxes	4.7	0.8 %	11.0	1.9 %
Net income	$ 21.7	3.8 %	$ 41.4	7.0 %
Company-owned stores at end of period	234		224	

(1) All percentages are expressed as a percentage of total revenues for the respective period presented, except cost of entertainment, which is expressed as a percentage of entertainment revenues, and cost of food and beverage, which is expressed as a percentage of food and beverage revenues.

(2) We reclassified certain costs and gains for the 2024 period from "Other store operating expenses" and "General and administrative expenses" to "Other charges and gains." See Note 1 to the consolidated financial statements for further discussion.

Reconciliations of Non-GAAP Financial Measures

Adjusted EBITDA

The following table reconciles Net income to Adjusted EBITDA for the periods indicated:

	Three Months Ended			
	May 6, 2025		May 5, 2024	
Net income [1]	$ 21.7	3.8 %	$ 41.4	7.0 %
Interest expense, net	36.8		33.1	
Provision for income taxes	4.7		11.0	
Depreciation and amortization expense	63.2		62.8	
Share-based compensation [2]	3.0		4.0	
Transaction and integration costs [3]	0.2		0.6	
System implementation costs [4]	1.5		3.8	
Other items, net [5]	5.0		2.3	
Adjusted EBITDA, a non-GAAP measure [1]	$ 136.1	24.0 %	$ 159.1	27.1 %

(1) All percentages are expressed as a percentage of total revenues for the respective period presented.
(2) Non-cash share-based compensation expense, net of forfeitures, recorded in General and administrative expenses on the Consolidated Statement of Comprehensive Income.
(3) Transaction and integration costs related to the acquisition and integration of Main Event recorded in Other charges and gains on the Consolidated Statement of Comprehensive Income.
(4) System implementation costs represent expenses incurred related to the development of new enterprise resource planning, human capital management and inventory software for our stores and store support teams. These charges are recorded in Other charges and gains on the Consolidated Statement of Comprehensive Income.
(5) The amount for the 2025 period primarily consisted of $0.9 of discretionary retention incentives, $0.3 of severance costs and a $3.7 loss on property and equipment transactions. The amount for the 2024 period primarily consisted of $1.8 of one-time, third-party consulting fees and $0.8 severance and restructuring charges, partially offset by a $0.3 gain on property and equipment transactions. The third-party consulting fees are not part of our ongoing operations and were incurred to execute two related, discrete, and project-based strategic initiatives aimed at transforming our marketing strategy, and one discrete, project-based initiative to transform our supply chain operational efficiency. The transformative nature, narrow scope, and limited duration of these incremental consulting fees are not reflective of the ordinary course expenses incurred to operate our business. Third-party consulting fees, discretionary retention incentives and severance costs are included in General and administrative expenses on the Consolidated Statement of Comprehensive Income. (Gain) loss on property and equipment transactions is included in Other charges and gains on the Consolidated Statement of Comprehensive Income.

Store Operating Income Before Depreciation and Amortization

The following table reconciles Operating income to Store Operating Income Before Depreciation and Amortization for the periods indicated:

	Three Months Ended			
	May 6, 2025		May 5, 2024	
Operating income [1][2]	$ 63.2	11.1 %	$ 85.5	14.5 %
General and administrative expenses [2]	24.4		28.0	
Depreciation and amortization expense	63.2		62.8	
Pre-opening costs	6.1		3.3	
Other charges and gains [2]	5.3		3.6	
Store Operating Income Before Depreciation and Amortization, a non-GAAP measure [1][2]	$ 162.2	28.6 %	$ 183.2	31.2 %

(1) All percentages are expressed as a percentage of total revenues for the respective period presented.
(2) Certain fiscal 2024 amounts were reclassified to align with the fiscal 2025 presentation. See Note 1 to the consolidated financial statements for further discussion.

Results of Operations

Revenues - Selected revenue data and store data for the periods indicated are as follows:

	Three Months Ended		
	May 6, 2025	May 5, 2024	Change
Comparable store revenues	$ 513.1	$ 559.7	$ (46.6)
Noncomparable store revenues	47.4	31.7	15.7
Other noncomparable revenues [1]	7.2	(3.3)	10.5
Total revenues	$ 567.7	$ 588.1	$ (20.4)
Comparable store operating weeks	2,730	2,730	—
Noncomparable store operating weeks	219	161	58
Total store operating weeks	2,949	2,891	58

[1] Includes changes in deferred entertainment revenues, gift card deferrals and certain other revenues not associated with stores.

The table below represents our revenue mix for the fiscal periods indicated:

	Three Months Ended			
	May 6, 2025		May 5, 2024	
Entertainment revenues	$ 366.6	64.6 %	$ 385.7	65.6 %
Food revenues	137.5	24.2 %	135.6	23.1 %
Beverage revenues	63.6	11.2 %	66.8	11.3 %
	$ 567.7	100.0 %	$ 588.1	100.0 %

Total revenues for the 2025 period decreased $20.4, or 3.5%, to $567.7 compared to $588.1 for the 2024 period. The decrease in revenue is primarily attributable to a $46.6 decrease in comparable store sales, partially offset by a $15.7 increase in new store revenues and an increase of $10.5 in other noncomparable revenues. The decrease in comparable store revenues is due primarily to a reduction in walk-in business relative to the prior year period. The change in other noncomparable revenues reflects breakage on unredeemed game play credits and tickets corresponding to guest redemption patterns over time. See *Revenue Recognition* at Note 1 to the unaudited consolidated financial statements for discussion of revenue recognition associated with game play credits and tickets.

Cost of products - The total cost of products was $82.1 for the 2025 period and $87.3 for the 2024 period. The total cost of products as a percentage of total revenues decreased to 14.5% for the 2025 period compared to 14.8% for the 2024 period.

Cost of entertainment decreased to $30.6 in the 2025 period compared to $33.2 in the 2024 period. The cost of entertainment, as a percentage of entertainment revenues, decreased to 8.3% for the 2025 period from 8.6% in the 2024 period. The decrease was primarily attributable to sales price increases.

Cost of food and beverage products decreased to $51.5 for the 2025 period compared to $54.1 for the 2024 period. Cost of food and beverage products as a percentage of food and beverage revenues decreased to 25.6% for the 2025 period from 26.7% for the 2024 period. The decrease was due to food and beverage menu price increases, and the mix of products sold with our new menu, offset by certain commodity pricing increases.

Operating payroll and benefits

Total operating payroll and benefits decreased to $135.0 in the 2025 period compared to $141.6 in the 2024 period. The total cost of operating payroll and benefits as a percentage of total revenues was relatively comparable at 23.8% in the 2025 period compared to 24.1% in the 2024 period.

Other store operating expenses

Other store operating expenses increased to $188.4 in the 2025 period compared to $176.0 in the 2024 period. Other store operating expense as a percentage of total revenues increased to 33.2% in the 2025 period compared to 29.9% in the 2024 period. This increase in expense as a percentage of total revenues was primarily due to increased marketing costs, incremental occupancy costs for new stores and timing of essential repairs & maintenance costs.

General and administrative expenses

General and administrative expenses decreased to $24.4 in the 2025 period compared to $28.0 in the 2024 period. The decrease in general and administrative expenses was driven primarily by lower labor and consulting costs and decreased share-based compensation in the current year. General and administrative expenses as a percentage of total revenues decreased to 4.3% in the 2025 period compared to 4.8% in the 2024 period due primarily to the reasons noted above.

Depreciation and amortization expense

Depreciation and amortization expense remained relatively consistent at $63.2 in the 2025 period compared to $62.8 the 2024 period.

Pre-opening costs

Pre-opening costs increased to $6.1 in the 2025 period compared to $3.3 in the 2024 period. This increase was primarily due to the timing of costs in our pipeline of new stores for each period.

Other charges and gains

Other charges and gains increased to $5.3 in the 2025 period compared to $3.6 in the 2024 period primarily due to the write-off of certain assets, partially offset by decreased system implementation costs.

Interest expense, net

Interest expense, net increased to $36.8 in the 2025 period compared to $33.1 in the 2024 period due primarily to incremental interest expense associated with sale-leaseback transactions and borrowings outstanding under our Credit Agreement, partially offset by a decrease in interest rates on our Credit Facility. See further discussion of the Company's debt activity and failed sale-leaseback transaction at Note 4 and Note 3, respectively, to the unaudited consolidated financial statements.

Provision for income taxes

The effective tax rate for the 2025 period was 17.8%, compared to 21.0% for the 2024 period. The effective tax rate decrease for the 2025 period in comparison to the 2024 period was impacted by a significant reduction in pre-tax book income. As pre-tax income decreases, the effect of certain tax attributes and permanent items, specifically our employment tax credits become more pronounced, which cause fluctuations in the effective tax rate.

Liquidity and Capital Resources

Credit Facility

In fiscal 2022, the Company entered into a senior secured credit agreement (the "Credit Facility"), which included a revolving credit facility (the "Revolving Credit Facility") and a term loan facility (together with the Revolving Credit Facility, the "Credit Facility"). On November 1, 2024, D&B Inc. entered into an amendment with its banking syndicate, which amended the Credit Facility (the "Fourth Amendment"). The Credit Facility is unconditionally guaranteed by D&B Holdings and certain of D&B Inc.'s existing and future wholly owned material domestic subsidiaries.

The Fourth Amendment, among other things:

- provided for a new tranche of term loans in an aggregate principal amount of $700.0 (the "Incremental Term B Loans") with a maturity date of November 1, 2031, and
- increased the Revolving Credit Facility by $150.0 to a total $650.0 and extended the maturity to November 1, 2029.

The proceeds from the Incremental Term B Loans were primarily used to:

- redeem all $440.0 of outstanding senior secured notes (see *7.625% Senior Secured Notes* below), and
- pay down $200.0 of the term loans outstanding under the Credit Facility immediately prior to the Fourth Amendment (the "Existing Term B Loans").

Both the Existing Term B Loans and the Incremental Term B Loans bear interest at Term SOFR or ABR (each, as defined in the amended Credit Facility) plus (i) in the case of Term SOFR loans, 3.25% per annum and (ii) in the case of ABR loans, 2.25% per annum. Loans under the Revolving Credit Facility bear interest subject to a pricing grid based on net total leverage, at Term SOFR plus a spread ranging from 2.50% to 3.00% per annum or ABR plus a spread ranging from 1.50% to 2.00% per annum. Unused commitments under the Revolving Credit Facility incur initial commitment fees of 0.30% to 0.50%. Additionally, the interest rate margin applicable to the Existing Term B Loans and loans outstanding under the Revolving Credit Facility are subject to an additional 0.25% step-down if a rating of B1/B+ or higher from Moody's and S&P is achieved (which will step up if such rating is subsequently not maintained).

A portion of the Revolving Credit Facility not to exceed $35.0 is available for the issuance of letters of credit. As of May 6, 2025, we had letters of credit outstanding of $13.7 and an unused commitment balance of $411.3 under the Revolving Credit Facility. The Credit Facility may be increased through incremental facilities, by an amount equal to the greater of (i) $650.0 and (ii) 0.75 times trailing twelve-month Adjusted EBITDA, as defined in the Credit Facility, plus additional amounts subject to compliance with applicable leverage ratio and/or interest coverage ratio requirements.

7.625% Senior Secured Notes

During fiscal 2020, the Company issued $550.0 aggregate principal amount of 7.625% senior secured notes (the "Notes"). Interest on the Notes is payable in arrears on November 1 and May 1 of each year. The Notes mature on November 1, 2025, unless earlier redeemed, and are subject to the terms and conditions set forth in the related indenture. The Notes were issued by D&B Inc. and are unconditionally guaranteed by D&B Holdings and certain of D&B Inc.'s existing and future wholly-owned material domestic subsidiaries. During fiscal 2021, the Company redeemed a total of $110.0 outstanding principal amount of the Notes.

In November 2024, using the proceeds from the Fourth Amendment to the Credit Facility discussed above, the Company redeemed the remaining $440.0 outstanding principal amount of the Notes.

Sale-leaseback transactions

The Company has entered into sale and master lease agreements (a "sale leaseback") with unrelated third parties. Under these agreements, the Company has sold certain store properties, including land, buildings and certain improvements and then leased the assets back through the sale leaseback transactions.

These transactions were accounted for as failed sale leasebacks based on GAAP under ASC 842, *Leases*. As a result, the store property assets remain on the Consolidated Balance Sheet at their historical net book value and are depreciated over the remaining term of the applicable master lease. Financing liabilities were recognized in the amount of the proceeds received, net of certain transactions costs. The Company will not recognize rent expense related to the leased assets. Instead, monthly rent payments under the applicable master lease agreement are recorded as interest expense and a reduction of the outstanding liability.

As of May 6, 2025, the Company had financing liabilities related to twelve properties. The current outstanding liability of $0.5 is included in accrued liabilities and the long-term outstanding liability of $263.4 is included in Other long-term liabilities on the Consolidated Balance Sheet.

Interest expense

The following table sets forth our recorded interest expense, net for the periods presented:

	Three Months Ended	
	May 6, 2025	May 5, 2024
Interest expense on debt	$ 31.9	$
Amortization of debt issue discount and debt issuance cost	2.4	
Interest expense on sale-leaseback transactions (1)	4.6	
Interest income	(0.4)	
Capitalized interest	(1.7)	
Total interest expense, net	$ 36.8	$

(1) See discussion of sale-leaseback transactions at Note 3 to the unaudited consolidated financial statements.

Credit Adjusted EBITDA and Net Total Leverage Ratio.

Credit Adjusted EBITDA, a non-GAAP measure, represents net income plus certain items as defined at *Adjusted EBITDA* at *Non-GAAP Financial Measures* above, as well as certain other adjustments as defined in our Credit Facility. The following table reconciles Net income to Credit Adjusted EBITDA, as defined in our Credit Facility for the period indicated:

	Trailing Four Quarters Ended May 6, 2025
Net income	$
Add back:	
Interest expense, net	
Loss on debt refinancing	
Provision for income taxes	
Depreciation and amortization expense	
Share-based compensation (1)	
Transaction and integration costs (2)	
System implementation costs (3)	
Other items, net (4)	
Pre-opening costs (5)	
Credit Facility specific items, net (6)	
Credit Adjusted EBITDA, a non-GAAP measure	$

(1) See discussion of share-based compensation at Adjusted EBITDA above.
(2) See discussion of transaction and integration costs at Adjusted EBITDA above.
(3) See discussion of system implementation costs at Adjusted EBITDA above.
(4) Primarily consists of discretionary retention incentives, severance costs, (gain) loss on property and equipment transactions and certain third-party consulting fees. The third-party consulting fees are not part of our ongoing operations and were incurred to execute two related, discrete, and project-based strategic initiatives aimed at transforming our marketing strategy, and one discrete, project-based initiative to transform our supply chain operational efficiency. The transformative nature, narrow scope, and limited

duration of these incremental consulting fees are not reflective of the ordinary course expenses incurred to operate our business. Third-party consulting fees, discretionary retention incentives and severance costs are included in General and administrative expenses on the Consolidated Statement of Comprehensive Income. (Gain) loss on property and equipment transactions is included in Other charges and gains on the Consolidated Statement of Comprehensive Income.

(5) Represents costs incurred, primarily consisting of occupancy and payroll related expenses, associated with the opening of new stores. These costs are considered a "cost of new projects" as defined in our Credit Facility.

(6) Represents other adjustments allowed under our Credit Facility in the determination of Net Total Leverage Ratio including i) amortization of software costs, ii) executive search fees, iii) public company costs and iv) estimated impact of remodels to financial performance.

The following table provides the Net Total Leverage Ratio calculation, as defined in our Credit Facility, as of and for the period indicated:

	As of, and for the Traili Four Quarters Ended May 6, 2025
Credit Adjusted EBITDA (a)	$ 513.7
Total debt (1)	$ 1,576.5
Less: Cash and cash equivalents	(11.9)
Add: Outstanding letters of credit	13.7
Net debt (b)	$ 1,578.3
Net Total Leverage Ratio (b / a)	3.1

(1) Amount represents the face amount of debt outstanding, net of unamortized debt issuance costs and debt discount.

Dividends and Share Repurchases

In March 2023, our Board of Directors approved a share repurchase program with an authorization limit of $100.0. Subsequently, our board approved additional repurchases in increments of $100.0, for a total authorization limit of $600.0 under the plan as of May 6, 2025. In fiscal 2025 period, the Company repurchased 1.04 shares for a total of $23.9. The remaining dollar value of shares that may be repurchased under the program is $104.1 as of May 6, 2025.

There were no dividends declared or paid during the current 2025 period. Future decisions to pay cash dividends or repurchase shares continue to be at the discretion of the Board of Directors and will be dependent on our operating performance, financial condition, capital expenditure requirements, compliance with debt agreements and other factors that the Board of Directors considers relevant.

Cash and Cash Equivalents

As of May 6, 2025, the Company had cash and cash equivalents of $11.9. The Company can operate with a working capital deficit because cash from sales is usually received before related liabilities for product supplies, labor and services become due. Our operations do not require significant inventory or receivables, and we continually invest in our business through the growth of stores and operating improvement additions, which are reflected as non-current assets and not a part of working capital. Based on our current business plan, we believe our cash and cash equivalents, combined with expected cash flows from operations and available borrowings under our Revolving Credit Facility, should be sufficient not only for our operating requirements but also to enable us, in the aggregate, to finance our capital allocation strategy, including capital expenditures, through at least the next twelve months.

Cash Flow Activity

Operating Activities — Cash flow from operations typically provides us with a significant source of liquidity. Our operating cash flows result primarily from cash received from our customers, offset by cash payments we make for products and services, team member compensation, occupancy, and other operating costs. Cash from operating activities is also subject to changes in working capital. Working capital at any specific point in time is subject to many variables, including seasonality, the timing of cash receipts and payments, and vendor payment terms.

Cash flow from operating activities decreased to $95.8 for the 2025 period compared to $108.8 for the 2024 period. The decrease was primarily driven by a decrease in net income and the impact of deferred taxes, partially offset by favorable timing changes in working capital.

Investing Activities — Cash flow used in investing increased to $154.6 for the 2025 period from $112.8 for the 2024 period primarily due to an increase in capital expenditures related to new stores and gaming updates, partially offset by a decrease in remodels and maintenance expenditures.

The table below reflects accrual-based capital additions. Capital additions do not include any reductions for accrual-based leasehold improvement incentives ("Payments from landlords").

		Three Months Ended	
		May 6, 2025	May 5, 2024
stores	$	53.0	46.7
odels and other initiatives		19.6	33.0
es		30.0	9.0
intenance capital		12.6	13.3
otal capital additions	$	115.2	102.0
ments from landlords - tenant improvements [1]	$	5.7	4.6

[1] Amounts received from landlords as reimbursements for tenant improvements are included in cash provided by operating activities in the Consolidated Statements of Cash Flows.

Financing Activities — Cash flow from financing was $63.8 in the 2025 period primarily consisting of net debt proceeds, partially offset by share repurchases. Cash flow used in financing activities of $1.2 in the 2024 period primarily consisted of share repurchases, partially offset by net debt proceeds.

Contractual Obligations and Commitments

There have been no material changes to our contractual obligations as reported on Form 10-K for the year ended February 4, 2025.

Accounting policies and estimates

The preparation of financial statements in conformity with GAAP requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenue and expenses, and disclosures of contingent assets and liabilities. These estimates and assumptions affect amounts of assets, liabilities, revenues and expenses and the disclosure of gain and loss contingencies at the date of the consolidated financial statements. Our current estimates are subject to change if different assumptions as to the outcome of future events were made. We evaluate our estimates and judgments on an ongoing basis, and we adjust our assumptions and judgments when facts and circumstances dictate. Since future events and their effects cannot be determined with absolute certainty, actual results may differ from the estimates we used in preparing the accompanying consolidated financial statements. A complete description of our critical accounting policies and estimates is included in our annual consolidated financial statements and the related notes in our Annual Report on Form 10-K for the fiscal year ended February 4, 2025.

Recent accounting pronouncements

Refer to Note 1 to the unaudited consolidated financial statements for information regarding new accounting pronouncements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Commodity Price Risk

We are exposed to market price fluctuation in food, beverage, supplies and other costs such as energy. Given the historical volatility of certain of our food product prices, including proteins, seafood, produce, dairy products, and cooking oil, these fluctuations can materially impact our food costs. While our purchasing commitments partially mitigate the risk of such fluctuations, there is no assurance that supply and demand factors such as disease or inclement weather will not cause the prices of the commodities used in our restaurant operations to fluctuate. Additionally, the cost of purchased materials may be influenced by tariffs and other trade regulations which are outside of our control. To the extent that we do not pass along cost increases to our customers, our results of operations may be adversely affected.

Interest Rate Risk

The Credit Facility, discussed further at Note 4 to the unaudited consolidated financial statements, is based on variable interest rates. As of May 6, 2025, the Company had $225.0 outstanding on its revolving facility and an outstanding balance of $1,387.5 on its term loan facility. The impact on our annual results of operations of a hypothetical one percentage point interest rate change on the outstanding balance of the Credit Facility as of May 6, 2025 would be approximately $16.1.

Inflation

Severe increases in inflation, whether due to imposed tariffs or standard economic conditions, could affect the United States or global economies and have an adverse impact on our business, financial condition and results of operation. If several of the various costs in our business experience inflation at the same time, such as commodity price increases beyond our ability to control and increased labor costs, we may not be able to adjust prices to sufficiently offset the effect of the various cost increases without negatively impacting consumer demand.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including the Interim Chief Executive Officer and Chief Financial Officer, we have evaluated the effectiveness of our disclosure controls and procedures pursuant to Rules 13a-15 and 15d-15 promulgated under the Exchange Act as of the end of the period covered by this report. Based on that evaluation, the Interim Chief Executive Officer and Chief Financial Officer have concluded that these disclosure controls and procedures are effective.

Changes in Internal Control Over Financial Reporting

There were no changes to our internal control over financial reporting practices or processes that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting during our first quarter ended May 6, 2025.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

Information regarding legal proceedings is incorporated by reference from Note 5 to our unaudited consolidated financial statements set forth in Part I of this report.

Item 1A. Risk Factors

See discussion in "Risk Factors" in Item 1A of the Company's Annual Report on Form 10-K for the year ended February 4, 2025.

Item 2. Unregistered Sales of Equity Securities

Information regarding repurchase of our common stock during the three months ended May 6, 2025:

Period [1]	Total Number of Shares Repurchased [2] (in millions)	Average Price Paid per Share [2]	Total Number of Shares Repurchased as Part of Publicly Announced Plans [2] [3] (in millions)	Approximate Dollar Value of Shares That May Yet Be Repurchased Under the Plans [4] (in millions)
February 5, 2025 to March 4, 2025	0.78	$ 24.2	0.78	$ 109.1
March 5, 2025 to April 8, 2025	0.26	$ 19.5	1.04	$ 104.1
April 9, 2025 to May 6, 2025	—	$ —	—	$ —

(1) The Company uses a "4-5-4" calendar to determine the months in each quarter. The periods presented represent the 4-week and 5-week periods making up the three months ended May 6, 2025.

(2) Represents cumulative shares repurchased under repurchase programs. Excludes shares withheld for tax purposes on behalf of our employees in connection with the vesting of time-based and performance-based restricted stock units.

(3) Our Board of Directors approved a share repurchase program in fiscal 2023, with approved increases during 2024. Under the program, the Company may repurchase shares on the open market, through privately negotiated transactions, and through trading plans designed to comply with Rule 10b5-1 of the Exchange Act, as amended. The share repurchase program(s) may be modified, suspended or discontinued at any time.

(4) Represents total cumulative share repurchase authorizations in effect, less cumulative purchases, at the end of each period presented.

Item 5. Other Information

Insider Trading Arrangements

None of our officers or directors, as defined in Rule 16a-1(f) of the Securities Exchange Act of 1934, adopted, modified, or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement," as defined in Item 408 of Regulation S-K, during the three months ended May 6, 2025.

Reclassifications of Certain Expenses

As a result of certain financial statement reclassifications discussed in Note 1 to the consolidated financial statements, the Company has presented below the impact of such reclassifications on the financial information for the Six Months Ended August 6, 2024 and Nine Months Ended November 5, 2024.

	Six Months Ended August 6, 2024			Nine Months Ended November 5, 2024		
	Previously Reported	Reclassifications	Adjusted	Previously Reported	Reclassifications	Adjusted
Other store operating expenses	$ 343.7	$ 2.9	$ 346.6	$ 515.4	$ 2.2	$ 517.6
General and administrative expenses	$ 61.9	$ (5.9)	$ 56.0	$ 89.1	$ (8.5)	$ 80.6
Other charges and gains	$ —	$ 3.0	$ 3.0	$ —	$ 6.3	$ 6.3

Item 6. Exhibits

Exhibit Number	Description
10.1*	Letter amendment to the December 10, 2024 letter agreement by and among Dave & Buster's Management Corp., Dave & Buster's Entertainment Inc., and Kevin Sheehan effective May 2, 2025.
31.1*	Certification of Chief Executive Officer of the Registrant, pursuant to 17 CFR 240.13a-14(a) or 17 CFR 240.15d-14(a).
31.2*	Certification of Chief Financial Officer of the Registrant, pursuant to 17 CFR 240.13a-14(a) or 17 CFR 240.15d-14(a).
32.1**	Certification of Chief Executive Officer of the Registrant, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2**	Certification of Chief Financial Officer of the Registrant, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	Inline XBRL Inline Instance Document—the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH	Inline XBRL Inline Taxonomy Extension Schema Document
101.CAL	Inline XBRL Inline Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Inline Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Inline Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Inline Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101).

* Filed herewith
** Furnished herewith

Signatures

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

DAVE & BUSTER'S ENTERTAINMENT, INC.,
a Delaware corporation

Date: June 10, 2025

By: /s/ Kevin M. Sheehan
Kevin M. Sheehan
Interim Chief Executive Officer

Date: June 10, 2025

By: /s/ Darin Harper
Darin Harper
Chief Financial Officer