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

FORM 10-Q

(Mark One)

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

FOR THE QUARTERLY PERIOD ENDED May 5, 2019

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
(State or Other Jurisdiction of
Incorporation or Organization)

35-2382255
(I.R.S. Employer
Identification No.)

2481 Mañana Drive
Dallas, Texas 75220
(Address of principal executive offices)
(Zip Code)

(214) 357-9588
(Registrant's telephone number, including area code)

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 Stock Market LLC

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, a 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	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

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 5, 2019, the registrant had 36,367,334 shares of common stock, \$0.01 par value per share, outstanding.

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FORM 10-Q FOR QUARTERLY PERIOD ENDED May 5, 2019
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PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

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

	May 5, 2019 (unaudited)	February 3, 2019 (audited)
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 20,353	\$ 21,585
Inventories	29,609	27,315
Prepaid expenses	14,143	20,713
Income taxes receivable	1,094	1,880
Other current assets	7,774	19,600
Total current assets	72,973	91,093
Property and equipment (net of \$599,719 and \$578,178 accumulated depreciation as of May 5, 2019 and February 3, 2019, respectively)	834,522	805,337
Operating lease right of use assets	879,647	—
Deferred tax assets	7,691	6,736
Tradenames	79,000	79,000
Goodwill	272,651	272,625
Other assets and deferred charges	18,407	18,396
Total assets	<u>\$2,164,891</u>	<u>\$1,273,187</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current installments of long-term debt	\$ 15,000	\$ 15,000
Accounts payable	48,862	60,427
Accrued liabilities	175,525	157,164
Income taxes payable	19,683	11,799
Total current liabilities	259,070	244,390
Deferred income taxes	16,104	14,634
Deferred occupancy costs	—	223,678
Operating lease liabilities	1,074,140	—
Other liabilities	27,678	24,179
Long-term debt, net	427,774	378,469
Commitments and contingencies		
Stockholders' equity:		
Common stock, par value \$0.01; authorized: 400,000,000 shares; issued: 43,323,049 shares at May 5, 2019 and 43,177,476 shares at February 3, 2019; outstanding: 36,364,758 shares at May 5, 2019 and 37,522,085 shares at February 3, 2019	433	432
Preferred stock, 50,000,000 authorized; none issued	—	—
Paid-in capital	333,515	331,255
Treasury stock, 6,958,291 and 5,655,391 shares as of May 5, 2019 and February 3, 2019, respectively	(361,186)	(297,129)
Accumulated other comprehensive loss	(3,408)	(683)
Retained earnings	390,771	353,962
Total stockholders' equity	<u>360,125</u>	<u>387,837</u>
Total liabilities and stockholders' equity	<u>\$2,164,891</u>	<u>\$1,273,187</u>

See accompanying notes to consolidated financial statements.

DAVE & BUSTER'S ENTERTAINMENT, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)
(in thousands, except share and per share amounts)

	Thirteen Weeks Ended May 5, 2019	Thirteen Weeks Ended May 6, 2018
Food and beverage revenues	\$ 148,221	\$ 139,755
Amusement and other revenues	215,361	192,435
Total revenues	363,582	332,190
Cost of food and beverage	38,754	36,020
Cost of amusement and other	22,971	21,119
Total cost of products	61,725	57,139
Operating payroll and benefits	82,873	72,894
Other store operating expenses	106,245	93,340
General and administrative expenses	16,846	15,654
Depreciation and amortization expense	31,141	27,506
Pre-opening costs	7,002	7,053
Total operating costs	305,832	273,586
Operating income	57,750	58,604
Interest expense, net	4,056	2,857
Income before provision for income taxes	53,694	55,747
Provision for income taxes	11,251	13,597
Net income	42,443	42,150
Unrealized foreign currency translation loss	(191)	(269)
Change in fair value of derivatives, net of tax	(2,534)	—
Total other comprehensive loss	(2,725)	(269)
Total comprehensive income	\$ 39,718	\$ 41,881
Net income per share:		
Basic	\$ 1.15	\$ 1.06
Diluted	\$ 1.13	\$ 1.04
Weighted average shares used in per share calculations:		
Basic	36,827,665	39,695,421
Diluted	37,591,944	40,612,388
Cash dividends declared per share	\$ 0.15	\$ —

See accompanying notes to consolidated financial statements.

DAVE & BUSTER'S ENTERTAINMENT, INC.
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
(in thousands, except share amounts)

	Thirteen Weeks Ended May 6, 2018							
	Common Stock		Paid-In Capital	Treasury Stock At Cost		Accumulated Other Comprehensive Loss	Retained Earnings	Total
	Shares	Amt.		Shares	Amt.			
Balance February 4, 2018 (audited)	42,660,806	\$427	\$320,488	2,558,721	\$(147,331)	\$ (249)	\$248,311	\$421,646
Net income	—	—	—	—	—	—	42,150	42,150
Unrealized foreign currency translation loss	—	—	—	—	—	(269)	—	(269)
Share-based compensation	—	—	2,388	—	—	—	—	2,388
Issuance of common stock	140,200	1	335	—	—	—	—	336
Repurchase of common stock	—	—	—	622,559	(28,041)	—	—	(28,041)
Balance May 6, 2018 (unaudited)	<u>42,801,006</u>	<u>\$428</u>	<u>\$323,211</u>	<u>3,181,280</u>	<u>\$(175,372)</u>	<u>\$ (518)</u>	<u>\$290,461</u>	<u>\$438,210</u>

	Thirteen Weeks Ended May 5, 2019							
	Common Stock		Paid-In Capital	Treasury Stock At Cost		Accumulated Other Comprehensive Loss	Retained Earnings	Total
	Shares	Amt.		Shares	Amt.			
Balance February 3, 2019 (audited)	43,177,476	\$432	\$331,255	5,655,391	\$(297,129)	\$ (683)	\$353,962	\$387,837
Cumulative effect of a change in accounting principle, net of tax	—	—	—	—	—	—	(145)	(145)
Net income	—	—	—	—	—	—	42,443	42,443
Unrealized foreign currency translation loss	—	—	—	—	—	(191)	—	(191)
Change in fair value of derivatives, net of tax	—	—	—	—	—	(2,534)	—	(2,534)
Share-based compensation	—	—	1,825	—	—	—	—	1,825
Issuance of common stock	145,573	1	435	—	—	—	—	436
Repurchase of common stock	—	—	—	1,302,900	(64,057)	—	—	(64,057)
Dividends declared (\$0.15 per share)	—	—	—	—	—	—	(5,489)	(5,489)
Balance May 5, 2019 (unaudited)	<u>43,323,049</u>	<u>\$433</u>	<u>\$333,515</u>	<u>6,958,291</u>	<u>\$(361,186)</u>	<u>\$ (3,408)</u>	<u>\$390,771</u>	<u>\$360,125</u>

See accompanying notes to consolidated financial statements.

DAVE & BUSTER'S ENTERTAINMENT, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(in thousands)

	Thirteen Weeks Ended May 5, 2019	Thirteen Weeks Ended May 6, 2018
Cash flows from operating activities:		
Net income	\$ 42,443	\$ 42,150
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization expense	31,141	27,506
Deferred taxes	1,511	2,280
Loss on disposal of fixed assets	420	262
Share-based compensation	1,825	2,388
Other, net	185	462
Changes in assets and liabilities:		
Inventories	(2,294)	(772)
Prepaid expenses	(2,036)	(1,510)
Income tax receivable	786	3,872
Other current assets	827	(3,954)
Other assets and deferred charges	33	162
Accounts payable	(5,727)	3,558
Accrued liabilities	9,218	2,956
Income taxes payable	7,884	6,270
Deferred occupancy costs	—	13,961
Other liabilities	(476)	(645)
Net cash provided by operating activities	<u>85,740</u>	<u>98,946</u>
Cash flows from investing activities:		
Capital expenditures	(67,247)	(61,389)
Proceeds from sales of property and equipment	135	17
Net cash used in investing activities	<u>(67,112)</u>	<u>(61,372)</u>
Cash flows from financing activities:		
Proceeds from debt	81,000	65,000
Payments of debt	(31,750)	(76,750)
Proceeds from the exercise of stock options	436	336
Repurchase of common stock under share repurchase program	(63,471)	(27,368)
Dividends paid	(5,489)	—
Repurchases of common stock to satisfy employee withholding tax obligations	(586)	(673)
Net cash used in financing activities	<u>(19,860)</u>	<u>(39,455)</u>
Decrease in cash and cash equivalents	(1,232)	(1,881)
Beginning cash and cash equivalents	21,585	18,795
Ending cash and cash equivalents	<u>\$ 20,353</u>	<u>\$ 16,914</u>
Supplemental disclosures of cash flow information:		
Decrease in fixed asset accounts payable	\$ (5,838)	\$ (2,453)
Cash paid for income taxes, net	\$ 1,068	\$ 1,160
Cash paid for interest, net	\$ 3,743	\$ 2,635
Leases (note 4)		

See accompanying notes to consolidated financial statements.

DAVE & BUSTER'S ENTERTAINMENT, INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
(in thousands, except share and per share amounts)

Note 1: Summary of Significant Accounting Policies

Basis of presentation— Dave & Buster's Entertainment, Inc. ("D&B Entertainment") is a Delaware corporation formed in June 2010. References to the "Company", "we", "us", and "our" refers to D&B Entertainment, any predecessor companies, and its wholly-owned subsidiaries, Dave & Buster's Holdings, Inc. ("D&B Holdings"), a holding company which owns 100% of the outstanding common stock of Dave & Buster's, Inc. ("D&B Inc"), the operating company. The Company, headquartered in Dallas, Texas, is a leading operator of high-volume entertainment and dining venues ("stores") in North America for adults and families under the name "Dave & Buster's". The Company operates its business as one operating and one reportable segment. During the first quarter of fiscal 2019, we opened seven stores and permanently closed one store in Duluth (Atlanta), Georgia on March 3, 2019. As of May 5, 2019, we owned and operated 127 stores located in 39 states, Puerto Rico and one Canadian province.

The accompanying unaudited consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation. 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. The preparation of consolidated financial statements in conformity with GAAP requires us to make certain estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates. Operating results for the thirteen weeks ended May 5, 2019 are not necessarily indicative of results that may be expected for any other interim period or for the fiscal year ending February 2, 2020. Our quarterly financial data should be read in conjunction with the audited financial statements and notes thereto for the year ended February 3, 2019, included in our Annual Report on Form 10-K as filed with the SEC.

We operate on a 52 or 53-week fiscal year that ends on the Sunday after the Saturday closest to January 31. Each quarterly period reported has 13 weeks. Fiscal 2019 and 2018, which end on February 2, 2020 and February 3, 2019, contain 52 weeks.

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 creates book overdrafts. Book overdrafts of \$7,613 and \$12,782 are presented in "Accounts payable" in the Consolidated Balance Sheets as of May 5, 2019 and February 3, 2019, respectively. Changes in the book overdraft position are presented within "Net cash provided by operating activities" within the Consolidated Statements of Cash Flows.

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 as follows: Level One inputs are quoted prices available for identical assets or liabilities in active markets; Level Two inputs are observable for the asset or liability, either directly or indirectly, including quoted prices for similar assets or liabilities in active markets; and Level Three inputs are unobservable and reflect management's own assumptions.

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. We believe that the carrying amount of our credit facility approximates its fair value because the interest rates are adjusted regularly based on current market conditions. The fair value of the Company's credit facility was determined to be a Level Two instrument as defined by GAAP. The fair value of the Company's interest rate swap is determined based upon Level Two inputs which includes valuation models as reported by our counterparties. These valuation models are based on the present value of expected cash flows using forward rate curves.

Non-financial assets and liabilities recognized or disclosed at fair value in the consolidated financial statements on a nonrecurring basis include such items as property and equipment, goodwill, tradenames and other assets. These assets are measured at fair value when they were evaluated for impairment. During the thirteen weeks ended May 5, 2019, there were no impairments recognized.

Interest rate swaps— The Company entered into three interest rate swap agreements to manage our exposure to interest rate movements on our variable rate credit facility. The agreements entitle the Company to receive at specified intervals, a variable rate of interest based on one-month LIBOR in exchange for the payment of a fixed rate of interest throughout the life of the agreements. The

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notional amount of the swap agreements total \$350,000 and the fixed rate of interest for all agreements is 2.47% plus the applicable spread. The agreements became effective on February 28, 2019 and mature on August 17, 2022, which is the maturity date of our credit facility. The Company has designated its interest rate swap agreements as a cash flow hedge and accounts for the underlying activity in accordance with hedge accounting. To the extent that the swaps are effective in offsetting the variability of the hedged cash flows, changes in the fair value of the derivatives are not included in earnings but are included in other comprehensive loss. These changes in fair value are subsequently reclassified into net earnings as a component of interest expense as the hedged interest payments are made on our variable rate debt. At May 5, 2019, the fair value of our interest rate swaps was a liability of \$3,487 and is included in “Other liabilities” within the Consolidated Balance Sheets. The offset to the interest rate swap liability is recorded as a component of equity, net of deferred taxes of \$953, in accumulated other comprehensive loss. Cash flows related to the interest rate swaps are included as component of interest expense and in operating activities. Any portion of the fair value of the swaps determined to be ineffective will be recognized currently in earnings.

Revenue recognition—Amusement revenues are primarily recognized upon utilization of game play credits on power cards purchased and used by customers to activate most of the video and redemption games. We have deferred a portion of revenues for the estimated unfulfilled performance obligations related to unused game play credits which we believe our customers will utilize in the future. During the thirteen weeks ended May 5, 2019, we recognized revenue of approximately \$12,000 related to the amount in deferred amusement revenue as of the end of fiscal 2018.

In jurisdictions where we do not have a legal obligation to remit unredeemed gift card balances to a legal authority, we recognize revenue on unredeemed gift cards in proportion to the pattern of redemption by the customers. During the thirteen weeks ended May 5, 2019, we recognized revenue of approximately \$1,100 related to the amount in deferred gift card revenue as of the end of fiscal 2018, of which approximately \$290 was gift card breakage revenue.

Stockholders' equity—Our Board of Directors has approved a share repurchase program, under which 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 Securities Exchange Act of 1934, as amended. The share repurchase program may be modified, suspended or discontinued at any time. The Company has a total share repurchase authorization of \$600,000 which expires at the end of fiscal 2020. During the thirteen weeks ended May 5, 2019, the Company purchased 1,291,564 shares of common stock at an average cost of \$49.14 per share. Since the inception of the repurchase program, the Company has purchased 7,575,355 shares of common stock at an average cost of \$51.92 per share. As of May 5, 2019, we have approximately \$206,666 of share repurchase authorization remaining under the current plan.

In our consolidated financial statements, the Company treats shares withheld for tax purposes on behalf of our employees in connection with the vesting of performance restricted stock units as common stock repurchases because they reduce the number of shares that would have been issued upon vesting. These withheld shares of common stock are not considered common stock repurchases under our authorized common stock repurchase plan. During the thirteen weeks ended May 5, 2019, we withheld 11,336 shares of common stock to satisfy \$586 of employees' tax obligations.

Recently adopted accounting guidance—On February 4, 2019, we adopted Accounting Standard Update (“ASU”) 2016-02, Leases (Topic 842). This new guidance requires the recognition of lease liabilities, representing future minimum lease payments on a discounted basis, and corresponding right-of-use (“ROU”) assets on the balance sheet for most leases. We adopted this standard using a modified retrospective approach, and we elected the transition method that allows us to initially apply the new standard at the adoption date and recognize a cumulative-effect adjustment to the opening balance of retained earnings in the period of adoption. The comparative period information had not been restated.

Upon adoption of ASU 2016-02, we applied the package of practical expedients, which eliminated the requirements to reassess prior conclusions about lease identification, lease classification and initial direct costs. We also elected a short-term lease exception policy and an accounting policy to not separate non-lease components from lease components for our facility leases. The adoption of this guidance resulted in the recognition of ROU assets related to our operating leases of \$877,714 and operating lease liabilities of \$1,116,252. At the date of adoption, all lease-related balances consisting of \$239,416 of deferred occupancy costs (including unfavorable lease liabilities) and \$878 of favorable lease assets have been eliminated as an adjustment to ROU assets. We also recorded a cumulative effect reduction to the opening balance of retained earnings of \$145, net of tax, from adoption of this guidance. There was no significant impact to our results of operations or cash flows.

Recent accounting pronouncements—In January 2017, the Financial Accounting Standards Board (“FASB”) issued ASU 2017-04, Intangibles – Goodwill and Other (Topic 350), which eliminates the requirement to calculate the implied fair value of goodwill if the fair value of a reporting unit is less than the carrying amount of the reporting unit. Instead, if the carrying amount of a reporting unit exceeds its fair value, an impairment loss will be recognized in an amount equal to that excess, limited to the total amount of goodwill allocated to that reporting unit. The guidance is effective for goodwill impairment tests in fiscal years beginning

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after December 15, 2019 and should be applied on a prospective basis. The Company does not expect the adoption will have a material impact on our consolidated financial statements when we perform future annual impairment tests.

In August 2018, the FASB issued ASU 2018-13, Fair Value Measurement (Topic 820): Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement, which eliminates, modifies and adds disclosure requirements for fair value measurements. The update is effective for fiscal years beginning after December 15, 2019 and for interim periods within those fiscal years, with early adoption permitted. The Company is currently assessing the impact of this new standard on our consolidated financial statements.

Note 2: Accrued Liabilities

Accrued liabilities consist of the following as of:

	<u>May 5, 2019</u>	<u>February 3, 2019</u>
Current portion of operating lease liabilities, net (refer to Note 4)	\$ 31,252	\$ —
Current portion of deferred occupancy costs	—	15,737
Deferred amusement revenue	47,428	44,232
Amusement redemption liability	20,604	19,911
Compensation and benefits	20,280	24,280
Deferred gift card revenue	8,607	9,450
Property taxes	7,910	7,278
Current portion of long-term insurance	5,900	5,900
Customer deposits	5,847	3,731
Sales and use taxes	4,292	5,226
Utilities	3,856	4,032
Inventory liabilities	2,537	2,876
Variable rent liabilities	2,143	2,245
Other (refer to Note 5)	14,869	12,266
Total accrued liabilities	<u>\$ 175,525</u>	<u>\$ 157,164</u>

Note 3: Debt

Long-term debt consists of the following as of:

	<u>May 5, 2019</u>	<u>February 3, 2019</u>
Credit facility - term	\$ 277,500	\$ 281,250
Credit facility - revolver	166,000	113,000
Total debt outstanding	443,500	394,250
Less:		
Current installments - term	(15,000)	(15,000)
Debt issuance costs - term	(726)	(781)
Long-term debt, net	<u>\$ 427,774</u>	<u>\$ 378,469</u>

On August 17, 2017, we entered into a senior secured credit facility that provides a \$300,000 term loan facility and a \$500,000 revolving credit facility with a maturity date of August 17, 2022. The \$500,000 revolving credit facility includes a \$35,000 letter of credit sub-facility and a \$15,000 swing loan sub-facility. The revolving credit facility is available to provide financing for general purposes. Principal payments on the term loan facility are \$3,750 per quarter through maturity, when the remaining balance is due. Our current credit facility is secured by the assets of D&B Inc and is unconditionally guaranteed by D&B Holdings and each of its direct and indirect domestic wholly-owned subsidiaries. As of May 5, 2019, we had letters of credit outstanding of \$6,647 and \$327,353 of borrowing available under our credit facility.

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The interest rates per annum applicable to loans, other than swing loans, under our existing credit facility are currently set based on a defined LIBOR rate plus an applicable margin. Swing loans bear interest at a base rate plus an applicable margin. The loans bear interest subject to a pricing grid based on a total leverage ratio, at one-month LIBOR plus a spread ranging from 1.25% to 2.00% for the term loans and the revolving loans. The interest rate at May 5, 2019 was based on one-month LIBOR plus 1.25%. As of May 5, 2019, the Company's weighted average interest rate on outstanding borrowings was 4.17%, including the impact of the interest rate swap agreements. The weighted average effective rate includes amortization of debt issuance costs, commitment and other fees.

Our credit facility contains 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. In addition, our credit facility requires us to maintain certain financial ratio covenants. As of May 5, 2019, we were in compliance with our restrictive and financial ratio covenants of our credit facility.

Interest expense, net — The following tables set forth our recorded interest expense, net for the periods indicated:

	Thirteen Weeks Ended May 5, 2019	Thirteen Weeks Ended May 6, 2018
Interest expense on credit facilities	\$ 4,195	\$ 3,023
Realized gain on interest rate swap	(15)	—
Amortization of issuance cost	198	198
Interest income	(26)	(28)
Capitalized interest	(296)	(326)
Change in fair value of interest rate cap	—	(10)
Total interest expense, net	<u>\$ 4,056</u>	<u>\$ 2,857</u>

Note 4: Leases

We currently lease the building or site for our stores, corporate office 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 includes 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. Contingent rent and other variable rent are included as variable lease costs in the table below.

Lease expense consisted of the following:

	Thirteen Weeks Ended May 5, 2019
Operating	\$ 29,792
Variable	1,218
Short-term	101
Total	<u>\$ 31,111</u>

Store lease expense is included in "Other store operating expenses" or "Pre-opening costs," accordingly, and corporate lease expense is included in "General and administrative expenses" in the Consolidated Statements of Comprehensive Income.

Operating leases are included within the "Operating lease right of use assets", "Accrued liabilities" and "Operating lease liabilities" in the Consolidated Balance Sheets. Operating lease ROU assets and lease liabilities are recognized at commencement date based on the present value of lease payments over the lease term and include both facility and equipment leases. The operating lease ROU asset is reduced by leasehold improvement incentives as the incentives are earned. As of May 5, 2019, the balance of leasehold improvement incentive receivables was \$18,107 and is reflected as a reduction of the current portion of operating lease liabilities. The Company uses its incremental borrowing rate at commencement date in determining the present value of lease payments. The Company uses judgment in determining its incremental borrowing rate, which includes selecting a yield curve based on a hypothetical credit rating.

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Other information related to leases is as follows:

	Thirteen Weeks Ended May 5, 2019
Cash paid for amounts included in the measurement of lease liabilities	
Operating cash flows from operating leases	\$ 29,537
ROU assets obtained in exchange for new operating lease liabilities	\$ 29,102
Weighted-average remaining lease term - operating leases (in years)	15.98
Weighted-average discount rate - operating leases	5.97%

The maturities of our operating lease liabilities are as follows as of May 5, 2019:

Remainder of 2019	\$ 84,227
2020	120,795
2021	114,782
2022	106,798
2023	103,287
Thereafter	<u>1,282,835</u>
Total	\$1,812,724
Less: Interest	<u>689,225</u>
Total discounted operating lease liabilities	<u>\$1,123,499</u>

Operating lease payments in the table above includes minimum lease payments for seven future sites for which the lease has commenced, and the stores are expected to open in fiscal 2019. Operating lease payments exclude minimum lease payments for eleven executed facility leases that we have not yet taken possession.

At February 3, 2019, aggregate minimum annual lease payments under facility and equipment operating leases were as follows:

2019	\$ 122,501
2020	117,908
2021	111,642
2022	104,195
2023	100,779
Thereafter	<u>1,229,803</u>
Total	<u>\$1,786,828</u>

Note 5: Commitments and Contingencies

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 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.

On June 30, 2017, we agreed to settle litigation related to alleged violations of the Employee Retirement Income Security Act. The settlement agreement was preliminarily approved by the court on December 7, 2018, and the court had set a hearing concerning final approval for May 9, 2019, which has been delayed by the court for administrative reasons. To cover the estimated net costs of settlement, including estimated payment to any opt-in members and class attorneys, as well as related settlement administration costs, we recorded a net charge of \$2,550 (representing \$7,500 of gross settlement costs less \$4,950 of insurance recoveries) during fiscal 2017. The charge was recorded in general and administrative expenses in our Consolidated Statements of Comprehensive Income. No additional settlement liabilities or recoveries related to this litigation were recorded during fiscal 2018 or fiscal 2019. The actual amount of any settlement payment could vary from our estimate and will be subject to many factors including approval by the court, the claims process and other matters typically associated with the settlement of litigation.

[Table of Contents](#)**Note 6: Earnings per share**

Potential dilutive shares consist of the incremental common shares issuable upon the exercise of outstanding stock options (both vested and unvested), unvested time-based restricted stock units (RSU's) and unvested performance RSU's to the extent performance measures were attained as of the end of the reporting period, calculated using the treasury-stock method. Potential dilutive shares are excluded from the computation of earnings per share ("EPS") if their effect is anti-dilutive. Stock options for which the exercise price exceeds the average market price over the period are anti-dilutive and, accordingly, are excluded from the calculation. The weighted average anti-dilutive options excluded from the calculation of common equivalent shares were 51,772 and 113,798 in the thirteen weeks ended May 5, 2019 and May 6, 2018, respectively.

The following table sets forth the computation of EPS, basic and diluted for the periods indicated:

	Thirteen Weeks Ended May 5, 2019	Thirteen Weeks Ended May 6, 2018
Numerator:		
Net income	\$ 42,443	\$ 42,150
Denominator:		
Weighted average number of common shares outstanding (basic)	36,827,665	39,695,421
Weighted average dilutive impact of equity-based awards	764,279	916,967
Weighted average number of common and common equivalent shares outstanding (diluted)	37,591,944	40,612,388
Net income per share:		
Basic	\$ 1.15	\$ 1.06
Diluted	\$ 1.13	\$ 1.04

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Note 7: Share-Based Compensation

Compensation expense related to stock options, time-based and performance-based RSU's and restricted stock are included in general and administrative expenses and were as follows:

	Thirteen Weeks Ended	
	<u>May 5, 2019</u>	<u>May 6, 2018</u>
Stock options	\$ 759	1,358
RSU's and restricted stock	1,066	1,030
Total share-based compensation expense	<u>\$ 1,825</u>	<u>\$ 2,388</u>

Transactions related to stock option awards during the thirteen weeks ended May 5, 2019 were as follows:

	<u>2014 Stock Incentive Plan</u>		<u>2010 Stock Incentive Plan</u>	
	<u>Number of Options</u>	<u>Weighted Average Exercise Price</u>	<u>Number of Options</u>	<u>Weighted Average Exercise Price</u>
Outstanding at February 3, 2019	1,134,218	\$ 34.22	359,984	\$ 6.48
Granted	210,558	51.68	—	—
Exercised	(5,814)	37.95	(40,635)	5.31
Forfeited	(1,466)	48.59	—	—
Outstanding at May 5, 2019	<u>1,337,496</u>	<u>\$ 36.94</u>	<u>319,349</u>	<u>\$ 6.63</u>
Exercisable at May 5, 2019	921,792	\$ 31.36	319,349	\$ 6.63

The total intrinsic value of options exercised during the thirteen weeks ended May 5, 2019 was \$2,069. The unrecognized expense related to our stock option plan totaled approximately \$4,514 as of May 5, 2019 and will be expensed over a weighted average period of 2.7 years.

Transactions related to time-based and performance-based RSU's and restricted stock during the thirteen weeks ended May 5, 2019 were as follows:

	<u>Shares</u>	<u>Weighted Average Fair Value</u>
	Outstanding at February 3, 2019	220,830
Granted	68,334	51.68
Change in units based on performance	27,372	39.10
Vested	(99,124)	39.64
Forfeited	(1,031)	48.34
Outstanding at May 5, 2019	<u>216,381</u>	<u>\$ 51.65</u>

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Fair value of our time-based and performance-based RSU's and restricted stock is based on our closing stock price on the date of grant. The unrecognized expense related to our time-based and performance-based RSU's and unvested restricted stock was \$7,787 as of May 5, 2019 and will be expensed over a weighted average period of 2.4 years.

During the thirteen weeks ended May 5, 2019, and May 6, 2018, excess tax benefits of \$788 and \$380, respectively, were recognized as a benefit in the "Provision for income taxes" in the Consolidated Statement of Comprehensive Income and classified as a source in operating activities in the Consolidated Statement of Cash Flows.

Forfeitures are estimated at the time of grant and adjusted if necessary, in subsequent periods, if actual forfeitures differ from those estimates. The forfeiture rate is based on historical experience.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read together with the accompanying unaudited 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 Securities and Exchange Commission ("SEC") on April 2, 2019. 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 Unaudited 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 guarantees 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 2, 2019. 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, those results or developments may not be indicative of results or developments in subsequent periods.

General

We are a leading owner and operator of high-volume venues in North America that combine dining and entertainment for both adults and families under the name "Dave & Buster's". Founded in 1982, the core of our concept is to offer our customers the opportunity to "Eat, Drink, Play and Watch" all in one location. Eat and Drink are offered through a full menu of entrées and appetizers and a full selection of non-alcoholic and alcoholic beverages. Our Play and Watch offerings provide an extensive assortment of entertainment attractions centered around playing games and watching live sports and other televised events. Our customer mix skews moderately to males, primarily between the ages of 21 and 39, and we believe we also serve as an attractive venue for families with children and teenagers. We believe we appeal to a diverse customer base by providing a highly customizable experience in a dynamic and fun setting.

Our stores average 41,000 square feet, range in size between 16,000 and 66,000 square feet and are open seven days a week, with hours of operation typically from 11:30 a.m. to midnight on Sunday through Thursday and 11:30 a.m. to 2:00 a.m. on Friday and Saturday.

Our Growth Strategies and Outlook

Our growth is based primarily on the following strategies:

- Expand the Dave & Buster's brand geographically;
- Build great new stores; and
- Drive our comparable stores sales.

We intend for new store expansion to be a key growth driver. Our long-term plan is to open new stores at an annual rate of at least 10% of our existing stores. During the first thirteen weeks of fiscal 2019, the Company opened seven new stores, compared to six new store openings in the comparable 2018 period. As of May 5, 2019, there were 127 stores in the United States, Puerto Rico and Canada. We strive to increase comparable store sales by delivering compelling game content in our amusement products, enhancing food and beverage items and improving service to our customers. We utilize national cable advertising and digital media to build customer awareness and drive frequency across each of the "Eat, Drink, Play and Watch" components of our business. We currently anticipate opening fifteen to sixteen new stores in fiscal 2019.

We believe that we are positioned for growth with a corporate infrastructure and national marketing platform that can substantially support a larger store base than we currently have. Whether we are able to leverage our infrastructure and marketing platform in future years by growing these costs at a slower rate than our revenue will depend, in part, on our new store openings, our comparable store sales growth rate going forward and the level of investment we continue to make in these areas.

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For further information about our growth strategies and outlook, see the section entitled “Business – Our Growth Strategies” in our Annual Report on Form 10-K filed with the SEC.

Key Measures of Our Performance

We monitor and analyze a number of key performance measures to manage our business and evaluate financial and operating performance. These measures include:

Comparable store sales. Comparable store sales are a year-over-year comparison of sales at stores open at the end of the period which have been open for at least 18 months as of the beginning of each of the fiscal years. It is a key performance indicator used within the industry and is indicative of acceptance of our initiatives as well as local economic and consumer trends. Our comparable store base consisted of 99 stores as of May 5, 2019.

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. Between May 6, 2018 and May 5, 2019, we opened sixteen new stores, eight of which were in new markets.

Non-GAAP Financial Measures

In addition to the results provided in accordance with generally accepted accounting principles (“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, Adjusted EBITDA Margin, Store Operating Income Before Depreciation and Amortization and Store Operating Income Before Depreciation and Amortization Margin (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 entitled 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 pre-opening and other costs which 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 vary from period to period and do not directly relate to the ongoing operations of the currently underlying business of our stores and therefore complicate comparison of underlying business between periods. Nevertheless, because of the limitations described above, management does not view 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 and Adjusted EBITDA Margin. We define “Adjusted EBITDA” as net income plus interest expense, net, loss on debt refinancing, provision for income taxes, depreciation and amortization expense, loss on asset disposal, share-based compensation, pre-opening costs, currency transaction (gains) losses and other costs. “Adjusted EBITDA Margin” is defined as Adjusted EBITDA divided by total revenues.

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.

Store Operating Income Before Depreciation and Amortization and Store Operating Income Before Depreciation and Amortization Margin. We define “Store Operating Income Before Depreciation and Amortization” as operating income plus depreciation and amortization expense, general and administrative expenses and pre-opening costs. “Store Operating Income Before Depreciation and Amortization Margin” is defined as Store Operating Income Before Depreciation and Amortization divided by total revenues. Store Operating Income Before Depreciation and Amortization Margin 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

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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 and pre-opening costs, as well as our interest expense, net 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 Sunday after the Saturday closest to January 31. Each quarterly period has 13 weeks, except in a 53-week year when the fourth quarter has 14 weeks. All references to the first quarter of 2019 relate to the 13-week period ended May 5, 2019. All references to the first quarter of 2018 relate to the 13-week period ended May 6, 2018. Fiscal 2019 and fiscal 2018 consist of 52 weeks. All dollar amounts are presented in thousands, unless otherwise noted, except share and per share amounts.

Store-Level Variability, Quarterly Fluctuations, Seasonality and Inflation

We have historically operated stores varying in size and have experienced significant variability among stores 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 expect our new store sales volumes in year two to be 10% to 20% 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.

In the first year of operation new store operating margins (excluding pre-opening expenses) typically 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. Furthermore, rents in our new stores are typically higher than our comparable store base.

Our operating results fluctuate significantly due to seasonal factors. Typically, we have higher revenues associated with spring and year-end holidays which will continue to be susceptible to the impact of severe or unseasonably mild weather on customer traffic and sales during that period. Our third quarter, which encompasses the back-to-school fall season, has historically had lower revenues as compared to the other quarters.

We expect that economic and environmental conditions and changes in regulatory legislation will continue to exert pressure on both supplier pricing and consumer spending related to entertainment and dining alternatives. Although 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, the effects of any supplier price increases or wage rate increases are expected to be partially offset by selected menu price increases where competitively appropriate.

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Thirteen Weeks Ended May 5, 2019 Compared to Thirteen Weeks Ended May 6, 2018

Results of operations. The following table sets forth selected data, in thousands of dollars and as a percentage of total revenues (unless otherwise noted) for the periods indicated. All information is derived from the accompanying unaudited consolidated statements of comprehensive income.

	Thirteen Weeks Ended		Thirteen Weeks Ended	
	May 5, 2019		May 6, 2018	
Food and beverage revenues	\$148,221	40.8%	\$139,755	42.1%
Amusement and other revenues	215,361	59.2	192,435	57.9
Total revenues	363,582	100.0	332,190	100.0
Cost of food and beverage (as a percentage of food and beverage revenues)	38,754	26.1	36,020	25.8
Cost of amusement and other (as a percentage of amusement and other revenues)	22,971	10.7	21,119	11.0
Total cost of products	61,725	17.0	57,139	17.2
Operating payroll and benefits	82,873	22.8	72,894	21.9
Other store operating expenses	106,245	29.2	93,340	28.2
General and administrative expenses	16,846	4.6	15,654	4.7
Depreciation and amortization expense	31,141	8.6	27,506	8.3
Pre-opening costs	7,002	1.9	7,053	2.1
Total operating costs	305,832	84.1	273,586	82.4
Operating income	57,750	15.9	58,604	17.6
Interest expense, net	4,056	1.1	2,857	0.8
Income before provision for income taxes	53,694	14.8	55,747	16.8
Provision for income taxes	11,251	3.1	13,597	4.1
Net income	\$ 42,443	11.7%	\$ 42,150	12.7%
Change in comparable store sales (1)		(0.3)%		(4.9)%
Company-owned stores open at end of period (1)		127		112
Comparable stores open at end of period (1)		99		86

- (1) Our store in Duluth (Atlanta), Georgia permanently closed on March 3, 2019 as we did not exercise the renewal option, and has been excluded from fiscal 2019 store counts and comparable store sales.

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The following table reconciles (in dollars and as a percent of total revenues) Net income to Adjusted EBITDA for the periods indicated:

	Thirteen Weeks Ended May 5, 2019		Thirteen Weeks Ended May 6, 2018	
Net income	\$42,443	11.7%	\$42,150	12.7%
Interest expense, net	4,056		2,857	
Provision for income taxes	11,251		13,597	
Depreciation and amortization expense	31,141		27,506	
EBITDA	88,891	24.4%	86,110	25.9%
Loss on asset disposal	420		262	
Share-based compensation	1,825		2,388	
Pre-opening costs	7,002		7,053	
Other costs (1)	46		95	
Adjusted EBITDA	<u>\$98,184</u>	27.0%	<u>\$95,908</u>	28.9%

- (1) Primarily represents costs related to currency transaction (gains) or losses.

Store Operating Income Before Depreciation and Amortization

The following table reconciles (in dollars and as a percent of total revenues) Operating income to Store Operating Income Before Depreciation and Amortization for the periods indicated:

	Thirteen Weeks Ended May 5, 2019		Thirteen Weeks Ended May 6, 2018	
Operating income	\$ 57,750	15.9%	\$ 58,604	17.6%
General and administrative expenses	16,846		15,654	
Depreciation and amortization expense	31,141		27,506	
Pre-opening costs	7,002		7,053	
Store Operating Income Before Depreciation and Amortization	<u>\$112,739</u>	31.0%	<u>\$108,817</u>	32.8%

Capital Additions

The table below reflects accrual-based capital additions. Capital additions do not include any reductions for accrual-based leasehold improvement incentives or proceeds from sale-leaseback transactions (collectively, "Payments from landlords").

	Thirteen Weeks Ended May 5, 2019	Thirteen Weeks Ended May 6, 2018
New store and operating initiatives	\$ 51,418	\$ 48,208
Games	3,696	7,433
Maintenance capital	6,295	3,295
Total capital additions	<u>\$ 61,409</u>	<u>\$ 58,936</u>
Payments from landlords	\$ 14,242	\$ 14,787

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Results of Operations

Revenues

Total revenues increased \$31,392, or 9.5%, to \$363,582 in the first quarter of fiscal 2019 compared to total revenues of \$332,190 in the first quarter of fiscal 2018. For the thirteen weeks ended May 5, 2019, we derived 27.7% of our total revenue from food sales, 13.1% from beverage sales, 58.5% from amusement sales and 0.7% from other sources. For the thirteen weeks ended May 6, 2018, we derived 28.5% of our total revenue from food sales, 13.6% from beverage sales, 57.3% from amusement sales and 0.6% from other sources.

The net increase in revenues for the first quarter of fiscal 2019 compared to the reported first quarter of 2018 were from the following sources:

Comparable stores	\$ (925)
Non-comparable stores	32,588
Other	(271)
Total	<u>\$31,392</u>

Comparable store revenue decreased \$925, or 0.3%, in the first quarter of fiscal 2019 compared to the first quarter of fiscal 2018. Comparable store revenue compared to prior year was negatively impacted by an unfavorable shift in the current year holiday/school break calendar, increased competitive pressure, and sales transfers to new stores that we opened in markets where we operate. Comparable walk-in revenues, which accounted for 92.1% of comparable store revenue for the first quarter of fiscal 2019, decreased \$1,603, or 0.6% compared to the similar period in fiscal 2018. Comparable store special events revenues, which accounted for 7.9% of comparable store revenue for the first quarter of fiscal 2019, increased \$678, or 3.0% compared to the first quarter of fiscal 2018.

Food sales at comparable stores decreased by \$2,291, or 2.8%, to \$80,709 in the first quarter of fiscal 2019 from \$83,000 in the in the first quarter of fiscal 2018. Beverage sales at comparable stores decreased by \$1,756, or 4.4%, to \$38,005 in the first quarter of fiscal 2019 from \$39,761 in the 2018 comparison period. Comparable store amusement and other revenues in the first quarter of fiscal 2019 increased by \$3,122, or 1.8%, to \$172,577 from \$169,455 in the comparable thirteen weeks of fiscal 2018. The increase in amusement sales was positively impacted by various pricing initiatives in the current quarter, including an increase in new card fees with the launch of our RFID power card and incremental sales associated with our virtual reality platform which launched during the second quarter of fiscal 2018.

Non-comparable store revenue increased \$32,588, for the first quarter of fiscal 2019 compared to the first quarter of fiscal 2018. The increase in non-comparable store revenue was primarily driven by 196 additional operating store weeks contributed by our twenty-eight non-comparable stores, sixteen of which opened subsequent to the first quarter of fiscal 2018, partially offset by a decrease in revenue due to the closure of our store in Duluth (Atlanta), Georgia on March 3, 2019.

Cost of products

The total cost of products was \$61,725 for the first quarter of fiscal 2019 and \$57,139 for the first quarter of fiscal 2018. The total cost of products as a percentage of total revenues was 17.0% and 17.2% for the first quarter of fiscal 2019 and fiscal 2018, respectively.

Cost of food and beverage products increased to \$38,754 in the first quarter of fiscal 2019 compared to \$36,020 for the first quarter of fiscal 2018 due primarily to the increased sales volume related to new store openings. Cost of food and beverage products, as a percentage of food and beverage revenues, increased 30 basis points to 26.1% for the first quarter of fiscal 2019 from 25.8% for the first quarter of fiscal 2018. Higher meat costs resulting from our upgraded steak products and higher poultry costs due to our "All You Can Eat" wings promotion as well as the impact of our larger non-comparable store group, were partially offset by increases in food and beverage prices.

Cost of amusement and other increased to \$22,971 in the first quarter of fiscal 2019 compared to \$21,119 in the first quarter of fiscal 2018. The costs of amusement and other, as a percentage of amusement and other revenues, decreased 30 basis points to 10.7% for the first quarter of fiscal 2019 from 11.0% for the first quarter of fiscal 2018. The decrease in cost of amusement and other as a percentage of revenue was due, in part, to lower expense associated with our estimated amusement redemption liabilities, an increase in the price of power cards and a slight shift in game play to non-redemption games including our virtual reality platform.

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Operating payroll and benefits

Total operating payroll and benefits increased by \$9,979, or 13.7%, to \$82,873 in the first quarter of fiscal 2019 compared to \$72,894 in the first quarter of fiscal 2018. This increase was primarily due to labor associated with the additional operating store weeks of our non-comparable stores. The total cost of operating payroll and benefits, as a percentage of total revenues, increased 90 basis points to 22.8% in the first quarter of fiscal 2019 compared to 21.9% for the first quarter of fiscal 2018. This increase was due to a hourly wage rate increase of approximately 5%, incremental amusements labor related to our virtual reality platform, normal labor inefficiencies associated with our non-comparable store base and unfavorable leverage on decreased comparable store sales.

Other store operating expenses

Other store operating expenses increased by \$12,905, or 13.8%, to \$106,245 in the first quarter of fiscal 2019 compared to \$93,340 in the first quarter of fiscal 2018, primarily due to new store openings. Other store operating expenses as a percentage of total revenues increased 100 basis points to 29.2% in the first quarter of fiscal 2019 compared to 28.2% in the first quarter of fiscal 2018. This increase was due primarily to higher occupancy costs associated with our non-comparable stores, deleveraging of our occupancy costs on lower comparable store sales, incremental sports viewing costs and the absence of hurricane-related business interruption proceeds recorded in the first quarter of the prior year.

General and administrative expenses

General and administrative expenses increased by \$1,192, or 7.6%, to \$16,846 in the first quarter of fiscal 2019 compared to \$15,654 in the first quarter of fiscal 2018. The increase in general and administrative expenses was primarily driven by increased compensation and professional services costs at our corporate headquarters. General and administrative expenses, as a percentage of total revenues remained relatively unchanged at 4.6% in the first quarter of fiscal 2019 compared to 4.7% in the first quarter of fiscal 2018.

Depreciation and amortization expense

Depreciation and amortization expense increased by \$3,635 or 13.2%, to \$31,141 in the first quarter of fiscal 2019 compared to \$27,506 in the first quarter of fiscal 2018. Increased depreciation due to our 2018 and 2019 capital expenditures for new stores, operating initiatives, games and maintenance capital, was partially offset by other assets reaching the end of their depreciable lives.

Pre-opening costs

Pre-opening costs decreased by \$51 to \$7,002 in the first quarter of fiscal 2019 compared to \$7,053 in the first quarter of fiscal 2018.

Interest expense, net

Interest expense, net increased by \$1,199 to \$4,056 in the first quarter of fiscal 2019 compared to \$2,857 in the first quarter of fiscal 2018 due primarily to higher interest rates and an increase in average outstanding debt.

Provision for income taxes

The effective income tax rate decreased to 21.0% in the first quarter of fiscal 2019 compared to 24.4% in the first quarter of fiscal 2018. The decrease reflects a higher excess tax benefit associated with share-based compensation, higher tax credits and a change in the mix of jurisdictional earnings.

Liquidity and Capital Resources

Cash and Cash Equivalents

At May 5, 2019, we had cash and cash equivalents of \$20,353 and a net working capital deficit of \$186,097. We are able to 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 noncurrent 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, available borrowings under the revolving portion of our credit facility and expected payments from landlords should be

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sufficient not only for our operating requirements but also to enable us, in the aggregate, to finance our capital allocation strategy, including capital expenditures, share repurchases, cash dividends and any required debt payments through at least the next twelve months and the foreseeable future.

We expect to spend between \$231,000 and \$241,000 (\$190,000 to \$200,000 net of payments from landlord) in capital additions during fiscal 2019. The fiscal 2019 additions are expected to include approximately \$184,000 to \$194,000 (\$143,000 to \$153,000 net of payments from landlords) for new store construction and operating improvement initiatives, \$20,000 for game refreshment and \$27,000 in maintenance capital. A portion of the 2019 new store spend is related to stores that will be under construction in 2019 but will not be open until 2020.

Debt and Derivatives

We maintain a \$500,000 unsecured revolving credit facility. Availability under the revolving credit facility is reduced by outstanding letters of credit, which are used to support our self-insurance programs. At May 5, 2019, we had net availability for borrowings of \$327,353 based on an outstanding revolver balance of \$166,000 and \$6,647 in standby letters of credit. We had total outstanding debt obligation of \$443,500 under the existing term loan and revolving credit facility, which matures in August 2022. At May 5, 2019, the Company was in compliance with all our covenants contained in our existing credit facility, and none are expected to impact our liquidity or capital resources.

We use interest rate swaps in the management of our exposure to fluctuations in interest rates on our variable rate credit facility. Refer to Notes 1 of the Unaudited Consolidated Financial Statements for further discussion.

Dividends and Share Repurchases

Our Board of Directors approved a share repurchase program, under which 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. The share repurchase program may be modified, suspended or discontinued at any time. As of May 5, 2019, we had approximately \$206,666 remaining of a total \$600,000 share repurchase authorization. The existing share repurchase program expires at the end of fiscal 2020. During the first quarter of fiscal 2019, we declared and paid cash dividends of \$5,489. Our Board of Directors may authorize additional share repurchases or other capital allocation initiatives, including additional dividends, to return value to shareholders as allowable under our existing credit facility.

Cash Flow Summary

Operating Activities— Net cash provided by operating activities decreased \$13,206 in the thirteen weeks ended May 5, 2019 compared to the thirteen weeks ended May 6, 2018 driven primarily by net cash flows associated with changes in working capital.

Cash flow generated from operations 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, employee compensation, operations and occupancy costs.

Cash provided by or used in 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.

Investing Activities— Cash used in investing activities primarily reflects capital expenditures.

During the thirteen weeks ended May 5, 2019, the Company spent \$57,739 (\$43,497 net of payments from landlords) for new store construction and operating improvement initiatives, \$3,846 for game refreshment and \$5,662 for maintenance capital.

During the thirteen weeks ended May 6, 2018, we spent \$49,370 (\$34,583 net of payments from landlords) for new store construction and operating improvement initiatives, \$7,702 for game refreshment and \$4,317 for maintenance capital.

Financing Activities— Cash used in financing activities primarily reflected approximately \$63,500 of share repurchases and approximately \$5,500 of cash dividends paid, partially offset by \$49,250 of net proceeds from borrowings of debt in the first quarter of fiscal 2019. Cash used in financing activities primarily reflected approximately \$27,500 of share repurchases and \$11,750 of net repayments of debt in the first quarter of fiscal 2018.

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Contractual Obligations and Commitments

There have been no material changes outside the ordinary course of business to our contractual obligations since February 3, 2019, as reported on Form 10-K filed with SEC on April 2, 2019.

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 filed with the SEC on April 2, 2019.

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 and beverage product prices. 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. At this time, we do not use financial instruments to hedge our commodity risk.

Interest Rate Risk

We are exposed to interest rate risk arising from changes in interest rates due to the variable rate indebtedness under our credit facility. Borrowings pursuant to our credit facility bear interest at a floating rate based on one-month LIBOR, plus an applicable margin. Effective February 28, 2019, the Company entered into an interest rate swap agreement with a notional amount of \$350,000 to manage our exposure to interest rate movements on our variable rate credit facility. The agreement converts the floating interest rate to a fixed interest rate of approximately 2.5% plus a spread from the effective date through the term of our existing credit facility.

Inflation

The primary inflationary factors affecting our operations are food, labor costs, and energy costs. Many of our leases require us to pay taxes, maintenance, repairs, insurance and utilities, all of which are generally subject to inflationary increases. Finally, the cost of constructing our stores is subject to inflationary increases in the costs of labor and material.

We have a substantial number of hourly employees who are paid wage rates at or based on the applicable federal, state or city minimum wage and increases in the minimum wage will increase our labor costs. Several states and local jurisdictions in which we operate have enacted legislation to increase the minimum wage and/or minimum tipped wage rates by varying amounts, with more planned increases in the future.

In general, we have been able to partially offset cost increases resulting from inflation by increasing menu prices, improving productivity, or other operating changes. We may or may not be able to offset cost increases in the future.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including the 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 Securities Exchange Act of 1934, as amended, as of the end of the period covered by this report. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that these disclosure controls and procedures are effective.

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Changes in Internal Control Over Financial Reporting

Effective February 4, 2019 we adopted the new guidance for lease accounting (Topic 842). During our first quarter, we established implementation controls to ensure our contracts were properly evaluated and that the impact of the new lease accounting standard was properly assessed and disclosed in our consolidated financial statements for the thirteen weeks ended May 5, 2019.

Other than as described above, there were no other changes in our internal control over financial reporting (as defined in the Exchange Act Rules 13a-15(f) and 15d-15(f)) that occurred during our first quarter ended May 5, 2019, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

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

There have been no material changes in the risk factors previously disclosed in our Annual Report as filed on Form 10-K on April 2, 2019.

[Table of Contents](#)**ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS**

Information regarding repurchase of our common stock, in thousands, except share and per share amounts, during the thirteen weeks ended May 5, 2019:

Period (1)	Total Number of Shares Repurchased	Average Price Paid per Share	Total Number of Shares Repurchased as Part of Publicly Announced Plan (2)	Approximate Dollar Value of Shares That May Yet Be Repurchased Under the Plan (3)
February 4, 2019 – March 3, 2019	354,856	\$ 49.60	354,856	\$ 252,535
March 4, 2019 – April 7, 2019	721,673	\$ 47.88	721,673	\$ 217,978
April 8, 2019 – May 5, 2019	215,035	\$ 52.60	215,035	\$ 206,666

- (1) Monthly information is presented by reference to our fiscal periods during the thirteen weeks ended May 5, 2019.
- (2) Our Board of Directors approved a share repurchase program, under which 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 Securities Exchange Act of 1934, as amended. The share repurchase program may be modified, suspended or discontinued at any time.
- (3) Based on total share repurchase authorization in effect on May 5, 2019.

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ITEM 6. EXHIBITS

Exhibit Number	Description
10.1*	<u>Form of Nonqualified Stock Option Award Agreement, by and between Dave & Buster's Entertainment, Inc. and various employees of the Company.</u>
10.2*	<u>Form of Restricted Stock Unit Award Agreement, by and between Dave & Buster's Entertainment, Inc. and various Directors of the Company.</u>
10.3*	<u>Form of Restricted Stock Unit and Cash Award Agreement, by and between Dave & Buster's Entertainment, Inc. and various employees of the Company.</u>
10.4*	<u>Form of Restricted Stock Unit Agreement, by and between Dave & Buster's Entertainment, Inc. and various employees of the Company.</u>
31.1*	<u>Certification of Brian A. Jenkins, Chief Executive Officer of the Registrant, pursuant to 17 CFR 240.13a-14(a) or 17 CFR 240.15d-14(a).</u>
31.2*	<u>Certification of Scott J. Bowman, Chief Financial Officer of the Registrant, pursuant to 17 CFR 240.13a-14(a) or 17 CFR 240.15d-14(a).</u>
32.1*	<u>Certification of Brian A. Jenkins, 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.</u>
32.2*	<u>Certification of Scott J. Bowman, 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.</u>
101	<u>XBRL Interactive Data files</u>

* Filed herein

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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 11, 2019

By: /s/ Brian A. Jenkins
Brian A. Jenkins
Chief Executive Officer

Date: June 11, 2019

By: /s/ Scott J. Bowman
Scott J. Bowman
Chief Financial Officer

Dave & Buster's Entertainment, Inc.
2014 Omnibus Incentive Plan
NONQUALIFIED STOCK OPTION AWARD AGREEMENT
(EMPLOYEE FORM)

THIS NONQUALIFIED STOCK OPTION AWARD AGREEMENT (this "**Award Agreement**") is made effective as of [●] (the "**Date of Grant**"), between Dave & Buster's Entertainment, Inc., a Delaware corporation (the "**Company**") and [●] (the "**Participant**").

R E C I T A L S:

WHEREAS, the Company has adopted the Dave & Buster's Entertainment, Inc. 2014 Omnibus Incentive Plan (the "**Plan**"); and

WHEREAS, the Committee has determined that it would be in the best interests of the Company and its stockholders to grant the option provided for herein to the Participant pursuant to the Plan and the terms set forth herein.

NOW THEREFORE, in consideration of the mutual covenants hereinafter set forth, the parties agree as follows:

1. Grant of the Option. The Company hereby grants to the Participant the right and option (the "**Option**") to purchase, on the terms and conditions hereinafter set forth, all or any part of an aggregate of [●] Shares as of the Date of Grant. The Option is intended to be a Nonqualified Stock Option.
2. Option Price. The purchase price of the Shares subject to the Option is [●] per Share (the "**Option Price**").
3. Option Term. The term of the Option shall be ten (10) years, commencing on the Date of Grant (the "**Option Term**"). The Option shall automatically terminate upon the expiration of the Option Term, or at such earlier time specified herein or in the Plan.
4. Vesting of the Option. Subject to the Participant's continued Service with the Company through the applicable vesting date, Section 5 of this Award Agreement and the terms of the Plan, the Option shall vest in equal installments on each of the first three (3) anniversaries of the Date of Grant, such that one-third (1/3) of the Option vests on each such anniversary (each, a "**Vesting Date**").
5. Termination of Service.
 - (a) Termination of Service for Cause. Upon a termination of the Participant's Service by the Company for Cause the Option, including any vested portion, shall immediately terminate and be forfeited without consideration. For purposes of this Award

Agreement, “Cause” means (i) “Cause” as defined in any employment agreement between the Participant and the Company or any of its Affiliates, or (ii) if there is no such employment agreement or if it does not define Cause: the willful and continued failure by the Participant to perform the duties assigned by the Company, failure to follow reasonable business-related directions from the Company, gross insubordination, theft from the Company or its Affiliates, habitual absenteeism or tardiness, conviction or plea of guilty or *nolo contendere* to a felony, misdemeanor involving fraud, theft or moral turpitude, or any other reckless or willful misconduct that is contrary to the best interests of the Company or materially and adversely affects the reputation of the Company.

(b) Termination of Service due to death or Disability. Upon a termination of the Participant’s Service by reason of death or Disability, any unvested portion of the Option shall immediately become vested, and any vested portion shall remain exercisable until the earlier of (i) one (1) year following such termination of Service and (ii) the expiration of the Option Term. For purposes of this Award Agreement, “Disability” means (A) “Disability” as defined in any employment agreement between the Participant and the Company or any of its Affiliates, or (B) if there is no such employment agreement or if it does not define Disability: the Participant is disabled to the extent that he or she is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, or is receiving income replacement benefits for a period of not less than three (3) months under an accident and health plan covering employees of Dave & Buster’s Management Corporation, Inc. The determination of the Participant’s disability shall be made in good faith by a physician reasonably acceptable to the Company.

(c) Termination of Service due to Retirement. Upon a termination of the Participant’s Service by reason of Retirement, subject to the terms of the Plan, any unvested portion of the Option shall continue to vest on each remaining Vesting Date, and any vested portion shall remain exercisable until the expiration of the Option Term. For purposes of this Award Agreement, “Retirement” means (i) “Retirement” as defined in any employment agreement between the Participant and the Company or any of its Affiliates, or (ii) if there is no such employment agreement or if it does not define Retirement: termination of the Participant’s Service, other than for Cause, after attaining (A) age sixty (60) and completing ten (10) years of continued service (i.e., without any termination of Service) with the Company or its Affiliates or (B) age sixty-five (65).

(d) Change-of-Control Termination. Upon a termination of the Participant’s Service by the Company or one of its successors or Affiliates without Cause or due to the Participant’s resignation for Good Reason (excluding a termination by reason of death or Disability), in either case on or within twelve (12) months following the occurrence of a Change of Control of the Company, any unvested portion of the Option shall remain eligible for continued vesting in accordance with the terms of this Award, and any vested portion shall remain exercisable until the expiration of the Option Term; provided, that the foregoing shall not apply in the event that all Options issued and outstanding under the Plan are terminated in connection with such Change of Control. For purposes of this Award Agreement, “Good Reason” means (i) “Good

Reason” as defined in any employment agreement between the Participant and the Company or any of its Affiliates, or (ii) if there is no such employment agreement or if it does not define Good Reason: Without the Participant’s consent, (A) a material reduction in the Participant’s annual base salary or (B) a relocation of the Participant’s primary place of employment with the Company by more than fifty (50) miles from that in effect as of the Date of Grant; provided, however, that neither item (A) nor item (B) shall constitute Good Reason unless the Participant has provided written notice to the Company within thirty (30) days of the occurrence of such event and the Company shall have failed to cure such event within thirty (30) days of receipt of such written notice.

(e) Termination without Cause or for Good Reason. Upon a termination of the Participant’s Service by the Company without Cause or due to the Participant’s resignation for Good Reason (excluding a termination by reason of death or Disability) other than as provided in Section 5(d): (i) any portion of the Option that is vested as of the date of such termination of employment shall remain exercisable until the earlier of (A) ninety (90) days following such termination of Service and (B) the expiration of the Option Term; provided, that if a Change of Control should occur on or before the earlier of (A) and (B), then any portion of the Option that is vested as of the date of such termination of employment shall remain exercisable until the expiration of the Option Term; and (ii) any portion of the Option that is unvested as of such termination of employment shall remain outstanding but unexercisable until the earliest of (A) the date that is ninety (90) days following such termination of Service, at which time the unvested portion shall terminate and be forfeited, (B) the expiration of the Option Term, at which time the unvested portion shall terminate and be forfeited, and (C) the consummation of a Change of Control of the Company, at which time the unvested portion shall remain eligible for continued vesting in accordance with the terms of this Award notwithstanding such termination of employment (and to the extent the unvested portion would have vested pursuant to Section 4 hereof prior to the Change of Control if the Participant’s Service had not terminated, the unvested portion shall be deemed to have vested in accordance with and to the extent applicable to that vesting schedule).

(f) Other Terminations of Service. Upon a termination of the Participant’s Service for any reason, other than pursuant to Sections 5(a), 5(b), 5(c), 5(d) and 5(e) above, any unvested portion of the Option shall immediately terminate and be forfeited without consideration, and any vested portion of the Option shall remain exercisable until the earlier of (i) ninety (90) days following such termination of Service and (ii) the expiration of the Option Term.

6. Exercise Procedures.

(a) Notice of Exercise. To the extent exercisable, the Participant or the Participant’s representative may exercise any vested portion of the Option or any part thereof prior to the expiration of the Option Term or as otherwise set forth in Section 5 hereof by giving written notice to the Company in the form attached hereto as Exhibit A or any other form acceptable to the Committee or the Committee’s designated administrative representative (the “**Notice of Exercise**”). The Notice of Exercise shall be signed by the person exercising such Option or shall evidence the intent of the person exercising such Option if delivered in electronic format or with an electronic signature. In the event that such Option is being exercised by the Participant’s representative, the Notice of Exercise shall be accompanied by proof (satisfactory to the Company) of such representative’s right to exercise such Option.

(b) Method of Exercise. The Participant or the Participant's representative shall deliver to the Company, at the time the Notice of Exercise is given, payment (i) in cash or its equivalent (e.g., by cashier's check), (ii) in Shares (whether or not previously owned by the Participant) having a Fair Market Value equal to the aggregate Option Price for the Shares being purchased and satisfying such other requirements as may be imposed by the Committee, (iii) partly in cash and partly in Shares (as described in clause (ii) above), (iv) if there is a public market for the Shares at such time, subject to such administrative requirements as may be imposed by the Committee, through the delivery of irrevocable instructions to a broker to sell Shares obtained upon the exercise of the Option and to deliver promptly to the Company an amount out of the proceeds of such sale equal to the aggregate Option Price for the Shares being purchased or (v) to the extent permitted by the Committee, another form of payment permissible under Section 6.5 of the Plan for the full amount of the aggregate Option Price for the exercised Option.

(c) Issuance of Shares. Provided the Company receives a properly completed and executed Notice of Exercise and payment for the full amount of the aggregate Option Price and the Participant has made arrangements for appropriate withholding, the Company shall promptly cause the Shares underlying the exercised Option to be issued in the name of the Person exercising the applicable Option.

7. Non-Solicitation and Non-Hire. If the Participant has an employment agreement with the Company or any of its Subsidiaries that contains non-solicitation and/or non-hire covenants, the covenants are incorporated herein by reference. To the extent the Participant does not have an employment agreement containing such covenants, the following restrictive covenants shall apply:

As a material incentive for the Company to enter into this Award Agreement, during the term of the Participant's employment with the Company or any of its Subsidiaries and for a period of twelve (12) months from the termination of the Participant's employment for any reason (including, without limitation, resignation by the Participant) (the "Non-Solicitation and Non-Hire Period") the Participant shall not, directly or indirectly, on the Participant's own behalf or on behalf of any other person, partnership, entity, association, or corporation, induce or attempt to influence, induce, or encourage anyone who is or, within the six (6) months prior to the date of termination was, an employee of the Company or any of its Subsidiaries at or above the managerial level (including, without limitation, General Managers, Assistant General Managers, store departmental managers, and all higher-ranking managers) (for purposes of this Section 7, an "Employee"), client, supplier, vendor, licensee, distributor, contractor or other business relation of the Company or any of its Subsidiaries to cease doing business with, adversely alter or interfere with its business relationship with, the Company or any of its Subsidiaries. Further, during the Non-Solicitation and Non-Hire Period, the Participant shall not, on the Participant's own behalf or on behalf of any other person, partnership, entity, association, or corporation, (i) solicit or seek to hire any Employee, or in any other manner attempt directly or indirectly to influence, induce, or encourage any Employee to leave their employ (provided, however, that nothing herein shall restrict the Participant from engaging in any general solicitation that is not specifically targeted at

such persons), nor shall the Participant use or disclose to any person, partnership, entity, association, or corporation any information concerning the names, addresses or personal telephone numbers of any Employee, (ii) without the Company's prior written consent, hire, employ or engage as a consultant any Employee, or (iii) directly or indirectly solicit, induce, or attempt to influence, induce, or encourage any person, partnership, entity, association, or corporation that is a client or customer of the Company or its Subsidiaries and who or which the Participant helped to schedule or conduct a special event or corporate teambuilding while employed by the Company or its Subsidiaries to schedule or conduct a special event or corporate teambuilding through another person, partnership, entity, association, or corporation.

This Section 7 shall survive exercise, termination or settlement of the Option and termination or satisfaction of the Award Agreement.

8. No Right to Continued Service. The granting of the Option evidenced hereby and this Award Agreement shall impose no obligation on the Company or any Affiliate to continue the Service of the Participant and shall not lessen or affect any right that the Company or any Affiliate may have to terminate the Service of such Participant.

9. Securities Laws/Legend on Certificates. The issuance and delivery of Shares shall comply with all applicable requirements of law, including (without limitation) the Securities Act of 1933, as amended, the rules and regulations promulgated thereunder, state securities laws and regulations, and the regulations of any stock exchange or other securities market on which the Company's securities may then be traded. If the Company deems it necessary to ensure that the issuance of securities under the Plan is not required to be registered under any applicable securities laws, the Participant shall deliver to the Company an agreement or certificate containing such representations, warranties and covenants as the Company which satisfies such requirements. The certificates representing the Shares shall be subject to such stop transfer orders and other restrictions as the Committee may deem reasonably advisable, and the Committee may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.

10. Transferability. Unless otherwise provided by the Committee, the Option may not be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by the Participant other than by will or by the laws of descent and distribution, and any such purported assignment, alienation, pledge, attachment, sale, transfer or encumbrance shall be void and unenforceable against the Company or any Affiliate; provided that, the designation of a beneficiary shall not constitute an assignment, alienation, pledge, attachment, sale, transfer or encumbrance. No such permitted transfer of the Option to heirs or legatees of the Participant shall be effective to bind the Company unless the Committee shall have been furnished with written notice thereof and a copy of such evidence as the Committee may deem necessary to establish the validity of the transfer and the acceptance by the transferee or transferees of the terms and conditions hereof. During the Participant's lifetime, the Option is exercisable only by the Participant (or, if the Participant is disabled, the Participant's representative).

11. Withholding. The Participant may be required to pay to the Company or any Affiliate and the Company shall have the right and is hereby authorized to withhold any applicable withholding taxes in respect of the Option, its exercise or transfer and to take such other action as may be necessary in the opinion of the Committee to satisfy all obligations for the payment of such withholding taxes.

12. Notices. Any notification required by the terms of this Award Agreement shall be given in writing and shall be deemed effective upon personal delivery or within three (3) days of deposit with the United States Postal Service, by registered or certified mail, with postage and fees prepaid. A notice shall be addressed to the Company, Attention: General Counsel, at its principal executive office and to the Participant at the address that he or she most recently provided to the Company.

13. Entire Agreement. This Award Agreement and the Plan constitute the entire contract between the parties hereto with regard to the subject matter hereof and supersede any other agreements, representations or understandings (whether oral or written and whether express or implied) which relate to the subject matter hereof.

14. Waiver. No waiver of any breach or condition of this Award Agreement shall be deemed to be a waiver of any other or subsequent breach or condition whether of like or different nature.

15. Successors and Assigns. The provisions of this Award Agreement shall inure to the benefit of, and be binding upon, the Company and its successors and assigns and upon the Participant, the Participant's assigns and the legal representatives, heirs and legatees of the Participant's estate, whether or not any such person shall have become a party to this Award Agreement and have agreed in writing to be joined herein and be bound by the terms hereof.

16. Governing Law; Jurisdiction; Waiver of Jury Trial.

(a) This Award Agreement and all claims, causes of action or proceedings (whether in contract, in tort, at law or otherwise) that may be based upon, arise out of or relate to this Award Agreement shall be governed by the internal laws of the State of Delaware, excluding any conflicts or choice-of-law rule or principle that might otherwise refer construction or interpretation of the Award Agreement to the substantive law of another jurisdiction. Each party to this Award Agreement agrees that it shall bring all claims, causes of action and proceedings (whether in contract, in tort, at law or otherwise) that may be based upon, arise out of or be related to the Award Agreement exclusively in the Delaware Court of Chancery or, in the event (but only in the event) that such court does not have subject-matter jurisdiction over such claim, cause of action or proceeding, exclusively in the United States District Court for the District of Delaware (the "**Chosen Court**") and hereby (i) irrevocably submits to the exclusive jurisdiction of the Chosen Court, (ii) waives any objection to laying venue in any such proceeding in the Chosen Court, (iii) waives any objection that the Chosen Court is an inconvenient forum or does not have jurisdiction over any party and (iv) agrees that service of process upon such party in any such claim or cause of action shall be effective if notice is given in accordance with this Award Agreement.

(b) EACH OF THE PARTIES HERETO IRREVOCABLY WAIVES ALL RIGHT TO A TRIAL BY JURY IN ANY CLAIM OR CAUSE OF ACTION (WHETHER IN CONTRACT, IN TORT, AT LAW OR OTHERWISE) INSTITUTED BY OR AGAINST SUCH PARTY IN RESPECT OF ITS, HIS OR HER OBLIGATIONS HEREUNDER.

17. Option Subject to Plan. By entering into this Award Agreement the Participant agrees and acknowledges that the Participant has received and read a copy of the Plan. The Option is subject to the Plan. The terms and provisions of the Plan as it may be amended from time to time are hereby incorporated herein by reference. In the event of a conflict between any term or provision contained herein and a term or provision of the Plan, the applicable terms and provisions of the Plan will govern and prevail. Capitalized terms not otherwise defined herein shall have the same meanings as in the Plan.

18. No Guarantees Regarding Tax Treatment. The Participant shall be responsible for all taxes with respect to the Option. The Committee and the Company make no guarantees regarding the tax treatment of the Option.

19. Amendment. The Committee may amend or alter this Award Agreement and the Option granted hereunder at any time, subject to the terms of the Plan.

20. Signature in Counterparts. This Award Agreement may be signed in counterparts, manually or electronically, and each of which will be an original, with the same effect as if the signatures to each were upon the same instrument.

21. Electronic Signature and Delivery. This Award Agreement may be accepted by return signature or by electronic confirmation. Each party agrees that the electronic signatures, whether digital or encrypted, of the parties included in this Award Agreement are intended to authenticate this writing and to have the same force and effect as manual signatures. Delivery of a copy of this Agreement or any other document contemplated hereby bearing an original or electronic signature by facsimile transmission (whether directly from one facsimile device to another by means of a dial-up connection or whether mediated by the worldwide web), by electronic mail in "portable document format" (".pdf") form, or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, will have the same effect as physical delivery of the paper document bearing an original or electronic signature.

22. Severability. The provisions of this Award Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

[signature page follows]

IN WITNESS WHEREOF, the Company and the Participant have executed this Nonqualified Stock Option Award Agreement as of the date first set forth above.

PARTICIPANT

DAVE & BUSTER'S ENTERTAINMENT, INC.

By: _____

Name:

Title:

D&B Employee
Nonqualified Stock Option Award Agreement
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EXHIBIT A
Notice of Exercise

Dave & Buster's Entertainment, Inc.
2481 Mañana Drive
Dallas, Texas 75220
Attn: General Counsel

Date of Exercise: _____

Ladies & Gentlemen:

1. *Exercise of Option.* This constitutes notice to Dave & Buster's Entertainment, Inc. (the "Company") that pursuant to my Nonqualified Stock Option Award Agreement (the "Award Agreement") under the Company's 2014 Omnibus Incentive Plan (the "Plan") I elect to purchase the number of Shares of Company common stock set forth below and for the price set forth below. By signing and delivering this notice to the Company, I hereby acknowledge that I am the holder of the stock option (the "Option") exercised by this notice and have full power and authority to exercise the same. Any capitalized terms used but not defined herein shall have the meanings ascribed to them in the Award Agreement or the Plan, as applicable.

Date of Grant: _____

Number of Shares as to which the Option is exercised
("Optioned Shares):

Shares to be issued in name of: _____

Total exercise price: \$ _____

Cash payment or other method of payment permitted under
Section 6(b) of the Award Agreement delivered herewith: \$ _____

Method: _____

2. *Form of Payment.* The Option may be exercised by delivery to the Company of payment (i) in cash or its equivalent (e.g., by cashier's check), (ii) in Shares (whether or not previously owned by the Person exercising the Option pursuant to this notice) having a Fair Market Value equal to the aggregate Option Price for the Shares being purchased and satisfying such other requirements as may be imposed by the Committee,

D&B Employee
Nonqualified Stock Option Award Agreement
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(iii) partly in cash and partly in Shares (as described in clause (ii) above), (iv) if there is a public market for the Shares at such time, subject to such administrative requirements as may be imposed by the Committee, through the delivery of irrevocable instructions to a broker to sell Shares obtained upon the exercise of the Option and to deliver promptly to the Company an amount out of the proceeds of such sale equal to the aggregate Option Price for the Shares being purchased or (v) to the extent permitted by the Committee, another form of payment permissible under Section 6.5 of the Plan for the full amount of the aggregate Option Price for the exercised Option.

3. *Delivery of Payment.* With this notice, I hereby deliver to the Company the full exercise price of the Optioned Shares and any and all withholding taxes due in connection with the exercise of my Option or have otherwise satisfied such requirements.

4. *Rights as Stockholder.* While the Company will endeavor to process this notice in a timely manner, I acknowledge that until the issuance of the shares underlying the Optioned Shares (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive dividends or any other rights as a stockholder shall exist with respect to such shares, notwithstanding the exercise of my option(s). No adjustment shall be made for a dividend or other right for which the record date is prior to the date of issuance of the optioned stock.

5. *Interpretation.* Any dispute regarding the interpretation of this notice shall be submitted promptly by me or by the Company to the Committee. The resolution of such a dispute by the Committee shall be final and binding on all parties.

6. *Governing Law; Severability.* This notice is governed by the internal substantive laws but not the choice of law rules, of Delaware. In the event that any provision hereof becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, this notice will continue in full force and effect without said provision.

7. *Entire Agreement.* The Plan and the Award Agreement under which the Optioned Shares were granted are incorporated herein by reference, and together with this notice constitute the entire agreement of the parties with respect to the subject matter hereof.

Very truly yours,

(social security number)

D&B Employee
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Dave & Buster's Entertainment, Inc.
2014 Omnibus Incentive Plan
RESTRICTED STOCK UNIT AWARD AGREEMENT
(DIRECTOR FORM)

THIS RESTRICTED STOCK UNIT AWARD AGREEMENT (this "**Award Agreement**") is made effective as of [●] (the "**Date of Grant**"), between Dave & Buster's Entertainment, Inc., a Delaware corporation (the "**Company**") and [●] (the "**Participant**").

RECITALS:

WHEREAS, the Company has adopted the Dave & Buster's Entertainment, Inc. 2014 Omnibus Incentive Plan (the "**Plan**"); and

WHEREAS, the Committee has determined that it would be in the best interests of the Company and its stockholders to grant restricted stock units, settleable in shares of common stock of the Company, par value \$.01 per share (a "**Share**"), provided for herein to the Participant pursuant to the Plan and the terms set forth herein.

NOW THEREFORE, in consideration of the mutual covenants hereinafter set forth, the parties agree as follows:

1. Grant of the Restricted Stock Units. The Company hereby grants to the Participant [●] restricted stock units (the "**RSUs**") as of the Date of Grant (the "**Award**").

2. Vesting of the Restricted Stock.

(a) General. The RSUs shall fully vest on the first anniversary of the Date of Grant (the "**Vesting Date**") subject to the Participant's continued service as a director ("Service") with the Company through the Vesting Date and the terms of the Plan. At any time, the RSUs which have become vested in accordance with the terms hereof shall be called the "**Vested RSUs**."

3. Termination of Service.

(a) Upon termination of Participant's Service for any reason other than by the Board for Cause (as defined below) prior to the Vesting Date, a prorated portion of the RSUs shall immediately become vested based on a fraction, the numerator of which is the number of days from the Date of Grant through the date of such Termination, and the denominator of which is three hundred sixty-five (365); provided, however, that if such termination occurs on or within three (3) months following a Change of Control, the RSUs shall vest in full as of such termination. For purposes of this Award Agreement, "**Cause**" shall be deemed to exist only if: (i) the Participant has been indicted for or convicted of, has pleaded guilty or *nolo contendere* to or is granted immunity to testify where another member of the Board has been convicted of a felony, (ii) the Participant has willfully failed to perform his duties, has been grossly negligent in the performance of his duties or has engaged in willful or serious misconduct in a matter that is injurious to the Company, in each case as determined by a court of competent jurisdiction or by

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the affirmative vote of at least a majority of the other members of the Board at any regular or special meeting of the Board called for such purpose, (iii) the Participant has been adjudicated by a court of competent jurisdiction to be mentally incompetent, which mental incompetency directly affects his ability to perform as a Director, or (iv) the Participant has been found by a court of competent jurisdiction or by the affirmative vote of at least a majority of the other members of the Board at any regular or special meeting of the Board called for such purpose to have breached the Participant's duty of loyalty to the Company or its stockholders or to have engaged in any transaction with the Company from which the Participant derived an improper personal benefit.

(b) Upon a termination of the Participant's Service for any reason, any unvested portion of the RSUs (as determined following the application of Section 3(a) hereof) shall be deemed retransferred to and reacquired by the Company, without consideration, effective as of the date of termination of Service, and the Participant shall forfeit all rights in connection therewith.

4. Settlement. Subject to the terms of the Plan and this Award Agreement, including, without limitation, Section 3 hereof, and to the extent that it would not cause a violation of Section 409A, each Vested RSU shall be settled as soon as practicable following the Vesting Date, and in all events no later than 60 days after the Vesting Date, as determined solely by the Company (the date of settlement, the "**Settlement Date**"). On the Settlement Date, vested RSUs shall be converted into an equivalent number of Shares, which will be distributed to the Participant or the Participant's legal representative. The Company may at its election either (a) on or after the Settlement Date, issue a certificate representing the Shares subject to this Agreement, or (b) not issue any certificate representing Shares subject to this Award Agreement and instead document the Participant's interest in the Shares by registering the Shares with the Company's transfer agent (or another custodian selected by the Company) in book-entry form. Notwithstanding the foregoing, if all or any portion of the RSUs is subject to an effective and irrevocable election under the Dave & Buster's Entertainment, Inc. 2016 Deferred Compensation Plan for Non-Employee Directors (or any successor plan), such RSUs will be settled in accordance with the election and not on the Settlement Date.

5. No Right to Continued Service. The granting of the Award evidenced hereby and this Award Agreement shall impose no obligation on the Company or any Affiliate to continue the Service of the Participant and shall not lessen or affect any right that the Company or any Affiliate may have to terminate the Service of such Participant.

6. Shareholder Rights. Neither the Participant nor the Participant's representative shall have any rights as a shareholder of the Company with respect to the RSUs until such Person receives the Shares, if any, issued upon settlement.

7. Securities Laws/Legend on Certificates. The issuance and delivery of Shares shall comply with all applicable requirements of law, including (without limitation) the Securities Act of 1933, as amended, the rules and regulations promulgated thereunder, state securities laws and regulations, and the regulations of any stock exchange or other securities market on which the Company's securities may then be traded. If the Company deems it necessary to ensure that the issuance of securities under the Plan is not required to be registered under any applicable securities

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laws, the Participant shall deliver to the Company an agreement or certificate containing such representations, warranties and covenants as the Company which satisfies such requirements. The certificates representing the Shares shall be subject to such stop transfer orders and other restrictions as the Committee may deem reasonably advisable, and the Committee may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.

8. Transferability. Unless otherwise provided by the Committee, the Award may not be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by the Participant other than by will or by the laws of descent and distribution, and any such purported assignment, alienation, pledge, attachment, sale, transfer or encumbrance shall be void and unenforceable against the Company or any Affiliate; provided that, the designation of a beneficiary shall not constitute an assignment, alienation, pledge, attachment, sale, transfer or encumbrance. No such permitted transfer of the Award to heirs or legatees of the Participant shall be effective to bind the Company unless the Committee shall have been furnished with written notice thereof and a copy of such evidence as the Committee may deem necessary to establish the validity of the transfer and the acceptance by the transferee or transferees of the terms and conditions hereof.

9. Compliance with Section 409A. The Company intends that the RSUs be structured in compliance with, or to satisfy an exemption from, Section 409A of the Code and all regulations, guidance, compliance programs and other interpretative authority thereunder ("Section 409A"), and all provisions of this Award Agreement shall be construed in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A.

10. Notices. Any notification required by the terms of this Award Agreement shall be given in writing and shall be deemed effective upon personal delivery or within three (3) days of deposit with the United States Postal Service, by registered or certified mail, with postage and fees prepaid. A notice shall be addressed to the Company, Attention: General Counsel, at its principal executive office and to the Participant at the address that he or she most recently provided to the Company.

11. Entire Agreement. This Award Agreement, the Plan and the Dave & Buster's Entertainment, Inc. 2016 Deferred Compensation plan for Non-Employee Directors, if applicable, constitute the entire contract between the parties hereto with regard to the subject matter hereof and supersede any other agreements, representations or understandings (whether oral or written and whether express or implied) which relate to the subject matter hereof.

12. Waiver. No waiver of any breach or condition of this Award Agreement shall be deemed to be a waiver of any other or subsequent breach or condition whether of like or different nature.

13. Successors and Assigns. The provisions of this Award Agreement shall inure to the benefit of, and be binding upon, the Company and its successors and assigns and upon the Participant, the Participant's assigns and the legal representatives, heirs and legatees of the Participant's estate, whether or not any such person shall have become a party to this Award Agreement and have agreed in writing to be joined herein and be bound by the terms hereof.

Director
Restricted Stock Unit Award Agreement
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14. Governing Law; Jurisdiction; Waiver of Jury Trial.

(a) This Award Agreement and all claims, causes of action or proceedings (whether in contract, in tort, at law or otherwise) that may be based upon, arise out of or relate to this Award Agreement shall be governed by the internal laws of the State of Delaware, excluding any conflicts or choice-of-law rule or principle that might otherwise refer construction or interpretation of the Award Agreement to the substantive law of another jurisdiction. Each party to this Award Agreement agrees that it shall bring all claims, causes of action and proceedings (whether in contract, in tort, at law or otherwise) that may be based upon, arise out of or be related to the Award Agreement exclusively in the Delaware Court of Chancery or, in the event (but only in the event) that such court does not have subject-matter jurisdiction over such claim, cause of action or proceeding, exclusively in the United States District Court for the District of Delaware (the “**Chosen Court**”) and hereby (i) irrevocably submits to the exclusive jurisdiction of the Chosen Court, (ii) waives any objection to laying venue in any such proceeding in the Chosen Court, (iii) waives any objection that the Chosen Court is an inconvenient forum or does not have jurisdiction over any party and (iv) agrees that service of process upon such party in any such claim or cause of action shall be effective if notice is given in accordance with this Award Agreement.

(b) EACH OF THE PARTIES HERETO IRREVOCABLY WAIVES ALL RIGHT TO A TRIAL BY JURY IN ANY CLAIM OR CAUSE OF ACTION (WHETHER IN CONTRACT, IN TORT, AT LAW OR OTHERWISE) INSTITUTED BY OR AGAINST SUCH PARTY IN RESPECT OF ITS, HIS OR HER OBLIGATIONS HEREUNDER.

15. Award Subject to Plan. By entering into this Award Agreement the Participant agrees and acknowledges that the Participant has received and read a copy of the Plan. The Award is subject to the Plan. The terms and provisions of the Plan as it may be amended from time to time are hereby incorporated herein by reference. In the event of a conflict between any term or provision contained herein and a term or provision of the Plan, the applicable terms and provisions of the Plan will govern and prevail. Capitalized terms not otherwise defined herein shall have the same meanings as in the Plan.

16. No Guarantees Regarding Tax Treatment. The Participant shall be responsible for all taxes with respect to the Award. The Committee and the Company make no guarantees regarding the tax treatment of the Award. Neither the Committee nor the Company has any obligation to take any action to prevent the assessment of any tax under Section 409A or Section 457A of the Code or otherwise, and none of the Company, any Affiliate or any of their employees or representatives shall have any liability to a Participant with respect thereto.

17. Amendment. The Committee may amend or alter this Award Agreement and the RSUs granted hereunder at any time, subject to the terms of the Plan.

18. Signature in Counterparts. This Award Agreement may be signed in counterparts, manually or electronically, and each of which will be an original, with the same effect as if the signatures to each were upon the same instrument.

19. Electronic Signature and Delivery. This Award Agreement may be accepted by return signature or by electronic confirmation. Each party agrees that the electronic signatures,

whether digital or encrypted, of the parties included in this Award Agreement are intended to authenticate this writing and to have the same force and effect as manual signatures. Delivery of a copy of this Agreement or any other document contemplated hereby bearing an original or electronic signature by facsimile transmission (whether directly from one facsimile device to another by means of a dial-up connection or whether mediated by the worldwide web), by electronic mail in "portable document format" (".pdf") form, or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, will have the same effect as physical delivery of the paper document bearing an original or electronic signature.

20. Severability. The provisions of this Award Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

[signature page follows]

Director
Restricted Stock Unit Award Agreement
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IN WITNESS WHEREOF, the Company and the Participant have executed this Restricted Stock Unit Award Agreement as of the date first set forth above.

PARTICIPANT

**DAVE & BUSTER'S
ENTERTAINMENT, INC.**

By: _____

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**Dave & Buster's Entertainment, Inc.
2014 Omnibus Incentive Plan
(Performance Based)**

RESTRICTED STOCK UNIT AND CASH AWARD AGREEMENT

THIS RESTRICTED STOCK UNIT AND CASH AWARD AGREEMENT (this "**Award Agreement**") is made effective as of [●] (the "**Date of Grant**"), between Dave & Buster's Entertainment, Inc., a Delaware corporation (the "**Company**") and [●] (the "**Participant**").

RECITALS:

WHEREAS, the Company has adopted the Dave & Buster's Entertainment, Inc. 2014 Omnibus Incentive Plan (the "**Plan**"); and

WHEREAS, the Compensation Committee of the Board of Directors of the Company (the "**Committee**") has determined that it would be in the best interests of the Company and its stockholders to grant the award (the "**Award**") of restricted stock units (each, an "**RSU**") and cash (the "**Cash Award**") provided for herein to the Participant pursuant to the Plan and the terms set forth herein.

NOW THEREFORE, in consideration of the mutual covenants hereinafter set forth, the parties agree as follows:

1. Grant of Award.

(a) Restricted Stock Unit Component. The Company hereby grants to the Participant RSUs on the following terms. Upon achievement of target-level performance set forth in this Agreement, [●] RSUs may be earned under this Award (the "**Target Achievable RSUs**") in respect of the performance period commencing on [●], and terminating on [●] (the "**Performance Period**," and the last day, the "**Closing Date**"); provided, that the Participant may earn up to a maximum of [●] RSUs under this Award for performance above target (the "**Maximum Achievable RSUs**") as set forth in this Agreement. Each RSU represents one notional share of common stock, par value \$.01 per share, of the Company (each, a "**Share**"). Two-thirds of the Target Achievable RSUs shall constitute "**EBITDA-Based RSUs**," and one-third of the Target Achievable RSUs shall constitute "**ROIC-Based RSUs**," in each case calculated in accordance with Section 2 below.

(b) Cash Award Component. The Company hereby grants to the Participant a Cash Award on the following terms. Upon achievement of target-level performance set forth in this Agreement, a cash payment of \$[●] may be earned under this Award (the "**Target Cash Amount**") in respect of the Performance Period; provided, that the Participant may earn up to a maximum of \$[●] under this Award for performance above target (the "**Maximum Cash Amount**") as set forth in this Agreement. Two-thirds of the Target Cash Amount shall constitute "**EBITDA-Based Cash Amount**," and one-third of the Target Cash Amount shall constitute "**ROIC-Based Cash Amount**," in each case calculated in accordance with Section 2 below.

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2. Calculation of Earned Portion.

(a) Timing. Subject to the terms of the Plan and this Award Agreement, including, without limitation, Sections 3 and 4 hereof, as soon as reasonably practicable following the Closing Date and completion of the Company's audit in respect of its [●] fiscal year, the Committee shall determine and certify, with effect as of the Closing Date, (i) the numbers of EBITDA-Based RSUs and ROIC-Based RSUs, if any, that shall be deemed earned and eligible for settlement (such RSUs, "**Earned RSUs**") and (ii) the EBITDA-Based Cash Amount and ROIC-Based Cash Amount, if any, that shall be deemed earned and eligible for settlement (such amounts, the "**Earned Cash Amount**"), in the cases of both (i) and (ii), in accordance with subsections (b) and (c) below. Any and all RSUs that are not deemed to be Earned RSUs, and any portion of the Cash Award that is not deemed to be an Earned Cash Amount, in either case, as of the Closing Date, shall be forfeited and canceled immediately without consideration and shall not be eligible for settlement in accordance with Section 3 hereof.

(b) EBITDA-Based Calculation. All or a portion of the EBITDA-Based RSUs and the EBITDA-Based Cash Amount shall be deemed earned as set forth in the table below based on the Company's net income (loss), plus interest expense (net), loss on debt retirement, provision (benefit) for income taxes, and depreciation and amortization expense, calculated cumulatively in respect of the Performance Period; provided that in the reasonable discretion of the Committee, additions or reductions to the foregoing calculations will be made to address items not contemplated by the Company's long range plan or for items that affect the Company's results during the Performance Period but which directly relate to transactions or events that occurred outside of the Performance Period, including but not limited to the following nonrecurring items: Board-approved strategic investment(s) (such as but not limited to future growth vector(s), adjacent brand concept(s), rebranding initiative(s), or operating model alternative(s)), bank financing transactions, equity offerings in excess of the long-term plan, mergers, acquisitions, divestitures, legal settlements, non-cash asset impairments, severance payments, restructurings, incremental estimated excess store pre-opening expense (typically limited to store(s) above planned levels that open within nine months prior to end of the Performance Period) and stock option grants in excess of the long-term plan ("**EBITDA**"). EBITDA shall be determined by reference to and shall incorporate the relevant elements of the Company's audited financial statements as prepared in accordance with United States generally accepted accounting principles applied on a consistent basis ("**GAAP**"). If EBITDA falls between the minimum level and target level or between the target level and maximum level (each such level as set forth below), then the percentage of EBITDA-Based RSUs and the percentage of the EBITDA-Based Cash Amount that shall be deemed earned shall be determined using straight-line interpolation between the two applicable levels. The EBITDA-Based RSUs and EBITDA-Based Cash Amount that are deemed earned in accordance with this Section 2(b) shall be payable as of (and not before) the Settlement Date (defined below) provided that the Participant continues to provide Service to the Company until the close of business on the Settlement Date (except as otherwise provided in Section 4).

<u>EBITDA</u>	<u>Earned Percentage of EBITDA-Based RSUs</u>	<u>Earned Percentage of EBITDA-Based Cash Amount</u>
\$ ___ or greater (maximum level)	200%	200%
\$ ___ (target level)	100%	100%
\$ ___ (minimum level)	50%	50%
Less than \$ ___	0%	0%

(c) ROIC-Based Calculation.

(i) All or a portion of the ROIC-Based RSUs and ROIC-Based Cash Amount shall be deemed earned and eligible for settlement as set forth in the table below based on the Company’s return on invested capital (“**ROIC**”) aggregated for all New Stores (as defined below) during the Performance Period (“**Aggregate ROIC**”). If Aggregate ROIC falls between the minimum level and target level or between the target level and maximum level (each such level as set forth below), then the percentage of ROIC-Based RSUs and the percentage of the ROIC-Based Cash Amount that shall be deemed earned shall be determined using straight-line interpolation between the two applicable levels. The ROIC-Based RSUs and ROIC-Based Cash Amount that are deemed earned in accordance with this Section 2(c) shall be payable as of (and not before) the Settlement Date provided that the Participant continues to provide Service to the Company until the close of business on the Settlement Date (except as otherwise provided in Section 4).

<u>Aggregate ROIC</u>	<u>Earned Percentage of ROIC-Based RSUs</u>	<u>Earned Percentage of ROIC-Based Cash Amount</u>
At least ___% (maximum level)	200%	200%
At least ___% (target level)	100%	100%
At least ___% (minimum level)	50%	50%
Less than ___%	0%	0%

(ii) For purposes of this Agreement, ROIC for any New Store shall be calculated on a fiscal period basis based on store-level net income (loss), plus interest expense (net), loss on debt retirement, provision (benefit) for income taxes, depreciation and amortization expense, general and administrative expenses and pre-opening costs, but shall be exclusive of national marketing costs and gain (loss) on asset disposals, over net development costs (including equipment, building, leaseholds and site costs, net of tenant improvement allowances received or receivable from landlords and excluding preopening costs, capitalized interest and games added during the first six months of operation), and shall be determined in accordance with GAAP.

(iii) For purposes of calculating ROIC for any New Store, ROIC by fiscal period will be calculated for each of the first 24 “full fiscal periods” of operation that fall

during the Performance Period. A partial fiscal period in which a New Store is operational for at least fourteen (14) calendar days will be counted as a “full fiscal period” for purposes of determining the first 24 full fiscal periods. For any such partial fiscal period, ROIC will be grossed up (calculated on a daily basis) to a full period and then included in the calculation. For avoidance of doubt, any fiscal period during the Performance Period in which a New Store is not operational for at least fourteen (14) calendar days shall be excluded for all purposes.

(iv) “**New Store**” shall mean a Company store for which any one of the first 24 “full fiscal periods” occurs during the Performance Period, but shall not include a Company store as a result of a reopening or relocation during the Performance Period.

(v) With respect to New Stores located in Canada, return on invested capital shall be calculated in local currency, without translation.

(vi) Aggregate ROIC will be calculated by averaging ROIC by fiscal period for all New Stores during the Performance Period in accordance with (i) through (v) above.

3. Settlement; Payment.

(a) RSUs. Subject to the terms of the Plan and this Award Agreement, including, without limitation, Section 4 hereof, and to the extent that it would not cause a violation of Section 409A, each Earned RSU shall be settled as soon as practicable following the Closing Date, and in all events no later than [●], as determined solely by the Company (the date of settlement, the “**Settlement Date**”). Earned RSUs shall be converted into an equivalent number of Shares, which will be distributed to the Participant or the Participant’s legal representative. The Company may at its election either (a) on or after the Settlement Date, issue a certificate representing the Shares subject to this Agreement, or (b) not issue any certificate representing Shares subject to this Award Agreement and instead document the Participant’s interest in the Shares by registering the Shares with the Company’s transfer agent (or another custodian selected by the Company) in book-entry form.

(b) Cash Award. Subject to the terms of the Plan and this Award Agreement, including, without limitation, Section 4 hereof, and to the extent that it would not cause a violation of Section 409A, any Earned Cash Amount shall be paid to the Participant or the Participant’s legal representative on the Settlement Date.

(c) Award Subject to Clawback Policy. The Participant agrees and acknowledges that the Participant is bound by, and the Award is subject to, any clawback policy adopted by the Committee with respect to performance-based compensation.

4. Termination of Service. Notwithstanding anything herein to the contrary:

(a) Termination of Service Due to Death or Disability. Upon a termination of the Participant’s Service by reason of death or Disability at any time prior to the Settlement Date, the Award shall be settled in accordance with Section 3 hereof in respect of the number of RSUs

and the percentage of the Target Cash Amount that would have been earned pursuant to this Agreement based on actual performance during the full Performance Period, notwithstanding the termination of the Participant's Service. For purposes of this Award Agreement, "**Disability**" means (i) "Disability" as defined in any employment agreement between the Participant and the Company or any of its Affiliates, or (ii) if there is no such employment agreement or if it does not define Disability: the Participant is disabled to the extent that he or she is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, or is receiving income replacement benefits for a period of not less than three (3) months under an accident and health plan covering employees of Dave & Buster's Management Corporation, Inc. The determination of the Participant's Disability shall be made in good faith by a physician reasonably acceptable to the Company.

(b) Termination of Service Due to Retirement. Upon a termination of the Participant's Service by reason of Retirement prior to the Settlement Date, the Award shall be settled in accordance with Section 3 hereof in respect of the number of RSUs and the percentage of the Target Cash Amount that would have been earned pursuant to this Agreement based on actual performance during the full Performance Period, notwithstanding the termination of the Participant's Service, prorated to reflect the number of days in the Performance Period that preceded or included the date of termination of Service. For purposes of this Award Agreement, "**Retirement**" means (i) "Retirement" as defined in any employment agreement between the Participant and the Company or any of its Affiliates, or (ii) if there is no such employment agreement or if it does not define Retirement: termination of the Participant's Service, other than for Cause, after attaining (A) age sixty (60) and completing ten (10) years of continued Service (i.e., without any termination of Service) with the Company or its Affiliates or (B) age sixty-five (65). For purposes of this Award Agreement, "**Cause**" means (x) "Cause" as defined in any employment agreement between the Participant and the Company or any of its Affiliates, or (y) if there is no such employment agreement or if it does not define Cause: the willful and continued failure by the Participant to perform the duties assigned by the Company, failure to follow reasonable business-related directions from the Company, gross insubordination, theft from the Company or its Affiliates, habitual absenteeism or tardiness, conviction or plea of guilty or *nolo contendere* to a felony, misdemeanor involving fraud, theft or moral turpitude, or any other reckless or willful misconduct that is contrary to the best interests of the Company or materially and adversely affects the reputation of the Company.

(c) Termination without Cause or for Good Reason related to a Change of Control. Upon (i) a termination of the Participant's Service by the Company or one of its successors or Affiliates without Cause or due to the Participant's resignation for Good Reason (excluding termination by reason of death or Disability), in either case prior to the Settlement Date (a "**Specified Termination**") and (ii) either within ninety (90) days before or within twelve (12) months following the occurrence of a Change of Control of the Company (the "**Protected Period**"), the Award shall be settled in accordance with Section 3 hereof in respect of the number of RSUs and the percentage of the Target Cash Amount that would have been earned pursuant to this Agreement based on actual performance during the full Performance Period, notwithstanding

the termination of the Participant's Service, prorated to reflect the number of days in the Performance Period that preceded or included the date of termination of Service; provided, that if a Specified Termination should occur prior to a Change of Control of the Company, the Award shall remain outstanding for ninety (90) days following such Specified Termination in order to determine whether such Specified Termination shall have occurred during a Protected Period such that the Award shall be eligible for settlement pursuant to this Section 4(c). For purposes of this Award Agreement, "**Good Reason**" means (i) "Good Reason" as defined in any employment agreement between the Participant and the Company or any of its Affiliates, or (ii) if there is no such employment agreement or if it does not define Good Reason: Without the Participant's consent, (A) a material reduction in the Participant's annual base salary or (B) a relocation of the Participant's primary place of employment with the Company by more than fifty (50) miles from that in effect as of the Date of Grant; provided, however, that neither item (A) nor item (B) shall constitute Good Reason unless the Participant has provided written notice to the Company within thirty (30) days of the occurrence of such event and the Company shall have failed to cure such event within thirty (30) days of receipt of such written notice.

(d) Other Terminations of Service. Upon a termination of the Participant's Service prior to the Settlement Date for any reason other than pursuant to Sections 4(a), 4(b) and 4(c) above, the Award, including any Earned RSUs and any Earned Cash Amount, shall immediately terminate and be forfeited without consideration.

5. No Right to Continued Service. The granting of the Award evidenced hereby and this Award Agreement shall impose no obligation on the Company or any Affiliate to continue the Service of the Participant and shall not lessen or affect any right that the Company or any Affiliate may have to terminate the Service of such Participant.

6. Shareholder Rights. Neither the Participant nor the Participant's representative shall have any rights as a shareholder of the Company with respect to the RSUs until such Person receives the Shares, if any, issued upon settlement.

7. Non-Solicitation and Non-Hire. If the Participant has an employment agreement with the Company or any of its Subsidiaries that contains non-solicitation and/or non-hire covenants, the covenants are incorporated herein by reference. To the extent the Participant does not have an employment agreement containing such covenants, the following restrictive covenants shall apply:

As a material incentive for the Company to enter into this Award Agreement, during the term of the Participant's employment with the Company or any of its Subsidiaries and for a period of twelve (12) months from the termination of the Participant's employment for any reason (including, without limitation, resignation by the Participant) (the "Non-Solicitation and Non-Hire Period") the Participant shall not, directly or indirectly, on the Participant's own behalf or on behalf of any other person, partnership, entity, association, or corporation, induce or attempt to influence, induce, or encourage anyone who is or, within the six (6) months prior to the date of termination was, an employee of the Company or any of its Subsidiaries at or above the managerial level (including, without limitation, General Managers, Assistant General Managers, store

departmental managers, and all higher-ranking managers) (for purposes of this Section 7, an "Employee"), client, supplier, vendor, licensee, distributor, contractor or other business relation of the Company or any of its Subsidiaries to cease doing business with, adversely alter or interfere with its business relationship with, the Company or any of its Subsidiaries. Further, during the Non-Solicitation and Non-Hire Period, the Participant shall not, on the Participant's own behalf or on behalf of any other person, partnership, entity, association, or corporation, (i) solicit or seek to hire any Employee, or in any other manner attempt directly or indirectly to influence, induce, or encourage any Employee to leave their employ (provided, however, that nothing herein shall restrict the Participant from engaging in any general solicitation that is not specifically targeted at such persons), nor shall the Participant use or disclose to any person, partnership, entity, association, or corporation any information concerning the names, addresses or personal telephone numbers of any Employee, (ii) without the Company's prior written consent, hire, employ or engage as a consultant any Employee, or (iii) directly or indirectly solicit, induce, or attempt to influence, induce, or encourage any person, partnership, entity, association, or corporation that is a client or customer of the Company or its Subsidiaries and who or which the Participant helped to schedule or conduct a special event or corporate teambuilding while employed by the Company or its Subsidiaries to schedule or conduct a special event or corporate teambuilding through another person, partnership, entity, association, or corporation.

This Section 7 shall survive exercise, termination or settlement of the RSU and termination or satisfaction of the Award Agreement.

8. Securities Laws/Legend on Certificates. The issuance and delivery of Shares shall comply with all applicable requirements of law, including (without limitation) the Securities Act of 1933, as amended, the rules and regulations promulgated thereunder, state securities laws and regulations, and the regulations of any stock exchange or other securities market on which the Company's securities may then be traded. If the Company deems it necessary to ensure that the issuance of securities under the Plan is not required to be registered under any applicable securities laws, the Participant shall deliver to the Company an agreement or certificate containing such representations, warranties and covenants as the Company which satisfies such requirements. The certificates representing the Shares shall be subject to such stop transfer orders and other restrictions as the Committee may deem reasonably advisable, and the Committee may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.

9. Transferability. Unless otherwise provided by the Committee, the Award may not be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by the Participant other than by will or by the laws of descent and distribution, and any such purported assignment, alienation, pledge, attachment, sale, transfer or encumbrance shall be void and unenforceable against the Company or any Affiliate; provided that, the designation of a beneficiary shall not constitute an assignment, alienation, pledge, attachment, sale, transfer or encumbrance. No such permitted transfer of the Award to heirs or legatees of the Participant shall be effective to bind the Company unless the Committee shall have been furnished with written notice thereof and a copy of such evidence as the Committee may deem necessary to establish the validity of the transfer and the acceptance by the transferee or transferees of the terms and conditions hereof.

10. Withholding. The Participant may be required to pay to the Company or any Affiliate and the Company shall have the right and is hereby authorized to withhold any applicable withholding taxes in respect of the Award, its exercise or transfer and to take such other action as may be necessary in the opinion of the Committee to satisfy all obligations for the payment of such withholding taxes.

11. Notices. Any notification required by the terms of this Award Agreement shall be given in writing and shall be deemed effective upon personal delivery or within three (3) days of deposit with the United States Postal Service, by registered or certified mail, with postage and fees prepaid. A notice shall be addressed to the Company, Attention: General Counsel, at its principal executive office and to the Participant at the address that he or she most recently provided to the Company.

12. Entire Agreement. This Award Agreement and the Plan constitute the entire contract between the parties hereto with regard to the subject matter hereof and supersede any other agreements, representations or understandings (whether oral or written and whether express or implied) which relate to the subject matter hereof.

13. Waiver. No waiver of any breach or condition of this Award Agreement shall be deemed to be a waiver of any other or subsequent breach or condition whether of like or different nature.

14. Successors and Assigns. The provisions of this Award Agreement shall inure to the benefit of, and be binding upon, the Company and its successors and assigns and upon the Participant, the Participant's assigns and the legal representatives, heirs and legatees of the Participant's estate, whether or not any such person shall have become a party to this Award Agreement and have agreed in writing to be joined herein and be bound by the terms hereof.

15. Governing Law; Jurisdiction; Waiver of Jury Trial.

(a) This Award Agreement and all claims, causes of action or proceedings (whether in contract, in tort, at law or otherwise) that may be based upon, arise out of or relate to this Award Agreement shall be governed by the internal laws of the State of Delaware, excluding any conflicts or choice-of-law rule or principle that might otherwise refer construction or interpretation of the Award Agreement to the substantive law of another jurisdiction. Each party to this Award Agreement agrees that it shall bring all claims, causes of action and proceedings (whether in contract, in tort, at law or otherwise) that may be based upon, arise out of or be related to the Award Agreement exclusively in the Delaware Court of Chancery or, in the event (but only in the event) that such court does not have subject-matter jurisdiction over such claim, cause of action or proceeding, exclusively in the United States District Court for the District of Delaware (the "**Chosen Court**") and hereby (i) irrevocably submits to the exclusive jurisdiction of the Chosen Court, (ii) waives any objection to laying venue in any such proceeding in the Chosen Court, (iii) waives any objection that the Chosen Court is an inconvenient forum or does not have jurisdiction over any party and (iv) agrees that service of process upon such party in any such claim or cause of action shall be effective if notice is given in accordance with this Award Agreement.

(b) EACH OF THE PARTIES HERETO IRREVOCABLY WAIVES ALL RIGHT TO A TRIAL BY JURY IN ANY CLAIM OR CAUSE OF ACTION (WHETHER IN CONTRACT, IN TORT, AT LAW OR OTHERWISE) INSTITUTED BY OR AGAINST SUCH PARTY IN RESPECT OF ITS, HIS OR HER OBLIGATIONS HEREUNDER.

16. Award Subject to Plan. By entering into this Award Agreement the Participant agrees and acknowledges that the Participant has received and read a copy of the Plan. The Award is subject to the Plan. The terms and provisions of the Plan as it may be amended from time to time are hereby incorporated herein by reference. In the event of a conflict between any term or provision contained herein and a term or provision of the Plan, the applicable terms and provisions of the Plan will govern and prevail. Capitalized terms not otherwise defined herein shall have the same meanings as in the Plan.

17. No Guarantees Regarding Tax Treatment. The Participant shall be responsible for all taxes with respect to the Award. The Committee and the Company make no guarantees regarding the tax treatment of the Award.

18. Amendment. The Committee may amend or alter this Award Agreement and the RSUs and Cash Award granted hereunder at any time, subject to the terms of the Plan.

19. Signature in Counterparts. This Award Agreement may be signed in counterparts, manually or electronically, and each of which will be an original, with the same effect as if the signatures to each were upon the same instrument.

20. Electronic Signature and Delivery. This Award Agreement may be accepted by return signature or by electronic confirmation. Each party agrees that the electronic signatures, whether digital or encrypted, of the parties included in this Award Agreement are intended to authenticate this writing and to have the same force and effect as manual signatures. Delivery of a copy of this Agreement or any other document contemplated hereby bearing an original or electronic signature by facsimile transmission (whether directly from one facsimile device to another by means of a dial-up connection or whether mediated by the worldwide web), by electronic mail in "portable document format" (".pdf") form, or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, will have the same effect as physical delivery of the paper document bearing an original or electronic signature.

21. Severability. The provisions of this Award Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

[signature page follows]

D&B Team Member
Restricted Stock Unit and Cash Award Agreement
Page 9 of 10

IN WITNESS WHEREOF, the Company and the Participant have executed this Restricted Stock Unit and Cash Award Agreement as of the date first set forth above.

PARTICIPANT

DAVE & BUSTER'S ENTERTAINMENT, INC.

By: _____

Name:

Title:

D&B Team Member
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Dave & Buster's Entertainment, Inc.
2014 Omnibus Incentive Plan
RESTRICTED STOCK UNIT AGREEMENT
(Time-Based)

THIS RESTRICTED STOCK UNIT AGREEMENT (this "**Award Agreement**") is made effective as of [●] (the "**Date of Grant**"), between Dave & Buster's Entertainment, Inc., a Delaware corporation (the "**Company**") and [●] (the "**Participant**").

RECITALS:

WHEREAS, the Company has adopted the Dave & Buster's Entertainment, Inc. 2014 Omnibus Incentive Plan (the "**Plan**"); and

WHEREAS, the Compensation Committee of the Board of Directors of the Company (the "**Committee**") has determined that it would be in the best interests of the Company and its stockholders to grant the award (the "**Award**") of restricted stock units (each, an "**RSU**") provided for herein to the Participant pursuant to the Plan and the terms set forth herein.

NOW THEREFORE, in consideration of the mutual covenants hereinafter set forth, the parties agree as follows:

1. Grant of Award.

(a) Restricted Stock Unit Component. The Company hereby grants to the Participant [●] RSUs. The RSU Award will vest in [●] installments as following: [●] RSUs on [●], [●] RSUs on [●], and [●] RSUs on [●]. Each RSU represents one notional share of common stock, par value \$.01 per share, of the Company (each, a "**Share**").

2. Settlement; Payment.

(a) RSUs. Subject to the terms of the Plan and this Award Agreement, including, without limitation, Section 4 hereof, and to the extent that it would not cause a violation of Section 409A, each RSU shall be settled as soon as practicable following the applicable date of vesting, and in all events no later than sixty (60) days following the applicable date of vesting, as determined solely by the Company (the date of settlement, the "**Settlement Date**"). RSUs shall be converted into an equivalent number of Shares, which will be distributed to the Participant or the Participant's legal representative. The Company may at its election either (a) on or after the Settlement Date, issue a certificate representing the Shares subject to this Award Agreement, or (b) not issue any certificate representing Shares subject to this Award Agreement and instead document the Participant's interest in the Shares by registering the Shares with the Company's transfer agent (or another custodian selected by the Company) in book-entry form.

¹ Breakout will depend on number of installments. Business practice is to round up beginning with first installment for any fractional shares.

(b) Award Subject to Clawback Policy. The Participant agrees and acknowledges that the Participant is bound by, and the Award is subject to, any clawback policy adopted by the Committee with respect to performance-based compensation.

3. Termination of Service. Notwithstanding anything herein to the contrary:

(a) Termination of Service Due to Death or Disability. Upon a termination of the Participant's Service by reason of death or Disability at any time prior to the Settlement Date, any unvested RSUs shall immediately become vested, and then any unsettled portion of the Award shall be settled in accordance with Section 2 hereof in respect of the number of unsettled RSUs, notwithstanding the termination of the Participant's Service, prorated to reflect the number of days from the Date of Grant through and including the date of death or Disability. For purposes of this Award Agreement, "**Disability**" means (i) "Disability" as defined in any employment agreement between the Participant and the Company or any of its Affiliates, or (ii) if there is no such employment agreement or if it does not define Disability: the Participant is disabled to the extent that he or she is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, or is receiving income replacement benefits for a period of not less than three (3) months under an accident and health plan covering employees of Dave & Buster's Management Corporation, Inc. The determination of the Participant's Disability shall be made in good faith by a physician reasonably acceptable to the Company.

(b) Termination without Cause or for Good Reason related to a Change of Control. Upon (i) a termination of the Participant's Service by the Company or one of its successors or Affiliates without Cause or due to the Participant's resignation for Good Reason (excluding termination by reason of death or Disability), in either case prior to the Settlement Date (a "**Specified Termination**") and (ii) either within ninety (90) days before or within twelve (12) months following the occurrence of a Change of Control of the Company (the "**Protected Period**"), any unvested RSUs shall immediately become vested, and then any unsettled portion of the Award shall be settled in accordance with Section 2 hereof in respect of the number of unsettled RSUs notwithstanding the termination of the Participant's Service, prorated to reflect the number of days from the Date of Grant through and including the date of termination of Service; provided, that if a Specified Termination should occur prior to a Change of Control of the Company, the Award shall remain outstanding for ninety (90) days following such Specified Termination in order to determine whether such Specified Termination shall have occurred during a Protected Period such that the Award shall be eligible for settlement pursuant to this Section 3(b). For purposes of this Award Agreement, "**Good Reason**" means (i) "Good Reason" as defined in any employment agreement between the Participant and the Company or any of its Affiliates, or (ii) if there is no such employment agreement or if it does not define Good Reason: Without the Participant's consent, (A) a material reduction in the Participant's annual base salary or (B) a relocation of the Participant's primary place of employment with the Company by more than fifty (50) miles from that in effect as of the Date of Grant; provided, however, that neither item (A) nor item (B) shall constitute Good Reason unless the Participant has provided written notice to the Company within thirty (30) days of the occurrence of such event and the Company shall have failed to cure such event within thirty (30) days of receipt of such written notice.

(c) Other Terminations of Service. Upon a termination of the Participant's Service prior to the Settlement Date for any reason other than pursuant to Sections 3(a) or 3(b) above, the Award shall immediately terminate and be forfeited without consideration.

4. No Right to Continued Service. The granting of the Award evidenced hereby and this Award Agreement shall impose no obligation on the Company or any Affiliate to continue the Service of the Participant and shall not lessen or affect any right that the Company or any Affiliate may have to terminate the Service of such Participant.

5. Shareholder Rights. Neither the Participant nor the Participant's representative shall have any rights as a shareholder of the Company with respect to the RSUs until such Person receives the Shares, if any, issued upon settlement.

6. Non-Solicitation and Non-Hire. If the Participant has an employment agreement with the Company or any of its Subsidiaries that contains non-solicitation and/or non-hire covenants, the covenants are incorporated herein by reference. To the extent the Participant does not have an employment agreement containing such covenants, the following restrictive covenants shall apply:

As a material incentive for the Company to enter into this Award Agreement, during the term of the Participant's employment with the Company or any of its Subsidiaries and for a period of twelve (12) months from the termination of the Participant's employment for any reason (including, without limitation, resignation by the Participant) (the "Non-Solicitation and Non-Hire Period") the Participant shall not, directly or indirectly, on the Participant's own behalf or on behalf of any other person, partnership, entity, association, or corporation, induce or attempt to influence, induce, or encourage anyone who is or, within the six (6) months prior to the date of termination was, an employee of the Company or any of its Subsidiaries at or above the managerial level (including, without limitation, General Managers, Assistant General Managers, store departmental managers, and all higher-ranking managers) (for purposes of this Section 6, an "Employee"), client, supplier, vendor, licensee, distributor, contractor or other business relation of the Company or any of its Subsidiaries to cease doing business with, adversely alter or interfere with its business relationship with, the Company or any of its Subsidiaries. Further, during the Non-Solicitation and Non-Hire Period, the Participant shall not, on the Participant's own behalf or on behalf of any other person, partnership, entity, association, or corporation, (i) solicit or seek to hire any Employee, or in any other manner attempt directly or indirectly to influence, induce, or encourage any Employee to leave their employ (provided, however, that nothing herein shall restrict the Participant from engaging in any general solicitation that is not specifically targeted at such persons), nor shall the Participant use or disclose to any person, partnership, entity, association, or corporation any information concerning the names, addresses or personal telephone numbers of any Employee, (ii) without the Company's prior written consent, hire, employ or engage as a consultant any Employee, or (iii) directly or indirectly solicit, induce, or attempt to influence, induce, or encourage any person, partnership, entity, association, or corporation that is a client or customer of the Company or its Subsidiaries and who or which the Participant helped to schedule or conduct a special event or corporate teambuilding while employed by the Company or its Subsidiaries to schedule or conduct a special event or corporate teambuilding through another person, partnership, entity, association, or corporation.

This Section 6 shall survive exercise, termination or settlement of the RSU and termination or satisfaction of the Award Agreement.

7. Securities Laws/Legend on Certificates. The issuance and delivery of Shares shall comply with all applicable requirements of law, including (without limitation) the Securities Act of 1933, as amended, the rules and regulations promulgated thereunder, state securities laws and regulations, and the regulations of any stock exchange or other securities market on which the Company's securities may then be traded. If the Company deems it necessary to ensure that the issuance of securities under the Plan is not required to be registered under any applicable securities laws, the Participant shall deliver to the Company an agreement or certificate containing such representations, warranties and covenants as the Company which satisfies such requirements. The certificates representing the Shares shall be subject to such stop transfer orders and other restrictions as the Committee may deem reasonably advisable, and the Committee may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.

8. Transferability. Unless otherwise provided by the Committee, the Award may not be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by the Participant other than by will or by the laws of descent and distribution, and any such purported assignment, alienation, pledge, attachment, sale, transfer or encumbrance shall be void and unenforceable against the Company or any Affiliate; provided that, the designation of a beneficiary shall not constitute an assignment, alienation, pledge, attachment, sale, transfer or encumbrance. No such permitted transfer of the Award to heirs or legatees of the Participant shall be effective to bind the Company unless the Committee shall have been furnished with written notice thereof and a copy of such evidence as the Committee may deem necessary to establish the validity of the transfer and the acceptance by the transferee or transferees of the terms and conditions hereof.

9. Withholding. The Participant may be required to pay to the Company or any Affiliate and the Company shall have the right and is hereby authorized to withhold any applicable withholding taxes in respect of the Award, its exercise or transfer and to take such other action as may be necessary in the opinion of the Committee to satisfy all obligations for the payment of such withholding taxes.

10. Notices. Any notification required by the terms of this Award Agreement shall be given in writing and shall be deemed effective upon personal delivery or within three (3) days of deposit with the United States Postal Service, by registered or certified mail, with postage and fees prepaid. A notice shall be addressed to the Company, Attention: General Counsel, at its principal executive office and to the Participant at the address that he or she most recently provided to the Company.

11. Entire Agreement. This Award Agreement and the Plan constitute the entire contract between the parties hereto with regard to the subject matter hereof and supersede any other agreements, representations or understandings (whether oral or written and whether express or implied) which relate to the subject matter hereof.

12. Waiver. No waiver of any breach or condition of this Award Agreement shall be deemed to be a waiver of any other or subsequent breach or condition whether of like or different nature.

13. Successors and Assigns. The provisions of this Award Agreement shall inure to the benefit of, and be binding upon, the Company and its successors and assigns and upon the Participant, the Participant's assigns and the legal representatives, heirs and legatees of the Participant's estate, whether or not any such person shall have become a party to this Award Agreement and have agreed in writing to be joined herein and be bound by the terms hereof.

14. Governing Law; Jurisdiction; Waiver of Jury Trial.

(a) This Award Agreement and all claims, causes of action or proceedings (whether in contract, in tort, at law or otherwise) that may be based upon, arise out of or relate to this Award Agreement shall be governed by the internal laws of the State of Delaware, excluding any conflicts or choice-of-law rule or principle that might otherwise refer construction or interpretation of the Award Agreement to the substantive law of another jurisdiction. Each party to this Award Agreement agrees that it shall bring all claims, causes of action and proceedings (whether in contract, in tort, at law or otherwise) that may be based upon, arise out of or be related to the Award Agreement exclusively in the Delaware Court of Chancery or, in the event (but only in the event) that such court does not have subject-matter jurisdiction over such claim, cause of action or proceeding, exclusively in the United States District Court for the District of Delaware (the "**Chosen Court**") and hereby (i) irrevocably submits to the exclusive jurisdiction of the Chosen Court, (ii) waives any objection to laying venue in any such proceeding in the Chosen Court, (iii) waives any objection that the Chosen Court is an inconvenient forum or does not have jurisdiction over any party and (iv) agrees that service of process upon such party in any such claim or cause of action shall be effective if notice is given in accordance with this Award Agreement.

(b) EACH OF THE PARTIES HERETO IRREVOCABLY WAIVES ALL RIGHT TO A TRIAL BY JURY IN ANY CLAIM OR CAUSE OF ACTION (WHETHER IN CONTRACT, IN TORT, AT LAW OR OTHERWISE) INSTITUTED BY OR AGAINST SUCH PARTY IN RESPECT OF ITS, HIS OR HER OBLIGATIONS HEREUNDER.

15. Award Subject to Plan. By entering into this Award Agreement the Participant agrees and acknowledges that the Participant has received and read a copy of the Plan. The Award is subject to the Plan. The terms and provisions of the Plan as it may be amended from time to time are hereby incorporated herein by reference. In the event of a conflict between any term or provision contained herein and a term or provision of the Plan, the applicable terms and provisions of the Plan will govern and prevail. Capitalized terms not otherwise defined herein shall have the same meanings as in the Plan.

16. No Guarantees Regarding Tax Treatment. The Participant shall be responsible for all taxes with respect to the Award. The Committee and the Company make no guarantees regarding the tax treatment of the Award.

17. Amendment. The Committee may amend or alter this Award Agreement and the RSUs granted hereunder at any time, subject to the terms of the Plan.

18. Signature in Counterparts. This Award Agreement may be signed in counterparts, manually or electronically, and each of which will be an original, with the same effect as if the signatures to each were upon the same instrument.

19. Electronic Signature and Delivery. This Award Agreement may be accepted by return signature or by electronic confirmation. Each party agrees that the electronic signatures, whether digital or encrypted, of the parties included in this Award Agreement are intended to authenticate this writing and to have the same force and effect as manual signatures. Delivery of a copy of this Award Agreement or any other document contemplated hereby bearing an original or electronic signature by facsimile transmission (whether directly from one facsimile device to another by means of a dial-up connection or whether mediated by the worldwide web), by electronic mail in "portable document format" (".pdf") form, or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, will have the same effect as physical delivery of the paper document bearing an original or electronic signature.

20. Severability. The provisions of this Award Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

[signature page follows]

IN WITNESS WHEREOF, the Company and the Participant have executed this Restricted Stock Unit Agreement as of the date first set forth above.

PARTICIPANT

By: _____
[•]

DAVE & BUSTER'S ENTERTAINMENT, INC.

By: _____

Name: _____

Title: _____

CERTIFICATION

I, Brian A. Jenkins, Chief Executive Officer of Dave & Buster's Entertainment, Inc., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Dave & Buster's Entertainment, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's first fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: June 11, 2019

/s/ Brian A. Jenkins

Brian A. Jenkins
Chief Executive Officer

CERTIFICATION

I, Scott J. Bowman, Chief Financial Officer of Dave & Buster's Entertainment, Inc., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Dave & Buster's Entertainment, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's first fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: June 11, 2019

/s/ Scott J. Bowman

Scott J. Bowman
Chief Financial Officer

CERTIFICATION

In connection with the Quarterly Report of Dave & Buster's Entertainment, Inc. (the "Company") on Form 10-Q for the period ended May 5, 2019 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Brian A. Jenkins, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, that:

- (1) The Report fully complies with the applicable requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: June 11, 2019

/s/ Brian A. Jenkins

Brian A. Jenkins
Chief Executive Officer

CERTIFICATION

In connection with the Quarterly Report of Dave & Buster's Entertainment, Inc. (the "Company") on Form 10-Q for the period ended May 5, 2019 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Scott J. Bowman, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, that:

- (1) The Report fully complies with the applicable requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: June 11, 2019

/s/ Scott J. Bowman

Scott J. Bowman
Chief Financial Officer