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

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**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934**

Date of report (Date of earliest event reported): April 1, 2020

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

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction  
of incorporation)

**001-35664**  
(Commission  
File Number)

**35-2382255**  
(IRS Employer  
Identification Number)

**2481 Manana Drive**  
**Dallas, Texas**  
(Address of principal executive offices)

**75220**  
(zip code)

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

**Not Applicable**  
(Former name or former address, if changed since last report)

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

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

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

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

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

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, \$0.01 par value	PLAY	NASDAQ Stock Market LLC
Preferred Stock Purchase Rights	PLAY	NASDAQ Stock Market LLC

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## **Section 1 – Registrant’s Business and Operations**

### **Item 1.01. Entry into a Material Definitive Agreement**

Pursuant to a waiver, dated April 1, 2020, the requirement, under the Company’s Amended and Restated Credit Agreement, dated as of August 17, 2017, that the opinion of the independent auditors of Dave & Buster’s Entertainment Inc. (the “Company”) delivered in connection with the audited annual financial statements for the year ended February 2, 2020 be without going concern or any like qualification, has been waived. A copy of the waiver is filed as Exhibit 10.1.

## **Section 2 – Financial Information**

### **Item 2.02 Results of Operations and Financial Condition**

The information contained in Item 2.02 of this Current Report on Form 8-K, including the Exhibit attached hereto, is being furnished and shall not be deemed to be “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that Section. Furthermore, the information contained in Item 2.02 of this Current Report on Form 8-K shall not be deemed to be incorporated by reference into any registration statement or other document filed pursuant to the Securities Act of 1933, as amended.

On April 2, 2020, the Company issued a press release announcing its preliminary unaudited results for the fourth quarter and the year ended February 2, 2020. A copy of the press release is filed as Exhibit 99.1.

## **Section 8 – Other Events**

### **Item 8.01 Other Events**

#### **Reliance on SEC Relief from Filing Requirements**

The Company is also filing this Current Report on Form 8-K pursuant to the Order of the Securities and Exchange Commission (the “SEC”), issued March 25, 2020 pursuant to Section 36 of the Exchange Act, granting exemptions from specified provisions of the Exchange Act and certain rules thereunder (Release No. 34-88465) (the “Order”). In reliance on the Order, the Company will delay the filing of its Annual Report (its “Annual Report”) on Form 10-K for the year ended February 2, 2020, originally due on April 2, 2020. The Company anticipates filing the Annual Report with the SEC on or before May 17, 2020.

The Company requires additional time to finalize its Annual Report due to circumstances related to COVID-19, the disease caused by the coronavirus. Among other factors, the shutdown of all of the Company’s stores and related disruptions to the Company’s business and operations, and the related uncertainty as to when or the manner in which the conditions surrounding the COVID-19 pandemic will change (including when restrictions are lifted, when stores can reopen and the degree of customer re-engagement), have necessitated, and continue to necessitate, a series of actions by management, including actions related to the Company’s outlook for next twelve months of liquidity, which have delayed completion of the audit of the 2019 financial statements. These actions, over and above targeted reductions in discretionary operating expenses and capital expenditures, are ongoing, and include exploring financing opportunities and seeking further covenant relief and counterparty concessions (see “Additional Risk Factor Disclosure” below).

These recent conditions and events have had a material adverse effect on the Company's results of operations, cash flows and liquidity and have necessitated that management, in connection with the Company finalizing the Annual Report, evaluate (as contemplated by Financial Accounting Standards Board Accounting Standards Update 2014-15) whether these conditions and events raise substantial doubt about the Company's ability to continue as a going concern within one year after the date of the Company's 2019 financial statements are issued and consider whether its plans intended to mitigate these conditions and events (namely, those described above and in "Additional Risk Factor Disclosure" below) alleviate the substantial doubt. The suspension of in-person operations by the Company at its headquarters and by its professional advisors and the reduced staffing by the Company, all as a result of the COVID-19 pandemic, have limited support from the Company's remaining staff and its professional advisors. All of these disruptions have, in turn, delayed the Company's ability to complete its Annual Report. The Company currently anticipates that its financial statements will contain disclosures indicating substantial doubt about the Company's ability to continue as a going concern as a result of the events occurring after February 2, 2020. The Company is working diligently to address these issues to permit the Annual Report to be filed on or before May 17, 2020.

#### **Additional Risk Factor Disclosure**

##### ***COVID-19 has had an adverse effect on our business that is material and may continue to do so.***

During March 2020, the World Health Organization declared the rapidly growing coronavirus outbreak to be a global pandemic. The COVID-19 pandemic has significantly impacted health and economic conditions throughout the United States. Federal, state and local governments took a variety of actions to contain the spread of COVID-19. Many jurisdictions where our stores are located required mandatory store closures or imposed capacity limitations and other restrictions affecting our operations. As of March 20, 2020, all of our 137 operating stores were temporarily closed, including our newest store that opened on March 16, 2020. These developments have had a material adverse impact on the Company's results of operations, financial condition and cash flows.

Our business continuity team also led our crisis response efforts to ensure continuity of operations as we closed stores and the corporate office. We reduced expenses broadly, including furloughing nearly all of our workforce except a small team of essential personnel, reducing pay and benefits for remaining employees, cutting back capital spending, and halting all planned store openings. We also suspended our share repurchase program and our dividend, and fully drew down the remaining credit available under our \$500,000 revolving credit facility as of the date of this filing.

We cannot predict how soon we will be able to reopen our stores, and our ability to reopen will depend in part on the actions of a number of governmental bodies over which we have no control. Moreover, once restrictions are lifted, it is unclear how quickly customers will return to our stores, which may be a function of continued concerns over safety and/or depressed consumer sentiment due to adverse economic conditions, including job losses. Considering the significant uncertainty as to when we can reopen some or all of our stores and the uncertain customer demand environment, in addition to the actions described above, we:

- have begun discussions with our landlords, vendors, and other business partners to reduce our lease and contract payments and obtain other concessions;
- are in discussion with our lenders to obtain covenant relief to avoid events of default; and
- due to the impact of coronavirus on the economy and our business, have engaged in and are continuing to engage in, discussions with various parties to explore financing opportunities to enhance liquidity.

While our lenders have granted a waiver of any event of default associated with receiving an auditor's report indicating a substantial doubt about the Company's ability to continue as a going concern in connection with our year-end audit, and some landlords and business partners have agreed to certain concessions, there can be no assurance that we will be successful in obtaining all of the relief we are seeking. Although the lenders under the existing credit facility may waive the defaults or forebear the exercise of remedies, there can be no assurance that they would do so. Failure to obtain such a waiver would have a material adverse effect on the Company's liquidity, financial condition and results of operations and may result in filing a voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code in order to implement a restructuring plan.

The outbreak of COVID-19 has caused significant disruptions to the Company's ability to generate profitability and cash flows, and uncertainty regarding the length of the disruption may adversely impact our ability to raise additional capital. The ultimate impact of the COVID-19 pandemic on our business, results of operations, financial condition and cash flows will depend on our ability to have sufficient liquidity until such time as our stores can again generate revenue and profits capable of supporting our ongoing operations, all of which remain highly uncertain at this time.

### **Forward-Looking Statements**

The Company cautions that this report contains forward-looking statements. These forward-looking statements involve risks and uncertainties and, consequently, could be affected by the uncertain and unprecedented impact of the coronavirus on our business and operations and the related impact on our liquidity needs; our ability to continue as a going concern; our ability to obtain waivers, and thereafter continue to satisfy covenant requirements, under our revolving credit facility; our ability to access other funding sources; the duration of government-mandated and voluntary shutdowns; the speed with which our stores safely can be reopened and the level of customer demand following reopening; the economic impact of the coronavirus and related disruptions on the communities we serve; our overall level of indebtedness; general business and economic conditions, including as a result of the coronavirus; the impact of competition; the seasonality of the Company's business; adverse weather conditions; future commodity prices; guest and employee complaints and litigation; fuel and utility costs; labor costs and availability; changes in consumer and corporate spending, including as a result of the coronavirus; changes in demographic trends; changes in governmental regulations; unfavorable publicity, our ability to open new stores, and acts of God. Accordingly, actual results may differ materially from the forward-looking statements, and the Company therefore cautions you against relying on such forward-looking statements. The Company intends these forward-looking statements to speak only as of the time of this report and does not undertake to update or revise them as more appropriate information becomes available, except as required by law.

**Section 9 – Financial Statements and Exhibits.**

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits.

10.1 [Waiver No. 1 to Amended and Restated Credit Agreement](#)  
99.1 [Press release dated April 2, 2020.](#)

**SIGNATURES**

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

DAVE & BUSTER'S ENTERTAINMENT, INC.

Date: April 2, 2020

By: /s/ Robert W. Edmund  
Robert W. Edmund  
Senior Vice President, General Counsel  
and Secretary

WAIVER NO. 1 TO AMENDED AND RESTATED CREDIT AGREEMENT

WAIVER NO. 1 TO AMENDED AND RESTATED CREDIT AGREEMENT (this “Waiver”), dated as of April 1, 2020, among DAVE & BUSTER’S, INC., a Missouri corporation (the “Borrower”), the Lenders party or consenting hereto constituting the Required Lenders (the “Lenders”) and BANK OF AMERICA, N.A., as administrative agent for the Lenders (in such capacity, the “Administrative Agent”). All capitalized terms used herein (including in this preamble) and not otherwise defined herein shall have the respective meanings provided such terms in the Credit Agreement (as defined below).

WITNESSETH:

WHEREAS, Dave & Buster’s Holdings, Inc., a Delaware corporation, as a guarantor, the Borrower, the direct and indirect Subsidiaries of the Borrower from time to time party thereto, as guarantors, the several financial institutions from time to time party thereto, as lenders, Swing Line Lender and/or L/C Issuer, the Administrative Agent, and Wells Fargo Bank, National Association, as syndication agent, are parties to that certain Amended and Restated Credit Agreement, dated as of August 17, 2017 (as amended, restated, amended and restated, modified or supplemented from time to time, the “Credit Agreement”).

WHEREAS, pursuant to Section 13.13 of the Credit Agreement, the Borrower has requested that the Administrative Agent and the Required Lenders consent to the waiver described in Section 1 hereof, and, subject to the satisfaction of the conditions set forth herein, the Administrative Agent and the Required Lenders are willing to do so.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which is acknowledged by each party hereto, it is agreed:

1. Waiver. Subject to the satisfaction of the conditions set forth in Section 2 hereof, Lenders constituting Required Lenders hereby agree to waive the requirement pursuant to Section 8.5(b) of the Credit Agreement that the opinion of KPMG LLP or another firm of independent public accountants of recognized national standing that accompanies the annual audited financial statements of the Consolidated Group Companies for the Fiscal Year ended February 2, 2020 be without going concern or any like qualification.

2. Conditions to Effectiveness. This Waiver shall become effective on the date (the “Waiver Effective Date”) upon receipt by the Administrative Agent of a fully-executed copy of this Waiver by each Loan Party, the Administrative Agent and the Required Lenders.

3. No Waiver. Nothing contained herein shall be deemed to constitute a waiver of compliance with any term or condition contained in the Credit Agreement or any of the other Loan Documents (other than as set forth herein), or constitute a course of conduct or dealing among the parties. The Administrative Agent and Lenders reserve all rights, privileges and remedies under the Loan Documents. Except as expressly amended hereby, the Credit Agreement and other Loan Documents remain unmodified and in full force and effect.

4. Counterparts; Integration. This Waiver may be executed in any number of counterparts, and by the different parties hereto on separate counterpart signature pages, each of which shall constitute an original, and all such counterparts taken together shall be deemed to constitute one and the same contract. Delivery of an executed counterpart of a signature page to this Waiver by facsimile or other electronic transmission will be effective as delivery of a manually executed counterpart thereof.

5. Headings. Section headings used in this Waiver are for reference only and shall not affect the construction of this Agreement.

6. Governing Law. THIS WAIVER AND THE TRANSACTIONS CONTEMPLATED HEREBY, AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER AND ALL CLAIMS AND CONTROVERSIES ARISING OUT OF THE SUBJECT MATTER HEREOF WHETHER SOUNDING IN CONTRACT LAW, TORT LAW OR OTHERWISE SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

7. Submission to Jurisdiction; Waiver of Jury Trial. The parties hereto hereby acknowledge and agree that this Waiver is subject to Section 13.23 of the Credit Agreement, the terms of which are incorporated by reference herein, *mutatis mutandis*, as if set forth in their entirety herein.

*[Remainder of Page Intentionally Left Blank; Signature Page Follows]*



The parties hereto have caused this letter to be duly executed and delivered by their duly authorized officers or other representatives as of the date first set forth above.

BANK OF AMERICA, N.A., as Administrative Agent

By: /s/ Charlene Wright-Jones  
Name: Charlene Wright-Jones  
Title: Vice President

BBVA USA, as Lender

By: /s/ Jeffrey Piccinelli  
Name: Jeffrey Piccinelli  
Title: Senior Vice President

BMO HARRIS BANK N.A., as Lender

By: /s/ Keith Watanabe  
Name: Keith Watanabe  
Title: Director

CAPITAL ONE, N.A., as Lender

By: /s/ Michael Sullivan  
Name: Michael Sullivan  
Title: Duly Authorized Signatory

FIFTH THIRD BANK, NATIONAL ASSOICATION, as Lender

By: /s/ Michael H. Keith  
Name: Michael H. Keith  
Title: Vice President

FIRST HORIZON BANK, as Lender

By: /s/ Erik Toft  
Name: Eric Toft  
Title: Vice President

JPMORGAN CHASE BANK, N.A., as Lender

By: /s/ Alexander Vardaman  
Name: Alexander Vardaman  
Title: Authorized Officer

PNC BANK, NATIONAL ASSOCIATON, as Lender

By: /s/ Brendan McGuire  
Name: Brendan McGuire  
Title: Executive Vice President

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REGIONS BANK, as Lender

By: /s/ Ryan Fischer  
Name: Ryan Fischer  
Title: Managing Director

STIFEL BANK & TRUST, as Lender

By: /s/ Daniel P. McDonald  
Name: Daniel P. McDonald  
Title: Vice President

SYNOVUS BANK, as Lender

By: /s/ Robert Haley  
Name: Robert Haley  
Title: Officer

TRUIST BANK, as Lender

By: /s/ Sheryl Squires Kerley  
Name: Sheryl Squires Kerley  
Title: Vice President

U.S. BANK NATIONAL ASSOCIATION, as Lender

By: /s/ Sean P. Walters  
Name: Sean P. Walters  
Title: Vice President

WEBSTER BANK, NATIONAL ASSOCIATION, as Lender

By: /s/ Esther Catandella  
Name: Esther Catandella  
Title: Vice President

DAVE & BUSTER'S, INC., as Borrower

By: /s/ Brian Jenkins  
Name: Brian Jenkins  
Title: Chief Executive Officer

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**Dave & Buster's Reports Fourth Quarter and Full Year 2019 Results;  
Details Comprehensive Response to COVID-19 Pandemic**

DALLAS, April 2, 2020 (GLOBE NEWSWIRE) – Dave & Buster's Entertainment, Inc., (NASDAQ:PLAY), ("Dave & Buster's" or the "Company"), an owner and operator of entertainment and dining venues, today announced its preliminary unaudited financial results for its fourth quarter and fiscal year 2019, which ended on February 2, 2020. The Company also detailed its comprehensive response to the evolving COVID-19 pandemic.

The preliminary and unaudited 2019 results reported below are subject to review and change in connection with the Company's 2019 audit that is yet to be completed. As set forth in a Current Report on Form 8-K filed today with the Securities and Exchange Commission (the "SEC"), the Company is utilizing temporary relief provided by the SEC to delay the filing of the Company's 2019 Annual Report on Form 10-K for up to 45 days. As noted in that Current Report, among other factors, the shutdown of all of the Company's stores and related disruptions to the Company's business and operations have necessitated, and continue to necessitate, a series of actions by management, including actions related to the Company's outlook for next twelve months of liquidity, and completion of the audit of the 2019 financial statements. These actions, over and above targeted reductions in discretionary operating expenses and capital expenditures, are ongoing, and include exploring financing opportunities and seeking further covenant relief and counterparty concessions.

**Key Preliminary Fiscal Year 2019 Highlights (all comparisons to fiscal year 2018)**

- § Total revenues increased 7.1% to \$1,355 million from \$1,265 million
- § Number of stores increased 12.4% to 136 from 121
- § Comparable store sales decreased 2.6%
- § Net income totaled \$100.3 million, or \$2.94 per diluted share (34.1 million shares outstanding), vs. net income of \$117.2 million, or \$2.93 per diluted share (40.0 million shares outstanding)
- § EBITDA increased less than 1% to \$280.5 million from \$279.3 million

**Key Preliminary Fourth Quarter Highlights (all comparisons to fourth quarter 2018)**

- § Total revenues increased 4.6% to \$347.2 million from \$331.8 million
- § Number of stores increased 12.4% to 136 from 121
- § Comparable store sales decreased 4.7%
- § Net income totaled \$25.0 million, or \$0.80 per diluted share (31.2 million shares outstanding), vs. net income of \$29.4 million, or \$0.75 per diluted share (39.1 million shares outstanding)
- § EBITDA increased 1% to \$72.9 million from \$72.1 million

Brian Jenkins, Chief Executive Officer, said, "In 2019, our more than 16,000 dedicated team members worked hard to achieve record revenues and EBITDA. In the fourth quarter, we made meaningful progress on our strategic priorities and exceeded both our sales and EBITDA expectations."

Mr. Jenkins continued, "In recent weeks the COVID-19 pandemic has and created challenges unlike anything our company, industry, or the U.S. economy has previously experienced, resulting in the temporary closure of all our stores. We have thoughtfully and quickly implemented a comprehensive plan to help mitigate the impact of this pandemic, and we are now working to enhance liquidity and preserve store restart capabilities so that we can safely reopen as soon as local conditions allow. Our first priority remains the health and safety of our team members, guests, and each of the communities in which we operate. Our hearts go out to all of our team members and guests who are enduring so much through this crisis."

The Company's mitigation plan covers the temporary shutdown of all stores, steps it has taken to preserve financial flexibility, and ongoing discussions with vendors and landlords as outlined below.

**Temporary Shutdown of All Stores:**

As of March 20, 2020, the Company temporarily closed all 137 stores in 39 States, Canada and Puerto Rico.

**Preserving Financial Flexibility:**

The Company has implemented steps focused on conserving existing capital and is working to maintain operating liquidity while preserving critical store restart capabilities.

These efforts include:

1. A significant reduction in capital spending: All new store construction has been halted, and capital spending on strategic initiatives, store remodels, games and maintenance has been severely curtailed.
2. A significant reduction in operating expenses: Until the Company is able to begin reopening stores, all of the Company's more than 15,000 store hourly team members have been placed on temporary furlough, store management and corporate staff have been reduced by nearly 90 percent, compensation of the senior leadership team has been reduced by 50 percent, and the Board of Directors has suspended Directors' cash compensation for the remainder of the year. The Company has also taken numerous actions to reduce store operating expenses, G&A and marketing spend.
3. Suspension of quarterly dividend and share repurchase program: The board has suspended the Company's quarterly dividend and share repurchase program. The Company has not repurchased any shares since September 2019 and has no plans to do so in the foreseeable future.
4. Drawdown of revolving credit facility: With its recent full drawdown of its revolving credit facility, the Company had approximately \$100 million cash on hand as of March 31, 2020.

**Ongoing Discussions to Further Enhance Liquidity:**

The Company is pursuing discussions with landlords and vendors to reduce expenses, extend payment terms, and obtain other payment concessions. The Company is also in discussions with its lenders and outside debt & equity providers to amend necessary terms of its credit facility and further supplement its liquidity.

Mr. Jenkins concluded, "We continue to closely monitor this fluid situation while complying with all federal, state and local health and safety guidelines, as well as government mandates. The primary objectives of our comprehensive response to this unprecedented challenge are to position us to emerge on the other side even stronger than before and welcome our valued team members and guests back as soon as circumstances enable us to safely reopen."

## **Fiscal Year 2019 Results**

**(All comparisons are between fiscal year 2019, which ended February 2, 2020 and fiscal year 2018, which ended February 3, 2019, unless otherwise noted)**

Total revenues increased 7.1% to \$1,354.7 million from \$1,265.3 million, driven by an 8.5% increase in Amusements and Other revenue and a 5.1% increase in Food and Beverage revenue. Amusement and Other revenue increased 80 basis points as a percentage of total revenue to 58.4%.

Comparable store sales decreased 2.6%, driven by a 3.0% decline in walk-in sales, partially offset by a 0.8% increase in special events sales. Comparable store sales decreased 1.6% in Amusements & Other and 4.1% in Food & Beverage. Non-comparable store revenue totaled \$319.4 million, an increase of \$117.6 million, or 58.3%. Fiscal year 2018 comparable store sales decreased 1.6%.

Operating income totaled \$148.1 million, or 10.9% of revenues, compared with \$161.0 million, or 12.7% of revenues.

Net income totaled \$100.3 million, or \$2.94 per diluted share (34.1 million diluted share base) compared with \$117.2 million, or \$2.93 per diluted share (40.0 million diluted share base).

EBITDA increased less than 1% to \$280.5 million, or 20.7% of revenues, compared with \$279.3 million, or 22.1% of revenues.

Adjusted EBITDA totaled \$308.2 million, or 22.8% of revenues, compared with \$311.1 million, or 24.6% of revenues.

Store operating income before depreciation and amortization increased 1.4% to \$369.0 million, or 27.2% of revenues, compared with \$364.0 million, or 28.8% of revenues.

The Company opened 16 new locations in fiscal 2019, representing unit growth of 12.4% (net of one first quarter closing). These store openings include 13 large and 3 medium format locations and are split between new and existing markets for the Dave & Buster's brand.

## **Fourth Quarter 2019 Results**

**(All comparisons are between fourth quarter 2019 and fourth quarter 2018, unless otherwise noted)**

Total revenues increased 4.6% to \$347.2 million from \$331.8 million, driven by a 5.6% increase in Amusements and Other revenue and a 3.5% increase in Food and Beverage revenue. Amusement and Other revenue increased 50 basis points as a percentage of total revenue to 56.0%.

Comparable store sales decreased 4.7%, driven by a 5.5% decline in walk-in sales and flat special events sales. Comparable store sales decreased 4.1% in Amusements & Other and 5.5% in Food & Beverage. Non-comparable store revenue totaled \$91.7 million, an increase of \$29.1 million, or 46.5%, compared with \$62.6 million. Fourth quarter 2018 comparable store sales increased 2.9%.

Operating income totaled \$37.6 million, or 10.8% of revenues, compared with \$41.0 million, or 12.4% of revenues.

Net income totaled \$25.0 million, or \$0.80 per diluted share (31.2 million diluted share base) compared with \$29.4 million, or \$0.75 per diluted share (39.1 million diluted share base).

EBITDA increased 1.0% to \$72.9 million, or 21.0% of revenues, compared with \$72.1 million, or 21.7% of revenues.

Adjusted EBITDA totaled \$77.8 million, or 22.4% of revenues, compared with \$80.2 million, or 24.2% of revenues.

Store operating income before depreciation and amortization increased 2.2% to \$96.3 million, or 27.7% of revenues, compared with \$94.2 million, or 28.4% of revenues.

During the fourth quarter, the Company opened two new stores: Canton, Ohio and Shenandoah, Texas.

## **Cash Flow and Capital Allocation**

The Company generated approximately \$289 million in operating cash flow for the year ended February 2, 2020 ending the period with cash and equivalents of approximately \$24.7 million and long-term debt of approximately \$648.3 million. During the fourth quarter of 2019, the Company declared a quarterly cash dividend of \$0.16 per share (which was paid in fiscal 2020) and did not repurchase any common shares.

In light of the current unprecedented degree of uncertainty, the Company is not providing fiscal 2020 financial guidance at this time.

## **Investor Conference Call and Webcast**

Management will hold a conference call today at 4:00 p.m. Central Time (5:00 p.m. Eastern Time). The conference call can be accessed over the phone by dialing (720) 543-0206 or toll-free (800) 458-4148. A replay will be available after the call for one year beginning at 7:00 p.m. Central Time (8:00 p.m. Eastern Time) and can be accessed by dialing (412) 317-6671 or toll-free (844) 512-2921; the passcode is 7726683.

Additionally, a live and archived webcast of the conference call will be available at [www.daveandbusters.com](http://www.daveandbusters.com) under the Investor Relations section.

## **About Dave & Buster's Entertainment, Inc.**

Founded in 1982 and headquartered in Dallas, Texas, Dave & Buster's Entertainment, Inc., is the owner and operator of 137 venues in North America that combine entertainment and dining and offer customers the opportunity to "Eat Drink Play and Watch," all in one location. Dave & Buster's offers a full menu of entrées and appetizers, a complete selection of alcoholic and non-alcoholic beverages, and an extensive assortment of entertainment attractions centered around playing games and watching live sports and other televised events. Dave & Buster's currently has stores in 39 states, Puerto Rico, and Canada.

## **Forward-Looking Statements**

The Company cautions that this release contains forward-looking statements, including, without limitation, statements relating to our expected fourth quarter 2019 results of operations, our expected full year 2019 results of operations and the impact on our business and operations of the global spread of the novel coronavirus outbreak. These forward-looking statements involve risks and uncertainties and, consequently, could be affected by the uncertain and unprecedented impact of the coronavirus on our business and operations and the related impact on our liquidity needs; our ability to continue as a going concern; our ability to obtain waivers, and thereafter continue to satisfy covenant requirements, under our revolving credit facility; our ability to access other funding sources; the duration of government-mandated and voluntary shutdowns; the speed with which our stores safely can be reopened and the level of customer demand following reopening; the economic impact of the coronavirus and related disruptions on the communities we serve; our overall level of indebtedness; general business and economic conditions, including as a result of the coronavirus; the impact of competition; the seasonality of the Company's business; adverse weather conditions; future commodity prices; guest and employee complaints and litigation; fuel and utility costs; labor costs and availability; changes in consumer and corporate spending, including as a result of the coronavirus; changes in demographic trends; changes in governmental regulations; unfavorable publicity, our ability to open new stores, and acts of God. Accordingly, actual results may differ materially from the forward-looking statements, and the Company therefore cautions you against relying on such forward-looking statements. Dave & Buster's intends these forward-looking statements to speak only as of the time of this release and does not undertake to update or revise them as more appropriate information becomes available, except as required by law.

**\*Non-GAAP Measures**

To supplement its consolidated financial statements, which are prepared and presented in accordance with GAAP, the Company uses the following non-GAAP financial measures: EBITDA, EBITDA margin, Adjusted EBITDA, Adjusted EBITDA margin, Store operating income before depreciation and amortization, and store operating income before depreciation and amortization margin (collectively the "non-GAAP financial measures"). The presentation of this financial information is not intended to be considered in isolation or as a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP. The Company uses these non-GAAP financial measures for financial and operational decision making and as a means to evaluate period-to-period comparisons. The Company believes that they provide useful information about operating results, enhance the overall understanding of our operating performance and future prospects, and allow for greater transparency with respect to key metrics used by management in its financial and operational decision making. The non-GAAP measures used by the Company in this press release may be different from the measures used by other companies.

**DAVE & BUSTER'S ENTERTAINMENT, INC.**  
**Condensed Consolidated Balance Sheets**  
(in thousands)

<b>ASSETS</b>	<u>February 2, 2020</u> (unaudited)	<u>February 3, 2019</u> (audited)
<b>Current assets:</b>		
Cash and cash equivalents	\$ 24,655	\$ 21,585
Other current assets	54,322	69,508
<b>Total current assets</b>	<b>78,977</b>	<b>91,093</b>
Property and equipment, net	900,637	805,337
Operating lease right of use assets	1,011,568	-
Intangible and other assets, net	378,957	376,757
<b>Total assets</b>	<b>\$ 2,370,139</b>	<b>\$ 1,273,187</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Total current liabilities	\$ 290,865	\$ 244,390
Operating lease liabilities	1,222,054	-
Other long-term liabilities	54,881	262,491
Long-term debt, net	632,689	378,469
Stockholders' equity	169,650	387,837
<b>Total liabilities and stockholders' equity</b>	<b>\$ 2,370,139</b>	<b>\$ 1,273,187</b>



**DAVE & BUSTER'S ENTERTAINMENT, INC.**  
**Consolidated Statements of Operations (Unaudited)**  
(in thousands, except share and per share amounts)

	<u>13 Weeks Ended</u> <u>February 2, 2020</u>		<u>13 Weeks Ended</u> <u>February 3, 2019</u>	
Food and beverage revenues	\$ 152,797	44.0%	\$ 147,665	44.5%
Amusement and other revenues	194,361	56.0%	184,119	55.5%
Total revenues	<u>347,158</u>	<u>100.0%</u>	<u>331,784</u>	<u>100.0%</u>
Cost of food and beverage (as a percentage of food and beverage revenues)	39,124	25.6%	38,018	25.7%
Cost of amusement and other (as a percentage of amusement and other revenues)	20,659	10.6%	20,816	11.3%
Total cost of products	<u>59,783</u>	<u>17.2%</u>	<u>58,834</u>	<u>17.7%</u>
Operating payroll and benefits	83,005	23.9%	78,985	23.8%
Other store operating expenses	108,097	31.2%	99,723	30.1%
General and administrative expenses	20,422	5.9%	16,060	4.8%
Depreciation and amortization expense	35,234	10.1%	31,146	9.4%
Pre-opening costs	3,001	0.9%	6,042	1.8%
Total operating costs	<u>309,542</u>	<u>89.2%</u>	<u>290,790</u>	<u>87.6%</u>
Operating income	<u>37,616</u>	<u>10.8%</u>	<u>40,994</u>	<u>12.4%</u>
Interest expense, net	<u>6,166</u>	<u>1.7%</u>	<u>3,707</u>	<u>1.1%</u>
Income before provision for income taxes	31,450	9.1%	37,287	11.3%
Provision for income taxes	6,468	1.9%	7,851	2.4%
Net income	<u>\$ 24,982</u>	<u>7.2%</u>	<u>\$ 29,436</u>	<u>8.9%</u>
Net income per share:				
Basic	\$ 0.82		\$ 0.77	
Diluted	\$ 0.80		\$ 0.75	
Weighted average shares used in per share calculations:				
Basic shares	30,584,360		38,245,612	
Diluted shares	31,158,919		39,065,459	
Other information:				
Company-owned and operated stores open at end of period	136		121	

The following table sets forth a reconciliation of net income to EBITDA and Adjusted EBITDA for the periods shown:

	<u>13 Weeks Ended</u>		<u>13 Weeks Ended</u>	
	<u>February 2, 2020</u>		<u>February 3, 2019</u>	
	(unaudited)		(unaudited)	
Net income	\$ 24,982	7.2%	\$ 29,436	8.9%
Add back: Interest expense, net	6,166		3,707	
Provision (benefit) for income taxes	6,468		7,851	
Depreciation and amortization expense	35,234		31,146	
EBITDA.	<u>72,850</u>	21.0%	<u>72,140</u>	21.7%
Add back: Loss on asset disposal.	529		308	
Share-based compensation	1,378		1,651	
Pre-opening costs	3,001		6,042	
Other costs	8		9	
Adjusted EBITDA	<u>\$ 77,766</u>	22.4%	<u>\$ 80,150</u>	24.2%

The following table sets forth a reconciliation of operating income to store operating income before depreciation and amortization for the periods shown:

	<u>13 Weeks Ended</u>		<u>13 Weeks Ended</u>	
	<u>February 2, 2020</u>		<u>February 3, 2019</u>	
	(unaudited)		(unaudited)	
Operating income	\$ 37,616	10.8%	\$ 40,994	12.4%
Add back: General and administrative expenses	20,422		16,060	
Depreciation and amortization expense	35,234		31,146	
Pre-opening costs	3,001		6,042	
Store operating income before depreciation and amortization	<u>\$ 96,273</u>	27.7%	<u>\$ 94,242</u>	28.4%

**DAVE & BUSTER'S ENTERTAINMENT, INC.**  
**Consolidated Statements of Operations**  
(in thousands, except share and per share amounts)

	<b>52 Weeks Ended</b>		<b>52 Weeks Ended</b>	
	<b>February 2, 2020</b>		<b>February 3, 2019</b>	
	(unaudited)		(audited)	
Food and beverage revenues	\$ 563,576	41.6%	\$ 536,469	42.4%
Amusement and other revenues	791,115	58.4%	728,832	57.6%
<b>Total revenues</b>	<b>1,354,691</b>	<b>100.0%</b>	<b>1,265,301</b>	<b>100.0%</b>
Cost of food and beverage (as a percentage of food and beverage revenues)	148,196	26.3%	139,199	25.9%
Cost of amusement and other (as a percentage of amusement and other revenues)	85,115	10.8%	81,064	11.1%
<b>Total cost of products</b>	<b>233,311</b>	<b>17.2%</b>	<b>220,263</b>	<b>17.4%</b>
Operating payroll and benefits	322,970	23.8%	296,924	23.5%
Other store operating expenses	429,431	31.8%	384,155	30.4%
General and administrative expenses	69,469	5.1%	61,521	4.9%
Depreciation and amortization expense	132,460	9.8%	118,275	9.3%
Pre-opening costs	18,971	1.4%	23,163	1.8%
<b>Total operating costs</b>	<b>1,206,612</b>	<b>89.1%</b>	<b>1,104,301</b>	<b>87.3%</b>
<b>Operating income</b>	<b>148,079</b>	<b>10.9%</b>	<b>161,000</b>	<b>12.7%</b>
Interest expense, net	20,937	1.5%	13,113	1.0%
<b>Income before provision for income taxes</b>	<b>127,142</b>	<b>9.4%</b>	<b>147,887</b>	<b>11.7%</b>
Provision for income taxes	26,879	2.0%	30,666	2.4%
<b>Net income</b>	<b>\$ 100,263</b>	<b>7.4%</b>	<b>\$ 117,221</b>	<b>9.3%</b>
<b>Net income per share:</b>				
Basic	\$ 3.00		\$ 3.00	
Diluted	\$ 2.94		\$ 2.93	
<b>Weighted average shares used in per share calculations:</b>				
Basic shares	33,450,217		39,047,106	
Diluted shares	34,099,378		39,975,122	
<b>Other information:</b>				
Company-owned and operated stores open at end of period	136		121	

The following table sets forth a reconciliation of net income to EBITDA and Adjusted EBITDA for the periods shown:

	<u>52 Weeks Ended</u>		<u>52 Weeks Ended</u>	
	<u>February 2, 2020</u>		<u>February 3, 2019</u>	
	(unaudited)		(audited)	
Net income	\$ 100,263	7.4%	\$ 117,221	9.3%
Add back: Interest expense, net	20,937		13,113	
Provision for income taxes	26,879		30,666	
Depreciation and amortization expense	132,460		118,275	
EBITDA	<u>280,539</u>	20.7%	<u>279,275</u>	22.1%
Add back: Loss on asset disposal	1,813		1,121	
Share-based compensation	6,857		7,422	
Pre-opening costs	18,971		23,163	
Other costs	42		136	
Adjusted EBITDA	<u>\$ 308,222</u>	22.8%	<u>\$ 311,117</u>	24.6%

The following table sets forth a reconciliation of operating income to store operating income before depreciation and amortization for the periods shown:

	<u>52 Weeks Ended</u>		<u>52 Weeks Ended</u>	
	<u>February 2, 2020</u>		<u>February 3, 2019</u>	
	(unaudited)		(audited)	
Operating income	\$ 148,079	10.9%	\$ 161,000	12.7%
Add back: General and administrative expenses	69,469		61,521	
Depreciation and amortization expense	132,460		118,275	
Pre-opening costs	18,971		23,163	
Store operating income before depreciation and amortization	<u>\$ 368,979</u>	27.2%	<u>\$ 363,959</u>	28.8%

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