

Dave & Buster's Entertainment, Inc.
Form 424B4
February 06, 2015
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Filed pursuant to Rule 424(b)(4)
SEC File No. 333-201646

PROSPECTUS

6,600,000 Shares

Dave & Buster's Entertainment, Inc.

Common Stock

The selling stockholders named in this prospectus are offering 6,600,000 shares of our common stock. We will not receive any proceeds from the sale of common stock to be offered by the selling stockholders. See [Use of Proceeds](#). Our common stock is listed on The NASDAQ Stock Market LLC ([NASDAQ](#)) under the symbol [PLAY](#). On February 4, 2015, the last sale price of our common stock as reported on [NASDAQ](#) was \$30.21 per share.

Dave & Buster's Entertainment, Inc. is an [emerging growth company](#) as defined in the Jumpstart Our Business Startups Act of 2012 (the [JOBS Act](#)). After completion of this offering, certain stockholders will continue to beneficially own a majority of the voting power of all outstanding shares of our common stock. As a result, we will continue to be a [controlled company](#) within the meaning of [NASDAQ](#) corporate governance standards.

Investing in our common stock involves a high degree of risk. See [Risk Factors](#) beginning on page 21 of this prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

PER SHARE TOTAL

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| | | |
|---|---------|---------------|
| Public offering price | \$29.50 | \$194,700,000 |
| Underwriting discounts and commissions ⁽¹⁾ | \$ 1.25 | \$ 8,250,000 |
| Proceeds to the selling stockholders, before expenses | \$28.25 | \$186,450,000 |

⁽¹⁾ We refer you to Underwriting beginning on page 122 of this prospectus for additional information regarding total underwriter compensation.

Delivery of the shares of common stock is expected to be made on or about February 11, 2015. The selling stockholders named in this prospectus have granted the underwriters an option for a period of 30 days from the date of this prospectus to purchase an additional 990,000 shares of our common stock.

Jefferies

Piper Jaffray

William Blair

Raymond James

Stifel

LOYAL3 Securities

Prospectus dated February 5, 2015.

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You should rely only on the information contained in this prospectus. Neither we, the selling stockholders nor the underwriters have authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. Neither we, the selling stockholders nor the underwriters are making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus is only accurate as of the date on the front cover of this prospectus. Our business, financial condition, results of operations and prospects may have changed since that date.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this prospectus. You must not rely on any unauthorized information or representations. This prospectus is an offer to sell only the shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so.

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BASIS OF PRESENTATION

Certain financial measures presented in this prospectus, such as Adjusted EBITDA, Adjusted EBITDA Margin, Store-level EBITDA and Store-level EBITDA margin, are not recognized terms under accounting principles generally accepted in the United States (GAAP). These measures exclude a number of significant items, including our interest expense and depreciation and amortization expense. For a discussion of the use of these measures and a reconciliation to the most directly comparable GAAP measures, see pages 15-20 Summary Historical Financial and Other Data. We define high-volume dining and entertainment venues as those open for at least one full year and with average store revenues in excess of \$5.0 million and define year one cash-on-cash return as year one Store-level EBITDA exclusive of allocated national marketing costs divided by net development costs. Net development costs include equipment, building, leaseholds and site costs, net of tenant improvement allowances received or receivable from landlords and excludes pre-opening costs and capitalized interest.

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 fiscal years presented herein consist of 52 weeks, except fiscal year 2012, which consisted of 53 weeks. All references to 2014, fiscal 2014, fiscal year 2014 or similar references relate to the 52 week period ended February 1, 2015. All references to 2013, fiscal 2013, fiscal year 2013 or similar references relate to the 52 week period ended February 2, 2014. All references to 2012, fiscal 2012, fiscal year 2012 or similar references relate to the 53 week period ended February 3, 2013. All references to 2011, fiscal 2011, fiscal year 2011 or similar references relate to the 52 week period ended January 29, 2012. All references to 2010, fiscal 2010, fiscal year 2010 or similar references relate to the combined results of the 244 day period ended January 30, 2011 and the 120 day period ended May 31, 2010. All references to 2009, fiscal 2009, fiscal year 2009 or similar references relate to the 52 week period ended January 31, 2010.

In October 2014, we completed our initial public offering of our common stock to the public. We sold a total of 6,764,705 shares (including the full exercise of the underwriters option to purchase additional shares) at a price to the public of \$16.00. Our common stock began trading on the NASDAQ Global Market under the ticker symbol PLAY on October 10, 2014. In connection with our initial public offering, our Board of Directors and shareholders approved a 224.9835679 to 1 stock split of our common stock. This stock split was effective on October 9, 2014. Unless otherwise noted herein, historic share data has been adjusted to give effect to this stock split.

On June 1, 2010, Dave & Buster s Entertainment, Inc. (D&B Entertainment), a newly-formed Delaware corporation owned by Oak Hill Capital Partners III, L.P. and Oak Hill Capital Management Partners III, L.P. (collectively, the Oak Hill Funds) acquired all of the outstanding common stock of Dave & Buster s Holdings, Inc. (D&B Holdings). GAAP requires operating results prior to the acquisition completed on June 1, 2010 to be presented as Predecessor s results in the historical financial statements. Operating results subsequent to the acquisition are presented or referred to as Successor s results in the historical financial statements. The presentation of combined Predecessor and Successor operating results (which is simply the arithmetic sum of the Predecessor and Successor amounts) is a non-GAAP presentation, which is provided as a convenience solely for the purpose of facilitating comparisons of the combined results with other annual periods presented.

Comparable store data presented in this prospectus relate to stores open at least 18 months as of the beginning of each of the relevant fiscal years and excludes information for our one franchised store located in Canada, which ceased operation as a Dave & Buster s on May 31, 2013. Our store count data also excludes the one franchised store located in Canada. See Management s Discussion and Analysis of Financial Condition and Results of Operations.

This prospectus also contains information regarding customer feedback, customer satisfaction, customer demographics and other similar items. This information is based upon data collected by us during the periods

presented. This information is reported voluntarily by our customers and thus represents responses from only a portion of the total number of our customers. We have not independently verified any of the demographic information collected from our customers. Over the periods presented, we have changed the form of reward for completing a survey, which resulted in an increase in the percentage of completed surveys, but we do not believe this has materially impacted the results. In addition, over the periods presented, we have added and deleted questions from the questionnaires, but have not made any changes to questions eliciting responses relating to the results presented in the prospectus. We use the information collected as one measure of the performance of our stores and use it to assess the success of our initiatives to improve the quality of the product we offer.

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TRADEMARKS, SERVICE MARKS AND TRADE NAMES

Our registered trademarks include Dave & Buster[®], Power Card[®], Eat Drink Play[®], Eat Drink Play Watch[®] and Eat & Play Combo[®]. Other trademarks, service marks and trade names used in this prospectus are the property of their respective owners.

Solely for convenience, the trademarks, service marks and trade names referred to in this prospectus are listed without the[®] and symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights (or the rights of the applicable licensors) to these trademarks, service marks and trade names.

INDUSTRY AND MARKET DATA

This prospectus includes industry and market data that we derived from internal company records, publicly available information and industry publications and surveys such as reports from KNAPP-TRACK. Industry publications and surveys generally state that the information contained therein has been obtained from sources believed to be reliable. We believe this data is accurate in all material respects as of the date of this prospectus. You should carefully consider the inherent risks and uncertainties associated with the industry and market data contained in this prospectus.

KNAPP-TRACK is a monthly sales and customer count tracking service for the full-service restaurant industry in the United States, which tracks over 10,400 restaurants with over \$32.1 billion in total sales. Each monthly KNAPP-TRACK report aggregates the change in comparable restaurant sales and customer counts compared to the same month in the preceding year from the competitive set of participants in the full service restaurant industry. We, as well as other restaurants, use the data included in the monthly KNAPP-TRACK report as one way of benchmarking our performance.

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PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus and may not contain all of the information that may be important to you. Before making an investment decision, you should read this entire prospectus, including our consolidated financial statements and the related notes included elsewhere herein. You should also carefully consider the information set forth under Risk Factors. In addition, certain statements include forward-looking information that is subject to risks and uncertainties. See Cautionary Statement Regarding Forward-Looking Statements. In this prospectus, unless the context otherwise requires, we, us, our, the Company and Dave & Buster's refers to Dave & Buster's Entertainment, Inc., its subsidiaries and any predecessor companies, collectively.

Company Overview

We are a leading owner and operator of high-volume venues in North America that combine dining and entertainment for both adults and families. 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 *Fun American New Gourmet* 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 customers are a balanced mix of men and women, 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.

As of January 29, 2015, we owned and operated 73 stores in 30 states and Canada. For the twelve months ended November 2, 2014, we generated total revenues of \$711.1 million, Adjusted EBITDA of \$153.8 million (representing an Adjusted EBITDA margin of 21.6%) and a net loss of \$2.1 million. For the thirty-nine weeks ended November 2, 2014 and November 3, 2013, we generated total revenues of \$539.7 million and \$464.2 million, respectively, Adjusted EBITDA of \$113.6 million and \$94.6 million, respectively, and net losses of \$7.0 million and \$2.7 million, respectively. For fiscal 2013, we generated total revenues of \$635.6 million, Adjusted EBITDA of \$134.8 million (representing an Adjusted EBITDA margin of 21.2%) and net income of \$2.2 million. For fiscal 2012 and fiscal 2011, we generated total revenues of \$608.1 million and \$541.5 million, respectively, Adjusted EBITDA of \$120.5 million and \$98.4 million, respectively, and net income (loss) of \$8.8 million and \$(7.0) million, respectively. From fiscal 2011 to fiscal 2013, total revenues and Adjusted EBITDA grew at a compound annual growth rate (CAGR) of 8.3% and 17.1%, respectively. We generated comparable store sales increases of 6.2%, 1.0%, 3.0% and 2.2% in the thirty-nine weeks ended November 2, 2014 and fiscal 2013, 2012 and 2011, respectively.

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As a key feature of our business model, 51.2% of our total revenues for fiscal 2013 were from our amusement offerings, which have a relatively low variable cost component and contributed a gross margin of 85.4%. Combined with our food and beverage revenues, which comprised 48.8% of our total revenues and contributed a gross margin of 75.0% for fiscal 2013, we generated a total gross margin of 80.3%.

The formats and square footage of our stores are flexible, which we believe allows us to size new stores appropriately for each market as we grow. Our stores average 44,000 square feet and range in size between 16,000 and 66,000 square feet. We believe we have an attractive store economic model that enables us to generate high average store revenues and Store-level EBITDA. For our 55 comparable stores in fiscal 2013, our average revenues per store were \$10.1 million, average Store-level EBITDA was \$2.6 million and average Store-level EBITDA margin was 25.9%. Furthermore, for that same period, all of our comparable stores had positive Store-level EBITDA, with 89.1% of our stores generating more than \$1.0 million of Store-level EBITDA each and 61.8% of our stores generating more than \$2.0 million of Store-level EBITDA each.

Eat Drink Play and Watch All Under One Roof

When our founders opened our first location in Dallas, Texas in 1982, they sought to create a brand with a fun, upbeat atmosphere providing interactive entertainment options for adults and families, while serving high-quality food and beverages. Since then we have followed the same principle for each new store, and in doing so we believe we have developed a distinctive brand based on our customer value proposition: *Eat Drink Play and Watch*. The interaction between playing games, watching sports, dining and enjoying our full-service bar areas is the defining feature of the Dave & Buster's customer experience, and the layout of each store is designed to promote crossover between these activities. We believe this combination creates an experience that cannot be easily replicated at home or elsewhere without having to visit multiple destinations. Our locations are also designed to accommodate private parties, business functions and other corporate-sponsored events.

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Eat

We seek to distinguish our food menu from other casual dining concepts with our strategy of offering *Fun American New Gourmet* entrées and appetizers. Our *Fun American New Gourmet* menu is intended to appeal to a broad spectrum of customers and include classic American offerings with a fun twist. We believe we offer high-quality meals, including gourmet pastas, choice-grade steaks, premium sandwiches, decadent desserts and health-conscious entrée options that compare favorably to those of other higher end casual dining operators. We believe our broad menu offers something for everyone and captures full meal, snacking and sports-viewing occasions. We plan to introduce new menu items three times per year that we believe reinforce the fun of the Dave & Buster's brand. Our food revenues, which include non-alcoholic beverages, accounted for 33.6% of our total revenues during fiscal 2013.

Drink

Each of our locations also offers full bar service, including a variety of beers, signature cocktails, premium spirits and non-alcoholic beverages. We continually strive to innovate our beverage offering, adding new beverages three times per year, including the introduction of fun beverage platforms such as our adult Snow Cones, CoronaRitas and Berry Blocks cocktails. Beverage service is typically available throughout the entire store, allowing for multiple sales opportunities. We believe that our high margin beverage offering is complementary to each of the *Eat, Play and Watch* aspects of our brand. Our alcoholic beverage revenues accounted for 31.1% of our total food and beverage revenues and 15.2% of our total revenues during fiscal 2013.

Play

The games in our Midway are a key aspect of the Dave & Buster's entertainment experience, which we believe is the core differentiating feature of our brand. The Midway in each of our stores is an area where we offer a wide array of amusement and entertainment options, typically with over 150 redemption and simulation games. Our amusement and other revenues accounted for 51.2% of our total revenues during fiscal 2013. Redemption games, which represented 78.7% of our amusement and other revenues in fiscal 2013, offer our customers the opportunity to win tickets that are redeemable at our Winner's Circle, a retail-style space in our stores where customers can redeem the tickets won through play of our redemption games for prizes ranging from branded novelty items to high-end electronics. We believe this opportunity to win creates a fun and highly energized social experience that is an important aspect of the Dave & Buster's in-store experience and cannot be easily replicated at home. Our video and simulation games, many of which can be played by multiple customers simultaneously and include some of the latest high-tech games commercially available, represented 16.7% of our amusement and other revenues in fiscal 2013. Other traditional amusements represented the remainder of our amusement and other revenues in fiscal 2013.

Watch

Sports-viewing is another key component of the entertainment experience at Dave & Buster's. All of our stores have multiple large screen televisions and high quality audio systems providing customers with a venue for watching live sports and other televised events. In fiscal 2010, we initiated a program that evolved into D&B Sports, which is a more immersive viewing environment that provides customers with an average of 40 televisions, including 100+ inch high definition televisions, to watch televised events and enjoy our full bar and extensive food menu. We believe that we have created an attractive and comfortable environment that includes a differentiated and interactive viewing experience that offers a new reason for customers to visit Dave & Buster's. Through continued development of the D&B Sports concept in new stores and additional renovations of existing stores, our goal is to build awareness of D&B Sports as the best place to watch sports and the only place to watch the games and play the games.

Table of Contents**Our Company's Core Strengths**

We believe we benefit from the following strengths:

Strong, Distinctive Brand With Broad Customer Appeal. We believe that the multi-faceted customer experience of *Eat Drink Play and Watch* at Dave & Buster's, supported by our national marketing, has helped us create a widely recognized brand with no direct national competitor that combines all four elements in the same way. In markets where we have stores, over 95% of casual dining consumers stated that they are aware of our brand as a dining and entertainment venue. Our customer research shows that our brand appeals to a balanced mix of male and female adults, primarily between the ages of 21 and 39, as well as families and teenagers. Based on customer survey results, we also believe that the average household income of our customers is approximately \$80,000, which we believe represents an attractive demographic.

Multi-Faceted Customer Experience Highlights Our Value Proposition. We believe that our combination of interactive games, attractive television viewing areas, high-quality dining and full-service beverage offerings, delivered in a highly-energized atmosphere, provides a multi-faceted customer experience that cannot be easily replicated at home or elsewhere without having to visit multiple destinations. We aim to offer our customers a value proposition comparable or superior to many of the separately available dining and entertainment options. We are continuously working with game manufacturers and food providers to create new games and food items at compelling price points to retain and generate customer traffic and improve the customer experience. Our value proposition is enhanced by what we consider to be innovative marketing initiatives, including our Eat & Play Combo (a promotion that provides a discounted Power Card in combination with select entrées), Super Charge Power Card offerings (when purchasing or adding value to a Power Card, the customer is given the opportunity to add 25% more chips to the Power Card for a small upcharge), Half-Price Game Play (every Wednesday, from open to close, we reduce the price of every game in the Midway by one-half), Everyone's a Winner (a limited-time offer providing a prize to every customer that purchases or adds value to a Power Card in the amount of \$10 or more) and free game play promotions to feature the introduction of our new games. We believe these initiatives have helped increase customer visits and encourage customers to participate more fully across our broad range of food, beverage and entertainment offerings.

Vibrant, Contemporary Store Design That Integrates Entertainment and Dining. We believe we continue to benefit from enhancements to the Dave & Buster's brand through our store design and D&B Sports initiatives, which began in fiscal 2011. Our new store design provides a contemporary, engaging atmosphere for our customers that includes clearly differentiated spaces, which are sub-branded as *Eat at Buster's*, *Gamebar*, *Dave's Arcade*, *WIN!* and *D&B Sports*, designed to convey each component of our customer value proposition: *Eat Drink Play and Watch*. These store design changes include a modern approach to the finishes and layout of the store, which we believe encourages participation across each of the store's elements. The oversized graphics and images throughout the store are intended to communicate our brand personality by being fun, contemporary and larger-than-life. The dining room décor includes booth seating and table seating and colorful artwork, often featuring local landmarks. Our Winner's Circle provides a retail-like environment where customers can redeem their tickets for prizes. All of our new locations opened since the beginning of fiscal 2011 incorporate our new store design. We believe the introduction and continued expansion of our D&B Sports concept, currently incorporated in approximately half of our store base, provides an attractive opportunity to market our broader platform to new and existing customers through a year-round calendar of programming and promotions tied to popular sporting events and sport-related activities. The large television screens, comfortable seating, a full menu of food and beverages and artwork often featuring images of local sports teams and sports icons help create what we believe to be an exciting environment for watching sports programming. We have also strategically invested over \$54.1 million since the beginning of fiscal 2011 to introduce D&B Sports and modernize the exteriors, front lobbies, bars, dining areas and Winner's Circles of select locations. As of January 29, 2015, we have remodeled three stores during fiscal 2014 and by the end of fiscal 2014, approximately

65% of our stores will either be new or remodeled to adopt our new store design. All of the new or remodeled stores contain an upgraded venue for watching live sports and other televised events, and approximately 87% of these stores contain the D&B Sports concept.

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History of Margin Improvement. We have a proven track record of identifying operational efficiencies and implementing cost saving initiatives and have increased our Adjusted EBITDA margins by approximately 510 basis points from fiscal 2010 to the twelve months ended November 2, 2014. We expect our continued focus on operating margins at individual locations and the deployment of best practices across our store base to yield incremental margin improvements, although there is no guarantee that this will occur. We believe we are well-positioned to continue to increase margins and remain focused on identifying additional opportunities to reduce costs. We are currently testing an eTicket initiative, which is a paperless ticket distribution system that we plan to roll out to all of our stores during fiscal 2015. We estimate that our eTicket initiative will result in annual savings in excess of \$3.0 million. We leverage our investments in technology, such as our labor scheduling system and our proprietary technology linking games with Power Cards, to increase the overall performance of our stores while also enhancing the customer experience. Power Cards are magnetic stripe cards that enable a customer to play our games. A customer purchases chips that are used to play our games and are loaded to a Power Card at an automated kiosk or by an employee. Our business model has a relatively lower proportion of variable costs versus fixed costs compared to our competitors. We believe this creates operating leverage and gives us the potential to further improve margins and deliver greater earnings from expected future increases in comparable store sales and new store growth. Under our current cost structure, we estimate that we will realize more than 50% flow through to Adjusted EBITDA from any comparable store sales growth.

Store Model Generates Favorable Store Economics and Strong Returns. We believe our store model offering entertainment, food and beverages provides certain benefits in comparison to traditional restaurant concepts, as reflected by our average store revenues of \$10.1 million and average Store-level EBITDA margins of 25.9% for comparable stores in fiscal 2013. Our entertainment offerings have low variable costs and produced gross margins of 85.4% for fiscal 2013. With approximately half of our revenues from entertainment, we have less exposure than traditional restaurant concepts to food costs, which represented only 8.6% of our revenues in fiscal 2013. Our business model generates strong cash flow that we can use to execute our growth strategy. We believe the combination of our Store-level EBITDA margins, our refined new store formats and the fact that our stores open with high volumes that drive margins in year one will help us achieve our targeted average year one cash-on-cash returns of approximately 35% and five-year average cash-on-cash returns in excess of 25% for both our large format and small format store openings, although there is no guarantee such results will occur. The 19 stores that we have opened since the beginning of 2008 (that have been open for more than 12 months as of January 29, 2015) have generated average year one cash-on-cash returns of 45.1%. For stores opened since 2009 that have been open for more than 12 months, we have also experienced an increase in average year one cash-on-cash returns, by vintage, including all of our 11 stores opened in fiscal 2011, fiscal 2012 and fiscal 2013, which have generated average year one cash-on-cash returns of 56.1%.

Commitment to Customer Satisfaction. We aim to enhance our combination of food, beverage and entertainment offerings through our service philosophy of providing a high quality and consistent customer experience through dedicated training and development of our team members and a corporate culture that encourages employee engagement. As a result, we have experienced significant improvement in our Guest Satisfaction Survey results since we began the surveys in 2007. In 2013, 82.0% of respondents to our Guest Satisfaction Survey rated us Top Box (score of 5 out of a possible 5) in Overall Experience and 83.8% of respondents rated us Top Box in Intent to Recommend. By comparison, in 2007, 44.0% of respondents rated us Top Box in Overall Experience and 64.8% of respondents rated us Top Box in Intent to Recommend. We utilize our loyalty program to market directly to members with promotional emails and location-based marketing. Through our loyalty program, we email offers and coupons to members and notify them of new games, food, drinks and local events. In addition, members can earn game play credits based on the dollar amount of qualifying purchases at our stores. We expect that as our loyalty program grows it will be an important method of maintaining customers connection with our brand and further drive customer satisfaction.

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Experienced Management Team. We believe we are led by a strong senior management team averaging over 25 years of experience with national brands in all aspects of casual dining and entertainment operations. In 2006, we hired our Chief Executive Officer, Stephen King. From fiscal 2006 to the twelve months ended November 2, 2014, under the leadership of Mr. King, Adjusted EBITDA has grown by 118.2%, Adjusted EBITDA margins have increased by approximately 780 basis points and employee turnover and customer satisfaction metrics have improved significantly. Our management team has invested approximately \$4.0 million of cash in the equity of Dave & Buster's and currently owns 2.7% of our outstanding common stock. We believe that our management team's prior experience in the restaurant and entertainment industries combined with its experience at Dave & Buster's provides us with insights into our customer base and enables us to create the dynamic environment that is core to our brand.

Our Growth Strategies

The operating strategy that underlies the growth of our concept is built on the following key components:

Pursue New Store Growth. We will continue to pursue what we believe to be a disciplined new store growth strategy in both new and existing markets where we feel we are capable of achieving consistently high store revenues and Store-level EBITDA margins as well as strong cash-on-cash returns. We believe that the Dave & Buster's brand is currently significantly under-penetrated, as internal studies and third-party research suggests a total store potential in the United States and Canada in excess of 200 stores (including our 73 existing stores), approximately three times our current store base. We believe our new store opportunity is split fairly evenly between large format and small format stores. We have opened eight stores in fiscal 2014, all of which were financed with available cash and operating cash flows. In 2015 and thereafter, we believe that we can continue opening new stores at an annual rate of approximately 10% of our then existing store base.

Our new store expansion strategy is driven by a site selection process that allows us to evaluate and select the location, size and design of our stores based on consumer research and analysis of operating data from sales in our existing stores. Our site selection process and flexible store design enable us to customize each store with the objective of maximizing return on capital given the characteristics of the market and the location. Our large format stores are 30,001 to 45,000 square feet in size and our small format stores span 25,000 to 30,000 square feet, which provides us the flexibility to enter new smaller markets and further penetrate existing markets. These formats also provide us with the ability to strategically choose between building new stores and converting existing space, which can be more cost efficient for certain locations. We are targeting average year one cash-on-cash returns of approximately 35% for both our large format and small format stores. To achieve this return for large format stores, we target average net development costs of approximately \$8.3 million and first year store revenues of approximately \$11.6 million. For small format stores, we target average net development costs of approximately \$6.0 million and average first year store revenues of approximately \$7.5 million. Additionally, we target average year one Store-level Adjusted EBITDA margins, excluding allocated national marketing costs, of approximately 28%, for both large format and small format stores.

Grow Our Comparable Store Sales. We intend to grow our comparable store sales by seeking to differentiate the Dave & Buster's brand from other food and entertainment alternatives, through the following strategies:

- n *Provide our customers the latest exciting games.* We believe that our Midway games are the core differentiating feature of the Dave & Buster's brand, and staying current with the latest offerings creates new content and excitement to drive repeat visits and increase length of customer stay. We plan to continue to update approximately 10% of our games each year and seek to buy games that will resonate with our

customers and drive brand relevance due to a variety of factors, including their large scale, eye-catching appearance, virtual reality features, association with recognizable brands or the fact that they cannot be easily replicated at home. We aim to leverage our investment in games by packaging our new game introductions and focusing our marketing spending to promote these events. We also plan to continually elevate the redemption experience in our Winner's Circle with prizes that

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we believe customers will find more attractive, which we expect will favorably impact customer visitation and game play.

- n *Leverage D&B Sports.* In 2010, we initiated a program to improve our sports-viewing as part of our strategy to enhance our entertainment offering and increase customer traffic and frequency by creating another reason to visit Dave & Buster's. This initiative evolved into the D&B Sports concept, which has been incorporated into all new stores opened since the beginning of fiscal 2013 and will continue to be incorporated into all new stores. In the fall of 2013, we launched a national advertising campaign for D&B Sports promoting Dave & Buster's as the only place to watch the games and play the games. We intend to continue leveraging our investments in D&B Sports by building awareness of Dave & Buster's as the best place to watch sports through national cable advertising. In addition, we are strategically expanding our year-round sporting and pay-per-view content to drive increased traffic and capture a higher share of the sports-viewing customer base.

- n *Serve food and beverage offerings with broad appeal.* We offer a variety of items, from hamburgers to steaks to seafood, that represent our *Fun American New Gourmet* strategy. We aim to ensure a pipeline for three new product launches each year, aligning with the timing of our new game launches. This strategy has been well received by our customers as the percentage of customers rating our food quality as Excellent was 79.6% in fiscal 2013, an increase of 480 basis points compared to fiscal 2011, and an increase of 4,170 basis points since fiscal 2007. Similarly, the percentage of customers rating our beverage quality as Excellent in fiscal 2013 was 82.3%, an increase of 490 basis points compared to fiscal 2011, and an increase of 4,250 basis points since fiscal 2007.

- n *Grow our special events usage.* The special events portion of our business represented 12.3% of our total revenues in fiscal 2013. We believe our special events business is an important sampling and promotional opportunity for our customers because many customers are experiencing Dave & Buster's for the first time. We plan to leverage our existing special events sales force and call center to attract new corporate customers. In addition, we introduced online booking for social parties in order to provide additional convenience in booking events for our customers and look to expand its functionality over time.

- n *Enhance brand awareness and generate additional visits to our stores through marketing and promotions.* We believe offering new items from each of the *Eat Drink Play and Watch* pillars will keep the brand relevant to customers and drive traffic and frequency. We have identified five key promotional periods throughout the year when we feature this *New News* in national advertising. To increase national awareness of our brand, we plan to continue to invest a significant portion of our marketing expenditures in national cable television and radio advertising focused on promoting our capital investments in new games, D&B Sports and new food and beverage offerings. We also have customized local store marketing programs to increase new visits and repeat visits to individual locations. We will continue to utilize our loyalty program and digital efforts to communicate promotional offers directly to our most passionate brand fans, and we are aggressively optimizing our search engine and social marketing efforts. We also leverage our investments in technology across our marketing platform, including in-store marketing initiatives to drive incremental sales throughout the store.

- n *Drive customer frequency through greater digital and mobile connectivity.* We believe that there is a significant potential to increase customer frequency by enhancing the in-store and out-of-store customer experience via digital and mobile strategic initiatives as well as through implementing enhanced technology. We intend to leverage our growing loyalty database as well as continue to invest in mobile game systems (game applications for mobile devices, such as smartphones and tablets), second screen sports-watching apps (applications for mobile devices, allowing our customers to enhance their sports-watching experience by, for example, accessing information about the live sporting event being watched or by playing along with the live sporting event) and social games (game applications that allow our customers to play online together, whether competitively or cooperatively) to create customer connections and drive recurring customer visitation.

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Expand the Dave & Buster's Brand Internationally. We believe that in addition to the growth potential that exists in North America, the Dave & Buster's brand can also have significant appeal in certain international markets. We are currently assessing these opportunities while maintaining a conservative and disciplined approach towards the execution of our international development strategy. As such, we have retained the services of a third-party consultant to assist in identifying and prioritizing potential markets for expansion as well as potential franchise or joint venture partners. Thus far, we have identified our international market priorities and begun the process of identifying potential international partners within select markets. The market priorities were developed based on a specific set of criteria to ensure we expand our brand into the most attractive markets. Our goal is to sign an agreement with our first international partner in early 2015 and we are targeting our first international opening outside of Canada in 2016.

Our Initial Public Offering

On October 9, 2014, we completed our initial public offering (the "IPO") of 5,882,353 shares of common stock at a price to the public of \$16.00 per share. On October 10, 2014, our common stock began trading on the NASDAQ Global Market under the ticker symbol "PLAY". We granted the underwriters an option for a period of 30 days to purchase an additional 882,352 shares of our common stock which was exercised in full on October 21, 2014. After underwriting discounts and commissions and offering expenses, we received net proceeds from the IPO of approximately \$98.6 million. We used these proceeds and other available cash to prepay a portion of the principal amount of term loan debt outstanding under our new senior secured credit facility.

The Refinancing

On July 25, 2014, we entered into a new senior secured credit facility that provides a \$530.0 million term loan facility and a \$50.0 million revolving credit facility. The proceeds of the new senior secured credit facility were used to refinance in whole the prior senior secured credit facility (of which \$143.5 million was outstanding as of July 25, 2014), repay in full \$200 million aggregate principal amount of the 11.0% senior notes due June 1, 2018, repay all outstanding 12.25% senior discount notes due February 15, 2016 (\$150.2 million accreted value as of July 25, 2014) and pay related premiums, interest and expenses. In connection with the IPO, we prepaid \$100 million principal amount of our new senior secured credit facility. We refer to these transactions collectively as the "Refinancing".

Recent Developments

Our financial results for the thirteen weeks and fiscal year ended February 1, 2015 are not yet available. Set forth below are certain preliminary estimates of the results of operations that we expect to report for our fourth quarter and full fiscal year. Our actual results may differ materially from these estimates due to the completion of our financial closing procedures, final adjustments and other developments that may arise between now and the time the financial results for our fourth quarter are finalized.

We estimate that total revenues will range between \$203.8 million and \$204.8 million and between \$743.5 million and \$744.5 million for the thirteen weeks and fiscal year ended February 1, 2015, respectively. This represents sales growth of 19.2% for the thirteen weeks and 17.1% for the full year over the same periods in fiscal 2013, assuming the mid-point of the estimated ranges. We estimate that our comparable store sales growth will range between 10.0% and 10.2% and between 7.1% and 7.2% for the thirteen weeks and fiscal year ended February 1, 2015, respectively.

We estimate that our Adjusted EBITDA will range between \$48.4 million and \$49.4 million and between \$162.0 million and \$163.0 million for the thirteen weeks and fiscal year ended February 1, 2015, respectively. This represents Adjusted EBITDA growth of 21.7% for the thirteen weeks and 20.6% for the full year over the same periods in fiscal 2013, assuming the mid-point of the estimated ranges. We estimate that our operating income will

range between \$25.2 million and \$26.2 million and between \$71.0 million and \$72.0 million for the thirteen weeks and fiscal year ended February 1, 2015, respectively. Based on these

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estimations, Adjusted EBITDA Margin is expected to range between 23.7% and 24.1% and between 21.8% and 21.9% for the thirteen weeks and fiscal year ended February 1, 2015, respectively. Assuming the mid-point of the range, this represents a 50 basis point improvement and 60 basis point improvement over the same periods of the prior year, respectively.

We opened three stores during the fourth quarter, bringing our total number of stores to 73 as of January 29, 2015. One store was opened using our large store format and the other two were opened using our small store format. These three stores marked our initial entry into three additional states and collectively added 36 store weeks to our operating results. Included in our year-end 2014 store count is our location in Farmingdale (Long Island), New York which we expect to close in mid-February 2015 due to the expiration of our lease. With past store closures, we have experienced customer migration to stores within the same market. We currently have two other stores in the Long Island market.

The preliminary financial data included in this prospectus has been prepared by, and is the responsibility of our management. Neither our independent registered public accounting firm nor any other independent registered public accounting firm has audited, reviewed or compiled, examined or performed any procedures with respect to the estimated results, nor have they expressed any opinion or any other form of assurance on the preliminary estimated financial results. This preliminary information reflects management's estimates based solely upon information available as of the date of this prospectus and is not a comprehensive statement of our financial results for the thirteen weeks or fiscal year ended February 1, 2015. The information presented herein should not be considered a substitute for the full unaudited fourth quarter financial statements or the audited financial statements for the fiscal year ended February 1, 2015 once they become available.

The ranges for the preliminary estimated financial results described above constitute forward-looking statements. We have provided a range for the preliminary estimated financial results described above primarily because our financial closing procedures for the thirteen weeks and fiscal year ended February 1, 2015 are not yet complete and will not be publicly available until after the completion of this offering, approximately mid-April 2015. There is a possibility that actual results will vary materially from these preliminary estimates. Accordingly, you should not place undue reliance upon these preliminary financial results. Please refer to **Cautionary Statement Regarding Forward-Looking Statements** in this prospectus for additional information. These preliminary results should be read in conjunction with

Management's Discussion and Analysis of Financial Condition and Results of Operations and the consolidated financial statements and related notes thereto included elsewhere in this prospectus. For additional information, please see **Risk Factors**.

Adjusted EBITDA and Adjusted EBITDA Margin Description and Reconciliation

For the definition of Adjusted EBITDA and Adjusted EBITDA margin, see **Summary Historical Financial and Other Data**.

Adjusted EBITDA is presented because we believe that it provides useful information to investors regarding our operating performance and our capacity to incur and service debt and fund capital expenditures. We believe that Adjusted EBITDA is used by many investors, analysts and rating agencies as a measure of performance. In addition, Adjusted EBITDA is approximately equal to EBITDA as defined in our senior secured credit facility and our presentation of Adjusted EBITDA is consistent with that reported to our lenders to allow for leverage-based assessments. 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. Adjusted EBITDA is a metric utilized to measure performance-based bonuses paid to our executive officers and certain managers. Although we use Adjusted EBITDA to assess the operating performance of our business, Adjusted EBITDA has significant limitations as an analytical tool because it excludes certain material costs.

Some of these limitations are further described in [Summary Historical Financial and Other Data](#).

Adjusted EBITDA margin represents Adjusted EBITDA divided by total revenues. Adjusted EBITDA margin allows us to evaluate our overall operating performance over time by excluding items that we do not believe are indicative of our core operating performance.

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The following table sets forth a reconciliation of our estimated fourth quarter and fiscal year 2014 Adjusted EBITDA to estimated fourth quarter and fiscal year 2014 income before provision for income taxes:

| (in millions) | THIRTEEN WEEKS ENDED FEBRUARY 1, 2015 (Unaudited) | | FISCAL YEAR ENDED FEBRUARY 1, 2015 (Unaudited) | |
|--|--|--------|---|---------|
| Estimated income before provision for income taxes | \$20.2 | \$21.2 | \$8.6 | \$9.6 |
| Interest expense, net | | 5.0 | | 34.8 |
| Loss on debt retirement | | | | 27.6 |
| Estimated operating income | \$25.2 | \$26.2 | \$71.0 | \$72.0 |
| Depreciation and amortization expense | 18.4 | | 70.8 | |
| Loss on asset disposal ⁽¹⁾ | 0.5 | | 1.7 | |
| Share-based compensation ⁽²⁾ | 0.3 | | 2.2 | |
| Currency transaction loss (gain) ⁽³⁾ | 0.1 | | 0.1 | |
| Pre-opening costs ⁽⁴⁾ | 1.9 | | 9.8 | |
| Reimbursement of affiliate and other expenses ⁽⁵⁾ | | | 0.5 | |
| Change in deferred amusement revenue and ticket liability ⁽⁶⁾ | 1.4 | | 3.8 | |
| Transaction and other costs ⁽⁷⁾ | 0.6 | | 2.1 | |
| Estimated Adjusted EBITDA | \$48.4 | \$49.4 | \$162.0 | \$163.0 |

- (1) Represents the estimated net book value (less proceeds received) of assets disposed of during the year. Primarily relates to assets replaced in ongoing operation of business.
- (2) Represents estimated stock compensation expense under our 2010 Stock Incentive Plan and our 2014 Stock Incentive Plan.
- (3) Represents the estimated effect of foreign currency transaction (gains) or losses related to our store in Canada.
- (4) Represents estimated costs incurred prior to the opening of our new stores.
- (5) Represents estimated fees and expenses paid directly to our Board of Directors and certain non-recurring payments to management and compensation consultants. It also includes the reimbursement of expenses made to Oak Hill Capital Management, LLC (see Certain Relationships and Related Transactions Expense Reimbursement Agreement).
- (6) Represents estimated quarterly increases or decreases to accrued liabilities established for future amusement game play and the fulfillment of tickets won by customers on our redemption games.
- (7) Primarily represents estimated costs related to store closures and capital market transactions, including approximately \$0.6 million and \$0.9 million of non-capitalized costs related to our IPO and this offering, in the thirteen weeks and fiscal year ended February 1, 2015, respectively.

Corporate History

We opened our first store in Dallas, Texas in 1982 and since then we have expanded our portfolio nationally to 73 company-owned stores across 30 states and Canada as of January 29, 2015.

From 1997 to early 2006, we operated as a public company under the leadership of our founders, David Dave Corriveau and James Buster Corley. In March 2006, Dave & Buster's, Inc. was acquired by Dave & Buster's Holdings, Inc. (D&B Holdings), a holding company controlled by affiliates of Wellspring Capital Partners III, L.P. (Wellspring) and HBK Main Street Investors L.P. (HBK). In connection with the acquisition of Dave & Buster's, Inc. by Wellspring and HBK, Dave & Buster's, Inc.'s common stock was delisted from the New York Stock Exchange. In addition, since 2006, our management team has been led by our Chief Executive Officer, Stephen King.

On June 1, 2010, Dave & Buster's Entertainment, Inc., a newly-formed Delaware corporation owned by Oak Hill Capital Partners III, L.P. and Oak Hill Capital Management Partners III, L.P. (collectively, the Oak Hill Funds and together with their manager, Oak Hill Capital Management, LLC, and its related funds, Oak Hill Capital Partners), acquired all of the outstanding common stock (the Acquisition) of D&B Holdings from Wellspring and HBK. In connection therewith, Games Merger Corp., a newly-formed Missouri corporation and an indirect wholly owned subsidiary of Dave & Buster's Entertainment, Inc., merged (the Merger) with and into D&B Holdings wholly owned, direct subsidiary, Dave & Buster's, Inc. (with Dave & Buster's, Inc. being the surviving corporation in the Merger).

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Prior to this offering, the Oak Hill Funds beneficially own 79.2% of our outstanding common stock and have the right to appoint certain members of our Board of Directors. Certain members of our Board of Directors and management control approximately 3.7% of our outstanding common stock. The remaining 17.1% is owned by the public.

Upon completion of this offering, the Oak Hill Funds will beneficially own approximately 64.3% of our outstanding common stock, or 62.1% if the underwriters exercise their option to purchase additional shares in full, and certain members of our Board of Directors and our management will beneficially own approximately 2.3% of our common stock, or 2.2% if the underwriters exercise their option to purchase additional shares in full. The Oak Hill Funds will continue to own a majority of the voting power of our outstanding common stock. As a result, we will be a controlled company within the meaning of the corporate governance standards of NASDAQ. See Principal and Selling Stockholders.

Ownership Structure

The following chart gives effect to our ownership structure after this offering:

Oak Hill Capital Partners

Oak Hill Capital Partners is a private equity firm managing funds with more than \$8 billion of initial capital commitments from leading entrepreneurs, endowments, foundations, corporations, pension funds and global financial institutions. Since its inception 28 years ago, the professionals at Oak Hill Capital Partners and its predecessors have invested in over 75 significant private equity transactions across broad segments of the U.S. and global economies. Oak Hill Capital Partners applies an industry-focused, theme-based approach to investing across four core sectors: Consumer, Retail & Distribution; Industrials; Media & Communications; and Services. Oak Hill Capital Partners works actively in partnership with management teams to implement strategic and operational initiatives to create franchise value. Dave & Buster's represents a core investment theme of the firm's Consumer, Retail & Distribution team, which has experience investing in the restaurant and specialty retail sectors, including prior investments in Duane Reade, Caribbean Restaurants, The Container Store, NSA International and TravelCenters of America, and a current investment in Earth Fare.

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After completion of this offering, the Oak Hill Funds will continue to own a majority of the voting power of our outstanding common stock. Under the stockholders' agreement with the Oak Hill Funds, the Oak Hill Funds hold the power to elect a majority of the seats on our Board of Directors and have certain designation and nomination rights. The Oak Hill Funds are entitled to designate directors to serve on the Board of Directors proportionate to the Oak Hill Funds' (or one or more of their affiliates, to the extent assigned thereto) aggregate ownership of the outstanding shares of our common stock, at any meeting of stockholders at which directors are to be elected to the extent that the Oak Hill Funds do not have such proportionate number of director designees then serving on the Board of Directors; provided that for so long as the Oak Hill Funds (or one or more of their affiliates, to the extent assigned thereto), individually or in the aggregate, own 5% or more of the voting power of the outstanding shares of our common stock, the Oak Hill Funds are entitled to designate one director designee to serve on the Board of Directors at any meeting of stockholders at which directors are to be elected to the extent that the Oak Hill Funds do not have a director designee then serving on the Board of Directors. Such proportionate number of director designees is determined by taking the product of the Oak Hill Funds' (or one or more of their affiliates, to the extent assigned thereto) aggregate ownership interest in our Company multiplied by the then current number of directors on our Board of Directors (rounded up to the next whole number to the extent the product does not equal a whole number). The Oak Hill Funds' director designees are currently J. Taylor Crandall, Kevin M. Mailender and Tyler J. Wolfram and, therefore, the Oak Hill Funds are entitled to designate additional directors in order for Oak Hill to have its proportionate number of director designees. We will expand the size of our Board of Directors if necessary to provide for such proportionate representation. Subject to applicable law and applicable NASDAQ rules, the stockholders' agreement also provides that the Oak Hill Funds are entitled to nominate the members of the Nominating and Corporate Governance Committee up to a number of nominees not to exceed the number of directors designated by the Oak Hill Funds on the Board of Directors, and the remaining members are to be nominated by the Board of Directors. For so long as the Oak Hill Funds (or one or more of their affiliates, to the extent assigned thereto) own 20% or more of the voting power of the outstanding shares of our common stock, the Nominating and Corporate Governance Committee shall consist of no more than three members. In addition, subject to applicable law and applicable NASDAQ rules, each other committee of our Board of Directors, other than the Audit Committee, consists of at least one member designated by the Oak Hill Funds. When conflicts arise between the interests of the Oak Hill Funds or their affiliates and the interests of our stockholders, these directors may not be disinterested. The representatives of the Oak Hill Funds on our Board of Directors, by the terms of our amended and restated certificate of incorporation and stockholders' agreement, are not required to offer us any transaction opportunity of which they become aware and could take any such opportunity for themselves or offer it to other companies in which they have an investment, unless such opportunity is expressly offered to them solely in their capacity as our directors (and therefore may be free to compete with us in the same business or similar business). Pursuant to the stockholders' agreement, the Oak Hill Funds and their affiliates will be reimbursed for certain costs and expenses. See **Principal and Selling Stockholders**, **Certain Relationships and Related Transactions**, **Stockholders' Agreement** and **Risk Factors** **Risks Related to our Capital Structure**. Conflicts of interest may arise because some of our directors are principals of our principal stockholder.

Corporate Information

Our corporate headquarters is located at 2481 Mañana Drive, Dallas, Texas, and our telephone number is (214) 357-9588. Our website is www.daveandbusters.com. Information contained on our website does not constitute a part of this prospectus.

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THE OFFERING

| | |
|---|---|
| Shares of Common Stock Offered by the Selling Stockholders | 6,600,000 shares (7,590,000 shares if the underwriters' option to purchase additional shares is exercised in full). |
| Option to Purchase Additional Shares | The underwriters have an option to purchase from the selling stockholders up to a maximum of 990,000 additional shares of our common stock. The underwriters can exercise this option at any time within 30 days from the date of this prospectus. |
| Common Stock to be Outstanding After This Offering | 39,969,228 shares (without giving effect to the completion of the Concurrent Option Exercise (as defined below) under the 2010 Management Incentive Plan (the "2010 Stock Incentive Plan") to be sold in this offering). |
| Use of Proceeds | We will not receive any proceeds from the sale of shares of common stock by the selling stockholders. However, we will receive approximately \$1.1 million in proceeds from the Concurrent Option Exercise, which we will use for general corporate purposes (\$1.3 million if the underwriters' option to purchase additional shares is exercised in full). See "Use of Proceeds." |
| Dividend Policy | We do not anticipate paying any dividends on our common stock, however, we may change this policy in the future. See "Dividend Policy." |
| NASDAQ Symbol | PLAY |
| LOYAL3 Platform | At the selling stockholders' request, the underwriters have reserved 2.5% of the common stock to be sold by us in this offering to be offered through the LOYAL3 platform at the public offering price. See "Underwriting." |
| Risk Factors | You should carefully read and consider the information set forth under "Risk Factors" beginning on page 21 of this prospectus and all other information set forth in this prospectus before investing in our common stock. |

Unless otherwise indicated, the number of shares of common stock outstanding:

- n excludes 3,994,048 shares of our common stock issuable upon exercise of outstanding stock options under the 2010 Stock Incentive Plan (including up to 254,117 shares to be issued upon exercise of vested stock options by certain directors, officers and employees sold in this offering (the Concurrent Option Exercise)); and
- n excludes 3,100,000 shares of our common stock reserved for issuances under our 2014 Omnibus Incentive Plan (the 2014 Stock Incentive Plan), including 444,969 shares issuable upon the exercise of options that were granted to certain executive officers, including the named executive officers as described in Executive Compensation Compensation Discussion and Analysis Elements of Compensation Long-term Incentive Plan.

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Unless otherwise noted, the information in this prospectus assumes no exercise of the underwriters' option to purchase from the selling stockholders up to 990,000 additional shares.

Risks Associated With Our Business

Our business is subject to numerous risks, which are highlighted in the section entitled "Risk Factors." These risks represent challenges to the successful implementation of our strategy and the growth of our business. Some of these risks are:

- n our ability to open new stores and operate them profitably;
- n changes in discretionary spending by consumers and general economic conditions;
- n our ability to compete favorably in the out-of-home and home-based entertainment and restaurant markets;
- n unauthorized use of our intellectual property;
- n potential claims for infringing the intellectual property right of others and the costs related to such claims;
- n damage to our brand or reputation;
- n failure or destruction of our information systems and other technology that support our business;
- n seasonality of our business and the timing of new openings and other events;
- n availability and cost of food and other supplies; and
- n our ability to operate our stores and obtain and maintain licenses and permits necessary for such operation in compliance with applicable laws and regulations.

For a discussion of these and other risks you should consider before making an investment in our common stock, see the section entitled "Risk Factors."

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SUMMARY HISTORICAL FINANCIAL AND OTHER DATA

Set forth below are our summary consolidated historical and as adjusted financial and other data for the periods ending on and as of the dates indicated.

Dave & Buster's Entertainment, Inc. has no material assets or operations other than 100% ownership of the outstanding common stock of D&B Holdings. D&B Holdings has no material assets or operations other than 100% ownership of the outstanding common stock of Dave & Buster's, Inc.

The statement of operations and cash flows data for each of the fiscal years ended February 2, 2014, February 3, 2013 and January 29, 2012 were derived from our audited consolidated financial statements included elsewhere in this prospectus. The statement of operations and cash flows data for each of the thirty-nine week periods ended November 2, 2014 and November 3, 2013 and the balance sheet data as of November 2, 2014 were derived from our unaudited consolidated financial statements included elsewhere in this prospectus. In the opinion of management, the unaudited consolidated financial statements include all normal recurring adjustments necessary to present fairly the data for such periods and as of such dates.

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 fiscal years presented herein consist of 52 weeks, except fiscal year 2012, which consisted of 53 weeks.

Our historical results are not necessarily indicative of future results of operations. The summary of historical financial and other data should be read in conjunction with Selected Consolidated Financial Data, Management's Discussion and Analysis of Financial Condition and Results of Operations and our historical consolidated financial statements and the notes related thereto, included elsewhere in this prospectus. All dollar amounts are presented in thousands except per share amounts.

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| | THIRTY-NINE WEEKS ENDED | | FISCAL YEAR ENDED | | |
|--|----------------------------|---------------------|---------------------|---------------------|---------------------|
| | NOVEMBER 2, 2014 | NOVEMBER 3, 2013 | FEBRUARY 2, 2014 | FEBRUARY 3, 2013 | JANUARY 29, 2012 |
| Statement of Operations Data: | | | | | |
| Revenues: | | | | | |
| Food and beverage revenues | \$ 256,077 | \$ 222,508 | \$ 310,111 | \$ 298,421 | \$ 272,606 |
| Amusement and other revenues | 283,605 | 241,700 | 325,468 | 309,646 | 268,939 |
| Total revenues | 539,682 | 464,208 | 635,579 | 608,067 | 541,545 |
| Operating costs: | | | | | |
| Cost of products: | | | | | |
| Cost of food and beverage | 65,939 | 55,988 | 77,577 | 73,019 | 65,751 |
| Cost of amusement and other | 39,335 | 35,255 | 47,437 | 46,098 | 41,417 |
| Total cost of products | 105,274 | 91,243 | 125,014 | 119,117 | 107,168 |
| Operating payroll and benefits | 126,357 | 108,716 | 150,172 | 145,571 | 130,875 |
| Other store operating expenses | 170,440 | 150,107 | 199,537 | 192,792 | 175,993 |
| General and administrative expenses | 31,462 | 26,905 | 36,440 | 40,356 | 34,896 |
| Depreciation and amortization expense | 52,321 | 49,333 | 66,337 | 63,457 | 54,277 |
| Pre-opening costs | 7,942 | 5,175 | 7,040 | 3,060 | 4,186 |
| Total operating costs | 493,796 | 431,479 | 584,540 | 564,353 | 507,395 |
| Operating income | 45,886 | 32,729 | 51,039 | 43,714 | 34,150 |
| Interest expense, net | 29,826 | 35,879 | 47,809 | 47,634 | 44,931 |
| Loss on debt retirement | 27,578 | | | | |
| Income (loss) before provision (benefit) for income taxes | (11,518) | (3,150) | 3,230 | (3,920) | (10,781) |
| Provision (benefit) for income taxes | (4,494) | (442) | 1,061 | (12,702) | (3,796) |

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| | | | | | | | | | | |
|--|----|------------|----|------------|----|------------|----|------------|----|------------|
| Net income (loss) | \$ | (7,024) | \$ | (2,708) | \$ | 2,169 | \$ | 8,782 | \$ | (6,985) |
| Net income (loss) per share of common stock: | | | | | | | | | | |
| Basic | \$ | (0.21) | \$ | (0.08) | \$ | 0.07 | \$ | 0.26 | \$ | (0.20) |
| Diluted | \$ | (0.21) | \$ | (0.08) | \$ | 0.06 | \$ | 0.26 | \$ | (0.20) |
| Weighted average number of shares outstanding: | | | | | | | | | | |
| Basic | | 33,763,436 | | 33,186,273 | | 33,187,776 | | 33,186,426 | | 34,478,732 |
| Diluted | | 33,763,436 | | 33,186,273 | | 34,030,115 | | 33,747,535 | | 34,478,732 |

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**THIRTY-NINE WEEKS
ENDED
NOVEMBER 2, NOVEMBER 3, FEBRUARY 2, FEBRUARY 3, JANUARY 29,
2014 2013 2014 2013 2012**

**As Adjusted Consolidated
Statements of Operations
Data ⁽¹⁾:**

| | | | | |
|------------------------|-----------|--|-----------|--|
| As adjusted net income | \$ 18,647 | | \$ 17,769 | |
|------------------------|-----------|--|-----------|--|

| | | | | |
|-----------------------------------|--|--|--|--|
| As adjusted net income per share: | | | | |
|-----------------------------------|--|--|--|--|

| | | | | |
|-------|---------|--|---------|--|
| Basic | \$ 0.47 | | \$ 0.44 | |
|-------|---------|--|---------|--|

| | | | | |
|---------|---------|--|---------|--|
| Diluted | \$ 0.44 | | \$ 0.42 | |
|---------|---------|--|---------|--|

| | | | | |
|--|--|--|--|--|
| As adjusted weighted average shares outstanding: | | | | |
|--|--|--|--|--|

| | | | | |
|-------|------------|--|------------|--|
| Basic | 39,969,233 | | 39,952,619 | |
|-------|------------|--|------------|--|

| | | | | |
|---------|------------|--|------------|--|
| Diluted | 42,760,660 | | 42,744,046 | |
|---------|------------|--|------------|--|

**Statement of Cash Flow
Data:**

| | | | | | |
|-----------------------------|--|--|--|--|--|
| Cash provided by (used in): | | | | | |
|-----------------------------|--|--|--|--|--|

| | | | | | |
|----------------------|-----------|-----------|------------|-----------|-----------|
| Operating activities | \$ 36,713 | \$ 86,294 | \$ 109,878 | \$ 82,796 | \$ 72,777 |
|----------------------|-----------|-----------|------------|-----------|-----------|

| | | | | | |
|----------------------|----------|----------|-----------|----------|----------|
| Investing activities | (91,610) | (75,100) | (105,677) | (78,488) | (70,502) |
|----------------------|----------|----------|-----------|----------|----------|

| | | | | | |
|----------------------|--------|---------|---------|---------|---------|
| Financing activities | 75,763 | (1,943) | (2,238) | (1,875) | (2,998) |
|----------------------|--------|---------|---------|---------|---------|

**AS OF
NOVEMBER 2,
2014**

Balance Sheet Data:

| | |
|---------------------------|-----------|
| Cash and cash equivalents | \$ 58,946 |
|---------------------------|-----------|

| | |
|--|---------|
| Net working capital deficit ⁽²⁾ | (5,601) |
|--|---------|

| | |
|-----------------------------|---------|
| Property and equipment, net | 427,235 |
|-----------------------------|---------|

| | |
|--------------|---------|
| Total assets | 923,511 |
|--------------|---------|

| | |
|---|---------|
| Total debt, net of unamortized discount | 428,976 |
|---|---------|

| | |
|---------------------|---------|
| Stockholders equity | 244,121 |
|---------------------|---------|

| | THIRTY-NINE WEEKS ENDED | | FISCAL YEAR ENDED | | |
|---|----------------------------|---------------------|---------------------|---------------------|---------------------|
| | NOVEMBER 2, 2014 | NOVEMBER 3, 2013 | FEBRUARY 2, 2014 | FEBRUARY 3, 2013 | JANUARY 29, 2012 |
| Store-level Data: | | | | | |
| Stores open at end of period ⁽³⁾ | 70 | 64 | 66 | 61 | 58 |
| Comparable stores ⁽⁴⁾ | 57 | 55 | 55 | 54 | 52 |
| Comparable store sales increase ⁽⁵⁾ | 6.2% | 1.0% | 1.0% | 3.0% | 2.2% |
| Store-level EBITDA ⁽⁶⁾ | \$ 137,611 | \$ 114,142 | \$ 160,856 | \$ 150,587 | \$ 127,509 |
| Store-level EBITDA margin ⁽⁷⁾ | 25.5% | 24.6% | 25.3% | 24.8% | 23.5% |

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| | THIRTY-NINE WEEKS ENDED | | | | | |
|---|------------------------------------|-----------|-------------------------|------------|--------------------------|-------------------------|
| | NOVEMBER 2, 2014 | | NOVEMBER 3, 2013 | | FISCAL YEAR ENDED | |
| | | | | | FEBRUARY 2, 2014 | FEBRUARY 3, 2013 |
| Other Data: | | | | | | |
| Adjusted EBITDA ⁽⁸⁾ | \$ 113,642 | \$ 94,612 | \$ 134,790 | \$ 120,478 | \$ 98,372 | |
| Adjusted EBITDA margin ⁽⁹⁾ | 21.1% | 20.4% | 21.2% | 19.8% | 18.2% | |
| Capital additions ⁽¹⁰⁾ : | | | | | | |
| New stores | \$ 63,033 | \$ 50,576 | \$ 72,301 | \$ 32,795 | \$ 43,951 | |
| Operating initiatives, including remodels | 11,955 | 16,032 | 21,930 | 21,946 | 10,380 | |
| Games | 8,162 | 7,770 | 11,413 | 10,090 | 7,196 | |
| Maintenance | 8,717 | 8,389 | 14,238 | 13,858 | 11,419 | |
| Total capital additions | \$ 91,867 | \$ 82,767 | \$ 119,882 | \$ 78,689 | \$ 72,946 | |

(1) As adjusted consolidated statement of operations data gives effect to (i) the 224.9835679 for 1 stock split of our common stock prior to the IPO, (ii) the issuance of 6,764,705 shares in our IPO and (iii) the Refinancing as described in The Refinancing, as if they had occurred on February 4, 2013 with respect to fiscal year 2013 and February 3, 2014 with respect to the thirty-nine weeks ended November 2, 2014. As adjusted net income reflects (i) net decreases in interest expense of (a) \$10,494 and \$22,188 for the thirty-nine weeks ended November 2, 2014 and fiscal 2013, respectively, resulting from the Refinancing pursuant to which our then outstanding debt (which bore interest at a weighted average effective rate of 10.1%) was refinanced with new debt under our new senior secured credit facility bearing interest at a 4.8% effective rate and (b) \$4,408 and \$5,850 for the thirty-nine weeks ended November 2, 2014 and fiscal 2013, respectively, resulting from the reduction in debt under our new senior secured credit facility following the prepayment of \$100,000 principal amount thereunder; (ii) the elimination of \$27,578 loss on debt retirement in the thirty-nine weeks ended November 2, 2014 related to the premiums, interest and expense incurred in connection with the Refinancing; (iii) the increase in compensation expense in fiscal 2013 related to the acceleration of certain performance-based options as a result of our initial public offering, effective October 9, 2014, consisting of \$813 relating to the acceleration of unamortized expense and \$630 of additional compensation reflecting an increase in valuation as a result of the modification of the options to remove the performance-based conditions; (iv) the increase in compensation expense of \$701 and \$1,020 for the thirty-nine weeks ended November 2, 2014 and fiscal 2013 respectively, relating to the grants of 444,969 options issued in connection with the initial public offering; (v) the elimination of \$307 expenses incurred during the thirty-nine weeks ended November 2, 2014 related to the initial public offering, which were not capitalized as part of Stockholders' equity; and (vi) the tax effects of these changes on income before taxes, assuming a statutory tax rate of 39%. The as adjusted consolidated statements of operations data is not necessarily indicative of what our results of operations would have been if the transaction had been completed as of the date indicated, such as increased stock-based compensation payments or public company expenses, nor is such data necessarily indicative of our

results of operations for any future period.

The table below provides a summary of net income (loss) used in the calculation of basic and diluted net income per common share calculated on an as adjusted basis (in thousands).

| | THIRTY-NINE WEEKS ENDED NOVEMBER 2, 2014 | FISCAL YEAR ENDED FEBRUARY 2, 2014 |
|--|---|---|
| Net income (loss) | \$ (7,024) | \$ 2,169 |
| Net reduction of interest expense | 14,902 | 28,038 |
| Elimination of loss on debt retirement | 27,578 | |
| Elimination of non-capitalized IPO costs | 307 | |
| Increase in compensation expense acceleration of options | (701) | (2,463) |
| Increase in income tax expense | (16,415) | (9,975) |
| As adjusted net income | \$ 18,647 | \$ 17,769 |

⁽²⁾ Defined as total current assets minus total current liabilities.

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- (3) Our location in Nashville, Tennessee, which temporarily closed from May 2, 2010 to November 28, 2011 due to flooding, is included in our store count for all periods presented. Our Kensington/Bethesda, Maryland location (which permanently closed on August 12, 2014) is included in store counts for all periods presented prior to the thirty-nine weeks ended November 2, 2014. Also included in the store counts as of January 29, 2012 is a store in Dallas, Texas which permanently closed on December 17, 2012.
- (4) Comparable stores are stores open at least 18 months as of the beginning of each of the relevant fiscal years, excluding our one franchised store located in Canada, which ceased operation as a Dave & Buster's on May 31, 2013. Our fiscal 2014 comparable stores exclude the Kensington/Bethesda, Maryland location, which permanently closed on August 12, 2014.
- (5) Comparable store sales increases reflect the year-over-year changes, on a calendar week basis, for the stores as defined as comparable in footnote (4) above.
- (6) Store-level EBITDA is defined by us as 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, as shown in the table below. We use Store-level EBITDA to measure operating performance and returns from opening new stores. Similar to Adjusted EBITDA, Store-level EBITDA is not defined under GAAP and does not purport to be an alternative to net income as a measure of operating performance.

We believe that Store-level EBITDA is another useful measure in evaluating our operating performance because it removes the impact of general and administrative expenses, which are not incurred at the store level, and the costs of opening new stores, which are non-recurring at the store-level, and thereby enables the comparability of the operating performance of our stores for the periods presented. We also believe that Store-level EBITDA 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-level EBITDA 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 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. Our calculation of Store-level EBITDA for the periods is presented below:

| | THIRTY-NINE WEEKS ENDED | | FISCAL YEAR ENDED | | |
|---------------------------------------|----------------------------|------------------|-------------------|------------------|------------------|
| | NOVEMBER 2, 2014 | NOVEMBER 3, 2013 | FEBRUARY 2, 2014 | FEBRUARY 3, 2013 | JANUARY 29, 2012 |
| | 2014 | 2013 | 2014 | 2013 | 2012 |
| Net income (loss) | \$ (7,024) | \$ (2,708) | \$ 2,169 | \$ 8,782 | \$ (6,985) |
| Interest expense, net | 29,826 | 35,879 | 47,809 | 47,634 | 44,931 |
| Loss on debt retirement | 27,578 | | | | |
| Provision (benefit) for income taxes | (4,494) | (442) | 1,061 | (12,702) | (3,796) |
| Depreciation and amortization expense | 52,321 | 49,333 | 66,337 | 63,457 | 54,277 |

| | | | | | |
|-------------------------------------|------------|------------|------------|------------|------------|
| General and administrative expenses | 31,462 | 26,905 | 36,440 | 40,356 | 34,896 |
| Pre-opening costs | 7,942 | 5,175 | 7,040 | 3,060 | 4,186 |
| Store-level EBITDA | \$ 137,611 | \$ 114,142 | \$ 160,856 | \$ 150,587 | \$ 127,509 |

(7) Store-level EBITDA margin represents Store-level EBITDA divided by total revenues. Store-level EBITDA margin allows us to evaluate operating performance of each store across stores of varying size and volume.

(8) Adjusted EBITDA is calculated as net income (loss), plus interest expense (net), loss on debt retirement, provision (benefit) for income taxes, depreciation and amortization expense, loss on asset disposal, share-based compensation, currency transaction (gain) loss, pre-opening costs, reimbursement of affiliate and other expenses, change in deferred amusement revenue and ticket liability estimations, transaction and other costs.

Adjusted EBITDA is presented because we believe that it provides useful information to investors regarding our operating performance and our capacity to incur and service debt and fund capital expenditures. We believe that Adjusted EBITDA is used by many investors, analysts and rating agencies as a measure of performance. In addition, Adjusted EBITDA is approximately equal to EBITDA as defined in our senior secured credit facility and our presentation of Adjusted EBITDA is consistent with that reported to our lenders to allow for leverage-based assessments. 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. Adjusted EBITDA is a metric utilized to measure performance-based bonuses paid to our executive officers and certain managers.

Adjusted EBITDA, however, is not defined by GAAP and should not be considered in isolation or as an alternative to other financial data prepared in accordance with GAAP or as an indicator of the Company's operating performance. Adjusted EBITDA does not represent and should not be considered as an alternative to net income or cash flow from operations, as determined in accordance with GAAP, and our calculations thereof may not be comparable to similarly entitled measures reported by other companies. Although we use Adjusted EBITDA as a measure to assess the operating performance of our business, Adjusted EBITDA has significant limitations as an analytical tool because it excludes certain material costs. For example, Adjusted EBITDA and Adjusted EBITDA margin do not take into account a number of significant items, including our interest expense

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and depreciation and amortization expense. Because Adjusted EBITDA does not account for these expenses, its utility as a measure of our operating performance has material limitations. In addition, Adjusted EBITDA excludes pre-opening costs and adjustments for changes in the accruals for deferred amusement revenue and ticket liability, which we expect customers to redeem in future periods and which may be important in analyzing our GAAP results. 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 current underlying business of our stores and therefore complicate comparisons of the underlying business between periods. Nevertheless, because of the limitations described above management does not view Adjusted EBITDA in isolation and also uses other measures, such as net sales, gross margin, operating income and net income (loss), to measure operating performance.

Our calculation of Adjusted EBITDA for the periods presented is set forth below:

| | THIRTY-NINE WEEKS ENDED | | FISCAL YEAR ENDED | | |
|--|------------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | NOVEMBER 2, 2014 | NOVEMBER 3, 2013 | FEBRUARY 2, 2014 | FEBRUARY 3, 2013 | JANUARY 29, 2012 |
| Net income (loss) | \$ (7,024) | \$ (2,708) | \$ 2,169 | \$ 8,782 | \$ (6,985) |
| Interest expense, net | 29,826 | 35,879 | 47,809 | 47,634 | 44,931 |
| Loss on debt retirement | 27,578 | | | | |
| Provision (benefit) for income taxes | (4,494) | (442) | 1,061 | (12,702) | (3,796) |
| Depreciation and amortization expense | 52,321 | 49,333 | 66,337 | 63,457 | 54,277 |
| Loss on asset disposal ^(a) | 1,267 | 2,183 | 2,631 | 2,640 | 1,279 |
| Share-based compensation ^(b) | 1,864 | 908 | 1,207 | 1,099 | 1,038 |
| Currency transaction loss (gain) ^(c) | (4) | 184 | 622 | (13) | 103 |
| Pre-opening costs ^(d) | 7,942 | 5,175 | 7,040 | 3,060 | 4,186 |
| Reimbursement of affiliate and other expenses ^(e) | 472 | 552 | 722 | 799 | 854 |
| Change in deferred amusement revenue and ticket liability ^(f) | 2,378 | 3,371 | 4,936 | 2,470 | 1,539 |
| Transaction and other costs ^(g) | 1,516 | 177 | 256 | 3,252 | 946 |
| Adjusted EBITDA | \$ 113,642 | \$ 94,612 | \$ 134,790 | \$ 120,478 | \$ 98,372 |

- (a) Represents the net book value of assets (less proceeds received) disposed of during the year. Primarily relates to assets replaced in ongoing operation of business.
 - (b) Represents stock compensation expense under our 2010 Stock Incentive Plan.
 - (c) Represents the effect of foreign currency transaction (gains) or losses related to our store in Canada.
 - (d) Represents costs incurred prior to the opening of our new stores.
 - (e) Represents fees and expenses paid directly to our Board of Directors and certain non-recurring payments to management and compensation consultants. It also includes the reimbursement of expenses made to Oak Hill Capital Management, LLC in the amount of \$41, \$115, \$115, \$76 and \$297 in the thirty-nine weeks ended November 2, 2014 and November 3, 2013 and fiscal years 2013, 2012 and 2011, respectively. See Certain Relationships and Related Transactions Expense Reimbursement Agreement.
 - (f) Represents quarterly increases or decreases to accrued liabilities established for future amusement game play and the fulfillment of tickets won by customers on our redemption games.
 - (g) Primarily represents costs related to capital markets transactions, severance costs associated with the departure of key executives/organizational restructuring initiatives and store closure costs.
- (9) Adjusted EBITDA margin represents Adjusted EBITDA divided by total revenues. Adjusted EBITDA margin allows us to evaluate our overall operating performance over time by excluding items that we do not believe are indicative of our core operating performance.
- (10) Capital additions is defined as total accrual based additions to property and equipment. Capital additions do not include any reductions for tenant improvement allowances received or receivable from landlords. Tenant improvement allowances received from landlords totaled \$14,855, \$5,587, \$15,786, \$10,882 and \$6,911 in the thirty-nine weeks ended November 2, 2014 and November 3, 2013 and fiscal years 2013, 2012 and 2011, respectively.

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RISK FACTORS

An investment in our common stock involves a high degree of risk. You should carefully consider the following risks, as well as the other information contained in this prospectus, before making an investment in our company. If any of the following risks actually occur, our business, results of operations or financial condition may be materially adversely affected. In such an event, the trading price of our common stock could decline and you could lose part or all of your investment.

Risks Related to Our Business

The economic uncertainty in the United States and Canada impacts our business and financial results and a renewed recession could materially affect us in the future.

Any significant decrease in consumer confidence, or periods of economic slowdown or recession, could lead to a curtailing of discretionary spending, which in turn could reduce our revenues and results of operations and adversely affect our financial position. Our business is dependent upon consumer discretionary spending and therefore is affected by consumer confidence as well as the future performance of the United States and global economies. As a result, our results of operations are susceptible to economic slowdowns and recessions. Increases in job losses, home foreclosures, investment losses in the financial markets, personal bankruptcies, credit card debt and home mortgage and other borrowing costs, declines in housing values and reduced access to credit, amongst other factors, may result in lower levels of customer traffic in our stores, a decline in consumer confidence and a curtailing of consumer discretionary spending. We believe that consumers generally are more willing to make discretionary purchases during periods in which favorable economic conditions prevail. If economic conditions worsen, whether in the United States or in the communities in which our stores are located, we could see deterioration in customer traffic or a reduction in the average amount customers spend in our stores. A reduction in revenues will result in sales de-leveraging (spreading our fixed costs across the lower level of sales) and will in turn cause downward pressure on our profit margins. This could result in reduction of staff levels, asset impairment charges and potential store closures, a deceleration of new store openings and an inability to comply with the covenants under our senior secured credit facility.

Future economic downturns similar to the economic crisis that began in 2008 could have a material adverse impact on our landlords or other tenants in shopping centers in which we are located, which in turn could negatively affect our financial results.

If we experience another economic downturn in the future, our landlords may be unable to obtain financing or remain in good standing under their existing financing arrangements, resulting in failures to pay required tenant improvement allowances or satisfy other lease covenants to us. In addition, tenants at shopping centers in which we are located or have executed leases, or to which our locations are near, may fail to open or may cease operations. Decreases in total tenant occupancy in shopping centers in which we are located, or to which our locations are near, may affect traffic at our stores. All of these factors could have a material adverse impact on our operations.

Our growth strategy depends on our ability to open new stores and operate them profitably.

As of January 29, 2015, there were 73 company-owned locations in the United States and Canada. A key element of our growth strategy is to open additional stores in locations that we believe will provide attractive returns on investment. We have identified a number of additional sites for potential future Dave & Buster's stores. Our ability to open new stores on a timely and cost-effective basis, or at all, is dependent on a number of factors, many of which are beyond our control, including our ability to:

- n find quality locations;
- n reach acceptable agreements regarding the lease or purchase of locations;
- n comply with applicable zoning, licensing, land use and environmental regulations;
- n raise or have available an adequate amount of cash or currently available financing for construction and opening costs;
- n timely hire, train and retain the skilled management and other employees necessary to meet staffing needs;
- n obtain, for acceptable cost, required permits and approvals, including liquor licenses; and
- n efficiently manage the amount of time and money used to build and open each new store.

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If we succeed in opening new stores on a timely and cost-effective basis, we may nonetheless be unable to attract enough customers to new stores because potential customers may be unfamiliar with our stores or concept, or our entertainment and menu options might not appeal to them. Our new large and small format stores may not meet or exceed the performance of our existing stores or meet or exceed our performance targets, including target cash-on-cash returns. New stores may even operate at a loss, which could have a significant adverse effect on our overall operating results. If the expected future cash flows for a store are less than the asset carrying amount (an indication that the carrying amount may not be recoverable), we may recognize an impairment loss in an amount equal to the excess of the asset carrying amount over the fair value. Opening a new store in an existing market could reduce the revenue at our existing stores in that market. In addition, historically, new stores experience a drop in revenues after their first year of operation. Typically, this drop has been temporary and has been followed by increases in comparable store revenue in line with the rest of our comparable store base, but there can be no assurance that this will be the case in the future or that a new store will succeed in the long term.

Our expansion into new markets may present increased risks due to our unfamiliarity with the area.

Some of our new stores will be located in areas where we have little or no meaningful experience. Those markets may have different competitive conditions, consumer tastes and discretionary spending patterns than our existing markets, which may cause our new stores to be less successful than stores in our existing markets. In addition, our national advertising program may not be successful in generating brand awareness in all local markets, and the lack of market awareness of the Dave & Buster's brand can pose an additional risk in expanding into new markets. Stores opened in new markets may open at lower average weekly revenues than stores opened in existing markets, and may have higher store-level operating expense ratios than stores in existing markets. Sales at stores opened in new markets may take longer to reach average store revenues, if at all, thereby adversely affecting our overall profitability.

In addition, we may in the future establish stores outside of the United States and Canada. In addition to the risks posed by new markets generally, the operating conditions in overseas markets may vary significantly from those we have experienced in the past, including in relation to consumer preferences, regulatory environment, currency risk, the presence and cooperation of suitable local partners and availability of vendors or commercial and physical infrastructure, among others. There is no guarantee that we will be successful in integrating these new stores into our operations, achieving market acceptance, operating these stores profitably, and maintaining compliance with the rapidly changing business and regulatory requirements of new markets. If we are unable to do so, we could suffer a material adverse effect on our business, financial condition and results of operations.

We may not be able to compete favorably in the highly competitive out-of-home and home-based entertainment and restaurant markets, which could have a material adverse effect on our business, results of operations or financial condition.

The out-of-home entertainment market is highly competitive. We compete for customers' discretionary entertainment dollars with theme parks, as well as with providers of out-of-home entertainment, including localized attraction facilities such as movie theatres, sporting events, bowling alleys, nightclubs and restaurants. Many of the entities operating these businesses are larger and have significantly greater financial resources, a greater number of stores, have been in business longer, have greater name recognition and are better established in the markets where our stores are located or are planned to be located. As a result, they may be able to invest greater resources than we can in attracting customers and succeed in attracting customers who would otherwise come to our stores. The legalization of casino gambling in geographic areas near any current or future store would create the possibility for entertainment alternatives, which could have a material adverse effect on our business and financial condition. We also face competition from local establishments that offer entertainment experiences similar to ours and restaurants that are highly competitive with respect to price, quality of service, location, ambience and type and quality of food. We also

face competition from increasingly sophisticated home-based forms of entertainment, such as internet and video gaming and home movie delivery. Our failure to compete favorably in the competitive out-of-home and home-based entertainment and restaurant markets could have a material adverse effect on our business, results of operations and financial condition.

Our quarterly results of operations are subject to fluctuations due to the seasonality of our business and other events.

Our operating results fluctuate significantly from quarter to quarter as a result of seasonal factors. Typically, we have higher first and fourth quarter revenues associated with the spring and year-end holidays. Our third quarter, which encompasses the back-to-school fall season, has historically had lower revenues as compared to the other quarters.

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We expect seasonality will continue to be a factor in our results of operations. As a result, factors affecting peak seasons could have a disproportionate effect on our results. For example, the number of days between Thanksgiving and New Year's Day and the days of the week on which Christmas and New Year's Eve fall affect the volume of business we generate during the December holiday season and can affect our results for the full fiscal year. In addition, adverse weather during the winter and spring seasons can have a significant impact on our first and fourth quarters, and therefore our results for the full fiscal year. See Management's Discussion and Analysis of Financial Condition and Results of Operations Key Line Item Descriptions Store-level variability, quarterly fluctuations, seasonality and inflation.

Our operating results may also fluctuate significantly because of non-seasonal factors. Due to our relatively limited number of locations, poor results of operations at any single store could materially affect our overall profitability.

Our quarterly results of operations are subject to fluctuations due to the timing of new store openings.

The timing of new store openings may result in significant fluctuations in our quarterly performance. We typically incur most cash pre-opening costs for a new store within the two months immediately preceding, and the month of, the store's opening. In addition, the labor and operating costs for a newly opened store during the first three to six months of operation are materially greater than what can be expected after that time, both in aggregate dollars and as a percentage of revenues. We expect to spend approximately \$80 million to \$85 million (\$60 million to \$65 million net of tenant improvement allowances from landlords) for new store construction in fiscal 2014. A portion of the fiscal 2014 new store expenditures is related to stores that will be under construction in fiscal 2014 and are not expected to open until 2015. Due to these substantial up-front financial requirements to open new stores, the investment risk related to any single store is much larger than that associated with many other restaurants or entertainment venues.

We may not be able to maintain profitability.

Maintaining profitability depends upon numerous factors, including our ability to generate increased revenues and our ability to control expenses. We may incur significant losses in the future for a number of reasons, including the other risks described in this prospectus and our ongoing depreciation and amortization expense, and we may encounter unforeseen expenses, difficulties, complications, delays and other unknown events. Accordingly, we can make no assurances that we will be able to achieve, sustain or increase profitability in the future. Failure to achieve and maintain profitability could have an adverse impact on the trading prices of our common stock.

Our operations are susceptible to the availability and cost of food and other supplies, in most cases from a limited number of suppliers, which subject us to possible risks of shortages, interruptions and price fluctuations.

Our profitability depends in part on our ability to anticipate and react to changes in product costs. Cost of food and beverage as a percentage of food and beverage revenue was 25.0% in fiscal 2013, 24.5% in fiscal 2012 and 24.1% in fiscal 2011. Cost of food as a percentage of total revenue was approximately 8.6% in fiscal 2013. Cost of amusement and other costs as a percentage of amusement and other revenue was 14.6% in fiscal 2013, 14.9% in fiscal 2012 and 15.4% in fiscal 2011. If we have to pay higher prices for food or other supplies, our operating costs may increase, and, if we are unable or unwilling to pass such cost increases on to our customers, our operating results could be adversely affected.

The unplanned loss of a major distributor could adversely affect our business by disrupting our operations as we seek out and negotiate a new distribution contract. We also have multiple short-term supply contracts with a limited number of suppliers. If any of these suppliers do not perform adequately or otherwise fail to distribute products or supplies to our stores, we may be unable to replace the suppliers in a short period of time on acceptable terms, which

could increase our costs, cause shortages of food and other items at our stores and cause us to remove certain items from our menu. Other than forward purchase contracts for certain food items, we currently do not engage in futures contracts or other financial risk management strategies with respect to potential price fluctuations in the cost of food and other supplies.

We may not be able to anticipate and react to changing food, beverage and amusement costs by adjusting purchasing practices or menu and game prices, and a failure to do so could have a material adverse effect on our operating results.

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Our procurement of games and amusement offerings is dependent upon a few suppliers.

Our ability to continue to procure new games, amusement offerings, and other entertainment-related equipment is important to our business strategy. The number of suppliers from which we can purchase games, amusement offerings and other entertainment-related equipment is limited. To the extent that the number of suppliers declines, we could be subject to the risk of distribution delays, pricing pressure, lack of innovation and other associated risks.

In addition, any increase in cost or decrease in availability of new amusement offerings that appeal to customers could adversely impact the cost to acquire and operate new amusements which could have a material adverse effect on our operating results. We may not be able to anticipate and react to changing amusement offerings cost by adjusting purchasing practices or game prices, and a failure to do so could have a material adverse effect on our operating results.

Instances of foodborne illness and outbreaks of disease, as well as negative publicity relating thereto, could result in reduced demand for our menu offerings and reduced traffic in our stores and negatively impact our business.

We cannot guarantee that our supply chain and food safety controls and training will be fully effective in preventing all food safety issues at our stores, including any occurrences of foodborne illnesses such as salmonella, E. coli and hepatitis A. In addition, we rely on third-party vendors, making it difficult to monitor food safety compliance and increasing the risk that foodborne illness would affect multiple locations rather than a single store. Some foodborne illness incidents could be caused by third-party vendors and distributors outside of our control. New illnesses resistant to our current precautions may develop in the future, or diseases with long incubation periods could arise, that could give rise to claims or allegations on a retroactive basis. One or more instances of foodborne illness in any of our stores or markets or related to food products we sell could negatively affect our store sales nationwide if highly publicized on national media outlets or through social media. This risk exists even if it were later determined that the illness was wrongly attributed to us or one of our stores. A number of restaurant chains have experienced incidents related to foodborne illnesses that have had a material adverse effect on their operations. The occurrence of a similar incident at one or more of our stores, or negative publicity or public speculation about an incident, could reduce customer visits to our stores and negatively impact demand for our menu offerings.

We may not be able to operate our stores, or obtain and maintain licenses and permits necessary for such operation, in compliance with laws, regulations and other requirements, which could adversely affect our business, results of operations or financial condition.

We are subject to various federal, state and local laws affecting our business. Each store is subject to licensing and regulation by a number of governmental authorities, which may include alcoholic beverage control, amusement, health and safety and fire agencies in the state, county or municipality in which the store is located. Each store is required to obtain a license to sell alcoholic beverages on the premises from a state authority and, in certain locations, county and municipal authorities. Typically, licenses must be renewed annually and may be revoked or suspended for cause at any time. In the past, we have had licenses temporarily suspended. The most recent example is our license to sell alcoholic beverages was suspended for two days in 2011 in our Maple Grove, Minnesota store, due to violations of the terms of our licenses. In some states, the loss of a license for cause with respect to one location may lead to the loss of licenses at all locations in that state and could make it more difficult to obtain additional licenses in that state. Alcoholic beverage control regulations relate to numerous aspects of the daily operations of each store, including minimum age of patrons and employees, hours of operation, advertising, wholesale purchasing, inventory control and handling and storage and dispensing of alcoholic beverages. The failure to receive or retain a liquor license, or any other required permit or license, in a particular location, or to continue to qualify for, or renew licenses, could have a material adverse effect on operations and our ability to obtain such a license or permit in other locations.

As a result of operating certain entertainment games and attractions, including skill-based games that offer redemption prizes, we are subject to amusement licensing and regulation by the states, counties and municipalities in which our stores are located. These laws and regulations can vary significantly by state, county, and municipality and, in some jurisdictions, may require us to modify our business operations or alter the mix of redemption games and simulators we offer. Moreover, as more states and local communities implement legalized gambling, the laws and corresponding enabling regulations may also be applicable to our redemption games and regulators may create new licensing requirements, taxes or fees, or restrictions on the various types of redemption games we offer. For example, the State of Florida has adopted a more restrictive definition of legal redemption games. Furthermore, the states of

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Ohio (broad regulation of games of skill) and Maryland (regulation of electronic gaming devices), and the city of Honolulu, Hawaii (regulation of simulated gambling devices), are considering changes to existing laws to further regulate legalized gaming and illegal gambling. Adoption of these laws, or adverse interpretation of existing laws, could require our existing stores in these jurisdictions to alter the mix of games, modify certain games, limit the number of tickets that may be won by a customer from a redemption game, change the mix of prizes that we may offer at our Winner's Circle or terminate the use of specific games, any of which could adversely affect our operations. If we fail to comply with such laws and regulations, we may be subject to various sanctions and/or penalties and fines or may be required to cease operations until we achieve compliance, which could have an adverse effect on our business and our financial results.

Changes in laws, regulations and other requirements could adversely affect our business, results of operations or financial condition.

We are also subject to federal, state and local environmental laws, regulations and other requirements. More stringent and varied requirements of local and state governmental bodies with respect to zoning, land use and environmental factors could delay or prevent development of new stores in particular locations. Environmental laws and regulations also govern, among other things, discharges of pollutants into the air and water as well as the presence, handling, release and disposal of and exposure to hazardous substances. These laws provide for significant fines and penalties for noncompliance. Third parties may also make personal injury, property damage or other claims against us associated with actual or alleged release of, or exposure to, hazardous substances at our properties. We could also be strictly liable, without regard to fault, for certain environmental conditions at properties we formerly owned or operated as well as at our current properties.

In addition, we are subject to the Fair Labor Standards Act (which governs such matters as minimum wages and overtime), the Americans with Disabilities Act, various family-leave mandates and other federal, state and local laws and regulations that govern working conditions. From time-to-time, the U.S. Congress and the states consider increases in the applicable minimum wage. Several states in which we operate have enacted increases in the minimum wage, which have taken effect during the past several years, and further increases are anticipated. Although we expect increases in payroll expenses as a result of federal and state mandated increases in the minimum wage, such increases are not expected to be material. However, we are uncertain of the repercussions, if any, of increased minimum wages on other expenses. For example, our suppliers may be more severely impacted by higher minimum wage standards, which could result in increased costs to us. If we are unable to offset these costs through increased costs to our customers, our business, results of operations and financial condition could be adversely affected. Moreover, although none of our employees have been or are now represented by any unions, labor organizations may seek to represent certain of our employees in the future, and if they are successful, our payroll expenses and other labor costs may be increased in the course of collective bargaining, and/or there may be strikes or other work disruptions that may adversely affect our business.

The Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act of 2010 (collectively, the Affordable Care Act), as well as other healthcare reform legislation being considered by Congress and state legislatures, may have an adverse effect on our business. Although the Affordable Care Act does not mandate that employers offer health insurance to all employees who are eligible under the legislation, beginning in 2015, penalties will be assessed on employers who do not offer health insurance that meets certain affordability or benefit coverage requirements. Providing health insurance benefits to employees that are more extensive than the health insurance benefits we currently provide and to a potentially larger proportion of our employees, or the payment of penalties if the specified level of coverage is not provided at an affordable cost to employees, will increase our expenses. Additionally, our distributors and suppliers also may be affected by higher health care-related costs, which could result in higher costs for goods and services supplied to us. We believe our plans will meet these requirements,

however, providing health insurance benefits to a potentially larger proportion of our employees, or the payment of penalties if the specified level of coverage is not provided at an affordable cost to employees, could have a significant, negative impact on our business.

The Affordable Care Act also requires us to comply with federal nutritional disclosure requirements. The Food and Drug Administration has recently finalized regulations to implement the nutritional menu labeling provisions of the Affordable Care Act. These final regulations will be effective on December 1, 2015 and establish a uniform, federal requirement for certain restaurants, including ours, to post certain nutritional information on their menus. We will be

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required to publish the total number of calories of standard menu items on menus, along with a statement that puts this calorie information in the context of a total daily calorie intake. The Affordable Care Act also requires us to provide to consumers, upon request, a written summary of detailed nutritional information for each standard menu item, and to provide a statement on menus about the availability of this information. The Affordable Care Act also permits the Food and Drug Administration to require us to make additional nutrient disclosures, such as disclosure of trans-fat content. An unfavorable report on, or reaction to, our menu ingredients, the size of our portions, or the nutritional content of our menu items could negatively influence the demand for our offerings. We cannot make any assurances regarding our ability to effectively respond to changes in consumer health perceptions or our ability to successfully implement the nutrient content disclosure requirements and to adapt our menu offerings to trends and eating habits. The imposition of menu-labeling laws could have an adverse effect on our results of operations and financial position, as well as the hospitality industry in general.

Our sales and results of operations may be adversely affected by climate change and the passage of other environmental legislation and regulations. The costs and other effects of new legal requirements cannot be determined with certainty. For example, new legislation or regulations may result in increased costs directly for our compliance or indirectly to the extent that such requirements increase prices charged to us by vendors because of increased compliance costs. At this point, we are unable to determine the impact that climate change and other environmental legislation and regulations could have on our overall business.

We face potential liability with our gift cards under the property laws of some states.

Our gift cards, which may be used to purchase food, beverages, merchandise and game play credits in our stores, may be considered stored value cards. Certain states include gift cards under their abandoned and unclaimed property laws, and require companies to remit to the state cash in an amount equal to all or a designated portion of the unredeemed balance on the gift cards based on certain card attributes and the length of time that the cards are inactive. To date we have not remitted any amounts relating to unredeemed gift cards to states based upon our assessment of applicable laws. We recognize income from unredeemed cards when we determine that the likelihood of the cards being redeemed is remote and that recognition is appropriate based on governing state statutes.

The analysis of the potential application of the abandoned and unclaimed property laws to our gift cards is complex, involving an analysis of constitutional, statutory provisions and factual issues. In the event that one or more states change their existing abandoned and unclaimed property laws or successfully challenge our position on the application of its abandoned and unclaimed property laws to our gift cards, or if the estimates that we use in projecting the likelihood of the cards being redeemed prove to be inaccurate, our liabilities with respect to unredeemed gift cards may be materially higher than the amounts shown in our financial statements. If we are required to materially increase the estimated liability recorded in our financial statements with respect to unredeemed gift cards, our net income could be materially and adversely affected.

Our Power Cards may raise similar concerns to gift cards in terms of the applicability of states' abandoned and unclaimed property laws. However, based on our analysis of abandoned and unclaimed property laws, we believe that our Power Cards are not stored value cards and such laws do not apply, although there can be no assurance that states will not take a different position.

Customer complaints or litigation on behalf of our customers or employees may adversely affect our business, results of operations or financial condition.

Our business may be adversely affected by legal or governmental proceedings brought by or on behalf of our customers or employees. In recent years, a number of restaurant companies, including ours, have been subject to

lawsuits, including class action lawsuits, alleging violations of federal and state law regarding workplace and employment matters, discrimination and similar matters, and a number of these lawsuits have resulted in the payment of substantial damages by the defendants. We could also face potential liability if we are found to have misclassified certain employees as exempt from the overtime requirements of the federal Fair Labor Standards Act and state labor laws. We have had from time to time and now have such lawsuits pending against us. In addition, from time to time, customers file complaints or lawsuits against us alleging that we are responsible for some illness or injury they suffered at or after a visit to a store. We are also subject to a variety of other claims in the ordinary course of business, including personal injury, lease and contract claims. The restaurant industry has also been subject to a growing number of claims that the menus and actions of restaurant chains have led to the obesity of certain of their customers.

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We are also subject to dram shop statutes in certain states in which our stores are located. These statutes generally provide a person injured by an intoxicated person the right to recover damages from an establishment that wrongfully served alcoholic beverages to the intoxicated individual. We are currently the subject of one lawsuit that alleges a violation of these statutes. Recent litigation against restaurant chains has resulted in significant judgments and settlements under dram shop statutes. Because these cases often seek punitive damages, which may not be covered by insurance, such litigation could have an adverse impact on our business, results of operations or financial condition. Regardless of whether any claims against us are valid or whether we are liable, claims may be expensive to defend and may divert time and money away from operations and hurt our financial performance. A judgment significantly in excess of our insurance coverage or not covered by insurance could have a material adverse effect on our business, results of operations or financial condition. As approximately 31.1% of our food and beverage revenues were derived from the sale of alcoholic beverages during fiscal 2013, adverse publicity resulting from these allegations may materially affect our stores and us.

We may face labor shortages that could slow our growth and adversely impact our ability to operate our stores.

The successful operation of our business depends upon our ability to attract, motivate and retain a sufficient number of qualified executives, managers and skilled employees. From time-to-time, there may be a shortage of skilled labor in certain of the communities in which our stores are located. Shortages of skilled labor may make it increasingly difficult and expensive to attract, train and retain the services of a satisfactory number of qualified employees and could delay the planned openings of new stores or adversely impact our existing stores. Any such delays, material increases in employee turnover rates in existing stores or widespread employee dissatisfaction could have a material adverse effect on our business and results of operations. Competition for qualified employees could require us to pay higher wages, which could result in higher labor costs and could have a material adverse effect on our results of operations.

Immigration reform continues to attract significant attention in the public arena and the U.S. Congress. If new immigration legislation is enacted, such laws may contain provisions that could increase our costs in recruiting, training and retaining employees. Also, although our hiring practices comply with the requirements of federal law in reviewing employees' citizenship or authority to work in the United States, increased enforcement efforts with respect to existing immigration laws by governmental authorities may disrupt a portion of our workforce or our operations at one or more of our stores, thereby negatively impacting our business.

We depend on the services of key executives, the loss of whom could materially harm our business and our strategic direction if we were unable to replace them with executives of equal experience and capabilities.

Our future success significantly depends on the continued service and performance of our key management personnel. With the exception of Kevin Bachus, we have employment agreements with all members of senior management. However, we cannot prevent members of senior management from terminating their employment with us. Losing the services of members of senior management could materially harm our business until a suitable replacement is found, and such replacement may not have equal experience and capabilities. In addition, we have not purchased life insurance on any members of our senior management.

Local conditions, events, terrorist attacks, adverse weather conditions and natural disasters could adversely affect our business.

Certain of the regions in which our stores are located have been, and may in the future be, subject to adverse local conditions, events, terrorist attacks, adverse weather conditions, or natural disasters, such as earthquakes, floods and hurricanes. For example, our nine stores located in California and our one store located in Oregon are particularly

subject to earthquake risk, and our five stores in Florida, our two stores in Houston, Texas and our one store in Hawaii are particularly subject to hurricane risk. Depending upon its magnitude, a natural disaster could severely damage our stores, which could adversely affect our business, results of operations or financial condition. We currently maintain property and business interruption insurance through the aggregate property policy for each of the stores. However, such coverage may not be sufficient if there is a major disaster. In addition, upon the expiration of our current insurance policies, adequate insurance coverage may not be available at reasonable rates, or at all.

Damage to our brand or reputation could adversely affect our business.

Our brand and our reputation are among our most important assets. Our ability to attract and retain customers depends, in part, upon the external perception of our company, the quality of our food service and facilities and our integrity. Multi-store businesses, such as ours, can be adversely affected by unfavorable publicity resulting from poor food quality, illness or health concerns, or a variety of other operating issues stemming from one or a limited number

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of stores. Adverse publicity involving any of these factors could make our stores less appealing, reduce our customer traffic and/or impose practical limits on pricing. In the future, our stores may be operated by franchisees. Any such franchisees will be independent third parties that we do not control. Although our franchisees will be contractually obligated to operate the store in accordance with our standards, we would not oversee their daily operations. If one or more of our stores were the subject of unfavorable publicity, our overall brand could be adversely affected, which could have a material adverse effect on our business, results of operations and financial condition.

We may not be able to renew real property leases on favorable terms, or at all, which may require us to close a store or relocate, either of which could have a material adverse effect on our business, results of operations or financial condition.

All 73 stores operated by us as of January 29, 2015 are operated on leased property. The leases typically provide for a base rent plus additional rent based on a percentage of the revenue generated by the stores on the leased premises once certain thresholds are met. A decision not to renew a lease for a store could be based on a number of factors, including an assessment of the area in which the store is located. We may choose not to renew, or may not be able to renew, certain of such existing leases if the capital investment then required to maintain the stores at the leased locations is not justified by the return on the required investment. If we are not able to renew the leases at rents that allow such stores to remain profitable as their terms expire, the number of such stores may decrease, resulting in lower revenue from operations, or we may relocate a store, which could subject us to construction and other costs and risks, and, in either case, could have a material adverse effect on our business, results of operations or financial condition. For example, our current store lease in Farmingdale, New York (Long Island) expires in February 2015 without an option to renew.

Fixed rental payments account for a significant portion of our operating expenses, which increases our vulnerability to general adverse economic and industry conditions and could limit our operating and financial flexibility.

Payments under our operating leases account for a significant portion of our operating expenses. For example, total rental payments, including additional rental payments based on sales at some of our stores, under operating leases were approximately \$55.2 million, or 8.7% of our total revenues, in fiscal 2013. In addition, as of November 2, 2014, we were a party to operating leases requiring future minimum lease payments aggregating approximately \$125.7 million through the next two years and approximately \$549.5 million thereafter. We expect that we will lease any new stores we open under operating leases. Our substantial operating lease obligations could have significant negative consequences, including:

- n increasing our vulnerability to general adverse economic and industry conditions;
- n limiting our ability to obtain additional financing;
- n requiring a substantial portion of our available cash to be applied to pay our rental obligations, thus reducing cash available for other purposes;
- n

limiting our flexibility in planning for or reacting to changes in our business or the industry in which we compete; and

placing us at a disadvantage with respect to our competitors.

We depend on cash flow from operations to pay our lease obligations and to fulfill our other cash needs. If our business does not generate sufficient cash flow from operating activities and sufficient funds are not otherwise available to us from borrowings under bank loans or from other sources, we may not be able to service our operating lease obligations, grow our business, respond to competitive challenges or fund our other liquidity and capital needs, which would have a material adverse effect on us.

We may not be able to adequately protect our intellectual property.

Our intellectual property is essential to our success and competitive position. We use a combination of intellectual property rights, such as trademarks and trade secrets, to protect our brand and certain other proprietary processes and information material to our business. The success of our business strategy depends, in part, on our continued ability to use our intellectual property rights to increase brand awareness and further develop our branded products in both existing and new markets. If we fail to protect our intellectual property rights adequately, we may lose an important advantage in the markets in which we compete. If third parties misappropriate or infringe our intellectual property, the value of our image, brand and the goodwill associated therewith may be diminished, our brand may fail to achieve and maintain market recognition, and our competitive position may be harmed, any of which could have a material adverse effect on our business, including our revenues. Policing unauthorized use of our intellectual

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property is difficult, and we cannot be certain that the steps we have taken will prevent the violation or misappropriation of such intellectual property rights by others. To protect our intellectual property, we may become involved in litigation, which could result in substantial expenses, divert the attention of management and adversely affect our revenue, financial condition and results of operations.

We cannot be certain that our products and services do not and will not infringe on the intellectual property rights of others. Any such claims, regardless of merit, could be time-consuming and expensive to litigate or settle, divert the attention of management, cause significant delays, materially disrupt the conduct of our business and have a material adverse effect on our financial condition and results of operations. As a consequence of such claims, we could be required to pay a substantial damage award, take a royalty-bearing license, discontinue the use of third-party products used within our operations and/or rebrand our business and products.

Failure to establish and maintain effective internal control over financial reporting could have a material adverse effect on our business and operating results.

Maintaining effective internal control over financial reporting is necessary for us to produce reliable financial reports and is important in helping to prevent financial fraud. If we are unable to maintain adequate internal controls, our business and operating results could be harmed. Any failure to remediate deficiencies noted by our management or our independent registered public accounting firm or to implement required new or improved controls or difficulties encountered in their implementation could cause us to fail to meet our reporting obligations or result in material misstatements in our financial statements.

Disruptions in our information technology systems or security breaches of confidential customer information or personal employee information could have an adverse impact on our operations.

Our operations are dependent upon the integrity, security and consistent operation of various systems and data centers, including the point-of-sale, kiosk and amusement operations systems in our stores, data centers that process transactions, communication systems and various other software applications used throughout our operations. Disruptions in these systems could have an adverse impact on our operations. We could encounter difficulties in developing new systems or maintaining and upgrading existing systems. Such difficulty could lead to significant expenses or to losses due to disruption in our business operations.

In addition, our information technology systems are subject to the risk of infiltration or data theft. The techniques used to obtain unauthorized access, disable or degrade service, or sabotage information technology systems change frequently and may be difficult to detect for long periods of time. As such, we may be unable to anticipate these techniques or implement adequate preventive measures. The hardware, software or applications we develop or procure from third parties may also contain defects in design or manufacture or other problems that could unexpectedly compromise information security. Unauthorized parties may also attempt to gain access to our systems or facilities through fraud, trickery or other methods of deceiving our team members, contractors and temporary staff. In 2007, there was an external breach of our credit card processing systems, which led to fraudulent credit card activity and resulted in the payment of fines and reimbursements for the fraudulent credit card activity. As part of a settlement with the Federal Trade Commission, we have implemented a series of corrective measures in order to ensure that our computer systems are secure and that our customers' personal information is protected. Despite our considerable efforts and investment in technology to secure our computer network, security could still be compromised, confidential information could be misappropriated or system disruptions could occur in the future. This could cause significant harm to our reputation, lead to a loss of sales or profits or cause us to incur significant costs to reimburse third parties for damages.

Our current insurance policies may not provide adequate levels of coverage against all claims and we may incur losses that are not covered by our insurance.

We believe we maintain insurance coverage that is customary for businesses of our size and type. However, there are types of losses we may incur that cannot be insured against or that we believe are not commercially reasonable to insure. For example, we maintain business interruption insurance, but there can be no assurance that the coverage for a severe or prolonged business interruption at one or more of our stores would be adequate. Given the limited number of stores we operate, such a loss could have a material adverse effect on our results of operations. Similarly, although we carry insurance for breaches of our computer network security, there can be no assurance that all types of potential loss or liability will be covered by such insurance or that we have enough insurance to provide coverage against all claims. Moreover, we believe that insurance covering liability for violations of wage and hour laws is

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generally not available. These losses, if they occur, could have a material adverse effect on our business and results of operations.

Risks Related to this Offering

Our stock price may fluctuate significantly, and you may not be able to resell your shares at or above the offering price.

The trading price of our common stock may be volatile and subject to wide price fluctuations in response to various factors, including:

- n market conditions in the broader stock market;
- n actual or anticipated fluctuations in our quarterly financial condition and results of operations;
- n actual or anticipated strategic, technological or regulatory threats, whether or not warranted by actual events;
- n issuance of new or changed securities analysts' reports or recommendations;
- n investor perceptions of our company or the media and entertainment industries;
- n sales, or anticipated sales, of large blocks of our stock;
- n additions or departures of key management personnel, creative or other talent;
- n regulatory or political developments;
- n litigation and governmental investigations; and
- n macroeconomic conditions.

Furthermore, the stock market has experienced extreme volatility that in some cases has been unrelated or disproportionate to the operating performance of particular companies. These and other factors may cause the market price and demand for our common stock to fluctuate substantially, which may limit or prevent investors from readily selling their shares of common stock and may otherwise negatively affect the liquidity of our common stock. In addition, in the past, when the market price of a stock has been volatile, holders of that stock have sometimes instituted securities class action litigation against the company that issued the stock. If any of our stockholders were to bring a lawsuit against us, we could incur substantial costs defending the lawsuit. Such a lawsuit could also divert the

time and attention of our management from our business.

We do not anticipate paying dividends on our common stock in the foreseeable future.

We do not anticipate paying any dividends in the foreseeable future on our common stock. We intend to retain all future earnings for the operation and expansion of our business and the repayment of outstanding debt. Our senior secured credit facility contains, and any future indebtedness likely will contain, restrictive covenants that impose significant operating and financial restrictions on us, including restrictions on our ability to pay dividends and make other restricted payments. As a result, capital appreciation, if any, of our common stock may be your major source of gain for the foreseeable future. While we may change this policy at some point in the future, we cannot assure you that we will make such a change. See Dividend Policy.

If securities or industry analysts do not publish research or reports about our business, if they adversely change their recommendations regarding our stock or if our results of operations do not meet their expectations, our stock price and trading volume could decline.

The trading market for our common stock will be influenced by the research and reports that securities or industry analysts publish about us or our business. If one or more of these analysts cease coverage of our company or fail to publish reports on us regularly, we could lose visibility in the financial markets, which in turn could cause our stock price or trading volume to decline. Moreover, if one or more of the analysts who cover us downgrade recommendations regarding our stock, or if our results of operations do not meet their expectations, our stock price could decline and such decline could be material.

You may be diluted by the future issuance of additional common stock in connection with our incentive plans, acquisitions or otherwise.

As of January 29, 2015, we had 359,782,360 shares of common stock authorized but unissued. Our amended and restated certificate of incorporation authorizes us to issue these shares of common stock and options, rights, warrants and appreciation rights relating to common stock for the consideration and on the terms and conditions established by our Board of Directors in its sole discretion, whether in connection with acquisitions or otherwise. We

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have reserved 3,994,048 shares for issuance upon exercise of outstanding stock options under our 2010 Stock Incentive Plan and 3,100,000 for issuances under our 2014 Stock Incentive Plan. Any common stock that we issue, including under our 2014 Stock Incentive Plan or other equity incentive plans that we may adopt in the future, as well as under outstanding options would dilute the percentage ownership held by the investors who purchase common stock in this offering.

Sales of substantial amounts of our common stock in the public markets, or the perception that such sales might occur, could reduce the price of our common stock and may dilute your voting power and your ownership interest in us.

If our existing stockholders sell substantial amounts of our common stock in the public market following this offering, the market price of our common stock could decrease significantly. The perception in the public market that our existing stockholders might sell shares of common stock could also depress our market price. As of January 29, 2015, we had 39,969,228 shares of common stock outstanding. We, our directors and our executive officers and our significant stockholders are subject to the lock-up agreements described in Underwriting and are subject to the Rule 144 holding period requirements described in Shares Eligible for Future Sale. Following the expiration of the lock-up period, our principal stockholders will have the right, subject to certain conditions, to require us to register the sale of their shares of our common stock under the Securities Act. After this offering (assuming no exercise of the underwriters' option to purchase additional shares from the selling stockholders) and the expiration of the lock-up period, 26,806,382 additional shares will be eligible for sale in the public market. The market price of shares of our common stock may drop significantly when the restrictions on resale by our existing stockholders lapse or when we are required to register the sale of our stockholders' remaining shares of our common stock. A decline in the price of shares of our common stock might impede our ability to raise capital through the issuance of additional shares of our common stock or other equity securities.

Our costs could increase significantly as a result of operating as a public company, and our management will be required to devote substantial time to complying with public company regulations.

As a public company and particularly after we cease to be an emerging growth company (to the extent that we have taken advantage of certain exceptions from reporting requirements that are available under the JOBS Act as an emerging growth company), we could incur significant legal, accounting and other expenses not incurred in previous years. In addition, the Sarbanes-Oxley Act of 2002 (Sarbanes-Oxley), as well as rules promulgated by the Securities and Exchange Commission (the SEC) and NASDAQ, require us to adopt corporate governance practices applicable to U.S. public companies. These rules and regulations may increase our legal and financial compliance costs.

Sarbanes-Oxley, as well as rules and regulations subsequently implemented by the SEC and NASDAQ, have imposed increased disclosure and enhanced corporate governance practices for public companies. We are committed to maintaining high standards of corporate governance and public disclosure, and our efforts to comply with evolving laws, regulations and standards are likely to result in increased expenses and a diversion of management's time and attention from revenue-generating activities to compliance activities. We may not be successful in continuing to implement these requirements and implementing them could adversely affect our business, results of operations and financial condition. In addition, if we fail to implement the requirements with respect to our internal accounting and audit functions, our ability to report our financial results on a timely and accurate basis could be impaired.

We are an emerging growth company and elect to comply with certain reduced reporting requirements applicable to emerging growth companies, which could make our common stock less attractive to investors.

We are an emerging growth company, as defined in the JOBS Act, and we may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies, including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of Sarbanes-Oxley, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved. In addition, even though we currently only avail ourselves of the reduced disclosure obligations with respect to executive compensation, we may avail ourselves of additional reduced requirements applicable to emerging growth companies from time to time in the future. We cannot predict if investors will find our common stock less attractive because we choose to rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock price may be more volatile.

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Section 107 of the JOBS Act also provides that an emerging growth company can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards. However, we are choosing to opt out of any extended transition period, and as a result we will comply with new or revised accounting standards on the relevant dates on which adoption of such standards is required for non-emerging growth companies. Section 107 of the JOBS Act provides that our decision to opt out of the extended transition period for complying with new or revised accounting standards is irrevocable.

We will remain an emerging growth company for up to five years following our IPO, or until the earliest of (i) the last day of the first fiscal year in which our annual gross revenues exceed \$1 billion, (ii) the date that we become a large accelerated filer as defined in Rule 12b-2 under the Securities Exchange Act of 1934, as amended (the Exchange Act), which would occur if the market value of our common stock that is held by non-affiliates exceeds \$700 million as of the last business day of our most recently completed second fiscal quarter, or (iii) the date on which we have issued more than \$1 billion in non-convertible debt during the preceding three year period.

The price of our common stock may be volatile and you could lose all or part of your investment.

From the date of our IPO through January 29, 2015, our share price ranged from a high of \$30.91 per share to a low of \$15.89 per share. Volatility in the market price of our common stock may prevent you from being able to sell your shares at or above the price you paid for your shares. The market price of our common stock could fluctuate significantly for various reasons, which include:

- n our quarterly or annual earnings or those of other companies in our industry;
- n changes in laws or regulations, or new interpretations or applications of laws and regulations, that are applicable to our business;
- n the public's reaction to our press releases, our other public announcements and our filings with the SEC;
- n changes in accounting standards, policies, guidance, interpretations or principles;
- n additions or departures of our senior management personnel;
- n sales of our common stock by our directors and executive officers;
- n sales or distributions of our common stock by the Oak Hill Funds;
- n adverse market reaction to any indebtedness we may incur or securities we may issue in the future;

- n actions by shareholders;
- n the level and quality of research analyst coverage for our common stock, changes in financial estimates or investment recommendations by securities analysts following our business or failure to meet such estimates;
- n the financial disclosure we may provide to the public, any changes in such disclosure or our failure to meet such disclosure;
- n various market factors or perceived market factors, including rumors, whether or not correct, involving us, our distributors or suppliers or our competitors;
- n acquisitions or strategic alliances by us or our competitors;
- n short sales, hedging and other derivative transactions in our common stock;
- n the operating and stock price performance of other companies that investors may deem comparable to us; and
- n other events or factors, including changes in general conditions in the United States and global economies or financial markets (including those resulting from acts of God, war, incidents of terrorism or responses to such events).

In addition, in recent years, the stock market has experienced extreme price and volume fluctuations. This volatility has had a significant impact on the market price of securities issued by many companies, including companies in our industry. The price of our common stock could fluctuate based upon factors that have little or nothing to do with our company, and these fluctuations could materially reduce our share price.

In the past, following periods of market volatility in the price of a company's securities, security holders have often instituted class action litigation. If the market value of our common stock experiences adverse fluctuations and we become involved in this type of litigation, regardless of the outcome, we could incur substantial legal costs and our management's attention could be diverted from the operation of our business, causing our business to suffer.

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Failure to maintain effective internal control over financial reporting in accordance with Section 404 of Sarbanes-Oxley could have a material adverse effect on our business and stock price.

We are required to comply with certain SEC rules that implement Sections 302 and 404 of Sarbanes-Oxley, which will require management to certify financial and other information in our quarterly and annual reports and provide an annual management report on the effectiveness of our internal control over financial reporting. Though we are required to disclose changes made in our internal control procedures on a quarterly basis, if we take advantage of certain exceptions from reporting requirements that are available to emerging growth companies under the JOBS Act, each public accounting firm that prepares an audit for us will not be required to attest to and report on our annual assessment of our internal controls over financial reporting pursuant to Section 404 until the later of the year following our first annual report required to be filed with the SEC or the date we are no longer an emerging growth company as defined in the JOBS Act.

Our independent registered public accounting firm is not required to formally attest to the effectiveness of our internal control over financial reporting until the later of the year following our first annual report required to be filed with the SEC or the date we are no longer an emerging growth company. At such time, our independent registered public accounting firm may issue a report that is adverse in the event it is not satisfied with the level at which our controls are documented, designed or operating.

Provisions in our amended and restated certificate of incorporation and amended and restated bylaws and Delaware law may discourage, delay or prevent a change of control of our company or changes in our management and, therefore, may depress the trading price of our stock.

Our amended and restated certificate of incorporation and amended and restated bylaws include certain provisions that could have the effect of discouraging, delaying or preventing a change of control of our company or changes in our management, including, among other things:

- n restrictions on the ability of our stockholders to fill a vacancy on the Board of Directors;
- n our ability to issue preferred stock with terms that the Board of Directors may determine, without stockholder approval, which could be used to significantly dilute the ownership of a hostile acquirer;
- n the inability of our stockholders other than the Oak Hill Funds to call a special meeting of stockholders;
- n specify that special meetings of our stockholders can be called only upon the request of a majority of our Board of Directors or our Chief Executive Officer or at the request of the Oak Hill Funds or any person that acquires at least 10% of the voting power of all outstanding shares of our capital stock from the Oak Hill Funds in a privately negotiated transaction (an Oak Hill Transfer), as long as the Oak Hill Funds (or one or more of their affiliates to the extent assigned thereto, or an Oak Hill Transferee, as applicable) owns at least 10% of the voting power of all outstanding shares of our capital stock;

n

our directors may only be removed from the Board of Directors for cause by the affirmative vote of (i) a majority of the remaining members of the Board of Directors or (ii) the holders of at least 66 2/3% of the voting power of outstanding shares of our common stock entitled to vote thereon;

- n the absence of cumulative voting in the election of directors, which may limit the ability of minority stockholders to elect directors; and

- n advance notice requirements for stockholder proposals and nominations, which may discourage or deter a potential acquirer from soliciting proxies to elect a particular slate of directors or otherwise attempting to obtain control of us.

These provisions in our amended and restated certificate of incorporation and our amended and restated bylaws may discourage, delay or prevent a transaction involving a change of control of our company that is in the best interest of our minority stockholders. Even in the absence of a takeover attempt, the existence of these provisions may adversely affect the prevailing market price of our common stock if they are viewed as discouraging future takeover attempts.

Section 203 of the Delaware General Corporation Law may affect the ability of an interested stockholder to engage in certain business combinations, including mergers, consolidations or acquisitions of additional shares, for a period of three years following the time that the stockholder becomes an interested stockholder. An interested stockholder is defined to include persons owning directly or indirectly 15% or more of the outstanding voting stock of a corporation. Accordingly, Section 203 could have an anti-takeover effect with respect to certain transactions

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that the Board of Directors does not approve in advance. The provisions of Section 203 may encourage companies interested in acquiring the company to negotiate in advance with the Board of Directors because the stockholder approval requirement would be avoided if the Board of Directors approves either the business combination or the transaction that results in the stockholder becoming an interested stockholder.

However, Section 203 also could discourage attempts that might result in a premium over the market price for the shares held by stockholders. These provisions also may make it more difficult to accomplish transactions that stockholders may otherwise deem to be in their best interests. Our amended and restated certificate of incorporation provides that we will not be governed by Section 203 of the Delaware General Corporation Law. Our amended and restated certificate of incorporation will contain a provision that provides us with protections similar to Section 203 of the Delaware General Corporation Law, and will prevent us from engaging in a business combination with an interested stockholder for a period of three years from the date such person acquired such common stock unless (with certain exceptions) the business combination is approved in a prescribed manner, including if Board of Directors approval or stockholder approval is obtained prior to the business combination, except that they will provide that the Oak Hill Funds, or any affiliate thereof or any person or entity which acquires from any of the foregoing stockholders beneficial ownership of 5% or more of the then outstanding shares of our voting stock in a transaction or any person or entity which acquires from such transferee beneficial ownership of 5% or more of the then outstanding shares of our voting stock other than through a registered public offering or through any broker's transaction executed on any securities exchange or other over-the-counter market, shall not be deemed an interested stockholder for purposes of this provision of our amended and restated certificate of incorporation and therefore not subject to the restrictions set forth in this provision.

Risks Related to Our Capital Structure

Our indebtedness could adversely affect our ability to raise additional capital to fund operations, limit our ability to react to changes in the economy or our industry and prevent us from meeting our financial obligations.

As of November 2, 2014, we had \$430.0 million (\$429.0 million net of discount) of borrowings under our term loan facility, no borrowings under our revolving credit facility and \$5.8 million in letters of credit outstanding. If we cannot generate sufficient cash flow from operations to service our debt, we may need to further refinance our debt, dispose of assets or issue equity to obtain necessary funds. We do not know whether we will be able to do any of this on a timely basis or on terms satisfactory to us, or at all.

Our substantial indebtedness could have important consequences, including:

- n our ability to obtain additional debt or equity financing for working capital, capital expenditures, debt service requirements, acquisitions, new store growth and general corporate or other purposes may be limited;
- n a portion of our cash flows from operations will be dedicated to the payment of principal and interest on the indebtedness and will not be available for other purposes, including operations, capital expenditures and future business opportunities;
- n certain of our borrowings are at variable rates of interest, exposing us to the risk of increased interest rates;

n our ability to adjust to changing market conditions may be limited and may place us at a competitive disadvantage compared to less-leveraged competitors; and

n we may be vulnerable in a downturn in general economic conditions or in business, or may be unable to carry on capital spending that is important to our growth.

The terms of our new senior secured credit facility restrict our current and future operations, which could adversely affect our ability to respond to changes in our business and to manage our operations.

Our new senior secured credit facility contains, and any future indebtedness will likely contain, a number of restrictive covenants that impose significant operating and financial restrictions on us, including restrictions on our ability to, among other things:

n incur additional debt;

n pay dividends and make other restricted payments;

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- n create liens;

- n make investments and acquisitions;

- n engage in sales of assets and subsidiary stock;

- n enter into sale-leaseback transactions;

- n enter into transactions with affiliates;

- n transfer all or substantially all of our assets or enter into merger or consolidation transactions;

- n hedge currency and interest rate risk; and

- n make capital expenditures.

Our new senior secured credit facility requires us to meet a maximum total leverage ratio if outstanding revolving loans and letters of credit (other than letters of credit that have been backstopped or cash collateralized) are in excess of 30% of the outstanding revolving commitments. Failure by us to comply with the covenants or financial ratios contained in the instruments governing our indebtedness could result in an event of default under the facility, which could adversely affect our ability to respond to changes in our business and manage our operations. In the event of any default under our senior secured credit facility, the lenders will not be required to lend any additional amounts to us. Our lenders also could elect to declare all amounts outstanding to be due and payable and require us to apply all of our available cash to repay these amounts. If our indebtedness were to be accelerated, our assets may not be sufficient to repay this indebtedness in full.

After this offering, our principal stockholder will continue to have substantial control over us.

After the consummation of this offering, the Oak Hill Funds will collectively beneficially own approximately 64.3% of our outstanding common stock, and approximately 62.1% of our outstanding common stock if the underwriters option to purchase additional shares is exercised in full. See Principal and Selling Stockholders. As a consequence, the Oak Hill Funds or their affiliates will be able to control matters requiring stockholder approval, including the election of directors, a merger, consolidation or sale of all or substantially all of our assets, and any other significant transaction. The interests of this stockholder may not always coincide with our interests or the interests of our other stockholders. For instance, this concentration of ownership may have the effect of delaying or preventing a change of control of us otherwise favored by our other stockholders and could depress our stock price.

As a result of affiliates of the Oak Hill Funds continuing to control a majority of our outstanding common stock after the consummation of this offering, we are a controlled company within the meaning of NASDAQ corporate governance standards. Under these rules, a controlled company may elect not to comply with certain NASDAQ corporate governance standards, including:

- n the requirement that a majority of the Board of Directors consist of independent directors;
- n the requirement that we have a nominating and corporate governance committee that is composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities;
- n the requirement that we have a compensation committee that is composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities; and
- n the requirement for an annual performance evaluation of the nominating and corporate governance committee and compensation committee.

Following this offering, we may utilize these exemptions or elect to utilize them in the future. As a result, we may not have a majority of independent directors, our nominating and corporate governance committee and compensation committee may not consist entirely of independent directors and such committees will not be subject to annual performance evaluations. Accordingly, our stockholders may not have the same protections afforded to shareholders of companies that are subject to all of the NASDAQ corporate governance requirements.

In addition, so long as the Oak Hill Funds (or one or more of their affiliates to the extent assigned thereto) own at least 40% of our outstanding common stock, stockholders will be able to take action by written consent. During such time, affiliates of the Oak Hill Funds, along with a limited number of other stockholders (if the Oak Hill Funds hold less than a majority of our outstanding common stock), could take action by written consent and prevent other stockholders the opportunity to attend a meeting of stockholders and vote on a particular matter.

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So long as the Oak Hill Funds (or one or more of their affiliates, to the extent assigned thereto or an Oak Hill Transferee, as applicable) own 10% or more of the outstanding shares of our common stock, the Oak Hill Funds or an Oak Hill Transferee, as applicable, will have the right to call a special meeting of our stockholders.

Under the stockholders agreement, the Oak Hill Funds have consent rights with respect to the following matters so long as the Oak Hill Funds (or one or more of their affiliates, to the extent assigned thereto) own 25% or more of the outstanding shares of our common stock: declaration or payments of non-pro rata dividends or non-pro rata repurchases of our common stock or amendments to our organizational documents in a manner adverse to the Oak Hill Funds.

The Oak Hill Funds and their affiliates will be reimbursed for certain costs and expenses pursuant to the stockholders agreement. See Certain Relationships and Related Transactions Stockholders Agreement.

Conflicts of interest may arise because some of our directors are principals of our principal stockholder.

The Oak Hill Funds or their affiliates could invest in entities that directly or indirectly compete with us. As a result of these relationships, when conflicts arise between the interests of the Oak Hill Funds or their affiliates and the interests of our stockholders, these directors may not be disinterested. The representatives of the Oak Hill Funds on our Board of Directors, by the terms of our amended and restated certificate of incorporation and stockholders agreement are not required to offer us any transaction opportunity of which they become aware and could take any such opportunity for themselves or offer it to other companies in which they have an investment, unless such opportunity is expressly offered to them solely in their capacity as our directors. In addition, under the stockholders agreement, the Oak Hill Funds are granted access to our customary non-public information, and members of our management team and the Oak Hill Funds are permitted to disclose our confidential information to their affiliates, representatives and advisors and the Oak Hill Funds and their affiliates will be permitted to disclose our confidential information if requested or required by law. The Oak Hill Funds and their affiliates are also permitted to disclose our confidential information to any potential purchaser of Dave & Buster's Entertainment, Inc. that executes a customary confidentiality agreement.

The Oak Hill Funds are entitled to designate directors to serve on the Board of Directors proportionate to the Oak Hill Funds (or one or more of their affiliates, to the extent assigned thereto) aggregate ownership of the outstanding shares of our common stock, at any meeting of stockholders at which directors are to be elected to the extent that the Oak Hill Funds do not have such proportionate number of director designees then serving on the Board of Directors; provided that for so long as the Oak Hill Funds (or one or more of their affiliates, to the extent assigned thereto), individually or in the aggregate, own 5% or more of the voting power of the outstanding shares of our common stock, the Oak Hill Funds are entitled to designate one director designee to serve on the Board of Directors at any meeting of stockholders at which directors are to be elected to the extent that the Oak Hill Funds do not have a director designee then serving on the Board of Directors. Such proportionate number of director designees is determined by taking the product of the Oak Hill Funds (or one or more of their affiliates, to the extent assigned thereto) aggregate ownership interest in our Company multiplied by the then current number of directors on our Board of Directors (rounded up to the next whole number to the extent the product does not equal a whole number). The Oak Hill Funds director designees are currently J. Taylor Crandall, Kevin M. Mailender and Tyler J. Wolfram, and, therefore, the Oak Hill Funds are entitled to designate additional directors in order for Oak Hill to have its proportionate number of director designees. We will expand the size of our Board of Directors if necessary to provide for such proportionate representation. Subject to applicable law and applicable NASDAQ rules, the stockholders agreement also provides that the Oak Hill Funds are entitled to nominate the members of the Nominating and Corporate Governance Committee up to a number of nominees not to exceed the number of directors designated by the Oak Hill Funds on the Board of Directors, and the remaining members are to be nominated by the Board of Directors. For so long as the Oak Hill Funds (or one or more of their affiliates, to the extent assigned thereto) own 20% or more of the voting power of

the outstanding shares of our common stock, the Nominating and Corporate Governance Committee shall consist of no more than three members. In addition, subject to applicable law and applicable NASDAQ rules, each other committee of our Board of Directors, other than the Audit Committee, consists of at least one member designated by the Oak Hill Funds.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This prospectus includes statements that are, or may be deemed to be, forward-looking statements. 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 and comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this prospectus and include statements regarding our intentions, beliefs or current expectations concerning, among other things, our results of operations, financial condition, liquidity, prospects, growth, operating leverage 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. We caution you that forward-looking statements are not guarantees of future performance and that 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 prospectus. In addition, even if 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 prospectus, those results or developments may not be indicative of results or developments in subsequent periods. As a result we caution you against relying on any forward-looking statement.

The following listing represents some, but not necessarily all, of the factors that may cause actual results to differ from those anticipated or predicted:

- n the impact of the global economic crisis on our business and financial results;
- n our ability to open new stores and operate them profitably;
- n our ability to achieve our targeted cash-on-cash return, first year store revenues, net development costs or Store-level EBITDA margin for new store openings;
- n changes in consumer preferences, general economic conditions or consumer discretionary spending;
- n the effect of competition in our industry;
- n potential fluctuations in our quarterly operating results due to seasonality and other factors;
- n the impact of potential fluctuations in the availability and cost of food and other supplies;
- n the impact of instances of foodborne illness and outbreaks of disease;

- n the impact of federal, state or local government regulations relating to our entertainment, games and attractions, personnel or the sale of food or alcoholic beverages;
- n legislative or regulatory changes;
- n the continued service of key management personnel;
- n our ability to attract, motivate and retain qualified personnel;
- n the impact of litigation;
- n changes in accounting principles, policies or guidelines;
- n changes in general economic conditions or conditions in securities markets or the banking industry;
- n a materially adverse change in our financial condition;
- n adverse local conditions, events, terrorist attacks, weather and natural disasters; and
- n other economic, competitive, governmental, regulatory, geopolitical and technological factors affecting operations, pricing and services.

You should also read carefully the factors described in the Risk Factors section of this prospectus to better understand the risks and uncertainties inherent in our business and underlying any forward-looking statements.

Any forward-looking statements that we make in this prospectus speak only as of the date of such statements, and we undertake no obligation to update such statements. Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance, unless expressed as such, and should only be viewed as historical data.

Table of Contents**USE OF PROCEEDS**

All shares of our common stock offered by this prospectus will be sold by the selling stockholders, some of whom may include our directors, officers and employees. We will not receive any proceeds from the sale of shares of common stock by the selling stockholders. However, we will receive up to approximately \$1.1 million in proceeds from the Concurrent Option Exercise (or \$1.3 million if the underwriters exercise their option to purchase additional shares from the selling stockholders in full), which we will use for general corporate purposes. We have agreed to pay certain expenses related to this offering, which we estimate to be approximately \$750,000.

MARKET PRICE OF OUR COMMON STOCK

Our common stock has traded on NASDAQ under the symbol **PLAY** since October 9, 2014. Prior to that time, there was no public market for our shares. As of January 29, 2015, there were 288 holders of record of our common stock. The following table sets forth for the periods indicated the high and low sales prices of our common stock on NASDAQ.

| Fiscal Quarter | High | Low |
|---|-------------|------------|
| Third Quarter (October 10, 2014 (first trading date after IPO) to November 2, 2014) | \$ 20.00 | \$ 15.89 |
| Fourth Quarter (November 3, 2014 through February 1, 2015) | \$ 30.91 | \$ 19.20 |
| First Quarter (February 2, 2015 through February 4, 2015) | \$ 30.75 | \$ 27.76 |

On February 4, 2015, the closing price of our common stock on NASDAQ was \$30.21. Computershare Trust Company, N.A. is the transfer agent and registrar for our common stock.

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DIVIDEND POLICY

We have not historically declared or paid any cash dividends on our common stock. Currently, we intend to retain all available funds and any future earnings to fund the development and growth of our business and reduce debt, and we do not anticipate paying any dividends on our common stock. However, in the future, subject to the factors described below and our future liquidity and capitalization, we may change this policy and choose to pay dividends. Our ability to pay dividends on our common stock is currently restricted directly or indirectly by the terms of our new senior secured credit facility and may be further restricted by any future indebtedness we incur. Our business is conducted through our principal operating subsidiary, Dave & Buster's, Inc. Dividends from, and cash generated by, Dave & Buster's, Inc. will be our principal sources of cash to repay indebtedness, fund operations and pay dividends. Accordingly, our ability to pay dividends to our stockholders is dependent on the earnings and distributions of funds from Dave & Buster's, Inc.

Any future determination to pay dividends will be at the discretion of our Board of Directors and will take into account:

- n restrictions in agreements governing our indebtedness;
- n general economic and business conditions;
- n our financial condition and results of operations;
- n our capital requirements;
- n the ability of Dave & Busters, Inc. to pay dividends and make distributions to us; and
- n such other factors as our Board of Directors may deem relevant.

See Management's Discussion and Analysis of Financial Condition and Results of Operations.

Table of Contents**CAPITALIZATION**

The following table sets forth our consolidated capitalization as of November 2, 2014.

This table should be read in conjunction with Selected Consolidated Financial Data, Management's Discussion and Analysis of Financial Condition and Results of Operations and our consolidated financial statements and the notes thereto included in this prospectus.

| | AS OF NOVEMBER 2, 2014 | |
|--|-------------------------------|---------|
| | (Dollars in thousands) | |
| Cash and cash equivalents ⁽¹⁾ | \$ | 58,946 |
| Debt ⁽²⁾ : | | |
| Senior secured credit facility: | | |
| Revolving credit facility ⁽³⁾ | \$ | |
| Term loan, net of unamortized discount | | 428,976 |
| Total debt | | 428,976 |
| Stockholders' equity: | | |
| Common stock, \$0.01 par value, 400,000,000 shares authorized; 40,217,645 shares issued; 39,969,233 shares outstanding | | 402 |
| Preferred stock, 50,000,000 shares authorized and none issued | | |
| Paid-in capital | | 253,337 |
| Treasury stock, 248,412 shares | | (1,189) |
| Accumulated other comprehensive loss | | (214) |
| Accumulated deficit | | (8,215) |
| Total stockholders' equity | | 244,121 |
| Total capitalization | \$ | 673,097 |

(1) Does not give effect to any cash received by us due to the Concurrent Option Exercise. See Use of Proceeds.

(2) This presentation shows amounts that are net of original issue discount.

(3) As of November 2, 2014, there were no outstanding borrowings under the revolving credit facility, and \$44,178 was available for borrowing after taking into account \$5,822 of outstanding letters of credit.

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DILUTION

Except for up to 254,117 shares to be issued in connection with the Concurrent Option Exercise, or 300,151 shares if the underwriters' option to purchase additional shares is exercised in full, the shares of common stock to be sold by the selling stockholders pursuant to this prospectus are currently issued and outstanding. Accordingly, the only dilution to our existing stockholders as a result of this offering will be as a result of the exercise of vested stock options currently held by certain of the selling stockholders.

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SELECTED CONSOLIDATED FINANCIAL DATA

Set forth below are our selected consolidated financial data for the periods ending on and as of the dates indicated. GAAP requires operating results for D&B Holdings prior to the acquisition completed June 1, 2010 to be presented as the results of the Predecessor in the historical financial statements. Operating results of Dave & Buster's Entertainment, Inc. subsequent to the acquisition are presented as the results of the Successor and include all periods including and subsequent to June 1, 2010.

Dave & Buster's Entertainment, Inc. has no material assets or operations other than 100% ownership of the outstanding common stock of D&B Holdings. D&B Holdings has no material assets or operations other than 100% ownership of the outstanding common stock of Dave & Buster's, Inc.

The statement of operations and cash flows data for each of the fiscal years ended February 2, 2014 (Successor), February 3, 2013 (Successor) and January 29, 2012 (Successor) and the balance sheet data as of February 2, 2014 (Successor) and February 3, 2013 (Successor) were derived from our audited consolidated financial statements included elsewhere in this prospectus. The statement of operations and cash flows data for each of the 244 day period from June 1, 2010 to January 30, 2011 (Successor), the 120 day period from February 1, 2010 to May 31, 2010 (Predecessor) and the fiscal year ended January 31, 2010 (Predecessor) and the balance sheet data as of January 29, 2012 (Successor), January 30, 2011 (Successor) and January 31, 2010 (Predecessor) were derived from the Successor's and Predecessor's audited consolidated financial statements that are not included elsewhere in this prospectus. The statement of operations and cash flows data for each of the thirty-nine week periods ended November 2, 2014 (Successor) and November 3, 2013 (Successor), and the balance sheet data as of November 2, 2014 (Successor) were derived from our unaudited consolidated financial statements included elsewhere in this prospectus. The balance sheet as of November 3, 2013 (Successor) was derived from our unaudited consolidated financial statements, which are not included in this prospectus. In the opinion of management, the unaudited consolidated financial statements include all normal recurring adjustments necessary to present fairly the data for such periods and as of such dates.

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 fiscal years presented herein consist of 52 weeks, except fiscal year 2012, which consisted of 53 weeks.

Our historical results are not necessarily indicative of future results of operations. The selected consolidated financial data should be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations and our historical consolidated financial statements and the notes related thereto, included elsewhere in this prospectus. All dollar amounts are presented in thousands except per share amounts.

This table should be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations, our historical consolidated financial statements and the notes related thereto, included elsewhere in this prospectus. All dollar amounts are presented in thousands except per share amounts.

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| | THIRTY-NINE WEEKS ENDED | | FISCAL YEAR ENDED | | | | | FISCAL YEAR ENDED | |
|--|-------------------------|---------------|-------------------|---------------|--------------|--|--|---------------------------------|------------------|
| | NOVEMBER 2014 | NOVEMBER 2013 | FEBRUARY 2014 | FEBRUARY 2013 | JANUARY 2012 | FOR THE 244 DAY PERIOD FROM JANUARY 30, 2010 TO JANUARY 29, 2011 | FOR THE 120 DAY PERIOD FROM FEBRUARY 1, 2010 TO MAY 31, 2010 | JANUARY 30, 2011 ⁽¹⁾ | JANUARY 30, 2010 |
| | (Successor) | (Successor) | (Successor) | (Successor) | (Successor) | (Successor) | (Predecessor) | (Non-GAAP) | (Predecessor) |
| Operating revenues: | | | | | | | | | |
| Food and beverage revenues | \$ 256,077 | \$ 222,508 | \$ 310,111 | \$ 298,421 | \$ 272,606 | \$ 177,044 | \$ 90,470 | \$ 267,514 | \$ 269,000 |
| Entertainment and other revenues | 283,605 | 241,700 | 325,468 | 309,646 | 268,939 | 166,489 | 87,536 | 254,025 | 250,000 |
| Total revenues | 539,682 | 464,208 | 635,579 | 608,067 | 541,545 | 343,533 | 178,006 | 521,539 | 520,000 |
| Operating costs: | | | | | | | | | |
| Cost of food and beverage | 65,939 | 55,988 | 77,577 | 73,019 | 65,751 | 41,890 | 21,817 | 63,707 | 65,000 |
| Cost of entertainment and other | 39,335 | 35,255 | 47,437 | 46,098 | 41,417 | 26,832 | 13,442 | 40,274 | 38,000 |
| Total cost of operations | 105,274 | 91,243 | 125,014 | 119,117 | 107,168 | 68,722 | 35,259 | 103,981 | 104,000 |
| Depreciating assets and amortization | 126,357 | 108,716 | 150,172 | 145,571 | 130,875 | 85,271 | 43,969 | 129,240 | 132,000 |
| Store opening expenses | 170,440 | 150,107 | 199,537 | 192,792 | 175,993 | 111,456 | 59,802 | 171,258 | 174,000 |
| General and administrative expenses ⁽²⁾ | 31,462 | 26,905 | 36,440 | 40,356 | 34,896 | 25,670 | 17,064 | 42,734 | 30,000 |
| Total operating costs | 523,228 | 446,721 | 608,600 | 596,852 | 559,827 | 377,975 | 207,312 | 591,206 | 578,000 |

| | | | | | | | | | |
|--|------------|------------|------------|------------|------------|------------|------------|------------|---------|
| Depreciation and amortization expense (3) | 7,942 | 5,175 | 7,040 | 3,060 | 4,186 | 842 | 1,447 | 2,289 | 3,000 |
| Operating | 493,796 | 431,479 | 584,540 | 564,353 | 507,395 | 325,755 | 173,765 | 499,520 | 498,000 |
| Gain (loss) on sale of assets | 45,886 | 32,729 | 51,039 | 43,714 | 34,150 | 17,778 | 4,241 | 22,019 | 21,000 |
| Interest expense, net | 29,826 | 35,879 | 47,809 | 47,634 | 44,931 | 25,486 | 6,976 | 32,462 | 22,000 |
| Gain (loss) on debt extinguishment | 27,578 | | | | | | | | |
| Gain (loss) on provision of (reversal of) income taxes | (11,518) | (3,150) | 3,230 | (3,920) | (10,781) | (7,708) | (2,735) | (10,443) | |
| Gain (loss) on provision of (reversal of) state taxes | (4,494) | (442) | 1,061 | (12,702) | (3,796) | (2,551) | (597) | (3,148) | |
| Income | \$ (7,024) | \$ (2,708) | \$ 2,169 | \$ 8,782 | \$ (6,985) | \$ (5,157) | \$ (2,138) | \$ (7,295) | \$ |
| Income per share common | | | | | | | | | |
| Basic | \$ (0.21) | \$ (0.08) | \$ 0.07 | \$ 0.26 | \$ (0.20) | \$ (0.09) | * | * | |
| Diluted | \$ (0.21) | \$ (0.08) | \$ 0.06 | \$ 0.26 | \$ (0.20) | \$ (0.09) | * | * | |
| Weighted average number of shares outstanding: | | | | | | | | | |
| Basic | 33,763,436 | 33,186,273 | 33,187,776 | 33,186,426 | 34,478,732 | 55,064,278 | * | * | |
| Diluted | 33,763,436 | 33,186,273 | 34,030,115 | 33,747,535 | 34,478,732 | 55,064,278 | * | * | |
| Trusts | | | | | | | | | |
| Consolidated statements of operations (1): | | | | | | | | | |
| Trusts net income | \$ 18,647 | | \$ 17,769 | | | | | | |
| Trusts earnings per share | | | | | | | | | |
| Basic | \$ 0.47 | | \$ 0.44 | | | | | | |
| Diluted | \$ 0.44 | | \$ 0.42 | | | | | | |

| | | | | | | | | | | | | |
|------------------|------------|-----------|------------|-----------|-----------|-----------|-----------|-----------|-------|--|--|-------|
| usted | | | | | | | | | | | | |
| ted | | | | | | | | | | | | |
| ge shares | | | | | | | | | | | | |
| nding: | | | | | | | | | | | | |
| | 39,969,233 | | 39,952,619 | | | | | | | | | |
| d | 42,760,660 | | 42,744,046 | | | | | | | | | |
| ment of | | | | | | | | | | | | |
| low data: | | | | | | | | | | | | |
| rovided | | | | | | | | | | | | |
| ed in): | | | | | | | | | | | | |
| ing | | | | | | | | | | | | |
| ies | \$ 36,713 | \$ 86,294 | \$ 109,878 | \$ 82,796 | \$ 72,777 | \$ 25,240 | \$ 11,295 | \$ 36,535 | \$ 59 | | | |
| ing | | | | | | | | | | | | |
| ies | (91,610) | (75,100) | (105,677) | (78,488) | (70,502) | (102,744) | (12,975) | (115,719) | (48 | | | |
| ing | | | | | | | | | | | | |
| ies | 75,763 | (1,943) | (2,238) | (1,875) | (2,998) | 97,034 | (125) | 96,909 | (2 | | | |
| ce sheet | | | | | | | | | | | | |
| as of end | | | | | | | | | | | | |
| iod): | | | | | | | | | | | | |
| nd cash | | | | | | | | | | | | |
| lents | \$ 58,946 | \$ 45,368 | \$ 38,080 | \$ 36,117 | \$ 33,684 | \$ 34,407 | | | | | | \$ 16 |
| orking | | | | | | | | | | | | |
| (deficit) | (5,601) | (17,216) | (13,700) | 5,863 | (9,584) | (5,186) | | | | | | (33 |
| ty and | | | | | | | | | | | | |
| ment, net | 427,235 | 368,507 | 388,093 | 337,239 | 323,342 | 304,819 | | | | | | 294 |
| assets | 923,511 | 843,474 | 861,758 | 813,610 | 786,142 | 764,542 | | | | | | 483 |
| debt, net | | | | | | | | | | | | |
| mortized | | | | | | | | | | | | |
| nt | 428,976 | 481,877 | 485,677 | 471,050 | 458,497 | 347,918 | | | | | | 227 |
| holders | 244,121 | 145,436 | 150,448 | 147,411 | 137,515 | 239,830 | | | | | | 92 |

* Not meaningful.

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| | THIRTY-NINE WEEKS ENDED | | | FISCAL YEAR ENDED | | | |
|---|----------------------------|---------------|---------------|-------------------|------------------|------------------|------------------|
| | NOVEMBER 2014 | NOVEMBER 2013 | FEBRUARY 2014 | FEBRUARY 2013 | JANUARY 29, 2012 | JANUARY 30, 2011 | JANUARY 31, 2010 |
| | | | | | | (Combined) | |
| Store-level Data: | | | | | | | |
| Stores open at end of period ⁽⁶⁾ | 70 | 64 | 66 | 61 | 58 | 57 | 55 |
| Comparable stores ⁽⁷⁾ | 57 | 55 | 55 | 54 | 52 | 48 | 47 |
| Comparable store sales increase (decrease) ⁽⁸⁾ | 6.2% | 1.0% | 1.0% | 3.0% | 2.2% | (1.9)% | (7.8)% |
| Store-level EBITDA ⁽⁹⁾ | \$ 137,611 | \$ 114,142 | \$ 160,856 | \$ 150,587 | \$ 127,509 | \$ 117,060 | \$ 109,847 |
| Store-level EBITDA margin ⁽¹⁰⁾ | 25.5% | 24.6% | 25.3% | 24.8% | 23.5% | 22.4% | 21.1% |

| | THIRTY-NINE WEEKS ENDED | | | FISCAL YEAR ENDED | | | |
|---|----------------------------|---------------|---------------|-------------------|------------------|------------------|------------------|
| | NOVEMBER 2014 | NOVEMBER 2013 | FEBRUARY 2014 | FEBRUARY 2013 | JANUARY 29, 2012 | JANUARY 30, 2011 | JANUARY 31, 2010 |
| | | | | | | (Combined) | |
| Other Data: | | | | | | | |
| Adjusted EBITDA ⁽¹¹⁾ | \$ 113,642 | \$ 94,612 | \$ 134,790 | \$ 120,478 | \$ 98,372 | \$ 86,280 | \$ 83,145 |
| Adjusted EBITDA margin ⁽¹²⁾ | 21.1% | 20.4% | 21.2% | 19.8% | 18.2% | 16.5% | 16.0% |
| Capital additions ⁽¹³⁾ : | | | | | | | |
| New stores | \$ 63,033 | \$ 50,576 | \$ 72,301 | \$ 32,795 | \$ 43,951 | \$ 10,745 | \$ 27,267 |
| Operating initiatives, including remodels | 11,955 | 16,032 | 21,930 | 21,946 | 10,380 | 5,500 | 6,560 |

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| | | | | | | | |
|-------------------------|-----------|-----------|------------|-----------|-----------|-----------|-----------|
| Games | 8,162 | 7,770 | 11,413 | 10,090 | 7,196 | 7,238 | 3,894 |
| Maintenance | 8,717 | 8,389 | 14,238 | 13,858 | 11,419 | 11,750 | 10,702 |
| Total capital additions | \$ 91,867 | \$ 82,767 | \$ 119,882 | \$ 78,689 | \$ 72,946 | \$ 35,233 | \$ 48,423 |

- (1) Affiliates of the Oak Hill Funds acquired all of the outstanding common stock of D&B Holdings as part of the June 1, 2010 acquisition. GAAP in the United States requires operating results for D&B Holdings prior to the June 1, 2010 acquisition to be presented as Predecessor's results in the historical financial statements. Operating results for Dave & Buster's Entertainment, Inc. subsequent to the June 1, 2010 acquisition are presented or referred to as Successor's results in our historical financial statements. References to the 52 week period ended January 30, 2011, included in this prospectus relate to the combined 244 day period ended January 30, 2011 of the Successor and the 120 day period ended May 31, 2010 of the Predecessor. The financial results for the Successor periods include the impacts of applying purchase accounting. The presentation of combined Predecessor and Successor operating results (which is simply the arithmetic sum of the Predecessor and Successor amounts) is a Non-GAAP presentation, which is provided as a convenience solely for the purpose of facilitating comparisons of the combined results with other annual periods presented.
- (2) General and administrative expenses during the fiscal year ended January 30, 2011 includes \$4.6 million and \$4.3 million of transaction costs in the Successor and Predecessor periods, respectively. The Predecessor period of fiscal 2010 also includes \$1.4 million acceleration of stock-based compensation charges related to the Predecessor's stock plan.
- (3) Fair value adjustments made in connection with accounting for the Acquisition resulted in a \$29.1 million increase in depreciable asset values. The fair value adjustments and changes in useful lives to certain assets contributed to higher post-acquisition depreciation expense. The impacts on these fair value adjustments will continue to contribute to higher depreciation for approximately the next fifteen years. However, the impact diminishes over time due to the expiration of useful lives or disposition of the underlying assets.
- (4) As adjusted consolidated statement of operations data gives effect to (i) the 224.9835679 for 1 stock split of our common stock prior to the IPO, (ii) the issuance of 6,764,705 shares in our IPO and (iii) the Refinancing as described in The Refinancing, as if they had occurred on February 4, 2013 with respect to fiscal year 2013 and February 3, 2014 with respect to the thirty-nine weeks ended November 2, 2014. As adjusted net income reflects (i) net decreases in interest expense of (a) \$10,494 and \$22,188 for the thirty-nine weeks ended November 2, 2014 and fiscal 2013, respectively, resulting from the Refinancing pursuant to which our then outstanding debt (which bore interest at a weighted average effective rate of 10.1%) was refinanced with new debt under our new senior secured credit facility bearing interest at a 4.8% effective rate and (b) \$4,408 and \$5,850 for the thirty-nine weeks ended

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November 2, 2014 and fiscal 2013, respectively, resulting from the reduction in debt under our new senior secured credit facility following the prepayment of \$100,000 principal amount thereunder; (ii) the elimination of \$27,578 loss on debt retirement in the thirty-nine weeks ended November 2, 2014 related to the premiums, interest and expense incurred in connection with the Refinancing; (iii) the increase in compensation expense in fiscal 2013 related to the acceleration of certain performance-based options as a result of our initial public offering, effective October 9, 2014, consisting of \$813 relating to the acceleration of unamortized expense and \$630 of additional compensation reflecting an increase in valuation as a result of the modification of the options to remove the performance-based conditions; (iv) the increase in compensation expense of \$701 and \$1,020 for the thirty-nine weeks ended November 2, 2014 and fiscal 2013 respectively, relating to the grants of 444,969 options issued in connection with the initial public offering; (v) the elimination of \$307 expenses incurred during the thirty-nine weeks ended November 2, 2014 related to the initial public offering, which were not capitalized as part of Stockholders' equity; and (vi) the tax effects of these changes on income before taxes, assuming a statutory tax rate of 39%. The as adjusted consolidated statements of operations data is not necessarily indicative of what our results of operations would have been if the transaction had been completed as of the date indicated, such as increased stock-based compensation payments or public company expenses, nor is such data necessarily indicative of our results of operations for any future period.

- (5) Defined as total current assets minus total current liabilities.
- (6) Our location in Nashville, Tennessee, which temporarily closed from May 2, 2010 to November 28, 2011 due to flooding is included in our store count for all periods presented. Included in our January 30, 2011 and January 31, 2010 store counts is a store in Dallas, Texas, which permanently closed on May 2, 2011. Our Kensington/Bethesda, Maryland location (which permanently closed on August 12, 2014) is included in store counts for all periods presented prior to the thirty-nine weeks ended November 2, 2014. Also included in the store counts as of January 29, 2012, January 30, 2011 and January 31, 2010 is a second store in Dallas, Texas, which permanently closed on December 17, 2012.
- (7) Comparable stores are stores open at least 18 months as of the beginning of each of the relevant fiscal years, excluding our one franchised store located in Canada, which ceased operation as a Dave & Buster's on May 31, 2013. Fiscal 2014 comparable stores exclude the Kensington/Bethesda, Maryland location, which permanently closed on August 12, 2014.
- (8) Comparable store sales increase (decrease) reflects the year-over-year changes, on a calendar week basis, for the stores defined as comparable in (7) above.
- (9) Store-level EBITDA is defined by us as 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, as shown in the table below. We use Store-level EBITDA to measure operating performance and returns from opening new stores. Similar to Adjusted EBITDA, Store-level EBITDA is not defined under GAAP and does not purport to be an alternative to net income as a measure of operating performance.

We believe that Store-level EBITDA is another useful measure in evaluating our operating performance because it removes the impact of general and administrative expenses, which are not incurred at the store level, and the costs of opening new stores, which are non-recurring at the store-level, and thereby enables the comparability of the operating performance of our stores for the periods presented. We also believe that Store-level EBITDA 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-level EBITDA 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 preopening costs, as well as our interest expense 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. Our calculation of Store-level EBITDA for the periods is presented below:

| | THIRTY-NINE WEEKS ENDED | | | FISCAL YEAR ENDED | | | |
|---|----------------------------|------------------|------------------|-------------------|-----------------|-----------------|---------------------|
| | NOVEMBER 2014 | NOVEMBER 2013 | FEBRUARY 2014 | FEBRUARY 2013 | JANUARY 2012 | JANUARY 2011 | JANUARY 31, 2010 |
| | | | | | | (Combined) | |
| Net income (loss) | \$ (7,024) | \$ (2,708) | \$ 2,169 | \$ 8,782 | \$ (6,985) | \$ (7,295) | \$ (350) |
| Interest expense, net | 29,826 | 35,879 | 47,809 | 47,634 | 44,931 | 32,462 | 22,122 |
| Loss on debt retirement | 27,578 | | | | | | |
| Provision (benefit) for income taxes | (4,494) | (442) | 1,061 | (12,702) | (3,796) | (3,148) | 99 |
| Depreciation and amortization expense | 52,321 | 49,333 | 66,337 | 63,457 | 54,277 | 50,018 | 53,658 |
| General and administrative expenses | 31,462 | 26,905 | 36,440 | 40,356 | 34,896 | 42,734 | 30,437 |
| Pre-opening costs | 7,942 | 5,175 | 7,040 | 3,060 | 4,186 | 2,289 | 3,881 |
| Store-level EBITDA | \$ 137,611 | \$ 114,142 | \$ 160,856 | \$ 150,587 | \$ 127,509 | \$ 117,060 | \$ 109,847 |

⁽¹⁰⁾ Store-level EBITDA margin represents Store-level EBITDA divided by total revenues. Store-level EBITDA margin allows us to evaluate operating performance of each store across stores of varying size and volume.

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- (11) Adjusted EBITDA is calculated as net income (loss), plus interest expense (net), loss on debt retirement, provision (benefit) for income taxes, depreciation and amortization expense, loss (gain) on asset disposal, gain on acquisition of limited partnership, share-based compensation, currency transaction (gain) loss, pre-opening costs, reimbursement of affiliate and other expenses, change in deferred amusement revenue and ticket liability estimations, transaction and other costs. Adjusted EBITDA is presented because we believe that it provides useful information to investors regarding our operating performance and our capacity to incur and service debt and fund capital expenditures. We believe that Adjusted EBITDA is used by many investors, analysts and rating agencies as a measure of performance. In addition, Adjusted EBITDA is approximately equal to EBITDA as defined in our senior secured credit facility and the indentures governing the senior discount notes and the senior notes, and our presentation of Adjusted EBITDA is consistent with that reported to our lenders and holders of notes to allow for leverage-based assessments. 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. Adjusted EBITDA is a metric utilized to measure performance-based bonuses paid to our executive officers and certain managers. Adjusted EBITDA, however, is not defined by GAAP and should not be considered in isolation or as an alternative to other financial data prepared in accordance with GAAP or as an indicator of the Company's operating performance. Adjusted EBITDA does not represent and should not be considered as an alternative to net income or cash flow from operations, as determined in accordance with GAAP, and our calculations thereof may not be comparable to similarly entitled measures reported by other companies. Although we use Adjusted EBITDA as a measure to assess the operating performance of our business, Adjusted EBITDA has significant limitations as an analytical tool because it excludes certain material costs. For example, Adjusted EBITDA and Adjusted EBITDA margin do not take into account a number of significant items, including our interest expense and depreciation and amortization expense. Because Adjusted EBITDA does not account for these expenses, its utility as a measure of our operating performance has material limitations. In addition, Adjusted EBITDA excludes pre-opening costs and adjustments for changes in the accruals for deferred amusement revenue and ticket liability, which we expect customers to redeem in future periods and which may be important in analyzing our GAAP results. 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 current underlying business of our stores and therefore complicate comparisons of the underlying business between periods. Nevertheless, because of the limitations described above management does not view Adjusted EBITDA in isolation and also uses other measures, such as net sales, gross margin, operating income and net income (loss), to measure operating performance.

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Our calculation of Adjusted EBITDA for the periods presented is set forth below:

| | THIRTY-NINE WEEKS ENDED | | | FISCAL YEAR ENDED | | | |
|--|----------------------------|------------------|------------------|-------------------|--------------|-----------------------------------|---------------------|
| | NOVEMBER 2014 | NOVEMBER 2013 | FEBRUARY 2014 | FEBRUARY 2013 | JANUARY 2012 | JANUARY 30, 2011 (Combined) | JANUARY 31, 2010 |
| Net income (loss) | \$ (7,024) | \$ (2,708) | \$ 2,169 | \$ 8,782 | \$ (6,985) | \$ (7,295) | \$ (350) |
| Interest expense, net | 29,826 | 35,879 | 47,809 | 47,634 | 44,931 | 32,462 | 22,122 |
| Loss on debt retirement | 27,578 | | | | | | |
| Provision (benefit) for income taxes | (4,494) | (442) | 1,061 | (12,702) | (3,796) | (3,148) | 99 |
| Depreciation and amortization expense | 52,321 | 49,333 | 66,337 | 63,457 | 54,277 | 50,018 | 53,658 |
| Loss (gain) on asset disposal ^(a) | 1,267 | 2,183 | 2,631 | 2,640 | 1,279 | (2,397) | 1,361 |
| Gain on acquisition of limited partnership ^(b) | | | | | | | (357) |
| Share-based compensation ^(c) | 1,864 | 908 | 1,207 | 1,099 | 1,038 | 2,491 | 722 |
| Currency transaction loss (gain) ^(d) | (4) | 184 | 622 | (13) | 103 | (143) | (123) |
| Pre-opening costs ^(e) | 7,942 | 5,175 | 7,040 | 3,060 | 4,186 | 2,289 | 3,881 |
| Reimbursement of affiliate and other expenses ^(f) | 472 | 552 | 722 | 799 | 854 | 626 | 905 |
| Change in deferred amusement revenue and ticket liability ^(g) | 2,378 | 3,371 | 4,936 | 2,470 | 1,539 | 1,276 | 932 |
| Transaction and other costs ^(h) | 1,516 | 177 | 256 | 3,252 | 946 | 10,101 | 295 |
| Adjusted EBITDA | \$ 113,642 | \$ 94,612 | \$ 134,790 | \$ 120,478 | \$ 98,372 | \$ 86,280 | \$ 83,145 |

- (a) Represents the net book value of assets (less proceeds received) disposed of during the year. Primarily relates to assets replaced in ongoing operation of business.
 - (b) Represents gain recognized in connection with our acquisition of a 49.9% limited partnership interest in a limited partnership that owns a Dave & Buster's store in the Discover Mills Mall near Atlanta, Georgia.
 - (c) Represents stock compensation expense under our 2010 Stock Incentive Plan and 2014 Stock Incentive Plan.
 - (d) Represents the effect of foreign currency transaction (gains) or losses related to our store in Canada.
 - (e) Represents costs incurred prior to the opening of our new stores.
 - (f) Represents fees and expenses paid directly to our Board of Directors and certain non-recurring payments to management and compensation consultants. It also includes the reimbursement of expenses made to Oak Hill Capital Management, LLC in the amount of \$41, \$115, \$115, \$76, \$297 and \$0 in the thirty-nine weeks ended November 2, 2014 and November 3, 2013 and fiscal years 2013, 2012, 2011 and 2010, respectively. See Certain Relationships and Related Transactions Expense Reimbursement Agreement.
 - (g) Represents quarterly increases or decreases to accrued liabilities established for future amusement game play and the fulfillment of tickets won by customers on our redemption games.
 - (h) Primarily represents costs related to capital markets transactions, severance costs associated with the departure of key executives/organizational restructuring initiatives and store closure costs.
- (12) Adjusted EBITDA margin represents Adjusted EBITDA divided by total revenues. Adjusted EBITDA margin allows us to evaluate our overall operating performance over time by excluding items that we do not believe are indicative of our core operating performance.
- (13) Capital additions is defined as total accrual based additions to property and equipment. Capital additions do not include any reductions for tenant improvement allowances received or receivable from landlords. Tenant improvement allowances toward new store construction totaled \$14,855, \$5,587, \$15,786, \$10,882, \$6,911, \$3,165 and \$8,342 in the thirty-nine weeks ended November 2, 2014 and November 3, 2013 and fiscal years 2013, 2012, 2011, 2010 and 2009, respectively.

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**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 our audited consolidated financial statements and related notes included herein. Unless otherwise specified, the meanings of all defined terms in Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A) are consistent with the meanings of such terms as defined in the Notes to Consolidated Financial Statements. This discussion includes forward-looking statements and assumptions. Please see Cautionary Statement Regarding Forward-Looking Statements for a discussion of the risks, uncertainties and assumptions relating to our forward-looking statements. We define high-volume dining and entertainment venues as those open for at least one full year and with average store revenues in excess of \$5,000 and define year one cash-on-cash return as year one Store-level EBITDA exclusive of national marketing costs divided by net development costs. All dollar amounts in the MD&A are presented in thousands.

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. 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 *Fun American New Gourmet* 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 customers are a balanced mix of men and women, 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 Growth Strategies and Outlook

Our growth is based primarily on the following strategies:

- n Pursue New Store Growth;
- n Grow Our Comparable Store Sales; and
- n Expand the Dave & Buster's Brand Internationally.

For further information about our growth strategies and outlook, see **Business** Our Growth Strategies.

Key Events

On June 1, 2010, Dave & Buster's Entertainment, Inc. (D&B Entertainment), a newly-formed Delaware corporation owned by Oak Hill Capital Partners III, L.P. and Oak Hill Capital Management Partners III, L.P. (collectively, the Oak Hill Funds) acquired all of the outstanding common stock of Dave & Buster's Holdings, Inc. (D&B Holdings) from Wellspring Capital Partners III, L.P and HBK Main Street Investors L.P. In connection therewith, Games Merger

Corp., a newly-formed Missouri corporation and an indirect wholly-owned subsidiary of D&B Entertainment, merged with and into D&B Holdings wholly-owned, direct subsidiary, Dave & Buster's, Inc. (with Dave & Buster's, Inc. being the surviving corporation in the merger).

On October 9, 2014, we amended our certificate of incorporation to increase our authorized share count to 450,000,000 shares of stock, including 400,000,000 shares of common stock and 50,000,000 shares of preferred stock, each with a par value of \$0.01 per share and to split our common stock 224.9835679 for 1. On October 16, 2014, we amended and restated our certificate of incorporation in its entirety.

On October 9, 2014, we completed our initial public offering of 5,882,353 shares of common stock at a price to the public of \$16.00 per share. On October 10, 2014, the Company's common stock began trading on the NASDAQ Global Market under the ticker symbol PLAY. We granted the underwriters an option for a period of 30 days to purchase an additional 882,352 shares of our common stock which was exercised in full on October 21, 2014. After underwriting discounts and commissions and offering expenses, we received net proceeds from the IPO of approximately \$98,573. We used these proceeds to prepay a portion of the principal amount of term loan debt outstanding under the new senior secured credit facility.

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As a result of the IPO and the prepayment of a portion of our new senior credit facility, we expect to have lower interest expense, but we also expect to incur incremental costs as a public company. Incremental costs include legal, accounting, insurance and other compliance costs.

Following the issuance of the shares sold in the IPO, the Company had a total of 39,969,233 common shares outstanding and no preferred shares outstanding as of November 2, 2014.

Prior to this offering, the Oak Hill Funds beneficially own 79.2% of our outstanding common stock and have the right to appoint certain members of our Board of Directors. Certain members of our Board of Directors and management control approximately 3.7% of our outstanding common stock. The remaining 17.1% is owned by the public.

D&B Entertainment has no material assets or operations other than 100% ownership of the outstanding common stock of D&B Holdings. D&B Holdings has no material assets or operations other than 100% ownership of the outstanding common stock of Dave & Buster's, Inc. As such, the following discussion, unless specifically identified otherwise, addresses the operations of Dave & Buster's, Inc.

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 a period which have been opened 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. The total number of stores included in our comparable store set was 57, 55, 55, 54 and 52 stores as of the end of our thirty-nine weeks ended November 2, 2014 and November 3, 2013 and 2013, 2012 and 2011 fiscal years, respectively. Comparable store counts as of November 2, 2014 exclude our Kensington/Bethesda, Maryland location, which permanently closed on August 12, 2014.

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.

Our new locations typically open with sales volumes in excess of their run-rate levels, which we refer to as a honeymoon effect. We expect our new store volumes in year two to be 15% to 20% lower and our Store-level Adjusted EBITDA margins to be two to five percentage points lower in the second full year of operations 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 and the seasonality of our business, the number and timing of new store openings will result in significant fluctuations in quarterly results.

Store-level EBITDA and Store-level EBITDA Margin. We define Store-level EBITDA as 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. We use Store-level EBITDA to measure operating performance and returns from opening new stores. Store-level EBITDA Margin is defined as Store-level EBITDA divided by total revenues. Store-level EBITDA Margin allows us to evaluate operating performance of each store across stores of varying size and volume.

We believe that Store-level EBITDA is another useful measure of evaluating our operating performance because it removes the impact of general and administrative expenses, which are not incurred at the store-level, and the costs of opening new stores, which are non-recurring at the store-level, and thereby enables the comparability of the operating performance of our stores for the periods presented. We also believe that Store-level EBITDA 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-level EBITDA 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 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.

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Adjusted EBITDA. We define Adjusted EBITDA as net income (loss), plus interest expense (net), loss on debt retirement, provision (benefit) for income taxes, depreciation and amortization expense, loss on asset disposal, share-based compensation, currency transaction (gain) loss, pre-opening costs, reimbursement of affiliate and other expenses, change in deferred amusement revenue and ticket liability estimations, transaction costs and other.

Adjusted EBITDA is presented because we believe that it provides useful information to investors regarding our operating performance and our capacity to incur and service debt and fund capital expenditures. We believe that Adjusted EBITDA is used by many investors, analysts and rating agencies as a measure of performance. In addition, Adjusted EBITDA is approximately equal to EBITDA as defined in our new senior credit facility and our presentation of Adjusted EBITDA is consistent with that reported to our lenders to allow for leverage-based assessments. 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. Adjusted EBITDA is also a metric utilized to measure performance-based bonuses paid to our executive officers and certain managers.

Adjusted EBITDA Margin. Adjusted EBITDA Margin represents Adjusted EBITDA divided by total revenues. Adjusted EBITDA Margin allows us to evaluate our overall operating performance over time by excluding the impact of varying revenue volumes.

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 quarter consists of 13 weeks, except for a 53 week year when the fourth quarter consists of 14 weeks. Our 2012 fiscal year consisted of 53 weeks and all other years presented consist of 52 weeks. All references to 2014, fiscal 2014, fiscal year 2014 or similar references relate to the 52 week period ended February 1, 2015. All references to 2013, fiscal 2013, fiscal year 2013 or similar references relate to the 52 week period ended February 2, 2014. All references to 2012, fiscal 2012, fiscal year 2012 or similar references relate to the 53 week period ended February 3, 2013. All references to 2011, fiscal 2011, fiscal year 2011 or similar references relate to the 52 week period ended January 29, 2012.

As a result of the 53 week fiscal year in 2012, our 2013 fiscal year began one week later than our 2012 fiscal year. In order to provide useful information to investors to better analyze our business, we have provided comparable store sales presented on a calendar week basis. Comparable store sales for year-to-date on a calendar week basis compares the results for the period from February 4, 2013 through February 2, 2014 (weeks 1 through 52 of our 2013 fiscal year) to the results for the period from February 6, 2012 through February 3, 2013 (weeks 2 through 53 of our 2012 fiscal year). The fiscal year 2012 comparable store sales have been adjusted to remove the impact of the 53rd week prior to calculating the year-over-year comparable sales change percentage. We believe comparable store sales calculated on a calendar week basis is more indicative of the health of our business. However, we also recognize that comparable store sales growth calculated on a fiscal week basis is a useful measure when analyzing year-over-year changes in our financial statements.

Key Line Item Descriptions

Revenues. Total revenues consist of food and beverage revenues as well as amusement and other revenues. Beverage revenues refer to alcoholic beverages. For the thirty-nine weeks ended November 2, 2014, we derived 32.3% of our total revenue from food sales, 15.1% from beverage sales, 51.8% from amusement sales and 0.8% from other sources. For the year ended February 2, 2014, we derived 33.6% of our total revenue from food sales, 15.2% from beverage sales, 50.4% from amusement sales and 0.8% from other sources. For the year ended February 3, 2013, we derived

33.9% of our total revenue from food sales, 15.2% from beverage sales, 50.1% from amusement sales and 0.8% from other sources. Our revenues are primarily influenced by the number of stores in operation and comparable store revenue. Comparable store revenue growth reflects the change in year-over-year revenue for the comparable store base and is an important measure of store performance. Comparable store sales growth can be generated by increases in average dollars spent per customer and improvements in customer traffic and mix.

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We continually monitor the success of current food and beverage items, the availability of new menu offerings, the menu price structure and our ability to adjust prices where competitively appropriate. With respect to the beverage component, we operate fully licensed facilities, which means that we offer full beverage service, including alcoholic beverages, throughout each store.

Our stores also offer an extensive array of amusements and entertainment options, with typically over 150 redemption and simulation games. We also offer traditional pocket billiards and shuffleboard. Redemption games offer our customers the opportunity to win tickets that can be redeemed for prizes in the Winner's Circle, ranging from branded novelty items to high-end home electronics. Our redemption games include basic games of skill, such as skeeball and basketball, as well as competitive racing, and individual electronic games of skill. We review the amount of game play on existing amusements in an effort to match amusements availability with customer preferences. We intend to continue to invest in new games as they become available and prove to be attractive to our customers. Our unique venue allows us to provide our customers with value driven food and amusement combination offerings including our Eat & Play Combo (a promotion that provides a discounted Power Card in combination with select entrées), Super Charge Power Card offerings (when purchasing or adding value to a Power Card, the customer is given the opportunity to add 25% more chips to the Power Card for a small upcharge), Half-Price Game Play (every Wednesday, from open to close, we reduce the price of every game in the Midway by one-half), Everyone's a Winner (a limited-time offer providing a prize to every customer that purchases or adds value to a Power Card in the amount of \$10 or more). We also offer various food and beverage discounts during key sports viewing times. In addition, from time to time we have limited time offers which allow our customers to play certain new games for free as a way to introduce those new games.

The special events portion of our business represented 10.1% of our total revenues in the thirty-nine weeks ended November 2, 2014. We believe our special events business is an important sampling and promotional opportunity for our customers because many customers are experiencing Dave & Buster's for the first time. Accordingly, a considerable emphasis is placed on the special events portion of our business.

Cost of Products. Cost of products includes the cost of food, beverages and the Winner's Circle redemption items. For the thirty-nine weeks ended November 2, 2014, the cost of food products averaged 26.6% of food revenue and the cost of beverage products averaged 23.9% of beverage revenue. The amusement and other cost of products averaged 13.9% of amusement and other revenues for the thirty-nine weeks ended November 2, 2014. For the fiscal year ended February 2, 2014, the cost of food products averaged 25.6% of food revenue and the cost of beverage products averaged 23.7% of beverage revenue. The amusement and other cost of products averaged 14.6% of amusement and other revenues for fiscal year 2013. For the fiscal year ended February 3, 2013, the cost of food products averaged 24.9% of food revenue and the cost of beverage products averaged 23.4% of beverage revenue. The amusement and other cost of products averaged 14.9% of amusement and other revenues for fiscal year 2012. The cost of products is driven by product mix and pricing movements from third-party suppliers. We continually strive to gain efficiencies in both the acquisition and use of products while maintaining high standards of product quality.

Operating Payroll and Benefits. Operating payroll and benefits consist of wages, employer taxes and benefits for store personnel. We continually review the opportunity for efficiencies, principally through scheduling refinements.

Other Store Operating Expenses. Other store operating expenses consist primarily of store-related occupancy, supply and outside service expenses, utilities, repair and maintenance and marketing and promotional costs.

General and Administrative Expenses. General and administrative expenses consist primarily of personnel, facilities and professional expenses for the various departments of our corporate headquarters.

Depreciation and Amortization Expense. Depreciation and amortization expense includes the depreciation of fixed assets and the amortization of trademarks with finite lives.

Pre-Opening Costs. Pre-opening costs include costs associated with the opening and organizing of new stores, including pre-opening rent (rent expense recognized during the period between date of possession and the store's opening date), staff training and recruiting, and travel costs for employees engaged in such pre-opening activities.

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Interest Expense. Interest expense includes the cost of our debt obligations including the amortization of loan fees and original issue discounts, net of any interest income earned.

Loss on Debt Retirement. Loss on debt retirement consists of the write-off of unamortized loan costs and original issue discount and other fees associated with the refinancing of our debt. It also includes losses associated with the prepayment of debt with proceeds from our IPO.

Benefit for Income Taxes. Benefit for income taxes represents federal, state, and foreign current and deferred income tax provision.

Liquidity and Cash Flows

The primary source of cash flow is from our operating activities and availability under the revolving credit facility.

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.

We also expect seasonality to be a factor in the operation or results of the business in the future with higher first and fourth quarter revenues associated with the spring and year-end holidays. These quarters will continue to be susceptible to the impact of severe 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 volatile economic conditions 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 or state minimum wage rates will not increase beyond amounts currently legislated, the effects of any supplier price increases or minimum wage rate increases are expected to be partially offset by selected menu price increases where competitively appropriate.

Table of Contents**Results of Operations****Thirty-Nine Weeks Ended November 2, 2014 Compared to Thirty-Nine Weeks Ended November 3, 2013**

Results of Operations. The following tables set 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 consolidated statements of comprehensive income (loss).

| | THIRTY-NINE WEEKS ENDED NOVEMBER 2, 2014 | | THIRTY-NINE WEEKS ENDED NOVEMBER 3, 2013 | |
|---|---|---------------|---|---------------|
| Food and beverage revenues | \$ 256,077 | 47.4% | \$ 222,508 | 47.9% |
| Amusement and other revenues | 283,605 | 52.6 | 241,700 | 52.1 |
| Total revenues | 539,682 | 100.0 | 464,208 | 100.0 |
| Cost of food and beverage (as a percentage of food and beverage revenues) | 65,939 | 25.7 | 55,988 | 25.2 |
| Cost of amusement and other (as a percentage of amusement and other revenues) | 39,335 | 13.9 | 35,255 | 14.6 |
| Total cost of products | 105,274 | 19.5 | 91,243 | 19.7 |
| Operating payroll and benefits | 126,357 | 23.4 | 108,716 | 23.4 |
| Other store operating expenses | 170,440 | 31.6 | 150,107 | 32.3 |
| General and administrative expenses | 31,462 | 5.8 | 26,905 | 5.8 |
| Depreciation and amortization expense | 52,321 | 9.7 | 49,333 | 10.6 |
| Pre-opening costs | 7,942 | 1.5 | 5,175 | 1.1 |
| Total operating costs | 493,796 | 91.5 | 431,479 | 92.9 |
| Operating income | 45,886 | 8.5 | 32,729 | 7.1 |
| Interest expense, net | 29,826 | 5.5 | 35,879 | 7.8 |
| Loss on debt retirement | 27,578 | 5.1 | | |
| Loss before benefit for income taxes | (11,518) | (2.1) | (3,150) | (0.7) |
| Benefit for income taxes | (4,494) | (0.8) | (442) | (0.1) |
| Net loss | \$ (7,024) | (1.3)% | \$ (2,708) | (0.6)% |
| Change in comparable store sales ⁽¹⁾ | | 6.2% | | 1.0% |
| Company owned stores open at end of period ⁽²⁾ | | 70 | | 64 |
| Comparable stores open at end of period ⁽¹⁾ | | 57 | | 55 |

- (1) Comparable store sales (year-over-year comparison of stores operating at the end of the fiscal period and open at least 18 months as of the beginning of each of the fiscal years) 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. Fiscal 2014 comparable store sales exclude sales from our Kensington/Bethesda, Maryland location, which permanently closed on August 12, 2014.
- (2) Our Kensington/Bethesda, Maryland location (which permanently closed on August 12, 2014) is included in our store count for fiscal 2013.

Store openings during the thirty-nine week periods ended November 2, 2014 and November 3, 2013 were as follows:

| THIRTY-NINE WEEKS ENDED | | THIRTY-NINE WEEKS ENDED | |
|--------------------------------|---------------------|--------------------------------|---------------------|
| NOVEMBER 2, 2014 | | NOVEMBER 3, 2013 | |
| LOCATION | OPENING DATE | LOCATION | OPENING DATE |
| Westchester, CA (Los Angeles) | 2/19/2014 | Virginia Beach, VA | 7/20/2013 |
| Vernon Hills, IL (Chicago) | 3/26/2014 | Syracuse, NY | 8/21/2013 |
| Panama City Beach, FL | 5/26/2014 | Albany, NY | 8/24/2013 |
| Los Angeles, CA | 8/25/2014 | | |
| Manchester, CT (Hartford) | 9/22/2014 | | |

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Total revenues increased \$75,474, or 16.3%, in the thirty-nine weeks ended November 2, 2014 compared to the thirty-nine weeks ended November 3, 2013.

The increased revenues were derived from the following sources:

| | |
|-----------------------|---------------|
| Non-comparable stores | \$ 49,864 |
| Comparable stores | 26,447 |
| Other | (837) |
| Total | \$ 75,474 |

Comparable store revenue increased \$26,447, or 6.2% in the thirty-nine weeks ended November 2, 2014 compared to the thirty-nine weeks ended November 3, 2013. Comparable store walk-in revenues, which accounted for 89.5% of consolidated comparable store revenue in the thirty-nine weeks ended November 2, 2014, increased \$24,265, or 6.4% compared to the same period of 2013. The increase in comparable walk-in sales is attributable to strong marketing initiatives including continued advertising during sporting events and the addition of a new cable television network to our national media campaign. Comparable store special events revenues, which accounted for 10.5% of consolidated comparable store revenue in the thirty-nine weeks ended November 2, 2014, increased \$2,182, or 4.8% compared to the comparable period in 2013.

Food sales at comparable stores increased by \$4,448, or 3.1%, to \$145,736 in the thirty-nine weeks ended November 2, 2014 from \$141,288 in the same period of 2013. Beverage sales at comparable stores increased by \$5,826, or 9.2%, to \$68,854 in the thirty-nine weeks ended November 2, 2014 from \$63,028 in the thirty-nine weeks ended November 3, 2013. Comparable store amusement and other revenues in the thirty-nine weeks ended November 2, 2014 increased by \$16,173, or 7.3%, to \$237,034 from \$220,861 in the thirty-nine weeks ended November 3, 2013. The growth over 2013 in amusement sales was driven by increased national advertising highlighting our amusement products, our Half-Price Game Play Wednesdays offer and Power Card up-sell initiatives.

Non-comparable store revenue increased \$49,864, or 126.0%, in the thirty-nine weeks ended November 2, 2014 compared to the thirty-nine weeks ended November 3, 2013. The increase in non-comparable store revenue was primarily driven by 266 additional store weeks contributed by our 2013 and 2014 store openings compared to the similar period in fiscal 2013. This increase was partially offset by revenue decreases in our stores opened in the second and third quarters of fiscal 2013, due to those stores coming out of the honeymoon period, and decreased revenue at our Kensington/Bethesda, Maryland location, which permanently closed on August 12, 2014.

Our revenue mix was 32.3% for food, 15.1% for beverage, and 52.6% for amusements and other for the thirty-nine weeks ended November 2, 2014. This compares to 33.2%, 14.7%, and 52.1%, respectively, for the thirty-nine weeks ended November 3, 2013.

Cost of Products

Cost of food and beverage products increased to \$65,939 in the thirty-nine weeks ended November 2, 2014 compared to \$55,988 in the thirty-nine weeks ended November 3, 2013 due primarily to the increased sales volume described above. Cost of food and beverage products, as a percentage of food and beverage revenues, increased 50 basis points to 25.7% for the thirty-nine weeks ended November 2, 2014 from 25.2% for the thirty-nine weeks ended November 3, 2013. Increased cost in our meat and seafood categories were partially offset by reduced poultry costs.

Cost of amusement and other increased to \$39,335 in the thirty-nine weeks ended November 2, 2014 compared to \$35,255 in the thirty-nine weeks ended November 3, 2013. The costs of amusement and other, as a percentage of amusement and other revenues decreased 70 basis points to 13.9% for the thirty-nine weeks ended November 2, 2014 from 14.6% for the thirty-nine weeks ended November 3, 2013. This decrease was driven by a reduction in

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the redemption cost per ticket redeemed as a result of Winner's Circle price increases, efficiencies in procurement of items available for redemption in our Winner's Circle and favorable experience in our redemption liability reserves.

Operating Payroll and Benefits

Operating payroll and benefits increased by \$17,641, or 16.2%, to \$126,357 in the thirty-nine weeks ended November 2, 2014 compared to \$108,716 in the thirty-nine weeks ended November 3, 2013, primarily due to new store openings during the second half of fiscal 2013 and in the thirty-nine weeks ended November 2, 2014. The total cost of operating payroll and benefits, as a percent of total revenues, is 23.4% in both the thirty-nine weeks ended November 2, 2014 and November 3, 2013.

Other Store Operating Expenses

Other store operating expenses increased by \$20,333, or 13.5%, to \$170,440 in the thirty-nine weeks ended November 2, 2014 compared to \$150,107 in the thirty-nine weeks ended November 3, 2013, primarily due to new store openings and higher cost of marketing due to increases in the underlying price of the media, strategic shifts in media purchasing and increased subscription costs associated with sports related viewing events. Other store operating expenses as a percentage of total revenues decreased 70 basis points to 31.6% in the thirty-nine weeks ended November 2, 2014 compared to 32.3% for the same period of 2013 due primarily to favorable operating leverage of operating costs on increased revenue. This favorable leverage was principally driven by fixed occupancy costs.

General and Administrative Expenses

General and administrative expenses increased by \$4,557, or 16.9%, to \$31,462 in the thirty-nine weeks ended November 2, 2014 compared to \$26,905 in the thirty-nine weeks ended November 3, 2013. The increase in general and administrative expenses was significantly impacted by share-based compensation charges totalling \$1,080 related to the modification of vesting requirements and forfeiture assumptions on grants made prior to our IPO. Additionally, increased labor costs at our corporate headquarters, legal fees related to litigation regarding our Kensington/Bethesda, Maryland location which permanently closed on August 12, 2014, incentive compensation expense and costs associated with our IPO resulted in higher expense levels than the comparable prior year period. General and administrative expenses, as a percentage of total revenues, was 5.8% in the thirty-nine weeks ended November 2, 2014 and the thirty-nine weeks ended November 3, 2013.

Depreciation and Amortization Expense

Depreciation and amortization expense increased by \$2,988, or 6.1%, to \$52,321 in the thirty-nine weeks ended November 2, 2014 compared to \$49,333 in the comparable period of 2013. Increased depreciation on our 2013 and 2014 capital additions was partially offset by the absence of accelerated depreciation charges associated with our Kensington/Bethesda, Maryland store and other assets reaching the end of their depreciable lives.

Pre-Opening Costs

Pre-opening costs increased by \$2,767 to \$7,942 in the thirty-nine weeks ended November 2, 2014 compared to \$5,175 in the thirty-nine weeks ended November 3, 2013 due to the timing and increased number of new store openings.

Interest Expense

Interest expense decreased by \$6,053 to \$29,826 in the thirty-nine weeks ended November 2, 2014 compared to \$35,879 in the thirty-nine weeks ended November 3, 2013. This decrease was due to the refinancing described in

Liquidity and Capital Resources and lower interest rates on our term loan facility prior to the refinancing in fiscal 2014, due to an amendment to the prior senior secured credit facility executed in May 2013. These decreases were partially offset by increased interest accretion on the senior discount notes, recognized prior to the refinancing.

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Loss on Debt Retirement

In connection with the July 25, 2014 debt refinancing (see Liquidity and Capital Resources for further discussion), the Company recorded a pre-tax charge of \$25,992. This charge includes non-cash charges of \$6,994 resulting from the write-off of certain unamortized debt issuance costs and the unamortized discount associated with the prior senior secured credit facility, \$12,833 related to the early redemption of the senior notes, \$6,124 related to the early redemption of the senior discount notes and \$41 of legal expenses related to the prior senior secured credit facility. In the third quarter of 2014 the company wrote off \$1,586 in unamortized debt costs related to the use of IPO proceeds and available cash balances to prepay \$100,000 principal amount of our new term loan facility.

Income Tax Benefit

The income tax benefit for the thirty-nine weeks ended November 2, 2014 was \$4,494 compared to an income tax benefit of \$442 for the thirty-nine weeks ended November 3, 2013. Our effective tax rate differs from the statutory rate due to the FICA tip credits, state income taxes and the impact of certain expenses, which are not deductible for income tax purposes and changes in the tax valuation allowance.

In assessing the realizability of deferred tax assets, at November 2, 2014 we considered whether it is more likely than not that some or all of the deferred tax assets will not be realized. Accordingly, we have established a valuation allowance of \$923 for deferred tax assets associated with state taxes and uncertain tax positions. The ultimate realization of our deferred tax assets is dependent on the generation of future taxable income during periods in which temporary differences and carryforwards become deductible.

We follow established accounting guidance for uncertainty in income taxes. This guidance limits the recognition of income tax benefits to those items that meet the more likely than not threshold on the effective date. As of November 2, 2014, we have accrued approximately \$457 of unrecognized tax benefits and approximately \$316 of penalties and interest. During the thirty-nine weeks ended November 2, 2014, we decreased our unrecognized provision by \$19 and increased our accrual for interest and penalties by \$25. Because of the impact of deferred tax accounting, \$330 of unrecognized tax benefits, if recognized, would affect the effective tax rate.

We file income tax returns, which are periodically audited by various federal, state and foreign jurisdictions. We are generally no longer subject to federal, state, or foreign income tax examinations for years prior to fiscal 2009.

As of February 2, 2014, we had approximately \$10,248 of available federal tax credit carryforwards. There is a 20-year carryforward on general business credits and AMT credits can be carried forward indefinitely.

On December 16, 2014, Congress passed the Tax Increase Prevention Act of 2014 (the Act). The Act includes provisions that accelerate the recognition of depreciation expense, for tax purposes, related to certain assets placed in service between January 1, 2014 and December 31, 2014. We are currently evaluating the impact of the Act and anticipate that the acceleration of depreciation will reduce the amount of federal taxes payable and the amount of tax credits utilized in the current year.

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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 consolidated statements of operations included in our consolidated financial statements. The following table presents the results of operations for fiscal year 2013 and fiscal year 2012:

| | FISCAL YEAR ENDED | | | |
|---|-----------------------------|--------------|-----------------------------|--------------|
| | FEBRUARY 2, 2014 | | FEBRUARY 3, 2013 | |
| Food and beverage revenues | \$ 310,111 | 48.8% | \$ 298,421 | 49.1% |
| Amusement and other revenues | 325,468 | 51.2 | 309,646 | 50.9 |
| Total revenues | 635,579 | 100.0 | 608,067 | 100.0 |
| Cost of food and beverage (as a percentage of food and beverage revenues) | 77,577 | 25.0 | 73,019 | 24.5 |
| Cost of amusement and other (as a percentage of amusement and other revenues) | 47,437 | 14.6 | 46,098 | 14.9 |
| Total cost of products | 125,014 | 19.7 | 119,117 | 19.6 |
| Operating payroll and benefits | 150,172 | 23.6 | 145,571 | 23.9 |
| Other store operating expenses | 199,537 | 31.4 | 192,792 | 31.7 |
| General and administrative expenses | 36,440 | 5.8 | 40,356 | 6.8 |
| Depreciation and amortization expense | 66,337 | 10.4 | 63,457 | 10.4 |
| Pre-opening costs | 7,040 | 1.1 | 3,060 | 0.5 |
| Total operating costs | 584,540 | 92.0 | 564,353 | 92.9 |
| Operating income | 51,039 | 8.0 | 43,714 | 7.1 |
| Interest expense, net | 47,809 | 7.5 | 47,634 | 7.8 |
| Income (loss) before provision (benefit) for income taxes | 3,230 | 0.5 | (3,920) | (0.7) |
| Provision (benefit) for income taxes | 1,061 | 0.2 | (12,702) | (2.1) |
| Net income | \$ 2,169 | 0.3% | \$ 8,782 | 1.4% |
| Change in comparable store sales ⁽¹⁾ | | 1.0% | | 3.0% |
| Stores open at end of period ⁽²⁾ | | 66 | | 61 |
| Comparable stores open at end of period ⁽¹⁾ | | 55 | | 54 |

- (1) Comparable store sales (year-over-year comparison of stores open at the end of the period which have been opened for at least 18 months as of the beginning of each of the fiscal years) 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. The change in comparable store sales for fiscal 2013 has been calculated on a comparable calendar week basis as described previously.
- (2) The number of stores open excludes one franchise location in Canada that ceased operations as Dave & Buster's on May 31, 2013. Our location in Dallas, Texas, which was permanently closed on December 17, 2012, was excluded from our 2012 store count. Our new store openings during the last two fiscal years were as follows:

| FISCAL YEAR ENDED FEBRUARY 2, 2014 | | FISCAL YEAR ENDED FEBRUARY 3, 2013 | |
|---|---------------------|---|---------------------|
| LOCATION | OPENING DATE | LOCATION | OPENING DATE |