



**Luby's**  
.....  
Culinary Services

**Investor Presentation  
January 25, 2017**

**Luby's**

# Safe Harbor Statement



Statements made in this presentation and on the conference call, including statements made during the question-and-answer session, regarding Luby's future financial and operating results, as well as plans for expansion of the Company's business, including the expected financial performance of the Company's prototype restaurants and future openings, are forward-looking statements. These statements include risks and uncertainties, including but not limited to, general business conditions, the impact of competition, success of operating initiatives, changes in the constant cost and supply of food and labor and seasonality of the Company's business, taxes, inflation, governmental regulations, and availability of credit, as well as other risks and uncertainties disclosed in the Company's periodic reports on Forms 10-K and Forms 10-Q.

# Forward Looking Statements



Some of the statements in this presentation constitute “forward looking statements” about Luby’s, Inc. and its subsidiaries that involve risks, uncertainties and assumptions, including without limitation, our discussion and analysis of our financial condition and results of operations. These forward looking statements generally can be identified by use of phrases such as “believe,” “plan,” “expect,” “anticipate,” “intend,” “forecast” or other similar words or phrases in conjunction with a discussion of future operating or financial performance. Descriptions of our objectives, goals, targets, plans, strategies, costs, anticipated capital expenditures, expected cost savings, costs of our store rebranding initiatives, expansion of our foodservice offerings, potential acquisitions, and potential new store openings and dealer locations, are also forward looking statements. These statements represent our present expectations or beliefs concerning future events and are not guarantees. Such statements speak only as of the date they are made, and we do not undertake any obligation to update any forward looking statement.

Acceptance of the Management Presentation further constitutes your acknowledgement and agreement that neither Luby’s, Inc. (“Luby’s”) nor any of its directors, employees, controlling persons, agent or advisers (collectively, the “Representatives”) makes any express or implied representation or warranty as to the accuracy or completeness of the information contained herein and shall have no liability to the recipient or its Representatives relating to or arising from the use of the information contained herein or any omissions there from.

We caution that forward looking statements involve risks and uncertainties and are qualified by important factors that could cause actual events or results to differ materially from those expressed or implied in any such forward looking statements. For a discussion of these factors and other risks and uncertainties, please refer to our filings with the Securities and Exchange Commission (“the SEC”). We intend for the forward looking statements to be covered by the Safe Harbor provisions for forward looking statements contained in the Private Securities Litigation Reform Act of 1995, and are including this statement for purpose of complying with these Safe Harbor provisions.

# Non-GAAP Measures



We evaluate segment performance based on store level profit, which excludes selling, general and administrative expense, depreciation expense, opening costs, net interest expense and other non-operating income and expense. The Company has three reportable segments: Company-owned restaurants, Franchise operations and Culinary contract services

This Non-GAAP measure, store level profit or segment level profit, is defined for each business segment below, is not intended to replace or provide for more prominence over any GAAP measurement. We do believe the presentation of store level profit or segment level profit is useful to investors in understanding our restaurant level operational performance compared to previous periods and to other competitors.

- Company-owned restaurant segment: Restaurant sales plus vending income less Cost of food less Payroll and related costs less Other operating expenses less Occupancy costs without allocation of Selling, general, and administration (SG&A), depreciation, interest or other expenses
- Franchise operations segment: Franchise revenue less Cost of franchise operations (including direct SG&A), without allocation of other SG&A, depreciation, interest or other expenses
- Culinary contract services segment: Culinary contract service sales less Cost of culinary contract services (including direct SG&A) without allocation of other SG&A, depreciation, interest or other expenses

We evaluate total company performance on EBITDA. This Non-GAAP measure is defined as income from continuing operations before interest, income taxes, depreciation and amortization. It is also before asset impairment charges and gains and losses on dispositions. EBITDA does not include net other income. EBITDA was presented because it is frequently used by security analysts, investors, and other interested parties, in addition to and not in lieu of Generally Accepted Accounting Principles (GAAP). EBITDA is not a measurement of financial performance under GAAP and should not be considered an alternative to income from continuing operations. A reconciliation of income from continuing operations to EBITDA for each period presented is provided.

# Appealing Brands



## Luby's Culinary Services

launched in 2006 with a mission to redefine the food contract service industry. To be the best, not necessarily the biggest, is the daily mantra across this growing brand that is designed to serve the corporate, hospital and higher education market.

## Luby's Cafeterias

was founded in 1947 in San Antonio, TX with a mission to be the most successful cafeteria company in America. By serving customers convenient, great-tasting, home-style meals at an excellent value in a friendly environment.

**Fuddruckers** has been delivering uncompromised quality and in-your-face freshness while inspiring guests to build their own World's Greatest Hamburger<sup>®</sup> since 1980. Fuddruckers Hamburgers is known for its lively atmosphere, premium-cut, grilled-to-order beef, scratch-made buns and market fresh produce.

## Cheeseburger in Paradise

offers a laid back beach party atmosphere where guests can leave the stress of everyday life behind and enjoy an ice cold beverage. A place where the food is awesome, the cocktails are hand crafted and you can enjoy a one-of-a-kind Kicked Back Vibe.

# Well Established Brands



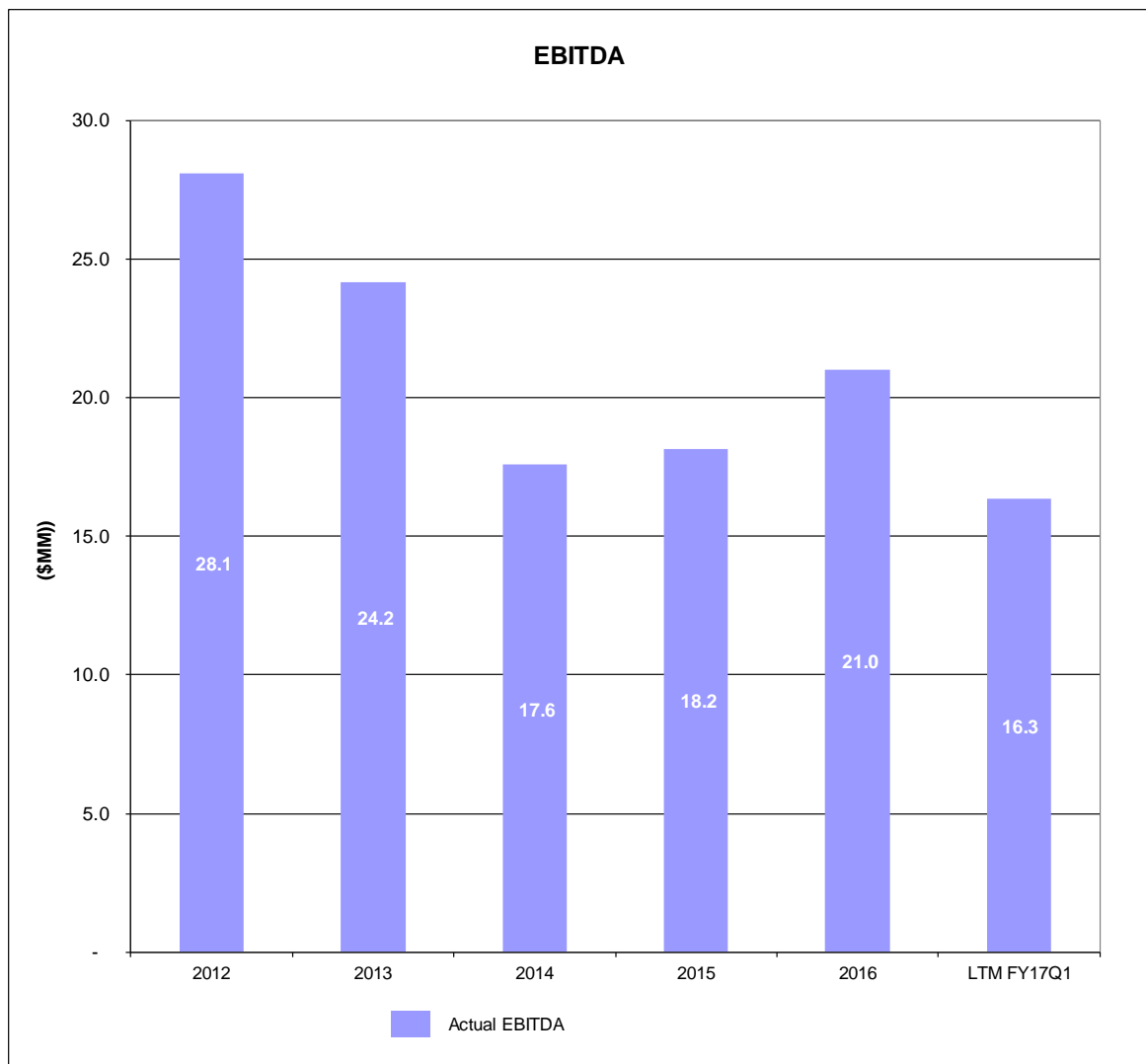
- Trade on NYSE since 1982
- Approximately \$400M in Annual Revenues
- System-wide sales \$540M (including Fuddruckers Franchises)
- Operate primarily 91 Luby's Cafeterias, 73 Fuddruckers restaurants, and 8 Cheeseburger in Paradise Restaurants
- Operated Luby's Cafeterias for 69+ years, Fuddruckers for 6+ Years, and Cheeseburger in Paradise over 3 years
- Support 114 Fuddruckers franchises across the United States (including Puerto Rico), Canada, Mexico, Dominican Republic, Italy, Panama, and Colombia
- Providing Contract Culinary Services at 23 locations

# Milestones



- July 2010 - Acquired (110+) Fuddruckers franchise and selected (59+) company units;
- FY 2011 - Began acquiring pipeline locations for Luby's and Fuddruckers brands for future new unit growth, began sale of domestic and international Fuddruckers franchise units; Relo new Luby's Sept 2011
- Aug 2012 - Design and open first Combo (Multi Brand) property in Pearland TX
- Dec 2012 - Acquired 23 leased locations for existing concept turn-around or sites to convert to Fuddruckers
- FY 2014 - Converted 3 Cheeseburger in Paradise units to Fuddruckers, Closed 15 locations, began planning for more conversions to Fuddruckers
- FY 2014 – 15 store openings, including 12 new restaurant locations
- FY2015 – Opened eight Fuddruckers (three converted from Cheeseburger in Paradise and one converted from Koo Koo Roo) and opened first Combo location outside Texas: Jackson, MS
- FY2016 – Opened three Fuddruckers (two converted from Cheeseburger in Paradise), opened 13 franchised Fuddruckers restaurants (most in any single year) Fuddruckers brand reaches 8 countries outside U.S.
- See recent news releases at [www.lubysinc.com/investors](http://www.lubysinc.com/investors)

# EBITDA



EBITDA = Income from Continuing Operations + Income Taxes + Depreciation + Interest Expense + Net Loss/(Gain) on Dispositions + Asset Impairments + Non-cash compensation expense + Share based compensation expense - Other Income



- Balance between capital allocation approaches:
  - “Capital intensive” investments with new restaurants
  - “Low/no capital requirement” investments with Culinary Contract Service and Fuddrucker's Franchise Business segments
  
- Develop restaurant prototypes for growth
  
- Reinvest in existing restaurants to sustain and grow cash flow
  
- Maintain acceptable debt levels

# FY2017 Capital investments



<i>(\$MM)</i>	<b>FY13 Total</b>	<b>FY14 Total</b>	<b>FY15 Year</b>	<b>FY16 YTD</b>	<b>FY17 Q1</b>
Land	\$ 4.8	\$ 12.2	\$ 3.2	\$ -	\$ -
New Construction	14.7	16.9	2.5	1.2	0.1
Remodels/Conversions	5.4	6.5	7.8	8.1	2.0
Recurring/Maint. *	6.4	10.6	7.0	9.0	2.9
<b>Total</b>	<b>\$ 31.3</b>	<b>\$ 46.2</b>	<b>\$ 20.4</b>	<b>\$ 18.3</b>	<b>\$ 5.0</b>

\* Includes new technology upgrades

Expect FY2017 Capital Expenditures to be \$16 million.

- 50%/50% Owned/Leased Properties
- Owning locations offers greater flexibility when time to relocate/exit as capital can be “recycled” into another location and building. Represents a long term asset for shareholder value and site flexibility.
- Match own versus lease decision to the property purpose
  - Combo locations require larger parcel of land where “buy” economics are typically superior
  - Cafeteria locations also require larger parcel of land and a customized building where owning is typically, but not always, preferred
  - Fuddruckers units offer more flexibility in configurations and size and are often more suitable in leased locations

# FY2017 Restaurant Counts



	<b>FY2016 Year Begin</b>	FY17 Q1 Openings	FY17 Q1 Closings	<b>FY2016 Year End</b>
Luby's Cafeterias <sup>1</sup>	<b>91</b>			<b>91</b>
Fuddruckers <sup>1</sup>	<b>75</b>		(2)	<b>73</b>
Cheeseburger in Paradise	<b>8</b>			<b>8</b>
Other Restaurants <sup>2</sup>	<b>1</b>			<b>1</b>
<b>Total</b>	<b>175</b>	-	(2)	<b>173</b>

Notes

<sup>1</sup> Includes 6 Restaurants that are part of "combo" locations

<sup>2</sup> Other restaurants include one Bob Luby's Seafood

# Fuddruckers – Franchise Pipeline

(As of November 1, 2016)



Location/Country	Count	12/21/2016 Opened	Remaining in Pipeline
Omaha	3	1	2
Dominican Republic	3	1	2
Domincan Republic	1	1	-
Orange County	10	-	10
South Florida	7	2	5
Central Florida	8	1	7
North Dakota	5	2	3
Maine	1	1	-
Virginia	3	1	2
Panama/Aruba	10	2	8
Chile	10	1	9
Italy/Poland/Switzerland	10	5	5
Germany	10	-	10
Colombia	10	3	7
Detroit	2	1	1
Canada (Alberta/Saskatchew.	5	-	5
Travel Centers of America	2	2	-
Mexico	5	1	4
NM/OK	8	3	5
MT	1	1	-
Travel Centers of America	10	-	10
Manheim PA	1	1	1
Duncan SC	1	1	1
<b>Total</b>	<b>126</b>	<b>29</b>	<b>97</b>

Timeline of Openings Per Development Agreement	
Fy 2017	13
Fy 2018	17
FY 2019	18

Pipeline reflects collection of **\$1.8 million** of Franchisee Fees to be earned as stores open from the Pipeline.

# FINANCIAL HIGHLIGHTS

# Total Company Same-Store Sales



	Q1	Q2	Q3	Q4	Year
2014	(1.3%)	2.5%	0.3%	(1.0%)	0.0%
2015	(0.1%)	2.5%	(1.1%)	0.7%	0.5%
2016	1.4%	2.2%	(0.6%)	(0.5%)	0.7%
2017	(2.3%)				

FY2014 Q1 Calendar Shifted for Timing of Thanksgiving: Same Store Sales = 1.1%

FY2014 Q2 Calendar Shifted for Timing of Thanksgiving: Same Store Sales = 0.1%

# Trailing Four Quarters Results by Segment

\$ (000's)	Trailing 4 Qtr 12/21/2016		Trailing 4 Qtr 12/16/2015	
		%		%
<b>Restaurant sales</b>	<b>\$ 372,648</b>		<b>\$ 372,506</b>	
Cost of Food	105,396	28.3%	106,730	28.7%
Payroll and Related	132,208	35.5%	128,358	34.5%
Other Operating	62,187	16.7%	62,566	16.8%
Occupancy Cost	22,207	6.0%	21,049	5.7%
Vending Revenue	(584)	(0.2%)	(527)	(0.1%)
<i>Store level profit</i>	<u>51,234</u>	<b>13.7%</b>	<u>54,330</u>	<b>14.6%</b>
<b>Culinary contract sales</b>	<b>\$ 16,076</b>	<b>100.0%</b>	<b>\$ 15,409</b>	<b>100.0%</b>
Cost of culinary	<u>14,345</u>		<u>13,906</u>	
<i>Unit level profit</i>	1,732	10.8%	1,503	9.8%
<b>Franchise Revenue</b>	<b>\$ 6,996</b>		<b>\$ 6,950</b>	
Cost of Franchise	<u>1,845</u>		<u>1,741</u>	
<i>Unit level profit</i>	5,151	73.6%	5,209	74.9%
<b>Vending</b>	<b>\$ 584</b>		<b>\$ 527</b>	
<b>Total revenue</b>	<b>\$ 396,305</b>		<b>\$ 395,392</b>	

Store Level Profit of **13.7%** for trailing 4 quarters vs. **14.6%** in prior trailing 4 quarters



# STORE-LEVEL PROFIT

## FY17 Q1 Year Year-over-Year



(\$000s)	Total Company	
	Quarter Ended	
	12/21/16	12/16/15
	(16 weeks)	(16 weeks)
Restaurant Sales	94.5%	94.0%
Culinary contract services	3.8%	4.1%
Franchise revenue	1.6%	1.8%
Vending revenue	<u>0.1%</u>	<u>0.1%</u>
TOTAL SALES	100.0%	100.0%
COSTS AND EXPENSES:		
<i>(As a percentage of restaurant sales)</i>		
Cost of food	28.5%	28.6%
Payroll and related costs	35.8%	34.7%
Other operating expenses	18.2%	16.2%
Occupancy	6.0%	5.8%
Vending revenue	<u>(0.1%)</u>	<u>(0.1%)</u>
Store Level Profit	<u>11.7%</u>	<u>14.8%</u>
<i>(As a percentage of total sales)</i>		
Marketing and advertising expenses	2.0%	1.5%
General and administrative	<u>10.0%</u>	<u>9.5%</u>
Selling, general and administrative expenses	12.0%	11.0%
LOSS FROM OPERATIONS	(5.7%)	(1.3%)

# Pre-Tax Loss



\$ (000's)	<u>Trailing 4 Qtr</u> <u>12/21/2016</u>		<u>Trailing 4 Qtr</u> <u>12/16/2015</u>	
Total Revenue	396,305	100.0%	395,392	100.0%
Segment profits				
Company restaurants	51,234		54,330	
Culinary contract services	1,732		1,503	
Franchise operations	5,151		5,209	
Segment level profit	<u>58,116</u>		<u>61,041</u>	
Less:				
Opening cost	555		2,117	
Selling, general and administrative	42,939	10.8%	39,739	10.1%
Depreciation and amortization	21,424	5.4%	21,758	5.5%
Provision for asset impairments	1,729		636	
Gain on disposition of assets	(319)		(4,637)	
Interest expense, net	2,150		2,400	
Other (Income) / Expense	(408)		(172)	
<b>Pre-Tax Loss</b>	<b>(9,954)</b>	<b>(2.5%)</b>	<b>(800)</b>	<b>(0.2%)</b>
Exclude Asset Impairments/(Gains)	1,410		(4,001)	
<b>Adjusted Pre-Tax Loss</b>	<b>(8,544)</b>	<b>(2.2%)</b>	<b>(4,800)</b>	<b>(1.2%)</b>

## Notes:

Included in Selling, general and administrative is \$6.2m and \$3.9m in marketing & advertising expense in 2017 trailing and 2016 trailing, respectively.

# LUBY'S CAFETERIAS

## SAME-STORE SALES



### Luby's Cafeterias - Same Store Sales YOY

Quarter	Sales	Traffic	PPA
<b>Q1 (Mid December)</b>			
2015	0.2%	0.1%	0.1%
2016	1.2%	0.8%	0.4%
<b>2017</b>	<b>(2.2%)</b>	<b>(1.4%)</b>	<b>(0.8%)</b>
<b>3-Year Comp</b>	<b>(0.8%)</b>	<b>(0.5%)</b>	<b>(0.3%)</b>
<b>Q2 (Early March)</b>			
2014*	1.2%	1.0%	0.2%
2015	3.1%	2.2%	0.9%
2016	3.1%	4.7%	(1.5%)
<b>3-Year Comp</b>	<b>7.5%</b>	<b>8.0%</b>	<b>(0.4%)</b>
<b>Q3 (Early June)</b>			
2014	2.0%	2.0%	0.0%
2015	(1.0%)	(2.7%)	1.7%
2016	(0.2%)	3.7%	(3.9%)
<b>3-Year Comp</b>	<b>0.7%</b>	<b>2.8%</b>	<b>(2.2%)</b>
<b>Q4 (Last Wednesday in August)</b>			
2014	0.4%	1.6%	(1.2%)
2015	0.2%	(2.6%)	2.8%
2016	0.0%	3.6%	(3.5%)
<b>3-Year Comp</b>	<b>0.6%</b>	<b>2.6%</b>	<b>(2.0%)</b>

\*2014 Q2 Calendar Shifted for Timing of Thanksgiving

# FUDDRUCKERS BRAND

## SAME-STORE SALES



### Fuddruckers - Same Store Sales YOY

Quarter	Sales	Traffic	PPA
<b>Q1 (mid-December)</b>			
2015	0.2%	1.9%	(1.7%)
2016	1.3%	(3.2%)	4.5%
<b>2017</b>	<b>(1.6%)</b>	<b>(2.7%)</b>	<b>1.1%</b>
<b>3-Year Comp</b>	<b>(0.2%)</b>	<b>(4.0%)</b>	<b>3.9%</b>
<b>Q2 (Mid February)</b>			
2014	(2.7%)	(3.8%)	1.2%
2015	2.1%	1.8%	0.3%
2016	0.0%	(3.0%)	3.0%
<b>3-Year Comp</b>	<b>(0.6%)</b>	<b>(5.0%)</b>	<b>4.6%</b>
<b>Q3 (Early May)</b>			
2014	(3.9%)	(3.5%)	(0.4%)
2015	0.2%	(1.3%)	1.5%
2016	(1.0%)	(1.9%)	0.9%
<b>3-Year Comp</b>	<b>(4.7%)</b>	<b>(6.7%)</b>	<b>2.1%</b>
<b>Q4 (Last Wednesday in August)</b>			
2014	(4.5%)	(3.1%)	(1.4%)
2015	1.7%	(1.6%)	3.3%
2016	(0.8%)	(2.5%)	1.7%
<b>3-Year Comp</b>	<b>(3.6%)</b>	<b>(7.1%)</b>	<b>3.6%</b>

# FY17Q1 Sales Volumes by Unit (\$000's)



## Quarter 1 (17Q1) Restaurant Segment Highlights (\$000's)

	Units Reporting Sales in 17Q1	17Q1 Restaurant Sales	17Q1 % Sales	17Q1 Operating Weeks	17Q1 Average Weekly Sales
<b>New Growth Stores</b>					
+ Luby's	6	\$ 4,957		80	\$ 62.0
+ Fuddruckers	6	\$ 1,669		80	\$ 20.9
New Combos (restaurant count)	12	\$ 6,626	6.1%	80	\$ 82.8
New Lubys	3	\$ 3,139	2.9%	48	\$ 65.4
2nd Gen Space/Unit Converted to Fuddruckers	12	\$ 4,019	3.7%	160	\$ 25.1
Cheeseburger conversions to Fuddruckers	6	\$ 2,159	2.0%	96	\$ 22.5
New Fuddruckers (non free-standing)	2	\$ 581	0.5%	32	\$ 18.2
New Fuddruckers (free-standing on existing land)	1	\$ 396	0.4%	16	\$ 24.7
<b>Legacy Stores</b>					
Core Fudds (2)	46	\$ 21,256	19.7%	720	\$ 29.5
Core Lubys (1)	83	\$ 65,201	60.3%	1328	\$ 49.1
Cheeseburger in Paradise	8	\$ 4,369	4.0%	128	\$ 34.1
<b>Total Open Operating Units</b>	<b>173</b>	<b>\$ 107,747</b>	<b>99.7%</b>	<b>2608</b>	<b>\$ 41.3</b>
Restaurants closed in FY17 Q1 or prior	2	\$ 335	0.3%		
<b>Total Company Operated Units Reporting</b>	<b>175</b>	<b>\$ 108,083</b>	<b>100.0%</b>		

# FY16Q1 Sales Volumes by Unit (\$000's)



## Quarter 1 (16Q1) Restaurant Segment Highlights (\$000's)

	Units Reporting	16Q1	16Q1	16Q1	16Q1
	Sales in 16Q1	Restaurant Sales	% Sales	Operating Weeks	Average Weekly Sales
<b>New Growth Stores</b>					
+ Luby's	6	\$ 5,225		80	\$ 65.3
+ Fuddruckers	6	\$ 1,795		80	\$ 22.4
New Combos (restaurant count)	12	\$ 7,020	6.2%	80	\$ 87.8
New Lubys	3	\$ 3,299	2.9%	48	\$ 68.7
2nd Gen Space/Unit Converted to Fuddruckers	12	\$ 3,994	3.5%	178	\$ 22.4
Cheeseburger conversions to Fuddruckers	6	\$ 2,800	2.5%	45	\$ 62.8
New Fuddruckers (non free-standing)	1	\$ 363	0.3%	16	\$ 22.7
New Fuddruckers (free-standing on existing land)	1	\$ 379	0.3%	16	\$ 23.7
<b>Legacy Stores</b>					
Core Fudds	46	\$ 22,016	19.4%	736	\$ 29.9
Core Lubys (1)	83	\$ 66,547	58.6%	1328	\$ 50.1
Cheeseburger in Paradise	8	\$ 4,741	4.2%	128	\$ 37.0
<b>Total Open Operating Units</b>	<b>172</b>	<b>\$ 111,160</b>	<b>97.9%</b>	<b>2575</b>	<b>\$ 43.2</b>
Restaurants closed in FY17 Q1 or prior	7	\$ 2,387	2.1%		
<b>Total Company Operated Units Reporting</b>	<b>179</b>	<b>\$ 113,546</b>	<b>100.0%</b>		

# Balance Sheet



	December 21 2016	August 27, 2015
Total Assets	\$ 252,248	\$ 252,225
Total Liabilities	\$ 91,649	\$ 86,473
Total Shareholders' Equity	\$ 160,600	\$ 165,752
Total Liabilities and Shareholders' Equity	\$ 252,248	\$ 252,225
Debt Outstanding (Included in Liabilities Above)	\$ 39,400	\$ 37,000
Less: Cash and cash equivalents (included in assets above):	\$ (1,413)	\$ (1,339)
Net Debt	\$ 37,987	\$ 35,661

# Reconciliation of Store Level Profit to Loss from Continuing Operations



(\$000s)	Quarter Ended		Four Quarters Ended	
	December 21 2016 (16 weeks)	December 16, 2015 (16 weeks)	Aug 31, 2016 (53 weeks)	Aug 26, 2015 (52 weeks)
Store level profit	\$ 12,594	\$ 16,783	\$ 12,595	\$ 16,783
Plus:				
Sales from culinary contract services	4,297	4,915	4,297	4,915
Sales from franchise revenue	1,871	2,125	1,871	2,125
Less:				
Opening costs	165	397	165	397
Cost of culinary contract services	3,811	4,422	3,811	4,422
Cost of franchise operations	580	612	580	612
Depreciation and amortization	6,550	7,014	6,550	7,014
Selling, general and administrative expenses	13,759	13,243	13,759	13,243
Provision for asset impairments and restaurant closings, net	287	-	287	-
Net loss (gain) on disposition of property and equipment	85	(279)	85	(279)
Interest income	(1)	(1)	(1)	(1)
Interest expense	602	696	602	696
Other income (expense), net	(103)	118	(103)	118
Benefit for income taxes	(1,459)	(660)	(1,459)	(660)
Loss from continuing operations	\$ (5,514)	\$ (1,739)	\$ (5,514)	\$ (1,739)



# GAAP Reconciliation (\$000s)



(\$000s)	Quarter Ended	
	December 21 2016 (16 weeks)	December 16, 2015 (16 weeks)
<b>Loss from continuing operations</b>	\$ (5,514)	\$ (1,739)
Depreciation and amortization	6,550	7,014
Benefit for income taxes	(1,458)	(660)
Interest Expense	602	696
Interest Income	(1)	(1)
Other expense (Income), net	(103)	118
Net loss/(gain) on disposition of property and equipment	85	(279)
Provision for asset impairments and restaurant closings, net	287	-
Non-cash compensation expense	577	529
<b>Adjusted EBITDA</b>	<b>\$ 1,025</b>	<b>\$ 5,678</b>