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

FORM 10-Q

(Mark one)

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

For the quarterly period ended September 30, 2026

or

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

For the transition period from _____ to _____

Commission File Number: 001-36556

EL POLLO LOCO HOLDINGS, INC.
(Exact name of registrant as specified in its charter)

Delaware	**20-3563182**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
575 Anton Blvd., Suite 1100, Costa Mesa, California	**92626**
(Address of principal executive offices)	**(Zip Code)**

(714) 599-5000
(Registrant's telephone number, including area code)
N/A
(Former name, former address and former fiscal year, if changed since last report)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.01 per share	LOCO	The Nasdaq Stock Market LLC
Rights to Purchase Series A Preferred Stock, par value $0.01 per share		The Nasdaq Stock Market LLC

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

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

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

Large Accelerated Filer	☐	Accelerated Filer	☒
Non-accelerated Filer	☐	Smaller Reporting Company	☐
		Emerging Growth Company	☐

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

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

As of November 3, 2026, there were 30,218,346 shares of the issuer's common stock outstanding.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements.

EL POLLO LOCO HOLDINGS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)
(Amounts in thousands, except share and per share data)

	September 30, 2026	December 31, 2025
ASSETS		
Current assets:		
Cash and cash equivalents	$ 3,415	$ 6,228
Accounts and other receivables, net	12,390	11,210
Inventories	1,764	1,810
Prepaid expenses and other current assets	4,116	6,369
Income tax receivable	683	—
Total current assets	22,368	25,617
Property and equipment, net	102,336	97,043
Property and equipment held under finance lease, net	1,122	1,303
Operating lease right-of-use assets	169,270	167,972
Goodwill	248,674	248,674
Trademarks	61,888	61,888
Deferred tax assets	—	187
Other assets	7,657	3,964
Total assets	$ 613,315	$ 606,648
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current portion of obligations under finance leases	$ 99	$ 142
Current portion of obligations under operating leases	20,871	17,616
Accounts payable	12,664	15,668
Other accrued expenses and current liabilities	43,545	45,653
Total current liabilities	77,179	79,079
Revolver loan	23,000	51,000
Obligations under finance leases, net of current portion	1,297	1,436
Obligations under operating leases, net of current portion	171,877	170,812
Deferred tax liabilities, net	11,192	7,611
Other noncurrent liabilities	5,867	5,633
Total liabilities	290,412	315,571
Commitments and contingencies (Note 8)		
Stockholders' equity:		
Preferred stock, $0.01 par value, 100,000,000 shares authorized; 100,000 shares designated as Series A Preferred Stock; none issued or outstanding	—	—
Common stock, $0.01 par value, 200,000,000 shares authorized; 30,292,490 and 29,957,385 shares issued and outstanding as of September 30, 2026 and December 31, 2025, respectively	302	299
Additional paid-in-capital	253,863	247,224
Retained earnings	68,738	43,554
Total stockholders' equity	322,903	291,077
Total liabilities and stockholders' equity	$ 613,315	$ 606,648

See notes to condensed consolidated financial statements (unaudited).

EL POLLO LOCO HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)
(Amounts in thousands, except share and per share data)

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	September 30, 2026	September 24, 2025	September 30, 2026	September 24, 2025
Revenue				
Company-operated restaurant revenue	$ 105,383	$ 100,721	$ 319,434	$ 303,404
Franchise revenue	12,475	12,864	37,365	39,419
Franchise advertising fee revenue	8,449	7,935	25,262	23,708
Total revenue	126,307	121,520	382,061	366,531
Cost of operations				
Food and paper cost	25,752	24,879	79,607	75,114
Labor and related expenses	32,069	30,648	96,201	94,982
Occupancy and other operating expenses	28,188	26,730	82,833	79,144
Company restaurant expenses	86,009	82,257	258,641	249,240
General and administrative expenses	13,966	12,343	33,814	37,138
Franchise expenses	11,503	11,407	34,562	36,476
Depreciation and amortization	4,632	3,973	13,112	11,789
Loss on disposal of assets	—	73	612	127
Impairment and closed-store reserves	28	9	251	26
Total expenses	116,138	110,062	340,992	334,796
Income from operations	10,169	11,458	41,069	31,735
Interest expense, net	537	1,122	1,974	3,505
Income before provision for income taxes	9,632	10,336	39,095	28,230
Provision for income taxes	2,755	2,978	11,254	8,284
Net income	$ 6,877	$ 7,358	$ 27,841	$ 19,946
Net income per share				
Basic	$ 0.23	$ 0.25	$ 0.94	$ 0.68
Diluted	$ 0.23	$ 0.25	$ 0.93	$ 0.68
Weighted-average shares used in computing net income per share				
Basic	29,751,186	29,219,480	29,628,779	29,134,766
Diluted	30,209,141	29,406,754	29,997,899	29,343,906

See notes to condensed consolidated financial statements (unaudited).

EL POLLO LOCO HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(UNAUDITED)

(Amounts in thousands, except share data)

	Thirteen Weeks Ended September 30, 2026				
	Common Stock		Additional Paid-in Capital	Retained Earnings	Total Stockholders' Equity
	Shares	Amount			
Balance, July 1, 2026	30,440,266	$ 304	$ 252,221	$ 64,518	$ 317,043
Stock-based compensation expense	—	—	1,650	—	1,650
Issuance of common stock related to restricted shares	26,200	—	—	—	—
Issuance of common stock upon exercise of stock options, net	11,362	—	119	—	119
Shares repurchased for employee tax withholdings	(7,928)	—	(127)	—	(127)
Repurchase of common stock	(177,410)	(2)	—	(2,657)	(2,659)
Net income	—	—	—	6,877	6,877
Balance, September 30, 2026	30,292,490	$ 302	$ 253,863	$ 68,738	$ 322,903

	Thirteen Weeks Ended September 24, 2025				
	Common Stock		Additional Paid-in Capital	Retained Earnings	Total Stockholders' Equity
	Shares	Amount			
Balance, June 25, 2025	30,008,692	$ 299	$ 244,223	$ 29,656	$ 274,178
Stock-based compensation	—	—	1,369	—	1,369
Issuance of common stock related to restricted shares	5,975	—	—	—	—
Issuance of common stock upon exercise of stock options, net	8,737	1	82	—	83
Shares repurchased for employee tax withholdings	(5,263)	—	(55)	—	(55)
Forfeiture of common stock related to restricted shares	(18,447)	(1)	—	—	(1)
Net income	—	—	—	7,358	7,358
Balance, September 24, 2025	29,999,694	$ 299	$ 245,619	$ 37,014	$ 282,932

EL POLLO LOCO HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(UNAUDITED)

(Amounts in thousands, except share data)

	Thirty-Nine Weeks Ended September 30, 2026				
	Common Stock		Additional Paid-in Capital	Retained Earnings	Total Stockholders' Equity
	Shares	Amount			
Balance, December 31, 2025	29,957,385	$ 299	$ 247,224	$ 43,554	$ 291,077
Stock-based compensation expense	—	—	4,516	—	4,516
Issuance of common stock related to restricted shares	346,844	3	(3)	—	—
Issuance of common stock upon exercise of stock options, net	256,181	2	2,746	—	2,748
Shares repurchased for employee tax withholdings	(47,330)	—	(620)	—	(620)
Repurchase of common stock	(177,410)	(2)	—	(2,657)	(2,659)
Forfeiture of common stock related to restricted shares	(43,180)	—	—	—	—
Net income	—	—	—	27,841	27,841
Balance, September 30, 2026	30,292,490	$ 302	$ 253,863	$ 68,738	$ 322,903

	Thirty-Nine Weeks Ended September 24, 2025				
	Common Stock		Additional Paid-in Capital	Retained Earnings	Total Stockholders' Equity
	Shares	Amount			
Balance, December 25, 2024	29,839,721	$ 298	$ 241,462	$ 18,909	$ 260,669
Stock-based compensation expense	—	—	4,116	—	4,116
Issuance of common stock related to restricted shares	404,701	4	(4)	—	—
Issuance of common stock upon exercise of stock options, net	54,353	1	534	—	535
Shares repurchased for employee tax withholdings	(49,493)	(1)	(490)	—	(491)
Repurchase of common stock	(163,229)	(2)	—	(1,841)	(1,843)
Forfeiture of common stock related to restricted shares	(86,359)	(1)	1	—	—
Net income	—	—	—	19,946	19,946
Balance, September 24, 2025	29,999,694	$ 299	$ 245,619	$ 37,014	$ 282,932

See notes to condensed consolidated financial statements (unaudited).

EL POLLO LOCO HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

(Amounts in thousands)

	Thirty-Nine Weeks Ended	
	September 30, 2026	**September 24, 2025**
Cash flows from operating activities:		
Net income	$ 27,841	$ 19,946
Adjustments to reconcile net income to net cash flows provided by operating activities:		
Depreciation and amortization	13,112	11,789
Stock-based compensation expense	4,516	4,116
Loss on disposal of assets	612	127
Impairment of property and equipment and ROU assets	200	—
Closed store reserves	51	—
Amortization and write off of deferred financing costs	201	144
Deferred income taxes, net	3,768	2,724
Changes in operating assets and liabilities:		
Accounts and other receivables	(1,180)	(787)
Inventories	46	202
Prepaid expenses and other current assets	2,253	2,161
Income taxes receivable/payable	(2,250)	(3,851)
Operating lease assets	14,841	14,499
Other assets	(507)	(592)
Accounts payable	(3,811)	(693)
Operating lease liabilities	(12,000)	(14,502)
Other accrued expenses and current liabilities	4,914	(1,117)
Net cash flows provided by operating activities	52,607	34,166
Cash flows from investing activities:		
Purchase of property and equipment	(26,090)	(13,811)
Net cash flows used in investing activities	(26,090)	(13,811)
Cash flows from financing activities:		
Proceeds from borrowings on revolver and swingline loans	5,000	9,000
Payments on revolver and swingline loan	(33,000)	(19,000)
Minimum tax withholdings related to net share settlements	(620)	(491)
Proceeds from issuance of common stock upon exercise of stock options, net of expenses	2,748	535
Payment of obligations under finance leases	(90)	(168)
Deferred financing costs for revolver loan	(709)	—
Repurchases of common stock	(2,659)	(1,843)
Net cash flows used in financing activities	(29,330)	(11,967)
(Decrease) increase in cash and cash equivalents	(2,813)	8,388
Cash and cash equivalents, beginning of period	6,228	2,484
Cash and cash equivalents, end of period	$ 3,415	$ 10,872

	Thirty-Nine Weeks Ended	
	September 30, 2026	**September 24, 2025**
Supplemental cash flow information		
Cash paid during the period for interest	$ 1,731	$ 3,356
Cash paid during the period for income taxes	$ 9,735	$ 9,924
Unpaid purchases of property and equipment	$ 3,969	$ 4,697

See notes to condensed consolidated financial statements (unaudited).

EL POLLO LOCO HOLDINGS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

1. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Overview

El Pollo Loco Holdings, Inc. ("Holdings") is a Delaware corporation headquartered in Costa Mesa, California. Holdings and its direct and indirect subsidiaries are collectively referred to herein as the "Company." The Company's activities are conducted principally through Holdings' indirect wholly-owned subsidiary, El Pollo Loco, Inc. ("EPL"), which develops, franchises, licenses, and operates quick-service restaurants under the name El Pollo Loco®. The Company's restaurants, which are located principally in California but also in Arizona, Colorado, Idaho, Louisiana, Nevada, New Mexico, Texas, Utah, and Washington, specialize in fire-grilling citrus-marinated chicken served in individual and family meals and also in a wide variety of contemporary entrees, including specialty chicken burritos, chicken quesadillas, chicken tostada salads, chicken tortilla soup, and variations of the Company's Pollo Bowl® and Pollo Salads. As of September 30, 2026, the Company operated 176 and franchised 339 El Pollo Loco restaurants in the United States. In addition, as of September 30, 2026, the Company licensed eight restaurants in the Philippines.

Holdings has no material assets or operations. Holdings and Holdings' direct subsidiary, EPL Intermediate, Inc. ("Intermediate"), guarantee EPL's 2026 Revolver (as defined below, see Note 5, "*Long-Term Debt,"* below) on a full and unconditional basis and Intermediate has no subsidiaries other than EPL. EPL is a separate and distinct legal entity and has no obligation to make funds available to Intermediate. EPL and Intermediate may pay dividends to Intermediate and to Holdings, respectively.

The Company operates as one operating segment. All significant revenues relate to retail sales of food and beverages through either company-operated or franchise-operated restaurants.

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") for interim financial statements and pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC"). In the opinion of management, the accompanying unaudited condensed consolidated financial statements reflect all adjustments consisting of normal recurring adjustments necessary for a fair statement of the Company's condensed consolidated financial position and results of operations and cash flows for the periods presented. Interim results of operations are not necessarily indicative of the results that may be achieved for the full year. The condensed consolidated financial statements and related notes do not include all information and footnotes required by U.S. GAAP for annual reports. This quarterly report should be read in conjunction with the consolidated financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2025.

The Company uses a 52- or 53-week fiscal year ending on the last Wednesday of each calendar year. In a 52-week fiscal year, each quarter includes 13 weeks of operations. In a 53-week fiscal year, the first, second and third quarters each include 13 weeks of operations, and the fourth quarter includes 14 weeks of operations. Approximately every five or six years, a 53-week fiscal year occurs. Fiscal 2026 is a 52-week year ending on December 30, 2026. Fiscal 2025 was a 53-week year that ended on December 31, 2025. 53-week years may cause revenues, expenses, and other results of operations to be higher due to the additional week of operations.

Principles of Consolidation

The accompanying condensed consolidated financial statements include the accounts of Holdings and its wholly-owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of condensed consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the condensed consolidated financial statements and revenue and expenses during the periods reported. Actual results could materially differ from those estimates. The Company's significant estimates include estimates for impairment of goodwill, intangible assets and property and equipment, insurance reserves, lease accounting matters, contingent liabilities, and income tax valuation allowances.

Liquidity

The Company's principal liquidity and capital requirements are new restaurants, existing restaurant capital investments (remodels and maintenance), interest payments on its debt, lease obligations and working capital and general corporate needs. As of September 30, 2026, the Company's total outstanding balance on its 2026 Revolver was $23.0 million. The Company's ability to make payments on its indebtedness and to fund planned capital expenditures depends on available cash and its ability to generate adequate cash flows in the future, which, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory, and other factors that are beyond the Company's control. Based on current operations, the Company believes that its cash flow from operations, available cash of $3.4 million at September 30, 2026, and the outstanding borrowing availability under the 2026 Revolver will be adequate to meet the Company's liquidity needs for at least the next twelve months and beyond from the issuance of the condensed consolidated financial statements.

Concentration of Risk

Cash and cash equivalents are maintained at financial institutions and, at times, these balances may exceed federally-insured limits. The Company has never experienced any losses related to these balances.

The Company had three suppliers for which amounts due totaled more than 10.0% of the Company's accounts payable as of September 30, 2026. The Company had one supplier to whom amounts due totaled 10.9% of the Company's accounts payable as of December 31, 2025. Purchases from the Company's largest supplier totaled 24.8% and 35.3% of total expenses for the thirteen and thirty-nine weeks ended September 30, 2026, respectively, and 24.7% and 18.9% of total expenses for the thirteen and thirty-nine weeks ended September 24, 2025, respectively.

Company-operated and franchise-operated restaurants in the greater Los Angeles area generated, in the aggregate, approximately 73.1% and 72.1% of total revenue for the thirteen and thirty-nine weeks ended September 30, 2026, respectively, and 72.2% and 71.9% of total revenue for the thirteen and thirty-nine weeks ended September 24, 2025.

Non-financial instruments

The Company's non-financial instruments, which primarily consist of property and equipment, operating lease right-of-use assets, goodwill and intangible assets, are reported at carrying value and are not required to be measured at fair value on a recurring basis. However, on an annual basis, or whenever events or changes in circumstances indicate that their carrying value may not be recoverable, non-financial instruments are assessed for impairment. If applicable, the carrying values are written down to fair value. During the thirteen weeks ended September 30, 2026, the Company determined that there were no indicators of potential impairment for its non-financial assets. During the thirty-nine weeks ended September 30, 2026, the Company recorded non-cash impairment charges of $0.2 million. The non-cash impairment charges for the thirty-nine weeks ended September 30, 2026 were primarily related to the non-financial assets of one restaurant in Nevada. The Company determined that there were no indicators of potential impairment for its non-financial assets during the thirteen and thirty-nine weeks ended September 24, 2025.

Income Taxes

For the thirteen weeks ended September 30, 2026, the Company recorded an income tax provision of $2.8 million, reflecting an estimated effective tax rate of 28.6%. For the thirteen weeks ended September 24, 2025, the Company recorded an income tax provision of $3.0 million, reflecting an estimated effective tax rate of 28.8%. For the thirty-nine weeks ended September 30, 2026, the Company recorded an income tax provision of $11.3 million, reflecting an estimated effective tax rate of 28.8%. For the thirty-nine weeks ended September 24, 2025, the Company recorded an income tax provision of $8.3 million, reflecting an estimated effective tax rate of 29.3%. The difference between the 21.0% statutory rate and the effective tax rate of 28.8% for the thirty-nine weeks ended September 30, 2026 is primarily due to state income taxes, net of the federal benefit, and nondeductible executive compensation. Tax deficiencies on stock option exercises, where the tax deductions were lower than the cumulative stock-based compensation expense recorded, also increased the rate. These increases were partially offset by excess tax benefits on the vesting of restricted stock awards, where the tax deductions exceeded the cumulative stock-based compensation expense recorded.

Summary of Significant Accounting Policies

There have been no changes to our significant accounting policies described in the Annual Report on Form 10-K for the year ended December 31, 2025 that have had a material impact on our consolidated financial statements and related notes.

Recently Adopted Accounting Pronouncements

In December 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures* ("ASU 2023-09"). This ASU amends income tax disclosures primarily related to the rate reconciliation and income taxes paid information, as well as certain other amendments to improve the effectiveness of income tax disclosures. These changes help investors better: (1) understand an entity's exposure to potential changes in jurisdictional tax legislation and the ensuing risks and opportunities, (2) assess income tax information that affects cash flow forecasts and capital allocation decisions, and (3) identify potential opportunities to increase future cash flows. The amendments in this ASU are effective for annual periods beginning after December 15, 2024, with early adoption permitted. The Company adopted ASU 2023-09 during the fiscal year ended December 31, 2025 on a retrospective basis. The adoption of this guidance did not have a material impact on the Company's condensed consolidated financial statements.

Recently Issued Accounting Pronouncements

In November 2024, the FASB issued ASU No. 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*. This ASU requires new disclosures, in the notes to the financial statements, related to the disaggregation of certain expenses within the income statement. Additionally, a qualitative description is required of the amounts remaining in relevant expense captions that are not separately disaggregated quantitatively. Annually, an entity is also required to define and quantify its selling expenses. The amendments in this ASU are effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027, with early adoption permitted. The Company is evaluating the potential impact of this guidance on its condensed consolidated financial statements.

In December 2025, the FASB issued ASU No. 2025-11, *Interim Reporting (Topic 270): Narrow-Scope Improvements*. This ASU improves the guidance in Topic 270 by improving the navigability of the required interim disclosures from other topics and clarifying when existing guidance is applicable. The purpose of this ASU is not to expand or change previous interim reporting guidance; however, an added principle requires entities to disclose events since the end of the last annual reporting period that have material impact on the entity. The amendments are effective for interim reporting periods beginning after December 15, 2027, with early adoption permitted. The Company is evaluating the potential impact of this guidance on its condensed consolidated financial statements.

In April 2026, the FASB issued ASU No. 2026-01, *Equity (Topic 505): Initial measurement of Paid-in-Kind Dividends on Equity-Classified Preferred Stock*. This amendment improves generally accepted accounting principles by providing authoritative guidance on how an issuer should initially measure paid-in-kind dividends on equity-classified preferred stock. The amendments are effective for interim reporting periods beginning after December 15, 2026, with early adoption permitted. The Company is evaluating the potential impact of this guidance on its condensed consolidated financial statements.

The Company reviewed all other recently issued accounting pronouncements and concluded that they were either not applicable or not expected to have a significant impact to the condensed consolidated financial statements.

2. PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid expenses and other current assets consist of the following (in thousands):

	September 30, 2026	December 31, 2025
Prepaid insurance	$ 492	$ 2,634
Prepaid service fees	2,675	2,953
Other current assets	949	782
Total prepaid expenses and other current assets	$ 4,116	$ 6,369

3. PROPERTY AND EQUIPMENT

The costs and related accumulated depreciation and amortization of major classes of property and equipment are as follows (in thousands):

	September 30, 2026	December 31, 2025
Land	$ 12,323	$ 12,323
Buildings and improvements	169,921	153,049
Other property and equipment	90,177	77,802
Construction in progress	8,190	22,799
	280,611	265,973
Less: accumulated depreciation and amortization	(178,275)	(168,930)
Total property and equipment, net	$ 102,336	$ 97,043

Depreciation and amortization expense was $4.6 million and $4.0 million for the thirteen weeks ended September 30, 2026 and September 24, 2025, respectively, and $13.1 million and $11.8 million for the thirty-nine weeks ended September 30, 2026 and September 24, 2025, respectively.

Based on the Company's review of its property and equipment assets for impairment, the Company did not record any non-cash impairment charges for the thirteen weeks ended September 30, 2026 and recorded a non-cash impairment charge of $0.2 million, for the thirty-nine weeks ended September 30, 2026, which was primarily related to ROU assets for one restaurant in Nevada. Based on the Company's review of its property and equipment assets for impairment, the Company did not record any non-cash impairment charges for the thirteen and thirty-nine weeks ended September 24, 2025.

4. STOCKHOLDERS' EQUITY

STOCK-BASED COMPENSATION

Pursuant to the Company's 2018 Omnibus Equity Incentive Plan (as amended, the "Incentive Plan"), the Company grants stock options, restricted stock units, performance-based restricted stock units ("PSUs") and restricted stock to the Company's employees, officers, directors, and other eligible participants. As of September 30, 2026, 2,153,202 shares of common stock remained available for issuance under the Incentive Plan.

Total stock-based compensation expense was $1.6 million and $1.4 million for the thirteen weeks ended September 30, 2026, and September 24, 2025, respectively, and $4.5 million and $4.1 million for the thirty-nine weeks ended September 30, 2026, and September 24, 2025, respectively.

Stock Options

As of September 30, 2026, options to purchase 1,289,657 shares of common stock were outstanding, including 439,386 vested and 850,271 unvested options. Unvested options vest over time; however, pursuant to the Incentive Plan, upon a change in control, the Company's Board of Directors (the "Board") may accelerate vesting. A summary of stock option activity at September 30, 2026, and changes during the thirty-nine weeks ended September 30, 2026, is as follows:

	Shares	Weighted-Average Exercise Price	Weighted-Average Contractual Life Life (Years)	Aggregate Intrinsic Value (in thousands)
Outstanding – December 31, 2025	1,233,984	$ 10.46		
Grants	398,209	13.40		
Exercised	(256,181)	10.73		
Forfeited, cancelled or expired	(86,355)	11.74		
Outstanding – September 30, 2026	1,289,657	$ 11.23	8.19	$ 4,192
Vested and expected to vest at September 30, 2026	1,279,259	$ 11.23	8.18	$ 4,166
Exercisable at September 30, 2026	439,386	$ 10.37	7.22	$ 1,834

The fair value of each stock option was estimated on the grant date using an exercise price of the closing stock price on the day prior to date of grant and the Black-Scholes option-pricing model with the following weighted average assumptions:

	Thirty-Nine Weeks Ended	
	September 30, 2026	September 24, 2025
Expected volatility	41.2 %	42.8 %
Risk-free interest rate	3.9 %	4.1 %
Expected term (years)	6.00	6.00
Expected dividends	$ —	$ —

At September 30, 2026, the Company had total unrecognized compensation expense of $3.7 million related to unvested stock options, which it expects to recognize over a weighted-average period of 2.03 years.

Restricted Shares

A summary of restricted share activity as of September 30, 2026 and changes during the thirty-nine weeks ended September 30, 2026 is as follows:

	Shares	Weighted-Average Fair Value
Unvested shares at December 31, 2025	617,037	$ 10.22
Granted	346,844	$ 13.41
Released	(263,005)	$ 10.22
Forfeited and cancelled	(43,180)	$ 11.28
Unvested shares at September 30, 2026	657,696	$ 11.83

At September 30, 2026, the Company had unrecognized compensation expense of $6.0 million related to unvested restricted shares, which it expects to recognize over a weighted-average period of 1.97 years.

Performance-Based Restricted Stock Units

A summary of performance share activity as of September 30, 2026 and changes during the thirty-nine weeks ended September 30, 2026 is as follows:

	Shares	Weighted-Average Fair Value
Unvested shares at December 31, 2025	137,805	$ 10.34
Granted	153,900	$ 13.48
Released	—	$ —
Forfeited and cancelled	(34,002)	$ 11.27
Unvested shares at September 30, 2026	257,703	$ 12.09

At September 30, 2026, the Company had unrecognized compensation expense of $2.2 million related to unvested performance-based restricted shares, which it expects to recognize over a weighted-average period of 2.19 years.

SHARE REPURCHASE PROGRAM

On May 28, 2026, the Board of Directors approved a share repurchase program (the "2026 Share Repurchase Program") under which the Company is authorized to repurchase up to $40.0 million of shares of its common stock. Under the 2026 Share Repurchase Program, the Company is permitted to repurchase its common stock from time to time, in amounts and at prices that the Company deems appropriate, based on various factors, including the market price of its common stock, general business, economic and market conditions, alternative investment opportunities and funding considerations. Pursuant to the 2026 Share Repurchase Program, the Company is authorized to effect repurchases through open market purchases, block trades, privately negotiated transactions or other transactions conducted in accordance with Rule 10b-18 under the Securities Exchange Act of 1934, as amended, including pursuant to Rule 10b5-1 trading plans. The 2026 Share Repurchase Program does not obligate the Company to acquire any particular number of shares, has an open-ended term and may be expanded, modified, suspended or discontinued at any time.

For the thirteen and thirty-nine weeks ended September 30, 2026, the Company repurchased 177,410 shares of common stock under the 2026 Share Repurchase Program, using open market purchases, for total consideration of $2.7 million.

The Company did not repurchase any shares of common stock during the thirteen weeks ended September 24, 2025. For the thirty-nine weeks ended September 24, 2025, the Company repurchased 163,229 shares of common stock under the 2023 Share Repurchase Program, using open market purchases, for total consideration of $1.8 million.

5. LONG-TERM DEBT

On July 27, 2022, the Company entered into a credit agreement among EPL, as borrower, the Company and Intermediate, as guarantors, Bank of America, N.A., as administrative agent, swingline lender, and letter of credit issuer, the lenders party thereto, and the other parties thereto, to refinance its $150.0 million five-year senior secured revolving credit facility.

On August 4, 2026, the Company amended the credit agreement to, among other things, extend the maturity date of the revolving credit facility to August 4, 2031 (the "2026 Credit Agreement"). The 2026 Credit Agreement provides for aggregate revolving commitments of $150.0 million (the "2026 Revolver"), including a sub limit of $15.0 million for letters of credit and a sub limit of $15.0 million for swingline loans. The 2026 Credit Agreement also permits the Company to increase the 2026 Revolver by up to $75.0 million, subject to obtaining additional lender commitments and satisfying certain conditions.

The obligations under the 2026 Credit Agreement and related loan documents are guaranteed by Holdings and Intermediate. The obligations of Holdings, EPL and Intermediate under the 2026 Credit Agreement and related loan documents are secured by a first priority lien on substantially all of their respective assets, subject to certain customary exceptions.

Under the 2026 Credit Agreement, Holdings is restricted from making certain payments such as cash dividends or share repurchases, except that, so long as no default or event of default has occurred and is continuing, it may, inter alia, (i) make restricted payments of up to the greater of $5.0 million and 5.0% of Consolidated EBITDAR (as defined in the 2026 Credit Agreement) per fiscal year, and (ii) make other restricted payments, subject to its compliance, on a pro forma basis, with (x) a lease-adjusted consolidated leverage ratio not to exceed 4.25 times and (y) the financial covenants applicable to the 2026 Revolver.

The 2026 Credit Agreement contains certain customary financial covenants, which covenants are subject to certain exceptions. The Company was in compliance with the financial covenants as of September 30, 2026.

Borrowings under the 2026 Revolver, other than swingline loans, bear interest, at the borrower's option, at rates based upon either Term SOFR or a base rate, plus, for each rate, an applicable margin determined in accordance with a lease-adjusted consolidated leverage ratio-based pricing grid. The base rate is calculated as the highest of (a) the federal funds rate plus 0.50%, (b) the published Bank of America prime rate, or (c) Term SOFR with a term of one-month plus 1.00%. For Term SOFR loans, the applicable margin is in the range of 1.75% to 2.75%, and for base rate loans, the applicable margin is in the range of 0.75% to 1.75%. Swingline loans bear interest at the base rate plus the applicable margin. Borrowings under the 2026 Revolver may be repaid and reborrowed. The interest rate range under the Company's revolving credit facility was 4.99% to 7.50% and 4.97% to 7.50% for the thirteen and thirty-nine weeks ended September 30, 2026, and 5.63% to 5.96% and 5.63% to 7.75% for the thirteen and thirty-nine weeks ended September 24, 2025, respectively.

In connection with the 2026 Credit Agreement, the Company capitalized $0.7 million of new deferred financing costs and wrote off $0.1 million of deferred financing costs associated with lenders that exited the facility. The write-off was recognized in "Interest expense, net" in the Condensed Consolidated Statements of Income during the thirteen and thirty-nine weeks ended September 30, 2026. Deferred financing costs related to the 2026 Revolver are included in "Other assets" in the Condensed Consolidated Balance Sheet as of September 30, 2026 and are amortized to interest expense over the term of the 2026 Revolver.

At September 30, 2026, the Company had $23.0 million in outstanding borrowings under the 2026 Revolver and $10.3 million of letters of credit outstanding, and as a result, the Company had $116.7 million in borrowing availability.

Maturities

During the thirteen weeks ended September 30, 2026, the Company had no borrowings and paid down $7.0 million on its revolving credit facility. During the thirty-nine weeks ended September 30, 2026, the Company borrowed $5.0 million and paid down $33.0 million on its revolving credit facility. During the thirteen and thirty-nine weeks ended September 24, 2025, the Company borrowed $1.0 million and $9.0 million, respectively, and paid down $9.0 million and $19.0 million, respectively, on its revolving credit facility.

6. OTHER ACCRUED EXPENSES AND CURRENT LIABILITIES

Other accrued expenses and current liabilities consist of the following (in thousands):

	September 30, 2026	December 31, 2025
Accrued salaries and vacation	$ 14,801	$ 11,070
Accrued insurance	11,604	11,987
Accrued sales and property taxes	6,480	6,408
Gift card liability	4,378	5,559
Accrued advertising	1,316	2,438
Loyalty rewards program liability	1,160	1,106
Accrued legal settlements and professional fees	614	902
Deferred franchise and development fees	560	546
Accrued interest	79	44
Accrued income taxes payable	—	1,567
Other	2,553	4,026
Total other accrued expenses and current liabilities	$ 43,545	$ 45,653

7. OTHER NONCURRENT LIABILITIES

Other noncurrent liabilities consist of the following (in thousands):

	September 30, 2026	December 31, 2025
Deferred franchise and development fees	$ 5,841	$ 5,607
Other	26	26
Total other noncurrent liabilities	$ 5,867	$ 5,633

8. COMMITMENTS AND CONTINGENCIES

Legal Matters

From time to time, the Company is involved in various claims such as wage and hour, consumer, and other legal actions that arise in the ordinary course of business. The outcomes of these actions are not predictable but the Company does not believe that the ultimate resolution of these actions will have a material adverse effect on its financial position, results of operations, liquidity, or capital resources. A significant increase in the number of claims, or an increase in amounts owing under successful claims, could materially and adversely affect the Company's business, consolidated financial condition, results of operations, and cash flows.

Purchase Commitments

The Company has long-term beverage supply agreements with certain major beverage vendors. Pursuant to the terms of these arrangements, volume and marketing rebates are provided to the Company and its franchisees from the beverage vendors based upon the dollar volume of purchases for system-wide restaurants, which purchases will vary according to their demand for beverage syrup and fluctuations in the market rates for beverage syrup. These contracts have terms extending through the end of 2032.

At September 30, 2026, the Company's total estimated commitment to purchase chicken was $1.4 million.

Contingent Lease Obligations

As a result of assigning the Company's interest in obligations under real estate leases in connection with the sale of company-operated restaurants to some of the Company's franchisees, the Company is contingently liable on these lease agreements. These leases have various terms, the latest of which expires in 2038. As of September 30, 2026, the potential amount of undiscounted payments the Company could be required to make in the event of non-payment by the primary lessees was $11.3 million. The Company's franchisees are primarily liable on the leases. The Company has cross-default and indemnification provisions with these franchisees that would put them in default of their franchise agreements and require payment to the Company in the event of non-payment under the leases. The Company believes that these cross-default and indemnification provisions reduce the risk that payments will be required to be made by the Company under these leases.

Employment Agreements

As of September 30, 2026, the Company had employment agreements with five of the officers of the Company. These agreements provide for minimum salary levels, possible annual adjustments for cost-of-living changes, and incentive bonuses, severance and other benefits that are payable under certain business conditions such as change in control or termination without cause.

Indemnification Agreements

The Company has entered into indemnification agreements with each of its current directors and officers. These agreements require the Company to indemnify these individuals to the fullest extent permitted under Delaware law against liabilities that may arise by reason of their service to the Company and to advance expenses incurred as a result of any proceeding against them as to which they could be indemnified. The Company also intends to enter into indemnification agreements with future directors and officers.

9. EARNINGS PER SHARE

Basic earnings per share ("EPS") is calculated using the weighted-average number of shares of common stock outstanding during the thirteen and thirty-nine weeks ended September 30, 2026 and September 24, 2025. Diluted EPS is calculated using the weighted-average number of shares of common stock outstanding and potentially dilutive during the period, using the treasury stock method.

Below are basic and diluted EPS data for the periods indicated (in thousands except for share and per share data):

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	September 30, 2026	September 24, 2025	September 30, 2026	September 24, 2025
Numerator:				
Net income	$ 6,877	$ 7,358	$ 27,841	$ 19,946
Denominator:				
Weighted-average shares outstanding—basic	29,751,186	29,219,480	29,628,779	29,134,766
Weighted-average shares outstanding—diluted	30,209,141	29,406,754	29,997,899	29,343,906
Net income per share—basic	$ 0.23	$ 0.25	$ 0.94	$ 0.68
Net income per share—diluted	$ 0.23	$ 0.25	$ 0.93	$ 0.68
Anti-dilutive securities not considered in diluted EPS calculation	395,933	1,000,650	315,053	1,031,087

Below is a reconciliation of basic and diluted share counts:

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	September 30, 2026	September 24, 2025	September 30, 2026	September 24, 2025
Weighted-average shares outstanding—basic	29,751,186	29,219,480	29,628,779	29,134,766
Dilutive effect of stock options and restricted shares	457,955	187,274	369,120	209,140
Weighted-average shares outstanding—diluted	30,209,141	29,406,754	29,997,899	29,343,906

10. REVENUE FROM CONTRACTS WITH CUSTOMERS

The Company has two revenue streams, company-operated restaurant revenue and franchise-related revenue.

Company-Operated Restaurant Revenue

Revenue from company-operated restaurants is recognized as food and beverage products are delivered to customers and payment is tendered at the time of sale. The Company presents revenue, net of sales-related taxes and promotional allowances.

The following table presents the Company-operated restaurant revenue with the Greater Los Angeles area geographic market disaggregated:

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	September 30, 2026	September 24, 2025	September 30, 2026	September 24, 2025
Greater Los Angeles area market	80.9 %	81.6 %	80.5 %	81.0 %
Other markets	19.1 %	18.4 %	19.5 %	19.0 %
Total	**100.0 %**	**100.0 %**	**100.0 %**	**100.0 %**

The Company offers a loyalty rewards program, which awards a customer points for dollars spent. Customers earn points for each dollar spent and points can be redeemed for multiple redemption options. Points earned prior to January 26, 2026 expire 365 days after a customer completes an eligible transaction to earn them and points earned after January 26, 2026 expire 6 months after a customer completes an eligible transaction to earn them. When a customer is part of the rewards program, the obligation to provide future discounts related to points earned is considered a separate performance obligation, to which a portion of the transaction price is allocated and recorded as deferred revenue on the balance sheet. The performance obligation related to loyalty points is deemed to have been satisfied, and the amount deferred in the balance sheet is recognized as revenue, when the points are transferred to a reward and redeemed, the reward or points have expired, or the likelihood of redemption is remote. The portion of the transaction price allocated to loyalty points is determined on a pro-rata basis based on stand-alone selling price, as determined by menu pricing and loyalty points terms. As of September 30, 2026 and December 31, 2025, the revenue allocated to loyalty points that have not been redeemed was $1.2 million and $1.1 million, respectively, which is reflected in the Company's accompanying condensed consolidated balance sheets within other accrued expenses and current liabilities.

Changes in the loyalty rewards program liability included in deferred revenue within other accrued expenses and current liabilities on the condensed consolidated balance sheets were as follows (in thousands):

	September 30, 2026	September 24, 2025
Loyalty rewards liability, beginning balance	$ 1,106	$ 844
Revenue deferred	2,384	1,920
Revenue recognized	(2,330)	(1,700)
Loyalty rewards liability, ending balance	**$ 1,160**	**$ 1,064**

The Company expects all loyalty points revenue related to performance obligations that were unsatisfied as of September 30, 2026 to be recognized over a period not to exceed six months.

The Company sells gift cards to its customers in the restaurants and through selected third parties. The gift cards sold to customers have no stated expiration dates and was subject to actual and/or potential escheatment rights in several of the jurisdictions in which the Company operated through June 2025. Due to these escheatment rights, previously the Company did not recognize breakage related to the sale of gift cards due to the immateriality of the amount remaining after escheatment. Beginning June 2025, the Company's gift cards are no longer subject to escheatment and the Company reached a settlement through a voluntary disclosure agreement program with the State of Delaware for the escheatment of gift card balances of $0.8 million. The Company is currently obtaining information to establish a gift card breakage policy. The Company recognizes revenue from gift cards when redeemed by the customer. Unredeemed gift card balances are deferred and recorded within other accrued expenses and current liabilities on the accompanying condensed consolidated balance sheets.

The gift card liability included in other accrued expenses and current liabilities on the condensed consolidated balance sheets was as follows (in thousands):

	September 30, 2026	December 31, 2025
Gift card liability	$ 4,378	$ 5,559

Revenue recognized from the redemption of gift cards that was included in other accrued expenses and current liabilities at the beginning of the year was as follows (in thousands):

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	September 30, 2026	September 24, 2025	September 30, 2026	September 24, 2025
Revenue recognized from gift card liability balance at the beginning of the year	$ 226	$ 205	$ 765	$ 848

Franchise Revenue and Franchise Advertising Fee Revenue

Franchise revenue consists of franchise royalties, initial and renewal franchise fees, license fees due from franchisees, IT support services, and rental income for subleases to franchisees. Franchise advertising fee revenue consists of advertising contributions received from franchisees. These revenue streams are made up of the following performance obligations:

- Franchise license - inclusive of advertising services, development agreements, training, access to restaurant development plans and help desk services;
- Discounted renewal option; and
- Hardware services.

The Company satisfies the performance obligation related to the franchise license over the term of the franchise agreement, which is typically 20 years. Payment for the franchise license consists of three components, a fixed-fee related to the franchise/development agreement, a revenue-based royalty fee and a revenue-based advertising fee. The fixed fee, as determined by the signed development and/or franchise agreement, is due at the time the development agreement is entered into, and/or when the franchise agreement is signed, and does not include a finance component. The fixed fee is deferred upon receipt and recognized as franchise revenue as the performance obligation is satisfied, over the term of the franchise agreement.

The revenue-based royalty fee and revenue-based advertising fee are considered variable consideration and are recognized as franchise revenue as such revenue are earned by the franchisees. Both revenue-based fees qualify under the royalty constraint exception and do not require an estimate of future transaction price. Additionally, the Company is utilizing the practical expedient available under ASC Topic 606, *Revenue from Contracts with Customers* ("Topic 606") regarding disclosure of the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied for revenue-based royalties.

In certain franchise agreements, the Company offers a discounted renewal fee to incentivize future renewals after the end of the initial franchise term. As this is considered a separate performance obligation, the Company allocated a portion of the initial franchise fee to this discounted renewal, on a pro-rata basis, assuming a 20-year renewal. This performance obligation is satisfied over the renewal term, which is typically 10 or 20 years, while payment is fixed and due at the time the renewal is signed.

The Company purchases hardware, such as scanners, printers, point-of-sale systems, kiosks, and tablets, from third party vendors, which it then sells to franchisees. Revenue from the sale of hardware is recognized at a point in time, upon transfer of the goods from the Company to the franchisee, which is also when payment is received. As the Company is considered the principal in this relationship, the Company presents hardware sales on a gross basis. As of September 30, 2026, there were no performance obligations related to hardware services that were unsatisfied or partially satisfied.

Contract Balances

The Company's franchise contract liability includes development fees, initial franchise and license fees, franchise renewal fees, lease subsidies and royalty discounts and is included within other accrued expenses and current liabilities and other noncurrent liabilities within the accompanying condensed consolidated balance sheets. The Company receives area development fees from franchisees when they execute multi-unit area development agreements. Initial franchise and license fees, or franchise renewal fees, are received from franchisees upon the execution of, or renewal of, a franchise agreement. Revenue is recognized from these agreements as the underlying performance obligation is satisfied, which is over the term of the agreement.

The following table provides information about the change in the franchise contract liability balances during the thirty-nine weeks ended September 30, 2026 and September 24, 2025 (in thousands):

December 31, 2025	$	6,153
Additional contract liability		778
Revenue recognized		(530)
September 30, 2026	**$**	**6,401**
December 25, 2024	$	6,730
Additional contract liability		397
Revenue recognized		(520)
September 24, 2025	**$**	**6,607**

The following table illustrates the estimated revenue to be recognized in future periods related to performance obligations under the applicable contracts that are unsatisfied as of September 30, 2026 (in thousands):

Franchise revenues:		
2026	$	143
2027		567
2028		551
2029		523
2030		499
Thereafter		4,118
Total	**$**	**6,401**

Contract Costs

The Company does not currently incur costs to obtain or fulfill a contract that would be considered contract assets under Topic 606.

11. LEASES

Nature of Leases

The Company's operations utilize property, facilities, equipment and vehicles leased from others. Additionally, the Company has various contracts with vendors that have been determined to contain an embedded lease in accordance with Topic 842.

Significant Assumptions and Judgments

In applying the requirements of Topic 842, the Company made significant assumptions and judgments related to determination of whether a contract contains a lease and the discount rate used for the lease.

In determining if any of the Company's contracts contain a lease, the Company made assumptions and judgments related to its ability to direct the use of any assets stated in the contract and the likelihood of renewing any short-term contracts for a period extending past twelve months.

The Company also made significant assumptions and judgments in determining an appropriate discount rate for property leases. As the rate implicit in these leases is generally not readily determinable, the Company uses its incremental borrowing rate. These included using a consistent discount rate for a portfolio of leases entered into at varying dates, using the full 20-year term of the lease, excluding any options, and using the total minimum lease payments. The Company utilizes a third-party valuation firm in determining the discount rate, based on the above assumptions. For all other leases, the Company uses the discount rate implicit in the lease, or the Company's incremental borrowing rate.

As the Company has adopted the practical expedient not to separate lease and non-lease components, no significant assumptions or judgments were necessary in allocating consideration between these components, for all classes of underlying assets.

Building and Facility Leases

The majority of the Company's building and facilities leases are classified as operating leases; however, the Company currently has one facility and nine equipment leases that are classified as finance leases.

Restaurants are operated under lease arrangements that generally provide for a fixed base rent and, in some instances, contingent rent based on a percentage of restaurant revenue in excess of a defined amount. Additionally, a number of the Company's leases have payments that increase at pre-determined dates based on the change in the consumer price index. For all leases, the Company also reimburses the landlord for non-lease components, or items that are not considered components of a contract, such as common area maintenance, property tax and insurance costs. While the Company determined not to separate lease and non-lease components, these payments are based on actual costs, making them variable consideration and therefore excludes them from the calculations of the right-of-use ("ROU") asset and lease liability.

The initial terms of land and restaurant building leases are generally 20 years, exclusive of options to renew. These leases typically have four 5-year renewal options, which have generally been excluded in the calculation of the ROU asset and lease liability, as they are not considered reasonably certain to be exercised, unless there have been significant leasehold improvements that have a useful life that extend past the original lease term. Furthermore, there are no residual value guarantees and no restrictions imposed by the lease.

During the thirteen and thirty-nine weeks ended September 30, 2026, the Company reassessed the lease terms on 12 restaurants and 26 restaurants, respectively, due to certain triggering events, such as the addition of significant leasehold improvements with useful lives that extend past the current lease expiration, the decision to terminate a lease, or the decision to renew or exercise an option. This reassessment resulted in an additional $7.2 million and $16.4 million of ROU asset and lease liabilities for the thirteen and thirty-nine weeks ended September 30, 2026, respectively. During the thirteen and thirty-nine weeks ended September 24, 2025, the Company reassessed the lease terms on 10 and 19 restaurants, respectively, due to certain triggering events, such as the addition of significant leasehold improvements with useful lives that extend past the current lease expiration, the decision to terminate a lease, or the decision to renew or exercise an option. This reassessment resulted in an additional $6.9 million and $14.0 million of ROU asset and lease liabilities for the thirteen and thirty-nine weeks ended September 24, 2025, respectively, which were recognized and will be amortized over the new lease term.

The Company also subleases facilities to certain franchisees and other non-related parties which are also considered operating leases. Sublease income also includes contingent rental income based on net revenues. The vast majority of these leases have rights to extend terms via fixed rental increases. However, none of these leases have early termination rights, the right to purchase the premises or any residual value guarantees. The Company does not have any related party leases.

During the thirty-nine weeks ended September 30, 2026, the Company recorded a $0.2 million non-cash impairment charge related to one restaurant in Nevada. During both the thirteen and thirty-nine weeks ended September 24, 2025, the Company did not record any non-cash impairment charges.

Equipment

Leases of equipment primarily consist of restaurant equipment and vehicles. These leases are fixed payments with no variable component. Additionally, no optional renewal periods have been included in the calculation of the ROU asset, and there are no residual value guarantees and no restrictions imposed.

Lease Cost and Lease Activities

The following table presents the Company's total lease cost, disaggregated by underlying asset (in thousands):

	Thirteen Weeks Ended					
	September 30, 2026			September 24, 2025		
	Property Leases	Equipment Leases	Total	Property Leases	Equipment Leases	Total
Finance lease cost:						
Amortization of right-of-use assets	$ 19	$ 8	$ 27	$ 19	$ 27	$ 46
Interest on lease liabilities	9	1	10	9	4	13
Operating lease cost:						
Fixed rent cost	7,400	89	7,489	7,295	101	7,396
Short-term lease cost	—	—	—	—	9	9
Variable lease cost	112	7	119	142	389	531
Sublease income	(1,628)	—	(1,628)	(1,730)	—	(1,730)
Total lease cost	$ 5,912	$ 105	$ 6,017	$ 5,735	$ 530	$ 6,265

	Thirty-Nine Weeks Ended					
	September 30, 2026			September 24, 2025		
	Property Leases	Equipment Leases	Total	Property Leases	Equipment Leases	Total
Finance lease cost:						
Amortization of right-of-use assets	$ 55	$ 121	$ 176	$ 57	$ 86	$ 143
Interest on lease liabilities	27	6	33	28	13	41
Operating lease cost:						
Fixed rent cost	22,059	163	22,222	21,692	309	22,001
Short-term lease cost	—	5	5	—	44	44
Variable lease cost	436	701	1,137	444	1,059	1,503
Sublease income	(5,040)	—	(5,040)	(5,193)	—	(5,193)
Total lease cost	$ 17,537	$ 996	$ 18,533	$ 17,028	$ 1,511	$ 18,539

The following table presents the Company's total lease cost on the condensed consolidated statements of income (in thousands):

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	September 30, 2026	September 24, 2025	September 30, 2026	September 24, 2025
Lease cost – Occupancy and other operating expenses	$ 5,950	$ 6,252	$ 18,550	$ 18,612
Lease cost – General & administrative	153	214	512	428
Lease cost – Depreciation and amortization	27	46	96	143
Lease cost – Interest expense	10	13	33	41
Lease cost - Franchise Expenses	1,505	1,470	4,382	4,507
Sublease income	(1,628)	(1,730)	(5,040)	(5,192)
Total lease cost	$ 6,017	$ 6,265	$ 18,533	$ 18,539

During the thirty-nine weeks ended September 30, 2026 and September 24, 2025, the Company had the following cash and non-cash activities associated with its leases (dollars in thousands):

	Thirty-Nine Weeks Ended September 30, 2026			Thirty-Nine Weeks Ended September 24, 2025		
	Property Leases	Equipment Leases	Total	Property Leases	Equipment Leases	Total
Cash paid for amounts included in the measurement of lease liabilities						
Operating cash flows used for operating leases	$ 19,539	$ 275	$ 19,814	$ 21,732	$ 279	$ 22,011
Financing cash flows used for finance leases	$ 52	$ 38	$ 90	$ 70	$ 98	$ 168
Non-cash investing and financing activities:						
Operating lease ROU assets obtained in exchange for lease liabilities:						
Operating lease ROU assets	$ 16,373	$ 11	$ 16,384	$ 14,369	$ 15	$ 14,384
Finance lease ROU assets obtained in exchange for lease liabilities:						
Finance lease ROU assets	$ —	$ —	$ —	$ —	$ —	$ —
Derecognition of ROU assets due to terminations, impairment or modifications	$ 179	$ 66	$ 245	$ 415	$ —	$ 415
Other Information						
Weighted-average remaining years in lease term—finance leases	14.11	2.00		15.13	2.80	
Weighted-average remaining years in lease term—operating leases	9.39	2.09		9.71	3.05	
Weighted-average discount rate—finance leases	2.57 %	7.51 %		2.57 %	7.07 %	
Weighted-average discount rate—operating leases	5.63 %	6.85 %		5.41 %	6.72 %	

Information regarding the Company's minimum future lease obligations as of September 30, 2026 is as follows (in thousands):

	Finance Leases	Operating Leases	
For the Years Ending	Minimum Lease Payments	Minimum Lease Payments	Minimum Sublease Income
December 30, 2026	$ 34	$ 7,577	$ 1,489
December 29, 2027	135	31,324	5,906
December 27, 2028	119	29,742	5,487
December 26, 2029	105	28,129	4,987
December 25, 2030	104	25,902	4,638
Thereafter	1,169	130,557	30,232
Total	$ 1,666	$ 253,231	$ 52,739
Less: imputed interest (2.57% - 7.51%)	(270)	(60,483)	
Present value of lease obligations	1,396	192,748	
Less: current maturities	(99)	(20,871)	
Noncurrent portion	$ 1,297	$ 171,877	

Short-Term Leases

The Company has multiple short-term leases, which have terms of less than 12 months, and thus were excluded from the recognition requirements of Topic 842. The Company has recognized these lease payments in its condensed consolidated statements of income on a straight-line basis over the lease term and variable lease payments in the period in which the obligation for those payments was incurred.

Lessor

The Company is a lessor for certain property and facilities owned by the Company and leased to others, principally franchisees, under non-cancelable leases with initial terms ranging from three to 20 years. These lease agreements generally provide for a fixed base rent and, in some instances, contingent rent based on a percentage of gross operating profit or net revenues. All leases are considered operating leases.

For the leases in which the Company is the lessor, there are options to extend the lease. However, there are no terms and conditions to terminate the lease, no right to purchase premises and no residual value guarantees. Additionally, there are no related party leases.

The Company received $0.1 million of lease income from company-owned locations for the thirteen weeks ended September 30, 2026 and September 24, 2025. The Company received $0.4 million and $0.3 million of lease income from company-owned locations for the thirty-nine weeks ended September 30, 2026 and September 24, 2025, respectively.

12. SEGMENT REPORTING

Operating segments are defined as components of a company that engage in business activities from which it may earn revenue and incur expenses, and for which separate financial information is available and is regularly reviewed by the chief operating decision maker ("CODM") to assess the performance of the individual segments and make decisions about company resources such as personnel and working capital to be allocated to the segments.

The Company derives revenue from three primary sources: (1) company-operated restaurant revenue, (2) franchise revenue, which is comprised primarily of franchise royalties and, to a lesser extent, franchise fees and sublease rental income, and (3) franchise advertising fee revenue. All significant revenues relate to retail sales of food and beverages through either company-operated or franchise-operated restaurants.

The Company determined that it has one operating segment and one reportable segment which is reflected in the Company's current organizational and management structure.

The Company's CODM is the Chief Executive Officer who manages the Company's operations on a reportable segment basis. The Company's CODM reviews its operations and financial performance at a consolidated level by comparing actual results to budgeted figures and prior year results. This approach allows the CODM to assess whether the Company's operating segment is meeting its financial goals, identify trends and make more informed decisions about resource allocation and performance targets.

When evaluating the Company's financial performance, the CODM regularly reviews total revenue, segment expenses, and consolidated net income as reported on the Consolidated Statements of Income as well as non-GAAP measures such as restaurant contribution margin and Adjusted EBITDA to allocate Company resources and assess the performance of the Company. Segment asset information is not used by the CODM to assess performance and allocate resources.

The table below is a summary of the segment net income, including significant segment expenses for the thirteen and thirty-nine weeks ended September 30, 2026 and September 24, 2025 (in thousands):

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	September 30, 2026	**September 24, 2025**	**September 30, 2026**	**September 24, 2025**
Total revenue	**$** 126,307	**$** 121,520	**$** 382,061	**$** 366,531
Less:				
Food and paper costs	25,752	24,879	79,607	75,114
Labor and related expenses	32,069	30,648	96,201	94,982
General and administrative expenses	13,966	12,343	33,814	37,138
Franchise expenses	11,503	11,407	34,562	36,476
Occupancy expenses	7,752	7,973	23,783	24,016
Other operating expenses[(1)]	20,436	18,757	59,050	55,128
Depreciation and amortization	4,632	3,973	13,112	11,789
Other segment expenses[(2)]	28	82	863	153
Total operating expenses	116,138	110,062	340,992	334,796
Income from operations	10,169	11,458	41,069	31,735
Interest expense, net	537	1,122	1,974	3,505
Provision for income taxes	2,755	2,978	11,254	8,284
Total segment net income	**$** 6,877	**$** 7,358	**$** 27,841	**$** 19,946

(1) Other operating expenses are comprised of utilities, repairs and maintenance, advertising, credit card processing fees, delivery service provider fees, restaurant supplies and other restaurant operating costs.

(2) Other segment expenses include loss on disposal of assets, and impairment and closed-store reserve.

13. SUBSEQUENT EVENTS

Subsequent to quarter end, the Company borrowed an additional $4.0 million on the 2026 Revolver, resulting in outstanding borrowings of $27.0 million as of November 4, 2026.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion should be read in conjunction with our "Condensed Consolidated Financial Statements (Unaudited)" and accompanying "Notes to Condensed Consolidated Financial Statements (Unaudited)" included elsewhere in this Quarterly Report on Form 10-Q. In addition to historical information, this discussion may contain forward-looking statements that involve risks, uncertainties, and assumptions that could cause actual results to differ materially from management's expectations. See "Cautionary Statement Concerning Forward-Looking Statements" below. We assume no obligation to update any such forward-looking statements.

Cautionary Statement Concerning Forward-Looking Statements

This report contains forward-looking statements within the meaning of federal securities laws that are subject to risks and uncertainties. All statements other than statements of historical fact included in this report are forward-looking statements. Examples of forward-looking statements in this report include, but are not limited to, discussions of our current expectations, projections, intentions, or beliefs relating to our financial condition, results of operations, liquidity, prospects, growth (inclusive of the opening of future restaurants), trends, strategies, and the industry in which we operate. You can identify forward-looking statements because they do not relate strictly to historical or current facts. These statements may include words such as "aim," "anticipate," "believe," "estimate," "expect," "forecast," "outlook," "potential," "project," "projection," "plan," "intend," "seek," "may," "could," "would," "will," "should," "can," "can have," "likely," the negatives thereof and other words and terms of similar meaning used in connection with any discussion of the timing or nature of future operating or financial performance or other events. All forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those that we expected. While we believe that our assumptions are reasonable, we caution that it is very difficult to predict the impact of known factors, and it is impossible for us to anticipate all factors that could affect our actual results. All forward-looking statements are expressly qualified in their entirety by these cautionary statements. You should evaluate all forward-looking statements made in this report in the context of the factors that could cause outcomes to differ materially from our expectations. These factors include, but are not limited to: our ability to open new restaurants in new and existing markets; our ability to compete successfully; global economic or other business conditions, including trade policies, tariff and import regulations by the United States, as well as consumer preferences; our ability to attract, develop, assimilate, and retain employees; our vulnerability to regional geographic conditions; our ability to maintain business continuity in the event of a disaster or disruption; impairment of our assets; changes in food and supply costs, especially for chicken, labor, construction and utilities; the impacts of public health crises; potential negative publicity; our ability to continue to expand our digital business, delivery orders and catering; concerns about food safety and quality and about food-borne illness; dependence on frequent and timely deliveries of food and supplies; our ability to service our level of indebtedness; the success of our marketing programs, new menu items, advertising campaigns and restaurant designs and remodels; risks related to our dependence on our franchisees, including their vulnerability to economic changes; exposure from our self-insurance programs; obligations under long-term and non-cancelable leases, and our ability to renew leases at the end of their terms; our ability to achieve our corporate responsibility goals; information technology system failures, cybersecurity breaches, or failure to protect our customers' data or personal information; our ability to enforce and maintain our intellectual property; the impact of federal, state and local laws, including those governing our relationships with our employees; fluctuations in our quarterly operating results due to seasonality and other factors; any future offerings of debt or equity securities that may impact the market price of our common stock or dilute existing shareholders' ownership; the possibility that Delaware law, our organizational documents, our shareholder rights agreement, and our existing and future debt agreements may impede or discourage a takeover; the impact of shareholder activism on our expenses, business and stock price; and the risks set forth in our filings with the SEC from time to time, including under Item 1A, Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2025, which filings are available online at www.sec.gov. We caution you that the important factors referenced above may not contain all of the factors that are important to you. In addition, we cannot assure you that we will realize the results or developments we expect or anticipate or, even if substantially realized, that they will result in the consequences we anticipate or affect us or our operations in the ways that we expect. The forward-looking statements included in this report are made only as of the date hereof, and we caution you to not place undue reliance on any forward-looking statement made in this report. We undertake no obligation to publicly update or revise any forward-looking statement as a result of new information, future events or otherwise, except as required by law. If we do update one or more forward-looking statements, no inference should be made that we will make additional updates with respect to those or other forward-looking statements. We qualify all of our forward-looking statements by these cautionary statements.

Overview

El Pollo Loco is a differentiated and growing restaurant concept that specializes in fire-grilling citrus-marinated chicken and operates in the limited service restaurant segment. We strive to offer quality chicken served fast and easy. Our distinctive menu features our signature product—citrus-marinated fire-grilled chicken—and a variety of contemporary entrees that we create from our chicken. We serve individual and family-sized chicken meals, including a variety of entrees like our Double Chicken Tostada, Guacamole Chicken Burrito, and Salsa Verde Chicken Quesadilla. Our famous Creamy Cilantro dressings and salsas are prepared fresh daily, allowing our customers to create their favorite flavor profiles to enhance their culinary experience. We believe that our distinctive menu that features quality chicken is a flavorful and affordable option that appeals to consumers across a wide variety of socio-economic backgrounds and drives our balanced composition of sales throughout the day, including at lunch and dinner. In 2025, El Pollo Loco launched a brand refresh, inclusive of a new advertising campaign, restaurant design, new products, and an emphasis on hospitality in our restaurants. All these elements reinforce our position in the market of "Quality Chicken, Fast & Easy."

Market Trends and Uncertainties

As a result of California legislation increasing wages of fast food workers, we experienced an increase in our labor and regulatory compliance costs in recent periods. Although these cost pressures have continued in 2026, we have been able to offset these cost pressures through various actions, such as increasing menu prices, managing menu mix, and productivity improvements.

Furthermore, recent California legislation may establish further requirements for responsible packaging and single-use plastic food service ware which could affect our operations and compliance costs in that state. For additional information, see "Item 1A. Risk Factors," in our Annual Report on Form 10-K for the year ended December 31, 2025, including the risk factor titled *"We are subject to extensive laws, government regulation, and other legal requirements and our failure to comply with existing or new laws and regulations could adversely affect our operational efficiencies and results of operations."*

Additionally, we are impacted by macroeconomic challenges, such as inflationary pressures and changes in trade policies, that have in the past affected, and may continue in the future, to affect our operations in certain areas such as food cost, labor costs, construction costs and other restaurant operating costs. We have been able to substantially offset these inflationary and other cost pressures through various actions, such as increasing menu prices, managing menu mix, and productivity improvements. However, we expect these inflationary and other cost pressures to continue in 2026 and some into 2027, and we may not be able to offset cost increases in the future. Global political and macroeconomic events may also impact our business costs, including the costs of transportation and energy.

There is ongoing uncertainty regarding increased tariff duties on goods imported into the United States, which has caused substantial market uncertainty and in certain cases, retaliatory measures by trading partners. Such changes include the imposition of tariffs under the authority of the International Emergency Economic Powers Act, which the U.S. Supreme Court found unlawful in February 2026, the creation of a refund process for such tariff duties, and, most recently, the imposition of new tariffs under Section 301 of the Trade Act of 1974 on imports from numerous trading partners, effective July 24, 2026. Certain of the produce, packaging materials, and other items procured by our Company are sourced from outside the United States, including from Canada, Mexico and Asia. Current and proposed tariff rates range widely, depending on the country of origin and the availability of product-specific exemptions.

Although the United States-Mexico-Canada Agreement ("USMCA") remains in force, the United States did not agree to renew the agreement in its current form following the July 2026 joint review, and certain goods from Canada and Mexico, including USMCA-compliant goods, may be subject to new tariffs unless an exemption applies. While we continue to evaluate the potential impacts of increased tariff rates, as well as our ability to mitigate any related impacts, the imposition of tariffs on goods we import into the United States may increase our food and paper costs and adversely impact our financial results. Any new or increased import duties, tariffs, or taxes, or other changes in U.S. trade or tax policy could result in further increases to our food and paper costs and other restaurant operating costs that would adversely impact our financial results. For additional information, see "Item 1A. Risk Factors," in our Annual Report on Form 10-K for the year ended December 31, 2025, including the risk factor titled "*We are vulnerable to changes in political and economic conditions, such as trade policies, tariff and import regulations by the United States, as well as consumer preferences."*

Seasonality

Seasonal factors, including weather and the timing of holidays, cause our revenue to fluctuate from quarter to quarter. Our revenue per restaurant is typically lower in the first and fourth quarters due to reduced January and December transactions, and higher in the second and third quarters. As a result of seasonality, our quarterly and annual results of operations and key performance indicators, such as company-operated restaurant revenue and comparable restaurant sales, may fluctuate.

Growth Strategies and Outlook

As of September 30, 2026, we had 515 locations in ten states. For the thirty-nine weeks ended September 30, 2026, our franchisees opened nine new restaurants: two in Colorado, two in California, two in Texas, and one in each of the following states: Arizona, Idaho, and New Mexico, and the Company opened one new restaurant in California, and two new restaurants in Texas. In fiscal year 2025, we opened one new company-operated restaurant in California, and our franchisees opened eight new restaurants: two in California, two in Arizona, and one in each of the following states: Colorado, Texas, New Mexico and Washington.

We plan to continue to expand our business, drive restaurant sales growth, and enhance our competitive positioning by executing the following five key strategies:

- Brand That Wins;
- Hospitality Mindset;
- Digital First;
- Winning Unit Economics; and
- Drive Unit Growth Again with National Expansion.

To increase comparable restaurant sales, we plan to increase customer frequency, attract new customers, and improve per-person spend. The success of these growth plans is not guaranteed.

Highlights and Trends

Revenue Overview

For the thirteen and thirty-nine weeks ended September 30, 2026, our total revenue was $126.3 million and $382.1 million, respectively. For the thirteen weeks ended September 30, 2026, our company-operated restaurant revenue was $105.4 million, and our franchise revenue and franchise advertising fee revenue was $20.9 million. For the thirty-nine weeks ended September 30, 2026, our company-operated restaurant revenue was $319.4 million, and our franchise revenue and franchise advertising fee revenue was $62.6 million.

Comparable Restaurant Sales

For the thirteen and thirty-nine weeks ended September 30, 2026, system-wide comparable restaurant sales increased by 5.0% and 4.9%, respectively, from the comparable period in the prior year. For company-operated restaurants, comparable restaurant sales for the thirteen and thirty-nine weeks ended September 30, 2026 increased by 4.4% and 4.3%, respectively. For franchise-operated restaurants, comparable restaurant sales increased by 5.3% for both the thirteen and thirty-nine weeks ended September 30, 2026. A restaurant enters our comparable restaurant base the first full week after its 15-month anniversary. System-wide comparable restaurant sales include restaurant sales at all comparable company-operated restaurants and at all comparable franchise-operated restaurants, as reported by franchisees. Refer to “Comparable Restaurant Sales” definition in the section titled “Key Performance Indicators” below. Changes in system-wide comparable restaurant sales for each of the periods presented were as follows:

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	September 30, 2026	September 24, 2025	September 30, 2026	September 24, 2025
Company-operated same store sales	4.4 %	(1.1)%	4.3 %	0.2 %
Franchise-operated same store sales	5.3 %	(0.6)%	5.3 %	(1.0)%
System-wide same store sales	5.0 %	(0.8)%	4.9 %	(0.6)%

Restaurant Development

Our restaurant counts at the beginning and end of each of the thirty-nine weeks ended September 30, 2026 and September 24, 2025 were as follows:

	Thirty-Nine Weeks Ended	
	September 30, 2026	September 24, 2025
Company-operated restaurant activity[1]:		
Beginning of period	175	173
Openings	3	—
Restaurant sale to Company	—	1
Restaurant sale to franchisee	(2)	—
Closures	—	—
Restaurants at end of period	176	174
Franchise-operated restaurant activity:		
Beginning of period	328	325
Openings	9	3
Restaurant sale to Company	—	(1)
Restaurant sale to franchisee	2	—
Closures	—	(3)
Restaurants at end of period	339	324
System-wide restaurant activity:		
Beginning of period	503	498
Openings	12	3
Closures	—	(3)
Restaurants at end of period	515	498

(1) Our restaurant count includes 515 domestic restaurants and excludes the eight licensed restaurants in the Philippines, as well as the two previously licensed restaurants in the Philippines that were closed during the thirty-nine weeks ended September 24, 2025.

Restaurant Remodeling

During the thirty-nine weeks ended September 30, 2026, we completed a total of 45 remodels of which 23 were company-operated restaurant remodels. For the remainder of fiscal 2026, we plan to continue our standard practices for remodels, which includes a goal of completing a total of 28 to 32 company-operated restaurant remodels and 28 to 37 franchise-operated restaurant remodels. Remodeling is a use of cash and has implications for our net property and depreciation line items on our consolidated balance sheets and consolidated statements of income, among others. The cost of our restaurant remodels varies depending on the scope of the work required, but on average the investment is approximately $0.4 million per restaurant.

Loco Rewards

Our Loco Rewards loyalty program is designed to increase customer engagement and visit frequency by allowing members to earn points on qualifying purchases that can be redeemed for a variety of rewards. We defer a portion of the revenue associated with qualifying purchases until the related rewards are redeemed or expire. See Note 10, "*Revenue from Contracts with Customers*," to the Condensed Consolidated Financial Statements above for additional information regarding our accounting for the program.

As of September 30, 2026 and December 31, 2025, the revenue allocated to loyalty points that had not been redeemed was $1.2 million and $1.1 million, respectively, which is reflected in our accompanying condensed consolidated balance sheets within other accrued expenses and current liabilities. We had over 5.8 million loyalty program members as of September 30, 2026.

Critical Accounting Policies and Use of Estimates

The preparation of our condensed consolidated financial statements in accordance with U.S. generally accepted accounting principles ("GAAP") requires us to make estimates and judgments that affect our reported amounts of assets, liabilities, revenue, and expenses, and related disclosures of contingent assets and liabilities. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under current circumstances in making judgments about the carrying value of assets and liabilities that are not readily available from other sources. We evaluate our estimates on an on-going basis. Actual results may differ from these estimates under different assumptions or conditions.

Accounting policies are an integral part of our condensed consolidated financial statements. A thorough understanding of these accounting policies is essential when reviewing our reported results of operations and our financial position. Management believes that our critical accounting policies and estimates involve the most difficult management judgments, due to the sensitivity of the methods and assumptions used. For a summary of our critical accounting policies and a discussion of our use of estimates, see "*Critical Accounting Policies and Estimates*" in Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the year ended December 31, 2025.

There have been no material changes to our critical accounting policies or uses of estimates since our Annual Report on Form 10-K for the year ended December 31, 2025.

Key Financial Definitions

Revenue

Our revenue is derived from three primary sources: company-operated restaurant revenue, franchise revenue, which is comprised primarily of franchise royalties and, to a lesser extent, franchise fees and sublease rental income, and franchise advertising fee revenue. See Note 10, "*Revenue from Contracts with Customers*" to the Condensed Consolidated Financial Statements above for further details regarding our revenue recognition policy.

Food and Paper Costs

Food and paper costs include the direct costs associated with food, beverage and packaging of our menu items. The components of food and paper costs are variable in nature, change with sales volume, are impacted by menu mix, and are subject to increases or decreases in commodity costs.

Labor and Related Expenses

Labor and related expenses include wages, payroll taxes, workers' compensation expense, benefits, and bonuses paid to our restaurant management teams. Like other expense items, we expect labor costs to grow proportionately as our restaurant revenue grows. Factors that influence labor costs include minimum wage and payroll tax legislation, state labor laws (which, in California, includes AB 1228), overtime, wage inflation, the frequency and severity of workers' compensation claims, health care costs, and the performance of our restaurants.

Occupancy Costs and Other Operating Expenses

Occupancy costs include rent, common area maintenance ("CAM"), and real estate taxes. Other restaurant operating expenses include the costs of utilities, advertising, credit card processing fees, delivery service provider fees, restaurant supplies, repairs and maintenance, and other restaurant operating costs.

General and Administrative Expenses

General and administrative expenses are comprised of expenses associated with corporate and administrative functions that support the development and operations of our restaurants, including compensation and benefits, travel expenses, stock-based compensation expense, legal and professional fees, and other related corporate costs. Also included are pre-opening costs, and expenses above the restaurant level, including salaries for field management, such as area and regional managers, and franchise field operational support.

Franchise Expenses

Franchise expenses are primarily comprised of rent expenses incurred on properties leased or owned by us and then sublet to franchisees, expenses incurred in support of franchisee information technology systems, and the franchisee's portion of advertising expenses.

Depreciation and Amortization

Depreciation and amortization primarily consists of the depreciation of property and equipment, including leasehold improvements and equipment.

Loss on Disposal of Assets

Loss on disposal of assets includes the loss on disposal of assets related to retirements and replacement or write-off of leasehold improvements or equipment.

Impairment and Closed-Store Reserves

We review long-lived assets such as property, and equipment, right-of-use ("ROU") assets and intangibles on a unit-by-unit basis for impairment when events or circumstances indicate the carrying value of the assets may not be recoverable. We determine if there is impairment at the restaurant level by comparing undiscounted future cash flows from the related long-lived assets to their respective carrying values and record an impairment charge when appropriate. In determining future cash flows, significant estimates are made by us with respect to future operating results of each restaurant over its remaining lease term, including sales trends, labor rates, commodity costs and other operating cost assumptions. If assets are determined to be impaired, the impairment charge is measured by calculating the amount by which the asset's carrying amount exceeds its fair value. This process of assessing fair values requires the use of estimates and assumptions, including our ability to sell or reuse the related assets and market conditions, which are subject to a high degree of judgment. If these assumptions change in the future, we may be required to record impairment charges for these assets and these charges could be material.

When we close a restaurant, we will evaluate the ROU asset for impairment, based on anticipated sublease recoveries. The remaining value of the ROU asset is amortized on a straight-line basis, with the expense recognized in closed-store reserve expense, in addition to property tax and CAM expenses for our closed restaurants.

Interest Expense, Net

Interest expense, net, consists primarily of interest on our outstanding debt. Debt issuance costs are amortized at cost over the life of the related debt.

Provision for Income Taxes

Provision for income taxes consists of federal and state taxes on our pre-tax income.

Comparison of Results of Operations

Our operating results for the thirteen and thirty-nine weeks ended September 30, 2026 and September 24, 2025 are expressed as percentages of total revenue, with the exception of cost of operations and company restaurant expenses, which are expressed as percentages of company-operated restaurant revenue, and are compared in the tables below.

	Thirteen Weeks Ended					
	September 30, 2026		September 24, 2025		Increase / (Decrease)	
	($,000)	(%)	($,000)	(%)	($,000)	(%)
Statements of Income Data						
Company-operated restaurant revenue	$ 105,383	83.4	$ 100,721	82.9	$ 4,662	4.6
Franchise revenue	12,475	9.9	12,864	10.6	(389)	(3.0)
Franchise advertising fee revenue	8,449	6.7	7,935	6.5	514	6.5
Total revenue	**126,307**	**100.0**	**121,520**	**100.0**	**4,787**	**3.9**
Cost of operations						
Food and paper costs	25,752	24.4	24,879	24.7	873	3.5
Labor and related expenses	32,069	30.4	30,648	30.4	1,421	4.6
Occupancy and other operating expenses	28,188	26.7	26,730	26.5	1,458	5.5
Company restaurant expenses	**86,009**	**81.6**	**82,257**	**81.6**	**3,752**	**4.6**
General and administrative expenses	13,966	11.1	12,343	10.2	1,623	13.1
Franchise expenses	11,503	9.1	11,407	9.4	96	0.8
Depreciation and amortization	4,632	3.7	3,973	3.3	659	16.6
Loss on disposal of assets	—	—	73	0.1	(73)	(100.0)
Impairment and closed-store reserves	28	0.0	9	0.0	19	211.1
Total expenses	**116,138**	**91.9**	**110,062**	**90.6**	**6,076**	**5.5**
Income from operations	**10,169**	**8.1**	**11,458**	**9.4**	**(1,289)**	**(11.2)**
Interest expense, net	537	0.5	1,122	0.9	(585)	(52.1)
Income before provision for income taxes	**9,632**	**7.6**	**10,336**	**8.5**	**(704)**	**(6.8)**
Provision for income taxes	2,755	2.2	2,978	2.5	(223)	(7.5)
Net income	**$ 6,877**	**5.4**	**$ 7,358**	**6.0**	**$ (481)**	**(6.5)**

	Thirty-Nine Weeks Ended					
	September 30, 2026		September 24, 2025		Increase / (Decrease)	
	($,000)	(%)	($,000)	(%)	($,000)	(%)
Statements of Income Data						
Company-operated restaurant revenue	$ 319,434	83.6	$ 303,404	82.8	$ 16,030	5.3
Franchise revenue	37,365	9.8	39,419	10.8	(2,054)	(5.2)
Franchise advertising fee revenue	25,262	6.6	23,708	6.4	1,554	6.6
Total revenue	**382,061**	**100.0**	**366,531**	**100.0**	**15,530**	**4.2**
Cost of operations						
Food and paper costs	79,607	24.9	75,114	24.8	4,493	6.0
Labor and related expenses	96,201	30.1	94,982	31.3	1,219	1.3
Occupancy and other operating expenses	82,833	26.0	79,144	26.1	3,689	4.7
Company restaurant expenses	**258,641**	**81.0**	**249,240**	**82.2**	**9,401**	**3.8**
General and administrative expenses	33,814	8.9	37,138	10.1	(3,324)	(9.0)
Franchise expenses	34,562	9.0	36,476	10.0	(1,914)	(5.2)
Depreciation and amortization	13,112	3.4	11,789	3.2	1,323	11.2
Loss on disposal of assets	612	0.2	127	0.0	485	381.9
Impairment and closed-store reserves	251	0.1	26	0.0	225	865.4
Total expenses	**340,992**	**89.3**	**334,796**	**91.3**	**6,196**	**1.9**
Income from operations	**41,069**	**10.7**	**31,735**	**8.7**	**9,334**	**29.4**
Interest expense, net	1,974	0.5	3,505	1.0	(1,531)	(43.7)
Income before provision for income taxes	**39,095**	**10.2**	**28,230**	**7.7**	**10,865**	**38.5**
Provision for income taxes	11,254	2.9	8,284	2.3	2,970	35.9
Net income	**$ 27,841**	**7.3**	**$ 19,946**	**5.4**	**$ 7,895**	**39.6**

Company-Operated Restaurant Revenue

For the quarter ended September 30, 2026, company-operated restaurant revenue increased $4.7 million, or 4.6% from the comparable period in the prior year. The increase in company-operated restaurant revenue was mainly due to an increase in company-operated comparable restaurant revenue of $4.3 million, or 4.4%, as well as $1.0 million of additional sales related to three restaurants opened after the third quarter of 2025. This company-operated restaurant revenue increase was partially offset by a $0.3 million decrease in revenue resulting from the transfer of one Company-operated restaurant to a franchisee in the second quarter of 2026. The company-operated comparable restaurant sales increase consisted of a 4.0% increase in average check size, combined with a 0.3% increase in transactions.

For the year-to-date period ended September 30, 2026, company-operated restaurant revenue increased $16.0 million, or 5.3% from the comparable period in the prior year. The increase in company-operated restaurant revenue was mainly due to an increase in company-operated comparable restaurant revenue of $12.9 million, or 4.3%, as well as $2.8 million of additional sales related to four restaurants opened after the third quarter of 2025 partially offset by the transfer of one of those to a franchisee along with an additional restaurant transferred to a franchisee, both in the second quarter of 2026. The company-operated comparable restaurant sales increase consisted of a 4.6% increase in average check size, partially offset by a 0.4% decrease in transactions.

Franchise Revenue

For the quarter ended September 30, 2026, franchise revenue decreased $0.4 million, or 3.0% from the comparable period in the prior year. This decrease was primarily due to a $0.6 million decrease in franchisee information technology ("IT") pass-through revenue related to the franchise rollout of the new Point of Sale ("POS") system completed in 2025, and a prior year true up of royalty rates. The decrease was partially offset by an increase in franchise revenue related to the 14 franchise-operated restaurant openings during or subsequent to the third quarter of 2025 and a franchise comparable restaurant sales increase of 5.3%. The franchise comparable restaurant sales increase consisted of a 4.4% increase in average check size, combined with a 0.9% increase in transactions.

For the year-to-date period ended September 30, 2026, franchise revenue decreased $2.1 million, or 5.2% from the comparable period in the prior year. This decrease was primarily due to a $3.6 million decrease in franchisee IT pass-through revenue related to the franchise rollout of the new POS system completed in 2025. The decrease was partially offset by the increase in franchise revenue related to the 14 franchise-operated restaurant openings during or subsequent to the third quarter of 2025 and a franchise comparable restaurant sales increase of 5.3%. The franchise comparable restaurant sales increase consisted of a 4.9% increase in average check size, combined with a 0.4% increase in transactions.

Franchise Advertising Fee Revenue

For the quarter ended September 30, 2026, franchise advertising fee revenue increased $0.5 million, or 6.5% from the comparable period in the prior year. As advertising fee revenue is a percentage of franchisees' revenue, the fluctuations for the quarter were due to the increases and decreases noted in franchise revenue above.

For the year-to-date period ended September 30, 2026, franchise advertising fee revenue increased $1.6 million, or 6.6% from the comparable period in the prior year. As advertising fee revenue is a percentage of franchisees' revenue, the fluctuations for the year-to-date period were due to the increases and decreases noted in franchise revenue above.

Food and Paper Costs

For the quarter ended September 30, 2026, food and paper costs increased $0.9 million, or 3.5%, from the comparable period in the prior year. The increase in food and paper costs was primarily due to higher sales and higher commodity costs. For the quarter ended September 30, 2026, food and paper costs as a percentage of company-operated restaurant revenue were 24.4%, down from 24.7% in the comparable period of the prior year. The percentage decrease was primarily due to higher menu price increases and cost-management initiatives, partially offset by higher commodity costs and menu mix shifts.

For the year-to-date period ended September 30, 2026, food and paper costs increased $4.5 million, or 6.0%, from the comparable period in the prior year. The increase in food and paper costs was primarily due to higher sales and higher commodity costs. For the year-to-date period ended September 30, 2026, food and paper costs as a percentage of company-operated restaurant revenue were 24.9%, up from 24.8% in the comparable period of the prior year. The percentage increase was primarily due to the increased commodity costs and menu mix shifts, partially offset by menu price increases and cost-management initiatives.

Labor and Related Expenses

For the quarter ended September 30, 2026, labor and related expenses increased $1.4 million, or 4.6%, from the comparable period in the prior year. The increase in labor and related expenses was primarily due to an increase in labor associated with the opening of three new restaurants after the third quarter of 2025, combined with higher wage inflation, higher management incentive expense, higher overtime expense, a $0.4 million increase in workers' compensation expense, and an increase in other direct labor related expenses. These increases were partially offset by a $0.2 million reduction in group insurance expense. For the quarter ended September 30, 2026, labor and related expenses as a percentage of company-operated restaurant revenue were 30.4%, consistent with 30.4% in the comparable period in the prior year. Increased leverage from higher company-operated restaurant sales and lower group insurance expense offset the cost increases mentioned above.

For the year-to-date period ended September 30, 2026, labor and related expenses increased $1.2 million, or 1.3%, from the comparable period in the prior year. The increase in labor and related expenses was primarily due to a $1.9 million increase in labor associated with the opening of three new restaurants after the third quarter of 2025, combined with higher wage inflation, higher management incentive expense, higher overtime expense, and an increase in other direct labor related expenses. These increases were partially offset by a $0.8 million reduction in group insurance and workers' compensation expense. For the year-to-date period ended September 30, 2026, labor and related expenses as a percentage of company-operated restaurant revenue were 30.1%, down from 31.3% in the comparable period in the prior year. The percentage change was driven by leverage on higher company-operated restaurant sales and reduced group insurance expense.

Occupancy and Other Operating Expenses

For the quarter ended September 30, 2026, occupancy and other operating expenses increased $1.5 million, or 5.5%, from the comparable period in the prior year. The increase was primarily due to a $0.6 million increase in other operating expenses, primarily from delivery fees, mobile order fees and credit card fees, a $0.5 million increase in utility costs and a $0.5 million increase in repairs and maintenance costs. These increases were partially offset by a $0.2 million decrease in insurance. For the quarter ended September 30, 2026, occupancy and other operating expenses as a percentage of company-operated restaurant revenue were 26.7%, up from 26.5% in the comparable period in the prior year. The increase as a percentage of sales resulted primarily from the increases mentioned above, partially offset by leverage on higher company-operated restaurant sales.

For the year-to-date period ended September 30, 2026, occupancy and other operating expenses increased $3.7 million, or 4.7%, from the comparable period in the prior year. The increase was primarily due to a $1.7 million increase in other operating expenses, primarily from delivery fees, mobile order fees and credit card fees, a $1.8 million increase in utilities and repairs and maintenance expense and a $0.7 million increase in restaurant advertising expense. These increases were partially offset by a $0.5 million decrease in insurance expense. For the year-to-date period ended September 30, 2026, occupancy and other operating expenses as a percentage of company-operated restaurant revenue were 26.0%, down from 26.1% in the comparable period in the prior year. The decrease as a percentage of sales resulted from leverage on higher company-operated restaurant sales.

General and Administrative Expenses

For the quarter ended September 30, 2026, general and administrative expenses increased $1.6 million, or 13.1%, from the comparable period in the prior year. The increase for the quarter was primarily due to a $0.8 million increase in incentive compensation and other labor related expenses, a $0.3 million increase in stock compensation, a $0.2 million increase in restructuring and executive transition costs and a $0.5 million increase in other general and administrative expenses. These increases were partially offset by lower shareholder activism and related matters of $0.2 million.

For the year-to-date period ended September 30, 2026, general and administrative expenses decreased $3.3 million, or 9.0%, from the comparable period in the prior year. The decrease was primarily due to a $5.7 million favorable change related to legal settlements, reflecting $6.3 million received from a legal settlement, net of legal expenses, in the current-year period compared with $0.6 million received in the prior-year period, net of legal expenses, a $1.5 million decrease in legal and professional fee costs related to shareholder activism, and a $0.5 million decrease in restructuring and executive transition costs compared to the prior year. The general and administrative expenses decrease was partially offset by a $1.0 million increase in outside services and software maintenance, a $0.7 million increase in legal fees, a $0.7 million increase in incentive compensation, a $0.4 million increase in travel costs associated with new market support, a $0.4 million increase in stock compensation, a $0.3 million increase in store pre-opening costs, a combined $0.3 million increase related to our corporate office relocation and the implementation of a new enterprise resource planning ("ERP") system, and a $0.6 million increase in other general and administrative expenses.

Franchise Expenses

For the quarter ended September 30, 2026, franchise expenses increased $0.1 million, or 0.8%, from the comparable period in the prior year. The increase was primarily due to a $0.5 million increase in franchise advertising expenses and a $0.2 million increase in other franchise expenses, partially offset by a $0.6 million decrease in franchise IT pass-through expense related to the franchise rollout of the new POS system completed in 2025.

For the year-to-date period ended September 30, 2026, franchise expenses decreased $1.9 million, or 5.2%, from the comparable period in the prior year. The decrease was primarily due to a $3.7 million decrease in franchise IT pass-through expense related to the franchise rollout of the new POS system completed in 2025, partially offset by a $1.6 million increase in advertising expenses and a $0.3 million increase in other franchise expenses.

Depreciation and Amortization

For the quarter ended September 30, 2026, depreciation and amortization increased $0.7 million, or 16.6%, from the comparable period in the prior year. The increase was primarily due to the completion of 17 company-operated restaurant remodels in 2025 and 23 company-operated restaurant remodels in 2026, along with the rollout of the new POS system to company-operated restaurants completed in 2025.

For the year-to-date period ended September 30, 2026, depreciation and amortization increased $1.3 million, or 11.2%, from the comparable period in the prior year. The increase was primarily due to the completion of 17 company-operated restaurant remodels in 2025 and 23 company-operated restaurant remodels in 2026, along with the rollout of the new POS system to company-operated restaurants completed in 2025.

Impairment and Closed-Store Reserves

During the thirteen weeks ended September 30, 2026, we did not record any non-cash impairment charges. During the thirty-nine weeks ended September 30, 2026, we recorded $0.2 million in non-cash impairment charges related to the carrying value of the ROU assets of one restaurant in Nevada. During both the thirteen and thirty-nine weeks ended September 24, 2025, we did not record any non-cash impairment charges. Given the inherent uncertainty in projecting results for newer restaurants in newer markets, we are monitoring the recoverability of the carrying value of the assets of several restaurants on an ongoing basis. For these restaurants, if expected performance is not realized, an impairment charge may be recognized in future periods, and such charge could be material.

During both the thirteen and thirty-nine weeks ended September 30, 2026 and September 24, 2025, we recognized less than $0.1 million of closed-store reserve expense related to the amortization of ROU assets, property taxes and CAM expenses for our closed locations.

Interest Expense, Net

For the quarter ended September 30, 2026, interest expense, net, decreased $0.6 million from the comparable period in the prior year. The decrease in interest expense was primarily related to lower outstanding balances on our revolving credit facility versus the comparable period in the prior year partially offset by increased interest rates.

For the year-to-date period ended September 30, 2026, interest expense, net, decreased $1.5 million from the comparable period in the prior year. The decrease in interest expense was primarily related to lower outstanding balances on our revolving credit facility versus the comparable period in the prior year partially offset by increased interest rates.

Provision for Income Taxes

For the quarter ended September 30, 2026, we recorded an income tax provision of $2.8 million, reflecting an estimated effective tax rate of 28.6%. For the quarter ended September 24, 2025, we recorded an income tax provision of $3.0 million, reflecting an estimated effective tax rate of 28.8%.

For the year-to-date period ended September 30, 2026, we recorded an income tax provision of $11.3 million, reflecting an estimated effective tax rate of 28.8%. For the year-to-date period ended September 24, 2025, we recorded an income tax provision of $8.3 million, reflecting an estimated effective tax rate of 29.3%. The difference between the 21.0% statutory rate and the effective tax rate of 28.8% for the year-to-date period ended September 30, 2026 is primarily due to state income taxes, net of the federal benefit, and nondeductible executive compensation. Tax deficiencies on stock option exercises, where the tax deductions were lower than the cumulative stock-based compensation expense recorded, also increased the rate. These increases were partially offset by excess tax benefits on the vesting of restricted stock awards, where the tax deductions exceeded the cumulative stock-based compensation expense recorded.

Key Performance Indicators

To evaluate the performance of our business, we utilize a variety of financial and performance measures. These key measures include company-operated restaurant revenue, system-wide sales, comparable restaurant sales, restaurant contribution, restaurant contribution margin, new restaurant openings, EBITDA, and Adjusted EBITDA.

System-Wide Sales

System-wide sales are neither required by, nor presented in accordance with, GAAP. System-wide sales are the sum of company-operated restaurant revenue and sales from franchise-operated restaurants. Our total revenue in our condensed consolidated statements of income is limited to company-operated restaurant revenue and franchise revenue from our franchisees. Accordingly, system-wide sales should not be considered in isolation or as a substitute for our results as reported under GAAP. Management believes that system-wide sales are an important figure for investors, because they are widely used in the restaurant industry, including by our management, to evaluate brand scale and market penetration. System-wide sales do not include the eight licensed stores in the Philippines.

The following table reconciles system-wide sales to company-operated restaurant revenue and total revenue (in thousands):

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	September 30, 2026	September 24, 2025	September 30, 2026	September 24, 2025
Company-operated restaurant revenue	$ 105,383	$ 100,721	$ 319,434	$ 303,404
Franchise revenue	12,475	12,864	37,365	39,419
Franchise advertising fee revenue	8,449	7,935	25,262	23,708
Total Revenue	126,307	121,520	382,061	366,531
Franchise revenue	(12,475)	(12,864)	(37,365)	(39,419)
Franchise advertising fee revenue	(8,449)	(7,935)	(25,262)	(23,708)
Sales from franchise-operated restaurants	195,607	179,788	581,402	533,596
System-wide sales[(1)]	$ 300,990	$ 280,509	$ 900,836	$ 837,000

(1) System-wide sales do not include the eight licensed stores in the Philippines.

Company-Operated Restaurant Revenue

Company-operated restaurant revenue consists of sales of food and beverages in company-operated restaurants net of promotional allowances, employee meals, and other discounts. Company-operated restaurant revenue in any period is directly influenced by the number of operating weeks in such period, the number of open restaurants, and comparable restaurant sales.

Comparable Restaurant Sales

Comparable restaurant sales reflect year-over-year sales changes for comparable company-operated, franchise-operated, and system-wide restaurants. A restaurant enters our comparable restaurant base the first full week after it has operated for fifteen months. Comparable restaurant sales exclude restaurants closed during the applicable period. At September 30, 2026 and September 24, 2025, there were 491 and 485 system-wide comparable restaurants, respectively, 171 and 171 company-operated restaurants, respectively, and 320 and 314 franchise-operated restaurants, respectively. Comparable restaurant sales indicate the performance of existing restaurants, since new restaurants are excluded. Comparable restaurant sales growth can be generated by an increase in the number of meals sold and/or by increases in the average check amount, resulting from a shift in menu mix and/or higher prices resulting from new products or price increases. Because other companies may calculate this measure differently than we do, comparable restaurant sales as presented herein may not be comparable to similarly titled measures reported by other companies. Management believes that comparable restaurant sales is a valuable metric for investors to evaluate the performance of our store base, excluding the impact of new stores and closed stores.

Restaurant Contribution and Restaurant Contribution Margin

Restaurant contribution and restaurant contribution margin are neither required by, nor presented in accordance with, GAAP. Restaurant contribution is defined as company-operated restaurant revenue less company restaurant expenses which includes food and paper cost, labor and related expenses and occupancy and other operating expenses, where applicable. Restaurant contribution therefore excludes franchise revenue, franchise advertising fee revenue and franchise expenses as well as certain other costs, such as general and administrative expenses, depreciation and amortization, impairment and closed-store reserves, loss on disposal of assets and other costs that are considered corporate-level expenses and are not considered normal operating costs of our restaurants. Accordingly, restaurant contribution is not indicative of overall Company results and does not accrue directly to the benefit of stockholders because of the exclusion of certain corporate-level expenses. Restaurant contribution margin is defined as restaurant contribution as a percentage of company-operated restaurant revenue.

Restaurant contribution and restaurant contribution margin are supplemental measures of operating performance of our restaurants, and our calculations thereof may not be comparable to those reported by other companies. Restaurant contribution and restaurant contribution margin have limitations as analytical tools, and you should not consider them in isolation, or superior to, or as substitutes for the analysis of our results as reported under GAAP. Management uses restaurant contribution and restaurant contribution margin as key metrics to evaluate the profitability of incremental sales at our restaurants, to evaluate our restaurant performance across periods, and to evaluate our restaurant financial performance compared with our competitors. Management believes that restaurant contribution and restaurant contribution margin are important tools for investors, because they are widely-used metrics within the restaurant industry to evaluate restaurant-level productivity, efficiency, and performance. Management further believes restaurant level operating margin is useful to investors to highlight trends in our core business that may not otherwise be apparent to investors when relying solely on GAAP financial measures.

A reconciliation of restaurant contribution and restaurant contribution margin to company-operated restaurant revenue is provided below:

(Dollar amounts in thousands)	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	September 30, 2026	September 24, 2025	September 30, 2026	September 24, 2025
Restaurant contribution:				
Income from operations	$ 10,169	$ 11,458	$ 41,069	$ 31,735
Add (less):				
General and administrative expenses	13,966	12,343	33,814	37,138
Franchise expenses	11,503	11,407	34,562	36,476
Depreciation and amortization	4,632	3,973	13,112	11,789
Loss on disposal of assets	—	73	612	127
Franchise revenue	(12,475)	(12,864)	(37,365)	(39,419)
Franchise advertising fee revenue	(8,449)	(7,935)	(25,262)	(23,708)
Impairment and closed-store reserves	28	9	251	26
Restaurant contribution	$ 19,374	$ 18,464	$ 60,793	$ 54,164
Company-operated restaurant revenue:				
Total revenue	$ 126,307	$ 121,520	$ 382,061	$ 366,531
Less:				
Franchise revenue	(12,475)	(12,864)	(37,365)	(39,419)
Franchise advertising fee revenue	(8,449)	(7,935)	(25,262)	(23,708)
Company-operated restaurant revenue	$ 105,383	$ 100,721	$ 319,434	$ 303,404
Restaurant contribution margin (%)	18.4	18.3	19.0	17.9

New Restaurant Openings

The number of restaurant openings reflects the number of new restaurants opened by us and our franchisees during a particular reporting period. Before a new restaurant opens, we and our franchisees incur pre-opening costs, as described below. New restaurants often open with an initial start-up period of higher-than-normal sales volumes, which subsequently decrease to stabilized levels. New restaurants typically experience normal inefficiencies in the form of higher food and paper, labor, and other direct operating expenses and, as a result, restaurant contribution margins are generally lower during the start-up period of operation. The average start-up period after which our new restaurants' revenue and expenses normalize is approximately fourteen weeks. When we enter new markets, we may be exposed to start-up times and restaurant contribution margins that are longer and lower than reflected in our average historical experience.

EBITDA and Adjusted EBITDA

EBITDA represents net income (loss) before interest expense, provision (benefit) for income taxes, depreciation, and amortization. Adjusted EBITDA represents net income (loss) before interest expense, provision (benefit) for income taxes, depreciation, amortization, and other items that we do not consider representative of on-going operating performance, as identified in the reconciliation table below.

EBITDA and Adjusted EBITDA as presented in this report are supplemental measures of our performance that are neither required by, nor presented in accordance with, GAAP. EBITDA and Adjusted EBITDA are not measurements of our financial performance under GAAP and should not be considered as alternatives to net income, operating income, or any other performance measures derived in accordance with GAAP, or as alternatives to cash flow from operating activities as a measure of our liquidity. In addition, in evaluating EBITDA and Adjusted EBITDA, you should be aware that in the future we will incur expenses or charges such as those added back to calculate EBITDA and Adjusted EBITDA. Our presentation of EBITDA and Adjusted EBITDA should not be construed as an inference that our future results will be unaffected by unusual or nonrecurring items.

EBITDA and Adjusted EBITDA have limitations as analytical tools, and you should not consider them in isolation, or as substitutes for analysis of our results as reported under GAAP. Some of these limitations are (i) they do not reflect our cash expenditures, or future requirements for capital expenditures or contractual commitments, (ii) they do not reflect changes in, or cash requirements for, our working capital needs, (iii) they do not reflect the significant interest expense, or the cash requirements necessary to service interest or principal payments, on our debt, (iv) although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and EBITDA and Adjusted EBITDA do not reflect any cash requirements for such replacements, (v) they do not adjust for all non-cash income or expense items that are reflected in our statements of cash flows, (vi) they do not reflect the impact of earnings or charges resulting from matters we consider not to be indicative of our on-going operations, and (vii) other companies in our industry may calculate these measures differently than we do, limiting their usefulness as comparative measures.

We compensate for these limitations by providing specific information regarding the GAAP amounts excluded from such non-GAAP financial measures. We further compensate for the limitations in our use of non-GAAP financial measures by presenting comparable GAAP measures more prominently.

We believe that EBITDA and Adjusted EBITDA facilitate operating performance comparisons from period to period by isolating the effects of some items that vary from period to period without any correlation to core operating performance or that vary widely among similar companies. These potential differences may be caused by variations in capital structures (affecting interest expense), tax positions (such as the impact on periods or companies of changes in effective tax rates or net operating losses) and the age and book depreciation of facilities and equipment (affecting relative depreciation expense). We also present EBITDA and Adjusted EBITDA because (i) we believe that these measures are frequently used by securities analysts, investors and other interested parties to evaluate companies in our industry, (ii) management believes that investors will find these measures useful in assessing our ability to service or incur indebtedness, and (iii) we use EBITDA and Adjusted EBITDA internally for a number of benchmarks, including to compare our performance to that of our competitors.

The following table sets forth reconciliations of our net income to our EBITDA and Adjusted EBITDA:

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
(Amounts in thousands)	**September 30, 2026**	**September 24, 2025**	**September 30, 2026**	**September 24, 2025**
Net income	**$ 6,877**	**$ 7,358**	**$ 27,841**	**$ 19,946**
Non-GAAP adjustments:				
Provision for income taxes	2,755	2,978	11,254	8,284
Interest expense, net	537	1,122	1,974	3,505
Depreciation and amortization	4,632	3,973	13,112	11,789
EBITDA	**$ 14,801**	**$ 15,431**	**$ 54,181**	**$ 43,524**
Stock-based compensation expense [(a)]	1,650	1,369	4,516	4,116
Loss on disposal of assets [(b)]	—	73	612	127
Impairment and closed-store reserves [(c)]	28	9	251	26
Legal settlements [(d)]	—	—	(6,321)	(619)
Special legal and professional fees expense [(e)]	—	162	33	1,557
Duplicate rent expense for corporate office relocation [(f)]	—	103	64	103
ERP software implementation costs [(g)]	261	104	406	104
Restructuring and executive transition costs [(h)]	335	168	335	878
Pre-opening costs [(i)]	41	—	337	1
Adjusted EBITDA	**$ 17,116**	**$ 17,419**	**$ 54,414**	**$ 49,817**

(a) Includes non-cash, stock-based compensation.
(b) Loss on disposal of assets includes the loss or gain on disposal of assets related to retirements and replacement or write-off of leasehold improvements or equipment.

(c) Includes costs related to impairment of property and equipment and ROU assets and closed restaurants. During the thirty-nine weeks ended September 30, 2026, we recorded $0.2 million in non-cash impairment charges related to one restaurant in Nevada. We did not record any non-cash impairment charges during the thirteen weeks ended September 30, 2026. We did not record any non-cash impairment charges during either the thirteen or thirty-nine weeks ended September 24, 2025. During both the thirteen and thirty-nine weeks ended September 30, 2026 and September 24, 2025, we recognized less than $0.1 million of closed-store reserve expense related to the amortization of ROU assets, property taxes and CAM expenses for our closed locations.
(d) Includes $6.3 million received from a legal settlement, net of legal expenses, during the thirty-nine weeks ended September 30, 2026 and $0.6 million received from a legal settlement, net of legal expenses during the thirty-nine weeks ended September 24, 2025.
(e) Consists of legal and professional costs related to shareholder activism and related matters.
(f) Consists of duplicate rent expense for the corporate headquarter relocation.
(g) Represents costs incurred in connection with the implementation of a new ERP system which are included in general and administrative expenses.
(h) Consists of costs associated with the transition of certain executive officers, such as severance and stock-based compensation costs and costs associated with restructuring certain positions in the organization during both the thirteen and thirty-nine weeks ended September 30, 2026 and September 24, 2025.
(i) Pre-opening costs are a component of general and administrative expenses, and consist of costs directly associated with the opening of new restaurants and incurred prior to opening, including management labor costs, staff labor costs during training, food and supplies used during training, marketing costs, and other related pre-opening costs. These are generally incurred over the three to five months prior to opening. Pre-opening costs also include occupancy costs incurred between the date of possession and the opening date for a restaurant.

Liquidity and Capital Resources

Our primary sources of liquidity and capital resources have been cash provided from operations, cash and cash equivalents, and the 2026 Revolver (as defined below). Our primary requirements for liquidity and capital are new restaurants, existing restaurant capital investments (remodels and maintenance), lease obligations, interest payments on our debt, working capital and general corporate needs. Our working capital requirements are not significant, since our customers pay for their purchases in cash or by payment card (credit or debit) at the time of sale. Thus, we are able to sell many of our inventory items before we have to pay our suppliers. Our restaurants do not require significant inventories or receivables. We believe that these sources of liquidity and capital are sufficient to finance our continued operations, including planned capital expenditures, for at least the next 12 months and beyond from the issuance of the condensed consolidated financial statements.

However, depending on macroeconomic conditions, our financial performance and liquidity could be further impacted and could impact our ability to meet certain financial covenants required in our 2026 Credit Agreement (as defined below), specifically the lease-adjusted consolidated leverage ratio and fixed-charge coverage ratio.

The following table presents summary cash flow information for the periods indicated (in thousands):

	Thirty-Nine Weeks Ended	
(Amounts in thousands)	**September 30, 2026**	**September 24, 2025**
Net cash provided by (used in):		
Operating activities	$ 52,607	$ 34,166
Investing activities	(26,090)	(13,811)
Financing activities	(29,330)	(11,967)
Net change in cash and cash equivalents	$ (2,813)	$ 8,388

Operating Activities

For the thirty-nine weeks ended September 30, 2026, net cash from operating activities increased by $18.4 million from the comparable period of the prior year. This increase was primarily due to a $7.9 million increase in net income, a $3.6 million favorable change in non-cash and reconciling items and a $7.0 million favorable change in operating assets and liabilities. The favorable change in non-cash and reconciling items was primarily driven by a $1.3 million increase in depreciation and amortization, a $1.0 million favorable change in deferred income taxes and a $0.5 million increase in losses on the disposal of assets. The favorable change in operating assets and liabilities was primarily driven by favorable changes of $6.0 million in other accrued expenses and current liabilities, $2.5 million in operating lease liabilities and $1.6 million in income taxes receivable and payable, partially offset by unfavorable changes of $3.1 million in accounts payable and $0.4 million in accounts and other receivables.

Investing Activities

For the thirty-nine weeks ended September 30, 2026, net cash used in investing activities increased by $12.3 million from the comparable period of the prior year. This change was primarily due to an increase in purchase of property and equipment mostly related to restaurant remodeling and new restaurant development during the thirty-nine weeks ended September 30, 2026 when compared to the prior year.

Financing Activities

For the thirty-nine weeks ended September 30, 2026, net cash used in financing activities increased by $17.4 million from the comparable period of the prior year. This change was primarily due to a $28.0 million net paydown on our revolving credit facility during the thirty-nine weeks ended September 30, 2026, compared to a $10.0 million net paydown during the thirty-nine weeks ended September 24, 2025, as well as a $0.8 million increase in repurchases of common stock and $0.7 million of deferred financing costs paid in connection with the 2026 Credit Agreement (as defined below). The increase was partially offset by a $2.2 million increase in proceeds from the exercise of stock options.

Debt and Other Obligations

On August 4, 2026, our wholly-owned subsidiary, El Pollo Loco, Inc. ("EPL"), as borrower, amended its July 27, 2022 credit agreement to, among other things, extend the maturity date of its senior secured revolving credit facility to August 4, 2031 (the "2026 Credit Agreement"). The 2026 Credit Agreement provides for a $150.0 million revolving credit facility (the "2026 Revolver"), including a sub limit of $15.0 million for letters of credit and a sub limit of $15.0 million for swingline loans. The obligations under the 2026 Credit Agreement are guaranteed by us and our direct subsidiary, EPL Intermediate, Inc. ("Intermediate"), and are secured by a first priority lien on substantially all of our, EPL's and Intermediate's assets, subject to customary exceptions.

Under the 2026 Credit Agreement, we are restricted from making certain payments such as cash dividends or share repurchases, except that, so long as no default or event of default has occurred and is continuing, we may, inter alia, (i) make restricted payments of up to the greater of $5.0 million and 5.0% of Consolidated EBITDAR (as defined in the 2026 Credit Agreement) per fiscal year, and (ii) make other restricted payments, subject to our compliance, on a pro forma basis, with (x) a lease-adjusted consolidated leverage ratio not to exceed 4.25 times and (y) the financial covenants applicable to the 2026 Revolver.

Borrowings under the 2026 Revolver (other than any swingline loans) bear interest, at the borrower's option, at rates based upon either Term SOFR or a base rate, plus, for each rate, a margin determined in accordance with a lease-adjusted consolidated leverage ratio-based pricing grid. The base rate is calculated as the highest of (a) the federal funds rate plus 0.50%, (b) the published Bank of America prime rate, or (c) Term SOFR with a term of one-month plus 1.00%. For Term SOFR loans, the margin is in the range of 1.75% to 2.75%, and for base rate loans, the margin is in the range of 0.75% to 1.75%. Borrowings under the 2026 Revolver may be repaid and reborrowed. The interest rate range under our revolving credit facility was 4.99% to 7.50% and 4.97% to 7.50% for the thirteen and thirty-nine weeks ended September 30, 2026, and 5.63% to 5.96% and 5.63% to 7.75% for the thirteen and thirty-nine weeks ended September 24, 2025, respectively.

The 2026 Credit Agreement contains certain customary financial covenants, which covenants are subject to certain exceptions. We were in compliance with the financial covenants as of September 30, 2026.

During the thirteen weeks ended September 30, 2026, we had no borrowings and paid down $7.0 million on our revolving credit facility. During the thirty-nine weeks ended September 30, 2026, we borrowed $5.0 million and paid down $33.0 million on our revolving credit facility.

At September 30, 2026, we had $23.0 million in outstanding borrowings under the 2026 Revolver and $10.3 million of letters of credit outstanding, and as a result, we had $116.7 million in borrowing availability. The 2026 Credit Agreement also permits us to increase the 2026 Revolver by up to $75.0 million, subject to obtaining additional lender commitments and satisfying certain conditions.

Material Cash Requirements

Our material cash requirements as of September 30, 2026 have not changed materially since those disclosed under Part II, Item 7, *Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Material Cash Requirements*, of our Annual Report on Form 10-K for the year ended December 31, 2025. Our material cash requirements relate mostly to future (i) debt payments, including expected interest expense, calculated based on current interest rates, (ii) restaurant operating lease payments, (iii) purchasing commitments for chicken, (iv) restaurant finance lease payments, and (v) capital expenditures.

Share Repurchases

On May 28, 2026, we announced that our Board of Directors approved a share repurchase program (the "2026 Share Repurchase Program") under which we are authorized to repurchase up to $40.0 million of shares of our common stock. Under the 2026 Share Repurchase Program, we are permitted to repurchase our common stock from time to time, in amounts and at prices that we deem appropriate, based on various factors, including the market price of our common stock, general business, economic and market conditions, alternative investment opportunities and funding considerations. Pursuant to the 2026 Share Repurchase Program, we are authorized to effect repurchases through open market purchases, block trades, privately negotiated transactions or other transactions conducted in accordance with Rule 10b-18 under the Exchange Act, including pursuant to Rule 10b5-1 trading plans. The 2026 Share Repurchase Program does not obligate us to acquire any particular number of shares, has an open-ended term and may be expanded, modified, suspended or discontinued at any time.

During the thirteen and thirty-nine weeks ended September 30, 2026, we repurchased 177,410 shares of our common stock under the 2026 Share Repurchase Program, using open market purchases, for total consideration of $2.7 million, including commissions. As of September 30, 2026, $37.3 million remained available for repurchase under the program.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Interest Rate Risk

On August 4, 2026, we amended our July 27, 2022 credit agreement (the "2026 Credit Agreement"), which provides for a $150.0 million five-year senior secured revolving facility (the "2026 Revolver"). We are exposed to market risk from changes in interest rates on our debt, which bears interest at Term SOFR plus a margin between 1.75% and 2.75%. As of September 30, 2026, we had outstanding borrowings of $23.0 million under our 2026 Revolver, $10.3 million of letters of credit in support of our insurance programs, and the applicable margin on outstanding borrowings under the 2026 Revolver was 1.75%. A 1.0% increase in the effective interest rate applied to our 2026 Revolver borrowings would result in a pre-tax interest expense increase of $0.2 million on an annualized basis.

During the thirteen weeks ended September 30, 2026, we had no borrowings and paid down $7.0 million on our revolving credit facility. During the thirty-nine weeks ended September 30, 2026, we borrowed $5.0 million and paid down $33.0 million on our revolving credit facility and the outstanding balance as of September 30, 2026 was $23.0 million.

Borrowings under the 2026 Credit Agreement (other than any swingline loans) bear interest, at the borrower's option, at rates based upon either Term SOFR or a base rate, plus, for each rate, a margin determined in accordance with a lease-adjusted consolidated leverage ratio-based pricing grid. If future rates based upon Term SOFR are higher than Term SOFR rates as currently determined, we may experience potential increases in interest rates on our variable rate debt, which could adversely impact our interest expense, results of operations and cash flows.

Inflation

Inflation has an impact on food, paper, construction, utility, labor and benefits, and general and administrative costs, as well as other costs, all of which can materially impact our operations. In general, we have been able to substantially offset cost increases resulting thus far from inflation by increasing menu prices, managing menu mix, improving productivity, or making other adjustments. We may not be able to offset cost increases in the future. In addition, we have

a substantial number of hourly employees who are paid wage rates at or based on the applicable federal, state, or local minimum wage, and increases in the minimum wage will increase our labor costs.

Commodity Price Risk

We are exposed to market price fluctuation in food product prices. Given the historical volatility of certain of our food product prices, including chicken, other proteins, grains, produce, dairy products, and cooking oil, these fluctuations can materially impact our food and beverage costs. While our purchasing commitments partially mitigate the risk of such fluctuations, there is no assurance that supply and demand factors such as diseases or inclement weather will not cause the prices of the commodities used in our restaurant operations to fluctuate. In periods when the prices of commodities drop, we may pay higher prices under our purchasing commitments. In rapidly fluctuating commodities markets, it may prove difficult for us to adjust our menu prices in accordance with input price fluctuations due to trade tariffs, natural disasters and other world events. Therefore, to the extent that we do not pass along cost increases to our customers, our results of operations may be adversely affected. At this time, we do not use financial instruments to hedge our commodity risk.

Item 4. Controls and Procedures.

Disclosure Controls and Procedures

We maintain disclosure controls and procedures (as such term is defined in Rule 13a-15(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) that are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Our disclosure controls and procedures are based on assumptions about the likelihood of future events, and even effective disclosure controls and procedures can only provide reasonable assurance of achieving their objectives. Because of their inherent limitations, we cannot guarantee that our disclosure controls and procedures will succeed in achieving their stated objectives in all cases, that they will be complied with in all cases, or that they will prevent or detect all misstatements.

Our management has evaluated, with the participation of our Chief Executive Officer and Chief Financial Officer, the effectiveness of our disclosure controls and procedures, as of the end of the period covered by this report. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective, at the reasonable assurance level, as of September 30, 2026.

Changes in Internal Control over Financial Reporting

During the quarter ended September 30, 2026, we completed the implementation of a new enterprise resource planning ("ERP") system, which has replaced our legacy ERP system. As a result, we modified certain existing controls and implemented new controls. We will continue to monitor and evaluate the operating effectiveness of the related controls during subsequent periods. With the exception of these changes, there were no other changes in our internal control over financial reporting during the quarter ended September 30, 2026 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

See discussion under Note 8, "*Commitments and Contingencies*," to the Condensed Consolidated Financial Statements included in Part I, Item 1, *Financial Statements*, of this Quarterly Report on Form 10-Q, which is incorporated herein by reference.

Item 1A. Risk Factors.

There have been no material changes from the risk factors previously disclosed in Part I, Item 1A, *Risk Factors*, of our Annual Report on Form 10-K for the year ended December 31, 2025.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

The following table summarizes our repurchases of common stock in the quarterly period ended September 30, 2026 (in thousands, except number of shares and per share amounts):

	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs [2]	Approximate Dollar Value of Shares That May Be Purchased Under the Plans or Programs [2]
July 2, 2026 to July 29, 2026	7,200	$ 15.74	7,200	$ 39,887
July 30, 2026 to August 26, 2026	40,234	$ 15.59	33,021	$ 39,375
August 27, 2026 to September 30, 2026	137,904	$ 14.83	137,189	$ 37,341
Total	185,338 [1]		177,410	

(1) Includes 7,928 shares acquired by us to satisfy employee tax withholding obligations in connection with the vesting of previously issued restricted stock.

(2) On May 28, 2026, the Company announced a share repurchase program authorizing repurchases of up to $40.0 million of shares of common stock. The program has no expiration date and may be expanded, modified, suspended, or discontinued at any time.

For information regarding restrictions on the payment of dividends, see Note 5, Long-Term Debt, to the Condensed Consolidated Financial Statements included in Part I, Item 1, Financial Statements, of this Quarterly Report on Form 10-Q, which is incorporated herein by reference.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

None.

Item 5. Other Information.

Insider Trading Arrangements

No officers, as defined in Rule 16a-1(f), or directors adopted or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement," as defined in Regulation S-K Item 408, during the last fiscal quarter.

Subsequent Events

Subsequent to the quarter-end, we borrowed an additional $4.0 million on the 2026 Revolver, resulting in outstanding borrowings of $27.0 million as of November 4, 2026.

Item 6. Exhibits.

(a) Exhibit Index:

Exhibit Number	Description	Incorporated by Reference			
		Form	Exhibit	Filing Date	SEC File Number
3.1	Amended and Restated Certificate of Incorporation of El Pollo Loco Holdings, Inc.	8-K	3.1	6/5/2025	001-36556
3.2	Certificate of Designations of Series A Preferred Stock of El Pollo Loco Holdings, Inc., as filed with the Secretary of State of the State of Delaware on August 9, 2023	8-K	3.1	8/9/2023	001-36556
3.3	Amended and Restated By-Laws of El Pollo Loco Holdings, Inc.	8-K	3.1	2/2/2024	001-36556
10.1†	Second Amendment to Credit Agreement, dated as of August 4, 2026, among El Pollo Loco, Inc., as borrower, El Pollo Loco Holdings, Inc. and certain subsidiaries of El Pollo Loco Holdings, Inc. party thereto, as guarantors, Bank of America, N.A., as administrative agent, swingline lender and letter of credit issuer, and the lenders party thereto	10-Q	10.1	8/7/2026	001-36556
10.2	Offer Letter, dated August 18, 2026, by and between El Pollo Loco Holdings, Inc. and Damon Thomas				
31.1*	Rule 13a–14(a)/15d–14(a) Certification of Principal Executive Officer				
31.2*	Rule 13a–14(a)/15d–14(a) Certification of Principal Financial Officer				
32.1**	Section 1350 Certification of Principal Executive Officer and Principal Financial Officer				
101.INS*	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document				
101.SCH*	Inline XBRL Taxonomy Extension Schema Document				
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document				
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document				
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document				
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document				
104*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)				

* Filed herewith.

** Furnished herewith.

† Management contract.

SIGNATURES

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

EL POLLO LOCO HOLDINGS, INC.

Date: November 6, 2026

By: /s/ ELIZABETH WILLIAMS
Elizabeth Williams
Chief Executive Officer
(Principal Executive Officer)

Date: November 6, 2026

By: /s/ IRA FILS
Ira Fils
Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 10.1

EXECUTION VERSION

SECOND AMENDMENT TO CREDIT AGREEMENT

This SECOND AMENDMENT TO CREDIT AGREEMENT (this "Amendment") is entered into as of August 4, 2026 among EL POLLO LOCO, INC., a Delaware corporation (the "Borrower"), the Guarantors party hereto, the Lenders party hereto and BANK OF AMERICA, N.A., as Administrative Agent. All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement (as defined below).

RECITALS

WHEREAS, the Borrower, the Guarantors, the Lenders and Bank of America, N.A., as Administrative Agent, Swingline Lender and L/C Issuer, have entered into that certain Credit Agreement dated as of July 27, 2022 (as amended, amended and restated, supplemented or otherwise modified from time to time, the "Credit Agreement"); and

WHEREAS, the Borrower has requested that the Lenders and the Administrative Agent amend the Credit Agreement on the terms and conditions more particularly set forth below.

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Amendments. Subject to the terms and conditions set forth herein, the Credit Agreement is hereby amended as follows:

(a) The definitions of "Applicable Rate", "Maturity Date", "Sanctions", and "Threshold Amount" in Section 1.01 of the Credit Agreement are hereby amended and restated in their entireties to read as follows:

"Applicable Rate" means, with respect to Revolving Loans, Swingline Loans, Letter of Credit Fees and the Commitment Fee, the following percentages per annum, based upon the Lease Adjusted Consolidated Leverage Ratio as set forth in the most recent Compliance Certificate received by the Administrative Agent pursuant to Section 6.02(a):

Level	Lease Adjusted Consolidated Leverage Ratio	Commitment Fee	Letter of Credit Fee	Term SOFR Loans	Base Rate Loans
I	< 3.00 to 1.0	0.20%	1.75%	1.75%	0.75%
II	< 3.50 to 1.0 but ≥ 3.00 to 1.0	0.20%	2.00%	2.00%	1.00%
III	< 4.00 to 1.0 but ≥ 3.50 to 1.0	0.20%	2.25%	2.25%	1.25%
IV	< 4.50 to 1.0 but ≥ 4.00 to 1.0	0.30%	2.50%	2.50%	1.50%
V	≥ 4.50 to 1.0	0.30%	2.75%	2.75%	1.75%

Any increase or decrease in the Applicable Rate resulting from a change in the Lease Adjusted Consolidated Leverage Ratio shall become effective as of the first Business Day immediately following the date a Compliance Certificate is delivered pursuant to Section 6.02(a); provided, however, that if a Compliance Certificate is not delivered when due in accordance with such Section, then, upon the request

of the Required Lenders, Level V shall apply, in each case as of the first Business Day after the date on which such Compliance Certificate was required to have been delivered and in each case shall remain in effect until the first Business Day following the date on which such Compliance Certificate is delivered. Notwithstanding anything to the contrary contained in this definition, (a) the determination of the Applicable Rate for any period shall be subject to the provisions of Section 2.10(b), (b) the Applicable Rate shall be set forth in Level I from the Second Amendment Closing Date until the first Business Day immediately following the date a Compliance Certificate is delivered pursuant to Section 6.02(a) for the fiscal quarter ending on or about June 30, 2026.

"Maturity Date" means August 4, 2031; provided, however, that if such date is not a Business Day, the Maturity Date shall be the next preceding Business Day.

"Sanction(s)" means any sanction administered or enforced by the United States Government (including, without limitation, OFAC), the United Nations Security Council, the European Union, His Majesty's Treasury or other relevant sanctions authority recognized by the foregoing.

"Threshold Amount" means $20,000,000.

(b) Section 1.01 of the Credit Agreement is hereby amended by inserting the following new definition in the appropriate alphabetical order to read as follows:

"Second Amendment Closing Date" means August 4, 2026.

(c) The definition of "Audited Financial Statements" in Section 1.01 of the Credit Agreement is hereby amended by replacing "December 29, 2021" with "December 31, 2025".

(d) The definition of "SOFR Adjustment" is hereby deleted from Section 1.01 of the Credit Agreement.

(e) Each instance of the phrase ", in each case, plus the SOFR Adjustment for such Interest Period" is hereby deleted from the definition of "Term SOFR" in Section 1.01 of the Credit Agreement.

(f) Each instance of the phrase "*plus* the SOFR Adjustment" is hereby deleted from Section 3.03 of the Credit Agreement.

(g) Section 5.05(b) of the Credit Agreement is hereby amended by replacing "March 30, 2022" with "April 1, 2026".

(h) Section 5.05(c) of the Credit Agreement is hereby amended by replacing "December 29, 2021" with "December 31, 2025".

(i) Section 7.02(c)(i) of the Credit Agreement is hereby amended by replacing "$10,000,000" with "the greater of (A) $10,000,000 and (B) 10.0% of Consolidated EBITDAR as of the last day of the most recently ended Measurement Period for which financial statements have been delivered hereunder".

(j) Section 7.05(b) of the Credit Agreement is hereby amended by replacing "shall not exceed $10,000,000 in any four consecutive fiscal quarter period" with "shall not exceed, in any four consecutive fiscal quarter period, the greater of (A) $10,000,000 and (B) 10.0% of

Consolidated EBITDAR as of the last day of the most recently ended Measurement Period for which financial statements have been delivered hereunder".

(k) Section 7.05(j)(i)(A) of the Credit Agreement is hereby amended by replacing "$20,00,000" with "$20,000,000".

(l) Section 7.06(h) of the Credit Agreement is hereby amended by replacing "shall not exceed $5,000,000 in any fiscal year" with "shall not exceed, in any fiscal year, the greater of

(i) $5,000,000 and (ii) 5.0% of Consolidated EBITDAR as of the last day of the most recently ended Measurement Period for which financial statements have been delivered hereunder".

(m) Section 8.01(c) of the Credit Agreement is hereby amended by replacing "becoming aware if such failure" with "becoming aware of such failure".

(n) Section 11.01(a)(iv) of the Credit Agreement is hereby amended and restated in its entirety to read as follows: "(iv) change Section 8.03 or Section 2.13 in a manner that would alter the order or pro rata sharing of payments required thereby without the written consent of each Lender directly affected thereby;".

(o) Section 11.01(a) of the Credit Agreement is hereby amended by (i) deleting the word "or" at the end of clause (vii), (ii) adding the word "or" at the end of clause (viii), and (iii) inserting a new clause (ix) to read as follows: "(ix) without the prior written consent of each Lender directly and adversely affected thereby, (A) subordinate the Obligations hereunder to any other Indebtedness or (B) except as contemplated by Section 9.10 as in effect on the Second Amendment Closing Date, subordinate the Liens securing the Obligations to Liens securing any other Indebtedness;".

(p) Schedule 2.01 of the Credit Agreement is hereby amended and restated in its entirety as set of the Schedule 2.01 attached hereto.

2. New Lenders; Reallocation.

(a) Each Person that signs this Amendment as a Lender and that was not a Lender party to the Credit Agreement immediately prior to the effectiveness of this Amendment (each, a "New Lender") (i) represents and warrants that (A) it has full power and authority, and has taken all action necessary, to execute and deliver this Amendment and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (B) it meets all requirements of an Eligible Assignee under the Credit Agreement (subject to receipt of such consents as may be required under the Credit Agreement), (C) from and after the date hereof, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and shall have the obligations of a Lender thereunder, (D) it has received a copy of the Credit Agreement, together with copies of the most recent financial statements delivered pursuant to Section 6.01 thereof, and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Amendment and become a Lender under the Credit Agreement, on the basis of which it has made such analysis and decision independently and without reliance on the Administrative Agent or any other Lender, and (E) if it is a Foreign Lender, it has delivered any documentation required to be delivered by it pursuant to the terms of the Credit Agreement; and (ii) agrees that (A) it will, independently and without reliance on the Administrative Agent or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not

taking action under the Loan Documents, and (B) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

(b) Each of the Administrative Agent and each Loan Party agree that, as of the date hereof, each New Lender shall (i) be a party to the Credit Agreement (and, as applicable, the other Loan Documents), (ii) be a "Lender" for all purposes of the Credit Agreement and the other Loan Documents, and (iii) have the rights and obligations of a Lender under the Credit Agreement and the other Loan Documents.

(c) The address of each New Lender for purposes of all notices and other communications is as set forth on the Administrative Questionnaire delivered by such New Lender to the Administrative Agent.

(d) On the Second Amendment Closing Date upon the effectiveness of this Amendment, each Lender shall fund Revolving Loans, and the Administrative Agent shall make such assignments, reallocations and transfers of funds (including prepayments of Revolving Loans of certain Lenders with Revolving Loans funded by other Lenders, as applicable) and such adjustments to the Register, as are necessary in order that (i) the Revolving Loans outstanding under the Credit Agreement (including any Revolving Loans funded on the Second Amendment Closing Date) and (ii) the Lenders' respective participation interests in Letters of Credit and Swingline Loans shall, in each case, reflect the Revolving Commitments of the Lenders hereunder as set forth on Schedule 2.01 attached hereto on the Second Amendment Closing Date. The parties hereto consent to such assignments, reallocations, transfers of funds and adjustments by the Administrative Agent and agree that neither any Assignment and Assumption nor any other action of any Person is required to give effect thereto. Notwithstanding the assignments, reallocations, transfers of funds and adjustments contemplated above in this clause (d), each Borrowing of Term SOFR Loans outstanding under the Credit Agreement on the date hereof immediately prior to effectiveness of this Amendment shall, after giving effect to such assignments, reallocations, transfers of funds and adjustments, maintain the same Interest Period as was applicable to such Borrowing immediately prior to effectiveness of this Amendment. Each of the Lenders waives any right to compensation under Section 3.05 of the Credit Agreement in connection with the transactions and matters contemplated by this clause (d). For the avoidance of doubt, each reference to a Lender in this Section and elsewhere in this amendment shall include the New Lenders.

3. Effectiveness. This Amendment shall be effective upon satisfaction of the following conditions precedent:

(a) Receipt by the Administrative Agent of counterparts of this Amendment duly executed by (i) a Responsible Officer of the Borrower and each Guarantor, (ii) the Lenders and (iii) the Administrative Agent;

(b) Receipt by the Administrative Agent for the account of each Lender requesting a Note, a Note executed by a Responsible Officer of the Borrower;

(c) Receipt by the Administrative Agent of the following, in form and substance reasonably satisfactory to the Administrative Agent:

(i) Copies of the Organization Documents of each Loan Party certified to be true and complete as of a recent date by the appropriate

Governmental Authority of the state or other jurisdiction of its incorporation or organization, where applicable, and certified by a secretary or assistant secretary of such Loan Party to be true and correct as of the date hereof;

(ii) Such certificates of resolutions or other action, incumbency certificates and/or other certificates of Responsible Officers of each Loan Party as the Administrative Agent may reasonably require evidencing the identity, authority and capacity of each Responsible Officer thereof authorized to act as a Responsible Officer in connection with this Amendment and the other Loan Documents to which such Loan Party is a party; and

(iii) Such documents and certifications as the Administrative Agent may reasonably require to evidence that each Loan Paty is duly organized or formed, and is validly existing and, if applicable, in good standing in its state of organization or formation;

(d) Receipt by the Administrative Agent of a favorable opinion of counsel to the Loan Parties, dated as of the date hereof and addressed to the Administrative Agent and the Lenders, in form and substance reasonably satisfactory to the Administrative Agent;

(e) Receipt by the Administrative Agent of copies of insurance policies or certificates of insurance of the Loan Parties evidencing liability and casualty insurance meeting the requirements set forth in the Loan Documents, including naming the Administrative Agent as additional insured (in the case of liability insurance) or lenders loss payee (in the case of property insurance) on behalf of the Secured Parties;

(f) Receipt by the Administrative Agent of (i) audited financial statements of Holdings and its Subsidiaries for the most recently ended fiscal year for which such statements are available and (ii) projections for Holdings and its Subsidiaries for the five (5) fiscal years following the date hereof, which projections shall be in form and substance reasonably satisfactory to the Administrative Agent;

(g) Receipt by the Administrative Agent of a certificate of a Responsible Officer of the Borrower, dated as of the date hereof, certifying that (i) the representations and warranties of the Borrower and each other Loan Party contained in Article V of the Credit Agreement or any other Loan Document are true and correct in all material respects (or, with respect to any representation or warranty qualified by materiality or Material Adverse Effect, in all respects) on and as of the Second Amendment Closing Date after giving effect to the Amendment, except to the extent that any such representation and warranty specifically relates to an earlier date, in which case they shall be true and correct in all material respects (or, with respect to any representation and warranty qualified by materiality or Material Adverse Effect, in all respects) as of such earlier date, and except that for purposes of this clause, the representations and warranties contained in Sections 5.05(a) and (b) of the Credit Agreement shall be deemed to refer to the most recent statements furnished pursuant to Sections 6.01(a) and (b) of the Credit Agreement, respectively, (ii) since December 31, 2025, there has not occurred any event or circumstance, either individually or in the aggregate, that has had or could reasonably be expected to have a Material Adverse Effect, and (iii) no Default or Event of Default exists or would result from entering into this Amendment;

(h) Receipt by the Administrative Agent of a solvency certificate signed by a Responsible Officer of Holdings (not in his or her individual capacity but solely in his or her

capacity as an officer of Holdings) as to the solvency of Holdings and its Subsidiaries, on a Consolidated basis, after giving effect to the transactions contemplated hereby;

(i) Receipt by the Administrative Agent and, if requested by a Lender, such Lender of: (i) documentation and other information reasonably requested by the Administrative Agent or such Lender in order to comply with applicable "know your customer" and anti-money laundering requirements, including the PATRIOT Act; and (ii) with respect to the Borrower, to the extent the Borrower qualifies as a "legal entity customer" under the Beneficial Ownership Regulation, a Beneficial Ownership Certification; and

(j) Receipt by the Administrative Agent of (i) accrued and unpaid interest and fees under the Loan Documents as of the date hereof, (ii) all fees required to be paid pursuant to any separate fee letter between the Borrower and the Administrative Agent and (iii) all reasonable and documented or invoiced fees, charges and disbursements of counsel to the Administrative Agent (directly to such counsel if requested by the Administrative Agent) to the extent invoiced at least one (1) Business Day prior to the date hereof, plus such additional amounts of such reasonable fees, charges and disbursements as shall constitute its reasonable estimate of such reasonable fees, charges and disbursements incurred or to be incurred by it through the closing proceedings (provided that neither such waiver nor such estimate shall thereafter preclude a final settling of accounts between the Borrower and the Administrative Agent).

4. Miscellaneous.

(a) The Credit Agreement (as amended hereby) and the obligations of the Loan Parties thereunder and under the other Loan Documents are hereby ratified and confirmed and shall remain in full force and effect according to their terms. This Amendment shall not be deemed or construed to be a satisfaction, reinstatement, novation or release of any Loan Document or a waiver by the Administrative Agent or any Lender of any rights and remedies under the Loan Documents, at law or in equity.

(b) Each Guarantor (i) acknowledges and consents to all of the terms and conditions of this Amendment, (ii) affirms all of its obligations under the Loan Documents and (iii) agrees that this Amendment and all documents executed in connection herewith do not operate to reduce or discharge its obligations under the Credit Agreement (as amended hereby) or the other Loan Documents.

(c) The Borrower and the Guarantors hereby represent and warrant to the Administrative Agent and the Lenders as follows:

(i) Each Loan Party has taken all necessary corporate or other organizational action to authorize the execution, delivery and performance of this Amendment and the Credit Agreement as amended hereby. This Amendment and the execution and performance hereof by the Loan Parties do not conflict with any Loan Party's Organization Documents or any law, agreement or obligation by which any Loan Party is bound.

(ii) This Amendment has been duly executed and delivered by each Loan Party and constitutes a legal, valid and binding obligation of each Loan Party, enforceable against each such Loan Party in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting

creditors' rights generally and subject to general principles of equity and principles of good faith and fair dealing.

(iii) No approval, consent, exemption, authorization or other action by, or notice to, or filing with, any Governmental Authority or any other Person is necessary or required in connection with the execution, delivery or performance by, or enforcement against, any Loan Party of this Amendment.

(iv) The Persons signing this Amendment as Guarantors include all of the Subsidiaries existing as of the date of this Amendment that are required to become Guarantors pursuant to the Credit Agreement.

(d) The Loan Parties represent and warrant to the Administrative Agent and the Lenders that (i) after giving effect to this Amendment, the representations and warranties of the Borrower and each other Loan Party contained in Article V of the Credit Agreement or any other Loan Document, or which are contained in any Compliance Certificate furnished at any time under or in connection therewith, are true and correct in all material respects (or, with respect to any representation or warranty qualified by materiality or Material Adverse Effect, in all respects) on and as of the date hereof, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they are true and correct in all material respects (or, with respect to any representation and warranty qualified by materiality or Material Adverse Effect, in all respects) as of such earlier date, and except that for purposes of this Section 4(d)(i), the representations and warranties contained in Sections 5.05(a) and (b) of the Credit Agreement shall be deemed to refer to the most recent statements furnished pursuant to Sections 6.01(a) and (b), respectively, of the Credit Agreement, and (ii) after giving effect to this Amendment, no event has occurred and is continuing which constitutes a Default or an Event of Default.

(e) This Amendment shall constitute a Loan Document for all purposes. This Amendment may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. The provisions of Section 11.17 of the Credit Agreement are incorporated herein by reference, *mutatis mutandis*. This Amendment constitutes the entire contract among the parties relating to the subject matter hereof and supersedes any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. This Amendment will inure to the benefit of and bind the respective successors and permitted assigns of the parties hereto.

(f) **THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK. THE TERMS OF SECTIONS 11.14 AND 11.15 OF THE CREDIT AGREEMENT ARE INCORPORATED HEREIN BY REFERENCE, *MUTATIS MUTANDIS*.**

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the date first above written.

BORROWER:

EL POLLO LOCO, INC.,
a Delaware corporation

By: /s/ Jason Weintraub
Name: Jason Weintraub
Title: Chief Legal Officer and Corporate Secretary

GUARANTORS:

EL POLLO LOCO HOLDINGS, INC.,
a Delaware corporation

By: /s/ Jason Weintraub
Name: Jason Weintraub
Title: Chief Legal Officer and Corporate Secretary

EPL INTERMEDIATE, INC.,
a Delaware corporation

By: /s/ Jason Weintraub
Name: Jason Weintraub
Title: Chief Legal Officer and Corporate Secretary

LOCO MARKETING, INC.,
a Kentucky corporation

By: /s/ Jason Weintraub
Name: Jason Weintraub
Title: Chief Legal Officer and Corporate Secretary

ADMINISTRATIVE AGENT:

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

By: /s/ Erik Truette
Name: Erik Truette
Title: Vice President

LENDERS:

BANK OF AMERICA, N.A.,
as a Lender, the L/C Issuer and the Swingline Lender

By: /s/ Rhonda Baughn
Name: Rhonda Baughn
Title: Senior Vice President

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as a Lender

By: /s/ Denise Crouch
Name: Denise Crouch
Title: Vice President

JPMORGAN CHASE BANK. N.A.,
as a Lender

By: /s/ Sean Bodkin
Name: Sean Bodkin
Title: Executive Director

Schedule 2.01

Commitments and Applicable Percentages

Lender	Revolving Commitment	Applicable Percentage of Revolving Commitment
Bank of America, N.A.	$65,000,000.00	43.333333333%
Wells Fargo Bank, National Association	$60,000,000.00	40.000000000%
JPMorgan Chase Bank, N.A.	$25,000,000.00	16.666666667%
TOTAL	$150,000,000.00	100.000000000%

August 18, 2026

Damon Thomas
damonthomas515@gmail.com

Dear Damon,

Congratulations! We are very pleased to extend you an offer of employment with El Pollo Loco ("EPL" or the "Company") and have listed the terms of our employment offer as follows:

Start Date: September 21, 2026

Job Title: Chief Operating Officer

Reports to: Liz Williams, Chief Executive Officer

Base Annual Salary: $425,000.

NOTE: You will also be eligible for a merit-based salary increase in or near March, 2027, as part of the Company's annual performance review process.

In addition, *if you accept this offer of employment, you will be eligible to receive a sign-on bonus in the gross amount of $25,000, less applicable withholdings (the "Bonus"). Payment of the Bonus (including your election to receive the Bonus up front or to defer receipt) and any repayment obligations are governed solely by the Company's separate Sign-On Bonus Agreement, which is attached to this offer letter. No Bonus will be paid unless you execute the Sign-On Bonus Agreement*

Annual Incentive: You will be eligible to participate in the 2026 Incentive Plan available to Support Center employees, subject to the terms and conditions of the plan. Incentive Plan payouts are dependent upon company and individual performance factors and are subject to the approval of the Board of Directors. The target of your 2026 Incentive Bonus will be **75%** of your base salary. *For the 2026 plan year only, the Company agrees to pay you a minimum of 75% of your full-year target annual incentive amount ($225,000), regardless of your start date and regardless of the Company's achievement against the performance targets in the plan.*

Equity Grant: You will also be eligible to participate in the Equity Incentive Plan, subject to the terms and conditions of the plan. During our annual equity grant window, typically in March each year, you will be eligible for an equity grant based on employee performance and subject to the approval of the Board of Directors. Your target annual equity grant value will be $400,000, vesting each year on the anniversary of the grant date over three years.

You will also be granted a one-time Equity Award, subject to the terms and conditions of the plan and subject to the approval of the Board of Directors in the first open trading window following the start date of your employment. Your equity grant value for this Equity Award will be $500,000, vesting each year on the anniversary of the grant date over three years. Equity grants are typically comprised of either restricted shares, stock options, and/or performance share units, or some combination of these. *For your one-time Equity Award, the grant will be comprised of 50% restricted shares and 50% performance share units.*

Benefits: You are eligible to enroll in our group benefits program (medical, dental, vision, group term life, LTD, etc.) on the first day of the calendar month following your first 30 days of employment.

You may enroll in the El Pollo Loco 401(k) Plan the first day of the month following ninety (90) days of employment. Currently, EPL provides a 100% match of the first three percent and 50% match of the next two percent of salary deferred.

You are 100% vested in the employer match from the day you enroll in the plan.

In addition, you will be eligible for our executive level of benefits coverage, a program called Ultimate Health by ArmadaCare. Currently, under this plan, certain medical expenses (other than premiums) that are not covered by your base insurance plan are reimbursable through Ultimate Health. This includes coverage for co-pays, deductibles, and certain uncovered expenses up to a maximum of $50,000 annually.

You will also be entitled to a monthly car allowance in the amount of $600 per month.

You will also be eligible for paid sick leave pursuant to Company policy and California law.

Vacation: You will have unlimited vacation time in accordance with our executive-level PTO policy, and as a result you will not accrue vacation time during your employment. Vacation time will need to

be coordinated with and approved by your supervisor. You will also be eligible for paid sick leave pursuant to Company policy and California law.

Termination: Unless the Company determines a shorter notice period in its sole discretion, you must give the Company at least ninety (90) days advance written notice of any resignation.

Notwithstanding any other provision of this Agreement, the Company will provide you a separate "Post-Termination Benefits" agreement providing certain benefits, including severance payments, in the event your employment with the Company is terminated by the Company without cause within twelve (12) months following a change in control of the Company.

In addition, if your employment is terminated by the Company at any other time without Cause or by you with Good Reason, subject to entering into the Company's general release of claims in a form substantially similar to those provided to other Company executives, and at the expiration of the applicable revocation period with respect to such release, and subject to your compliance with the terms of such release and any post-termination contractual obligations under any agreements executed by you to which the Company is a party, you shall receive (in addition to any benefits pursuant to applicable law):

Base salary in accordance with the Company's normal payroll practices for a period of twelve (12) months ("Severance Period") following the date of such termination ("Severance Payments"); provided, however, that such Severance Payments shall permanently cease immediately if you accept new employment or any other arrangement pursuant to which you receive remuneration from any other person or entity in exchange for providing services ("Engagement"). You agree to notify the Company in writing of your acceptance of any Engagement during the Severance Period within seven (7) days of such acceptance.

"Cause" shall mean (a) an action by you that constitutes acts of (1) fraud; (2) embezzlement; (3) gross insubordination; (4) gross misconduct; (5) material dishonesty which causes material harm to the Company; (b) your inability, failure, or refusal to perform any duty, responsibility, or obligation of your position, which (to the extent such inability, failure, or refusal to perform is curable in the judgment of the Company) is not cured by you within five (5) days after receiving written notice from the Company of such inability, failure, or refusal; (c) your commission of a felony or other crime involving moral turpitude; (d) your substance abuse or alcohol abuse

which renders you unfit to perform your duties; or (e) your breach of any agreement with the Company; (6) any violation of the Company's Policy Against Discrimination, Harassment and Retaliation; or (7) any violation of the Company's Insider Trading Policy. Any voluntary termination of employment in anticipation of an involuntary termination of your employment by the Company for Cause shall be deemed to be a termination for Cause.

"Good Reason" shall mean, in each case without your consent:

(A) Your relocation, other than for a temporary work assignment, by the Company outside Orange County, California;

(B) a material diminution of your authority, duties, title or responsibilities as Chief Operating Officer;

(C) a reduction of your base salary below $425,000; or

(D) a requirement that you report to anyone other than the Chief Executive Officer or the Board

provided that none of the events described in clauses (A) through (D) of this section shall constitute Good Reason unless you have notified the Company in writing describing the event which constitutes Good Reason within thirty (30) days of the initial occurrence of such event and then only if the Company shall have failed to cure such event within thirty (30) days after the Company's receipt of such written notice. Notice shall be provided to the Chief Executive Officer with a copy to the Compensation Committee of the Board of Directors.

Arbitration
As a condition of employment with EPL, you must agree to the Company's Mutual Dispute Resolution Agreement, which is governed by the Federal Arbitration Act. A copy of the agreement, which confirms that any dispute between you and the Company during your employment will be decided by an arbitration process, will be provided to you to acknowledge during your new employee orientation.

Protection of Confidential Information
As a condition of employment with EPL, you must agree to the Company's Non-Disclosure Agreement, which you and the Company previously executed.

IMPORTANT
This offer of employment is contingent upon your completion of a background check that may include a driving record report, credit check and a criminal background check demonstrating your eligibility for employment with EPL, as determined by EPL in its sole discretion,

confirmation of the credentials and/or employment history reflected in your employment application and reference checks.

This offer and your acceptance of employment are contingent upon verification, through the electronic system, E-Verify, of your identity and eligibility to work in the United States. Please bring appropriate documents which establish your identity and authorization to work in the United States for completion of the Form I-9. A list of acceptable documents is included with this letter. On your first day of work, please bring with your documentation from this list as to confirm your identity and eligibility to work in the United States. You will be required to complete the required employment eligibility verification document. We are required by federal law to examine documentation of your employment eligibility within three business days after you begin work. Failure to provide identity verification and work authorization documentation prior to the commencement of your employment may result in EPL withdrawing this offer.

AT-WILL EMPLOYMENT: We want to make sure you know that your employment with EPL is at-will. This means that either you or EPL are free to end your employment at any time, with or without notice or cause. No matter what changes during your employment at EPL, this at-will relationship will not change, and neither this letter nor any other oral or written representations may be considered a contract of employment for any specific period of time. More details on your benefits and other employment information will be provided during your orientation.

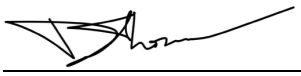
EPL's benefits program may change at any time in its sole discretion.

We are so excited to have you join us as part of our team! More details on your benefits and other employment information will be provided during your orientation. If you have any questions, please do not hesitate to contact me.

Sincerely,

Jason Weintraub
Chief Legal & People Officer

I accept the offer letter as outlined above:



Damon Thomas

08/23/2026
Date

Exhibit 31.1

RULE 13a-14(a)/15d-14(a) CERTIFICATION

I, Elizabeth Williams, certify that:

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

By: /s/ ELIZABETH WILLIAMS
Elizabeth Williams
Chief Executive Officer
(Principal Executive Officer)

Date: November 3, 2026

Exhibit 31.2

RULE 13a-14(a)/15d-14(a) CERTIFICATION

I, Ira Fils, certify that:

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

By: /s/ IRA FILS
Ira Fils
Chief Financial Officer
(Principal Financial and Accounting Officer)

Date: November 3, 2026

Exhibit 32.1

CERTIFICATION

Under 18 U.S.C. section 1350, adopted by section 906 of the Sarbanes-Oxley Act of 2002, in connection with the attached periodic report, the undersigned each certify that (i) the periodic report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (ii) the information contained in the periodic report fairly presents, in all material respects, the financial condition and results of operations of the issuer.

Date: November 5, 2026

/s/ ELIZABETH WILLIAMS

Elizabeth Williams
Chief Executive Officer
(Principal Executive Officer)

/s/ IRA FILS

Ira Fils
Chief Financial Officer
(Principal Financial and Accounting Officer)