



El Pollo Loco Holdings, Inc. Announces Second Quarter 2022 Financial Results

08/4/22

COSTA MESA, Calif., Aug. 04, 2022 (GLOBE NEWSWIRE) -- El Pollo Loco Holdings, Inc. (Nasdaq: LOCO) today announced financial results for the 13-week period ended June 29, 2022

Highlights for the second quarter ended June 29, 2022 compared to the second quarter ended June 30, 2021 were as follows:

- **Total revenue** was \$124.1 million compared to \$122.0 million.
- **System-wide comparable restaurant sales⁽¹⁾** increased 7.5%.
- **Income from operations** was \$10.4 million compared to \$12.7 million.
- **Restaurant contribution⁽¹⁾** was \$15.9 million, or 15.0% of company-operated restaurant revenue, compared to \$22.2 million, or 20.8% of company-operated restaurant revenue.
- **Net income** was \$7.1 million, or \$0.20 per diluted share, compared to net income of \$8.8 million, or \$0.24 per diluted share.
- **Pro forma net income⁽¹⁾** was \$7.6 million, or \$0.21 per diluted share, compared to \$10.7 million, or \$0.29 per diluted share.
- **Adjusted EBITDA⁽¹⁾** was \$15.4 million, compared to \$19.9 million.

(1) System-wide comparable restaurant sales, restaurant contribution, pro forma net income and adjusted EBITDA are not presented in accordance with accounting principles generally accepted in the United States of America ("GAAP") and are defined below under "Key Financial Definitions." A reconciliation of these non-GAAP financial measures to the most directly comparable GAAP financial measure is included in the accompanying financial data. See also "Non-GAAP Financial Measures."

Larry Roberts, Chief Executive Officer of El Pollo Loco Holdings, Inc., stated, "We were very pleased with our second quarter sales performance as our focus on brand differentiation and awareness through social media is paying off. This was reflected most recently in the success of our Shredded Beef Birria promotion, which contributed to our system-wide comparable restaurant sales growth of 7.5%."

Roberts added, "While system-wide comparable restaurant sales growth remains positive, similar to others in our industry, we are seeing some softening of consumer traffic and store-level margins continue to be challenged by the inflationary environment. Nevertheless, we continue to make meaningful and tangible progress towards our strategic initiatives, including improvement in our restaurants' staffing levels, four-wall operational execution, and embedding our Familia culture across the organization. These efforts are highlighted by significant improvements in company-operated restaurant drive thru times and consumer metrics that are the strongest we have seen in a long time. As we look ahead, we expect these initiatives to strengthen our average unit volumes, improve our profitability and position us to accelerate growth of the El Pollo Loco brand."

Second Quarter 2022 Financial Results

Company-operated restaurant revenue in the second quarter of 2022 decreased to \$106.5 million, compared to \$107.0 million in the second quarter of 2021, primarily due to a \$2.7 million decrease in revenue from the eight company-operated restaurants sold by the Company to an existing franchisee and a \$1.0 million decrease in revenue from the closure of three restaurants during or subsequent to the second quarter of 2021. This restaurant sales decrease was partially offset by an increase in company-operated comparable restaurant revenue of \$2.9 million, or 2.9%. The company-operated comparable restaurant sales increase consisted of an approximately 8.0% increase in average check size due to increases in menu prices, partially offset by a 4.7% decrease in transactions. In addition, company-operated restaurant revenue was favorably impacted by \$0.3 million of additional sales from restaurants opened during or after the second quarter of 2021.

Franchise revenue in the second quarter of 2022 increased 20.0% to \$10.1 million, compared to \$8.4 million in the second quarter of 2021. This increase was primarily due to a franchise comparable restaurant sales increase of 10.6% and the opening of five restaurants and eight company-operated restaurants sold by the Company to an existing franchisee, in each case, during or subsequent to the second quarter of 2021. This franchise revenue increase was partially offset by the closure of three franchise locations during or subsequent to the second quarter of 2021.

Income from operations in the second quarter of 2022 was \$10.4 million, compared to \$12.7 million in the second quarter of 2021. Restaurant

contribution was \$15.9 million, or 15.0% of company-operated restaurant revenue, compared to \$22.2 million, or 20.8% of company-operated restaurant revenue in the second quarter of 2021. The decrease in restaurant contribution was largely due to the impact of wage increases, commodity inflation and higher operating costs, partially offset by the higher menu prices. Restaurant contribution is a non-GAAP measure defined below under "Key Financial Definitions."

General and administrative expenses in the second quarter of 2022 were \$9.7 million, compared to \$10.5 million in the second quarter of 2021. The decrease for the quarter was due to a \$0.4 million decrease in labor related costs, primarily related to a decrease in estimated management bonus expense, a \$0.3 million decrease in legal and professional expenses and a \$0.1 million decrease in other general and administrative expenses.

Net income for the second quarter of 2022 was \$7.1 million, or \$0.20 per diluted share, compared to net income of \$8.8 million, or \$0.24 per diluted share, in the second quarter of 2021. Pro forma net income was \$7.6 million, or \$0.21 per diluted share, during the second quarter of 2022, compared to \$10.7 million, or \$0.29 per diluted share, during the second quarter of 2021.

During the second quarter, the Company maintained its debt balance at \$40.0 million and had \$34.3 million in cash and cash equivalents as of June 29, 2022.

Subsequent Events

Subsequent to the quarter-end, on July 27, 2022, the Company entered into a new credit agreement which provides for a new \$150 million five-year senior secured revolving facility. In connection with the refinancing, the Company's prior credit agreement was terminated. On July 29, 2022, the Company made a \$20.0 million prepayment to its new revolving credit facility and outstanding borrowings as of August 4, 2022 were \$20.0 million.

In connection with the Company's entry into the new credit agreement, it terminated the interest rate swap previously used to hedge interest rate risk. In settlement of this swap, the Company received approximately \$0.6 million. The remaining amount in accumulated other comprehensive income ("AOCI") related to the hedging relationship will be reclassified into earnings when the hedged forecasted transaction is reported in earnings.

2022 Outlook

The company is providing the following expectations for 2022:

- The opening of three to six new company-owned restaurants and six to ten new franchised restaurants.
- Capital spend of \$20.0 - \$25.0 million
- Pro forma income tax rate of 26.5%.

Key Financial Definitions

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 franchised restaurants. The Company's total revenue in the consolidated statements of income is limited to company-operated restaurant revenue and franchise revenue from the Company's 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.

Comparable restaurant sales reflect the change in year-over-year sales for the comparable company, franchised and total system restaurant base. The comparable restaurant base is defined to include those restaurants open for 15 months or longer and excludes restaurants that were closed during the applicable period. At June 29, 2022, there were 183 restaurants in our comparable company-operated restaurant base and 465 restaurants in our comparable system restaurant base.

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 costs, labor and related expenses, and occupancy and other operating expenses. Restaurant contribution excludes certain costs, such as general and administrative expenses, depreciation and amortization, asset impairment and closed-store reserves and other costs that are considered normal operating costs. Accordingly, restaurant contribution is not indicative of overall Company results and does not accrue directly to the benefit of shareholders because of the exclusion of certain corporate-level expenses. Restaurant contribution margin is defined as restaurant contribution as a percentage of net company-operated restaurant revenue. See also "Non-GAAP Financial Measures."

EBITDA and **adjusted EBITDA** are neither required by, nor presented in accordance with, GAAP. EBITDA represents net income before interest expense, provision for income taxes, depreciation, and amortization, and adjusted EBITDA represents EBITDA before items that we do not consider representative of our underlying operating performance, as identified in the GAAP reconciliation in the accompanying financial data. See also "Non-GAAP Financial Measures."

Pro forma net income is neither required by, nor presented in accordance with, GAAP. Pro forma net income represents net income adjusted for (i) costs (or gains) related to loss (or gains) on disposal of assets or assets held for sale and asset impairment and closed store costs reserves, (ii) amortization expense and other estimate adjustments (whether expense or income) incurred on the Tax Receivable Agreement ("TRA") completed at the time of our IPO, (iii) legal costs associated with securities class action litigation, (iv) extraordinary legal settlement costs, (v) insurance proceeds received related to securities class action legal expenses and (vi) provision for income taxes at a normalized tax rate of 26.5% for the thirteen and twenty-six weeks ended June 29, 2022 and June 30, 2021, which reflects our estimated long-term effective tax rate, including both federal and state income taxes (excluding the impact of the income tax receivable agreement and valuation allowance) and applied after giving effect to the foregoing adjustments. See the GAAP reconciliation in the accompanying financial data and "Non-GAAP Financial Measures."

Conference Call

The Company will host a conference call to discuss financial results for the second quarter of 2022 today at 4:30 PM Eastern Time. Larry Roberts, Chief Executive Officer and Ira Fils, Chief Financial Officer will host the call.

The conference call can be accessed live over the phone by dialing 201-493-6780. A replay will be available after the call and can be accessed by

dialing 412-317-6671; the passcode is 13729625. The replay will be available until Thursday, August 18, 2022. The conference call will also be webcast live from the Company's corporate website at investor.elpolloloco.com under the "Events & Presentations" page. An archive of the webcast will be available at the same location on the corporate website shortly after the call has concluded.

About El Pollo Loco

El Pollo Loco (Nasdaq:LOCO) is the nation's leading fire-grilled chicken restaurant chain renowned for its masterfully citrus-marinated, fire-grilled chicken and handcrafted entrees using fresh ingredients inspired by Mexican recipes. With more than 480 company-owned and franchised restaurants in Arizona, California, Nevada, Texas, Utah, and Louisiana, El Pollo Loco is expanding its presence in key markets through a combination of company and existing and new franchisee development. Visit us on our website at ElPolloLoco.com.

Forward-Looking Statements

This press release contains forward-looking statements that are subject to risks and uncertainties. All statements other than statements of historical fact included in this press release are forward-looking statements. Forward-looking statements discuss our current expectations and projections relating to our financial condition, results of operations, plans, objectives, future performance and business. 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 in connection with any discussion of the timing or nature of future operating or financial performance or other events. They appear in a number of places throughout this press release and include our 2022 outlook and statements regarding our ability to improve growth and profitability in the current challenging macroeconomic environment, as well as our ongoing business intentions, beliefs or current expectations concerning, among other things, our results of operations, financial condition, sales levels, liquidity, prospects, growth, strategies and the industry in which we operate. 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 press release in the context of the risks and uncertainties that could cause outcomes to differ materially from our expectations. These factors include, but are not limited to: the impact of the COVID-19 pandemic on our company, our employees, our customers, our partners, our industry and the economy as a whole, as well as our franchisees' ability to maintain operations in their individual restaurants; our ability to open new restaurants in new and existing markets, including difficulty in finding sites and in negotiating acceptable leases; our ability to compete successfully with other quick-service and fast casual restaurants; vulnerability to changes in consumer preferences and political and economic conditions; our ability to attract, develop and retain employees; vulnerability to conditions in the greater Los Angeles area and to natural disasters given the geographic concentration and real estate intensive nature of our business; the possibility that we may continue to incur significant impairment of certain of our assets, in particular in our new markets; changes to food and supply costs, especially for chicken; social media and negative publicity, whether or not valid, and our ability to respond to and effectively manage the impact of social media; our ability to continue to expand our digital business, delivery orders and catering; and other risks set forth in our filings with the Securities and Exchange Commission from time to time, including under Item 1A, Risk Factors in our annual report on Form 10-K for the year ended December 29, 2021, as such risk factors may be amended, supplemented or superseded from time to time by other reports we file with the Securities and Exchange Commission, all of which are or will be 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 press release are made only as of the date hereof. 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.

Non-GAAP Financial Measures

To supplement our consolidated financial statements, which are prepared and presented in accordance with GAAP, we use non-GAAP financial measures which include supplemental measures of operating performance of our restaurants. Our calculations of supplemental measures and other non-GAAP financial measures indicated above may not be comparable to those reported by other companies. These measures have limitations as analytical tools, and are not intended to be considered in isolation or as substitutes for, or superior to, financial measures prepared and presented in accordance with GAAP. We use non-GAAP financial measures for financial and operational decision-making and as a means to evaluate period-to-period comparisons and to evaluate our restaurants' financial performance against our competitors' performance. We believe that they provide useful information about operating results, enhance understanding of past performance and future prospects, and allow for greater transparency with respect to key metrics used by management in its financial and operational decision making. These non-GAAP financial measures may also assist investors in evaluating our business and performance relative to industry peers and provide greater transparency with respect to the Company's financial condition and results of operation.

Investor Contact:

Fitzhugh Taylor, ICR
fitzhugh.taylor@icrinc.com
714-599-5200

Media Contact:

Hanna Gray, Edible
hanna.gray@edible-inc.com
323-202-1477

UNAUDITED CONSOLIDATED STATEMENTS OF INCOME
(in thousands, except share data)

	Thirteen Weeks Ended				Twenty-Six Weeks Ended			
	June 29, 2022		June 30, 2021		June 29, 2022		June 30, 2021	
	\$	%	\$	%	\$	%	\$	%
Revenue:								
Company-operated restaurant revenue	\$ 106,454	85.8	\$ 106,970	87.7	\$ 200,411	85.6	\$ 201,131	87.6
Franchise revenue	10,064	8.1	8,389	6.9	19,319	8.3	16,001	7.0
Franchise advertising fee revenue	7,593	6.1	6,626	5.4	14,429	6.1	12,574	5.4
Total revenue	124,111	100.0	121,985	100.0	234,159	100.0	229,706	100.0
Costs of operations:								
Food and paper cost (1)	31,691	29.8	27,882	26.1	59,423	29.7	52,273	26.0
Labor and related expenses (1)	33,015	31.0	31,526	29.5	65,687	32.8	62,258	31.0
Occupancy and other operating expenses (1)	25,832	24.3	25,336	23.7	49,677	24.7	49,180	24.5
Company restaurant expenses (1)	90,538	85.1	84,744	79.3	174,787	87.2	163,711	81.5
General and administrative expenses	9,679	7.8	10,523	8.6	19,633	8.4	20,997	9.1
Franchise expenses	9,557	7.7	8,161	6.7	18,288	7.8	15,912	6.9
Depreciation and amortization	3,618	2.9	3,917	3.2	7,215	3.1	7,855	3.4
Loss on disposal of assets	42	0.0	85	0.1	108	0.0	111	0.0
Loss on assets held for sale	—	—	1,524	1.2	—	—	1,524	0.7
Impairment and closed-store reserves	248	0.2	360	0.3	379	0.2	924	0.4
Total expenses	113,682	91.6	109,314	89.6	220,410	94.1	211,034	91.9
Income from operations	10,429	8.4	12,671	10.4	13,749	5.9	18,672	8.1
Interest expense, net of interest income	419	0.3	433	0.4	849	0.4	950	0.4
Income tax receivable agreement expense (income)	(186)	(0.1)	27	0.0	(316)	(0.1)	(50)	(0.0)
Income before provision for income taxes	10,196	8.2	12,211	10.0	13,216	5.6	17,772	7.7
Provision for income taxes	3,055	2.5	3,393	2.8	3,960	1.6	4,990	2.2
Net income	\$ 7,141	5.7	\$ 8,818	7.2	\$ 9,256	4.0	\$ 12,782	5.5
Net income per share:								
Basic	\$ 0.20		\$ 0.25		\$ 0.26		\$ 0.36	
Diluted	\$ 0.20		\$ 0.24		\$ 0.25		\$ 0.35	
Weighted average shares used in computing net income per share:								
Basic	36,331,099		35,927,781		36,278,423		35,861,493	
Diluted	36,473,960		36,416,686		36,478,808		36,423,394	

(1) Percentages for line items relating to cost of operations and company restaurant expenses are calculated with company-operated restaurant revenue as the denominator. All other percentages use total revenue.

EL POLLO LOCO HOLDINGS, INC.
UNAUDITED SELECTED BALANCE SHEETS AND SELECTED OPERATING DATA
(dollar amounts in thousands)

	As of	
	June 29, 2022	December 29, 2021
Selected Balance Sheet Data:		
Cash and cash equivalents	\$ 34,311	\$ 30,046
Total assets	619,403	613,786
Total debt	40,000	40,000
Total liabilities	295,560	303,163
Total stockholders' equity	323,843	310,623
	Twenty-Six Weeks Ended	
	June 29, 2022	June 30, 2021
Selected Operating Data:		
Company-operated restaurants at end of period	188	198
Franchised restaurants at end of period	293	282
Company-operated:		

Comparable restaurant sales growth	2.6%	9.8%
Restaurants in the comparable base	183	191

EL POLLO LOCO HOLDINGS, INC.

UNAUDITED RECONCILIATION OF SYSTEM-WIDE SALES TO COMPANY-OPERATED RESTAURANT REVENUE AND TOTAL REVENUE
(in thousands)

(Dollar amounts in thousands)	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	June 29, 2022	June 30, 2021	June 29, 2022	June 30, 2021
Company-operated restaurant revenue	\$ 106,454	\$ 106,970	\$ 200,411	\$ 201,131
Franchise revenue	10,064	8,389	19,319	16,001
Franchise advertising fee revenue	7,593	6,626	14,429	12,574
Total Revenue	124,111	121,985	234,159	229,706
Franchise revenue	(10,064)	(8,389)	(19,319)	(16,001)
Franchise advertising fee revenue	(7,593)	(6,626)	(14,429)	(12,574)
Sales from franchised restaurants	169,032	148,130	321,609	281,095
System-wide sales	\$ 275,486	\$ 255,100	\$ 522,020	482,226

EL POLLO LOCO HOLDINGS, INC.

UNAUDITED RECONCILIATION OF NET INCOME TO EBITDA AND ADJUSTED EBITDA
(in thousands)

	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	June 29, 2022	June 30, 2021	June 29, 2022	June 30, 2021
Adjusted EBITDA:				
Net income, as reported	\$ 7,141	\$ 8,818	\$ 9,256	\$ 12,782
Provision for income taxes	3,055	3,393	3,960	4,990
Interest expense, net	419	433	849	950
Depreciation and amortization	3,618	3,917	7,215	7,855
EBITDA	\$ 14,233	\$ 16,561	\$ 21,280	\$ 26,577
Stock-based compensation expense (a)	970	1,041	1,796	1,894
Loss on disposal of assets (b)	42	85	108	111
Loss on assets held for sale (c)	—	1,524	—	1,524
Impairment and closed-store reserves (d)	248	360	379	924
Income tax receivable agreement expense (income) (e)	(186)	27	(316)	(50)
Securities class action legal expense (f)	16	307	453	671
Pre-opening costs (g)	43	21	150	184
Adjusted EBITDA	\$ 15,366	\$ 19,926	\$ 23,850	\$ 31,835

(a) Includes non-cash, stock-based compensation.

(b) 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.

(c) During the thirteen and twenty-six weeks ended June 30, 2021, we agreed in principle to sell eight restaurants within Sacramento area to an existing franchisee. The related net assets were reclassified to assets held for sale and remeasured to their fair value less costs to sell, which resulted in a loss on held for sale assets of \$1.5 million for the thirteen and twenty-six weeks ended June 30, 2021.

(d) Includes costs related to impairment of long-lived and right-of-use ("ROU") assets and closing restaurants. During the thirteen and twenty-six weeks ended June 29, 2022, we recorded non-cash impairment charges of \$0.2 million and \$0.3 million, respectively, primarily related the long-lived assets of one restaurant in California. During the thirteen and twenty-six weeks ended June 30, 2021, we recorded non-cash impairment charges of \$0.4 million and \$0.7 million, respectively, primarily related to the carrying value of the ROU assets of one restaurant in Texas closed in 2019, one restaurant in California, and the long-lived assets of three restaurants in California.

During the thirteen and twenty-six weeks ended June 29, 2022, we recognized less than \$0.1 million and \$0.1 million, respectively, of closed-store reserve expense related to the amortization of ROU assets, property taxes and common area maintenance ("CAM") payments for our closed locations. During the thirteen and twenty-six weeks ended June 30, 2021, we recognized less than \$0.1 million and \$0.2 million, respectively, of closed-store reserve expense related to the amortization of ROU assets, property taxes and CAM payments for our closed locations.

(e) On July 30, 2014, we entered into the TRA. This agreement calls for us to pay to our pre-IPO stockholders 85% of the savings in cash that we realize in our taxes as a result of utilizing our net operating losses and other tax attributes attributable to preceding periods. For the thirteen and twenty-six weeks ended June 29, 2022 and June 30, 2021, income tax receivable agreement expense (income) consisted of the amortization of interest expense and changes in estimates for actual tax returns filed, related to our total expected TRA payments.

(f) Consists of costs and recoveries related to the defense of securities lawsuits.

(g) 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.

EL POLLO LOCO HOLDINGS, INC.
UNAUDITED RECONCILIATION OF NET INCOME TO PRO FORMA NET INCOME
(dollar amounts in thousands, except share data)

	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	June 29, 2022	June 30, 2021	June 29, 2022	June 30, 2021
Pro forma net income:				
Net income, as reported	\$ 7,141	\$ 8,818	\$ 9,256	\$ 12,782
Provision for taxes, as reported	3,055	3,393	3,960	4,990
Income tax receivable agreement expense (income)	(186)	27	(316)	(50)
Loss on disposal of assets	42	85	108	111
Loss on assets held for sale	—	1,524	—	1,524
Impairment and closed-store reserves	248	360	379	924
Securities lawsuits related legal expenses	16	307	453	671
Provision for income taxes	(2,734)	(3,846)	(3,668)	(5,552)
Pro forma net income	\$ 7,582	\$ 10,668	\$ 10,172	\$ 15,400
Pro forma weighted-average share and per share data:				
Pro forma net income per share				
Basic	\$ 0.21	\$ 0.30	\$ 0.28	\$ 0.43
Diluted	\$ 0.21	\$ 0.29	\$ 0.28	\$ 0.42
Weighted-average shares used in computing pro forma net income per share				
Basic	36,331,099	35,927,781	36,278,423	35,861,493
Diluted	36,473,960	36,416,686	36,478,808	36,423,394

EL POLLO LOCO HOLDINGS, INC.
UNAUDITED RECONCILIATION OF INCOME FROM OPERATIONS TO RESTAURANT CONTRIBUTION
(dollar amounts in thousands)

	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	June 29, 2022	June 30, 2021	June 29, 2022	June 30, 2021
Restaurant contribution:				
Income from operations	\$ 10,429	\$ 12,671	\$ 13,749	\$ 18,672
Add (less):				
General and administrative expenses	9,679	10,523	19,633	20,997
Franchise expenses	9,557	8,161	18,288	15,912
Depreciation and amortization	3,618	3,917	7,215	7,855
Loss on disposal of assets	42	85	108	111
Loss on assets held for sale	—	1,524	—	1,524
Franchise revenue	(10,064)	(8,389)	(19,319)	(16,001)
Franchise advertising fee revenue	(7,593)	(6,626)	(14,429)	(12,574)
Impairment and closed-store reserves	248	360	379	924
Restaurant contribution	\$ 15,916	\$ 22,226	\$ 25,624	\$ 37,420
Company-operated restaurant revenue:				
Total revenue	\$ 124,111	\$ 121,985	\$ 234,159	\$ 229,706
Less:				
Franchise revenue	(10,064)	(8,389)	(19,319)	(16,001)
Franchise advertising fee revenue	(7,593)	(6,626)	(14,429)	(12,574)
Company-operated restaurant revenue	\$ 106,454	\$ 106,970	\$ 200,411	\$ 201,131
Restaurant contribution margin (%)	15.0%	20.8%	12.8%	18.6%



Source: El Pollo Loco Holdings, Inc.