

**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 April 1, 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

(State or other jurisdiction of incorporation or organization)

20-3563182

(I.R.S. Employer Identification No.)

575 Anton Blvd., Suite 1100, Costa Mesa, California

(Address of principal executive offices)

92626

(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 May 1, 2026, there were 30,455,298 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)

	April 1, 2026	December 31, 2025
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 3,900	\$ 6,228
Accounts and other receivables, net	13,724	11,210
Inventories	1,693	1,810
Prepaid expenses and other current assets	6,561	6,369
Total current assets	25,878	25,617
Property and equipment, net	97,165	97,043
Property and equipment held under finance lease, net	1,232	1,303
Operating lease right-of-use assets	168,377	167,972
Goodwill	248,674	248,674
Trademarks	61,888	61,888
Deferred tax assets	227	187
Other assets	5,680	3,964
Total assets	\$ 609,121	\$ 606,648
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current portion of obligations under finance leases	\$ 117	\$ 142
Current portion of obligations under operating leases	16,379	17,616
Accounts payable	9,598	15,668
Other accrued expenses and current liabilities	49,508	45,653
Total current liabilities	75,602	79,079
Revolver loan	44,000	51,000
Obligations under finance leases, net of current portion	1,378	1,436
Obligations under operating leases, net of current portion	171,099	170,812
Deferred tax liabilities, net	8,910	7,611
Other noncurrent liabilities	5,634	5,633
Total liabilities	306,623	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; 30,455,298 and 29,957,385 shares issued and outstanding as of April 1, 2026 and December 31, 2025, respectively	304	299
Additional paid-in-capital	250,483	247,224
Retained earnings	51,711	43,554
Total stockholders' equity	302,498	291,077
Total liabilities and stockholders' equity	\$ 609,121	\$ 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	
	April 1, 2026	March 26, 2025
Revenue		
Company-operated restaurant revenue	\$ 105,915	\$ 98,365
Franchise revenue	12,028	13,183
Franchise advertising fee revenue	8,239	7,629
Total revenue	<u>126,182</u>	<u>119,177</u>
Cost of operations		
Food and paper cost	26,389	24,739
Labor and related expenses	31,839	32,179
Occupancy and other operating expenses	27,330	25,673
Company restaurant expenses	<u>85,558</u>	<u>82,591</u>
General and administrative expenses	12,794	11,263
Franchise expenses	11,189	12,442
Depreciation and amortization	4,314	3,887
Loss on disposal of assets	96	11
Impairment and closed-store reserves	14	11
Total expenses	<u>113,965</u>	<u>110,205</u>
Income from operations	<u>12,217</u>	<u>8,972</u>
Interest expense, net	731	1,176
Income before provision for income taxes	<u>11,486</u>	<u>7,796</u>
Provision for income taxes	3,329	2,315
Net income	<u>\$ 8,157</u>	<u>\$ 5,481</u>
Net income per share		
Basic	\$ 0.28	\$ 0.19
Diluted	\$ 0.27	\$ 0.19
Weighted-average shares used in computing net income per share		
Basic	29,407,496	29,085,836
Diluted	29,691,297	29,337,906

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 April 1, 2026					
	Common Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Total Stockholders' Equity
	Shares	Amount				
Balance, December 31, 2025	29,957,385	\$ 299	\$ 247,224	\$ 43,554	\$ —	\$ 291,077
Stock-based compensation expense	—	—	1,288	—	—	1,288
Issuance of common stock related to restricted shares	320,644	3	(3)	—	—	—
Issuance of common stock upon exercise of stock options, net	201,106	2	2,184	—	—	2,186
Shares repurchased for employee tax withholdings	(19,524)	—	(210)	—	—	(210)
Forfeiture of common stock related to restricted shares	(4,313)	—	—	—	—	—
Net income	—	—	—	8,157	—	8,157
Balance, April 1, 2026	<u>30,455,298</u>	<u>\$ 304</u>	<u>\$ 250,483</u>	<u>\$ 51,711</u>	<u>\$ —</u>	<u>\$ 302,498</u>
	Thirteen Weeks Ended March 26, 2025					
	Common Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Total Stockholders' Equity
	Shares	Amount				
Balance, December 25, 2024	29,839,721	\$ 298	\$ 241,462	\$ 18,909	\$ —	\$ 260,669
Stock-based compensation expense	—	—	1,047	—	—	1,047
Issuance of common stock related to restricted shares	369,879	4	(4)	—	—	—
Issuance of common stock upon exercise of stock options, net	42,736	—	426	—	—	426
Shares repurchased for employee tax withholdings	(9,609)	—	(101)	—	—	(101)
Repurchase of common stock	(159,750)	(2)	—	(1,805)	—	(1,807)
Repurchase of common stock - excise tax	—	—	—	(14)	—	(14)
Forfeiture of common stock related to restricted shares	(23,492)	—	—	—	—	—
Net income	—	—	—	5,481	—	5,481
Balance, March 26, 2025	<u>30,059,485</u>	<u>\$ 300</u>	<u>\$ 242,830</u>	<u>\$ 22,571</u>	<u>\$ —</u>	<u>\$ 265,701</u>

See notes to condensed consolidated financial statements (unaudited).

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

	Thirteen Weeks Ended	
	April 1, 2026	March 26, 2025
Cash flows from operating activities:		
Net income	\$ 8,157	\$ 5,481
Adjustments to reconcile net income to net cash flows provided by operating activities:		
Depreciation and amortization	4,314	3,887
Stock-based compensation expense	1,288	1,047
Loss on disposal of assets	96	11
Amortization of deferred financing costs	48	48
Deferred income taxes, net	1,259	(1,413)
Changes in operating assets and liabilities:		
Accounts and other receivables	(2,401)	(3,055)
Inventories	117	88
Prepaid expenses and other current assets	(192)	365
Income taxes receivable/payable	2,030	4,240
Operating lease assets	4,941	4,825
Other assets	(16)	(55)
Accounts payable	(6,422)	173
Operating lease liabilities	(6,297)	(4,850)
Other accrued expenses and current liabilities	6,086	(6,057)
Net cash flows provided by operating activities	<u>13,008</u>	<u>4,735</u>
Cash flows from investing activities:		
Purchase of property and equipment	(10,248)	(3,389)
Net cash flows used in investing activities	<u>(10,248)</u>	<u>(3,389)</u>
Cash flows from financing activities:		
Proceeds from borrowings on revolver and swingline loans	—	6,000
Payments on revolver and swingline loan	(7,000)	(4,000)
Minimum tax withholdings related to net share settlements	(210)	(101)
Proceeds from issuance of common stock upon exercise of stock options, net of expenses	2,186	426
Payment of obligations under finance leases	(64)	(57)
Repurchases of common stock	—	(1,775)
Net cash flows provided by (used in) financing activities	<u>(5,088)</u>	<u>493</u>
Increase in cash and cash equivalents	<u>(2,328)</u>	<u>1,839</u>
Cash and cash equivalents, beginning of period	<u>6,228</u>	<u>2,484</u>
Cash and cash equivalents, end of period	<u>\$ 3,900</u>	<u>\$ 4,323</u>

	Thirteen Weeks Ended	
	April 1, 2026	March 26, 2025
Supplemental cash flow information		
Cash paid during the period for interest	\$ 726	\$ 1,068
Cash paid during the period for income taxes	\$ —	\$ —
Unpaid purchases of property and equipment	\$ 5,247	\$ 2,709
Unpaid repurchases of common stock and excise tax	\$ —	\$ 220

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” or the Company) 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 its 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, Louisiana, Nevada, New Mexico, Texas, Utah, and Washington, specialize in fire-grilling citrus-marinated chicken in a wide variety of contemporary Mexican and LA-inspired entrees, including specialty chicken burritos, chicken quesadillas, chicken tostada salads, chicken tortilla soup, variations on the Company’s Pollo Bowl®, Pollo Salads, and Pollo Fit entrees. As of April 1, 2026, the Company operated 176 and franchised 329 El Pollo Loco restaurants in the United States. In addition, as of April 1, 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 2022 Revolver (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 franchised-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 April 1, 2026, the Company's total outstanding balance on its Revolver was \$44.0 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 \$3.9 million at April 1, 2026, and the outstanding borrowing availability under the 2022 Revolver will be adequate to meet the Company's liquidity needs for the next twelve months from the date of filing of these condensed consolidated financial statements.

Subsequent Events

Subsequent to the quarter-end, the Company borrowed \$5.0 million and paid down \$3.0 million on its 2022 Revolver, resulting in outstanding borrowings of \$46.0 million as of May 7, 2026.

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 no suppliers for which amounts due totaled more than 10% of the Company's accounts payable as of April 1, 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 29.7% of total expenses for the thirteen weeks ended April 1, 2026, and 15.1% of total expenses for the thirteen weeks ended March 26, 2025.

Company-operated and franchise-operated restaurants in the greater Los Angeles area generated, in the aggregate, approximately 71.9% of total revenue for the thirteen weeks ended April 1, 2026, and 71.6% of total revenue for the thirteen weeks ended March 26, 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. The Company determined that there were no indicators of potential impairment for its non-financial assets during the thirteen weeks ended April 2, 2026 or during the thirteen weeks ended March 13, 2025.

Income Taxes

For the thirteen weeks ended April 1, 2026, the Company recorded an income tax provision of \$3.3 million, reflecting an estimated effective tax rate of 29.0%. For the thirteen weeks ended March 26, 2025, the Company recorded an income tax provision of \$2.3 million, reflecting an estimated effective tax rate of approximately 29.7%. The difference between the 21.0% statutory rate and the effective tax rate of 29.0% for the thirteen weeks ended April 1, 2026 is primarily a result of state tax rates based on apportioned income and the impact of non-tax deductible executive compensation, partially offset by the impact of higher stock compensation expense deductible for tax related to vesting of restricted stock awards as compared to the cumulative amount recorded as stock-based compensation expense, and federal targeted job credits. *Summary of Significant Accounting Policies*

There have been no changes to our significant accounting policies described in the 2025 Form 10-K filed with the SEC on March 13, 2026 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 on 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 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 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):

	<u>April 1, 2026</u>	<u>December 31, 2025</u>
Prepaid insurance	\$ 1,935	\$ 2,634
Prepaid service fees	3,767	2,953
Other current assets	859	782
Total prepaid expenses and other current assets	<u>\$ 6,561</u>	<u>\$ 6,369</u>

3. PROPERTY AND EQUIPMENT

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

	<u>April 1, 2026</u>	<u>December 31, 2025</u>
Land	\$ 12,323	\$ 12,323
Buildings and improvements	166,545	153,049
Other property and equipment	85,069	77,802
Construction in progress	5,066	22,799
	<u>269,003</u>	<u>265,973</u>
Less: accumulated depreciation and amortization	(171,838)	(168,930)
Total property and equipment, net	<u>\$ 97,165</u>	<u>\$ 97,043</u>

Depreciation and amortization expense was \$4.3 million for the thirteen weeks ended April 1, 2026 and \$3.9 million for the thirteen weeks ended March 26, 2025.

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 April 1, 2026 and March 26, 2025.

4. 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 April 1, 2026, 2,061,677 shares of common stock remained available for issuance under the Incentive Plan.

Total stock-based compensation expense was \$1.3 million and \$1.0 million for the thirteen weeks ended April 1, 2026 and March 26, 2025, respectively. *Stock Options*

As of April 1, 2026, options to purchase 1,411,481 shares of common stock were outstanding, including 374,653 vested and 1,036,828 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 April 1, 2026 and changes during the thirteen weeks ended April 1, 2026 is as follows:

	<u>Shares</u>	<u>Weighted-Average Exercise Price</u>	<u>Weighted-Average Contractual Life Life (Years)</u>	<u>Aggregate Intrinsic Value (in thousands)</u>
Outstanding – December 31, 2025	1,233,984	\$ 10.46		
Grants	378,603	13.32		
Exercised	(201,106)	10.87		
Forfeited, cancelled or expired	—	—		
Outstanding – April 1, 2026	<u>1,411,481</u>	<u>\$ 11.17</u>	8.64	\$ 3,873
Vested and expected to vest at April 1, 2026	<u>1,395,891</u>	<u>\$ 11.16</u>	8.63	\$ 3,841
Exercisable at April 1, 2026	<u>374,653</u>	<u>\$ 10.50</u>	7.60	\$ 1,335

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:

	<u>April 1, 2026</u>	<u>March 26, 2025</u>
Expected volatility	41.4 %	42.8 %
Risk-free interest rate	3.9 %	4.1 %
Expected term (years)	6.00	6.00
Expected dividends	—	—

At April 1, 2026, the Company had total unrecognized compensation expense of \$5.0 million related to unvested stock options, which it expects to recognize over a weighted-average period of 2.45 years.

Restricted Shares

A summary of restricted share activity as of April 1, 2026 and changes during the thirteen weeks ended April 1, 2026 is as follows:

	<u>Shares</u>	<u>Weighted-Average Fair Value</u>
Unvested shares at December 31, 2025	617,037	\$ 10.22
Granted	320,644	\$ 13.32
Released	(154,973)	\$ 10.31
Forfeited and cancelled	(4,313)	\$ 10.43
Unvested shares at April 1, 2026	<u>778,395</u>	<u>\$ 11.48</u>

At April 1, 2026, the Company had unrecognized compensation expense of \$7.8 million related to unvested restricted shares, which it expects to recognize over a weighted-average period of 2.29 years.

Performance-Based Restricted Stock Units

A summary of performance share activity as of April 1, 2026 and changes during the thirteen weeks ended April 1, 2026 is as follows:

	<u>Shares</u>	<u>Weighted-Average Fair Value</u>
Unvested shares at December 31, 2025	137,805	\$ 10.34
Granted	132,007	\$ 13.32
Released	—	\$ —
Forfeited and cancelled	—	\$ —
Unvested shares at April 1, 2026	<u>269,812</u>	<u>\$ 11.80</u>

5. LONG-TERM DEBT

On July 27, 2022, the Company entered into a credit agreement (the “2022 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 (the “2022 Revolver”).

The 2022 Revolver includes 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 2022 Credit Agreement and related loan documents are guaranteed by Holdings and Intermediate. The obligations of Holdings, EPL and Intermediate under the 2022 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 2022 Revolver, Holdings is restricted from making certain payments such as cash dividends or share repurchases, except that it may, inter alia, (i) pay up to \$1.0 million per year to repurchase or redeem qualified equity interests of Holdings held by past or present officers, directors, or employees (or their estates) of the Company upon

death, disability, or termination of employment, and (ii) so long as no default or event of default has occurred and is continuing, (a) make non-cash repurchases of equity interests in connection with the exercise of stock options by directors, officers and management, provided that those equity interests represent a portion of the consideration of the exercise price of those stock options, (b) pay up to \$0.5 million in any 12-month consecutive period to redeem, repurchase or otherwise acquire equity interests of any subsidiary that is not a wholly-owned subsidiary from any holder of equity interest in such subsidiary, (c) pay up to \$2.5 million per year pursuant to stock option plans, employment agreements, or incentive plans, (d) make up to \$5.0 million in other restricted payments per year, and (e) 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 2022 Revolver.

Borrowings under the 2022 Credit Agreement (other than any swingline loans) bear interest, at the borrower's option, at rates based upon either the secured overnight financing rate ("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 SOFR plus 1.00%. For Term SOFR loans, the margin is in the range of 1.25% to 2.25%, and for base rate loans the margin is in a range of 0.25% to 1.25%. Borrowings under the 2022 Revolver may be repaid and reborrowed. The interest rate range under the 2022 Revolver was 5.01% to 7.00% for the thirteen weeks ended April 1, 2026, and 5.65% to 7.75% for the thirteen weeks ended March 26, 2025.

The 2022 Credit Agreement contains certain customary financial covenants, subject to certain exceptions. The Company was in compliance with the financial covenants as of April 1, 2026.

At April 1, 2026, the Company had \$44.0 million in outstanding borrowing under the 2022 Revolver and one letter of credit in the amount of \$10.3 million outstanding, and as a result, the Company had \$95.7 million in borrowing availability.

Maturities

During the thirteen weeks ended April 1, 2026, the Company had no borrowings, and paid down \$7.0 million, on the 2022 Revolver. During the thirteen weeks ended March 26, 2025, the Company borrowed \$6.0 million and paid down \$4.0 million, respectively, on the 2022 Revolver.

6. OTHER ACCRUED EXPENSES AND CURRENT LIABILITIES

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

	<u>April 1, 2026</u>	<u>December 31, 2025</u>
Accrued insurance	\$ 11,946	\$ 11,987
Accrued salaries and vacation	11,126	11,070
Accrued sales and property taxes	6,341	6,408
Gift card liability	5,160	5,559
Accrued advertising	4,349	2,438
Accrued income taxes payable	3,597	1,567
Loyalty rewards program liability	1,181	1,106
Deferred franchise and development fees	546	546
Accrued legal settlements and professional fees	451	902
Accrued interest	32	44
Other	4,779	4,026
Total other accrued expenses and current liabilities	<u>\$ 49,508</u>	<u>\$ 45,653</u>

7. OTHER NONCURRENT LIABILITIES

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

	<u>April 1, 2026</u>	<u>December 31, 2025</u>
Deferred franchise and development fees	\$ 5,608	\$ 5,607
Other	26	26
Total other noncurrent liabilities	<u>\$ 5,634</u>	<u>\$ 5,633</u>

8. COMMITMENTS AND CONTINGENCIES

Legal Matters

From time to time, the Company is involved in various claims such as wage and hour 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 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.

As of April 1, 2026, the Company's total estimated commitment to purchase chicken was \$16.6 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 April 1, 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 \$10.4 million. The present value of these potential payments discounted at the Company's estimated pre-tax cost of debt at April 1, 2026 was \$8.1 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 April 1, 2026, the Company had employment agreements with three of the officers of the Company. These agreements provide for minimum salary levels, possible annual adjustments for cost-of-living changes, and incentive bonuses that are payable under certain business conditions.

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 weeks ended April 1, 2026 and March 26, 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	
	April 1, 2026	March 26, 2025
Numerator:		
Net income	\$ 8,157	\$ 5,481
Denominator:		
Weighted-average shares outstanding—basic	29,407,496	29,085,836
Weighted-average shares outstanding—diluted	29,691,297	29,337,906
Net income per share—basic	\$ 0.28	\$ 0.19
Net income per share—diluted	\$ 0.27	\$ 0.19
Anti-dilutive securities not considered in diluted EPS calculation	1,084,767	806,534

Below is a reconciliation of basic and diluted share counts:

	Thirteen Weeks Ended	
	April 1, 2026	March 26, 2025
Weighted-average shares outstanding—basic	29,407,496	29,085,836
Dilutive effect of stock options and restricted shares	283,801	252,070
Weighted-average shares outstanding—diluted	29,691,297	29,337,906

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 are 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 disaggregated by geographic market:

	Thirteen Weeks Ended	
	April 1, 2026	March 26, 2025
Greater Los Angeles area market	71.9 %	71.6 %
Other markets	28.1 %	28.4 %
Total	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. A portion of the transaction price is then allocated to loyalty points, if necessary, on a pro-rata basis, based on stand-alone selling price, as determined by menu pricing and loyalty points terms. As of April 1, 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):

	April 1, 2026	December 31, 2025
Loyalty rewards liability, beginning balance	\$ 1,106	\$ 844
Revenue deferred	763	2,667
Revenue recognized	(688)	(2,405)
Loyalty rewards liability, ending balance	<u>\$ 1,181</u>	<u>\$ 1,106</u>

The Company expects all loyalty points revenue related to performance obligations that were unsatisfied as of April 1, 2026 to be recognized over a period exceeding six months but less than one year.

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 are subject to actual and/or potential escheatment rights in several of the jurisdictions in which the Company operates. Furthermore, due to these escheatment rights, the Company does not recognize breakage related to the sale of gift cards due to the immateriality of the amount remaining after escheatment. The Company recognizes income 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):

	April 1, 2026	December 31, 2025
Gift card liability	<u>\$ 5,160</u>	<u>\$ 5,559</u>

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	
	April 1, 2026	March 26, 2025
Revenue recognized from gift card liability balance at the beginning of the year	<u>\$ 295</u>	<u>\$ 375</u>

Franchise revenue and franchise advertising fee revenue

Franchise revenue consists of franchise royalties, initial 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 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 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. As the Company is considered the principal in this relationship, payment received for the hardware is considered revenue, and is received upon transfer of the goods from the Company to the franchisee. As of April 1, 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 thirteen weeks ended April 1, 2026 and March 26, 2025 (in thousands):

December 31, 2025	\$ 6,153
Revenue recognized	(239)
Additional contract liability	240
April 1, 2026	\$ 6,154
December 25, 2024	\$ 6,730
Revenue recognized	(154)
Additional contract liability	66
March 26, 2025	\$ 6,642

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 April 1, 2026 (in thousands):

Franchise revenues:	
2026	\$ 414
2027	542
2028	525
2029	497
2030	472
Thereafter	3,704
Total	\$ 6,154

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. 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 21 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 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 weeks ended April 1, 2026 and March 26, 2025, the Company reassessed the lease terms on six restaurants and two 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. As a result of the reassessment, an additional \$4.6 million and \$1.4 million, respectively, of ROU asset and lease liabilities were recognized for the thirteen weeks ended April 1, 2026 and March 26, 2025, respectively. During the thirteen weeks ended April 1, 2026, the Company had one lease commencement resulting in \$0.8 million of ROU asset and lease liabilities recognized. For the thirteen weeks ended March 26, 2025, the Company had no lease commencements.

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.

The Company did not record any non-cash impairment charges during either the thirteen weeks ended April 1, 2026 or March 26, 2025.

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					
	April 1, 2026			March 26, 2025		
	Property Leases	Equipment Leases	Total	Property Leases	Equipment Leases	Total
Finance lease cost:						
Amortization of right-of-use assets	\$ 17	\$ 21	\$ 38	\$ 19	\$ 30	\$ 49
Interest on lease liabilities	9	3	12	9	5	14
Operating lease cost:						
Fixed rent cost	7,333	80	7,413	7,184	103	7,287
Short-term lease cost	—	3	3	—	28	28
Variable lease cost	103	432	535	139	334	473
Sublease income	(1,687)	—	(1,687)	(1,715)	—	(1,715)
Total lease cost	\$ 5,775	\$ 539	\$ 6,314	\$ 5,636	\$ 500	\$ 6,136

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

	Thirteen Weeks Ended	
	April 1, 2026	March 26, 2025
Lease cost – Occupancy and other operating expenses	\$ 6,054	\$ 5,965
Lease cost – General & administrative	210	108
Lease cost – Depreciation and amortization	38	49
Lease cost – Interest expense	12	14
Total lease cost	\$ 6,314	\$ 6,136

During the thirteen weeks ended April 1, 2026 and March 26, 2025, the Company had the following cash and non-cash activities associated with its leases (dollars in thousands):

	Thirteen Weeks Ended April 1, 2026			Thirteen Weeks Ended March 26, 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	\$ 8,724	\$ 119	\$ 8,843	\$ 7,246	\$ 93	\$ 7,339
Financing cash flows used for finance leases	\$ 34	\$ 30	\$ 64	\$ 23	\$ 34	\$ 57
Non-cash investing and financing activities:						
Operating lease ROU assets obtained in exchange for lease liabilities:						
Operating lease ROU assets	\$ 5,397	\$ (51)	\$ 5,346	\$ 1,414	\$ —	\$ 1,414
Finance lease ROU assets obtained in exchange for lease liabilities:						
Finance lease ROU assets	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Derecognition of ROU assets due to terminations, impairment or modifications						
	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Other Information						
Weighted-average remaining years in lease term—finance leases	14.61	2.59		15.63	3.08	
Weighted-average remaining years in lease term—operating leases	9.63	2.41		9.99	3.54	
Weighted-average discount rate—finance leases	2.57 %	7.87 %		2.57 %	6.66 %	
Weighted-average discount rate—operating leases	5.53 %	6.85 %		5.32 %	6.84 %	

Information regarding the Company's minimum future lease obligations as of April 1, 2026 is as follows (in thousands):

For the Years Ending	Finance Leases	Operating Leases	
	Minimum Lease Payments	Minimum Lease Payments	Minimum Sublease Income
December 30, 2026	\$ 111	\$ 18,559	\$ 5,642
December 29, 2027	167	30,430	5,553
December 27, 2028	124	28,337	5,258
December 26, 2029	108	26,282	4,682
December 25, 2030	104	23,930	4,333
Thereafter	1,169	119,805	27,233
Total	\$ 1,783	\$ 247,343	\$ 52,701
Less: imputed interest (2.57% - 7.87%)	(288)	(59,865)	
Present value of lease obligations	1,495	187,478	
Less: current maturities	(117)	(16,379)	
Noncurrent portion	\$ 1,378	\$ 171,099	

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 \$0.3 million and \$0.1 million of lease income from company-owned locations for the thirteen weeks ended April 1, 2026 and March 26, 2025.

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.

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The table below is a summary of the segment net income, including significant segment expenses for the thirteen weeks ended April 1, 2026 and March 26, 2025 (in thousands):

	Thirteen Weeks Ended	
	April 1, 2026	March 26, 2025
Total revenue	\$ 126,182	\$ 119,177
Less:		
Food and paper costs	26,389	24,739
Labor and related expenses	31,839	32,179
General and administrative expenses	12,794	11,263
Franchise expenses	11,189	12,442
Occupancy expenses	8,083	7,929
Other operating expenses ⁽¹⁾	19,247	17,744
Depreciation and amortization	4,314	3,887
Other segment expenses ⁽²⁾	110	22
Total operating expenses	113,965	110,205
Income from operations	12,217	8,972
Interest expenses, net	731	1,176
Provision for income taxes	3,329	2,315
Total segment net income	\$ 8,157	\$ 5,481

(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 reserves.

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

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, 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 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 25, 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 Mexican and LA-inspired 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 we have been able to substantially offset these cost pressures through various actions, such as increasing menu prices, managing menu mix, and productivity improvements, we expect these cost pressures to continue in 2026.

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 we may not be able to offset cost increases in the future. Global events, such as the recent outbreak of war in Iran, 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 the imposition of new tariffs under other statutory authorities. 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. Certain goods from Canada and Mexico that are compliant with the United States-Mexico-Canada Agreement (USMCA) are, and may continue to be, exempt from new tariffs. While we continue to evaluate the potential impacts of increased tariff rates, as well as our ability to mitigate any such related impacts, we anticipate that the imposition of tariffs on goods we import into the United States will adversely impact our revenue and cost of goods sold in the United States. 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 supplies 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 April 1, 2026, we had 505 locations in nine states. In fiscal 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. For the thirteen weeks ended April 1, 2026, our franchisees opened one new restaurant in California and the Company opened one new restaurant in Texas.

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 weeks ended April 1, 2026, our total revenue was \$126.2 million. For the thirteen weeks ended April 1, 2026, our company-operated restaurant revenue was \$105.9 million, and our franchise revenue and franchise advertising fee revenue was \$20.3 million.

Comparable Restaurant Sales

For the thirteen weeks ended April 1, 2026, system-wide comparable restaurant sales increased by 5.8% from the comparable period in the prior year. For company-operated restaurants, comparable restaurant sales for the thirteen weeks ended April 1, 2026 increased by 5.4%. For franchise-operated restaurants, comparable restaurant sales increased by 6.1% for the thirteen weeks ended April 1, 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.

	Thirteen Weeks Ended	
	April 1, 2026	March 26, 2025
Company-operated same store sales	5.4 %	0.6 %
Franchise-operated same store sales	6.1 %	(1.3)%
System-wide same store sales	5.8 %	(0.6)%

Restaurant Development

Our restaurant counts at the beginning and end of each of the last three fiscal years and the thirteen weeks ended April 1, 2026, were as follows:

	Thirteen Weeks Ended	
	April 1, 2026	March 26, 2025
Company-operated restaurant activity⁽¹⁾:		
Beginning of period	175	173
Openings	1	—
Restaurant sale to Company	—	1
Restaurant sale to franchisee	—	—
Closures	—	—
Restaurants at end of period	176	174
Franchise-operated restaurant activity:		
Beginning of period	328	325
Openings	1	2
Restaurant sale to Company	—	(1)
Restaurant sale to franchisee	—	—
Closures	—	(1)
Restaurants at end of period	329	325
System-wide restaurant activity:		
Beginning of period	503	498
Openings	2	2
Closures	—	(1)
Restaurants at end of period	505	499

- (1) Our restaurant count includes 505 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 thirteen weeks ended March 26, 2025.

Restaurant Remodeling

During the thirteen weeks ended April 1, 2026, we completed a total of 13 remodels of which 7 were company-operated restaurant remodels. In fiscal 2026, we plan to continue our standard practices for remodels, which includes completing a total of 25 to 35 company-operated restaurants and 30 to 40 franchise-operated 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 offers rewards that incentivize customers to visit our restaurants more often each month. Customers earn points for each dollar spent, and points can be redeemed for multiple redemption options. 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. A portion of the transaction price is then allocated to loyalty points, if necessary, on a pro-rata basis, based on stand-alone selling price, as determined by menu pricing and loyalty point's terms.

As of April 1, 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 5.4 million loyalty program members as of April 1, 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 11, “Revenue from Contracts with Customers” in the Notes to 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 weeks ended April 1, 2026 and March 26, 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					
	April 1, 2026		March 26, 2025		Increase / (Decrease)	
	(\$,000)	(%)	(\$,000)	(%)	(\$,000)	(%)
Statements of Income Data						
Company-operated restaurant revenue	\$ 105,915	83.9	\$ 98,365	82.5	\$ 7,550	7.7
Franchise revenue	12,028	9.5	13,183	11.1	(1,155)	(8.8)
Franchise advertising fee revenue	8,239	6.5	7,629	6.4	610	8.0
Total revenue	126,182	100.0	119,177	100.0	7,005	5.9
Cost of operations ⁽¹⁾						
Food and paper costs	26,389	24.9	24,739	25.2	1,650	6.7
Labor and related expenses	31,839	30.1	32,179	32.7	(340)	(1.1)
Occupancy and other operating expenses	27,330	25.8	25,673	26.1	1,657	6.5
Company restaurant expenses⁽¹⁾	85,558	80.8	82,591	84.0	2,967	3.6
General and administrative expenses	12,794	10.1	11,263	9.5	1,531	13.6
Franchise expenses	11,189	8.9	12,442	10.4	(1,253)	(10.1)
Depreciation and amortization	4,314	3.4	3,887	3.3	427	11.0
Loss on disposal of assets	96	0.1	11	0.0	85	772.7
Impairment and closed-store reserves	14	0.0	11	0.0	3	27.3
Total expenses	113,965	90.3	110,205	92.5	3,760	3.4
Income from operations	12,217	9.7	8,972	7.5	3,245	36.2
Interest expense, net of interest income	731	0.6	1,176	1.0	(445)	(37.8)
Income before provision for income taxes	11,486	9.1	7,796	6.5	3,690	47.3
Provision for income taxes	3,329	2.6	2,315	1.9	1,014	43.8
Net income	\$ 8,157	6.5	\$ 5,481	4.6	\$ 2,676	48.8

⁽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.

Company-Operated Restaurant Revenue

For the quarter ended April 1, 2026, company-operated restaurant revenue increased \$7.6 million, or 7.7%, 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 \$5.4 million, or 5.4%, as well as \$0.7 million of additional sales from the opening of two restaurants after the first quarter of 2025. The company-operated comparable restaurant sales increase consisted of a 5.7% increase in average check size, partially offset by a 0.3% decrease in transactions.

Franchise Revenue

For the quarter ended April 1, 2026, franchise revenue decreased \$1.2 million, or 8.8%, from the comparable period in the prior year. This decrease was primarily due to the \$1.9 million in franchisee IT pass-through revenue related to the franchise rollout of the new Point of Sale (“POS”) system completed in 2025, which was offset by a corresponding decrease in related franchise expenses. The decrease was also partially offset by the increase in franchise revenue related to the 9 franchise-operated restaurant openings during or subsequent to the first quarter of 2025 and by a franchise comparable restaurant sales increase of 6.1%. The franchise comparable restaurant increase consisted of a 4.9% increase in average check size, combined with a 1.1% increase in transactions.

Franchise Advertising Fee Revenue

For the quarter ended April 1, 2026, franchise advertising fee revenue increased \$0.6 million, or 8.0%, 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.

Food and Paper Costs

For the quarter ended April 1, 2026, food and paper costs increased \$1.7 million, or 6.7%, from the comparable period in the prior year.

The increase in food and paper costs was primarily due to higher sales, increased discounts and higher produce pricing. For the quarter, food and paper costs as a percentage of company-operated restaurant revenue were 24.9%, down from 25.2% in the comparable period of the prior year. The percentage decrease was primarily due to menu price increases partially offset by the increased discounts and cost increases highlighted above.

Labor and Related Expenses

For the quarter ended April 1, 2026, labor and related expenses decreased \$0.3 million, or 1.1%, from the comparable period in the prior year. The decrease in labor and related expenses for the quarter was primarily due to a \$0.5 million reduction in group insurance and workers compensation claims, \$0.5 million costs related to improved labor efficiencies as part of our cost-management initiatives partially offset by a \$0.7 million increase in other labor-related expenses related to an increase in training, overtime and wage inflation and labor related expenses from the opening of two restaurants after the first quarter of 2025.

For the quarter ended April 1, 2026, labor and related expenses as a percentage of company-operated restaurant revenue were 30.1%, down from 32.7% in the comparable period in the prior year. The percentage change was driven by leverage on the comparable store sales increase, higher menu prices, reduced group insurance and workers compensation claims and the improved labor efficiencies, partially offset by higher other labor-related costs.

Occupancy and Other Operating Expenses

For the quarter ended April 1, 2026, occupancy and other operating expenses increased \$1.7 million, or 6.5%, from the comparable period in the prior year. The increase was primarily due to a \$0.8 million increase in other operating expenses primarily from marketplace delivery fees, mobile order fees, and credit card fees, an increase of \$0.5 million in utilities and repairs and maintenance costs, and an increase of \$0.4 million in advertising and occupancy costs.

For the quarter ended April 1, 2026, occupancy and other operating expenses as a percentage of company-operated restaurant revenue were 25.8%, down from 26.1% in the comparable period in the prior year. The decrease as a percentage of sales resulted from the leverage on the comparable store sales increase highlighted above.

General and Administrative Expenses

For the quarter ending April 1, 2026, general and administrative expenses increased \$1.5 million, or 13.6%, from the comparable period in the prior year. The increase for the quarter was primarily due to a \$0.6 million received from a legal settlement in the prior year, a \$0.7 million increase in legal fees and other general and administrative costs, \$0.3 million increase to outside services and software maintenance, a \$0.2 million increase to stock-based compensation expense, and a combined \$0.2 million increase related to our corporate office relocation and the implementation of a new enterprise resource planning (“ERP”) system, partially offset by \$0.6 million of lower shareholder activism.

For the quarter ended April 1, 2026, general and administrative expenses as a percentage of total revenue were 10.1%, up from 9.5% in the comparable period of the prior year. The percentage increase is primarily due to the cost increases discussed above.

Franchise Expenses

For the quarter ended April 1, 2026, franchise expenses decreased \$1.3 million, or 10.1%, from the comparable period in the prior year. The decrease was primarily due to the \$1.9 million in franchise IT pass-through expense related to the franchise rollout of the new POS system completed in 2025.

Depreciation and Amortization

For the quarter ended April 1, 2026, depreciation and amortization increased \$0.4 million, or 11.0%, 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 7 company-operated restaurant remodels in the first quarter of 2026, along with the rollout of the new POS system to company-operated restaurants completed in 2025.

Impairment and Closed-Store Reserves

During both the thirteen weeks ended April 1, 2026 and March 26, 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 weeks ended April 1, 2026 and March 26, 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 April 1, 2026, interest expense, net, decreased \$0.4 million from the comparable period in the prior year. The decrease in interest expense was primarily related to the lower interest rates in fiscal quarter of 2026 and lower outstanding balances on our 2022 Revolver (as defined below) versus the comparable period in the prior year.

Provision for Income Taxes

For the quarter ended April 1, 2026, we recorded an income tax provision of \$3.3 million, reflecting an estimated effective tax rate of 29.0%. For the quarter ended March 26, 2025, we recorded an income tax provision of \$2.3 million, reflecting an estimated effective tax rate of approximately 29.7%.

The difference between the 21.0% statutory rate and our effective tax rate of 29.0% for the quarter ended April 1, 2026 is primarily a result of state tax rate based on apportioned income and the impact of non-tax deductible executive compensation expense, partially offset by the impact of higher stock compensation expense deductible for tax related to vesting of restricted stock awards as compared to the cumulative amount recorded as stock-based compensation expense, and federal targeted job credits.

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):

	<u>Thirteen Weeks Ended</u>	
	<u>April 1, 2026</u>	<u>March 26, 2025</u>
Company-operated restaurant revenue	\$ 105,915	\$ 98,365
Franchise revenue	12,028	13,183
Franchise advertising fee revenue	8,239	7,629
Total Revenue	<u>126,182</u>	<u>119,177</u>
Franchise revenue	(12,028)	(13,183)
Franchise advertising fee revenue	(8,239)	(7,629)
Sales from franchise-operated restaurants	188,978	171,088
System-wide sales⁽¹⁾	<u>\$ 294,893</u>	<u>\$ 269,453</u>

⁽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 April 1, 2026 and March 26, 2025, there were 485 and 484 system-wide comparable restaurants in both periods, 171 and 170 company-operated restaurants, respectively, and 313 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, franchise 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	
	April 1, 2026	March 26, 2025
Restaurant contribution:		
Income from operations	\$ 12,217	\$ 8,972
Add (less):		
General and administrative expenses	12,794	11,263
Franchise expenses	11,189	12,442
Depreciation and amortization	4,314	3,887
Loss on disposal of assets	96	11
Franchise revenue	(12,028)	(13,183)
Franchise advertising fee revenue	(8,239)	(7,629)
Impairment and closed-store reserves	14	11
Restaurant contribution	\$ 20,357	\$ 15,774
Company-operated restaurant revenue:		
Total revenue	\$ 126,182	\$ 119,177
Less:		
Franchise revenue	(12,028)	(13,183)
Franchise advertising fee revenue	(8,239)	(7,629)
Company-operated restaurant revenue	\$ 105,915	\$ 98,365
Restaurant contribution margin (%)	<u>19.2 %</u>	<u>16.0 %</u>

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:

(Amounts in thousands)	Thirteen Weeks Ended	
	April 1, 2026	March 26, 2025
Net income	\$ 8,157	\$ 5,481
Non-GAAP adjustments:		
Provision for income taxes	3,329	2,315
Interest expense, net	731	1,176
Depreciation and amortization	4,314	3,887
EBITDA	\$ 16,531	\$ 12,859
Stock-based compensation expense ^(a)	1,288	1,047
Loss on disposal of assets ^(b)	96	11
Impairment and closed-store reserves ^(c)	14	11
Legal settlements ^(d)	—	(619)
Special legal and professional fees expense ^(e)	33	615
Duplicate rent expense for corporate office relocation ^(f)	64	—
ERP software implementation costs ^(g)	75	—
Pre-opening costs ^(h)	89	1
Adjusted EBITDA	\$ 18,190	\$ 13,925

- (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. We did not record any non-cash impairment charges during either the thirteen weeks ended April 1, 2026 or March 26, 2025. During both the thirteen weeks ended April 1, 2026 and March 26, 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 \$0.6 million received from legal settlement, net of legal expenses.
- (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) 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 2022 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 2022 Credit Agreement (as defined in Note 5 “Long-Term Debt”), specifically the lease-adjusted coverage ratio and fixed-charge coverage ratio.

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

(Amounts in thousands)	Thirteen Weeks Ended	
	April 1, 2026	March 26, 2025
Net cash provided by (used in):		
Operating activities	\$ 13,008	\$ 4,735
Investing activities	(10,248)	(3,389)
Financing activities	(5,088)	493
Net change in cash and cash equivalents	\$ (2,328)	\$ 1,839

Operating Activities

For the thirteen weeks ended April 1, 2026, net cash from operating activities increased by \$8.3 million from the comparable period of the prior year. This change was due to improvement in working capital compared to the same period in the prior year as well as an increase in net income and deferred income taxes.

Investing Activities

For the thirteen weeks ended April 1, 2026, net cash used in investing activities decreased by \$6.9 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 thirteen weeks ended April 1, 2026 when compared to the prior year.

Financing Activities

For the thirteen weeks ended April 1, 2026, net cash used in financing activities decreased by \$5.6 million from the comparable period of the prior year. The change was primarily due to paydowns of \$7.0 million on the 2022 Revolver during the thirteen weeks ended April 1, 2026 compared to a net borrowings of \$2.0 million on the 2022 Revolver during the thirteen weeks ended March 26, 2025 partially offset by an increase of \$1.8 million of proceeds from the issuance of common stock upon exercise of stock options during the thirteen weeks ended April 1, 2026 as compared to the thirteen weeks ended March 26, 2025 as well as no repurchases of common stock during the thirteen weeks ended April 1, 2026 as compared to repurchases of common stock of \$1.8 million during the thirteen weeks ended March 26, 2025.

Debt and Other Obligations

We, as a guarantor, are a party to a credit agreement (the “2022 Credit Agreement”) among our wholly-owned subsidiary, El Pollo Loco, Inc. (“EPL”), as borrower, and our direct subsidiary, EPL Intermediate, Inc. (“Intermediate”), as a guarantor, Bank of America, N.A., as administrative agent, swingline lender, and letter of credit issuer, the lenders party thereto, and the other parties thereto, which provides for a \$150.0 million five-year senior secured revolving credit facility (the “2022 Revolver”). The 2022 Revolver, which is available pursuant to the 2022 Credit Agreement, includes a sub limit of \$15.0 million for letters of credit and a sub limit of \$15.0 million for swingline loans. The 2022 Revolver and 2022 Credit Agreement will mature on July 27, 2027. The obligations under the 2022 Credit Agreement and related loan documents are guaranteed by us. The obligations of our company, EPL and Intermediate under the 2022 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 2022 Revolver, we are restricted from making certain payments such as cash dividends or share repurchases, except that we may, inter alia, (i) pay up to \$1.0 million per year to repurchase or redeem our qualified equity interests held by our past or present officers, directors, or employees (or their estates) upon death, disability, or termination of employment, and (ii) so long as no default or event of default has occurred and is continuing, (a) make non-cash repurchases of equity interests in connection with the exercise of stock options by directors, officers and management, provided that those equity interests represent a portion of the consideration of the exercise price of those stock options, (b) pay up to \$0.5 million in any 12 month consecutive period to redeem, repurchase or otherwise acquire equity interests of any subsidiary that is not a wholly-owned subsidiary from any holder of equity interest in such subsidiary, (c) pay up to \$2.5 million per year pursuant to stock option plans, employment agreements, or incentive plans, (d) make up to \$5.0 million in other restricted payments per year, and (e) 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 2022 Revolver.

Borrowings under the 2022 Credit Agreement (other than any swingline loans) bear interest, at the borrower’s option, at rates based upon either the secured overnight financing rate (“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 SOFR plus 1.00%. For Term SOFR loans, the margin is in the range of 1.25% to 2.25%, and for base rate loans the margin is in a range of 0.25% to 1.25%. Borrowings under the 2022 Revolver may be repaid and reborrowed. The interest rate range under the 2022 Revolver was 5.01% to 7.00% and 5.65% to 7.75% for the thirteen weeks ended April 1, 2026 and March 26, 2025, respectively.

The 2022 Credit Agreement contains certain financial covenants. We were in compliance with the financial covenants as of April 1, 2026.

At April 1, 2026, we had \$44.0 million in outstanding borrowings under the 2022 Revolver and one letter of credit in the amount of \$10.3 million outstanding, and as a result, we had \$95.7 million in borrowing availability.

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 for additional information.

Material Cash Requirements

Our material cash requirements as of April 1, 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 November 2, 2023, we announced that our Board of Directors approved a share repurchase program (the “Share Repurchase Program”) under which we were authorized to repurchase up to \$20,000,000 of shares of our common stock. Under the Share Repurchase Program, we were permitted to repurchase our common stock from time to time, in amounts and at prices that we deemed appropriate, subject to market conditions and other considerations. Pursuant to the Share Repurchase Program, we were authorized to effect repurchases using open market purchases, including pursuant to Rule 10b5-1 trading plans, and/or through privately negotiated transactions. The Share Repurchase Program did not obligate us to acquire any particular number of shares. During the 13 weeks ended March 26, 2025, the Company repurchased 159,750 shares pursuant to the Share Repurchase Program. The Company did not repurchase any shares pursuant to the Share Repurchase Program during the 13 weeks ended April 1, 2026. The Share Repurchase Program expired on March 31, 2025.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Interest Rate Risk

On July 27, 2022, we refinanced and entered into the 2022 Credit Agreement, which provides for a \$150 million five-year senior secured revolving facility. We are exposed to market risk from changes in interest rates on our debt, which bears interest, at SOFR plus a margin between 1.25% and 2.25%. As of April 1, 2026, we had outstanding borrowings of \$44.0 million under our 2022 Revolver, \$10.3 million of letters of credit in support of our insurance programs, and the applicable margin on outstanding borrowings under 2022 Revolver was 1.25%. A 1.0% increase in the effective interest rate applied to our 2022 Revolver borrowings would result in a pre-tax interest expense increase of \$0.4 million on an annualized basis.

During the thirteen weeks ended April 1, 2026, we did not make any borrowings and paid down \$7.0 million on our 2022 Revolver, and the outstanding balance as of April 1, 2026 was \$44.0 million. Borrowings under the 2022 Credit Agreement (other than any swingline loans) bear interest, at the borrowers' option, at rates based upon either 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 SOFR are higher than 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 Rules 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 April 1, 2026.

Changes in Internal Control over Financial Reporting

No changes in our internal control over financial reporting occurred during the quarter ended April 1, 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 April 1, 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	Approximate Dollar Value of Shares That May Be Purchased Under the Plans or Programs
January 1, 2026 to January 28, 2026	—	\$ —	—	\$ -
January 29, 2026 to February 25, 2026	—	\$ -	—	\$ -
February 26, 2026 to April 1, 2026	19,524	\$ 10.42	—	\$ -
Total	19,524 ⁽¹⁾		—	

(1) Consists of 19,524 shares acquired by us to satisfy employee tax withholding obligations in connection with the vesting of previously issued restricted stock.

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.

Item 6. Exhibits.

(a) Exhibit Index:

Exhibit Number	Description	Incorporated by Reference		
		Form	Exhibit	Filing Date
3.1	Amended and Restated Certificate of Incorporation of El Pollo Loco Holdings, Inc.	8-K	3.1	6/5/2025
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
3.3	Amended and Restated By-Laws of El Pollo Loco Holdings, Inc.	8-K	3.1	2/2/2024
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.

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: May 8, 2026

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

Date: May 8, 2026

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

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: May 8, 2026

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: May 8, 2026

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: May 8, 2026

/s/

Elizabeth Williams
Chief Executive Officer

/s/

Ira Fils
Chief Financial Officer
