

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

**FORM 8-K**

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

Date of Report (Date of earliest event reported): November 5, 2024

**Portillo's**

**PORTILLO'S INC.**

(Exact name of registrant as specified in its charter)

**001-40951**

(Commission File Number)

**87-1104304**

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

**Delaware**  
(State or other jurisdiction of incorporation or organization)

**2001 Spring Road, Suite 400, Oak Brook, Illinois 60523**  
(Address of principal executive offices)

**(630)-954-3773**

(Registrant's telephone number, including area code)

**N/A**

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of each class	Trading Symbol	Name of each exchange on which registered
Class A Common Stock, \$0.01 par value per share	PTLO	Nasdaq Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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.

**Item 2.02 Results of Operations and Financial Condition.**

On November 5, 2024, Portillo's Inc. (NASDAQ: PTLO) issued a press release reporting results for the third quarter ended September 29, 2024. A copy of the earnings press release is attached hereto as Exhibit 99.1.

**Item 7.01 Regulation FD Disclosure.**

The Company has also posted a supplemental earnings presentation to its website, which is attached hereto as Exhibit 99.2 and incorporated herein by reference. The information furnished in this Current Report on Form 8-K, including Exhibit 99.1 and Exhibit 99.2, shall not be deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, and shall not be deemed to be incorporated by reference into any filing pursuant to the Securities Act of 1933, as amended, unless specifically identified therein as being incorporated therein by reference.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits.

<b>Exhibit Number</b>	<b>Description</b>
<u>99.1</u>	<u>Portillo's Inc. press release dated November 5, 2024 announcing financial results for the third quarter ended September 29, 2024</u>
<u>99.2</u>	<u>Portillo's Inc. Supplemental Earnings Presentation</u>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

**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, thereto duly authorized.

**Portillo's Inc.**  
(Registrant)

Date: November 5, 2024

By: /s/ Michelle Hook  
Michelle Hook  
Chief Financial Officer and Treasurer  
(Principal Financial Officer)



## Portillo's Inc. Announces Third Quarter 2024 Financial Results

Chicago, IL— November 5, 2024—Portillo's Inc. ("Portillo's" or the "Company") (NASDAQ: PTLO), the restaurant concept known for its menu of Chicago-style favorites, today reported financial results for the third quarter ended September 29, 2024.

Michael Osanloo, President and Chief Executive Officer of Portillo's, said, "While our top line results for the quarter fell short of expectations, I'm proud of how our team protected margins and drove cash flow. We're profitable, we're controlling the levers we can, and we're positioned for lasting, long-term growth."

### Financial Highlights for the Third Quarter 2024 vs. Third Quarter 2023:

- Total revenue increased 6.9% or \$11.4 million to \$178.3 million;
- Same-restaurant sales\* decreased 0.9%;
- Operating income increased \$0.9 million to \$16.0 million;
- Net income increased \$2.2 million to \$8.8 million;
- Restaurant-Level Adjusted EBITDA\*\* increased \$0.1 million to \$41.9 million; and
- Adjusted EBITDA\*\* increased \$0.6 million to \$27.9 million.

*\*For the quarter ended September 29, 2024, same-restaurant sales compares the 13 weeks from July 1, 2024 through September 29, 2024 to the 13 weeks from July 3, 2023 through October 1, 2023.*

*\*\*Adjusted EBITDA and Restaurant-Level Adjusted EBITDA are non-GAAP measures. Please see definitions and the reconciliations of these non-GAAP measures accompanying this release.*

### Recent Developments and Trends

In the quarter ended September 29, 2024, total revenue grew 6.9% or \$11.4 million primarily due to new restaurant openings in 2023 and 2024. Same-restaurant sales declined 0.9% during the quarter ended September 29, 2024, compared to 3.9% same-restaurant sales growth during the same quarter in 2023. Change in same-restaurant sales is defined below.

In the quarter ended September 29, 2024, commodity inflation was 3.6% compared to 3.5% for the quarter ended September 24, 2023. Labor, as a percentage of revenue, net increased 0.3% during the quarter ended September 29, 2024 compared to the quarter ended September 24, 2023, primarily due to lower transactions and incremental wage rate increases, partially offset by an increase in our average check.

In the quarter ended September 29, 2024, total revenue, operating income, net income, Restaurant-Level Adjusted EBITDA, and Adjusted EBITDA all improved versus the prior year. We believe this improvement stemmed from maintaining concentration on our four strategic pillars, which guide our short-term objectives and form the basis for long-term growth.

### Review of Third Quarter 2024 Financial Results

Revenues for the quarter ended September 29, 2024 were \$178.3 million compared to \$166.8 million for the quarter ended September 24, 2023, an increase of \$11.4 million or 6.9%. The increase in revenues was primarily attributed to the opening of eight restaurants in the third and fourth quarters of 2023 and four restaurants during the three quarters ended September 29, 2024, partially offset by a decrease in our same-restaurant sales. Restaurants not in our Comparable Restaurant Base (defined below) contributed \$13.6 million of the total year-over-year increase. This increase in revenues was offset by a same-restaurant sales decrease of 0.9%, or \$1.4 million in the quarter. The same-restaurant sales decline was attributable to a 3.5% decrease in transactions, partially offset by an increase in average check of 2.6%. The higher average check was driven by an approximate 4.4% increase in certain menu prices partially offset by product mix. To address inflationary cost pressures, we increased select menu prices by approximately 1.5% in January 2024 and again at the end of March 2024. In June 2024, we implemented a 1% price increase primarily by re-tiering some of our restaurants in higher-cost areas. Revenue was also

negatively impacted by \$1.0 million in the third quarter due to the shifting of comparable weeks. For the purpose of calculating same-restaurant sales for the quarter ended September 29, 2024, sales for 70 restaurants that were open for at least 24 full fiscal periods were included in the Comparable Restaurant Base.

Total restaurant operating expenses for the third quarter ended September 29, 2024 were \$136.3 million compared to \$124.9 million for the third quarter ended September 24, 2023, an increase of \$11.4 million or 9.1%. The increase in restaurant operating expenses was primarily driven by the opening of eight restaurants in the third and fourth quarters of 2023 and four restaurants during the three quarters ended September 29, 2024. Additionally, food, beverage and packaging costs were negatively impacted by a 3.6% increase in commodity prices. Labor expense increases were also driven by incremental investments to support our team members, partially offset by lower variable-based compensation. Lastly, the increase in other operating expenses was due to the aforementioned restaurant openings and increases in repairs and maintenance, partially offset by a decrease in insurance expense.

General and administrative expenses for the third quarter ended September 29, 2024 were \$18.3 million compared to \$18.9 million for the third quarter ended September 24, 2023, a decrease of \$0.6 million or 3.1%. This decrease was primarily driven by lower variable-based and equity compensation, partially offset by an increase in advertising expenses and software license expense related to our enterprise resource planning system ("ERP") implementation.

Operating income for the third quarter ended September 29, 2024 was \$16.0 million compared to \$15.1 million for the third quarter ended September 24, 2023, an increase of \$0.9 million due to an increase in revenues and decrease in general and administrative expenses and pre-opening expenses, partially offset by increases in total restaurant operating expenses, and depreciation and amortization.

Net income for the third quarter ended September 29, 2024 was \$8.8 million compared to a net income of \$6.5 million for the third quarter ended September 24, 2023, an increase of \$2.2 million. The increase in net income was primarily due to an increase in our Tax Receivable Agreement liability adjustment of \$1.2 million and an increase in operating income of \$0.9 million due to the aforementioned factors.

Restaurant-Level Adjusted EBITDA\* for the third quarter ended September 29, 2024 and September 24, 2023 was \$41.9 million.

Adjusted EBITDA\* for the third quarter ended September 29, 2024 was \$27.9 million compared to \$27.3 million for the quarter ended September 24, 2023, an increase of \$0.6 million or 2.3%.

*\*A reconciliation of Restaurant-Level Adjusted EBITDA and Adjusted EBITDA and the nearest GAAP financial measure is included under "Non-GAAP Measures" in the accompanying financial data below.*

## Development Highlights

During the three quarters ended September 29, 2024, we opened four new restaurants. Subsequent to September 29, 2024, we opened one additional restaurant, bringing our total restaurant count to 89, including a restaurant owned by C&O of which Portillo's owns 50% of the equity. We plan to open five more restaurants, all in December, for a total of 10 new restaurants opened in the fiscal year 2024, including further expansion into the Houston and Dallas-Fort Worth markets in Texas.

Below are the restaurants opened since the beginning of fiscal 2024:

Location	Opening Month	Fiscal Quarter Opened
Denton, Texas	March 2024	Q1 2024
Surprise, Arizona	May 2024	Q2 2024
Livonia, Michigan	July 2024	Q3 2024
Mansfield, Texas	August 2024	Q3 2024
Richmond, Texas	October 2024	Q4 2024

## Fiscal 2024 Financial Targets

Based on current expectations, we are providing updated financial targets for 2024 as follows:

	Prior Target		Current Target
Unit growth	10+ new units	→	10 new units
Same-restaurant sales	Flat to slightly positive	→	Approximately (1.0%)
Commodity inflation	mid-single digits	→	mid-single digits
Labor inflation	mid-single digits	→	Approximately 3.0%
Restaurant-level adjusted EBITDA margin*	23% - 24%	→	23% - 24%
General and administrative expenses	\$82 - \$84 million	→	\$78 - \$80 million
Pre-opening expenses	\$10.0 - \$10.5 million	→	\$10.0 - \$10.5 million
Capital expenditures	\$85 - \$88 million	→	\$85 - \$88 million

\*We are unable to reconcile the long-term outlook for restaurant-level adjusted EBITDA margin to operating income/loss margin, the corresponding U.S. GAAP measure, due to variability and difficulty in making accurate forecasts and projections and because not all information necessary to prepare the reconciliation is available to us without unreasonable efforts. For the same reasons, we are unable to address the probable significance of the unavailable information because we cannot accurately predict all of the components of the adjusted calculations and the non-GAAP measure may be materially different than the GAAP measure.

## Long-Term Financial Targets

Unit growth	12% - 15%
Same-restaurant sales	Low single digits
Revenue growth	Mid teens
Adjusted EBITDA growth*	Low teens

\*We are unable to reconcile the long-term outlook for adjusted EBITDA growth to net income/loss, the corresponding U.S. GAAP measure, due to variability and difficulty in making accurate forecasts and projections and because not all information necessary to prepare the reconciliation is available to us without unreasonable efforts. For the same reasons, we are unable to address the probable significance of the unavailable information because we cannot accurately predict all of the components of the adjusted calculations and the non-GAAP measure may be materially different than the GAAP measure.

## The following definitions apply to these terms as used in this release:

**Change in Same-Restaurant Sales** - The change in same-restaurant sales is the percentage change in year-over-year revenue (excluding gift card breakage) for the Comparable Restaurant Base, which is defined as the number of restaurants open for at least 24 full fiscal periods. For the quarters ended September 29, 2024 and September 24, 2023, there were 70 and 66 restaurants in our Comparable Restaurant Base, respectively.

A change in same-restaurant sales is the result of a change in restaurant transactions, average guest check, or a combination of the two. We gather daily sales data and regularly analyze the guest transaction counts and the mix of menu items sold to strategically evaluate menu pricing and demand. Measuring our change in same-restaurant sales allows management to evaluate the performance of our existing restaurant base. We believe this measure provides a consistent comparison of restaurant sales results and trends across periods within our core, established restaurant base, unaffected by results of restaurant openings and enables investors to better understand and evaluate the Company's historical and prospective operating performance.

**Average Unit Volume** - AUV is the total revenue (excluding gift card breakage) recognized in the Comparable Restaurant Base, including C&O, divided by the number of restaurants in the Comparable Restaurant Base, including C&O, by period.

This key performance indicator allows management to assess changes in consumer spending patterns at our restaurants and the overall performance of our restaurant base.

**Adjusted EBITDA and Adjusted EBITDA Margin** - Adjusted EBITDA represents net income (loss) before depreciation and amortization, interest expense, interest income, and income taxes, adjusted for the impact of certain non-cash and other items that we do not consider in our evaluation of ongoing core operating performance as identified in the reconciliation of net income (loss), the most directly comparable GAAP measure to Adjusted EBITDA. Adjusted EBITDA Margin represents Adjusted EBITDA as a percentage of revenues, net. See also "Non-GAAP Financial Measures."

**Restaurant-Level Adjusted EBITDA and Restaurant-Level Adjusted EBITDA Margin** - Restaurant-Level Adjusted EBITDA is defined as revenue, less restaurant operating expenses, which include food, beverage and packaging costs, labor expenses, occupancy expenses and other operating expenses. Restaurant-Level Adjusted EBITDA excludes corporate level expenses and depreciation and amortization on restaurant property and equipment. Restaurant-Level Adjusted EBITDA Margin represents Restaurant-Level Adjusted EBITDA as a percentage of revenues, net. See also "Non-GAAP Financial Measures".

For more information about the Company's Non-GAAP measures, how they are calculated and reconciled and why management believes that they are useful, see "Non-GAAP Financial Measures" below.

### **Earnings Conference Call**

The Company will host a conference call to discuss its financial results for the third quarter ended September 29, 2024 on Tuesday, November 5, 2024, at 10:00 AM ET. The conference call can be accessed live over the phone by dialing 877-407-3982. A telephone replay will be available shortly after the call has concluded and can be accessed by dialing 412-317-6671; the passcode is 13741636. The webcast will be available at [www.portillos.com](http://www.portillos.com) under the investors section and will be archived on the site shortly after the call has concluded.

### **About Portillo's**

In 1963, Dick Portillo invested \$1,100 into a small trailer to open the first Portillo's hot dog stand in Villa Park, IL, which he called "The Dog House." Years later, Portillo's (NASDAQ: PTLO) has grown to more than 85 restaurants across 10 states. Portillo's is best known for its Chicago-style hot dogs, Italian beef sandwiches, char-grilled burgers, fresh salads and famous chocolate cake.

## Cautionary Note Regarding Forward-Looking Statements

This press release contains forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995 ("PSLRA"). All statements other than statements of historical fact are forward-looking statements. Forward-looking statements discuss our current expectations and projections relating to our financial position, results of operations, plans, objectives, future performance and business, and are based on currently available operating, financial and competitive information which are subject to various risks and uncertainties, so you should not place undue reliance on forward-looking statements. You can identify forward-looking statements by the fact that they do not relate strictly to historical or current facts. These statements may include words such as "aim," "anticipate," "believe," "commit," "estimate," "expect," "forecast," "outlook," "potential," "project," "projection," "plan," "intend," "seek," "may," "could," "would," "will," "should," "can," "can have," "likely," the negatives thereof and other similar expressions.

Forward-looking statements are based on our current expectations and assumptions regarding our business, the economy and other future conditions. Because forward-looking statements relate to the future, by their nature, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. As a result, our actual results may differ materially from those contemplated by the forward-looking statements. Important factors that could cause actual results to differ materially from those in the forward-looking statements include regional, national or global political, economic, business, competitive, market and regulatory conditions and the following:

- risks related to or arising from our organizational structure;
- risks of food-borne illness and food safety and other health concerns about our food;
- risks relating to the economy and financial markets, including inflation, fluctuating interest rates, stock market activity, or other factors;
- the impact of unionization activities of our Team Members on our reputation, operations and profitability;
- risks associated with our reliance on certain information technology systems, including our new enterprise resource planning system, and potential failures or interruptions;
- privacy and cyber security risks related to our digital ordering and payment platforms for our delivery business;
- the impact of competition, including from our competitors in the restaurant industry or our own restaurants;
- the increasingly competitive labor market and our ability to attract and retain the best talent and qualified employees;
- the impact of federal, state or local government regulations relating to privacy, data protection, advertising and consumer protection, building and zoning requirements, costs or ability to open new restaurants, or sale of food and alcoholic beverage control regulations;
- inability to achieve our growth strategy, such as the availability of suitable new restaurant sites in existing and new markets and opening of new restaurants at the anticipated rate and on the anticipated timeline;
- the impact of consumer sentiment and other economic factors on our sales;
- increases in food and other operating costs, tariffs and import taxes, and supply shortages; and
- other risks identified in our filings with the Securities and Exchange Commission (the "SEC").

All forward-looking statements are expressly qualified in their entirety by these cautionary statements. You should evaluate all forward-looking statements made in this Form 10-Q in the context of the risks and uncertainties disclosed in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023 filed with the SEC on February 27, 2024, and subsequent filings with the SEC, which are available on the SEC's website at [www.sec.gov](http://www.sec.gov).

The forward-looking statements included in this Form 10-Q are made only as of the date hereof. The Company undertakes no obligation to publicly update or revise any forward-looking statement as a result of new information, future events or otherwise, except as otherwise required by law.

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**PORTILLO'S INC**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(in thousands, except common share and per common share data)

	Quarter Ended				Three Quarters Ended			
	September 29, 2024		September 24, 2023		September 29, 2024		September 24, 2023	
<b>REVENUES, NET</b>	\$ 178,252	100.0 %	\$ 166,805	100.0 %	\$ 525,945	100.0 %	\$ 492,047	100.0 %
<b>COST AND EXPENSES:</b>								
Restaurant operating expenses:								
Food, beverage and packaging costs	60,136	33.7 %	55,551	33.3 %	178,809	34.0 %	165,407	33.6 %
Labor	45,945	25.8 %	42,588	25.5 %	135,659	25.8 %	126,200	25.6 %
Occupancy	9,172	5.1 %	8,210	4.9 %	27,723	5.3 %	24,898	5.1 %
Other operating expenses	21,053	11.8 %	18,571	11.1 %	60,868	11.6 %	56,107	11.4 %
<b>Total restaurant operating expenses</b>	<b>136,306</b>	<b>76.5 %</b>	<b>124,920</b>	<b>74.9 %</b>	<b>403,059</b>	<b>76.6 %</b>	<b>372,612</b>	<b>75.7 %</b>
General and administrative expenses	18,305	10.3 %	18,898	11.3 %	54,786	10.4 %	57,285	11.6 %
Pre-opening expenses	1,747	1.0 %	2,410	1.4 %	5,270	1.0 %	5,029	1.0 %
Depreciation and amortization	6,679	3.7 %	6,178	3.7 %	20,729	3.9 %	17,788	3.6 %
Net income attributable to equity method investment	(383)	(0.2)%	(422)	(0.3)%	(923)	(0.2)%	(1,010)	(0.2)%
Other income, net	(390)	(0.2)%	(276)	(0.2)%	(1,176)	(0.2)%	(630)	(0.1)%
<b>OPERATING INCOME</b>	<b>15,988</b>	<b>9.0 %</b>	<b>15,097</b>	<b>9.1 %</b>	<b>44,200</b>	<b>8.4 %</b>	<b>40,973</b>	<b>8.3 %</b>
Interest expense	6,450	3.6 %	6,573	3.9 %	19,583	3.7 %	20,539	4.2 %
Interest income	(50)	—	(116)	(0.1)%	(204)	—	(116)	—
Tax Receivable Agreement liability adjustment	(1,724)	(1.0)%	(528)	(0.3)%	(2,724)	(0.5)%	(1,691)	(0.3)%
Loss on debt extinguishment	—	—	—	—	—	—	3,465	0.7 %
<b>INCOME BEFORE INCOME TAXES</b>	<b>11,312</b>	<b>6.3 %</b>	<b>9,168</b>	<b>5.5 %</b>	<b>27,545</b>	<b>5.2 %</b>	<b>18,776</b>	<b>3.8 %</b>
Income tax expense	2,539	1.4 %	2,622	1.6 %	4,898	0.9 %	3,605	0.7 %
<b>NET INCOME</b>	<b>8,773</b>	<b>4.9 %</b>	<b>6,546</b>	<b>3.9 %</b>	<b>22,647</b>	<b>4.3 %</b>	<b>15,171</b>	<b>3.1 %</b>
Net income attributable to non-controlling interests	1,553	0.9 %	2,185	1.3 %	4,395	0.8 %	4,536	0.9 %
<b>NET INCOME ATTRIBUTABLE TO PORTILLO'S INC.</b>	<b>\$ 7,220</b>	<b>4.1 %</b>	<b>\$ 4,361</b>	<b>2.6 %</b>	<b>\$ 18,252</b>	<b>3.5 %</b>	<b>\$ 10,635</b>	<b>2.2 %</b>
Income per common share attributable to Portillo's Inc.:								
Basic	\$ 0.12		\$ 0.08		\$ 0.30		\$ 0.20	
Diluted	\$ 0.11		\$ 0.07		\$ 0.29		\$ 0.19	
Weighted-average common shares outstanding:								
Basic	61,921,564		55,127,133		60,336,488		53,231,086	
Diluted	64,894,558		58,767,812		63,347,715		56,813,653	



**PORTILLO'S INC.**  
**CONSOLIDATED BALANCE SHEETS**  
(in thousands, except common share and per common share data)

	September 29, 2024	December 31, 2023
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents and restricted cash	\$ 18,520	\$ 10,438
Accounts and tenant improvement receivables	14,913	14,183
Inventory	8,298	8,733
Prepaid expenses	5,201	8,565
Total current assets	46,932	41,919
Property and equipment, net	343,160	295,793
Operating lease assets	214,338	193,825
Goodwill	394,298	394,298
Trade names	223,925	223,925
Other intangible assets, net	26,745	28,911
Equity method investment	16,032	16,684
Deferred tax assets	197,580	184,701
Other assets	8,409	5,485
Total other assets	866,989	854,004
<b>TOTAL ASSETS</b>	<b>\$ 1,471,419</b>	<b>\$ 1,385,541</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 47,165	\$ 33,189
Current portion of long-term debt	9,375	7,500
Short-term debt	14,000	15,000
Current portion of Tax Receivable Agreement liability	7,723	4,428
Deferred revenue	4,112	7,180
Short-term lease liability	5,667	5,577
Accrued expenses	36,246	32,039
Total current liabilities	124,288	104,913
<b>LONG-TERM LIABILITIES:</b>		
Long-term debt, net of current portion	278,867	283,923
Tax Receivable Agreement liability	318,967	295,390
Long-term lease liability	267,760	238,414
Other long-term liabilities	3,945	2,791
Total long-term liabilities	869,539	820,518
Total liabilities	993,827	925,431
<b>COMMITMENTS AND CONTINGENCIES</b>		
<b>STOCKHOLDER'S EQUITY:</b>		
Preferred stock, \$0.01 par value per share, 10,000,000 shares authorized, none issued and outstanding	—	—
Class A common stock, \$0.01 par value per share, 380,000,000 shares authorized, and 62,223,289 and 55,502,375 shares issued and outstanding as of September 29, 2024 and December 31, 2023, respectively	622	555
Class B common stock, \$0.00001 par value per share, 50,000,000 shares authorized, and 11,573,792 and 17,472,926 shares issued and outstanding as of September 29, 2024 and December 31, 2023, respectively	—	—
Additional paid-in-capital	349,955	308,212
Retained earnings	31,864	13,612
Total stockholders' equity attributable to Portillo's Inc.	382,441	322,379
Non-controlling interest	95,151	137,731
Total stockholders' equity	477,592	460,110
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 1,471,419</b>	<b>\$ 1,385,541</b>

**PORTILLO'S INC**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(in thousands)

	Three Quarters Ended	
	September 29, 2024	September 24, 2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net income	\$ 22,647	\$ 15,171
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	20,729	17,788
Amortization of debt issuance costs and discount	568	814
Loss on sales of assets	130	512
Equity-based compensation	9,223	12,044
Deferred income tax expense	4,898	3,605
Tax Receivable Agreement liability adjustment	(2,724)	(1,691)
Gift card breakage	(666)	(688)
Loss on debt extinguishment	—	3,465
Changes in operating assets and liabilities:		
Accounts receivables	497	(1,293)
Receivables from related parties	152	(100)
Inventory	435	969
Other current assets	2,222	124
Operating lease asset	6,511	5,685
Accounts payable	4,538	(2,777)
Accrued expenses and other liabilities	1,880	1,023
Operating lease liabilities	(2,591)	(1,775)
Deferred lease incentives	3,476	1,013
Other assets and liabilities	29	(319)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>71,954</b>	<b>53,570</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property and equipment	(56,514)	(57,660)
Proceeds from the sale of property and equipment	77	81
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(56,437)</b>	<b>(57,579)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Payments of short-term debt, net	(1,000)	—
Proceeds from long-term debt	—	300,000
Payments of long-term debt	(3,750)	(324,303)
Proceeds from equity offering, net of underwriting discounts	114,960	179,306
Repurchase of outstanding equity / Portillo's OpCo units	(114,960)	(179,306)
Distributions paid to non-controlling interest holders	(838)	(399)
Proceeds from stock option exercises	2,576	1,321
Employee withholding taxes related to net settled equity awards	(395)	(112)
Proceeds from Employee Stock Purchase Plan purchases	401	404
Payments of Tax Receivable Agreement liability	(4,429)	(813)
Payment of deferred financing costs	—	(3,569)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(7,435)</b>	<b>(27,471)</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS AND RESTRICTED CASH</b>	<b>8,082</b>	<b>(31,480)</b>
<b>CASH AND CASH EQUIVALENTS AND RESTRICTED CASH AT BEGINNING OF THE PERIOD</b>	<b>10,438</b>	<b>44,427</b>
<b>CASH AND CASH EQUIVALENTS AND RESTRICTED CASH AT END OF THE PERIOD</b>	<b>\$ 18,520</b>	<b>\$ 12,947</b>

**PORTILLO'S INC**  
**SELECTED OPERATING DATA AND NON-GAAP FINANCIAL MEASURES**

	Quarter Ended		Three Quarters Ended	
	September 29, 2024	September 24, 2023	September 29, 2024	September 24, 2023
Total Restaurants (a)	88	78	88	78
AUV (in millions) (a)	N/A	N/A	\$ 8.9	\$ 8.9
Change in same-restaurant sales (b)(c)	(0.9)%	3.9 %	(0.9)%	6.1%
Adjusted EBITDA (in thousands) (b)	\$ 27,911	\$ 27,285	\$ 79,554	\$ 76,140
Adjusted EBITDA Margin (b)	15.7 %	16.4 %	15.1%	15.5%
Restaurant-Level Adjusted EBITDA (in thousands) (b)	\$ 41,946	\$ 41,885	\$ 122,886	\$ 119,435
Restaurant-Level Adjusted EBITDA Margin (b)	23.5 %	25.1 %	23.4%	24.3%

(a) Includes a restaurant that is owned by C&O of which Portillo's owns 50% of the equity. Total restaurants indicated are as of September 29, 2024. AUVs for the quarters ended September 29, 2024 and September 24, 2023 represent AUVs for the twelve months ended September 29, 2024 and September 24, 2023, respectively.

(b) Excludes a restaurant that is owned by C&O of which Portillo's owns 50% of the equity.

(c) For the quarter ended September 29, 2024, same-restaurant sales compares the 13 weeks from July 1, 2024 through September 29, 2024 to the 13 weeks from July 3, 2023 through October 1, 2023. For the three quarters ended September 29, 2024, same-restaurant sales compares the 39 weeks from January 1, 2024 through September 29, 2024 to the 39 weeks from January 2, 2023 through October 1, 2023.

**PORTILLO'S INC.**  
**NON-GAAP FINANCIAL MEASURES**

To supplement the consolidated financial statements, which are prepared and presented in accordance with GAAP, we use the following non-GAAP financial measures: Adjusted EBITDA and Adjusted EBITDA Margin, and Restaurant-Level Adjusted EBITDA and Restaurant-Level Adjusted EBITDA Margin. Accordingly, Restaurant-Level Adjusted EBITDA and Restaurant-Level Adjusted EBITDA Margin are not required by, nor presented in accordance with GAAP, but rather are supplemental measures of operating performance of our restaurants. You should be aware that these measures are not indicative of overall results for the Company and that Restaurant-Level Adjusted EBITDA and Restaurant-Level Adjusted EBITDA Margin do not accrue directly to the benefit of stockholders because of corporate-level expenses excluded from such measures. These measures are supplemental measures of operating performance and our calculations thereof may not be comparable to similar measures reported by other companies. These measures are important measures to evaluate the performance and profitability of our restaurants, individually and in the aggregate, but also have important limitations as analytical tools and should not be considered in isolation as substitutes for analysis of our results as reported under GAAP.

**Adjusted EBITDA and Adjusted EBITDA Margin**

Adjusted EBITDA represents net income (loss) before depreciation and amortization, interest expense, interest income, and income taxes, adjusted for the impact of certain non-cash and other items that we do not consider in our evaluation of ongoing core operating performance as identified in the reconciliation of net income (loss), the most directly comparable GAAP measure to Adjusted EBITDA. Adjusted EBITDA Margin represents Adjusted EBITDA as a percentage of total revenues.

We use Adjusted EBITDA and Adjusted EBITDA Margin (i) to evaluate our operating results and the effectiveness of our business strategies, (ii) internally as benchmarks to compare our performance to that of our competitors and (iii) as factors in evaluating management's performance when determining incentive compensation.

We believe that Adjusted EBITDA and Adjusted EBITDA Margin are important measures of operating performance because they eliminate the impact of expenses that do not relate to our core operating performance.

We are unable to reconcile the long-term outlook for Adjusted EBITDA to net income (loss), the corresponding U.S. GAAP measure, due to variability and difficulty in making accurate forecasts and projections and because not all information necessary to prepare the reconciliation is available to us without unreasonable efforts. For the same reasons, we are unable to address the probable significance of the unavailable information because we cannot accurately predict all of the components of the adjusted calculations and the non-GAAP measure may be materially different than the GAAP measure.

**Restaurant-Level Adjusted EBITDA and Restaurant-Level Adjusted EBITDA Margin**

Restaurant-Level Adjusted EBITDA is defined as revenue, less restaurant operating expenses, which include cost of goods sold (excluding depreciation and amortization), labor expenses, occupancy expenses and other operating expenses. Restaurant-Level Adjusted EBITDA excludes corporate level expenses and depreciation and amortization on restaurant property and equipment. Restaurant-Level Adjusted EBITDA Margin represents Restaurant-Level Adjusted EBITDA as a percentage of revenue.

We believe that Restaurant-Level Adjusted EBITDA and Restaurant-Level Adjusted EBITDA Margin are important measures to evaluate the performance and profitability of our restaurants, individually and in the aggregate.

See below for a reconciliation of net income, the most directly comparable GAAP measure, to Adjusted EBITDA and Adjusted EBITDA Margin (in thousands):

	Quarter Ended		Three Quarters Ended	
	September 29, 2024	September 24, 2023	September 29, 2024	September 24, 2023
Net income	\$ 8,773	\$ 6,546	\$ 22,647	\$ 15,171
Net income margin	4.9 %	3.9 %	4.3 %	3.1 %
Depreciation and amortization	6,679	6,178	20,729	17,788
Interest expense	6,450	6,573	19,583	20,539
Interest income	(50)	(116)	(204)	(116)
Loss on debt extinguishment	—	—	—	3,465
Income tax expense	2,539	2,622	4,898	3,605
EBITDA	24,391	21,803	67,653	60,452
Deferred rent (1)	1,391	1,388	3,857	3,781
Equity-based compensation	3,506	4,324	9,223	12,044
Cloud-based software implementation costs (2)	64	149	514	149
Amortization of cloud-based software implementation costs (3)	220	—	366	—
Other loss (4)	63	16	129	511
Transaction-related fees and expenses (5)	—	133	536	894
Tax Receivable Agreement liability adjustment (6)	(1,724)	(528)	(2,724)	(1,691)
Adjusted EBITDA	\$ 27,911	\$ 27,285	\$ 79,554	\$ 76,140
Adjusted EBITDA Margin (7)	15.7 %	16.4 %	15.1 %	15.5 %

(1) Represents the difference between cash rent payments and the recognition of straight-line rent expense recognized over the lease term.

(2) Represents non-capitalized third party consulting and software licensing costs incurred in connection with the implementation of new enterprise resource planning ("ERP") and human capital management ("HCM") systems which are included within general and administrative expenses.

(3) Represents amortization of capitalized cloud-based ERP system implementation costs that are included within general and administrative expenses.

(4) Represents (gain) loss on disposal of property and equipment included within other income, net.

(5) Represents certain expenses that management believes are not indicative of ongoing operations, consisting primarily of certain professional fees included within general and administrative expenses.

(6) Represents remeasurement of the Tax Receivable Agreement liability.

(7) Adjusted EBITDA Margin is defined as Adjusted EBITDA divided by Revenues, net.

See below for a reconciliation of operating income, the most directly comparable GAAP measure, to Restaurant-Level Adjusted EBITDA and Restaurant-Level Adjusted EBITDA Margin (in thousands):

	Quarter Ended		Three Quarters Ended	
	September 29, 2024	September 24, 2023	September 29, 2024	September 24, 2023
Operating income	\$ 15,988	\$ 15,097	\$ 44,200	\$ 40,973
Operating income margin	9.0 %	9.1 %	8.4 %	8.3 %
Plus:				
General and administrative expenses	18,305	18,898	54,786	57,285
Pre-opening expenses	1,747	2,410	5,270	5,029
Depreciation and amortization	6,679	6,178	20,729	17,788
Net income attributable to equity method investment	(383)	(422)	(923)	(1,010)
Other income, net	(390)	(276)	(1,176)	(630)
Restaurant-Level Adjusted EBITDA	\$ 41,946	\$ 41,885	\$ 122,886	\$ 119,435
Restaurant-Level Adjusted EBITDA Margin (1)	23.5 %	25.1 %	23.4 %	24.3 %

(1) Restaurant-Level Adjusted EBITDA Margin is defined as Restaurant-Level Adjusted EBITDA divided by Revenues, net



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# Portillo's®

Third Quarter Earnings Supplemental  
November 5, 2024

## CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS & NON-GAAP MEASURES

This presentation contains forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995 ("PSLRA"). All statements other than statements of historical fact are forward-looking statements. Forward-looking statements discuss our current expectations and projections relating to our financial position, results of operations, plans, objectives, future performance and business, and are based on currently available operating, financial and competitive information which are subject to various risks and uncertainties, so you should not place undue reliance on forward-looking statements. You can identify forward-looking statements by the fact that they do not relate strictly to historical or current facts. These statements may include words such as "aim," "anticipate," "believe," "commit," "estimate," "expect," "forecast," "outlook," "potential," "project," "projection," "plan," "intend," "seek," "may," "could," "would," "will," "should," "can," "can have," "likely," the negatives thereof and other similar expressions.

Forward-looking statements are based on our current expectations and assumptions regarding our business, the economy and other future conditions. Because forward-looking statements relate to the future, by their nature, they are subject to inherent uncertainties, risks and changes in circumstances that we may not predict. As a result, our actual results may differ materially from those contemplated by the forward-looking statements, and you should not unduly rely on these statements. Important factors that could cause actual results to differ materially from those in the forward-looking statements include regional, national or global political, economic, business, competitive, market and regulatory conditions and the following:

- risks related to or arising from our organizational structure;
- risks of food-borne illness and food safety and other health concerns about our food;
- risks relating to the economy and financial markets, including inflation, fluctuating interest rates, stock market activity, or other factors;
- the impact of unionization activities of our Team Members on our reputation, operations and profitability;
- risks associated with our reliance on certain information technology systems, including our new enterprise resource planning system, and potential failures or interruptions;
- privacy and cyber security risks related to our digital ordering and payment platforms for our delivery business;
- the impact of competition, including from our competitors in the restaurant industry or our own restaurants;
- the increasingly competitive labor market and our ability to attract and retain the best talent and qualified employees;
- the impact of federal, state or local government regulations relating to privacy, data protection, advertising and consumer protection, building and zoning requirements, costs or ability to open new restaurants, or sale of food and alcoholic beverage control regulations;
- inability to achieve our growth strategy, such as the availability of suitable new restaurant sites in existing and new markets and opening of new restaurants at the anticipated rate and on the anticipated timeline;
- the impact of consumer sentiment and other economic factors on our sales;
- increases in food and other operating costs, tariffs and import taxes, and supply shortages; and
- other risks identified in our filings with the Securities and Exchange Commission (the "SEC").

All forward-looking statements are expressly qualified in their entirety by these cautionary statements. You should evaluate all forward-looking statements made in this Form 10-Q in the context of the risks and uncertainties disclosed in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023 filed with the SEC on February 27, 2024, and subsequent filings with the SEC, which are available on the SEC's website at [www.sec.gov](http://www.sec.gov). The forward-looking statements included in this press release are made only as of the date hereof. The Company undertakes no obligation to publicly update or revise any forward-looking statement as a result of new information, future events or otherwise, except as otherwise required by law.

This presentation includes certain non-GAAP measures as defined under SEC rules, including Adjusted EBITDA, Adjusted EBITDA Margin, Restaurant-Level Adjusted EBITDA and Restaurant-Level Adjusted EBITDA Margin. Reconciliations and definitions are included in the Appendix to this presentation.

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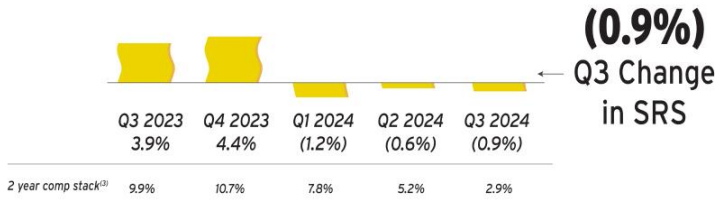
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# Q3 2024 PERFORMANCE

## REVENUE



## CHANGE IN SAME RESTAURANT SALES <sup>(1)</sup>



## PROFITABILITY



(1) Same restaurant sales include restaurants open for a minimum of 24 months and excludes a restaurant that is owned by CAO Chicago, LLC ("CAO") of which Portillo's owns 50% of the equity. For the quarter ended September 29, 2024, same-restaurant sales compares the 13 weeks from July 1, 2024 through September 29, 2024 to the 13 weeks from July 3, 2023 through October 1, 2023.

(2) See appendix for a reconciliation to the most directly comparable GAAP financial measure.

(3) A geometric comparable sales measure is used to determine the compounding effect of an earlier period's year over year comparable sales percentage on the subsequent period's year over year comparable sales percentage.

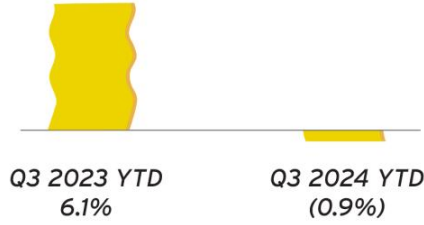


# Q3 YTD 2024 PERFORMANCE

## REVENUE



## SAME RESTAURANT SALES CHANGE <sup>(1)</sup>



## PROFITABILITY



<sup>(1)</sup> Same restaurant sales include restaurants open for a minimum of 24 months and excludes a restaurant that is owned by C&O Chicago, LLC ("C&O") of which Portillo's owns 50% of the equity. For the three quarters ended September 29, 2024, same restaurant sales compares the 39 weeks from January 1, 2024 through September 29, 2024 to the 39 weeks from January 2, 2023 through October 1, 2023.

<sup>(2)</sup> See appendix for a reconciliation to the most directly comparable GAAP financial measure.

# 2024 DEVELOPMENT UPDATE

## Opened YTD Q3 2024



Denton, TX



Surprise, AZ



Livonia, MI



Mansfield, TX



New ~6,200 Square Foot Format

Willowbrook, TX



New ~6,200 Square Foot Format

Waterford Lakes, FL

**Currently Under Construction**



New ~6,200 Square Foot Format

Grapevine, TX



New ~6,200 Square Foot Format

Katy, TX



LATEST OPENING (Post Q3)

Richmond, TX



# STRATEGIC PILLARS

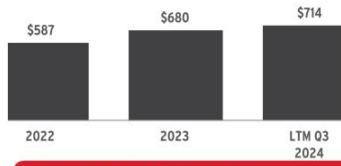


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# FINANCIAL PROFILE

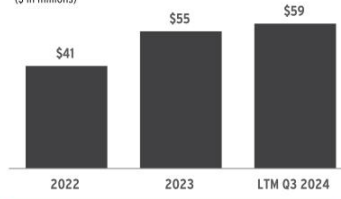
## TOTAL REVENUE

(\$ in millions)



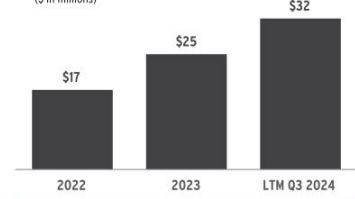
## OPERATING INCOME

(\$ in millions)

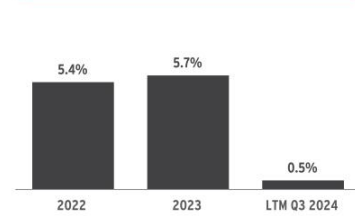


## NET INCOME

(\$ in millions)



## SAME RESTAURANT SALES <sup>(1)</sup>



## RESTAURANT-LEVEL ADJ. EBITDA (Margin) <sup>(2)</sup>

(\$ in millions)



## ADJ. EBITDA (Margin) <sup>(2)</sup>

(\$ in millions)



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<sup>(1)</sup> Same restaurant sales include restaurants open for a minimum of 24 months and excludes a restaurant that is owned by C&O Chicago, LLC ("C&O") of which Portillo's owns 50% of the equity. For more information on our same restaurant sales for Fiscal 2023, refer to our Annual Report on Form 10-K for the fiscal year ended December 31, 2023.

<sup>(2)</sup> See appendix for a reconciliation to the most comparable GAAP financial measure.

Note: We use a 52- or 53-week fiscal year ending on the Sunday on or prior to December 31. Fiscal 2023 consisted of 53 weeks and fiscal 2022 and fiscal 2021 consisted of 52 weeks. The 53rd week in fiscal 2023 included Christmas Day, resulting in six operating days. LTM Q3 2024 represents the last twelve months ending September 29, 2024.

# FISCAL 2024 AND LONG-TERM OUTLOOK

## UPDATED FISCAL 2024 FINANCIAL TARGETS

Unit Growth	10 new units
Same-Restaurant Sales	Approximately (1.0%)
Commodity Inflation	Mid-single digits
Labor Inflation	Approximately 3.0%
Restaurant-Level Adjusted EBITDA Margin <sup>(1)</sup>	23% - 24%
General & Administrative Expenses	\$78 - \$80 million
Pre-Opening Expenses	\$10.0 to \$10.5 million
Capital Expenditures	\$85 to \$88 million

## LONG-TERM FINANCIAL TARGETS

Unit Growth	12% - 15%
Same Restaurant Sales	Low single digits
Revenue Growth	Mid teens
Adj. EBITDA Growth <sup>(1)</sup>	Low teens



(1) We are unable to reconcile the long-term outlook for restaurant-level adjusted EBITDA growth to operating income/loss margin, and for adjusted EBITDA growth to net income/loss, to the corresponding U.S. GAAP measures, due to variability and difficulty in making accurate forecasts and projections and because not all information necessary to prepare the reconciliation is available to us without unreasonable efforts. For the same reasons, we are unable to address the probable significance of the unavailable information because we cannot accurately predict all of the components of the adjusted calculations and the non-GAAP measure may be materially different than the GAAP measure.



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**APPENDIX**

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# STATEMENT OF OPERATIONS

	Quarter Ended				Three Quarters Ended			
	September 29, 2024		September 24, 2023		September 29, 2024		September 24, 2023	
<b>REVENUES, NET</b>	\$ 178,252	100.0 %	\$ 166,805	100.0 %	\$ 525,945	100.0 %	\$ 492,047	100.0 %
<b>COST AND EXPENSES:</b>								
Restaurant operating expenses:								
Food, beverage and packaging costs	60,136	33.7 %	55,551	33.3 %	178,809	34.0 %	165,407	33.6 %
Labor	45,945	25.8 %	42,588	25.5 %	135,659	25.8 %	126,200	25.6 %
Occupancy	9,172	5.1 %	8,210	4.9 %	27,723	5.3 %	24,898	5.1 %
Other operating expenses	21,053	11.8 %	18,571	11.1 %	60,868	11.6 %	56,107	11.4 %
<b>Total restaurant operating expenses</b>	<b>136,306</b>	<b>76.5 %</b>	<b>124,920</b>	<b>74.9 %</b>	<b>403,059</b>	<b>76.6 %</b>	<b>372,612</b>	<b>75.7 %</b>
General and administrative expenses	18,305	10.3 %	18,898	11.3 %	54,786	10.4 %	57,285	11.6 %
Pre-opening expenses	1,747	1.0 %	2,410	1.4 %	5,270	1.0 %	5,029	1.0 %
Depreciation and amortization	6,679	3.7 %	6,178	3.7 %	20,729	3.9 %	17,788	3.6 %
Net income attributable to equity method investment	(383)	(0.2)%	(422)	(0.3)%	(923)	(0.2)%	(1,010)	(0.2)%
Other income, net	(390)	(0.2)%	(276)	(0.2)%	(1,176)	(0.2)%	(630)	(0.1)%
<b>OPERATING INCOME</b>	<b>15,988</b>	<b>9.0 %</b>	<b>15,097</b>	<b>9.1 %</b>	<b>44,200</b>	<b>8.4 %</b>	<b>40,973</b>	<b>8.3 %</b>
Interest expense	6,450	3.6 %	6,573	3.9 %	19,583	3.7 %	20,539	4.2 %
Interest income	(50)	- %	(116)	(0.1)%	(204)	- %	(116)	- %
Tax Receivable Agreement liability adjustment	(1,724)	(1.0)%	(528)	(0.3)%	(2,724)	(0.5)%	(1,691)	(0.3)%
Loss on debt extinguishment	-	- %	-	- %	-	- %	3,465	0.7 %
<b>INCOME BEFORE INCOME TAXES</b>	<b>11,312</b>	<b>6.3 %</b>	<b>9,168</b>	<b>5.5 %</b>	<b>27,545</b>	<b>5.2 %</b>	<b>18,776</b>	<b>3.8 %</b>
Income tax expense	2,539	1.4 %	2,622	1.6 %	4,898	0.9 %	3,605	0.7 %
<b>NET INCOME</b>	<b>8,773</b>	<b>4.9 %</b>	<b>6,546</b>	<b>3.9 %</b>	<b>22,647</b>	<b>4.3 %</b>	<b>15,171</b>	<b>3.1 %</b>
Net income attributable to non-controlling interests	1,553	0.9 %	2,185	1.3 %	4,395	0.8 %	4,536	0.9 %
<b>NET INCOME ATTRIBUTABLE TO PORTILLO'S INC.</b>	<b>\$ 7,220</b>	<b>4.1 %</b>	<b>\$ 4,361</b>	<b>2.6 %</b>	<b>\$ 18,252</b>	<b>3.5 %</b>	<b>\$ 10,635</b>	<b>2.2 %</b>
Income per common share attributable to Portillo's Inc.:								
Basic	\$ 0.12		\$ 0.08		\$ 0.30		\$ 0.20	
Diluted	\$ 0.11		\$ 0.07		\$ 0.29		\$ 0.19	
Weighted-average common shares outstanding:								
Basic	61,921,564		55,127,133		60,336,488		53,231,086	
Diluted	64,894,558		58,767,812		63,347,715		56,813,653	



*Portillo's*

## REVENUE SUMMARY - Q3 2024

	Quarter Ended		\$ Change	% Change
	September 29, 2024	September 24, 2023		
Same-restaurant sales (70 restaurants) <sup>(1) (3)</sup>	\$150,854	\$152,212	(1,358)	(0.9)%
Same-restaurant sales comparable week shift impact <sup>(2)</sup>	-	1,001	(1,001)	nm
Restaurants not yet in comparable base opened in fiscal 2024 (4 restaurants) <sup>(3)</sup>	5,370	-	5,370	nm
Restaurants not yet in comparable base opened in fiscal 2023 (12 restaurants) <sup>(3)</sup>	17,311	8,988	8,323	92.6 %
Restaurants not yet in comparable base opened in fiscal 2022 (1 restaurant) <sup>(3)</sup>	2,049	2,094	(45)	(2.1)%
Other <sup>(4)</sup>	2,668	2,510	158	6.3 %
<b>Revenues, net</b>	<b>\$ 178,252</b>	<b>\$ 166,805</b>	<b>\$ 11,447</b>	<b>6.9 %</b>

<sup>(1)</sup> We use a 52- or 53-week fiscal year ending on the Sunday on or prior to December 31. Fiscal 2024 consists of 52 weeks and fiscal 2023 consisted of 53 weeks. In order to compare like-for-like periods for the quarter ended September 29, 2024, same-restaurant sales compares the 13 weeks from July 1, 2024 through September 29, 2024 to the 13 weeks from July 3, 2023 through October 1, 2023.

<sup>(2)</sup> Represents the impact from shifting comparable weeks for all periods in fiscal 2023 to compare like-for-like periods. For the quarter ended September 24, 2023, same-restaurant sales includes sales from the 13 weeks from July 3, 2023 through October 1, 2023 rather than the 13 weeks from June 26, 2023 through September 24, 2023.

<sup>(3)</sup> Total restaurants indicated are as of September 29, 2024. Excludes a restaurant that is owned by C&O of which Portillo's owns 50% of the equity.

<sup>(4)</sup> Includes revenue from direct shipping sales and non-traditional locations.

\*nm - not meaningful

### TAKEAWAYS

The 12 restaurants in the fiscal 2023 row include 4 'Class of 2022' restaurants.

The 8 'Class of 2023' restaurants are annualizing at \$6.7M in their first year.

Schererville in Fiscal 2022 class will enter comp base in December 2024.

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## REVENUE SUMMARY - Q3 YTD 2024

	Three Quarters Ended		\$ Change	% Change
	September 29, 2024	September 24, 2023		
<b>Same-restaurant sales (70 restaurants) <sup>(1) (3)</sup></b>	<b>\$443,666</b>	<b>\$447,618</b>	<b>(3,952)</b>	<b>(0.9)%</b>
<b>Same-restaurant sales comparable week shift impact <sup>(2)</sup></b>	<b>-</b>	<b>1,830</b>	<b>(1,830)</b>	<b>nm</b>
<b>Restaurants not yet in comparable base opened in fiscal 2024 (4 restaurants) <sup>(3)</sup></b>	<b>8,782</b>	<b>-</b>	<b>8,782</b>	<b>nm</b>
<b>Restaurants not yet in comparable base opened in fiscal 2023 (12 restaurants) <sup>(3)</sup></b>	<b>56,793</b>	<b>24,707</b>	<b>32,086</b>	<b>129.9 %</b>
<b>Restaurants not yet in comparable base opened in fiscal 2022 (1 restaurant) <sup>(3)</sup></b>	<b>8,341</b>	<b>9,049</b>	<b>(708)</b>	<b>(7.8)%</b>
<b>Other <sup>(4)</sup></b>	<b>8,363</b>	<b>8,843</b>	<b>(480)</b>	<b>(5.4)%</b>
<b>Revenues, net</b>	<b>\$ 525,945</b>	<b>\$ 492,047</b>	<b>\$ 33,898</b>	<b>6.9 %</b>

<sup>(1)</sup> We use a 52- or 53-week fiscal year ending on the Sunday on or prior to December 31. Fiscal 2024 consists of 52 weeks and fiscal 2023 consisted of 53 weeks. In order to compare like-for-like periods for the three quarters ended September 29, 2024, same-restaurant sales compares the 39 weeks from January 1, 2024 through September 29, 2024 to the 39 weeks from January 2, 2023 through October 1, 2023.

<sup>(2)</sup> Represents the impact from shifting comparable weeks for all periods in fiscal 2023 to compare like-for-like periods. For the three quarters ended September 24, 2023, same-restaurant sales includes sales from the 39 weeks from January 2, 2023 through October 1, 2023 rather than the 39 weeks from December 26, 2022 through September 24, 2023.

<sup>(3)</sup> Total restaurants indicated are as of September 29, 2024. Excludes a restaurant that is owned by C&O of which Portillo's owns 50% of the equity.

<sup>(4)</sup> Includes revenue from direct shipping sales and non-traditional locations.  
\*nm - not meaningful

### TAKEAWAYS

The 12 restaurants in the fiscal 2023 row include 4 'Class of 2022' restaurants.

The 8 'Class of 2023' restaurants are annualizing at \$6.7M in their first year.

Schererville in Fiscal 2022 class will enter comp base in December 2024.

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## SELECTED OPERATING DATA

	Quarter Ended		Three Quarters Ended	
	September 29, 2024	September 24, 2023	September 29, 2024	September 24, 2023
Total Restaurants (a)	88	78	88	78
AUV (in millions) (a)	N/A	N/A	\$ 8.9	\$ 8.9
Change in same-restaurant sales (b)(c)	(0.9)%	3.9 %	(0.9)%	6.1 %
Adjusted EBITDA (in thousands) (b)	\$ 27,911	\$ 27,285	\$ 79,554	\$ 76,140
Adjusted EBITDA Margin (b)	15.7 %	16.4 %	15.1 %	15.5 %
Restaurant-Level Adjusted EBITDA (in thousands) (b)	\$ 41,946	\$ 41,885	\$ 122,886	\$ 119,435
Restaurant-Level Adjusted EBITDA Margin (b)	23.5 %	25.1 %	23.4 %	24.3 %

(a) Includes a restaurant that is owned by C&O of which Portillo's owns 50% of the equity. Total restaurants indicated are as of September 29, 2024.

(b) Excludes a restaurant that is owned by C&O of which Portillo's owns 50% of the equity.

(c) For the quarter ended September 29, 2024, same-restaurant sales compares the 13 weeks from July 1, 2024 through September 29, 2024 to the 13 weeks from July 3, 2023 through October 1, 2023. For the three quarters ended September 29, 2024, same-restaurant sales compares the 39 weeks from January 1, 2024 through September 29, 2024 to the 39 weeks from January 2, 2023 through October 1, 2023.

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## ADJUSTED EBITDA DEFINITIONS

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### Adjusted EBITDA and Adjusted EBITDA Margin

Adjusted EBITDA represents net income (loss) before depreciation and amortization, interest expense, interest income and income taxes, adjusted for the impact of certain non-cash and other items that we do not consider in our evaluation of ongoing core operating performance as identified in the reconciliation of net income (loss), the most directly comparable GAAP measure, to Adjusted EBITDA. Adjusted EBITDA Margin represents Adjusted EBITDA as a percentage of revenues, net. We use Adjusted EBITDA and Adjusted EBITDA Margin (i) to evaluate our operating results and the effectiveness of our business strategies, (ii) internally as benchmarks to compare our performance to that of our competitors and (iii) as factors in evaluating management's performance when determining incentive compensation.

We are unable to reconcile the long-term outlook for Adjusted EBITDA to net income (loss), the corresponding U.S. GAAP measure, due to variability and difficulty in making accurate forecasts and projections and because not all information necessary to prepare the reconciliation is available to us without unreasonable efforts. For the same reasons, we are unable to address the probable significance of the unavailable information because we cannot accurately predict all of the components of the adjusted calculations and the non-GAAP measure may be materially different than the GAAP measure.

### How These Measures Are Useful

We believe that Adjusted EBITDA and Adjusted EBITDA Margin are important measures of operating performance because they eliminate the impact of expenses that do not relate to our core operating performance. Adjusted EBITDA and Adjusted EBITDA Margin are supplemental measures of operating performance and our calculations thereof may not be comparable to similar measures reported by other companies. Adjusted EBITDA and Adjusted EBITDA Margin have important limitations as analytical tools and should not be considered in isolation as substitutes for analysis of our results as reported under GAAP.



## ADJUSTED EBITDA RECONCILIATION

	Quarter Ended		Three Quarters Ended	
	September 29, 2024	September 24, 2023	September 29, 2024	September 24, 2023
<b>Net income</b>	\$ 8,773	\$ 6,546	\$ 22,647	\$ 15,171
<b>Net income margin</b>	4.9 %	3.9 %	4.3 %	3.1 %
<b>Depreciation and amortization</b>	6,679	6,178	20,729	17,788
<b>Interest expense</b>	6,450	6,573	19,583	20,539
<b>Interest income</b>	(50)	(116)	(204)	(116)
<b>Loss on debt extinguishment</b>	-	-	-	3,465
<b>Income tax expense</b>	2,539	2,622	4,898	3,605
<b>EBITDA</b>	<b>24,391</b>	<b>21,803</b>	<b>67,653</b>	<b>60,452</b>
<b>Deferred rent (1)</b>	1,391	1,388	3,857	3,781
<b>Equity-based compensation</b>	3,506	4,324	9,223	12,044
<b>Cloud-based software implementation costs (2)</b>	64	149	514	149
<b>Amortization of cloud-based software implementation costs (3)</b>	220	-	366	-
<b>Other loss (4)</b>	63	16	129	511
<b>Transaction-related fees &amp; expenses (5)</b>	-	133	536	894
<b>Tax Receivable Agreement liability adjustment (6)</b>	(1,724)	(528)	(2,724)	(1,691)
<b>Adjusted EBITDA</b>	<b>\$ 27,911</b>	<b>\$ 27,285</b>	<b>\$ 79,554</b>	<b>\$ 76,140</b>
<b>Adjusted EBITDA Margin (7)</b>	<b>15.7 %</b>	<b>16.4 %</b>	<b>15.1 %</b>	<b>15.5 %</b>

(1) Represents the difference between cash rent payments and the recognition of straight-line rent expense recognized over the lease term.

(2) Represents non-capitalized third party consulting and software licensing costs incurred in connection with the implementation of new enterprise resource planning ("ERP") and human capital management ("HCM") systems which are included within general and administrative expenses.

(3) Represents amortization of capitalized cloud-based ERP system implementation costs that are included within general and administrative expenses.

(4) Represents (gain) loss on disposal of property and equipment included within other income, net.

(5) Represents certain expenses that management believes are not indicative of ongoing operations, consisting primarily of certain professional fees included within general and administrative expenses.

(6) Represents remeasurement of the Tax Receivable Agreement liability.

(7) Adjusted EBITDA Margin is defined as Adjusted EBITDA divided by Revenues, net.

## ADJUSTED EBITDA RECONCILIATION

	LTM		Fiscal Years Ended	
	September 29, 2024	December 31, 2023	December 31, 2023	December 25, 2022
<b>Net income</b>	\$ 32,294	\$ 24,818	\$ 24,818	\$ 17,157
<b>Net income margin</b>	4.5 %	3.7 %	3.7 %	2.9 %
Depreciation and amortization	27,254	24,313	24,313	20,907
Interest expense	26,514	27,470	27,470	27,644
Interest income	(300)	(212)	(212)	—
Loss on debt extinguishment	—	3,465	3,465	—
Income tax expense	4,541	3,248	3,248	1,823
<b>EBITDA</b>	<b>90,303</b>	<b>83,102</b>	<b>83,102</b>	<b>67,531</b>
Deferred rent (1)	5,172	5,096	5,096	3,998
Equity-based compensation	12,721	15,542	15,542	16,137
Cloud-based software implementation costs (2)	766	401	401	—
Amortization of cloud-based software implementation costs (3)	366	—	—	—
Other loss (4)	208	590	590	397
Transaction-related fees & expenses (5)	542	900	900	2,237
Tax Receivable Agreement liability adjustment (6)	(4,382)	(3,349)	(3,349)	(5,345)
<b>Adjusted EBITDA</b>	<b>\$ 105,696</b>	<b>\$ 102,282</b>	<b>\$ 102,282</b>	<b>\$ 84,955</b>
<b>Adjusted EBITDA Margin (7)</b>	<b>14.8 %</b>	<b>15.0 %</b>	<b>15.0 %</b>	<b>14.5 %</b>

(1) Represents the difference between cash rent payments and the recognition of straight-line rent expense recognized over the lease term.

(2) Represents non-capitalized third party consulting and software licensing costs incurred in connection with the implementation of new enterprise resource planning ("ERP") and human capital management ("HCM") systems which are included within general and administrative expenses.

(3) Represents amortization of capitalized cloud-based ERP system implementation costs that are included within general and administrative expenses.

(4) Represents (gain) loss on disposal of property and equipment included within other income, net.

(5) Represents certain expenses that management believes are not indicative of ongoing operations, consisting primarily of certain professional fees included within general and administrative expenses.

(6) Represents remeasurement of the Tax Receivable Agreement liability.

(7) Adjusted EBITDA Margin is defined as Adjusted EBITDA divided by Revenues, net.

**Portillo's**

Note: We use a 52- or 53-week fiscal year ending on the Sunday on or prior to December 31. Fiscal 2023 consisted of 53 weeks and fiscal 2022 consisted of 52 weeks. The 53rd week in fiscal 2023 included Christmas Day, resulting in six operating days. LTM represents the last twelve months ending September 29, 2024.

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## RESTAURANT-LEVEL ADJUSTED EBITDA DEFINITIONS

### Restaurant-Level Adjusted EBITDA and Restaurant-Level Adjusted EBITDA Margin

Restaurant-Level Adjusted EBITDA is defined as revenue, less restaurant operating expenses, which include food, beverage and packaging costs, labor expenses, occupancy expenses and other operating expenses. Restaurant-Level Adjusted EBITDA excludes corporate level expenses, pre-opening expenses and depreciation and amortization on restaurant property and equipment. Restaurant-Level Adjusted EBITDA Margin represents Restaurant-Level Adjusted EBITDA as a percentage of revenues, net.

### How These Measures Are Useful

We believe that Restaurant-Level Adjusted EBITDA and Restaurant-Level Adjusted EBITDA Margin are important measures to evaluate the performance and profitability of our restaurants, individually and in the aggregate. Restaurant-Level Adjusted EBITDA and Restaurant-Level Adjusted EBITDA Margin have limitations as analytical tools and should not be considered as a substitute for analysis of our results as reported under GAAP.

### Limitations of the Usefulness of This Measure

Restaurant-Level Adjusted EBITDA and Restaurant-Level Adjusted EBITDA Margin are not required by, nor presented in accordance with GAAP. Rather, Restaurant-Level Adjusted EBITDA and Restaurant-Level Adjusted EBITDA Margin are supplemental measures of operating performance of our restaurants. You should be aware that Restaurant-Level Adjusted EBITDA and Restaurant-Level Adjusted EBITDA Margin are not indicative of overall results for the Company, and Restaurant-Level Adjusted EBITDA and Restaurant-Level Adjusted EBITDA Margin do not accrue directly to the benefit of stockholders because of corporate-level expenses excluded from such measures. In addition, our calculations thereof may not be comparable to similar measures reported by other companies.



## RESTAURANT-LEVEL ADJUSTED EBITDA RECONCILIATION

	Quarter Ended		Three Quarters Ended	
	September 29, 2024	September 24, 2023	September 29, 2024	September 24, 2023
Operating income	\$ 15,988	\$ 15,097	\$ 44,200	\$ 40,973
Operating income margin	9.0 %	9.1 %	8.4 %	8.3 %
General and administrative expenses	18,305	18,898	54,786	57,285
Pre-opening expenses	1,747	2,410	5,270	5,029
Depreciation and amortization	6,679	6,178	20,729	17,788
Net Income attributable to equity method investment	(383)	(422)	(923)	(1,010)
Other income, net	(390)	(276)	(1,176)	(630)
<b>Restaurant-Level Adjusted EBITDA</b>	<b>\$ 41,946</b>	<b>\$ 41,885</b>	<b>\$ 122,886</b>	<b>\$ 119,435</b>
Restaurant-Level Adjusted EBITDA Margin	23.5 %	25.1 %	23.4 %	24.3 %



## RESTAURANT-LEVEL ADJUSTED EBITDA RECONCILIATION

	LTM	Fiscal Years Ended	
	September 29, 2024	December 31, 2023	December 25, 2022
<b>Operating income</b>	\$ 58,667	\$ 55,440	\$ 41,279
<b>Operating income margin</b>	8.2 %	8.2 %	7.0 %
General and administrative expenses	76,336	78,835	66,892
Pre-opening expenses	9,260	9,019	4,715
Depreciation and amortization	27,254	24,313	20,907
Net income attributable to equity method investment	(1,314)	(1,401)	(1,083)
Other income, net	(1,581)	(1,035)	(204)
<b>Restaurant-Level Adjusted EBITDA</b>	\$ 168,622	\$ 165,171	\$ 132,506
<b>Restaurant-Level Adjusted EBITDA Margin</b>	23.6 %	24.3 %	22.6 %

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Note: We use a 52- or 53-week fiscal year ending on the Sunday on or prior to December 31. Fiscal 2023 consisted of 53 weeks and fiscal 2022 and fiscal 2021 consisted of 52 weeks. The 53rd week in fiscal 2023 included Christmas Day, resulting in six operating days. LTM represents the last twelve months ending September 29, 2024.

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