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CORPORATE PARTICIPANTS

Michael Osanloo
President, Chief Executive Officer & Director, Portillo's, Inc.

Michelle Hook
Chief Financial Officer & Treasurer, Portillo's, Inc.

OTHER PARTICIPANTS

David E. Tarantino
Analyst, Robert W. Baird & Co., Inc.

MANAGEMENT DISCUSSION SECTION

David E. Tarantino
Analyst, Robert W. Baird & Co., Inc.

Good afternoon, everyone. Welcome to the presentation for our Portillo's. I hope everybody has already eaten because they're going to be very hungry if you haven't after this session. So I'm David Tarantino, the restaurants analyst at Baird and happy to have two members of the management team here today. Portillo's, just by way of background, is the operator of 86 very high-volume restaurants that feature Chicago's street food, essentially Italian beef sandwiches, hot dogs, and a lot of other things. And it's really generated really good unit economics. And it's a brand that we think has a lot of room for growth.

With us today, our CEO, Michael Osanloo; and the CFO, Michelle Hook. And we also have Barb Noverini in the crowd. So with that, maybe I'll just say welcome to both of you. Thanks for being here.

Michael Osanloo
President, Chief Executive Officer & Director, Portillo's, Inc.

Thank you, David.

Michelle Hook
Chief Financial Officer & Treasurer, Portillo's, Inc.

Thanks, David.

QUESTION AND ANSWER SECTION

David E. Tarantino
Analyst, Robert W. Baird & Co., Inc.

Q

And I think we have some folks in the room that might not be familiar with the concept. So perhaps a good place to start is Michael, can you just give us an overview of the brand, what you think makes it so special, and why that you generate such incredible unit volumes?

Michael Osanloo
President, Chief Executive Officer & Director, Portillo's, Inc.

A

Yeah. Look, in a great restaurant company, it starts and ends with food, right? You have to have great, delicious, craveable food. Those are probably some of our best hitters. It's Italian beef sandwich, hot dog. Our burgers are amazing. What's not on there that we probably should have on there on a future slide is our salads. I think a lot of people don't realize that we sell amazing salads, hand-tossed fresh. Our top 20 restaurants all sell $1 million or more salads, so we make great salads, but it starts with food, right? People love our food and the food is craveable. We serve it in a very inviting environment. The box is beautiful.

We're multi-channel before it kind of became a thing. We have the double lane drive-thrus with outside order takers and food runners. We got a very robust delivery business on our own, as well as with third party. We do catering. So it's just a great concept. Now, it's a 60-year-old brand, grew up in Chicago. And for the first, truthfully, the first 40 years of its life, it was like five or six restaurants and it's grown outside its bounds. The last thing before I turn it back to you is, we very carefully monitor how consumers think of our brand, not just in Chicago, but in all the markets that we're in. And we have startlingly high net promoter scores, we're very, very proud of that. That's taken decades to get there. But we have a level of fandom and followership that is second to none.

David E. Tarantino
Analyst, Robert W. Baird & Co., Inc.

Q

Great. And just you've laid out some growth targets, long-term growth targets for the brand. Can you refresh us on what those are and how fast do you think you can grow here over the next several years?

Michael Osanloo
President, Chief Executive Officer & Director, Portillo's, Inc.

A

Yeah. Well, there is a long-term growth algorithm and I'll let Michelle talk about that. But our growth right now is building new restaurants in high-performing markets. And so we have loosely – we loosely have defined our growth target as the Sun Belt. And I am playing a little loose and fast with geography because we include Colorado in the Sun Belt, the Carolinas, Atlanta. But it's really go where America's population is growing. The focus of our growth thus far in the last few years has been Texas, Florida, Arizona. Why those states? Those states have 2% population growth tailwind. The Greater Midwest has negative 1%. We're going in places in those states where there is a ton of new growth, great new housing starts. And so we want to take a very, very attractive, hugely cash flow positive business in the Midwest and make our investments in the high-growth markets across the United States where Americans are moving to. And so that's the growth – and the way it translates, do you want to talk about...

Michelle Hook
Chief Financial Officer & Treasurer, Portillo's, Inc.

A

Yeah. We can talk about. So in the long-term growth algorithm, we'll start with new restaurant growth, so it's targeting 12% to 15% growth. Now, this year, we're targeting 10 plus percent growth in 2024. Next year, we're targeting 12 plus percent growth. And then in 2026 and beyond, we're targeting 12% to 15% growth on the new restaurants. On a comp basis, we're targeting low-single digit comp growth, which then translates to mid-teens revenue growth and then adjusted – low-teens adjusted EBITDA growth.

Michael Osanloo
President, Chief Executive Officer & Director, Portillo's, Inc.

A

Want to explain the low teens?

Michelle Hook
Chief Financial Officer & Treasurer, Portillo's, Inc.

A

Yeah. I was just going to say that. Because we get this question a lot, which is, well, why is your adjusted EBITDA growth lower than your revenue growth? Because we're building a lot of new restaurants, right? Those are generally coming into the portfolio at a lower margin profile than what the – what we're mixing out today. In Chicagoland, we're doing $11 million AUVs and 30 plus percent margins outside the core generally and we bifurcated regions. If you look at the Midwest outside of Chicagoland, we're doing about $5.7 million AUVs just under 20% margins. And the Sun Belt, which was what Michael described, right now, we're doing about $6.7 million AUVs and around 20-ish percent margins. And so as you bring these new units into the portfolio, right, you're going to get some – a little bit of headwinds and some of the margins and therefore some of the adjusted EBITDA. But I want to just reiterate that our restaurants cash flow immediately, which enables us to fund all of our own growth as we move forward. And so we feel really good about our ability to fund the 12% to 15% growth as we move forward. And that we're going to continue to look to do that and the growth primarily we've said, 80% is going to be targeted in the Sun Belt, but we will continue to build restaurants as we continue to densify the Midwest and we still have opportunities in Chicagoland as well.

David E. Tarantino
Analyst, Robert W. Baird & Co., Inc.

Q

Great. One question that comes up really since the IPO is, can this brand work outside of Chicago? Chicago street food isn't intuitive. I guess what are your – what's your reaction to that comment? I know you've got some proof points already. But I guess, how can you make investors comfortable that the brand is working as you move further away from Chicago?

Michael Osanloo
President, Chief Executive Officer & Director, Portillo's, Inc.

A

I mean, if you're a real, serious investor, I'd encourage you to just go visit a restaurant in Florida, Texas, Arizona, judge for yourself. You're going to see people thrilled, enjoying their food packed. We have $9 million, $10 million restaurants in Florida, in Texas, and Arizona. It's not like there's a huge expat Chicago community in Dallas, Texas, and that our restaurants there are all doing exceptionally well. So I think the proof is in the numbers, right? And we shared some of the performance of the class of 2022 and the class of 2023. We will continue proving out the story every single quarter, every single year. But it's kind of, one, consumers have voted with their wallets and their pocketbooks in Texas, Florida, Arizona. They enjoy Portillo's. They're going to Portillo's. You're not doing $10 million on somebody who comes in infrequently or [indiscernible] (07:25). You need frequency. Our average check is about what, $12?

Michelle Hook
Chief Financial Officer & Treasurer, Portillo's, Inc.

A

Per person, average ticket is $22, and there [ph] is just under two people (07:35).

Michael Osanloo
President, Chief Executive Officer & Director, Portillo's, Inc.

A

You're not doing our volumes with casual visitation.

David E. Tarantino
Analyst, Robert W. Baird & Co., Inc.

Q

Makes sense. I want to come back to – I have several questions on the new unit growth. But before I do, I want to talk about themes in the industry and one of which is, there's been some really kind of mixed performance in traffic and in concerns about the overall consumer spending environment. So can you just maybe talk from your perspective about your views on the consumer spending environment and what you're seeing out there?

Michael Osanloo
President, Chief Executive Officer & Director, Portillo's, Inc.

A

Yeah. There is – look, there is obviously a lot of chatter about the low-end consumer feeling pressure. And you definitely see the QSR players engaging in some more active promotional behavior. I don't – to me, it does not seem like it was in prior recessionary environments, even you picked the biggest guy, McDonald's. Yeah, they have stuff on their dollar menu, but they also have really expensive meals with the Big Mac and the Quarter Pounder, et cetera. So those meals were not coming down at prices. So they've done a really nice job of barbell pricing and their expensive meals are every bit as expensive as most of fast casual and everyone. So our position is that the low-end consumer that really discount budget consumer tends to be a very small portion of our guests and they tend to be more drive-thru focus. So for us to compete, it's not on discounting, but it's on fantastic execution, right? We want to be as quick as possible. We still are going to serve our third pound burgers that you don't like flap in front of a lamp and see light going through. We have really delicious food, really great experience, and that's the way to compete against. Value is not just price point. Value is what you're getting, the quality of what you're getting. Was it hot and fresh? And so we're going to compete aggressively on the overall value proposition, especially in the drive-thru. Inside, our restaurants are doing really well. We are – if you haven't visited a Portillo's, it is. And I know everybody says this, but it is – there is a lot going on. It's experiential. It's a beautiful box. People are taking selfies in our restaurants with all [ph] the charge key (10:01) up on the walls. Each restaurant is customized to look like the local environment. And so we're really good trade down from casual dining.

David E. Tarantino
Analyst, Robert W. Baird & Co., Inc.

Q

Makes sense. So just to continue on this theme, the traffic performance for your business was negative in the first quarter. You have a lot of terrible weather, heavy footprint in the Midwest. You did say it improved exiting the quarter. But I guess what are your thoughts? I mean, I think that comment though is, it was still slightly negative as you entered the second quarter. So I guess, what are your thoughts on how do you get that back to flat or positive? And what are the drivers to get you there?

Michael Osanloo
President, Chief Executive Officer & Director, Portillo's, Inc.

A

Yeah. Well, you said something, David, I don't want to lose focus on, which is we're still a relatively small company in box count, right? So our comp base is 69 restaurants, 60 of them are in the Midwest. When the Midwest has horrible weather in January, it's going to affect us. So it's one of the reasons why we're sort of doing this weather arbitrage by going to the Sun Belt. But we take traffic seriously and we are doing things to drive a little bit better traffic, so lot of little things.

We expanded hours recently, right? We added half an hour on the front end in the mornings, we're open at 10:00 everywhere. I know that sounds crazy, but there are literally people in line in our drive-thrus and waiting outside of restaurants to get an Italian beef sandwich at 10:00 AM. So we expanded hours. On the front end, we have a bunch of restaurants that we expanded hours on the back end. We have restaurants that are open until 1:00 AM. That helps. We have innovated on our menu to add what we think are some traffic drivers, right? We have fresh made hand-tossed salads. We added two salads that we think are really targeting specific consumers. We have a spicy chicken chop salad, bold flavors, bold palette, little bit more hearty salad. It actually appeals to younger demographic. They love bolder flavors. And then we have an elevated salad, which is a mixed green salad with a grilled chicken pecan and a fantastic dressing, so it's a great salad, little bit high end.

My investors should love these salads because I think that they're likely to drive traffic. But in a worst-case scenario, they're higher ticket, higher margin. So even if they're cannibalistic. And then finally, we are going to be very thoughtful about using some advertising in the right way to drive traffic. So in Chicagoland, we have tested advertising. We know it works. We know specifically that when we advertise, it's going to sound crazy, and forgive me if you hate the Bears. But if you advertise with the Chicago Bears, when the Chicago Bears are on TV, it really works in Chicagoland. So we have bought a bunch of ads starting with their preseason games going through the season, and it's not discounting but just to remind people that they love Portillo's.

So we're doing that. And then outside of Chicago, we are being very purposeful about driving trial and awareness. Even though we have five restaurants now in Dallas, our awareness is still very low. People who know us love us, but I want more people to know us. So we're being very targeted using our third-party partners; DoorDash, Uber Eats, those kind of people to very carefully target people who have looked at our menu but haven't ordered. So there is a cookie. The next time you go on that website, you look at our menu, you're going to get an offer from us. But I think of it very differently outside the core versus the core.

Michelle Hook
Chief Financial Officer & Treasurer, Portillo's, Inc.

A

I think the other thing too, Michael, that we've talked about is focusing on speed of service and the drive-thru. And we've been very open that were slower now than we were pre-COVID. We're at least a minute slower. And every 30 seconds is a point of comp for us. We know there is demand in the drive-thru, right? We know at peak periods that we need to see the wheels moving and the drive-thru as we say it, and that throughput matters. Throughput and the drive-thru can continue to drive transactions as well. That's an operational focus as well to turn that transactions from negative to positive.

David E. Tarantino
Analyst, Robert W. Baird & Co., Inc.

Q

Great. On that last point, this is – these things sometimes take time to institutionalize across the system. I guess how – have you already seen progress or is this just something that you're now starting to focus on and we'll see gradual progress as we get through the rest of the year?

Michael Osanloo
President, Chief Executive Officer & Director, Portillo's, Inc.

A

We've made it a very, very specific focus. I addressed all of our operators. And like you can get into this tailspin where you look at so many metrics, you lose focus of what matters. And I've made it explicitly clear to our operators that the metrics that matter to me are transactions specifically in the drive-thru, comp sales, and then speed of service. And so I expect to see very, very quick progress. Now, it's not going to happen next week, but it's not a – this is not a question if it takes six months to see improvement. This is something that you can address very quickly, and I expect to see performance improvement in the drive-thru in the next three to four months.

David E. Tarantino
Analyst, Robert W. Baird & Co., Inc.

Q

Got it. And first of all, I'm excited to see the advertising come back. I guess, is there an opportunity to highlight your value better? And I guess in the questions in the context of an industry that is very focused on value, I guess what's your thoughts on that? Not necessarily discounting, but just highlighting what you already have, which is really good value, at least in my opinion. So I guess is there an opportunity there that you see and what are you doing about it?

Michael Osanloo
President, Chief Executive Officer & Director, Portillo's, Inc.

A

It's tough because we posted a slide yesterday that shows the average price of our most popular bundle, but the price of our most popular bundle versus all of our fast casual competitors with and without the arm twisted, please tip me little dynamic, right? Because we don't accept tips. But nowadays, it's very hard to go to a place and buy something and not feel guilted into just hit a few buttons before you close out. So we're a smoking hot deal compared to everybody. But the reality is that that smoking hot deal is still 20%, 30% higher than it was for consumers four or five years ago. And so I think that sticking price in the consumer's face right now is a non-winning formula. Even though my prices are lower and the relative rate of change is better, it's still a non-winning formula. I think that the best way to communicate value is on the other things that are not price-based. So hot your food should be. Your fries should be piping hot when you get them. Fast, we get you your food. It's not just physically fast, but there's a sense of urgency.

When the food runner in the drive-thru is bringing your food, they're hustling, friendly, that somebody's smile at you when they took your order. Do they make you feel welcome? Those are the things that I think we can very effectively compete on right now. Absolute price points like you guys see on social media how lot of the QSRs are being like destroyed because of their price points. And some of them are trying to push back and say, no, we're not up 140%, we're up 40%. It's like that's not a winning argument because – and so I think that for us to connote value, it's the quality is better than ever. The quantity is unchanged. You're getting great food, hot, fresh, fast.

David E. Tarantino
Analyst, Robert W. Baird & Co., Inc.

Q

Got it. Let's go back to unit growth, which is the big driver of the business going forward. So Michelle, can you start by framing up what you target in terms of a return when you build a new units? And then I have a few follow-ups about what you're actually seeing?

Michelle Hook
Chief Financial Officer & Treasurer, Portillo's, Inc.

A

Yeah, no, absolutely. Thanks, David. So we think about our new unit targets as a class of restaurants. So think about it that way. And we're targeting 25% cash-on-cash returns by year three. And so that's the target that we have out there. Now, how we get there right is the formula that we put out there for those year three targets as generally $7.3 million to $7.5 million AUVs. And by year three, you get to 22% restaurant level margins. Over the first two years, those margins are going to profile in the high teens and then they'll get to 22% in that year three, but it's not done at 22%. So the expectation is the margins continue to grow from there. As we continue to build scale and awareness in markets, we know there is cost benefits with scale, whether it's distribution, leveraging that, leveraging your multi-unit manager. And we also know as we continue to build awareness that's going to generate further top line growth. What we're really excited about is, what we're calling Restaurants of the Future. So the restaurants that we're building starting in the fourth quarter onward are going to be 1,500 square feet smaller than what we're building today. So we're building about 7,800 square feet today. We're going to pivot to building 6,300 square feet starting in Q4 and forward. And so that's going to take at least $1 million off the build cost. And so what I love is the return profile gets de-risked in a sense.

And so what you would have to believe to get to the 25% cash on cash is, we would only need to do $5.9 million to $6.3 million in AUVs to get to that. Now, if you say, okay, and we believe we can still target and get to the $7.3 million to $7.5 million AUVs, then the cash on cash can go to 30% plus. And then we can talk about how the new units are performing. We put out this data yesterday. So if you have no chance to see it, I encourage you to take a look which showcases the class of 2022 and the class of 2023 and where we are in those year one targets. And you will see that we're profiling at high teens margins for both those classes. I caveated this yesterday, David, by saying, look, the class of 2022 has a full year's worth of data. The class of 2023 has four to eight full periods worth of data. These are still young restaurants. And the thing that I also want people to take away is not all classes are created equal. We are very unique in the sense of how our honeymoon curves work within our restaurants.

And so depending on the profile of an individual restaurant that could vary the class and how that honeymoon looks. A first in market restaurant is going to have a very severe honeymoon curve and we can talk about an example there. A Chicagoland restaurant, right, is going to dip a little and then it's going to gradually build and then and ahead of growth restaurant, right, is going to start out lower but then that's going to gradually build and then fill-in restaurants don't have a steep of a curve as a first in market. So I want to make sure people understand dynamics of the class, and that it's not one size fits all.

Michael Osanloo
President, Chief Executive Officer & Director, Portillo's, Inc.
A

The perfect example is the first restaurant we built in Texas at The Colony, North Dallas, right next to Frisco. In the first quarter of 2023, it was on a $17 million run rate. That was unsustainable. We had to have our food distributors coming six, seven times a week, sometimes multiple times a day. It was an unsustainable pace. It closed the year at $13 million, and it's stabilized now, and it's settling in at $9 million to $10 million. $9 million to $10 million is a homerun. It's an unmitigated homerun from all the economics, everything. But it looks like this steep curve. What it did that was fantastic, is it primed the pump for our Allen, Arlington, Denton, Fort Worth restaurants who then start off stronger because a lot of those people have experienced Portillo's. And now, they've got a Portillo's closer to home. Are we done in Dallas? No. You were going to – you need to have 15 to 20 restaurants in DFW to have any kind of scale. So we'll keep building. But I love that The Colony jumpstart our growth there and created a lot of awareness. But then it creates this noise because we look at the revenue from new restaurant contribution in the first quarter and The Colony is like a negative $7 million contribution year over year. And so I think it created some misunderstandings about the performance of new restaurants. We're going to have another problem when we open Houston in the fourth quarter. It's going to come out of the gates super strong. And then in a year after that, we'll be explaining to people [indiscernible] (23:02) Houston opened up, it was insane. And now, it's stabilizing.

Michelle Hook
Chief Financial Officer & Treasurer, Portillo's, Inc.
A

It's why we don't put restaurants in the comp base until after 24 months, specifically because of the honeymoon, but the curves do matter.

David E. Tarantino
Analyst, Robert W. Baird & Co., Inc.

Q

And Michelle, for those that haven't had a chance to take a look at those slides on balance, with the class of 2022 and the class of 2023, are they tracking to get to what you expected them?

Michelle Hook
Chief Financial Officer & Treasurer, Portillo's, Inc.

A

So we're tracking where we expect them to track. I would call out that in the class of 2023, we did call out a couple of specific restaurants that have some nuances to them. Our restaurant in Allen, Texas, there was an incident at a mall nearby there that depressed the foot traffic and traffic going to that mall that did impact that restaurant as we were about to open. And then Queen Creek, we called out [ph] as in ahead of growth (23:55) restaurant that generally is tracking. Both are tracking lower than the average, but we're not concerned about those restaurants, right? I would not call those restaurants out as concerning. It's just there is factors to that, that causes those restaurants to be below what a typical average Portillo's would perform at. And so those were the things we called out, David. We did call out that the class of 2023 does not have a first in market restaurant in its class. It has two Chicagoland restaurants. The class of 2024, as Michael mentioned, does have a first in market in Houston. And so we wanted to make sure people understand we're being very transparent with the dynamics of the classes as they start to take shape.

David E. Tarantino
Analyst, Robert W. Baird & Co., Inc.

Q

Thank you for clarifying that.

Michelle Hook
Chief Financial Officer & Treasurer, Portillo's, Inc.

A

No problem.

David E. Tarantino
Analyst, Robert W. Baird & Co., Inc.

Q

It's easy to have volatility when you only have a small base, right? The question I have on the investment cost side, I think some of the data you showed had, I think, $7 million plus the last couple of classes. And I know you're trying to get that down to kind of the low-to-mid $5 million range. I guess what's your confidence that you'll be able to get there?

Michelle Hook
Chief Financial Officer & Treasurer, Portillo's, Inc.

A

We're getting bids now for Restaurants of the Future. So we're going to start putting – we're starting to put shovels in the ground on those restaurants and those bids are in that range. They're coming in at the low end of the range. Now, those are bids, right, David? We still got to build the restaurants, but that's what gives Michael and I confidence that we're going to be within that range, is the data that we have today with the bids.

Michael Osanloo
President, Chief Executive Officer & Director, Portillo's, Inc.

A

It's encouraging that they're on the low end. We're not done yet. We got to squeeze, fight, claw. But two years ago, the bids were not coming in range.

David E. Tarantino
Analyst, Robert W. Baird & Co., Inc.
Q

Great. And is the biggest difference just the size of the dining room? Is that essentially the change or is there – are there other?

Michelle Hook
Chief Financial Officer & Treasurer, Portillo's, Inc.
A

There's both. I would attribute it to both. So the engine that runs the restaurant is going to be the kitchen. And we've been able to shrink our line. If you go into a restaurant in Chicago, you may see a kitchen line that's 100 feet long. I mean, it is long and that's a lot of walking back and forth. Kitchen 23, which is what we're building now, shrunk that to about 65 feet. Restaurants of the Future takes it to about 47 feet. And so you get a little bit of space in the kitchen and then the dining room, we are being very smart about how we built that out and how table utilization looks. We worked with a third-party company, Profitality. And to do time and motion studies to look at, not just the kitchen but how people access us. Looking at our drive-thru stacking, look at parking spaces, et cetera, to look at the total footprint. So it was both, David. It was both the dining room and the kitchen.

David E. Tarantino
Analyst, Robert W. Baird & Co., Inc.
Q

Yeah. Got it. And then another, I guess, key point is the way you build your restaurants is different than how a lot of other fast casual restaurants build them where they have leases on the building and you own the building. So I guess could you give us some perspective on kind of what an apples-to-apples, cash-on-cash return would look like, as if you, like, for example, if you did a sale leaseback, what that would look like?

Michael Osanloo
President, Chief Executive Officer & Director, Portillo's, Inc.
A

So let me start and I'll let Michelle chime in. But just so everyone is aware, in most restaurant concepts, restaurant company tends to own the kitchen equipment, they rent the building and they rent the land. At Portillo's, we tend to own the kitchen equipment and the building and we rent the land. And so our upfront capital cost is higher. The math is kind of undeniable to some extent because we've never closed a restaurant. We have restaurants that have been opened 40, 50 years that generate $3 million, $3.5 million of cash flow. We get to keep it for our investors. We're not paying rent on those buildings. So if you did a DCF analysis, you'd say, wow, that's amazing.

Now, there is potential negatives. One is, it's a higher capital burden. So you'd say at some point, will this slow down your ability to build restaurants. And not for us now and not for the foreseeable future, but it's something to have in the back of your mind. There's another issue, which is you're sitting on all of this, this huge piggy bank of buildings you own. Would you ever do a sale leaseback? And I think the answer is under certain circumstances, yeah. It's a very reasonable way of monetizing that, if the math makes sense, right? Now, when you do that, you're going to pay higher rent and you're going to be stuck with that rent for, hopefully, for Portillo's, for eternity, but you have to be mindful of that. So there is a tradeoff. But what's really important is on an apples-to-apples basis, what our cash-on-cash returns are.

Michelle Hook
Chief Financial Officer & Treasurer, Portillo's, Inc.
A

80%. So if you said Portillo's, if you lease the building and just bought the equipment, what would that return look like? And we put that data out there, it would be 80% on an apples-to-apples basis. But to Michael's point, we think that the strategy that we have in place today is the right strategy for Portillo's. But look, we're open to, as we continue to grow, how that growth is funded. We feel like we're very confident in the short to medium term. We're going to be [indiscernible] (29:22) on the growth. Or again, our [ph] restaurants' casual immediately (29:24).

David E. Tarantino

Analyst, Robert W. Baird & Co., Inc.

Great. Well, it looks like we're out of time. So please, join me in thanking Michael and Michelle for being here.

Michael Osanloo

President, Chief Executive Officer & Director, Portillo's, Inc.

Thank you very much.

Michelle Hook

Chief Financial Officer & Treasurer, Portillo's, Inc.

Thank you.