

EL POLLO LOCO HOLDINGS, INC.

FORM 10-Q (Quarterly Report)

Filed 05/02/25 for the Period Ending 03/26/25

Address	3535 HARBOR BOULEVARD SUITE 100 COSTA MESA, CA, 92626
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Sector	Consumer Cyclical
Fiscal Year	12/31

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

FORM 10-Q

(Mark one)

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

For the quarterly period ended March 26, 2025

or

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

For the transition period from _____ to _____

Commission File Number: 001-36556

EL POLLO LOCO HOLDINGS, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

3535 Harbor Blvd., Suite 100, Costa Mesa, California

(Address of principal executive offices)

20-3563182

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

92626

(Zip Code)

(714) 599-5000

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report)

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

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

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

☒ Yes ☐ No

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

Large Accelerated Filer ☐

Accelerated Filer ☒

Non-accelerated Filer ☐

Smaller Reporting Company ☐

Emerging Growth Company ☐

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

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

As of April 25, 2025, there were 30,052,186 shares of the issuer's common stock outstanding.

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PART I—FINANCIAL INFORMATION

Item 1. Financial Statements.

EL POLLO LOCO HOLDINGS, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)

(Amounts in thousands, except share and per share data)

	March 26, 2025	December 25, 2024
Assets		
Current assets:		
Cash and cash equivalents	\$ 4,323	\$ 2,484
Accounts and other receivables, net	12,526	9,471
Inventories	1,850	1,938
Prepaid expenses and other current assets	5,144	5,509
Income tax receivable	—	493
Total current assets	23,843	19,895
Property and equipment, net	84,426	86,149
Property and equipment held under finance lease, net	1,451	1,499
Property and equipment held under operating leases, net ("ROU asset")	167,084	170,494
Goodwill	248,674	248,674
Trademarks	61,888	61,888
Deferred tax assets	—	336
Other assets	3,086	3,079
Total assets	\$ 590,452	\$ 592,014
Liabilities and Stockholders' Equity		
Current liabilities:		
Current portion of obligations under finance leases	\$ 183	\$ 170
Current portion of obligations under operating leases	22,148	19,738
Accounts payable	11,825	12,087
Accrued salaries and vacation	7,668	13,926
Accrued insurance	11,305	11,417
Accrued income taxes payable	5,852	2,105
Accrued interest	374	319
Other accrued expenses and current liabilities	15,449	15,896
Total current liabilities	74,804	75,658
Revolver loan	73,000	71,000
Obligations under finance leases, net of current portion	1,527	1,583
Obligations under operating leases, net of current portion	164,683	170,529
Deferred tax liabilities, net	4,608	6,357
Other noncurrent liabilities	6,129	6,218
Total liabilities	324,751	331,345
Commitments and contingencies (Note 8)		
Stockholders' equity		
Preferred stock, \$0.01 par value, 100,000,000 shares authorized; 100,000 shares designated as Series A Preferred Stock; none issued or outstanding	—	—
Common stock, \$0.01 par value, 200,000,000 shares authorized; 30,059,485 and 29,839,721 shares issued and outstanding as of March 26, 2025 and December 25, 2024, respectively	300	298
Additional paid-in-capital	242,830	241,462
Retained earnings	22,571	18,909
Total stockholders' equity	265,701	260,669
Total liabilities and stockholders' equity	\$ 590,452	\$ 592,014

See notes to condensed consolidated financial statements (unaudited).

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

	Thirteen Weeks Ended	
	March 26, 2025	March 27, 2024
Revenue		
Company-operated restaurant revenue	\$ 98,365	\$ 97,153
Franchise revenue	13,183	11,348
Franchise advertising fee revenue	7,629	7,652
Total revenue	119,177	116,153
Cost of operations		
Food and paper cost	24,739	25,619
Labor and related expenses	32,179	30,580
Occupancy and other operating expenses	25,673	23,865
Company restaurant expenses	82,591	80,064
General and administrative expenses	11,263	11,925
Franchise expenses	12,442	10,602
Depreciation and amortization	3,887	3,851
Loss on disposal of assets	11	41
Gain on recovery of insurance proceeds, property, equipment and expenses	—	(41)
Impairment and closed-store reserves	11	32
Total expenses	110,205	106,474
Income from operations	8,972	9,679
Interest expense, net	1,176	1,564
Income before provision for income taxes	7,796	8,115
Provision for income taxes	2,315	2,203
Net income	\$ 5,481	\$ 5,912
Net income per share		
Basic	\$ 0.19	\$ 0.19
Diluted	\$ 0.19	\$ 0.19
Weighted-average shares used in computing net income per share		
Basic	29,085,836	30,777,769
Diluted	29,337,906	30,937,226

See notes to condensed consolidated financial statements (unaudited).

EL POLLO LOCO HOLDINGS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (UNAUDITED)

	Thirteen Weeks Ended March 26, 2025				
	Common Stock		Additional Paid-in Capital	Retained Earnings	Total Stockholders' Equity
	Shares	Amount			
Balance, December 25, 2024	29,839,721	\$ 298	\$ 241,462	\$ 18,909	\$ 260,669
Stock-based compensation	—	—	1,047	—	1,047
Issuance of common stock related to restricted shares	369,879	4	(4)	—	—
Issuance of common stock upon exercise of stock options, net	42,736	—	426	—	426
Shares repurchased for employee tax withholdings	(9,609)	—	(101)	—	(101)
Repurchase of common stock	(159,750)	(2)	—	(1,805)	(1,807)
Repurchase of common stock - excise tax	—	—	—	(14)	(14)
Forfeiture of common stock related to restricted shares	(23,492)	—	—	—	—
Net income	—	—	—	5,481	5,481
Balance, March 26, 2025	<u>30,059,485</u>	<u>\$ 300</u>	<u>\$ 242,830</u>	<u>\$ 22,571</u>	<u>\$ 265,701</u>
	Thirteen Weeks Ended March 27, 2024				
	Common Stock		Additional Paid-in Capital	Retained Earnings	Total Stockholders' Equity
	Shares	Amount			
Balance, December 27, 2023	31,353,223	\$ 313	\$ 236,421	\$ 13,962	\$ 250,696
Stock-based compensation	—	—	920	—	920
Issuance of common stock upon exercise of stock options, net	5	—	—	—	—
Repurchase of common stock	(136,400)	(1)	(1,226)	—	(1,227)
Repurchase of common stock - excise tax	—	—	(12)	—	(12)
Forfeiture of common stock related to restricted shares	(37,309)	—	—	—	—
Net income	—	—	—	5,912	5,912
Balance, March 27, 2024	<u>31,179,519</u>	<u>\$ 312</u>	<u>\$ 236,103</u>	<u>\$ 19,874</u>	<u>\$ 256,289</u>

See notes to condensed consolidated financial statements (unaudited).

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

	Thirteen Weeks Ended	
	March 26, 2025	March 27, 2024
Cash flows from operating activities:		
Net income	\$ 5,481	\$ 5,912
Adjustments to reconcile net income to net cash flows provided by operating activities:		
Depreciation and amortization	3,887	3,851
Stock-based compensation expense	1,047	920
Loss on disposal of assets	11	41
Amortization of deferred financing costs	48	48
Deferred income taxes, net	(1,413)	(65)
Changes in operating assets and liabilities:		
Accounts and other receivables	(3,055)	(312)
Inventories	88	175
Prepaid expenses and other current assets	365	273
Income taxes receivable/ payable	4,240	2,115
Operating lease assets	4,825	4,731
Other assets	(55)	(67)
Accounts payable	173	(2,732)
Accrued salaries and vacation	(6,258)	(2,455)
Accrued insurance	(112)	(92)
Operating lease liabilities	(4,850)	(4,669)
Other accrued expenses and liabilities	313	3,489
Net cash flows provided by operating activities	<u>4,735</u>	<u>11,163</u>
Cash flows from investing activities:		
Proceeds from fire insurance for property and equipment	—	41
Purchase of property and equipment	(3,389)	(4,162)
Net cash flows used in investing activities	<u>(3,389)</u>	<u>(4,121)</u>
Cash flows from financing activities:		
Proceeds from borrowings on revolver and swingline loans	6,000	—
Payments on revolver and swingline loan	(4,000)	(4,000)
Minimum tax withholdings related to net share settlements	(101)	—
Proceeds from issuance of common stock upon exercise of stock options, net of expenses	426	—
Payment of obligations under finance leases	(57)	(48)
Repurchases of common stock	(1,775)	(1,161)
Net cash flows provided by (used in) financing activities	<u>493</u>	<u>(5,209)</u>
Increase in cash and cash equivalents	<u>1,839</u>	<u>1,833</u>
Cash and cash equivalents, beginning of period	<u>2,484</u>	<u>7,288</u>
Cash and cash equivalents, end of period	<u>\$ 4,323</u>	<u>\$ 9,121</u>

	Thirteen Weeks Ended	
	March 26, 2025	March 27, 2024
Supplemental cash flow information		
Cash paid during the period for interest	\$ 1,068	\$ 1,595
Cash paid during the period for income taxes	—	—
Unpaid purchases of property and equipment	\$ 2,709	\$ 7,105
Unpaid repurchases of common stock and excise tax	\$ 220	\$ 65

See notes to condensed consolidated financial statements (unaudited).

EL POLLO LOCO HOLDINGS, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

1. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Overview

El Pollo Loco Holdings, Inc. (“Holdings” or “Company”) is a Delaware corporation headquartered in Costa Mesa, California. Holdings and its direct and indirect subsidiaries are collectively referred to herein as the “Company.” The Company’s activities are conducted principally through its indirect wholly owned subsidiary, El Pollo Loco, Inc. (“EPL”), which develops, franchises, licenses, and operates quick-service restaurants under the name El Pollo Loco® and operates under one operating segment. At March 26, 2025, the Company operated 174 and franchised 325 El Pollo Loco restaurants in the United States. The Company also licenses eight restaurants in the Philippines. Two licensed restaurants in the Philippines were closed during the thirteen weeks ended March 26, 2025.

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements of the Company have been prepared in accordance with U.S. generally accepted accounting principles (“GAAP”) for interim financial statements and pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”). In the opinion of management, the accompanying unaudited condensed consolidated financial statements reflect all adjustments consisting of normal recurring adjustments necessary for a fair statement of the Company’s condensed consolidated financial position and results of operations and cash flows for the periods presented. Interim results of operations are not necessarily indicative of the results that may be achieved for the full year. The condensed consolidated financial statements and related notes do not include all information and footnotes required by GAAP for annual reports. This quarterly report should be read in conjunction with the consolidated financial statements included in the Company’s Annual Report on Form 10-K for the year ended December 25, 2024.

The Company uses a 52- or 53-week fiscal year ending on the last Wednesday of the calendar year. In a 52-week fiscal year, each quarter includes 13 weeks of operations; in a 53-week fiscal year, the first, second and third quarters each include 13 weeks of operations, and the fourth quarter includes 14 weeks of operations. Every six or seven years, a 53-week fiscal year occurs. Fiscal 2025 is a 53-week year ending on December 31, 2025. Fiscal 2024 was a 52-week year ended on December 25, 2024. Revenues, expenses, and other financial and operational figures may be elevated in a 53-week year.

Certain prior year amounts in the accompanying condensed consolidated financial statements have been reclassified to conform with the current year presentation.

Holdings has no material assets or operations. Holdings and Holdings’ direct subsidiary, EPL Intermediate, Inc. (“Intermediate”), guarantee EPL’s 2022 Revolver (as defined in Note 5 below) on a full and unconditional basis and Intermediate has no subsidiaries other than EPL. EPL is a separate and distinct legal entity, and has no obligation to make funds available to Intermediate. EPL and Intermediate may pay dividends to Intermediate and to Holdings, respectively.

Principles of Consolidation

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

Use of Estimates

The preparation of condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the condensed consolidated financial statements and revenue and expenses during the periods reported. Actual results could materially differ from those estimates. The Company’s significant estimates include

estimates for impairment of goodwill, intangible assets and property and equipment, insurance reserves, lease accounting matters and contingent liabilities.

Cash and Cash Equivalents

The Company considers all liquid instruments with an original maturity of three months or less at the date of purchase to be cash equivalents.

Liquidity

The Company's principal liquidity and capital requirements are new restaurants, existing restaurant capital investments (remodels and maintenance), interest payments on its debt, lease obligations and working capital and general corporate needs. At March 26, 2025, the Company's total debt was \$73.0 million. The Company's ability to make payments on its indebtedness and to fund planned capital expenditures depends on available cash and its ability to generate adequate cash flows in the future, which, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory, and other factors that are beyond the Company's control. Based on current operations, the Company believes that its cash flow from operations, available cash of \$4.3 million at March 26, 2025, and the outstanding borrowing availability under the 2022 Revolver will be adequate to meet the Company's liquidity needs for the next twelve months from the date of filing of these condensed consolidated financial statements.

Subsequent Events

Subsequent to the quarter-end, the Company borrowed \$2.0 million on its 2022 Revolver resulting in outstanding borrowings of \$75.0 million as of May 1, 2025.

Concentration of Risk

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

The Company had no supplier for which amounts due totaled more than 10.0% of the Company's accounts payable at March 26, 2025. The Company had one supplier to whom amounts due totaled 19.7% of the Company's accounts payable at December 25, 2024. Purchases from the Company's largest supplier totaled 15.1% of total expenses for the thirteen weeks ended March 26, 2025, and 24.7% of total expenses for the thirteen weeks ended March 27, 2024, respectively.

Company-operated and franchised restaurants in the greater Los Angeles area generated, in the aggregate, approximately 71.6% of total revenue for the thirteen weeks ended March 26, 2025, and 71.5% for the thirteen weeks ended March 27, 2024, respectively.

Goodwill and Indefinite Lived Intangible Assets

The Company's indefinite-lived intangible assets consist of trademarks. Goodwill represents the excess of cost over fair value of net identified assets acquired in business combinations accounted for under the purchase method. The Company does not amortize its goodwill and indefinite-lived intangible assets. Goodwill resulted from the acquisition of certain franchise locations.

Upon the sale or refranchising of a restaurant, the Company evaluates whether there is a decrement of goodwill. The amount of goodwill included in the cost basis of the asset sold is determined based on the relative fair value of the portion of the reporting unit disposed of compared to the fair value of the reporting unit retained. The Company reports as one reporting unit. The fair value of the portion of the reporting unit disposed of in a refranchising is determined by reference to the discounted value of the future cash flows expected to be generated by the restaurant and retained by the franchisee, which includes a deduction for the anticipated, future royalties the franchisee will pay the Company associated with the franchise agreement entered into simultaneously with the refranchising transition. The fair value of the reporting unit retained is based on the price a willing buyer would pay for the reporting unit and includes the value of franchise agreements. As such, the fair value of the reporting unit retained can include expected cash flows from future royalties from those restaurants currently being refranchised, future royalties from existing franchise businesses and

company restaurant operations. The Company did not record any decrement to goodwill related to the disposition of restaurants in fiscal 2024 or the thirteen weeks ended March 26, 2025.

The Company performs an annual impairment test for goodwill during the fourth fiscal quarter of each year, or more frequently if impairment indicators arise.

The Company reviews goodwill for impairment utilizing either a qualitative assessment or a fair value test by comparing the fair value of a reporting unit with its carrying amount. If the Company decides that it is appropriate to perform a qualitative assessment and concludes that the fair value of a reporting unit more likely than not exceeds its carrying value, no further evaluation is necessary. If the Company performs the fair value test, the Company will compare the fair value of a reporting unit with its carrying amount, including goodwill. If the fair value of a reporting unit exceeds its carrying amount, goodwill of the reporting unit is considered not impaired. If the carrying amount of a reporting unit exceeds its fair value, the Company will recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value; however, the loss recognized cannot exceed the total amount of goodwill allocated to that reporting unit.

The Company performs an annual impairment test for indefinite-lived intangible assets during the fourth fiscal quarter of each year, or more frequently if impairment indicators arise. An impairment test consists of either a qualitative assessment or a comparison of the fair value of an intangible asset with its carrying amount. The excess of the carrying amount of an intangible asset over its fair value is recognized as an impairment loss.

The assumptions used in the estimate of fair value are generally consistent with the past performance of the Company's reporting segment and are also consistent with the projections and assumptions that are used in current operating plans. These assumptions are subject to change as a result of changing economic and competitive conditions.

The Company determined that there were no indicators of potential impairment of its goodwill and indefinite-lived intangible assets during the thirteen weeks ended March 26, 2025. Accordingly, the Company did not record any impairment to its goodwill or indefinite-lived intangible assets during the thirteen weeks ended March 26, 2025.

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Financial assets and liabilities carried at fair value are classified and disclosed in one of the following three categories:

- Level 1: Quoted prices for identical instruments in active markets.
- Level 2: Observable prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations whose inputs or significant value drivers are observable.
- Level 3: Unobservable inputs used when little or no market data is available.

Certain assets and liabilities are measured at fair value on a nonrecurring basis. In other words, the instruments are not measured at fair value on an ongoing basis, but are subject to fair value adjustments only in certain circumstances (e.g., when there is evidence of impairment).

There were no non-financial instruments measured at fair value on a nonrecurring basis as of and for the thirteen weeks ended March 26, 2025 and March 27, 2024.

Impairment of Property and Equipment and ROU Assets

The Company reviews its property and equipment and right-of-use assets ("ROU assets") for impairment on a restaurant-by-restaurant basis whenever events or changes in circumstances indicate that the carrying value of certain property and equipment and ROU assets may not be recoverable. The Company considers a triggering event, related to property and equipment assets or ROU assets in a net asset position to have occurred related to a specific restaurant if the restaurant's average unit volume ("AUV") for the last twelve months are less than a minimum threshold or if consistent

levels of undiscounted cash flows for the remaining lease period are less than the carrying value of the restaurant's assets. Additionally, the Company considers a triggering event related to ROU assets to have occurred related to a specific lease if the location has been closed or subleased and future estimated sublease income is less than current lease payments. If the Company concludes that the carrying value of certain property and equipment and ROU assets will not be recovered based on expected undiscounted future cash flows, an impairment loss is recorded to reduce the property and equipment or ROU assets to their estimated fair value. The fair value is measured on a nonrecurring basis using unobservable (Level 3) inputs. There is uncertainty in the projected undiscounted future cash flows used in the Company's impairment review analysis, which requires the use of estimates and assumptions. If actual performance does not achieve the projections, or if the assumptions used change in the future, the Company may be required to recognize impairment charges in future periods, and such charges could be material. The Company determined that triggering events occurred for certain stores during the thirteen weeks ended March 26, 2025 that required an impairment review of certain of the Company's property and equipment and ROU assets. Based on the results of this analysis, the Company did not record any non-cash impairment charges for the thirteen weeks ended March 26, 2025 and March 27, 2024.

Closed-Store Reserves

When a restaurant is closed, the Company will evaluate the ROU asset for impairment, based on anticipated sublease recoveries. The remaining value of the ROU asset is amortized on a straight-line basis, with the expense recognized in closed-store reserve expense. Additionally, any property tax and common area maintenance ("CAM") payments relating to closed restaurants are included within closed-store expense. During both the thirteen weeks ended March 26, 2025 and March 27, 2024, the Company recognized less than \$0.1 million of closed-store reserve expense related to the amortization of ROU assets, property taxes and CAM payments for its closed location.

Gain on Recovery of Insurance Proceeds, Lost Profits

During the thirteen weeks ended March 27, 2024, the Company recognized gains of less than \$0.1 million related to the reimbursement of property and equipment and expenses. The gain on recovery of insurance proceeds and reimbursement of lost profits, net of the related costs, is included in the accompanying condensed consolidated statements of income, for the thirteen weeks ended March 27, 2024, as a reduction of company restaurant expenses.

Income Taxes

The provision for income taxes, income taxes payable and deferred income taxes is determined using the asset and liability method. Deferred tax assets and liabilities are determined based on temporary differences between the financial carrying amounts and the tax bases of assets and liabilities using enacted tax rates in effect in the years in which the temporary differences are expected to reverse. On a periodic basis, the Company assesses the probability that its net deferred tax assets, if any, will be recovered. If, after evaluating all of the positive and negative evidence, a conclusion is made that it is more likely than not that some portion or all of the net deferred tax assets will not be recovered, a valuation allowance is provided by charging to tax expense a reserve for the portion of deferred tax assets which are not expected to be realized.

The Company reviews its filing positions for all open tax years in all U.S. federal and state jurisdictions where the Company is required to file.

When there are uncertainties related to potential income tax benefits, in order to qualify for recognition, the position the Company takes has to have at least a "more likely than not" chance of being sustained (based on the position's technical merits) upon challenge by the respective authorities. The term "more likely than not" means a likelihood of more than 50 percent. Otherwise, the Company may not recognize any of the potential tax benefit associated with the position. The Company recognizes a benefit for a tax position that meets the "more likely than not" criterion at the largest amount of tax benefit that is greater than 50 percent likely of being realized upon its effective resolution. Unrecognized tax benefits involve management's judgment regarding the likelihood of the benefit being sustained. The final resolution of uncertain tax positions could result in adjustments to recorded amounts and may affect the Company's condensed consolidated financial position, results of operations, and cash flows.

The Company's policy is to recognize interest and penalties related to income tax matters in income tax expense. The Company had no accrual for interest or penalties at March 26, 2025 or at December 25, 2024. The Company did not recognize interest or penalties during the thirteen weeks ended March 26, 2025 and March 27, 2024, since there were no

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material unrecognized tax benefits. Management believes no significant changes to the amount of unrecognized tax benefits will occur within the next twelve months.

On July 30, 2014, the Company entered into the income tax receivable agreement (the “TRA”), which calls for the Company to pay to its pre-initial public offering (“IPO”) stockholders 85% of the savings in cash that the Company realizes in its income taxes as a result of utilizing its net operating losses (“NOLs”) and other tax attributes attributable to preceding periods. For the thirteen weeks ended March 26, 2025 and March 27, 2024, the Company did not record any income tax receivable agreement income or expenses. As of March 26, 2025 and December 25, 2024, there was no remaining obligations owed on the Company’s condensed consolidated balance sheets. For the quarter ended March 26, 2025, the Company recorded an income tax provision of \$2.3 million, reflecting an estimated effective tax rate of 29.7%. For the quarter ended March 27, 2024, the Company recorded an income tax provision of 2.2 million, reflecting an estimated effective tax rate of approximately 27.1%. The difference between the 21.0% statutory rate and the effective tax rate of 29.7% for the quarter ended March 26, 2025 is primarily a result of state taxes and the impact of non-tax deductible executive compensation, partially offset by a Work Opportunity Tax Credit benefit.

Recently Issued Accounting Pronouncements

In December 2023, the Financial Accounting Standard Board (“FASB”) issued ASU No. 2023-09, “Income Taxes (Topic 740): Improvements to Income Tax Disclosures”. The ASU includes amendments requiring enhanced income tax disclosures, primarily related to standardization and disaggregation of rate reconciliation categories and income taxes paid by jurisdiction. The guidance is effective for fiscal years beginning after December 15, 2024, with early adoption permitted, and should be applied prospectively with the option of retrospective application. The Company is currently evaluating the impact of adopting this ASU on its disclosures.

In November 2024, the FASB issued ASU No. 2024-03, “Income Statement Reporting Comprehensive Income/Expense Disaggregation Disclosures” (“ASU 2024-03”). The ASU requires disaggregated disclosure of income statement expenses at interim and annual reporting periods. In January 2025, the FASB issued ASU No. 2025-01, “Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures: Clarifying the Effective Date”, which clarifies that the ASU 2024-03 is effective for fiscal year beginning after December 15, 2026, and interim periods beginning after December 15, 2027, with early adoption permitted. The ASU can be adopted prospectively or retrospectively at the option of the Company. The Company is currently evaluating the impact of adopting this ASU on its disclosures.

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

2. PREPAID EXPENSES AND OTHER CURRENT ASSETS

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

	March 26, 2025	December 25, 2024
Prepaid insurance	\$ 2,038	\$ 2,574
Prepaid service fees	2,011	2,255
Other current assets	1,095	680
Total prepaid expenses and other current assets	<u>\$ 5,144</u>	<u>\$ 5,509</u>

3. PROPERTY AND EQUIPMENT

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

	March 26, 2025	December 25, 2024
Land	\$ 12,323	\$ 12,323
Buildings and improvements	155,028	152,410
Other property and equipment	93,601	91,352
Construction in progress	9,230	9,882
	270,182	265,967
Less: accumulated depreciation and amortization	(185,756)	(179,818)
Total property and equipment, net	<u>\$ 84,426</u>	<u>\$ 86,149</u>

Depreciation and amortization expense was \$3.9 million for both the thirteen weeks ended March 26, 2025 and March 27, 2024, respectively.

Based on the Company's review of its property and equipment assets for impairment, the Company did not record any non-cash impairment charges for the thirteen weeks ended March 26, 2025 and March 27, 2024, respectively. See Note 1, "Basis of Presentation and Summary of Significant Accounting Policies – Impairment of Property and Equipment and ROU Assets" for additional information.

4. STOCK-BASED COMPENSATION

Stock Options

At March 26, 2025, options to purchase 1,472,494 shares of common stock were outstanding, including 295,692 vested and 1,176,802 unvested options. Unvested options vest over time; however, upon a change in control, the Board of Directors (the "Board") may accelerate vesting. A summary of stock option activity at March 26, 2025 and changes during the thirteen weeks ended March 26, 2025 is as follows:

	Shares	Weighted-Average Exercise Price	Weighted-Average Contractual Life (Years)	Aggregate Intrinsic Value (in thousands)
Outstanding – December 25, 2024	1,098,320	\$ 10.36		
Grants	450,133	10.42		
Exercised	(42,736)	9.97		
Forfeited, cancelled or expired	(33,223)	10.08		
Outstanding – March 26, 2025	<u>1,472,494</u>	<u>\$ 10.39</u>	8.35	\$ 474
Vested and expected to vest at March 26, 2025	<u>1,452,406</u>	<u>\$ 10.39</u>	8.33	\$ 471
Exercisable at March 26, 2025	<u>295,692</u>	<u>\$ 10.87</u>	4.59	\$ 204

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

	March 26, 2025	March 27, 2024
Expected volatility	42.8 %	43.8 %
Risk-free interest rate	4.1 %	3.7 %
Expected term (years)	6.00	6.20
Expected dividends	—	—

At March 26, 2025, the Company had total unrecognized compensation expense of \$5.0 million related to unvested stock options, which it expects to recognize over a weighted-average period of 2.96 years.

Restricted Shares

A summary of restricted share activity as of March 26, 2025 and changes during the thirteen weeks ended March 26, 2025 is as follows:

	Shares	Weighted-Average Fair Value
Unvested shares at December 25, 2024	708,377	\$ 10.16
Granted	369,879	\$ 10.42
Released	(26,401)	\$ 9.31
Forfeited and cancelled	(23,492)	\$ 10.22
Unvested shares at March 26, 2025	<u>1,028,363</u>	<u>\$ 10.29</u>

Unvested shares at March 26, 2025, included 998,109 unvested restricted shares and 30,254 shares subject to unvested but earned performance stock units.

At March 26, 2025, the Company had unrecognized compensation expense of \$8.1 million related to unvested restricted shares, which it expects to recognize over a weighted-average period of 2.62 years.

During the thirteen weeks ended March 26, 2025, the Company granted 159,948 restricted stock units subject to performance-based vesting conditions based on revenue and restaurant contribution margin to certain officers. Each performance-based restricted stock unit ("PSU") has a grant date fair value of \$10.42 and a vesting period from the grant date through the date the audit of the Company's fiscal 2027 financial results is expected to be completed. The fair value of each PSU is expensed based on management's current estimate of the level that the performance goal will be achieved. As of March 26, 2025, based on the target level of performance, the total unrecognized compensation expense related to unvested PSUs was \$1.8 million, which is expected to be recognized over a weighted-average period of 2.80 years.

Total stock-based compensation expense was \$1.0 million for the thirteen weeks ended March 26, 2025, and \$0.9 million for the thirteen weeks ended March 27, 2024.

Share Repurchases*Share Repurchase Program*

On November 2, 2023, the Company announced that the Board approved a share repurchase program ("Share Repurchase Program") under which the Company was authorized to repurchase up to \$20,000,000 of shares of the Company's common stock. Under the Share Repurchase Program, the Company was permitted to repurchase its common stock from time to time, in amounts and at prices that the Company deemed appropriate, subject to market conditions and other considerations. Pursuant to the Share Repurchase Program, the Company is authorized to effect repurchases using open market purchases, including pursuant to Rule 10b5-1 trading plans, and/or through privately negotiated transactions. The Share Repurchase Program did not obligate the Company to acquire any particular number of shares. The Share Repurchase Program was terminated on March 31, 2025.

For the thirteen weeks ended March 26, 2025, the Company repurchased 159,750 shares of common stock under the Share Repurchase Program, using open market purchases, for total consideration of approximately \$1.8 million. Following completion of these repurchases, less than \$0.1 million of the Company's common stock remained available for repurchase under the Share Repurchase Program at March 26, 2025.

5. LONG-TERM DEBT

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

The 2022 Revolver includes a sub limit of \$15.0 million for letters of credit and a sub limit of \$15.0 million for swingline loans. The obligations under the 2022 Credit Agreement and related loan documents are guaranteed by

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Holdings and Intermediate. The obligations of Holdings, EPL and Intermediate under the 2022 Credit Agreement and related loan documents are secured by a first priority lien on substantially all of their respective assets subject to certain customary exceptions.

Under the 2022 Revolver, Holdings is restricted from making certain payments such as cash dividends, except that it may, inter alia, (i) pay up to \$1.0 million per year to repurchase or redeem qualified equity interests of Holdings held by past or present officers, directors, or employees (or their estates) of the Company upon death, disability, or termination of employment, (ii) pay under its TRA, and (iii) so long as no default or event of default has occurred and is continuing, (a) make non-cash repurchases of equity interests in connection with the exercise of stock options by directors, officers and management, provided that those equity interests represent a portion of the consideration of the exercise price of those stock options, (b) pay up to \$0.5 million in any 12 month consecutive period to redeem, repurchase or otherwise acquire equity interests of any subsidiary that is not a wholly-owned subsidiary from any holder of equity interest in such subsidiary, (c) pay up to \$2.5 million per year pursuant to stock option plans, employment agreements, or incentive plans, (d) make up to \$5.0 million in other restricted payments per year, and (e) make other restricted payments, subject to its compliance, on a pro forma basis, with (x) a lease-adjusted consolidated leverage ratio not to exceed 4.25 times and (y) the financial covenants applicable to the 2022 Revolver.

Borrowings under the 2022 Credit Agreement (other than any swingline loans) bear interest, at the borrower's option, at rates based upon either the secured overnight financing rate ("SOFR") or a base rate, plus, for each rate, a margin determined in accordance with a lease-adjusted consolidated leverage ratio-based pricing grid. The base rate is calculated as the highest of (a) the federal funds rate plus 0.50%, (b) the published Bank of America prime rate, or (c) Term SOFR with a term of one-month SOFR plus 1.00%. For Term SOFR loans, the margin is in the range of 1.25% to 2.25%, and for base rate loans the margin is in a range of 0.25% to 1.25%. Borrowings under the 2022 Revolver may be repaid and reborrowed. The interest rate range under the 2022 Revolver was 5.65% to 7.75% for the thirteen weeks ended March 26, 2025, and 6.92% to 6.96% for the thirteen weeks ended March 27, 2024.

The 2022 Credit Agreement contains certain customary financial covenants, subject to certain exceptions. The Company was in compliance with the financial covenants as of March 26, 2025.

At March 26, 2025, the Company had \$73.0 million in outstanding borrowings under the 2022 Revolver and one letter of credit in the amount of \$10.3 million outstanding, and as a result, the Company had \$66.7 million in borrowing availability.

Maturities

During the thirteen weeks ended March 26, 2025, the Company borrowed \$6.0 million and paid down \$4.0 million on the 2022 Revolver. During the thirteen weeks ended March 27, 2024, the Company paid down \$4.0 million on the 2022 Revolver. There are no required principal payments prior to maturity of the 2022 Revolver on July 27, 2027.

6. OTHER ACCRUED EXPENSES AND CURRENT LIABILITIES

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

	March 26, 2025	December 25, 2024
Accrued sales and property taxes	\$ 5,824	\$ 5,349
Gift card liability	4,741	5,100
Loyalty rewards program liability	905	844
Accrued advertising	—	1,194
Accrued legal settlements and professional fees	719	463
Deferred franchise and development fees	539	539
Other	2,721	2,407
Total other accrued expenses and current liabilities	<u>\$ 15,449</u>	<u>\$ 15,896</u>

7. OTHER NONCURRENT LIABILITIES

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

	March 26, 2025	December 25, 2024
Deferred franchise and development fees	\$ 6,103	\$ 6,191
Other	26	27
Total other noncurrent liabilities	<u>\$ 6,129</u>	<u>\$ 6,218</u>

8. COMMITMENTS AND CONTINGENCIES

Legal Matters

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

Purchase Commitments

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

At March 26, 2025, the Company's total estimated commitment to purchase chicken was \$19.1 million.

Contingent Lease Obligations

As a result of assigning the Company's interest in obligations under real estate leases in connection with the sale of company-operated restaurants to some of the Company's franchisees, the Company is contingently liable on three lease agreements. These leases have various terms, the latest of which expires in 2038. As of March 26, 2025, the potential amount of undiscounted payments the Company could be required to make in the event of non-payment by the primary lessee was \$3.4 million. The present value of these potential payments discounted at the Company's estimated pre-tax cost of debt at March 26, 2025 was \$2.3 million. The Company's franchisees are primarily liable on the leases. The Company has cross-default provisions with these franchisees that would put them in default of their franchise agreements in the event of non-payment under the leases. The Company believes that these cross-default provisions reduce the risk that payments will be required to be made under these leases.

Employment Agreements

As of March 26, 2025, the Company had employment agreements with three of the officers of the Company. These agreements provide for minimum salary levels, possible annual adjustments for cost-of-living changes, and incentive bonuses that are payable under certain business conditions.

Indemnification Agreements

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

9. EARNINGS PER SHARE

Basic earnings per share (“EPS”) is calculated using the weighted-average number of shares of common stock outstanding during the thirteen weeks ended March 26, 2025 and March 27, 2024. Diluted EPS is calculated using the weighted-average number of shares of common stock outstanding and potentially dilutive during the period, using the treasury stock method.

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

	Thirteen Weeks Ended	
	March 26, 2025	March 27, 2024
Numerator:		
Net income	\$ 5,481	\$ 5,912
Denominator:		
Weighted-average shares outstanding—basic	29,085,836	30,777,769
Weighted-average shares outstanding—diluted	29,337,906	30,937,226
Net income per share—basic	\$ 0.19	\$ 0.19
Net income per share—diluted	\$ 0.19	\$ 0.19
Anti-dilutive securities not considered in diluted EPS calculation	806,534	840,830

Below is a reconciliation of basic and diluted share counts:

	Thirteen Weeks Ended	
	March 26, 2025	March 27, 2024
Weighted-average shares outstanding—basic	29,085,836	30,777,769
Dilutive effect of stock options and restricted shares	252,070	159,457
Weighted-average shares outstanding—diluted	29,337,906	30,937,226

10. RELATED PARTY TRANSACTIONS

None.

11. REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue Recognition

Nature of products and services

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

Company-operated restaurant revenue

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

The Company offers a loyalty rewards program, which awards a customer points for dollars spent. Customers earn points for each dollar spent and points can be redeemed for multiple redemption options. If a customer does not earn or use points within a one-year period, their account is deactivated and all points expire. When a customer is part of the rewards program, the obligation to provide future discounts related to points earned is considered a separate performance obligation, to which a portion of the transaction price is allocated. The performance obligation related to loyalty points is deemed to have been satisfied, and the amount deferred in the balance sheet is recognized as revenue, when the points are transferred to a reward and redeemed, the reward or points have expired, or the likelihood of redemption is remote. A portion of the transaction price is allocated to loyalty points, if necessary, on a pro-rata basis, based on stand-alone selling price, as determined by menu pricing and loyalty points terms. As of March 26, 2025 and December 25, 2024, the revenue allocated to loyalty points that have not been redeemed was \$0.9 million and \$0.8 million, respectively, which is

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reflected in the Company's accompanying condensed consolidated balance sheets within other accrued expenses and current liabilities. The Company expects the loyalty points to be redeemed and recognized over a one-year period.

The Company sells gift cards to its customers in the restaurants and through selected third parties. The gift cards sold to customers have no stated expiration dates and are subject to actual and/or potential escheatment rights in several of the jurisdictions in which the Company operates. Furthermore, due to these escheatment rights, the Company does not recognize breakage related to the sale of gift cards due to the immateriality of the amount remaining after escheatment. The Company recognizes income from gift cards when redeemed by the customer. Unredeemed gift card balances are deferred and recorded as other accrued expenses on the accompanying condensed consolidated balance sheets.

Franchise and franchise advertising fee revenue

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

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

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

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

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

The Company purchases hardware, such as scanners, printers, cash registers, kiosks, and tablets, from third party vendors, which it then sells to franchisees. As the Company is considered the principal in this relationship, payment received for the hardware is considered revenue, and is received upon transfer of the goods from the Company to the franchisee. As of March 26, 2025, there were no performance obligations related to hardware services that were unsatisfied or partially satisfied.

The following table presents the Company's revenues disaggregated by geographic market:

	March 26, 2025	March 27, 2024
Greater Los Angeles area market	71.6 %	71.5 %
Other markets	28.4 %	28.5 %
Total	100 %	100 %

Contract balances

The following table provides information about the change in the franchise contract liability balances during the thirteen weeks ended March 26, 2025 and March 27, 2024 (in thousands):

December 25, 2024	\$ 6,730
Revenue recognized - beginning balance	(154)
Additional contract liability	66
March 26, 2025	\$ 6,642
December 27, 2023	\$ 6,997
Revenue recognized - beginning balance	(158)
Additional contract liability	80
March 27, 2024	\$ 6,919

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

The following table illustrates the estimated revenue to be recognized in future periods related to performance obligations under the applicable contracts that are unsatisfied as of March 26, 2025 (in thousands):

Franchise revenues:

2025	\$ 401
2026	529
2027	520
2028	493
2029	462
Thereafter	4,237
Total	\$ 6,642

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

	March 26, 2025	December 25, 2024
Loyalty rewards liability, beginning balance	\$ 844	\$ 687
Revenue deferred	587	2,181
Revenue recognized	(526)	(2,024)
Loyalty rewards liability, ending balance	\$ 905	\$ 844

The Company expects all loyalty points revenue related to performance obligations unsatisfied as of March 26, 2025 to be recognized within one year.

Gift Cards

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

	March 26, 2025	December 25, 2024
Gift card liability	\$ 4,741	\$ 5,100

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

	Thirteen Weeks Ended	
	March 26, 2025	March 27, 2024
Revenue recognized from gift card liability balance at the beginning of the year	\$ 375	\$ 362

Contract Costs

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

12. LEASES

Nature of Leases

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

As of March 26, 2025, the Company had one lease that it had entered into, but had not yet commenced.

Building and Facility Leases

The majority of the Company's building and facilities leases are classified as operating leases; however, the Company currently has one facility and 24 equipment leases that are classified as finance leases.

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

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

During the thirteen weeks ended March 26, 2025, the Company reassessed the lease terms on two restaurants, due to certain triggering events, such as the addition of significant leasehold improvements with useful lives that extend past the current lease expiration, the decision to terminate a lease, or the decision to renew. This reassessment resulted in an additional \$1.4 million of ROU asset and lease liabilities for the thirteen weeks ended March 26, 2025, which were recognized and will be amortized over the new lease term. During the thirteen weeks ended March 27, 2024, the Company reassessed the lease terms on eight restaurants due to certain triggering events, such as the addition of significant leasehold improvements with useful lives that extend past the current lease expiration, the decision to terminate a lease, or the decision to renew. This reassessment resulted in an additional \$5.9 million of ROU asset and lease liabilities for the thirteen weeks ended March 27, 2024, which were recognized and will be amortized over the new lease term. Additionally, as the Company adopted all practical expedients available under Topic 842, no reallocation between lease and non-lease components was necessary.

The Company also subleases facilities to certain franchisees and other non-related parties which are also considered operating leases. Sublease income also includes contingent rental income based on net revenues. The vast majority of these leases have rights to extend terms via fixed rental increases. However, none of these leases have early termination

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rights, the right to purchase the premises or any residual value guarantees. The Company does not have any related party leases.

During both the thirteen weeks ended March 26, 2025 and March 27, 2024, the Company did not record any non-cash impairment charges. See Note 1, “Basis of Presentation and Summary of Significant Accounting Policies – Impairment of Property and Equipment and ROU Assets” for additional information.

Equipment

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

Significant Assumptions and Judgments

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

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

The Company also made significant assumptions and judgments in determining an appropriate discount rate for property leases. These included using a consistent discount rate for a portfolio of leases entered into at varying dates, using the full 20-year term of the lease, excluding any options, and using the total minimum lease payments. The Company utilizes a third-party valuation firm in determining the discount rate, based on the above assumptions. For all other leases, the Company uses the discount rate implicit in the lease, or the Company’s incremental borrowing rate.

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

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

	Thirteen Weeks Ended					
	March 26, 2025			March 27, 2024		
	Property Leases	Equipment Leases	Total	Property Leases	Equipment Leases	Total
Finance lease cost:						
Amortization of right-of-use assets	\$ 19	\$ 30	\$ 49	\$ 18	\$ 1	\$ 19
Interest on lease liabilities	9	5	14	11	4	15
Operating lease cost:						
Fixed rent cost	7,184	103	7,287	7,028	103	7,131
Short-term lease cost	—	28	28	—	1	1
Variable lease cost	139	334	473	133	347	480
Sublease income	(1,715)	—	(1,715)	(1,779)	—	(1,779)
Total lease cost	\$ 5,636	\$ 500	\$ 6,136	\$ 5,411	\$ 456	\$ 5,867

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

	March 26, 2025	March 27, 2024
Lease cost – Occupancy and other operating expenses	\$ 5,965	\$ 5,715
Lease cost – General & administrative	108	118
Lease cost – Depreciation and amortization	49	19
Lease cost – Interest expense	14	15
Total lease cost	<u>\$ 6,136</u>	<u>\$ 5,867</u>

During the thirteen weeks ended March 26, 2025 and March 27, 2024, the Company had the following cash and non-cash activities associated with its leases (dollars in thousands):

	March 26, 2025			March 27, 2024		
	Property Leases	Equipment Leases	Total	Property Leases	Equipment Leases	Total
Cash paid for amounts included in the measurement of lease liabilities						
Operating cash flows used for operating leases	\$ 7,246	\$ 93	\$ 7,339	\$ 7,000	\$ 20	\$ 7,020
Financing cash flows used for finance leases	\$ 23	\$ 34	\$ 57	\$ 23	\$ 25	\$ 48
Non-cash investing and financing activities:						
Operating lease ROU assets obtained in exchange for lease liabilities:						
Operating lease ROU assets	\$ 1,414	\$ —	\$ 1,414	\$ 5,860	\$ 488	\$ 6,348
Finance lease ROU assets obtained in exchange for lease liabilities:						
Finance lease ROU assets	\$ —	\$ —	\$ —	\$ —	\$ 148	\$ 148
Other Information						
Weighted-average remaining years in lease term—finance leases	15.63	3.08		16.63	3.08	
Weighted-average remaining years in lease term—operating leases	9.99	3.54		10.39	4.18	
Weighted-average discount rate—finance leases	2.57 %	6.66 %		2.57 %	6.25 %	
Weighted-average discount rate—operating leases	5.32 %	6.84 %		5.11 %	6.37 %	

Information regarding the Company's minimum future lease obligations as of March 26, 2025 is as follows (in thousands):

	Finance Leases	Operating Leases	
	Minimum Lease Payments	Minimum Lease Payments	Minimum Sublease Income
For the Years Ending			
December 31, 2025	\$ 167	\$ 22,017	\$ 3,740
December 30, 2026	191	28,377	4,814
December 29, 2027	180	27,067	4,762
December 27, 2028	134	25,143	4,473
December 26, 2029	118	22,049	3,829
Thereafter	1,274	119,789	23,110
Total	<u>\$ 2,064</u>	<u>\$ 244,442</u>	<u>\$ 44,728</u>
Less: imputed interest (2.57% - 6.84%)	(354)	(57,611)	
Present value of lease obligations	1,710	186,831	
Less: current maturities	(183)	(22,148)	
Noncurrent portion	<u>\$ 1,527</u>	<u>\$ 164,683</u>	

Short-Term Leases

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

Lessor

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

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

The Company received \$0.1 million of lease income from company-owned locations for both the thirteen weeks ended March 26, 2025 and March 27, 2024.

13. SHAREHOLDER RIGHTS AGREEMENT

On August 8, 2023, the Board declared a dividend of one preferred share purchase right (a “Right”) for each share of common stock, par value \$0.01 per share, of the Company (the “Common Shares”) outstanding on August 18, 2023 to the stockholders of record on that date. In connection with the distribution of the Rights, the Company entered into a Rights Agreement (the “Rights Agreement”), dated as of August 8, 2023, between the Company and Equiniti Trust Company, LLC, as rights agent. Each Right entitles the registered holder to purchase from the Company one one-thousandth of a share of Series A Preferred Stock, par value \$0.01 per share, of the Company (the “Preferred Shares”) at a price of \$53.75 per one one-thousandth of a Preferred Share represented by a Right, subject to adjustment.

On August 4, 2024, the Board approved and entered into an Amendment (the “Amendment”) to the Rights Agreement (together with the Agreement, the “Amended Rights Agreement”). Pursuant to the Amendment, the expiration date of the Rights has been extended until 11:59 p.m., Pacific Time, on the date that the votes of the stockholders of the Company with respect to the Company’s next annual meeting of stockholders are certified in 2025, unless stockholders approve the further extension of the Amended Rights Agreement beyond that date.

The Rights Agreement was initially adopted in August 2023 (as initially adopted, the “Rights Agreement”) in response to a rapid and significant accumulation of Company stock by Biglari Capital Corp. (together with its affiliates, “Biglari Capital”). In adopting the original Rights Agreement, the Board noted that Biglari Capital has a track record of acquiring substantial and sometimes controlling interests in public restaurant companies. Since that time, members of the Board and leadership team met with Biglari Capital on multiple occasions. In approving the Amendment to extend the Rights Agreement, the Board considered, among other things, that during a meeting, a representative of Biglari Capital stated a desire to make substantial additional share accumulations in the public market if the Board terminated the Rights Agreement or allowed it to expire at the end of its initial term in August 2024.

The Amendment also amended the Rights Agreement to increase the Beneficial Ownership (as defined in the Amended Rights Agreement) triggering threshold for being deemed an Acquiring Person (as defined below), unless one of the enumerated exceptions is applicable, from 12.5% to 15.0%. In all other respects, the terms of the Rights Agreement remain unmodified and in full force and effect.

Under the Amended Rights Agreement, the Rights will generally be exercisable only in the event that a person or group of affiliated or associated persons (such person or group being an “Acquiring Person”), other than certain exempt persons, acquires (or commences a tender offer or exchange offer the consummation of which would result in) Beneficial Ownership of 15.0% or more of the outstanding Common Shares. In such case (with certain limited exceptions), each holder of a Right (other than the Acquiring Person, whose Rights shall become void) will have the right to receive, upon exercise at the then current exercise price of the Right, Common Shares (or, if the Board so elects, cash, securities, or other property) having a value equal to two times (2x) the exercise price of the Right.

Right to Exchange

At any time after any person or group becomes an Acquiring Person, the Board may exchange the Rights at an exchange ratio of one Common Share per Right (subject to adjustment).

Flip-over Event

If, at any time after a person or group becomes an Acquiring Person, (i) the Company engages in a consolidation or merger and, in connection there with all or part of the Common Shares are or will be changed into or exchanged for stock or other securities of any other person or cash or any other property; or (ii) 50% or more of the Company's consolidated assets or earning power are sold, then each holder of a Right will thereafter have the right to receive, upon exercise at the then current exercise price of the Right, that number of shares of common stock of the acquiring company having a market value of two times the exercise price of the Right.

Redemption

At any time prior to the time any person or group becomes an Acquiring Person, the Board may redeem the Rights at a price of \$0.001 per Right (the "Redemption Price"). Immediately upon any redemption of the Rights, the right to exercise the Rights will terminate and the only right of the holders of Rights will be to receive the Redemption Price.

Rights of Holders

Until a Right is exercised, the holder thereof, as such, will have no rights as a stockholder of the Company, including, without limitation, the right to vote or to receive dividends.

14. SEGMENT REPORTING

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

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

The Company determined that it has one operating segment and one reportable segment which is reflected in the Company's current organizational and management structure. The accounting policies of the segment are the same as those described in Note 1 "Basis of Presentation and Summary of Accounting Policies".

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

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

The table below is a summary of the segment net income, including significant segment expenses for the thirteen weeks ended March 26, 2025 and March 27, 2024 (in thousands):

	Thirteen Weeks Ended	
	March 26, 2025	March 27, 2024
Total revenue	\$ 119,177	\$ 116,153
Less:		
Food and paper costs	(24,739)	(25,619)
Labor and related expenses	(32,179)	(30,580)
General and administrative expenses	(11,263)	(11,925)
Franchise expenses	(12,442)	(10,602)

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Occupancy expenses	(7,929)	(7,515)
Other operating expenses ⁽¹⁾	(17,744)	(16,350)
Depreciation and amortization	(3,887)	(3,851)
Other segment expenses ⁽²⁾	(22)	(32)
Total operating expenses	(110,205)	(106,474)
Income from operations	8,972	9,679
Interest expenses, net	(1,176)	(1,564)
Provision for income taxes	(2,315)	(2,203)
Total segment net income	\$ 5,481	\$ 5,912

- (1) Other operating expenses are comprised of utilities, repairs and maintenance, advertising, credit card processing fees, delivery service provider fees, restaurant supplies and other restaurant operating costs.
- (2) Other segment expenses include loss on disposal of assets, gain on recovery of insurance proceeds, property, equipment and expenses and impairment and closed-store reserves.

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

Cautionary Statement Concerning Forward-Looking Statements

This report contains forward-looking statements that are subject to risks and uncertainties. All statements other than statements of historical fact included in this report are forward-looking statements. Forward-looking statements discuss our current expectations and projections relating to our financial condition, results of operations, plans, objectives, future performance and business. You can identify forward-looking statements because they do not relate strictly to historical or current facts. These statements may include words such as "aim," "anticipate," "believe," "estimate," "expect," "forecast," "outlook," "potential," "project," "projection," "plan," "intend," "seek," "may," "could," "would," "will," "should," "can," "can have," "likely," the negatives thereof and other words and terms of similar meaning in connection with any discussion of the timing or nature of future operating or financial performance or other events. They appear in a number of places throughout this report and include statements regarding our intentions, beliefs or current expectations concerning, among other things, our results of operations, financial condition, liquidity, prospects, growth, trends, strategies and the industry in which we operate. All forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those that we expected.

While we believe that our assumptions are reasonable, we caution that it is very difficult to predict the impact of known factors, and it is impossible for us to anticipate all factors that could affect our actual results. All forward-looking statements are expressly qualified in their entirety by these cautionary statements. You should evaluate all forward-looking statements made in this report in the context of the factors that could cause outcomes to differ materially from our expectations. These factors include, but are not limited to:

- our ability to open new restaurants in new and existing markets, including difficulty in finding sites and in negotiating acceptable leases;
- our ability to compete successfully with other quick-service and fast casual restaurants;
- global economic or other business conditions that may affect the desire or ability of our customers to purchase our products such as inflationary pressures, high unemployment levels, increases in gas prices, and declines in median income growth, consumer confidence and consumer discretionary spending, among other conditions;
- our ability to attract, develop, assimilate and retain employees;
- our vulnerability to changes in political and economic conditions and consumer preferences;
- our vulnerability to conditions in the greater Los Angeles area and to natural disasters given the geographic concentration and real estate intensive nature of our business;
- the possibility that we may continue to incur significant impairment of certain of our assets, in particular in our new markets;
- changes in food and supply costs, especially for chicken, labor, construction and utilities;
- the impacts of the uncertainty regarding pandemics, epidemics or infectious disease outbreaks (such as the COVID-19 pandemic) on our company, our employees, our customers, our partners, our industry and the economy as a whole, as well as our franchisees' ability to operate their individual restaurants without disruption;
- social media and negative publicity, whether or not valid, and our ability to respond to and effectively manage the accelerated impact of social media;
- our ability to continue to expand our digital business, delivery orders and catering;
- concerns about food safety and quality and about food-borne illness;
- dependence on frequent and timely deliveries of food and supplies;
- our ability to service our level of indebtedness;
- uncertainty related to the success of our marketing programs, new menu items, advertising campaigns and restaurant designs and remodels;
- changes in trade policies, tariff and import regulations by the United States and other countries from which we source some of our produce, packaging, and other items;
- our limited control over our franchisees and potential deterioration of our relations with existing or potential franchisees;
- potential exposure to unexpected costs and losses from our self-insurance programs;
- potential obligations under long-term and non-cancelable leases, and our ability to renew leases at the end of their terms;
- our ability to achieve our social and environmental sustainability goals;

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- the impact of any failure of our information technology system or any breach of our network security;
- the impact of any security breaches on our ability to protect our customers' payment method data or personal information;
- our ability to enforce and maintain our trademarks and protect our other proprietary intellectual property;
- adverse changes in the economic environment, including inflation and increased labor and supply costs, which may affect our franchisees, with adverse consequences to us;
- the impact of federal, state and local labor laws governing our relationships with our employees, including minimum wage laws, minimum standards for fast food workers or other similar laws;
- risks related to government regulation and litigation, including employment and labor laws;
- the impact of any liabilities arising from environmental laws;
- fluctuations in our quarterly operating results due to seasonality and other factors;
- any future offerings of debt or equity securities that may impact the market price of our common stock;
- the possibility that Delaware law, our organizational documents, our shareholder rights agreement, and our existing and future debt agreements may impede or discourage a takeover;
- the impact of shareholder activism on our expenses, business and stock price; and
- other risks set forth in our filings with the SEC from time to time, including under Item 1A, Risk Factors in our Annual Report on Form 10-K for the year ended December 25, 2024, which filings are available online at www.sec.gov.

We caution you that the important factors referenced above may not contain all of the factors that are important to you. In addition, we cannot assure you that we will realize the results or developments we expect or anticipate or, even if substantially realized, that they will result in the consequences we anticipate or affect us or our operations in the ways that we expect. The forward-looking statements included in this report are made only as of the date hereof. We undertake no obligation to publicly update or revise any forward-looking statement as a result of new information, future events or otherwise, except as required by law. If we do update one or more forward-looking statements, no inference should be made that we will make additional updates with respect to those or other forward-looking statements. We qualify all of our forward-looking statements by these cautionary statements.

Overview

El Pollo Loco is a differentiated and growing restaurant concept that specializes in fire-grilling citrus-marinated chicken and operates in the limited service restaurant ("LSR") segment. We strive to make and serve food that is both "better for you" and flavorful. Our distinctive menu features our signature product, citrus-marinated fire-grilled chicken, served in a variety of Mexican-inspired entrees, such as burritos and tostadas, healthier options, such as salads, and chicken meals, all available in a variety of sizes to feed individuals and larger groups. Our entrees include favorites such as our Guacamole Chicken Burrito, Double Chicken Tostada, Crunchy Chicken Taco, and the Original Pollo Bowl®. Our famous Creamy Cilantro dressing and salsas are prepared fresh daily, allowing our customers to create their favorite flavor profiles to enhance their culinary experience. Our distinctive menu with "better for you" and more affordable healthier alternatives appeals to consumers across a wide variety of socio-economic backgrounds and drives our balanced composition of sales throughout the day (our "day-part mix"), including at lunch and dinner.

Market Trends and Uncertainties

On September 28, 2023, Governor Newsom signed AB 1228 into law in California, which repealed and replaced the Fast Food Accountability and Standards Recovery Act ("FAST Act") on January 1, 2024. Pursuant to AB 1228, the minimum wage at fast food restaurants that are part of brands which have more than 60 establishments nationwide increased to \$20 an hour on April 1, 2024, and a Fast Food Council created by AB 1228 has limited power to approve annual wage increases until 2029. Under AB 1228, the Fast Food Council also retains the power to develop and propose minimum standards for fast food workers, including standards for working hours, working conditions, and health and safety. As a result of AB 1228, we experienced an increase in our labor and regulatory compliance costs in fiscal 2024 and the first quarter of fiscal 2025. Although we have been able to substantially offset these cost pressures through various actions, such as increasing menu prices, managing menu mix, and productivity improvements, we expect these cost pressures to continue into 2025 and we may not be able to offset cost increases in the future.

Additionally, we are impacted by macroeconomic challenges, such as inflationary pressures and changes in trade policies, that have in the past, and may continue in the future, to affect our operations in certain areas such as food cost, labor costs, construction costs and other restaurant operating costs. We have been able to substantially offset these inflationary and other cost pressures through various actions, such as increasing menu prices, managing menu mix, and productivity improvements. However, we expect these inflationary and other cost pressures to continue into the remainder of fiscal 2025 and we may not be able to offset cost increases in the future.

Increased tariff duties on goods imported into the United States may have an adverse effect on our Company. Certain of the produce, packaging materials, and other items procured by our Company are sourced from outside the United States, including from Canada, Mexico and Asia. Currently, many goods imported from countries other than Canada and Mexico are subject to a 10% tariff increase in addition to the base tariff rate, with the exception of Chinese-origin goods, which can be subject to additional tariff duties up to 145%. Certain goods from Canada and Mexico that are not USMCA-compliant can be subject to a 25% tariff rate. While we are still evaluating the potential impacts of increased tariff rates, as well as our ability to mitigate any such related impacts, we anticipate that these tariff actions will adversely impact our revenue and cost of goods sold in the United States. Any new or increased import duties, tariffs, or taxes, or other changes in U.S. trade or tax policy could result in further increases to our food and supplies costs that would adversely impact our financial results.

Seasonality

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

Growth Strategies and Outlook

As of March 26, 2025, we had 499 locations in seven states. In fiscal 2024, we opened two new company-operated restaurants in Nevada, and our franchisees opened two new restaurants, one in California and one in Texas. Additionally, we completed the sale of one restaurants within California to existing franchisees during fiscal 2024. For the thirteen weeks ended March 26, 2025, our franchisees opened two new restaurants and closed one restaurant in both cases in California. Additionally, during the thirteen weeks ended March 26, 2025, we completed the acquisition of one restaurant in California from an existing franchisee. We plan to continue to expand our business, drive restaurant sales growth, and enhance our competitive positioning, by executing the following five key strategies:

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

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

Highlights and Trends

Revenue Overview

For the thirteen weeks ended March 26, 2025, our total revenue was \$119.2 million. For the thirteen weeks ended March 26, 2025, our company-operated restaurant revenue was \$98.4 million, and our franchise and franchise advertising fee revenue was \$20.8 million.

Comparable Restaurant Sales

For the thirteen weeks ended March 26, 2025, system-wide comparable restaurant sales decreased by 0.6% from the comparable period in the prior year. For company-operated restaurants, comparable restaurant sales for the thirteen weeks ended March 26, 2025 increased by 0.6%. For company-operated restaurants, the quarter's change in comparable restaurant sales consisted of a 4.6% increase in average check size, partially offset by a 3.8% decrease in transactions. For franchised restaurants, comparable restaurant sales decreased 1.3% for the thirteen weeks ended March 26, 2025. Refer to "Comparable Restaurant Sales" definition in the section titled "Key Performance Indicators" below.

Restaurant Development

Our restaurant counts at the beginning and end of each of the last three fiscal years and the thirteen weeks ended March 26, 2025, were as follows:

	Thirteen Weeks Ended March 26, 2025	Fiscal Year Ended		
		2024	2023	2022
Company-operated restaurant activity⁽¹⁾:				
Beginning of period	173	172	188	189
Openings	—	2	2	4
Restaurant sale to Company	1	—	—	—
Restaurant sale to franchisee	—	(1)	(18)	(3)
Closures	—	—	—	(2)
Restaurants at end of period	174	173	172	188
Franchised restaurant activity:				
Beginning of period	325	323	302	291
Openings	2	2	3	9
Restaurant sale to Company	(1)	—	—	—
Restaurant sale to franchisee	—	1	18	3
Closures	(1)	(1)	—	(1)
Restaurants at end of period	325	325	323	302
System-wide restaurant activity:				
Beginning of period	498	495	490	480
Openings	2	4	5	13
Closures	(1)	(1)	—	(3)
Restaurants at end of period	499	498	495	490

(1) Our restaurant count above includes 499 domestic restaurants and excludes the eight licensed restaurants in the Philippines, as well as the two previously licensed restaurants in the Philippines that were closed during the thirteen weeks ended March 26, 2025.

Restaurant Remodeling

During the thirteen weeks ended March 26, 2025, we completed a total of four company-operated restaurant and franchise remodels. Considering our efforts to finalize our new prototype design, we currently expect to complete 60-70 company-operated restaurant and franchise remodels for the remainder of fiscal 2025. The cost of our restaurant remodels varies depending on the scope of the work required, but on average the investment is \$0.3 million to \$0.4 million per restaurant.

Loco Rewards

Our Loco Rewards loyalty program offers rewards that incentivize customers to visit our restaurants more often each month. Customers earn points for each dollar spent, and points can be redeemed for multiple redemption options. If a customer does not earn or use points within a one-year period, their account is deactivated and all points expire. When a customer is part of the rewards program, the obligation to provide future discounts related to points earned is considered a separate performance obligation, to which a portion of the transaction price is allocated. The performance obligation related to loyalty points is deemed to have been satisfied, and the amount deferred in the balance sheet is recognized as revenue, when the points are transferred to a reward and redeemed, the reward or points have expired, or

the likelihood of redemption is remote. A portion of the transaction price is allocated to loyalty points on a pro-rata basis, based on stand-alone selling price, as determined by menu pricing and loyalty point's terms.

In addition, customers can earn additional points and free entrées for a variety of engagement activities. As points are available for redemption past the quarter earned, a portion of the revenue associated with the earned points will be deferred until redemption or expiration. As of March 26, 2025 and December 25, 2024, the revenue allocated to loyalty points that had not been redeemed was \$0.9 million and \$0.8 million, respectively, which is reflected in our accompanying condensed consolidated balance sheets within other accrued expenses and current liabilities. We had over 4.4 million loyalty program members as of March 26, 2025.

Critical Accounting Policies and Use of Estimates

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

Accounting policies are an integral part of our condensed consolidated financial statements. A thorough understanding of these accounting policies is essential when reviewing our reported results of operations and our financial position. Management believes that our critical accounting policies and estimates involve the most difficult management judgments, due to the sensitivity of the methods and assumptions used. For a summary of our critical accounting policies and a discussion of our use of estimates, see "Critical Accounting Policies and Estimates" in Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the year ended December 25, 2024.

There have been no material changes to our critical accounting policies or uses of estimates since our Annual Report on Form 10-K for the year ended December 25, 2024.

Key Financial Definitions

Revenue

Our revenue is derived from three primary sources: company-operated restaurant revenue, franchise revenue, which is comprised primarily of franchise royalties and, to a lesser extent, franchise fees and sublease rental income, and franchise advertising fee revenue. See Note 11, "Revenue from Contracts with Customers" in the Notes to Condensed Consolidated Financial Statements above for further details regarding our revenue recognition policy.

Food and Paper Costs

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

Labor and Related Expenses

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

Occupancy Costs and Other Operating Expenses

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

General and Administrative Expenses

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

Franchise Expenses

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

Depreciation and Amortization

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

Loss on Disposal of Assets

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

Impairment and Closed-Store Reserves

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

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

Interest Expense, Net

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

Provision for Income Taxes

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

Comparison of Results of Operations

Our operating results for the thirteen weeks ended March 26, 2025 and March 27, 2024 are expressed as percentages of total revenue, with the exception of cost of operations and company restaurant expenses, which are expressed as percentages of company-operated restaurant revenue, and are compared in the tables below.

	Thirteen Weeks Ended					
	March 26, 2025		March 27, 2024		Increase / (Decrease)	
	(\$,000)	(%)	(\$,000)	(%)	(\$,000)	(%)
Statements of Income Data						
Company-operated restaurant revenue	\$ 98,365	82.5	\$ 97,153	83.6	\$ 1,212	1.2
Franchise revenue	13,183	11.1	11,348	9.8	1,835	16.2
Franchise advertising fee revenue	7,629	6.4	7,652	6.6	(23)	(0.3)
Total revenue	119,177	100.0	116,153	100.0	3,024	2.6
Cost of operations						
Food and paper costs ⁽¹⁾	24,739	25.2	25,619	26.4	(880)	(3.4)
Labor and related expenses ⁽¹⁾	32,179	32.7	30,580	31.5	1,599	5.2
Occupancy and other operating expenses ⁽¹⁾	25,673	26.1	23,865	24.6	1,808	7.6
Company restaurant expenses⁽¹⁾	82,591	84.0	80,064	82.5	2,527	3.2
General and administrative expenses	11,263	9.5	11,925	10.3	(662)	(5.6)
Franchise expenses	12,442	10.4	10,602	9.1	1,840	17.4
Depreciation and amortization	3,887	3.3	3,851	3.3	36	0.9
Loss on disposal of assets	11	0.0	41	0.0	(30)	(73.2)
Gain on recovery of insurance proceeds, property, equipment and expenses	—	—	(41)	(0.0)	41	(100.0)
Impairment and closed-store reserves	11	0.0	32	0.0	(21)	(65.6)
Total expenses	110,205	92.5	106,474	91.7	3,731	3.5
Income from operations	8,972	7.5	9,679	8.3	(707)	(7.3)
Interest expense, net of interest income	1,176	1.0	1,564	1.3	(388)	(24.8)
Income before provision for income taxes	7,796	6.5	8,115	7.0	(319)	(3.9)
Provision for income taxes	2,315	1.9	2,203	1.9	112	5.1
Net income	\$ 5,481	4.6	\$ 5,912	5.1	\$ (431)	(7.3)

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

Company-Operated Restaurant Revenue

For the quarter ended March 26, 2025, company-operated restaurant revenue increased \$1.2 million, or 1.2%, from the comparable period in the prior year. The increase in company-operated restaurant revenue was mainly due to an increase in company-operated comparable restaurant revenue of \$0.6 million, or 0.6% as well as \$0.9 million of additional sales from the opening of two restaurants during or after the first quarter of 2024. This company-operated restaurant revenue increase was partially offset by a \$0.4 million decrease related to the one company-operated restaurant sold by us to our existing franchisee during or subsequent to the first quarter of 2024. The company-operated comparable restaurant sales increase consisted of a 4.6% increase in average check size due to increases in menu prices, partially offset by a 3.8% decrease in transactions.

Franchise Revenue

For the quarter ended March 26, 2025, franchise revenue increased \$1.8 million, or 16.2%, from the comparable period in the prior year. This increase was primarily due to the franchisee IT pass through revenue related to the franchisee rollout of the new Point of Sale (POS) system which is offset by a corresponding expense in franchise expenses. In addition, the increase in franchise revenue was due to the four franchise-operated restaurant openings during or subsequent to the first quarter of 2024. The increase in franchise revenue was partially offset by a franchise comparable restaurant sales decrease of 1.3%.

Franchise Advertising Fee Revenue

For the quarter ended March 26, 2025, franchise advertising fee revenue decreased less than \$0.1 million, or 0.3%, from the comparable period in the prior year. As advertising fee revenue is a percentage of franchisees' revenue, the fluctuations for the quarter were due to the increases and decreases noted in franchise revenue above.

Food and Paper Costs

For the quarter ended March 26, 2025, food and paper costs decreased \$0.9 million, or 3.4%, from the comparable period in the prior year. The decrease in food and paper costs for the quarter was primarily due to a lower number of transactions combined with cost management initiatives, partially offset by commodity inflation. For the quarter, food and paper costs as a percentage of company-operated restaurant revenue were 25.2%, down from 26.4% in the comparable period of the prior year. The percentage change for the quarter was primarily due to an increase in menu pricing combined with cost management initiatives, partially offset by commodity inflation.

Labor and Related Expenses

For the quarter ended March 26, 2025, labor and related expenses increased \$1.6 million, or 5.2%, from the comparable period in the prior year. The increase in labor and related expenses for the quarter was primarily due to a \$2.8 million increase in wage rates during fiscal 2025 as a result of legislative increases in the California state minimum wage, which became effective April 1, 2024, and a \$0.2 million increase in other labor related expenses primarily related to training. The increase in labor and related expenses for the quarter was partially offset by a \$1.5 million reduction in costs related to improved labor efficiencies.

For the quarter ended March 26, 2025, labor and related expenses as a percentage of company-operated restaurant revenue were 32.7%, up from 31.5% in the comparable period in the prior year. The percentage change for the quarter was driven by the higher wage rates, partially offset by higher menu prices and improved labor efficiencies.

Occupancy and Other Operating Expenses

For the quarter ended March 26, 2025, occupancy and other operating expenses increased \$1.8 million, or 7.6%, from the comparable period in the prior year. The increase was primarily due to a \$1.8 million increase in occupancy, utilities, marketplace delivery fees, software maintenance, general liability insurance, and other operating expenses.

For the quarter ended March 26, 2025, occupancy and other operating expenses as a percentage of company-operated restaurant revenue were 26.1%, up from 24.6% in the comparable period in the prior year. The increases resulted from the cost increases highlighted above.

General and Administrative Expenses

For the quarter ended March 26, 2025, general and administrative expenses decreased \$0.7 million, or 5.6%, from the comparable period in the prior year. The decrease for the quarter was primarily due to a \$1.2 million decrease in restructuring and executive transition cost and a \$0.6 million received from a legal settlement, net of legal expenses. The general and administrative expenses decrease was partially offset by a \$0.6 million in legal and professional fee costs related to shareholder activism and a \$0.5 million increase in other general and administrative expenses.

For the quarter ended March 26, 2025, general and administrative expenses as a percentage of total revenue were 9.5%, down from 10.3% in the comparable period of the prior year. The percentage decrease is primarily due to the cost decreases discussed above.

Franchise Expenses

For the quarter ended March 26, 2025, franchise expenses increased \$1.8 million, or 17.4%, from the comparable period in the prior year. The increase was due to the \$1.8 million in IT pass through expense primarily due to the franchisees rolling out the new POS system.

Impairment and Closed-Store Reserves

During the thirteen weeks ended March 26, 2025 and March 27, 2024, we did not record any non-cash impairment charges. Given the inherent uncertainty in projecting results for newer restaurants in newer markets, we are monitoring the recoverability of the carrying value of the assets of several restaurants on an ongoing basis. For these restaurants, if expected performance is not realized, an impairment charge may be recognized in future periods, and such charge could be material.

When a restaurant is closed, we will evaluate the ROU asset for impairment, based on anticipated sublease recoveries. The remaining value of the ROU asset is amortized on a straight-line basis, with the expense recognized in closed-store reserve expense. Additionally, any property tax and CAM payments relating to closed restaurants are included within closed-store expense. During both the thirteen weeks ended March 26, 2025 and March 27, 2024, we recognized less than \$0.1 million of closed-store reserve expense related to the amortization of ROU assets, property taxes and CAM payments for our closed locations.

Interest Expense, Net

For the quarter ended March 26, 2025, interest expense, net, decreased \$0.4 million from the comparable period in the prior year. The decrease in interest expense was primarily related to the lower interest rates in the fiscal 2025 and lower outstanding balances on our 2022 Revolver (as defined below) versus the comparable periods in the prior year.

Income Tax Receivable Agreement

On May 29, 2024, we terminated most of the obligations under the TRA, with respect to any payments or obligations owed to the FS Equity Partners V, L.P. and FS Affiliates V, L.P. (together, the “Sellers”) thereunder in exchange for a payment to the Sellers of \$398,896. As of March 26, 2025, there was no remaining obligation owed on our condensed consolidated balance sheets.

Provision for Income Taxes

For the quarter ended March 26, 2025, we recorded an income tax provision of \$2.3 million, reflecting an estimated effective tax rate of 29.7%. For the quarter ended March 27, 2024, we recorded an income tax provision of \$2.2 million, reflecting an estimated effective tax rate of approximately 27.1%.

The difference between the 21.0% statutory rate and our effective tax rate of 29.7% for the quarter ended March 26, 2025 is primarily a result of state taxes and the impact of non-tax deductible executive compensation expense, partially offset by a Work Opportunity Tax Credit benefit.

Key Performance Indicators

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

System-Wide Sales

System-wide sales are neither required by, nor presented in accordance with GAAP. System-wide sales are the sum of company-operated restaurant revenue and sales from franchised restaurants. Our total revenue in our condensed consolidated statements of income is limited to company-operated restaurant revenue and franchise revenue from our franchisees. Accordingly, system-wide sales should not be considered in isolation or as a substitute for our results as reported under GAAP. Management believes that system-wide sales are an important figure for investors, because they are widely used in the restaurant industry, including by our management, to evaluate brand scale and market penetration. System-wide sales does not include the 8 licensed stores in the Philippines. Two licensed restaurants in the Philippines were closed during the thirteen weeks ended March 26, 2025.

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

	Thirteen Weeks	
	March 26, 2025	March 27, 2024
Company-operated restaurant revenue	\$ 98,365	\$ 97,153
Franchise revenue	13,183	11,348
Franchise advertising fee revenue	7,629	7,652
Total Revenue	119,177	116,153
Franchise revenue	(13,183)	(11,348)
Franchise advertising fee revenue	(7,629)	(7,652)
Sales from franchised restaurants	171,088	170,737
System-wide sales	<u>\$ 269,453</u>	<u>\$ 267,890</u>

Company-Operated Restaurant Revenue

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

Comparable Restaurant Sales

Comparable restaurant sales reflect year-over-year sales changes for comparable company-operated, franchised, and system-wide restaurants. A restaurant enters our comparable restaurant base the first full week after it has operated for fifteen months. Comparable restaurant sales exclude restaurants closed during the applicable period. At March 26, 2025 and March 27, 2024, there were 484 and 478 comparable restaurants, 170 and 168 company-operated restaurants, and 314 and 310 franchised restaurants, respectively. Comparable restaurant sales indicate the performance of existing restaurants, since new restaurants are excluded. Comparable restaurant sales growth can be generated by an increase in the number of meals sold and/or by increases in the average check amount, resulting from a shift in menu mix and/or higher prices resulting from new products or price increases. Because other companies may calculate this measure differently than we do, comparable restaurant sales as presented herein may not be comparable to similarly titled measures reported by other companies. Management believes that comparable restaurant sales is a valuable metric for investors to evaluate the performance of our store base, excluding the impact of new stores and closed stores.

Restaurant Contribution and Restaurant Contribution Margin

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

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

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operating margin is useful to investors to highlight trends in our core business that may not otherwise be apparent to investors when relying solely on GAAP financial measures.

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

(Dollar amounts in thousands)	Thirteen Weeks Ended	
	March 26, 2025	March 27, 2024
Restaurant contribution:		
Income from operations	\$ 8,972	\$ 9,679
Add (less):		
General and administrative expenses	11,263	11,925
Franchise expenses	12,442	10,602
Depreciation and amortization	3,887	3,851
Loss on disposal of assets	11	41
Gain on recovery of insurance proceeds, property, equipment and expenses	—	(41)
Franchise revenue	(13,183)	(11,348)
Franchise advertising fee revenue	(7,629)	(7,652)
Impairment and closed-store reserves	11	32
Restaurant contribution	<u>\$ 15,774</u>	<u>\$ 17,089</u>
Company-operated restaurant revenue:		
Total revenue	\$ 119,177	\$ 116,153
Less:		
Franchise revenue	(13,183)	(11,348)
Franchise advertising fee revenue	(7,629)	(7,652)
Company-operated restaurant revenue	<u>\$ 98,365</u>	<u>\$ 97,153</u>
Restaurant contribution margin (%)	<u>16.0 %</u>	<u>17.6 %</u>

New Restaurant Openings

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

EBITDA and Adjusted EBITDA

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

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

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

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

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

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

(Amounts in thousands)	Thirteen Weeks Ended	
	March 26, 2025	March 27, 2024
Net income	\$ 5,481	\$ 5,912
Non-GAAP adjustments:		
Provision for income taxes	2,315	2,203
Interest expense, net of interest income	1,176	1,564
Depreciation and amortization	3,887	3,851
EBITDA	\$ 12,859	\$ 13,530
Stock-based compensation expense (a)	1,047	920
Loss on disposal of assets (b)	11	41
Impairment and closed-store reserves (c)	11	32
Legal settlements (d)	(619)	—
Special legal and professional fees expense (e)	615	—
Gain on recovery of insurance proceeds (f)	—	(41)
Executive transition costs (g)	—	643
Restructuring charges (h)	—	551
Pre-opening costs (i)	1	23
Adjusted EBITDA	\$ 13,925	\$ 15,699

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

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

(c) Includes costs related to impairment of property and equipment and ROU assets and closing restaurants. During both the thirteen weeks ended March 26, 2025 and March 27, 2024, we did not record any non-cash impairment charges. During both the thirteen weeks ended March 26, 2025 and March 27, 2024, we recognized less than \$0.1 million of closed-store reserve expense related to the amortization of ROU assets, property taxes and CAM payments for our closed locations.

- (d) Includes \$0.6 million received from legal settlement, net of legal expenses.
- (e) Consists of legal and professional costs related to shareholder activism and related matters.
- (f) During the thirteen weeks ended March 27, 2024, the Company recognized gains of less than \$0.1 million related to the reimbursement of property and equipment and expenses. The gain on recovery of insurance proceeds and reimbursement of lost profits, net of the related costs, is included in the accompanying condensed consolidated statements of income, for the thirteen weeks ended March 27, 2024, as a reduction of company restaurant expenses.
- (g) Includes costs associated with the transition of our former CEO, such as severance, executive recruiting costs and stock-based compensation costs.
- (h) On March 8, 2024, we made the decision to eliminate and restructure certain positions in the organization, which resulted in one-time costs of approximately \$0.6 million.
- (i) Pre-opening costs are a component of general and administrative expenses, and consist of costs directly associated with the opening of new restaurants and incurred prior to opening, including management labor costs, staff labor costs during training, food and supplies used during training, marketing costs, and other related pre-opening costs. These are generally incurred over the three to five months prior to opening. Pre-opening costs also include occupancy costs incurred between the date of possession and the opening date for a restaurant.

Liquidity and Capital Resources

Our primary sources of liquidity and capital resources have been cash provided from operations, cash and cash equivalents, and the 2022 Revolver (as defined below). Our primary requirements for liquidity and capital are new restaurants, existing restaurant capital investments (remodels and maintenance), legal defense costs, lease obligations, interest payments on our debt, working capital and general corporate needs. Our working capital requirements are not significant, since our customers pay for their purchases in cash or by payment card (credit or debit) at the time of sale. Thus, we are able to sell many of our inventory items before we have to pay our suppliers. Our restaurants do not require significant inventories or receivables. We believe that these sources of liquidity and capital are sufficient to finance our continued operations, including planned capital expenditures, for at least the next 12 months and beyond from the issuance of the condensed consolidated financial statements.

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

(Amounts in thousands)	Thirteen Weeks Ended	
	March 26, 2025	March 27, 2024
Net cash provided by (used in)		
Operating activities	\$ 4,735	\$ 11,163
Investing activities	(3,389)	(4,121)
Financing activities	493	(5,209)
Net decrease in cash	<u>\$ 1,839</u>	<u>\$ 1,833</u>

Operating Activities

For the thirteen weeks ended March 26, 2025, net cash from operating activities decreased by approximately \$6.4 million from the comparable period of the prior year. This change was due to unfavorable working capital fluctuations and lower profitability compared to the same period in the prior year.

Investing Activities

For the thirteen weeks ended March 26, 2025, net cash used in investing activities increased by \$0.7 million from the comparable period of the prior year. This change was primarily due to an increase in purchase of property and equipment mostly related to restaurant remodeling during the thirteen weeks ended March 26, 2025 when compared to the prior quarter.

Financing Activities

For the thirteen weeks ended March 26, 2025, net cash used in financing activities changed by \$5.7 million from the comparable period of the prior year. The change was primarily due to repurchases of shares of our common stock of \$1.8 million during the thirteen weeks ended March 26, 2025 compared to repurchases of shares of our common stock of \$1.2 million during the thirteen weeks ended March 27, 2024. The change was offset by a \$2.0 million in net borrowings on

the 2022 Revolver during the thirteen weeks ended March 26, 2025 compared to a \$4.0 million in payments during the thirteen weeks ended March 27, 2024.

Debt and Other Obligations

We, as a guarantor, are a party to a credit agreement (the “2022 Credit Agreement”) among our wholly-owned subsidiary, El Pollo Loco, Inc. (“EPL”), as borrower, and our direct subsidiary, EPL Intermediate, Inc. (“Intermediate”), as a guarantor, Bank of America, N.A., as administrative agent, swingline lender, and letter of credit issuer, the lenders party thereto, and the other parties thereto, which provides for a \$150.0 million five-year senior secured revolving credit facility (the “2022 Revolver”). The 2022 Revolver, which is available pursuant to the 2022 Credit Agreement, includes a sub limit of \$15.0 million for letters of credit and a sub limit of \$15.0 million for swingline loans. The 2022 Revolver and 2022 Credit Agreement will mature on July 27, 2027. The obligations under the 2022 Credit Agreement and related loan documents are guaranteed by us. The obligations of our company, EPL and Intermediate under the 2022 Credit Agreement and related loan documents are secured by a first priority lien on substantially all of their respective assets.

Under the 2022 Revolver, we are restricted from making certain payments such as cash dividends or share repurchases, except that we may, inter alia, (i) pay up to \$1.0 million per year to repurchase or redeem our qualified equity interests held by our past or present officers, directors, or employees (or their estates) upon death, disability, or termination of employment, (ii) pay under the TRA, and (iii) so long as no default or event of default has occurred and is continuing, (a) make non-cash repurchases of equity interests in connection with the exercise of stock options by directors, officers and management, provided that those equity interests represent a portion of the consideration of the exercise price of those stock options, (b) pay up to \$0.5 million in any 12 month consecutive period to redeem, repurchase or otherwise acquire equity interests of any subsidiary that is not a wholly-owned subsidiary from any holder of equity interest in such subsidiary, (c) pay up to \$2.5 million per year pursuant to stock option plans, employment agreements, or incentive plans, (d) make up to \$5.0 million in other restricted payments per year, and (e) make other restricted payments, subject to our compliance, on a pro forma basis, with (x) a lease-adjusted consolidated leverage ratio not to exceed 4.25 times and (y) the financial covenants applicable to the 2022 Revolver.

Borrowings under the 2022 Credit Agreement (other than any swingline loans) bear interest, at the borrower’s option, at rates based upon either the secured overnight financing rate (“SOFR”) or a base rate, plus, for each rate, a margin determined in accordance with a lease-adjusted consolidated leverage ratio-based pricing grid. The base rate is calculated as the highest of (a) the federal funds rate plus 0.50%, (b) the published Bank of America prime rate, or (c) Term SOFR with a term of one-month SOFR plus 1.00%. For Term SOFR loans, the margin is in the range of 1.25% to 2.25%, and for base rate loans the margin is in a range of 0.25% to 1.25%. Borrowings under the 2022 Revolver may be repaid and reborrowed. The interest rate range under the 2022 Revolver was 5.65% to 7.75% for the thirteen weeks ended March 26, 2025, and 6.92% to 6.96% for the thirteen weeks ended March 27, 2024.

The 2022 Credit Agreement contains certain financial covenants. We were in compliance with the financial covenants as of March 26, 2025.

At March 26, 2025, we had \$73.0 million in outstanding borrowings under the 2022 Revolver and one letter of credit in the amount of \$10.3 million outstanding, and as a result, we had \$66.7 million in borrowing availability.

See Note 5, “Long-term debt” in the “Notes to Condensed Consolidated Financial Statements” for additional information.

Material Cash Requirements

Our material cash requirements as of March 26, 2025 have not changed materially since those disclosed under “Material Cash Requirements” in Part II, Item 7 of our Annual Report on Form 10-K for the year ended December 25, 2024. Our material cash requirements relate mostly to future (i) debt payments, including expected interest expense, calculated based on current interest rates, (ii) restaurant operating lease payments, (iii) purchasing commitments for chicken, (iv) restaurant finance lease payments, and (v) capital expenditures.

Share Repurchases

Share Repurchase Program

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

For the thirteen weeks ended March 26, 2025, we repurchased 159,750 shares of common stock under the Share Repurchase Program, using open market purchases, for total consideration of approximately \$1.8 million. Following completion of these repurchases, approximately less than \$0.1 million of our common stock remained available for repurchase under the Share Repurchase Program at March 26, 2025.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Interest Rate Risk

On July 27, 2022, we refinanced and entered into the 2022 Credit Agreement, which provides for a \$150 million five-year senior secured revolving facility. We are exposed to market risk from changes in interest rates on our debt, which bears interest, at SOFR plus a margin between 1.25% and 2.25%. As of March 26, 2025, we had outstanding borrowings of \$73.0 million under our 2022 Revolver, \$10.3 million of letters of credit in support of our insurance programs, and the applicable margin on outstanding borrowings under 2022 Revolver was 1.5%. A 1.0% increase in the effective interest rate applied to our 2022 Revolver borrowings would result in a pre-tax interest expense increase of \$0.7 million on an annualized basis.

During the thirteen weeks ended March 26, 2025, we borrowed \$6.0 million and paid down \$4.0 million on our 2022 Revolver and the outstanding balance as of March 26, 2025 was \$73.0 million. Borrowings under the 2022 Credit Agreement (other than any swingline loans) bear interest, at the borrowers’ option, at rates based upon either SOFR or a base rate, plus, for each rate, a margin determined in accordance with a lease-adjusted consolidated leverage ratio-based pricing grid. If future rates based upon SOFR are higher than SOFR rates as currently determined, we may experience potential increases in interest rates on our variable rate debt, which could adversely impact our interest expense, results of operations and cash flows.

Inflation

Inflation has an impact on food, paper, construction, utility, labor and benefits and general and administrative costs, as well as other costs, all of which can materially impact our operations. In general, we have been able to substantially offset cost increases resulting from inflation by increasing menu prices, managing menu mix, improving productivity, or making other adjustments. We may not be able to offset cost increases in the future. In addition, we have a substantial number of hourly employees who are paid wage rates at or based on the applicable federal, state, or local minimum wage, and increases in the minimum wage will increase our labor costs.

Commodity Price Risk

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

Item 4. Controls and Procedures.

Disclosure Controls and Procedures

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

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

Our management has evaluated, with the participation of our Chief Executive Officer and Chief Financial Officer, the effectiveness of our disclosure controls and procedures, as of the end of the period covered by this report. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective, at the reasonable assurance level, as of March 26, 2025.

Changes in Internal Control over Financial Reporting

No changes in our internal control over financial reporting occurred during the quarter ended March 26, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings.

We are involved in various claims such as wage and hour and other legal actions that arise in the ordinary course of business, but neither we nor our subsidiaries are party to any material legal proceedings. See Note 8, “Commitments and Contingencies—Legal Matters” in the “Notes to Condensed Consolidated Financial Statements” for additional information.

Item 1A. Risk Factors.

There have been no material changes from the risk factors previously disclosed in our Annual Report on Form 10-K for the year ended December 25, 2024 filed with the SEC on March 7, 2025.

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

On November 2, 2023, we announced that our Board of Directors approved a share repurchase program (“Share Repurchase Program”) under which we were authorized to repurchase up to \$20,000,000 of shares of our common stock. See Note 4, “Stock Based Compensation-Share Repurchase Program” in the “Notes to Condensed Consolidated Financial Statements” for additional information.

For the thirteen weeks ended March 26, 2025, we repurchased 159,750 shares of common stock under the Share Repurchase Program, using open market purchases, for total consideration of approximately \$1.8 million. Following completion of these repurchases, approximately less than \$0.1 million of our common stock remained available for repurchase under the Share Repurchase Program at March 26, 2025. The Share Repurchase Program was terminated on March 31, 2025.

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The following table summarizes our repurchases of common stock in the quarterly period ended March 26, 2025, which occurred pursuant to our Share Repurchase Program (in thousands, except number of shares and per share amounts):

	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs⁽¹⁾	Approximate Dollar Value of Shares That May Be Purchased Under the Plans or Programs
December 26, 2024 to January 22, 2025	40,500	\$ 11.43	40,500	\$ 1,378
January 23, 2025 to February 19, 2025	44,750	\$ 12.02	44,750	\$ 840
February 20, 2025 to March 26, 2025	84,109	\$ 10.75	74,500	\$ 37
Total	<u>169,359 ⁽¹⁾</u>		<u>159,750</u>	

⁽¹⁾ Consists of (a) 159,750 shares repurchased by us pursuant to the Share Repurchase Program and (b) 9,609 shares acquired by us to satisfy employee tax withholding obligations in connection with the vesting of previously issued restricted stock.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

None.

Item 5. Other Information.

During the three months ended March 26, 2025, none of the Company's directors or executive officers adopted or terminated any "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as those terms are defined in Regulation S-K, Item 408.

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Item 6. Exhibits.

Exhibit Index

<u>Number</u>	<u>Description</u>	<u>Filed Herewith</u>	<u>Form</u>	<u>Period Ended</u>	<u>Exhibit</u>	<u>Filing Date</u>	<u>SEC File Number</u>
3.1	Amended and Restated Certificate of Incorporation of El Pollo Loco Holdings, Inc.		8-K	N/A	3.1	6/3/2024	001-36556
3.2	Certificate of Designations of Series A Preferred Stock of El Pollo Loco Holdings, Inc., as filed with the Secretary of State of the State of Delaware on August 9, 2023		8-K	N/A	3.1	8/9/2023	001-36556
3.3	Amended and Restated By-Laws of El Pollo Loco Holdings, Inc.		8-K	N/A	3.1	2/2/2024	001-36556
4.1	Rights Agreement, dated as of August 8, 2023, between El Pollo Loco Holdings, Inc. and Equiniti Trust Company, LLC, as rights agent		8-K	N/A	4.1	8/9/2023	001-36556
4.2	Amendment No. 1 to Rights Agreement, dated as of August 4, 2024, between El Pollo Loco Holdings, Inc. and Equiniti Trust Company, LLC, as rights agent		8-K	N/A	4.1	8/5/2024	001-36556
10.1	Form of Stock Option Awards Agreement under 2025 Equity Incentive Plan	X					
10.2	Form of Stock Option Awards Agreement under 2025 Equity Incentive Plan (Non-Director Officers)	X					
10.3	Form of Restricted Stock Agreement under 2025 Equity Incentive Plan	X					
10.4	Form of Restricted Stock Agreement under 2025 Equity Incentive Plan (Non-Director Officers)	X					
10.5	Form of Performance Stock Agreement under 2025 Equity Incentive Plan	X					
31.1	Certification of Chief Executive Officer under section 302 of the Sarbanes–Oxley Act of 2002	X					
31.2	Certification of Chief Financial Officer under section 302 of the Sarbanes–Oxley Act of 2002	X					

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32.1	Certification of Chief Executive Officer and Chief Financial Officer under 18 U.S.C. section 1350, adopted by section 906 of the Sarbanes-Oxley Act of 2002	*
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document	X
101.SCH	XBRL Taxonomy Extension Schema Document	X
101.CAL	XBRL Taxonomy Extension Schema Document	X
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document	X
101.LAB	XBRL Taxonomy Extension Label Linkbase Document	X
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document	X
104	Cover Page Interactive Data File - the cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL Document	X

* Pursuant to Item 601(b)(32)(ii) of Regulation S-K (17 C.F.R. § 229.601(b)(32)(ii)), this certification is deemed furnished, not filed, for purposes of section 18 of the Exchange Act, nor is it otherwise subject to liability under that section. It will not be deemed to be incorporated by reference into any filing under the Securities Act or the Exchange Act, except if the registrant specifically incorporates it by reference.

SIGNATURES

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

El Pollo Loco Holdings, Inc.

(Registrant)

Date: May 2, 2025

/s/ Elizabeth Williams

Elizabeth Williams

Chief Executive Officer

(duly authorized officer)

Date: May 2, 2025

/s/ Ira Fils

Ira Fils

Chief Financial Officer

(principal financial officer)

EL POLLO LOCO HOLDINGS, INC.
EQUITY INCENTIVE PLAN
NONQUALIFIED STOCK OPTION AGREEMENT

THIS AWARD AGREEMENT (this “**Option Agreement**”), is made effective as of _____ 2025 (the “**Date of Grant**”), by and between El Pollo Loco Holdings, Inc., a Delaware corporation (the “**Company**”), and _____ (the “**Participant**”):

R E C I T A L S:

WHEREAS, the Company has adopted the El Pollo Loco Holdings, Inc. Equity Incentive Plan, formerly the El Pollo Loco Holdings, Inc. 2018 Omnibus Equity Incentive Plan (the “**Plan**”), which Plan is incorporated herein by reference and made a part of this Option Agreement. Capitalized terms used but not otherwise defined herein shall have meanings ascribed to such terms in the Plan; and

WHEREAS, the Administrator has determined that it would be in the best interests of the Company and its stockholders to grant the Option provided for herein to the Participant pursuant to the Plan and the terms set forth herein.

NOW THEREFORE, in consideration of the mutual covenants hereinafter set forth, the parties agree as follows:

1. Grant of the Option. The Company hereby grants to the Participant the right and option (the “**Option**”) to purchase, on the terms and conditions hereinafter set forth, all or any part of an aggregate of _____ shares of Common Stock (each a “**Share**” and collectively, the “**Shares**”). The purchase price of the Shares subject to the Option shall be equal to \$_____ per Share as of the Date of Grant (the “**Option Price**”). The Option is intended to be a non-qualified stock option and is not intended to be treated as an option that complies with Section 422 of the Code.

2. Vesting. The Option granted hereunder shall vest and become exercisable with the passage of time. The Option shall vest and become exercisable in three (3) equal installments on each of the first three (3) anniversaries of the Date of Grant. Any portion of the Option which has become vested and exercisable in accordance with this section shall hereinafter be referred to as the “**Vested Portion.**”

3. Exercise of Option.

(a) Period of Exercise. Subject to the provisions of the Plan and this Option Agreement, the Participant may exercise all or any part of the Vested Portion of the Option at any time prior to the earliest to occur of:

(i) the tenth (10th) anniversary of the Date of Grant; or

(ii) ninety (90) days following the date of the Participant’s termination of employment with the Company and its Affiliates for any reason other than for Cause or due to the Participant’s death or Disability; or

(iii) six (6) months following the date of the Participant's termination of employment with the Company and its Affiliates due to the Participant's death or Disability.

The entire Option (whether vested or unvested) held by the Participant immediately prior to the cessation of the Participant's employment shall immediately terminate upon such cessation if such cessation of employment was for Cause.

(b) Method of Exercise.

(i) Each election to exercise the Vested Portion shall be subject to the terms and conditions of the Plan and shall be in writing, signed by the Participant or by his or her executor, administrator, or permitted transferee (subject to any restrictions provided under the Plan), made pursuant to and in accordance with the terms and conditions set forth in the Plan and received by the Company at its principal offices, accompanied by payment in full as provided in the Plan or in this Option Agreement.

(ii) The Option Price may be paid by (A) the delivery of cash or check acceptable to the Administrator, including an amount to cover the applicable withholding taxes with respect to such exercise, or (B) any other method, if any, approved by the Administrator, including (X) by means of consideration received under any cashless exercise procedure, if any, approved by the Administrator (including the withholding of Shares otherwise issuable upon exercise) or (Y) any other form of consideration approved by the Administrator and permitted by Applicable Laws.

(c) Notwithstanding any of the foregoing, the Company shall have the right to specify all conditions of the manner of exercise, which conditions may vary by country and which may be subject to change from time to time. Upon the Company's determination that the Vested Portion of the Option has been validly exercised as to any of the Shares, the Company may issue certificates in the Participant's name for such Shares. However, the Company shall not be liable to the Participant for damages relating to any reasonable delays in issuing the certificates to such Participant, any loss of the certificates, or any mistakes or errors in the issuance of the certificates or in the certificates themselves which it promptly undertakes to correct.

(d) In the event of the Participant's death, the Option shall remain exercisable by the Participant's executor or administrator, or the person or persons to whom the Participant's rights under this Option Agreement shall pass by will or by the laws of descent and distribution as the case may be, to the extent set forth in Section 3(a). Any heir or legatee of the Participant shall take rights herein granted subject to the terms and conditions hereof.

4. Termination of Employment.

(a) General. If the Participant's employment with the Company and its Affiliates is terminated for any reason, the Option shall, to the extent not then vested, terminate upon such termination of employment and the Vested Portion of the Option shall remain exercisable for the period set forth in Section 3(a) and shall thereafter terminate.

(b) For Cause. The Option (including any Vested Portion thereof) shall terminate immediately upon the Participant's termination of employment with the Company and its Affiliates for Cause.

5. Conditions to Issuance of Stock Certificates. The Shares deliverable upon the exercise of the Option, or any portion thereof, may be either previously authorized but unissued Shares, treasury Shares or issued Shares which have then been reacquired by the Company. Such Shares shall be fully paid and nonassessable.

6. Adjustments. Pursuant to Section 5 of the Plan, in the event of a Change in Capitalization, the Administrator shall make such equitable changes or adjustments to the number and kind of securities or other property (including cash) issued or issuable in respect of the Option as it determines to be necessary in its sole discretion.

7. No Right to Continued Employment. The granting of the Option evidenced hereby and this Option Agreement shall impose no obligation on the Company or any Affiliate to continue the employment of the Participant and shall not lessen or affect the Company's or any Affiliate's right to terminate the employment of such Participant.

8. Legend on Certificates. The certificates representing the Shares purchased by exercise of the Vested Portion shall be subject to such stop transfer orders and other restrictions as the Administrator reasonably deem advisable under the Plan or the rules, regulations, and other requirements of the Securities and Exchange Commission, any stock exchange upon which such Shares are listed, and any applicable Federal or state laws, and the Administrator may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.

9. Transferability.

(a) The Option may not be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by the Participant otherwise than by will or by the laws of descent and distribution, and any such purported assignment, alienation, pledge, attachment, sale, transfer or encumbrance in contravention of the foregoing shall be void and unenforceable against the Company or any Affiliate; provided, that the designation of a beneficiary shall not constitute an assignment, alienation, pledge, attachment, sale, transfer or encumbrance. No such permitted transfer of the Option to heirs or legatees of the Participant shall be effective to bind the Company unless the Administrator shall have been furnished with written notice thereof and a copy of such evidence as the Administrator may deem necessary to establish the validity of the transfer and the acceptance by the transferee or transferees of the terms and conditions hereof. During the Participant's lifetime, the Vested Option is exercisable only by the Participant.

(b) The Option shall not be liable for the debts, contracts or engagements of the Participant or the Participant's successors in interest or shall not be subject to disposition by transfer, alienation, anticipation, pledge, hypothecation, encumbrance, assignment or any other means whether such disposition be voluntary or involuntary or by operation of law by judgment, levy, attachment, garnishment or any other legal or equitable proceedings (including bankruptcy) unless and until the Option has been exercised, and any attempted

disposition thereof prior to exercise shall be null and void and of no effect, except to the extent that such disposition is permitted by Section 9(a).

10. Withholding. Subject to Section 3(b)(ii), the Participant may be required to pay to the Company or any Affiliate and the Company shall have the right and is hereby authorized to withhold from any payment due or transfer made under the Option or under the Plan or from any compensation or other amount owing to the Participant the amount (in cash, Shares, other securities or other property) of any applicable withholding taxes in respect of the Option, its exercise or any payment or transfer under or with respect to the Option or the Plan and to take such other action as may be necessary in the opinion of the Administrator to satisfy all obligations for the payment of such withholding taxes, calculated up to the maximum statutory tax rates in the Participant's jurisdiction, as determined by the Company.

11. Securities Laws. The issuance of any Shares hereunder shall be subject to the Participant making or entering into such written representations, warranties and agreements as the Administrator may reasonably request in order to comply with applicable securities laws and government regulations.

12. Notices. Any notice necessary under this Option Agreement shall be addressed to the Company in care of its Chief Legal Officer at the principal executive office of the Company and to the Participant at the address appearing in the personnel records of the Company for the Participant or to either party at such other address as either party hereto may hereafter designate in writing to the other. Any such notice shall be deemed effective upon receipt thereof by the addressee.

13. Governing Law/Jurisdiction. This Option Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Delaware applicable to contracts made and to be performed therein. Any suit, action or proceeding with respect to this Option Agreement, or any judgment entered by any court in respect of any thereof, shall be brought in any court of competent jurisdiction in the State of Delaware, and the Company and the Participant hereby submit to the exclusive jurisdiction of such courts for the purpose of any such suit, action, proceeding or judgment. The Participant and the Company hereby irrevocably waive (i) any objections which it may now or hereafter have to the laying of the venue of any suit, action or proceeding arising out of or relating to this Option Agreement brought in any court of competent jurisdiction in the State of Delaware, (ii) any claim that any such suit, action or proceeding brought in any such court has been brought in any inconvenient forum and (iii) any right to a jury trial.

14. Option Subject to Plan. By entering into this Option Agreement, the Participant agrees and acknowledges that the Participant has received and read a copy of the Plan. The Option is subject to the Plan, as may be amended from time to time, and the terms and provisions of the Plan are hereby incorporated herein by reference. In the event of any inconsistency between the Plan and this Option Agreement, the terms of the Plan shall control.

15. Section 409A. It is intended that the terms of this Option Agreement be exempt from or comply with Section 409A of the Code. If it is determined that the terms of this Option Agreement have been structured in a manner that would result in adverse tax treatment

under Section 409A of the Code, the parties agree to cooperate in taking all reasonable measures to restructure the arrangement to minimize or avoid such adverse tax treatment without materially impairing Participant's economic rights.

16. Signature in Counterparts. This Option Agreement may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

17. Amendments and Termination. To the extent permitted by the Plan, this Option Agreement may be wholly or partially amended, altered or terminated at any time or from time to time by the Administrator or the Board, but no amendment, alteration or termination shall be made that would materially impair the rights of the Participant under the Option without such Participant's consent.

18. Entire Agreement. The Plan and this Option Agreement (including all Exhibits thereto, if any) constitute the entire agreement of the parties and supersede in their entirety all prior undertakings and agreements of the Company and the Participant with respect to the subject matter hereof.

19. Electronic Signature; Electronic Delivery and Acceptance. The Participant's electronic signature of this Option Agreement shall have the same validity and effect as a signature affixed by hand. The Company may, in its sole discretion, decide to deliver any documents related to the Participant's current or future participation in the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

20. Waiver. The Participant acknowledges that a waiver by the Company of a breach of any provision of this Option Agreement shall not operate or be construed as a waiver of any other provision of this Option Agreement, or of any subsequent breach by the Participant.

21. Severability. The provisions of this Option Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

22. Clawback. The Option is subject to such recoupment policies of the Company as may be in effect from time to time pursuant to Section 28 the Plan.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Award Agreement as of the date and year first above written.

EL POLLO LOCO HOLDINGS, INC.

Name: Anne E. Jollay
Title: Chief Legal Officer

PARTICIPANT

Name

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EL POLLO LOCO HOLDINGS, INC.
EQUITY INCENTIVE PLAN
NONQUALIFIED STOCK OPTION AGREEMENT

NON-DIRECTOR OFFICER

THIS AWARD AGREEMENT (this “**Option Agreement**”), is made effective as of _____ 2025 (the “**Date of Grant**”), by and between El Pollo Loco Holdings, Inc., a Delaware corporation (the “**Company**”), and _____ (the “**Participant**”):

R E C I T A L S:

WHEREAS, the Company has adopted the El Pollo Loco Holdings, Inc. Equity Incentive Plan, formerly the El Pollo Loco Holdings, Inc. 2018 Omnibus Equity Incentive Plan (the “**Plan**”), which Plan is incorporated herein by reference and made a part of this Option Agreement. Capitalized terms used but not otherwise defined herein shall have meanings ascribed to such terms in the Plan; and

WHEREAS, the Administrator has determined that it would be in the best interests of the Company and its stockholders to grant the Option provided for herein to the Participant pursuant to the Plan and the terms set forth herein.

NOW THEREFORE, in consideration of the mutual covenants hereinafter set forth, the parties agree as follows:

1. Grant of the Option. The Company hereby grants to the Participant the right and option (the “**Option**”) to purchase, on the terms and conditions hereinafter set forth, all or any part of an aggregate of _____ shares of Common Stock (each a “**Share**” and collectively, the “**Shares**”). The purchase price of the Shares subject to the Option shall be equal to _____ per Share as of the Date of Grant (the “**Option Price**”). The Option is intended to be a non-qualified stock option and is not intended to be treated as an option that complies with Section 422 of the Code.

2. Vesting. The Option granted hereunder shall vest and become exercisable with the passage of time. The Option shall vest and become exercisable in three (3) equal installments on each of the first three (3) anniversaries of the Date of Grant. Any portion of the Option which has become vested and exercisable in accordance with this section shall hereinafter be referred to as the “**Vested Portion**.”

3. Exercise of Option.

(a) Period of Exercise. Subject to the provisions of the Plan and this Option Agreement, the Participant may exercise all or any part of the Vested Portion of the Option at any time prior to the earliest to occur of:

- (i) the tenth (10th) anniversary of the Date of Grant; or
 - (ii) ninety (90) days following the date of the Participant’s termination of employment with the Company and its Affiliates for any reason other than for Cause or due to the Participant’s death or Disability; or
-

(iii) six (6) months following the date of the Participant's termination of employment with the Company and its Affiliates due to the Participant's death or Disability.

The entire Option (whether vested or unvested) held by the Participant immediately prior to the cessation of the Participant's employment shall immediately terminate upon such cessation if such cessation of employment was for Cause.

(b) Method of Exercise.

(i) Each election to exercise the Vested Portion shall be subject to the terms and conditions of the Plan and shall be in writing, signed by the Participant or by his or her executor, administrator, or permitted transferee (subject to any restrictions provided under the Plan), made pursuant to and in accordance with the terms and conditions set forth in the Plan and received by the Company at its principal offices, accompanied by payment in full as provided in the Plan or in this Option Agreement.

(ii) The Option Price may be paid by (A) the delivery of cash or check acceptable to the Administrator, including an amount to cover the applicable withholding taxes with respect to such exercise, or (B) any other method, if any, approved by the Administrator, including (X) by means of consideration received under any cashless exercise procedure, if any, approved by the Administrator (including the withholding of Shares otherwise issuable upon exercise) or (Y) any other form of consideration approved by the Administrator and permitted by Applicable Laws.

(c) Notwithstanding any of the foregoing, the Company shall have the right to specify all conditions of the manner of exercise, which conditions may vary by country and which may be subject to change from time to time. Upon the Company's determination that the Vested Portion of the Option has been validly exercised as to any of the Shares, the Company may issue certificates in the Participant's name for such Shares. However, the Company shall not be liable to the Participant for damages relating to any reasonable delays in issuing the certificates to such Participant, any loss of the certificates, or any mistakes or errors in the issuance of the certificates or in the certificates themselves which it promptly undertakes to correct.

(d) In the event of the Participant's death, the Option shall remain exercisable by the Participant's executor or administrator, or the person or persons to whom the Participant's rights under this Option Agreement shall pass by will or by the laws of descent and distribution as the case may be, to the extent set forth in Section 3(a). Any heir or legatee of the Participant shall take rights herein granted subject to the terms and conditions hereof.

4. Termination of Employment.

(a) General. If the Participant's employment with the Company and its Affiliates is terminated for any reason other than as set forth in Sections 4(b) and 4(c) below, the Option shall, to the extent not then vested, terminate upon such termination of employment and the Vested Portion of the Option shall remain exercisable for the period set forth in Section 3(a) and shall thereafter terminate.

(b) For Cause. The Option (including any Vested Portion thereof) shall terminate immediately upon the Participant's termination of employment with the Company and its Affiliates for Cause.

(c) Double Trigger Acceleration. If the Participant's employment with the Company and its Affiliates is terminated by the Company and or Affiliates without Cause (other than by reason of death or Disability) or by the Participant for Good Reason (as each such term is defined in the Post-Termination Benefits letter agreement by and between the Company and the Employee dated as of January 31, 2025 (the "**Letter Agreement**") within twelve (12) months following a Change in Control (as defined in the Letter Agreement), the Option, to the extent unvested, shall become vested and exercisable as of the Participant's termination date, subject to Participant's execution and non-revocation of a general release of claims as of the termination date and continued compliance with any restrictive covenants with the Company or its Affiliates to which the Participant is bound.

5. Conditions to Issuance of Stock Certificates. The Shares deliverable upon the exercise of the Option, or any portion thereof, may be either previously authorized but unissued Shares, treasury Shares or issued Shares which have then been reacquired by the Company. Such Shares shall be fully paid and nonassessable.

6. Adjustments. Pursuant to Section 5 of the Plan, in the event of a Change in Capitalization, the Administrator shall make such equitable changes or adjustments to the number and kind of securities or other property (including cash) issued or issuable in respect of the Option as it determines to be necessary in its sole discretion.

7. No Right to Continued Employment. The granting of the Option evidenced hereby and this Option Agreement shall impose no obligation on the Company or any Affiliate to continue the employment of the Participant and shall not lessen or affect the Company's or any Affiliate's right to terminate the employment of such Participant.

8. Legend on Certificates. The certificates representing the Shares purchased by exercise of the Vested Portion shall be subject to such stop transfer orders and other restrictions as the Administrator reasonably deem advisable under the Plan or the rules, regulations, and other requirements of the Securities and Exchange Commission, any stock exchange upon which such Shares are listed, and any applicable Federal or state laws, and the Administrator may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.

9. Transferability.

(a) The Option may not be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by the Participant otherwise than by will or by the laws of descent and distribution, and any such purported assignment, alienation, pledge, attachment, sale, transfer or encumbrance in contravention of the foregoing shall be void and unenforceable against the Company or any Affiliate; provided, that the designation of a beneficiary shall not constitute an assignment, alienation, pledge, attachment, sale, transfer or encumbrance. No such permitted transfer of the Option to heirs or legatees of the Participant shall be effective to bind

(b) the Company unless the Administrator shall have been furnished with written notice thereof and a copy of such evidence as the Administrator may deem necessary to establish the validity of the transfer and the acceptance by the transferee or transferees of the terms and conditions hereof. During the Participant's lifetime, the Vested Option is exercisable only by the Participant.

(c) The Option shall not be liable for the debts, contracts or engagements of the Participant or the Participant's successors in interest or shall not be subject to disposition by transfer, alienation, anticipation, pledge, hypothecation, encumbrance, assignment or any other means whether such disposition be voluntary or involuntary or by operation of law by judgment, levy, attachment, garnishment or any other legal or equitable proceedings (including bankruptcy) unless and until the Option has been exercised, and any attempted

disposition thereof prior to exercise shall be null and void and of no effect, except to the extent that such disposition is permitted by Section 9(a).

10. Withholding. Subject to Section 3(b)(ii), the Participant may be required to pay to the Company or any Affiliate and the Company shall have the right and is hereby authorized to withhold from any payment due or transfer made under the Option or under the Plan or from any compensation or other amount owing to the Participant the amount (in cash, Shares, other securities or other property) of any applicable withholding taxes in respect of the Option, its exercise or any payment or transfer under or with respect to the Option or the Plan and to take such other action as may be necessary in the opinion of the Administrator to satisfy all obligations for the payment of such withholding taxes, calculated up to the maximum statutory tax rates in the Participant's jurisdiction, as determined by the Company.

11. Securities Laws. The issuance of any Shares hereunder shall be subject to the Participant making or entering into such written representations, warranties and agreements as the Administrator may reasonably request in order to comply with applicable securities laws and government regulations.

12. Notices. Any notice necessary under this Option Agreement shall be addressed to the Company in care of its Chief Legal Officer at the principal executive office of the Company and to the Participant at the address appearing in the personnel records of the Company for the Participant or to either party at such other address as either party hereto may hereafter designate in writing to the other. Any such notice shall be deemed effective upon receipt thereof by the addressee.

13. Governing Law/Jurisdiction. This Option Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Delaware applicable to contracts made and to be performed therein. Any suit, action or proceeding with respect to this Option Agreement, or any judgment entered by any court in respect of any thereof, shall be brought in any court of competent jurisdiction in the State of Delaware, and the Company and the Participant hereby submit to the exclusive jurisdiction of such courts for the purpose of any such suit, action, proceeding or judgment. The Participant and the Company hereby irrevocably waive (i) any objections which it may now or hereafter have to the laying of the venue of any suit, action or proceeding arising out of or relating to this Option Agreement brought in any court of competent jurisdiction in the State of Delaware, (ii) any claim that any such suit, action or

proceeding brought in any such court has been brought in any inconvenient forum and (iii) any right to a jury trial.

14. Option Subject to Plan. By entering into this Option Agreement, the Participant agrees and acknowledges that the Participant has received and read a copy of the Plan. The Option is subject to the Plan, as may be amended from time to time, and the terms and provisions of the Plan are hereby incorporated herein by reference. In the event of any inconsistency between the Plan and this Option Agreement, the terms of the Plan shall control.

15. Section 409A. It is intended that the terms of this Option Agreement be exempt from or comply with Section 409A of the Code. If it is determined that the terms of this Option Agreement have been structured in a manner that would result in adverse tax treatment under Section 409A of the Code, the parties agree to cooperate in taking all reasonable measures to restructure the arrangement to minimize or avoid such adverse tax treatment without materially impairing Participant's economic rights.

16. Signature in Counterparts. This Option Agreement may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

17. Amendments and Termination. To the extent permitted by the Plan, this Option Agreement may be wholly or partially amended, altered or terminated at any time or from time to time by the Administrator or the Board, but no amendment, alteration or termination shall be made that would materially impair the rights of the Participant under the Option without such Participant's consent.

18. Entire Agreement. The Plan and this Option Agreement (including all Exhibits thereto, if any) constitute the entire agreement of the parties and supersede in their entirety all prior undertakings and agreements of the Company and the Participant with respect to the subject matter hereof.

19. Electronic Signature; Electronic Delivery and Acceptance. The Participant's electronic signature of this Option Agreement shall have the same validity and effect as a signature affixed by hand. The Company may, in its sole discretion, decide to deliver any documents related to the Participant's current or future participation in the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

20. Waiver. The Participant acknowledges that a waiver by the Company of a breach of any provision of this Option Agreement shall not operate or be construed as a waiver of any other provision of this Option Agreement, or of any subsequent breach by the Participant.

21. Severability. The provisions of this Option Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

22. Clawback. The Option is subject to such recoupment policies of the Company as may be in effect from time to time pursuant to Section 28 the Plan.

IN WITNESS WHEREOF, the parties hereto have executed this Award Agreement as of the date and year first above written.

EL POLLO LOCO HOLDINGS, INC.

Name: Anne E. Jollay
Title: Chief Legal Officer

PARTICIPANT

Name

-6-

EL POLLO LOCO HOLDINGS, INC.
EQUITY INCENTIVE PLAN
RESTRICTED SHARE AGREEMENT

EMPLOYEE

This Restricted Share Award Agreement (this “**Restricted Share Agreement**”), dated as of _____ 2025 (the “**Date of Grant**”), is made by and between El Pollo Loco Holdings, Inc., a Delaware corporation (the “**Company**”) and _____ (the “**Employee**”). Capitalized terms not defined herein shall have the meaning ascribed to them in the El Pollo Loco Holdings, Inc. Equity Incentive Plan, formerly the El Pollo Loco Holdings, Inc. 2018 Omnibus Equity Incentive Plan (as amended from time to time, the “**Plan**”). Where the context permits, references to the Company shall include any successor to the Company.

1. **Grant of Restricted Shares.** The Company hereby grants to the Employee _____ Shares (such shares, the “**Restricted Shares**”), subject to all of the terms and conditions of this Restricted Share Agreement and the Plan.

2. **Lapse of Restrictions.**

(a) **Vesting.** Except as otherwise set forth in this Section 2(a), the restrictions on Transfer (as defined in Section 6(a)) set forth in Section 2(b) shall lapse with respect to 1/3 of the Restricted Shares on each of the first three anniversaries of the Date of Grant (each anniversary of the Date of Grant, a “**Vesting Date**”), subject to the continued employment of the Employee with the Company from the date hereof through the applicable Vesting Date, and provided that the Employee has not given notice of resignation as of such Vesting Date.

(b) **Restrictions.** Until the restrictions on Transfer of the Restricted Shares lapse as provided in Section 2(a), or as otherwise provided in the Plan, no Transfer of the Restricted Shares or any of the Employee’s rights with respect to the Restricted Shares, whether voluntary or involuntary, by operation of law or otherwise, shall be permitted. Unless the Administrator determines otherwise, upon any attempt to Transfer Restricted Shares or any rights in respect of Restricted Shares, before the lapse of such restrictions, such Restricted Shares, and all of the rights related thereto, shall be immediately canceled and forfeited.

(c) **Termination of Service.** Upon termination of the Employee’s service with the Company and its Affiliates for any reason (including the death or Disability of the Employee), any Restricted Shares in respect of which the restrictions on Transfer described in this Section 2 shall not already have lapsed shall be immediately canceled and forfeited and neither the Employee nor any of the Employee’s successors, heirs, assigns, or personal representatives shall thereafter have any further rights or interests in such Restricted Shares.

3. **Adjustments.** Pursuant to Section 5 of the Plan, in the event of a Change in Capitalization, the Administrator shall make such equitable changes or adjustments to the number and kind of securities or other property (including cash) issued or issuable in respect of outstanding Restricted Shares as it determines to be necessary in its sole discretion.

4. Certain Changes. The Administrator may accelerate the date on which the restrictions on transfer set forth in Section 2(a) shall lapse or otherwise adjust any of the terms of the Restricted Shares; provided that, subject to Section 5 of the Plan, no action under this Section shall adversely effect the Employee's rights hereunder.

5. Notices. All notices and other communications under this Restricted Share Agreement shall be in writing and shall be given by facsimile or first class mail, certified or registered with return receipt requested, and shall be deemed to have been duly given three days after mailing or 24 hours after transmission by facsimile to the respective parties, as follows: (i) if to the Company, addressed to the Company in care of its Chief Legal Officer at the principal executive office of the Company and (ii) if to the Employee, using the contact information on file with the Company. Either party hereto may change such party's address for notices by notice duly given pursuant hereto.

6. Transferability.

(a) Until such time as the Restricted Shares are fully vested in accordance with Section 2(a), no purported sale, assignment, mortgage, hypothecation, transfer, charge, pledge, encumbrance, gift, transfer in trust (voting or other) or other disposition of, or creation of a security interest in or lien on, any of the Restricted Shares or any agreement or commitment to do any of the foregoing (each a "**Transfer**") by any holder thereof in violation of the provisions of this Restricted Share Agreement will be valid, except with the prior written consent of the Administrator (such consent shall be granted or withheld in the sole discretion of the Administrator).

(b) In addition to Section 2(b), any purported Transfer of Restricted Shares or any economic benefit or interest therein in violation of this Restricted Share Agreement shall be null and void *ab initio* and shall not create any obligation or liability of the Company, and any person purportedly acquiring any Restricted Shares or any economic benefit or interest therein transferred in violation of this Restricted Share Agreement shall not be entitled to be recognized as a holder of such Shares.

7. Withholding Taxes. The Company shall be entitled to require a cash payment by or on behalf of the Employee and/or to deduct from any compensation payable to the Employee the amount of any sums required by federal, state or local tax law to be withheld with respect to the Restricted Shares, up to the maximum statutory tax rates in the Employee's jurisdiction, as determined by the Company.

8. Section 83(b) Election. If the Employee makes an election under Section 83(b) of the Code, or any successor section thereto, to be taxed with respect to the Restricted Shares as of the Date of Grant, the Employee shall deliver a copy of such election to the Company immediately after filing such election with the Internal Revenue Service, together with any required tax withholding. The Employee hereby acknowledges that it is the Employee's sole responsibility, and not the Company's, to file timely the election under Section 83(b) of the Code. A form of such election is attached hereto as Exhibit A.

THE EMPLOYEE ACKNOWLEDGES THAT IT IS THE EMPLOYEE'S SOLE RESPONSIBILITY AND NOT THE COMPANY'S RESPONSIBILITY TO FILE TIMELY THE ELECTION UNDER SECTION 83(b) OF THE CODE, EVEN IF THE EMPLOYEE REQUESTS THE COMPANY OR ITS REPRESENTATIVE TO MAKE THIS FILING ON THE EMPLOYEE'S BEHALF.

9. Governing Law. This Restricted Share Award Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Delaware applicable to contracts made and to be performed therein. Any suit, action or proceeding with respect to this Restricted Share Agreement, or any judgment entered by any court in respect of any thereof, shall be brought in any court of competent jurisdiction in the State of Delaware, and the Company and the Employee hereby submit to the exclusive jurisdiction of such courts for the purpose of any such suit, action, proceeding or judgment. The Employee and the Company hereby irrevocably waive (i) any objections which it may now or hereafter have to the laying of the venue of any suit, action or proceeding arising out of or relating to this Restricted Share Agreement brought in any court of competent jurisdiction in the State of Delaware, (ii) any claim that any such suit, action or proceeding brought in any such court has been brought in any inconvenient forum and (iii) any right to a jury trial.

10. Incorporation of Plan. The Plan is hereby incorporated by reference and made a part hereof, and the Restricted Shares and this Restricted Share Agreement shall be subject to all terms and conditions of the Plan and this Restricted Share Agreement.

11. Amendments; Construction. The Administrator may amend the terms of this Restricted Share Agreement prospectively or retroactively at any time, but no such amendment shall impair the rights of the Employee hereunder without his or her consent. Headings to Sections of this Restricted Share Agreement are intended for convenience of reference only, are not part of this Restricted Share Agreement and shall have no effect on the interpretation hereof.

12. Survival of Terms. This Restricted Share Agreement shall apply to and bind the Employee and the Company and their respective permitted assignees and transferees, heirs, legatees, executors, administrators and legal successors.

13. Rights as a Shareholder. During the period until the restrictions on Transfer of the Restricted Shares lapse as provided in Section 2(a), the Employee shall have all the rights of a shareholder with respect to the Restricted Shares save only the right to Transfer the Restricted Shares. Accordingly, the Employee shall have the right to vote the Restricted Shares and to receive any ordinary dividends paid to or made with respect to the Restricted Shares.

14. Agreement Not a Contract for Services. Neither the Plan, the granting of the Restricted Shares, this Restricted Share Agreement nor any other action taken pursuant to the Plan shall constitute or be evidence of any agreement or understanding, express or implied, that the Employee has a right to continue to be employed as an officer, director, employee, consultant or advisor of the Company or any Subsidiary or Affiliate for any period of time or at any specific

rate of compensation.

15. Authority of the Administrator; Disputes. The Administrator shall have full authority to interpret and construe the terms of the Plan and this Restricted Share Agreement. The determination of the Administrator as to any such matter of interpretation or construction shall be final, binding and conclusive.

16. Waiver. The Employee acknowledges that a waiver by the Company of a breach of any provision of this Restricted Share Agreement shall not operate or be construed as a waiver of any other provision of this Restricted Share Agreement, or of any subsequent breach by the Employee.

17. Severability. Should any provision of this Restricted Share Agreement be held by a court of competent jurisdiction to be unenforceable, or enforceable only if modified, such holding shall not affect the validity of the remainder of this Restricted Share Agreement, the balance of which shall continue to be binding upon the parties hereto with any such modification (if any) to become a part hereof and treated as though contained in this Restricted Share Agreement.

18. Acceptance. The Employee hereby acknowledges receipt of a copy of the Plan and this Restricted Share Agreement. The Employee has read and understands the terms and provisions of the Plan and this Restricted Share Agreement, and the Employee accepts the Restricted Shares subject to all the terms and conditions of the Plan and this Restricted Share Agreement. The Employee hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions arising under this Restricted Share Agreement.

19. Clawback. The Restricted Shares are subject to such recoupment policies of the Company as may be in effect from time to time pursuant to Section 28 the Plan.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Restricted Share Agreement on the day and year first above written.

EL POLLO LOCO HOLDINGS, INC.

By _____
Name ANNE E. JOLLAY
Title Chief Legal Officer

EMPLOYEE

Employee Name

EXHIBIT A
ELECTION UNDER SECTION 83(b)

The undersigned taxpayer hereby elects, pursuant to Section 83(b) of the Internal Revenue Code of 1986, as amended, to include in taxpayer's gross income for the current taxable year the amount of any compensation taxable to taxpayer in connection with taxpayer's receipt of the property described below:

1. The name address, taxpayer identification number and taxable year of the undersigned are as follows:

NAME OF TAXPAYER: _____

NAME OF SPOUSE: _____

ADDRESS: _____

IDENTIFICATION NO. OF TAXPAYER: _____

IDENTIFICATION NUMBER OF SPOUSE: _____

TAXABLE YEAR: _____

2. The property with respect to which the election is made is described as follows: _____ shares of Common Stock, par value \$0.01 per share, of El Pollo Loco Holdings, Inc., a Delaware corporation (the "Company").

3. The date on which the property was transferred is: _____, 20__.

4. The property is subject to the following restrictions: The property may not be transferred and is subject to forfeiture under the terms of an agreement between the taxpayer and the Company. These restrictions lapse upon the satisfaction of certain conditions in such agreement.

5. The fair market value at the time of transfer, determined without regard to any restriction other than a restriction which by its terms will never lapse, of such property is: \$ _____.

6. The amount (if any) paid for such property is: \$ _____.

The undersigned has submitted a copy of this statement to the person for whom the services were performed in connection with the undersigned's receipt of the above-described property. The transferee of such property is the person performing the services in connection with the transfer of said property.

The undersigned understands that the foregoing election may not be revoked except with the consent of the Commissioner.

Dated: _____, 20__
Taxpayer

The undersigned spouse of taxpayer joins in this election.

Dated: _____, 20__
Spouse of Taxpayer

**EL POLLO LOCO HOLDINGS, INC.
EQUITY INCENTIVE PLAN
RESTRICTED SHARE AGREEMENT**

NON-DIRECTOR OFFICER

This Restricted Share Award Agreement (this “**Restricted Share Agreement**”), dated as of _____ (the “**Date of Grant**”), is made by and between El Pollo Loco Holdings, Inc., a Delaware corporation (the “**Company**”) and _____ (the “**Employee**”). Capitalized terms not defined herein shall have the meaning ascribed to them in the El Pollo Loco Holdings, Inc. Equity Incentive Plan, formerly the El Pollo Loco Holdings, Inc. 2018 Omnibus Equity Incentive Plan (as amended from time to time, the “**Plan**”). Where the context permits, references to the Company shall include any successor to the Company.

1. Grant of Restricted Shares. The Company hereby grants to the Employee _____ Shares (such shares, the “**Restricted Shares**”), subject to all of the terms and conditions of this Restricted Share Agreement and the Plan.

2. Lapse of Restrictions.

(a) Vesting. Except as otherwise set forth in this Section 2(a), the restrictions on Transfer (as defined in Section 6(a)) set forth in Section 2(b) shall lapse with respect to 1/3 of the Restricted Shares on each of the first three anniversaries of the Date of Grant (each anniversary of the Date of Grant, a “**Vesting Date**”), subject to the continued employment of the Employee with the Company from the date hereof through the applicable Vesting Date, and provided that the Employee has not given notice of resignation as of such Vesting Date.

(b) Restrictions. Until the restrictions on Transfer of the Restricted Shares lapse as provided in Section 2(a), or as otherwise provided in the Plan, no Transfer of the Restricted Shares or any of the Employee’s rights with respect to the Restricted Shares, whether voluntary or involuntary, by operation of law or otherwise, shall be permitted. Unless the Administrator determines otherwise, upon any attempt to Transfer Restricted Shares or any rights in respect of Restricted Shares, before the lapse of such restrictions, such Restricted Shares, and all of the rights related thereto, shall be immediately canceled and forfeited.

(c) Termination of Service.

(i) Except as provided in Section 2(c)(ii) below, upon termination of the Employee’s service with the Company and its Affiliates for any reason (including the death or Disability of the Employee), any Restricted Shares in respect of which the restrictions on Transfer described in this Section 2 shall not already have lapsed shall be immediately canceled and forfeited and neither the Employee nor any of the Employee’s successors, heirs, assigns, or personal representatives shall thereafter have any further rights or interests in such Restricted Shares.

(ii) Upon termination of the Employee’s service with the Company and its Affiliates by the Company or its Affiliates without Cause (other than by reason of death or Disability) or by the Employee for Good Reason (as each such term is defined in the Post-Termination Benefits letter agreement by and between the Company and the Employee dated as of January 31, 2025 (the “**Letter Agreement**”) within twelve (12) months

following a Change in Control (as defined in the Letter Agreement), the Restricted Shares, to the extent unvested, shall vest in full and all restrictions on Transfer applicable thereto described in this Section 2 shall lapse as of the Employee's termination date, subject to Employee's execution and non-revocation of a general release of claims as of the termination date and continued compliance with any restrictive covenants with the Company or its Affiliates to which the Employee is bound.

3. Adjustments. Pursuant to Section 5 of the Plan, in the event of a Change in Capitalization, the Administrator shall make such equitable changes or adjustments to the number and kind of securities or other property (including cash) issued or issuable in respect of outstanding Restricted Shares as it determines to be necessary in its sole discretion.

4. Certain Changes. The Administrator may accelerate the date on which the restrictions on transfer set forth in Section 2(a) shall lapse or otherwise adjust any of the terms of the Restricted Shares; provided that, subject to Section 5 of the Plan, no action under this Section shall adversely affect the Employee's rights hereunder.

5. Notices. All notices and other communications under this Restricted Share Agreement shall be in writing and shall be given by facsimile or first class mail, certified or registered with return receipt requested, and shall be deemed to have been duly given three days after mailing or 24 hours after transmission by facsimile to the respective parties, as follows: (i) if to the Company, addressed to the Company in care of its Chief Legal Officer at the principal executive office of the Company and (ii) if to the Employee, using the contact information on file with the Company. Either party hereto may change such party's address for notices by notice duly given pursuant hereto.

6. Transferability.

(a) Until such time as the Restricted Shares are fully vested in accordance with Section 2(a), no purported sale, assignment, mortgage, hypothecation, transfer, charge, pledge, encumbrance, gift, transfer in trust (voting or other) or other disposition of, or creation of a security interest in or lien on, any of the Restricted Shares or any agreement or commitment to do any of the foregoing (each a "**Transfer**") by any holder thereof in violation of the provisions of this Restricted Share Agreement will be valid, except with the prior written consent of the Administrator (such consent shall be granted or withheld in the sole discretion of the Administrator).

(b) In addition to Section 2(b), any purported Transfer of Restricted Shares or any economic benefit or interest therein in violation of this Restricted Share Agreement shall be null and void *ab initio* and shall not create any obligation or liability of the Company, and any person purportedly acquiring any Restricted Shares or any economic benefit or interest therein transferred in violation of this Restricted Share Agreement shall not be entitled to be recognized as a holder of such Shares.

7. Withholding Taxes. The Company shall be entitled to require a cash payment by or on behalf of the Employee and/or to deduct from any compensation payable to the Employee the amount of any sums required by federal, state or local tax law to be withheld with respect to the Restricted Shares, up to the maximum statutory tax rates in the Employee's jurisdiction, as determined by the Company.

8. Section 83(b) Election. If the Employee makes an election under Section

83(b) of the Code, or any successor section thereto, to be taxed with respect to the Restricted Shares as of the Date of Grant, the Employee shall deliver a copy of such election to the Company immediately after filing such election with the Internal Revenue Service, together with any required tax withholding. The Employee hereby acknowledges that it is the Employee's sole responsibility, and not the Company's, to file timely the election under Section 83(b) of the Code. A form of such election is attached hereto as Exhibit A.

THE EMPLOYEE ACKNOWLEDGES THAT IT IS THE EMPLOYEE'S SOLE RESPONSIBILITY AND NOT THE COMPANY'S RESPONSIBILITY TO FILE TIMELY THE ELECTION UNDER SECTION 83(b) OF THE CODE, EVEN IF THE EMPLOYEE REQUESTS THE COMPANY OR ITS REPRESENTATIVE TO MAKE THIS FILING ON THE EMPLOYEE'S BEHALF.

9. Governing Law. This Restricted Share Award Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Delaware applicable to contracts made and to be performed therein. Any suit, action or proceeding with respect to this Restricted Share Agreement, or any judgment entered by any court in respect of any thereof, shall be brought in any court of competent jurisdiction in the State of Delaware, and the Company and the Employee hereby submit to the exclusive jurisdiction of such courts for the purpose of any such suit, action, proceeding or judgment. The Employee and the Company hereby irrevocably waive (i) any objections which it may now or hereafter have to the laying of the venue of any suit, action or proceeding arising out of or relating to this Restricted Share Agreement brought in any court of competent jurisdiction in the State of Delaware, (ii) any claim that any such suit, action or proceeding brought in any such court has been brought in any inconvenient forum and (iii) any right to a jury trial.

10. Incorporation of Plan. The Plan is hereby incorporated by reference and made a part hereof, and the Restricted Shares and this Restricted Share Agreement shall be subject to all terms and conditions of the Plan and this Restricted Share Agreement.

11. Amendments; Construction. The Administrator may amend the terms of this Restricted Share Agreement prospectively or retroactively at any time, but no such amendment shall impair the rights of the Employee hereunder without his or her consent. Headings to Sections of this Restricted Share Agreement are intended for convenience of reference only, are not part of this Restricted Share Agreement and shall have no effect on the interpretation hereof.

12. Survival of Terms. This Restricted Share Agreement shall apply to and bind the Employee and the Company and their respective permitted assignees and transferees, heirs, legatees, executors, administrators and legal successors.

13. Rights as a Shareholder. During the period until the restrictions on Transfer of the Restricted Shares lapse as provided in Section 2(a), the Employee shall have all the rights of a shareholder with respect to the Restricted Shares save only the right to Transfer the Restricted Shares. Accordingly, the Employee shall have the right to vote the Restricted Shares and to receive any ordinary dividends paid to or made with respect to the Restricted Shares.

14. Agreement Not a Contract for Services. Neither the Plan, the granting of the Restricted Shares, this Restricted Share Agreement nor any other action taken pursuant to the Plan shall constitute or be evidence of any agreement or understanding, express or implied, that

the Employee has a right to continue to be employed as an officer, director, employee, consultant or advisor of the Company or any Subsidiary or Affiliate for any period of time or at any specific rate of compensation.

15. Authority of the Administrator; Disputes. The Administrator shall have full authority to interpret and construe the terms of the Plan and this Restricted Share Agreement. The determination of the Administrator as to any such matter of interpretation or construction shall be final, binding and conclusive.

16. Waiver. The Employee acknowledges that a waiver by the Company of a breach of any provision of this Restricted Share Agreement shall not operate or be construed as a waiver of any other provision of this Restricted Share Agreement, or of any subsequent breach by the Employee.

17. Severability. Should any provision of this Restricted Share Agreement be held by a court of competent jurisdiction to be unenforceable, or enforceable only if modified, such holding shall not affect the validity of the remainder of this Restricted Share Agreement, the balance of which shall continue to be binding upon the parties hereto with any such modification (if any) to become a part hereof and treated as though contained in this Restricted Share Agreement.

18. Acceptance. The Employee hereby acknowledges receipt of a copy of the Plan and this Restricted Share Agreement. The Employee has read and understands the terms and provisions of the Plan and this Restricted Share Agreement, and the Employee accepts the Restricted Shares subject to all the terms and conditions of the Plan and this Restricted Share Agreement. The Employee hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions arising under this Restricted Share Agreement.

19. Clawback. The Restricted Shares are subject to such recoupment policies of the Company as may be in effect from time to time pursuant to Section 28 the Plan.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Restricted Share Agreement on the day and year first above written.

EL POLLO LOCO HOLDINGS, INC.

By _____
Name ANNE E. JOLLAY
Title Chief Legal Officer

EMPLOYEE

EXHIBIT A
ELECTION UNDER SECTION 83(b)

The undersigned taxpayer hereby elects, pursuant to Section 83(b) of the Internal Revenue Code of 1986, as amended, to include in taxpayer's gross income for the current taxable year the amount of any compensation taxable to taxpayer in connection with taxpayer's receipt of the property described below:

1. The name address, taxpayer identification number and taxable year of the undersigned are as follows:

NAME OF TAXPAYER: _____

NAME OF SPOUSE: _____

ADDRESS: _____

IDENTIFICATION NO. OF TAXPAYER: _____

IDENTIFICATION NUMBER OF SPOUSE: _____

TAXABLE YEAR: _____

2. The property with respect to which the election is made is described as follows: _____ shares of Common Stock, par value \$0.01 per share, of El Pollo Loco Holdings, Inc., a Delaware corporation (the "Company").

3. The date on which the property was transferred is: _____, 20__.

4. The property is subject to the following restrictions: The property may not be transferred and is subject to forfeiture under the terms of an agreement between the taxpayer and the Company. These restrictions lapse upon the satisfaction of certain conditions in such agreement.

5. The fair market value at the time of transfer, determined without regard to any restriction other than a restriction which by its terms will never lapse, of such property is: \$ _____.

6. The amount (if any) paid for such property is: \$ _____.

The undersigned has submitted a copy of this statement to the person for whom the services were performed in connection with the undersigned's receipt of the above-described property. The transferee of such property is the person performing the services in connection with the transfer of said property.

The undersigned understands that the foregoing election may not be revoked except with the consent of the Commissioner.

Dated: _____, 20__
Taxpayer

The undersigned spouse of taxpayer joins in this election.

Dated: _____, 20__
Spouse of Taxpayer

EL POLLO LOCO HOLDINGS, INC.
EQUITY INCENTIVE PLAN
PERFORMANCE STOCK UNIT AWARD AGREEMENT

NON-DIRECTOR-OFFICER

This Performance Stock Unit Award Agreement (this “**Award Agreement**”), effective as of _____ (the “**Date of Grant**”), is made by and between El Pollo Loco Holdings, Inc., a Delaware corporation (the “**Company**”) and _____ (the “**Employee**”). Capitalized terms not defined herein shall have the meaning ascribed to them in the El Pollo Loco Holdings, Inc. Equity Incentive Plan, formerly the El Pollo Loco Holdings, Inc. 2018 Omnibus Equity Incentive Plan (as amended from time to time, the “**Plan**”). Where the context permits, references to the Company shall include any successor to the Company.

1. **Grant of Performance Stock Units.** As approved by the Compensation Committee of the Board on the Date of Grant, the Company grants to the Employee the number of performance-based Restricted Stock Units (“**Performance Stock Units**” or “**PSUs**”) at target set forth on *Schedule I* hereto, or such lesser or greater number of PSUs as may be earned upon the attainment of applicable performance objectives set forth in *Schedule I* hereto, subject to all of the terms and conditions of this Award Agreement and the Plan. Each PSU constitutes an unfunded and unsecured promise of the Company to deliver (or cause to be delivered) to the Employee, subject to the terms and conditions of this Award Agreement, one (1) share of Common Stock of the Company (“**Shares**”) upon becoming earned and vested in accordance with Section 2 and settlement in accordance with Section 3. The Company shall hold the PSUs in book-entry form. The Employee shall have no direct or secured claim in any specific assets of the Company or the Shares that may become issuable to the Employee hereunder, and shall have the status of a general unsecured creditor of the Company.

2. **Vesting and Settlement.**

(a) **Generally.** The period during which the PSUs awarded hereunder may become earned shall commence on January 1, 2025 and end on the last day of the Company’s 2027 fiscal year (the “**Performance Period**”). Except as otherwise provided in this Section 2, the PSUs shall be wholly or partially earned to the extent of the attainment of the performance objectives set forth in *Schedule I* and provided that the Employee has been continuously employed by the Company from the Date of Grant through the last day of the Performance Period, and the Employee shall forfeit any and all PSUs not becoming so earned.

(b) **Vesting.** PSUs that have been earned in accordance with Section 2(a) shall vest when performance for the Performance Period has been determined by the Administrator in its discretion (the “**Vesting Date**”), subject in all cases, except as otherwise provided in Section 2(c), to the continued employment of the Employee with the Company from the date hereof through the Vesting Date, and provided that the Employee has not given notice of resignation as of the Vesting Date. Unless the Administrator determines otherwise, upon any

attempt to Transfer the PSUs or any rights in respect of the PSUs prior to vesting, such PSUs, and all of the rights related thereto, shall be immediately canceled and forfeited.

(c) Termination of Service.

i Upon termination of the Employee's service with the Company and its Affiliates for any reason (including the death or Disability of the Employee), other than as set forth in Section 2(c)(ii), any PSUs that have not then been earned and vested as described in this Section 2 shall be immediately canceled and forfeited and neither the Employee nor any of the Employee's successors, heirs, assigns, or personal representatives shall thereafter have any further rights or interests in such PSUs.

ii If the Employee's employment with the Company and its Affiliates is terminated by the Company and its Affiliates without Cause or by the Employee for Good Reason (as each such term is defined in the Post-Termination Benefits letter agreement by and between the Company and the Employee dated as of January 31, 2025 (the "**Letter Agreement**") within 12 months after a Change in Control (as defined in the Letter Agreement), then all unearned PSUs shall become earned and vested, with performance having been deemed attained at target level of performance, subject to Employee's execution and non-revocation of a general release of claims as of the termination date and continued compliance with any restrictive covenants with the Company or its Affiliates to which the Employee is bound.

3. Delivery of Shares Following Vesting. The Company shall settle any vested PSUs within 60 days after the Vesting Date by causing its transfer agent for the Shares to register the Shares in book-entry form in the name of the Employee (or, in the discretion of the Administrator, issue to the Employee a stock certificate) representing a number of Shares equal to the number of PSUs that have become earned and vested pursuant to Section 2.

4. Adjustments. Pursuant to Section 5 of the Plan, in the event of a Change in Capitalization, the Administrator shall make such equitable changes or adjustments to the number and kind of securities or other property (including cash) issued or issuable in respect of the PSUs as it determines to be necessary in its sole discretion.

5. Certain Changes. The Administrator may accelerate the date on which the earned PSUs may be settled; provided that, subject to Section 5 of the Plan, no action under this section shall adversely effect the Employee's rights hereunder.

6. Notices. All notices and other communications under this Award Agreement shall be in writing and shall be given by facsimile or first class mail, certified or registered with return receipt requested, and shall be deemed to have been duly given three days after mailing or 24 hours after transmission by facsimile to the respective parties, as follows: (i) if to the Company, addressed to the Company in care of its Chief Legal Officer at the principal executive office of the Company and (ii) if to the Employee, using the contact information on file with the Company. Either party hereto may change such party's address for notices by notice duly given pursuant hereto.

7. Restrictions on Transferability.

(a) The PSUs, whether earned or unearned, may not be sold, assigned, pledged or otherwise transferred or encumbered by the Employee, and no purported sale, assignment, mortgage, hypothecation, transfer, charge, pledge, encumbrance, gift, transfer in trust (voting or other) or other disposition of, or creation of a security interest in or lien on, any of the PSUs or any agreement or commitment to do any of the foregoing (each a “**Transfer**”) by any holder thereof in violation of the provisions of this Award Agreement will be valid, except with the prior written consent of the Administrator (such consent shall be granted or withheld in the sole discretion of the Administrator).

(b) Any purported Transfer of PSUs or any economic benefit or interest therein in violation of this Award Agreement shall be null and void *ab initio* and shall not create any obligation or liability of the Company, and any person purportedly acquiring any PSUs or any economic benefit or interest therein transferred in violation of this Award Agreement shall not be entitled to be recognized as a holder of such PSUs.

8. Withholding Taxes. The Company shall be entitled to require a cash payment by or on behalf of the Employee and/or to deduct from any compensation payable to the Employee the amount of any sums required by federal, state or local tax law to be withheld with respect to the PSUs and any amounts earned under this Agreement, up to the maximum statutory tax rates in the Employee’s jurisdiction, as determined by the Company.

9. Governing Law. This Award Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Delaware applicable to contracts made and to be performed therein. Any suit, action or proceeding with respect to this Award Agreement, or any judgment entered by any court in respect of any thereof, shall be brought in any court of competent jurisdiction in the State of Delaware, and the Company and the Employee hereby submit to the exclusive jurisdiction of such courts for the purpose of any such suit, action, proceeding or judgment. The Employee and the Company hereby irrevocably waive (i) any objections which it may now or hereafter have to the laying of the venue of any suit, action or proceeding arising out of or relating to this Award Agreement brought in any court of competent jurisdiction in the State of Delaware, (ii) any claim that any such suit, action or proceeding brought in any such court has been brought in any inconvenient forum and (iii) any right to a jury trial.

10. Incorporation of Plan. The Plan is hereby incorporated by reference and made a part hereof, and the PSUs and this Award Agreement shall be subject to all terms and conditions of the Plan and this Award Agreement.

11. Section 409A. The intent of the parties is that payments and benefits under this Award Agreement comply with Section 409A of Code to the extent subject thereto, and, accordingly, to the maximum extent permitted, this Award Agreement shall be interpreted and be administered to be in compliance therewith. Notwithstanding anything contained herein to the contrary, to the extent required in order to avoid accelerated taxation and/or tax penalties under Section 409A of the Code, the Employee shall not be considered to have separated from service

or otherwise terminated employment with the Company for purposes of this Award Agreement, and no payment shall be due to the Employee under this Award Agreement on account of a separation from service or termination of employment, until the Employee would be considered to have incurred a "separation from service" with the Company within the meaning of Section 409A of the Code. Any payments described in this Award Agreement that are due within the "short-term deferral period" as defined in Section 409A of the Code shall not be treated as deferred compensation unless applicable law requires otherwise. Notwithstanding anything to the contrary in this Award Agreement, to the extent that any PSUs are payable upon the Employee's separation from service and such payment would result in the imposition of any individual income tax and late interest charges imposed under Section 409A of the Code based on the Employee's status as a "specified employee" within the meaning of Section 409A of the Code, the settlement and payment of such awards shall instead be made on the first business day after the date that is six (6) months following the Employee's separation from service (or death, if earlier). The Company makes no representation that any or all of the payments described in this Award Agreement will be exempt from or comply with Section 409A of the Code and makes no undertaking to preclude Section 409A of the Code from applying to any such payment. The Employee shall be solely responsible for the payment of any taxes and penalties incurred under Section 409A.

12. Amendments; Construction. The Administrator may amend the terms of this Award Agreement prospectively or retroactively at any time, but no such amendment shall impair the rights of the Employee hereunder without his or her consent. Headings to Sections of this Award Agreement are intended for convenience of reference only, are not part of this Award Agreement and shall have no effect on the interpretation hereof.

13. Survival of Terms. This Award Agreement shall apply to and bind the Employee and the Company and their respective permitted assignees and transferees, heirs, legatees, executors, administrators and legal successors.

14. Rights as a Stockholder. The Employee shall have no rights as a stockholder of the Company with respect to any Shares underlying the PSUs until the date that the Company delivers such Shares to the Employee (or his or her representative).

15. Agreement Not a Contract for Services. Neither the Plan, the granting of the PSUs, this Award Agreement nor any other action taken pursuant to the Plan shall constitute or be evidence of any agreement or understanding, express or implied, that the Employee has a right to continue to be employed as an officer, director, employee, consultant or advisor of the Company or any Subsidiary or Affiliate for any period of time or at any specific rate of compensation.

16. Authority of the Administrator; Disputes. The Administrator shall have full authority to interpret and construe the terms of the Plan and this Award Agreement. The determination of the Administrator as to any such matter of interpretation or construction shall be final, binding and conclusive.

17. Waiver. The Employee acknowledges that a waiver by the Company of a breach of any provision of this Award Agreement shall not operate or be construed as a waiver of any other provision of this Award Agreement, or of any subsequent breach by the Employee.

18. Severability. Should any provision of this Award Agreement be held by a court of competent jurisdiction to be unenforceable, or enforceable only if modified, such holding shall not affect the validity of the remainder of this Award Agreement, the balance of which shall continue to be binding upon the parties hereto with any such modification (if any) to become a part hereof and treated as though contained in this Award Agreement.

19. Acceptance. The Employee hereby acknowledges receipt of a copy of the Plan and this Award Agreement. The Employee has read and understands the terms and provisions of the Plan and this Award Agreement, and the Employee accepts the PSUs subject to all the terms and conditions of the Plan and this Award Agreement. The Employee hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions arising under this Award Agreement.

20. Clawback. The PSUs and any Shares issued upon settlement of the PSUs are subject to such recoupment policies of the Company as may be in effect from time to time pursuant to Section 28 the Plan.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Award Agreement on the day and year first above written.

EL POLLO LOCO HOLDINGS, INC.

By _____
Name _____
Title _____

EMPLOYEE

NAME

CERTIFICATIONS

I, Elizabeth Williams, certify that:

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

Date: May 2, 2025

/s/ Elizabeth Williams

Elizabeth Williams
Chief Executive Officer
(Principal Executive Officer)

CERTIFICATIONS

I, Ira Fils, certify that:

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

Date: May 2, 2025

/s/ Ira Fils

Ira Fils
Chief Financial Officer (Principal Financial Officer)

CERTIFICATION

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

Date: May 2, 2025

/s/ Elizabeth Williams

Elizabeth Williams
Chief Executive Officer

/s/ Ira Fils

Ira Fils
Chief Financial Officer
