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

FORM 10-Q

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

FOR THE QUARTERLY PERIOD ENDED June 28, 2026

☐ 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: 001-40951

PORTILLO'S INC.

(Exact name of registrant as specified in its charter)

Delaware	**87-1104304**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

2001 Spring Road, Suite 400, Oak Brook, Illinois 60523

(Address of principal executive offices)

(630) 954-3773

(Registrant's telephone number, including area code)

N/A

(Former name, 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	Name of each exchange on which registered
Class A common stock, $0.01 par value per share	PTLO	Nasdaq Global Select Market

Indicate by check mark whether the registrant (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 July 29, 2026, there were 72,518,678 shares of the registrant's Class A common stock, par value $0.01 per share, and 3,424,546 shares of the registrant's Class B common stock, par value $0.00001 per share, issued and outstanding.

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Cautionary Note Regarding Forward-Looking Information

This Quarterly Report on Form 10-Q ("Form 10-Q") contains forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995 ("PSLRA"), which are subject to known and unknown risks, uncertainties and other important factors that may cause actual results to be materially different from the statements made herein. All statements other than statements of historical fact are forward-looking statements. Many of the forward-looking statements are located in Part I, Item 2 of this Form 10-Q under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations." Forward-looking statements discuss our current expectations and projections relating to our financial position, results of operations, plans, objectives, future performance and business. You can identify forward-looking statements by the fact that they do not relate strictly to historical or current facts. These statements may include words such as "aim," "anticipate," "believe," "estimate," "expect," "forecast," "future," "outlook," "potential," "project," "projection," "plan," "intend," "seek," "may," "could," "would," "will," "should," "can," "can have," "likely," the negatives thereof and other similar expressions.

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

- risks related to or arising from our organizational structure;
- risks of food-borne illness and food safety and other health concerns about our food;
- risks relating to the economy and financial markets, including in relation to trade and tax policy changes and other macroeconomic uncertainty, including inflation, fluctuating interest rates, stock market volatility, recession concerns, and other factors;
- risks associated with onboarding new members of management, including the Chief Executive Officer and Chief Financial Officer and the related transition;
- the impact of unionization activities of our Team Members on our reputation, operations and profitability;
- risks associated with our reliance on certain information technology systems, and potential failures or interruptions;
- risks associated with data, privacy, cyber security and the use and implementation of information technology systems, including our digital ordering and payment platforms for our delivery business;
- risks associated with increased adoption, implementation and use of artificial intelligence ("AI") technologies across our business;
- the impact of competition, including from our competitors in the restaurant industry or our own restaurants;
- the increasingly competitive labor market and our ability to attract and retain the best talent and qualified employees;
- the impact of federal, state or local government regulations relating to privacy, data protection, advertising and consumer protection, building and zoning requirements, labor and employment matters, costs of or ability to open new restaurants, or the sale of food and alcoholic beverages;
- inability to achieve our growth strategy, including as a result of, among other things, the availability of suitable new restaurant sites in existing and new markets and opening of new restaurants at the anticipated rate and on the anticipated timeline and cost structure;
- the impact of consumer sentiment and other economic factors on our sales;
- fluctuation in food and other operating costs, tariffs and import taxes, and supply shortages; and
- other risks identified in our filings with the Securities and Exchange Commission (the “SEC").

All forward-looking statements are expressly qualified in their entirety by these cautionary statements. You should evaluate all forward-looking statements made in this Form 10-Q in the context of the risks and uncertainties disclosed in our Annual Report on Form 10-K for the fiscal year ended December 28, 2025 filed with the SEC on February 24, 2026, and subsequent filings with the SEC, which are available on the SEC's website at www.sec.gov.

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

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements (Unaudited)

PORTILLO'S INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(UNAUDITED)
(In thousands, except share and per share data)

	June 28, 2026	December 28, 2025
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents and restricted cash	$ 21,253	$ 19,963
Accounts and tenant improvement receivables	11,274	16,502
Inventories	11,133	8,207
Prepaid expenses and other	6,108	6,844
Total current assets	49,768	51,516
Property and equipment, net	430,247	420,263
Operating lease assets	274,010	261,086
Goodwill	394,298	394,298
Trade names	221,725	221,725
Other intangible assets, net	22,037	23,391
Equity method investment	15,646	15,696
Deferred tax assets	209,704	211,267
Other assets	7,081	7,292
Total other assets	870,491	873,669
TOTAL ASSETS	$ 1,624,516	$ 1,606,534
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 38,326	$ 43,210
Current portion of long-term debt	6,250	6,250
Current portion of Tax Receivable Agreement liability	1,336	7,910
Short-term debt	97,000	90,000
Deferred revenue	5,196	7,472
Short-term operating lease liabilities	8,027	6,878
Accrued expenses	32,681	32,236
Total current liabilities	188,816	193,956
LONG-TERM LIABILITIES:		
Long-term debt, net of current portion	235,192	237,977
Tax Receivable Agreement liability	342,060	344,524
Long-term operating lease liabilities	344,919	329,190
Other long-term liabilities	3,577	3,614
Total long-term liabilities	925,748	915,305
Total liabilities	1,114,564	1,109,261
COMMITMENTS AND CONTINGENCIES (NOTE 13)		
STOCKHOLDERS' EQUITY:		
Preferred stock, $0.01 par value per share, 10,000,000 shares authorized, none issued or outstanding	—	—
Class A common stock, $0.01 par value per share, 380,000,000 shares authorized, and 72,504,761 and 71,971,736 shares issued and outstanding at June 28, 2026 and December 28, 2025, respectively.	725	720
Class B common stock, $0.00001 par value per share, 50,000,000 shares authorized, and 3,424,546 and 3,442,335 shares issued and outstanding at June 28, 2026 and December 28, 2025, respectively.	—	—
Additional paid-in-capital	410,394	404,603
Retained earnings	69,016	62,474
Total stockholders' equity attributable to Portillo's Inc.	480,135	467,797
Non-controlling interest	29,817	29,476
Total stockholders' equity	509,952	497,273
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 1,624,516	$ 1,606,534

See accompanying notes to unaudited condensed consolidated financial statements.

PORTILLO'S INC
CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
(UNAUDITED)
(In thousands, except share and per share data)

	Quarter Ended		Two Quarters Ended	
	June 28, 2026	**June 29, 2025**	**June 28, 2026**	**June 29, 2025**
REVENUES, NET	$ 198,954	$ 188,456	$ 381,577	$ 364,893
COST AND EXPENSES:				
Restaurant operating expenses:				
Food, beverage and packaging costs	69,580	63,750	132,865	124,852
Labor	51,094	48,340	100,289	95,208
Occupancy	11,692	9,966	22,876	19,987
Other operating expenses	23,341	21,919	47,456	43,709
Total restaurant operating expenses	155,707	143,975	303,486	283,756
General and administrative expenses	19,563	18,798	39,922	37,701
Pre-opening expenses	938	1,697	3,488	2,205
Depreciation and amortization	8,254	7,137	16,190	14,177
Net income attributable to equity method investment	(404)	(382)	(610)	(546)
Other loss (income), net	1,120	(300)	833	(312)
OPERATING INCOME	13,776	17,531	18,268	27,912
Interest expense	5,672	5,726	11,299	11,475
Interest income	(60)	(79)	(110)	(150)
Tax Receivable Agreement liability adjustment	(760)	(1,838)	(1,172)	(2,485)
INCOME BEFORE INCOME TAXES	8,924	13,722	8,251	19,072
Income tax expense	1,769	3,679	1,605	5,039
NET INCOME	7,155	10,043	6,646	14,033
Net income attributable to non-controlling interests	211	1,339	104	2,016
NET INCOME ATTRIBUTABLE TO PORTILLO'S INC.	$ 6,944	$ 8,704	$ 6,542	$ 12,017
Net income per common share attributable to Portillo's Inc.:				
Basic	$ 0.10	$ 0.13	$ 0.09	$ 0.18
Diluted	$ 0.09	$ 0.12	$ 0.09	$ 0.18
Weighted-average common shares outstanding:				
Basic	72,380,068	67,595,224	72,228,233	65,716,582
Diluted	73,171,001	69,867,802	73,154,368	68,174,864

See accompanying notes to unaudited condensed consolidated financial statements.

PORTILLO'S INC
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(UNAUDITED)
(In thousands, except share data)

	Quarter Ended June 28, 2026 and June 29, 2025							
	Class A Common Stock		Class B Common Stock					
	Shares	Amount	Shares	Amount	Additional Paid-in Capital	Retained Earnings	Non-Controlling Interest	Total Stockholders' Equity
Balance at March 30, 2025	63,905,130	$ 639	10,732,800	$ —	$ 359,798	$ 46,442	$ 88,527	$ 495,406
Net income	—	—	—	—	—	8,704	1,339	10,043
Equity-based compensation	—	—	—	—	2,379	—	279	2,658
Activity under equity-based compensation plans	694,573	7	—	—	1,488	—	—	1,495
Redemption of LLC Interests	7,290,465	73	(7,290,465)	—	(73)	—	—	—
Non-controlling interest adjustment	—	—	—	—	61,281	—	(61,281)	—
Distributions paid to non-controlling interest holders	—	—	—	—	—	—	—	—
Establishment of liabilities under Tax Receivable Agreement and related changes to deferred tax assets associated with increases in tax basis	—	—	—	—	(21,805)	—	—	(21,805)
Balance at June 29, 2025	71,890,168	719	3,442,335	—	403,068	55,146	28,864	487,797
Balance at March 29, 2026	72,159,742	722	3,424,546	—	408,161	62,072	29,300	500,255
Net income	—	—	—	—	—	6,944	211	7,155
Equity-based compensation	—	—	—	—	2,487	—	117	2,604
Activity under equity-based compensation plans	345,019	3	—	—	(397)	—	—	(394)
Non-controlling interest adjustment	—	—	—	—	143	—	(143)	—
Contributions from non-controlling interest holders	—	—	—	—	—	—	332	332
Balance at June 28, 2026	72,504,761	$ 725	3,424,546	$ —	$ 410,394	$ 69,016	$ 29,817	$ 509,952

See accompanying notes to unaudited condensed consolidated financial statements.

PORTILLO'S INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(UNAUDITED)
(In thousands, except share data)

	Two Quarters Ended June 28, 2026 and June 29, 2025							
	Class A Common Stock		**Class B Common Stock**					
	Shares	**Amount**	**Shares**	**Amount**	**Additional Paid-in Capital**	**Retained Earnings**	**Non-Controlling Interest**	**Total Stockholders' Equity**
Balance at December 29, 2024	63,674,579	$ 637	10,732,800	$ —	$ 357,295	$ 43,129	$ 89,042	$ 490,103
Net income	—	—	—	—	—	12,017	2,016	14,033
Equity-based compensation	—	—	—	—	4,048	—	560	4,608
Activity under equity-based compensation plans	925,124	9	—	—	2,140	—	—	2,149
Redemption of LLC Units	7,290,465	73	(7,290,465)	—	(73)	—	—	—
Non-controlling interest adjustment	—	—	—	—	61,463	—	(61,463)	—
Distributions paid to non-controlling interest holders	—	—	—	—	—	—	(1,291)	(1,291)
Establishment of liabilities under Tax Receivable Agreement and related changes to deferred tax assets associated with increases in tax basis	—	—	—	—	(21,805)	—	—	(21,805)
Balance at June 29, 2025	71,890,168	719	3,442,335	—	403,068	55,146	28,864	487,797
Balance at December 28, 2025	71,971,736	720	3,442,335	—	404,603	62,474	29,476	497,273
Net income	—	—	—	—	—	6,542	104	6,646
Equity-based compensation	—	—	—	—	5,570	—	264	5,834
Activity under equity-based compensation plans	515,236	5	—	—	(108)	—	—	(103)
Redemption of LLC Units	17,789	—	(17,789)	—	—	—	—	—
Non-controlling interest adjustment	—	—	—	—	333	—	(333)	—
Distributions paid to non-controlling interest holders	—	—	—	—	—	—	(376)	(376)
Establishment of liabilities under Tax Receivable Agreement and related changes to deferred tax assets associated with increases in tax basis	—	—	—	—	(4)	—	—	(4)
Contributions from non-controlling interests	—	—	—	—	—	—	682	682
Balance at June 28, 2026	72,504,761	$ 725	3,424,546	$ —	$ 410,394	$ 69,016	$ 29,817	$ 509,952

See accompanying notes to unaudited condensed consolidated financial statements.

PORTILLO'S INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)
(In thousands)

	Two Quarters Ended	
	June 28, 2026	June 29, 2025
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 6,646	$ 14,033
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	16,190	14,177
Amortization of debt issuance costs and discount	341	349
Loss on sales of assets	209	142
Equity-based compensation	5,834	4,608
Deferred income tax expense	1,605	5,039
Tax Receivable Agreement liability adjustment	(1,172)	(2,485)
Gift card breakage	(551)	(502)
Changes in operating assets and liabilities:		
Accounts receivable	1,157	180
Receivables from related parties	(103)	(16)
Inventories	(2,926)	(2,183)
Other current assets	738	1,161
Operating lease assets	4,751	4,557
Accounts payable	150	(7,439)
Accrued expenses and other liabilities	(1,292)	(3,984)
Operating lease liabilities	(1,750)	(1,607)
Deferred lease incentives	5,045	1,586
Other assets and liabilities	256	1,077
NET CASH PROVIDED BY OPERATING ACTIVITIES	35,128	28,693
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(30,153)	(33,081)
Other	172	5
NET CASH USED IN INVESTING ACTIVITIES	(29,981)	(33,076)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from short-term debt, net	7,000	45,000
Payments of long-term debt	(3,125)	(38,750)
Distributions paid to non-controlling interest holders	(376)	(1,291)
Proceeds from stock option exercises	361	2,727
Employee withholding taxes related to net settled equity awards	(689)	(887)
Proceeds from Employee Stock Purchase Plan purchases	203	278
Payments of Tax Receivable Agreement liability	(7,913)	(7,686)
Payment of deferred financing costs	—	(1,263)
Contributions from non-controlling interests	682	—
NET CASH USED IN FINANCING ACTIVITIES	(3,857)	(1,872)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS AND RESTRICTED CASH	1,290	(6,255)
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH AT BEGINNING OF THE PERIOD	19,963	22,876
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH AT END OF THE PERIOD	$ 21,253	$ 16,621

See accompanying notes to unaudited condensed consolidated financial statements.

PORTILLO'S INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)
(In thousands)

	Two Quarters Ended	
	June 28, 2026	**June 29, 2025**
SUPPLEMENTAL CASH FLOW INFORMATION		
Interest paid	$ 11,090	$ 11,800
Income tax paid	—	—
NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Accrued capital expenditures	$ 6,173	$ 19,264
Establishment of liabilities under Tax Receivable Agreement	47	38,485

See accompanying notes to unaudited condensed consolidated financial statements.

NOTE 1. DESCRIPTION OF BUSINESS

Portillo’s Inc. ("Inc.") was incorporated as a Delaware corporation on June 8, 2021, for the purpose of completing an initial public offering ("IPO") and related reorganization transactions in order to carry on the business of PHD Group Holdings LLC and its subsidiaries ("Portillo's OpCo"). Portillo's Inc. is the sole managing member of Portillo’s OpCo, and as sole managing member, Inc. operates and controls all of the business and affairs of Portillo's OpCo and reports a non-controlling interest representing the economic interest in Portillo's OpCo held by the other members of Portillo's OpCo (the "pre-IPO LLC Members"). Unless the context otherwise requires, references to "we," "us," "our," "Portillo's," and the "Company" refer to Portillo's Inc. and its subsidiaries, including Portillo's OpCo.

The Company operates restaurants in 11 states that serve Chicago-style hot dogs and sausages, Italian beef sandwiches, char-grilled burgers, chopped salads, crinkle-cut fries, homemade chocolate cake and more, along with two food production commissaries in Illinois. As of June 28, 2026, the Company had 108 restaurants in operation. The Company also had one non-traditional location in operation, a food truck.

The Company holds a 65% ownership interest in AP Dogs, LLC ("AP Dogs"), which operates a restaurant at Dallas-Fort Worth International Airport ("DFW Airport"). The Company has day-to-day operational and managerial control over the business and affairs of AP Dogs, and accordingly, consolidates the joint venture and reports a noncontrolling interest representing the economic interest held by the other partner.

In addition, the Company has a 50% interest in C&O Chicago, L.L.C. ("C&O"), which operates a single restaurant. This restaurant is excluded from the restaurant count above.

The Company’s principal executive offices are located in Oak Brook, Illinois.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Company has prepared the accompanying unaudited condensed consolidated financial statements in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial statements and pursuant to the rules and regulations of the Securities and Exchange Commission (the "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 presentation of our financial position and results of operations. Interim results of operations are not necessarily indicative of the results that may be achieved for the full year. The financial statements and related notes do not include all information and footnotes required by GAAP for annual reports. The unaudited condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes included in our Annual Report on Form 10-K for the fiscal year ended December 28, 2025.

All intercompany balances and transactions have been eliminated in consolidation.

The Company does not have any components of other comprehensive income recorded within its condensed consolidated financial statements, and therefore, does not separately present a statement of comprehensive income.

Fiscal Year

The Company uses a 52- or 53-week fiscal year ending on the Sunday prior to or on December 31. In a 52-week fiscal year, each quarterly period is comprised of 13 weeks. An additional week in a 53-week fiscal year is added to the fourth quarter. Fiscal 2026 and 2025 consist of 52 weeks. The fiscal periods presented in this report are the quarters and two quarters ended June 28, 2026 and June 29, 2025.

Use of Estimates

The preparation of these 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 disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of sales and expenses during the period. Actual results could differ from those estimates.

Recently Issued Accounting Standards

In November 2024, the Financial Accounting Standards Board ("FASB") issued Accounting Standard Update ("ASU") 2024-03, Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses, which requires disaggregation of certain expense captions into specified categories in disclosures within the footnotes to the financial statements. In January 2025, the FASB issued ASU 2025-01 "Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures-Clarifying the Effective Date", which amends the effective date of ASU 2024-03 to clarify that all public business entities are required to adopt the guidance in annual reporting periods beginning after December 15, 2026, and interim periods within annual reporting periods beginning after December 15, 2027. Early adoption is permitted. The Company is currently evaluating the effect of adopting this ASU.

In September 2025, the FASB issued ASU 2025-06, Intangibles - Goodwill and Other - Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software, which updates the cost capitalization threshold for internal-use software development costs by removing all references to software project development stages and providing new guidance on how to evaluate whether the probable-to-complete recognition threshold has been met. ASU 2025-06 is effective for fiscal years beginning after December 15, 2027, with early adoption permitted. The Company is currently evaluating the effect of adopting this ASU.

In December 2025, the FASB issued ASU 2025-11, Interim Reporting (Topic 270), which clarifies existing interim reporting guidance under U.S. GAAP. The ASU clarifies the scope and application of interim reporting requirements, the form and content of interim financial statements and disclosures, and consolidates required interim disclosures within Topic 270. The ASU also introduces a principle requiring disclosure of material events occurring after the annual reporting period but before the issuance of interim financial statements. The amendments do not change underlying interim reporting requirements but improve clarity and consistency. ASU 2025-11 is effective for fiscal years beginning after December 15, 2028, with early adoption permitted. The Company is currently evaluating the effect of adopting this ASU.

In December 2025, the FASB issued ASU 2025-12, Codification Improvements, which makes technical corrections and clarifications for a broad range of topics within the FASB Accounting Standards Codification to improve clarity and consistency in the application of existing guidance. The improvements are not expected to have a significant effect on current accounting practice or result in significant costs to most entities. ASU 2025-12 is effective for fiscal years beginning after December 15, 2026, with early adoption permitted. The Company is currently evaluating the effect of adopting this ASU.

Recently Adopted Accounting Standards

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740) Improvements to Income Tax Disclosures, which requires public entities to disclose specific categories in the rate reconciliation and provide additional information for reconciling items that meet a quantitative threshold on an annual basis. ASU 2023-09 is effective for fiscal years beginning after December 15, 2024, with early adoption permitted. The Company adopted this standard during the fiscal year ended December 28, 2025.

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 its condensed consolidated financial statements.

NOTE 3. REVENUE RECOGNITION

Revenues from retail restaurants are presented net of discounts and recognized when food and beverage products are sold to the end customer. Sales taxes collected from customers are excluded from revenues and the obligation is included in accrued liabilities until the taxes are remitted to the appropriate taxing authorities. The Company also offers delivery services to customers which are generally classified as either Dispatch Sales or Marketplace Sales.

The Company sells gift cards which do not have expiration dates. The Company recognized gift card breakage of $0.3 million and $0.6 million for the quarter and two quarters ended June 28, 2026, respectively, and $0.2 million and $0.5 million for the quarter and two quarters ended June 29, 2025, respectively.

The gift card liability included in deferred revenue on the condensed consolidated balance sheets is as follows (in thousands):

	June 28, 2026	December 28, 2025
Gift card liability	$ 4,484	$ 6,965

Revenue recognized in the condensed consolidated statement of operations for the redemption of gift cards that were included in their respective gift card liability balances at the beginning of the year is as follows (in thousands):

	Quarter Ended		Two Quarters Ended	
	June 28, 2026	June 29, 2025	June 28, 2026	June 29, 2025
Revenue recognized from gift card liability balance at the beginning of the year	$ 948	$ 961	$ 2,970	$ 2,982

Portillo's Perks™ ("Perks") is a visit-based loyalty program under which guests earn rewards based on qualified visits. The liability associated with Perks was $0.2 million as of both June 28, 2026 and December 28, 2025 and is included in deferred revenue on the condensed consolidated balance sheets.

NOTE 4. INVENTORIES

Inventories consisted of the following (in thousands):

	June 28, 2026	December 28, 2025
Raw materials	$ 8,244	$ 5,408
Work in progress	288	156
Finished goods	1,726	1,827
Consigned inventory	875	816
	$ 11,133	$ 8,207

NOTE 5. PROPERTY & EQUIPMENT, NET

Property and equipment, net consisted of the following (in thousands):

	June 28, 2026	December 28, 2025
Land and land improvements	$ 28,173	$ 26,944
Buildings and improvements	5,813	5,790
Furniture, fixtures, and equipment	209,145	195,341
Leasehold improvements	366,745	327,138
Transportation equipment	1,752	1,956
Construction-in-progress	3,890	34,384
	615,518	591,553
Less accumulated depreciation	(185,271)	(171,290)
	$ 430,247	$ 420,263

Depreciation expense was $7.6 million and $14.8 million for the quarter and two quarters ended June 28, 2026, respectively, and $6.4 million and $12.8 million for the quarter and two quarters ended June 29, 2025, respectively, and is included in depreciation and amortization in the condensed consolidated statements of operations.

NOTE 6. GOODWILL & INTANGIBLE ASSETS

The Company has one reporting unit for goodwill which is evaluated for impairment annually in the fourth quarter of each fiscal year, along with indefinite-lived intangibles, or more frequently when impairment indicators are present. There were no impairment indicators during the quarter and two quarters ended June 28, 2026.

Intangible assets, net consisted of the following (in thousands):

	As of June 28, 2026		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Indefinite-lived intangible assets:			
Trade names	$ 221,725	$ —	$ 221,725
Intangible subject to amortization:			
Recipes	56,117	(34,080)	22,037
	$ 277,842	$ (34,080)	$ 243,762

	As of December 28, 2025		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Indefinite-lived intangible assets:			
Trade names	$ 221,725	$ —	$ 221,725
Intangible subject to amortization:			
Recipes	56,117	(32,726)	23,391
	$ 277,842	$ (32,726)	$ 245,116

Amortization expense was $0.7 million for both the quarters ended June 28, 2026 and June 29, 2025 and $1.4 million for both the two quarters ended June 28, 2026 and June 29, 2025, and is included in depreciation and amortization in the condensed consolidated statements of operations.

The estimated aggregate amortization expense related to intangible assets held at June 28, 2026 for the remainder of this year and the succeeding five years and thereafter is as follows (in thousands):

	Estimated Amortization
2026 (excluding the two quarters ended June 28, 2026)	$ 1,354
2027	2,707
2028	2,707
2029	2,150
2030	1,369
2031	1,369
2032 and thereafter	10,381
	$ 22,037

NOTE 7. FAIR VALUE OF FINANCIAL INSTRUMENTS

Assets and Liabilities Measured at Fair Value on a Recurring Basis

The carrying value of the Company's cash and cash equivalents and restricted cash, accounts and tenant improvement receivables, accounts payable and all other current assets and liabilities, approximate fair values due to the short-term nature of these financial instruments.

Other assets consist of long-term prepaid expenses and a deferred compensation plan with related assets held in a rabbi trust. Other long-term liabilities consist of a deferred gain on a supplier arrangement. Long-term prepaid expenses and other long-term liabilities approximate fair values due to the nature of these financial instruments.

Deferred Compensation Plan - The Company maintains a rabbi trust to fund obligations under a deferred compensation plan. Amounts in the rabbi trust are invested in mutual funds, which are designated as trading securities carried at fair value. The fair value measurement of these trading securities is considered Level 1 of the fair value hierarchy as they are measured using quoted market prices.

As of June 28, 2026 and December 28, 2025, the fair value of the mutual fund investments and deferred compensation obligations were as follows (in thousands):

	June 28, 2026	December 28, 2025
	Level 1	Level 1
Assets - Investments designated for deferred compensation plan		
Cash accounts	$ 813	$ 881
Mutual funds	2,301	2,219
Total assets	$ 3,114	$ 3,100

As of June 28, 2026 and December 28, 2025, we had no Level 2 or Level 3 assets.

The deferred compensation investments and obligations are included in other assets, accrued expenses and other long-term liabilities in the condensed consolidated balance sheets. Changes in the fair value of securities held in the rabbi trust are recognized as trading gains and losses and included in other income in the condensed consolidated statements of operations and offsetting increases or decreases in the deferred compensation obligation are recorded in accrued expenses and other long-term liabilities in the condensed consolidated balance sheets.

Refer to Note 8. Debt for additional information relating to the fair value of the Company's outstanding debt instruments.

Assets and Liabilities Measured at Fair Value on a Non-Recurring Basis

Assets and liabilities that are measured at fair value on a non-recurring basis include property and equipment, net, operating lease assets, equity-method investment, goodwill and indefinite-lived intangible assets. These assets are measured at fair value whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

NOTE 8. DEBT

Debt consisted of the following (in thousands):

	June 28, 2026	December 28, 2025
Term Loan	$ 243,750	$ 246,875
Revolver Facility	97,000	90,000
Unamortized discount and debt issuance costs	(2,308)	(2,648)
Total debt, net	338,442	334,227
Less: Short-term debt	(97,000)	(90,000)
Less: Current portion of long-term debt	(6,250)	(6,250)
Long-term debt, net	$ 235,192	$ 237,977

2025 Credit Agreement

On January 27, 2025 (the “2025 Credit Agreement Closing Date”), PHD Intermediate LLC ("Holdings"), Portillo’s Holdings LLC (the "Borrower"), the other Guarantors party thereto, the Lenders from time to time party thereto and Fifth Third Bank, National Association, as Administrative Agent (in such capacities, the "Administrative Agent"), the L/C Issuer and the Swing Line Lender entered into an amendment (the “Amendment”) to the credit agreement, dated as of February 2, 2023 (the "Existing Credit Agreement" and the Existing Credit Agreement as amended by the Amendment and as may be amended, restated, supplemented or otherwise modified from time to time thereafter, the "2025 Credit Agreement"), by and among Holdings, the Borrower, the other Guarantors from time to time party thereto, the Lenders from time to time party thereto and the Administrative Agent. The arrangement was accounted for as a debt modification.

The Existing Credit Agreement provided for a term A loan (the "2023 Term Loan Facility") in an initial aggregate principal amount of $300.0 million and revolving credit commitments in an initial aggregate principal amount of $100.0 million (the "2023 Revolver Facility"). The Amendment provides for, among other things, (i) a $250 million term loan A facility (the "2025 Term Loan Facility") and (ii) revolving credit commitments in an initial aggregate principal amount of $150 million (the "2025 Revolver Facility" and, together with the 2025 Term Loan Facility, the "2025 Facilities"). The loans under each of the 2025 Facilities mature on January 27, 2030. The proceeds of the 2025 Term Loan Facility were used to pay off in full amounts outstanding under the 2023 Term Loan Facility outstanding on the 2025 Credit Agreement Closing Date.

The 2023 Term Loan Facility and 2023 Revolver Facility accrued, and the 2025 Term Loan and 2025 Revolver Facility accrue interest at the forward-looking secured overnight financing rate ("SOFR") plus an applicable rate determined upon the consolidated total net rent adjusted leverage ratio, in each case subject to a 0.00% floor.

As of June 28, 2026, the interest rate on the 2025 Term Loan Facility and 2025 Revolver Facility was 6.20% and 6.12%, respectively. Pursuant to the 2025 Credit Agreement, as of June 28, 2026, the commitment fees to maintain the 2025 Revolver Facility were 0.20%, and letter of credit fees were 2.50%. Commitment fees and letter of credit fees are recorded as interest expense in the condensed consolidated statements of operations. As of June 28, 2026, the effective interest rate was 6.47%.

As of June 29, 2025, the interest rate on the 2025 Term Loan and 2025 Revolver Facility was 6.55% and 6.58%, respectively. Pursuant to the 2025 Credit Agreement as of June 29, 2025, the commitment fees to maintain the 2025 Revolver Facility were 0.20% and letter of credit fees were 2.25%. As of June 29, 2025, the effective interest rate was 6.90%.

The 2025 Term Loan Facility amortizes in quarterly installments, which commenced on the last day of the first full fiscal quarter ended after the 2025 Credit Agreement Closing Date, equaling an aggregate amount of $6.3 million for the first 2 years following the 2025 Credit Agreement Closing Date, (ii) $12.5 million for the third and fourth years following the 2025 Credit Agreement Closing Date and (iii) $25.0 million for the fifth year following the 2025 Credit Agreement Closing Date, with the balance payable on the final maturity date.

As of June 28, 2026, outstanding borrowings under the 2025 Credit Agreement totaled $340.8 million, comprised of $243.8 million under the 2025 Term Loan Facility, and $97.0 million under the 2025 Revolver Facility. Letters of credit issued under the 2025 Revolver Facility totaled $4.2 million. As a result, as of June 28, 2026, the Company had $48.8 million available under the 2025 Revolver Facility.

As of December 28, 2025, outstanding borrowings under the 2025 Credit Agreement totaled $336.9 million, comprised of $246.9 million under the 2025 Term Loan Facility, and $90.0 million under the 2025 Revolver Facility. Letters of credit issued under the 2025 Revolver Facility totaled $4.4 million. As a result, as of December 28, 2025, the Company had $55.6 million available under the 2025 Revolver Facility.

Discount, Debt Issuance Costs and Interest Expense

Pursuant to the 2025 Credit Agreement, the Company capitalized deferred financing costs and issuance discounts of $1.3 million. The remaining unamortized costs under the 2023 Credit Agreement were $2.0 million. The total deferred financing costs and issuance discounts of $3.3 million are amortized over the term of the 2025 Credit Agreement.

The Company amortized an immaterial amount of deferred financing costs during both the quarters ended June 28, 2026 and June 29, 2025, and an immaterial amount and $0.1 million for the two quarters ended June 28, 2026 and June 29, 2025, respectively, which is included in interest expense in the condensed consolidated statements of operations. In addition, the Company amortized $0.1 million and $0.2 million in original issue discount related to the long-term debt during the quarters ended June 28, 2026 and June 29, 2025, respectively, and $0.3 million during both the two quarters ended June 28, 2026 and June 29, 2025, which is included in interest expense in the condensed consolidated statements of operations.

Total interest expense was $5.7 million and $11.3 million for the quarter and two quarters ended June 28, 2026, respectively, and $5.7 million and $11.5 million for the quarter and two quarters ended June 29, 2025, respectively.

Fair Value of Debt

As of June 28, 2026 and December 28, 2025, the fair value of long-term debt approximates the carrying value as it is variable rate debt. The fair value measurement of this debt is considered Level 2 of the fair value hierarchy as inputs to interest are observable, unadjusted quoted prices in active markets for similar assets or liabilities.

Guarantees and Covenants

The 2025 Credit Agreement contains customary representations and warranties, events of default, reporting and other affirmative covenants and negative covenants, including limitations on indebtedness, liens, investments, negative pledges, dividends, junior financings and other fundamental changes. The 2025 Facilities are guaranteed, subject to customary exceptions, by all of the Borrower’s wholly-owned domestic restricted subsidiaries and Holdings, and are secured by a lien on substantially all of the Borrower’s assets, including fixed assets and intangibles, and the assets of the Guarantors, in each case, subject to customary exceptions. Failure to comply with these covenants and restrictions could result in an event of default under the 2025 Credit Agreement. In such an event, all amounts outstanding under the 2025 Credit Agreement, together with any accrued interest, could then be declared immediately due and payable.

As of June 28, 2026, the Company was in compliance with the financial covenants in the 2025 Credit Agreement.

NOTE 9. NON-CONTROLLING INTERESTS

We are the sole managing member of Portillo's OpCo, and as a result, consolidate the financial results of Portillo's OpCo. We report a non-controlling interest to reflect the entitlement of the pre-IPO LLC Members who retained their equity ownership in Portillo's OpCo (the "pre-IPO LLC Members"). Changes in our ownership interest in Portillo's OpCo while we retain our controlling interest in Portillo's OpCo will be accounted for as equity transactions. As such, future redemptions or direct exchanges of LLC Units in Portillo's OpCo by the pre-IPO LLC members will result in a change in ownership and reduce the amount recorded as non-controlling interest and increase additional paid-in capital.

The following table summarizes the LLC interest ownership by Portillo's Inc. and pre-IPO LLC members:

	June 28, 2026		December 28, 2025	
	LLC Units	Ownership %	LLC Units	Ownership %
Portillo's Inc.	72,504,761	95.5 %	71,971,736	95.4 %
pre-IPO LLC Members	3,424,546	4.5 %	3,442,335	4.6 %
Total	75,929,307	100.0 %	75,414,071	100.0 %

The weighted average ownership percentages for the applicable reporting periods are used to attribute net income to Portillo's Inc. and the pre-IPO LLC Members. The pre-IPO LLC Members' weighted average ownership percentage for both the quarter and two quarters ended June 28, 2026 was 4.5%. The pre-IPO LLC Members' weighted average ownership percentage for the quarter and two quarters ended June 29, 2025 was 9.9% and 12.2%, respectively.

The following table summarizes the effects of changes in ownership in Portillo's OpCo on the Company's equity (in thousands):

	Quarter Ended		Two Quarters Ended	
	June 28, 2026	June 29, 2025	June 28, 2026	June 29, 2025
Net income attributable to Portillo's Inc.	$ 6,944	$ 8,704	$ 6,542	$ 12,017
Activity under equity-based compensation plans	(397)	1,488	(108)	2,140
Non-controlling interest adjustment	143	61,281	333	61,463
Redemption of LLC Units	—	(73)	—	(73)
Establishment of liabilities under Tax Receivable Agreement and related changes to deferred tax assets associated with increases in tax basis	—	(21,805)	(4)	(21,805)
Total effect of changes in ownership interest on equity attributable to Portillo's Inc.	$ 6,690	$ 49,595	$ 6,763	$ 53,742

Additionally, the Company holds a 65% ownership interest in AP Dogs, which operates a restaurant in DFW Airport. During the quarter and two quarters ended June 28, 2026, $0.3 million and $0.7 million of contributions from non-controlling interests were received. There were no contributions from non-controlling interests during the quarter and two quarters ended June 29, 2025.

NOTE 10. EQUITY-BASED COMPENSATION

Equity-based compensation expense is calculated based on equity awards ultimately expected to vest and is reduced for estimated forfeitures. Forfeitures are revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates and an adjustment to equity-based compensation expense will be recognized at that time.

Equity-based compensation expense included in the Company's condensed consolidated statements of operations is as follows (in thousands):

	Quarter Ended		Two Quarters Ended	
	June 28, 2026	June 29, 2025	June 28, 2026	June 29, 2025
Labor	$ 534	$ 505	$ 937	$ 858
General and administrative	2,070	2,153	4,897	3,750
Total equity-based compensation expense	$ 2,604	$ 2,658	$ 5,834	$ 4,608

Restricted Stock Units

During the two quarters ended June 28, 2026, the Company granted 1,907,822 RSUs, under the Portillo's Inc. 2021 Equity Incentive Plan (the "2021 Plan") to certain employees. During the two quarters ended June 28, 2026, we also granted 303,688 RSUs to non-employee directors. The weighted average fair value of these awards was determined using the Company's closing stock price on the applicable grant dates, which was $5.38. The RSUs granted to employees will generally vest equally over periods ranging from one to three years on each of the anniversaries of the date of grant subject to continued service on such date. The RSUs granted to non-employee directors will vest at the end of this year.

During the two quarters ended June 28, 2026, the Company recognized accelerated and incremental equity-based compensation expense related to the modification of outstanding equity awards in connection with the announced retirement of our former Interim Chief Executive Officer and Director.

Performance Stock Units

During the two quarters ended June 28, 2026, the Company granted 611,407 performance stock units ("PSUs") to its executive officers under the 2021 Plan. The PSUs are subject to continued service and are earned based on the achievement of predetermined performance goals related to Adjusted EBITDA growth and total revenue growth over a three-year performance period beginning on December 29, 2025 and ending on December 31, 2028. Performance is measured based on a combination of annual and cumulative performance results, with final achievement determined at the end of the performance period. The number of shares ultimately earned may range from 0% to 200% of the target award based on performance achieved. The grant date fair value of the PSUs was $5.52, based on the Company's closing stock price on April 15, 2026, the date of grant. The Company reassesses its estimate of performance achievement each reporting period, and the cumulative effect of any change in estimated attainment is recognized in general and administrative expenses in the condensed consolidated statements of operations in the period of change.

NOTE 11. INCOME TAXES

We are the sole managing member of Portillo's OpCo, and as a result, consolidate the financial results of Portillo's OpCo. Portillo's OpCo is treated as a partnership for U.S. federal and most applicable state and local income tax purposes. As a partnership, Portillo's OpCo is generally not subject to U.S. federal and state and local income taxes. Any taxable income or loss generated by Portillo's OpCo is passed through to and included in the taxable income or loss of its members, including us, based upon the respective member's ownership percentage in Portillo's OpCo. We are subject to U.S. federal income taxes, in addition to state and local income taxes with respect to our allocable share of any taxable income or loss of Portillo's OpCo, as well as any stand-alone income or loss generated by Portillo's Inc.

Income Tax Expense

The effective income tax rate for the quarter and two quarters ended June 28, 2026 was 19.8% and 19.5%, respectively, and 26.8% and 26.4%, respectively, for the quarter and two quarters ended and June 29, 2025. The decrease in our effective income tax rate for the quarter and two quarters ended June 28, 2026 compared to the quarter and two quarters ended June 29, 2025 was primarily driven by a decrease in the valuation allowance related to equity-based compensation expense related to certain executive officers. This decrease is partially offset by an increase in the Company's ownership interest in Portillo's OpCo, which increases its share of taxable income of Portillo's OpCo. The Company’s annual effective tax rate differs from the statutory rate of 21% primarily because of state and local taxes, deferred tax adjustments and impacts from equity-based award activity partially offset by the portion of Portillo's OpCo earnings that are attributable to non-controlling interest that the Company is not liable for federal or state income taxes.

We evaluate the realizability of our deferred tax assets on a quarterly basis and establish valuation allowances when it is more likely than not that all or a portion of a deferred tax asset may not be realized. As of June 28, 2026, the Company concluded, based on the weight of all available positive and negative evidence, that all of its deferred tax assets (except for those deferred tax assets relating to the basis difference in its investment in Portillo's OpCo that will never be realizable or only reverse upon the eventual sale of its interest in Portillo's OpCo, which we expect would result in a capital loss which we do not expect to be able to utilize) are more likely than not to be realized.

Tax Receivable Agreement

As of June 28, 2026, we estimated that our obligation for future payments under the TRA liability totaled $343.4 million. During the two quarters ended June 28, 2026 and June 29, 2025, the Company made TRA payments of $7.9 million relating to tax year 2024 and $7.7 million relating to tax year 2023, respectively. We expect a payment of $1.3 million relating to tax year 2025 to be paid within the next 12 months.

NOTE 12. EARNINGS PER SHARE

Basic net earnings per share of Class A common stock is computed by dividing net income attributable to Portillo's Inc. by the weighted-average number of Class A common stock outstanding.

Diluted net earnings per share is computed by dividing net income attributable to Portillo's Inc. by the weighted-average number of dilutive securities, using the treasury stock method.

The computations of basic and diluted earnings per share for the quarter and two quarters ended June 28, 2026 and June 29, 2025 are as follows (in thousands):

	Quarter Ended		Two Quarters Ended	
	June 28, 2026	June 29, 2025	June 28, 2026	June 29, 2025
Net income	$ 7,155	$ 10,043	$ 6,646	$ 14,033
Net income attributable to non-controlling interests	211	1,339	104	2,016
Net income attributable to Portillo's Inc.	$ 6,944	$ 8,704	$ 6,542	$ 12,017
Shares:				
Weighted-average number of common shares outstanding-basic	72,380	67,595	72,228	65,717
Dilutive share awards	791	2,273	926	2,458
Weighted-average number of common shares outstanding-diluted	73,171	69,868	73,154	68,175
Basic net income per share	$ 0.10	$ 0.13	$ 0.09	$ 0.18
Diluted net income per share	$ 0.09	$ 0.12	$ 0.09	$ 0.18

Shares of the Company’s Class B Common Stock do not participate in the earnings or losses of Portillo's Inc. and are therefore not participating securities. As such, separate presentation of basic and diluted earnings per share of Class B Common Stock under the two-class method has not been presented.

The following shares were excluded from the calculation of diluted earnings per share because they would be antidilutive or subject to performance conditions which have not been satisfied by the end of the reporting period (in thousands):

	Quarter Ended		Two Quarters Ended	
	June 28, 2026	June 29, 2025	June 28, 2026	June 29, 2025
Performance Stock Options	257	1,377	256	1,377
Performance Stock Units	660	592	660	592
Restricted Stock Units	1,999	606	1,951	—
Stock Options	2,942	619	292	619
Total shares excluded from diluted net income per share	5,858	3,194	3,159	2,588

NOTE 13. CONTINGENCIES

The Company is party to legal proceedings and potential claims arising in the normal conduct of business, including claims related to employment matters, contractual disputes, customer injuries, and property damage. Although the ultimate outcome of these claims and lawsuits cannot be predicted with certainty, management believes that the resulting liability, including as a result of the matter described below, if any, will not have a material effect on the Company’s condensed consolidated financial statements.

During 2024, a former team member from one of the Company's two California restaurants filed a class action lawsuit alleging wage and hour violations and unfair competition, as well as claims under the California Private Attorneys General Act (“PAGA”). In November 2025, the parties agreed to settlement terms, subject to court approval. During the quarter ended June 28, 2026, the Company paid $0.05 million toward the settlement. As of June 28, 2026, the related litigation reserve was $0.75 million and was included in accounts payable in the Company's condensed consolidated balance sheet.

During 2025, plaintiffs filed a wrongful death and survival action in Cook County, Illinois, arising out of a vehicle accident that occurred at a Portillo’s location in Oswego, Illinois. Discovery is expected to continue in the coming months. At this time a loss is reasonably possible but not reasonably estimable; accordingly, no litigation reserve has been recorded in the Company's condensed consolidated balance sheet as of June 28, 2026.

On January 19, 2024, Maverick BJK, LLC ("Maverick"), which owns a 50% interest in C&O, initiated arbitration against the Company. Maverick asserts claims for breach of contract, alleging that the sales of the Company's “Ghost Kitchen” location should have been included in C&O’s financials under the terms of the operating agreement. At this time, a loss is probable and reasonably estimable; accordingly, the Company has recorded a litigation reserve of $1.7 million in accounts payable in the Company's condensed consolidated balance sheet as of June 28, 2026 that is included in other loss (income), net in the condensed consolidated statement of operations.

NOTE 14. SEGMENT INFORMATION

The Company's chief operating decision maker (the "CODM") is its Chief Executive Officer. As the CODM reviews financial performance and allocates resources at a consolidated level on a recurring basis, the Company has one operating segment and one reportable segment.

The CODM allocates resources and assesses performance of the Company based on net income, as reported on the condensed consolidated statement of operations, which as the segment measure of profit and loss that is closest to GAAP, is the required segment measure. Net income was $7.2 million and $6.6 million for the quarter and two quarters ended June 28, 2026, respectively, and $10.0 million and $14.0 million for the quarter and two quarters ended June 29, 2025, respectively. In addition to net income, the CODM also reviews revenue, operating income, restaurant-level adjusted EBITDA, and adjusted EBITDA.

The CODM reviews these measures (i) to evaluate the Company's operating results and the effectiveness of business strategies, (ii) internally as benchmarks to compare the Company's performance to its competitors and (iii) as factors in evaluating management's performance when determining incentive compensation. Additionally, the Company believes these measures are important to evaluate the performance and profitability of our restaurants, individually and in the aggregate.

The CODM does not review segment assets and segment expenses at a level different than what is reported in the Company's condensed consolidated balance sheet and condensed consolidated statement of operations. Additionally, the CODM regularly receives information about the Company's capital expenditures which are reported in the Company's condensed consolidated statement of cash flows as purchase of property and equipment under investing activities.

No guest accounts for 10% or more of our revenues.

NOTE 15. RELATED PARTY TRANSACTIONS

As of June 28, 2026 and December 28, 2025 the related parties’ receivables balance consisted of $0.4 million and $0.3 million, respectively, due from C&O, which is included in accounts and tenant improvement receivables in the condensed consolidated balance sheets.

Olo, Inc.

Noah Glass, a member of the Company's Board, is the founder and CEO of Olo, Inc. ("Olo"), a platform the Company uses in connection with our mobile ordering application and delivery.

The Company incurred the following Olo-related costs for the quarter and two quarters ended June 28, 2026 and June 29, 2025 (in thousands):

	Quarter Ended		Two Quarters Ended	
	June 28, 2026	June 29, 2025	June 28, 2026	June 29, 2025
Food, beverage and packaging costs	$ 479	$ 497	$ 1,028	$ 984
Other operating expenses	166	142	318	293
Total Olo-related costs	$ 645	$ 639	$ 1,346	$ 1,277

As of June 28, 2026 and December 28, 2025, $0.3 million, were payable to Olo and were included in accounts payable in the condensed consolidated balance sheets.

Tax Receivable Agreement

We are party to a TRA with certain members of Portillo's OpCo that provides for the payment by us of 85% of the amount of tax benefits, if any, that Portillo's Inc. actually realizes or in some cases is deemed to realize as a result of certain transactions. During the two quarters ended June 28, 2026 and June 29, 2025, the Company made TRA payments of $7.9 million relating to tax year 2024 and $7.7 million relating to tax year 2023, respectively. We expect a payment of $1.3 million relating to tax year 2025 to be paid within the next 12 months.

(in thousands)	June 28, 2026	December 28, 2025
Current portion of Tax Receivable Agreement liability	$ 1,336	$ 7,910
Tax Receivable Agreement liability	342,060	344,524

Transactions with Non-Controlling Interest Holders

	Quarter Ended		Two Quarters Ended	
(in thousands)	June 28, 2026	June 29, 2025	June 28, 2026	June 29, 2025
Distributions paid to non-controlling interest holders	$ —	$ —	$ 376	$ 1,291
Contributions from non-controlling interest holders	$ 332	$ —	$ 682	$ —

NOTE 16. SUBSEQUENT EVENTS

On July 31, 2026, subsequent to the end of the second quarter, Portillo's implemented a reduction in force affecting employees at its corporate headquarters and a limited number of field management roles. No restaurant-level team members were impacted. The reduction in force is estimated to result in approximately $1.1 million in restructuring charges.

On August 4, 2026, the Company announced that Kevin Kalicak, 53, who most recently served as an Officer of Darden Restaurants and Senior Vice President of Finance for Olive Garden, will join the Company and serve as the Company’s Chief Financial Officer and Treasurer (Principal Financial Officer and Principal Accounting Officer), effective September 7, 2026. Mr. Kalicak will succeed Ms. Pamela Smith, who has served as the Company’s Interim Chief Financial Officer since May 20, 2026.

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

The following discussion contains, in addition to historical information, forward-looking statements that include risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors, including those set forth under the heading “Cautionary Statements Concerning Forward-Looking Statements” in this report and under the heading “Risk Factors” in Part I, Item IA of our Annual Report on Form 10-K for the fiscal year ended December 28, 2025 and Part II, Item 1A of this Form 10-Q. The following discussion should be read in conjunction with our Annual Report on Form 10-K for the fiscal year ended December 28, 2025 and the condensed consolidated financial statements and notes thereto included in Part I, Item 1 of this Form 10-Q. All information presented herein is based on our fiscal calendar. Unless otherwise stated, references to particular years, quarters, months or periods refer to our fiscal years and the associated quarters, months and periods of those fiscal years.

Although we believe that the expectations reflected in the forward-looking statements are reasonable based on our current knowledge of our business and operations, we cannot guarantee future results, levels of activity, performance or achievements. We assume no obligation to provide revisions to any forward-looking statements should circumstances change.

The following discussion summarizes the significant factors affecting the condensed consolidated operating results, financial condition, liquidity and cash flows of our Company as of and for the periods presented below.

We have prepared the unaudited condensed consolidated financial statements in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial statements and pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC").

Overview

Portillo’s serves iconic Chicago street food in high-energy, multichannel restaurants designed to ignite the senses and create memorable dining experiences. Since our founding in 1963 in a small trailer that Dick Portillo called “The Dog House,” we have grown to become a treasured brand with a passionate (some might say obsessed) nationwide following. Our diverse menu features all-American favorites such as Chicago-style hot dogs and sausages, Italian beef sandwiches, char-broiled burgers, fresh chopped salads, crinkle-cut fries, homemade chocolate cake and our signature chocolate cake shake. We create a consumer experience like no other by combining the best attributes of fast-casual and quick-service concepts with an exciting energy-filled atmosphere in a restaurant model capable of generating tremendous volumes. Nearly all of our restaurants were built with double lane drive-thrus and have been thoughtfully designed with a layout that accommodates a variety of access modes including dine-in, carryout, delivery and catering to quickly and efficiently serve our guests. We believe the combination of our craveable food, multichannel sales model, dedication to operational excellence, and distinctive team member-driven culture gives us a competitive advantage.

As of June 28, 2026, we owned and operated 109 Portillo’s restaurants across 11 states, including a restaurant owned by C&O Chicago, L.L.C. ("C&O") of which Portillo’s owns 50% of the equity.

Financial Highlights for the Quarter Ended June 28, 2026 vs. Quarter Ended June 29, 2025:

- Total revenue of $199.0 million, an increase of 5.6% or $10.5 million
- Same-restaurant sales decrease of 1.2%
- Operating income of $13.8 million, a decrease of $3.8 million
- Net income of $7.2 million, a decrease of $2.9 million
- Restaurant-Level Adjusted EBITDA* of $43.2 million, a decrease of $1.2 million
- Adjusted EBITDA* of $29.8 million, a decrease of $0.2 million

Financial Highlights for the Two Quarters Ended June 28, 2026 vs. Two Quarters Ended June 29, 2025:

- Total revenue of $381.6 million, an increase of 4.6% or $16.7 million
- Same-restaurant sales decrease of 0.7%
- Operating income of $18.3 million, a decrease of $9.6 million
- Net income of $6.6 million, a decrease of $7.4 million
- Restaurant-Level Adjusted EBITDA* of $78.1 million, a decrease of $3.0 million
- Adjusted EBITDA* of $48.3 million, a decrease of $3.0 million

* Restaurant-Level Adjusted EBITDA and Adjusted EBITDA are non-GAAP measures. Definitions and reconciliations of Adjusted EBITDA to net income and Restaurant-Level Adjusted EBITDA to operating income, the most directly comparable financial measures presented in accordance with GAAP, are set forth under the section "Key Performance Indicators and Non-GAAP Financial Measures".

Recent Developments and Trends

During the second quarter of 2026, Michelle Hook departed from her role as Chief Financial Officer, effective May 5, 2026. The Board of Directors engaged a leading executive search firm to assist in the identification and recruitment of a permanent Chief Financial Officer. The Company appointed Pamela Smith to serve as Interim Chief Financial Officer, effective May 20, 2026. On August 4, 2026, the Company announced that Kevin Kalicak, 53, who most recently served as an Officer of Darden Restaurants and Senior Vice President of Finance for Olive Garden, will join the Company and serve as the Company’s Chief Financial Officer and Treasurer (Principal Financial Officer and Principal Accounting Officer), effective September 7, 2026.

From a development perspective, the Company opened its first airport location in Dallas-Fort Worth International Airport (DFW) during the quarter, utilizing a smaller-format kitchen and equipment enhancements. The Company also announced plans to expand within its home market of Chicago, including the opening of its first in-line restaurant in downtown Chicago later in 2026 and its first Wrigleyville location in 2027.

In addition, the Company commenced a project-based spend optimization initiative. Also, our previously announced assessment of our brand strategy and market positioning remains ongoing. The Company expects the results of these initiatives to help inform future operational and investment decisions. Subsequent to the quarter-end, the Company implemented a reduction in force affecting employees at its corporate headquarters and a limited number of field management roles. See "Restructuring Plan" in Part II Item 5. Other Information.

In the quarter and two quarters ended June 28, 2026, total revenue grew 5.6% or $10.5 million and 4.6% or $16.7 million, respectively, primarily due to new restaurant openings in 2025 and 2026, partially offset by a decline in same-restaurant sales. Same-restaurant sales declined 1.2% during the quarter ended June 28, 2026, compared to a 0.7% increase during the quarter ended June 29, 2025. Same-restaurant sales declined 0.7% during the two quarters ended June 28, 2026, compared to a 1.2% increase during the two quarters ended June 29, 2025. Refer to "Selected Operating Data" section below for definition of Same-Restaurant Sales.

In the quarter and two quarters ended June 28, 2026, commodity inflation was 7.0% and 4.5%, respectively, compared to 1.9% and 2.6% for the quarter and two quarters ended June 29, 2025. Labor, as a percentage of revenue, net, remained flat and increased 0.2% during the quarter and two quarters ended June 28, 2026, respectively, compared to the quarter and two quarters ended June 29, 2025. The increase in labor as a percentage of revenue for the two quarters ended June 28, 2026 was primarily driven by revenue deleverage from new restaurants and incremental wage rate increases, partially offset by labor efficiencies.

Development Highlights

During the quarter ended June 28, 2026, we opened three restaurants for a total of 109 restaurants, including a restaurant owned by C&O, of which Portillo’s owns 50% of the equity. We plan to open one additional restaurant in the fourth quarter of 2026, which will be our second in-line location and will be located in Chicago, Illinois.

Below are the restaurants opened thus far in fiscal 2026:

Location	Opening Month	Fiscal Quarter Opened
Fort Worth, Texas	January 2026	Q1 2026
Humble, Texas	February 2026	Q1 2026
Dallas, Texas	March 2026	Q1 2026
El Paso, Texas	March 2026	Q1 2026
Frisco, Texas	April 2026	Q2 2026
Schertz, Texas	May 2026	Q2 2026
Dallas-Fort Worth International Airport	May 2026	Q2 2026

Consolidated Results of Operations

The following table summarizes our results of operations for the quarter and two quarters ended June 28, 2026 and June 29, 2025 (in thousands):

	Quarter Ended				Two Quarters Ended			
	June 28, 2026		June 29, 2025		June 28, 2026		June 29, 2025	
REVENUES, NET	$198,954	100.0 %	$188,456	100.0 %	$381,577	100.0 %	$364,893	100.0 %
COST AND EXPENSES:								
Restaurant operating expenses:								
Food, beverage and packaging costs	69,580	35.0 %	63,750	33.8 %	132,865	34.8 %	124,852	34.2 %
Labor	51,094	25.7 %	48,340	25.7 %	100,289	26.3 %	95,208	26.1 %
Occupancy	11,692	5.9 %	9,966	5.3 %	22,876	6.0 %	19,987	5.5 %
Other operating expenses	23,341	11.7 %	21,919	11.6 %	47,456	12.4 %	43,709	12.0 %
Total restaurant operating expenses	155,707	78.3 %	143,975	76.4 %	303,486	79.5 %	283,756	77.8 %
General and administrative expenses	19,563	9.8 %	18,798	10.0 %	39,922	10.5 %	37,701	10.3 %
Pre-opening expenses	938	0.5 %	1,697	0.9 %	3,488	0.9 %	2,205	0.6 %
Depreciation and amortization	8,254	4.1 %	7,137	3.8 %	16,190	4.2 %	14,177	3.9 %
Net income attributable to equity method investment	(404)	(0.2)%	(382)	(0.2)%	(610)	(0.2)%	(546)	(0.1)%
Other loss (income), net	1,120	0.6 %	(300)	(0.2)%	833	0.2 %	(312)	(0.1)%
OPERATING INCOME	13,776	6.9 %	17,531	9.3 %	18,268	4.8 %	27,912	7.6 %
Interest expense	5,672	2.9 %	5,726	3.0 %	11,299	3.0 %	11,475	3.1 %
Interest income	(60)	— %	(79)	— %	(110)	— %	(150)	— %
Tax Receivable Agreement liability adjustment	(760)	(0.4)%	(1,838)	(1.0)%	(1,172)	(0.3)%	(2,485)	(0.7)%
INCOME BEFORE INCOME TAXES	8,924	4.5 %	13,722	7.3 %	8,251	2.2 %	19,072	5.2 %
Income tax expense	1,769	0.9 %	3,679	2.0 %	1,605	0.4 %	5,039	1.4 %
NET INCOME	7,155	3.6 %	10,043	5.3 %	6,646	1.7 %	14,033	3.8 %
Net income attributable to non-controlling interests	211	0.1 %	1,339	0.7 %	104	— %	2,016	0.6 %
NET INCOME ATTRIBUTABLE TO PORTILLO'S INC.	$ 6,944	3.5 %	$ 8,704	4.6 %	$ 6,542	1.7 %	$ 12,017	3.3 %

Revenues, Net

Revenues primarily represent the aggregate sales of food and beverages, net of discounts. Sales taxes collected from customers are excluded from revenues. Revenues in any period are directly influenced by, among other factors, the number of operating weeks in the period, the number of open restaurants, restaurant traffic, our menu prices, third-party delivery platform prices and product mix.

Revenues for the quarter ended June 28, 2026 were $199.0 million compared to $188.5 million for the quarter ended June 29, 2025, an increase of $10.5 million or 5.6%. The increase in revenues was primarily attributed to the opening of eight restaurants in fiscal 2025 and seven restaurants during the two quarters ended June 28, 2026, partially offset by a decrease in our same-restaurant sales. Restaurants not in our Comparable Restaurant Base (as defined in "Selected Operating Data" below) contributed $13.3 million of the total year-over-year increase. Same-restaurant sales decreased 1.2%, or $2.2 million in the quarter. The same-restaurant sales decline was attributable to a decrease in transactions of 3.4%, partially offset by an increase in average check of 2.2%. The higher average check was driven by an approximate 2.6% increase in certain menu prices, partially offset by a 0.4% decrease in product mix. We increased select menu prices by approximately 2.0% in April 2026. For the purpose of calculating same-restaurant sales for the quarter ended June 28, 2026, sales for 85 restaurants that were open for at least 24 full fiscal periods were included in the Comparable Restaurant Base.

The following table summarizes the Company's revenue for the quarter ended June 28, 2026 and June 29, 2025 (in thousands):

	Quarter Ended			
	June 28, 2026	June 29, 2025	$ Change	% Change
Same-restaurant sales (85 restaurants) (1)	$ 175,408	$ 177,603	$ (2,195)	(1.2)%
Restaurants not yet in comparable base opened in fiscal 2026 (7 restaurants) (1)	6,412	—	6,412	nm
Restaurants not yet in comparable base opened in fiscal 2025 (8 restaurants) (1)	8,688	—	8,688	nm
Restaurants not yet in comparable base opened in fiscal 2024 (8 restaurants) (1)	6,910	8,716	(1,806)	(20.7)%
Other (2)	1,536	2,137	(601)	(28.1)%
Revenues, net	$ 198,954	$ 188,456	$ 10,498	5.6 %

(1) Total restaurants indicated are as of June 28, 2026. Excludes a restaurant that is owned by C&O of which Portillo’s owns 50% of the equity.
(2) Includes revenue from direct shipping sales and non-traditional locations.
*nm - not meaningful

Revenues for the two quarters ended June 28, 2026 were $381.6 million compared to $364.9 million for the two quarters ended June 29, 2025, an increase of $16.7 million or 4.6%. The increase in revenues was primarily attributed to the opening of eight restaurants in fiscal 2025 and seven restaurants during the two quarters ended June 28, 2026, partially offset by a decrease in our same-restaurant sales. Restaurants not in our Comparable Restaurant Base contributed $21.0 million of the total year-over-year increase. This increase in revenues was offset by a same-restaurant sales decrease of 0.7%, or $2.4 million. The same-restaurant sales decline was attributable to a 1.4% decrease in transactions, partially offset by an increase in average check of 0.7%. The increase in average check was driven by an approximate 1.4% increase in certain menu prices, partially offset by a 0.7% decrease in product mix. To address inflationary cost pressures, we increased select menu prices by approximately 2.0% in April 2026. For the purpose of calculating same-restaurant sales for the two quarters ended June 28, 2026, sales for 85 restaurants that were open for at least 24 full fiscal periods were included in the Comparable Restaurant Base.

	Two Quarters Ended			
	June 28, 2026	June 29, 2025	$ Change	% Change
Same-restaurant sales (85 restaurants) (1)	$ 336,670	$ 339,023	$ (2,353)	(0.7)%
Restaurants not yet in comparable base opened in fiscal 2026 (7 restaurants) (1)	7,948	—	7,948	nm
Restaurants not yet in comparable base opened in fiscal 2025 (8 restaurants) (1)	18,459	—	18,459	nm
Restaurants not yet in comparable base opened in fiscal 2024 (8 restaurants) (1)	15,273	20,655	(5,382)	(26.1)%
Other (2)	3,227	5,215	(1,988)	(38.1)%
Revenues, net	$ 381,577	$ 364,893	$ 16,684	4.6 %

(1) Total restaurants indicated are as of June 28, 2026. Excludes a restaurant that is owned by C&O of which Portillo’s owns 50% of the equity.
(2) Includes revenue from direct shipping sales and non-traditional locations.
*nm - not meaningful

Food, Beverage and Packaging Costs

Food, beverage and packaging costs include the direct costs associated with food, beverage and packaging of our menu items and third-party delivery commissions. The components of food, beverage and packaging costs are variable by nature, change with sales volume, are impacted by product and channel mix and are subject to increases or decreases in commodity costs, as well as geographic scale and proximity.

Food, beverage and packaging costs for the quarter ended June 28, 2026 were $69.6 million compared to $63.8 million for the quarter ended June 29, 2025, an increase of $5.8 million or 9.1%. This increase was primarily driven by a 7.0% increase in commodity prices and the opening of eight restaurants in fiscal 2025 and seven restaurants during the two quarters ended June 28, 2026. As a percentage of revenues, net, food, beverage and packaging costs increased 1.2% during the quarter ended June 28, 2026. The increase was primarily due to an increase in certain commodity prices, partially offset by an increase in average check.

Food, beverage and packaging costs for the two quarters ended June 28, 2026 was $132.9 million compared to $124.9 million for the two quarters ended June 29, 2025, an increase of $8.0 million or 6.4%. This increase was primarily driven by a 4.5% increase in commodity prices and the opening of eight restaurants in fiscal 2025 and seven restaurants during the two quarters ended June 28, 2026. As a percentage of revenues, net, food, beverage and packaging costs increased 0.6% during the two quarters ended June 28, 2026. The increase was primarily due to an increase in certain commodity prices, partially offset by an increase in average check.

Labor Expenses

Labor expenses include hourly and management wages, bonuses and equity-based compensation, payroll taxes, workers' compensation expense, and team member benefits. Factors that influence labor costs include wage inflation and payroll tax and minimum wage legislation, health care costs and the staffing needs of our restaurants.

Labor expenses for the quarter ended June 28, 2026 were $51.1 million compared to $48.3 million for the quarter ended June 29, 2025, an increase of $2.8 million or 5.7%. This increase was primarily driven by the opening of eight restaurants in fiscal 2025 and seven restaurants during the two quarters ended June 28, 2026, and incremental investments to support our team members. As a percentage of revenues, net, labor was flat during the quarter ended June 28, 2026.

Labor expenses for the two quarters ended June 28, 2026 were $100.3 million compared to $95.2 million for the two quarters ended June 29, 2025, an increase of $5.1 million or 5.3%. This increase was primarily driven by the opening of eight restaurants in fiscal 2025 and seven restaurants during the two quarters ended June 28, 2026, and incremental investments to support our team members. As a percentage of revenues, net, labor increased 0.2% during the two quarters ended June 28, 2026. The increase was primarily driven by revenue deleverage from new restaurants and incremental wage rate increases, partially offset by labor efficiencies.

Occupancy Expenses

Occupancy expenses primarily consist of rent, property insurance and property taxes, and exclude occupancy expenses associated with unopened restaurants, which are recorded separately in pre-opening expenses.

Occupancy expenses for the quarter ended June 28, 2026 were $11.7 million compared to $10.0 million for the quarter ended June 29, 2025, an increase of $1.7 million or 17.3%, primarily driven by the opening of eight restaurants in fiscal 2025 and seven restaurants during the two quarters ended June 28, 2026. As a percentage of revenues, net, occupancy expenses increased 0.6% primarily driven by higher occupancy costs and revenue deleverage at new restaurants.

Occupancy expenses for the two quarters ended June 28, 2026 were $22.9 million compared to $20.0 million for the two quarters ended June 29, 2025, an increase of $2.9 million or 14.5%, primarily driven by the opening of eight restaurants in fiscal 2025 and seven restaurants during the two quarters ended June 28, 2026. As a percentage of revenues, net, occupancy expenses increased 0.5% primarily driven by higher occupancy costs and revenue deleverage at new restaurants.

Other Operating Expenses

Other operating expenses consist of direct marketing expenses, utilities and other expenses incidental to operating our restaurants, such as credit card fees and repairs and maintenance.

Other operating expenses for the quarter ended June 28, 2026 were $23.3 million compared to $21.9 million for the quarter ended June 29, 2025, an increase of $1.4 million or 6.5%, primarily due to the opening of eight restaurants in fiscal 2025 and seven restaurants during the two quarters ended June 28, 2026, partially offset by lower utilities and insurance costs. As a percentage of revenues, net, other operating expenses increased 0.1% primarily due to revenue deleverage at new restaurants.

Other operating expenses for the two quarters ended June 28, 2026 were $47.5 million compared to $43.7 million for the two quarters ended June 29, 2025, an increase of $3.7 million or 8.6%, primarily due to the opening of eight restaurants in fiscal 2025 and seven restaurants during the two quarters ended June 28, 2026 as well as higher operating supplies and repair and maintenance expenses, partially offset by lower cleaning expenses. As a percentage of revenues, net, other operating expenses increased 0.5% due primarily to the aforementioned increases in expenses and revenue deleverage at new restaurants.

General and Administrative Expenses

General and administrative expenses primarily consist of costs associated with our corporate and administrative functions that support restaurant development and operations, including marketing and advertising costs incurred as well as legal and professional fees. General and administrative expenses also include equity-based compensation expense. General and administrative expenses are impacted by changes in our team member count and costs related to strategic and growth initiatives.

General and administrative expenses for the quarter ended June 28, 2026 were $19.6 million compared to $18.8 million for the quarter ended June 29, 2025, an increase of $0.8 million or 4.1%. This increase was primarily driven by higher professional fees, including $0.9 million of dead site costs, and increased software licensing fees. These increases were partially offset by lower legal expenses.

General and administrative expenses for the two quarters ended June 28, 2026 were $39.9 million compared to $37.7 million for the two quarters ended June 29, 2025, an increase of $2.2 million or 5.9%. This increase was primarily driven by higher professional fees, including $1.4 million of dead site costs, increased equity-based compensation expense, and higher advertising expense associated with the Company's assessment of our brand strategy and market positioning. These increases were partially offset by lower legal fees and reduced vacation-related wage expenses.

Pre-Opening Expenses

Pre-opening expenses consist primarily of wages, occupancy expenses, which represent rent expense recognized during the period between the date of possession and the restaurant opening date, travel for the opening team and other supporting team members, food, beverage, the initial stocking of operating supplies and legal fees. All such costs incurred prior to the opening are expensed in the period in which the expense was incurred. Pre-opening expenses can fluctuate significantly from period to period, based on the number and timing of openings and the specific pre-opening expenses incurred for each restaurant. Additionally, restaurant openings in new geographic market areas will experience higher pre-opening expenses than our established geographic market areas, such as the Chicagoland area, where we have greater economies of scale and incur lower travel and lodging costs for our training team.

Pre-opening expenses for the quarter ended June 28, 2026 were $0.9 million compared to $1.7 million for the quarter ended June 29, 2025, a decrease of $0.8 million or 44.7%. The decrease was due to the number and timing of activities related to our planned restaurant openings for the quarter ended June 28, 2026 as compared to the quarter ended June 29, 2025.

Pre-opening expenses for the two quarters ended June 28, 2026 were $3.5 million compared to $2.2 million for the two quarters ended June 29, 2025, an increase of $1.3 million or 58.2%. This increase was due to the number and timing of planned restaurant openings, including higher pre-opening activity associated with new market locations, for the two quarters ended June 28, 2026 as compared to the two quarters ended June 29, 2025.

Depreciation and Amortization

Depreciation and amortization expenses consist of the depreciation of fixed assets, including land improvements, buildings and improvements, fixtures and equipment, leasehold improvements, and the amortization of definite-lived intangible assets, which are primarily comprised of recipes.

Depreciation and amortization expense for the quarter ended June 28, 2026 was $8.3 million compared to $7.1 million for the quarter ended June 29, 2025, an increase of $1.1 million or 15.7%. This increase was primarily attributable to incremental depreciation of capital expenditures related to the opening of eight restaurants in fiscal 2025 and seven restaurants during the two quarters ended June 28, 2026.

Depreciation and amortization expense for the two quarters ended June 28, 2026 was $16.2 million compared to $14.2 million for the two quarters ended June 29, 2025, an increase of $2.0 million or 14.2%. This increase was primarily attributable to incremental depreciation of capital expenditures related to the opening of eight restaurants in fiscal 2025 and seven restaurants during the two quarters ended June 28, 2026.

Net Income Attributable to Equity Method Investment

Net income attributable to equity method investment consists of a 50% interest in C&O, which runs a single restaurant located within the Chicagoland market. We account for the investment and financial results in the condensed consolidated financial statements under the equity method of accounting as we have significant influence but do not have control.

Net income attributable to equity method investment for both the quarters ended June 28, 2026 and June 29, 2025 was $0.4 million.

Net income attributable to equity method investment for the two quarters ended June 28, 2026 was $0.6 million compared to $0.5 million for the two quarters ended June 29, 2025, an increase of $0.1 million or 11.7%. This increase was primarily driven by increased sales and labor efficiencies.

Other Loss (Income), Net

Other loss (income), net, includes among other items, legal expenses, management fee income associated with our investment in C&O, trading gains or losses on our deferred compensation plan, gains or losses on asset disposals, and income resulting from discounts received for timely filing of sales tax returns.

Other loss (income), net for the quarter ended June 28, 2026 was a loss of $1.1 million compared to income of $0.3 million for the quarter ended June 29, 2025, a decrease of $1.4 million. This decrease was primarily attributable to a legal contingency of $1.7 million as discussed in Note 13. Contingencies.

Other loss (income), net for the two quarters ended June 28, 2026 was a loss of $0.8 million compared to income of $0.3 million for the two quarters ended June 29, 2025, a decrease of $1.1 million. This decrease was primarily attributable to a legal contingency of $1.7 million as discussed in Note 13. Contingencies, and was partially offset by insurance proceeds.

Interest Expense

Interest expense primarily consists of interest and fees on our credit facilities and the amortization expense for debt discount and deferred issuance costs.

Interest expense for both the quarters ended June 28, 2026 and June 29, 2025 was $5.7 million.

Interest expense for the two quarters ended June 28, 2026 was $11.3 million compared to $11.5 million for the two quarters ended June 29, 2025, a decrease of $0.2 million or 1.5%. This decrease was primarily driven by a lower effective interest rate attributable to the improved lending terms associated with our 2025 Credit Agreement.

Our effective interest rate was 6.47% as of June 28, 2026 and 6.90% as of June 29, 2025.

Interest Income

Interest income primarily consists of interest earned on our cash, cash equivalents and restricted cash.

Interest income for both the quarters ended June 28, 2026 and June 29, 2025 was $0.1 million.

Interest income for the two quarters ended June 28, 2026 was $0.1 million compared to $0.2 million for the two quarters ended June 29, 2025, a decrease of $0.04 million or 26.7% .

Tax Receivable Agreement Liability Adjustment

We are party to a Tax Receivable Agreement liability with certain members of PHD Group Holdings LLC and its subsidiaries ("Portillo's OpCo”) that provides for the payment by us of 85% of the amount of tax benefits, if any, that Portillo's Inc. actually realizes or in some cases is deemed to realize as a result of certain transactions.

The Tax Receivable Agreement liability adjustment for the quarter ended June 28, 2026 was $0.8 million compared to $1.8 million for the quarter ended June 29, 2025. The change was related to a remeasurement primarily due to activity under equity-based compensation plans.

The Tax Receivable Agreement liability adjustment was $1.2 million for the two quarters ended June 28, 2026 and $2.5 million for the two quarters ended June 28, 2026 related to a remeasurement primarily due to activity under equity-based compensation plans.

Income Tax Expense

Portillo's OpCo is treated as a partnership for U.S. federal, as well as state and local income tax purposes and is not subject to taxes. Rather, any taxable income or loss generated by Portillo's OpCo is allocated to its members in relation to their respective ownership percentage of Portillo's OpCo. We are subject to U.S. federal, as well as state and local, income taxes with respect to our allocable share of any taxable income or loss of Portillo's OpCo, as well as any stand-alone income or loss generated by Portillo's Inc.

Income tax expense for the quarter ended June 28, 2026 was $1.8 million compared to income tax expense of $3.7 million for the quarter ended June 29, 2025, a decrease of $1.9 million or 51.9%. Our effective income tax rate for the quarter ended June 28, 2026 was 19.8%, compared to 26.8% for the quarter ended June 29, 2025. The decrease in our effective income tax rate for the quarter ended June 28, 2026 compared to the quarter ended June 29, 2025 was primarily driven by a decrease in the valuation allowance related to equity-based compensation expense for certain executive officers. This decrease is partially offset by an increase in the Company's ownership interest in Portillo's OpCo, which increases its share of taxable income of Portillo's OpCo.

Income tax expense for the two quarters ended June 28, 2026 was $1.6 million compared to income tax expense of $5.0 million for the two quarters ended June 29, 2025, a decrease of $3.4 million or 68.1%. Our effective income tax rate for the two quarters ended June 28, 2026 was 19.5%, compared to 26.4% for the two quarters ended June 29, 2025. The decrease in our effective income tax rate for the two quarters ended June 28, 2026 compared to the two quarters ended June 29, 2025 was primarily driven by a decrease in the valuation allowance related to equity-based compensation expense for certain executive officers. This decrease is partially offset by an increase in the Company's ownership interest in Portillo's OpCo, which increases its share of taxable income of Portillo's OpCo.

Net Income Attributable to Non-controlling Interests

We are the sole managing member of Portillo's OpCo. We manage and operate the business and control the strategic decisions and day-to-day operations of Portillo’s OpCo and we also have a substantial financial interest in Portillo’s OpCo. Accordingly, we consolidate the financial results of Portillo’s OpCo, and a portion of our net income is allocated to non-controlling interests to reflect the entitlement of the pre-IPO LLC Members who retained their equity ownership in Portillo's OpCo (the "pre-IPO LLC Members").

We also consolidate AP Dogs, LLC, which operates our restaurant at Dallas-Fort Worth International Airport, and recognize a non-controlling interest representing the ownership interest held by our joint venture partner. The weighted average ownership percentages for the applicable reporting periods are used to attribute net income to Portillo's Inc. and the non-controlling interest holders.

Net income attributable to non-controlling interests for the quarter ended June 28, 2026 was $0.2 million, compared to net income attributable to non-controlling interests of $1.3 million for the quarter ended June 29, 2025, a decrease of $1.1 million or 84.2%. The decrease in net income attributable to non-controlling interests for the quarter ended June 28, 2026 was primarily due to a decrease in the pre-IPO LLC Members non-controlling interest holders' weighted average ownership to 4.5% for the quarter ended June 28, 2026 from 9.9% for the quarter ended June 29, 2025 and a decrease in the net income for the quarter ended June 28, 2026.

Net income attributable to non-controlling interests for the two quarters ended June 28, 2026 was $0.1 million, compared to net income attributable to non-controlling interest of $2.0 million for the two quarters ended June 29, 2025, a decrease of $1.9 million or 94.8%. The decrease in net income attributable to non-controlling interests for the two quarters ended June 28, 2026 was primarily due to a decrease in the pre-IPO LLC Members non-controlling interest holders' weighted average ownership to 4.5% for the two quarters ended June 28, 2026 from 12.2% for the two quarters ended June 29, 2025 and a decrease in net income for the two quarters ended June 28, 2026.

Selected Operating Data and Non-GAAP Financial Measures

In addition to the GAAP measures presented in our financial statements, we use the following selected operating data and non-GAAP financial measures to evaluate our business, measure our performance, develop financial forecasts and make strategic decisions. These key measures include restaurant openings, average unit volume ("AUV"), same-restaurant sales, Adjusted EBITDA, Adjusted EBITDA Margin, Restaurant-Level Adjusted EBITDA and Restaurant-Level Adjusted EBITDA Margin. The Company includes these measures because management believes that they are important to day-to-day operations and overall strategy and are useful to investors in that they provide for greater transparency with respect to supplemental information used by management in its financial and operational decision-making.

	Quarter Ended		Two Quarters Ended	
	June 28, 2026	June 29, 2025	June 28, 2026	June 29, 2025
Total Restaurants (a)	109	94	109	94
AUV (in millions) (a)	N/A	N/A	$ 8.2	$ 8.7
Change in same-restaurant sales (b)	(1.2)%	0.7 %	(0.7)%	1.2%
Adjusted EBITDA (in thousands) (b)	$ 29,819	$ 30,064	$ 48,272	$ 51,274
Adjusted EBITDA Margin (b)	15.0 %	16.0 %	12.7%	14.1%
Restaurant-Level Adjusted EBITDA (in thousands) (b)	$ 43,247	$ 44,481	$ 78,091	$ 81,137
Restaurant-Level Adjusted EBITDA Margin (b)	21.7 %	23.6 %	20.5%	22.2%

(a) Includes a restaurant that is owned by C&O, of which Portillo's owns 50% of the equity. AUVs for the quarters ended June 28, 2026 and June 29, 2025 represent AUVs for the twelve months ended June 28, 2026 and June 29, 2025, respectively. Total restaurants indicated are as of June 28, 2026 and June 29, 2025, respectively.
(b) Excludes C&O.

Change in Same-Restaurant Sales

The change in same-restaurant sales is the percentage change in year-over-year revenue for the comparable restaurant base, which is defined as the number of restaurants open for at least 24 full fiscal periods (the "Comparable Restaurant Base"). As of June 28, 2026 and June 29, 2025, there were 85 and 75 restaurants in our Comparable Restaurant Base, respectively. The Comparable Restaurant Base excludes C&O.

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

Average Unit Volume ("AUV")

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

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

Non-GAAP Financial Measures

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

Adjusted EBITDA and Adjusted EBITDA Margin

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

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

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

The following table reconciles net income to Adjusted EBITDA and Adjusted EBITDA margin (in thousands):

	Quarter Ended		Two Quarters Ended	
	June 28, 2026	**June 29, 2025**	**June 28, 2026**	**June 29, 2025**
Net income	$ 7,155	$ 10,043	$ 6,646	$ 14,033
Net income margin	*3.6 %*	*5.3 %*	*1.7 %*	*3.8 %*
Depreciation and amortization	8,254	7,137	16,190	14,177
Interest expense	5,672	5,726	11,299	11,475
Interest income	(60)	(79)	(110)	(150)
Income tax expense	1,769	3,679	1,605	5,039
EBITDA	22,790	26,506	35,630	44,574
Deferred rent (1)	1,498	1,541	3,232	2,917
Equity-based compensation	2,604	2,658	5,834	4,608
Cloud-based software implementation costs (2)	—	84	—	267
Amortization of cloud-based software implementation costs (3)	278	295	558	514
Other loss (4)	136	82	208	143
Transaction-related fees and expenses (5)	—	736	—	736
Legal contingency (6)	1,700	—	1,700	—
Strategic realignment costs (7)	907	—	1,616	—
Consulting fees (8)	666	—	666	—
Tax Receivable Agreement liability adjustment (9)	(760)	(1,838)	(1,172)	(2,485)
Adjusted EBITDA	$ 29,819	$ 30,064	$ 48,272	$ 51,274
Adjusted EBITDA Margin (10)	*15.0 %*	*16.0 %*	*12.7 %*	*14.1 %*

(1) Represents the difference between cash rent payments and the recognition of straight-line rent expense recognized over the lease term.
(2) Represents non-capitalized third party consulting and software licensing costs incurred in connection with the implementation of a new HCM system which are included within general and administrative expenses.
(3) Represents amortization of capitalized cloud-based ERP and HCM system implementation costs that are included within general and administrative expenses.
(4) Represents loss on disposal of property and equipment included within other loss (income), net.
(5) Represents certain expenses that management believes are not indicative of ongoing operations, consisting primarily of certain professional fees included within general and administrative expenses.

(6) Represents a legal contingency recorded in connection with the Maverick arbitration as discussed in Note 13. Contingencies, included within other loss (income), net.
(7) Represents costs related to the Company's strategic reset of its development and growth plans and CEO transition and replacement costs. These costs are included within general and administrative expenses.
(8) Represents fees incurred for discrete, project-based strategic initiatives that are not part of the Company's ongoing operations and are included within general and administrative expense. These costs consist primarily of third-party consulting fees related to a brand study and a spend optimization study. Given the magnitude and scope of these initiatives and that they are not expected to recur in the foreseeable future, the Company considers the associated consulting fees not reflective of the ongoing costs to operate its business.
(9) Represents remeasurement of the Tax Receivable Agreement liability.
(10) Adjusted EBITDA Margin is defined as Adjusted EBITDA divided by Revenues, net.

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

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

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

The following table reconciles operating income to Restaurant-Level Adjusted EBITDA and Restaurant-Level Adjusted EBITDA Margin (in thousands):

	Quarter Ended		Two Quarters Ended	
	June 28, 2026	**June 29, 2025**	**June 28, 2026**	**June 29, 2025**
Operating income	$ 13,776	$ 17,531	$ 18,268	$ 27,912
Operating income margin	*6.9 %*	*9.3 %*	*4.8 %*	*7.6 %*
Plus:				
General and administrative expenses	19,563	18,798	39,922	37,701
Pre-opening expenses	938	1,697	3,488	2,205
Depreciation and amortization	8,254	7,137	16,190	14,177
Net income attributable to equity method investment	(404)	(382)	(610)	(546)
Other loss (income), net	1,120	(300)	833	(312)
Restaurant-Level Adjusted EBITDA	$ 43,247	$ 44,481	$ 78,091	$ 81,137
Restaurant-Level Adjusted EBITDA Margin (1)	*21.7 %*	*23.6 %*	*20.5 %*	*22.2 %*

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

Liquidity and Capital Resources

Our primary sources of liquidity are cash from operations, cash and cash equivalents on hand, and availability under our 2025 Revolver Facility. As of June 28, 2026, we maintained a cash and cash equivalents and restricted cash balance of $21.3 million and had $48.8 million of availability under our 2025 Revolver Facility, after giving effect to $4.2 million in outstanding letters of credit.

Our primary requirements for liquidity are to fund our working capital needs, operating lease obligations, capital expenditures, and general Restaurant Support Center needs. Our requirements for working capital are not significant because our guests pay for their food and beverage purchases in cash or on debit or credit cards at the time of the sale and we are able to sell many of our inventory items before payment is due to the supplier of such items. Our ongoing capital expenditures are principally related to opening of new restaurants, existing capital investments (both for remodels and maintenance), as well as investments in our Restaurant Support Center infrastructure. Additionally, we continue to invest in technology, including upgrades to our IT infrastructure, to improve operational efficiency and the guest experience.

Based upon current levels of operations and anticipated growth, we expect that cash flows from operations will be sufficient to meet our needs for at least the next twelve months, and the foreseeable future.

Tax Receivable Agreement

In connection with the IPO, we entered into a Tax Receivable Agreement ("TRA") with certain of our pre-IPO LLC Members, pursuant to which we will generally be required to pay 85% of the amount of cash savings, if any, in U.S. federal, state, and local income tax that we actually realize or are deemed to realize, as a result of (i) our allocable share of existing tax basis in depreciable or amortizable assets relating to LLC Units acquired in the IPO, (ii) certain favorable tax attributes acquired by the Company from entities treated as corporations for U.S. tax purposes that held LLC Units prior to the Transactions ("Blocker Companies") (including net operating losses and the Blocker Companies' allocable share of existing tax basis), (iii) increases in our allocable share of then existing tax basis in depreciable or amortizable assets, and adjustments to the tax basis of the tangible and intangible assets, of Portillo's OpCo and its subsidiaries, as a result of (x) sales or exchanges of interests in Portillo's OpCo (including the repayment of the redeemable preferred units) in connection with the IPO and (y) future redemptions or exchanges of LLC Units by pre-IPO LLC Members for Class A common stock and (iv) certain other tax benefits related to entering into the TRA, including payments made under the TRA.

As of June 28, 2026, we estimate that our obligation for future payments under the TRA totaled $343.4 million. Amounts payable under the TRA are contingent upon, among other things, (i) generation of future taxable income over the term of the TRA and (ii) future changes in tax laws. If we do not generate sufficient taxable income in the aggregate over the term of the TRA to utilize the tax benefits, then we would not be required to make the related TRA payments. The payments that we are required to make will generally reduce the amount of overall cash flow that might have otherwise been available to us, but we expect the cash tax savings we will realize to fund the required payments. Assuming no material changes in relevant tax law and that we earn sufficient taxable income to realize all tax benefits that are subject to the TRA, we estimate that the tax savings associated with all tax attributes described above would aggregate to approximately $404.0 million as of June 28, 2026. Under this scenario, we would be required to pay the TRA Parties approximately 85% of such amount, or $343.4 million, primarily over the next 15 years, substantially declining in year 16 through year 47. In the two quarters ended June 28, 2026 and June 29, 2025, we made TRA payments of $7.9 million relating to tax year 2024 and $7.7 million relating to tax year 2023, respectively. We expect a payment of $1.3 million relating to tax year 2025 to be paid within the next 12 months.

Summary of Cash Flows

The following table presents a summary of our cash flows from operating, investing and financing activities (in thousands):

	Two Quarters Ended	
	June 28, 2026	June 29, 2025
Net cash provided by operating activities	$ 35,128	$ 28,693
Net cash used in investing activities	(29,981)	(33,076)
Net cash used in financing activities	(3,857)	(1,872)
Net increase (decrease) in cash and cash equivalents and restricted cash	1,290	(6,255)
Cash and cash equivalents and restricted cash at beginning of period	19,963	22,876
Cash and cash equivalents and restricted cash at end of period	$ 21,253	$ 16,621

Operating Activities

Net cash provided by operating activities for the two quarters ended June 28, 2026 was $35.1 million compared to net cash provided by operating activities of $28.7 million for the two quarters ended June 29, 2025, an increase of $6.4 million or 22.4%. This increase was primarily driven by the change in operating assets and liabilities of $12.7 million and the change in non-cash items of $1.1 million, partially offset by a decrease in net income of $7.4 million.

The $12.7 million change in our operating assets and liabilities balances was primarily driven by operating assets and liabilities being a source of net cash of $6.0 million in the two quarters ended June 28, 2026, compared to a use of net cash of $6.7 million in two quarters ended June 29, 2025 driven by the change in accounts payable, deferred lease incentives, and accrued expenses and other liabilities in the two quarters ended June 28, 2026. The $1.1 million change from the two quarters ended June 28, 2026 in non-cash charges is primarily driven by higher depreciation and amortization expense, a decrease in our tax receivable agreement liability adjustment, and an increase in equity-based compensation expense, partially offset by a decrease in deferred income tax expense. The change in net income for the two quarters ended June 28, 2026 was primarily due to the factors driving the aforementioned change in revenues and expenses as described in the condensed consolidated results of operations in the two quarters ended June 28, 2026 compared to the two quarters ended June 29, 2025.

Investing Activities

Net cash used in investing activities was $30.0 million for the two quarters ended June 28, 2026 compared to $33.1 million for the two quarters ended June 29, 2025, a decrease of $3.1 million or 9.4%. This decrease was primarily due to the number, format and timing of restaurant builds in process.

Financing Activities

Net cash used in financing activities was $3.9 million for the two quarters ended June 28, 2026 compared to net cash used in financing activities of $1.9 million for the two quarters ended June 29, 2025, a decrease of $2.0 million or 106.0%. This increase was primarily driven by lower net short-term borrowings under the 2025 Credit Agreement and reduced proceeds from equity-based compensation plan activity, partially offset by the absence of deferred financing costs and lower distributions to noncontrolling interest holders.

2025 Revolver Facility and Liens

On January 27, 2025, PHD Intermediate LLC, Portillo’s Holdings LLC, the other Guarantors party thereto, the Lenders from time to time party thereto and Fifth Third Bank, National Association, as Administrative Agent, the L/C Issuer and the Swing Line Lender entered into an amendment (the “Amendment”) to the 2023 Credit Agreement (as amended by the Amendment and as may be amended, restated, supplemented or otherwise modified from time to time thereafter, the “2025 Credit Agreement”).

The Amendment provides for, among other things, (i) a $250 million term loan A facility (the “2025 Term Loan Facility”) and (ii) revolving credit commitments in an initial aggregate principal amount of $150 million (the “2025 Revolver Facility” and, together with the Term Loan Facility, the “2025 Facilities”), the proceeds of which will be used to refinance indebtedness under the 2023 Credit Agreement, for general corporate purposes and working capital needs and for other activities permitted under the 2025 Credit Agreement. The loans under each of the 2025 Facilities mature on January 27, 2030.

As of June 28, 2026, we had $97.0 million of borrowings under the 2025 Revolver Facility, and letters of credit issued under the 2025 Revolver Facility totaled $4.2 million. As a result, as of June 28, 2026, the Company had $48.8 million available under the 2025 Revolver Facility.

The 2025 Credit Agreement contains customary representations and warranties, events of default, reporting and other affirmative covenants and negative covenants, including limitations on indebtedness, liens, investments, negative pledges, dividends, junior financings and other fundamental changes. As of June 28, 2026, the Company was in compliance with financial covenants in the 2025 Credit Agreement.

Material Cash Requirements

There have been no material changes to the material cash requirements as disclosed in our Annual Report on Form 10-K for the fiscal year ended December 28, 2025, other than those payments made in the ordinary course of business.

Refer to Note 8. Debt for further information on or about our obligations and the timing of expected payments.

Critical Accounting Estimates

This discussion and analysis of financial condition and results of operations is based upon the Company's condensed consolidated financial statements, which have been prepared in accordance with GAAP. The preparation of these financial statements requires the Company to make estimates, judgments, and assumptions that can have a meaningful effect on the reporting of condensed consolidated financial statements. There have been no significant changes to our critical accounting estimates or significant accounting policies as disclosed in our Annual Report on Form 10-K for the fiscal year ended December 28, 2025.

Refer to Note 2. Summary Of Significant Accounting Policies for the Company's assessment of all other recently issued accounting pronouncements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

There have been no material changes to our exposure to market risks as described in Part II, Item 7A of our Annual Report on Form 10-K for the fiscal year ended December 28, 2025.

Item 4. Controls and Procedures.

EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

Under the supervision and with the participation of our management, including the Chief Executive Officer and Interim Chief Financial Officer, we conducted an evaluation of the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this report. Based on this evaluation, our Chief Executive Officer and Interim Chief Financial Officer concluded that our disclosure controls and procedures were effective as of such date. Our disclosure controls and procedures are designed to ensure that information required to be disclosed in the reports 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 management, including the Chief Executive Officer and Interim Chief Financial Officer, to allow timely decisions regarding required disclosure.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

There were no changes in our internal control over financial reporting during the quarter ended June 28, 2026 identified in connection with the evaluation required by Rules 13a-15(d) and 15d-15(d) of the Exchange Act 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.

Information regarding certain legal proceedings to which the Company is a party is provided in Note 13. Contingencies in the notes to the unaudited condensed consolidated financial statements and is incorporated herein by reference.

Item 1A. Risk Factors.

There have been no material changes to the risk factors disclosed in the Company's Annual Report on Form 10-K for the fiscal year ended December 28, 2025.

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

Under the Second Amended and Restated LLC Agreement of Portillo's OpCo dated as of October 20, 2021 (the "OpCo LLCA"), the holders of LLC Units (other than the Company) may from time to time require Portillo's OpCo to redeem all or a portion of their LLC Units for newly-issued shares of Class A common stock on a one-for-one basis in accordance with the terms of the OpCo LLCA.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

Rule 10b5-1 Trading Arrangements

During the quarter ended June 28, 2026, no director or officer of the Company adopted, amended or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408 of Regulation S-K.

Restructuring Plan

On July 31, 2026, in response to evolving business needs, the Company implemented a reduction in force impacting approximately 18% of the Company's corporate headquarters workforce (the "Plan"). The Plan is designed to advance the Company's path towards profitability by streamlining its organizational structure and optimizing operating expenses to gain operational efficiencies. The Plan is intended to ensure resources are aligned with the Company's strategic priorities. Under the Plan, the Company anticipates recognizing restructuring charges, including severance, outplacement services, and benefits continuation. The Company estimates that the foregoing charges will be approximately $1.1 million and believes the charges will be recognized primarily in the third quarter of 2026. The majority of the $1.1 million in charges will result in cash expenditures and are expected to be paid by the end of the fourth quarter of 2026. The Company anticipates substantially completing the Plan by the end of fiscal year 2026, subject to, among other things, applicable legal requirements.

The estimate of the charges that the Company expects to incur in connection with the Plan, and the timing thereof, are subject to a number of assumptions, including local legal requirements in various jurisdictions, and actual amounts may differ. In addition, the Company may incur other charges not currently contemplated due to unanticipated events that may occur, including in connection with the implementation of the Plan.

Item 6.

Exhibit Number		Description	Filed Herewith
3.1		Amended and Restated Certificate of Incorporation of Portillo's Inc. (incorporated by reference to Exhibit 3.1 of the Company's Quarterly Report on Form 10-Q filed on November 18, 2021)	
3.2		Amended and Restated Bylaws of Portillo’s Inc. (incorporated by reference to Exhibit 3.2 of the Company's Quarterly Report on Form 10-Q filed on November 18, 2021)	
10.1	†	Independent Contractor Agreement between Portillo's Hot Dogs, LLC and Pamela Smith, as of May 20, 2026 (incorporated by reference to the Company's Form 8-K filed on May 21, 2026).	
10.2	†	Amendment to Independent Contractor Agreement between Portillo's Hot Dogs, LLC and Pamela Smith, as of June 29, 2026 (incorporated by reference to the Company's Form 8-K filed on June 30, 2026).	
10.3	†	Form of 2026 Performance Stock Unit Award Agreement under the Portillo's Inc. 2021 Equity Incentive Plan	*
31.1		Certification of the Principal Executive Officer pursuant to Securities Exchange Act Rules 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	*
31.2		Certification of the Principal Financial Officer pursuant to Securities Exchange Act Rules 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	*
32.1		Certifications of the Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	#
101.INS		XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document	*
101.SCH		XBRL Taxonomy Extension Schema Document	*
101.CAL		XBRL Taxonomy Extension Calculation Linkbase Document	*
101.DEF		XBRL Taxonomy Extension Definition Linkbase Document	*
101.LAB		XBRL Taxonomy Extension Label Linkbase Document	*
101.PRE		XBRL Taxonomy Extension Presentation Linkbase Document	*
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	*

* *Filed Herewith*
\# *Furnished Herewith*
† *Indicates a management contract or compensatory plan or agreement*

SIGNATURE

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.

		Portillo's Inc.
		(Registrant)
Date: August 5, 2026	By:	/s/ Brett Patterson
		Brett Patterson
		President, Chief Executive Officer and Director (Principal Executive Officer)
Date: August 5, 2026	By:	/s/ Pamela Smith
		Pamela Smith
		Interim Chief Financial Officer and Treasurer (Principal Financial Officer and Principal Accounting Officer)

FORM OF PSU AWARD AGREEMENT

Portillo's Inc.
2021 Equity Incentive Plan

Performance Stock Unit Award Agreement

This Performance Stock Unit Award Agreement (this "Agreement") is made by and between Portillo's Inc., a Delaware corporation (the "Company"), and (the "Participant"), effective as of **________,** 202__ (the "Date of Grant").

RECITALS

WHEREAS, the Company has adopted the Portillo's Inc. 2021 Equity Incentive Plan (the "Plan"), which is incorporated herein by reference and made a part of this Agreement. Capitalized terms not otherwise defined in this Agreement shall have the meanings ascribed to those terms in the Plan; and

WHEREAS, the Committee has authorized and approved the grant of an Award to the Participant that will provide the Participant the opportunity to receive shares of Common Stock upon the achievement of one or more performance goals on the terms and conditions set forth in the Plan and this Agreement ("Performance Stock Units").

NOW THEREFORE, in consideration of the premises and mutual covenants set forth in this Agreement, the parties agree as follows:

1. Grant of Award. The Company hereby grants to the Participant, effective as of the Date of Grant, Performance Stock Units, on the terms and conditions set forth in the Plan and this Agreement:

    a. Target Number of Performance Stock Units: __

    b. Performance Period: December 29, 2025 through December 31, 2028

    c. Performance Measures and Weighting: As set forth in Exhibit B

    d. Performance Goals: As set forth in Exhibit B

2. Vesting and Forfeiture. Subject to the terms and conditions set forth in the Plan and this Agreement, the Performance Stock Units shall vest as follows:

    a. General. The Performance Share Units will vest, if at all, based upon the achievement during the Performance Period of the Performance Goals listed under the Performance Measures set forth in Exhibit B, subject to the Participant's continued Service in good standing through the last day of the Performance Period, except as otherwise provided in Section 2(b) and 2(c).

b. Change in Control. In the event of a Change in Control, the Performance Stock Units shall be continued, assumed or substituted as set forth in Section 11.1 of the Plan, based on the greater of the target level or actual achievement of the Performance Goals set forth in Exhibit B. Following the Change in Control, the resulting Performance Stock Units shall be eligible to vest on the last day of the Performance Period, subject only to the Participant's continued Service on the last day of the Performance Period, except as otherwise provided in Section 2(c). Notwithstanding the foregoing, in the event the Performance Stock Units are not continued, assumed or substituted in accordance with Section 11.1 of the Plan, all unvested Performance Stock Units shall become fully vested immediately prior to the Change in Control based on the greater of the target level or actual achievement of the Performance Goals set forth in Exhibit BA. [In the event that the Portillo's Senior Executive Severance Plan is applicable to the Participant, its terms will supersede and prevail over the terms of this Agreement.]

c. Termination of Service.

i. General. Except as set forth in this Section 2(c), upon termination of the Participant's Service for any reason or no reason, any then unvested Performance Stock Units will be forfeited immediately, automatically and without consideration.

ii. Death or Disability of Participant prior to a Change in Control. If the Participant's Service is terminated due to death or Disability prior to a Change in Control, all Performance Stock Units shall remain outstanding and eligible to vest in accordance with Section 2(a) (without regard to the continued Service requirement) or, if earlier, upon a Change in Control.

iii. Qualifying Termination Prior to a Change in Control. Upon termination of the Participant's Service by the Participant for Good Reason or by the Company without Cause (a "Qualifying Termination"), in each case, prior to a Change in Control, a pro-rata portion of the Performance Stock Units, based on the number of days elapsed in the Performance Period prior to the date of termination of Service, shall remain outstanding and eligible to vest in accordance with Section 2(a) (without regard to the continued Service requirement) or, if earlier, upon a Change in Control. For purposes of this Agreement, "Good Reason" [and "Cause"] shall have the meaning(s) set forth in Exhibit A of this Agreement.

iv. Death, Disability or Qualifying Termination Following A Change in Control. If the Participant's Service is terminated due to death or Disability or as a result of a Qualifying Termination, in each case, on or within twenty-four (24) months following a Change in Control, all Performance Stock Units shall vest on the date of the Participant's termination of Service.

3. Payment

a. Settlement. Within sixty days following the earlier of (i) the last day of the Performance Period and (ii) the date of the Participant's termination of Service in the event the Performance Stock Units vest in accordance with Section 2(c)(iv), the Company shall deliver to the Participant a number of shares of Common Stock equal to the aggregate number of Performance Stock Units that have been earned and vested pursuant to Section 2 and Exhibit B. No fractional shares of Common Stock shall be delivered. The Company may deliver such shares of Common Stock either through book entry accounts held by, or in the name of, the Participant or cause to be issued a certificate or certificates representing the number of shares to be issued in respect of the Performance Stock Units, registered in the name of the Participant. Notwithstanding the foregoing, in the event the Performance Stock Units fully vest in connection with the Change in Control, the Performance Stock Units shall be settled in shares of Common Stock prior to the closing of the Change in Control or shall be settled in accordance in accordance with the terms of the definitive agreement for such Change in Control, but in no event later than thirty (30) days following such Change in Control.

b. Withholding Requirements. The Company shall have the right to deduct or withhold from any shares of Common Stock deliverable under this Agreement, or in its discretion to require the Participant to remit to the Company, amounts necessary to satisfy all federal, state and local taxes required to be withheld in connection with the settlement of the Performance Stock Units. In addition, subject to Section 16 of the Exchange Act, withholding may be satisfied through an open-market, broker-assisted sales transaction pursuant to which the Company is promptly delivered the amount of proceeds necessary to satisfy the withholding amount, which shall be subject to any terms and conditions imposed by the Committee.

4. Section 280G. In the event that it is determined that any payments or benefits provided under the Plan and this Agreement, together with any payments or benefits to be provided under any other plan, program, arrangement or agreement, would constitute parachute payments within the meaning of Section 280G of the Code and would, but for this Section 4 be subject to the excise tax imposed under Section 4999 of the Code (or any successor provision thereto) or any similar tax imposed by state or local law or any interest or penalties with respect to such taxes (the "Excise Tax"), then the amounts of any such payments or benefits under the Plan, this Agreement and such other arrangements shall be either (a) paid in full or (b) reduced to the minimum extent necessary to ensure that no portion of the payments or benefits is subject to the Excise Tax, whichever of the foregoing (a) or (b) results in the Participant's receipt on an after-

tax basis of the greatest amount of payments and benefits after taking into account the applicable federal, state, local and foreign income, employment and excise taxes (including the Excise Tax). The Company shall cooperate in good faith with the Participant in making such determination, including but not limited to providing the Participant with an estimate of any parachute payments as soon as reasonably practicable prior to an event constituting a change in the ownership or effective control of the Company or in the ownership of a substantial portion of the assets of the Company (within the meaning of Section 280G(b)(2)(A) of the Code). Any such reduction pursuant to this Section 4 shall be made in a manner that results in the greatest economic benefit for the Participant and is consistent with the requirements of Section 409A. Any determination required under this Section 4 shall be made in writing in good faith by a nationally recognized public accounting firm selected the Company. The Company and the Participant shall provide the accounting firm with such information and documents as the accounting firm may reasonably request in order to make a determination under this Section 4.

5. Miscellaneous Provisions

    a. Rights of a Shareholder; Dividend Equivalents. Prior to settlement of the Performance Stock Units in shares of Common Stock, neither the Participant nor the Participant's representative will have any rights as a shareholder of the Company with respect to any shares of Common Stock underlying the Performance Stock Units. If cash dividends or other cash distributions are paid in respect of the shares of Common Stock underlying unvested Performance Stock Units, then a dividend equivalent equal to the amount paid in respect of one Share shall accumulate and be paid with respect to each Earned PSU at time of settlement; provided that any dividend equivalent rights granted shall be subject to the same vesting terms as the related Performance Stock Units.

    b. Transfer Restrictions. The shares of Common Stock delivered hereunder will be subject to such stop transfer orders and other restrictions as the Committee may 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, any applicable federal or state laws and any agreement with, or policy of, the Company or the Committee to which the Participant is a party or subject, and the Committee may cause orders or designations to be placed upon the books and records of the Company's transfer agent to make appropriate reference to such restrictions.

    c. Clawback Policy. The Participant acknowledges that the Participant is subject to the provisions of Section 12 (Forfeiture Events) and Section 14.6 (Trading Policy and Other Restrictions) of the Plan and any compensation recovery, "clawback" or similar policy adopted by the Company from time to time and/or made applicable by law including the provisions of Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection and Act and the rules, regulations and requirements adopted thereunder by the Securities and Exchange Commission and/or any national securities exchange on which the Company's equity securities may be listed. In October 2023, the Company adopted an Incentive-Based Compensation Recovery Policy, which is available as an exhibit to the Company's 2025 Form 10-K filed on February 24, 2026, and is amended from time to time.

d. Adjustments. In the event of any change with respect to the outstanding shares of Common Stock contemplated by Section 4.4 of the Plan, the Performance Stock Units may be adjusted in accordance with Section 4.4 of the Plan.

e. No Right to Continued Service. Nothing in this Agreement or the Plan confers upon the Participant any right to continue in Service for any period of specific duration or interfere with or otherwise restrict in any way the rights of the Company (or any Subsidiary retaining the Participant) or of the Participant, which rights are hereby expressly reserved by each, to terminate his or her Service at any time and for any reason, with or without cause.

f. Successors and Assigns. The provisions of this Agreement will inure to the benefit of, and be binding upon, the Company and its successors and assigns and upon the Participant, the Participant's executor, personal representative(s), distributes, administrator, permitted transferees, permitted assignees, beneficiaries, and legatee(s), as applicable, whether or not any such person will have become a party to this Agreement and have agreed in writing to be joined herein and be bound by the terms hereof.

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

h. Amendment. Except as otherwise provided in the Plan, this Agreement will not be amended unless the amendment is agreed to in writing by both the Participant and the Company.

i. Choice of Law; Jurisdiction. This Agreement and all claims, causes of action or proceedings (whether in contract, in tort, at law or otherwise) that may be based upon, arise out of or relate to this Agreement will be governed by the internal laws of the State of Delaware, excluding any conflicts or choice-of-law rule or principle that might otherwise refer construction or interpretation of this Agreement to the substantive law of another jurisdiction.

j. Signature in Counterparts. This Agreement may be signed in counterparts, manually or electronically, each of which will be an original, with the same effect as if the signatures to each were upon the same instrument.

k. Electronic Delivery. The Company may, in its sole discretion, decide to deliver any documents related to any Awards granted under the Plan by electronic means or to request the Participant's consent to participate in the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery and to agree to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

l. Acceptance. The Participant hereby acknowledges receipt of a copy of the Plan and this Agreement. The Participant has read and understands the terms and provisions of the Plan and this Agreement, and accepts the Restricted Stock Units subject to all of the terms and conditions of the Plan and this Agreement. In the event of a conflict between any term or provision contained in this Agreement and a term or provision of the Plan, the applicable term and provision of the Plan will govern and prevail. The Participant understands they have a right to consult with counsel and have been afforded the opportunity to consult with an attorney to the extent they wish to do so.

IN WITNESS WHEREOF, the Company and the Participant have executed this Performance Stock Unit Award Agreement as of the dates set forth below.

PARTICIPANT **PORTILLO'S INC.**

____________________________ By: ____________________

Date:____________________ Date: ____________________

Exhibit A

Good Reason

"Good Reason" shall mean the occurrence of any of the following events without the consent of the Participant: (i) a material reduction in the Participant's base salary (other than a reduction affecting all similarly situated employees, which reduction does not exceed 10% of current base salary), (ii) a material diminution in the Participant's position and duties, which shall not include a change in reporting structure, or (iii) a requirement that the Participant relocate his or her current office outside a radius of fifty (50) miles from the Participant's current office location. The Participant may not resign or otherwise terminate his or her employment for any reason set forth above as Good Reason unless the Participant (x) notifies the Company in reasonable detail within sixty (60) days following his or her initial knowledge of an event that would constitute Good Reason, (y) the Company fails to remedy such event within 30 days following receipt of such notice, and (z) the Participant terminates employment within 30 days following the end of such 30-day remedy period. Notwithstanding the foregoing, if the Participant is subject to an employment agreement, consulting agreement, change in control agreement or similar agreement in effect between the Company or an Affiliate that defines Good Reason, then Good Reason shall have the meaning set forth therein, otherwise Good Reason as shall have the meaning defined in this Exhibit A.

Cause

["Cause" means (a) in the case where there is no employment agreement, consulting agreement, change in control agreement or similar agreement in effect between the Company or an Affiliate and the Participant (or where there is such an agreement but it does not define "cause" (or words of like import, which shall include but not be limited to "gross misconduct")), termination due to a Participant's (1) failure to substantially perform Participant's duties or obey lawful directives that, in the good faith judgment of the Company, is likely to significantly injure the reputation, business or a business relationship of the Company or any of its Affiliates, that continues after receipt of written notice from the Company and a ten (10)-day opportunity to cure; (2) gross misconduct or gross negligence in the performance of Participant's duties; (3) fraud, embezzlement, theft, or any other act of material dishonesty or misconduct; (4) conviction of, indictment for, or plea of guilty or nolo contendere to, a felony or any crime involving moral turpitude; (5) (x) material breach or violation of any agreement with the Company or its Affiliates, including any restrictive covenant agreement applicable to Participant, or (y) significant violation of the code of conduct or similar written policy, including, without limitation, any sexual harassment policy, of the Company or its Affiliates; or (6) other conduct, acts or omissions that, in the good faith judgment of the Company, are likely to significantly injure the reputation, business or a business relationship of the Company or any of its Affiliates; or (b) in the case where there is an employment agreement, consulting agreement, change in control agreement or similar agreement in effect between the Company or an Affiliate and the Participant that defines "cause" (or words of like import, which shall include but not be limited to "gross misconduct"), "cause" as defined under such agreement. With respect to a termination of Service for a non-employee director, Cause means an act or failure to act that constitutes cause for removal of a director under applicable Delaware law. Any voluntary termination of Service by the Participant in anticipation of an involuntary termination of the Participant's Service for Cause shall be deemed to be a termination for Cause.][1]

1 NTD: Include for executive-level employees only. All other employees will be subject to standard definition of Cause in the Plan.

<u>**Exhibit B**</u>

This <u>Exhibit B</u> sets forth the performance goals ("<u>Performance Goals</u>") for the Performance Stock Units and shall determine the extent to which the Performance Goals are achieved and the extent to which the Performance Stock Units will be eligible for vesting, if at all, at the end of the Performance Period.

PSUs awarded in 2026 are earned based on a combination of performance goals achievement for each year and for cumulative three-year performance period and at the end of year three, consisting of:

Performance Goal	Weight
Adjusted EBITDA Growth	50%
Total Revenue Growth	50%

Subject to the terms and conditions hereof and of the Plan, the Portion of Performance Stock Units Eligible to be Earned on Adjusted EBITDA growth and Total Revenue growth for each Measurement Period are measured on four separate periods that each begin on January 1 and end on December 31 of calendar years 2026, 2027 and 2028, respectively, with a cumulative period running from January 1, 2026 through December 31, 2028 (each individually, a "Measurement Period" and collectively the "Measurement Periods").

Measurement Period(s)	Measurement Period Start Date	Measurement Period End Date	Portion of Adjusted EBITDA / Total Revenue Stock Units Eligible to be Earned
Period 1	December 29, 2025	December 27, 2026	30%
Period 2	December 28, 2026	December 26, 2027	30%
Period 3	December 27, 2027	December 31, 2028	30%
Period 4	December 29, 2025	December 31, 2028	10%

Adjusted EBITDA Growth and Total Revenue Growth are measured on a constant growth rate basis, with three individual annual targets for each performance goal established at the beginning of the three-year performance period expressed as a growth rate over the previous year's actual result and one cumulative period measuring the three-year period achievement.

Each year's annual achievement for the Adjusted EBITDA Growth and Total Revenue Growth metrics are then "banked" until the three-year performance period is complete, at which time the achievement for each Measurement Period is averaged to determine the final payout for each metric.

Performance for each metric is measured independently, so PSUs can be earned as long as the threshold is satisfied for at least one metric. Payouts in each year are multiplied by respective weightings and totaled at the end of the period.

<u>**Adjusted EBITDA Growth**</u>

"<u>**Adjusted EBITDA Growth**</u>" shall be interpreted to mean for the Performance Period the Company's constant growth rate basis expressed as achieving the growth rate over the prior year. Adjusted EBITDA is defined as earnings before interest, taxes, depreciation, and amortization, and before stock-based compensation, acquisition expenses and similar non-recurring items, in a manner consistent with the Company's publicly reported adjusted EBITDA.

Adjusted EBITDA Growth
For the Performance Period

Achievement Level	Period 1 Adjusted EBITDA Performance Goal	Period 2 Total Adjusted EBITDA Growth Performance Goal	Period 3 Total Adjusted EBITDA Growth Performance Goal	Period 4 Total Adjusted EBITDA Cumulative Performance Goal	Earned Percent (%)
Below Threshold	<$95M	<4.0%	<2.0%	<$308M	0%
Threshold	$95M	+4.0%	+2.0%	$308M	35%
Between Threshold and Target	$96M	+8.0%	+4.0%	$315M	50%
Target	$97.4M	+12.0%	+8.0%	$324M	100%
Above Target	$101M	+16.0%	+12.0%	$336M	150%
Maximum	$105M	+18.0%	+15.0%	$345M	200%

If, for the Performance Period, **Adjusted EBITDA Growth** is greater than the Threshold achievement level set forth above but less than the Target achievement level set forth above or is greater than the Target achievement level set forth above but less than the Maximum achievement level set forth above, then the Earned Percent eligible to vest shall be determined using linear interpolation.

Total Revenue Growth

"**Total Revenue Growth**" is measured on a constant growth rate basis with annual targets expressed as a growth rate over the previous year's actual result, over the Performance Period.

Total Revenue Growth
For the Performance Period

Achievement Level	Period 1 Revenue Performance Goal	Period 2 Total Revenue Growth Performance Goal	Period 3 Total Revenue Growth Performance Goal	Period 4 Total Revenue Cumulative Performance Goal	Earned Percent (%)
Below Threshold	<$770M	<2.0%	<1.0%	<$2,423M	0%
Threshold	$770M	+2.0%	+1.0%	$2,423M	35%
Between Threshold and Target	$778.5M	+3.0%	+2.0%	$2,448.5M	50%
Target	$787M	+7.0%	+6.0%	$2,521.5M	100%
Above Target	$793M	+10.0%	+8.0%	$2,568M	150%
Maximum	$800M	+12.0%	+9.0%	$2,599M	200%

If, for the Performance Period, **Total Revenue Growth** is greater than the Threshold achievement level set forth above but less than the Target achievement level set forth above or is greater than the Target achievement level set forth above but less than the Maximum achievement level set forth above, then the Earned Percent eligible to vest shall be determined using linear interpolation.

Determining Number of PSUs that Vest

After the Earned Percent for **Adjusted EBITDA Growth**, and **Total Revenue Growth** for the Performance Period are determined based on the above tables, each Earned Percent will be multiplied by the Weight for each respective Performance Measure and then added to get the Total Earned Percent. The Target Number of Performance Share Units will then be multiplied by the Total Earned Percent to arrive at the total number of Performance Share Units that will vest based on performance achieved ("Earned PSUs") at the end of the Performance Period.

Performance Goal	**Weight (AA)**	**Earned Percent (%) (BB)**	**Total Earned PSUs (%) (AA x BB)**
Adjusted EBITDA Growth	50%	A%	X%
Total Revenue Growth	50%	B%	Y%
Total PSUs Earned Percentage (Sum of Above)			**ZZ%**

Number of PSUs that Vest = Total PSUs Earned Percentage x Target # of PSUs

Determining the Number of PSUs that Vest or Convert into Time-Vesting Awards upon a Change in Control

In the event of a Change in Control, for purposes of measuring achievement of the Performance Goals, the Performance Period shall be deemed to end as of the date of the Change in Control or at such earlier date within 14 days prior to a Change in Control as may be necessary to allow the Company to measure performance and effect the treatment of the Performance Stock Units in connection with the Change in Control.

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO RULE 13A-14(A) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Brett Patterson, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarterly period ended June 28, 2026 of Portillo's 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 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: August 5, 2026

By: /s/ Brett Patterson
Brett Patterson
President, Chief Executive Officer and Director
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO RULE 13A-14(A) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Pamela Smith, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarterly period ended June 28, 2026 of Portillo's 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 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: August 5, 2026

By: /s/ Pamela Smith
Pamela Smith
Interim Chief Financial Officer and Treasurer
(Principal Financial Officer and Principal Accounting Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Portillo's Inc. (the "Company"), for the quarterly period ended June 28, 2026, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned officers of the Company certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of such officer's knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 5, 2026	By:	/s/ Brett Patterson
		Brett Patterson President, Chief Executive Officer and Director (Principal Executive Officer)
Date: August 5, 2026	By:	/s/ Pamela Smith
		Pamela Smith Interim Chief Financial Officer and Treasurer (Principal Financial Officer and Principal Accounting Officer)