

# Portillo's®

**ICR Conference 2024**

January 9, 2024



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

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

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

- risks related to or arising from our organizational structure;
- risks of food-borne illness and food safety and other health concerns about our food;
- the impact of unionization activities of our restaurant workers on our operations and profitability;
- the impact of recent bank failures on the marketplace, including the ability to access credit;
- risks associated with our reliance on certain information technology systems and potential failures or interruptions;
- privacy and cyber security risks related to our digital ordering and payment platforms for our delivery business;
- the impact of competition, including from our competitors in the restaurant industry or our own restaurants;
- the increasingly competitive labor market and our ability to attract and retain the best talent and qualified employees;
- the impact of federal, state or local government regulations relating to privacy, data protection, advertising and consumer protection, building and zoning requirements, costs or ability to open new restaurants, or sale of food and alcoholic beverage control regulations;
- inability to achieve our growth strategy, such as the availability of suitable new restaurant sites in existing and new markets and opening of new restaurants at the anticipated rate and on the anticipated timeline;
- the impact of consumer sentiment and other economic factors on our sales;
- increases in food and other operating costs, tariffs and import taxes, and supply shortages;
- the potential future impact of COVID-19 (including any variant) on our results of operations, supply chain or liquidity; 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 presentation in the context of the risks and uncertainties disclosed in the Company's most recent Annual Report on Form 10-K, filed with the SEC. All of the Company's SEC filings are available on the SEC's website at [www.sec.gov](http://www.sec.gov). The forward-looking statements included in this press release are made only as of the date hereof. The Company undertakes no obligation to publicly update or revise any forward-looking statement as a result of new information, future events or otherwise, except as otherwise required by law.

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

# PORTILLO'S SNAPSHOT (Nasdaq: PTLO)

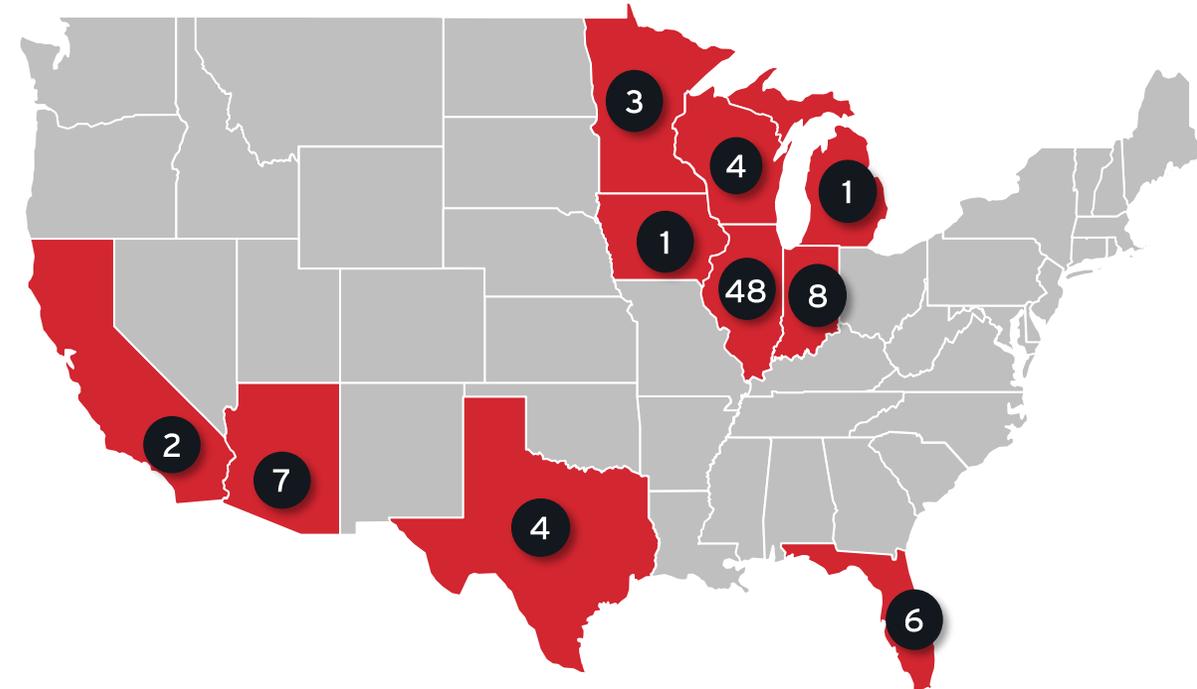


<b>\$643M</b> <small>LTM Q3 2023 REVENUE</small>	<b>11.8%</b> <small>LTM Q3 2023 TOTAL REVENUE GROWTH</small>	<b>6.1%</b> <small>LTM Q3 2023 SAME RESTAURANT SALES<sup>(2)</sup></small>
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<b>\$47M</b> <small>LTM Q3 2023 OPERATING INCOME</small>	<b>\$151M</b> <small>LTM Q3 2023 RESTAURANT-LEVEL ADJ. EBITDA<sup>(1)</sup></small>	<b>\$94M</b> <small>LTM Q3 2023 ADJ. EBITDA<sup>(1)</sup></small>
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<b>7.3%</b> <small>LTM Q3 2023 OPERATING INCOME MARGIN</small>	<b>23.6%</b> <small>LTM Q3 2023 RESTAURANT-LEVEL ADJ. EBITDA MARGIN<sup>(1)</sup></small>	<b>14.7%</b> <small>LTM Q3 2023 ADJ. EBITDA MARGIN<sup>(1)</sup></small>
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Founded in **1963**  
**84** Restaurants Across **10** States  
**\$8.9M** LTM Q3 2023 AUV<sup>(3)</sup>



Note: Restaurant count as of January 9, 2024. Net income for the LTM Q3 2023 was \$18M.  
 (1) See appendix for a reconciliation to the most directly comparable financial measure stated in accordance with GAAP.  
 (2) Same restaurant sales include restaurants open for a minimum of 24 months and excludes a restaurant that is owned by C&O of which Portillo's owns 50% of the equity.  
 (3) Average of restaurants open at least 24 months (i.e., units opened on 9/30/2021 or earlier for comparison purposes).

# AT SEPTEMBER 19, 2023 DEVELOPMENT DAY



6 in Q4...

4 to Complete Class of 2022

8 in Class of 2023



# CLASS OF 2023 UPDATE



4 to Complete Class of 2022

8 in Class of 2023



# DEVELOPMENT UPDATE

Reiterating Expectations for 2024 Pipeline



## *Development Day Commitments*

2024	
Restaurant Unit Growth	~10% +
Market Focus	Sunbelt
Opening Cadence	50% 1H, 50% 2H

## 2024 Development Outlook

**9 units, 10.7% unit growth**

- Dallas
- Houston
- Midwest
- Arizona
- Central Florida

*Sunbelt = 80%+ of Pipeline*





# LONG-TERM GROWTH ALGORITHM

## LONG-TERM OUTLOOK

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



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



***APPENDIX***

# Adjusted EBITDA Reconciliation

(\$ in thousands)

	LTM
	September 24, 2023
<b>Net income</b>	<b>\$ 17,824</b>
Depreciation and amortization	22,893
Interest expense	28,898
Interest income	(116)
Loss on debt extinguishment	3,465
Income tax expense	1,917
<b>EBITDA</b>	<b>74,881</b>
Deferred rent (1)	4,781
Equity-based compensation	16,835
ERP implementation costs (2)	149
Other loss (3)	669
Transaction-related fees & expenses (4)	1,493
Tax Receivable Agreement Liability adjustment (5)	(4,574)
<b>Adjusted EBITDA</b>	<b>\$ 94,234</b>
<b>Adjusted EBITDA Margin (6)</b>	<b>14.7 %</b>

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

(2) Represents non-capitalized third-party consulting and software licensing costs incurred in connection with the implementation of a new ERP system.

(3) Represents loss on disposal of property and equipment.

(4) Represents the exclusion of certain expenses that management believes are not indicative of ongoing operations, consisting primarily of professional fees.

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

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

# Restaurant-Level Adjusted EBITDA Reconciliation

(\$ in thousands)



	LTM September 24, 2023
<b>Operating Income</b>	<b>\$ 47,414</b>
General and administrative expenses	74,992
Pre-opening expenses	7,974
Depreciation and amortization	22,893
Net Income attributable to equity method investment	(1,286)
Other income, net	(501)
<b>Restaurant-Level Adjusted EBITDA</b>	<b>\$ 151,486</b>
<b>Restaurant-Level Adjusted EBITDA Margin (1)</b>	<b>23.6 %</b>

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