



# Portillo's®

First Quarter Earnings Supplemental  
May 4, 2023



# 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:

- the potential future impact of COVID-19 (including any variant) on our results of operations, supply chain or liquidity;
- 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 impact of labor shortages, 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;
- our ability 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;
- risks relating to changes in economic conditions, including a possible recession and resulting changes in consumer preferences;
- inflation of all commodity prices, including increases in food and other operating costs, tariffs and import taxes, and supply shortages; and
- other risks identified in our filings with the Securities and Exchange Commission (the "SEC").

All forward-looking statements are expressly qualified in their entirety by these cautionary statements. You should evaluate all forward-looking statements made in this 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.

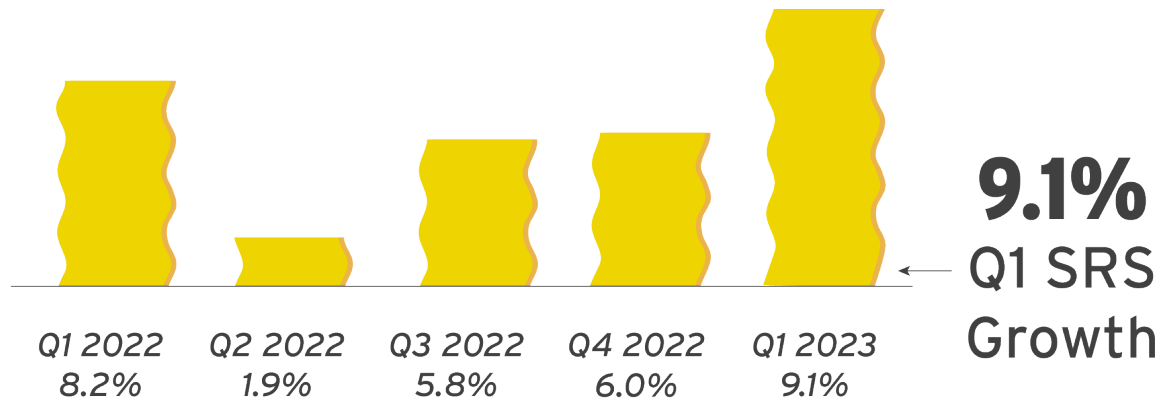
# Q1 2023 PERFORMANCE

## REVENUE



**\$156.1 million**  
Q1 Total revenue

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



2 year comp stack <sup>(3)</sup>	9.1%	27.4%	13.1%	16.9%	18.1%
3 year comp stack <sup>(3)</sup>	6.7%	6.2%	10.7%	6.5%	19.1%

## PROFITABILITY

**\$8.5 million**  
Q1 Operating Income

**\$1.3 million**  
Q1 Net Loss

**\$34.8 million**  
Q1 Restaurant-Level  
Adjusted EBITDA <sup>(2)</sup>

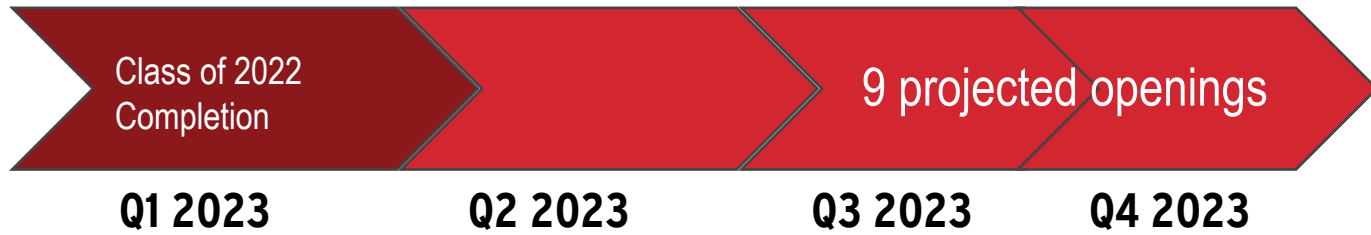
**\$19.6 million**  
Q1 Adjusted EBITDA <sup>(2)</sup>

(1) Same restaurant sales include restaurants open for a minimum of 24 months and excludes a restaurant that is owned by C&O Chicago, LLC ("C&O") of which Portillo's owns 50% of the equity.

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

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

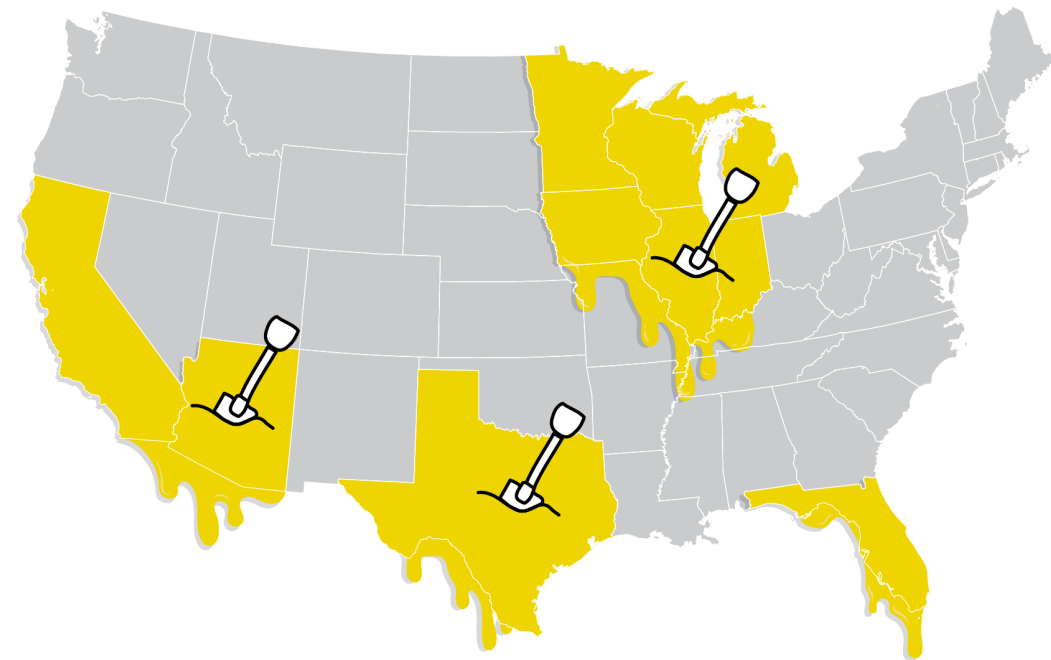
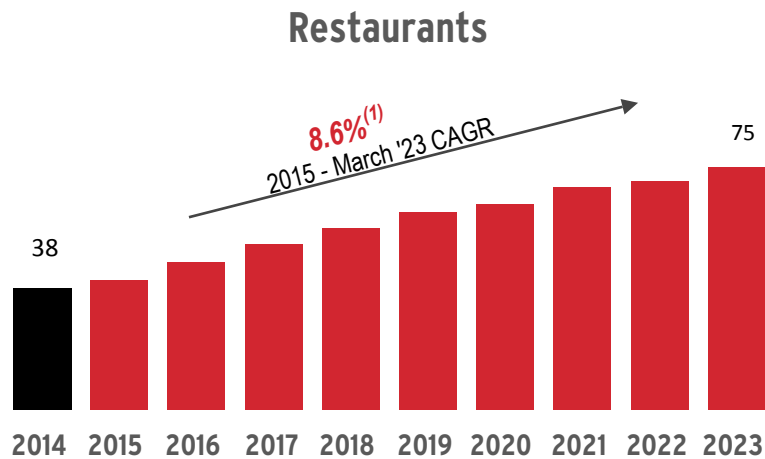
# DEVELOPMENT UPDATE - CLASS OF 2023



## Projected Openings:

- Texas (3-4)
- Central Florida (0-1)
- Arizona (1-2)
- Chicagoland (3)
- Michigan (0-1)

Sunbelt = ~60+% of Pipeline

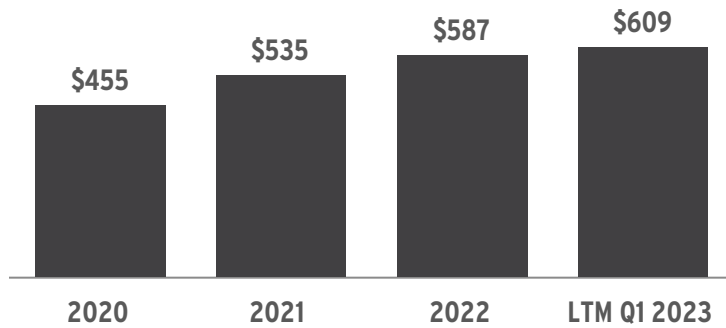


Shovels represent states with publicly announced locations under development as of 5/4/2023.

# FINANCIAL PROFILE

## TOTAL REVENUE

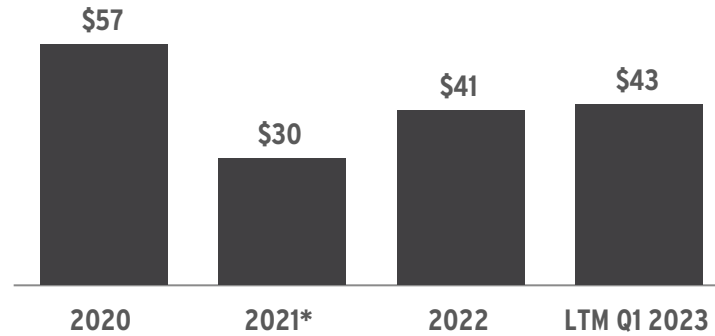
(\$ in millions)



## OPERATING INCOME

\* 2021 includes \$38.7 million of additional transaction-related fees and expenses

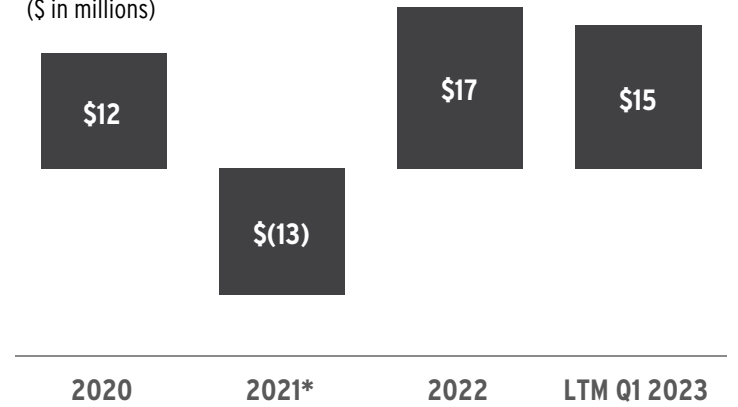
(\$ in millions)



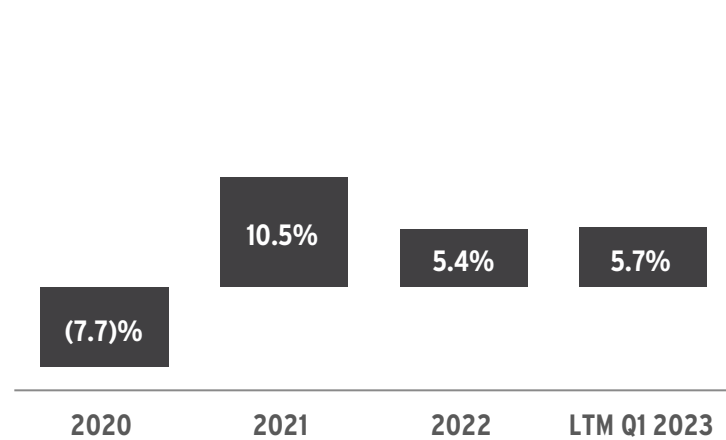
## NET INCOME (LOSS)

\* 2021 includes \$38.7 million of additional transaction-related fees and expenses

(\$ in millions)

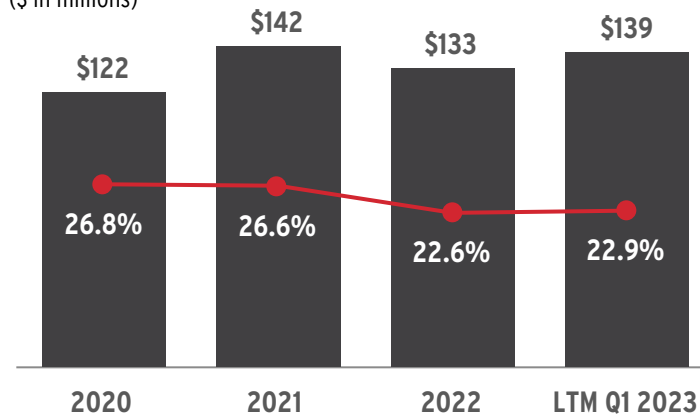


## SAME RESTAURANT SALES <sup>(1)</sup>



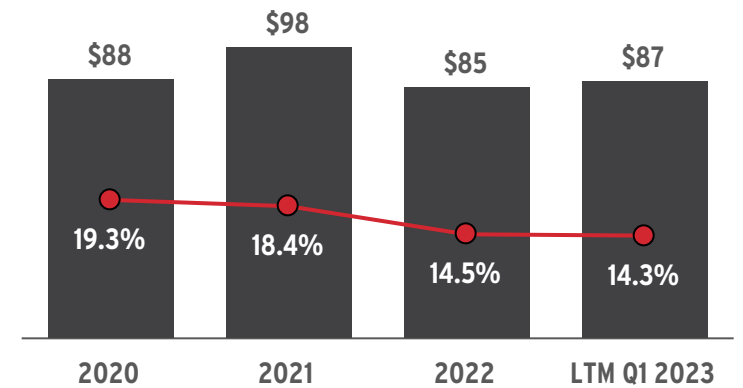
## RESTAURANT-LEVEL ADJ. EBITDA (Margin) <sup>(2)</sup>

(\$ in millions)



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

(\$ in millions)



# 2023 AND LONG-TERM OUTLOOK

## FISCAL 2023 FINANCIAL TARGETS

Unit Growth	4 new openings in the "Class of 2022" 9 new openings in the "Class of 2023"
Commodity Inflation	Mid single digits
General & Administrative Expenses	\$72 - \$77 million
Pre-Opening Expenses	\$7.5 - \$8.0 million
Capital Expenditures	\$70 - \$75 million

## LONG-TERM FINANCIAL TARGETS

Unit Growth	10%+ annually
Same Restaurant Sales	Low single digits
Revenue Growth	High single to low double digits
Adj. EBITDA Growth <sup>(1)</sup>	Low teens





# *Portillo's*<sup>®</sup>

## **APPENDIX**

# STATEMENT OF OPERATIONS

	Quarter Ended					
	March 26, 2023		March 27, 2022			
<b>REVENUES, NET</b>	\$	156,061	100.0 %	\$	134,482	100.0 %
<b>COST AND EXPENSES:</b>						
Restaurant operating expenses:						
Cost of goods sold, excluding depreciation and amortization		53,626	34.4 %		46,266	34.4 %
Labor		40,459	25.9 %		37,313	27.7 %
Occupancy		8,451	5.4 %		7,755	5.8 %
Other operating expenses		18,704	12.0 %		15,165	11.3 %
<b>Total restaurant operating expenses</b>		<b>121,240</b>	<b>77.7 %</b>		<b>106,499</b>	<b>79.2 %</b>
General and administrative expenses		18,778	12.0 %		15,687	11.7 %
Pre-opening expenses		2,344	1.5 %		556	0.4 %
Depreciation and amortization		5,670	3.6 %		5,205	3.9 %
Net income attributable to equity method investment		(207)	(0.1)%		(123)	(0.1)%
Other income, net		(257)	(0.2)%		(156)	(0.1)%
<b>OPERATING INCOME</b>		<b>8,493</b>	<b>5.4 %</b>		<b>6,814</b>	<b>5.1 %</b>
Interest expense		7,444	4.8 %		6,099	4.5 %
Tax Receivable Agreement Liability adjustment		(584)	(0.4)%		-	- %
Loss on debt extinguishment		3,465	2.2 %		-	- %
<b>(LOSS) INCOME BEFORE INCOME TAXES</b>		<b>(1,832)</b>	<b>(1.2)%</b>		<b>715</b>	<b>0.5 %</b>
Income tax (benefit) expense		(559)	(0.4)%		165	0.1 %
<b>NET (LOSS) INCOME</b>		<b>(1,273)</b>	<b>(0.8)%</b>		<b>550</b>	<b>0.4 %</b>
Net (loss) income attributable to non-controlling interests		(759)	(0.5)%		356	0.3 %
<b>NET (LOSS) INCOME ATTRIBUTABLE TO PORTILLO'S INC.</b>	\$	<b>(514)</b>	<b>(0.3)%</b>	\$	<b>194</b>	<b>0.1 %</b>

Net (loss) income per common share attributable to Portillo's Inc.:

Basic	\$	(0.01)	\$	0.01
Diluted	\$	(0.01)	\$	0.00

Weighted-average common shares outstanding:

Basic	49,599,074	35,807,171
Diluted	49,599,074	39,944,086





# SELECTED OPERATING DATA

	Quarter Ended	
	March 26, 2023	March 27, 2022
Total Restaurants (a)	75	70
AUV (in millions) (a)	\$ 8.7	\$ 8.3
Change in same-restaurant sales (b)	9.1 %	8.2 %
<b>Adjusted EBITDA (in thousands) (b)</b>	<b>\$ 19,634</b>	<b>\$ 17,630</b>
<b>Adjusted EBITDA Margin (b)</b>	<b>12.6 %</b>	<b>13.1 %</b>
<b>Restaurant-Level Adjusted EBITDA (in thousands) (b)</b>	<b>\$ 34,821</b>	<b>\$ 27,983</b>
<b>Restaurant-Level Adjusted EBITDA Margin (b)</b>	<b>22.3 %</b>	<b>20.8 %</b>



(a) Includes a restaurant that is owned by C&O of which Portillo's owns 50% of the equity. AUVs for the quarters ended March 26, 2023 and March 27, 2022 represent AUVs for the twelve months ended March 26, 2023 and March 27, 2022, respectively. Total restaurants indicated are as of a point in time.

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

# ADJUSTED EBITDA DEFINITIONS

## Adjusted EBITDA and Adjusted EBITDA Margin

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

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

## How These Measures Are Useful

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



# ADJUSTED EBITDA RECONCILIATION

	Quarter Ended	
	March 26, 2023	March 27, 2022
<b>Net (loss) income</b>	\$ (1,273)	\$ 550
<b>Depreciation and amortization</b>	5,670	5,205
<b>Interest expense</b>	7,444	6,099
<b>Loss on debt extinguishment</b>	3,465	–
<b>Income tax (benefit) expense</b>	(559)	165
<b>EBITDA</b>	<b>14,747</b>	<b>12,019</b>
<b>Deferred rent (1)</b>	1,225	1,081
<b>Equity-based compensation</b>	3,537	3,785
<b>Other loss (2)</b>	117	31
<b>Transaction-related fees &amp; expenses (3)</b>	592	714
<b>Tax Receivable Agreement liability adjustment (4)</b>	(584)	–
<b>Adjusted EBITDA</b>	<b>\$ 19,634</b>	<b>\$ 17,630</b>
<b>Adjusted EBITDA Margin (5)</b>	<b>12.6 %</b>	<b>13.1 %</b>



- (1) Represents the difference between cash rent payments and the recognition of straight-line rent expense recognized over the lease term.  
(2) Represents loss on disposal of property and equipment.  
(3) Represents the exclusion of certain expenses that management believes are not indicative of ongoing operations, consisting primarily of professional fees.  
(4) Represents remeasurement of the Tax Receivable Agreement liability.  
(5) Adjusted EBITDA Margin is defined as Adjusted EBITDA divided by Revenues, net

# ADJUSTED EBITDA RECONCILIATION

	LTM	Fiscal Year Ended		
	March 26, 2023	December 25, 2022	December 26, 2021	December 27, 2020
<b>Net income (loss)</b>	\$ 15,334	\$ 17,157	\$ (13,416)	\$ 12,263
Depreciation and amortization	21,372	20,907	23,312	24,584
Interest expense	28,989	27,644	39,694	45,031
Loss on debt extinguishment	3,465	–	7,265	–
Income tax expense (benefit)	1,099	1,823	(3,531)	–
<b>EBITDA</b>	<b>70,259</b>	<b>67,531</b>	<b>53,324</b>	<b>81,878</b>
Deferred rent (1)	4,142	3,998	3,161	2,771
Equity-based compensation	15,889	16,137	30,708	960
Option holder payment and consulting fees (2)	–	–	7,744	2,000
Other loss (3)	483	397	292	130
Transaction-related fees & expenses (4)	2,115	2,237	3,268	65
Tax Receivable Agreement Liability adjustment (5)	(5,929)	(5,345)	–	–
<b>Adjusted EBITDA (6)</b>	<b>\$ 86,959</b>	<b>\$ 84,955</b>	<b>\$ 98,497</b>	<b>\$ 87,804</b>
<b>Adjusted EBITDA Margin</b>	<b>14.3 %</b>	<b>14.5 %</b>	<b>18.4 %</b>	<b>19.3 %</b>

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

(2) Represents an option holder payment in connection with the IPO and consulting fees related to our former owner.

(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 DEFINITIONS

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

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

## How These Measures Are Useful

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

## Limitations of the Usefulness of This Measure

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

# RESTAURANT-LEVEL ADJUSTED EBITDA RECONCILIATION

	Quarter Ended	
	March 26, 2023	March 27, 2022
<b>Operating Income</b>	<b>\$ 8,493</b>	<b>\$ 6,814</b>
General and administrative expenses	18,778	15,687
Pre-opening expenses	2,344	556
Depreciation and amortization	5,670	5,205
Net Income attributable to equity method investment	(207)	(123)
Other income, net	(257)	(156)
<b>Restaurant-Level Adjusted EBITDA</b>	<b>\$ 34,821</b>	<b>\$ 27,983</b>
<b>Restaurant-Level Adjusted EBITDA Margin (1)</b>	<b>22.3 %</b>	<b>20.8 %</b>

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



# RESTAURANT-LEVEL ADJUSTED EBITDA RECONCILIATION

	LTM	Fiscal Year Ended		
	March 26, 2023	December 25, 2022	December 26, 2021	December 27, 2020
<b>Operating Income</b>	\$ 42,958	\$ 41,279	\$ 30,012	\$ 57,294
General and administrative expenses	69,983	66,892	87,089	39,854
Pre-opening expenses	6,503	4,715	3,565	2,209
Depreciation and amortization	21,372	20,907	23,312	24,584
Net Income attributable to equity method investment	(1,167)	(1,083)	(797)	(459)
Other income, net	(305)	(204)	(1,099)	(1,537)
<b>Restaurant-Level Adjusted EBITDA</b>	\$ 139,344	\$ 132,506	\$ 142,082	\$ 121,945
<b>Restaurant-Level Adjusted EBITDA Margin (1)</b>	22.9 %	22.6 %	26.6 %	26.8 %

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



# CONTACT INFORMATION



*At Portillo's, we relish the opportunity to create lifelong memories by igniting the senses with unrivaled food and experiences.*

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