

ITEM 19

FINANCIAL PERFORMANCE REPRESENTATIONS

The Federal Trade Commission's Franchise Rule permits us to provide information about the actual or potential financial performance of our franchised and/or company-owned Restaurants, if a reasonable basis for the information exists and we include the information in this Disclosure Document. We may give financial performance information that differs from the information included in this Item 19 only if (1) we provide the actual records of an existing Restaurant that you are buying or (2) we supplement the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

This Item 19 provides certain historic data regarding the past performance of existing franchised and company-owned Del Taco Restaurants. Presented below are certain average sales figures of all freestanding franchised Del Taco Restaurants, and certain average sales figures and operating figures of all freestanding company-operated Del Taco Restaurants for the 2020 to 2024 fiscal years. Please carefully read all of the information in this Item 19, and all of the notes following the charts, in connection with your review of the historical data.

Table 19-1

Presented below are the average sales figures for the freestanding franchised Del Taco restaurants that had been operating for at least 12 months, as of the end of the 2020 to 2024 fiscal years. During the fiscal years surveyed, no freestanding franchised restaurants closed after being open less than 12 months. At the end of our most recent fiscal year ended September 29, 2024, we had a total of 461 franchised restaurants. Of those, 444 constitute freestanding franchised restaurants, and 387 of them have operated for more than one year. These freestanding franchised Del Taco restaurants operate in Alabama (1), Arizona (34), California (199), Colorado (19), Florida (6), Georgia (10), Idaho (11), Michigan (1), Mississippi (1), Nevada (42), New Mexico (12), Ohio (2), Oregon (8), Utah (35), and Washington (6). In our experience, the characteristics of the included freestanding restaurants do not differ materially from those of a freestanding restaurant that may be offered to a prospective franchisee.

Franchised Restaurant Sales					
Fiscal Year	2024	2023	2022 Annualized*	2021	2020
Number of Restaurants (open at least 12 months)	387	275	278	277	267
Average Sales	\$1,613,899	\$1,630,406	\$1,618,863	\$1,536,948	\$1,407,877
Number/Percentage of Restaurants Greater than Average	176/45%	120/44%	122/44%	118/43%	112/42%
Median Sales	\$1,541,335	\$1,515,241	\$1,524,836	\$1,464,398	\$1,345,341
Highest Sales	\$6,898,837	\$6,100,496	\$5,717,244	\$5,328,021	\$4,832,632
Lowest Sales	\$380,237	\$485,805	\$512,068	\$526,215	\$388,472

*In 2022, we changed our fiscal year. As a result, unlike prior years, the 2022 fiscal year was not a 52-week period. Our reduced 2022 fiscal year was the 40-week period from December 30, 2021 through October 4, 2022. During that reduced period, the 278 freestanding franchised restaurants described in Table 19-1: had average sales of \$1,245,279 (122 (44%) restaurants met or exceeded that average); had median sales of \$1,172,951; the highest sales were \$4,397,880; and the lowest sales were \$393,898. These numbers have been annualized in the above table (by dividing the amount for the reduced 40-week 2022 fiscal year by 40 to get a weekly amount and then multiplying that weekly amount by 52) to reflect a 52-week period.

Table 19-2

Presented below are the (i) average sales and (ii) average operating figures before rent and real estate taxes, for the freestanding company-owned Del Taco restaurants that had been operating for at least 12 months, as of the end of each of the 2020 to 2024 fiscal years. At the end of our most recent fiscal year ended September 29, 2024, we had a total of 133 company-owned restaurants. Of those, 124 constitute freestanding restaurants, and 116 of them have operated for more than one year. These freestanding company-owned Del Taco restaurants operate in California (105), Florida (1), and Oklahoma (10). A significant number of the freestanding company-owned Del Taco restaurants included in Table 19-2 and 19-2-A are located in geographic areas where the Del Taco brand is well known and established—for example, 105 of 116 (or 90.5%) company-owned restaurants included in Table 19-2 are located in California. Company-owned restaurants do not pay royalties but, like franchisees, do pay a marketing fee equal to 4% of net sales. Company-owned Del Taco restaurants offer and sell the same or substantially the same products and services as offered and sold by franchised Del Taco restaurants. Except as otherwise noted, in our experience, there are no material differences, whether from economies of scale or otherwise, in the costs or expenses incurred or paid by company-owned Del Taco restaurants as compared to franchised Del Taco restaurants.

<u>Company-Owned Restaurant Sales and Operating Profit</u>					
Fiscal Year	2024	2023	2022 Annualized*	2021	2020
Number of Restaurants (open at least 12 months)	116	167	284	282	283
Average Sales	\$1,804,158	\$1,745,657	\$1,677,032	\$1,622,531	\$1,522,177
Number/percentage of Restaurants Greater than average Sales	55 / 47%	79/47%	130/46%	133/47%	136/48%
Median Sales	\$1,685,145	\$1,711,439	\$1,636,080	\$1,598,285	\$1,493,871
Highest Sales	\$3,282,206	\$3,321,599	\$3,356,173	\$3,139,139	\$3,009,450
Lowest Sales	\$545,581	\$642,131	\$579,226	\$654,480	\$692,705

<u>Company-Owned Restaurant Sales and Operating Profit</u>					
Fiscal Year	2024	2023	2022 Annualized*	2021	2020
Average Operating Profit (before rent and real estate taxes)	\$383,324	\$371,604	\$372,631	\$411,258	\$380,720
Number/percentage of Restaurants Greater than Average Operating Profit	56 / 48%	83/50%	134/47%	134/48%	131/46%
Median Operating Profit	\$375,429	\$364,203	\$360,937	\$394,183	\$364,837
Highest Operating Profit	\$998,798	\$982,412	\$1,027,071	\$1,064,332	\$1,047,097
Lowest Operating Profit	(\$97,334)	(\$49,077)	(\$24,782)	(\$11,347)	\$41,265

* During our reduced 2022 fiscal year (December 30, 2021 through October 4, 2022), the 284 freestanding company-owned restaurants described in Table 19-2: had average sales of \$1,290,025 (130 (46%) restaurants met or exceeded that average); had median sales of \$1,258,523; the highest sales were \$2,581,671; the lowest sales were \$445,559; average operating profit was \$286,639 (134 (47%) restaurants met or exceeded that average); median operating profit was \$277,644; the highest operating profit was \$790,054; and the lowest operating profit was (\$19,063). These numbers have been annualized in the above table to reflect a 52-week period.

Table 19-2-A

Presented below is a chart reflecting average operating results (before rent and real estate taxes) from the freestanding company-owned Del Taco Restaurants covered in Table 19-2. This chart shows the average sales and certain other operating costs and expenses of the freestanding company-owned Restaurants as of the end of the 2023 and 2022 annualized fiscal years.

Table 19-2-A Freestanding Company-Owned Restaurant Average Operating Results (Fiscal Years 2024, 2023 and 2022)						
	2024		2023		Annualized 2022	
	Dollars	Percent of Sales	Dollars	Percent of Sales	Dollars	Percent of Sales
Sales (2)	\$1,804,158	100.0%	\$1,745,657	100.0%	\$1,677,032	100.0%
Food & Paper (5)	\$462,413	25.6%	\$484,701	27.8%	\$477,201	28.5%
Labor (6)	\$558,103	30.9%	\$514,786	29.5%	\$481,439	28.7%

Table 19-2-A Freestanding Company-Owned Restaurant Average Operating Results (Fiscal Years 2024, 2023 and 2022)						
	2024		2023		Annualized 2022	
	Dollars	Percent of Sales	Dollars	Percent of Sales	Dollars	Percent of Sales
Benefits (7)	\$92,502	5.1%	\$97,130	5.6%	\$86,965	5.2%
Utilities (8)	\$79,096	4.4%	\$66,791	3.8%	\$63,916	3.8%
Repairs & Supplies	\$56,728	3.1%	\$61,195	3.5%	\$58,117	3.5%
Miscellaneous (9)	\$86,058	4.8%	\$69,769	4.0%	\$63,994	3.8%
Controllable Expenses	\$1,334,900	74.0%	\$1,294,373	74.2%	\$1,231,632	73.4%
Controllable Profit (10)	\$469,258	26.0%	\$451,283	25.8%	\$445,401	26.6%
Advertising (11)	\$72,217	4.0%	\$69,826	4.0%	\$67,081	4.0%
Local Advertising	\$4,090	0.2%	\$0	0.0%	\$0	0.0%
Insurance (12)	\$9,627	0.5%	\$9,854	0.6%	\$5,689	0.3%
Operating Profit Before Rent and Real Estate Taxes (13)	\$383,324	21.2%	\$371,604	21.2%	\$372,631	22.2%
Imputed Royalty (5%)	\$90,208		\$87,283		\$83,852	

* During our reduced 2022 fiscal year (December 30, 2021 through October 4, 2022), the freestanding company-owned restaurants described in Table 19-2-A had: average sales of \$1,290,025; food and paper costs of \$367,078; labor costs of \$370,338; benefits costs of \$66,896; utilities costs of \$49,166; repairs and supplies costs of \$44,705; miscellaneous costs of \$49,226; controllable expenses of \$947,409; Controllable Profit of \$342,616; advertising costs of \$51,601; local advertising costs of \$0; insurance costs of \$4,376; average operating profit of \$286,639; and imputed royalties of \$64,501. These numbers have been annualized in the above table to reflect a 52-week period.

Table 19-2-B

Presented below is a chart reflecting the high and low range operating results and median operating results before rent and real estate taxes from the freestanding company-owned Del Taco Restaurants covered in Table 19-2. This chart shows the operating results for the high, low and median freestanding company-owned Restaurants based on the operating profit (loss) before rent and real estate taxes as of the end of the 2024 and 2023 annualized fiscal years.

	<u>2024 High</u>		<u>2024 Median</u>		<u>2024 Low</u>		<u>2023 High</u>		<u>2023 Median</u>		<u>2023 Low</u>	
	Dollars	Percent of Sales	Dollars	Percent of Sales	Dollars	Percent of Sales	Dollars	Percent of Sales	Dollars	Percent of Sales	Dollars	Percent of Sales
Sales	\$3,282,206	100.0%	\$1,685,145	100.0%	\$545,581	100.0%	\$3,321,599	100.0%	\$1,894,784	100.0%	\$579,226	100.0%
Food & Paper	\$785,647	23.9%	\$419,504	24.9%	\$172,209	31.6%	\$845,264	25.4%	\$543,049	27.7%	\$178,433	30.8%
Labor	\$890,661	27.1%	\$509,567	30.2%	\$264,406	48.5%	\$881,145	26.5%	\$594,317	28.2%	\$218,432	37.7%
Benefits	\$135,732	4.1%	\$85,896	5.1%	\$51,530	9.4%	\$144,914	4.4%	\$118,506	5.4%	\$52,569	9.1%
Utilities	\$104,960	3.2%	\$67,077	4.0%	\$33,118	6.1%	\$73,118	2.2%	\$59,466	3.9%	\$52,927	9.1%
Repairs & Supplies	\$65,674	2.0%	\$62,895	3.7%	\$44,125	8.1%	\$76,679	2.3%	\$59,254	3.9%	\$46,142	8.0%
Miscellaneous	\$180,636	5.5%	\$81,582	4.8%	\$45,019	8.3%	\$166,472	5.0%	\$69,352	3.4%	\$29,625	5.1%
Controllable Expenses	\$2,163,310	65.9%	\$1,226,520	72.8%	\$610,408	-111.9%	\$2,187,591	65.9%	\$1,443,943	72.5%	\$578,128	99.8%
Controllable Profit	\$1,118,897	34.1%	\$458,625	27.2%	(\$64,827)	-11.9%	\$1,134,008	34.1%	\$450,841	27.5%	\$1,098	0.2%
Advertising	\$131,288	4.0%	\$67,343	4.0%	\$21,788	4.0%	\$132,864	4.0%	\$75,791	4.0%	\$23,169	4.0%
Local Advertising	\$4,258	0.1%	\$6,829	0.4%	\$7,665	1.4%	\$0	0.0%	\$0	0.0%	\$0	0.0%
Insurance	\$17,436	0.5%	\$9,025	0.5%	\$3,054	0.6%	\$18,733	0.6%	\$10,847	0.5%	\$2,711	0.5%
Operating Profit Before Rent & Real Estate Taxes	\$965,914	29.4%	\$375,429	22.3%	(\$97,334)	-17.8%	\$982,412	29.6%	\$364,203	23.0%	(\$24,782)	(4.3%)
Imputed Royalty (5%)	\$164,110		\$84,257		\$27,279		\$167,809		\$78,303		\$28,961	

Table 19-3

Presented below are the same store sales growth/contraction for all franchised Del Taco restaurants that had been operating for at least 18 months, as of the end of each of the 2015 to 2024 fiscal years. The figures compare the same store sales of all franchised Del Taco restaurants reported for the fiscal year against that reported by all franchised Del Taco restaurants for the immediately preceding fiscal year. During the fiscal years surveyed, no freestanding franchised restaurants closed after being open less than 12 months.

Table 19-3 Franchised Restaurant Same Store Sales (Fiscal Year 2015 – 2024)										
Fiscal Year	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Number of Restaurants	453	410	301	296	286	278	250	242	238	237
Same Store Sales Increase	-1.6%	1.4%	4.8%	8.9%	1.4%	1.3%	3.8%	4.6%	4.9%	6.2%
Number/% of Restaurants Greater than Average	232 / 51%	184/45 %	146/49%	162/55%	138/47%	134/48%	117/47%	125/52%	123/52%	133/56%
Median Same Store Sales	-1.5%	0.4%	4.3%	9.8%	0.6%	1.1%	3.6%	5.0%	5.1%	7.2%
Highest Same Store Sales	48.1%	49.5%	52.8%	86.9%	43.5%	19.0%	43.2%	24.4%	29.8%	26.1%
Lowest Same Store Sales	-39.8%	-41.8%	-33.1%	-44.7%	-32.3%	-21.7%	-31.1%	-26.2%	-21.0%	-26.1%

NOTES

- (1) We changed our fiscal year in 2022. Our 2022 fiscal year was the period from December 30, 2021 through October 4, 2022. Our 2021 fiscal year was a 52-week period ended December 29, 2020.
- (2) “Sales” for purposes of this Item 19 means the total net cash sales for all of the Restaurants in each category, and includes the sales of all food, beverages and promotional items net of sales taxes. The Franchise Agreement requires franchisees to pay a 5% royalty on Sales. Unlike franchisees, company-owned restaurants do not pay any royalties.
- (3) “Average Sales” means the total Sales figure for all of the surveyed Restaurants in each category, divided by the total number of Restaurants surveyed.
- (4) “Operating Profit” means all ordinary and recurring operating expenses minus interest, income taxes, depreciation and amortization.
- (5) Food and paper costs can vary depending on the prevailing costs in the area of the country in which your Restaurant operates and the specific shipping costs involved in getting the products to your Restaurant.
- (6) Labor includes wages paid to all hourly and management employees working in the Restaurant. Your cost could vary depending on the prevailing wage rates of the area of the country in which

your Restaurant operates and the specific labor laws. This item does not include owners' wages, draws, or other compensation.

- (7) Benefits include all employer and payroll taxes, including worker's compensation, plus amounts for vacation, health insurance and Restaurant manager bonuses. Factors which could make your costs differ from our costs include the amount of vacation time granted, the amount and type of insurance coverage provided to employees, and your specific workers' compensation program.
- (8) Utilities and repair and maintenance costs vary somewhat with the sales volume. Variables which could impact your total utilities and maintenance include the region of the country in which your Restaurant operates.
- (9) Miscellaneous costs include local marketing fees, card processing fees and daily cash over or short expenses for the Restaurant.
- (10) Sales minus the six line items above, inclusive, comprise "Controllable Profit."
- (11) Advertising costs include the cost of developing and executing various marketing programs for our Restaurants. That includes production and placement of media and print advertising, as well as the cost of in-Restaurant, placards, and similar items. Please consult the Franchise Agreement for provisions regarding the level of advertising expenditures that you must make. Like franchisees, company-owned restaurants pay a marketing fee equal to 4% of Sales.
- (12) The insurance costs include comprehensive general liability, property and casualty insurance. The amount does not include the 5% royalty fee that you must pay under the Franchise Agreement.
- (13) Rent and real estate taxes include base and percentage rent, if any, as well as annual property taxes. Rent and taxes will vary based on the location and size of the property. You also may have to pay other occupancy costs like common area maintenance fees, equipment lease fees, and various taxes and license fees. Those costs will vary depending upon the specifically negotiated common area provisions, lease terms, and local taxes, assessments and license fees.

The data in Table 19-1 does not reflect the costs of sales, operating expenses or other costs or expenses that must be deducted from the gross sales figures to obtain the net cash sales figures. The data in Tables 19-1 and 19-3 was prepared from internal records provided to us by the franchisees of those Restaurants. Franchisees are not required to report cost and expense data to us, and we do not have these operating costs for franchisees. We did not verify that the franchisee records were prepared in accordance with generally accepted accounting principles. The data in Tables 19-2, 19-2-A and 19-2-B was prepared from our internal records.

The information presented in this Item 19 has not been audited. You should conduct an independent investigation of the costs and expenses you will incur in operating your Del Taco Restaurant. Franchisees and former franchisees listed in this Disclosure Document may be one source of information.

Your sales and operating expenses may differ from ours because of several factors, like the royalty payment, trade area of your Restaurant, the quality and experience of your management, the extent to which you exceed our specifications and standards, the amount of land, building and equipment leased or purchased, and certain economies of scale that we have because we operate many Restaurants. In addition, the amounts presented exclude all overhead costs, such as above Restaurant level supervision and legal and professional fees. You will incur additional costs not described above, including, for example, royalty payments, legal and professional fees and other overhead costs. We have presented pre-tax estimated profits. The analysis does not include any estimates of federal, state, or local taxes that you may have to pay.

Some outlets have earned this amount. Your individual results may differ. There is no assurance you will earn as much.

Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

Other than the preceding financial performance representation, Del Taco LLC does not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to our management by contacting our Vice President, General Counsel, Mr. Jack Tang, Del Taco LLC, 25521 Commercentre Drive, Suite 150, Lake Forest, California 92630, (949) 462-9300, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20 OUTLETS AND FRANCHISEE INFORMATION

**TABLE NO. 1
SYSTEM-WIDE OUTLET SUMMARY
FOR FISCAL YEARS 2022 TO 2024**

Outlet Type	Year	Outlets at Start of Year	Outlets at End of Year	Net Change
Franchised	2022	306	301	-5
	2023	301	421	+120
	2024	421	461	+40
Company-Owned	2022	294	290	- 4
	2023	290	171	-119
	2024	171	133	-38
Total Outlets	2022	600	591	-9
	2023	591	592	+1
	2024	592	594	+2

**TABLE NO. 2
TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS
(OTHER THAN FRANCHISOR)
FOR FISCAL YEARS 2022 TO 2024**

State	Year	Number of Transfers
Arizona	2022	2
	2023	0
	2024	0
California	2022	2
	2023	9
	2024	14