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

FORM 10-K

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

FOR THE FISCAL YEAR ENDED SEPTEMBER 28, 2025

☐ **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 1-9390

JACK IN THE BOX INC.

(Exact name of registrant as specified in its charter)

Delaware	95-2698708
(State of Incorporation)	(I.R.S. Employer Identification No.)

9357 Spectrum Center Blvd.
San Diego, California 92123
(Address of principal executive offices)

Registrant's telephone number, including area code (858) 571-2121

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.01 par value	JACK	NASDAQ Global Select Market

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark whether the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☑ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes ☐ No ☑

Indicate by check mark if 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 Regulations 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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☑

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

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

The aggregate market value of the common stock held by non-affiliates of the registrant as of the last business day of the registrant's most recently completed second fiscal quarter, computed by reference to the closing price reported on the NASDAQ Global Select Market — Composite Transactions as of April 13, 2025, was approximately $459.2 million.

Number of shares of common stock, $0.01 par value, outstanding as of the close of business on November 13, 2025 — 18,896,824.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Proxy Statement to be filed with the Securities and Exchange Commission in connection with the 2026 Annual Meeting of Stockholders are incorporated by reference into Part III hereof.

JACK IN THE BOX INC.

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FORWARD-LOOKING STATEMENTS

From time to time, we make oral and written forward-looking statements that reflect our current expectations regarding future results of operations, economic performance, financial condition, and achievements of Jack in the Box Inc. (the "Company"). A forward-looking statement is neither a prediction nor a guarantee of future events or results. In some cases, forward-looking statements can be identified by words such as "anticipate," "assume," "believe," "estimate," "expect," "forecast," "goals," "guidance," "intend," "plan," "project," "may," "should," "will," "would," and similar expressions. Certain forward-looking statements are included in this Form 10-K, principally in the sections captioned "Business," "Legal Proceedings," "Consolidated Financial Statements," and "Management's Discussion and Analysis of Financial Condition and Results of Operations," including statements regarding our strategic plans and operating strategies. Although we believe that the expectations reflected in our forward-looking statements are based on reasonable assumptions, such expectations and forward-looking statements may prove to be materially incorrect due to known and unknown risks and uncertainties.

In some cases, information regarding certain important factors that could cause our actual results to differ materially from any forward-looking statement appears together with such statement. In addition, the factors described under "Risk Factors" and "Discussion of Critical Accounting Estimates" in this Form 10-K, as well as other possible factors not listed, could cause our actual results, economic performance, financial condition or achievements to differ materially from those expressed in any forward-looking statements. As a result, investors should not place undue reliance on such forward-looking statements, which speak only as of the date of this report. The Company is under no obligation to update forward-looking statements, whether as a result of new information or otherwise.

PART I

ITEM 1. BUSINESS

The Company

Overview. Jack in the Box Inc. (NASDAQ: JACK), a Delaware corporation (the "Company" or "Jack in the Box"), founded and headquartered in San Diego, California, is a restaurant company that operates and franchises Jack in the Box®, one of the nation's largest hamburger chains with 2,136 restaurants across 22 states, and Del Taco®, one of the nation's largest Mexican-American quick service restaurants ("QSR") chains with 576 restaurants across 18 states.

References to the Company throughout this Annual Report on Form 10-K are made using the first person notations of "we", "us" and "our."

In April, 2025, the Company announced a multi-faceted plan, which included exploring strategic alternatives for the Del Taco brand and the possible divestiture of that business. On October 15, 2025, the Company entered into a Stock Purchase Agreement (the "Purchase Agreement") with Yadav Enterprises, Inc., a California corporation ("Buyer") and Anil Yadav ("Buyer Guarantor") to sell to Buyer all of the issued and outstanding equity interests of Del Taco Holdings Inc., a Delaware corporation ("Del Taco"), which owns and operates the Company's Del Taco restaurant operations, for an aggregate purchase price of $115 million in cash, subject to certain closing cash, working capital, debt and transaction expense adjustments.

Restaurant Brands

Jack in the Box. Jack in the Box restaurants offer a broad selection of distinctive products including classic burgers like its Jumbo Jack® and innovative product lines such as the Buttery Jack® and Smash Jack® burgers. Jack in the Box also offers quality products such as breakfast sandwiches with freshly cracked eggs, as well as craveable favorites such as tacos, curly fries, egg rolls, specialty sandwiches and real ice cream shakes, among many other items. Jack in the Box allows its guests to customize meals to their tastes and order any product on the menu when they want it, including breakfast at night, or burgers and chicken in the morning. The Jack in the Box trademark of variety and innovation has led to the development of five true day parts: breakfast, lunch, snack, dinner, and late night.

Jack in the Box opened its first restaurant in 1951 and has since become one of the nation's largest hamburger chains. Based on number of restaurants, the top 10 major markets of Jack in the Box comprise approximately 70% of the total system, and Jack in the Box is at least the fourth largest QSR hamburger chain in each of those major markets. As of September 28, 2025, Jack in the Box operated and franchised 2,136 quick-service restaurants, primarily in the western and southern United States, including two in Guam and three in Mexico. Of those total Jack in the Box restaurants at fiscal year-end, 1,986, or 93%, were franchised.

Del Taco. Del Taco offers a unique variety of both Mexican and American favorites such as burritos and fries, prepared fresh in every restaurant's kitchen with the value and convenience of a drive-thru. Del Taco's menu items taste better because they are made with quality ingredients like freshly grilled chicken and carne asada steak, fresh house-made guacamole, freshly grated cheddar cheese, slow-cooked beans made from scratch, and creamy Queso Blanco.

Founded in 1964, today Del Taco serves approximately two million guests each week at its restaurants. Del Taco's commitment to providing guests with the best quality and value for their money originates from cooking, chopping, shredding, and grilling menu items from scratch. As of September 28, 2025, Del Taco operated and franchised 576 restaurants. Of those total Del Taco restaurants at fiscal year-end, 444, or 77%, were franchised.

Business Strategy

Our business strategies are rooted in our foundational principle of building a caring, high-performance culture that serves our franchisees and people well. We use this foundational principle as a guide while executing on our four strategic pillars:

- **Strengthen Our Foundation** by executing our "Jack on Track" plan, modernizing our technology, implementing a focused development strategy, and building strong relationships with our franchisees.
- **Build Brand Loyalty** by accelerating our reimage program, and executing our CRAVED marketing strategy, which includes our craveable menu items, value offerings, product innovation, and driving loyalty via our mobile app and web platforms.
- **Drive Operations Excellence** by evolving training efforts in our restaurants, execution of our brand standard systems, improving speed and consistency, and transforming the digital guest experience.
- **Grow Restaurant Profits** by capturing cost savings while driving sales and maintaining a strong guest experience.

This strategy builds on our historical strengths which include our uniquely broad menus, operational capabilities, passionate and loyal guests, committed team members and franchisees, and ability to invest in development and innovation that will deliver long term growth.

Additionally, our Jack on Track plan unveiled in 2025 includes three key initiatives:

- **Restaurant closure program**: Through block closure program, improving system health and encouraging franchisees to reinvest,
- **Del Taco brand**: Exploring strategic alternatives which, as noted above it was determined that a sale was the optimal path forward, and
- **Accelerate Cash Flow:** Through discontinuing dividend, reducing spend on company-owned new unit development, and focusing spend on initiatives that drive sales growth such as digital and technology, with majority of funds reallocated to debt paydown.

Franchising Program

Jack in the Box. The franchise agreement generally provides for an initial franchise fee of $50,000 per restaurant for a 20-year term, and royalty and marketing payments generally set at 5.0% of gross sales. Royalty rates are typically 5.0% of gross sales with some legacy agreements at higher rates. Some existing agreements provide for lower royalties for a limited time and may have variable rates.

Del Taco. The franchise agreement provides for an initial franchise fee of $35,000 per restaurant for a 20-year term, and royalty and marketing payments generally set at 5.0% and 4.0%, respectively, of gross sales. Some existing agreements provide for lower royalties for a limited time and may have variable rates.

Development Agreements

For each of our brands, we may offer development agreements to franchisees (referred to in this context as “Developers”) for construction of one or more new restaurants over a defined period of time and in a defined geographic area. Developers may be required to pay fees for certain company-sourced new sites. Developers may lose their rights to future development if they do not maintain the required opening schedule. To stimulate growth, we have offered an incentive program that provides discounted royalty fees or an interest free loan incentive for franchisees who maintain development compliance and sign a development agreement for multiple restaurants to be developed and opened under the development schedule during the timeframe specified. We offer development agreements in certain markets we have identified for further development and that we deem to be undeveloped, underdeveloped, or emerging.

Site Selection and Design

Site selection for all new Jack in the Box and Del Taco restaurants is made after an economic analysis and a review of demographic data and other information relating to population density, traffic, competition, restaurant visibility and access, available parking, surrounding businesses, and opportunities for market penetration. New restaurants developed by franchisees are built to brand standards that we have approved.

Jack in the Box offers three prototypical “CRAVED” image restaurant designs, and Del Taco offers three prototypical “Fresh Flex” image restaurant designs, each that feature the same kitchen engine but different dining room configurations to provide maximum flexibility when considering properties for development. This flexibility enables the Company and franchisees to optimize the layout and configuration of a new restaurant with the property’s specific economic, demographic, geographic, or physical characteristics. Included in the prototype offering is an off-premise-only restaurant, which is designed to meet the continued increasing demand for drive-thru service and digital ordering. The prototype portfolios are designed for free-standing locations but can be adapted to fit in a variety of spaces such as conversions, c-stores, travel plazas, and end-cap locations.

The Jack in the Box restaurants are approximately 1,372 square feet, the restaurant can support a Y-Lane drive-thru configuration, provides a walk-up window for ordering, dual assembly kitchens, and a dedicated pick-up window for mobile and third-party delivery orders. The goal of this design is to reduce build out costs, while also increasing real estate flexibility. In addition, certain larger dine-in dining room building designs are available.

The Del Taco restaurants are approximately 1,152 square feet, the restaurant can support a Y-Lane drive-thru configuration, provides a walk-up window for ordering and a dedicated pick-up window or lockers for mobile and third-party delivery orders. The goal of this design is to reduce build out costs, while also increasing real estate flexibility. In addition, certain larger dine-in dining room building designs are available.

Restaurant Management and Operations

Jack in the Box and Del Taco restaurants are operated by a company manager or franchise operator who is directly responsible for the operations of the restaurant, including product quality, service, food safety, cleanliness, inventory, cash control, and the conduct and appearance of employees. We focus on attracting, selecting, engaging, and retaining employees and franchisees who share our passion for creating long-lasting, successful restaurants.

At both brands, company-operated restaurant managers are supervised by district managers, who are overseen by director of operations, who report to vice president of operations.

Restaurant managers are required to complete an extensive management training program involving a combination of in-restaurant instruction and on-the-job training in specially designated training restaurants. Restaurant managers, assistant managers, shift managers and team leaders are certified through a series of online and on the job training modules, which help the team members clearly understand the brand and their role as well the specifics of how to provide a consistent customer experience, how to complete specific tasks for their assigned position and ensure food safety. The training program is a blended learning approach including e-learning courses, hands-on exercises, and online knowledge validation tests. Before certification, shift managers attend a virtual training, and assistant managers and general managers attend an in person class in-person classes, all led by the training department or certified trainer.

Food Safety

Our "farm-to-fork" food safety program is designed to maintain high standards for the food products and food preparation procedures used by our vendors and in our restaurants. We maintain product specifications for our ingredients and our Food Safety and Technical Services Department must approve all suppliers of food products to our restaurants. We use third-party and internal audits to review the food safety management programs of our vendors. We manage food safety in our restaurants through a comprehensive food safety management program that is based on the Food and Drug Administration ("FDA") Food Code requirements. The food safety management program includes employee training, ingredient testing, documented restaurant practices, and attention to product safety at each stage of the food preparation cycle. In addition, our food safety management program uses American National Standards Institute certified food safety training programs to train our company and franchise restaurant management employees on food safety practices for our restaurants.

Supply Chain

At both brands, we contract with a single primary food service distributor for substantially all of our food, packaging and supplies. Under the current contracts, this distributor will provide distribution services to both our Jack in the Box and Del Taco restaurants through August 2027.

The primary commodities purchased by Jack in the Box restaurants are beef, poultry, pork, cheese, and produce. Taco meat, cheese and produce are the largest commodities purchased by Del Taco. We monitor and purchase some commodities in order to minimize the impact of fluctuations in price and supply. Contracts are entered into and commodity market positions may be secured when we consider them to be advantageous. However, certain commodities remain subject to price fluctuations. Most essential food and beverage products are available or can be made available upon relatively short notice from alternative qualified suppliers.

Information Systems

Our Jack in the Box and Del Taco restaurant software allows for daily polling of sales, inventory, and other data from the restaurants directly. Our company restaurants and traditional-site franchise restaurants use standardized Android and Windows-based touch screen point-of-sale ("POS") platforms. These platforms allow the restaurants to accept cash, credit cards, and our re-loadable gift cards. The single POS system for all restaurants helps franchisees and brand managers adapt more quickly to meet consumer demands and introduce new products, pricing, promotions, and technologies such as the Jack in the Box and Del Taco mobile apps, third party delivery, or any other business-driving initiative while maintaining a secure, PCI-compliant payment system. We also provide an ordering website and integrated mobile app featuring a full array of capabilities including full menu ordering, customization options, location finder, product and restaurant information, flexible delivery or pickup options and an integrated loyalty program.

We have business intelligence systems that provide us with visibility to the key metrics in the operation of Jack in the Box and Del Taco company and franchise restaurants. These systems play an integral role in enabling us to accumulate and analyze market information. Our restaurants use labor scheduling systems to assist managers in managing labor hours based on forecasted sales volumes. We also have inventory management systems that enable timely and accurate deliveries of food and packaging to our restaurants. To support order accuracy and speed of service, our Jack in the Box drive-thru restaurants use order confirmation screens.

Advertising and Promotion

Our brands run highly coordinated marketing and advertising campaigns to create customer awareness, engage fans, and maximize positive brand associations. We build brand awareness and drive sales through our marketing and advertising programs. These activities are supported primarily by financial contributions to a marketing fund from all company and franchise restaurants based on a percentage of gross sales. We use multiple marketing channels to broadly drive brand awareness, which include, but are not limited to, television, connected TV, radio, digital and social media, outdoor and direct mail. We may utilize local radio, print and billboards for some of the less developed markets, reaching consumers through our branded mobile app and delivery partnerships.

Seasonality

Restaurant sales and profitability are subject to seasonal fluctuations because of factors such as vacation and holiday travel, seasonal weather conditions, and weather crises, all of which affect the public's dining habits.

Competition and Markets

The restaurant business is highly competitive and is affected by local and national economic conditions, including unemployment levels, population and socioeconomic trends, traffic patterns, local and national competitive changes, changes in consumer dining habits and preferences, and new information regarding diet, nutrition, and health, all of which may affect consumer spending habits. Key elements of competition in the industry are the quality and innovation in the food products offered, price and perceived value, quality of service experience (including technological and other innovations), speed of service, personnel, advertising and other marketing efforts, name identification, restaurant location, and image and attractiveness of the facilities.

Each Jack in the Box and Del Taco restaurant competes directly and indirectly with a large number of national and regional restaurant chains, some of which have significantly greater financial resources, as well as with locally-owned or independent restaurants in the quick-service and the fast-casual segments, and with other consumer options including grocery and specialty or convenience stores, catering, and delivery services. In selling franchises, we compete with many other restaurant franchisors, some of whom have substantially greater financial resources than we do.

Human Capital Management

Jack in the Box and Del Taco recognizes and takes care of its employees by paying competitive wages and offering a wide range of benefits and recognition programs. We are proud of our employees, many of whom began their career in our restaurants as their first entry-level job, are given the opportunity to grow and advance their careers as we invest in their education and career development.

As of September 28, 2025, for our combined brands, we had 5,046 employees, of whom 4,440 were restaurant employees, 553 were corporate management and staff, and 53 were field operations management. Most of our employees are paid on an hourly basis, except for district and restaurant managers, and certain restaurant support center management and staff positions. We employ both full-time and part-time restaurant employees in order to provide the flexibility necessary during peak periods of restaurant operations and meet the individual needs of our employees. As of the end of fiscal 2025, approximately 84% of our restaurant employees were part-time. We have not experienced any significant work stoppages.

Our Total Rewards framework includes pay and recognition, health and wellness, financial well-being, work/life happiness, culture and community, and learning and development. We take care in providing employees with market-competitive pay and benefits and flexibility with regard to benefit choices. For our company-operated restaurants nationwide, positions are assigned to a pay range that best reflects geographic market pricing of similar jobs in the restaurant industry, and additionally for restaurants in California, pay requirements under AB 1228 regulation. We generally review employees' pay annually. All restaurant support center positions, and restaurant management positions, including hourly assistant managers and team leaders, are eligible for performance-based cash incentives. Each incentive plan reinforces and rewards individuals for achievement of specific company and/or restaurant business goals.

We regularly review the pay of our female and male employees to ensure pay equity for performing equal or substantially similar work. We share the median pay of our male and female employees in various position classifications with the Board of Directors, and we take remedial action as appropriate to ensure pay equity is maintained.

We offer a robust benefits package that includes medical (including an HMO), dental, and vision insurance plans; company-paid basic term life insurance; wellness programs; an employee assistance program ("EAP"); life and disability insurance; flexible spending accounts ("FSA") and health savings accounts ("HSA") with employer contributions; legal services; pet insurance; and a 401(k) with company matching contributions. In addition, we recognize and support the growth and development of our employees and offer opportunities to participate in internal and external learning programs. We also hold regular restaurant level talent and development planning reviews to assist us with growing our internal restaurant teams.

We recognize our responsibility to take the steps necessary to create and maintain a safe and healthy work environment. All of our corporate and restaurant employees may report safety and security issues either through our risk management department or anonymously through our asset protection helpline. Reports are reviewed by our asset protection manager and are addressed appropriately by corporate partners and OSHA, if necessary. All of our corporate and restaurant employees may also report any ethics issues to our ethics hotline. We take every incident and report seriously and have detailed protocols regarding investigation, assessment and correction, safety communications, employee training, and record keeping.

Trademarks and Service Marks

The JACK IN THE BOX® and DEL TACO® names and logos are of material importance to us and are registered trademarks and service marks in the United States and elsewhere. In addition, we have registered or applied to register numerous service marks and trade names for use in our businesses, including the Jack in the Box and Del Taco design marks and various product names and designs. Our policy is to pursue registration of our important service marks and trademarks and to vigorously oppose any infringement of them. Generally, with the appropriate renewal and use, the registration of our service marks and trademarks will continue indefinitely.

Government Regulation

Each restaurant is subject to regulation by federal agencies, as well as licensing and regulation by state and local health, sanitation, safety, fire, zoning, building, consumer protection, taxing, and other agencies and departments. Restaurants are also subject to rules and regulations imposed by owners and operators of shopping centers, airports, or other locations where a restaurant is located. Difficulties or failures in obtaining and maintaining any required permits, licenses or approvals, or difficulties in complying with applicable rules and regulations, could result in restricted operations, closures of existing restaurants, delays or cancellations in the opening of new restaurants, increased cost of operations, or the imposition of fines and other penalties.

We are subject to federal, state, and local laws governing restaurant menu labeling, as well as laws restricting the use of, or requiring disclosures about, certain ingredients used in food sold at our restaurants. We are also subject to federal, state, and local laws governing packaging and service ware.

We are also subject to federal and state laws regulating the offer and sale of franchises, as well as judicial and administrative interpretations of such laws. Such laws impose registration and disclosure requirements on franchisors in the offer and sale of franchises and may also apply substantive standards to the relationship between franchisor and franchisee, including limitations on the ability of franchisors to terminate franchises and alter franchise arrangements.

We are subject to the federal Fair Labor Standards Act and various state laws governing such matters as minimum wages, exempt status classification, overtime, breaks and other working conditions for Company employees. Our franchisees are subject to these same laws. Many of our food service personnel are paid at rates set in relation to the federal and state minimum wage laws and, accordingly, changes in the minimum wage requirements may increase labor costs for us and our franchisees. Federal and state laws may also require us to provide paid and unpaid leave, or healthcare or other employee benefits to our employees, which could result in significant additional expense to us and our franchisees. We are also subject to federal immigration laws requiring compliance with work authorization documentation and verification procedures.

We are subject to certain guidelines under the Americans with Disabilities Act of 1990 and various state codes and regulations, which require restaurants and our brands to provide full and equal access to persons with certain mental or physical impairments.

Our collection or use of personal information about our employees or our guests is regulated at the federal and state levels, including the California Consumer Privacy Act (“CCPA”) and the California Privacy Rights Act (“CPRA”) and other similar state and federal laws.

Our marketing, advertising, and promotional programs are governed by various federal, state, and local laws and regulations concerning consumer protection, including the Telephone Consumer Protection Act and other similar state and federal laws.

We are also subject to various federal, state, and local laws regulating the discharge of materials into the environment. The cost of complying with these laws increases the cost of operating existing restaurants and developing new restaurants. Additional costs relate primarily to the necessity of obtaining more land, landscaping, storm drainage control, and the cost of more expensive equipment necessary to decrease the amount of effluent emitted into the air, ground, and surface waters.

In addition to laws and regulations governing restaurant businesses directly, there are also regulations, such as the Food Safety Modernization Act, that govern the practices of food manufacturers and distributors, including our suppliers.

We have processes in place to monitor compliance with all applicable laws and regulations governing our Company operations.

Available Information

The Company's corporate website can be found at www.jackinthebox.com. We make available free of charge at this website (under the caption "Investors — Financials — SEC Filings") all of our reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, including our Annual Report on Form 10-K, our Quarterly Reports on Form 10-Q, our Current Reports on Form 8-K, and amendments to those reports. These reports are made available on the website as soon as reasonably practicable after their filing with, or furnishing to, the Securities and Exchange Commission ("SEC"). The SEC also maintains a website with the address of www.sec.gov that contains our reports, proxy and information statements, and other information.

ITEM 1A. RISK FACTORS

We caution you that our business and operations are subject to a number of risks and uncertainties. The factors listed below are important factors that could cause our actual results to differ materially from our historical results and from projections in the forward-looking statements contained in this report, in our other filings with the SEC, in our news releases, and in oral statements by our representatives. However, other factors that we do not anticipate or that we do not consider material based on currently available information may also have an adverse effect on our results.

Risks Related to Macroeconomic and Industry Conditions

Changes in the availability of and the cost of labor could adversely affect our business.

Our business could be adversely impacted by increases in labor costs, including those increases triggered by regulatory actions regarding wages, scheduling and benefits; increased health care and workers' compensation insurance costs; increased wages and costs of other benefits necessary to attract and retain high quality employees with the right skill sets and increased wages, benefits and costs and inflationary and other pressure on wages now being experienced. The growth of our business can make it increasingly difficult to locate and hire sufficient numbers of employees, to maintain an effective system of internal controls, and to train employees to deliver a consistently high-quality product and customer experience, which could materially harm our business and results of operations.

Changes in consumer confidence and declines in general economic conditions could negatively impact our financial results.

The restaurant industry depends on consumer discretionary spending. We are impacted by consumer confidence, which is, in turn, influenced by general economic conditions and discretionary income levels. A material decline in consumer confidence or a decline in family "food away from home" spending could cause our financial results to decline. If economic conditions worsen, customer traffic could be adversely impacted if our customers choose to dine out less frequently or reduce the amount they spend on meals while dining out, which could cause our company and our franchised average restaurant sales to decline. An economic downturn may be caused by a variety of factors, such as macro-economic changes, increased unemployment rates, increased taxes, interest rates, or other changes in government fiscal policy. High gasoline prices, increased healthcare costs, declining home prices, and political unrest, foreign or domestic, may potentially contribute to an economic downturn, as may regional or local events, including natural disasters or local regulation. The impact of these factors may be exacerbated by the geographic profile of our brands. Specifically, approximately 70% of our systemwide restaurants are located in the states of California and Texas. Economic conditions, state and local laws, or government regulations affecting those states may therefore more greatly impact our results than would similar occurrences in other locations.

Increases in food and commodity costs could decrease our profit margins or result in a modified menu, which could adversely affect our financial results.

We and our franchisees are subject to volatility in food and commodity costs and availability. Accordingly, our profitability depends in part on our ability to anticipate and react to changes in food costs and availability. As is true of all companies in the restaurant industry, we are susceptible to increases in food costs that are outside of our control. Factors that can impact food and commodity costs include general economic conditions, inflation, labor shortages, seasonal fluctuations, weather and climate conditions, energy costs, global demand, trade protections and subsidies, food safety issues, infectious diseases, possible terrorist activity, cyberattacks, transportation issues, currency fluctuations, product recalls, and government regulatory schemes. Additionally, some of our produce, meats, and restaurant supplies are sourced from outside the United States. Any new or increased import duties, tariffs, or taxes, or other changes in U.S. trade or tax policy, could result in higher food and commodity costs that would adversely impact our financial results.

Weather and climate related issues, such as freezes or drought, may lead to temporary or even longer-term spikes in the prices of some ingredients such as produce and meats, or of livestock feed. Increasing weather volatility or other long-term changes in global weather patterns, including any changes associated with global climate change, could have a significant impact on the price or availability of some of our ingredients. Any increase in the prices of the ingredients most critical to our menu, such as beef, chicken, pork, tomatoes, lettuce, dairy products, and potatoes could adversely affect our financial results. In the event of cost increases with respect to one or more of our raw ingredients, we may choose to change our pricing or suspend serving a menu item rather than paying the increased cost for the particular ingredient.

We seek to manage food and commodity costs, including through extended fixed price contracts, strong category and commodity management, and purchasing fundamentals. However, certain commodities such as beef and pork do not lend themselves to fixed price contracts. We cannot assure you that we will successfully enter into fixed price contracts on a timely basis or on commercially favorable pricing terms. In addition, although our produce contracts contain predetermined price limits, we are subject to force majeure clauses resulting from weather or acts of God that may result in temporary spikes in costs.

Further, we cannot assure you that we or our franchisees will be able to successfully anticipate and react effectively to changing food and commodity costs by adjusting purchasing practices or menu offerings. We and our franchisees also may not be able to pass along price increases to our customers as a result of adverse economic conditions, competitive pricing, or other factors. Therefore, variability of food and other commodity costs could adversely affect our profitability and results of operations.

Failure to receive scheduled deliveries of high-quality food ingredients and other supplies could harm our operations and reputation.

Dependence on frequent deliveries of fresh produce and other food products subjects food service businesses such as ours to the risk that shortages or interruptions in supply could adversely affect the availability, quality or cost of ingredients or require us to incur additional costs to obtain adequate supplies. Deliveries of supplies may be affected by adverse weather conditions, natural disasters, labor shortages, or financial or solvency issues of our distributors or suppliers, product recalls, production disruptions such as mechanical failures, or other issues. Further, increases in fuel prices could result in increased distribution costs. In addition, if any of our distributors, suppliers, vendors, or other contractors fail to meet our quality or safety standards or otherwise do not perform adequately, or if any one or more of them seeks to terminate its agreement or fails to perform as anticipated, or if there is any disruption in any of our distribution or supply relationships or operations for any reason, our business reputation, financial condition, and results of operations may be materially affected.

Risks Related to Human Capital

Inability to attract, train and retain top-performing personnel could adversely impact our financial results or business.

We believe that our continued success will depend, in part, on our ability to attract and retain the services of skilled personnel. The loss of the services of, or our inability to attract and retain, such personnel could have a material adverse effect on our business, including reduced restaurant operating hours. We believe good managers and crew are a key part of our success, and we devote significant resources to recruiting and training our restaurant managers and crew. We aim to reduce turnover among our restaurant crews and managers in an effort to retain top performing employees and better realize our investment in training new employees. Any failure to do so may adversely impact our operating results by increasing training costs and making it more difficult to deliver outstanding customer service, which could have a material adverse effect on our financial results.

Our business could be adversely affected by increased labor costs.

Labor is a primary component of our operating costs. Increased labor costs due to factors such as competition for workers, labor shortages, labor market pressures, increased minimum wage requirements, paid sick leave or vacation accrual mandates, or other legal or regulatory changes, such as predictive scheduling, may adversely impact operating costs for us and our franchisees. Additional taxes or requirements to incur additional employee benefit costs, including the requirements of the Patient Protection and Affordable Care Act (the “Affordable Care Act”) or any new or replacement healthcare requirements, could also adversely impact our operating costs.

The enactment of additional state or local minimum wage increases above federal wage rates or regulations related to non-exempt employees has increased and could continue to increase labor costs for employees across our system-wide operations. Labor related laws enacted at the federal, state, provincial or local level could increase our and our franchisees’ labor costs and decrease profitability.

Unionization activities or labor disputes may disrupt our operations and affect our profitability.

Some or all of our employees or our franchisees' employees may elect to be represented by labor unions in the future. If a significant number of these employees were to become unionized and collective bargaining agreement terms were significantly different from current compensation arrangements, this could adversely affect our business and financial results or the business and financial results of our franchisees. In addition, a labor dispute or organizing effort involving some or all of our employees or our franchisees' employees may harm our brand and reputation. Resolution of such disputes may be costly and time-consuming, and thus increase our costs and distract management resources.

Our insurance may not provide adequate levels of coverage against claims.

We believe that we maintain insurance policies customary for businesses of our size, type, and experience. Historically, through the use of deductibles or self-insurance retentions, we retained a portion of expected losses for our workers' compensation, general liability, certain employee medical and dental, employment, property, and other claims. However, there are types of losses that we may incur that cannot be insured against or that we believe are not economically reasonable to insure. Such losses could have a material adverse effect on our business and results of operations.

Risks Related to the Restaurant Industry

We face significant competition in the food service industry and our inability to compete may adversely affect our business.

The food service industry is highly competitive with respect to price, service, location, product offering, image and attractiveness of the facilities, personnel, advertising, brand identification, and food quality. Our competition includes a large number of national and regional restaurant chains, as well as locally owned and independent businesses. In particular, we operate in the quick service restaurant chain segment, in which we face a number of established competitors, as well as frequent new entrants to the segment nationally and in regional markets. Some of our competitors have significantly greater financial, marketing, technological, personnel, and other resources than we do. In addition, many of our competitors have greater name recognition nationally or in some of the local or regional markets in which we have restaurants.

Additionally, the trend toward convergence in grocery, deli, delivery, and restaurant services is increasing the number of our competitors. For example, competitive pressures can come from deli sections and in-store cafes of major grocery store chains, including those targeted at customers who desire high-quality food and convenience, as well as from convenience stores and other dining outlets. These competitors may have, among other things, a more diverse menu, lower operating costs and prices, better locations, better facilities, more effective marketing, and more efficient operations than we do. Such increased competition could decrease the demand for our products and negatively affect our financial results.

While we continue to make improvements to our facilities, to implement new service, technology, and training initiatives, and to introduce new products, there can be no assurance that such efforts will generate increased sales or sufficient customer interest. Many of our competitors are remodeling their facilities, implementing service improvements, introducing a variety of new products and service offerings, and advertising that their ingredients are healthier or locally sourced. Such competing products and health- or environmental-focused claims may hurt our competitive positioning as existing or potential customers could seek out other dining options.

Changes in demographic trends and in customer tastes and preferences could cause sales and the royalties that we receive from franchisees to decline.

Changes in customer preferences, demographic trends, and the number, type, and location of competing restaurants have great impact in the restaurant industry. Our sales and the revenue that we receive from franchisees could be impacted by changes in customer preferences related to dietary concerns, such as preferences regarding calories, sodium content, carbohydrates, fat, additives, and sourcing, or in response to environmental and animal welfare concerns. Such preference changes could result in customers favoring other foods to the exclusion of our menu items. If we fail to adapt to changes in customer preferences and trends, we may lose customers and our sales and the rents, royalties, and marketing fees we receive from franchisees may deteriorate.

Negative publicity relating to our business or industry could adversely impact our reputation.

Our business can be materially and adversely affected by widespread negative publicity of any type, particularly regarding food quality, food safety, nutritional content, safety or public health issues (such as outbreaks, pandemics, epidemics, or the prospect of any of these), obesity or other health concerns, animal welfare issues, and employee relations issues, among other things. Adverse publicity in these areas could damage the trust customers place in our brands. The increasingly widespread use of mobile devices and social media platforms has amplified the speed and scope of adverse publicity and could hamper our ability to promptly correct misrepresentations or otherwise respond effectively to negative publicity, whether or not accurate. Any widespread negative publicity regarding the Company, our brands, our vendors and suppliers, and our franchisees, or negative publicity about the restaurant industry in general, whether or not accurate, could cause a decline in restaurant sales, and could have a material adverse effect on our financial results.

Additionally, employee or customer claims against us or our franchisees based on, among other things, wage and hour violations, discrimination, harassment, or wrongful termination may also create negative publicity that could adversely affect us and divert financial and management resources that would otherwise be focused on the future performance of our operations. Consumer demand for our products could decrease significantly if any such incidents or other matters create negative publicity or otherwise erode consumer confidence in us, our brands or our products, or in the restaurant industry in general.

We are also subject to the risk of negative publicity associated with animal welfare regulations and campaigns. Our restaurants utilize ingredients manufactured from beef, poultry, and pork. Our policies require that our approved food suppliers and their raw material providers engage in proper animal welfare practices. Despite our policies and efforts, media reports and portrayals of inhumane acts toward animals by participants in the food supply chain, whether by our suppliers or not, can create a negative opinion or perception of the food industry's animal welfare efforts. Such media reports and negative publicity could impact guest perception of our brands or industry and can have a material adverse effect on our financial results.

We may not have the same resources as our competitors for marketing, advertising, and promotion.

Some of our competitors have greater financial resources, which enable them to: invest significantly more than us in advertising, particularly television and radio ads, as well as endorsements and sponsorships; have a presence across more media channels; and support multiple system and regional product launches at one time. Should our competitors increase spending on marketing, advertising, and promotion, or should the cost of advertising increase or our advertising funds decrease for any reason (including reduced sales, implementation of reduced spending strategies, or a decrease in the percentage contribution to our marketing funds for any reason), our results of operations and financial condition may be materially impacted.

In addition, our financial results may be harmed if our marketing, advertising, and promotional programs are less effective than those of our competitors. The growing prevalence and importance of social media platforms, behavioral advertising, and mobile technology also pose challenges and risks for our marketing, advertising, and promotional strategies; and failure to effectively use and gain traction on these platforms or technologies could cause our advertising to be less effective than our competitors. Moreover, improper or damaging use of social media or mobile technology, including by our employees, franchisees, or guests could increase our costs, lead to litigation, or result in negative publicity, all of which could have a material adverse effect on our financial results.

We may be adversely impacted by severe weather conditions, natural disasters, terrorist acts, or civil unrest that could result in property damage, injury to employees and staff, and lost restaurant sales.

Food service businesses such as ours can be materially and adversely affected by severe weather conditions, such as severe storms, hurricanes, flooding, prolonged drought, or protracted heat or cold waves, and by natural disasters, such as earthquakes and wildfires, or "man-made" calamities such as terrorist incidents or civil unrest, and their aftermath. Such occurrences could result in lost restaurant sales, property damage, lost products, interruptions in supply, and increased costs.

If systemic or widespread adverse changes in climate or weather patterns occur, we could experience more severe impact, which could have a material adverse effect on our financial results. The impact of these factors may be exacerbated by our geographic profile, as approximately 70% of our restaurants are located in the states of California and Texas.

Risks Relating to Health and Safety

Food safety and food-borne illness concerns may have an adverse effect on our business by reducing demand and increasing costs.

Food safety is a top priority for our company, and we expend significant resources on food safety programs to ensure that our customers are able to enjoy safe and high-quality food products. These include a daily, structured food safety assessment and documentation process at our restaurants, and periodic third-party and internal audits to review the food safety performance of our vendors, distributors, and restaurants. Nonetheless, food safety risks cannot be completely eliminated, and food safety and food-borne illness issues do occur in the food service industry. Any report or publicity linking us to instances of food-borne illness or other food safety issues, including issues involving food tampering, natural or foreign objects, or other contaminants or adulterants in our food, could adversely affect our reputation, as well as our financial results. Furthermore, our reliance on food suppliers and distributors increases the risk that food-borne illness incidents could be introduced by third-party vendors outside our direct control. Although we test and audit these activities, we cannot guarantee that all food items are safely and properly maintained during transport or distribution throughout the supply chain.

Additionally, past reports linking nationwide or regional incidents of food-borne illnesses such as pathogenic Salmonella, E.coli, and Listeria to certain products such as produce and proteins, or human-influenced illness such as hepatitis A or norovirus, have resulted in consumers avoiding certain products and restaurant concepts for a period of time. Similarly, reaction to media-influenced reports of Avian Flu, incidents of “mad cow” disease, or similar concerns have also caused some consumers to avoid products that are, or are suspected of being, affected and could have an adverse effect on the price and availability of affected ingredients. Further, if we react to these problems by changing our menu or other key aspects of the brand experience, we may lose customers who do not accept those changes, and we may not be able to attract enough new customers to generate sufficient revenue to make our restaurants profitable.

Our restaurants currently have an ingredient mix that can be exposed to one or more food allergens, such as eggs, wheat, milk, fish, shellfish, tree nuts, peanuts, sesame, and soy. We employ precautionary allergen training steps for food handlers in order to minimize risk of allergen cross contamination, and we post allergen information on nutritional posters in our restaurants or otherwise make such information available to guests upon request. Even with such precautionary measures, the potential risk of allergen cross contamination exists in a restaurant environment. A potentially serious allergic reaction by a guest may result in adverse public communication, media coverage, a decline in restaurant sales, and a material decline in our financial results.

Risks Related to Our Business Model and Strategy

We may not achieve our development goals.

We intend to grow the business primarily through new restaurant development by franchisees, both in existing markets and in new markets. Development involves substantial risks, including the risk of:

- the inability to identify suitable franchisees;
- limited availability of financing for the Company and for franchisees at acceptable rates and terms;
- development costs exceeding budgeted or contracted amounts;
- the negative impact of any re-imaging strategy if not adopted by franchisees or embraced by guests;
- delays in completion of construction or shortages of any equipment or construction materials;
- competition for quality cost-efficient property that has a favorable zoning classification allowing drive-thru sales;
- negative impact of delays due to lengthy supply chain lead times for building components and systems;
- negative impact of delays due to longer timelines for permit review and field inspections with the municipal agencies;
- negative impact of delays due to longer than usual design, permitting, approval, procurement, and field installation timelines for utility service providers to supply primary services on new restaurant development projects (i.e., electrical, gas, sewer, water, etc.)
- the inability to identify, or the unavailability of suitable sites at acceptable cost and other leasing or purchase terms;
- developed properties not achieving desired revenue or cash flow levels once opened;
- the negative impact of a new restaurant upon sales at nearby existing restaurants;
- the challenge of developing in areas where competitors are more established or have greater penetration or access to suitable development sites;
- incurring substantial unrecoverable costs in the event a development project is abandoned prior to completion;
- impairment charges resulting from underperforming restaurants or decisions to curtail or cease investment in certain locations or markets;
- in new geographic markets where we have limited or no existing locations, the inability to successfully expand or acquire critical market presence for our brands, acquire name recognition, successfully market our products, or attract new customers;
- operating cost levels that reduce the demand for, or raise the cost of, developing new restaurants;

- the challenge of identifying, recruiting, and training qualified franchisees or company restaurant management;

Although we manage our growth and development activities to help reduce such risks, we cannot assure that our present or future growth and development activities will perform in accordance with our expectations. Our inability to expand in accordance with our plans or to manage the risks associated with our growth could have a material adverse effect on our results of operations and financial condition.

Our highly-franchised business model presents a number of risks, and the failure of our franchisees to operate successful and profitable restaurants could negatively impact our business.

As of September 28, 2025, approximately 93% of our Jack in the Box restaurants and 77% of Del Taco restaurants were franchised; therefore, our success increasingly relies on the financial success and cooperation of our franchisees, yet we have limited influence over their operations. Our income arises from two sources: fees from franchised restaurants (e.g., royalties and rent based on a percentage of sales) and, to a lesser degree, profit from our remaining Company-operated restaurants. Our franchisees manage their businesses independently, and therefore are responsible for the day-to-day operation of their restaurants. The revenues we realize from franchised restaurants are largely dependent on the ability of our franchisees to grow their sales. If our franchisees do not experience sales growth, our revenues and margins could be negatively affected as a result. Also, if sales trends worsen for franchisees, their financial results may deteriorate, which could result in, among other things, franchisee bankruptcies, restaurant closures, or delayed or reduced payments to us. Our success also increasingly depends on the willingness and ability of our independent franchisees to implement shared strategies and major initiatives, which may include financial investment, and to remain aligned with us on operating and promotional plans. Franchisees' ability to contribute to the achievement of our plans is dependent in large part on the availability to them of funding at reasonable interest rates and may be negatively impacted by the financial markets in general or by the credit worthiness of our franchisees or the Company. As small businesses, some of our franchise operators may be negatively and disproportionately impacted by strategic initiatives, capital requirements, inflation, labor costs, employee relations issues, or other causes. In addition, franchisees' business obligations may not be limited to the operation of restaurants, making them subject to business and financial risks unrelated to the operation of our restaurants. These unrelated risks could adversely affect a franchisee's ability to make payments to us or to make payments on a timely basis. We cannot assure you that our franchisees will successfully participate in our strategic or marketing initiatives or operate their restaurants in a manner consistent with our requirements, standards, and expectations. As compared to some of our competitors, our brands have relatively fewer franchisees who, on average, operate more restaurants per franchisee. There are significant risks to our business if a franchisee, particularly one who operates a large number of restaurants, encounters financial difficulties, including bankruptcy, or fails to adhere to our standards, projecting an image inconsistent with our brands or negatively impacting our financial results.

We are subject to financial and regulatory risks associated with our owned and leased properties and real estate development projects.

We own or lease the real properties on which most of our restaurants are located and lease or sublease to the franchisee a majority of our franchised restaurant sites. If we close a restaurant in a leased location, we may remain committed to perform our obligations under the applicable lease, which would include, among other things, payment of the base rent for the balance of the lease term. Additionally, the potential losses associated with our inability to cancel leases may result in our keeping open restaurant locations that are performing significantly below targeted levels. As a result, ongoing lease obligations at closed or underperforming restaurant locations could unfavorably impact our results of operations. In addition, at the end of the lease term and expiration of all renewal periods, we may be unable to renew the lease without substantial additional cost, if at all. As a result, we may be required to close or relocate a restaurant, which could subject us to construction and other costs and risks and may have an adverse effect on our operating performance.

We have a limited number of suppliers for our major products and rely on a distribution network with a limited number of distribution partners for the majority of our national distribution program. If our suppliers or distributors are unable to fulfill their obligations under their contracts, it could harm our operations.

We contract with a distribution network with a limited number of distribution partners located throughout the nation to provide the majority of our food distribution services. Through these arrangements, our food supplies are largely distributed through several primary distributors. If any of these relationships are interrupted or terminated, or if one or more supply or distribution partners are unable or unwilling to fulfill their obligations for whatever reasons, product availability to our restaurants may be interrupted, and business and financial results may be negatively impacted. Although we believe that alternative supply and distribution sources are available, there can be no assurance that we will be able to identify or negotiate with such sources on terms that are commercially reasonable to us.

The pending sale of Del Taco may not be completed on the anticipated terms or timeline, or at all, and may involve risks and uncertainties that could adversely affect our business, financial condition, and results of operations.

On October 15, 2025, we entered into a definitive agreement to sell Del Taco to Yadav Enterprises, Inc. for an aggregate purchase price of $115 million, subject to customary adjustments. The completion of the sale is subject to various closing conditions, including regulatory approvals, third-party consents, financing, etc., many of which are beyond our control. There can be no assurance that these conditions will be satisfied in a timely manner, or at all. If the transaction is not completed, we may be subject to various risks, including incurring significant transaction costs without realizing the anticipated benefits of the sale, potential disruption to the business unit's operations and employee relationships, and negative reactions from customers, suppliers, or other business partners.

Even if the sale is completed, we may not realize the expected strategic or financial benefits. We could face transitional challenges, including potential loss of revenue or synergies, costs associated with separation activities, and the diversion of management's attention from ongoing operations. In addition, the sale could result in the recognition of material accounting charges or changes to our tax position, which could adversely affect our results of operations in the period in which the transaction closes.

If the transaction is delayed or fails to close, or if the post-closing transition is more difficult or costly than anticipated, our business, financial condition, and results of operations could be materially and adversely affected.

Risks Related to Legal and Regulatory Risks

Increasing regulatory and legal complexity may adversely affect restaurant operations and our financial results.

Our regulatory environment exposes us to complex compliance and similar risks that could affect our operations and results in material ways. In many of our markets, we are subject to increasing regulation, which has increased our cost of doing business. We are affected by the cost, compliance and other risks associated with the often conflicting and highly prescriptive regulations, including where inconsistent standards imposed by multiple governmental authorities can adversely affect our business and increase our exposure to litigation or governmental investigations or proceedings.

Our success depends in part on our ability to manage the impact of new, potential or changing regulations that can affect our business plans and operations. These include regulations affecting product packaging, marketing, the nutritional content and safety of our food and other products, labeling and other disclosure practices. Compliance efforts with those regulations may be affected by the need to comply with different, potentially conflicting laws in different jurisdictions, and the need to rely on the accuracy and completeness of information from third-party suppliers (particularly given varying requirements and practices for testing and disclosure).

Regulatory bodies may enact new laws or promulgate new regulations that are adverse to our business, or they may view matters or interpret laws and regulations differently than they have in the past or in a manner adverse to our business. These new laws or regulations could negatively impact our financial results or affect restaurant operations.

Governmental regulation, including in one or more of the following areas, may adversely affect our existing and future operations and results, including by harming our ability to profitably operate our restaurants.

Americans with Disabilities Act and Similar State Laws

We are subject to the Americans with Disabilities Act and similar state laws that give civil rights protections to individuals with disabilities in the context of employment, public accommodations, and other areas. The expenses associated with any modifications we may be required to undertake with respect to our restaurants or services, or any damages, legal fees, and costs associated with litigating or resolving claims under the Americans with Disabilities Act or similar state laws, could be material.

Consumer Protection and Privacy Laws

We are subject to various federal, state, and local laws and regulations concerning consumer protection and privacy as it relates to our marketing, advertising, and promotional programs, including, but not limited to, the California Consumer Privacy Act and the Telephone Consumer Protection Act. Any damages, legal fees, or costs associated with litigating or resolving claims under any such law could be material.

Food Regulation

The Food Safety Modernization Act granted the U.S. Food and Drug Administration new authority regarding the safety of the entire food system, including through increased inspections and mandatory food recalls. Although restaurants are not directly implicated by these requirements, our suppliers may initiate or otherwise be subject to food recalls or other consequences impacting the availability of certain products, which could result in adverse publicity, or require us to take actions that could be costly for us or otherwise impact our business and financial results.

Local Licensure, Zoning, and Other Regulation

Each of our restaurants is subject to state and local licensing and regulation by health, sanitation, food, and workplace safety and other agencies. We may experience material difficulties, delays, or failures in obtaining the necessary licenses or approvals for new restaurants, which could delay planned restaurant openings. In addition, stringent and varied requirements of local regulators with respect to zoning, land use, and environmental factors could delay or prevent development of new restaurants in particular locations.

Environmental Laws

We are subject to federal, state, and local environmental laws and regulations concerning the discharge, storage, handling, release, and disposal of hazardous or toxic substances, as well as local ordinances restricting the types of packaging we can use in our restaurants. If and to the extent any hazardous or toxic substances are present on or adjacent to any of our restaurant locations, we believe any such contamination would be the responsibility of one or more third parties and would have been or should be addressed by the responsible party. If the relevant third parties have not or do not address the identified contamination properly or completely, then under certain environmental laws, we could be held liable as an owner or operator to address any remaining contamination, sometimes without regard to whether we knew of, or were responsible for, the release or presence of hazardous or toxic substances. Any such liability could be material. Further, we may not have identified all of the potential environmental liabilities at our properties, and any such liabilities could have a material adverse effect on our financial results. We also cannot predict what environmental laws or laws regarding packaging will be enacted in the future, how existing or future environmental or packaging laws will be administered or interpreted, or the amount of future expenditures that we may need to make to comply with, or to satisfy claims relating to, such laws.

Employment and Immigration Laws

We and our franchisees are subject to the federal labor laws, including the Fair Labor Standards Act, as well as various state and local laws governing such matters as minimum wages, exempt status classification, overtime, breaks, schedules, and other working conditions for employees. Federal, state, and local laws may also require us to provide paid and unpaid leave, healthcare, or other benefits to our employees. Changes in the law, or penalties associated with any failure on our part to comply with legal requirements, could increase our labor costs or result in significant additional expense to us and our franchisees.

States in which we operate may adopt new immigration laws or enforcement programs, and the U.S. Congress and the Department of Homeland Security from time to time consider and may implement changes to federal immigration laws, regulations, or enforcement programs. Such changes and enforcement programs may increase our obligations for compliance and oversight, which could subject us to additional costs and make our hiring process more cumbersome. Although we require all workers to provide us with government-specified documentation evidencing their employment eligibility, some of our employees may, without our knowledge, be unauthorized workers. All of our Company employees currently participate in the “E-Verify” program, an Internet-based, free program run by the United States government to verify employment eligibility. However, use of the “E-Verify” program does not guarantee that we will successfully identify all applicants who are ineligible for employment. Unauthorized workers are subject to deportation and may subject us to fines or penalties, and if any of our employees or our franchisees’ employees are found to be unauthorized, we could experience adverse publicity that negatively impacts our brands and may make it more difficult to hire and keep qualified employees. Termination of a significant number of employees who are found to be unauthorized workers may disrupt operations, cause temporary increases in labor costs to train new employees, and result in additional adverse publicity. We could also become subject to fines, penalties, and other costs related to claims that we did not fully comply with all record keeping obligations of federal and state immigration compliance laws. These factors could materially adversely affect our financial results.

Franchising Activities

Our franchising activities in the United States are subject to federal regulations administered by the U.S. Federal Trade Commission, laws enacted by a number of states, and rules and regulations promulgated by the U.S. Federal Trade Commission. In particular, we are subject to federal and state laws regulating the offer and sale of franchises, as well as judicial and administrative interpretations of such laws. Such laws impose registration and disclosure requirements on franchisors in the offer and sale of franchises and may also apply substantive standards to the relationship between franchisor and franchisee, including limitations on the ability of franchisors to terminate franchises and alter franchise arrangements. We also have franchising activities in Mexico, which are subject to regulations in that jurisdiction. Failure to comply with new or existing franchise laws, rules, and regulations in any jurisdiction or to obtain required government approvals could negatively affect our ability to grow or expand our franchise business and sell franchises.

The proliferation of federal, state, and local regulations increases our compliance risks, which in turn could adversely affect our business.

The restaurant and retail industries are subject to extensive federal, state, and local laws and regulations, including regulations relating to:

- the preparation, ingredients, labeling, packaging, advertising, and sale of food and beverages;
- building and zoning requirements;
- sanitation and safety standards;
- employee healthcare, including the implementation and legal, regulatory, and cost implications of the Affordable Care Act;
- labor and employment, including minimum wage adjustments, overtime, working conditions, employment eligibility and documentation, sick leave, and other employee benefit and fringe benefit requirements, and changing judicial, administrative, or regulatory interpretations of federal or state labor laws;
- the registration, offer, sale, termination, and renewal of franchises;
- Americans with Disabilities Act;
- payment cards;
- climate change, including regulations related to the potential impact of greenhouse gases, water consumption, or taxes on carbon emissions; and
- consumer protection and privacy obligations, including the California Consumer Privacy Act, the Telephone Consumer Protection Act, and other new or proposed federal and state regulations.

The increasing amount and complexity of regulations and their interpretation may increase the costs to us and our franchisees of labor and compliance and increase our exposure to legal and regulatory claims which, in turn, could have a material adverse effect on our business. While we strive to comply with all applicable existing rules and regulations, we cannot predict the effect on our operations from modifications to the language or interpretations of existing requirements, or to the issuance of new or additional requirements in the future.

Legislation and regulations regarding our products and ingredients, including the nutritional content of our products, could impact customer preferences and negatively impact our financial results.

Changes in government regulation and consumer eating habits may impact the ingredients and nutritional content of our menu offerings or require us to disclose the nutritional content of our menu offerings. For example, a number of states, counties, and cities have enacted menu labeling laws requiring multi-unit restaurant operators to disclose certain nutritional information to customers or have enacted legislation restricting the use of certain types of ingredients in restaurants. Furthermore, the Affordable Care Act requires chain restaurants to publish calorie information on their menus and menu boards. These and other requirements may increase our expenses, slow customers' ordering process, or negatively influence the demand for our offerings; all of which can impact sales and profitability.

Compliance with current and future laws and regulations in a number of areas, including with respect to ingredients, nutritional content of our products, and packaging and service ware may be costly and time-consuming. Additionally, if consumer health regulations change significantly, we may be required to modify our menu offerings or packaging, and as a result, may experience higher costs or reduced demand associated with such changes. Some government authorities are increasing regulations regarding trans-fats and sodium. While we have removed all artificial or "added during manufacturing" trans fats from our ingredients, some ingredients have naturally occurring trans-fats. Future requirements limiting trans-fats or sodium content may require us to change our menu offerings or switch to higher cost ingredients. These actions may hinder our ability to operate in some markets or to offer our full menu in these markets, which could have a material adverse effect on our business. If we fail to comply with such laws and regulations, our business could also experience a material adverse effect.

We may not be able to adequately protect our intellectual property, which could harm the value of our brands and adversely affect our business.

Our ability to successfully implement our business strategy depends, in part, on our ability to further build brand recognition using our trademarks, service marks, trade dress, and other proprietary intellectual property, including our name and logos, our strategy, and the ambiance of our restaurants. If our efforts to protect our intellectual property are inadequate, or if any third party misappropriates or infringes our intellectual property, either in print or on the Internet or a social media platform, the value of our brands may be harmed, which could have a material adverse effect on our business and might prevent our brands from achieving or maintaining market acceptance.

We franchise our brands to various franchisees. While we try to ensure that the quality of our brands is maintained by all franchisees, we cannot assure that all franchisees will uphold brand standards so as not to harm the value of our intellectual property or our reputation.

We are subject to increasing legal complexity and may be subject to claims or lawsuits that are costly to defend and could result in our payment of substantial damages or settlement costs.

We are subject to complaints or litigation brought by current or former employees, customers, current or former franchisees, vendors, landlords, shareholders, competitors (e.g., intellectual property related claims), government agencies, or others. A judgment that is not covered by insurance or that is significantly in excess of our insurance coverage for any claims could materially adversely affect our financial results. In addition, regardless of whether any claims against us are valid or whether we are found to be liable, claims may be expensive to defend, and may divert management's attention away from our operations and hurt our performance. Further, adverse publicity resulting from claims against us or our franchisees may harm our business or that of our franchisees.

If we fail to maintain an effective system of internal controls, we may not be able to accurately determine our financial results or prevent fraud. As a result, the Company's stockholders could lose confidence in our financial results, which could harm our business and the value of the Company's common shares.

Effective internal controls are necessary for us to provide reliable financial reports and effectively prevent fraud. Section 404 of the Sarbanes-Oxley Act of 2002 requires us to evaluate and report on our internal controls over financial reporting. We cannot be certain that we will be successful in maintaining adequate internal controls over our financial reporting and financial processes in the future. We may in the future discover areas of our internal controls that need improvement. Furthermore, to the extent our business grows or significantly changes, our internal controls may become more complex, and we would require significantly more resources to ensure our internal controls remain effective. If we or our independent auditors discover a material weakness, the disclosure of that fact, even if quickly remedied, could reduce the market value of the Company's common stock. Additionally, the existence of any material weakness may require management to devote significant time and incur significant expense to remediate any such material weaknesses and management may not be able to remediate any such material weaknesses in a timely manner.

Changes in tax laws, interpretations of existing tax law, or adverse determinations by tax authorities could adversely affect our income tax expense and income tax payments.

We are subject to income taxation at the federal, state, and local levels in the U.S. Any significant changes in income tax laws, including, but not limited to, income tax rate increases, authoritative interpretations of the tax laws, and/or comprehensive tax reform measures could adversely affect our financial condition or results of operations.

We may be subject to risk associated with disagreements with key stakeholders, such as franchisees.

In addition to shareholders, we have several key stakeholders, including our independent franchise operators. Third parties such as franchisees are not subject to the control of the Company and may take actions or behave in ways that are adverse to the Company. Because the ultimate interests of franchisees and the Company are largely aligned around maximizing restaurant profits, the Company does not believe that any areas of disagreement between the Company and its franchisees are likely to create material risk to the Company or its shareholders. Nevertheless, it is possible that conflict and disagreements with these or other critical stakeholders could distract management or otherwise have a material adverse effect on the Company's business.

Actions of activist stockholders could cause us to incur substantial costs, divert management's attention and resources, and have an adverse effect on our business.

We are currently engaged in a proxy contest with an activist stockholder who has notified us of its intention to nominate two candidates for election to our Board of Directors at our upcoming annual meeting of stockholders. Responding to this proxy contest, and any related activist stockholder activities, could require significant time, attention, and resources from our management and Board, and may result in substantial legal, advisory, and administrative expenses. For example, we may be required to engage legal, financial, and communications advisers to assist in responding to the proxy contest, and these costs may adversely impact our financial results.

Furthermore, the market's perception of the proxy contest or the activist stockholder's campaign could cause volatility or stagnation in the trading price of our common stock. Even if we prevail in the proxy contest, the process of defending against such activities could divert management's focus from operating our business and implementing our strategic initiatives, which could adversely affect our business, financial condition, and results of operations.

Risks Related to Information and Technology

We are subject to the risk of cybersecurity breaches, intrusions, data loss, or other data security incidents.

We and our franchisees rely on computer systems and information technology to conduct our business. We have instituted controls, including information security governance controls that are intended to protect our computer systems, our point of sale ("POS") systems, and our information technology systems and networks; and adhere to payment card industry data security standards and limit third party access for vendors that require access to our restaurant networks. We also have business continuity plans that attempt to anticipate and mitigate failures. However, we cannot control or prevent every cybersecurity risk.

A material failure or interruption of service, or a breach in the security of our computer systems caused by malware, ransomware or other attack, could cause reduced efficiency in operations, or other business interruptions; could negatively impact delivery of food to restaurants, or financial functions such as vendor payment, employee payroll and scheduling, franchise operations reporting, or our ability to receive customer payments through our POS or other systems, or could result in the loss or misappropriation of customer or employee data. Such events could negatively impact cash flows or require significant capital investment to rectify; result in damage to our business or reputation or loss of consumer or employee confidence; and lead to potential costs, fines, and litigation. Damage to our business or reputation or loss of consumer confidence may also result from any failure by our franchisees to implement standard computer systems and information technology, as we are dependent on our franchisees to adopt appropriate safeguards. These risks may be magnified by increased and changing regulations. The costs of compliance and risk mitigation planning, including increased investment in technology or personnel in order to protect valuable business or consumer information, have increased significantly in recent years, and may also negatively impact our financial results.

Restaurants and other retailers have faced, and we could in the future become subject to, claims for purportedly fraudulent transactions arising out of the actual or alleged theft of credit or debit card information or the loss of personally identifiable information, and we may also be subject to lawsuits or other proceedings in the future relating to these types of incidents. Any such proceedings could distract our management from running our business and cause us to incur significant unplanned losses and expenses. Consumer perception of our brands could also be negatively affected by these events, which could further adversely affect our financial results.

We collect and maintain personal information about our employees and our guests and are seeking to provide our guests with new digital experiences. These digital experiences will require us to integrate into our POS systems to allow for capabilities like mobile order and pay, third party delivery, and digital menu boards. The collection and use of personal information are regulated at the federal and state levels; such regulations include the California Consumer Privacy Act. We increasingly rely on cloud computing and other technologies that result in third parties holding various customer, employee, and franchisee information on our behalf. There has been an increase over the past several years in the frequency and sophistication of attempts to compromise the security of these types of systems. If the security and information systems that we or our outsourced third-party providers use to store or process such information are compromised or if we, or such third parties, otherwise fail to comply with applicable laws and regulations, we could face litigation and the imposition of penalties that could adversely affect our financial performance. Our reputation as a brand or as an employer could also be adversely affected by these types of security breaches or regulatory violations, which could impair our ability to attract and retain qualified employees.

We are subject to risks associated with our increasing dependence on digital commerce platforms and technologies to maintain and grow sales, and we cannot predict the impact that these digital commerce platforms and technologies, other new or improved technologies or alternative methods of delivery may have on consumer behavior and our financial results.

Advances in technologies, including advances in digital food order and delivery technologies, and changes in consumer behavior driven by such advances could have a negative effect on our business. Technology and consumer offerings continue to develop, and we expect that new and enhanced technologies and consumer offerings will be available in the future, including those with a focus on restaurant modernization, restaurant technology and digital engagement and ordering. We may pursue certain of those technologies and consumer offerings if we believe they offer a sustainable guest proposition and can be successfully integrated into our business model. However, we cannot predict consumer acceptance or our success in implementing these digital platforms, delivery channels or systems or other technologies or their impact on our business.

We are dependent on information technology and digital service providers and any material failure, misuse or interruption of our computer systems, supporting infrastructure, consumer-facing digital capabilities or social media platforms could adversely affect our business.

We are dependent upon information technology and digital service providers to properly conduct our business, including point-of-sale processing in our restaurants, order processing through digital channels, management of our supply chain, collection of cash, payment of obligations and various other processes and procedures. Our ability to efficiently manage our business, service our customers and process digital orders through our mobile application and third-party delivery partnerships depends significantly on the reliability and performance of our systems and those managed by our service providers. The failure of these systems and processes to operate effectively, including an interruption or degradation in such systems or services, or if such systems or services become outdated, could be harmful and cause delays in customer service, loss of digital sales, reduce efficiency or cause delays in operations. Significant capital investments may be required to remediate any such problems. Additionally, the success of certain of our strategic initiatives, including to expand our consumer-facing digital capabilities to connect with customers and drive growth, is highly dependent on our technology systems and digital service providers.

Risks Related to Our Capital Structure

The securitized debt instruments issued by certain of our wholly-owned subsidiaries have restrictive terms, and any failure to comply with such terms could result in default, which could harm the value of our brand and adversely affect our business.

The Series 2019-1 and Series 2022-1 Senior Notes (“Senior Notes”) are subject to a series of covenants and restrictions customary for transactions of this type, including (i) that the Master Issuer maintains specified reserve accounts to be used to make required payments in respect of the Senior Notes, (ii) provisions relating to optional and mandatory prepayments and the related payment of specified amounts, including specified make-whole payments in the case of the Class A-2 Notes under certain circumstances, (iii) certain indemnification payments in the event, among other things, the assets pledged as collateral for the Senior Notes are in stated ways defective or ineffective and (iv) covenants relating to record keeping, access to information and similar matters. The Senior Notes are also subject to customary rapid amortization events provided for in the Indenture, including events tied to failure to maintain stated debt service coverage ratios, the sum of gross sales for specified restaurants being below certain levels on certain measurement dates, certain manager termination events, an event of default, and the failure to repay or refinance the Class A-2 Notes on the applicable scheduled maturity date. The Senior Notes are also subject to certain customary events of default, including events relating to non-payment of required interest, principal, or other amounts due on or with respect to the Senior Notes, failure to comply with covenants within certain time frames, certain bankruptcy events, breaches of specified representations and warranties, failure of security interests to be effective, and certain judgments.

In the event that a rapid amortization event occurs under the Indenture (including, without limitation, upon an event of default under the Indenture or the failure to repay the securitized debt at the end of the applicable term) which would require repayment of the Senior Notes, the funds available to us would be reduced or eliminated, which would in turn reduce our ability to operate and/or grow our business. If our subsidiaries are not able to generate sufficient cash flow to service their debt obligations, they may need to refinance or restructure debt, sell assets, reduce or delay capital investments, or seek to raise additional capital. If our subsidiaries are unable to implement one or more of these alternatives, they may not be able to meet debt payment and other obligations which could have a material adverse effect on our financial condition.

We have a significant amount of debt outstanding. Such indebtedness, along with the other contractual commitments of our Company or its subsidiaries, could adversely affect our business, financial condition and results of operations, as well as the ability of certain of our subsidiaries to meet debt payment obligations.

Under the Indenture, the Master Issuer has approximately $1.7 billion of outstanding debt as of September 28, 2025.

This level of debt could have certain material adverse effects on the Company, including but not limited to:

- our available cash flow in the future to fund working capital, capital expenditures, acquisitions, and general corporate or other purposes could be impaired, and our ability to obtain additional financing for such purposes is limited;
- a substantial portion of our cash flows could be required for debt service and, as a result, might not be available for our operations or other purposes;
- any substantial decrease in net operating cash flows or any substantial increase in expenses could make it difficult for us to meet our debt service requirements or could force us to modify our operations or sell assets;
- our ability to operate our business and our ability to repurchase stock or pay cash dividends to our stockholders may be restricted by the financial and other covenants set forth in the Indenture.
- our ability to withstand competitive pressures may be decreased; and
- our level of indebtedness may make us more vulnerable to economic downturns and reduce our flexibility in responding to changing business, regulatory, and economic conditions.

In addition, we may incur additional indebtedness in the future. If new debt or other liabilities are added to our current consolidated debt levels, the related risks that it now faces could intensify.

The securitization transaction documents impose certain restrictions on our activities or the activities of our subsidiaries, and the failure to comply with such restrictions could adversely affect our business.

The Indenture and the management agreement entered into between certain of our subsidiaries and the Indenture trustee (the "Management Agreement") contain various covenants that limit our and our subsidiaries' ability to engage in specified types of transactions. For example, the Indenture and the Management Agreement contain covenants that, among other things, restrict, subject to certain exceptions, the ability of certain subsidiaries to:

- incur or guarantee additional indebtedness;
- sell certain assets;
- alter the business conducted by our subsidiaries;
- create or incur liens on certain assets; or
- consolidate, merge, sell or otherwise dispose of all or substantially all of the assets held within the securitization entities.

As a result of these restrictions, we may not have adequate resources or the flexibility to continue to manage the business and provide for growth of the Jack in the Box system, including product development and marketing for the Jack in the Box brand, which could adversely affect our future growth prospects, financial condition, results of operations and liquidity.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 1C. CYBERSECURITY

Cybersecurity Risk Management and Strategy

The Company maintains a comprehensive information security program that is designed to identify, protect against, detect, and respond to, and manage cybersecurity threats. The program contains security measures that include, but are not limited to, the following: security policies and procedures; physical and environmental protections; monitoring processes and systems; asset management; risk assessments; a vulnerability management and remediation program; and maintenance of a third-party risk management program.

Our Information Security Policy provides guidance on the requirements necessary to ensure the security of the Company's data, systems, and networks. It applies to all individuals who access IT resources or data processed by the Company. We use commercially reasonable efforts to follow industry standards and best practices, including the National Institute of Standards and Technology ("NIST") Cybersecurity Framework, for our IT Security Incident Response Plan.

Our technology structures undergo an annual assessment to evaluate risk using the NIST Cybersecurity Framework. Our IT Security Incident Response Plan defines a cybersecurity incident and outlines the roles, responsibilities, and procedures for us to respond effectively. Having a structured plan enables a rapid response, effective recovery, clear communication and coordinated action to major security incidents. Our plan allows us to reduce recovery time and cost and to also maintain business continuity.

Our IT Application Security Program includes reviews and assessments of security vulnerabilities and remediation. We use commercially reasonable efforts to update security systems regularly to protect against known vulnerabilities. We plan to perform vulnerability scans at least quarterly and penetration testing annually as well as after any significant infrastructure or application modification. Whitebox and blackbox security testing and manual penetration testing is performed to monitor security controls and defenses.

All employees and third-party contractors with access to the Company's IT infrastructure must annually acknowledge that they have read and understand the IT User Acceptance Policy. Employees and contractors must also complete information security awareness training upon initial hire and annually thereafter.

We have measures in place to protect the confidentiality, integrity and availability of franchise and customer information. Most personally identifiable information (“PII”) handled by our restaurants is associated with payment cards, which are protected by an EMV chip reader that encrypts and tokenizes customer data, so it passes through our networks without retaining any personal information. We do not store any credit or debit card information from customers. All information is processed through a third-party firm. To maintain the safety and security of our customers’ private payment information, we follow the Payment Card Industry Data Security Standard (“PCI DSS”) to ensure our processes and systems are well equipped for proper data protection. Employees and third-party contractors with access to the Company’s cardholder data environment (“CDE”) or systems used to support the CDE, complete annual PCI awareness training. The Company’s corporate restaurant employees also receive periodic security training on devices that capture payment card data.

In addition, the Company engages third parties to assist in assessing, identifying, and remediating material risks from cybersecurity threats. Our key cybersecurity controls applied to financial business processes and supporting information systems are regularly tested and audited by third-party service providers, which we retain to help identify vulnerabilities in our systems and to help maintain compliance to standards and regulatory requirements.

Cybersecurity Governance

Our Board of Directors has charged the Audit Committee with oversight of the Company's identification, assessment, and management of cybersecurity and data privacy risks. As part of its oversight of our enterprise risk management program, the Audit Committee periodically reviews and prioritizes key risks facing our Company, including cybersecurity risk. Our Chief Information Security Officer (“CISO”) and Chief Technology Officer (“CTO”) manage our network operations and software development across corporate and franchise locations. The Board of Directors receives regular updates from the CISO and CTO regarding our cybersecurity program and actions taken to manage cybersecurity risk, which include risk identification and management strategies, consumer data protection, security programs, ongoing risk mitigation activities and results of third-party assessments and testing.

ITEM 2. PROPERTIES

The following table sets forth information about our restaurant locations (by segment, by state) for all restaurants in operation as of September 28, 2025:

	Del Taco			Jack in the Box		
	Company-Operated	Franchise	Total	Company-Operated	Franchise	Total
Alabama	—	2	2	—	—	—
Arizona	—	38	38	5	164	169
California	94	257	351	96	845	941
Colorado	17	2	19	—	17	17
Florida	3	11	14	—	—	—
Georgia	—	13	13	—	—	—
Hawaii	—	—	—	—	29	29
Idaho	—	10	10	—	33	33
Illinois	—	—	—	10	11	21
Indiana	—	—	—	—	4	4
Kentucky	—	—	—	2	1	3
Louisiana	—	—	—	—	15	15
Michigan	9	1	10	—	—	—
Mississippi	—	1	1	—	—	—
Missouri	—	—	—	—	29	29
Nevada	—	43	43	—	79	79
New Mexico	—	10	10	—	8	8
North Carolina	—	1	1	—	17	17
Ohio	—	3	3	—	2	2
Oklahoma	9	—	9	6	7	13
Oregon	—	8	8	—	41	41
South Carolina	—	—	—	—	8	8
Tennessee	—	—	—	—	4	4
Texas	—	—	—	23	526	549
Utah	—	37	37	8	10	18
Virginia	—	1	1	—	—	—
Washington	—	6	6	—	131	131
Guam	—	—	—	—	2	2
Mexico	—	—	—	—	3	3
	132	444	576	150	1,986	2,136

Of the total Del Taco and Jack in the Box restaurants, our interest in restaurant properties consists of the following:

	Del Taco			Jack in the Box		
	Company-Operated	Franchise	Total	Company-Operated	Franchise	Total
Company-owned restaurant buildings:						
On company-owned land	2	—	2	8	156	164
On leased land	30	39	69	55	510	565
Subtotal	32	39	71	63	666	729
Company-leased restaurant buildings on leased land	100	160	260	87	933	1,020
Franchise directly-owned or directly-leased restaurant buildings	—	245	245	—	387	387
Total restaurant buildings	132	444	576	150	1,986	2,136

Our restaurant leases generally provide for fixed rental payments (with cost-of-living index adjustments) plus real estate taxes, insurance, and other expenses. For Jack in the Box, approximately 13% of the leases provide for contingent rental payments between 1% and 10% of the restaurant's gross sales once certain thresholds are met. For Del Taco, approximately 34% of the leases provide for contingent rental payments between 2% and 12% of the restaurant's gross sales once certain thresholds are met. We have generally been able to renew our restaurant leases as they expire at then-current market rates.

In addition to the restaurant locations, we own our corporate headquarters located in San Diego, California, which consists of approximately 70,000 square feet and approximately four acres of undeveloped land directly adjacent to it. We also lease an office, consisting of approximately 14,000 square feet in Lake Forest, California.

ITEM 3. LEGAL PROCEEDINGS

See Note 16, *Commitments and Contingencies*, of the notes to the consolidated financial statements for a discussion of our legal proceedings.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

Information about our Executive Officers

The following table sets forth the name, age, position, and years with the Company of each person who is an executive officer of Jack in the Box Inc. as of September 28, 2025:

Name	Age	Positions	Years with the Company
Lance Tucker [(1)]	56	Chief Executive Officer	3
Dawn Hooper	55	Executive Vice President, Chief Financial Officer	25
Ryan Ostrom	50	Executive Vice President, Chief Customer & Digital Officer	4
Sarah Super	49	Executive Vice President, Chief Legal and Administrative Officer	12
Doug Cook	52	Senior Vice President, Chief Technology Officer	3
Van Ingram	60	Senior Vice President, Chief Development Officer	3
Carl Mount	62	Senior Vice President, Chief Supply Chain Officer	1
Steven Piano	60	Senior Vice President, Chief People Officer	4

(1) The years with the company for Mr. Tucker includes prior employment with Company. Please see full listing of experience noted below.

The following sets forth the business experience of each executive officer for at least the last five years:

Mr. Tucker has been Chief Executive Officer since March 2025 and served as the Company's interim principal executive officer since February 2025. He started as the Company's Executive Vice President, Chief Financial Officer in January 2025. Mr. Tucker previously served in that same role as the Company's Executive Vice President, Chief Financial Officer from March 2018 to September 2020. Prior to rejoining the Company, from January 2022 until December 2025 he served as the Chief Financial Officer of Davidson Hotel Company LLC, from September 2020 until January 2022 served as the Chief Financial Officer of CKE Restaurants Holdings, Inc., and from June 2009 until February 2018 he held several senior finance and accounting leadership positions at Papa John's International, Inc., including as Senior Vice President, Chief Financial Officer from February 2011 to February 2018. Mr. Tucker has over 20 years of corporate finance experience. Mr. Tucker graduated from Transylvania University with a bachelor's degree in Accounting.

Ms. Hooper has been Executive Vice President, Chief Financial Officer since May 2025, and has been with Jack in the Box since October 2000. She previously held positions of increasing responsibility in accounting since joining the Company in 2000, including Interim CFO, Controller, Assistant Controller, Vice President of Financial Reporting and Senior Manager of Corporate Accounting. Prior to joining the company, she began her career with KPMG LLP where she worked from September 1993 to September 2000. Ms. Hooper has more than 30 years in experience in accounting and finance. Ms. Hooper received her bachelor's degree in accounting from University of San Diego from the Knauss School of Business.

Mr. Ostrom has been Executive Vice President, Chief Customer & Digital Officer since November 2023, and previously served as Executive Vice President, Chief Marketing Officer since February 2021. Mr. Ostrom has over 15 years of marketing and branding experience. Previously, from June 2019 until February 2021, he served as the Chief Brand Officer for GNC Holdings, LLC, a health, wellness, and nutrition brand. Prior to that, from June 2015 to June 2019, he served as the Chief Digital Officer of Yum Brands Inc. Mr. Ostrom also has held roles at Kenmore, Craftsman & DieHard at Sears Holding Corporation, and Reebok.

Ms. Super has been Executive Vice President, Chief Legal and Administrative Officer since March 2025. She previously served as Senior Vice President, Chief Legal and Risk Officer since March 2020, served as Senior Vice President, General Counsel since November 2019, and previously served as Vice President and Associate General Counsel from May 2018 until November 2019. Prior to joining the Company in December 2013, she was a partner at the law firm of Gordon & Rees. Ms. Super has more than 15 years of legal experience.

Mr. Cook has been Senior Vice President and Chief Technology Officer since October 2021. He has more than 20 years of industry experience leading guest and employee-facing platforms. Mr. Cook served as interim CTO of Jack in the Box from July 2021 to October 2021, leading the technology team and strategy. Prior to that, Mr. Cook served as Chief Information Officer at Pizza Hut from July 2019 to December 2020. From 1999 to June 2019, Mr. Cook held several positions at Sonic, applying leading-edge technologies and analytics to grow the company's innovation and market position.

Mr. Ingram has been Senior Vice President, Chief Development Officer since August 2025. He previously served as Interim Chief Development Officer since June 2025, served as Vice President, Franchise Development since October 2023, and served as Vice President, Franchise Recruitment from February 2022 until October 2023. Mr. Ingram has over 30 years experience selling franchise territories and launching new markets for several brands. Mr. Ingram has held several leadership positions in restaurant development and franchising, including for Wingstop Restaurants, Inc., Golden Corral Corporation, Taco John's International, Inc., Arby's Restaurant Group, Quiznos, and Yum! Brands. Mr. Ingram received his master's degree in Business Administration at Virginia Tech's Pamplin College of Business.

Mr. Mount has been Senior Vice President, Chief Supply Chain Officer since August 2024 and brings over 30 years of experience in U.S. and global supply chain management and procurement. Most recently, from January 2023 until August 2024, Mr. Mount served as the Chief Supply Chain Officer for Zaxby's, a privately held American fast casual chicken restaurant chain headquartered in Atlanta, GA. Prior to that, from 2017 until January 2023, Mr. Mount served as the Senior Vice President, Supply Chain Operations and Senior Vice President, Logistics and US Retail Supply Chain with Starbucks Coffee Company. From 2011 to 2017, Mr. Mount served as the Global Chief Supply Chain Officer with Yum! Brands where he focused heavily on margin improvements for the company's three international brands. Prior to joining Yum! Brands, in addition to spending a period of time consulting, Mr. Mount held leadership roles in consumer products manufacturing with Coca-Cola and PepsiCo. Mr. Mount received his bachelor's degree in Business Administration at the University of Southern California's Marshall School of Business and his MBA from the Santa Clara University Leavey School of Business.

Mr. Piano has been Senior Vice President, Chief People Officer since April 2021. He has over ten years of experience in leadership roles as Chief People Officer and Human Resource Officer. He most recently served as the Chief Human Resources Officer at GNC Holdings, LLC, a health, wellness, and nutrition brand, from January 2018 to April 2021. Prior to that, Mr. Piano was the Chief Human Resource Officer for MoneyGram International Inc., an American cross-border P2P payments and money transfer company, from August 2009 until April 2017. Mr. Piano has also held leadership positions with Lehman Brothers, Citibank, and others.

PART II

ITEM 5. MARKET FOR REGISTRANT’S COMMON EQUITY, RELATED STOCKHOLDER MATTERS, AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information. Our common stock is traded on the NASDAQ Global Select Market under the symbol “JACK.”

Dividends. In fiscal 2025, the Board of Directors declared two cash dividends of $0.44. Our dividend is subject to the discretion and approval of our Board of Directors and our compliance with applicable law, and depends upon, among other things, our results of operations, financial condition, level of indebtedness, capital requirements, contractual restrictions, and other factors that our Board of Directors may deem relevant. As previously announced, the Company has discontinued its dividend.

Stock Repurchases. The following table sets forth information on our share repurchases of our common stock during the fourth quarter of 2025 (*dollars in thousands, except per share data*):

	(a) Total number of shares purchased	(b) Average price paid per share	(c) Total number of shares purchased as part of publicly announced programs	(d) Maximum dollar value that may yet be purchased under these programs
				$ 175,001
July 7, 2025 - August 3, 2025	—	$ —	—	$ 175,001
August 4, 2025 - August 31, 2025	—	$ —	—	$ 175,001
September 1, 2025 - September 28, 2025	—	$ —	—	$ 175,001
Total	—		—	

Stockholders. As of November 13, 2025, there were 521 stockholders of record.

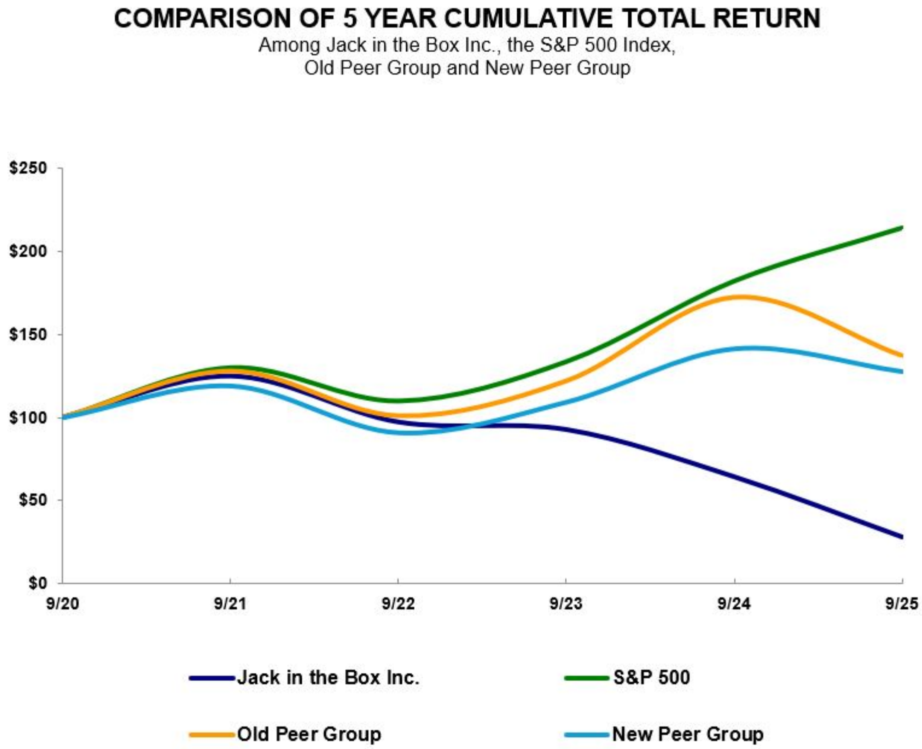
Securities Authorized for Issuance Under Equity Compensation Plans. The following table summarizes the equity compensation plans under which Company common stock may be issued as of September 28, 2025. Stockholders of the Company have approved all plans requiring such approval.

	(a) Number of securities to be issued upon exercise of outstanding options, warrants and rights (1)	(b) Weighted-average exercise price of outstanding options (1)	(c) Number of securities remaining for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by security holders (2)	812,237	$75.23	1,078,550

(1) Includes shares issuable in connection with our outstanding stock options, performance share awards, nonvested stock units, and non-management director deferred stock equivalents. The weighted-average exercise price in column (b) includes the weighted-average exercise price of stock options.

(2) For a description of our equity compensation plans, refer to Note 13, *Share-Based Employee Compensation*, of the notes to the consolidated financial statements.

Performance Graph. The following graph compares the five-year cumulative return to holders of the Company's common stock at September 30th of each year to the yearly weighted cumulative return of a Peer Group Index and to the Standard & Poor's ("S&P") 500 Index for the same period. The below comparison assumes $100 was invested on September 30, 2020 in the Company's common stock and in the comparison groups and assumes reinvestment of dividends. The Company uses a Peer Group to assess the competitive pay levels of our senior executives, and to evaluate program design elements. In its annual review of the Peer Group Index used to benchmark executive compensation for our executive officers, the Compensation Committee of the Board of Directors, in consultation with its independent compensation consultant, approved changes to the Peer Group Index to include companies that more closely aligned with our financial selection criteria and are highly-franchised.



	2020	2021	2022	2023	2024	2025
Jack in the Box Inc.	$100	$125	$97	$93	$64	$28
S&P 500 Index	$100	$130	$110	$134	$182	$214
2024 Peer Group (1)	$100	$128	$101	$122	$173	$137
2025 Peer Group (2)	$100	$119	$91	$109	$142	$128

(1) The 2024 Peer Group includes the following seventeen companies: BJ's Restaurants Inc.; Bloomin' Brands, Inc.; Brinker Int'l, Inc.; Cheesecake Factory Inc.; Chipotle Mexican Grill, Inc.; Cracker Barrel Old Country Store, Inc.; Denny's Corp.; Dine Brands Global Inc.; Domino's Pizza, Inc.; El Pollo Loco Holdings Inc.; Krispy Kreme, Inc.; Papa John's Int'l Inc.; Restaurant Brands Int'l Inc.; Shake Shack Inc.; Texas Roadhouse, Inc.; Wendy's Company; and Wingstop Inc.

(2) The 2025 Peer Group includes the following sixteen companies: BJ's Restaurants Inc.; Bloomin' Brands, Inc.; Brinker Int'l, Inc.; Cheesecake Factory Inc.; Cracker Barrel Old Country Store, Inc.; Denny's Corp.; Dine Brands Global Inc.; Domino's Pizza, Inc.; El Pollo Loco Holdings Inc.; Krispy Kreme, Inc.; Papa John's Int'l Inc.; Restaurant Brands Int'l Inc.; Shake Shack Inc.; Texas Roadhouse, Inc.; Wendy's Company; and Wingstop Inc.

ITEM 6. RESERVED.

ITEM 7. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

GENERAL

For an understanding of the significant factors that influenced our performance during the fiscal year, we believe our Management’s Discussion and Analysis of Financial Condition and Results of Operations (“MD&A”) should be read in conjunction with the consolidated financial statements and related notes included in this annual report as indexed on page F-1.

Comparisons under this heading refer to the 52-week periods ended September 28, 2025 and September 29, 2024, respectively. Our MD&A consists of the following sections:

- ***Overview*** — a general description of our business.
- ***Results of Operations*** — an analysis of our consolidated statements of earnings for fiscal 2025 compared to fiscal 2024.
- ***Liquidity and Capital Resources*** — an analysis of our cash flows, including capital expenditures, share repurchase activity, dividends, and known trends that may impact liquidity.
- ***Critical Accounting Estimates*** — a discussion of accounting policies that require critical judgments and estimates.
- ***New accounting pronouncements*** — a discussion of new accounting pronouncements, dates of implementation and the impact on our consolidated financial position or results of operations, if any.

We have included in our MD&A certain performance metrics that management uses to assess company performance and which we believe will be useful in analyzing and understanding our results of operations. These metrics include:

- Changes in sales at restaurants open more than one year (“same-store sales”), system restaurant sales, franchised restaurant sales, and average unit volumes (“AUVs”). Same-store sales, restaurant sales, and AUVs are presented for franchised restaurants. Franchise sales represent sales at franchise restaurants and are revenues of our franchisees. We do not record franchise sales as revenues; however, our royalty revenues and percentage rent revenues are calculated based on a percentage of franchise sales. We believe franchise and system same-store sales, franchised and system-wide sales, and AUV information are useful to investors as they have a direct effect on the Company’s profitability.

Same-store sales, system restaurant sales, franchised restaurant sales and AUVs are not measurements determined in accordance with GAAP and should not be considered in isolation, or as an alternative to earnings from operations, or other similarly titled measures of other companies.

A comparison of our results of operations and cash flows for fiscal 2024 compared to fiscal 2023 can be found under Part II, “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our Annual Report on Form 10-K for the fiscal year ended September 29, 2024.

OVERVIEW

Our Business

Founded in 1951, Jack in the Box Inc. (the “Company”) operates and franchises Jack in the Box® and Del Taco® quick-service restaurants. As of September 28, 2025, we operated and franchised 2,136 Jack in the Box restaurants, primarily in the western and southern United States, including three in Mexico and two in Guam. As of September 28, 2025 we operated and franchised 576 Del Taco restaurants across 18 states. We derive revenue from retail sales at company-operated restaurants and rental revenue, royalties (based upon a percent of sales), franchise fees and contributions for advertising and other services from franchisees.

On April 23, 2025, the Company announced a multi-faceted plan, which included exploring strategic alternatives for the Del Taco brand and the possible divestiture of that business. On October 15, 2025, the Company entered into a Stock Purchase Agreement (the “Purchase Agreement”) with Yadav Enterprises, Inc., a California corporation (“Buyer”) and Anil Yadav (“Buyer Guarantor”) to sell to Buyer all of the issued and outstanding equity interests of Del Taco Holdings Inc., a Delaware corporation (“Del Taco”), which owns and operates the Company’s Del Taco restaurant operations, for an aggregate purchase price of $115 million in cash, subject to certain closing cash, working capital, debt and transaction expense adjustments.

RESULTS OF OPERATIONS FOR FISCAL 2025 AND 2024

The following tables summarize changes in same-store sales for Jack in the Box and Del Taco company-operated, franchised, and system restaurants:

Jack in the Box:	2025	2024
Company	(3.7)%	0.0 %
Franchise	(4.3)%	(1.5)%
System	(4.2)%	(1.3)%

Del Taco:	2025	2024
Company	(2.4)%	(1.3)%
Franchise	(4.1)%	(1.6)%
System	(3.7)%	(1.5)%

The following tables summarize changes in the number and mix of company and franchise restaurants for our two brands:

	2025			2024		
Jack in the Box:	Company	Franchise	Total	Company	Franchise	Total
Beginning of year	150	2,041	2,191	142	2,044	2,186
New	12	19	31	8	22	30
Refranchised	(1)	1	—	—	—	—
Closed	(11)	(75)	(86)	—	(25)	(25)
End of year	150	1,986	2,136	150	2,041	2,191
% of system	7 %	93 %	100 %	7 %	93 %	100 %

	2025			2024		
Del Taco:	Company	Franchise	Total	Company	Franchise	Total
Beginning of year	133	461	594	171	421	592
New	1	13	14	3	11	14
Acquired from franchisees	18	(18)	—	10	(10)	—
Refranchised	(13)	13	—	(47)	47	—
Closed	(7)	(25)	(32)	(4)	(8)	(12)
End of year	132	444	576	133	461	594
% of system	23 %	77 %	100 %	22 %	78 %	100 %

The following tables summarize restaurant sales for company-operated, franchised, and systemwide sales for our two brands (*in thousands*):

Jack in the Box:	2025	2024
Company-operated restaurant sales	$ 416,715	$ 427,057
Franchised restaurant sales (1)	3,792,222	3,969,200
Systemwide sales (1)	$ 4,208,937	$ 4,396,257

Del Taco:	2025	2024
Company-operated restaurant sales	$ 210,628	$ 281,978
Franchised restaurant sales (1)	708,208	674,804
Systemwide sales (1)	$ 918,836	$ 956,782

(1) Franchised restaurant sales represent sales at franchised restaurants and are revenues of our franchisees. Systemwide sales include company and franchised restaurant sales. We do not record franchised sales as revenues; however, our royalty revenues, marketing fees and percentage rent revenues are calculated based on a percentage of franchised sales. We believe franchised and systemwide sales information is useful to investors as they have a direct effect on the Company's profitability.

Jack in the Box Brand

Company Restaurant Operations

The following table presents company restaurant sales and costs as a percentage of the related sales *(dollars in thousands)*:

	2025			2024		
Company restaurant sales	$	416,715		$	427,057	
Company restaurant costs:						
Food and packaging	$	116,472	28.0 %	$	126,063	29.5 %
Payroll and employee benefits	$	140,789	33.8 %	$	134,678	31.5 %
Occupancy and other	$	77,807	18.7 %	$	73,735	17.3 %

Company restaurant sales decreased $10.3 million, or 2.4%, in 2025 as compared with the prior year due to a decrease in transactions partially offset by an increase in the average number of restaurants.

The following table presents the approximate impact of these items on company restaurant sales in 2025 (*in millions*):

	2025 vs. 2024	
AUV decrease	$	(17.4)
Increase in the average number of restaurants		7.1
Total change in company restaurant sales	$	(10.3)

Same-store sales at company-operated restaurants decreased by 3.7% in fiscal year 2025 compared to a year ago. The following table summarizes the changes in company-operated same-store sales:

	2025 vs. 2024
Transactions	(5.7)%
Average check [(1)]	2.0 %
Change in same-store sales	(3.7)%

(1) Includes price increases of 3.5% in 2025.

Food and packaging costs, as a percentage of company restaurant sales, decreased to 28.0% in 2025 from 29.5% a year ago, due mainly to a 1.8% benefit from a new beverage contract with funding retroactive to January 1, 2024, as well as menu price increases, partially offset by commodity inflation and unfavorable menu item mix.

Commodity costs increased in the current fiscal year by approximately 4.2%. The greatest impacts were seen in beef, beverages, poultry, and eggs.

Payroll and employee benefit costs, as a percentage of company restaurant sales, increased to 33.8% in 2025 compared with 31.5% a year ago. There was an approximate 2.0% increase which was primarily due to the impact from wage inflation. Wage inflation for the year was approximately 7.6% and was primarily due to the wage increases required in California effective April 1, 2024 under AB 1228.

Occupancy and other costs, as a percentage of company restaurant sales, increased to 18.7% in 2025 from 17.3% a year ago primarily due to sales deleverage, higher costs for rent, utilities, and other operating costs including delivery fees.

Jack in the Box Franchise Operations

The following table presents franchise revenues and costs in each fiscal year and other information we believe is useful in analyzing the change in franchise operating results (*dollars in thousands*):

	2025	2024
Franchise rental revenues	$ 332,735	$ 347,227
Royalties	189,646	198,377
Franchise fees and other	8,670	7,002
Franchise royalties and other	198,316	205,379
Franchise contributions for advertising and other services	206,200	217,757
Total franchise revenues	$ 737,251	$ 770,363
Franchise occupancy expenses	$ 219,212	$ 217,430
Franchise support and other costs	12,506	12,731
Franchise advertising and other services expenses	211,408	225,465
Total franchise costs	$ 443,126	$ 455,626
Franchise costs as a percentage of total franchise revenues	60.1 %	59.1 %
Average number of franchise restaurants	2,023	2,037
Franchised restaurant sales	$ 3,792,222	$ 3,969,200
Franchise restaurant AUV	$ 1,874	$ 1,949
Royalties as a percentage of total franchise restaurant sales	5.1 %	5.0 %

Franchise rental revenues decreased $14.5 million, or 4.2%, in 2025 compared to the prior year, primarily due to a decrease in percentage rent of $16.5 million, driven by lower sales, partially offset by higher lease termination fees of $2.7 million, and higher pass through property tax revenue of $1.1 million.

Franchise royalties and other decreased $7.1 million, or 3.4%, compared to the prior year primarily due to lower royalty income driven by lower sales.

Franchise contributions for advertising and other services revenues decreased $11.6 million, or 5.3%, mainly due to lower sales driving marketing contributions lower by $8.9 million and lower digital and technology fees of $2.4 million.

Franchise occupancy expenses, mainly rent, increased $1.8 million, or 0.8%, in 2025 primarily due to higher pass through property tax expense of $1.1 million and higher operating lease costs of $0.9 million.

Franchise support and other costs decreased $0.2 million, or 1.8% in 2025.

Franchise advertising and other service expenses decreased $14.1 million, or 6.2%, in 2025 primarily due to lower sales driving lower marketing expenses, as well as lower franchise IT support costs.

Del Taco Brand

Company Restaurant Operations

The following table presents company restaurant sales and costs as a percentage of the related sales *(dollars in thousands)*:

	2025		2024	
Company restaurant sales	$ 210,628		$ 281,978	
Company restaurant costs:				
Food and packaging	$ 54,605	25.9 %	$ 73,207	26.0 %
Payroll and employee benefits	$ 81,366	38.6 %	$ 103,369	36.7 %
Occupancy and other	$ 51,381	24.4 %	$ 65,569	23.3 %

Company restaurant sales decreased $71.4 million or 25.3%, in 2025 as compared with the prior year primarily due to a decrease in the average number of restaurants as well as a decrease in transactions.

The following table presents the approximate impact of these items on company restaurant sales (*in millions*):

	2025 vs. 2024
Decrease in the average number of restaurants	$ (67.9)
AUV decrease	(3.0)
Other	(0.5)
Total change in company restaurant sales	$ (71.4)

Same-store sales at company-operated restaurants decreased 2.4% in 2025 compared to a year ago. The following table summarizes the decreases in company-operated same-store sales:

	2025 vs. 2024
Average check [1]	4.5 %
Transactions	(6.9)%
Change in same-store sales	(2.4)%

(1) Includes price increases of approximately 5.5% in 2025.

Food and packaging costs, as a percentage of company restaurant sales, decreased to 25.9% in 2025 from 26.0% a year ago primarily due to menu price increases and favorable beverage funding, partially offset by commodity inflation and unfavorable menu item mix.

Commodity costs inflation was 4.1% in 2025. The largest sources of inflation in the current year were due to beef, poultry, and beverages.

Payroll and employee benefit costs, as a percentage of company restaurant sales, increased to 38.6% in 2025 compared with 36.7% a year ago primarily due to labor inflation impact of 2%. Labor inflation was 7.1% in the current year.

Occupancy and other costs, as a percentage of company restaurant sales, increased to 24.4% in 2025 from 23.3% a year ago primarily due to sales deleverage as well as higher costs for IT, utilities, maintenance, and other operating costs including delivery fees.

Del Taco Franchise Operations

The following table presents franchise revenues and costs in each period and other information we believe is useful in analyzing the change in franchise operating results (*dollars in thousands*):

	2025	2024
Franchise rental revenues	$ 35,908	$ 28,201
Royalties	32,372	31,714
Franchise fees and other	2,132	1,077
Franchise royalties and other	34,504	32,791
Franchise contributions for advertising and other services	30,307	30,915
Total franchise revenues	$ 100,719	$ 91,907
Franchise occupancy expenses	$ 35,175	$ 27,948
Franchise support and other costs	6,491	4,551
Franchise advertising and other services expenses	32,172	33,667
Total franchise costs	$ 73,838	$ 66,166
Franchise costs as a percentage of total franchise revenues	73.3 %	72.0 %
Average number of franchise restaurants	457	429
Franchised restaurant sales	$ 708,208	$ 674,804
Franchised restaurant AUVs	$ 1,549	$ 1,573
Royalties as a percentage of total franchised restaurant sales	4.6 %	4.7 %

Franchise rental revenues increased $7.7 million, or 27.3% in 2025 compared to the prior year, primarily due to higher rental income and pass through property tax revenue resulting from new subleases related to restaurants refranchised in fiscal 2025 and 2024.

Franchise royalties and other increased $1.7 million, or 5.2% in 2025 compared to the prior year, primarily due to refranchising activity.

Franchise contributions for advertising and other services revenues decreased $0.6 million, or 2.0% in 2025 compared to the prior year, primarily due to lower IT support revenue, partially offset by increased franchise marketing contributions.

Franchise occupancy expenses, primarily rent, increased $7.2 million, or 25.9% in 2025 compared to the prior year, primarily due to higher operating lease costs in the current year from refranchising.

Franchise support and other costs increased $1.9 million, or 42.6% in 2025 compared to the prior year, primarily due to higher bad debt expense.

Franchise advertising and other service expenses decreased $1.5 million, or 4.4% in 2025 compared to the prior year, primarily due to decreases in IT costs, partially offset by increases in marketing expense resulting from restaurants refranchised.

Company-Wide Results

Depreciation and Amortization

Depreciation and amortization decreased $1.5 million in 2025 as compared with the prior year. The decrease is primarily due to the refranchising of Del Taco restaurants, as well as certain Jack in the Box franchise assets becoming fully depreciated. These decreases were partially offset by increases for new technology assets placed in service and new company restaurant openings.

Selling, General and Administrative (“SG&A”) Expenses

The following table presents the amounts for SG&A expenses in each fiscal year (*in thousands*):

	2025	2024
Advertising	$ 39,244	$ 34,992
Share-based compensation	8,240	13,471
Incentive compensation	6,013	9,911
Cash surrender value of COLI policies, net	(6,882)	(14,390)
Insurance	8,385	4,272
Other	94,635	94,977
	$ 149,635	$ 143,233

Advertising costs represent company contributions to our marketing funds and are generally determined as a percentage of company-operated restaurant sales. Advertising costs increased $4.3 million compared to the prior year primarily due an incremental contribution to Jack in the Box brand advertising, partially offset by a decrease in company-operated restaurant sales at both brands in the current year.

Share-based compensation in 2025 decreased by $5.2 million compared to the prior year primarily due to forfeitures as well as lower achievement levels for the Company’s performance share awards.

Incentive compensation in 2025 decreased by $3.9 million compared to the prior year primarily due to lower achievement levels compared to the prior year for the Company’s annual incentive plan.

The cash surrender value of our Company-owned life insurance (“COLI”) policies, net of changes in our non-qualified deferred compensation obligation supported by these policies, are subject to market fluctuations. The changes in market values had an unfavorable impact of $7.5 million as compared to the prior year.

Insurance costs in 2025 increased $4.1 million as compared to the prior year primarily due to a favorable adjustment in 2024 in connection with positive development factors related to workers compensation and general liability claims.

Pre-Opening Costs

Pre-opening costs associated with the opening of a new restaurant or the remodeling of an existing restaurant consist primarily of property rent and employee training costs. Pre-opening costs associated with the opening of a restaurant that was closed upon acquisition consist of labor costs, maintenance and repair costs, and property rent. Pre-opening expenses increased $4.2 million in 2025 as compared to the prior year due to new restaurant openings in certain markets.

Impairment of Goodwill and Intangible Assets

During the third quarter of 2024, the Company identified triggering events that indicated the goodwill allocated to the Del Taco reporting unit might be impaired. The triggering events related to i) a recent negative trend in Del Taco same store sales, ii) lower margins due in part to lower sales and higher wages required in California effective April 1, 2024 under AB 1228 and iii) unfavorable changes in the economic environment specifically impacting our industry, including inflation and interest rates. As a result, the Company performed a quantitative test over the Del Taco reporting unit, noting that the fair value of the reporting unit was less than the carrying value, which resulted in an impairment of goodwill of $162.6 million.

During the second quarter of 2025, the Company identified additional triggering events that indicated the goodwill allocated to the Del Taco reporting unit might be further impaired, including i) continued negative trend in Del Taco same store sales, ii) unfavorable changes in the economic environment specifically impacting our industry, including inflation and interest rates, iii) the potential for a divestment of Del Taco, and iv) a sustained lower share price. As a result, the Company performed a quantitative test over the Del Taco reporting unit, noting that the fair value of the reporting unit was less than the carrying value, which resulted in an impairment of goodwill of $25.3 million for the second quarter of 2025. Refer to Note 5, *Goodwill and Intangible Assets,* of the notes to the consolidated financial statements for additional information on the valuation methodologies and assumptions used.

As a result of the franchisee acquisition during the third quarter of 2025, the Company recognized additional goodwill of $6.3 million. This additional goodwill was fully impaired based on the results of the quantitative impairment analysis performed in the second quarter of 2025. The goodwill for the Del Taco reporting unit is fully impaired as of the end of 2025.

In connection with the goodwill analysis during the second quarter of 2025, the Company also performed a quantitative analysis over its indefinite-lived intangible trademark asset and as a result, the Company recorded impairment of $177.9 million on the Del Taco trademark asset. During the third and fourth quarters of 2025, the Company performed a qualitative analysis over its indefinite-lived intangible trademark asset, noting no further impairment was deemed necessary. Refer to Note 5, *Goodwill and Intangible Assets,* of the notes to the consolidated financial statements for additional information on the valuation methodologies and assumptions used.

Other Operating Expense, Net

Other operating expense, net is comprised of the following (*in thousands*):

	2025	2024
Restructuring, integration and strategic initiatives	$ 7,298	$ 15,631
Costs of closed restaurants and other	8,467	2,975
Restaurant impairment charges	4,384	8,008
Accelerated depreciation	99	699
Gains on acquisition of restaurants	(6)	(2,702)
Losses on disposition of property and equipment, net	2,161	185
Other operating expense, net	$ 22,403	$ 24,796

Other operating expense, net decreased $2.4 million in 2025 as compared to the prior year. This decrease was primarily due to the decrease in restructuring, integration and strategic initiatives of $8.3 million and a decrease in restaurant impairment charges of $3.6 million relating to under-performing Jack in the Box and Del Taco restaurants. These decreases were partially offset by increased costs of closed restaurants of $5.5 million, a reduction in gain on acquisition of restaurants of $2.7 million, as well as higher net loss on disposition of property and equipment of $2.0 million due to lower proceeds in connection with disposals. Refer also to Note 9, *Other Operating Expense, Net,* in the notes to the consolidated financial statements for additional information.

Gains on the Sale of Company-Operated Restaurants

In 2025, gains on the sale of company-operated restaurants totaled $3.2 million and were mainly related to the refranchising of 13 Del Taco restaurants. In the prior year, gains on the sale of company-operated restaurants totaled $3.3 million and were mainly related to the refranchising of 47 Del Taco restaurants. Refer to Note 4, *Summary of Refranchisings and Franchise Acquisitions,* of the notes to the consolidated financial statements for additional information.

Other Pension and Post-Retirement Expenses, Net

Our policy is to fund our pension plans at or above the minimum required by law. As of the date of our last actuarial funding valuation, there was $1.6 million minimum requirement. We do not anticipate making any contributions to our Qualified Plan in fiscal 2026. For additional information, refer to Note 12, *Retirement Plans*, of the notes to the consolidated financial statements.

Interest Expense, Net

Interest expense, net, is comprised of the following (*in thousands*):

	2025	2024
Interest expense	$ 80,606	$ 82,134
Interest income	(1,665)	(2,118)
Interest expense, net	$ 78,941	$ 80,016

Interest expense, net, decreased $1.1 million in 2025. Interest expense decreased by $1.5 million primarily due to lower average borrowings.

Income Taxes

For fiscal year 2025, the Company recorded an income tax benefit of $22.1 million resulting in an effective tax rate of 21.5%. The effective tax rate for such period was driven primarily by the impairment of non-deductible goodwill and non-deductible excess tax deficiency from share-based compensation arrangements, partially offset by non-taxable gains from the market performance of insurance products used to fund certain non-qualified retirement plans.

For fiscal year 2024, the Company recorded income tax expense of $32.4 million resulting in an effective tax rate of (748.9)%. The effective tax rate for such period differed from the U.S. statutory tax rate primarily due to the impact of non-deductible goodwill partially offset by the reversal of state deferred tax liabilities on basis difference of investments in subsidiaries and non-taxable gains from the market performance of insurance products used to fund certain non-qualified retirement plans.

On July 4, 2025, H.R.1 (the “One Big Beautiful Bill Act”) was enacted into law. The Company is continuing to evaluate the potential implications of the legislation. Based on its assessment for fiscal year 2025, the Company did not identify any material impacts to its provision for income taxes in the year of enactment.

LIQUIDITY AND CAPITAL RESOURCES

General

Our primary sources of short-term and long-term liquidity and capital resources are cash flows from operations and borrowings available under our credit facilities. Our cash requirements consist principally of working capital, general corporate needs, capital expenditures, income tax payments, debt service requirements, franchise tenant improvement allowance and incentive distributions and obligations related to our benefit plans. We generally use available cash flows from operations to invest in our business and service our debt obligations.

As of September 28, 2025, the Company had $81.8 million of cash and restricted cash on its consolidated balance sheet and available borrowings of $96.8 million under our $150.0 million Variable Funding Notes. The Company continually assesses the optimal sources and uses of cash for our business. We review our balance sheet for any undervalued assets and pursue opportunities for capital sources, including the sale of our owned properties and potential for refranchising.

Based upon current levels of operations and anticipated growth, we expect that cash flows from operations, combined with our securitized financing facility and revolving credit facility, will be sufficient to meet our capital expenditure, working capital and debt service requirements for at least the next twelve months and the foreseeable future.

Cash Flows

The table below summarizes our cash flows for each of the last two fiscal years (*in thousands*):

	2025	2024
Total cash provided by (used in):		
Operating activities	$ 162,358	$ 68,816
Investing activities	(74,686)	(69,371)
Financing activities	(60,026)	(131,185)
Net cash flows	$ 27,646	$ (131,740)

Operating Activities. Operating cash flows increased $93.5 million compared with a year ago. This increase is primarily due to favorable changes in working capital of $134.4 million, partially offset by lower net income, when adjusted for non-cash items, of $40.9 million. The change in working capital is primarily a result of $50.3 million paid in 2024 for fiscal 2023 income tax payment deferred in connection with the Southern California winter storm disaster area declaration, $35.0 million received in the current year in connection with a new supply chain contract, and $25.5 million paid in 2024 in connection with the Torrez settlement.

Investing Activities. Cash flows used in investing activities increased $5.3 million compared with a year ago. This increase was primarily due to a reduction in proceeds from the sale of company operated restaurants of $13.0 million and the acquisition of franchise operated restaurants of for $7.2 million, partially offset by a decrease in the purchase of assets intended for sale or leaseback of $15.5 million.

Capital Expenditures — The composition of capital expenditures in each fiscal year is summarized in the table below (*in thousands*):

	2025	2024
Restaurants:		
Remodel / refresh programs	$ 8,856	$ 11,027
New restaurants	23,996	24,721
Restaurant facility expenditures	14,218	18,972
Restaurant information technology	38,651	28,019
	85,721	82,739
Corporate Services:		
Information technology	2,109	7,976
Corporate facilities	393	462
	2,502	8,438
Total capital expenditures	$ 88,223	$ 91,177

In 2025, capital expenditures decreased by $3.0 million compared to a year ago, primarily due to a decrease in corporate technology spending of $5.9 million due to the completion of our new enterprise resource planning software implementation last year. Restaurant facility costs decreased $4.8 million related to lower volume of repair and improvement work versus prior year. Remodel project costs also decreased $2.2 million due to timing of ongoing remodel projects. These decreases were partially offset by an increase in restaurant information technology costs of $10.6 million related to the rollout of a new POS system for Jack in the Box company restaurants as well as investments in digital and other restaurant technology enhancements

Sale and Sale-leaseback Transactions — To optimize our balance sheet and capital structure, we use sales and leaseback financing and provide our franchisees the opportunity to purchase the property that we currently lease to them. There was a decrease in the purchases of Jack in the Box restaurant properties intended for sale or leaseback of $15.5 million in the current year. The Company generated proceeds of $19.9 million related to the sale of property and equipment. There were no sales-leaseback transactions in 2025.

Sale of Company-Operated Restaurants — The Company recorded proceeds of $6.4 million for the sale of company-operated restaurants to franchisees compared to proceeds of $19.4 million in 2024 due to fewer refranchising transactions in the current year. For further information, see Note 4, *Summary of Refranchising and Franchise Acquisition*, in the notes to the condensed consolidated financial statements.

Financing Activities. Cash flows used in financing activities decreased by $71.2 million compared with a year ago, primarily as a result of a $65.0 million decrease in share repurchases, a decrease in dividends paid of $17.4 million, partially offset by the change year-over-year in net borrowings on the revolving credit facilities of $12.0 million.

Repurchases of Common Stock — In fiscal 2025, the Company repurchased 0.1 million shares of its common stock for an aggregate cost of $5.0 million, including applicable excise tax.

Dividends — In fiscal 2025, the Board of Directors declared two quarterly cash dividends of $0.44 per share, totaling $16.7 million compared to total dividends of $34.2 million in 2024. As previously announced, the Company has discontinued its dividend.

Securitized Financing Facility — Jack in the Box Funding, LLC (the "Master Issuer"), a limited-purpose, bankruptcy-remote, wholly owned indirect subsidiary of the Company is the master issuer of outstanding senior secured notes under a securitized financing facility that was entered into in July 2019. In February 2022, the Master Issuer completed a refinancing transaction and issued $550.0 million of its Series 2022-1 3.445% Fixed Rate Senior Secured Notes, Class A-2-I (the "Class A-2-I Notes") and $550.0 million of its Series 2022-1 4.136% Fixed Rate Senior Secured Notes, Class A-2-II (the "Class A-2-II" and, together with the Class A-2-I Notes, the "2022 Notes"). The Anticipated Repayment Dates of the Class A-2-I Notes and the Class A-2-II Notes are February 2027 and February 2032, respectively, and the Anticipated Repayment Dates of the 2019-1 Class A-2-II Notes and the Class A-2-III Notes are August 2026 and August 2029, respectively. The legal final maturity date of the 2019 Notes and 2022 Notes is August 2049 and February 2052, respectively, but it is anticipated that, unless earlier prepaid to the extent permitted under the Indenture, the Notes will be repaid by the Anticipated Repayment Dates. If the Master Issuer has not repaid or refinanced the Notes prior to the respective Anticipated Repayment Dates, additional interest will accrue pursuant to the Indenture.

In 2022, the Company also entered into a revolving financing facility of Series 2022-1 Variable Funding Senior Secured Notes (the "Variable Funding Notes"), which permits borrowings up to a maximum of $150.0 million, subject to certain borrowing conditions, a portion of which may be used to issue letters of credit. As of September 28, 2025, we had no amounts outstanding and had available borrowing capacity of $96.8 million under our 2022 Variable Funding Notes, net of letters of credits issued of $53.2 million.

The quarterly principal payment on the Class A-2 Notes may be suspended when the specified leverage ratio, which is a measure of outstanding debt to earnings before interest, taxes, depreciation, and amortization, adjusted for certain items (as defined in the Indenture), is less than or equal to 5.0x. Exceeding the leverage ratio of 5.0x does not violate any covenant related to the Class A-2 Notes. Subsequent to closing the issuance of the 2022 Notes, the Company has had a leverage ratio of greater than 5.0x and, accordingly, the Company resumed making the scheduled amortization payments on its 2022 Notes and Series 2019-1 Notes.

Restricted Cash — In accordance with the terms of the Indenture, certain cash accounts have been established with the Indenture trustee for the benefit of the note holders and are restricted in their use. As of September 28, 2025, the Master Issuer had restricted cash of $30.3 million, which primarily represented cash collections and cash reserves held by the trustee to be used for payments of interest and commitment fees required for the Class A-2 Notes and Variable Funding Notes. As of September 28, 2025, we also had restricted cash of $2.0 million relating to an agreement for a financing structure with a technology partner to allow them to limit their exposure to risk, while they service the franchise-owned locations.

Covenants and Restrictions — The Notes are subject to a series of covenants and restrictions customary for transactions of this type, including (i) that the Master Issuer maintains specified reserve accounts to be used to make required payments in respect of the Notes, (ii) provisions relating to optional and mandatory prepayments and the related payment of specified amounts, including specified make-whole payments in the case of the Class A-2 Notes under certain circumstances, (iii) certain indemnification payments in the event, among other things, the assets pledged as collateral for the Notes are in stated ways defective or ineffective and (iv) covenants relating to recordkeeping, access to information and similar matters. The Notes are also subject to customary rapid amortization events provided for in the Indenture, including events tied to failure to maintain stated debt service coverage ratios, the sum of gross sales for specified restaurants being below certain levels on certain measurement dates, certain manager termination events, an event of default, and the failure to repay or refinance the Class A-2 Notes on the applicable scheduled maturity date. The Notes are also subject to certain customary events of default, including events relating to non-payment of required interest, principal, or other amounts due on or with respect to the Notes, failure to comply with covenants within certain time frames, certain bankruptcy events, breaches of specified representations and warranties, failure of security interests to be effective, and certain judgments. As of September 28, 2025, we were in compliance with all of our debt covenant requirements and were not subject to any rapid amortization events.

Contractual Obligations

Our cash requirements greater than twelve months from contractual obligations and commitments include:

Debt Obligations and Interest Payments — Refer to Note 7, *Indebtedness*, of the notes to the consolidated financial statements for further information of our obligations and the timing of expected payments.

Operating and Finance Leases — Refer to Note 8, *Leases,* of the notes to the consolidated financial statements for further information of our obligations and the timing of expected payments.

Purchase Commitments — Purchase obligations includes non-cancelable purchase commitments related to information technology agreements , food agreements and volume commitments for beverage products. Refer to Note 16, *Commitments and Contingencies*, for further detail of our obligations and the timing of expected future payments.

Benefit Obligations — Refer to Note 12, *Retirement Plans*, of the notes to the consolidated financial statements for further information regarding our obligations and the timing of expected payments under our non-qualified defined benefit plan and postretirement healthcare plans.

DISCUSSION OF CRITICAL ACCOUNTING ESTIMATES

We have identified the following as our most critical accounting estimates, which are those that are most important to the portrayal of the Company's financial condition and results, and that require management's most subjective and complex judgments. Information regarding our other significant accounting estimates and policies are disclosed in Note 1, *Nature of Operations and Summary of Significant Accounting Policies*, of the notes to the consolidated financial statements.

Long-Lived Assets — We review our long-lived assets, such as property and equipment and operating lease right-of-use assets, for impairment whenever events or changes in circumstances indicate that their carrying value may not be recoverable. Long-lived assets are grouped for recognition and measurement of impairment at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets. The impairment test for long-lived assets requires us to assess the recoverability of long-lived asset groups by comparing their net carrying value to the sum of undiscounted estimated future cash flows expected to be generated through leases and/or subleases or by our individual company-operated restaurants. If the carrying amount of a long-lived asset group exceeds the sum of related undiscounted future cash flows, we recognize an impairment loss by the amount that the carrying value of the assets exceeds fair value. Our estimates of cash flows used to assess impairment are subject to a high degree of judgment and may differ from actual cash flows due to, among other things, changes in our business plans, operating performance, and economic conditions.

Goodwill and Indefinite-Lived Intangible Assets — We evaluate goodwill and indefinite-lived intangibles for impairment in the third quarter of each year, or more frequently, if indicators of impairment are present. Goodwill is evaluated for impairment by determining whether the fair value of our reporting units exceed their carrying values. Our reporting units are our two restaurant brands, Jack in the Box and Del Taco.

Our impairment analyses first include a qualitative assessment to determine whether events or circumstances indicate that it is more likely than not that the fair value of the reporting unit is less than its carrying value. Significant factors considered in this assessment include, but are not limited to, macro-economic conditions, market and industry conditions, cost considerations, the competitive environment, share price fluctuations, overall financial performance, and results of past impairment tests. If the qualitative factors indicate that it is more likely than not that the fair value is less than the carrying value, we perform a quantitative impairment test.

In performing a quantitative test for impairment of goodwill, we use the income approach method of valuation that includes the discounted cash flow method and the market approach that includes the guideline public company method to determine the fair value of the reporting unit. Significant assumptions made by management to estimate fair value under the discounted cash flow method include future cash flow assumptions, which may differ from actual cash flows due to, among other things, economic conditions, or changes in operating performance. The discount rate is our estimate of the required rate of return that a third-party buyer would expect to receive when purchasing a business from us that constitutes a reporting unit. We believe the discount rate is commensurate with the risk and uncertainty inherent in the forecasted cash flows. Significant assumptions used to determine fair value under the guideline public company method include the selection of guideline companies and the valuation multiples applied.

In the process of a quantitative test, if necessary, of the Del Taco trademark intangible asset, we use the relief from royalty method under the income approach method of valuation. Significant assumptions used to determine fair value under the relief from royalty method include future trends in sales, a royalty rate, an estimated income tax rate, and a discount rate to be applied to the forecast revenue stream.

Self-Insurance — We are self-insured for a portion of our losses related to workers' compensation, general liability and other legal claims, and health benefits. In estimating our self-insurance accruals, we utilize independent actuarial estimates of expected losses and assumptions related to the loss development factors, which are based on statistical analysis of historical data. These assumptions are closely monitored and adjusted when warranted by changing circumstances. Should a greater number of claims occur compared to what was estimated, or should medical costs increase beyond what was expected, accruals might not be sufficient, and additional expense may be recorded.

NEW ACCOUNTING PRONOUNCEMENTS

See Note 1, *Nature of Operations and Summary of Significant Accounting Policies*, of the notes to the consolidated financial statements for a discussion of the impact of new accounting pronouncements on our consolidated financial statements.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest Rate Risk — We would be exposed to interest rate risk on borrowings under our $150.0 million Variable Funding Notes. As of September 28, 2025, we did not have any outstanding variable rate borrowings.

Commodity Price Risk —The Company is also exposed to the impact of commodity and utility price fluctuations. Many of the ingredients we use are commodities or ingredients that are affected by the price of other commodities, weather, seasonality, production, availability, and various other factors outside our control. In order to minimize the impact of fluctuations in price and availability, we monitor the primary commodities we purchase and may enter into purchasing contracts and pricing arrangements when considered to be advantageous. However, certain commodities remain subject to price fluctuations. We are exposed to the impact of utility price fluctuations related to unpredictable factors such as weather and various other market conditions outside our control. Our ability to recover increased costs for commodities and utilities through higher prices is limited by the competitive environment in which we operate.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The consolidated financial statements, related financial information, and the Report of Independent Registered Public Accounting Firm required to be filed are indexed on page F-1 and are incorporated herein.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

a. Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures

Based on an evaluation of the Company's disclosure controls and procedures (as defined in Rule 13(a)-15(e) of the Securities Exchange Act of 1934, as amended), as of the end of the Company's fiscal year ended September 28, 2025, the Company's Chief Executive Officer and Chief Financial Officer (its principal executive officer and principal financial officer, respectively) have concluded that the Company's disclosure controls and procedures were effective.

b. Changes in Internal Control Over Financial Reporting

There were no changes in the Company's internal control over financial reporting that occurred during the Company's fiscal quarter ended September 28, 2025 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

c. Management's Report on Internal Control Over Financial Reporting

Management, including our principal executive officer and principal financial officer, is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act). The Company's internal control over financial reporting is designed to provide reasonable assurance regarding the preparation and fair presentation of published financial statements in accordance with U.S. GAAP and includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect our transactions; (2) provide reasonable assurance that our transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made in accordance with appropriate authorizations; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of our assets that could have a material effect on our financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

Management, under the oversight of our principal executive officer, principal financial officer, and Audit Committee, assessed the effectiveness of the Company's internal control over financial reporting as of September 28, 2025. In making this assessment, management used the criteria set forth in 2013 by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in Internal Control-Integrated Framework. Management has concluded that, as of September 28, 2025, the Company's internal control over financial reporting was effective, at a reasonable assurance level, based on these criteria.

The Company's independent registered public accounting firm, KPMG LLP, has issued an audit report on the effectiveness of our internal control over financial reporting, which follows.

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors
Jack in the Box Inc.:

Opinion on Internal Control Over Financial Reporting

We have audited Jack in the Box Inc. and subsidiaries' (the Company) internal control over financial reporting as of September 28, 2025, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of September 28, 2025, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of September 28, 2025 and September 29, 2024, the related consolidated statements of operations, comprehensive (loss) income, cash flows and stockholders' deficit for each of the fifty-two week periods ended September 28, 2025, September 29, 2024 and October 1, 2023, and the related notes (collectively, the consolidated financial statements), and our report dated November 19, 2025 expressed an unqualified opinion on those consolidated financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ KPMG LLP
San Diego, California
November 19, 2025

ITEM 9B. OTHER INFORMATION

During the last fiscal quarter, no director or officer of the Company adopted or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408(a) of Regulation S-K.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

That portion of our definitive Proxy Statement appearing under the captions “Election of Directors,” “Director Qualifications and Biographical Information,” and “Committees of the Board” to be filed with the Commission pursuant to Regulation 14A within 120 days after September 28, 2025 and to be used in connection with our 2026 Annual Meeting of Stockholders is hereby incorporated by reference.

Information regarding our executive officers is set forth in Part I of this Report under the caption “Information about our Executive Officers.”

That portion of our definitive Proxy Statement appearing under the caption “Committees of the Board - Audit Committee,” relating to the members of the Company’s Audit Committee and the members of the Audit Committee who qualify as financial experts, is also incorporated herein by reference.

That portion of our definitive Proxy Statement appearing under the caption “Stockholder Recommendations and Board Nominations,” relating to the procedures by which stockholders may recommend candidates for director to the Nominating and Governance Committee of the Board of Directors, is also incorporated herein by reference.

We have adopted a Code of Ethics, which applies to all Jack in the Box Inc. directors, officers, and employees, including the Chief Executive Officer, Chief Financial Officer, Controller, and all of the financial team. The Code of Ethics is posted on the Company’s corporate website, www.jackintheboxinc.com (under the “Investors — Governance — Governance Documents — Code of Conduct” caption) and is available in print free of charge to any stockholder upon request. We intend to satisfy the disclosure requirement regarding any amendment to, or waiver of, a provision of the Code of Ethics for the Chief Executive Officer, Chief Financial Officer, and Controller or persons performing similar functions, by posting such information on our corporate website. No such waivers have been issued during fiscal 2025.

We have also adopted a set of Corporate Governance Principles and Practices for our Board of Directors and charters for all of our Board Committees, including the Audit, Compensation, and Nominating and Governance Committees. The Corporate Governance Principles and Practices and committee charters are available on our corporate website at www.jackintheboxinc.com and in print free of charge to any shareholder who requests them. Written requests for our Code of Business Conduct and Ethics, Corporate Governance Principles and Practices and committee charters should be addressed to Jack in the Box Inc., 9357 Spectrum Center Blvd., San Diego, California 92123, Attention: Corporate Secretary.

ITEM 11. EXECUTIVE COMPENSATION

That portion of our definitive Proxy Statement appearing under the caption “Executive Compensation,” “Director Compensation and Stock Ownership Requirements,” “Compensation Committee Interlocks and Insider Participation,” and “Compensation Committee Report” to be filed with the Commission pursuant to Regulation 14A within 120 days after September 28, 2025 and to be used in connection with our 2026 Annual Meeting of Stockholders is hereby incorporated by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

That portion of our definitive Proxy Statement appearing under the caption “Security Ownership of Certain Beneficial Owners and Management” to be filed with the Commission pursuant to Regulation 14A within 120 days after September 28, 2025 and to be used in connection with our 2026 Annual Meeting of Stockholders is hereby incorporated by reference. Information regarding equity compensation plans under which Company common stock may be issued as of September 28, 2025 is set forth in Item 5 of this Report.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

That portion of our definitive Proxy Statement appearing under the caption "Certain Relationships and Related Transactions" and "Directors' Independence," if any, to be filed with the Commission pursuant to Regulation 14A within 120 days after September 28, 2025 and to be used in connection with our 2026 Annual Meeting of Stockholders is hereby incorporated by reference.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

That portion of our definitive Proxy Statement appearing under the caption "Independent Registered Public Accountants Fees and Services" to be filed with the Commission pursuant to Regulation 14A within 120 days after September 28, 2025 and to be used in connection with our 2026 Annual Meeting of Stockholders is hereby incorporated by reference.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

ITEM 15(a) (1) Financial Statements. See Index to Consolidated Financial Statements on page F-1 of this Report.

ITEM 15(a) (2) Financial Statement Schedules. None.

ITEM 15(a) (3) Exhibits.

Number	Description	Form	Filed with SEC
2.1	Agreement and Plan of Merger, dated as of December 5, 2021, by and among Jack in the Box Inc, Epic Merger Sub Inc., and Del Taco Restaurants, Inc.[1]	8-K	12/6/2021
2.2	Stock Purchase Agreement, dated as of October 15, 2025, by and between Jack in the Box Inc., Yadav Enterprises, Inc. and Anil Yadav	8-K	10/16/2025
3.1	Certificate of Amendment of Restated Certificate of Incorporation dated September 21, 2007	8-K	9/24/2007
3.1.1	Restated Certificate of Incorporation, dated March 6, 1992	10-Q	5/14/2020
3.2	Amended and Restated Bylaws of Jack in the Box Inc., effective as of November 14, 2024	8-K	11/20/2024
4.1	Base Indenture, dated as of July 8, 2019, by and between Jack in the Box Funding, LLC, as Master Issuer, and Citibank, N.A., as Trustee and Securities Intermediary.	8-K	7/8/2019
4.2	Series 2019-1 Supplement to Base Indenture, dated as of July 8, 2019, by and between Jack in the Box Funding, LLC, as Master Issuer of the Series 2019-1 fixed rate senior secured notes, Class A-2, and Series 2019-1 variable funding senior notes, Class A-1, and Citibank, N.A., as Trustee and Series 2019-1 Securities Intermediary.	8-K	7/8/2019
4.3	Series 2022-1 Supplement to Base Indenture, dated as of February 11, 2022, by and between Jack in the Box Funding, LLC, as Master Issuer of the Series 2022-1 fixed rate senior secured notes, Class A-2, and Series 2022-1 variable funding senior notes, Class A-1, and Citibank, N.A., as Trustee and Series 2022-1 Securities Intermediary.	8-K	2/15/2022
4.4	First Supplement to the Base Indenture, dated as of February 11, 2022, by and between Jack in the Box Funding, LLC, as Master Issuer, and Citibank, N.A., as Trustee and Securities Intermediary.	8-K	2/15/2022
4.5	Stockholder Protection Rights Agreement, dated as of July 1, 2025, between the Company and Computershare Trust Company, N.A., as Rights Agent, including as Exhibit A the forms of Rights Certificate and of Election to Exercise and as Exhibit B the form of Certificate of Designation and Terms of the Participating Preferred Stock of the Company	8-K	7/1/2025
4.6	Amendment No. 1 to Stockholder Protection Rights Agreement, dated as of September 8, 2025, between the Company and Computershare Trust Company, N.A., as Rights Agent	8-K	9/8/2025

Number	Description	Form	Filed with SEC
10.1.20	Class A-1 Note Purchase Agreement, dated as of July 8, 2019, by and among Jack in the Box Funding, LLC, as Master Issuer, each of Different Rules, LLC, Jack in the Box Properties, LLC and Jack in the Box SPV Guarantor, LLC, as Guarantors, Jack in the Box Inc. as Manager, the conduit investors party thereto, the financial institutions party thereto, certain funding agents, and Coöperatieve Rabobank, U.A., New York Branch, as L/C Provider, Swingline Lender and Administrative Agent	8-K	7/8/2019
10.1.21	The Guarantee and Collateral Agreement, dated July 8, 2019, by and among Jack in the Box SPV Guarantor, LLC, Different Rules, LLC, and Jack in the Box Properties, LLC, each as a Guarantor and Citibank, N.A., as Trustee.	8-K	7/8/2019
10.1.22	Management Agreement, dated as of July 8, 2019, by and among Jack in the Box Funding, LLC, as Master Issuer, certain subsidiaries of Jack in the Box Funding, LLC party thereto, Jack in the Box Inc., as Manager, and Citibank, N.A., as Trustee.	8-K	7/8/2019
10.1.23	Voting Agreement, dated as of December 5, 2021, by and among Jack in the Box Inc., Belfer Investment Partners LP and Lime Partners LLC	8-K	12/6/2021
10.1.24	Voting Agreement, dated as of December 5, 2021, by and among Jack in the Box Inc., Levy Family Partners LLC, Lawrence F. Levy, Ari Levy and certain other Del Taco stockholders party thereto	8-K	12/6/2021
10.1.25	2022-1 Class A-2 Note Purchase Agreement, dated as of February 2, 2022, by and among Jack in the Box Inc., the subsidiaries of Jack in the Box Inc. party thereto and Guggenheim Securities, LLC acting on behalf of itself and as the representative of the initial purchasers.	8-K	2/3/2022
10.1.26	Class A-1 Note Purchase Agreement, dated as of February 11, 2022, by and among Jack in the Box Funding, LLC, as Master Issuer, each of Different Rules, LLC, Jack in the Box Properties, LLC and Jack in the Box SPV Guarantor, LLC, as Guarantors, Jack in the Box Inc. as Manager, the conduit investors party thereto, the financial institutions party thereto, certain funding agents, and Coöperatieve Rabobank U.A., New York Branch, as L/C Provider, Swingline Lender and Administrative Agent.	8-K	2/15/2022
10.1.27	First Amendment to the Management Agreement, dated as of February 11, 2022, by and among Jack in the Box Funding, LLC, as Master Issuer, certain subsidiaries of Jack in the Box Funding, LLC party thereto, Jack in the Box Inc., as Manager, and Citibank, N.A., as Trustee.	8-K	2/15/2022
10.1.28	Nomination and Cooperation Agreement, dated as of November 3, 2025, by and among the Company, GreenWood Investors, LLC and the entities listed on Schedule A thereto.	8-K	11/7/2025
10.2*	Form of Compensation and Benefits Assurance Agreement for Executives	10-Q	2/20/2008
10.2.1*	Form of Revised Compensation and Benefits Assurance Agreement for certain officers	10-Q	5/17/2012
10.2.2*	Form of Revised Compensation and Benefits Assurance Agreement for certain officers, dated May 8, 2014	10-K	11/21/2014
10.2.3*	Form of Revised Compensation and Benefits Assurance Agreement for certain officers, dated June 15, 2020	10-K	11/18/2020
10.2.20*	Offer Letter by and between Carl Mount and Jack in the Box Inc., dated July 18, 2024	10-K	11/20/2024
10.2.21*	Dean Gordon Consulting Services Agreement, dated August 5, 2024	10-K	11/20/2024
10.2.22*	Offer Letter by and between Lance Tucker and Jack in the Box Inc., dated November 6, 2024	8-K	11/12/2024
10.3*	Amended and Restated Supplemental Executive Retirement Plan	10-Q	2/18/2009
10.3.1 *	First Amendment to Jack in the Box Inc. Supplemental Executive Retirement Plan, As Amended and Restated Effective January 1, 2009	8-K	9/22/2015
10.4*	Amended and Restated Executive Deferred Compensation Plan	10-Q	2/18/2009
10.4.1 *	Jack in the Box Inc. Executive Deferred Compensation Plan, As Amended and Restated Effective January 1, 2016	8-K	9/22/2015
10.5*	Amended and Restated Deferred Compensation Plan for Non-Management Directors	10-K	11/22/2006
10.8*	Jack in the Box Inc. 2004 Stock Incentive Plan, Amended and Restated Effective February 17, 2012	DEF 14A	1/25/2017

Number	Description	Form	Filed with SEC
10.8.1*	Form of Restricted Stock Award for officers and certain members of management under the 2004 Stock Incentive Plan	10-Q	8/5/2009
10.8.2*	Jack in the Box Inc. Non-Employee Director Stock Option Award Agreement under the 2004 Stock Incentive Plan	8-K	11/15/2005
10.8.3*	Form of Restricted Stock Unit Award Agreement for Non-Employee Director under the 2004 Stock Incentive Plan	10-K	11/22/2022
10.8.4*	Form of Restricted Stock Unit Grant Agreement for Non-Employee Directors under the 2004 Stock Incentive Plan	10-Q	5/14/2015
10.8.5*	Form of Stock Option and Performance Share Awards Agreement under the 2004 Stock Incentive Plan	10-K	11/22/2013
10.8.6*	Form of Time-Vested Restricted Stock Unit Award Agreement under the 2004 Stock Incentive Plan	10-K	11/22/2013
10.8.7*	Form of Time-Vesting Restricted Stock Unit Award Agreement under the 2004 Stock Incentive Plan	10-Q	2/19/2015
10.8.8*	Form of Stock Option and Performance Share Award Agreement under the 2004 Stock Incentive Plan	10-Q	2/19/2015
10.8.9*	Form of Time-Vesting Restricted Stock Unit Award Agreement under the 2004 Stock Incentive Plan	10-Q	2/18/2016
10.8.10*	Form of Stock Option and Performance Share Award Agreement under the 2004 Stock Incentive Plan	10-Q	2/18/2016
10.8.11*	Form of Restricted Stock Unit Grant Agreement for Non-Employee Directors under the 2004 Stock Incentive Plan	10-Q	5/12/2016
10.8.12*	Form of Time-Vesting Restricted Stock Unit Award Agreement under the 2004 Stock Incentive Plan	10-Q	2/21/2019
10.8.13*	Jack in the Box Inc. Special Time-Vesting Restricted Stock Unit Award Agreement Under the 2004 Stock Incentive Plan	10-Q	2/20/2020
10.8.14*	Jack in the Box Inc. Performance Share Award Agreement under the 2004 Stock Incentive Plan	10-K	11/23/2021
10.8.15*	Jack in the Box Inc. Time-Vesting Restricted Stock Unit Award Agreement under the 2004 Stock Incentive Plan	10-K	11/23/2021
10.8.16*	Jack in the Box, Inc Omnibus Incentive Plan, dated March 3, 2023	10-Q	5/17/2023
10.8.17*	Restricted Stock Unit Award Grant Notice - Officer	10-Q	5/17/2023
10.8.18*	Restricted Stock Unit Award Grant Notice - Non-Officer	10-Q	5/17/2023
10.8.19*	Restricted Stock Unit Award Grant Notice - Director	10-Q	5/17/2023
10.8.20*	Performance Stock Unit Award Grant Notice - Officer	10-Q	5/17/2023
10.8.21*	Jack in the Box, Inc. 2023 Omnibus Incentive Plan - Option Grant Notice	10-Q	8/9/2023
10.10.2*	Jack in the Box Inc. Performance Incentive Plan, Effective February 13, 2016	DEF 14A	1/11/2016
10.11*	Form of Amended and Restated Indemnification Agreement between the registrant and individual directors, officers and key employees	10-Q	8/10/2012
19.1	Insider Trading Policy	10-K	11/20/24
21.1	Subsidiaries of the Registrant	_____	Filed herewith
23.1	Consent of Independent Registered Public Accounting Firm	_____	Filed herewith
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	_____	Filed herewith
31.2	Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	_____	Filed herewith
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	_____	Filed herewith
32.2	Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	_____	Filed herewith
97.1	Jack in the Box Inc. Incentive Compensation Recoupment Policy	10-K	11/21/2023
101.INS	iXBRL Instance Document		
101.SCH	iXBRL Taxonomy Extension Schema Document		
101.CAL	iXBRL Taxonomy Extension Calculation Linkbase Document		
101.DEF	iXBRL Taxonomy Extension Definition Linkbase Document		

Number	Description	Form	Filed with SEC
101.LAB	iXBRL Taxonomy Extension Label Linkbase Document		
101.PRE	iXBRL Taxonomy Extension Presentation Linkbase Document		
104	Cover Page Interactive Data File formatted in iXBRL		

* Management contract or compensatory plan

[1] Certain of the exhibits and schedules in this Exhibit have been omitted pursuant to Item 601(a)(5) and 601(b)(2) of Regulation S-K. The Company agrees to furnish supplementally a copy of any omitted exhibits and schedules to the Securities and Exchange Commission upon its request.

ITEM 15(b) All required exhibits are filed herein or incorporated by reference as described in Item 15(a)(3).

ITEM 15(c) All schedules have been omitted as the required information is inapplicable, immaterial or the information is presented in the consolidated financial statements or related notes.

ITEM 16. FORM 10-K SUMMARY

Not applicable.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

JACK IN THE BOX INC.

By: /s/ DAWN HOOPER

Dawn Hooper
Chief Financial Officer (principal financial officer)

November 19, 2025

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Each person whose signature appears below constitutes and appoints Lance Tucker and Dawn Hooper, jointly and severally, his or her attorneys-in-fact, each with the power of substitution, for him or her in any and all capacities, to sign any amendments to this report, and to file the same, with exhibits thereto and other documents in connection therewith with the Securities and Exchange Commission, hereby ratifying and confirming all that each of said attorneys-in-fact, or his substitute or substitutes may do or cause to be done by virtue hereof.

Signature	**Title**	**Date**
/s/ LANCE TUCKER Lance Tucker	Chief Executive Officer and Director (principal executive officer)	November 19, 2025
/s/ DAWN HOOPER Dawn Hooper	Chief Financial Officer (principal financial officer and principal accounting officer)	November 19, 2025
/s/ DAVID L. GOEBEL David L. Goebel	Director and Chairman of the Board	November 19, 2025
/s/ GUILLERMO DIAZ, JR. Guillermo Diaz, Jr.	Director	November 19, 2025
/s/ MADELEINE A. KLEINER Madeleine A. Kleiner	Director	November 19, 2025
/s/ ENRIQUE RAMIREZ MENA Enrique Ramirez Mena	Director	November 19, 2025
/s/ MICHAEL W. MURPHY Michael W. Murphy	Director	November 19, 2025
/s/ JAMES M. MYERS James M. Myers	Director	November 19, 2025
/s/ VIVIEN M. YEUNG Vivien M. Yeung	Director	November 19, 2025

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Schedules not filed: All schedules have been omitted as the required information is inapplicable, immaterial, or the information is presented in the consolidated financial statements or related notes.

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors
Jack in the Box Inc.:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Jack in the Box Inc. and subsidiaries (the Company) as of September 28, 2025 and September 29, 2024, the related consolidated statements of operations, comprehensive (loss) income, cash flows, and stockholders' deficit for each of the fifty-two week periods ended September 28, 2025, September 29, 2024 and October 1, 2023, and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of September 28, 2025 and September 29, 2024, and the results of its operations and its cash flows for each of the fifty-two week periods ended September 28, 2025, September 29, 2024 and October 1, 2023, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of September 28, 2025, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated November 19, 2025 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of a critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Valuation of goodwill and trademark related to the Del Taco reporting unit

As discussed in Notes 1 and 5 to the consolidated financial statements, goodwill and indefinite-lived intangible assets, which includes the Del Taco trademark, are evaluated for impairment annually during the third quarter of each year, and more frequently if events and circumstances warrant. Goodwill and trademark balances are evaluated for impairment by determining whether the fair value of the Company's reporting units or the fair value of the trademark, respectively, exceed their carrying values. During the second quarter of 2025, the Company identified triggering events that indicated the goodwill allocated to the Del Taco reporting unit might be impaired. As a result, the Company performed a quantitative test over the Del Taco reporting unit, noting the fair value of the reporting unit was less than the carrying value, which resulted in an impairment of the entire goodwill balance of $25.3 million. The Company also performed a quantitative analysis over the Del Taco trademark and as a result recorded impairment of $177.9 million. The valuation of the Del Taco reporting unit used a blended approach with a discounted cash flow analysis in conjunction with a market approach. The estimated fair value used in the assessment of the Del Taco trademark was determined using the relief from royalty method.

We identified the evaluation of the goodwill impairment analysis for the Del Taco reporting unit and the impairment analysis of the Del Taco trademark as a critical audit matter. Evaluating the key assumptions used to determine the estimated fair values of the reporting unit and trademark involved a high degree of subjective auditor judgment. Specifically, the revenue growth rate assumptions used in estimating the fair value of the Del Taco reporting unit and the brand royalty rate assumption used in estimating the fair value of the Del Taco trademark were challenging to evaluate as changes to these assumptions could have had a significant impact on the assessment of the impairment of goodwill and the trademark, respectively.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls related to the Company's goodwill and trademark impairment assessment processes, including controls over the revenue growth rate assumptions used in the projected financial information and the brand royalty rate assumption used in the relief from royalty method. We evaluated the reasonableness of the revenue growth rate assumptions for the Del Taco reporting unit by comparing them to industry reports and to historical revenue growth rate trends. In addition, we performed sensitivity analyses over such revenue growth rate assumptions to assess the impact changes to the assumptions could have had on the Company's fair value estimate. We involved valuation professionals with specialized skills and knowledge, who assisted in evaluating the brand royalty rate assumption for the Del Taco trademark by comparing the rate to other restaurant royalty.

/s/ KPMG LLP

We have served as the Company's auditor since 1986.

San Diego, California
November 19, 2025

JACK IN THE BOX INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(In thousands, except share and per share data)

	September 28, 2025	September 29, 2024
ASSETS		
Current assets:		
Cash	$ 51,531	$ 24,745
Restricted cash	30,282	29,422
Accounts and other receivables, net	90,311	83,567
Inventories	3,958	3,922
Prepaid expenses	15,826	13,126
Assets held for sale	18,329	16,493
Other current assets	10,135	10,002
Total current assets	220,372	181,277
Property and equipment, at cost:		
Land	82,008	93,950
Buildings	967,676	963,699
Restaurant and other equipment	225,102	171,436
Construction in progress	39,444	49,445
	1,314,230	1,278,530
Less accumulated depreciation and amortization	(870,622)	(848,491)
Property and equipment, net	443,608	430,039
Other assets:		
Operating lease right-of-use assets	1,371,454	1,410,083
Intangible assets, net	9,884	10,515
Trademarks	105,600	283,500
Goodwill	136,026	161,209
Deferred tax assets	41,268	—
Other assets, net	265,209	259,006
Total other assets	1,929,441	2,124,313
	$ 2,593,421	$ 2,735,629
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Current maturities of long-term debt	$ 29,489	$ 35,880
Current operating lease liabilities	159,267	162,017
Accounts payable	71,101	69,494
Accrued liabilities	170,766	166,868
Total current liabilities	430,623	434,259
Long-term liabilities:		
Long-term debt, net of current maturities	1,674,487	1,699,433
Long-term operating lease liabilities, net of current portion	1,259,577	1,286,415
Deferred tax liabilities	—	13,612
Other long-term liabilities	167,005	153,708
Total long-term liabilities	3,101,069	3,153,168
Stockholders' deficit:		
Preferred stock $0.01 par value, 15,000,000 shares authorized, none issued	—	—
Common stock $0.01 par value, 175,000,000 shares authorized, 83,012,784 and 82,825,851 issued, respectively	830	828
Capital in excess of par value	542,177	533,818
Retained earnings	1,769,205	1,866,660
Accumulated other comprehensive loss	(49,858)	(57,475)
Treasury stock, at cost, 64,120,270 and 63,996,399 shares, respectively	(3,200,625)	(3,195,629)
Total stockholders' deficit	(938,271)	(851,798)
	$ 2,593,421	$ 2,735,629

See accompanying notes to consolidated financial statements.

JACK IN THE BOX INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except per share data)

	Fiscal Year		
	2025	2024	2023
Revenues:			
Company restaurant sales	$ 627,344	$ 709,035	$ 846,278
Franchise rental revenues	368,643	375,428	364,591
Franchise royalties and other	232,820	238,170	240,515
Franchise contributions for advertising and other services	236,507	248,673	240,922
	1,465,314	1,571,306	1,692,306
Operating costs and expenses, net:			
Food and packaging	171,077	199,271	250,836
Payroll and employee benefits	222,155	238,047	274,598
Occupancy and other	129,188	139,305	163,273
Franchise occupancy expenses	254,387	245,379	229,602
Franchise support and other costs	18,997	17,281	12,328
Franchise advertising and other services expenses	243,580	259,131	253,533
Selling, general, and administrative expenses	149,635	143,233	172,872
Depreciation and amortization	58,314	59,776	62,287
Pre-opening costs	7,335	3,182	1,385
Impairment of goodwill and intangible assets	209,556	162,624	—
Other operating expense, net	22,403	24,796	10,837
Gains on the sale of company-operated restaurants	(3,243)	(3,255)	(17,998)
	1,483,384	1,488,770	1,413,553
(Loss) earnings from operations	(18,070)	82,536	278,753
Other pension and post-retirement expenses, net	5,814	6,843	6,967
Interest expense, net	78,941	80,016	82,446
(Loss) earnings before income taxes	(102,825)	(4,323)	189,340
Income tax (benefit) expense	(22,106)	32,372	58,514
Net (loss) earnings	$ (80,719)	$ (36,695)	$ 130,826
(Loss) earnings per share:			
Basic	$ (4.24)	$ (1.87)	$ 6.35
Diluted	$ (4.24)	$ (1.87)	$ 6.30
Cash dividends declared per common share	$ 0.88	$ 1.76	$ 1.76

See accompanying notes to consolidated financial statements.

JACK IN THE BOX INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME
(In thousands)

	Fiscal Year		
	2025	2024	2023
Net (loss) earnings	$ (80,719)	$ (36,695)	$ 130,826
Other comprehensive income:			
Actuarial gains (losses) arising during the period	7,705	(9,856)	823
Amortization of actuarial losses and prior service cost reclassified to earnings	2,628	2,135	2,154
	10,333	(7,721)	2,977
Tax effect	(2,716)	2,036	(785)
Other comprehensive income (loss), net of taxes	7,617	(5,685)	2,192
Comprehensive (loss) income	$ (73,102)	$ (42,380)	$ 133,018

See accompanying notes to consolidated financial statements.

JACK IN THE BOX INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Fiscal Year		
	2025	2024	2023
Cash flows from operating activities:			
Net (loss) earnings	$ (80,719)	$ (36,695)	$ 130,826
Adjustments to reconcile net (loss) earnings to net cash provided by operating activities:			
Depreciation and amortization	58,314	59,776	62,287
Amortization of franchise tenant improvement allowances and incentives	6,699	4,998	4,647
Deferred finance cost amortization	4,759	4,830	5,040
Excess tax deficiency from share-based compensation arrangements	1,568	51	71
Deferred income taxes	(57,705)	(10,812)	(11,989)
Share-based compensation expense	8,238	13,471	11,205
Pension and postretirement expense	5,814	6,843	6,967
Gains on cash surrender value of company-owned life insurance	(9,122)	(16,480)	(7,346)
Gains on the sale of company-operated restaurants	(3,243)	(3,255)	(17,998)
Gains on acquisition of restaurants	(6)	(2,702)	—
Losses (gains) on the disposition of property and equipment, net	2,161	185	(8,171)
Impairment charges and other	213,997	171,415	6,217
Changes in assets and liabilities, excluding acquisitions and dispositions:			
Accounts and other receivables	(4,188)	19,905	(4,048)
Inventories	(37)	(25)	1,367
Prepaid expenses and other current assets	(6,648)	(297)	(1,422)
Operating lease right-of-use assets and lease liabilities	2,750	22,705	2,364
Accounts payable	(1,784)	(15,404)	(1,692)
Accrued liabilities	10,448	(135,159)	47,459
Pension and postretirement contributions	(6,395)	(5,937)	(6,241)
Franchise tenant improvement allowance and incentive disbursements	(7,683)	(2,486)	(3,265)
Other	25,140	(6,111)	(1,272)
Cash flows provided by operating activities	162,358	68,816	215,006
Cash flows from investing activities:			
Purchases of property and equipment	(88,223)	(91,177)	(59,994)
Purchases of assets intended for sale or leaseback	(8,827)	(24,297)	(14,960)
Acquisition of franchise-operated restaurants	(7,193)	—	—
Proceeds from the sale and leaseback of assets	—	1,728	3,673
Proceeds from the sale of company-operated restaurants	6,384	19,400	85,221
Proceeds from the sale of property and equipment	19,870	24,975	25,214
Other	3,303	—	3,065
Cash flows (used in) provided by investing activities	(74,686)	(69,371)	42,219
Cash flows from financing activities:			
Borrowings on revolving credit facilities	—	6,000	—
Repayments of borrowings on revolving credit facilities	(6,000)	—	(50,000)
Principal repayments on debt	(29,861)	(29,892)	(30,109)
Dividends paid on common stock	(16,614)	(33,972)	(35,890)
Proceeds from issuance of common stock	2	2	263
Repurchases of common stock	(4,996)	(70,000)	(90,029)
Payroll tax payments for equity award issuances	(2,557)	(3,323)	(1,593)
Cash flows used in financing activities	(60,026)	(131,185)	(207,358)
Net increase (decrease) in cash and restricted cash	27,646	(131,740)	49,867
Cash and restricted cash at beginning of year	54,167	185,907	136,040
Cash and restricted cash at end of year	$ 81,813	$ 54,167	$ 185,907

See accompanying notes to consolidated financial statements.

JACK IN THE BOX INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIT
(Dollars in thousands)

	Number of Shares	Amount	Capital in Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock	Total
Balance at October 2, 2022	82,580,599	$ 826	$ 508,323	$ 1,842,947	$ (53,982)	$ (3,034,306)	$ (736,192)
Shares issued under stock plans, including tax benefit	65,215	—	263	—	—	—	263
Share-based compensation	—	—	11,205	—	—	—	11,205
Dividends declared	—	—	285	(36,175)	—	—	(35,890)
Purchases of treasury stock	—	—	—	—	—	(90,731)	(90,731)
Net earnings	—	—	—	130,826	—	—	130,826
Other comprehensive income	—	—	—	—	2,192	—	2,192
Balance at October 1, 2023	82,645,814	826	520,076	1,937,598	(51,790)	(3,125,037)	(718,327)
Shares issued under stock plans, including tax benefit	180,037	2	—	—	—	—	2
Share-based compensation	—	—	13,471	—	—	—	13,471
Dividends declared	—	—	271	(34,243)	—	—	(33,972)
Purchases of treasury stock	—	—	—	—	—	(70,592)	(70,592)
Net loss	—	—	—	(36,695)	—	—	(36,695)
Other comprehensive loss	—	—	—	—	(5,685)	—	(5,685)
Balance at September 29, 2024	82,825,851	828	533,818	1,866,660	(57,475)	(3,195,629)	(851,798)
Shares issued under stock plans, including tax benefit	186,933	2	—	—	—	—	2
Share-based compensation	—	—	8,238	—	—	—	8,238
Dividends declared	—	—	121	(16,736)	—	—	(16,615)
Purchases of treasury stock	—	—	—	—	—	(4,996)	(4,996)
Net loss	—	—	—	(80,719)	—	—	(80,719)
Other comprehensive income	—	—	—	—	7,617	—	7,617
Balance at September 28, 2025	83,012,784	$ 830	$ 542,177	$ 1,769,205	$ (49,858)	$ (3,200,625)	$ (938,271)

See accompanying notes to consolidated financial statements.

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of operations — Jack in the Box Inc. (the "Company"), together with its consolidated subsidiaries, develops, operates, and franchises quick-service restaurants under the Jack in the Box® and Del Taco® restaurant brands.

On March 8, 2022, the Company acquired Del Taco Restaurants, Inc. ("Del Taco") for cash according to the terms and conditions of the Agreement and Plan of Merger, dated as of December 5, 2021. Del Taco is a nationwide operator and franchisor of restaurants featuring fresh and fast Mexican and American inspired cuisines.

As of September 28, 2025, there were 150 company-operated and 1,986 franchise-operated Jack in the Box restaurants and 132 company-operated and 444 franchise-operated Del Taco restaurants.

References to the Company throughout these notes to the consolidated financial statements are made using the first-person notations of "we," "us," and "our."

Basis of presentation — The accompanying consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP") and the rules and regulations of the Securities and Exchange Commission ("SEC").

Reclassification — Certain amounts in the prior periods' financial statements and related footnote disclosures have been reclassified to conform to the current presentation with no impact on previously reported net income or stockholders' equity.

Fiscal year — The Company's fiscal year is the 52 or 53 weeks ending the Sunday closest to September 30. In fiscal 2023, Del Taco operated on a fiscal year ending the Tuesday closest to September 30. Beginning fiscal 2024, Del Taco's fiscal year shifted to align with Jack in the Box. As a result, Del Taco's fiscal 2024 results include two fewer days. Comparisons throughout these notes to the consolidated financial statements refer to the 52-week periods ended September 28, 2025, September 29, 2024, and October 1, 2023 for fiscal years 2025, 2024, and 2023.

Principles of consolidation — The accompanying consolidated financial statements include the accounts of Jack in the Box Inc. and its wholly-owned subsidiaries. All intercompany accounts and transactions have been eliminated upon consolidation.

Use of estimates — In preparing the consolidated financial statements in conformity with U.S. GAAP, management is required to make certain assumptions and estimates that affect reported amounts of assets, liabilities, revenues, expenses, and the disclosure of contingencies. In making these assumptions and estimates, management may from time to time seek advice and consider information provided by actuaries and other experts in a particular area. Actual amounts could differ materially from these estimates.

Restricted cash — In accordance with the terms of our securitized financing facility, certain cash balances are required to be held in trust. Such restricted cash primarily represents cash collections and cash reserves held by the trustee to be used for payments of quarterly interest and commitment fees required for the Class A-2 Notes and Variable Funding Notes. The Company also had restricted cash relating to an agreement for a financing structure with a technology partner to allow them to limit their exposure to risk, while they service the franchise-owned locations. As of September 28, 2025 and September 29, 2024, restricted cash balances were $30.3 million and $29.4 million, respectively.

Accounts and other receivables, net — Our accounts and other receivables, net is primarily comprised of receivables from franchisees, tenants, credit card processors, and insurance receivables. Franchisee receivables primarily include rents, property taxes, royalties, marketing, sourcing and technology support fees associated with lease and franchise agreements, and notes from certain of our franchisees. Tenant receivables relate to subleased properties where we are on the master lease agreement. We accrue interest on notes receivable based on the contractual terms.

The Company closely monitors the financial condition of our franchisees and estimates the allowance for credit losses based on the lifetime expected loss on receivables. These estimates are based on historical collection experience with our franchisees as well as other factors, including current market conditions and events. Credit quality is monitored through the timing of payments compared to predefined aging criteria and known facts regarding the financial condition of the franchisee or customer. Account balances are charged off against the allowance after recovery efforts have ceased. The Company's allowance for doubtful accounts has not historically been material. The following table summarizes the activity in our allowance for doubtful accounts (*in thousands*):

	2025	2024
Balance as of beginning of period	$ (4,512)	$ (4,146)
Provision for expected credit losses, net	(3,292)	(372)
Write-offs charged against the allowance	1,234	6
Balance as of end of period	$ (6,570)	$ (4,512)

Inventories — Our inventories consist principally of food, packaging, and supplies, and are valued at the lower of cost or market on a first-in, first-out basis.

Internal-use Software Costs — The Company capitalizes costs incurred to implement software solely for its internal use, including (i) hosted applications used to deliver the Company's support services, and (ii) certain implementation costs incurred in a hosting arrangement that is a service contract when the preliminary project stage is complete, management with the relevant authority authorizes and commits to the funding of the software project, and it is probable the project will be completed and used to perform the intended function. Software implementation costs are capitalized to either other current assets or other long-term assets on the Company's consolidated balance sheet and amortized over the estimated useful life of the developed software. Hosted software implementation costs capitalized were $11.0 million and $11.1 million as of the end of fiscal year 2025 and 2024, respectively. Related amortization expense for software implementation costs was $2.4 million, $4.5 million and $5.0 million during fiscal years 2025, 2024 and 2023, respectively.

Assets held for sale — Our assets held for sale typically includes property and restaurants we plan to sell within the next year, including amounts relating to i) company-owned restaurants to be refranchised, ii) operating restaurant properties which we intend to sell to franchisees and/or sell and leaseback with a third party, and iii) closed restaurant properties which we are marketing for sale. If the determination is made that we no longer expect to sell an asset within the next year, the asset is reclassified out of assets held for sale and back into property and equipment, net. Long-lived assets that meet the held for sale criteria are reported at the lower of their carrying value or fair value, less estimated costs to sell.

Property and equipment, net — Expenditures for new facilities and equipment, and those that substantially increase the useful lives of the property, are capitalized. Facilities leased under finance leases are stated at the present value of minimum lease payments at the beginning of the lease term, not to exceed fair value. Maintenance and repairs are expensed as incurred. When property and equipment are retired or otherwise disposed of, the related cost and accumulated depreciation are removed from the accounts, and gains or losses on the dispositions are included in "Other operating expense, net" in the accompanying consolidated statements of earnings.

Buildings, equipment, and leasehold improvements are generally depreciated using the straight-line method based on the estimated useful lives of the assets, over the initial lease term for certain assets acquired in conjunction with the lease commencement for leased properties, or the remaining lease term for certain assets acquired after the commencement of the lease for leased properties. In certain situations, one or more option periods may be used in determining the depreciable life of assets related to leased properties if we deem that an economic penalty would be incurred otherwise. In either circumstance, our policy requires lease term consistency when calculating the depreciation period, in classifying the lease and in computing straight-line rent expense. Building, leasehold improvement assets and equipment are assigned lives that range from 1 to 35 years. Depreciation expense related to property and equipment was $57.8 million, $59.2 million, and $61.7 million in fiscal year 2025, 2024, and 2023, respectively.

Impairment of long-lived assets — We evaluate long-lived assets, such as property and equipment and operating lease right-of-use assets, for impairment whenever events or changes in circumstances indicate that their carrying value may not be recoverable. Long-lived assets are grouped for recognition and measurement of impairment at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets. The impairment test for long-lived assets requires us to assess the recoverability of long-lived assets by comparing their net carrying value to the sum of undiscounted estimated future cash flows directly associated with and arising from our use and eventual disposition of the assets. If the carrying amount of a long-lived asset group exceeds the sum of related undiscounted future cash flows, we recognize an impairment loss by the amount that the carrying value of the assets exceeds fair value. Refer to Note 9, *Other Operating Expense, Net*, for additional information.

Goodwill and trademarks — Goodwill is the excess of the purchase price over the fair value of identifiable net assets acquired, if any. We generally record goodwill in connection with the acquisition of restaurants from franchisees or the acquisition of another business. Likewise, upon the sale of restaurants to franchisees, goodwill is decremented. The amount of goodwill written-off is determined as the fair value of the business disposed of as a percentage of the fair value of the reporting unit retained. If the business disposed of was never fully integrated into the reporting unit after its acquisition, and thus the benefits of the acquired goodwill were never realized, the current carrying amount of the acquired goodwill is written off. Goodwill is not amortized and has been assigned to reporting units for purposes of impairment testing. Our two restaurant brands, Jack in the Box and Del Taco, are both operating segments and reporting units.

Goodwill is evaluated for impairment annually during the third quarter of each year, or more frequently if indicators of impairment are present. We first assess qualitative factors to determine whether the existence of events or circumstances lead to a determination that it is more likely than not that the fair value of a reporting unit or indefinite-lived asset is less than its carrying amount. If the qualitative factors indicate that it is more likely than not that the fair value is less than the carrying amount, we perform a single-step impairment test. To perform our impairment analysis, we estimate the fair value of the reporting unit and compare it to the carrying value. If the carrying value exceeds the fair value, an impairment loss is recognized equal to the excess.

We evaluate our indefinite-lived intangible assets for impairment on an annual basis or more often if an event occurs or circumstances change that indicate impairments might exist. We perform our annual test for impairment of our indefinite-lived intangible assets during the third quarter. We may elect to perform a qualitative assessment to determine whether it is more likely than not that the fair value of an indefinite-lived intangible asset is greater than its carrying value. If a qualitative assessment is not performed, or if as a result of a qualitative assessment it is not more likely than not that the fair value of an indefinite-lived intangible asset exceeds its carrying value, then the asset's fair value is compared to its carrying value. Fair value is an estimate of the price a willing buyer would pay for the intangible asset and is estimated by discounting the expected future after-tax cash flows associated with the intangible asset.

During the second quarter of 2025, we performed quantitative tests over the Del Taco reporting unit noting that the fair value of the reporting unit was less than the carrying value, which resulted in an impairment of goodwill. Refer also to Note 5, *Goodwill and Intangible Assets,* in the notes to the consolidated financial statements for additional information.

Intangible assets, net — Intangible assets primarily include franchise contracts, reacquired franchise rights and sublease assets. Franchise contracts, which represent the fair value of franchise agreements based on the projected royalty revenue stream as of the acquisition date, are amortized on a straight-line basis to “Depreciation and amortization” in the consolidated statements of earnings over the remaining term of the franchise agreements. Reacquired franchise rights are recorded in connection with our acquisition of franchised restaurants and are amortized on a straight-line basis to “Depreciation and amortization” in the consolidated statements of earnings over the term of the former franchise agreement. Sublease assets, which represent subleases with stated rent above comparable market rents as of the acquisition date, are amortized on a straight-line basis to “Franchise rental revenues” in the consolidated statements of earnings over the term of the related sublease.

Company-owned life insurance — We have purchased company-owned life insurance (“COLI”) policies to support our non-qualified benefit plans. The cash surrender values of these policies were $135.5 million and $129.7 million as of September 28, 2025 and September 29, 2024, respectively, and are included in “Other assets, net”, in the accompanying consolidated balance sheets. Changes in cash surrender values are included in “Selling, general and administrative expenses” in the accompanying consolidated statements of earnings. These policies reside in an umbrella trust for use only to pay plan benefits to participants or to pay creditors if the Company becomes insolvent.

Leases — We evaluate the contracts entered into by the Company to determine whether such contracts contain leases. A contract contains a lease if the contract conveys the right to control the use of identified property, plant, and equipment for a period of time in exchange for consideration. At commencement, contracts containing a lease are further evaluated for classification as an operating or finance lease where the Company is a lessee, or as an operating, sales-type, or direct financing lease where the Company is a lessor, based on their terms.

The lease term and incremental borrowing rate for each lease requires judgment by management and can impact the classification of our leases as well as the value of our lease assets and liabilities. When determining the lease term, we consider option periods available, and include option periods in the measurement of the lease right-of-use (“ROU”) asset and lease liability where the exercise is reasonably certain to occur. As our leases do not provide an implicit discount rate, we have determined it is appropriate to use our estimated collateralized incremental borrowing rate, based on the yield curve for the respective lease terms, in calculating our lease liabilities.

Revenue recognition — "Company restaurant sales" include revenue recognized upon delivery of food and beverages to the customer at company-operated restaurants, which is when our obligation to perform is satisfied. Company restaurant sales exclude taxes collected from the Company's customers. Gift cards, upon customer purchase, are recorded as deferred income and are recognized in revenue as they are redeemed.

The Company operates loyalty programs in which members earn points primarily for food purchases. Points can then be redeemed for special reward offers. The Company allocates the consideration received on loyalty orders between the food purchased and the loyalty points earned, taking into consideration the expected redemption rate of loyalty points. The consideration allocated to the food is recognized as revenue at the time of sale. The consideration allocated to the loyalty points earned is deferred until the loyalty points are redeemed or expire.

"Franchise rental revenues" received from franchised restaurants based on fixed rental payments are recognized as revenue over the term of the lease. Rental revenue from properties owned and leased by the Company and leased or subleased to franchisees is recognized on a straight-line basis over the respective term of the lease. Certain franchise rents, which are contingent upon sales levels, are recognized in the period in which the contingency is met.

"Franchise royalties and other" primarily includes royalties and franchise fees received from our franchisees. Royalties are based upon a percentage of sales of the franchised restaurant and are recognized as earned. Franchise royalties are billed on a monthly basis. Franchise fees when a new restaurant opens or at the start of a new franchise term are recorded as deferred revenue when received and recognized as revenue over the term of the franchise agreement.

"Franchise contributions for advertising and other services" includes franchisee contributions to our marketing funds billed on a monthly basis and sourcing and technology fees, as required under the franchise agreements. Contributions to our marketing funds are based on a percentage of sales and recognized as earned. Sourcing and technology services are recognized when the goods or services are transferred to the franchisee.

Gift cards — We sell gift cards to our customers in our restaurants and through selected third parties. The gift cards sold to our customers have no stated expiration dates and are subject to actual or potential escheatment rights in several of the jurisdictions in which we operate. We recognize income from gift cards when redeemed by the customer. Deferred gift card income totaled $2.8 million and $2.7 million as of September 28, 2025 and September 29, 2024, respectively, and are included in "Accrued liabilities" in the accompanying consolidated balance sheets.

While we will continue to honor all gift cards presented for payment, we may determine the likelihood of redemption to be remote for certain card balances due to, among other things, long periods of inactivity. In these circumstances, to the extent we determine there is no requirement for remitting balances to government agencies under unclaimed property laws, card balances may be recognized as income in our consolidated statements of operations. Amounts recognized on unredeemed gift card balances were $0.6 million, $0.8 million, and $1.6 million in fiscal 2025, 2024, and 2023, respectively.

Pre-opening costs — Pre-opening costs associated with the opening of a new restaurant or the remodeling of an existing restaurant consist primarily of property rent and employee training costs. Pre-opening costs associated with the opening of a restaurant that was closed upon acquisition consist of labor costs, maintenance and repair costs, and property rent.

Self-insurance — We are self-insured for a portion of our workers' compensation, general liability, employee medical and dental, and automotive claims. We utilize a paid-loss plan for our workers' compensation, general liability, and automotive programs, which have predetermined loss limits per occurrence and in the aggregate. We establish our undiscounted insurance liability and reserves using independent actuarial estimates of expected losses based on a statistical analysis of historical claims data. As of September 28, 2025 and September 29, 2024, our estimated self-insurance liability was $28.1 million and $27.9 million, respectively, and is included in "Accrued liabilities" in the accompanying consolidated balance sheets.

Advertising costs — We administer marketing funds at each of our restaurant brands that include contractual contributions. In 2025, 2024 and 2023, marketing fund contributions from Jack in the Box franchise and company-operated restaurants were approximately 5.0% of sales. In 2025, 2024, and 2023, marketing fund contributions from Del Taco franchise and company-operated restaurants were approximately 4.0% of sales.

Production costs of commercials, programming, and other marketing activities are charged to the marketing funds when the advertising is first used for its intended purpose, and the costs of advertising are charged to operations as incurred. When contributions to the marketing fund exceed the related advertising expenses, advertising costs are accrued up to the amount of revenues on an annual basis since we are contractually obligated to spend these funds. When advertising costs are greater than the contributions to the marketing fund resulting in a deficit, the excess costs are covered by marketing fund contributions in the following year. As of September 28, 2025, and September 29, 2024, the Jack in the Box marketing fund ended the year with a $0.2 million deficit, and an $0.8 million surplus, respectively. As of September 28, 2025, and September 29, 2024, the Del Taco marketing fund ended the year with a $0.3 million surplus, and a $0.8 million deficit, respectively. In 2025, 2024, and 2023, incremental contributions to the marketing fund were $6.3 million, $0.5 million, and $0.2 million. Total contributions made by the Company, including incremental contributions and marketing fund deficits, if any, are included in “Selling, general, and administrative expenses” in the accompanying consolidated statements of earnings. In fiscal 2025, 2024, and 2023 consolidated advertising costs were $39.3 million, $35.0 million, and $38.9 million, respectively.

Share-based compensation — We account for our share-based compensation under the Financial Accounting Standards Board (“FASB”) authoritative guidance on stock compensation, which generally requires, among other things, that all employee share-based compensation be measured using a fair value method and that the resulting compensation cost be recognized in the financial statements. Compensation expense for our share-based compensation awards is generally recognized on a straight-line basis over the shorter of the vesting period or the period from the date of grant to the date the employee becomes eligible to retire. Refer to Note 13, *Share-Based Employee Compensation*, for additional information.

Income taxes — Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, as well as tax loss and credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. We recognize interest and, when applicable, penalties related to unrecognized tax benefits as a component of our income tax provision.

Authoritative guidance issued by the FASB prescribes a minimum probability threshold that a tax position must meet before a financial statement benefit is recognized. The minimum threshold is defined as a tax position that is more likely than not to be sustained upon examination by the applicable taxing authority, including resolution of any related appeals or litigation processes, based on the technical merits of the position. Refer to Note 11, *Income Taxes*, for additional information.

Contingencies — We recognize liabilities for contingencies when we have an exposure that indicates it is probable that an asset has been impaired or that a liability has been incurred and the amount of impairment or loss can be reasonably estimated. Our ultimate legal and financial liability with respect to such matters cannot be estimated with certainty and requires the use of estimates. When the reasonable estimate is a range, the recorded loss will be the best estimate within the range. We record legal settlement costs when those costs are probable and reasonably estimable. Refer to Note 16, *Commitments and Contingencies*, for additional information.

Business combinations — We account for acquisitions using the acquisition method of accounting. Accordingly, assets acquired and liabilities assumed are recorded at their estimated fair values at the acquisition date. The excess of purchase price over fair value of net assets acquired, including the amount assigned to identifiable intangible assets, is recorded as goodwill.

Recent accounting pronouncements — In November 2023, the FASB issued Accounting Standards Update (“ASU”) 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosure*, which updates reportable segment disclosure requirements. The ASU requires enhanced disclosures about significant segment expenses and information used to assess segment performance and is effective for fiscal years beginning after December 15, 2023 and interim periods within fiscal years beginning after December 15, 2024 with early adoption permitted. The Company adopted this pronouncement in Form 10-K for fiscal year ended September 28, 2025. Refer to Note 10, *Segment Reporting*, for additional information.

In December 2023, the FASB issued ASU 2023-09, I*ncome Taxes (Topic 740): Improvements to Income Tax Disclosures*, which requires disaggregated information about a reporting entity’s effective tax rate reconciliation as well as information on income taxes paid. The guidance is effective for fiscal years beginning after December 15, 2024, with early adoption permitted, and should be applied on a prospective basis with the option to apply the standard retrospectively. The Company does not expect this pronouncement to have a significant impact.

In November 2024, the FASB issued ASU 2024-03, *Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*. ASU 2024-03 requires public companies to disclose, in the notes to financial statements, specified information about certain costs and expenses at each interim and annual reporting period. Additionally, companies will need to disclose the total amount of selling expenses and, in annual reporting periods, an entity's definition of selling expenses. The FASB further clarified the effective date in January 2025 with the issuance of ASU 2025-01, *Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220 - 40): Clarifying the Effective Date*. This ASU is effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods within annual reporting periods beginning after December 15, 2027. Early adoption is permitted. ASU 2024-03 should be applied prospectively to financial statements issued for reporting periods beginning after the effective date but entities may elect to apply the ASU retrospectively to any or all prior periods presented in the financial statements. The Company is currently evaluating the impact of this guidance on its consolidated financial statements and related disclosures.

In July 2025, the FASB issued ASU 2025-05, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets*. This amendment introduces a practical expedient for the application of the current expected credit loss ("CECL") model to current accounts receivable and contract assets. The amendment is effective for annual and interim reporting periods beginning after December 15, 2025, on a prospective basis, with early adoption permitted. The Company is currently evaluating the impact of this guidance on its consolidated financial statements and related disclosures.

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 makes updates to increase the operability of the recognition guidance considering different methods of software development. The guidance is effective for fiscal years beginning after December 15, 2027, and interim reporting periods within those annual reporting periods, with early adoption permitted. The Company is currently evaluating the impact of this guidance on its consolidated financial statements and related disclosures.

2. REVENUE

Nature of products and services — We derive revenue from retail sales at Jack in the Box and Del Taco company-operated restaurants and rental revenue, royalties, advertising, and franchise and other fees from franchise-operated restaurants.

Our franchise arrangements generally provide for an initial franchise fee per restaurant for a 20-year term, and generally require that franchisees pay royalty and marketing fees based upon a percentage of gross sales. The agreements also require franchisees to pay technology fees, as well as sourcing fees for Jack in the Box franchise agreements.

Disaggregation of revenue — The following table disaggregates revenue by segment and primary source for the fiscal year ended September 28, 2025 *(in thousands)*:

	Jack in the Box	Del Taco	Total
Company restaurant sales	$ 416,716	$ 210,628	$ 627,344
Franchise rental revenues	332,735	35,908	368,643
Franchise royalties	189,646	32,372	222,018
Marketing fees	188,992	27,605	216,597
Technology and sourcing fees	17,208	2,702	19,910
Franchise fees and other services	8,670	2,132	10,802
Total revenue	$ 1,153,967	$ 311,347	$ 1,465,314

The following table disaggregates revenue by segment and primary source for the fiscal year ended September 29, 2024 *(in thousands)*:

	Jack in the Box	Del Taco	Total
Company restaurant sales	$ 427,057	$ 281,978	$ 709,035
Franchise rental revenues	347,227	28,201	375,428
Franchise royalties	198,377	31,714	230,091
Marketing fees	197,900	26,258	224,158
Technology and sourcing fees	19,857	4,658	24,515
Franchise fees and other services	7,002	1,077	8,079
Total revenue	$ 1,197,420	$ 373,886	$ 1,571,306

The following table disaggregates revenue by segment and primary source for the fiscal year ended October 1, 2023 *(in thousands)*:

	Jack in the Box	Del Taco	Total
Company restaurant sales	$ 413,748	$ 432,530	$ 846,278
Franchise rental revenues	351,283	13,308	364,591
Franchise royalties	207,064	25,669	232,733
Marketing fees	199,917	21,025	220,942
Technology and sourcing fees	16,073	3,907	19,980
Franchise fees and other services	7,226	556	7,782
Total revenue	$ 1,195,311	$ 496,995	$ 1,692,306

In October 2022, a Jack in the Box franchise operator paid the Company $7.3 million in order to sell his restaurants to a new franchisee at the current standard royalty rate, which is lower than the royalty rate in the existing franchise agreements. The payment represented the difference between the existing royalty rate and the new royalty rate based on projected future sales for the remaining term of the existing agreements. The payment was non-refundable and not subject to any adjustments based on actual future sales. The Company determined the transaction represented the termination of the existing agreement rather than the transfer of an agreement between franchisees. As such, the $7.3 million was recognized in franchise royalty revenue during the first quarter of 2023.

Contract liabilities — Our contract liabilities consist of deferred revenue resulting from initial fees received from franchisees for new restaurant openings or new franchise terms, which are generally recognized over the franchise term. We classify these contract liabilities within “Accrued liabilities” and “Other long-term liabilities” in our consolidated balance sheets.

A summary of significant changes in our contract liabilities is presented below *(in thousands)*:

	2025	2024
Deferred franchise and development fees at beginning of period	$ 51,990	$ 50,474
Revenue recognized during the period	(6,285)	(5,854)
Additions during the period	2,802	7,370
Deferred franchise and development fees at end of period	$ 48,507	$ 51,990

As of September 28, 2025, approximately $8.6 million of development fees related to unopened stores are included in deferred revenue. Timing of revenue recognition is dependent upon the timing of store openings and are recognized over the franchise term at the date of opening.

The following table reflects the estimated franchise fees to be recognized in the future related to performance obligations that are unsatisfied at the end of the period *(in thousands)*:

2026	$ 4,960
2027	4,652
2028	4,073
2029	3,481
2030	3,011
Thereafter	19,763
	$ 39,940

We have applied the optional exemption, as provided for under ASC Topic 606, *Revenue from Contracts with Customers*, which allows us to not disclose the transaction price allocated to unsatisfied performance obligations when the transaction price is a sales-based royalty.

3. ASSETS HELD FOR SALE

Assets held for sale — Assets classified as held for sale consisted of the following at each fiscal year-end (*in thousands*):

	2025	2024
Jack in the Box restaurant properties (1)	$ 12,743	$ 14,567
Other property and equipment (2)	5,586	199
Del Taco restaurants to be refranchised:		
Property and equipment	—	1,318
Goodwill	—	409
Assets held for sale	$ 18,329	$ 16,493

(1) Consists of properties that are currently leased to franchisees which we intend to sell the underlying real estate directly to the franchisee and/or sell and leaseback with a third party.
(2) Consists primarily of owned properties of closed restaurants which we are actively marketing for sale.

4. SUMMARY OF REFRANCHISING AND FRANCHISE ACQUISITION

Refranchising — The following table summarizes the number of restaurants sold to franchisees and gains recognized in each fiscal year (*dollars in thousands*):

	2025	2024	2023
Restaurants sold to Jack in the Box franchisees	1	—	5
Restaurants sold to Del Taco franchisees	13	47	111
Proceeds from the sale of company-operated restaurants (1)	6,384	$ 19,400	$ 85,221
Broker commissions	—	—	(1,614)
Net assets sold (primarily property and equipment)	(1,883)	(5,310)	(17,101)
Goodwill related to the sale of company-operated restaurants	(461)	(6,835)	(35,544)
Franchise fees	(364)	(1,266)	(3,086)
Sublease liabilities, net	—	(140)	(8,559)
Lease termination	(217)	(225)	(393)
Other (2)	(216)	(2,369)	(926)
Gains on the sale of company-operated restaurants	$ 3,243	$ 3,255	$ 17,998

(1) Amounts in 2025, 2024, and 2023 include additional proceeds of $0.7 million, $1.5 million, and $0.9 million, respectively, related to the extension of the underlying franchise and lease agreements from the sale of restaurants in prior years.
(2) Amount in 2024 is primarily comprised of a $2.2 million loss on sale of assets related to a Del Taco refranchising transaction that closed in the second quarter of 2024.

Franchise Acquisitions — In 2025, the Company acquired 18 Del Taco franchise restaurants for $7.2 million and recognized related goodwill of $6.3 million. In 2024, the Company acquired 10 Del Taco franchise restaurants as part of three separate transactions for total consideration of $86 thousand. Consideration was comprised of franchise receivables owed to the Company as of the acquisition date. There were no such acquisitions in 2023. We account for the acquisition of franchised restaurants using the acquisition method of accounting for business combinations. The purchase price allocations were based on fair value estimates determined using significant unobservable inputs (Level 3).

The following table provides detail of the combined acquisitions in the following periods (*dollars in thousands*):

	2025	2024
Restaurants acquired from Del Taco franchisees	18	10
Purchase price	7,193	86
Closing and acquisition costs	—	31
Property and equipment	(5,010)	(3,945)
Intangible assets	(165)	(167)
Operating lease right-of-use assets	(9,299)	(3,479)
Operating lease liability	13,607	4,772
Goodwill recorded on franchise acquisition	$ 6,326	$ —
Gain on the acquisition of franchise-operated restaurants (1)	$ (6)	$ (2,702)

(1) The gain on acquisition in 2025 relates to the Del Taco acquisition in 2024.

5. GOODWILL AND INTANGIBLE ASSETS

The changes in the carrying amount of goodwill during fiscal 2025 and 2024 were as follows (*in thousands*):

	Jack in the Box	Del Taco	Total
Goodwill	$ 136,027	$ 193,959	$ 329,986
Accumulated impairment losses	—	—	—
Balance at October 1, 2023	136,027	193,959	329,986
Impairment of goodwill	—	(162,624)	(162,624)
Sale of Del Taco company-operated restaurants to franchisees	—	(5,544)	(5,544)
Reclassified to assets held for sale	(200)	(409)	(609)
Goodwill	135,827	188,006	323,833
Accumulated impairment losses	—	(162,624)	(162,624)
Balance at September 29, 2024	135,827	25,382	161,209
Acquisition of Del Taco company-operated restaurants	—	6,326	6,326
Impairment of goodwill	—	(31,656)	(31,656)
Reclassified from (to) assets held for sale	199	(52)	147
Goodwill	136,026	194,280	330,306
Accumulated impairment losses	—	(194,280)	(194,280)
Balance at September 28, 2025	$ 136,026	$ —	$ 136,026

During the third quarter of the prior year, the Company identified triggering events that indicated the goodwill allocated to the Del Taco reporting unit might be impaired. The triggering events related to i) a recent negative trend in Del Taco same store sales, ii) lower margins due in part to lower sales and higher wages required in California effective April 1, 2024 under AB 1228 and iii) unfavorable changes in the economic environment specifically impacting our industry, including inflation and interest rates. As a result, the Company performed a quantitative test over the Del Taco reporting unit, noting that the fair value of the reporting unit was less than the carrying value, which resulted in an impairment of goodwill of $162.6 million.

In performing a quantitative test for impairment of goodwill for Del Taco, we use the income approach method of valuation that includes the discounted cash flow method and the market approach that includes the guideline public company method to determine the fair value of the reporting unit. Significant assumptions made by management to estimate fair value under the discounted cash flow method include future cash flow assumptions. The Company also performed a quantitative analysis over its indefinite-lived intangible trademark asset, as well as over its definite-lived intangible assets to determine whether any impairment would need to be recognized, noting none at that time.

During the second quarter of 2025, the Company identified additional triggering events that indicated the goodwill allocated to the Del Taco reporting unit might be further impaired, including i) continued negative trend in Del Taco same store sales, ii) unfavorable changes in the economic environment specifically impacting our industry, including inflation and interest rates, iii) the potential for a divestment of Del Taco, and iv) a sustained lower share price. As a result, the Company performed a quantitative test over the Del Taco reporting unit, noting that the fair value of the reporting unit was less than the carrying value, which resulted in an impairment of goodwill of $25.3 million for the second quarter of 2025. The valuation used a blended approach with a discounted cash flow analysis in conjunction with a market approach. Assumptions and estimates used in determining fair value include revenue growth rates, operating costs, new store openings, capital expenditures, a discount rate that approximates the Company’s weighted average cost of capital and a selection of comparable companies. The Company determined that there was no such triggering event for the Jack in the Box reporting unit.

As a result of the franchisee acquisition during the third quarter of 2025, the Company recognized additional goodwill of $6.3 million. This additional goodwill was fully impaired based on the results of the quantitative impairment analysis performed in the second quarter of 2025. The goodwill for the Del Taco reporting unit is fully impaired as of the end of 2025.

In connection with the goodwill analysis during the second quarter of 2025, and as a result of the triggering events noted above, the Company also performed a quantitative analysis over its indefinite-lived intangible trademark asset and as a result, the Company recorded impairment of $177.9 million on the Del Taco trademark asset as noted below. The Company uses a ‘relief from royalty’ method to value its trademark asset, which includes inputs such as systemwide sales, brand royalty rate, brand-related expenses, tax rate, discount rate and a long-term growth rate. During the third and fourth quarters of 2025, the Company performed a qualitative analysis over its indefinite-lived intangible trademark asset, noting no further impairment was deemed necessary.

The changes in the carrying amount of the Del Taco indefinite-lived trademark during the year-to-date period ended September 28, 2025 was as follows (*in thousands*):

Balance at September 29, 2024	$	283,500
Impairment of trademark		(177,900)
Balance at September 28, 2025	$	105,600

The net carrying amounts of intangible assets are as follows (*in thousands*):

	September 28, 2025						September 29, 2024					
	Gross Amount		Accumulated Amortization		Net Amount		Gross Amount		Accumulated Amortization		Net Amount	
Definite-lived intangible assets:												
Sublease assets	$	2,671	$	(861)	$	1,810	$	2,671	$	(620)	$	2,051
Franchise contracts		9,700		(1,928)		7,772		9,700		(1,389)		8,311
Reacquired franchise rights		629		(327)		302		464		(311)		153
	$	13,000	$	(3,116)	$	9,884	$	12,835	$	(2,320)	$	10,515

The following table summarizes, as of September 28, 2025, the estimated amortization expense for each of the next five fiscal years (*in thousands*):

2026	$ 798
2027	812
2028	761
2029	699
2030 and thereafter	6,814
Total	$ 9,884

6. FAIR VALUE MEASUREMENTS

Financial assets and liabilities — The following table presents the financial assets and liabilities measured at fair value on a recurring basis (*in thousands*):

	Total	Quoted Prices in Active Markets for Identical Assets (2) (Level 1)	Significant Other Observable Inputs (2) (Level 2)	Significant Unobservable Inputs (2) (Level 3)
Fair value measurements as of September 28, 2025:				
Non-qualified deferred compensation plan (1)	$ 18,326	$ 18,326	$ —	$ —
Total liabilities at fair value	$ 18,326	$ 18,326	$ —	$ —
Fair value measurements as of September 29, 2024:				
Non-qualified deferred compensation plan (1)	$ 18,481	$ 18,481	$ —	$ —
Total liabilities at fair value	$ 18,481	$ 18,481	$ —	$ —

(1) We maintain an unfunded defined contribution plan for key executives and other members of management. The fair value of this obligation is based on the closing market prices of the participants' elected investments. The obligation is included in "Accrued liabilities" and "Other long-term liabilities" on our consolidated balance sheets.

(2) We did not have any transfers in or out of Level 1, 2, or 3.

The following table presents the carrying value and estimated fair value of our Class A-2 Notes as of September 28, 2025 and September 29, 2024 (*in thousands*):

	September 28, 2025		September 29, 2024	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Series 2019 Class A-2 Notes	$ 692,375	$ 675,500	$ 699,625	$ 684,875
Series 2022 Class A-2 Notes	$ 1,023,000	$ 952,720	$ 1,045,000	$ 975,507

The fair value of the Class A-2 Notes was estimated using Level 2 inputs based on quoted market prices in markets that are not considered active markets. As of September 28, 2025, we had no amounts outstanding under our Variable Funding Notes.

Non-financial assets and liabilities — Our non-financial instruments, which primarily consist of property and equipment, operating lease right-of-use assets, goodwill, and intangible assets, are reported at carrying value and are not required to be measured at fair value on a recurring basis. However, on an annual basis, or whenever events or changes in circumstances indicate that their carrying value may not be recoverable, non-financial instruments are assessed for impairment. If applicable, the carrying values are written down to fair value.

In connection with our impairment reviews performed during 2025 and 2024, the Company impaired certain assets. For further information, see Note 4, *Summary of Refranchisings and Assets Held For Sale*, Note 5, *Goodwill and Intangible Assets, Net*, and Note 9, *Other Operating Expenses, Net* in the notes to the consolidated financial statements.

7. INDEBTEDNESS

The detail of our long-term debt at the end of each fiscal year is as follows (*in thousands*):

	September 28, 2025	September 29, 2024
Series 2019-1 4.476% Fixed Rate Class A-2-II Notes	$ 262,625	$ 265,375
Series 2019-1 4.970% Fixed Rate Class A-2-III Notes	429,750	434,250
Series 2022-1 3.445% Fixed Rate Class A-2-I Notes	511,500	522,500
Series 2022-1 4.136% Fixed Rate Class A-2-II Notes	511,500	522,500
Series 2022-1 Variable Funding Notes, variable interest rate of 6.788% at September 28, 2025	—	6,000
Finance lease obligations and other debt	491	913
Total debt	1,715,866	1,751,538
Less current maturities of long-term debt	(29,489)	(35,880)
Less unamortized debt issuance costs	(11,890)	(16,225)
Long-term debt	$ 1,674,487	$ 1,699,433

Securitization refinancing transaction — Jack in the Box Funding, LLC (the "Master Issuer"), a limited-purpose, bankruptcy-remote, wholly owned indirect subsidiary of the Company is the master issuer of outstanding senior secured notes under a securitized financing facility that was entered into in July 2019. In February 2022, the Master Issuer completed a refinancing transaction and issued $550.0 million of its Series 2022-1 3.445% Fixed Rate Senior Secured Notes, Class A-2-I (the "Class A-2-I Notes") and $550.0 million of its Series 2022-1 4.136% Fixed Rate Senior Secured Notes, Class A-2-II (the "Class A-2-II" and, together with the Class A-2-I Notes, the "2022 Notes"). Interest payments on the 2022 Notes are payable on a quarterly basis. The Anticipated Repayment Dates of the Class A-2-I Notes and the Class A-2-II Notes are February 2027 and February 2032, respectively, and the Anticipated Repayment Dates of the 2019-1 Class A-2-II Notes and the Class A-2-III Notes are August 2026 and August 2029, respectively. The legal final maturity date of the 2019 Notes and 2022 Notes is August 2049 and February 2052, respectively, but it is anticipated that, unless earlier prepaid to the extent permitted under the Indenture, the Notes will be repaid by the Anticipated Repayment Dates. If the Master Issuer has not repaid or refinanced the Notes prior to the respective Anticipated Repayment Dates, additional interest will accrue pursuant to the Indenture.

The Company also entered into a revolving financing facility of Series 2022-1 Variable Funding Senior Secured Notes (the "Variable Funding Notes"), which permits borrowings up to a maximum of $150.0 million, subject to certain borrowing conditions, a portion of which may be used to issue letters of credit. As of September 28, 2025, we did not have any outstanding borrowings and had available borrowing capacity of $96.8 million, net of letters of credits issued of $53.2 million.

The net proceeds of the sale of the 2022 Notes were used to repay in full of $570.7 million in aggregate outstanding principal amount of the Company's Series 2019-1 Class A-2-I Notes, together with the applicable make-whole premium and unpaid interest, and was used to fund a portion of the Company's acquisition of Del Taco. As a result, the Company recorded a loss on early extinguishment of debt of $5.6 million during the second quarter of 2022, which was comprised of the write-off of certain deferred financing costs and a specified make-whole premium payment, and is presented in "Interest expense, net" in the consolidated statement of operations. Additionally, in connection with the 2022 Notes, the Company capitalized $17.4 million of debt issuance costs, which are being amortized into interest expense over the Anticipated Repayment Dates, utilizing the effective interest rate method. The costs related to our Variable Funding Notes are presented within "Other assets, net" and are being amortized over the Anticipated Repayment Dates using the straight-line method. The costs related to our Variable Funding Notes are presented within "Other assets, net" and are being amortized over the Anticipated Repayment Date of February 2027 using the straight-line method. As of September 28, 2025, the effective interest rates, including the amortization of debt issuance costs, were 4.851%, 5.258%, 3.796%, and 4.347% for the Series 2019-1 Class A-2-II Notes, Series 2019-1 Class A-2-III Notes, Series 2022-1 Class A-2-I Notes, and Series 2022-1 Class A-2-II Notes, respectively.

The 2022 Notes were issued in a privately placed securitization transaction pursuant to which certain of the Company's revenue-generating assets, consisting principally of franchise-related agreements, real estate assets, and intellectual property and license agreements for the use of intellectual property, are held by the Master Issuer and certain other limited-purpose, bankruptcy remote, wholly owned indirect subsidiaries of the Company that act as Guarantors of the Notes and that have pledged substantially all of their assets, excluding certain real estate assets and subject to certain limitations, to secure the Notes. The 2022 Notes are subject to the same covenants and restrictions as the Series 2019-1 Notes.

The quarterly principal payment on the Class A-2 Notes may be suspended when the specified leverage ratio, which is a measure of outstanding debt to earnings before interest, taxes, depreciation, and amortization, adjusted for certain items (as defined in the Indenture), is less than or equal to 5.0x. Exceeding the leverage ratio of 5.0x does not violate any covenant related to the Class A-2 Notes. Subsequent to closing the issuance of the 2022 Notes, the Company has had a leverage ratio of greater than 5.0x and, accordingly, the Company is making the scheduled principal payments on its 2022 Notes and Series 2019-1 Notes.

Guarantees and collateral — Pursuant to the Guarantee and Collateral Agreement, dated July 8, 2019 (the "Guarantee and Collateral Agreement"), among the Guarantors, in favor of the trustee, the Guarantors guarantee the obligations of the Master Issuer under the Indenture and related documents and secure the guarantee by granting a security interest in substantially all of their assets. The Notes are secured by a security interest in substantially all of the assets of the Master Issuer and the Guarantors (collectively, the "Securitization Entities"). The assets of the Securitization Entities include most of the revenue-generating assets of the Company and its subsidiaries, which principally consist of franchise-related agreements, certain company-operated restaurants, intellectual property and license agreements for the use of intellectual property. Upon certain trigger events, mortgages will be required to be prepared and recorded on the real estate assets.

Revolving credit facility — In 2022, Del Taco entered into a syndicated revolving credit facility with an aggregate principal amount of up to $75.0 million, which matured on February 28, 2025 and was not renewed.

Maturities of long-term debt — Assuming repayment by the Anticipated Repayment Dates and based on the leverage ratio as of September 28, 2025, principal payments on our long-term debt outstanding at September 28, 2025 for each of the next five fiscal years and thereafter are as follows (*in thousands*):

2026	$ 289,364
2027	516,034
2028	15,538
2029	427,292
2030	11,046
Thereafter	456,592
	$ 1,715,866

8. LEASES

Nature of leases — We own restaurant sites and we also lease restaurant sites from third parties. Some of these owned or leased sites are leased and/or subleased to franchisees. Initial terms of our real estate leases are generally 20 years, exclusive of options to renew, which are generally exercisable at our sole discretion for 1 to 20 years. In some instances, our leases have provisions for contingent rentals based upon a percentage of defined revenues. Many of our restaurants also have rent escalation clauses and require the payment of property taxes, insurance, and maintenance costs. Variable lease costs include contingent rent, cost-of-living index adjustments, and payments for additional rent such as real estate taxes, insurance, and common area maintenance, which are excluded from the measurement of the lease liability. We also lease certain restaurant and office equipment with initial terms generally ranging from 3 to 8 years. Our lease agreements do not contain any material residual value guarantees or material restrictive covenants.

As lessor, our leases and subleases primarily consist of restaurants that have been leased to franchisees subsequent to refranchising transactions. The lease descriptions, terms, variable lease payments and renewal options are generally the same as the lessee leases described above. Revenues from leasing arrangements with our franchisees are presented in "Franchise rental revenues" in the accompanying consolidated statements of earnings, and the related expenses are presented in "Franchise occupancy expenses."

Company as lessee — Leased assets and liabilities consisted of the following as of September 28, 2025 and September 29, 2024 *(in thousands)*:

	September 28, 2025	September 29, 2024
Assets:		
Operating lease ROU assets	$ 1,371,454	$ 1,410,083
Finance lease ROU assets (1)	126	416
Total ROU assets	$ 1,371,580	$ 1,410,499
Liabilities:		
Current operating lease liabilities	$ 159,267	$ 162,017
Current finance lease liabilities (2)	208	602
Long-term operating lease liabilities	1,259,577	1,286,415
Long-term finance lease liabilities (2)	—	—
Total lease liabilities	$ 1,419,052	$ 1,449,034

(1) Included in “Property and equipment, net” on our consolidated balance sheets.
(2) Included in “Current maturities of long-term debt” and “Long-term debt, net of current maturities” on our consolidated balance sheets.

The following table presents the components of our lease costs in fiscal 2025, 2024, and 2023 (*in thousands*):

	2025	2024	2023
Lease costs:			
Finance lease cost:			
Amortization of ROU assets (1)	$ 453	$ 492	$ 691
Interest on lease liabilities (2)	22	68	55
Operating lease cost (3)	244,644	243,488	240,153
Short-term lease cost (3)	529	195	730
Variable lease cost (3)(4)	55,751	51,374	50,448
	$ 301,399	$ 295,617	$ 292,077

(1) Included in “Depreciation and amortization” in our consolidated statements of earnings.
(2) Included in “Interest expense, net” in our consolidated statements of earnings.
(3) Operating lease, short-term and variable lease costs associated with franchisees and company-operated restaurants are included in “Franchise occupancy expenses” and “Occupancy and other,” respectively, in our consolidated statements of earnings. For our closed restaurants, these costs are included in “Other operating expense, net” and all other costs are included in “Selling, general and administrative expenses.”
(4) Includes $44.2 million, $41.0 million, and $39.9 million in 2025, 2024, and 2023, respectively, of property taxes and common area maintenance costs which are reimbursed by sub-lessees.

The following table presents supplemental information related to leases:

	September 28, 2025	September 29, 2024
Weighted-average remaining lease term (in years):		
Finance leases	0.2	0.8
Operating leases	11.2	11.1
Weighted-average discount rate:		
Finance leases	5.7 %	7.0 %
Operating leases	6.1 %	5.9 %

The following table presents as of September 28, 2025, the annual maturities of our lease liabilities (*in thousands*):

	Finance Leases	Operating Leases
Fiscal year:		
2026	$ 214	$ 238,490
2027	—	239,965
2028	—	197,994
2029	—	160,333
2030	—	151,714
Thereafter	—	1,027,497
Total future lease payments (1)	$ 214	$ 2,015,993
Less: imputed interest	(6)	(597,149)
Present value of lease liabilities	$ 208	$ 1,418,844
Less current portion	(208)	(159,267)
Long-term lease obligations	$ —	$ 1,259,577

(1) Total future lease payments include non-cancellable commitments of $0.2 million for finance leases and $1,303.7 million for operating leases.

Assets recorded under finance leases are included in property and equipment, and consisted of the following at each fiscal year-end (*in thousands*):

	2025	2024
Buildings	$ —	$ —
Equipment	5,549	6,003
Less accumulated amortization	(5,423)	(5,587)
	$ 126	$ 416

The following table includes supplemental cash flow and non-cash information related to our lessee leases (*in thousands*):

	2025	2024
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	$ 240,732	$ 218,916
Operating cash flows from financing leases	$ 22	$ 68
Financing cash flows from financing leases	$ 583	$ 617
Supplemental noncash information on lease liabilities arising from obtaining right-of-use assets:		
Right-of-use assets obtained in exchange for new operating lease obligations	$ 143,795	$ 191,923
Right-of-use assets obtained in exchange for new financing lease obligations	$ —	$ —

Sale and leaseback transactions — In fiscal 2025, there were no sale and leaseback transactions.

In fiscal 2024, we sold one restaurant property in a sale and leaseback transaction for net proceeds of $1.7 million, and recorded a total loss of less than $0.1 million. The lease has been accounted for as an operating lease and contains an initial term of 20 years.

In fiscal 2023, we sold one restaurant properties in sale and leaseback transactions for net proceeds of $3.7 million, and recorded total losses of $0.1 million. The leases have been accounted for as operating leases and contain initial terms of 16 years and 20 years.

Company as lessor — The following table presents rental income (*in thousands*):

	2025			2024		
	Owned Properties	Leased Properties	Total	Owned Properties	Leased Properties	Total
Operating lease income - franchise	$ 16,859	$ 245,062	$ 261,921	$ 18,301	$ 242,111	$ 260,412
Variable lease income - franchise	12,467	92,888	105,355	12,522	100,903	113,425
Amortization of sublease assets and liabilities, net	—	1,367	1,367	—	1,591	1,591
Franchise rental revenues	$ 29,326	$ 339,317	$ 368,643	$ 30,823	$ 344,605	$ 375,428
Operating lease income - closed restaurants and other (1)	$ 223	$ 8,147	$ 8,370	$ 31	$ 7,662	$ 7,693

(1) Primarily relates to closed restaurant properties included in "Other operating expense, net" in our consolidated statements of earnings.

The following table presents as of September 28, 2025, future minimum rental receipts for non-cancellable leases and subleases (*in thousands*):

	September 28, 2025
Fiscal year:	
2026	$ 260,867
2027	261,171
2028	216,010
2029	171,837
2030	165,455
Thereafter	1,128,479
Total minimum rental receipts	$ 2,203,819

Assets held for lease and included in property and equipment consisted of the following at each fiscal year-end (*in thousands*):

	September 28, 2025	September 29, 2024
Land	$ 66,796	$ 71,130
Buildings	789,797	763,697
Equipment	1,727	716
	858,320	835,543
Less accumulated depreciation	(704,564)	(669,459)
	$ 153,756	$ 166,084

9. OTHER OPERATING EXPENSE, NET

Other operating expense, net, in the accompanying consolidated statements of earnings is comprised of the following in each fiscal year (*in thousands*):

	2025	2024	2023
Restructuring, integration and strategic initiatives	$ 7,298	$ 15,631	$ 9,112
Costs of closed restaurants and other	8,467	2,975	4,786
Restaurant impairment charges	4,384	8,008	4,569
Accelerated depreciation	99	699	541
Gains on acquisition of restaurants	(6)	(2,702)	—
Losses (gains) on disposition of property and equipment, net	2,161	185	(8,171)
Other operating expenses, net	$ 22,403	$ 24,796	$ 10,837

Restructuring, integration and strategic initiatives — Costs incurred primarily relate to strategic consulting fees as well as severance, retention bonuses and technology integration from the initial acquisition and divestiture of Del Taco.

***Cost of closed restaurants* —** Cost of closed restaurants primarily include ongoing costs associated with closed restaurants and cancelled project costs.

***Restaurant impairment charges* —** In 2025, impairment charges included $1.9 million relating to under-performing Jack in the Box restaurants and $2.4 million relating to under-performing Del Taco restaurants. In 2024, impairment charges included $5.4 million relating to under-performing Jack in the Box restaurants and $2.6 million relating to underperforming Del Taco restaurants. In 2023, impairment charges included $4.4 million relating to under-performing Del Taco restaurants.

***Accelerated depreciation* —** When a long-lived asset will be replaced or otherwise disposed of prior to the end of its estimated useful life, the useful life of the asset is adjusted based on the estimated disposal date and accelerated depreciation is recognized. In 2025, 2024 and 2023, accelerated depreciation primarily related to facility improvements, restaurant remodels, and information technology assets.

***Gains on acquisition of restaurants* —** In 2024, gains primarily relate to the gains on acquisition of Del Taco restaurants. Refer also to Note 4, *Summary of Refranchisings and Franchise Acquisitions,* in the notes to the consolidated financial statements for results of these tests and for additional information.

***Losses (gains) on disposition of property and equipment, net* —** In 2025, losses primarily relate to the disposal of other property and equipment for Jack in the Box and Del Taco. In 2024, losses primarily relate to the disposal of other property and equipment for Del Taco, partially offset by gains primarily relating to the sale of Jack in the Box restaurant properties to franchisees who were leasing the properties from us prior to the sale. In 2023, gains primarily relate to the sale of Jack in the Box restaurant properties to franchisees who were leasing the properties from us prior to the sale.

10. SEGMENT REPORTING

The Company's principal business consists of developing, operating and franchising our Jack in the Box and Del Taco restaurant brands, each of which is considered a reportable operating segment. Our chief operating decision maker ("CODM") in 2025 is our Chief Executive Officer, Lance Tucker. Our segment reporting structure reflects the Company's current management structure, internal reporting method and financial information used in deciding how to allocate Company resources. Based upon certain quantitative thresholds, each operating segment is considered a reportable segment.

The Company measures and evaluates our segments based on segment revenues and segment profit (loss). The CODM reviews segment profits and significant expense categories to assess performance, identify trends or changes, and determine the proper allocation of resources. The reportable segments do not include an allocation of the costs related to shared service functions, such as accounting/finance, human resources, audit services, legal, tax and treasury. These costs are reflected in the caption "general and administrative and other unallocated" below.

Our measure of segment profit excludes general and administrative and other unallocated costs, depreciation and amortization, company-owned life insurance ("COLI") gains/ losses, impairment of goodwill and intangible assets, other operating expense (income), net, and gains on the sale of company-operated restaurants.

We do not evaluate, manage or measure performance of segments using asset values, pension or post-retirement expense, interest income and expense, or income tax information as they are not viewed by the Company as relevant to segment performance. Accordingly, this information by segment is not prepared or disclosed.

The following table provides information related to our operating segments in each period (*in thousands*):

	2025		
	Jack in the Box	Del Taco	Total
Revenues by segment	$ 1,153,967	$ 311,347	$ 1,465,314
Less:			
Food and packaging	116,472	54,605	171,077
Payroll and employee benefits	140,789	81,366	222,155
Occupancy and other operating costs	77,807	51,381	129,188
Other segment expense (1)	46,073	26,536	72,609
Franchise expenses	443,126	73,838	516,964
Segment profit (loss):	329,700	23,621	353,321
General and administrative and other unallocated			91,243
Depreciation and amortization			58,314
(Gain)/ loss on COLI			(6,882)
Impairment of goodwill and intangible assets			209,556
Other operating expense (income), net			22,403
Gains on the sale of company-operated restaurants			(3,243)
Other pension and post-retirement expenses, net			5,814
Interest expense, net			78,941
(Loss) earnings before income taxes			$ (102,825)

(1) Other segment expense represents selling, general, and administrative costs, pre-opening costs, and certain amortization expenses attributable to the identified operating segments.

	2024		
	Jack in the Box	Del Taco	Total
Revenues by segment	$ 1,197,420	$ 373,886	$ 1,571,306
Less:			
Food and packaging	126,064	73,207	199,271
Payroll and employee benefits	134,678	103,369	238,047
Occupancy and other operating costs	73,736	65,569	139,305
Other segment expense	32,385	28,416	60,801
Franchise expenses	455,625	66,166	521,791
Segment profit (loss):	374,932	37,159	412,091
General and administrative and other unallocated			100,004
Depreciation and amortization			59,776
(Gain)/ loss on COLI			(14,390)
Impairment of goodwill and intangible assets			162,624
Other operating expense (income), net			24,796
Gains on the sale of company-operated restaurants			(3,255)
Other pension and post-retirement expenses, net			6,843
Interest expense, net			80,016
(Loss) earnings before income taxes			$ (4,323)

	2023		
	Jack in the Box	Del Taco	Total
Revenues by segment	$ 1,195,311	$ 496,995	$ 1,692,306
Less:			
Food and packaging	130,905	119,931	250,836
Payroll and employee benefits	127,357	147,241	274,598
Occupancy and other operating costs	69,216	94,057	163,273
Other segment expense	30,757	40,535	71,292
Franchise expenses	454,390	41,073	495,463
Segment profit (loss):	382,686	54,158	436,844
General and administrative and other unallocated			108,918
Depreciation and amortization			62,287
(Gain)/ loss on COLI			(5,953)
Other operating expense (income), net			10,837
Gains on the sale of company-operated restaurants			(17,998)
Other pension and post-retirement expenses, net			6,967
Interest expense, net			82,446
(Loss) earnings before income taxes			$ 189,340

11. INCOME TAXES

Income taxes consist of the following in each fiscal year (*in thousands*):

	2025	2024	2023
Current:			
Federal	$ 25,760	$ 32,251	$ 53,229
State	9,839	10,933	17,274
	35,599	43,184	70,503
Deferred:			
Federal	(42,744)	(2,696)	(10,642)
State	(14,961)	(8,116)	(1,347)
	(57,705)	(10,812)	(11,989)
Income tax (benefit) expense from continuing operations	$ (22,106)	$ 32,372	$ 58,514

The expense (benefit) for income taxes differs from the amount computed by applying the U.S. federal statutory rate to pre-tax income (loss). The sources and tax effects of the differences are as follows (in thousands):

	2025		2024		2023	
Pre-tax (loss) income	$ (102,825)		$ (4,323)		$ 189,340	
Income tax at federal statutory rate	(21,593)	21.0 %	(908)	21.0 %	39,821	21.0 %
State income taxes, net of federal benefit	(5,450)	5.3 %	(233)	5.4 %	10,587	5.6 %
Stock-based compensation expense	1,568	(1.5)%	51	(1.2)%	71	— %
Tax credits, net of valuation allowance	(334)	0.3 %	(340)	7.9 %	(818)	(0.4)%
Nondeductible goodwill related to impairment	6,602	(6.4)%	35,075	(811.5)%	—	— %
Nondeductible goodwill related to the sale of company-operated restaurants	120	(0.1)%	1,787	(41.3)%	9,280	4.9 %
State audit accrual	(747)	0.7 %	—	— %	—	— %
Benefit related to COLIs	(2,271)	2.2 %	(4,703)	108.8 %	(1,947)	(1.0)%
Officers' compensation limitation	(333)	0.3 %	1,306	(30.2)%	1,188	0.6 %
Other, net	332	(0.3)%	337	(7.8)%	332	0.2 %
Effective tax rate	$ (22,106)	21.5 %	32,372	(748.9)%	58,514	30.9 %

The tax effects of temporary differences that give rise to significant portions of deferred tax assets and deferred tax liabilities at each fiscal year-end are presented below (*in thousands*):

	2025	2024
Deferred tax assets:		
Operating and finance lease liabilities	$ 372,538	$ 381,522
Deferred income	22,974	15,465
Accrued defined benefit pension and postretirement benefits	19,096	22,074
Accrued insurance	7,145	7,135
Share-based compensation	5,869	6,814
Deferred interest deduction	5,606	1,664
Accrued legal settlements	5,377	4,764
Property and equipment, net of impairment	4,107	5,847
Accrued incentive compensation	1,921	2,692
Other reserves and allowances	1,778	1,241
Accrued compensation expense	1,325	1,254
Capitalized research costs	1,152	1,443
Tax loss and tax credit carryforwards	398	387
Other, net	2,509	2,537
Total gross deferred tax assets	451,795	454,839
Valuation allowance	—	—
Total net deferred tax assets	451,795	454,839
Deferred tax liabilities:		
Operating and finance lease ROU assets	(367,274)	(378,531)
Intangible assets	(41,128)	(88,378)
Other	(2,125)	(1,542)
Total gross deferred tax liabilities	(410,527)	(468,451)
Net deferred tax assets (liabilities)	$ 41,268	$ (13,612)

Deferred tax assets as of September 28, 2025 include state gross net operating loss carryforwards of approximately $10.6 million, of which $8.6 million has an indefinite carryforward. The remainder will expire at various times between 2026 and 2042. The Company believes it is more likely than not that all deferred tax assets will be realized through future taxable income or alternative tax strategies.

The major jurisdictions in which the Company files income tax returns includes the United States and states in which we operate that impose an income tax. The federal statutes of limitations have not expired for fiscal year 2022 and forward. The statutes of limitations for California, which constitutes the Company's major state tax jurisdiction, have not expired for fiscal years 2021 and forward.

12. RETIREMENT PLANS

We sponsor programs that provide retirement benefits to our employees. These programs include defined contribution plans, defined benefit pension plans, and postretirement healthcare plans.

Defined contribution plans — We maintain a qualified savings plan pursuant to Section 401(k) of the Internal Revenue Code ("IRC") called the Jack in the Box Inc. Easy$aver Plus Plan. Previously, we also maintained the Del Taco Savings Plan which was merged into the Easy$aver Plus Plan effective January 1, 2024. The plan allows all employees who meet certain age and minimum service requirements to defer a percentage of their pay on a pre-tax basis. Our contributions under these plans were $3.4 million, $3.3 million, and $2.3 million in each fiscal years 2025, 2024 and 2023, respectively.

We also maintain an unfunded, non-qualified deferred compensation plan for key executives and other members of management whose compensation deferrals or company matching contributions to the qualified savings plan are limited due to IRC rules. Effective January 1, 2016, this non-qualified plan was amended to replace the company matching contribution with an annual restoration match that is intended to "restore" up to the full match for participants whose elective deferrals (and related company matching contributions) to the qualified savings plan were limited due to IRC rules. A participant's right to the Company restoration match vests immediately. This plan allows participants to defer up to 50% of their salary and 85% of their bonus, on a pre-tax basis. Our contributions under the non-qualified deferred compensation plan were $0.1 million in fiscal year 2025, $0.2 million in fiscal year 2024, and $0.1 million in fiscal year 2023.

Defined benefit pension plans — We sponsor two defined benefit pension plans, a "Qualified Plan" covering substantially all full-time employees hired prior to January 1, 2011, and an unfunded supplemental executive retirement plan ("SERP") which provides certain employees additional pension benefits and was closed to new participants effective January 1, 2007. In fiscal 2011, the Board of Directors approved changes to our Qualified Plan whereby participants no longer accrue benefits effective December 31, 2015. Benefits under both plans are based on the employees' years of service and compensation over defined periods of employment.

In the fourth quarter of fiscal 2023, the Company amended its Qualified Plan to purchase certain annuity contracts from a third-party company, relieving the Company of its related obligation for future payment (the "Annuity Purchase Agreement"). As a result of the Annuity Purchase Agreement, the Company's Qualified Plan paid $14.4 million from its plan assets to the third-party, thereby reducing the plan's pension benefit obligation ("PBO").

Postretirement healthcare plans — We also sponsor two healthcare plans, closed to new participants, that provide postretirement medical benefits to certain employees who have met minimum age and service requirements. The plans are contributory, with retiree contributions adjusted annually, and contain other cost-sharing features such as deductibles and coinsurance.

Obligations and funded status — The following table provides a reconciliation of the changes in benefit obligations, plan assets, and funded status of our retirement plans for each fiscal year (*in thousands*):

	Qualified Plan		SERP		Postretirement Health Plans	
	2025	2024	2025	2024	2025	2024
Change in benefit obligation:						
Obligation at beginning of year	$ 297,920	$ 266,345	$ 57,097	$ 53,513	$ 12,654	$ 11,891
Interest cost	14,825	15,791	2,778	3,188	615	711
Participant contributions	—	—	—	—	103	102
Actuarial (gain) loss	(17,080)	29,769	(3,572)	5,199	320	1,186
Benefits paid	(14,275)	(13,985)	(5,169)	(4,803)	(1,445)	(1,268)
Settlements and other	—	—	—	—	116	32
Obligation at end of year	$ 281,390	$ 297,920	$ 51,134	$ 57,097	$ 12,363	$ 12,654
Change in plan assets:						
Fair value at beginning of year	$ 302,439	$ 275,143	$ —	$ —	$ —	$ —
Actual return on plan assets	2,405	41,281	—	—	—	—
Participant contributions	—	—	—	—	103	102
Employer contributions	—	—	5,169	4,803	1,226	1,134
Benefits paid	(14,275)	(13,985)	(5,169)	(4,803)	(1,445)	(1,268)
Settlements and other	—	—	—	—	116	32
Fair value at end of year	$ 290,569	$ 302,439	$ —	$ —	$ —	$ —
Funded (unfunded) status at end of year	$ 9,179	$ 4,519	$ (51,134)	$ (57,097)	$ (12,363)	$ (12,654)
Amounts recognized on the balance sheet:						
Noncurrent assets	$ 9,179	$ 4,519	$ —	$ —	$ —	$ —
Current liabilities	—	—	(4,814)	(5,124)	(1,140)	(1,111)
Noncurrent liabilities	—	—	(46,320)	(51,973)	(11,223)	(11,543)
Total asset (liability) recognized	$ 9,179	$ 4,519	$ (51,134)	$ (57,097)	$ (12,363)	$ (12,654)
Amounts in AOCI not yet reflected in net periodic benefit cost:						
Unamortized actuarial loss (gain), net	$ 94,069	$ 100,938	$ 13,980	$ 18,542	$ (7,034)	$ (8,132)
Unamortized prior service cost	—	—	—	—	—	—
Total	$ 94,069	$ 100,938	$ 13,980	$ 18,542	$ (7,034)	$ (8,132)
Other changes in plan assets and benefit obligations recognized in OCI:						
Net actuarial loss (gain)	$ (4,453)	$ 3,470	$ (3,572)	$ 5,199	$ 320	$ 1,186
Amortization of actuarial (loss) gain	(2,416)	(2,403)	(990)	(632)	778	914
Amortization of prior service cost	—	—	—	(14)	—	—
Total recognized in OCI	(6,869)	1,067	(4,562)	4,553	1,098	2,100
Net periodic benefit (credit) cost	2,209	3,212	3,768	3,834	(163)	(203)
Total recognized in comprehensive income	$ (4,660)	$ 4,279	$ (794)	$ 8,387	$ 935	$ 1,897

The net actuarial gain arising in the current year for the benefit obligations was primarily due to an increase in the discount rate on the qualified plan from the prior year.

Additional year-end pension plan information — The PBO represents the actuarial present value of benefits attributable to employee service rendered to date, including the effects of estimated future pay increases. The accumulated benefit obligation ("ABO") also reflects the actuarial present value of benefits attributable to employee service rendered to date but does not include the effects of estimated future pay increases. Therefore, the ABO as compared to plan assets is an indication of the assets currently available to fund vested and nonvested benefits accrued through the end of the fiscal year. The funded status is measured as the difference between the fair value of a plan's assets and its PBO. Since the Qualified Plan is frozen and the SERP has no active participants, the PBO and ABO are equal.

As of September 28, 2025 and September 29, 2024, respectively, the Qualified Plan's ABO was less than the fair value of its plan assets. The SERP is an unfunded plan and, as such, had no plan assets as of September 28, 2025 and September 29, 2024. The following sets forth the PBO, ABO, and fair value of plan assets of our pension plans as of the measurement date in each fiscal year (*in thousands*):

	2025	2024
Qualified Plan:		
Projected benefit obligation	$ 281,390	$ 297,920
Accumulated benefit obligation	$ 281,390	$ 297,920
Fair value of plan assets	$ 290,569	$ 302,439
SERP:		
Projected benefit obligation	$ 51,134	$ 57,097
Accumulated benefit obligation	$ 51,134	$ 57,097
Fair value of plan assets	$ —	$ —

Net periodic benefit cost — The components of the fiscal year net periodic benefit cost were as follows (*in thousands*):

	2025	2024	2023
Qualified Plan:			
Interest cost	$ 14,825	$ 15,791	$ 16,068
Expected return on plan assets	(15,032)	(14,982)	(15,105)
Actuarial loss	2,416	2,403	2,349
Net periodic benefit cost	$ 2,209	$ 3,212	$ 3,312
SERP:			
Interest cost	$ 2,778	$ 3,188	$ 3,149
Actuarial loss	990	632	718
Amortization of unrecognized prior service cost	—	14	19
Net periodic benefit cost	$ 3,768	$ 3,834	$ 3,886
Postretirement health plans:			
Interest cost	$ 615	$ 711	$ 700
Actuarial (gain) loss	(778)	(914)	(932)
Net periodic benefit (credit) cost	$ (163)	$ (203)	$ (232)

Prior service costs are amortized on a straight-line basis from date of participation to full eligibility. Unrecognized gains or losses are amortized using the "corridor approach" under which the net gain or loss in excess of 10% of the greater of the PBO or the market-related value of the assets, if applicable, is amortized. For our Qualified Plan, actuarial losses are amortized over the average future expected lifetime of all participants expected to receive benefits. For our SERP, actuarial losses are amortized over the expected remaining future lifetime for inactive participants, and for our postretirement health plans, actuarial losses are amortized over the expected remaining future lifetime of inactive participants expected to receive benefits.

Assumptions — We determine our actuarial assumptions on an annual basis. In determining the present values of our benefit obligations and net periodic benefit costs as of and for the fiscal years ended September 28, 2025, September 29, 2024, and October 1, 2023, we used the following weighted-average assumptions:

	2025	2024	2023
Assumptions used to determine benefit obligations (1) (2):			
Qualified Plan:			
Discount rate	5.63%	5.11%	6.10%
SERP:			
Discount rate	5.45%	5.09%	6.26%
Postretirement health plans:			
Discount rate	5.39%	5.09%	6.27%
Assumptions used to determine net periodic benefit cost (2) (3):			
Qualified Plan:			
Discount rate	5.11%	6.10%	5.63%
Long-term rate of return on assets	5.10%	5.60%	5.10%
SERP:			
Discount rate	5.09%	6.26%	5.80%
Postretirement health plans:			
Discount rate	5.09%	6.27%	5.82%

(1) Determined as of end of year.
(2) There is no assumed rate of increase, as there are no active employees in any of the fiscal years presented.
(3) Determined as of beginning of year.

The assumed discount rates were determined by considering the average of pension yield curves constructed of a population of high-quality bonds with a Moody's or Standard and Poor's rating of "AA" or better whose cash flow from coupons and maturities match the year-by-year projected benefit payments from the plans. As benefit payments typically extend beyond the date of the longest maturing bond, cash flows beyond 30 years were discounted back to the 30th year and then matched like any other payment.

The assumed expected long-term rate of return on assets is the weighted-average rate of earnings expected on the funds invested or to be invested to provide for the pension obligations. The long-term rate of return on assets was determined taking into consideration our projected asset allocation and economic forecasts prepared with the assistance of our actuarial consultants.

The assumed discount rate and expected long-term rate of return on assets have a significant effect on amounts reported for our pension and postretirement plans. If the discount rate and expected rate of return on assets used were to decrease by 0.25%, fiscal 2025 earnings before income taxes would have decreased by less than $0.1 million and decreased by $0.7 million, respectively.

For measurement purposes, the weighted-average assumed health care cost trend rates for our postretirement health plans were as follows for each fiscal year:

	2025	2024	2023
Healthcare cost trend rate for next year:			
Participants under age 65	6.50%	6.25%	6.25%
Participants age 65 or older	6.50%	6.25%	6.25%
Rate to which the cost trend rate is assumed to decline:			
Participants under age 65	4.50%	4.50%	4.50%
Participants age 65 or older	4.50%	4.50%	4.50%
Year the rate reaches the ultimate trend rate:			
Participants under age 65	2032	2031	2031
Participants age 65 or older	2032	2031	2031

The assumed healthcare cost trend rate represents our estimate of the annual rates of change in the costs of the healthcare benefits currently provided by our postretirement plans. The healthcare cost trend rate implicitly considers estimates of healthcare inflation, changes in healthcare utilization and delivery patterns, technological advances and changes in the health status of the plan participants. The healthcare cost trend rate assumption has a significant effect on the amounts reported.

Plan assets — Our investment philosophy is to invest assets in a prudent manner to meet the obligation of providing benefits to Plan participants and their beneficiaries in accordance with the time horizon appropriate for the Plan while employing asset diversification to minimize the risk of large losses. Our asset allocation strategy utilizes multiple investment managers in order to maximize the plan's return while minimizing risk. We regularly monitor our asset allocation, and senior financial management and the Board of Directors review performance results quarterly. We continually review our target asset allocation for our Qualified Plan and when changes are made, we reallocate our plan assets over a period of time, as deemed appropriate by senior financial management, to achieve our target asset allocation. Our plan asset allocation at the end of each fiscal 2025 and 2024 and respective target allocations were as follows:

	2025	Target	Minimum	Maximum
Cash & cash equivalents	2%	—%	—%	—%
Global equity	12%	12%	7%	17%
Alternative credit	11%	9%	4%	14%
Real assets	9%	9%	4%	14%
Liability-hedging assets	66%	70%	60%	80%
	100%	100%		

	2024	Target	Minimum	Maximum
Cash & cash equivalents	1%	—%	—%	—%
Global equity	13%	12%	7%	17%
Alternative credit	11%	9%	4%	14%
Real assets	9%	9%	4%	14%
Liability-hedging assets	66%	70%	60%	80%
	100%	100%		

The Company measures its defined benefit plan assets and obligations as of the month-end date closest to its fiscal year end, which is a practical expedient under FASB authoritative guidance. The fair values of the Qualified Plan's assets by asset category are as follows (*in thousands*):

		Total	Other (i.e., NAV Assets) (3)	Quoted Prices in Active Markets for Identical (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Fair Value at September 30, 2025:						
Cash and cash equivalents	(1)	$ 5,793	$ —	$ —	$ 5,793	$ —
Equity:						
Global equity	(2)	35,961	35,961	—	—	—
Fixed income:						
Liability-hedging assets	(4)	190,685	87,111	—	103,574	—
Alternative credit	(5)	31,629	31,629	—	—	—
Real assets	(6)	26,501	26,501	—	—	—
		$ 290,569	$ 181,202	$ —	$ 109,367	$ —
Fair Value at September 30, 2024:						
Cash and cash equivalents	(1)	$ 2,933	$ —	$ —	$ 2,933	$ —
Equity:						
Global equity	(2)	40,193	40,193	—	—	—
Fixed income:						
Liability-hedging assets	(4)	200,675	86,089	—	114,586	—
Alternative credit	(5)	32,100	32,100	—	—	—
Real assets	(6)	26,538	26,538	—	—	—
		$ 302,439	$ 184,920	$ —	$ 117,519	$ —

(1) Cash and cash equivalents are comprised of commercial paper, short-term bills and notes, and short-term investment funds, which are valued at quoted prices in active markets for similar securities.

(2) Global equity is comprised of investments in publicly traded common stocks and other equity-type securities issued by companies throughout the world, including convertible securities, preferred stock, rights and warrants.
(3) Certain investments that are measured at fair value using the net asset value ("NAV") per share (or its equivalent) practical expedient are not categorized in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of financial position.
(4) Liability-hedging assets are comprised of investments in fixed income securities or derivatives thereof that are intended to mitigate interest rate risk or reduce the interest rate duration mismatch between the assets and liabilities of the Plan.
(5) Alternative credit includes investments in a range of public and private credit securities, including below investment grade rated bonds and loans, securitized credit, and emerging market debt.
(6) Real assets are investments in public and private debt and equity investments, including but not limited to real estate, infrastructure, timberland and agriculture/farmland.

Future cash flows — Our policy is to fund our plans at or above the minimum required by law. As of the date of our last actuarial funding valuation, the minimum required contribution is $1.6 million and must be satisfied by September 15, 2026. At this time, we do not anticipate making any contributions to our Qualified Plan in fiscal 2026 as this requirement may also be satisfied by application of the available funding balances. Contributions expected to be paid in the next fiscal year, the projected benefit payments for each of the next five fiscal years, and the total aggregate amount for the subsequent five fiscal years are as follows (*in thousands*):

	Defined Benefit Plans	Postretirement Health Plans
Estimated net contributions during fiscal 2026	$ 4,814	$ 1,170
Estimated future year benefit payments during fiscal years:		
2026	$ 20,915	$ 1,170
2027	$ 21,246	$ 1,182
2028	$ 21,635	$ 1,186
2029	$ 22,056	$ 1,180
2030	$ 22,455	$ 1,165
2031-2035	$ 117,352	$ 5,296

We will continue to evaluate contributions to our Qualified Plan based on changes in pension assets as a result of asset performance in the current market and economic environment. Expected benefit payments are based on the same assumptions used to measure our benefit obligations at September 28, 2025.

13. SHARE-BASED EMPLOYEE COMPENSATION

Stock incentive plans — We offer share-based compensation plans to attract, retain, and motivate key officers, employees, and non-employee directors to work toward the financial success of the Company.

Our stock incentive plans are administered by the Compensation Committee of the Board of Directors and have been approved by the stockholders of the Company. The terms and conditions of our share-based awards are determined by the Compensation Committee for each award date and may include provisions for the exercise price, expirations, vesting, restriction on sales, and forfeitures, as applicable. We issue new shares to satisfy stock issuances under our stock incentive plans.

Our Amended and Restated 2004 Stock Incentive Plan ("Prior Plan") authorized the issuance of up to 11,600,000 common shares in connection with the granting of stock options, stock appreciation rights, restricted stock purchase rights, restricted stock bonuses, restricted stock units, or performance units to our employees and directors. As of January 1, 2023, no additional awards were granted under the Prior Plan. Our Jack in the Box Inc. 2023 Omnibus Incentive Plan ("Plan") authorizes the issuance of up to 2,500,000 common shares plus Prior Plan returning shares in connection with outstanding awards as of January 6, 2023 that on or following such date are not issued, settled in cash, or fail to vest. The Plan is intended to help the Company secure and retain the services of eligible award recipients, provide incentives for such persons to exert maximum efforts for the success of the Company, and provide a means by which such persons may benefit from increases in value of the common stock. The Plan provides for the granting of stock options, stock appreciation rights, restricted stock awards, restricted stock unit awards, or performance stock awards, to our employees and directors. There were 972,739 shares of common stock available for future issuance under this plan as of September 28, 2025.

We also maintain a deferred compensation plan for non-management directors under which those who are eligible to receive retainers may choose to defer receipt of their compensation. The deferred amounts are converted to stock equivalents. The plan requires settlement in shares of our common stock based on the number of stock equivalents and dividend equivalents at the time of a participant's separation from the Board of Directors. This plan provides for the issuance of up to 350,000 shares of common stock in connection with the crediting of stock equivalents. There were 105,811 shares of common stock available for future issuance under this plan as of September 28, 2025.

Compensation expense — The components of share-based compensation expense, included within "Selling, general, and administrative expenses" in our consolidated statements of earnings, in each fiscal year are as follows (*in thousands*):

	2025	2024	2023
Nonvested restricted stock units	$ 9,796	$ 10,128	$ 7,598
Stock options	—	—	4
Performance share awards	(1,558)	3,308	3,195
Nonvested restricted stock awards	—	—	166
Non-management directors' deferred compensation	—	35	242
Total share-based compensation expense	$ 8,238	$ 13,471	$ 11,205

Nonvested restricted stock units — Nonvested restricted stock units ("RSUs") are generally issued to employees and non-employee directors. Grants to executive officers of time-vesting RSUs vest ratably over four years or three years, are subject to a stock holding requirement of 50% of after-tax net shares resulting from the vesting of RSUs, and must be held until the multiple of base salary stock ownership is met. There were 4,046 of these RSU's vesting over four years, and 219,954 RSU's vesting over three years, outstanding as of September 28, 2025. RSUs issued to non-management directors vest 12 months from the date of grant, or upon termination of board service, including RSUs for which the director elected to defer receipt until termination of board service, and totaled 84,801 units outstanding as of September 28, 2025. RSUs issued to certain other employees either cliff vest or vest ratably over three years and totaled 234,751 units outstanding as of September 28, 2025. These awards are amortized to compensation expense over the estimated vesting period based upon the fair value of our common stock on the award date discounted by the present value of the expected dividend stream over the vesting period.

The following is a summary of RSU activity for fiscal 2025:

	Shares	Weighted-Average Grant Date Fair Value
RSUs outstanding at September 29, 2024	381,738	$ 69.59
Granted	461,091	$ 38.04
Released	(146,379)	$ 71.38
Forfeited	(152,898)	$ 54.46
RSUs outstanding at September 28, 2025	543,552	$ 46.60

As of September 28, 2025, there was approximately $12.3 million of total unrecognized compensation cost related to RSUs, which is expected to be recognized over a weighted-average period of 1.9 years. The weighted-average grant date fair value of awards granted was $38.04, $67.74, and $68.56 in fiscal years 2025, 2024, and 2023, respectively. In fiscal years 2025, 2024, and 2023, the total fair value of RSUs that vested and were released was $10.4 million, $8.0 million, and $4.6 million, respectively.

Stock options — Option grants have contractual terms of seven years and employee options vest over a three-year period. Options may vest sooner upon retirement from the Company for employees meeting certain age and years of service thresholds. All option grants provide for an option exercise price equal to the closing market value of the common stock on the date of grant.

The following is a summary of stock option activity for fiscal 2025:

	Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value (in thousands)
Options outstanding at September 29, 2024	14,011	$ 84.23		
Expired	(8,499)	$ 90.06		
Options outstanding at September 28, 2025	5,512	$ 75.23	1.22	$ —
Options exercisable at September 28, 2025	5,512	$ 75.23	1.22	$ —

The aggregate intrinsic value in the table above is the amount by which the current market price of our stock on September 28, 2025 exceeds the weighted-average exercise price.

We use a valuation model to determine the fair value of options granted that requires the input of highly subjective assumptions, including the expected volatility of the stock price. No stock option awards were granted in fiscal 2025, 2024, or 2023.

As of September 28, 2025, there was no unrecognized compensation cost related to stock options grants. There were no stock options exercised in fiscal year 2025 or 2024. The total intrinsic value of stock options exercised was less than $0.1 million in fiscal 2023.

Performance share awards — Performance share awards, granted in the form of stock units, represent a right to receive a certain number of shares of common stock based on the achievement of corporate performance goals and continued employment during the vesting period. Performance share awards issued to executives vest at the end of a three-year period and vested amounts may range from 0% to a maximum of 150% of targeted amounts depending on the achievement of performance measures at the end of a three-year period. If the awardee ceases to be employed by the Company prior to the last day of the performance period due to retirement or death under the Plan, and including disability under the Prior Plan, the performance share awards become vested pro-rata based on the number of full accounting periods the awardee was continuously employed by the Company during the performance period. The expected cost of the shares is based on the fair value of our stock on the date of grant and is reflected over the vesting period with a reduction for estimated forfeitures. These awards may be settled in cash or shares of common stock at the election of the Company on the date of grant. It is our intent to settle these awards with shares of common stock.

In May 2025, certain executives were granted market-based performance share awards of which the vesting is contingent upon meeting Company stock price hurdles satisfied after 20 consecutive trading days at the target price or higher, as well as continuous service during the performance period. The number of shares that will vest varies depending on the hurdles achieved. These awards vest at the completion of the third year from the grant date. The number of shares that can vest ranges from 0% to 200% of the target number of performance shares granted. Expense is recorded on a straight-line basis over the vesting period based on the fair value of the shares as determined by a Monte Carlo simulation on the grant date. The Monte Carlo simulation used a volatility assumption of 42.13%, a risk-free interest rate of 3.62%, a dividend yield of 0%, and a term of three years which resulted in a fair value per share of $32.16.

The following is a summary of performance share award activity for fiscal 2025:

	Shares	Weighted-Average Grant Date Fair Value
Performance share awards outstanding at September 29, 2024	145,167	$ 70.53
Granted	214,184	$ 37.11
Issued	(39,789)	$ 78.46
Forfeited	(159,120)	$ 54.58
Performance adjustments	7,897	$ 78.95
Performance share awards outstanding at September 28, 2025	168,339	$ 39.25

As of September 28, 2025, there was approximately $2.5 million of total unrecognized compensation cost related to performance share awards, which is expected to be recognized over a weighted-average period of 2.8 years. The weighted-average grant date fair value of awards granted was $37.11, $70.19, and $65.74 in fiscal years 2025, 2024, and 2023, respectively. The total fair value of awards that became fully vested during fiscal years 2025, 2024, and 2023 was $0.9 million, $2.7 million, and $1.8 million, respectively.

Nonvested restricted stock awards — As part of the Merger Agreement, on the Closing Date, the Company assumed Del Taco's historical equity compensation plans. The awards under Del Taco's historical equity compensation plans that were not subject to accelerated vesting were exchanged for replacement awards of the Company, which included Del Taco's non-accelerating restricted stock awards. Immediately following the Merger, these replacement awards were modified to accelerate the remaining vesting period to be one year following the Closing Date, other than the awards already scheduled to vest on June 30, 2022.

As of September 28, 2025, there was no unrecognized compensation cost related to nonvested stock awards. The total fair value of awards that vested and were released during fiscal 2023 was $0.4 million.

Non-management directors' deferred compensation — All awards outstanding under our directors' deferred compensation plan are accounted for as equity-based awards and deferred amounts are converted into stock equivalents based on a per share price equal to the average of the closing price of our common stock for the 10 trading days immediately preceding the date the deferred compensation is credited to the director's account. During fiscal 2025, 2024, and 2023, 765 shares of common stock were issued in connection with a director retirement.

The following is a summary of the stock equivalent activity for fiscal 2025:

	Stock Equivalents	Weighted-Average Grant Date Fair Value
Stock equivalents outstanding at September 29, 2024	91,885	$ 61.53
Dividend equivalents	3,714	$ 32.66
Stock distribution	(765)	$ 69.34
Stock equivalents outstanding at September 28, 2025	94,834	$ 50.83

14. STOCKHOLDERS' DEFICIT

Repurchases of common stock — In fiscal 2025, the Company purchased 0.1 million shares of its common stock for an aggregate cost of $5.0 million, including applicable excise tax. As of September 28, 2025, there was $175.0 million remaining amount under share repurchase programs authorized by the Board of Directors which do not expire.

Dividends — In fiscal 2025, the Board of Directors declared two cash dividends of $0.44, respectively, totaling $16.7 million. Future dividends are subject to approval by our Board of Directors. As previously announced, the Company has discontinued its dividend.

Stockholder Rights Plan — On July 1, 2025, the Board of Directors adopted a limited-duration stockholder rights plan and declared a dividend of one right (a "Right") for each outstanding share of the Company's common stock held of record at the close of business on July 14, 2025. The Rights will generally become exercisable if a person or group acquires beneficial ownership of 12.5% or more of the outstanding shares of the Company's common stock, subject to certain exceptions (including an exception for existing persons who own in excess of such triggering percentage and do not acquire additional shares of the Company's common stock). If the Rights become exercisable, all holders of Rights (other than the triggering person or group) will be entitled to purchase shares of the Company's common stock at a 50% discount to the then-current market price or the Company may exchange each Right held by such holders for one share of the Company's common stock. The terms of the Rights are set forth in the Stockholder Protection Rights Agreement, dated as of July 1, 2025, by and between the Company and Computershare Trust Company, N.A., as rights agent (the "Rights Agreement"). The Rights will expire on July 1, 2026, unless the Rights are earlier redeemed, or the Rights Agreement is terminated, by the Board of Directors.

15. AVERAGE SHARES OUTSTANDING

Our basic earnings per share calculation is computed based on the weighted-average number of common shares outstanding. Our diluted earnings per share calculation is computed based on the weighted-average number of common shares outstanding adjusted by the number of additional shares that would have been outstanding had the potentially dilutive common shares been issued. Potentially dilutive common shares include nonvested stock awards and units, stock options, and non-management director stock equivalents. Performance share awards are included in the average diluted shares outstanding each period if the performance criteria have been met at the end of the respective periods.

The following table reconciles basic weighted-average shares outstanding to diluted weighted-average shares outstanding in each fiscal year (*in thousands*):

	2025	2024	2023
Weighted-average shares outstanding — basic	19,054	19,572	20,603
Effect of potentially dilutive securities:			
Nonvested stock awards and units	—	—	134
Stock options	—	—	1
Performance share awards	—	—	26
Weighted-average shares outstanding — diluted	19,054	19,572	20,764
Excluded from diluted weighted-average shares outstanding:			
Antidilutive	470	153	25
Performance conditions not satisfied at the end of the period	165	145	81

16. COMMITMENTS AND CONTINGENCIES

Purchase commitments — Jack in the Box and Del Taco have long-term food and beverage supply agreements with certain major vendors, which provide food and fountain drink products and marketing support funding to the Company and its franchisees. These agreements require minimum purchases by the Company and its franchisees at agreed upon prices until the total volume commitments have been reached. Based on current pricing and ratio of usage at company-operated to franchised restaurants as of September 28, 2025, total food and beverage purchase requirements under these agreements is estimated to be approximately $136.8 million over the next twelve years.

We also have entered into various arrangements with vendors providing information technology services with no early termination fees. The Company's unconditional purchase obligations on these contracts total approximately $7.8 million over the next six years.

Legal matters — The Company assesses contingencies, including litigation contingencies, to determine the degree of probability and range of possible loss for potential accrual in our financial statements. An estimated loss contingency is accrued in the financial statements if it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. As of September 28, 2025, the Company had accruals of $19.6 million for all of its legal matters in aggregate, presented within "Accrued liabilities" on our consolidated balance sheet. Because litigation is inherently unpredictable, assessing contingencies is highly subjective and requires judgments about future events. When evaluating litigation contingencies, we may be unable to provide a meaningful estimate due to a number of factors, including the procedural status of the matter in question, the availability of appellate remedies, insurance coverage related to the claim or claims in question, the presence of complex or novel legal theories, and the ongoing discovery and development of information important to the matter. In addition, damage amounts claimed in litigation against us may be unsupported, exaggerated, or unrelated to possible outcomes, and as such are not meaningful indicators of our potential liability or financial exposure. The Company regularly reviews contingencies to determine the adequacy of the accruals and related disclosures. The ultimate amount of loss may differ from these estimates. Any estimate is not an indication of expected loss, if any, or of the Company's maximum possible loss exposure and the ultimate amount of loss may differ materially from these estimates in the near term.

Gessele v. Jack in the Box Inc. — In August 2010, five former Jack in the Box employees instituted litigation in federal court in Oregon alleging claims under the federal Fair Labor Standards Act and Oregon wage and hour laws. The plaintiffs alleged that Jack in the Box failed to pay non-exempt employees for certain meal breaks and improperly made payroll deductions for shoe purchases and for workers' compensation expenses, and later added additional claims relating to timing of final pay and related wage and hour claims involving employees of a franchisee. In 2016, the court dismissed the federal claims and those relating to franchise employees. In June 2017, the court granted class certification with respect to state law claims of improper deductions and late payment of final wages. The parties participated in a voluntary mediation on March 16, 2020, but the matter did not settle. On October 24, 2022, a jury awarded plaintiffs approximately $6.4 million in damages and penalties. The Company continues to dispute liability and the damage award and both parties have filed appeals of the verdict. As of September 28, 2025, the Company has accrued the verdict amount above, as well as estimated prejudgment and post-judgment interest and fee award, for an additional $10.1 million. These amounts are included within "Accrued liabilities" on our consolidated balance sheet as of September 28, 2025. The Company will continue to accrue for post-judgment interest until the matter is resolved.

J&D Restaurant Group — On April 17, 2019, the trustee for a bankrupt former franchisee filed a complaint generally alleging the Company wrongfully terminated the franchise agreements and unreasonably denied two prospective purchasers the former franchisee presented. The parties participated in a mediation in April 2021, and again in December 2022, but the matter did not settle. The trial commenced on January 9, 2023 and on February 8, 2023, the jury returned a verdict finding the Company had not breached any contracts in terminating the franchise agreements or denying the proposed buyers. However, while the jury also found the Company had not violated the California Unfair Practices Act, it found for the plaintiff on the claim for breach of implied covenant of good faith and fair dealing, and awarded $8.0 million in damages. On May 9, 2023, the court granted the Company's post-trial motion, overturning the jury verdict and ordering the plaintiff take nothing on its claims. As a result, the Company reversed the prior $8.0 million. The Plaintiff has appealed the trial court's post-trial rulings. As part of the appeal, the parties participated in a mediation on March 18, 2025, but the matter did not settle. On October 9, 2025, the appellate court issued an opinion affirming the trial court's take nothing judgment in favor of the Company. As of September 28, 2025, the Company has accrued an amount commensurate with attempts to resolve the claims on its consolidated balance sheet.

Other legal matters — In addition to the matters described above, we are subject to normal and routine litigation brought by former or current employees, customers, franchisees, vendors, landlords, shareholders, or others. We intend to defend ourselves in any such matters. Some of these matters may be covered, at least in part, by insurance or other third-party indemnity obligation. We record receivables from third party insurers when recovery has been determined to be probable.

Lease guarantees — We remain contingently liable for certain leases relating to our former Qdoba business which we sold in fiscal 2018. Under the Qdoba Purchase Agreement, the buyer has indemnified the Company of all claims related to these guarantees. As of September 28, 2025, the maximum potential liability of future undiscounted payments under these leases is approximately $21.2 million. The lease terms extend for a maximum of approximately 12 more years, and we would remain a guarantor of the leases in the event the leases are extended for any established renewal periods. In the event of default, we believe the exposure is limited due to contractual protections and recourse available in the lease agreements, as well as the Qdoba Purchase Agreement, including a requirement of the landlord to mitigate damages by re-letting the properties in default, and indemnity from the Buyer. The Company has not recorded a liability for these guarantees as we believe the likelihood of making any future payments is remote.

Huntington Finance Guarantees - The Company has an agreement for a financing structure with a technology partner to allow them to limit their exposure to risk, while they service the franchise-owned locations. As of September 28, 2025, and in accordance with that arrangement, the Company has funded amounts included in restricted cash of $2.0 million and has an additional unfunded obligation of approximately of $0.8 million.

17. SUPPLEMENTAL CONSOLIDATED CASH FLOW INFORMATION (in thousands)

	2025	2024	2023
Cash paid during the year for:			
Income tax payments	$ 36,386	$ 102,512	$ 17,811
Interest payments	$ 75,421	$ 76,541	$ 78,958
Non-cash investing and financing transactions:			
Increase in notes and accounts receivable from the sale of restaurant properties	$ —	$ 1,400	$ —
Increase in dividends accrued or converted to common stock equivalents	$ 121	$ 271	$ 285
(Decrease) increase in obligations for purchases of property and equipment	$ 1,232	$ (2,482)	$ 3,731

18. SUPPLEMENTAL CONSOLIDATED FINANCIAL STATEMENT INFORMATION (in thousands)

	September 28, 2025	September 29, 2024
Accounts and other receivables, net:		
Trade	$ 84,602	$ 71,306
Notes receivable, current portion	3,786	2,036
Income tax receivable	215	819
Other	8,278	13,918
Allowance for doubtful accounts	(6,570)	(4,512)
	$ 90,311	$ 83,567
Other assets, net:		
Company-owned life insurance policies	$ 135,504	$ 129,685
Franchise tenant improvement allowances	40,473	41,502
Deferred rent receivable	39,222	41,284
Notes receivable, less current portion	8,151	11,249
Other	41,859	35,286
	$ 265,209	$ 259,006
Accrued liabilities:		
Income tax liabilities	$ —	$ 778
Payroll and related taxes	34,802	38,112
Legal accruals	19,607	16,220
Insurance	28,074	27,982
Sales and property taxes	26,683	26,107
Deferred rent income	393	—
Advertising	4,833	4,698
Deferred franchise fees and development fees	6,367	6,674
Other	50,007	46,297
	$ 170,766	$ 166,868
Other long-term liabilities:		
Defined benefit pension plans	$ 46,320	$ 51,973
Deferred franchise and development fees	42,140	45,316
Other	78,545	56,419
	$ 167,005	$ 153,708

19. SUBSEQUENT EVENTS

On October 15, 2025, the Company entered into a Stock Purchase Agreement (the “Purchase Agreement”) with Yadav Enterprises, Inc., a California corporation (“Buyer”) and Anil Yadav (“Buyer Guarantor”) to sell to Buyer all of the issued and outstanding equity interests of Del Taco Holdings Inc., a Delaware corporation (“Del Taco”), which owns and operates the Company’s Del Taco restaurant operations, for an aggregate purchase price of $115.0 million in cash, subject to certain closing cash, working capital, debt and transaction expense adjustments. The Company anticipates closing the transaction in the first quarter of 2026, and will finalize the accounting upon its closing and anticipates recording a material loss on sale.

Exhibit 21.1

Subsidiaries of the Registrant	**Jurisdiction**
Jack in the Box Franchisee Finance, LLC	Delaware, United States
JIB Stored Value Cards, LLC	Virginia, United States
Jack in the Box Franchisee Relief Financing, LLC	Delaware, United States
Jack in the Box SPV Guarantor, LLC	Delaware, United States
Jack in the Box Funding, LLC	Delaware, United States
Different Rules, LLC	Delaware, United States
Jack in the Box Properties, LLC	Delaware, United States
Del Taco Holdings, Inc.	Delaware, United States
F&C Restaurant Holding Co.	Delaware, United States
Sagittarius Restaurants LLC	Delaware, United States
Kerry Foods International LLC	California, United States
Del Taco LLC	California, United States
DT/COSTA MESA RESTAURANT CO.	California, United States

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the registration statements (Nos. 333-127765, 333-115619, 333-143032, 333-150913, 333-168554, 333-181506, 333-263363 and 333-270374) on Form S-8 of our reports dated November 19, 2025, with respect to the consolidated financial statements of Jack in the Box, Inc. and the effectiveness of internal control over financial reporting.

/s/ KPMG LLP

San Diego, California
November 19, 2025

Exhibit 31.1

CERTIFICATION

I, Lance Tucker, certify that:

1. I have reviewed this annual report on Form 10-K of Jack in the Box 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.

Dated: November 19, 2025

/S/ LANCE TUCKER

Lance Tucker
Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, Dawn Hooper, certify that:

1. I have reviewed this annual report on Form 10-K of Jack in the Box 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.

Dated: November 19, 2025

/S/ DAWN HOOPER

Dawn Hooper
Chief Financial Officer

Exhibit 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Lance Tucker, Chief Executive Officer of Jack in the Box Inc. (the “Registrant”), do hereby certify in accordance with 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) the annual report on Form 10-K of the Registrant, to which this certification is attached as an exhibit (the “Report”), fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78m); and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

Dated: November 19, 2025

/S/ LANCE TUCKER

Lance Tucker

Chief Executive Officer

Exhibit 32.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER

I, Dawn Hooper, Chief Financial Officer of Jack in the Box Inc. (the "Registrant"), do hereby certify in accordance with 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) the annual report on Form 10-K of the Registrant, to which this certification is attached as an exhibit (the "Report"), fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78m); and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

Dated: November 19, 2025

/S/ DAWN HOOPER

Dawn Hooper
Chief Financial Officer