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Del Taco Announces Continued Growth & Expansion After Posting Its 8th Consecutive Year of Franchise Same Store Sales Growth**

Franchisee Development Deals Follow Q4 Same Store Sales Increase of 7.5% at Franchise Locations**

LAKE FOREST, Calif. – Del Taco, the nation's second largest Mexican quick service restaurant chain, is carrying tremendous momentum into the first quarter of 2021. Despite pandemic-induced pressures, the brand was resilient during the initial COVID-19 slowdown and began to thrive during the second half of 2020. This led to their eighth consecutive year of positive franchise same store sales growth which provides a great trajectory for the brand as it continues through 2021. Underscoring their tremendous performance, franchised locations have enjoyed topline sales strength that far exceeds industry [trends](#).*

In Del Taco's recent financial reports, the following notable highlights were included:**

- In Q3, franchised same store sales increased 6.5%;
- In Q4, franchised same store sales increased 7.5%;
- For fiscal year 2020, franchised same store sales increased 1.4%

“Our brand's QSR-plus positioning continues to resonate with fans across a wide geographic footprint, and we couldn't be more pleased with our systemwide results led by strong franchise same store sales growth,” said John D. Cappasola, Jr., President and Chief Executive Officer of Del Taco. “Moving forward we are focused on systemwide growth led by franchising and we are excited to work with active developers to bring the Del Taco brand to guests in new and existing territories. These strong franchised same store sales results and the launch of the new Fresh Flex prototype make it an exciting time be part of our great brand.”

Existing Del Taco franchisees are riding this wave into 2021 as multi-unit developers continue to sign franchise agreements in both established and untapped markets. Recognizing the opportunity to meet accelerating demand, seasoned multi-unit owner Dennis Ekstrom recently signed a new development agreement to add more units to his existing portfolio. He is opening his 12th restaurant in Truth Or Consequences, New Mexico this March, which is one of several existing franchisee openings occurring this month.

“After 20-plus years in restaurant franchising, Del Taco has far exceeded my expectations with clever marketing, smart operations and strong development support,” said Ekstrom. “We're well aligned with the leadership team as they make decisions to enhance our bottom line, and I'm confident in the growth opportunities that are on the horizon.”

Beyond existing franchisee growth, Del Taco continues to make progress partnering with experienced operators to help grow the brand through new development agreements in both established and emerging markets. Most recently, the brand signed an 11-restaurant development agreement with multi-brand franchise operator Peachtree Development. Bringing strong development and restaurant experience, the group is focused on growing the brand in South Carolina and Georgia.

The focus on franchisee growth and recruitment is helped by the recent unveiling of the bold new Fresh Flex design that reconceptualizes Del Taco restaurants inside and out. Striking exteriors and distinctive interiors evoke a fresh, fun and contemporary feel, all while improving real estate access for franchisees, and providing ultimate convenience for guests and operators.

With tech-savvy, innovative additions like third-party pick-up stations and double drive-thru lanes with a dedicated lane for mobile orders and delivery pickups, the future-focused model optimizes operational efficiencies and caters to modern consumers' expectations: accessibility, speed of service, and brand transparency.

Del Taco is leveraging the Fresh Flex design to offer multiple buildout options, maximizing growth opportunities through a "Menu of Venues" strategy with building prototypes that vary in size from 1,200 to 2,400 square feet. The various prototypes allow company or franchise developers more flexibility in choosing real estate opportunities, including small footprint drive-thru only models, drive-thru endcaps, conversions and freestanding sites. Likewise, the design will also play an integral role in the brand's remodeling program to contemporize the fleet and help drive returns.

The brand continues to operate nearly half of the system's restaurants, creating perfect alignment with franchisees on strategies to drive top and bottom line results. Across 16 states today, Del Taco has tremendous white space capacity to grow and is looking to develop with experienced individuals and operating teams across the nation.

To learn more and to inquire about available franchise opportunities, visit www.deltacofranchise.com.

About Del Taco Restaurants, Inc.

Del Taco (NASDAQ: TACO) offers a unique variety of both Mexican and American favorites such as burritos and fries, prepared fresh in every restaurant's working 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 fresh grilled chicken and carne asada steak, sliced avocado, freshly grated cheddar cheese, slow-cooked beans made from scratch, and creamy Queso Blanco.

Founded in 1964, today Del Taco serves more than three million guests each week at its approximately 600 restaurants across 16 states. 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. For more information, visit www.deltaco.com.

***Black Box Intelligence**

****Please refer to Del Taco 2020 Amended FDD**