

Bubba's 33



JAGGERS

ANNUAL REPORT

2024



DEAR SHAREHOLDERS,

There's no doubt 2024 was a historic year for our company, our shareholders, and all of Roadie Nation. We celebrated a number of significant company milestones and achievements in 2024 and our operators once again delivered record results. Our revenue grew to nearly \$5.4 billion, and our average-unit-volume exceeded \$8 million for the first time in our history. We also grew traffic at all three brands and opened our 750th systemwide restaurant, which at just 32-years-old, means we are just gettin' started!

In October, we commemorated our 20th year as a public company by participating in the closing bell ceremony at NASDAQ. What made the moment so special was being surrounded by our operators who have helped deliver an approximate 18% average annual increase in earnings per share since our IPO in October 2004.

Also in October, we were honored to receive the Brand Icon Award, which is presented by *Nation's Restaurant News*. This award is one of the highest honors in the restaurant industry. Having the best operators in the industry paired with the best support team is what drove the results that earned us the respect of being a Brand Icon.

After receiving this award, I was asked to describe our company. "Rowdy enthusiasm" are the words that came to mind. It's the rowdiness and enthusiasm of our Roadies that creates the energy in our restaurants. And despite any challenges we face, our operators always show up with rowdy enthusiasm for providing Legendary Food, Legendary Service and with their commitment to keeping our culture alive in their stores. This commitment, which creates a place where Roadies want to work and guests want to dine, was reflected in the overall success and growth of all of our brands last year.



Our super fans, Judy and Mike McNamara visited their 400th Texas Roadhouse location in Mansfield, OH to kick off 2024.

The commitment of our operators was also reflected in our 2024 operating results. Average weekly sales across all brands exceeded \$155,000, which was driven by comparable restaurant sales growth of 8.5%, including 4.4% guest traffic growth. Additionally, we generated over \$750 million in operating cash flow. This cash flow enabled us to self-fund \$354 million of capital expenditures and return capital to our shareholders through \$163 million in dividends and \$80 million in share repurchases.

On the development front in 2024, we opened 45 new restaurants systemwide for the second consecutive year. This consisted of 31 company restaurants across all three brands, and our franchise partners opened 14 new restaurants.

For 2025, we expect to open approximately 30 new company restaurants across our three brands. We will also benefit from the acquisition of 13 franchise restaurants in three states that was completed on the first day of January 2025. In addition, we expect our franchise partners to open 10 restaurants, including seven international Texas Roadhouse locations and three domestic Jaggers locations.

On the technology front, our digital kitchen rollout continues as planned. We ended the year with over 250 conversions complete and are encouraged by positive feedback from our operators. We remain on track to convert nearly all our restaurants to a digital kitchen by the end of 2025. Additionally, we are making progress with the upgrade of our restaurant guest management system, which we believe will allow us to be more efficient in seating guests.



We launched Texas Roadhouse Mini Rolls with Honey Cinnamon Butter at Wal-Mart, which was named a 2025 Product of the Year in the bread category.

Another program we launched in 2024 and are excited to expand nationwide in 2025 is our local All Day, Every Day \$5 drink menu. The menu, which is available at the bar and in the dining room, includes our Original 10-ounce Margarita, a 16-ounce beer, and a Long Island Tea (LIT). We are also rolling out a selection of mocktails. Early indications are that guests are responding positively to the additional everyday value and the mocktails are resonating with guests who are looking for a hand-crafted, non-alcoholic drink.

Bubba's 33 had an exciting 2024, opening four restaurants and ending the year with 49 restaurants in 15 states. In 2025, we plan to open as many as seven new Bubba's 33 restaurants. As we continue to focus on creating Food for All, we tested and rolled out several new items. We added the Monte Cristo Sandwich and the Combo Appetizer nationwide on our menus. Both items are popular with our operators and guests. The efforts of our operators were rewarded by receiving several local awards, including being named Best Burger and Best Family and Casual Dining Restaurant in Chesapeake, VA, and Best Pizza in Buford, GA. These accolades support the success our Bubba's 33 operators are having as they continue to build name recognition and create guest loyalty with scratch-made food.

Jaggers, our fast-casual concept, continues to grow and we ended the year with nine company and five franchise restaurants. We were also proud to open our first Jaggers international location in 2024 on Camp Humphreys, South Korea. In 2025, we plan to open two company locations in addition to the previously mentioned three domestic franchise locations.



To celebrate 20 years of supporting Homes for Our Troops (HFOT), we raised over \$1 million to fully fund the 400th home build.

On the retail front, the launch of our Texas Roadhouse Mini Rolls with Honey Cinnamon Butter at Wal-Mart was a success. The Mini Rolls were recently named a 2025 Product of the Year in the bread category. This recognition is a testament to the quality of our “inspired by products” and reflects the power of our brand outside the “four walls” of our restaurants. We will continue to look for new products that we believe can align with our retail strategy, which is to create brand awareness and guest engagement in the retail channel.

We were also thrilled to strengthen our Board of Directors with the appointment of Jane Grote Abell. With over 30 years in the restaurant industry, Jane brings incredible experience as the current Executive Chairwoman of the Board of Directors and Chief Purpose Officer for Donatos Pizza. Jane has valuable retail experience and a history of creating and supporting an incredible employee-first culture at Donatos.

Our commitment to giving back remains at the heart of how we show up for our communities. In 2024, we marked 20 years of supporting Homes For Our Troops (HFOT), a milestone that speaks to our dedication to honoring veterans and their families. As part of this commitment, Texas Roadhouse, Bubba's 33, and Jaggers hosted in-store fundraising events and motorcycle rides to raise over \$1 million for the 400th home build. The recipient of this home was Marine Lance Corporal Alberto Flores, who sustained life-changing injuries while serving our country. This new, specially adapted, mortgage-free home will provide him with the support he needs in his daily life.



Bubba's 33 rolled out the Monte Cristo Sandwich nationwide.

In November, for the 14th consecutive year, our restaurants proudly banded together on Veterans Day to honor over one million of our nation's heroes with a free meal or a voucher for a free meal. Being able to serve those who protect and serve our country is often described by Roadies as their favorite day of the year.

Our overall community giving was \$34.9 million in food and monetary donations given to local non-profits, schools, and organizations in the communities we serve. We also continued our support of organizations that are close to our hearts like the American Tinnitus Association, Special Olympics, Camp Sunshine, and the Dickie V Foundation to combat pediatric cancer.

As we continue to prioritize our People-First culture, we celebrated the incredible achievements of our Roadies throughout the year. In April, we awarded our Texas Roadhouse Managing Partner of the Year to Casey Cohen, from Turnersville, NJ. We also celebrated our Bubba's 33 Managing Partner of the Year, Vanessa Blanco-Quezada, from Albuquerque, NM. Both Casey and Vanessa are incredible operators who drive results, support their communities, and have created a People-First culture in their restaurants.

At our annual Support Center Awards, Frank Fernandez from our IT Department was named Roadie of the Year for his passion and operator-first approach. Prior to his current role at the Support Center, Frank spent 11 years in the field holding a variety of positions – from Host to Kitchen Manager. These success stories point to the growth opportunities provided within our company.

At our Annual Managing Partner Conference, we also unveiled our updated Inverted Pyramid. The pyramid has been a cornerstone of our company since the beginning. Our Founder, Kent Taylor, created the original pyramid that placed the Managing Partner at the center of all we do. With the update, we added our purpose statement of **“Serving Communities Across America—and the World.”** Our purpose builds clarity and inspiration for our journey ahead.

Finally, I couldn't be prouder of our 2024 results and the momentum we have with Texas Roadhouse, Bubba's 33, and Jaggers. As we look forward to the future, we are more committed than ever to growing our brands, serving our communities, and delivering everyday value to our guests. We will continue to honor our past as we focus on our future of Legendary Food, Legendary Service for years to come.

Let's go, Texas Roadhouse, Bubba's 33, and Jaggers!

Jerry Morgan
CEO



We commemorated our 20th year as a public company by participating in the closing bell ceremony at NASDAQ.



Texas Roadhouse was honored as the first casual-dining concept to be named a Brand Icon by *Nation's Restaurant News*.

DEAR SHAREHOLDERS,

Since Day One in 1993, Texas Roadhouse has been focused on being a People-First company that just happens to serve steak. Thirty-two years later, our People-First culture remains rooted in the alignment of our company values, our commitment to listening, and programs that make Texas Roadhouse a great place to work and dine. As we reflect on 2024, we believe the new initiatives we rolled out continue to enhance our legendary People-First culture.

At the Support Center, we have a list of expectations called the Support Center Top 10. The vision was based upon Kent's Top 10, which our Founder developed to set expectations and standards for food, service, and community. Our operators have used Kent's Top 10 for over 30 years to stay focused on our mission of Legendary Food, Legendary Service.

Our Roadies responded to leadership's vision and collaborated to roll out the Support Center Top 10. To make sure these standards stay top-of-mind, our Roadies display them in their departments, at their desks, and they are even part of the criteria for determining our Employee of the Quarter. But the importance of the Support Center Top 10 extends beyond our office in Louisville, KY, and in many ways provides a framework for outlining our success as a People-First company.

LISTEN, LEARN, AND GROW

In 2024, we continued to prioritize listening and creating feedback loops throughout our company to understand where we are exceeding expectations and where there are opportunities in our restaurants and at the Support Center.

To better understand our store managers' quality of life and overall job satisfaction, we launched Market Partner Pulse Surveys. This feedback creates conversations and direction for our Market Partners to provide support to their store management teams.

At the Support Center, we deployed our Roadie Engagement Survey – The Culture Compass, which is an annual survey used to assess and improve employee engagement within our organization. The survey provides insights into how connected, motivated, and engaged our Support Center Roadies feel. Our participation rate for the survey increased to 93% in 2024 and teams will work together to create action plans based on the feedback. We are proud of the results, which reflect strong engagement levels.



In September, we hosted our Vendor Partner Summit where our Leadership Team met with a dozen of our key vendor partners, both large and small. The goal of the meeting was to gain a clearer understanding of what challenges they are facing, the future of their industries, how we can continue to be legendary partners, and what we can improve on. It's gatherings like this and the different ways we receive feedback that foster a culture of listening, learning, and growing.

LIVE THE CULTURE

In April, we celebrated Texas Roadhouse Managing Partner Casey Cohen from Turnersville, NJ, and Bubba's 33 Managing Partner Vanessa Blanco-Quezada from Albuquerque, NM, as our top operators. At our annual conference, both of these leaders were awarded our highest company honor, Managing Partner of the Year. The award recognizes the Managing Partner who best displays characteristics of an operational leader.

We were also proud to host our first African American Leadership Summit in July. It was an impactful event full of professional development and networking with Roadies from across our company.

Championing these programs and offering mentorship opportunities are just a few examples of how we continue to live the culture by elevating and empowering all Roadies.

PARTNER UP

Our purpose of "Serving Communities Across America—and the World" goes beyond supporting our Roadies and guests. We encourage and provide opportunities for our individual restaurants and Support Center employees to offer time, support, food donations, and fundraising opportunities to give back to local charities.

We are proud to support Special Olympics throughout the country. Our Support Center Team hosts an annual golf scramble where we've raised more than \$2.8 million for Special Olympics of Kentucky since 2000. In our restaurants, our Tip-A-Cop Fundraisers have donated more than \$2.2 million to Special Olympics of Texas over the past 16 years. It's partnerships like this that make our company about something bigger than steaks and potatoes.

PEOPLE-FIRST SINCE DAY ONE

Since we first opened our doors, Texas Roadhouse has been a People-First company. We support our employees through prioritizing company values, listening to feedback, and offering programs that encourage an inclusive culture. We are proud of our efforts in 2024, but we are committed to continuing to find ways to keep our people at the center of everything we do.

This letter includes just some of our 2024 highlights. For a detailed overview of what "People-First" means at Texas Roadhouse, visit texasroadhouse.com/people-first.

A handwritten signature in black ink that reads "Gina Tobin".

Gina Tobin
President



April 4, 2025

To our Shareholders:

You are cordially invited to attend the 2025 Annual Meeting of Shareholders of Texas Roadhouse, Inc. (the "**Company**") on Thursday, May 15, 2025. The meeting will be held at the Texas Roadhouse Support Center located at 6040 Dutchmans Lane, Louisville, Kentucky at 9:00 a.m. eastern daylight time.

The official Notice of Annual Meeting, Proxy Statement, and Proxy Card are enclosed with this letter.

Please take the time to read carefully each of the proposals for shareholder action described in the accompanying proxy materials. Whether or not you plan to attend, you can ensure that your shares are represented at the meeting by promptly completing, signing and dating your Proxy Card and returning it in the enclosed postage-paid envelope. Shareholders of record can also vote by touch-tone telephone from the United States, using the toll-free number on the Proxy Card, or by the Internet, using the instructions on the Proxy Card. If you attend the meeting, then you may revoke your proxy and vote your shares in person.

Your interest and participation in the affairs of the Company are greatly appreciated. Thank you for your continued support.

Sincerely,

A handwritten signature in black ink that reads "Gerald L. Morgan".

Gerald L. Morgan
Chief Executive Officer

TEXAS ROADHOUSE, INC.
6040 Dutchmans Lane
Louisville, Kentucky 40205

**2025 Annual Meeting of Shareholders (the “*Annual Meeting*”)
of Texas Roadhouse, Inc., a Delaware corporation (the “*Company*”)**

Date and Time:
Thursday, May 15, 2025
9:00 A.M. Eastern Daylight Time

Place:
Texas Roadhouse Support Center
6040 Dutchmans Lane
Louisville, Kentucky 40205

PROPOSALS FOR BUSINESS

Proposal 1: To elect eight directors to the Board of Directors of the Company, each for a term of one year

Proposal 2: To ratify the appointment of KPMG LLP as the Company’s independent auditors for the Company’s 2025 fiscal year

Proposal 3: To hold an advisory vote on executive compensation

Proposal 4: An advisory vote on a shareholder proposal regarding the adoption of a policy requiring the disclosure of the Company’s Consolidated EEO-1 Report, if properly presented at the Annual Meeting

NOTICE ON VOTING

Whether or not you expect to be present at the Annual Meeting, please submit your vote by using one of the voting methods described in the attached materials. If you attend the Annual Meeting, then you may revoke your proxy and vote your shares in person.

WHO CAN VOTE

Only shareholders of record at the close of business on March 17, 2025 are entitled to receive notice of and to vote at the Annual Meeting.

DATE OF MAILING

This Notice of the Annual Meeting and the attached Proxy Statement describing matters to be described at the Annual Meeting are being distributed or otherwise furnished to shareholders on April 4, 2025.

Important Notice Regarding the Availability of Proxy Materials For the 2025 Annual Meeting of Shareholders to be Held on May 15, 2025: Our Annual Report containing our Proxy Statement relating to our 2025 Annual Meeting of Shareholders and Form 10-K for the fiscal year ended on December 31, 2024 is available on our website at www.texasroadhouse.com in the Investors Section.

By Order of the Board of Directors,



Christopher C. Colson
Corporate Secretary

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PROXY STATEMENT

2025 ANNUAL MEETING OF SHAREHOLDERS TO BE HELD MAY 15, 2025

TEXAS ROADHOUSE, INC.
6040 Dutchmans Lane
Louisville, Kentucky 40205

This proxy statement and accompanying proxy card are being furnished in connection with the solicitation of proxies by the board of directors (the “**Board**”) of Texas Roadhouse, Inc., a Delaware corporation, to be voted at the 2025 Annual Meeting of Shareholders (the “**Annual Meeting**”) and any adjournments thereof. In this proxy statement, references to the “**Company**,” “**we**,” “**us**” or “**our**” refer to Texas Roadhouse, Inc. This proxy statement and accompanying proxy card are first being mailed to shareholders on or about April 4, 2025.

The Annual Meeting will be held at the Texas Roadhouse Support Center located at 6040 Dutchmans Lane, Louisville, Kentucky on Thursday, May 15, 2025 at 9:00 a.m. eastern daylight time, for the purposes set forth in this proxy statement and the accompanying notice of the Annual Meeting.

SUMMARY OF MATTERS REQUIRING SHAREHOLDER ACTION

Proposal 1—Election of Directors (Page 86)

The affirmative vote of a majority of the votes cast by the holders of the Company’s common stock is required to elect each nominee. You may vote “**FOR**” or “**AGAINST**” each nominee. A vote to “**ABSTAIN**” is not treated as a vote cast, and will have no effect on this proposal.

The Bylaws require that each director nominee tender an irrevocable conditional resignation to the Company, to be effective only upon (i) the director’s failure to receive the required shareholder vote in an uncontested election, and (ii) Board acceptance of such resignation. Our nominating and corporate governance committee will then consider the offer of resignation and make a recommendation to the Board as to the action to be taken with respect to the offer. The Board will act on the nominating and corporate governance committee’s recommendation within 90 days, and will promptly disclose publicly its decision to accept or reject such resignation and the reasons therefor.

THE BOARD RECOMMENDS THAT YOU VOTE “FOR” THE NOMINEES.

Proposal 2—Ratification of Independent Auditors (Page 87)

The proposal to ratify the appointment of KPMG LLP as the Company’s independent auditors for the fiscal year ending December 30, 2025 must be approved by the affirmative vote of a majority of the shares cast. You may vote “**FOR**” or “**AGAINST**” the ratification, or you may “**ABSTAIN**” from voting on this proposal. A vote to “**ABSTAIN**” is not treated as a vote cast, and will have no effect on this proposal.

THE BOARD RECOMMENDS THAT YOU VOTE “FOR” THIS PROPOSAL.

Proposal 3—Advisory Vote on Approval of Executive Compensation (Page 89)

The outcome of the advisory vote on whether to approve the executive compensation detailed in this proxy statement (including the Compensation Discussion and Analysis, the Executive Compensation section

and the other related executive compensation tables and related discussions) will be determined by the affirmative vote of the votes cast. You may vote “**FOR**” or “**AGAINST**” approval of the executive compensation, or you may “**ABSTAIN**” from voting on this proposal. A vote to “**ABSTAIN**” is not treated as a vote cast, and will have no effect on approval of the executive compensation.

THE BOARD RECOMMENDS THAT YOU VOTE “FOR**” THIS PROPOSAL.**

Proposal 4—Advisory Vote on the Shareholder Proposal Regarding the Adoption of a Policy Requiring the Disclosure of the Company’s Consolidated EEO-1 Report (Page 92)

The outcome of the vote on whether the Company should adopt a policy requiring the disclosure of its Consolidated EEO-1 Report will be determined by the affirmative vote of a majority of the shares present (in person or by proxy) and entitled to vote. You may vote “**FOR**” or “**AGAINST**” the shareholder proposal, or you may “**ABSTAIN**” from voting on this proposal. A vote to “**ABSTAIN**” is not treated as a vote cast, and will have no effect on the approval of the shareholder proposal.

THE BOARD RECOMMENDS THAT YOU VOTE “AGAINST**” THIS PROPOSAL.**

Other Matters

As of the date of this proxy statement, the Board knows of no matters that will be presented for consideration at the Annual Meeting other than those matters discussed in this proxy statement. If any other matters should properly come before the Annual Meeting and call for a vote of shareholders, then validly executed proxies in the enclosed form returned to us will be voted in accordance with the recommendation of the Board, or, in the absence of such a recommendation, in accordance with the judgment of the proxy holders. Any such additional matter must be approved by an affirmative vote of a majority of the votes cast.

INFORMATION ABOUT PROXIES AND VOTING

Record Date and Voting Securities

The Board has fixed the record date (the “**Record Date**”) for the Annual Meeting as the close of business on March 17, 2025. Only shareholders of record at the close of business on the Record Date will be entitled to vote at the Annual Meeting and at any adjournment or postponement thereof. At the close of business on the Record Date, there were outstanding 66,427,958 shares of common stock, each of which is entitled to one vote per share on all matters to be considered at the Annual Meeting.

The presence in person or by proxy of the holders of a majority of the shares of common stock will constitute a quorum for the transaction of business at the Annual Meeting. Shares of common stock represented by properly executed proxies received before the close of voting at the Annual Meeting will be voted as directed by such shareholders, unless revoked as described below.

Revocability of Proxies

A shareholder who completes and returns the proxy card that accompanies this proxy statement may revoke that proxy at any time before the closing of the polls at the Annual Meeting. A shareholder may revoke a proxy by voting at a later date by one of the methods described on the proxy card or by filing a written notice of revocation with, or by delivering a duly executed proxy bearing a later date to, Christopher C. Colson, the Corporate Secretary of the Company, at the Company’s main office address located at 6040 Dutchmans Lane, Louisville, Kentucky 40205 at any time before the Annual Meeting. Shareholders may also revoke proxies by delivering a duly executed proxy bearing a later date to the inspector of election at the Annual Meeting before the close of voting or by attending the Annual Meeting and voting in person. You may attend the Annual Meeting even though you have executed a proxy, but your presence at the Annual Meeting will not automatically revoke your proxy.

Solicitation of Proxies

The cost of solicitation of proxies being solicited on behalf of the Board will be borne by us (as and if applicable). In addition to solicitation by mail, proxies may be solicited personally, by telephone or by other means by our directors, officers or employees, who receive no additional compensation for these solicitation activities. We will, upon request, reimburse brokerage houses and persons holding common stock in the names of their nominees for their reasonable out-of-pocket expenses in sending materials to their principals.

Other Voting Considerations

Broker Non-Votes. Under rules of the New York Stock Exchange, matters subject to shareholder vote are classified as “routine” or “non-routine.” In the case of routine matters, brokers may vote shares held in “street name” in their discretion if they have not received voting instructions from the beneficial owner. In the case of non-routine matters, brokers may not vote shares unless they have received voting instructions from the beneficial owner (“**broker non-votes**”); therefore, it is important that you complete and return your proxy early so that your vote may be recorded. Broker non-votes will be counted for quorum purposes but will not be counted as votes cast either for or against a proposal. In other words, broker non-votes are not considered “votes cast.”

The election of directors (Proposal 1) is a non-routine matter under the applicable rules, so broker non-votes may occur. However, broker non-votes do not count as shares entitled to vote. Because the election is decided by a majority of votes cast, and because our majority voting policy for directors only considers “**FOR**” votes and “**AGAINST**” votes, any broker non-votes will not affect the outcome of Proposal 1. In a contested election (an election in which the number of nominees exceeds the number of directors to be elected), the directors will be elected by a plurality of the votes cast on the election of directors. The election of directors to be held at the Annual Meeting is an uncontested election, and, therefore, the majority of votes cast standard will apply. Any incumbent director who receives fewer “**FOR**” votes than “**AGAINST**” votes is required to offer his or her irrevocable resignation. Our Nominating and Corporate Governance Committee will consider the offer of resignation and make a recommendation to the Board as to whether to accept or reject the resignation of such incumbent director. The Board will then act on the resignation, taking into account the committee’s recommendation, and publicly disclose its decision regarding the resignation and the rationale for its decision within a period of 90 days following certification of the election results.

The ratification of the appointment of the Company’s independent auditors (Proposal 2) is a routine matter under the applicable rules so broker non-votes should not occur.

The advisory vote on the approval of executive compensation (Proposal 3), the advisory vote on the shareholder proposal regarding the adoption of a policy requiring the disclosure of our Consolidated EEO-1 Report (Proposal 4), and any other matters that may properly come before the Annual Meeting are also non-routine matters under the applicable rules, so broker non-votes may occur. Because broker non-votes are not counted as votes cast, they do not affect the outcome of the vote on Proposals 3 and 4.

Abstentions. As with broker non-votes, abstentions are counted for quorum purposes but will not be counted as votes cast either for or against a proposal. In other words, abstentions are not considered “votes cast.” Accordingly, abstentions will have no impact on the outcome of the proposals contained in this Proxy Statement.

Executed but Unmarked Proxies. If no instructions are given, then shares represented by properly executed but unmarked proxies will be voted in accordance with the recommendation of the Board, or, in the absence of such a recommendation, in accordance with the judgment of the proxy holders.

ANNUAL MEETING FAQS

WHEN AND WHERE IS THE ANNUAL MEETING?

The 2025 Annual Meeting of Shareholders will be held at the Texas Roadhouse Support Center located at 6040 Dutchmans Lane, Louisville, Kentucky 40205 on Thursday, May 15, 2025 at 9:00 a.m. eastern daylight time.

WHO CAN ATTEND THE ANNUAL MEETING?

The Annual Meeting is open to all shareholders. If you wish to attend the Annual Meeting, please contact our Investor Relations Department at investment@texasroadhouse.com or (502) 426-9984.

WHO IS SOLICITING MY PROXY?

The Company's Board is soliciting your proxy in connection with the Annual Meeting. Certain of our directors, officers and employees also may solicit proxies on the Board's behalf by personal contact, telephone, mail, e-mail or other means.

WHO IS ENTITLED TO VOTE?

Only shareholders of record at the close of business on March 17, 2025 will be entitled to vote at the Annual Meeting.

WHAT CONSTITUTES A QUORUM?

The presence in person or by proxy of the holders of a majority of the shares of common stock issued and outstanding on the Record Date will constitute a quorum for the transaction of business at the Annual Meeting.

HOW DO I VOTE?

If you are entitled to vote, then you may cast your vote in accordance with any of the following options:

- Online, by going to the website shown on your proxy card;
- By touch-tone telephone from the United States, using the toll-free number on the proxy card;
- By mail by promptly completing, signing and dating your proxy card and returning it in the enclosed postage-paid envelope; or
- In person, by revoking your proxy and attending the Annual Meeting.

Telephone and Internet Voting facilities for Shareholders of record will close on 11:59 p.m. eastern daylight time on May 14, 2025.

CAN I CHANGE MY VOTE OR REVOKE MY PROXY?

Yes, you may revoke your proxy at any time before the closing of the polls at the Annual Meeting by voting at a later date by one of the methods described on the proxy card or by filing a written notice of revocation with, or by delivering a duly executed proxy bearing a later date to, Christopher C. Colson, the Chief Legal and Administrative Officer and Corporate Secretary of the Company, at the Company's main office address located at 6040 Dutchmans Lane, Louisville, Kentucky 40205.

You can also revoke proxies by delivering a duly executed proxy bearing a later date to the inspector of election at the Annual Meeting before the close of voting or by attending the Annual Meeting and voting in person. You may attend the Annual Meeting even though you have executed a proxy, but your presence at the Annual Meeting will not automatically revoke your proxy.

WHAT IS A BROKER NON-VOTE?

Under rules of the New York Stock Exchange, matters subject to shareholder vote are classified as “routine” or “non-routine.” In the case of routine matters, brokers may vote shares held in “street name” in their discretion if they have not received voting instructions from the beneficial owner.

In the case of non-routine matters, brokers may not vote shares unless they have received voting instructions from the beneficial owner; therefore, it is important that you complete and return your proxy early so that your vote may be recorded.

WHAT DOES IT MEAN TO BE A SHAREHOLDER OF RECORD?

In the event your shares are registered directly in your name with ComputerShare, the Company’s transfer agent, as of the Record Date, then you are considered to be a “**shareholder of record**”. As a shareholder of record, you have the ability to vote at the Annual Meeting or by proxy. Regardless of whether or not you are able to attend the Annual Meeting, we encourage you vote in any of the ways described in the “How Do I Vote” portion of these Annual Meeting FAQs.

WHAT DOES IT MEAN TO HOLD SHARES IN STREET NAME?

In the event your shares are held in an account at a broker, bank, or other financial institution as of the Record Date, then you are deemed the beneficial owner of shares held in “**street name**”, and these proxy materials are being sent to you by such broker, bank, or other financial institution. The applicable institution holding your account is considered the shareholder of record for the purposes of voting at the Annual Meeting. While you may attend the Annual Meeting, you will not be able to vote your shares at the Annual Meeting unless you request and obtain a legal proxy from such broker, bank, or other financial institution giving you the legal right to vote such shares.

WHAT ITEMS WILL BE VOTED ON AND WHAT ARE THE RECOMMENDATIONS OF THE BOARD?

The Board is requesting that shareholders vote on the following four proposals at the Annual Meeting and makes the following recommendations with respect to each proposal:

- **Proposal 1:** To elect eight directors to the Board of Directors of the Company, each for a term of one year.

Recommendation: **FOR**

- **Proposal 2:** To ratify the appointment of KPMG LLP as the Company’s independent auditors for the Company’s 2025 fiscal year.

Recommendation: **FOR**

- **Proposal 3:** An advisory vote on executive compensation.

Recommendation: **FOR**

- **Proposal 4:** An advisory vote on a shareholder proposal regarding the adoption of a policy requiring the disclosure of the Company’s Consolidated EEO-1 Report, if properly presented at the Annual Meeting.

Recommendation: **AGAINST**

WHO PAYS FOR THE PROXY SOLICITATION?

The cost of solicitation of proxies being solicited on behalf of the Board will be borne by us. In addition to solicitation by mail, proxies may be solicited personally, by telephone or by other means by our directors, officers or employees, who receive no additional compensation for these solicitation activities. We will, upon request, reimburse brokerage houses and persons holding common stock in the names of their nominees for their reasonable out-of-pocket expenses in sending materials to their principals.

WHO COUNTS THE VOTES?

ComputerShare, the transfer agent for the Company, will count the votes and will serve as the independent inspector of election at the Annual Meeting.

WHERE DO I FIND THE VOTING RESULTS OF THE ANNUAL MEETING?

Results of the vote held at the Annual Meeting will be included on a Form 8-K which is expected to be filed with the Securities and Exchange Commission within one business day after the date of the Annual Meeting.

WHO IS “BUBBA” AND WHY IS HE REFERENCED IN THE PROXY?

Bubba was the nickname of W. Kent Taylor, the Company's late founder, and is the namesake of our Bubba's 33 restaurant concept. As used in Compensation Discussion and Analysis and in honor of Mr. Taylor, we use the headings "Bubba Who" (outlining our Named Executive Officers), "Bubba What" (outlining what we do and do not do from an executive compensation standpoint), and "Bubba How" (outlining our philosophy on executive compensation).

CORPORATE GOVERNANCE AND OUR BOARD

2024 CORPORATE GOVERNANCE OVERVIEW

The following is an executive summary of corporate governance activities for our 2024 fiscal year:

Meetings

We held 29 meetings of the Board and applicable committees comprised of (i) eight meetings of the Board, (ii) 12 meetings of the audit committee, (iii) five meetings of the compensation committee, and (iv) four meetings of the nominating and corporate governance committee. Of the eight meetings of the Board, four were joint meetings among the Board, the audit committee, the compensation committee and/or the nominating and corporate governance committee.

New Board Member

On February 28, 2024, Jane Grote Abell was appointed to the Board as an independent director. In connection with the appointment, the Board desired to add an independent Board member with extensive restaurant industry experience. Ms. Abell was appointed as a non-employee director because of her executive and board experience as well as her extensive knowledge of the restaurant industry in which she has over 30 years of experience. The shareholders subsequently elected Ms. Abell to the Board at the 2024 annual shareholder meeting.

Board Composition

2024

The Board currently consists of nine directors – seven of which are independent, as that term is defined in the listing standards under Nasdaq Marketplace Rule 5605(a)(2) and meet the criteria for independence under the Sarbanes-Oxley Act of 2002 and the rules adopted by the Securities and Exchange Commission. The following is a breakdown of committee membership and leadership during the 2024 fiscal year:

- 1) Chairman of the Board: Gregory N. Moore
- 2) Audit Committee: Donna E. Epps (Chair); Michael A. Crawford; Wayne L. Jones; Gregory N. Moore; and Curtis A. Warfield
- 3) Compensation Committee: Michael A. Crawford (Chair); Gregory N. Moore; and Kathleen M. Widmer
- 4) Nominating and Corporate Governance Committee: Curtis A. Warfield (Chair); Donna E. Epps; Wayne L. Jones; and Kathleen M. Widmer

2025

Following the Annual Meeting, the Board will consist of eight directors – seven of which will be independent, as that term is defined in the listing standards under Nasdaq Marketplace Rule 5605(a)(2) and meet the criteria for independence under the Sarbanes-Oxley Act of 2002 and the rules adopted by the Securities and Exchange Commission. The following is a breakdown of current committee membership and leadership during the 2025 fiscal year:

- 1) Chairman of the Board: Gregory N. Moore
- 2) Audit Committee: Donna E. Epps (Chair); Jane Grote Abell; Michael A. Crawford; Wayne L. Jones; Gregory N. Moore; and Curtis A. Warfield
- 3) Compensation Committee: Michael A. Crawford (Chair); Gregory N. Moore; and Kathleen M. Widmer

- 4) Nominating and Corporate Governance Committee: Curtis A. Warfield (Chair); Jane Grote Abell; Donna E. Epps; Wayne L. Jones; and Kathleen M. Widmer

Compensation Philosophy

With respect to each non-employee director's 2024 fiscal year service, each non-employee director received a fixed cash amount for serving on the Board, together with additional compensation relating to leadership positions on the Board and/or on any Board committee. Additionally, the Chairman of the Board received an annual grant of service based restricted stock units equal to \$320,000 divided by the closing sales price of the Company's common stock on the Nasdaq Global Select Market on the trading day immediately preceding the date of the grant, with such quotient being rounded up or down to the nearest 100 shares, while each remaining non-employee director received an annual grant of service based restricted stock units equal to \$230,000 divided by the closing sales price of the Company's common stock on the Nasdaq Global Select Market on the trading day immediately preceding the date of the grant, with such quotient being rounded up or down to the nearest 100 shares.

In 2024, the compensation committee engaged FW Cook as an independent compensation consultant to advise the compensation committee on non-employee director compensation beginning with the 2025 fiscal year. Based on the compensation committee's review of FW Cook's reports and recommendations, the compensation committee (A) increased certain portions of the cash components for the non-director compensation to further align with its peer companies and industry practices for companies between mid-cap and large-cap companies; and (B) reduced a portion of the equity component for non-director compensation so that the total compensation for each non-employee director is not as heavily weighted on equity. Accordingly, with respect to each non-employee director's 2025 fiscal year service, each non-employee director will receive a fixed cash amount for serving on the Board, together with additional compensation relating to serving in leadership positions on the Board and/or on any Board committee. Additionally, the Chairman of the Board received an annual grant of service based restricted stock units equal to \$315,000 divided by the closing sales price of the Company's common stock on the Nasdaq Global Select Market on the trading day immediately preceding the date of the grant, with such quotient being rounded up or down to the nearest 100 shares, while each remaining non-employee director received an annual grant of service based restricted stock units equal to \$225,000 divided by the closing sales price of the Company's common stock on the Nasdaq Global Select Market on the trading day immediately preceding the date of the grant, with such quotient being rounded up or down to the nearest 100 shares.

Similar to our compensation philosophy for our executive officers, we believe that issuing service based restricted stock units to our non-employee directors aligns their interests with those of our shareholders. Specifically, since the bulk of each non-employee director's compensation lies in the value of the service based restricted stock units granted, the non-employee directors are motivated to continually improve the Company's performance in the hope that the performance will be reflected by the stock price on the vesting date of their service based restricted stock units. Moreover, we believe that the service based restricted stock unit awards drive director alignment with maximizing shareholder value because the value of the service based restricted stock units varies in response to investor sentiment regarding overall Company performance at the time of vesting.

Cap on Total Compensation

The total compensation for any non-employee director may not exceed \$500,000, which amount shall be calculated by adding (i) the total cash compensation to be paid for services rendered by a non-employee director in any given fiscal year to (ii) the grant date value of any equity granted to such non-employee director in that fiscal year. This cap on Board total compensation is included in the Company's 2021 Long-Term Incentive Plan.

Mandatory Retirement Age for Board Service

The Board and the nominating and corporate governance committee have established a mandatory retirement age for the non-employee directors on the Board. In furtherance of the foregoing, in no event shall any non-employee be elected, re-elected, and/or appointed to the Board if such non-employee is 75 years or older at the time of such election, re-election, and/or appointment; provided, however, any director who began serving on the Board prior to 2006 shall be permitted to be re-elected to the Board so long as they are not 80 years or older at the time of such re-election.

In furtherance of this policy, James R. Zarley will not stand for re-election at the Annual Meeting. Mr. Zarley is our longest tenured member of the Board, being appointed to the Board in 2004 as a part of the Company's initial public offering. During his time on the Board, he served on each of the three committees of the Board and has provided both formal and informal mentorship and leadership. The Company thanks Mr. Zarley for his nearly 20 years of service on the Board and the tremendous value that he has brought to the Company during his tenure, including during key transitional moments in the Company's history (specifically following the sudden passing of our founder W. Kent Taylor).

Shareholder Engagement

During 2024, management of the Company interacted with shareholders owning approximately 65% of the outstanding shares of the Company as of the end of fiscal year 2024. These interactions ranged from one-on-one phone/video calls, face-to-face meetings at investor conferences, video calls during virtual non-deal roadshows, participants listening to virtual fireside chats between members of management and sell-side analysts, and conversations with stewardship teams regarding corporate governance.

Director Summary Overview

| OUR DIRECTOR NOMINEES | | | | | | |
|-----------------------|-----|----------------|-------------------|----------------------|-----|-----|
| Nominee | Age | Director Since | Independent (Y/N) | Committee Membership | | |
| | | | | A | C | N |
| Jane Grote Abell | 58 | 2024 | Y | ○ | | ○ |
| Michael A. Crawford | 57 | 2020 | Y | ○ | ● | |
| Donna E. Epps | 61 | 2021 | Y | ● | | ○ |
| Wayne L. Jones | 66 | 2023 | Y | ○ | | ○ |
| Gregory N. Moore | 75 | 2005 | Y | ○ | ○ | |
| Gerald L. Morgan | 64 | 2021 | N | N/A | N/A | N/A |
| Curtis A. Warfield | 57 | 2018 | Y | ○ | | ● |
| Kathleen M. Widmer | 63 | 2013 | Y | | ○ | ○ |

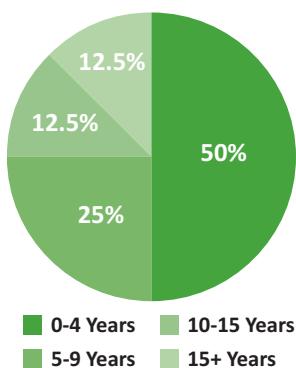
A (Audit Committee) **C** (Compensation Committee) **N** (Nominating and Corporate Governance Committee)

● Chairperson ○ Committee Member

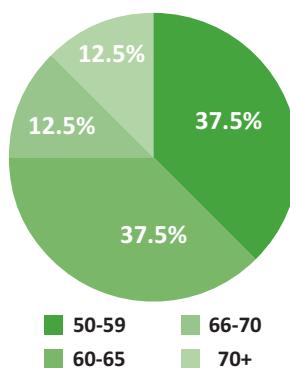
Nominee Highlights

The charts below illustrate the composition of our director nominees by age, tenure, diversity, independence, and gender:

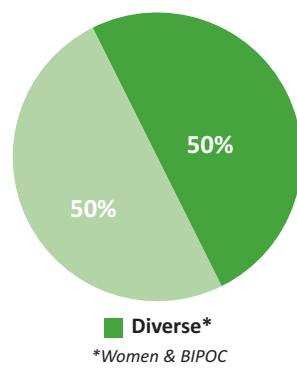
TENURE



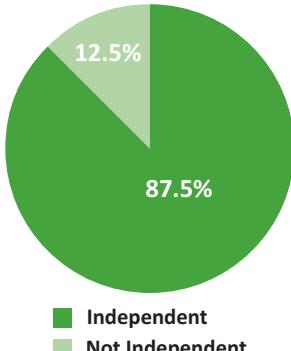
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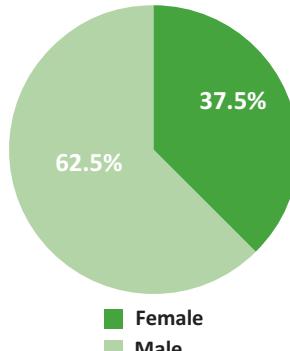
DIVERSITY



INDEPENDENCE



GENDER



Director Summaries

| Jane Grote Abell | Business Experience: |
|--|---|
| <p>Director Since: 2024</p> <p>Age: 58</p> <p>Board Committees / Leadership: Audit Committee; Nominating and Corporate Governance Committee</p> <p>Public Boards: None</p> <p>Favorite Texas Roadhouse Food Item: Herb Crusted Chicken, Baked Potato and Steamed Vegetables with the World Famous Texas Roadhouse Rolls</p> | <p>Ms. Abell is a founding family member, Executive Chairwoman of the Board of Directors, and Chief Purpose Officer for Donatos Pizza and Jane's Dough Premium Foods, all positions she has held since 2010. At Donatos, Ms. Abell previously held the title of Chief Operations Officer, Chief People Officer, and President. She also previously served as Senior Vice President of Business Development for Donatos where she led growth for franchising and development during the period of time in which Donatos was owned by the McDonald's corporation.</p> |
| | <p>Reason for Nomination:</p> <p>Ms. Abell is being nominated as a non-employee director because of her executive and board experience as well as her extensive knowledge of the restaurant industry where she has over 30 years of experience in the industry. As a result of these and other professional experiences, Ms. Abell possesses particular knowledge and experience that strengthen the Board's collective qualifications, skills, and experience.</p> |

| Michael A. Crawford | Business Experience: |
|---|---|
| <p>Director Since: 2020</p> <p>Age: 57</p> <p>Board Committees / Leadership: Audit Committee and Compensation Committee; Chairperson of Compensation Committee</p> <p>Public Boards: Hall of Fame Resort & Entertainment Company (NASDAQ: HOFV); Seaport Entertainment Group (NYSE: SEG)</p> <p>Favorite Texas Roadhouse Food Item: 6oz Filet and Grilled Shrimp</p> | <p>Mr. Crawford is currently serving as Chairman of the Board, President and Chief Executive Officer for Hall of Fame Resort & Entertainment Company (NASDAQ: HOFV), including Hall of Fame Village, Hall of Fame Village Media and Gold Summit Gaming divisions, which he joined in December 2018. Hall of Fame Resort & Entertainment Company is a sports, entertainment, and media enterprise headquartered in Canton, Ohio which was established in 2020 as a result of a merger between HOF Village, LLC, a partnership between the Pro Football Hall of Fame and Industrial Realty Group (IRG) which began in 2016 and Gordon Pointe (GPAQ) Acquisition Corp. From 2014 to 2018, Mr. Crawford held numerous executive positions with the Four Seasons Hotels and Resorts Company, starting as the President of Asia Pacific and subsequently becoming Global President of Portfolio Management. While at Four Seasons, he was responsible for business and capital planning, along with the design and construction of all new Four Seasons Hotels and Resorts worldwide. Prior to Four Seasons, Mr. Crawford spent almost 25 years at the Walt Disney Company (NYSE: DIS) where he rose to Senior Vice President and General Manager of Shanghai Disney Resort and President of Shanghai's Walt Disney Holdings Company. Mr. Crawford also serves as an independent director for Seaport Entertainment Group (NYSE: SEG), which develops, owns and operates a real estate and entertainment portfolio.</p> |
| | <p>Reason for Nomination:</p> <p>Mr. Crawford is being nominated as a non-employee director because of his chief executive experience, his hospitality and international experience, and his strategic planning experience. As a result of these and other professional experiences, Mr. Crawford possesses particular knowledge and experience that strengthen the Board's collective qualifications, skills, and experience.</p> |

| Donna E. Epps | Business Experience: |
|--|--|
| <p>Director Since: 2021</p> <p>Age: 61</p> <p>Board Committees / Leadership: Audit Committee and Nominating & Corporate Governance Committee; Chairperson of Audit Committee</p> <p>Public Boards: Saia, Inc. (NASDAQ: SAIA) Texas Pacific Land Corporation (NYSE: TPL)</p> <p>Favorite Texas Roadhouse Food Item: Fall-Off-The-Bone Ribs</p> | <p>Ms. Epps is a certified public accountant licensed in the State of Texas who previously served in various capacities at Deloitte LLP for over 31 years, including over 17 years of focus on providing attest services to private and public companies across industries including distribution, commercial and industrial products, energy, technology, and telecommunications. Following her retirement from Deloitte in 2017, Ms. Epps serves as an independent director for Saia, Inc. (NASDAQ: SAIA), a transportation company that predominantly transports less-than-truckload shipments across 45 states but also offers a wide range of other services, including non-asset truckload, expedited transportation and logistics services across North America. Ms. Epps also serves as an independent director for Texas Pacific Land Corporation (NYSE: TPL), one of the largest landowners in the state of Texas with approximately 900,000 acres of land located in 19 counties of West.</p> <p>Reason for Nomination:</p> <p>Ms. Epps is being nominated as a non-employee director because of her extensive audit, risk, financial and accounting experience and her extensive board experience. As a result of these and other professional experiences, Ms. Epps possesses particular knowledge and experience that strengthen the Board's collective qualifications, skills, and experience.</p> |

| Wayne L. Jones | Business Experience: |
|---|---|
| <p>Director Since: 2023</p> <p>Age: 66</p> <p>Board Committees / Leadership: Audit Committee and Nominating & Corporate Governance Committee</p> <p>Public Boards: None</p> <p>Favorite Texas Roadhouse Food Item: Ribeye, Loaded Baked Potato and Rattlesnake Bites with the World Famous Texas Roadhouse Rolls</p> | <p>Mr. Jones has over 40 years of experience in the restaurant industry, where his career spans several well-respected brands, including BJ's Restaurants, P.F. Chang's, Anthony's Coal Fired Pizza and The Cheesecake Factory. Most recently, Mr. Jones served as the Chief Executive Officer of Anthony's Coal Fired Pizza from 2017 until his retirement in 2020. In addition to his executive level experience, Mr. Jones served on the Board of Directors as an independent director at Craftworks Restaurants from 2015 to 2018.</p> <p>Reason for Nomination:</p> <p>Mr. Jones is being nominated because of his chief executive and board of director experience as well as his extensive knowledge of the restaurant industry where he has over 40 years of experience in the industry. As a result of these and other professional experiences, Mr. Jones possesses particular knowledge and experience that strengthen the Board's collective qualifications, skills, and experience.</p> |

| Gregory N. Moore | Business Experience: |
|--|--|
| <p>Director Since: 2005</p> <p>Age: 75</p> <p>Board Committees / Leadership: Audit Committee and Compensation Committee; Chairman of the Board</p> <p>Public Boards: Newegg Commerce, Inc. (NASDAQ: NEGG)</p> <p>Favorite Texas Roadhouse Food Item: Texas Size Combo of 6oz Filet and Fall-Off-The Bone Ribs</p> | <p>Mr. Moore served as the Senior Vice President and Controller of Yum! Brands, Inc. until he retired in 2005. Yum! Brands is the worldwide parent company of Taco Bell, KFC, and Pizza Hut. Prior to becoming Yum! Brands' Controller, Mr. Moore was the Vice President and General Auditor of Yum! Brands. Before that, he was with PepsiCo, Inc. and held the position of Vice President, Controller of Taco Bell and Controller of PepsiCo Wines & Spirits International, a division of PepsiCola International. Before joining PepsiCo, he was an Audit Manager with Arthur Young & Company in its New York, New York and Stamford, Connecticut offices. Mr. Moore is a certified public accountant in the States of New York and California. In July 2011, Mr. Moore joined the board of Newegg Commerce, Inc. (NASDAQ: NEGG), an on-line retailer specializing in computer and computer-related equipment.</p> <p>Reason for Nomination:</p> <p>Mr. Moore is being nominated as a non-employee director because of his extensive financial, accounting, and international experience as well as his experience in the restaurant industry. As a result of these and other professional experiences, Mr. Moore possesses particular knowledge and experience that strengthen the Board's collective qualifications, skills, and experience.</p> |

| Gerald L. Morgan | Business Experience: |
|--|--|
| <p>Director Since: 2021</p> <p>Age: 64</p> <p>Board Committees / Leadership: Company's Chief Executive Officer</p> <p>Public Boards: None</p> <p>Favorite Texas Roadhouse Food Item: Dickie V Pizza from Bubba's 33</p> | <p>Mr. Morgan is a 28-year veteran of Texas Roadhouse and has nearly 40 years of total foodservice experience, including with Bennigan's and Burger King. His career with Texas Roadhouse began in 1997 as Managing Partner in Grand Prairie, Texas, which was store number 26 and the first in Texas. Mr. Morgan was named Managing Partner of the Year in 2001, which is the Company's highest recognition. Mr. Morgan was promoted to Market Partner in 2001, where he oversaw and grew operations in Texas and Oklahoma. In 2014, Mr. Morgan was awarded the Texas Roadhouse Legends Award at the Company's Managing Partner Conference. The following year, he was promoted to Regional Market Partner. Mr. Morgan was named Chief Executive Officer in 2021. Mr. Morgan also previously served as President of the Company from December 2020 through January 2023.</p> <p>Reason for Nomination:</p> <p>Mr. Morgan is being nominated as an executive director because of his role as Chief Executive Officer of the Company, his knowledge of the restaurant industry and his in-depth knowledge of the Company. As a result of these and other professional experiences, Mr. Morgan possesses particular knowledge and experience that strengthen the Board's collective qualifications, skills, and experience.</p> |

| | |
|--|--|
| Curtis A. Warfield | Business Experience: |
| <p>Director Since: 2018</p> <p>Age: 57</p> <p>Board Committees / Leadership: Audit Committee and Nominating & Corporate Governance Committee; Chairperson of Nominating & Corporate Governance Committee</p> <p>Public Boards: Talkspace, Inc. (NASDAQ: TALK)</p> <p>Favorite Texas Roadhouse Food Item: Beef Tips, Mashed Potatoes and Gravy with the World Famous Texas Roadhouse Rolls</p> | <p>Mr. Warfield is a certified public accountant licensed in the Commonwealth of Kentucky and is currently the President and Chief Executive Officer of Windham Advisors LLC, a private equity and strategic advisory firm that offers innovative business solutions for companies in technology, healthcare, and real-estate industries. He served as part of the senior leadership team of Anthem, Inc. (NYSE: ANTM), one of the nation's largest health insurers with over \$100 billion in revenues from 2017 to 2019. Previously he served in a variety of roles from 1997 to 2016 at HCA, the largest healthcare provider in the country. He began as the Chief Financial Officer of the Columbia Healthcare Network with a majority of his tenure serving as the Chief Executive Officer of NPAS, a healthcare services company. In 2021, Mr. Warfield joined the board of Talkspace, Inc. (NASDAQ: TALK), a digital company which offers mental health treatment services. Mr. Warfield also served on the board of OneOncology, before the sale to Amerisource Bergen (NYSE:ABC), a company that invests in and collaborates with community oncology practices.</p> |
| | Reason for Nomination: |
| | Mr. Warfield is being nominated as a non-employee director because of his extensive financial and accounting experience, his executive management experience, and his information technology experience. As a result of these and other professional experiences, Mr. Warfield possesses particular knowledge and experience that strengthen the Board's collective qualifications, skills, and experience. |

| | |
|---|---|
| Kathleen M. Widmer | Business Experience: |
| <p>Director Since: 2013</p> <p>Age: 63</p> <p>Board Committees / Leadership: Compensation Committee, and Nominating & Corporate Governance Committee</p> <p>Public Boards: None</p> <p>Favorite Texas Roadhouse Food Item: All American Burger</p> | <p>Ms. Widmer is President and Chief Executive Officer of PRPL Skincare, a position she has held since April 2024. PRPL Skincare is a startup in the consumer personal care industry. Prior to this position, she served as Company Group Chairman for Consumer North America and Latin America for Johnson & Johnson Consumer Health (NYSE:JNJ), a position she held from December 2018 through May 2023. She helped lead the spinoff from Johnson & Johnson to form Kenvue (NYSE:KVUE), a stand-alone public company dedicated to Consumer Healthcare. She retired from this position in December 2023. In both her roles at Johnson & Johnson and Kenvue, Ms. Widmer led the North America and Latin America teams and their portfolio of well-known brands including Neutrogena, Tylenol, Aveeno, Zyrtec, Band-Aid, Listerine and Benadryl. Prior to these roles, she held numerous positions in Johnson & Johnson Consumer Healthcare in both supply chain and commercial. In 2017, Ms. Widmer was appointed to the Board of Directors for Wounded Warrior Project, a board position in which she served until 2023, including serving as Chairman of the Board from 2021 through 2023. Ms. Widmer is one of the earliest women graduates of the United States Military Academy at West Point, and she subsequently served in the US Army Field Artillery as one the artillery's first women officers.</p> |
| | Reason for Nomination: |
| | Ms. Widmer is being nominated as a non-employee director because of her leadership and executive management experience, her extensive commercial and supply chain experience in the consumer industry, and her knowledge of the global retail industry. As a result of these and other professional experiences, Ms. Widmer possesses particular knowledge and experience that strengthen the Board's collective qualifications, skills, and experience. |

Meetings of the Board

The Board met on eight occasions and its standing committees (audit committee, compensation committee, and nominating and corporate governance committee) met on 21 occasions during our fiscal year ended December 31, 2024, which consisted of (i) 12 meetings of the audit committee, (ii) five meetings of the compensation committee, and (iii) four meetings of the nominating and corporate governance committee. Of the eight meetings of the Board, four were joint meetings among the Board, the audit committee, the compensation committee and/or the nominating and corporate governance committee. Each incumbent director attended at least 75% of the aggregate number of meetings of the Board and its committees on which such director served during his or her period of service in fiscal 2024. In addition, the Company expects all members of the Board to attend the Annual Meeting. All incumbent directors attended the 2024 annual meeting. Four regular Board meetings are currently scheduled for the 2025 fiscal year. Executive sessions of non-employee directors, without management directors or employees present, are typically scheduled in conjunction with each regularly scheduled Board meeting. The role of each standing committee is more fully described below.

Leadership Structure of the Board

The Board currently consists of seven independent directors, one non-independent non-employee director and one executive director. Following the Annual Meeting, the Board will consist of seven independent directors and one executive director. Following the passing of W. Kent Taylor, the Company's founder and then Chairman of the Board and Chief Executive Officer of the Company, the Board named Gregory N. Moore as Chairman of the Board on March 19, 2021. Mr. Moore joined the Board in 2005 following the Company's initial public offering in 2004. Until his appointment as Chairman of the Board, Mr. Moore had previously served as the Board's Lead Independent director since the creation of that position in 2012. The responsibility and authority of the Lead Independent director are delineated in our Corporate Governance Guidelines, which can be found on the Company's website at www.texasroadhouse.com. The Board determined that a separation of the duties and responsibilities of the Chairman of the Board from those of the Chief Executive Officer was appropriate during the transition following the death of the Company's founder. As more particularly described below, Mr. Morgan, the Company's Chief Executive Officer, was appointed to the Board on June 15, 2021.

Role of the Board in Strategy and Risk Oversight

| BOARD OVERSIGHT-AT-A-GLANCE | |
|--|---|
| Board's General Oversight Responsibilities | <ul style="list-style-type: none"> Establishing Board corporate policies Overseeing management and strategic direction of the Company Overseeing the Company's strategy and initiatives |
| Board's Strategic Planning and Strategic Initiatives Oversight Responsibilities | <ul style="list-style-type: none"> Oversight roles include succession and organizational planning, human capital management, governance, corporate policy and process development, enterprise risk management, capital structure and allocation, and long-term financial and business planning Ensure alignment on long-term goals and strategic initiatives Every Board meeting – strategic overview of one of our restaurant brands and a business update of each restaurant brand |
| Board's Risk Oversight Responsibilities | <ul style="list-style-type: none"> Responsible for overseeing our risk management strategy – directly and through Board committees Key risk management responsibilities have been delegated to the Audit Committee |

Role of the Board and Management. As more specifically described in our Corporate Governance Guidelines, the Company's business is conducted by the officers and employees under the direction of the Chairman of the Company, and if there is no Chairman, then the Chief Executive Officer of the Company, and under the oversight of the Board. In connection with the same, the Board's role is to enhance the long-term value of the Company for its shareholders. The Board is elected annually by the Company's shareholders to oversee management and the execution of the Company's strategy, and to ensure that the long-term interests of the shareholders are being served. In order to fulfill these obligations, the Board is responsible for establishing broad corporate policies, setting and overseeing the Company's strategic direction, and overseeing the management of the Company.

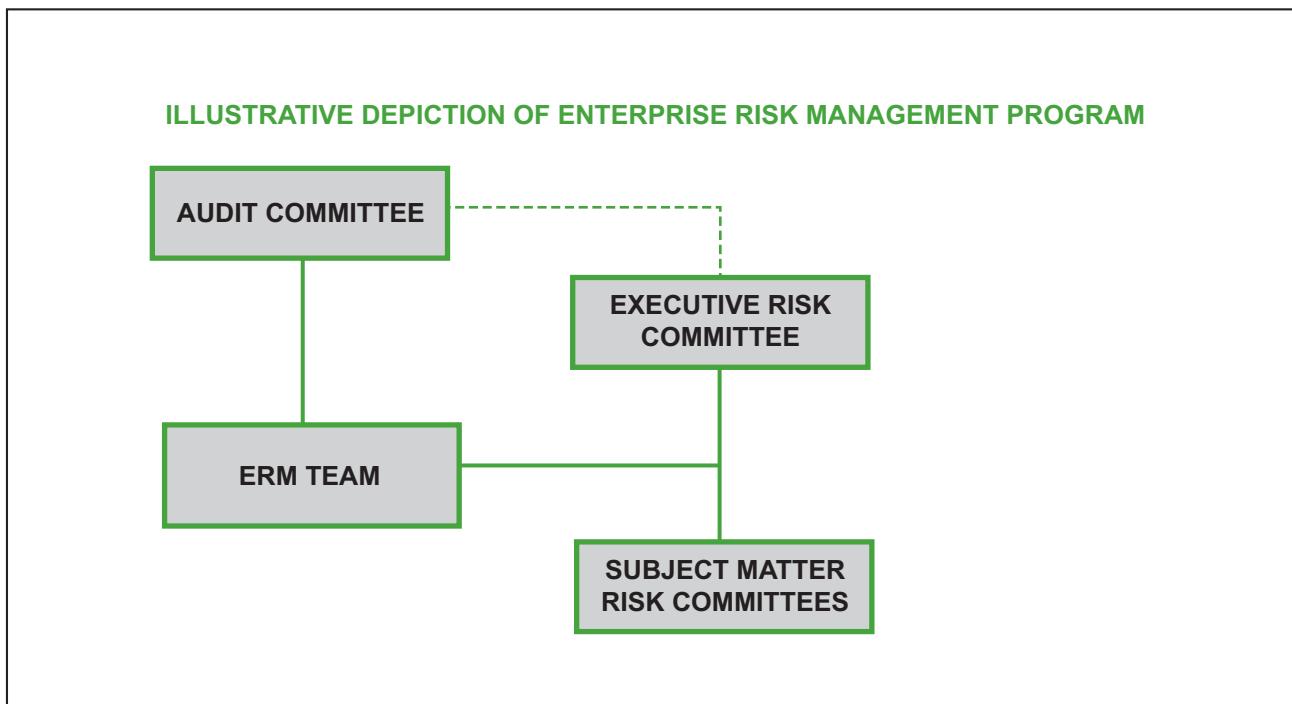
Strategic Planning and Strategic Initiatives. In addition to and as part of the broad responsibilities described in the immediately preceding paragraph, the Board plays an instrumental oversight role in the strategic planning and initiatives of the Company to ensure that the appropriate processes, systems, and organizational infrastructure is in place to support and align all management teams and functions toward the execution of the Company's mission, values, and purpose. The Board's oversight role includes succession and organizational planning, human capital management, governance, corporate policy and process development, enterprise risk management, capital structure and allocation, and long-term financial and business planning.

As a part of this role, the Board reviews the Company's strategy with management to ensure that the Company and the Board are aligned on the long-term goals and strategic initiatives of the Company. At every quarterly Board meeting, the Board and management conduct a strategic overview of one of the Company's

main restaurant brands (including the international business) and is continually updated throughout the year on the performance of each brand or business unit. Additionally, the Board conducts periodic reviews of the manner in which the Company is allocating its capital to ensure that the Board and the management of the Company are in agreement on how the Company is managing its asset portfolio. Finally, the Board provides direct oversight over certain other strategic initiatives or transactions implemented by the Company, including new store development, franchise acquisitions and development, international development, retail or other business development initiatives, technology initiatives, and the Company's share repurchase activities and dividend program (as applicable). The Board executes its strategic oversight responsibility directly and through its committees as more particularly described below.

Risk Oversight. The Board is also responsible for overseeing the Company's risk management strategy, including the Company's implementation of appropriate processes to administer day-to-day risk management. The Board executes its oversight responsibility directly and through its committees and is informed about risk management matters as part of its role in its general oversight and approval of corporate matters. The Board provides the Company's management with clear guidance on the risks it believes face the Company, such as the matters disclosed as risk factors in the Company's Annual Report on Form 10-K. Additionally, the Board has delegated certain risk management responsibilities to its audit committee and compensation committee.

Pursuant to the audit committee's charter, the Board has authorized the audit committee to oversee the Company's risk assessment and risk management practices, and disclosures, including, without limitation, the Company's financial strategies, insurance plans, cyber risk, artificial intelligence, business continuity, human capital, and corporate sustainability. As a part of its oversight responsibilities and as more specifically discussed below, the audit committee evaluates the overall enterprise risk of the entire Company, as well as regularly and comprehensively reviews specific risk matters which have been identified by management. This includes a rotational review of the risks relating to specific departments within the Company. The Company's internal auditors regularly report directly to the audit committee on the results of internal audits, the scope and frequency of which are based on comprehensive risk assessments which have been approved by the audit committee.



As a part of our enterprise risk management process and under the oversight of the audit committee, the Company has formed a series of subject matter risk committees that are composed of cross-functional leaders within the Company that specialize in specific areas of risk previously identified by the Company, which regularly meet and report their activities to the enterprise risk management ("ERM") team. These subject matter

risk committees focus on specific risks relating to business continuity / crisis management, food safety, responsible alcohol service, employment compliance, information governance (including data privacy compliance and the Company's use of artificial intelligence), vendor management, employee and guest safety, California operations, and corporate sustainability. The ERM team, consisting of our Chief Legal and Administrative Officer, Chief Financial Officer, Vice President of Finance, Vice President of Legendary People, Deputy General Counsel, Associate General Counsel – Brand Protection, Director of Risk, Director of Internal Audit, and Program Director of Business Continuity and Data Privacy, meets regularly to identify emerging risk areas and key risk areas for the Company, and serves as a liaison between the subject matter risk committees and the executive risk committee described below. Additionally, the ERM team conducts a periodic review of a risk register, including an in-depth focus on high priority risks, as well as evaluates the composition of existing subject matter risk committees and/or the potential need for the creation of new subject matter risk committees based on its review of the risk register and conducts a gap analysis with respect to the key risks identified on the Company's risk register to the Company's applicable lines of available insurance coverage, as well as a gap analysis to compare the key risks identified on the Company's risk register and the risks outlined on a recently completed materiality assessment. The risk register is reviewed with the audit committee and the executive risk committee. Finally, the Company has an executive risk committee consisting of the Named Executive Officers, the ERM team, and the Vice Presidents of Operation for each of the Company's three main concepts which meet throughout the year to determine risk priorities, receive reports from the various risk subcommittees on their respective priorities and initiatives, and make decisions on key areas of risk.

Additionally, as indicated above, the ERM team regularly updates the audit committee on the results of its risk management activities at least twice per year. Moreover, specific subject matter risk committees periodically report to the audit committee the risk-based initiatives being performed by the applicable risk committee. The audit committee is routinely advised of strategic, operational, financial, human capital, legal, data privacy, corporate sustainability, responsible alcohol service, and cybersecurity risks, and the audit committee reviews and is informed of specific activities to manage these risks, such as policies and procedures, insurance plans, indemnification obligations, and internal controls (as and if applicable).

Pursuant to the compensation committee's charter, the Board has authorized the compensation committee to oversee the compensation programs for the Company's executive officers and non-employee directors. The compensation committee, in fulfilling its oversight responsibilities, designs the compensation packages applicable to the Company's executive officers and Board members. The compensation committee also periodically consults with management on the payments of bonuses and grants of stock awards to key employees.

The audit committee and the compensation committee jointly perform an annual risk assessment of our compensation programs for all employees to determine whether these programs encourage unnecessary or excessive risk taking. In conducting this review, each of our compensation programs is evaluated on a number of criteria aimed at identifying any incentive programs that deviate from our risk management objectives. Based on this review in 2024, both the audit committee and the compensation committee concluded that we have the right combination of rewards and incentives to drive company performance, without encouraging unnecessary or excessive risk taking by our employees. In connection with the foregoing, the Company has not established a system of incentives that is reasonably likely to lead to excessive or inappropriate risk taking by employees or create a risk reasonably likely to have a material adverse effect on the Company. Specifically, the audit and compensation committees identified the following components of our compensation programs that mitigate the likelihood of excessive risk taking to meet performance targets: equity incentive compensation in the form of restricted stock units; long term contracts and a financial buy-in requirement for restaurant management; a guaranteed base salary within our support center management personnel; minimums and maximums on profit sharing compensation within our support center management personnel; robust internal controls; operational focus on top line sales growth; and, a business model which focuses on a strong balance sheet, relatively low debt, prudent growth, and sustainable long-term profitability.

The Board's oversight roles, including the roles of the audit committee and the compensation committee, allow the Board to effectively administer risk management policies while also effectively and efficiently addressing Company objectives. The Board expects to continue to involve Company management in its deliberations and decision-making in order to administer risk management policies effectively.

Cybersecurity. In the course of our operations, the Company receives and maintains sensitive information from our guests, employees, partners and business operations. To address cybersecurity threats to this information, the Company has used a risk-based approach to create and implement a detailed set of information security policies and procedures that are based on frameworks established by the National Institute of Standards and Technology. The Company's Head of Information Security leads the Company's cybersecurity efforts under the direct oversight of our Chief Technology Officer. These individuals, including the members of the cybersecurity team, have an average of 16 years of experience involving information technology, including security, auditing, compliance, systems, and programming. Additionally, the Company engages in the use of external cybersecurity experts for training, contingency planning, consultation and process documentation.

The Company has implemented detective and preventative controls designed to ensure the appropriate level of protection for the confidentiality, integrity and availability of data stored on or transferred through our information technology resources. Additionally, we have a risk assessment process to identify risks associated with our use of third-party service providers and have implemented specific processes and controls designed to mitigate those identified risks. Both internal and third-party audits are performed routinely to verify that these controls are effective. Additionally, the Company has implemented training programs designed to provide best practices for protecting our network and systems, and routinely leads exercises for employees to reinforce the risk and proper handling of targeted emails. The Company's Head of Information Security is responsible for developing and implementing these controls and training exercises with support from our information technology department.

The Company's enterprise risk management program has established an internal risk committee to evaluate information governance risks including risks associated with the Company's use of artificial intelligence. This committee comprises members of management of the Company's information technology, human resources, marketing, accounting, risk, procurement, training, finance, and legal functions, and is focused on performing risk assessments to identify areas of concern and implement appropriate changes to enhance its cybersecurity and privacy policies and procedures. The internal risk committee is informed of the Company's risk prevention and mitigation efforts on at least a quarterly basis by the Head of Information Security. The committee is also briefed on detection and remediation of cybersecurity incidents in a timely manner following the detection of any potential events.

The Company has a crisis response team comprising senior members of various corporate functions to oversee the response to various crises including potential crises arising from cybersecurity incidents that may impact the Company and/or its vendor partners. This team conducts regular tabletop exercises to simulate responses to cybersecurity incidents. To the extent there is a cybersecurity incident impacting the Company and/or a vendor partner, the crisis response team's process would be to ensure that our Head of Information Security and Chief Technology Officer are informed immediately and that the potential impact of the incident and remedial measures arising from the incident are communicated to the executive officers of the Company.

The Board has authorized the audit committee to oversee the Company's risk assessment and risk management practices and strategies. This delegation includes maintaining responsibility for overseeing the Company's enterprise risk management program. As a part of this oversight role, the audit committee receives regular updates from management on cybersecurity and privacy risks impacting the Company, which includes benchmarking these risks versus the industry. Our Board members also engage in ad hoc conversations with management on cybersecurity-related news events, receive training specific to cybersecurity risks and threats and regularly discuss any updates to our cybersecurity risk management and strategy programs.

Corporate Sustainability. The Board and the Company take great pride in our corporate sustainability program and our appreciation for, and commitment to, our employees and for the communities in which we serve. Our commitment is evident from our passion and history of dedication to corporate citizenship and the manner in which we often consider sustainability as part of our strategy, operating model and overall decision-making process. This commitment also includes the continued execution of our existing corporate sustainability activities, as well as the identification of future opportunities. We actively pursue opportunities and partnerships that help conserve resources, reduce waste, and have a positive impact on our communities, as well as partner with other organizations and source products from suppliers who share our commitment to corporate

sustainability. As a result, the Board reviews the Company's corporate sustainability initiatives as a part of their oversight role of the Company's business strategy and risk management. In particular, the Board receives periodic updates, at least annually, of our corporate sustainability initiatives from management. The Company also includes an update on some of these initiatives in the Company's Annual Report.

Additionally and as described above, risks relating to corporate sustainability are managed by the Company as a part of the Company's enterprise management program and under the oversight of the audit committee. In connection with the same, the Company has established an internal subject matter risk committee to evaluate environmental, social and governance matters. This corporate sustainability risk committee is comprised of members of management from the Company's legal, human resources, communications, procurement, investor relations, internal audit, and financial reporting functions. At least annually, the corporate sustainability risk committee reports to the audit committee regarding the risk-based initiatives being performed by the committee.

In 2017, we released our initial corporate sustainability report which outlined the four core pillars of our corporate sustainability efforts: Food, Community, Employees, and Conservation. Our goal is to update our corporate sustainability report annually. The current report is available on the Company's website at www.texasroadhouse.com. Unless specifically incorporated by reference, the content posted on, or accessible through, our website is not incorporated by reference into this proxy statement or any of our filings with the Securities and Exchange Commission (the "**SEC**") and may be revised by us (in whole or in part) at any time and from time to time.

Committees of the Board

The Board has three standing committees:

- (i) the audit committee;
- (ii) the compensation committee; and
- (iii) the nominating and corporate governance committee.

The Board has adopted a written charter for each of these committees, which set out the functions and responsibilities of each committee. The charters of these committees are available in their entirety on our website at www.texasroadhouse.com. Please note, however, that the information contained on the website is not incorporated by reference in, nor considered to be a part of, this proxy statement.

Audit Committee.

| AUDIT COMMITTEE | |
|---|---|
| Committee Members (2024): Donna Epps (Chair) Michael Crawford Wayne Jones Gregory Moore Curtis Warfield | Committee Functions: As described in its charter, the audit committee: <ul style="list-style-type: none">• assists the Board in fulfilling its oversight responsibilities relating to:<ul style="list-style-type: none">• the integrity of the Company's consolidated financial statements;• the Company's risk assessment and risk management practices and strategies;• the Company's compliance with legal and regulatory requirements;• the independence and performance of the Company's internal and external auditors; and• the Company's internal controls and financial reporting practices;• is directly responsible for the following:<ul style="list-style-type: none">• pre-approving all audit and permitted non-audit related services provided by our independent auditors (which can be found on the Company's website at www.texasroadhouse.com);• the appointment, compensation, retention, and oversight of the Company's independent auditors; and• periodically reviewing the Company's independent auditors (which entails evaluating the service level of the incumbent independent auditor on an annual basis, which includes criteria such as prior year quality of service, industry and technical expertise, independence, resource availability, and reasonableness and competitiveness of fees, as well as soliciting the input of key management employees during its evaluation);• reviews all of the Company's earnings press releases, Quarterly and Annual Reports on Form 10-Q and Form 10-K, respectively, prior to filing with the SEC, and such other applicable financial disclosure documents (as and if applicable); and• is responsible for producing an annual report on its activities for inclusion in this proxy statement. |
| Committee Members (2025): Donna Epps (Chair) Jane Grote Abell Michael Crawford Wayne Jones Gregory Moore Curtis Warfield | |
| Number of Meetings in 2024: 12 | |
| Independence: All of the current members of the audit committee are " <i>independent</i> " under all applicable rules, including the listing standards under Nasdaq Marketplace Rule 5605(a)(2) and the requirements of the SEC, and all members of the audit committee during the 2024 fiscal year were " <i>independent</i> " under such applicable rules. | |

Compensation Committee.

| COMPENSATION COMMITTEE | |
|---|--|
| Committee Members (2024): Michael Crawford (Chair) Gregory Moore Kathleen Widmer | Committee Functions: As described in its charter, the compensation committee: <ul style="list-style-type: none">• assists the Board in fulfilling its responsibilities relating to the design, administration and oversight of employee compensation programs and benefit plans of the Company's executive officers;• discharges the Board's duties relating to the compensation of the Company's executive officers and non-employee directors;• reviews the performance of the Company's executive officers; and• reviews and discusses with management the "Compensation Discussion and Analysis" in this proxy statement and recommends its inclusion in this proxy statement to the Board, as well as performs the other duties and responsibilities described in its charter. |
| Committee Members (2025): Michael Crawford (Chair) Gregory Moore Kathleen Widmer | |
| Number of Meetings in 2024: 5 | |
| Independence: All of the current members of the compensation committee are " independent " under all applicable rules, including the listing standards under Nasdaq Marketplace Rule 5605(a)(2) and the requirements of the SEC, and all members of the compensation committee during the 2024 fiscal year were " independent " under such applicable rules. | |

Nominating and Corporate Governance Committee.

| NOMINATING AND CORPORATE GOVERNANCE COMMITTEE | |
|---|---|
| Committee Members (2024): Curtis Warfield (Chair) Donna Epps Wayne Jones Kathleen Widmer | Committee Functions: As described in its charter, the nominating and corporate governance committee assists the Board in: <ul style="list-style-type: none">• identifying potential candidates for consideration in the event of vacancy on the Board and/or the Board determines that a new director is necessary and screen individuals qualified to become members of the Board consistent with the nominating and corporate governance committee's screening guidelines and criteria;• if a vacancy on the Board occurs, making recommendations to the Board regarding the selection and approval of the candidate to fill such vacancy either by election by the Company's shareholders or appointment by the Board;• reviewing the qualifications and independence of, approving the nominations of, and recommending to the Board those persons to be nominated for membership on the Board and presented for shareholder approval at the annual meeting;• developing and recommending to the Board a set of corporate governance principles; and• periodically reporting to the Board the status of succession planning for senior management, including guidance regarding succession in the event of an emergency or the retirement of the executive officers and the identification and evaluation of potential successors to the executive officers and other members of senior management. |
| Committee Members (2025): Curtis Warfield (Chair) Jane Grote Abell Donna Epps Wayne Jones Kathleen Widmer | |
| Number of Meetings in 2024: 4 | |
| Independence: All of the current members of the nominating and corporate governance committee are " independent " under all applicable rules, including the listing standards under Nasdaq Marketplace Rule 5605(a)(2) and the requirements of the SEC, and all members of the nominating and corporate governance committee during the 2024 fiscal year were " independent " under such applicable rules. | |

Self-Assessments; Other Public Boards. The nominating and corporate governance committee annually conducts on the Board's behalf a confidential self-assessment. As a part of the annual self-assessment, each director provides, without limitation, an assessment on the effectiveness and functionality of the Board. Each director completes an assessment form and sends it to the chairperson of the nominating and corporate governance committee, who compiles the results and presents them to the Board. In connection with such self-assessment process and the preparation of the Company's D&O Questionnaires, the nominating and corporate governance committee, together with the Chairman of the Board, evaluate each director's upcoming professional responsibilities to determine the committees on which such non-employee directors will serve and to evaluate each director's ability to perform its duties as set forth in the Company's Corporate Governance Guidelines.

A similar process occurs in instances in which a director desires to serve on another public company board. Under our Corporate Governance Guidelines, a director is limited to the number of other public company boards, in addition to our Board, on which a director may serve to not more than four, except when the Board determines that specific circumstances exist to allow for the director to serve on the additional Board. Before

accepting an invitation on another board, the director is required to advise the Chairman of the Board and the chairperson of the nominating and corporate governance committee and provide such information reasonably necessary to allow for the Board to determine whether accepting the position will adversely impact the director's ability to serve the Company considering all facts and circumstances, including the potential leadership roles the applicable director would serve with such additional public company, the various committee(s) that such director will serve, and the employment status of the director.

Board Matrix. The nominating and corporate governance committee routinely evaluates the size and composition of the Board and the variety of professional expertise represented by the Board members in relation to the Company's business. To assist in this process, the nominating and corporate governance committee has developed a board skills matrix that is used to identify certain professional and interpersonal skills and experience desirable for some and/or all of the directors on the Board. The interpersonal skills are personal attributes that each director should possess and include ethics and integrity, leadership skills, negotiation skills, and crisis management skills. The professional skills are an assessment of governance and industry-based skill areas which should be held collectively by the Board but not necessarily by each director and contain skills relating to (i) management and governance skills, (ii) financial, risk, and compliance skills, and (iii) sector and industry specific skills. As a part of its review of those persons to be nominated for membership on the Board at the Annual Meeting, the nominating and corporate governance committee takes a holistic view of the Board to strive to have a diverse Board in terms of core skills, industry experience, tenure and other diversity characteristics or experiences.

Policy Regarding Consideration of Candidates for Director

Shareholder recommendations for Board membership should include, at a minimum, the name of the candidate, age, contact information, present principal occupation or employment, qualifications and skills, background, last five years' employment and business experience, a description of current or previous service as director of any corporation or organization, other relevant biographical information, and the nominee's consent to service on the Board. Under the Company's bylaws, in order for a shareholder nominee to be eligible for election or reelection as a director of the Company, such shareholder nominee will be required to (i) complete and deliver a detailed questionnaire in the form that current non-employee directors and executive officers of the Company complete, and (ii) complete and deliver a signed written representation and agreement in the form that current non-employee directors and executive officers of the Company have completed providing that such proposed nominee (A) is not and will not become a party to (i) any transaction, agreement, arrangement or understanding with, and has not given any commitment or assurance to, any person or entity as to how such proposed nominee, if elected as a director, will act or vote on any issue or question (a "**Voting Commitment**") that has not been disclosed to the Company or (ii) any Voting Commitment that could limit or interfere with such proposed nominee's ability to comply, if elected as a director, with such proposed nominee's fiduciary duties under applicable law, (B) is not, and will not become a party to, any transaction, agreement, arrangement or understanding with any person or entity other than the Company with respect to any direct or indirect compensation, payment, reimbursement or indemnification in connection with service or action as a director that has not been disclosed to the Company, (C) in such proposed nominee's individual capacity, would be in compliance, if elected as a director, and will comply with applicable law (including applicable fiduciary duties under state law), stock exchange listing standards and publicly disclosed corporate governance, ethics, conflict of interest, confidentiality and stock ownership and trading policies and guidelines of the Company, and any other Company policies and guidelines applicable to directors, (D) intends to serve a full term if elected as a director, and (E) will provide facts, statements and other information in all communications with the Company and its stockholders that are or will be true and correct in all material respects, and that do not and will not omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading.

The nominating and corporate governance committee may consider such other factors as it may deem are in the best interest of the Company and its shareholders. The Board has adopted Corporate Governance Guidelines which provide that, if and when the Board determines that it is necessary or desirable to add or replace a director, the nominating and corporate governance committee will seek diverse candidates, taking into account diversity in all respects (including gender, race, age, board service, background, education, skill set, and financial acumen, along with knowledge and experience in areas that are relevant to the Company's

business), when evaluating potential nominees. The manner in which the nominating and corporate governance committee evaluates a potential nominee will not differ based on whether the nominee is recommended by a shareholder of the Company.

The Company currently retains a corporate recruiter to assist in identifying candidates for open positions at the Company. Upon request, this recruiter also assists in identifying and evaluating director candidates. While the Company does not routinely pay an additional fee for this service, based on the recent additions to our Board described below, we have paid certain amounts to a corporate recruiter for their assistance in our nationwide searches in 2024.

Compensation of Directors

As further discussed in the “Compensation Discussion and Analysis,” in 2024, the compensation committee engaged FW Cook as an independent compensation consultant to advise the compensation committee on non-employee director compensation beginning with the 2025 fiscal year. As a part of their review, FW Cook reviewed the non-director compensation of the peer companies described in this proxy statement as well as utilized their industry knowledge for companies in-between mid-cap and large-cap sizes. Based on the compensation committee’s review of FW Cook’s report and recommendations, the compensation committee (A) increased certain portions of the cash components for the non-director compensation to further align with its peer companies and industry practices for companies in-between mid-cap and large-cap sizes; and (B) reduced a portion of the equity component for non-director compensation so that the total compensation for each non-employee director is not as heavily weighted on equity. Similar to our compensation philosophy for our executive officers, we believe that issuing service based restricted stock units to our non-employee directors aligns their interests with those of our shareholders. Specifically, since the bulk of each non-employee director’s compensation lies in the value of the service based restricted stock units granted, the non-employee directors are motivated to continually improve the Company’s performance in the hope that the performance will be reflected by the stock price on the vesting date of their service based restricted stock units. Moreover, we believe that the service based restricted stock unit awards drive director alignment with maximizing shareholder value because the value of the service based restricted stock units varies in response to investor sentiment regarding overall Company performance at the time of vesting.

As described more fully below, the following table summarizes the total compensation earned for fiscal year 2024 for each of the non-employee directors.

| 2024 Director Compensation Table | | | |
|----------------------------------|----------------------------------|---|------------|
| Name | Fees Earned or Paid in Cash (\$) | Grant Date Fair Value of Stock Awards (\$)(1) | Total (\$) |
| Jane Grote Abell | 29,167 | 192,101 (2) | 221,268 |
| Michael A. Crawford | 62,000 (3) | 224,770 | 286,770 |
| Donna E. Epps | 77,000 (4) | 224,770 | 301,770 |
| Wayne L. Jones | 52,000 | 224,770 | 276,770 |
| Gregory N. Moore | 127,000 (5) | 319,410 | 446,410 |
| Curtis A. Warfield | 62,000 (6) | 224,770 | 286,770 |
| Kathleen M. Widmer | 49,000 | 224,770 | 273,770 |
| James R. Zarley | 35,000 | 224,770 | 259,770 |

(1) The compensation committee agreed that with respect to (i) the Chairman of the Board’s 2024 fiscal year service, he received an annual grant of service based restricted stock units equal to \$320,000 divided by the closing sales price of the Company’s common stock on the Nasdaq Global Select Market on the trading day immediately preceding the date of the grant, with such quotient being rounded up or down to the nearest 100 shares; and (ii) for each remaining non-employee director’s 2024 fiscal year service, each received an annual grant of service based restricted stock units equal to \$230,000 divided by the closing sales price of the Company’s common stock on the Nasdaq Global Select Market on the trading day immediately preceding

the date of the grant, with such quotient being rounded up or down to the nearest 100 shares. Except as more particularly described below in footnote (2) for Ms. Abell, all service based restricted stock units described in this paragraph were granted on January 8, 2024 and vested on January 8, 2025 in accordance with the terms of a previously approved restricted stock unit agreement.

For the service based restricted stock units described in footnote (1) (other than for Ms. Abell), fair value is equal to the closing price of the Company's common stock on the trading day immediately preceding the date of the grant, which was \$118.30 for the grants to the non-employee directors. Using the formula described in the immediately foregoing paragraph of footnote (1), Mr. Moore, as Chairman of the Board, was granted 2,700 service based restricted stock units for his 2024 fiscal year service, and each remaining non-employee director (other than Ms. Abell) was granted 1,900 service based restricted stock units for their respective 2024 fiscal year service. The amounts listed above represent the grant date fair value determined in accordance with U.S. generally accepted accounting principles ("U.S. GAAP") of restricted stock units granted under the Company's 2021 Long-Term Incentive Plan. Detailed information under U.S. GAAP is set forth in Note 14 to the consolidated financial statements included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2024. No other equity awards were granted to the non-employee directors during the period of time covered by this table. The Company cautions that the amounts reported in the Director Compensation Table for these awards may not represent the amounts that the non-employee directors will actually realize from the awards. Whether, and to what extent, a non-employee director realizes value on these awards will depend on a number of factors, including the Company's actual operating performance, stock price fluctuations, and the non-employee director's continued service on the Board.

Additionally, the total compensation for any non-employee director may not exceed \$500,000, which amount shall be calculated by adding (i) the total cash compensation to be paid for services rendered by a non-employee director in any given fiscal year to (ii) the grant date value of any equity granted to such non-employee director in that fiscal year. This cap on Board total compensation is included in the Company's 2021 Long-Term Incentive Plan.

- (2) Upon Ms. Abell's appointment to the Board on February 29, 2024, she was granted 1,300 service based restricted stock units, which represents the prorated amount of service based restricted stock units granted to the other non-employee directors on January 8, 2024 as described in footnote (1) above. The fair value is equal to the closing price of the Company's common stock on the trading day immediately preceding the grant, which was \$147.77 for the grant to Ms. Abell. These service based restricted stock units vested on January 8, 2025.
- (3) This amount includes the \$10,000 annual fee for serving as the chairperson of the compensation committee.
- (4) This amount includes the \$25,000 annual fee for serving as the chairperson of the audit committee.
- (5) This amount includes the \$75,000 annual fee for serving as the Chairman of the Board.
- (6) This amount includes the \$10,000 annual fee for serving as the chairperson of the nominating and corporate governance committee.

The compensation committee established that all non-employee directors would receive the amounts set forth below for cash and stock compensation relating to their 2024 fiscal year service:

| 2024 Director Compensation | |
|---|---|
| Cash Compensation | |
| Non-Employee Director Base Fee | \$35,000 |
| Chairman of the Board | \$75,000 |
| Chair of Audit Committee | \$25,000 |
| Chair of Compensation Committee | \$10,000 |
| Chair of Nominating and Corporate Governance Committee | \$10,000 |
| Member of Audit Committee | \$10,000 |
| Member of Compensation Committee | \$7,000 |
| Member of Nominating and Corporate Governance Committee | \$7,000 |
| Meeting Attendance | N/A |
| Stock Compensation | |
| Chairman of the Board | Annual grant of service based restricted stock units equal to \$320,000 divided by the closing sales price of the Company's common stock on the Nasdaq Global Select Market on the trading day immediately preceding the date of the grant, with such quotient being rounded up or down to the nearest 100 shares, which was \$118.30. These restricted stock units were granted on January 8, 2024 and vested on January 8, 2025. Based on the foregoing, the Chairman of the Board received 2,700 service based restricted stock units for his 2024 fiscal year service. |
| Non-Employee Director | Annual grant of service based restricted stock units equal to \$230,000 divided by the closing sales price of the Company's common stock on the Nasdaq Global Select Market on the trading day immediately preceding the date of the grant, with such quotient being rounded up or down to the nearest 100 shares, which was \$118.30. These restricted stock units were granted on January 8, 2024 and vested on January 8, 2025. Based on the foregoing, each remaining non-employee director (other than Ms. Abell) received 1,900 service based restricted stock units for their respective 2024 fiscal year service. |

The compensation committee established that all non-employee directors will receive the amounts set forth below for cash and stock compensation relating to their 2025 fiscal year service:

| 2025 Director Compensation | |
|---|----------|
| Cash Compensation | |
| Non-Employee Director Base Fee | \$45,000 |
| Chairman of the Board | \$75,000 |
| Chair of Audit Committee | \$25,000 |
| Chair of Compensation Committee | \$12,500 |
| Chair of Nominating and Corporate Governance Committee | \$12,500 |
| Member of Audit Committee | \$12,500 |
| Member of Compensation Committee | \$10,000 |
| Member of Nominating and Corporate Governance Committee | \$10,000 |
| Meeting Attendance | N/A |

| Stock Compensation | |
|---------------------------|---|
| Chairman of the Board | Annual grant of service based restricted stock units equal to \$315,000 divided by the closing sales price of the Company's common stock on the Nasdaq Global Select Market on the trading day immediately preceding the date of the grant, with such quotient being rounded up or down to the nearest 100 shares, which was \$181.27. These restricted stock units were granted on January 8, 2025 and will vest on January 8, 2026. Based on the foregoing, the Chairman of the Board received 1,700 service based restricted stock units for his 2025 fiscal year service |
| Non-Employee Director | Annual grant of service based restricted stock units equal to \$225,000 divided by the closing sales price of the Company's common stock on the Nasdaq Global Select Market on the trading day immediately preceding the date of the grant, with such quotient being rounded up or down to the nearest 100 shares, which was \$181.27. These restricted stock units were granted on January 8, 2025 and will vest on January 8, 2026. Based on the foregoing, each remaining non-employee director received 1,200 service based restricted stock units for their respective 2025 fiscal year service. |

Code of Conduct and Related Corporate Governance Policies

Code of Conduct. The Board has approved and adopted a Code of Conduct that applies to all directors, officers and employees, including the Company's principal executive officer and the principal financial officer. We are committed to Passion, Partnership, Integrity and Fun...All with Purpose! The Code of Conduct is our guide as we apply these core values in our treatment of our fellow employees and how we run our business. Our Code of Conduct also encompasses our principles and practices relating to the ethical conduct of the Company's business and commitment to complying with all laws affecting the Company's business.

We take all reported concerns or possible violations of our Code of Conduct seriously and will promptly and thoroughly investigate each reported concern as confidentially as possible. The Code of Conduct establishes three separate ways in which any person may submit confidential and anonymous reports of suspected or actual violations of the Code of Conduct. If an individual files a report, then the concerns will be directed to the appropriate personnel for investigation. We do not retaliate against any person who raises questions, reports concerns, or who participates in an investigation related to the Code of Conduct.

The Code of Conduct is available in its entirety on the Company's website at www.texasroadhouse.com. The Company will post on its website any amendments to, or waivers from, its Code of Conduct, if any, that apply to the principal executive officer, the principal financial officer, principal accounting officer or controller, or persons performing similar functions.

Vendor Expectations. In addition to the Company's Code of Conduct, the Company has established vendor expectations setting forth our expectations regarding our relationship with our vendors, including the manner in which our vendors conduct their business, the manner in which they treat their employees, and our expectation that our vendors will comply with all applicable laws and regulations relating to their business operations including those laws prohibiting the use of forced labor or the facilitation of slavery and human trafficking. Our vendor expectations are available in their entirety on the Company's website at www.texasroadhouse.com.

Corporate Governance Guidelines. The Board believes that good corporate governance is critical to the Company's objectives of delivering long-term value to its shareholders. In furtherance of this belief, the Board has adopted its Corporate Governance Guidelines – which set forth flexible guidelines for the framework of the Board's key corporate governance practices and policies. The nominating and corporate governance committee oversees these governance issues, and pursuant to its charter, is responsible for at least annually reviewing the

Corporate Governance Guidelines and to make recommendations to the Board for future changes and modifications. The nominating and corporate governance committee continually evaluates our corporate governance practices through the ongoing monitoring of emerging best practices and annual benchmarking and review of our corporate governance practices.

Our Corporate Governance Guidelines cover, without limitation, the following topics:

| | |
|---|---|
| • The Board's Role in Strategy and Risk Oversight | • The Board's Role in Overseeing Company's Corporate Sustainability Initiatives |
| • Board Size | • Director Qualifications |
| • Age Limit Policy | • Director Independence |
| • Director Responsibilities | • Board Orientation and Continued Education |
| • Role of Lead Director | • Board Diversity |
| • Confidentiality Obligations | • Board Self-Assessment Process |
| • Board's Access to Management and Independent Advisors | • Notification Obligation of Significant Change in Personal or Professional Circumstances |
| • Other Public Company Directorships | • Stock Ownership Guidelines |
| • Board's Role in Overseeing Succession and Organizational Planning for Senior Management | • Review of Director / Executive Compensation |

The most current version of our Corporate Governance Guidelines, as well as the other corporate governance documents listed below, are available on our website at www.texasroadhouse.com in the Investors Section:

- Amended and Restated Bylaws for Texas Roadhouse, Inc.;
- Restated Certificate of Incorporation for Texas Roadhouse, Inc.;
- Code of Conduct and Code of Conduct Changes-At-A-Glance (English and Spanish versions);
- Committee Charters (Audit, Compensation, and Nominating and Corporate Governance Committees);
- Anti-Bribery and Corruption Policy; and
- Policy Relating to Approval of Audit and Non-Audit Services.

Throughout this proxy statement, we may refer to various documents that are available on our website. The contents posted on, or accessible through, our website are not incorporated by reference into this proxy statement or any of our filings with the SEC and may be revised by us (in whole or in part) at any time and from time to time.

Stock Trading Policy. The Company has adopted the Texas Roadhouse, Inc. Stock Trading Policy that applies to our employees, agents, members of the Board and their respective immediate family members in order to reduce the risk that such individuals might be found in violation of federal and state securities laws. In addition, with regard to the Company's trading in its own securities, it is the Company's policy to comply with the federal securities laws and the applicable exchange listing requirements.

Under the Stock Trading Policy, individuals covered by the policy are:

- Expressly prohibited from trading in securities of the Company and/or any of its vendors if the person is in possession of material, non-public information;
- Expressly prohibited from communicating material non-public information to others who trade on the basis of such information; and
- Required to comply with certain pre-clearance and blackout procedures as further described in the policy.

The Stock Trading Policy also describes our prohibition on speculative trading (as further described in the Compensation Discussions and Analysis section described below), the possible consequences for violating the policy and securities laws, and the manner in which covered persons may enter into 10b5-1 plans.

The Company believes these policies and procedures are reasonably designed to promote compliance with insider trading laws, rules and regulations and applicable listing standards.

Stock Ownership Guidelines

Our Board has adopted stock ownership guidelines to further align the financial interests of the Company's executive officers and non-employee directors with the interests of our shareholders. The table below outlines the Company's stock ownership guidelines adopted by the Board:

| STOCK OWNERSHIP GUIDELINES | |
|------------------------------------|---|
| Position | Minimum Stock Ownership |
| Chief Executive Officer | 5x Annual Base Salary |
| President | 4x Annual Base Salary |
| All Other Named Executive Officers | 3x Annual Base Salary |
| Director | Greater of (A) 5x Annual Cash Compensation or (B) \$500,000 |

The executive officers and non-employee directors are expected to achieve the stock ownership levels under these guidelines within five years of assuming their respective positions. The Company evaluates compliance with these stock ownership guidelines at the end of each fiscal year and it will be calculated based on the Company's closing stock price on the last trading day of the applicable fiscal year. All executive officers and non-employee directors who have been in their role for at least five years were in compliance with these stock ownership guidelines at the end of the 2024 fiscal year.

Succession Planning

The Board and the Company recognize the importance of continuity of leadership to ensure a smooth transition for its employees, guests, and shareholders. In furtherance of the foregoing and as described in its charter, the nominating and corporate governance committee is responsible for periodically reporting to the Board the status of succession planning for senior management, including guidance regarding succession in the event of an emergency or retirement and the evaluation of potential successors to the executive officers and other key members of senior management. As a part of this process, both the Board and the nominating and corporate governance committee meet with certain members of management to review the top and emerging talent internally, their level of readiness, and development needs.

Mandatory Retirement Age for Board Service

The Board and the nominating and corporate governance committee have established a mandatory retirement age for the non-employee directors on the Board. In furtherance of the foregoing, in no event shall any non-employee be elected, re-elected, and/or appointed to the Board if such non-employee is 75 years or older at the time of such election, re-election, and/or appointment; provided, however, any director who began serving on the Board prior to 2006 shall be permitted to be re-elected to the Board so long as they are not 80 years or older at the time of such re-election.

In furtherance of this policy, Mr. Zarley will not stand for re-election at the Annual Meeting. Mr. Zarley is our longest tenured member of the Board, being appointed to the Board in 2004 as a part of the Company's initial public offering. During his time on the Board, he served on each of the three committees of the Board and has provided both formal and informal mentorship and leadership, most recently as the chairperson of the compensation committee. The Company thanks Mr. Zarley for his nearly 20 years of service on the Board and the tremendous value that he has brought to the Company during his tenure, including during key transitional moments in the Company's history (specifically following the sudden passing of our founder W. Kent Taylor).

Shareholder Engagement

Shareholder engagement is an important component of our overall approach to corporate governance. It provides us the opportunity to update investors on our business as well as to solicit and receive feedback from them. Our Investor Relations team serves as our primary point of contact with investors, potential investors, and investment analysts. Additionally, throughout the year, members of our executive team, Board, and restaurant-level operators may participate in the investor dialogue.

Our interaction with the investment community occurs in a number of ways, including one-on-one and group phone calls, analyst-sponsored conferences, our annual shareholder meetings, and our quarterly earnings calls. Topics discussed vary but typically include corporate strategy, financial results and outlook, new restaurant development, commodity and wage inflation, capital allocation, and various governance, human capital, and corporate sustainability matters. Investor feedback and sentiment is shared with senior management and members of the nominating and corporate governance committee on a regular basis.

During 2024, management of the Company interacted with shareholders owning approximately 65% of the outstanding shares of the Company as of the end of fiscal year 2024. These interactions ranged from one-on-one phone/video calls, face-to-face meetings at investor conferences, video calls during virtual non-deal roadshows, participants listening to virtual fireside chats between members of management and sell-side analysts, and conversations with stewardship teams regarding corporate governance.

Board Orientation and Continuing Education

The Board believes that a thorough understanding of the Company's business is required to enable a director to make a substantial contribution to the Board. As such, all new directors will participate in an orientation program within a reasonable period of time following such director's initial appointment or election to the Board. The orientation program may consist of meetings with senior management of the Company designed to familiarize each new director with the Company's strategic plans, financial planning and key policies and procedures, as well as training within the Company's restaurant facilities. Additionally, the Company, from time to time, may provide the Board with internal training programs or presentations from internal or outside third-party experts on topics that will assist the directors in carrying out their Board responsibilities. Finally, the directors are encouraged to participate in continuing education and other programs provided by outside sources and to share any applicable learnings from such programs with the other directors on the Board. As a part of the Board's continued education, the directors on the Board annually complete the compliance trainings that are similar to those provided to certain employees. Further, the Company annually budgets a certain amount of funding to reimburse directors for related costs to attend such programs and to pay membership dues to a national association for corporate directors.

Director Independence

The Board currently consists of nine directors – seven of whom are independent, as that term is defined in the listing standards under Nasdaq Marketplace Rule 5605(a)(2) and meet the criteria for independence under the Sarbanes Oxley Act of 2002 and the rules adopted by the Securities and Exchange Commission. Following the Annual Meeting, the Board will consist of eight directors – seven of whom are independent, as that term is defined as described above. The nominating and corporate governance committee evaluates the relationships of each director and director nominee and makes a recommendation to the Board as to whether to make an affirmative determination that such director or director nominee is independent. In connection with such review, the nominating and corporate governance committee evaluates the relevant transactions or relationships between each director, or any of his or her family members, and the Corporation, its senior management and its independent auditors. In connection with determining the directors to stand for re-election at the Annual Meeting (as more particularly described in Proposal 1) and upon recommendation of the nominating and corporate governance committee, the Board has affirmatively determined that Messrs. Moore, Crawford, Jones, and Warfield and Ms. Abell, Epps, and Widmer are independent under the applicable criteria for service on the Board and the various Board committees upon which each serves (as and if applicable). The nominating and corporate governance committee determined that Mr. Morgan is not independent due to his service as the Company's principal executive officer.

STOCK OWNERSHIP INFORMATION

The following table sets forth as of March 17, 2025 certain information with respect to the beneficial ownership of the Company's common stock of (i) each executive officer named in the Summary Compensation Table (the “**Named Executive Officers**”), (ii) each non-employee director or nominee for director of the Company, (iii) all directors and current executive officers as a group, and (iv) each shareholder known by the Company to be the owner of 5% or more of the Company's common stock.

| STOCK OWNERSHIP INFORMATION | | | |
|---|------------------|------------------------|---------|
| Name | Common Stock (1) | Common Stock Ownership | Percent |
| Directors, Nominees and Named Executive Officers: | | | |
| Jane Grote Abell | 1,300 | * | |
| Michael A. Crawford | 10,700 | * | |
| Christopher C. Colson | 12,000 | * | |
| Travis C. Doster | 33,633 | * | |
| Donna E. Epps | 5,432 | * | |
| Wayne L. Jones | 1,900 | * | |
| D. Christopher Monroe | 7,955 | * | |
| Gregory N. Moore | 39,050 | * | |
| Gerald L. Morgan | 95,313 | * | |
| Hernan E. Mujica | 19,742 | * | |
| Regina A. Tobin | 18,414 | * | |
| Curtis A. Warfield | 6,801 | * | |
| Kathleen M. Widmer | 19,000 | * | |
| James R. Zarley | 69,312 | * | |
| Directors and All Executive Officers as a Group (14 Persons) | 340,552 | 0.5 % | |
| Other 5% Beneficial Owners** | | | |
| The Vanguard Group (2) 100 Vanguard Boulevard Malvern, Pennsylvania 19355 | 9.5 % | | |
| Blackrock, Inc. (3) 55 East 52nd Street New York, New York 10022 | 10.6 % | | |

* Represents beneficial ownership of less than 1.0% of the outstanding shares of class.

- (1) Based upon information furnished to the Company by the named persons and information contained in filings with the SEC. Under the rules of the SEC, a person is deemed to beneficially own shares over which the person has or shares voting or investment power or has the right to acquire beneficial ownership within 60 days, and such shares are deemed to be outstanding for the purpose of computing the percentage beneficially owned by such person or group. However, we do not consider shares of which beneficial ownership can be acquired within 60 days to be outstanding when we calculate the percentage ownership of any other person. As of March 1, 2025, no director or executive officer has the right to acquire any beneficial ownership within 60 days. “**Common Stock Ownership**” includes (a) stock held in joint tenancy, (b) stock owned as tenants in common, (c) stock owned or held by spouse or other members of the reporting person’s household, and (d) stock in which the reporting person either has or shares voting and/or investment power, even though the reporting person disclaims any beneficial interest in such stock.

- (2) As reported on the Schedule 13G/A filed by The Vanguard Group with the SEC on February 13, 2024, it has shared voting power with respect to 28,917 shares, sole dispositive power with respect to 6,330,746 shares, and shared dispositive power with respect to 91,891 shares.
- (3) As reported on the Schedule 13G/A filed by Blackrock, Inc. with the SEC on September 10, 2024, it has sole voting power with respect to 6,692,157 shares and sole dispositive power with respect to 7,073,515 shares.

Delinquent Section 16(a) Reports

Section 16(a) of the Exchange Act requires the Company's directors and executive officers, and persons who beneficially own more than 10% of a registered class of the Company's equity securities, to file with the SEC initial reports of stock ownership and reports of changes in stock ownership and to provide the Company with copies of all such filed forms. Based solely on its review of such copies or written representations from reporting persons, the Company believes that all reports were filed on a timely basis during the fiscal year ended December 31, 2024.

EXECUTIVE COMPENSATION

2024 EXECUTIVE SUMMARY

The following is an executive summary of our compensation program for our 2024 fiscal year:

Compensation Philosophy

We believe that our approach to the compensation program for our Named Executive Officers provides our Named Executive Officers with a compensation package which promotes the sustained profitability of the Company and aligns the interests of our Named Executive Officers with those of our shareholders. The compensation packages also reflect a pragmatic response to external market conditions; that is, total compensation that is competitive with comparable positions in similar industries, including the casual dining sector of the restaurant industry, but which is reasonable and in the best interests of our shareholders.

Pay Objectives

Our primary objective in setting and evaluating the compensation for our Named Executive Officers is to promote the sustained profitability of the Company. Our compensation program is designed to achieve this objective in the following manner:

- The creation of a more direct relationship between the compensation for our Named Executive Officers and shareholder value since a significant portion of our Named Executive Officer's performance based restricted stock units and cash bonuses are based upon the achievement of defined performance goals to be established by the compensation committee.
- The attraction and retention of top talent, while also encouraging our Named Executive Officers to keep their focus on both long-term business development and short-term financial growth.
- The featuring of service based restricted stock unit awards, the value of which is dependent upon the performance of the Company and the price of our common stock.
- The opportunity by the compensation committee to adjust a significant portion of the compensation for the Named Executive Officers through the annual grant of service based restricted stock units and/or performance based restricted stock units to more accurately reflect the overall performance of the Company.

Key Pay Components

The compensation packages for our Named Executive Officers are divided into the following three key components:

- Base Salary: Designed to provide a secure base of compensation and serve to motivate and retain our Named Executive Officers.
- Cash Bonus: Designed to reward our Named Executive Officers for the success of the Company as measured by growth in the Company's earnings per diluted share and its overall pre-tax profit, and for each Named Executive Officer's individual contribution to that success.
- Restricted Stock Unit Grants: Designed to offer the Named Executive Officers a financial interest in the long-term success of the Company and align their interests with those of our shareholders.

The compensation packages for our Named Executive Officers may include the following types of restricted stock units:

- Service Based Restricted Stock Units, which grant the Named Executive Officers the conditional right to receive shares of our common stock that vest after a defined period of service;
- “Retention” Restricted Stock Units, which vest upon the completion of the term of an individual Named Executive Officer’s agreement or such longer date as determined by the compensation committee; and
- Performance Based Restricted Stock Units, which are calculated based on the achievement of certain Company performance targets established by the compensation committee and vest over a period of service.

In order to further align the financial interests of the Company’s executive officers with the interests of our shareholders, our Board has adopted the following stock ownership guidelines: (A) our Chief Executive Officer should own, at a minimum, five (5) times the then-current amount of his or her annual base salary, (B) our President should own, at a minimum, four (4) times the then-current amount of his or her annual base salary, (C) all other Named Executive Officers should, own, at a minimum, three (3) times the then-current amount of his or her annual base salary, and (D) each non-employee director should own, at a minimum, the greater of (i) five (5) times the then-current amount of annual Board cash compensation received by each non-employee director, or (ii) \$500,000 in then-current market value. The executive officers are expected to achieve these levels within five years of assuming their respective positions. The Company evaluates compliance with these stock ownership guidelines at the end of each fiscal year and it will be calculated based on the Company’s closing stock price on the last trading day of the applicable fiscal year. All executive officers who have been in their role for five years are in compliance with these stock ownership guidelines. We anticipate that any people who are new to their roles within the last five years will, to the extent they are not currently in compliance, be in compliance with the guidelines within the established time frame.

Setting Compensation

The compensation program for our Named Executive Officers is determined by the compensation committee. The compensation committee evaluates the stock compensation for each Named Executive Officer on an annual basis to determine the right combination of rewards and incentives through the issuance of service based restricted stock units and/or performance based restricted stock units to drive company performance without encouraging unnecessary or excessive risk taking by all of the Named Executive Officers as a whole. Pursuant to its charter, the compensation committee may, in its sole discretion, retain or obtain advice from a compensation consultant to assist in the establishment of executive compensation for each Named Executive Officer.

2025 Employment Agreements

As more particularly described below, the Company and certain Named Executive Officers entered into new 2025 Employment Agreements (as hereinafter defined) – which replace the Prior Employment Agreement (as hereinafter defined). These new 2025 Employment Agreements are a response, in part, to the advisory vote on executive compensation at our 2024 annual shareholder meeting, and reflect market changes to forms of employment agreement received from outside counsel and from a compensation consultant we engaged in 2024 (which is further discussed below). Under the 2025 Employment Agreements, the compensation committee has established the following compensation for our Named Executive Officers:

- Base Salary: Each 2025 Employment Agreement establishes an annual base salary for the term of the respective 2025 Employment Agreements, with base salary increases being left to the discretion of the compensation committee.

- Cash Bonus: Each 2025 Employment Agreement provides an annual short-term cash incentive opportunity with a target bonus based on the achievement of defined goals to be established by the compensation committee, with increases in the target bonus amount to be made at the discretion of the compensation committee during the term of the 2025 Employment Agreement.
- Restricted Stock Units: Each 2025 Employment Agreement provides that the compensation committee may grant stock awards to the Named Executive Officers during the term of the respective 2025 Employment Agreements, the types and amounts of which are subject to the compensation committee's discretion based on their annual review of the performance of the Company and of the individual Named Executive Officers. While the Company has historically granted retention grants for our Named Executive Officers, the compensation committee did not make any similar retention grants for the Named Executive Officers under the 2025 Employment Agreements. The compensation committee will evaluate whether or not to award retention grants in the future as a part of its annual evaluation of the compensation packages for the Named Executive Officers.

Executive Compensation

During 2021 and pursuant to the authority granted under its charter, the compensation committee previously engaged FW Cook as an independent compensation consultant to advise the compensation committee on compensation for the executive officers, together with analysis and services related to such executive compensation. Specifically, the compensation committee asked the consultant to provide market data, review the design of the executive compensation packages, and provide guidance on cash and equity compensation for the Company's executive officers. Based in part on the recommendation of our third party compensation consultant and the review of the market data provided to the compensation committee, the total compensation package established for each Named Executive Officer contains a more weighted emphasis on non-equity compensation and a fixed dollar amount with respect to service based restricted stock units and performance based restricted stock units. FW Cook does not currently provide any other services to the Company, and the compensation committee has determined that FW Cook has sufficient independence from us and our executive officers to allow FW Cook to offer objective information and/or advice. The compensation committee utilized this compensation philosophy and structure when establishing executive compensation for each executive officer's 2024 fiscal year service.

During 2024 and pursuant to the authority granted under this charter, the compensation committee re-engaged FW Cook as an independent compensation consultant to advise the compensation committee on compensation for our Named Executive Officers beginning with the 2025 fiscal year, together with analysis and services related to such executive compensation. Specifically, the compensation committee asked the consultant to provide market data and review the design of the executive compensation packages, provide guidance on cash and equity compensation for the Company's executive officers, and provide guidance and market data on the manner in which separation payments are handled in connection with the preparation and execution of the 2025 Employment Agreements. This analysis was also performed, in part, in a response to the advisory vote on executive compensation at our 2024 annual shareholder meeting. Based in part on the recommendations of our third party compensation consultant and the review of the market data provided to the compensation committee, the compensation committee (A) approved new 2025 Employment Agreements, (B) increased certain portions of compensation elements for each Named Executive Officer to align with peer company benchmarking, (C) shifted the compensation percentage breakdown of the various compensation components for each Named Executive Officer to align with peer company benchmarking, (D) extended the length of the applicable performance periods for certain performance based restricted stock units granted to our Named Executive Officers, and (E) modified the manner and rationale in which separation payments are paid to Named Executive Officers pursuant to the 2025 Employment Agreements. FW Cook does not currently provide any other services to the Company, and the compensation committee has determined that FW Cook has sufficient independence from us and our executive officers to allow FW Cook to offer objective information and/or advice.

Clawback Policy

The Company has established a clawback policy whereby the Company shall reasonably and promptly recover the Erroneously Awarded Compensation Received (as hereinafter defined) by an Executive Officer (as defined in the clawback policy) in accordance with the applicable rules of The Nasdaq Stock Market and Rule 10D-1 following an Accounting Restatement (as hereinafter defined). In such an event, the compensation committee has the discretion to determine the appropriate method of recovering such Erroneously Awarded Compensation Received, including, without limitation, requiring reimbursement of cash incentive-based compensation, seeking recovery of any gain realized on the vesting of any equity-based awards, offsetting the recouped amount from any compensation otherwise owed by the Company, and/or cancelling outstanding vested or unvested equity awards. Notwithstanding the foregoing, the Company shall not be required to take such actions if the compensation committee determines that recovery would be impracticable and either the committee has determined that the direct expenses paid to a third party to assist in enforcing the Company's clawback policy would exceed the amount to be recovered or recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the requirements of the Internal Revenue Code.

Equity Grant Processes

The compensation committee does not grant equity awards in anticipation of the release of material nonpublic information ("MNPI"), and the Company does not time the release of MNPI based upon grant dates of equity. In the event MNPI becomes known to the compensation committee before granting an equity award, the Compensation Committee will consider such information and use its business judgment to determine whether to delay the grant of equity to avoid any appearance of impropriety.

2024 Financial Highlights

The following is an executive summary of our financial highlights from the 2024 fiscal year:

Topline Revenue; Store Unit Growth (1)

- Over **\$5.3 billion** in total revenue, an increase of **16%** over the prior year
- Comparable restaurant sales growth of **8.5%** with average weekly sales at **\$155,285** of which **\$19,940** were from to-go sales
- Opened **45** new systemwide locations including **31** company restaurants and **14** franchise restaurants including the first international franchise restaurant for Jagers, our fast-casual concept

Key Growth in Financial Metrics (1)

- Diluted earnings per share growth of **42.5%**
- Net income growth of **42.2%**
- Income from operations growth of **45.9%**
- Store week growth of **7.5%**

Acquisition Growth

- Acquired **13** domestic franchise restaurants on the first day of our 2025 fiscal year

Return to Shareholders

- Paid dividends of **\$162.9 million**, or **\$0.61** per share, an increase of **10.9%** over the prior year
- Repurchased **461,662** outstanding shares of our common stock for **\$79.8 million**

(1) Revenue and all financial metrics include the impact of a 53rd week in our 2024 fiscal year

Compensation Discussion and Analysis

Bubba Who: Our Executive Officers

| GERALD L. MORGAN | CHIEF EXECUTIVE OFFICER |
|---|---|
| Years with Roadhouse: 28 | Mr. Morgan is Chief Executive Officer of the Company, having been appointed to this position in March 2021. Mr. Morgan joined the Company in 1997, during which time he has held the positions of Managing Partner, Market Partner, and Regional Market Partner. Mr. Morgan also previously served as President from December 2020 until Ms. Tobin's appointment to President in January 2023. Mr. Morgan has nearly 40 years of restaurant management experience with Texas Roadhouse, Bennigan's Restaurants, and Burger King. |
| Age: 64 | |
| Restaurant Industry Experience: 39 | |
| REGINA A. TOBIN | PRESIDENT |
| Years with Roadhouse: 29 | Ms. Tobin is President of the Company, having been appointed to this position in January 2023. Ms. Tobin previously served as the Company's Chief Learning and Culture Officer, a position she held from June 2021 through her appointment to President. Ms. Tobin joined the Company in 1996, during which time she has held the positions of Managing Partner, Market Partner, and Vice President of Training. Ms. Tobin has nearly 40 years of restaurant industry experience. |
| Age: 61 | |
| Restaurant Industry Experience: 39 | |
| D. CHRISTOPHER MONROE | CHIEF FINANCIAL OFFICER |
| Years with Roadhouse: 2 | Mr. Monroe is Chief Financial Officer of the Company, having been appointed to this position in June 2023. In this role, Mr. Monroe is responsible for overseeing the Company's accounting, financial reporting, investor relations, tax, treasury, internal audit, and finance functions, as well as serving as the Company's principal financial officer. Mr. Monroe joined Southwest Airlines in September 1991, where he served in various positions, including Director of Corporate Finance, Assistant Treasurer and Vice President Treasurer, until his promotion in 2017 to Senior Vice President of Finance and Treasurer. As Senior Vice President of Finance and Treasurer, he oversaw the overall capital strategy, planning and structure for Southwest Airlines with responsibility for corporate insurance and risk management, as well as supply chain management and corporate sustainability. Mr. Monroe has over 35 years of finance experience. |
| Age: 58 | |
| Finance Experience: 35 | |

| CHRISTOPHER C. COLSON | CHIEF LEGAL AND ADMINISTRATIVE OFFICER; CORPORATE SECRETARY |
|---|--|
| Years with Roadhouse: 19 | Mr. Colson is Chief Legal and Administrative Officer and Corporate Secretary of the Company, having been appointed to Chief Legal and Administrative Officer in January 2023 and Corporate Secretary in August 2019. Mr. Colson previously served as the Company's General Counsel, a position he held from March 2021 through his appointment to Chief Legal and Administrative Officer. Mr. Colson joined the Company in 2005, during which time he has held the positions of Senior Counsel, Associate General Counsel, and Executive Director of the Global Development Group. Mr. Colson has over 20 years of restaurant industry experience with Texas Roadhouse, Frost Brown Todd (serving as outside counsel to the Company), YUM! Brands, and as assurance staff at KPMG. |
| Age: 48 | |
| Restaurant Industry Experience: 23 | |

| HERNAN E. MUJICA | CHIEF TECHNOLOGY OFFICER |
|---|--|
| Years with Roadhouse: 13 | Mr. Mujica is Chief Technology Officer of the Company, having been appointed to this position in January 2023. Mr. Mujica had been previously designated Chief Information Officer, an executive officer position that he held from June 2021 through his appointment to Chief Technology Officer. Mr. Mujica joined the Company in January 2012 as Vice President of Information Technology and was subsequently promoted to Chief Information Officer. Prior to joining the Company, Mr. Mujica held senior management positions at The Home Depot and Arthur Andersen. Mr. Mujica has over 30 years of experience in both restaurant industry and consulting roles. |
| Age: 63 | |
| Restaurant Industry Experience: 13 | |

| TRAVIS C. DOSTER | CHIEF COMMUNICATIONS OFFICER |
|---|--|
| Years with Roadhouse: 19 | Mr. Doster is Chief Communications Officer of the Company, having been appointed to this position in November 2023. In this role, he is responsible for leading the Company's communications, marketing, events, public affairs, government relations and corporate sustainability functions. Mr. Doster joined the Company in 2006, as the Director, then Senior Director, of Communications where he served until his promotion to Vice President of Communications in 2018. Prior to joining the Company, Mr. Doster was a Vice President at FSA Public Relations, where he provided a number of services, including public relations, crisis management and issues management, for national clients, including, Jimmy John's Gourmet Sandwich Shops, Qdoba Mexican Grill, and Cameron Mitchell Restaurants. Mr. Doster has over 30 years of media, public relations, and restaurant industry experience. |
| Age: 58 | |
| Restaurant Industry Experience: 24 | |

Bubba Who: Who Plays a Role in Determining Executive Compensation

| ROLE IN EXECUTIVE COMPENSATION | |
|--|--|
| Independent Compensation Consultant / Database Aggregator | <ul style="list-style-type: none"> Partners with the compensation committee and management to determine peer companies used in evaluating executive compensation Engaged by compensation committee (when appropriate) pursuant to the authority granted under its charter (FW Cook was engaged in 2021 and in 2024) Provides market data, guidance, and recommendations on the design of executive compensation packages, the specific cash and equity compensation for the Company's Named Executive Officers, and the manner and rationale in which separation payments are paid to our Named Executive Officers Database Aggregator provides executive and director compensation (when appropriate) |
| Compensation Committee | <ul style="list-style-type: none"> Partners with our independent compensation consultant and management to determine peer companies used in evaluating executive compensation Approves design, administration, and oversight of executive compensation plans for our Named Executive Officers Approves employment agreements with our Named Executive Officers Approves the executive compensation for each Named Executive Officer in alignment with our pay philosophy and objectives discussed within this proxy statement |
| Chief Executive Officer | <ul style="list-style-type: none"> Provides recommendations to the compensation committee with respect to adjustments in compensation for the other Named Executive Officers Provides feedback to the compensation committee on the design of incentive compensation and percentage breakdown of each component of executive compensation Meets with the Board, the compensation committee and nominating and corporate governance committee (as and if applicable) to discuss performance of the other Named Executive Officer Does not participate in the creation of his own compensation package |

Bubba What: What We Do and What We Don't Do

| WHAT WE DO | WHAT WE DON'T DO |
|---|--|
| <ul style="list-style-type: none"> ✓ Set and evaluate executive compensation to promote the sustained profitability of the Company ✓ Conduct an Annual "Say on Pay" Vote ✓ Maintain stock ownership guidelines for our executives and directors and ensure annual compliance ✓ When appropriate, engage an independent compensation consultant to assist with executive compensation ✓ Limit accelerated vesting of equity awards by requiring a "double trigger" upon a change in control ✓ Employ a Clawback Policy to recover performance based compensation in certain circumstances ✓ Determine executive compensation through a fully independent compensation committee ✓ Allow for an annual adjustment of the bonus and equity portions of executive compensation by the compensation committee to more accurately reflect the overall performance of the Company and the individual executive | <ul style="list-style-type: none"> ✗ No automatic increases on executive compensation ✗ No excessive perquisites ✗ No multi-year guarantees for salary increases, bonus or equity compensation ✗ No short-selling, trading in derivatives or engaging in hedging transactions by executive or directors ✗ No compensation or incentives that encourage unnecessary or excessive risk taking ✗ No payment of dividends on equity awards that are not fully earned or vested ✗ No grant of equity awards at less than fair market value ✗ No automatic acceleration of equity awards upon retirement |

Bubba How: How We Pay

The Company's compensation committee reviews and establishes executive compensation in connection with each executive officer's employment agreement. As one purpose of this discussion is to present the compensation committee's overall program and philosophy for executive compensation, we have generally presented the discussion as of the end of the prior fiscal year and as of the beginning of the current fiscal year.

Initial Executive Compensation Under Prior Employment Agreements. We previously entered into employment agreements with Gerald L. Morgan, Regina A. Tobin, D. Christopher Monroe, Christopher C. Colson, Hernan E. Mujica, and Travis C. Doster, each of which are Named Executive Officers. As used herein, the employment agreements, as amended (as and if applicable), with Messrs. Morgan, Monroe, Colson, Mujica, and Doster and Ms. Tobin shall be referred to collectively as the "**Prior Employment Agreements**" and with respect to any Named Executive Officer having an employment agreement, as a "**Prior Employment Agreement**".

Each Prior Employment Agreement (other than with Mr. Doster) had an initial term expiring on January 7, 2024 which automatically renewed for successive one-year terms thereafter unless either party elected not to renew by providing written notice to the other party at least 60 days before expiration. Mr. Doster's Prior Employment Agreement had an initial term expiring on January 8, 2025 which automatically renewed for

successive one-year terms thereafter unless either party elected not to renew by providing written notice to the other party at least 60 days before expiration.

Each Prior Employment Agreement established an annual base salary for the term of the respective Prior Employment Agreement. During the term of the Prior Employment Agreement, base salary increases were at the discretion of the compensation committee; provided, however, none of the Named Executive Officer's base salary could be decreased during the term of the Prior Employment Agreement except for decreases that were applied generally to the other Named Executive Officers in an amount no greater than 10% over the prior year. Each Prior Employment Agreement also provided an annual short-term cash incentive opportunity with a target bonus based on the achievement of defined goals to be established by the compensation committee, with increases in the target bonus amount to be made at the discretion of the compensation committee during the term of the Prior Employment Agreement. In addition to cash compensation, each Prior Employment Agreement provided that the compensation committee could grant certain stock awards to the Named Executive Officers during the term of the respective Prior Employment Agreements, the types and amounts of which were subject to the compensation committee's discretion based on their annual review of the performance of the Company and of the individual Named Executive Officers. As of the date of this proxy statement and as more particularly described below, certain Named Executive Officers received an annual grant of service based restricted stock units relating to their 2024 year service pursuant to their Prior Employment Agreement. Additionally, certain Named Executive Officers received grants of performance based restricted stock units relating to their 2024 year service pursuant to their Prior Employment Agreement. Finally, while the Company has historically granted retention grants for our Named Executive Officers, the compensation committee did not make any similar retention grants for the Named Executive Officers under the Prior Employment Agreements.

Initial Executive Compensation Under 2025 Employment Agreements. On December 27, 2024, we entered into new employment agreements with Messrs. Morgan, Monroe, Colson, Mujica, and Doster and Ms. Tobin. These new employment agreements are a response, in part, to the advisory vote on executive compensation at our 2024 annual shareholder meeting, and reflect market changes to forms of employment agreement received from outside counsel and from a compensation consultant we engaged in 2024 (which is further discussed below). As used herein, the employment agreements with Messrs. Morgan, Monroe, Colson, Mujica, and Doster and Ms. Tobin shall be referred to collectively as the "**2025 Employment Agreements**" and with respect to any Named Executive Officer having an employment agreement, as a "**2025 Employment Agreement**".

Each 2025 Employment Agreement has an initial term expiring on January 7, 2028 which automatically renews for successive one-year terms thereafter unless either party elects not to renew by providing written notice to the other party at least 60 days before expiration.

Each 2025 Employment Agreement establishes an annual base salary for the term of the respective 2025 Employment Agreement. During the term of the 2025 Employment Agreement, base salary increases are at the discretion of the compensation committee; provided, however, none of the Named Executive Officer's base salary may be decreased during the term of the 2025 Employment Agreement except for decreases that are applied generally to the other Named Executive Officers in an amount no greater than 10% over the prior year. Each 2025 Employment Agreement also provides an annual short-term cash incentive opportunity with a target bonus based on the achievement of defined goals to be established by the compensation committee, with increases in the target bonus amount to be made at the discretion of the compensation committee during the term of the 2025 Employment Agreement. In addition to cash compensation, each 2025 Employment Agreement provides that the compensation committee may grant certain stock awards to the Named Executive Officers during the term of the respective 2025 Employment Agreements, the types and amounts of which are subject to the compensation committee's discretion based on their annual review of the performance of the Company and of the individual Named Executive Officers. As of the date of this proxy statement and as more particularly described below, certain Named Executive Officers received an annual grant of service based restricted stock units relating to their 2025 year service pursuant to their 2025 Employment Agreement. Additionally, certain Named Executive Officers received a three year grant of performance based restricted stock units relating to their service for 2025, 2026, and 2027, respectively, pursuant to their 2025 Employment Agreement. Finally, while the Company has historically granted retention grants for our Named Executive Officers, the compensation committee has not made any similar retention grants for the Named Executive Officers under the 2025

Employment Agreements. The compensation committee will evaluate whether to grant additional retention grants in the future as a part of its annual evaluation of the compensation packages for the Named Executive Officers.

Clawback Policy. Under both the Prior Employment Agreements and the 2025 Employment Agreements, each Named Executive Officer has agreed not to compete with us during the term of his or her employment and for a period of two years following his or her termination of employment. Additionally, both the Prior Employment Agreements and the 2025 Employment Agreements include certain confidentiality, non-solicitation, and non-disparagement provisions. Finally, both the Prior Employment Agreement and 2025 Employment Agreement contain a similar “**clawback**” provision setting forth that any compensation paid or payable under either of the Prior Employment Agreements or the 2025 Employment Agreements, or any other agreement or arrangement with the Company shall be subject to recovery or reduction in future payments in lieu of recovery pursuant to any Company clawback policy in effect from time to time.

The Company has established a clawback policy whereby the Company shall reasonably and promptly recover the Erroneously Awarded Compensation Received by an Executive Officer (as defined in the clawback policy) in accordance with the applicable rules of The Nasdaq Stock Market and Rule 10D-1 following an Accounting Restatement. In such an event, the compensation committee has the discretion to determine the appropriate method of recovering such Erroneously Awarded Compensation Received, including, without limitation, requiring reimbursement of cash incentive-based compensation, seeking recovery of any gain realized on the vesting of any equity-based awards, offsetting the recouped amount from any compensation otherwise owed by the Company, and/or cancelling outstanding vested or unvested equity awards. Notwithstanding the foregoing, the Company shall not be required to take such actions if the compensation committee determines that recovery would be impracticable and the compensation committee has determined that either (a) the direct expenses paid to a third party to assist in enforcing the Company’s clawback policy would exceed the amount to be recovered or (b) recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the requirements of the Internal Revenue Code.

For the purposes of the clawback policy, (A) the term “**Erroneously Awarded Compensation**” means, with respect to each Executive Officer in connection with an Accounting Restatement, the amount of Clawback Eligible Incentive Compensation (as hereinafter defined) that exceeds the amount of incentive-based compensation that otherwise would have been received had it been determined based on the restated amounts, computed without regard to any taxes paid; (B) the term “**Clawback Eligible Incentive Compensation**” means all incentive-based compensation received by an Executive Officer (i) on or after October 2, 2023, (ii) after beginning service as an Executive Officer, (iii) who served as an Executive Officer at any time during the applicable performance period relating to any Incentive-based Compensation (whether or not such Executive Officer is serving at the time the Erroneously Awarded Compensation is required to be repaid to the Company), (iv) while the Company has a class of securities listed on a national securities exchange or a national securities association, and (v) during the applicable Clawback Period (as hereinafter defined); (C) the term “**Clawback Period**” means, with respect to any Accounting Restatement, the three completed fiscal years of the Company immediately preceding the restatement date, and if the Company changes its fiscal year, any transition period of less than nine months within or immediately following those three completed fiscal years, provided that a transition period of greater than nine months will be deemed a completed fiscal year; and (D) the term “**Accounting Restatement**” means an accounting restatement due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements (a “Big R” restatement), or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period (a “little r” restatement).

Executive Compensation for 2024 Fiscal Year. During 2024 and pursuant to the authority granted under this charter, the compensation committee re-engaged FW Cook as an independent compensation consultant to advise the compensation committee on compensation for the executive officers beginning with the 2025 fiscal year, together with analysis and services related to such executive compensation. Specifically, the compensation committee asked the consultant to provide market data and review the design of the executive compensation packages, provide guidance on cash and equity compensation for the Company’s executive

officers, and provide guidance and market data on the manner in which separation payments are handled in connection with the preparation and execution of the 2025 Employment Agreements. This analysis was also performed, in part, as a response to the advisory vote on executive compensation at our 2024 annual shareholder meeting. As a part of this review, the chairperson of the compensation committee, the independent compensation consultant, and management of the Company agreed on a list of the following 14 peer companies to evaluate their executive compensation:

| PEER COMPANIES | |
|--|---------------------------------|
| BJ's Restaurants, Inc | Bloomin' Brands, Inc. |
| Brinker International, Inc. | Chipotle Mexican Grill, Inc. |
| Cracker Barrel Old Country Store, Inc. | Darden Restaurants, Inc. |
| Dave & Buster's Entertainment, Inc. | Denny's Corporation |
| Dine Brands Global, Inc. | Jack in the Box Inc. |
| Papa John's International, Inc. | Red Robin Gourmet Burgers, Inc. |
| The Cheesecake Factory Incorporated | The Wendy's Company |

Based in part on the recommendations of our third party compensation consultant and the review of the market data provided to the compensation committee, the total compensation package established for each Named Executive Officer contained a more weighted emphasis on non-equity compensation and a fixed dollar amount with respect to service based restricted stock units and performance based restricted stock units. The compensation committee utilized this compensation philosophy and structure when establishing executive compensation for each applicable Named Executive Officer's 2024 fiscal year service. The compensation committee previously determined that FW Cook has sufficient independence from us and our executive officers to allow FW Cook to offer objective information and/or advice.

With respect to establishing executive compensation for the 2024 fiscal year, the compensation committee and management of the Company utilized the services of Equilar (the Company's external executive and director compensation database aggregator) to review the executive compensation by continuing to review the same peer companies listed in the table above. Equilar does not currently provide any other services to the Company, and the compensation committee has determined that Equilar has sufficient independence from us and our executive officers to allow them to offer objective information and/or advice.

Executive Compensation Starting with 2025 Fiscal Year. During 2024 and pursuant to the authority granted under this charter, the compensation committee re-engaged FW Cook as an independent compensation consultant to advise the compensation committee on compensation for the executive officers beginning with the 2025 fiscal year, together with analysis and services related to such executive compensation. Specifically, the compensation committee asked the consultant to provide market data and review the design of the executive compensation packages, provide guidance on cash and equity compensation for the Company's executive officers, and provide guidance and market data on the manner in which separation payments are handled in connection with the preparation and execution of the 2025 Employment Agreements. This analysis was also performed, in part, as a response to the advisory vote on executive compensation at our 2024 annual shareholder meeting. As a part of this review, the chairperson of the compensation committee, the independent compensation consultant and management of the Company agreed on a list of the following 14 peer companies to evaluate their executive compensation:

| PEER COMPANIES | |
|--------------------------------------|--|
| Bloomin' Brands, Inc. | Brinker International, Inc. |
| Chipotle Mexican Grill, Inc. | Cracker Barrel Old Country Store, Inc. |
| Darden Restaurants, Inc. | Dave & Buster's Entertainment, Inc. |
| Dine Brands Global, Inc. | Domino's Pizza, Inc. |
| Jack in the Box Inc. | Papa John's International, Inc. |
| Restaurant Brands International Inc. | The Cheesecake Factory Incorporated |
| The Wendy's Company | Wingstop, Inc. |

Based in part on the recommendation of our third party compensation consultant and the review of the market data provided to the compensation committee and in connection with establishing the executive compensation for our Named Executive Officers for the 2025 fiscal year, the compensation committee (A) approved the new 2025 Employment Agreements, (B) increased certain portions of compensation elements for each Named Executive Officer to align with peer company benchmarking (as more particularly shown below), (C) shifted the compensation percentage breakdown of the various compensation components for each Named Executive Officer to align with peer company benchmarking, (D) extended the length of the applicable performance periods for certain performance based restricted stock units granted to our Named Executive Officers, and (E) modified the manner and rationale in which separation payments are paid to Named Executive Officers pursuant to the 2025 Employment Agreements. FW Cook does not currently provide any other services to the Company, and the compensation committee has determined that FW Cook has sufficient independence from us and our executive officers to allow FW Cook to offer objective information and/or advice.

Summary of Executive Compensation. The compensation packages for our Named Executive Officers offer base salaries and target cash bonus amounts and feature restricted stock unit awards, the value of which is dependent upon the performance of the Company and the price of our common stock. Such packages for our Named Executive Officers are comprised of the following four main components (three of which are expressly tied to the performance of the Company):

- (i) Base Salary: An annual base salary for the term of the respective Executive Employment Agreements, with base salary increases being left to the discretion of the compensation committee;
- (ii) Incentive Based Cash Bonus: An annual short-term cash incentive with a target bonus based on the achievement of defined goals to be established by the compensation committee, with increases in the target bonus amount to be made at the discretion of the compensation committee during the term of the Executive Employment Agreement;
- (iii) Service Based Restricted Stock Units: Restricted Stock Units which grant the Named Executive Officer the conditional right to receive shares of our common stock that vest after a defined period of service, the realized value of which shall be dependent on the performance of the Company upon the vesting of such restricted stock units; and
- (iv) Performance Based Restricted Stock Units: Restricted Stock Units that are calculated based on the achievement of certain Company performance targets established by the compensation committee and vest over a period of service, the realized value of which shall be dependent on the performance of the Company upon the vesting of such restricted stock units and the satisfaction of such performance targets.

The compensation committee evaluates the stock compensation for each specific Named Executive Officer on an annual basis to determine the right combination of rewards and incentives through the issuance of service based restricted stock units and/or performance based restricted stock units to drive company performance without encouraging unnecessary or excessive risk taking by all of the Named Executive Officers as a whole. Under this approach, the Named Executive Officers receive a combination of service based restricted stock units and performance based restricted stock units. Additionally and by conditioning a significant portion of the Named Executive Officer's performance based restricted stock unit grants upon the achievement of defined performance goals to be established by the compensation committee, combined with the stock ownership guidelines for our Named Executive Officers more particularly described above, we have created a more direct relationship between compensation and shareholder value. Moreover, by giving the compensation committee the discretion to grant certain stock awards (if any) in its discretion to our Named Executive Officers under the Executive Employment Agreements, the compensation committee has the opportunity to adjust a significant portion of the total compensation for the Named Executive Officers on an annual basis to more accurately reflect the overall performance of the Company, which may include the issuance of service based restricted stock units and/or performance based restricted stock units. Overall, we believe this approach provides the Named Executive Officers with a compensation package which promotes the sustained profitability of the Company and aligns the interests of our Named Executive Officers with those of our shareholders. The

compensation packages also reflect a pragmatic response to external market conditions; that is, total compensation that is competitive with comparable positions in similar industries, including the casual dining sector of the restaurant industry, but which is reasonable and in the best interests of our shareholders.

We believe that the overall design of the compensation packages, along with the culture and values of our Company, allows us to attract and retain top talent, while also keeping the Named Executive Officers focused on both long-term business development and short-term financial growth. None of the Named Executive Officers, including Mr. Morgan, participated in the creation of their own compensation packages.

Response to 2024 Advisory Vote on Executive Compensation. At Texas Roadhouse, we value our shareholders' feedback and solicit investor views throughout the year in connection with the Company's ongoing engagement program. The investor input received is critical to how the Board and the management team make decisions on a variety of corporate governance practices, including the Company's executive compensation program. At the 2024 annual shareholder meeting, approximately 61% of our shareholders cast votes in support of our advisory Say-on-Pay vote. The Board recognized the significance of the results of the 2024 Say-on-Pay vote, which was substantially lower than in previous years – in the four years prior, our Say-on-Pay vote averaged shareholder support of approximately 94%.

In response to the 2024 Say-on-Pay vote, the Board and management team actively sought additional feedback from investors on our executive compensation program and disclosures. In late 2024, management of the Company attempted to engage with 22 shareholders owning approximately 42% of outstanding shares of the Company as of the end of fiscal year 2024 to solicit feedback on the Company's executive compensation program. Of the shareholders that the Company contacted, the Company held 10 shareholder calls with shareholders owning approximately 30% of outstanding shares of the Company as of the end of fiscal year 2024 while the remaining 12 shareholders declined the need for a call. The perspectives received during these meetings were shared with the full Board and compensation committee, and served as a critical input to discussions about the Company's executive compensation program, as well as new enhancements to the 2025 compensation program and associated disclosures. The overwhelming majority of our shareholders provided us with feedback that votes against our 2024 executive compensation program were driven primarily by the one-time separation payment paid by the Company in 2023 to our former Chief Financial Officer following her retirement. Additionally, some shareholders provided feedback regarding the length of the performance period for performance based restricted stock units granted to certain Named Executive Officers.

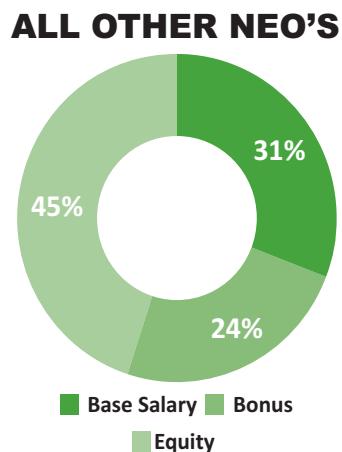
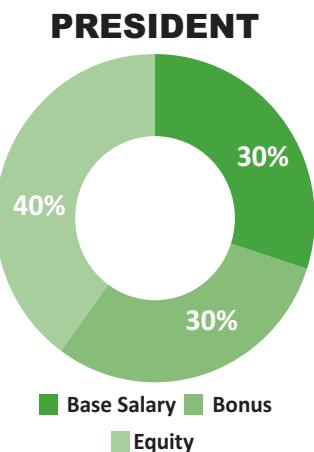
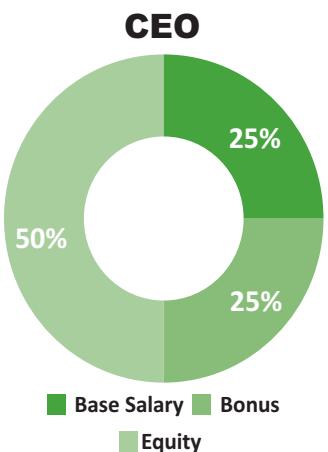
In addition to soliciting investor feedback on the topic, we re-engaged FW Cook as an independent compensation consultant to advise the compensation committee on compensation for the executive officers beginning with the 2025 fiscal year, together with analysis and services related to such executive compensation, as more particularly described above. Specifically, the compensation committee requested the consultant provide market data and review the design of the executive compensation packages, provide guidance on cash and equity compensation for the Company's executive officers, and provide guidance and market data on the manner in which separation payments are handled in connection with the preparation and execution of the 2025 Employment Agreements. Finally, as previously noted above, the Company entered into new 2025 Employment Agreements – partly in response to the advisory vote on executive compensation at our 2024 annual shareholder meeting and associated shareholder feedback, as well as to reflect market changes to forms of employment agreement received from outside legal counsel and our third-party compensation consultant.

Based on the feedback received from our shareholders during our 2024 shareholder engagement, the recommendations of our third-party compensation consultant, and the compensation committee's review of the market data provided to it, the compensation committee (A) approved new 2025 Employment Agreements, (B) increased certain portions of compensation elements for each Named Executive Officer to align with peer company benchmarking (as more particularly shown below), (C) shifted the compensation percentage breakdown of the various compensation components for each Named Executive Officer to align with peer company benchmarking, (D) extended the length of the applicable performance periods for certain performance based restricted stock units granted to our Named Executive Officers, and (E) modified the manner and rationale in which separation payments are paid to Named Executive Officers pursuant to the 2025 Employment Agreements.

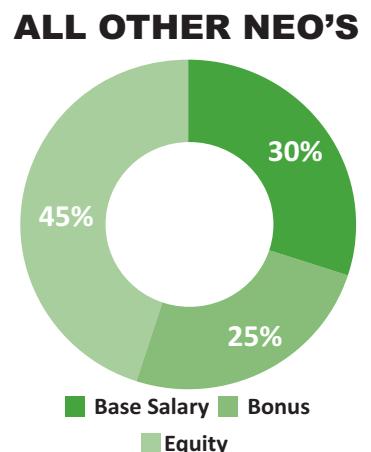
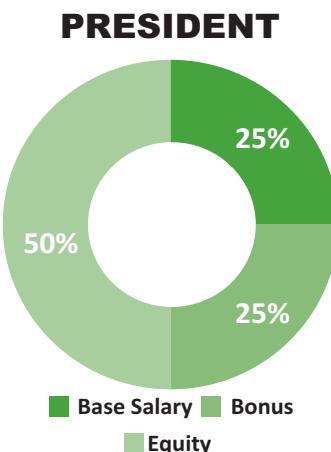
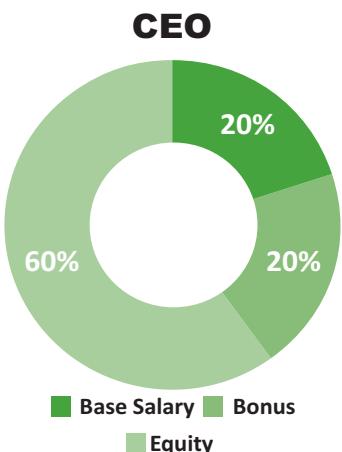
Elements of Compensation

The charts below show the annualized target compensation mix for our Chief Executive Officer, our President and other Named Executive Officers for the 2024 fiscal year and the 2025 fiscal year:

2024



2025



Base Salary.

Base salaries for our Named Executive Officers are designed to provide a secure base of compensation which will be effective in motivating and retaining key executives.

2024 Base Salary Under Prior Employment Agreement. Pursuant to each Named Executive Officer's Prior Employment Agreement, the compensation committee had the right to establish the annual base salary for the Named Executive Officers at the commencement of the term of their respective Prior Employment Agreement. During the term of the respective Prior Employment Agreement, base salary increases were at the discretion of the compensation committee. In furtherance of the foregoing, the compensation committee established the annual base salary for each Named Executive Officer under the Prior Employment Agreement for the 2024 fiscal year as shown below.

| Base Salary for 2024 Fiscal Year under Prior Employment Agreements | | Starting January 8, 2024 (\$)(1) |
|---|--|---|
| Gerald L. Morgan Chief Executive Officer | | 1,300,000 |
| Regina A. Tobin President | | 700,000 |
| D. Christopher Monroe Chief Financial Officer | | 550,000 |
| Christopher C. Colson Chief Legal and Administrative Officer, Corporate Secretary | | 550,000 |
| Hernan E. Mujica Chief Technology Officer | | 550,000 |
| Travis C. Doster Chief Communications Officer | | 550,000 |

- (1) In order to align with the target percentage parameters used by management of the Company for compensation adjustments for support center employees during the Company's annual review process, on February 28, 2024, the compensation committee increased the annual base salary for certain Named Executive Officers in the following manner:
- (i) effective January 24, 2024, Mr. Morgan's annual base salary was increased to \$1,300,000;
 - (ii) effective January 24, 2024, Ms. Tobin's annual base salary was increased to \$700,000; and
 - (iii) effective January 24, 2024, the annual base salary for each of Messrs. Monroe, Colson, Mujica and Doster was increased to \$550,000.

2025 Base Salary Under 2025 Employment Agreement. Each Named Executive Officer's 2025 Employment Agreement established the annual base salary for the Named Executive Officers at the commencement of the term of their respective 2025 Employment Agreement. Pursuant to each Named Executive Officer's 2025 Employment Agreement, the compensation committee established an annual base salary for each Named Executive Officer as shown in the table below for 2025. During the term of the respective 2025 Employment Agreement, base salary increases are at the discretion of the compensation committee.

| Base Salary for 2025 Fiscal Year under 2025 Employment Agreements | | Starting January 8, 2025 (\$) |
|---|--|--|
| Gerald L. Morgan Chief Executive Officer | | 1,400,000 |
| Regina A. Tobin President | | 725,000 |
| D. Christopher Monroe Chief Financial Officer | | 630,000 |
| Christopher C. Colson Chief Legal and Administrative Officer, Corporate Secretary | | 630,000 |
| Hernan E. Mujica Chief Technology Officer | | 630,000 |
| Travis C. Doster Chief Communications Officer | | 630,000 |

Incentive Bonus.

Incentive bonuses are designed to reward our Named Executive Officers for the success of the Company, as measured by growth in the Company's earnings per diluted share ("EPS") and overall pre-tax profit, and for each Named Executive Officer's individual contribution to that success. It is our belief that a significant amount of each Named Executive Officer's compensation should be tied to the performance of the Company.

Under the compensation committee's charter, the compensation committee may award an annual cash incentive to the Named Executive Officers, which is the grant of a right to receive a payment of cash that is subject to targets and maximums, and that is contingent on achievement of performance objectives during the Company's fiscal year. These cash incentives are also subject to the terms and conditions of the Prior Employment Agreements and the 2025 Employment Agreements (as applicable) and reflect each Named Executive Officer's job responsibilities and individual contribution to the success of the Company.

In furtherance of the foregoing, the compensation committee established a two-pronged approach to tying the incentive compensation to the Company's performance. Under this approach, 50% of the target incentive bonus is awarded based on whether the Company achieves an annual EPS growth target of 10% (the "**EPS Performance Goal**"). The other 50% is based on a profit sharing pool (the "**Profit Sharing Pool**") comprised of 1.75% of the Company's pre-tax profits (income before taxes less net income attributable to non-controlling interests, as reported in our audited consolidated financial statements), which pool is distributed among our Named Executive Officers and certain other members of the Company's director-level management based on a pre-determined percentage interest in the pool and subject to certain pre-determined maximum amounts. After the end of the fiscal year, the compensation committee determines whether and to what extent the EPS Performance Goal has been met, and the portion of the Profit Sharing Pool to which each Named Executive Officer is entitled. Depending on the level of achievement of the EPS Performance Goal each year, 50% of the incentive bonus may be reduced to a minimum of \$0 or increased to a maximum of two times the target amount. Each 1% change from the EPS Performance Goal results in an increase or decrease of 10% of the portion of the target bonus amount attributable to the achievement of the EPS Performance Goal. For example, if we achieve 11% EPS growth, the bonus payable would be 110% of the portion of the target bonus attributable to the achievement of the EPS Performance Goal. Conversely, if we achieve 9% EPS growth, the bonus payable would be 90% of the portion of the target bonus attributable to the achievement of the EPS Performance Goal. The remaining 50% of the Named Executive Officers' incentive bonus will fluctuate directly with Company pre-tax profits at fixed participation percentages and maximum amounts which are determined within 60 days following the commencement of the Company's fiscal year.

The annual profit sharing component allows the Named Executive Officers to participate in a profit sharing pool with other members of the Company's director-level management team. By allowing this level of participation in the Company's overall profits, the compensation committee encourages responsible growth and aligns the interests of the Named Executive Officers with those of other management employees of the Company. This portion of the incentive bonus may be reduced to a minimum of \$0 if the Company ceases to be profitable or for other reasons that the compensation committee determines, and may be increased to a maximum of two times the target amount established for each individual participant. Both portions of the incentive bonus can be adjusted downward (but not upward) by the compensation committee in its discretion.

Performance based equity awards with respect to fiscal year 2024 were paid at 174.7% of the total target amount for the fiscal year in which a Named Executive Officer served in such role, based on an increase in actual EPS of 42.5% and an actual Profit Sharing Pool of \$9.0 million calculated on fiscal year 2024 pre-tax profit of \$513.7 million.

2024 Incentive Bonus Under Prior Employment Agreement. Each Prior Employment Agreement provided an annual short-term cash incentive opportunity with a target bonus as set forth in the table below, with increases in the target bonus amount to be made at the discretion of the compensation committee. During the term of each respective Prior Employment Agreement, the performance criteria and terms of bonus awards were at the discretion of the compensation committee as described above. As further described above, depending on the level of achievement of the goals, the bonus could be reduced to a minimum of \$0 or increased to a

maximum of two times the base target amount under the current incentive compensation policy of the compensation committee of the Board.

In connection with the foregoing, the compensation committee established an annual short-term cash incentive opportunity with a target bonus as set forth in the table below relating to each Named Executive Officer's 2024 fiscal year service pursuant to their Prior Employment Agreements. The performance criteria and terms of bonus awards are at the discretion of the compensation committee. As more particularly described above, the compensation committee continued its two pronged approach with 50% of the target incentive bonus being based on whether the Company achieves an annual EPS growth target of 10% and the remaining 50% being based on a Profit Sharing Pool comprised of 1.75% of the Company's pre-tax profits (income before taxes less net income attributable to non-controlling interests, as reported in our audited consolidated financial statements). As further described above, depending on the level of achievement of the goals, the bonus could be reduced to a minimum of \$0 or increased to a maximum of two times the base target amount under the current incentive compensation policy of the compensation committee of the Board.

| Executive Incentive Compensation for Fiscal Year 2024 | | | |
|---|-------------------------|--------------------------|--------------------------|
| | Target Bonus (\$)(1) | Minimum Bonus (\$)(1) | Maximum Bonus (\$)(1) |
| Gerald L. Morgan Chief Executive Officer | 1,300,000 | — | 2,600,000 |
| Regina A. Tobin President | 700,000 | — | 1,400,000 |
| D. Christopher Monroe Chief Financial Officer | 425,000 | — | 850,000 |
| Christopher C. Colson Chief Legal and Administrative Officer, Corporate Secretary | 425,000 | — | 850,000 |
| Hernan E. Mujica Chief Technology Officer | 425,000 | — | 850,000 |
| Travis C. Doster Chief Communications Officer | 425,000 | — | 850,000 |

- (1) In order to align with the target percentage parameters used by management of the Company for compensation adjustments for support center employees during the Company's annual review process, on February 28, 2024, the compensation committee increased the target bonus amounts for certain Named Executive Officers in the following manner:
- (i) the target bonus for Mr. Morgan relating to his 2024 fiscal year service was increased to \$1,300,000;
 - (ii) the target bonus for Ms. Tobin relating to her 2024 fiscal year service was increased to \$700,000; and
 - (iii) the target bonus for each of Messrs. Monroe, Colson, Mujica and Doster relating to their respective 2024 fiscal year service was increased to \$425,000.

2025 Incentive Bonus Under 2025 Employment Agreement. Each 2025 Employment Agreement provides an annual short-term cash incentive opportunity with a target bonus as set forth in the table below, with increases in the target bonus amount to be made at the discretion of the compensation committee. During the term of each respective 2025 Employment Agreement, the performance criteria and terms of bonus awards are at the discretion of the compensation committee as described above. As further described above, depending on the level of achievement of the goals, the bonus may be reduced to a minimum of \$0 or increased to a maximum of two times the base target amount under the current incentive compensation policy of the compensation committee of the Board.

In connection with the foregoing, the compensation committee established an annual short-term cash incentive opportunity with a target bonus as set forth in the table below relating to each Named Executive Officer's 2025 fiscal year service pursuant to each 2025 Employment Agreement. The performance criteria and terms of bonus awards are at the discretion of the compensation committee. As more particularly described above, the compensation committee continued its two pronged approach with 50% of the target incentive bonus being based on whether the Company achieves an annual EPS growth target of 10% and the remaining 50% being based on a Profit Sharing Pool comprised of 1.75% of the Company's pre-tax profits (income before taxes less net income attributable to non-controlling interests, as reported in our audited consolidated financial statements). As further described above, depending on the level of achievement of the goals, the bonus may be reduced to a minimum of \$0 or increased to a maximum of two times the base target amount under the current incentive compensation policy of the compensation committee of the Board.

| Executive Incentive Compensation for Fiscal Year 2025 | | | |
|---|-------------------|--------------------|--------------------|
| | Target Bonus (\$) | Minimum Bonus (\$) | Maximum Bonus (\$) |
| Gerald L. Morgan Chief Executive Officer | 1,400,000 | — | 2,800,000 |
| Regina A. Tobin President | 725,000 | — | 1,450,000 |
| D. Christopher Monroe Chief Financial Officer | 525,000 | — | 1,050,000 |
| Christopher C. Colson Chief Legal and Administrative Officer, Corporate Secretary | 525,000 | — | 1,050,000 |
| Hernan E. Mujica Chief Technology Officer | 525,000 | — | 1,050,000 |
| Travis C. Doster Chief Communications Officer | 525,000 | — | 1,050,000 |

Stock Awards.

We make equity awards in the form of restricted stock units, which represent the conditional right to receive one share of our common stock upon satisfaction of the vesting requirements. Restricted stock units offer the Named Executive Officers a financial interest in the Company and align their interests with those of our shareholders. We also believe that the market price of our publicly traded common stock represents the most appropriate metric for determining the value of the equity portion of our Named Executive Officers' compensation packages. The overall compensation packages for our Named Executive Officers offer base salaries and target cash bonus amounts and feature restricted stock unit awards. While the initial grant of restricted stock unit awards is based on a fixed dollar amount, the ultimate value of the restricted stock unit awards is dependent upon the performance of the Company and the price of our common stock at the time such restricted stock units vest. The compensation committee evaluates the stock compensation for each specific Named Executive Officer on an annual basis to determine the right combination of rewards and incentives through the issuance of service based restricted stock units and/or performance based restricted stock units to drive company performance without encouraging unnecessary or excessive risk taking by all of the Named Executive Officers as a whole. Under this approach, the Named Executive Officers receive a combination of service based restricted stock units and/or performance based restricted stock units, with a significant portion of some of the Named Executive Officer's compensation being tied to the grant of such performance based restricted stock units.

We believe that the service based restricted stock awards are inherently performance based since their value varies in response to investor sentiment regarding overall Company performance at the time of vesting. Moreover, by giving the compensation committee the discretion to grant certain stock awards (if any) in its discretion to our Named Executive Officers under the Prior Employment Agreements and the 2025 Employment Agreement (as applicable), the compensation committee has the opportunity to adjust a large portion of the total compensation for the Named Executive Officers on an annual basis to more accurately reflect the overall performance of the Company, which may include the issuance of service based restricted stock units and/or restricted stock units based on the achievement of defined goals to be established by the compensation

committee for any and/or all of our Named Executive Officer. While the Company has historically granted retention grants for our Named Executive Officers, neither the Prior Employment Agreements nor the 2025 Employment Agreements include any similar retention grants. The compensation committee will evaluate whether to grant additional retention grants in the future as a part of its annual evaluation of the compensation packages for the Named Executive Officers.

In addition, the Prior Employment Agreements and the 2025 Employment Agreements (as applicable) with our Named Executive Officers permit the compensation committee to grant in its discretion any combination of service based restricted stock units and/or performance based restricted stock units for any portion of the term of the Executive Employment Agreements. For the performance based awards that have or may be granted to the Named Executive Officers under the Prior Employment Agreements, the compensation committee has established a two-pronged approach which mirrors the approach used for annual cash incentive bonuses. Under this approach, a percentage of the target equity award is based on whether the Company achieves the annual EPS Performance Goal, and a percentage is based on the Profit Sharing Pool comprised of 1.75% of the Company's pre-tax profits (income before taxes less net income attributable to non-controlling interests, as reported in our audited financial statements). After the end of the fiscal year, the compensation committee determines whether and to what extent the EPS Performance Goal has been met, and the portion of the Profit Sharing Pool to which each officer is entitled. Each 1% change from the EPS Performance Goal results in an increase or decrease of 10% of the portion of the target amount attributable to the achievement of the EPS Performance Goal. For example, if we achieve 11% EPS growth, the number of shares awarded would be 110% of the portion of the target amount attributable to the achievement of the EPS Performance Goal. Conversely, if we achieve 9% EPS growth, the award would be 90% of the portion of the target amount attributable to the achievement of the EPS Performance Goal. The remaining percentage of the Named Executive Officers' equity award will fluctuate directly with Company pre-tax profits at fixed participation percentages and maximum amounts which are determined within 60 days following the commencement of the Company's fiscal year. Both portions of the performance based equity award may be reduced to a minimum of \$0 or increased to a maximum of two times the target amount for each individual participant. Both portions of the performance based equity award can also be adjusted downward (but not upward) by the compensation committee in its discretion.

Performance based equity awards with respect to fiscal year 2024 were paid at 174.7% of the total target amount for the fiscal year in which a Named Executive Officer served in such role, based on an increase in actual EPS of 42.5% and an actual Profit Sharing Pool of \$9.0 million calculated on fiscal year 2024 pre-tax profit of \$513.7 million.

As more particularly described below, in connection with the execution of the 2025 Employment Agreements, the compensation committee authorized a three year grant of performance based restricted stock units that will vest in one-third increments, subject to the achievement of defined goals established by the compensation committee. For these performance based restricted stock units, the compensation committee established a two-pronged approach. Under this approach, 50% of the target equity award is awarded based on whether the Company achieves the following EPS growth target (the "**2025 EPS Performance Goal**"):

- (i) with respect to the one-third portion of the applicable performance-based restricted stock units relating to their 2025 fiscal year service, a one-year EPS growth target of 10% as compared to the 2024 fiscal year,
- (ii) with respect to the one-third portion of the applicable performance-based restricted stock units relating to their 2026 fiscal year service, a two-year EPS growth target of 21% as compared to the 2024 fiscal year, and
- (iii) with respect to the one-third portion of the applicable performance-based restricted stock units relating to their 2027 fiscal year service, a three-year EPS growth target of 33% as compared to the 2024 fiscal year.

The other 50% is based on the Profit Sharing Pool comprised of 1.75% of the Company's pre-tax profits (income before taxes less net income attributable to non-controlling interests, as reported in our audited consolidated financial statements). After the end of the fiscal year, the compensation committee determines

whether and to what extent the 2025 EPS Performance Goal has been met, and the portion of the Profit Sharing Pool to which each officer is entitled. Each 1% change from the 2025 EPS Performance Goal results in an increase or decrease of 10% of the portion of the target amount attributable to the achievement of the 2025 EPS Performance Goal. For example, if we achieve 11% EPS growth, the number of shares awarded would be 110% of the portion of the target amount attributable to the achievement of the 2025 EPS Performance Goal. Conversely, if we achieve 9% EPS growth, the award would be 90% of the portion of the target amount attributable to the achievement of the 2025 EPS Performance Goal. The remaining percentage of the Named Executive Officers' equity award will fluctuate directly with Company pre-tax profits at fixed participation percentages and maximum amounts which are determined within 60 days following the commencement of the Company's fiscal year. Both portions of the performance based equity award may be reduced to a minimum of \$0 or increased to a maximum of two times the target amount for each individual participant. Both portions of the performance based equity award can also be adjusted downward (but not upward) by the compensation committee in its discretion.

The total number of service based restricted stock units and/or performance based restricted stock units granted to each Named Executive Officer reflects each Named Executive Officer's job responsibilities and individual contribution to the success of the Company.

2024 Service Based Restricted Stock Units Under Prior Employment Agreement. Each Prior Employment Agreement provided that the compensation committee could grant certain stock awards to the Named Executive Officers during the term of the respective Prior Employment Agreements. In connection with the same, the compensation committee authorized the grant of service based restricted stock units under each Prior Employment Agreement equal to the dollar amount described in the table below for each Named Executive Officer with respect to all or a portion of their 2024 fiscal year service. These service based restricted stock units were calculated by dividing the dollar amount described in the table below by the per share closing sales price of the Company's common stock on the Nasdaq Global Select Market on the trading day immediately preceding the date of the grant, with such quotient being rounded up or down to the nearest 100 shares. Additionally and except as described in the footnote below with respect to the grant of restricted stock units to Mr. Doster, these shares were granted on January 8, 2024 and vested on January 8, 2025.

| Service Based Restricted Stock Units for 2024 Fiscal Year | | |
|--|--|---|
| | Service Based Restricted Stock Units vesting on January 8, 2025 pursuant to Prior Employment Agreements (\$) | Number of Service Based Restricted Stock Units vesting on January 8, 2025 pursuant to Prior Employment Agreements (1) |
| Gerald L. Morgan Chief Executive Officer | 1,300,000 | 11,000 |
| Regina A. Tobin President | 500,000 | 4,200 |
| D. Christopher Monroe Chief Financial Officer | 500,000 | 4,200 |
| Christopher C. Colson Chief Legal and Administrative Officer, Corporate Secretary | 500,000 | 4,200 |
| Hernan E. Mujica Chief Technology Officer | 500,000 | 4,200 |
| Travis C. Doster (2) Chief Communications Officer | 325,000 | 3,100 |

(1) For the service based restricted stock units described in this footnote (1), fair value is equal to the closing price of the Company's common stock on the trading day immediately preceding the date of the grant, which was \$118.30 for these grants. Using the formula described in the immediately foregoing paragraph prior to this table, each Named Executive Officer was granted the number of service based restricted stock units described in the table above for their respective 2024 fiscal year service. These are not amounts paid to or received by the Named Executive Officers. The amounts listed above represent the grant date fair value determined in accordance with U.S. GAAP of restricted stock units granted under the Company's 2021 Long-Term Incentive Plan. Detailed information under U.S. GAAP is set forth in Note 14 to the

consolidated financial statements included in the Company's Annual Report on Form 10-K for the fiscal year ended December 26, 2023. The Company cautions that the amounts reported in the table above for these awards may not represent the amounts that the Named Executive Officers will actually realize from the awards. Whether, and to what extent, a Named Executive Officer realizes value on these awards will depend on a number of factors, including the Company's actual operating performance, stock price fluctuations, and the Named Executive Officer's continued service with the Company.

- (2) Upon Mr. Doster's appointment to Chief Communications Officer, the compensation committee authorized the grant of 3,100 service based restricted stock units with a grant date of November 9, 2023 for his 2024 fiscal year service and with a vesting date of January 8, 2025, provided he was still employed as of the vesting date. The number of service based restricted stock units were calculated by dividing \$325,000 by \$103.41 (which was the closing sales price of the Company's common stock on the Nasdaq Global Select Market on November 8, 2023), with such quotient being rounded up or down to the nearest 100 shares. As described in footnote (1) above, these are not amounts paid to or received by Mr. Doster. The amounts listed above represent the grant date fair value determined in accordance with U.S GAAP of restricted stock units granted under the Company's 2021 Long-Term Incentive Plan.

2025 Service Based Restricted Stock Units Under 2025 Employment Agreement. Each 2025 Employment Agreement provides that the compensation committee may grant certain stock awards to the Named Executive Officers during the term of the respective 2025 Employment Agreements. In connection with the same, the compensation committee authorized the grant of service based restricted stock units under each 2025 Employment Agreement equal to the dollar amount described in the table below for each Named Executive Officer with respect to all or a portion of their 2025 fiscal year service. These service based restricted stock units were calculated by dividing the dollar amount described in the table below by the per share closing sales price of the Company's common stock on the Nasdaq Global Select Market on the trading day immediately preceding the date of the grant, with such quotient being rounded up or down to the nearest 100 shares. Additionally, these shares were granted on January 8, 2025 and will vest on January 8, 2026, provided the Named Executive Officer is still employed by the Company as of the vesting date.

| Service Based Restricted Stock Units for 2025 Fiscal Year | | |
|---|---|--|
| | Service Based Restricted Stock Units Vesting on January 8, 2026 pursuant to 2025 Employment Agreements (\$) | Number of Service Based Restricted Stock Units Vesting on January 8, 2026 pursuant to 2025 Employment Agreements (1) |
| Gerald L. Morgan Chief Executive Officer | 2,100,000 | 11,600 |
| Regina A. Tobin President | 725,000 | 4,000 |
| D. Christopher Monroe Chief Financial Officer | 472,500 | 2,600 |
| Christopher C. Colson Chief Legal and Administrative Officer, Corporate Secretary | 472,500 | 2,600 |
| Hernan E. Mujica Chief Technology Officer | 472,500 | 2,600 |
| Travis C. Doster Chief Communications Officer | 472,500 | 2,600 |

- (1) For the service based restricted stock units described in this footnote (1), fair value is equal to the closing price of the Company's common stock on the trading day immediately preceding the date of the grant, which was \$181.27 for these grants. Using the formula described in the immediately foregoing paragraph prior to this table, each Named Executive Officer was granted the number of service based restricted stock units described in the table above for their respective 2025 fiscal year service. These are not amounts paid to or received by the Named Executive Officers. The amounts listed above represent the grant date fair value determined in accordance with U.S GAAP of restricted stock units granted under the Company's 2021 Long-Term Incentive Plan. Detailed information under U.S GAAP is set forth in Note 14 to the

consolidated financial statements included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2024. The Company cautions that the amounts reported in the table above for these awards may not represent the amounts that the Named Executive Officers will actually realize from the awards. Whether, and to what extent, a Named Executive Officer realizes value on these awards will depend on a number of factors, including the Company's actual operating performance, stock price fluctuations, and the Named Executive Officer's continued service with the Company.

2024 Performance Based Restricted Stock Units Under Prior Employment Agreement. Each Prior Employment Agreement provided that the compensation committee could grant certain stock awards to the Named Executive Officers during the term of the respective Executive Employment Agreements. The number of performance based restricted stock units granted to Messrs. Morgan, Monroe, Colson, Mujica, and Doster and Ms. Tobin for the 2024 fiscal year under their Prior Employment Agreement, and the number of shares of common stock which actually vested based on the Company's performance, are shown in the table below:

| Performance Based Restricted Stock Units for 2024 Fiscal Year | | | | |
|---|---|--|--|---|
| | Target Number of Performance Based Restricted Stock Units Granted pursuant to Prior Employment Agreements (1) | Minimum Number of Performance Based Restricted Stock Units pursuant to Prior Employment Agreements | Maximum Number of Performance Based Restricted Stock Units pursuant to Prior Employment Agreements | Actual Number of Shares Issued for 2024 following Certification of 2024 Performance Goals (2) |
| Gerald L. Morgan Chief Executive Officer | 11,000 | — | 22,000 | 19,218 |
| Regina A. Tobin President | 3,400 | — | 6,800 | 5,940 |
| D. Christopher Monroe Chief Financial Officer | 2,500 | — | 5,000 | 4,368 |
| Christopher C. Colson Chief Legal & Administrative Officer, Corporate Secretary | 2,500 | — | 5,000 | 4,368 |
| Hernan E. Mujica Chief Technology Officer | 2,500 | — | 5,000 | 4,368 |
| Travis C. Doster Chief Communications Officer | 1,700 | — | 3,400 | 2,970 |

- (1) The compensation committee authorized the grant of performance based restricted stock units as described in the table above to Messrs. Morgan, Monroe, Colson, Mujica, and Doster and Ms. Tobin under their respective Prior Employment Agreements for their respective 2024 fiscal year service in the following manner:
- (i) With respect to Mr. Morgan, his 11,000 performance based restricted stock units were calculated by dividing \$1,300,000 by \$118.30 (which was the closing sales price of the Company's common stock on the Nasdaq Global Select Market on the trading day immediately preceding the date of the grant, with such quotient being rounded up or down to the nearest 100 shares);
 - (ii) With respect to Ms. Tobin, her 3,400 performance based restricted stock units were calculated by dividing \$400,000 by \$118.30 (which was the closing sales price of the Company's common stock on the Nasdaq Global Select Market on the trading day immediately preceding the date of the grant, with such quotient being rounded up or down to the nearest 100 shares);
 - (iii) With respect to Mr. Monroe, his 2,500 performance based restricted stock units were calculated by dividing \$300,000 by \$118.30 (which was the closing sales price of the Company's common stock on the Nasdaq Global Select Market on the trading day immediately preceding the date of the grant, with such quotient being rounded up or down to the nearest 100 shares);
 - (iv) With respect to Mr. Colson, his 2,500 performance based restricted stock units were calculated by dividing \$300,000 by \$118.30 (which was the closing sales price of the Company's common stock on the Nasdaq Global Select Market on the trading day

- immediately preceding the date of the grant, with such quotient being rounded up or down to the nearest 100 shares);
- (v) With respect to Mr. Mujica, his 2,500 performance based restricted stock units were calculated by dividing \$300,000 by \$118.30 (which was the closing sales price of the Company's common stock on the Nasdaq Global Select Market on the trading day immediately preceding the date of the grant, with such quotient being rounded up or down to the nearest 100 shares); and
 - (vi) With respect to Mr. Doster, his 1,700 performance based restricted stock units were calculated by dividing \$175,000 by \$103.41 (which was the closing sales price of the Company's common stock on the Nasdaq Global Select Market on the trading day immediately preceding the date of the grant, with such quotient being rounded up or down to the nearest 100 shares).
- (2) The shares underlying the performance based restricted stock units attributable to the 2024 fiscal year were issued on February 28, 2025. The compensation committee determined that 50% of the performance based restricted stock unit award for the 2024 fiscal year would be based on an EPS growth target of 10%, which portion would be reduced or increased by 10% for every 1% of annual growth in EPS less than or in excess of the 10% goal, and that 50% of the performance based restricted stock unit award for the 2024 fiscal year would be based on a pre-tax profit target opportunity equal to the percentage payout of 1.75% of pre-tax earnings divided by the bonus pool target set by the compensation committee for the performance period.

2025 Performance Based Restricted Stock Units Under 2025 Employment Agreement. Each 2025 Employment Agreement provides that the compensation committee may grant certain stock awards to the Named Executive Officers during the term of the respective 2025 Employment Agreements. The compensation committee authorized the grant of performance based restricted stock units as described in the table below to Messrs. Morgan, Monroe, Colson, Mujica, and Doster and Ms. Tobin under their respective 2025 Employment Agreements for their respective 2025 fiscal year service. These performance based restricted stock units will be calculated by dividing the target dollar amount described in the table below by the per share closing sales price of the Company's common stock on the Nasdaq Global Select Market on the trading day immediately preceding the date of the grant, with such quotient being rounded up or down to the nearest 100 shares. Additionally, these performance based restricted stock units were granted to each respective executive officer on January 8, 2025 and will vest on January 8, 2026, subject to the achievement of defined goals established by the compensation committee of the Board. The actual number of shares that will be issued to each of Messrs. Morgan, Monroe, Colson, Mujica, and Doster and Ms. Tobin for fiscal year 2025 based on achievement of the performance goals assigned to these grants by the compensation committee will not be calculated until the first quarter of 2026.

| Performance Based Restricted Stock Units for 2025 Fiscal Year | | | | | |
|---|---|--|--|---|--|
| | Target Performance Based Restricted Stock Units vesting on January 8, 2026 pursuant to 2025 Employment Agreements (\$)(1) | Minimum Performance Based Restricted Stock Units pursuant to 2025 Employment Agreements (\$) | Maximum Performance Based Restricted Stock Units pursuant to 2025 Employment Agreements (\$) | Target Number of Performance Based Restricted Stock Units vesting on January 8, 2026 pursuant to 2025 Employment Agreements (2) | |
| Gerald L. Morgan Chief Executive Officer | 2,100,000 | — | 4,200,000 | 11,600 | |
| Regina A. Tobin President | 725,000 | — | 1,450,000 | 4,000 | |
| D. Christopher Monroe Chief Financial Officer | 472,500 | — | 945,000 | 2,600 | |
| Christopher C. Colson Chief Legal & Administrative Officer, Corporate Secretary | 472,500 | — | 945,000 | 2,600 | |
| Hernan E. Mujica Chief Technology Officer | 472,500 | — | 945,000 | 2,600 | |
| Travis C. Doster Chief Communications Officer | 472,500 | — | 945,000 | 2,600 | |

- (1) The compensation committee determined that 50% of the performance based restricted stock unit award for 2025 would be based on an EPS growth target of 10%, which portion would be reduced or increased by 10% for every 1% of annual growth in EPS less than or in excess of the 10% goal, and that 50% of the performance based restricted stock unit award for 2025 would be based on a pre-tax profit target opportunity equal to the percentage payout of 1.75% of pre-tax earnings divided by the bonus pool target set by the compensation committee for the performance period. The performance based restricted stock unit award for Messrs. Morgan, Monroe, Colson, Mujica, and Doster and Ms. Tobin with respect to fiscal year 2025 will be certified in the first quarter of 2026.
- (2) For the performance based restricted stock units described in this footnote (2), fair value is equal to the closing price of the Company's common stock on the trading day immediately preceding the date of the grant, which was \$181.27 for these grants. Using the formula described in the immediately foregoing paragraph prior to this table, each Named Executive Officer was granted the target number of performance based restricted stock units described in the table above for their respective 2025 fiscal year service. These are not amounts paid to or received by these Named Executive Officers. The amounts listed above represent the grant date fair value determined in accordance with U.S GAAP of restricted stock units granted under the Company's 2021 Long-Term Incentive Plan. Detailed information under U.S GAAP is set forth in Note 14 to the consolidated financial statements included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2024. The Company cautions that the amounts reported in the table above for these awards may not represent the amounts that these Named Executive Officers will actually realize from the awards.

The table above reflects the performance based restricted stock units granted to each Named Executive Officer for their respective 2025 fiscal year service but does not include the performance based restricted stock units granted to each Named Executive Officers during the 2025 fiscal year for their respective 2026 fiscal year and 2027 fiscal year service.

Separation and Change in Control Arrangements

Prior Employment Agreement

The Prior Employment Agreements generally provided that if a Named Executive Officer's employment was terminated during the term of the Prior Employment Agreement for a Qualifying Reason (as defined below), the Company would pay the Named Executive Officer three months of base salary, unless the termination occurred within 12 months following a Change in Control (as defined below), in which case the applicable Named Executive Officer's current base salary remaining for the then existing term of his or her respective Prior Employment Agreement would be paid. In addition, if any Named Executive Officer's termination occurred for a Qualifying Reason within 12 months following a Change in Control, the applicable Named Executive Officer would be paid any incentive bonus earned but not yet paid for any fiscal year ended before the date of termination, plus an incentive bonus for the year in which the date of termination occurs, equal to the applicable Named Executive Officer's target bonus for that year, prorated based on the number of days in the fiscal year elapsed before the date of termination. For purposes of the Prior Employment Agreements, termination for a "**Qualifying Reason**" was generally defined to be attributable to one of the following: (i) the result of the applicable Named Executive Officer having submitted to the Company the Named Executive Officer's resignation in accordance with a request by the Board or the Chief Executive Officer, provided that such request is not based on the Company's finding that Cause (as defined below) for termination exists, (ii) a termination by the Named Executive Officer for Good Reason (as defined below) within 12 months of a Change in Control, or (iii) a termination by the Company for any reason other than Cause or as a result of death or disability which entitles the Named Executive Officer to benefits under the Company's long-term disability plan. Under the Prior Employment Agreements, a termination by a Named Executive Officer (a separation, including a voluntary retirement, initiated by a Named Executive Office other than per a request described above), other than for Good Reason within 12 months following a Change in Control, would not be a Qualifying Reason. Additionally, termination for "**Cause**" meant a termination by the Company for one or more of the following reasons: (a) a Named Executive Officer's conviction of, or being charged with having committed, a felony; (b) a Named

Executive Officer's acts of dishonesty or moral turpitude that are detrimental to the business of the Company; (c) a Named Executive Officer's acts or omissions that such Named Executive Officer knew or should have reasonably known were likely to damage the business of the Company; (d) a Named Executive Officer's failure to obey the reasonable and lawful directions of the Company, including, without limitation, the Company's policies and procedures (including the Company's policies prohibiting discrimination, harassment, and retaliation), and the Texas Roadhouse, Inc. Code of Conduct; (e) a Named Executive Officer's failure to perform such Named Executive Officer's obligations under his or her Prior Employment Agreement; (f) a Named Executive Officer's willful breach of any agreement or covenant contained within his or her Prior Employment Agreement or any fiduciary duty owed to the Company; and/or (g) a Named Executive Officer's unsatisfactory performance of such Named Executive Officer's duties after: (A) he or she received written notice of the general nature of the unsatisfactory performance, and (B) he or she failed to cure the unsatisfactory performance within 30 days thereafter to the satisfaction of the Company.

As used in the Prior Employment Agreements, a "**Change in Control**" meant that one of the following events had taken place: (i) consummation of a merger or consolidation of the Company with any other entity, other than a merger or consolidation that would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving or resulting entity) more than 50% of the combined voting power of the surviving or resulting entity outstanding immediately after such merger or consolidation; (ii) consummation of a sale or disposition of all or substantially all of the assets of the Company (other than such a sale or disposition immediately after which such assets will be owned directly or indirectly by the shareholders of the Company in substantially the same proportions as their ownership of the common stock of the Company immediately before such sale or disposition); or (iii) any Person becomes the beneficial owner (as determined pursuant to Section 13(d) of the Exchange Act) of securities representing in excess of 50% of the aggregate voting power of the outstanding securities of the Company as required to be disclosed in a report on Schedule 13D of the Exchange Act. The Board had the full and final authority, in its sole discretion, to determine conclusively whether a Change in Control occurred pursuant to the above definition, the date of the occurrence of such Change in Control, and any incidental matters relating thereto. The Prior Employment Agreements also provided for the reduction of Change in Control payments to the maximum amount that could be paid to the Named Executive Officers without giving rise to the excise tax imposed by Section 4999 of the Internal Revenue Code. Additionally, as used in the Prior Employment Agreements, "**Good Reason**" given by a Named Executive Officer in a notice of termination was based on: (a) the assignment to such Named Executive Officer of a different title or job responsibilities that result in a substantial decrease in the level of responsibility from those in effect immediately before the Change in Control; (b) a reduction by the Company or the surviving company in such Named Executive Officer's base pay as in effect immediately before the Change in Control; (c) a significant reduction by the Company or the surviving company in total benefits available to such Named Executive Officer under cash incentive, stock incentive and other employee benefit plans after the Change in Control compared to the total package of such benefits as in effect before the Change in Control; (d) the requirement by the Company or the surviving company that such Named Executive Officer be based more than 50 miles from where such Named Executive Officer's office is located immediately before the Change in Control, except for required travel on company business to an extent substantially consistent with the business travel obligations which such Named Executive Officer undertook on behalf of the Company before the Change in Control; or (e) the failure by the Company to obtain from any Successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company an agreement to assume obligations under the Prior Employment Agreement.

While the individual Prior Employment Agreements did not address the manner in which unvested stock awards, if any, would be handled upon the termination of a Named Executive Officer, the specific restricted stock unit award agreement and/or performance restricted stock unit award agreement entered into by the Named Executive Officers upon the grant of service based restricted stock units and/or performance based restricted stock units provided that (A) if a Change in Control occurs prior to the vesting date of such restricted stock units and the Named Executive Officer was terminated by the Company without Cause, or (B) if the Named Executive Officer was terminated for Good Reason within 12 months following a Change in Control, then such unvested service based restricted stock units and/or performance based restricted stock units would become vested as of the date of termination. Additionally, such specific restricted stock unit award agreement and/or performance restricted stock unit award agreement entered into by the Named Executive Officers provided that if any Named

Executive Officer's continuous service is terminated because of death or disability prior to the vesting date for the applicable grant of service based restricted stock units and/or performance based restricted stock units (as and if applicable), then such applicable restricted stock units would become immediately vested in an amount equal to the total number of granted restricted stock units multiplied by a fraction, the numerator of which is the number of calendar months or portions thereof from grant date of such restricted stock units through the date on which such Named Executive Officer's continuous service is terminated due to death or disability and the denominator of which is the total number of calendar months or portion thereof in the vesting period for such restricted stock unit grants.

Under the Prior Employment Agreements, the Company provided these severance payments to allow for a period of transition and were generally contingent upon the Named Executive Officer's execution of a full release of claims against the Company, and continued compliance with the non-competition, non-solicitation, confidentiality and other restrictive covenants. If the Named Executive Officer's employment was terminated for any reason other than a Qualifying Reason (such as the officer's death, disability or for Cause), then the Company would pay to the Named Executive Officer only the base salary accrued for the last period of actual employment and any accrued paid time off in accordance with policies of the Company in effect from time to time. The salary component of the severance payments was subject to deductions and withholdings and was to be paid to the Named Executive Officers in periodic installments in accordance with our normal payroll practices. The fixed sum would be paid in a single lump sum, and any bonus component of the severance payments for a performance period that ended before termination was to be paid on the same date as the payment would have been made had his or her employment not been terminated.

The estimated amounts that would have been payable to a Named Executive Officer under the Prior Employment Agreements are more fully described in "Termination, Change of Control and Change of Responsibility Payments."

2025 Employment Agreement

As further discussed above, the Company and certain Named Executive Officers entered into the 2025 Employment Agreements during the 2024 fiscal year. The 2025 Employment Agreements are a response, in part, to the advisory vote on executive compensation at our 2024 annual shareholder meeting and reflect changes in the manner and rationale in which separation payments are paid to Named Executive Officers based on recommendations of our third party compensation consultant, outside legal counsel, and the feedback received from our shareholders during our shareholder engagement in 2024.

The 2025 Employment Agreements provide that the agreement and a Named Executive Officer's employment will terminate during the term of the applicable 2025 Employment Agreement if any of the following occurs: (i) termination by the Company for Cause (as hereinafter defined); (ii) termination by the Company without Cause; (iii) resignation by the applicable officer for Good Reason (as hereinafter defined); (iv) resignation by the applicable Named Executive Officer without Good Reason; (v) a Named Executive Officer's death or long-term disability; and/or (vi) a Named Executive Officer's retirement. The 2025 Employment Agreements also provide the Company will pay to the applicable officer the Base Termination Payments (as hereinafter defined) and/or the Separation Pay (as hereinafter defined) based on the applicable termination event. The following table describes the payment type by applicable termination event.

| Termination Event | Payment Type |
|--------------------------------------|--|
| Termination for Cause | Base Termination Payments |
| Termination without Cause | Base Termination Payments and Separation Pay |
| Resignation for Good Reason | Base Termination Payments and Separation Pay |
| Resignation without Good Reason | Base Termination Payments |
| Officer Death / Long-Term Disability | Base Termination Payments |
| Officer Retirement | Base Termination Payments |

The payment of the Separation Pay is generally contingent upon the Named Executive Officer's execution of a full release of claims against the Company and continued compliance with the non-competition, non-solicitation, confidentiality and other restrictive covenants set forth in the 2025 Employment Agreements. The 2025 Employment Agreements provide for the reduction of Change in Control payments to the maximum amount that could be paid to the officers without giving rise to the excise tax imposed by Section 4999 of the Internal Revenue Code. For the purposes of 2025 Employment Agreements, (A) the term "**Good Reason**" means a notice of termination given by a Named Executive Officers within 12 months following a Change in Control for any of the following reasons: (i) assignment to such Named Executive Officer of a different title or job responsibilities that result in a substantial decrease in the level of responsibility from those in effect immediately before the Change in Control; (ii) a reduction by the Company or the surviving company in such Named Executive Officer's base pay as in effect immediately before the Change in Control; (iii) a significant reduction by the Company or the surviving company in total benefits available to such Named Executive Officer under cash incentive, stock incentive and other employee benefit plans after the Change in Control compared to the total package of such benefits as in effect before the Change in Control; (iv) the requirement by the Company or the surviving company that such Named Executive Officer be based more than 50 miles from where such Named Executive Officer's office is located immediately before the Change in Control, except for required travel on company business to an extent substantially consistent with the business travel obligations which such Named Executive Officer undertook on behalf of the Company before the Change in Control; or (v) the failure by the Company to obtain from any Successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company an agreement to assume obligations under the 2025 Employment Agreement; (B) the term "**Base Termination Payments**" means (i) the applicable Named Executive Officer's base salary through the date of termination, plus (ii) any incentive bonus earned but not yet paid for any fiscal year ended before the date of termination, plus (iii) any accrued paid time off that might be due in accordance with the Company's policies, plus (iv) any expenses owed to the applicable officer under the employment agreement; and (C) the term "**Separation Pay**" means the following:

(a) to the extent the 2025 Employment Agreement is terminated by the Company without Cause, then (x) with respect to our Chief Executive Officer, (i) two times the Chief Executive Officer's then current base salary, plus (ii) an incentive bonus for the year in which the date of termination occurs, equal to the Chief Executive Officer's target bonus for that year, prorated based on the number of days in the fiscal year elapsed before the date of termination, plus (iii) to the extent the Chief Executive Officer is enrolled in the Company's insurance plan as of the date of termination, an amount equal to the approximate cost of the aggregate monthly premiums (less applicable withholdings) for an 18 month period of ongoing medical, dental, and vision insurance via a timely election made under the Company's health plan pursuant to the Consolidated Omnibus Budget Reconciliation Act (COBRA); and (y) with respect to all other Named Executive Officers, (i) one times the applicable Named Executive Officer's then current base salary, plus (ii) an incentive bonus for the year in which the date of termination occurs, equal to the applicable Named Executive Officer's target bonus for that year, prorated based on the number of days in the fiscal year elapsed before the date of termination, plus (iii) to the extent the applicable Named Executive Officer is enrolled in the Company's insurance plan as of the date of termination, an amount equal to the approximate cost of the aggregate monthly premiums (less applicable withholdings) for a 12 month period of ongoing medical, dental, and vision insurance via a timely election made under the Company's health plan pursuant to the Consolidated Omnibus Budget Reconciliation Act (COBRA); and

(b) to the extent the 2025 Employment Agreement is terminated due to a Named Executive Officer's resignation for Good Reason, then (x) with respect to our Chief Executive Officer, (i) two times the Chief Executive Officer's then current base salary, plus (ii) two times the Chief Executive Officer's then target incentive bonus, plus (iii) an incentive bonus for the year in which the date of termination occurs, equal to the Chief Executive Officer's target bonus for that year, prorated based on the number of days in the fiscal year elapsed before the date of termination, plus (iv) to the extent the Chief Executive Officer is enrolled in the Company's insurance plan as of the date of termination, an amount equal to the approximate cost of the aggregate monthly premiums (less applicable withholdings) for an 18 month period of ongoing medical, dental, and vision insurance via a timely election made under the Company's health plan pursuant to the Consolidated Omnibus Budget Reconciliation Act (COBRA); and (y) with respect to all other Named Executive Officers, (i) one and a half times the officer's then current base salary, plus (ii) one and a half times the applicable Named Executive Officer's then target incentive bonus, plus (iii) an incentive bonus for

the year in which the date of termination occurs, equal to the applicable Named Executive Officer's target bonus for that year, prorated based on the number of days in the fiscal year elapsed before the date of termination, plus (iv) to the extent the applicable Named Executive Officer is enrolled in the Company's insurance plan as of the date of termination, an amount equal to the approximate cost of the aggregate monthly premiums (less applicable withholdings) for an 18 month period of ongoing medical, dental, and vision insurance via a timely election made under the Company's health plan pursuant to the Consolidated Omnibus Budget Reconciliation Act (COBRA).

Additionally, as used in the 2025 Employment Agreements, a "**Change in Control**" means that one of the following events has taken place: (i) consummation of a merger or consolidation of the Company with any other entity, other than a merger or consolidation that would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving or resulting entity) more than 50% of the combined voting power of the surviving or resulting entity outstanding immediately after such merger or consolidation; (ii) consummation of a sale or disposition of all or substantially all of the assets of the Company (other than such a sale or disposition immediately after which such assets will be owned directly or indirectly by the shareholders of the Company in substantially the same proportions as their ownership of the common stock of the Company immediately before such sale or disposition); or (iii) any Person becomes the beneficial owner (as determined pursuant to Section 13(d) of the Exchange Act) of securities representing in excess of 50% of the aggregate voting power of the outstanding securities of the Company as required to be disclosed in a report on Schedule 13D of the Exchange Act. Similar to the Prior Employment Agreements, the Board has the full and final authority, in its sole discretion, to determine conclusively whether a Change in Control has occurred pursuant to the above definition, the date of the occurrence of such Change in Control, and any incidental matters relating thereto.

While the individual 2025 Employment Agreements do not address the manner in which unvested stock awards, if any, will be handled upon the termination of a Named Executive Officer, the specific restricted stock unit award agreement and/or performance restricted stock unit award agreement entered into by the Named Executive Officers upon the grant of service based restricted stock units and/or performance based restricted stock units provide that (A) if a Change in Control occurs prior to the vesting date of such restricted stock units and the Named Executive Officer is terminated by the Company without Cause, or (B) if the Named Executive Officer is terminated for Good Reason within 12 months following a Change in Control, then such unvested service based restricted stock units and/or performance based restricted stock units shall become vested as of the date of termination. Additionally, such specific restricted stock unit award agreement and/or performance restricted stock unit award agreement entered into by the Named Executive Officers provide that if any Named Executive Officer's continuous service is terminated because of death or disability prior to the vesting date for the applicable grant of service based restricted stock units and/or performance based restricted stock units (as and if applicable), then such applicable restricted stock units become immediately vested in an amount equal to the total number of granted restricted stock units multiplied by a fraction, the numerator of which is the number of calendar months or portions thereof from grant date of such restricted stock units through the date on which such Named Executive Officer's continuous service is terminated due to death or disability and the denominator of which is the total number of calendar months or portion thereof in the vesting period for such restricted stock unit grants.

Hedging and Pledging Policies

The Company has a stock trading policy that, among other things, prohibits all of our employees (including our executive officers) and our directors from engaging in speculative trading in the Company's shares, which prohibition includes any arrangement by which a shareholder or option holder changes his or her economic exposure to changes in the price of the stock. Prohibited arrangements include buying standardized put or call options, writing put or call options, selling stock short, buying or selling securities convertible into other securities, or merely engaging in a private arrangement where the value of the agreement varies in relation to the price of the underlying security. Such arrangements are prohibited because these transactions may give the appearance of improper trades and look disloyal. In addition, our stock trading policy strongly discourages employees (including our executive officers) and our directors from holding the Company's securities in a margin account or otherwise pledging these securities as collateral for a loan. As of the date of this proxy statement, none of our

Named Executive Officers and non-employee directors hold the Company's securities in a margin account or have otherwise pledged them as collateral for a loan.

Signing Bonus for D. Christopher Monroe

Pursuant to Mr. Monroe's Prior Employment Agreement and in connection with his appointment to Chief Financial Officer, the Company agreed to pay to Mr. Monroe a one-time signing bonus in the amount of \$500,000. The signing bonus was paid in two equal installments of \$250,000 each in the following manner: (i) the first installment was due and payable on or before July 1, 2023, and (ii) the second installment was paid on or before January 1, 2024.

Compensation Committee Report

The compensation committee has reviewed and discussed the "Compensation Discussion and Analysis" required by Item 402(b) of Regulation S-K with management. Based on such review and discussions, the compensation committee recommended to the Board that the "Compensation Discussion and Analysis" be included in this proxy statement and incorporated by reference into the Company's Annual Report on Form 10-K for the year ended December 31, 2024.

All members of the compensation committee concur in this report.

Michael A. Crawford, Chair
Gregory N. Moore
Kathleen M. Widmer

Summary Compensation Table

The following table sets forth the total compensation earned with respect to the fiscal years 2024, 2023, and 2022 by our Named Executive Officers, which include (i) our Principal Executive Officer (the “**PEO**”) and Principal Financial Officer (the “**PFO**”), including any interim PEO or PFO, and (ii) the Company’s four most highly compensated executive officers other than the PEO and PFO who were serving as executive officers at the end of the last completed fiscal year.

| Summary Compensation Table | | | | | | | |
|--|------|-------------|-------------|--|--|------------------------------|-------------|
| Name and Principal Position | Year | Salary (\$) | Bonus \$(1) | Grant Date Fair Value of Stock Awards \$(2)(3) | Non-equity Incentive Plan Compensation \$(4) | All Other Compensation \$(4) | Total \$(3) |
| Gerald L. Morgan Chief Executive Officer | 2024 | 1,295,385 | — | 2,602,600 | 2,271,270 | 16,754 | 6,186,009 |
| | 2023 | 1,190,000 | — | 2,599,856 | 1,527,267 | 30,404 | 5,347,527 |
| | 2022 | 972,500 | — | 2,201,368 | 1,245,138 | 2,983 | 4,421,989 |
| D. Christopher Monroe Chief Financial Officer | 2024 | 547,308 | 250,100 | 792,610 | 742,530 | 12,796 | 2,345,344 |
| | 2023 | 240,385 | 250,000 | 404,484 | 254,545 | 249,524 | 1,398,938 |
| | 2022 | — | — | — | — | — | — |
| Regina Tobin President | 2024 | 697,885 | 200 | 899,080 | 1,222,991 | 10,572 | 2,830,728 |
| | 2023 | 642,500 | — | 897,792 | 827,270 | 32,454 | 2,400,016 |
| | 2022 | 492,500 | 200 | 795,166 | 498,055 | 2,983 | 1,788,904 |
| Christopher C. Colson Chief Legal and Administrative Officer, Corporate Secretary | 2024 | 547,308 | 200 | 792,610 | 742,530 | 12,915 | 2,095,563 |
| | 2023 | 500,000 | 200 | 794,920 | 509,089 | 22,131 | 1,826,340 |
| | 2022 | 492,500 | 200 | 496,210 | 498,055 | 2,983 | 1,489,948 |
| Hernan E. Mujica Chief Technology Officer | 2024 | 547,308 | 200 | 792,610 | 742,530 | 15,903 | 2,098,551 |
| | 2023 | 500,000 | 200 | 794,920 | 509,089 | 24,885 | 1,829,094 |
| | 2022 | 492,500 | 200 | 496,210 | 498,055 | 2,983 | 1,489,948 |
| Travis C. Doster Chief Communications Officer | 2024 | 547,308 | 200 | 92,442 | 742,530 | 31,192 | 1,413,672 |
| | 2023 | 381,538 | 200 | 860,836 | 269,787 | 5,643 | 1,518,004 |
| | 2022 | — | — | — | — | — | — |

- (1) This column represents holiday bonus awards paid to the Named Executive Officers for the fiscal years ended December 31, 2024, December 26, 2023, and December 27, 2022.

Additionally, pursuant to Mr. Monroe’s Prior Employment Agreement and in connection with his appointment to Chief Financial Officer, the Company agreed to pay to Mr. Monroe a one-time signing bonus in the amount of \$500,000. The signing bonus was paid in two equal installments of \$250,000 each in the following manner: (i) the first installment was paid on or before July 1, 2023, and (ii) the second installment was paid on or before January 1, 2024. The amount included for Mr. Monroe with respect to the 2023 fiscal year includes the initial \$250,000 portion of the signing bonus paid by the Company, and the amount included for Mr. Monroe with respect to the 2024 fiscal year includes the remaining \$250,000 portion of the signing bonus paid by the Company.

- (2) Reflects the grant date fair value computed in accordance with U.S. GAAP of performance based restricted stock units and service based restricted stock units granted pursuant to the Company’s long term incentive plan using the closing price of the Company’s common stock on the last trading day immediately preceding the grant date.

The Company cautions that the amounts reported in the Summary Compensation Table for these awards may not represent the amounts that the Named Executive Officers will actually realize from the awards. Whether, and to what extent, a Named Executive Officer realizes value on these awards will depend on a number of factors, including the Company’s actual operating performance, stock price fluctuations, and the Named Executive Officer’s continued service with the Company. Additional information on all outstanding stock awards is reflected in the “Grants of Plan-Based Awards Table” and the “Outstanding Equity Awards at Fiscal Year End Table.”

- (3) With respect to Mr. Morgan, (i) amounts for the 2024 fiscal year include the performance based restricted stock units and service based restricted stock units granted to Mr. Morgan during the

2024 fiscal year relating to his 2024 year service, (ii) amounts for the 2023 fiscal year include the performance based restricted stock units and service based restricted stock units granted to Mr. Morgan during the 2023 fiscal year relating to his 2023 year service, and (iii) amounts for the 2022 fiscal year include the performance based restricted stock units and service based restricted stock units granted to Mr. Morgan during the 2022 fiscal year relating to his 2022 year service.

With respect to Mr. Monroe, (i) amounts for the 2024 fiscal year include the performance based restricted stock units and service based restricted stock units granted to Mr. Monroe during the 2024 fiscal year relating to his 2024 year service, and (ii) amounts for the 2023 fiscal year include the performance based restricted stock units and service based restricted stock units granted to Mr. Monroe during the 2023 fiscal year relating to his partial 2023 year service.

With respect to Ms. Tobin, (i) amounts for the 2024 fiscal year include the performance based restricted stock units and service based restricted stock units granted to Ms. Tobin during the 2024 fiscal year relating to her 2024 year service, (ii) amounts for the 2023 fiscal year include the performance based restricted stock units and service based restricted stock units granted to Ms. Tobin during the 2023 fiscal year relating to her 2023 year service, and (iii) amounts for the 2022 fiscal year include the performance based restricted stock units and service based restricted stock units granted to Ms. Tobin during the 2022 fiscal year relating to her 2022 year service.

With respect to Mr. Colson, (i) amounts for the 2024 fiscal year include the performance based restricted stock units and service based restricted stock units granted to Mr. Colson during the 2024 fiscal year relating to his 2024 year service, (ii) amounts for the 2023 fiscal year include the performance based restricted stock units and service based restricted stock units granted to Mr. Colson during the 2023 fiscal year relating to his 2023 year service, and (iii) amounts for the 2022 fiscal year include the service based restricted stock units granted to Mr. Colson during the 2022 fiscal year relating to his 2022 year service.

With respect to Mr. Mujica, (i) amounts for the 2024 fiscal year include the performance based restricted stock units and service based restricted stock units granted to Mr. Mujica during the 2024 fiscal year relating to his 2024 year service, (ii) amounts for the 2023 fiscal year include the performance based restricted stock units and service based restricted stock units granted to Mr. Mujica during the 2023 fiscal year relating to his 2023 year service, and (iii) amounts for the 2022 fiscal year include the service based restricted stock units granted to Mr. Mujica during the 2022 fiscal year relating to his 2022 year service.

With respect to Mr. Doster, (i) amounts for the 2024 fiscal year include service based restricted stock units granted to Mr. Doster during the 2024 fiscal year relating to his Q4 2023 service and applicable to the period of time prior to his appointment to Chief Communications Officer, and (ii) amounts for the 2023 fiscal year include (a) the performance based restricted stock units and service based restricted stock units granted to Mr. Doster during the 2023 fiscal year relating to his 2024 fiscal year service, (b) the service based restricted stock units granted to Mr. Doster during the 2023 fiscal year service relating to his 2023 year service made prior to his appointment as Chief Communications Officer, and (c) the service based restricted stock units granted to Mr. Doster during the 2023 fiscal year relating to his Q4 2022 service.

- (4) The amount included for Mr. Monroe with respect to the 2023 fiscal year includes \$230,452 paid by the Company toward Mr. Monroe's relocation expenses to Louisville, Kentucky, \$184,881 of which relates to the reimbursement of certain expenses arising from the sale of his home as a part of his relocation to Louisville, Kentucky. These amounts for Mr. Monroe reflect the amount paid to the applicable service providers.

We believe that the personal safety and security of our senior executives is of the utmost importance to the Company and its shareholders. In connection with the same, we may from

time to time provide personal security services to certain executives. Security services include home security systems and monitoring and, in some cases, personal security services. For fiscal year 2023, the Company paid \$5,519 toward Mr. Morgan's personal security, and \$7,569 toward Ms. Tobin's personal security, and for fiscal year 2024, the Company paid \$2,319 toward Mr. Morgan's personal security, and \$1,234 toward Ms. Tobin's personal security. We also completed an executive digital assessment for certain Named Executive Officers during the 2023 fiscal year. In connection with the same, for fiscal year 2024, the Company paid \$18,000 for such assessment for Mr. Doster, and for fiscal year 2023, the Company paid \$18,000 for such assessments for each of Ms. Tobin and Messrs. Morgan, Colson, Mujica, and Monroe. The amounts paid in this paragraph reflect amounts paid to the applicable service providers.

Additionally, these amounts include (A) payments made by the Company for life insurance premiums maintained for the benefit of the applicable Named Executive Officers, (B) \$2,707 paid to each Named Executive Officer for a cellphone allowance during the 2024 fiscal year, and (C) \$5,096 paid to Mr. Morgan, \$6,330 paid to Mr. Colson, \$5,096 paid to Mr. Doster, \$4,700 paid to Mr. Monroe, and \$6,564 paid to Mr. Mujica, respectively, by the Company on behalf of each Named Executive Officers during the 2024 fiscal year to a comprehensive, multi-specialty preventative medical center offering individualized annual physical exams.

Grants of Plan-Based Awards in Fiscal Year 2024

The following table presents information with respect to grants of stock awards to the applicable Named Executive Officers during fiscal year 2024.

| Name | Grant Date | Estimated Future Payouts Under Equity Incentive Plan Awards(1) | | | All Other Stock Awards: Number of Shares of Stock or Units (2) | Grant Date Fair Value of Stock and Option Awards (\$)(3) |
|---|------------------------------------|--|-----------------|-------------|--|--|
| | | Minimum | Target | Maximum | | |
| Gerald L. Morgan Chief Executive Officer Service Based RSUs vesting on January 8, 2025 Performance Based RSUs vesting on January 8, 2025 | January 8, 2024 January 8, 2024 | — — | — 11,000 (4) | — 22,000 | 11,000 | 1,301,300 1,301,300 |
| Regina A. Tobin President Service Based RSUs vesting on January 8, 2025 Performance Based RSUs vesting on January 8, 2025 | January 8, 2024 January 8, 2024 | — — | — 3,400 (4) | — 6,800 | 4,200 | 496,860 402,220 |
| D. Christopher Monroe Chief Financial Officer Service Based RSUs vesting on January 8, 2025 Performance Based RSUs vesting on January 8, 2025 | January 8, 2024 January 8, 2024 | — — | — 2,500 (4) | — 5,000 | 4,200 | 496,860 295,750 |
| Christopher C. Colson Chief Legal and Administrative Officer, Corporate Secretary Service Based RSUs vesting on January 8, 2025 Performance Based RSUs vesting on January 8, 2025 | January 8, 2024 January 8, 2024 | — — | — 2,500 (4) | — 5,000 | 4,200 | 496,860 295,750 |
| Hernan E. Mujica Chief Technology Officer Service Based RSUs vesting on January 8, 2025 Performance Based RSUs vesting on January 8, 2025 | January 8, 2024 January 8, 2024 | — — | — 2,500 (4) | — 5,000 | 4,200 | 496,860 295,750 |
| Travis C. Doster Chief Communications Officer Service Based RSUs vesting on February 21, 2025 | February 21, 2024 | — | — | — | 628 | 92,442 |

- (1) These amounts reflect the minimum, target, and maximum number of shares issuable under performance awards. The related performance targets and certain results are described in detail in the “Compensation Discussion and Analysis.”
- (2) Each stock award consists of service based restricted stock units, where each unit represents the conditional right to receive one share of our common stock upon satisfaction of vesting requirements. See the “Compensation Discussion and Analysis” for the conditions of accelerated vesting upon termination of employment other than for cause.
- (3) Reflects the grant date fair value computed in accordance with U.S. GAAP of the target number of performance based restricted stock units and service based restricted stock units granted to the Named Executive Officers using the closing price of the Company’s common stock on the last trading day immediately preceding the grant date, which was based on the following:
 - (i) With respect to Mr. Morgan, 11,000 service based restricted stock units and 11,000 performance based restricted stock units granted on January 8, 2024 at \$118.30.
 - (ii) With respect to Ms. Tobin, 4,200 service based restricted stock units and 3,400 performance based restricted stock units granted on January 8, 2024 at \$118.30.
 - (iii) With respect to Mr. Monroe, 4,200 service based restricted stock units and 2,500 performance based restricted stock units granted on January 8, 2024 at \$118.30.
 - (iv) With respect to Mr. Colson, 4,200 service based restricted stock units and 2,500 performance based restricted stock units granted on January 8, 2024 at \$118.30.
 - (v) With respect to Mr. Mujica, 4,200 service based restricted stock units and 2,500 performance based restricted stock units granted on January 8, 2024 at \$118.30.

- (vi) With respect to Mr. Doster, 628 service based restricted stock units granted on February 21, 2024 at \$147.20.

These are not amounts paid to or received by the Named Executive Officers. For discussion of the assumptions used in determining these values, see Note 14 to the consolidated financial statements in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2024.

- (4) The amount included in the table above represents the target award opportunity. Performance based equity awards with respect to fiscal year 2024 were paid at 174.7% of the total target amount for the fiscal year in which a Named Executive Officer served in such role, based on an increase in actual EPS of 42.5% and an actual Profit Sharing Pool of \$9.0 million calculated on fiscal year 2024 pre-tax profit of \$513.7 million.

Outstanding Equity Awards

The following table presents information with respect to outstanding stock option awards, stock awards, and equity incentive plan awards as of December 31, 2024 by the Named Executive Officers.

| Name | Stock Awards | | Equity Incentive Plan Awards | |
|---|---|---|---|---|
| | Number of Shares or Units of Stock That Have Not Vested (#) | Market Value of Shares or Units of Stock That Have Not Vested \$(1) | Number of Shares or Units of Stock That Have Not Vested (#) | Market Value of Shares or Units of Stock That Have Not Vested \$(1) |
| Gerald L. Morgan Chief Executive Officer | 11,000 (2) | 1,984,730 | 11,000 (3) | 1,984,730 |
| Regina A. Tobin President | 4,200 (4) | 757,806 | 3,400 (5) | 613,462 |
| D. Christopher Monroe Chief Financial Officer | 4,200 (6) | 757,806 | 2,500 (7) | 451,075 |
| Christopher C. Colson Chief Legal and Administrative Officer, Corporate Secretary | 4,200 (8) | 757,806 | 2,500 (9) | 451,075 |
| Hernan E. Mujica Chief Technology Officer | 4,200 (10) | 757,806 | 2,500 (11) | 451,075 |
| Travis C. Doster Chief Communications Officer | 3,728 (12) | 672,643 | 1,700 (13) | 306,731 |

- (1) Market value was computed using the Company's closing stock price on the last trading day of our fiscal year ended December 31, 2024, which was \$180.43.
- (2) The vesting schedule is as follows: 11,000 service based restricted stock units on January 8, 2025.
- (3) Consists of performance awards which will vest and be earned, if at all, at the time of a determination by our compensation committee that certain Company performance measures have been satisfied. If and to the extent earned, the vesting schedule is as follows: 11,000 performance based restricted stock units on January 8, 2025.
- (4) The vesting schedule is as follows: 4,200 service based restricted stock units on January 8, 2025.

- (5) Consists of performance awards which will vest and be earned, if at all, at the time of a determination by our compensation committee that certain Company performance measures have been satisfied. If and to the extent earned, the vesting schedule is as follows: 3,400 performance based restricted stock units on January 8, 2025.
- (6) The vesting schedule is as follows: 4,200 service based restricted stock units on January 8, 2025.
- (7) Consists of performance awards which will vest and be earned, if at all, at the time of a determination by our compensation committee that certain Company performance measures have been satisfied. If and to the extent earned, the vesting schedule is as follows: 2,500 performance based restricted stock units on January 8, 2025.
- (8) The vesting schedule is as follows: 4,200 service based restricted stock units on January 8, 2025.
- (9) Consists of performance awards which will vest and be earned, if at all, at the time of a determination by our compensation committee that certain Company performance measures have been satisfied. If and to the extent earned, the vesting schedule is as follows: 2,500 performance based restricted stock units on January 8, 2025.
- (10) The vesting schedule is as follows: 4,200 service based restricted stock units on January 8, 2025.
- (11) Consists of performance awards which will vest and be earned, if at all, at the time of a determination by our compensation committee that certain Company performance measures have been satisfied. If and to the extent earned, the vesting schedule is as follows: 2,500 performance based restricted stock units on January 8, 2025.
- (12) The vesting schedule is as follows: (A) 3,100 service based restricted stock units on January 8, 2025, and (B) 628 service based restricted stock units on February 21, 2025.
- (13) Consists of performance awards which will vest and be earned, if at all, at the time of a determination by our compensation committee that certain Company performance measures have been satisfied. If and to the extent earned, the vesting schedule is as follows: 1,700 performance based restricted stock units on January 8, 2025.

See the “Compensation Discussion and Analysis” for the conditions of accelerated vesting upon termination of employment other than for cause.

Stock Vested

The following table presents information with respect to stock awards vested during the fiscal year ended December 31, 2024 by the Named Executive Officers.

| Stock Vested Table | | | |
|---|--|-----------------------------------|--|
| Name | Number of Shares Acquired on Vesting (#) | Value Realized on Vesting (\$)(1) | |
| Gerald L. Morgan Chief Executive Officer | 31,591 | 3,737,215 (i) | |
| Regina A. Tobin President | 10,773 | 1,274,446 (ii) | |
| D. Christopher Monroe Chief Financial Officer | 4,082 | 625,248 (iii) | |
| Christopher C. Colson Chief Legal and Administrative Officer, Corporate Secretary | 9,373 | 1,108,826 (iv) | |
| Hernan E. Mujica Chief Technology Officer | 9,373 | 1,108,826 (v) | |
| Travis C. Doster Chief Communications Officer | 3,440 | 582,883 (vi) | |

(1) The value realized upon vesting of restricted stock units represents the fair value of the underlying shares based on the closing price of the Company's common stock on the trading day immediately preceding the vesting date, which is in accordance with the following:

- (i) \$118.30 with respect to the 13,900 service based restricted stock units which vested on January 8, 2024, and \$118.30 with respect to the 17,691 performance based restricted stock units which vested on January 8, 2024 but became reportable on February 23, 2024.
- (ii) \$118.30 with respect to the 5,300 service based restricted stock units which vested on January 8, 2024, and \$118.30 with respect to the 5,473 performance based restricted stock units which vested on January 8, 2024 but became reportable on February 23, 2024.
- (iii) \$118.30 with respect to the 1,782 performance based restricted stock units which vested on January 8, 2024 but became reportable on February 23, 2024, and \$180.19 with respect to the 2,300 service based restricted stock units which vested on December 31, 2024.
- (iv) \$118.30 with respect to the 5,300 service based restricted stock units which vested on January 8, 2024, and \$118.30 with respect to the 4,073 performance based restricted stock units which vested on January 8, 2024 but became reportable on February 23, 2024.
- (v) \$118.30 with respect to the 5,300 service based restricted stock units which vested on January 8, 2024, and \$118.30 with respect to the 4,073 performance based restricted stock units which vested on January 8, 2024 but became reportable on February 23, 2024.
- (vi) \$145.70 with respect to the 858 service based restricted stock units which vested on February 22, 2024, \$166.49 with respect to the 834 service based restricted stock units which vested on May 10, 2024, \$173.13 with respect to the 837 service based restricted

stock units which vested on August 2, 2024, and \$191.12 with respect to 911 service based restricted stock units which vested on November 1, 2024.

Termination, Change of Control and Change of Responsibility Payments

If a Named Executive Officer had resigned or been terminated for any reason or for cause other than a Qualifying Reason (as defined above) prior to the expiration of the term of his or her Prior Employment Agreement, the Named Executive Officer would have received payment of his or her annual base salary then in effect through the date of resignation or termination as well as any accrued paid time off that might be due at such termination in accordance with policies of the Company in effect from time to time, and the Company shall have no other severance obligations under such Prior Employment Agreement.

If a Named Executive Officer had been terminated prior to the expiration of the term of his or her Prior Employment Agreement for a Qualifying Reason, the Company will pay the Named Executive Officer three months of base salary, unless the termination occurs within 12 months following a Change in Control (as defined above), in which case the applicable Named Executive Officer's current base salary remaining for the then existing term of his or her respective Prior Employment Agreement will be paid.

In addition, if any Named Executive Officer's termination occurs for a Qualifying Reason within 12 months following a Change in Control, the applicable Named Executive Officer shall be paid any incentive bonus earned but not yet paid for any fiscal year ended before the date of termination, plus an incentive bonus for the year in which the date of termination occurs, equal to the applicable Named Executive Officer's target bonus for that year, prorated based on the number of days in the fiscal year elapsed before the date of termination.

While the individual Prior Employment Agreements do not address the manner in which unvested stock awards, if any, will be handled upon the termination of a Named Executive Officer, the specific restricted stock unit award agreement and/or performance restricted stock unit award agreement entered into by the Named Executive Officers upon the grant of service based restricted stock units and/or performance based restricted stock units provide that (A) if a Change in Control occurs prior to the vesting date of such restricted stock units and the Named Executive Officer is terminated by the Company without Cause, or (B) if the Named Executive Officer is terminated for Good Reason within 12 months following a Change in Control, then such unvested service based restricted stock units and/or performance based restricted stock units shall become vested as of the date of termination. Additionally, such specific restricted stock unit award agreement and/or performance restricted stock unit award agreement entered into by the Named Executive Officers provide that if any Named Executive Officer's continuous service is terminated because of death or disability prior to the vesting date for the applicable grant of service based restricted stock units and/or performance based restricted stock units (as and if applicable), then such applicable restricted stock units become immediately vested in an amount equal to the total number of granted restricted stock units multiplied by a fraction, the numerator of which is the number of calendar months or portions thereof from grant date of such restricted stock units through the date on which such Named Executive Officer's continuous service is terminated due to death or disability and the denominator of which is the total number of calendar months or portion thereof in the vesting period for such restricted stock unit grants.

The following table lists the estimated amounts payable to a Named Executive Officer pursuant to the Prior Employment Agreements if his or her employment had been terminated for a Qualifying Reason unrelated to a change of control or death or disability on December 31, 2024, the last day of our fiscal year, provided that each Named Executive Officer signed a full release of all claims against us.

Termination Payments Table

| Name | Total Estimated Cash Payments (\$)(1) |
|---|--|
| Gerald L. Morgan Chief Executive Officer | 325,000 |
| Regina A. Tobin President | 175,000 |
| D. Christopher Monroe Chief Financial Officer | 137,500 |
| Christopher C. Colson Chief Legal and Administrative Officer, Corporate Secretary | 137,500 |
| Hernan E. Mujica Chief Technology Officer | 137,500 |
| Travis C. Doster Chief Communications Officer | 137,500 |

- (1) If the employment of any of Ms. Tobin and Messrs. Morgan, Monroe, Colson, Mujica, and Doster is terminated under those circumstances, then the Company will pay him or her three months of their applicable base salary.

The following table lists the estimated amounts payable to a Named Executive Officer pursuant to the Prior Employment Agreement Agreements and applicable equity incentive agreements if his or her employment had been terminated without Cause following a Change in Control or if any Named Executive Officer resigns for Good Reason within 12 months following a Change of Control, on December 31, 2024, the last day of our fiscal year, provided that each Named Executive Officer signed a full release of claims against us.

Change in Control, Change in Responsibilities Payments Table

| Name | Estimated Cash Payments (\$)(1) | Estimated Value of Newly Vested Stock Awards (\$)(2) | Total (\$) |
|---|------------------------------------|---|------------|
| Gerald L. Morgan Chief Executive Officer | 3,324,008 | 3,969,460 | 7,293,468 |
| Regina A. Tobin President | 1,789,850 | 1,371,268 | 3,161,118 |
| D. Christopher Monroe Chief Financial Officer | 1,216,490 | 1,208,881 | 2,425,371 |
| Christopher C. Colson Chief Legal and Administrative Officer, Corporate Secretary | 1,216,490 | 1,208,881 | 2,425,371 |
| Hernan E. Mujica Chief Technology Officer | 1,216,490 | 1,208,881 | 2,425,371 |
| Travis C. Doster Chief Communications Officer | 1,216,490 | 979,374 | 2,195,864 |

- (1) If the employment of any of the Named Executive Officers listed above had been terminated without Cause following a Change of Control, or if any of the Named Executive Officers listed above had resigned his or her position for Good Reason within 12 months following a Change of Control, then under the Prior Employment Agreements, the Named Executive Officer would have received the amount of his or her then current base salary through the end of the term of the Named Executive Officer's employment agreement, together any incentive bonus earned

but not yet paid for any fiscal year ended before the date of termination, plus an incentive bonus for the year in which the date of termination occurs, equal to the applicable Named Executive Officer's target bonus for that year, prorated based on the number of days in the fiscal year elapsed before the date of termination. Had a Named Executive Officer's employment been so terminated on December 31, 2024, each of Messrs. Morgan, Monroe, Colson, Mujica, and Doster, and Ms. Tobin would have received payment through January 7, 2025.

| Name | Salary (\$) | Bonus (\$) | Total Estimated Payments (\$) |
|--|----------------|---------------|--|
| Gerald L. Morgan Chief Executive Officer | 1,349,863 | 1,974,145 | 3,324,008 |
| Regina A. Tobin President | 726,849 | 1,063,001 | 1,789,850 |
| D. Christopher Monroe Chief Financial Officer | 571,096 | 645,394 | 1,216,490 |
| Christopher C. Colson Chief Legal and Administrative Officer, Corporate Secretary | 571,096 | 645,394 | 1,216,490 |
| Hernan E. Mujica Chief Technology Officer | 571,096 | 645,394 | 1,216,490 |
| Travis C. Doster Chief Communications Officer | 571,096 | 645,394 | 1,216,490 |

- (2) While the individual Prior Employment Agreements do not address the manner in which unvested stock awards, if any, will be handled upon the termination of a Named Executive Officer, the specific restricted stock unit award agreement and/or performance restricted stock unit award agreement entered into by the Named Executive Officers upon the grant of service based restricted stock units and/or performance based restricted stock units provide that each Named Executive Officer's service based restricted stock units and performance based restricted stock units would have become immediately vested upon a termination of his or her employment (A) if a Change in Control occurs prior to the vesting date of such restricted stock units and the Named Executive Officer is terminated by the Company without Cause, or (B) if the Named Executive Officer is terminated for Good Reason within 12 months following a Change in Control. The amounts shown in this column represent the value of the restricted stock units at the closing price of our common stock on the last trading day of our fiscal year ended December 31, 2024, which was \$180.43. The number of service based restricted stock units and performance based restricted stock units which would have vested on that date are shown in the table titled "Outstanding Equity Awards at Fiscal Year End Table" set forth above.

Pay Versus Performance

As required by Section 953(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 402(v) of Regulation S-K, we are providing the following information about the relationship between executive compensation actually paid and certain financial performance of our Company, illustrating pay versus performance. The compensation actually paid ("CAP") for the Principal Executive Officer ("PEO") and the average CAP for the non-PEO named executive officers is calculated by taking the Summary Compensation Table ("SCT") values: (a) less the grant value of equity granted during the covered fiscal year ("CFY"); (b) plus the year-end fair value of unvested equity awards granted during the CFY; (c) plus for equity awards granted in prior years that are outstanding and unvested at the end of the CFY, the difference between the year-end fair value and the immediately prior year-end fair value; (d) plus for equity awards granted in the CFY that vested during the CFY, the fair value of such awards on the vesting date; (e) plus for equity awards granted in a fiscal year prior to the CFY that vested during the CFY, the difference between the fair value as of the vesting date and the immediately prior year-end fair value; and (f) less for equity awards granted in a fiscal year prior to the

CFY that failed to meet the applicable vesting conditions during the CFY, the fair value at the end of the prior fiscal year.

| Year | <u>SCT Total Comp First PEO (\$)(1)</u> | <u>SCT Total Comp for Second PEO (\$)(2)</u> | <u>CAP to First PEO (\$)(3)</u> | <u>CAP to Second PEO (\$)(4)</u> | <u>Avg. SCT Total Comp for Non-PEO NEOs (\$)(5)</u> | <u>Avg. CAP to Non-PEO NEOs (\$)(6)</u> | <u>Value of Initial Fixed \$100 Investment Based on:</u> | | <u>Peer Group TSR (S&P Index) (\$)(7)</u> | <u>Net Income (in Millions) (\$)</u> | <u>Diluted EPS (\$)</u> |
|------|---|--|---------------------------------|----------------------------------|---|---|--|---|---|--------------------------------------|-------------------------|
| | | | | | | | <u>TSR (\$)(7)</u> | <u>Peer Group TSR (S&P Index) (\$)(8)</u> | | | |
| 2024 | 6,186,009 | N/A | 7,866,236 | N/A | 2,156,772 | 2,669,087 | 345.95 | 164.08 | 433.6 | 6.47 | |
| 2023 | 5,347,527 | N/A | 6,435,377 | N/A | 1,746,269 | 1,697,782 | 236.24 | 154.53 | 304.9 | 4.54 | |
| 2022 | 4,421,989 | N/A | 5,725,465 | N/A | 1,662,319 | 1,823,561 | 173.96 | 134.26 | 269.8 | 3.97 | |
| 2021 | 3,769,765 | 4,986,164 | 3,801,740 | (2,793,754) | 2,634,509 | 1,934,435 | 164.74 | 145.77 | 245.3 | 3.50 | |
| 2020 | N/A | 3,620,939 | N/A | 7,366,061 | 1,207,262 | 1,773,284 | 140.80 | 118.90 | 31.3 | 0.45 | |

- (1) For the purposes of this table, the First Principal Executive Officer refers to Gerald L. Morgan. On March 18, 2021, Mr. Morgan was named Chief Executive Officer of the Company following W. Kent Taylor's passing. The amounts described in this column relate to amounts disclosed in the Summary Compensation Table of this proxy statement. Additionally, for the purposes of the 2021 fiscal year, the amounts also reflect compensation received by Mr. Morgan for positions within the Company before assuming the role of Chief Executive Officer on March 18, 2021.
- (2) For the purposes of this table, the Second Principal Executive Officer refers to W. Kent Taylor. Mr. Taylor served as the Chief Executive Officer of the Company until his passing on March 18, 2021. The amounts described in this column relate to amounts disclosed in the Summary Compensation Table of this proxy statement.
- (3) The dollar amounts reported in the "CAP to First PEO" column have been calculated in accordance with Item 402(v) of Regulation S-K and do not reflect compensation actually earned, realized, or received by the First PEO. These amounts reflect the amount set forth in the "Total" column of the "Summary Compensation Table" for each fiscal year presented, with certain adjustments as described in the table below, in accordance with the requirements of Item 402(v) of Regulation S-K. Amounts in the below reconciliation table may not sum to total due to rounding:

| CALCULATION OF FIRST PEO CAP | | | | | | | | | |
|------------------------------|-------------------------------|---------------------------------|---|---|---|--|---|---|--|
| <u>Year</u> | <u>SCT Total Comp (\$)(a)</u> | <u>SCT Stock Awards (\$)(b)</u> | <u>Value of Unvested Equity Awards Granted during CFY (\$)(c)</u> | <u>Change in Value of Equity Awards Granted in Prior Years and Unvested at end of CFY (\$)(d)</u> | <u>Value of Equity Awards Granted and Vested in CFY (\$)(e)</u> | <u>Change in Value of Granted in Prior Years and Vested in CFY (\$)(f)</u> | <u>Value of Equity Awards Previously Granted that Failed to Meet Conditions in CFY (\$)(g)(i)</u> | <u>CAP to First PEO(\$)(a)-(b)+(c)-(d)+(e)+(f)-(g)(i)</u> | |
| 2024 | 6,186,009 | 2,602,600 | 3,969,460 | — | — | 313,367 | — | 7,866,236 | |
| 2023 | 5,347,527 | 2,599,856 | 3,423,848 | — | — | 263,858 | — | 6,435,377 | |
| 2022 | 4,421,989 | 2,201,368 | 2,297,748 | — | 4,996 | 1,202,100 | — | 5,725,465 | |
| 2021 | 3,769,765 | 2,394,513 | 2,352,525 | — | — | 73,963 | — | 3,801,740 | |
| 2020 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | |

- (i) For the purposes of determining the amount that should be included in column (g) of each footnote throughout the Company's Pay Versus Performance disclosure, the Company has used (i) the value of the difference in the target amount of performance based restricted stock units that an applicable officer was granted for a particular fiscal year and the amount of performance based restricted stock units that actually vested to the extent the same is less than such target amount, and (ii) the value of the difference in the target amount of "retention" restricted stock units that an applicable officer was granted and the amount of "retention" restricted stock units that actually vested (as and if applicable).

(4)

| CALCULATION OF SECOND PEO CAP | | | | | | | | |
|-------------------------------|-------------------------------|---------------------------------|---|---|---|--|--|---|
| <u>Year</u> | <u>SCT Total Comp (\$)(a)</u> | <u>SCT Stock Awards (\$)(b)</u> | <u>Value of Unvested Equity Awards Granted during CFY (\$)(c)</u> | <u>Change in Value of Equity Awards Granted in Prior Years and Unvested at end of CFY (\$)(d)</u> | <u>Value of Equity Awards Granted and Vested in CFY (\$)(e)</u> | <u>Change in Value of Equity Awards Granted in Prior Years and Vested in CFY (\$)(f)</u> | <u>Value of Equity Awards Previously Granted that Failed to Meet Conditions in CFY (\$)(g)</u> | <u>CAP to Second PEO(\$)(a)-(b)+(c)+(d)+(e)+(f)-(g)</u> |
| 2024 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| 2023 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| 2022 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| 2021 | 4,986,164 | 4,753,200 | — | — | 1,909,885 | 880,222 | 5,816,825 | (2,793,754) |
| 2020 | 3,620,939 | 3,358,800 | 4,737,600 | 1,698,000 | — | 668,322 | — | 7,366,061 |

- (5) For the purposes of the 2020 fiscal year, the Non-Principal Executive Officers include Tonya R. Robinson, Doug W. Thompson, S. Chris Jacobsen, and Gerald L. Morgan.

For the purposes of the 2021 fiscal year, the Non-Principal Executive Officers include Tonya R. Robinson, Doug W. Thompson, S. Chris Jacobsen, Christopher C. Colson, Hernan E. Mujica and Regina A. Tobin.

For the purposes of the 2022 fiscal year, the Non-Principal Executive Officers include Tonya R. Robinson, S. Chris Jacobsen, Christopher C. Colson, Hernan E. Mujica and Regina A. Tobin.

For the purposes of the 2023 fiscal year, the Non-Principal Executive Officers include Regina A. Tobin, D. Christopher Monroe, Keith V. Humpich, Tonya R. Robinson, Travis C. Doster, S. Chris Jacobsen, Christopher C. Colson, and Hernan E. Mujica.

For the purposes of the 2024 fiscal year, the Non-Principal Executive Officers include Regina A. Tobin, D. Christopher Monroe, Travis C. Doster, Christopher C. Colson, and Hernan E. Mujica.

(6)

| CALCULATION OF 2020 NON-PEO CAP | | | | | | | | |
|---------------------------------|-------------------------------|---------------------------------|---|---|---|--|--|--|
| <u>Non PEO</u> | <u>SCT Total Comp (\$)(a)</u> | <u>SCT Stock Awards (\$)(b)</u> | <u>Value of Unvested Equity Awards Granted during CFY (\$)(c)</u> | <u>Change in Value of Equity Awards Granted in Prior Years and Unvested at end of CFY (\$)(d)</u> | <u>Value of Equity Awards Granted and Vested in CFY (\$)(e)</u> | <u>Change in Value of Equity Awards Granted in Prior Years and Vested in CFY (\$)(f)</u> | <u>Value of Equity Awards Previously Granted that Failed to Meet Conditions in CFY (\$)(g)</u> | <u>CAP to Non-PEO(\$)(a)-(b)+(c)+(d)+(e)+(f)-(g)</u> |
| Robinson | 920,732 | 671,760 | 947,520 | 226,400 | — | (3,400) | — | 1,419,492 |
| Thompson | 1,818,256 | 1,679,400 | 2,368,800 | 283,000 | — | 265,278 | — | 3,055,934 |
| Jacobsen | 924,889 | 671,760 | 947,520 | 226,400 | — | 92,317 | — | 1,519,366 |
| Morgan | 1,165,170 | 291,726 | 394,800 | — | — | (169,900) | — | 1,098,344 |
| Average | 1,207,262 | 828,662 | 1,164,660 | 183,950 | — | 46,074 | — | 1,773,284 |

| CALCULATION OF 2021 NON-PEO CAP | | | | | | | | |
|---------------------------------|------------------------|--------------------------|--|--|--|---|---|---|
| Non PEO | SCT Total Comp (\$)(a) | SCT Stock Awards (\$)(b) | Value of Unvested Equity Awards Granted during CFY (\$)(c) | Change in Value of Equity Awards Granted in Prior Years and Unvested at end of CFY (\$)(d) | Value of Equity Awards Granted and Vested in CFY (\$)(e) | Change in Value of Equity Awards Granted in Prior Years and Vested in CFY (\$)(f) | Value of Equity Awards Previously Granted that Failed to Meet Conditions in CFY (\$)(g) | CAP to Non-PEO(\$)(a)-(b)+(c)+(d)+(e)+(f)-(g) |
| | | | | | | | | |
| Robinson | 1,788,492 | 998,855 | 1,120,250 | — | — | 5,234 | 147,497 | 1,767,624 |
| Thompson | 7,556,722 | 2,376,600 | — | — | — | 6,192 | 1,475,289 | 3,711,025 |
| Jacobsen | 1,712,853 | 950,640 | 1,075,440 | — | — | 4,020 | 516,319 | 1,325,354 |
| Tobin | 1,395,079 | 822,315 | 761,770 | — | — | 56,190 | — | 1,390,724 |
| Colson | 1,589,173 | 945,109 | 873,795 | — | — | 66,566 | — | 1,584,425 |
| Mujica | 1,764,732 | 1,142,043 | 1,064,238 | — | — | 140,529 | — | 1,827,456 |
| Average | 2,634,509 | 1,205,927 | 815,916 | — | — | 46,455 | 356,518 | 1,934,435 |

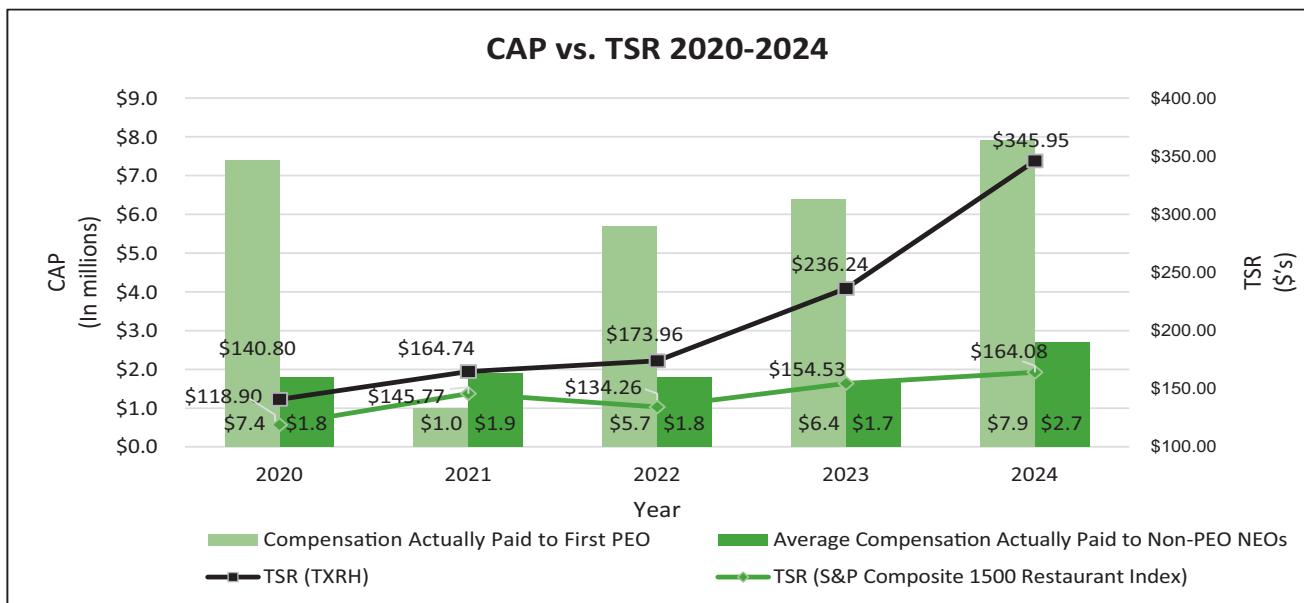
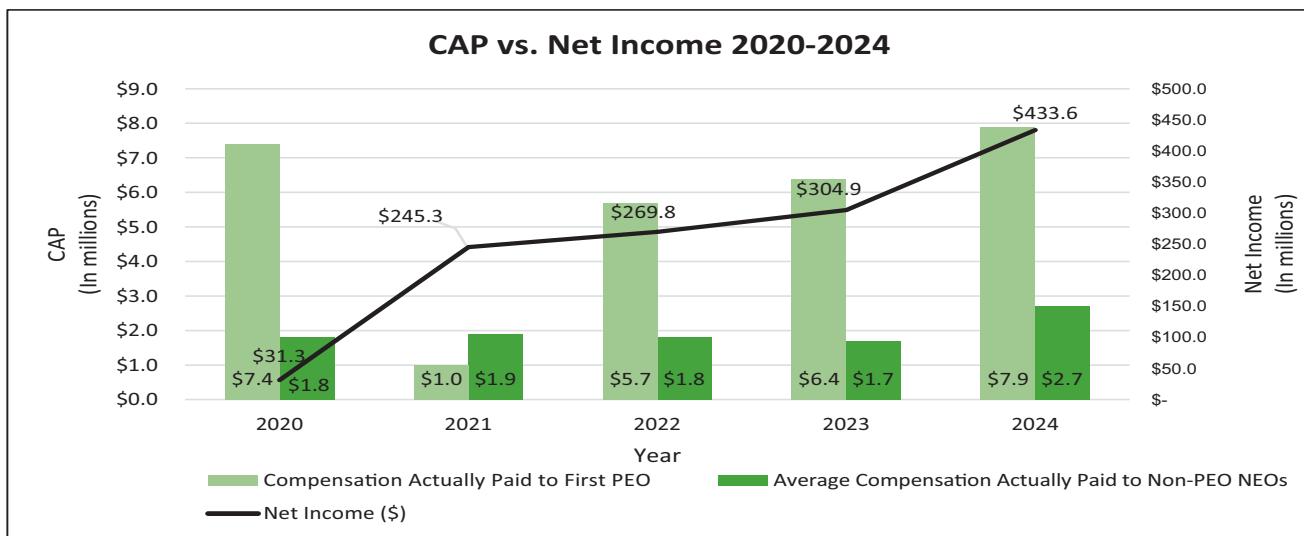
| CALCULATION OF 2022 NON-PEO CAP | | | | | | | | |
|---------------------------------|------------------------|--------------------------|--|--|--|---|---|---|
| Non PEO | SCT Total Comp (\$)(a) | SCT Stock Awards (\$)(b) | Value of Unvested Equity Awards Granted during CFY (\$)(c) | Change in Value of Equity Awards Granted in Prior Years and Unvested at end of CFY (\$)(d) | Value of Equity Awards Granted and Vested in CFY (\$)(e) | Change in Value of Equity Awards Granted in Prior Years and Vested in CFY (\$)(f) | Value of Equity Awards Previously Granted that Failed to Meet Conditions in CFY (\$)(g) | CAP to Non-PEO(\$)(a)-(b)+(c)+(d)+(e)+(f)-(g) |
| | | | | | | | | |
| Robinson | 1,755,123 | 893,178 | 932,283 | — | — | 205,623 | — | 1,999,851 |
| Jacobsen | 1,787,674 | 793,936 | 828,696 | — | — | 403,536 | — | 2,225,970 |
| Tobin | 1,788,904 | 795,166 | 913,449 | — | — | (11,380) | — | 1,895,807 |
| Colson | 1,489,948 | 496,210 | 517,935 | — | — | (6,458) | — | 1,505,215 |
| Mujica | 1,489,948 | 496,210 | 517,935 | — | — | (20,710) | — | 1,490,963 |
| Average | 1,662,319 | 694,940 | 742,060 | — | — | 114,122 | — | 1,823,561 |

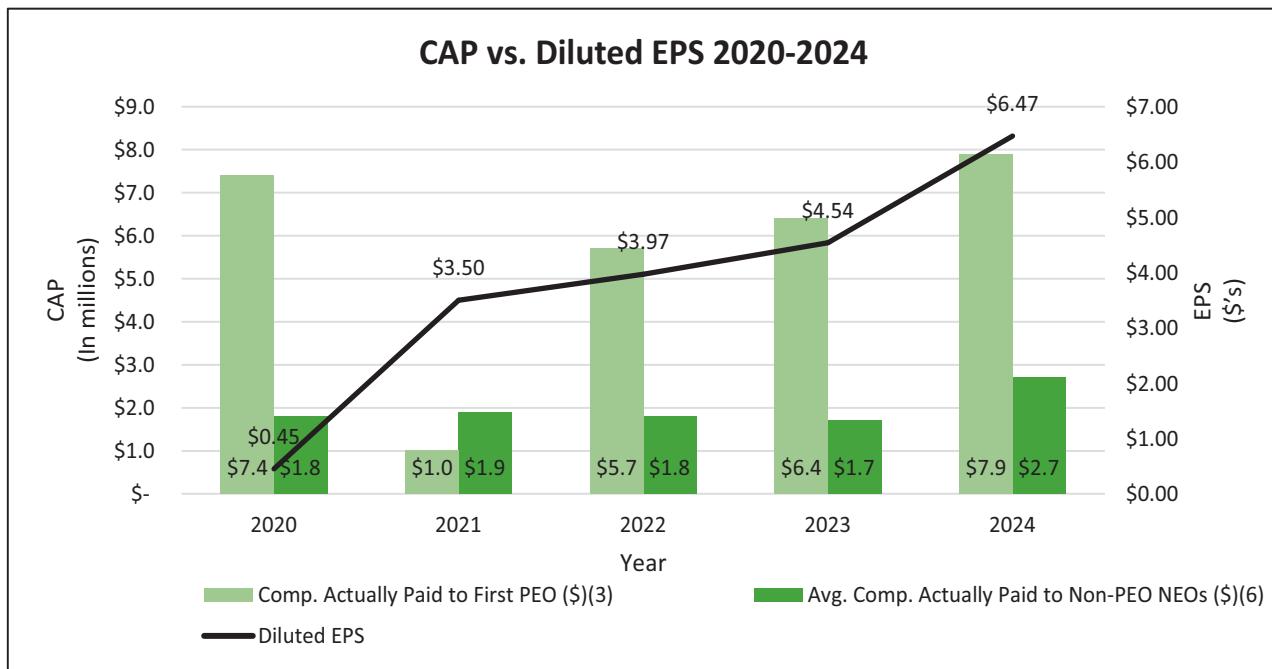
| CALCULATION OF 2023 NON-PEO CAP | | | | | | | | |
|---------------------------------|------------------------|--------------------------|--|--|--|---|---|---|
| Non PEO | SCT Total Comp (\$)(a) | SCT Stock Awards (\$)(b) | Value of Unvested Equity Awards Granted during CFY (\$)(c) | Change in Value of Equity Awards Granted in Prior Years and Unvested at end of CFY (\$)(d) | Value of Equity Awards Granted and Vested in CFY (\$)(e) | Change in Value of Equity Awards Granted in Prior Years and Vested in CFY (\$)(f) | Value of Equity Awards Previously Granted that Failed to Meet Conditions in CFY (\$)(g) | CAP to Non-PEO(\$)(a)-(b)+(c)+(d)+(e)+(f)-(g) |
| | | | | | | | | |
| Tobin | 2,400,016 | 897,792 | 1,182,336 | — | — | 90,021 | — | 2,774,581 |
| Monroe | 1,398,938 | 404,484 | 455,692 | — | — | — | — | 1,450,146 |
| Humpich | 1,148,979 | 364,629 | 421,946 | — | — | 48,696 | — | 1,254,992 |
| Robinson | 2,021,333 | — | — | — | — | — | 932,283 | 1,089,050 |
| Doster | 1,518,004 | 860,836 | 1,014,838 | — | — | 70,954 | — | 1,742,960 |
| Jacobsen | 1,827,450 | 804,272 | — | — | — | 95,188 | — | 1,118,366 |
| Colson | 1,826,340 | 794,920 | 1,046,860 | — | — | (3,575) | — | 2,074,705 |
| Mujica | 1,829,094 | 794,920 | 1,046,860 | — | — | (3,575) | — | 2,077,459 |
| Average | 1,746,269 | 615,232 | 646,067 | — | — | 37,214 | 116,535 | 1,697,782 |

| CALCULATION OF 2024 NON-PEO CAP | | | | | | | | |
|---------------------------------|---------------------------------|-----------------------------------|---|--|---|--|--|---|
| Non PEO | SCT Total Comp (\$)(a) | SCT Stock Awards (\$)(b) | Value of Unvested Equity Awards Granted during CFY (\$)(c) | Change in Value of Equity Awards Granted in Prior Years and Unvested at end of CFY (\$)(d) | Value of Equity Awards Granted and Vested in CFY (\$)(e) | Change in Value of Equity Awards Granted in Prior Years and Vested in CFY (\$)(f) | Value of Equity Awards Previously Granted that Failed to Meet Conditions in CFY (\$)(g) | CAP to Non- PEO(\$) (a)- (b)+(c)+(d)+(e)+(f). (g) |
| | | | | | | | | |
| Tobin | 2,830,728 | 899,080 | 1,371,268 | — | — | 92,110 | — | 3,395,026 |
| Monroe | 2,345,344 | 792,610 | 1,208,881 | — | — | 169,556 | — | 2,931,171 |
| Doster | 1,413,672 | 92,442 | 113,310 | 274,896 | — | 159,213 | — | 1,868,649 |
| Colson | 2,095,563 | 792,610 | 1,208,881 | — | — | 61,966 | — | 2,573,800 |
| Mujica | 2,098,551 | 792,610 | 1,208,881 | — | — | 61,966 | — | 2,576,788 |
| Average | 2,156,772 | 673,870 | 1,022,244 | 54,979 | — | 108,962 | — | 2,669,087 |

- (7) For the purposes of calculating the Company's total shareholder return ("TSR"), the Company's TSR increased 40.8% in fiscal year 2020, increased 17.0% in fiscal year 2021, increased 5.6% in fiscal year 2022, increased 35.8% in fiscal year 2023, and increased 46.5% in fiscal year 2024.
- (8) As more particularly shown in the Company's Annual Report on Form 10-K for the year ended December 28, 2021, we presented a performance graph by comparing our cumulative TSR against the Russell 3000 Restaurant Index. In connection with our Annual Report on Form 10-K for the year ended December 28, 2021, December 27, 2022, December 26, 2023, and December 31, 2024, the Company presented a performance graph by comparing our cumulative TSR against the S&P Composite 1500 Restaurant Sub-Index (the "S&P Index"). For the purposes of the table above, we have shown the TSR for the Company's peer companies using the S&P Index. In furtherance of the foregoing, using the S&P Composite 1500 Restaurant Sub-Index, the TSR of the Company's peer companies increased 18.9% in fiscal year 2020, increased 22.6% in fiscal year 2021, decreased 7.9% in fiscal year 2022, increased 15.1% in fiscal year 2023, and increased 6.2% in fiscal year 2024.

As shown in the charts as discussed further below, the relationship between the Compensation Actually Paid to the Principal Executive Officer and the Average Compensation Actually Paid to the Non-Principal Executive Officers in the 2020 fiscal year, 2021 fiscal year, 2022 fiscal year, 2023 fiscal year, and 2024 fiscal year, respectively, to each of (i) net income, (ii) total shareholder return, and (iii) diluted earnings per share demonstrates that such compensation fluctuates to the extent the Company is achieving its goals and increasing value for shareholders in line with the Company's compensation philosophy and performance-based objectives. For the purposes of the charts below, the Principal Executive Officer is determined in the following manner: (i) for fiscal year 2020, the Principal Executive Officer represented is W. Kent Taylor, (ii) for fiscal year 2021, the Principal Executive Officer represented is the aggregate compensation of W. Kent Taylor and Gerald L. Morgan, and (iii) for fiscal years 2022, 2023, and 2024, the Principal Executive Officer represented is Gerald L. Morgan.





The following table lists the three financial performance measures that we believe represent the most important financial measures to link compensation actually paid to our Named Executive Officers in 2024 to our performance.

| Most Important Performance Measures | | |
|-------------------------------------|-----------------------------------|--|
| 1) | Diluted Earnings Per Share Growth | |
| 2) | Profit Growth | |
| 3) | Change in Stock Price | |

CEO Pay Ratio

Under Section 953(b) of the Dodd Frank Wall Street Reform and Consumer Protection Act, a U.S. publicly traded corporation is required to disclose the ratio between their Chief Executive Officer's annual total compensation to the total compensation of such corporation's median employee after excluding the Chief Executive Officer's compensation. To identify our median employee, we used the 2024 total cash compensation for all individuals (other than Mr. Morgan, our Chief Executive Officer) who were employed by us as of December 31, 2024, the last day of our 2024 fiscal year. For the purpose of calculating our employee's total cash compensation, we used our employee's base wages identified on our employees' W-2 forms. As a part of our calculation, we included all employees, whether employed by us on a full-time or part-time basis, and we annualized the compensation of any employee whom we hired during our 2024 fiscal year and who was working for us at the end of our fiscal year. As of December 31, 2024, approximately 77% of our employees were part-time employees and our average employee worked approximately 22 hours per week.

We identified our median employee as a server in Louisville, Kentucky who worked an average of approximately 15 hours per week. After identifying our median employee, we calculated the annual total compensation for such employee as \$20,391, which is determined using the same methodology we used for our Named Executive Officers as set forth in the 2024 Summary Compensation Table described above.

As more particularly described in the 2024 Summary Compensation Table, the annual total compensation for Mr. Morgan, our Chief Executive Officer, for our 2024 fiscal year is \$6,186,009 and the ratio between the compensation for our Chief Executive Officer and the compensation for our median employee is 303 to 1. Note that since the SEC rules allow companies to use various methodologies and assumptions, apply certain exclusions, and make reasonable estimates relating to a specific company's employee base when identifying the median employee, the CEO pay ratio disclosed by other companies may not be comparable with the CEO pay ratio disclosed in this paragraph. Additionally, the pay ratio between our Chief Executive Officer and our median employee may vary year to year based, in part, on the grant date value of any restricted stock units granted to our Chief Executive Officer in any given year.

AUDIT COMMITTEE REPORT

As of the date of this proxy statement, the audit committee of the Board (the “**Committee**”) is currently composed of six directors, all of whom meet the criteria for independence under the applicable Nasdaq and Securities & Exchange Commission (the “**SEC**”) rules and the Sarbanes-Oxley Act. The Committee acts under a written charter adopted by the Board, a copy of which is available on the Company’s website at www.texasroadhouse.com. During the 2024 fiscal year, the Committee was comprised of Ms. Epps and Messrs. Crawford, Jones, Moore, and Warfield. During the 2025 fiscal year, the Committee is comprised of Ms. Abell and Epps and Messrs. Crawford, Jones, Moore, and Warfield. Ms. Epps currently serves as the chairperson of the Committee and was the chairperson of the Committee during the 2024 fiscal year. The Board evaluated the credentials of and designated Ms. Epps and Messrs. Moore and Warfield as audit committee financial experts.

The Committee has prepared the following report on its activities and with respect to the Company’s audited consolidated financial statements for the fiscal year ended December 31, 2024 (the “**Audited Financial Statements**”).

- The Committee met 12 times during fiscal year 2024, which were comprised of six regular meetings of the Committee and six meetings solely related to the Committee’s review of the Company’s quarterly earnings release and filings with the SEC. The Committee’s meetings included private sessions with the Company’s independent auditors and internal auditors (as needed), as well as executive sessions consisting of only Committee members. The Committee also met periodically in private sessions with management, including Named Executive Officers (as needed);
- The Committee reviewed the acknowledgement process for the Company’s Code of Conduct and the corresponding results;
- The Committee reviewed the scope, plans, and results of the testing performed by the Company’s internal auditors and independent auditors in their assessments of internal control over financial reporting and the consolidated financial statements;
- The Committee evaluated and reviewed the Company’s internal audit function, including, without limitation, the independence, competence, staffing adequacy and authority of the function; the ability of the internal audit function to raise issues to the appropriate level of authority; and the reporting relationships among the Company’s internal auditors, financial management, and the Committee;
- The Committee reviewed matters submitted to it via the Company’s whistleblower hotline and/or other reporting mechanisms regarding concerns about allegedly questionable financial, accounting, and/or auditing matters (if any);
- The Committee reviewed the Company’s risk assessment and risk management policies, practices, and disclosures, including, without limitation, the Company’s financial strategies, insurance plans, cyber risk, artificial intelligence, business continuity, human capital, and corporate sustainability with management, the Company’s Chief Legal and Administrative Officer, the Company’s internal and independent auditors, and the Company’s enterprise risk management team;
- The Committee was advised on risks and the Company’s related mitigation efforts in accordance with acceptable risk tolerance, including, without limitation, strategic, operational, financial, human capital, legal, data privacy, corporate sustainability, responsible alcohol service, and cybersecurity risks both during and outside of regularly scheduled meetings;
- As a part of the Committee’s oversight responsibilities, during the 2024 fiscal year, the Committee received reports on risks relating to certain business functions within the Company, together with reports from the Company’s responsible alcohol service risk subcommittee, information governance subcommittee, Americans with Disability Act (ADA) risk subcommittee, employee and guest safety risk subcommittee, and corporate sustainability risk subcommittee;

- The Committee reviewed the Company's legal, regulatory, and ethical compliance programs;
- The Committee reviewed with the Chief Legal and Administrative Officer of the Company its disclosures with respect to current lawsuits (as and if applicable);
- The Committee was advised on the risks and activities relating to the Company's implementation of its human capital management system, and the Company's formation of its wholly-owned captive insurance company;
- The Committee reviewed comment letters received from the SEC, if any, together with management's response to such letters;
- The Committee pre-approved all audit, audit-related, and permissible non-audit services provided to the Company by KPMG LLP, the Company's independent auditors, for the 2024 fiscal year, before management engaged the independent auditors for those purposes, pursuant to and in accordance with the Texas Roadhouse, Inc. Policy for Pre-Approval of Services Provided by External Audit Firm (which is available on the Company's website at www.texasroadhouse.com);
- On a quarterly basis, the Committee discussed with KPMG LLP the matters required to be discussed by the Public Company Accounting Oversight Board's Auditing Standard No. 1301, Communications with Audit Committees;
- The Committee discussed with KPMG LLP their written disclosures and letter required by the Public Company Accounting Oversight Board regarding the independent auditor's communications with the Committee concerning independence and has discussed with the independent accountant the independent accountant's independence;
- The Committee reviewed the selection, application, and disclosure of critical accounting policies;
- The Committee reviewed with KPMG LLP the selection and disclosure of the critical audit matter(s) set forth in the independent auditor's report of the Company's Form 10-K;
- The Committee reviewed the Company's quarterly earnings press releases prior to issuance;
- The Committee reviewed and discussed the Company's Audited Financial Statements for the 2024 fiscal year with management and the independent auditors;
- As mentioned above, the Committee reviewed the Company's Quarterly and Annual Reports on Form 10-Q and Form 10-K prior to filing with the SEC and acknowledged that the Committee did not have any objections to the filing of the same;
- The Committee evaluated the appointment, compensation, retention and oversight of KPMG LLP. In connection with such appointment, the Committee evaluated the service level of the incumbent independent auditor, which included criteria such as prior year quality of service, industry and technical expertise, independence, resource availability, and reasonableness and competitiveness of fees, as well as solicited the input of key management employees during its evaluation; and
- Based on the review and discussion referred to above, and in reliance thereon, the Committee recommended to the Board that the Audited Financial Statements be included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2024, for filing with the SEC.

All members of the Committee concur in this report.

Donna E. Epps, Chair
Jane Grote Abell

Michael A. Crawford
 Wayne L. Jones
 Gregory N. Moore
 Curtis A. Warfield

Related Party Transactions

The Committee's charter provides that the Committee will review and approve any transactions between us and any of our executive officers, non-employee directors, and 5% shareholders, or any members of their immediate families, in which the amount involved exceeds the threshold limits established by the regulations of the SEC. In reviewing a related-party transaction, the Committee considers the material terms of the transaction, including whether the terms are generally available to an unaffiliated third party under similar circumstances. Unless specifically noted, the transactions described below were either entered into before our initial public offering in 2004 and the subsequent formation of the Committee or before the individual listed below became a Named Executive Officer.

Grants of Franchise or License Rights

We have franchised restaurants to companies owned in part by a Named Executive Officer. The royalty rate that is paid by these companies is set forth below, and is the amount we typically charge to franchisees. We believe that allowing certain Named Executive Officers to have ownership interests in our restaurants provides an ongoing benefit to the Company by these persons being more invested in the overall success of the brand.

Ownership interests of franchised restaurants by Mr. Morgan as of the end of the 2024 fiscal year are listed below. Note that the chart below denotes ultimate beneficial ownership percentages and Mr. Morgan may from time to time hold such interests through another legal entity such as a trust or limited liability company.

| RELATED PARTY TRANSACTIONS | | | | | |
|----------------------------|--------------------------|-----------------------|--------------|---|---|
| Restaurant | Name and Ownership | Initial Franchise Fee | Royalty Rate | Royalties Paid to Us in Fiscal Year 2024 (\$) | Management, Supervision and/or Accounting Fees Paid to Us in Fiscal Year 2024 (\$)(1) |
| El Cajon, CA | Gerald L. Morgan (2.0%) | — | 4.0 % | 494,924 | 32,546 |
| McKinney, TX | Gerald L. Morgan (2.0%) | — | 4.0 % | 441,628 | 55,203 |
| Brownsville, TX | Gerald L. Morgan (3.06%) | — | 4.0 % | 457,041 | 57,130 |
| Oceanside, CA | Gerald L. Morgan (2.0%) | — | 4.0 % | 530,205 | 32,456 |

- (1) The management, supervision and/or accounting fees described in this table are fees paid by the operating entity of the applicable franchise location to the Company pursuant to a separate management agreement.

For the 2024 fiscal year, the total amount of distributions received by Mr. Morgan relating to his ownership interests in the above-referenced franchised restaurants was \$188,667. This amount does not reflect compensation paid by the Company to Mr. Morgan during the 2024 fiscal year; rather, this amount was paid by the applicable franchise entity and reflects a return on investment in these separate restaurant locations.

The franchise agreements that we have entered into with this current Named Executive Officer contain the same terms and conditions as those agreements that we enter into with our other Texas Roadhouse domestic franchisees. We have the contractual right, but not the obligation, to acquire the restaurants owned in part by such Named Executive Officer based on a pre-determined valuation formula which is the same as the formula contained in the Texas Roadhouse domestic franchise agreements that we have entered into with other franchisees with whom we have such rights. Once a franchise agreement has been entered into, it may be terminated if the franchisee defaults in the performance of any of its obligations under the agreement, including its obligations to operate the restaurant in strict accordance with our standards and specifications. A franchise agreement may also be terminated if a franchisee becomes insolvent, fails to make its required payments,

creates a threat to the public health or safety, ceases to operate the restaurant or misuses the Texas Roadhouse trademarks.

Ownership Interest in Majority-Owned Joint Venture Entities

We have a current Named Executive Officer, Gerald L. Morgan, who has an ownership interest in a certain Texas Roadhouse restaurant that is owned by an entity that the Company controls and in which the Company holds a 52.5% ownership interest. We believe that allowing certain Named Executive Officers to have ownership interests in restaurants provides an ongoing benefit to the Company by making these persons more invested in the overall success of the brand. As of the end of the 2024 fiscal year, Mr. Morgan held a 34.5% ultimate beneficial ownership interest in the Mansfield, Texas restaurant, which such entity paid \$425,149 to us for management and supervision fees. Additionally, for the 2024 fiscal year, the total amount of distributions received by Mr. Morgan relating to his ownership interest in the Mansfield, Texas restaurant was \$800,972. This amount does not reflect compensation paid by the Company to Mr. Morgan during the 2024 fiscal year; rather, this amount was paid by the entity and reflects a return on investment in this restaurant location.

Other Related Transactions

On February 28, 2024, the Board and the Committee approved a related party transaction involving Mr. Zarley's ownership interest in a Jaggers franchise entity as described herein. In connection with the transaction, the Company entered into a development agreement with a third-party member-managed limited liability company for the development of fifteen Jaggers franchise locations in Houston, Texas. Mr. Zarley is the beneficial owner of 20.0% of the franchise entity. Pursuant to the development agreement, the franchise entity paid a \$150,000 development fee to the Company and is required to pay to the Company a \$45,000 franchise fee for every franchise location opened under the development agreement. Mr. Zarley agreed to guarantee certain obligations of the franchise entity to the Company under any franchise agreement entered into between the Company and such entity during the term of the development agreement. The franchise agreements will contain the same terms and conditions as those agreements that we enter into with our other Jaggers franchisees, with royalties generally at 5.0% of restaurant sales. Pursuant to the terms of the development agreement, the Company entered into the first franchise agreement with the Jaggers franchise entity on the same terms and conditions described above; provided, however, as of the date of this proxy statement, the Jaggers franchise location governed by such franchise agreement has not yet opened.

As of the date of this proxy statement, Mr. Zarley has not received any distributions relating to his ownership interest in the franchise entity; provided, however, any amounts paid to Mr. Zarley will not reflect compensation paid by the Company but such amounts will be paid by the franchise entity and will reflect a return on investment in these restaurant locations. Due to Mr. Zarley's ownership interest in such thirty party franchise entity, Mr. Zarley is no longer independent (as such term is defined in the listing standards under Nasdaq Marketplace Rule 5605(a)(2)), and Mr. Zarley will not be standing for re-election at the Annual Meeting under the Board's age limit policy.

PRESENTATION OF PROPOSALS

PROPOSAL 1

ELECTION OF DIRECTORS

The Company's Bylaws provide for not less than one and not more than 15 directors. At the Annual Meeting, we are electing eight directors to hold office until the Annual Meeting of Shareholders in 2026 and until a successor is elected and qualified. Although it is not anticipated that any of the nominees listed below will decline or be unable to serve, if that should occur, the proxy holders may, in their discretion, vote for a substitute nominee.

Nominees for Election as Directors

Set forth below are the Board members who will stand for re-election at the Annual Meeting, together with their age, all Company positions and offices they currently hold, and the year in which they joined the Board.

| NOMINEES FOR ELECTION AS DIRECTORS | | | |
|------------------------------------|-----|-----------------------------------|----------------|
| Name | Age | Position or Office | Director Since |
| Jane Grote Abell | 58 | Director | 2024 |
| Michael A. Crawford | 57 | Director | 2020 |
| Donna E. Epps | 61 | Director | 2021 |
| Wayne L. Jones | 66 | Director | 2023 |
| Gregory N. Moore | 75 | Chairman of the Board; Director | 2005 |
| Gerald L. Morgan | 64 | Chief Executive Officer; Director | 2021 |
| Curtis A. Warfield | 57 | Director | 2018 |
| Kathleen M. Widmer | 63 | Director | 2013 |

Recommendation

THE BOARD RECOMMENDS THAT SHAREHOLDERS VOTE “FOR” THE ELECTION OF THE NOMINEES FOR THE DIRECTORS OF THE COMPANY SET FORTH ABOVE.

PROPOSAL 2

RATIFICATION OF INDEPENDENT AUDITORS

As more particularly described in this proxy statement, the audit committee is directly responsible for managing the Company's independent auditors, which includes, without limitation, (i) pre-approving all audit and permitted non-audit services provided by our independent auditors, and (ii) the appointment, compensation, retention and oversight of the Company's independent auditors. In connection with the audit committee's appointment of the Company's independent auditors, the audit committee evaluates the service level of the incumbent independent auditor on an annual basis, which includes criteria such as prior year quality of service, industry and technical expertise, independence, resource availability, and reasonableness and competitiveness of fees, as well as solicits the input of key management employees during its evaluation.

In connection with the same and pursuant to its charter, the audit committee has appointed the firm of KPMG LLP to serve as the independent auditors to audit the consolidated financial statements and the internal control over financial reporting of the Company for the fiscal year which ends on December 30, 2025. The Board and the audit committee jointly agree that the continued retention of KPMG LLP is in the best interest of the Company and its shareholders. Accordingly, a resolution will be presented at the Annual Meeting to ratify the appointment of KPMG LLP. If the shareholders fail to ratify the appointment of KPMG LLP, the audit committee will take this result into account when appointing an independent auditor for the 2025 fiscal year. Even if the appointment is ratified, the audit committee in its discretion may direct the appointment of a different independent registered public accounting firm as the Company's independent auditors at any time during the year if the audit committee believes that such a change would be in the best interests of the Company and its shareholders. One or more representatives of KPMG LLP are expected to be present at the Annual Meeting, will have the opportunity to make a statement if they desire to do so, and will be available to respond to appropriate questions.

Fees Paid to the Independent Auditors

| KPMG LLP FEES FOR FISCAL YEARS 2024 AND 2023 | | |
|--|-----------|----------|
| | 2024(\$) | 2023(\$) |
| Audit Fees | 1,040,280 | 857,797 |
| Audit-related Fees | 17,000 | 16,000 |
| Tax Fees | 27,137 | 50,500 |
| All Other Fees | -- | -- |
| | 1,084,417 | 924,297 |

Audit Fees. KPMG LLP charged \$1,040,280 in fiscal year 2024 and \$857,797 in fiscal year 2023 for audit fees. These include professional services in connection with the audit of the Company's annual consolidated financial statements and its internal control over financial reporting. They also include reviews of the Company's consolidated financial statements included in the Company's Quarterly and Annual Reports on Form 10-Q and Form 10-K and for services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements for the fiscal years shown. In addition, the fees for fiscal years 2024 and 2023 contain \$10,280 and \$12,797, respectively, related to statutory audits. Finally, the fees for fiscal year 2024 contain \$135,000 relating to the testing of general information technology and automated controls related to a human capital system implementation which the Company completed during fiscal 2024.

Audit-related Fees. KPMG LLP charged \$17,000 in fiscal year 2024 and \$16,000 in fiscal year 2023 for their consent to include the Company's annual consolidated financial statements in both of our franchise disclosure documents.

Tax Fees. KPMG LLP charged \$27,137 in fiscal year 2024 and \$50,500 in fiscal year 2023 for consulting and compliance services. The fees charged in fiscal year 2023 include \$30,000 for tax structuring related services.

All Other Fees. KPMG LLP did not charge any additional amounts during either fiscal year 2024 or fiscal year 2023.

Pre-approval Policies and Procedures

The audit committee pre-approved all audit, audit-related, and permissible non-audit services provided to the Company by KPMG LLP before management engaged the auditors for those purposes. The policy of the audit committee is to review all engagement letters for accounting firms for non-audit services.

Recommendation

THE BOARD RECOMMENDS A VOTE “FOR” THE RATIFICATION OF KPMG LLP AS THE COMPANY’S INDEPENDENT AUDITORS FOR THE 2025 FISCAL YEAR.

PROPOSAL 3

ADVISORY VOTE ON APPROVAL OF EXECUTIVE COMPENSATION

The Board requests shareholder approval of the compensation of the Company's Named Executive Officers as described in the "Compensation Discussion and Analysis," the Executive Compensation section and the other related executive compensation tables and related discussions in this proxy statement. As an advisory vote, the outcome of the voting on this Proposal 3 is not binding upon the Company; however, the compensation committee, which is responsible for establishing and administering the Company's executive compensation program, values the opinions expressed by shareholders on this Proposal 3 and will consider the outcome of the vote when making future compensation decisions for the Company's executive officers. Additionally, the compensation committee invites shareholders to express any questions or concerns regarding the Company's compensation philosophy for our executive officers by correspondence addressed to Texas Roadhouse, Inc. Compensation Committee, 6040 Dutchmans Lane, Louisville, Kentucky 40205.

The objective of the compensation committee in setting and evaluating the compensation of our executive officers is to promote the sustained profitability of the Company. Compensation for the Named Executive Officers is divided into three key components: (1) base salary, which provides a secure base of compensation and serves to motivate and retain our Named Executive Officers; (2) a cash bonus, which rewards our Named Executive Officers for the success of the Company as measured by growth in the Company's earnings per diluted share and its overall pre-tax profit, and for each Named Executive Officer's individual contribution to that success; and (3) grants of restricted stock units, which offer the Named Executive Officers a financial interest in the long-term success of the Company and align their interests with those of our shareholders. The types of restricted stock units that may be granted by the compensation committee in its discretion are (i) service based restricted stock units, which grant the Named Executive Officers the conditional right to receive shares of our common stock that vest after a defined period of service, (ii) "retention" restricted stock units, which vest upon the completion of the term of an individual Named Executive Officer's agreement or such longer date as determined by the compensation committee, and (iii) performance based restricted stock units, which are calculated based on the achievement of certain Company performance targets established by the compensation committee and vest over a period of service. While "retention" restricted stock units have historically been granted by the compensation committee, the compensation committee has not made any similar retention grants for the Named Executive Officers under the Prior Employment Agreements and the 2025 Employment Agreements. The compensation committee will evaluate whether to grant additional retention grants in the future as a part of its annual evaluation of the compensation packages for the Named Executive Officers.

The compensation packages for our Named Executive Officers offer base salaries and target cash bonus amounts and feature restricted stock unit awards. While the initial grant of restricted stock unit awards is based on a fixed dollar amount, the ultimate value of such restricted stock unit awards is dependent upon the performance of the Company and the price of our common stock at the time such restricted stock units vest. Under the 2025 Employment Agreements, the compensation committee has flexibility in establishing the compensation for our Named Executive Officers. Specifically, each 2025 Employment Agreement establishes an annual base salary for the term of the respective 2025 Employment Agreements, with base salary increases being left to the discretion of the compensation committee. Additionally, each 2025 Employment Agreement provides an annual short-term cash incentive opportunity with a target bonus based on the achievement of defined goals to be established by the compensation committee, with increases in the target bonus amount to be made at the discretion of the compensation committee during the term of the 2025 Employment Agreement. Finally and in addition to cash compensation, each Executive Employment Agreement provides that the compensation committee may grant certain stock awards to the Named Executive Officers during the term of the respective 2025 Employment Agreements, the types and amounts of which are subject to the compensation committee's discretion based on their annual review of the performance of the Company and of the individual Named Executive Officers. As of the date of this proxy statement and as more particularly described below, certain Named Executive Officers received an annual grant of service based restricted stock units relating to their 2025 year service pursuant to their 2025 Employment Agreement. Additionally, certain Named Executive

Officers received a three year grant of performance based restricted stock units relating to their service for 2025, 2026, and 2027, respectively, pursuant to their 2025 Employment Agreement.

The compensation committee evaluates the stock compensation for each specific Named Executive Officer on an annual basis to determine the right combination of rewards and incentives through the issuance of service based restricted stock units and/or performance based restricted stock units to drive company performance without encouraging unnecessary or excessive risk taking by all of the Named Executive Officers as a whole. Under this approach, the Named Executive Officers receive a combination of service based restricted stock units and performance based restricted stock units. Additionally and by conditioning a significant portion of the Named Executive Officer's performance based restricted stock unit grants upon the achievement of defined performance goals to be established by the compensation committee, combined with the stock ownership guidelines for our Named Executive Officers more particularly described above, we have created a more direct relationship between compensation and shareholder value. Moreover, by giving the compensation committee the discretion to grant certain stock awards (if any) in its discretion to our Named Executive Officers under the 2025 Employment Agreements, the compensation committee has the opportunity to adjust a significant portion of the total compensation for the Named Executive Officers on an annual basis to more accurately reflect the overall performance of the Company, which may include the issuance of service based restricted stock units and/or performance based restricted stock units. Overall, we believe this approach provides the Named Executive Officers with a compensation package which promotes the sustained profitability of the Company and aligns the interests of our Named Executive Officers with those of our shareholders. The compensation packages also reflect a pragmatic response to external market conditions; that is, total compensation that is competitive with comparable positions in similar industries, including the casual dining sector of the restaurant industry, but which is reasonable and in the best interests of our shareholders.

This structure, along with the culture and values of our Company, allows the Company to attract and retain top talent, while also encouraging our Named Executive Officers to keep their focus on both long-term business development and short-term financial growth.

Response to 2024 Advisory Vote on Executive Compensation. At Texas Roadhouse, we value our shareholders' feedback and solicit investor views throughout the year in connection with the Company's ongoing engagement program. The investor input received is critical to how the Board and the management team make decisions on a variety of corporate governance practices, including the Company's executive compensation program. At the 2024 annual shareholder meeting, approximately 61% of our shareholders cast votes in support of our advisory Say-on-Pay vote. The Board recognized the significance of the results of the 2024 Say-on-Pay vote, which was substantially lower than in previous years – in the four years prior, our Say-on-Pay vote averaged shareholder support of approximately 94%.

In response to the 2024 Say-on-Pay vote, the Board and management team actively sought additional feedback from investors on our executive compensation program and disclosures. In late 2024, management of the Company attempted to engage with 22 shareholders owning approximately 42% of outstanding shares of the Company as of the end of fiscal year 2024 to solicit feedback on the Company's executive compensation program. Of the shareholders that the Company contacted, the Company held 10 shareholder calls with shareholders owning approximately 30% of outstanding shares of the Company as of the end of fiscal year 2024 while the remaining 12 shareholders declined the need for a call. The perspectives received during these meetings were shared with the full Board and compensation committee, and served as a critical input to discussions about the Company's executive compensation program, as well as new enhancements to the 2025 compensation program and associated disclosures. The overwhelming majority of our shareholders provided us with feedback that votes against our 2024 executive compensation program were driven primarily by the one-time separation payment paid by the Company in 2023 to our former Chief Financial Officer following her retirement. Additionally, some shareholders provided feedback regarding the length of the performance period for performance based restricted stock units granted to certain Named Executive Officers.

In addition to soliciting investor feedback on the topic, we re-engaged FW Cook as an independent compensation consultant to advise the compensation committee on compensation for the executive officers beginning with the 2025 fiscal year, together with analysis and services related to such executive compensation, as more particularly described above. Specifically, the compensation committee requested the consultant

provide market data and review the design of the executive compensation packages, provide guidance on cash and equity compensation for the Company's executive officers, and provide guidance and market data on the manner in which separation payments are handled in connection with the preparation and execution of the 2025 Employment Agreements. Finally, as previously noted above, the Company entered into new 2025 Employment Agreements – partly in response to the advisory vote on executive compensation at our 2024 annual shareholder meeting and associated shareholder feedback, as well as to reflect market changes to forms of employment agreement received from outside legal counsel and our third-party compensation consultant.

Based on the feedback received from our shareholders during our 2024 shareholder engagement, the recommendations of our third-party compensation consultant, and the compensation committee's review of the market data provided to it, the compensation committee (A) approved new 2025 Employment Agreements, (B) increased certain portions of compensation elements for each Named Executive Officer to align with peer company benchmarking (as more particularly shown below), (C) shifted the compensation percentage breakdown of the various compensation components for each Named Executive Officer to align with peer company benchmarking, (D) extended the length of the applicable performance periods for certain performance based restricted stock units granted to our Named Executive Officers, and (E) modified the manner and rationale in which separation payments are paid to Named Executive Officers pursuant to the 2025 Employment Agreements.

Recommendation

THE BOARD RECOMMENDS THAT SHAREHOLDERS VOTE “FOR” THE EXECUTIVE COMPENSATION DETAILED IN THIS PROXY STATEMENT.

PROPOSAL 4

ADVISORY VOTE ON A SHAREHOLDER PROPOSAL REGARDING THE ADOPTION OF A POLICY REQUIRING THE DISCLOSURE OF THE COMPANY'S CONSOLIDATED EEO-1 REPORT

The Comptroller of the City of New York, as the custodian and trustee of the New York City Employees' Retirement System, the New York City Teachers' Retirement Systems, and the New York City Police Pension Fund (individually, a "System"), notified the Company on November 19, 2024 of its intention to present a resolution to our shareholders for voting at the Annual Meeting. Each System is the beneficial owner of at least \$2,000 in market value of shares of our Common Stock. We will provide the proponent's address and shareholdings (to our Company's knowledge) to any shareholder promptly upon oral or written request made to Texas Roadhouse, Inc., c/o Christopher C. Colson, Corporate Secretary, 6040 Dutchmans Lane, Louisville, Kentucky 40205, (502) 426-9984. The text of the proponent's resolution and supporting statement appear below, printed verbatim from its submission. We disclaim all responsibility for the content of the proposal and the supporting statement, including sources referenced therein.

Shareholder Proposal

"Resolved: Shareholders request that the Board of Directors adopt a policy requiring Texas Roadhouse, Inc. ("TXRH") to publicly disclose its Consolidated EEO-1 Report, a comprehensive breakdown of its workforce by race, ethnicity and gender (the "EEO-1 Report"), which TXRH is required to submit annually to the U.S Equal Employment Opportunity Commission (EEOC). The policy should require that TXRH annually disclose its EEO-1 Report on its website and in its proxy statement.

Supporting Statement

TXRH's 2023 Corporate Sustainability Report asserts: "We believe that diversity, equity, and inclusion (DE&I) are vital parts of our culture and what truly makes us legendary. We value and welcome employees of all walks of life to share their gifts, strengths, and voices while working in our restaurants and the Support Center, as we strive to reflect the communities we are proud to serve."¹

We also believe that employees of color and women can contribute to improved company performance. In 2020, a McKinsey study found that companies in the top quartile of gender diversity on executive teams were 25% more likely to experience above-average profitability than peer company diversity laggards, and that there is an even higher likelihood of outperformance among companies with more ethnically diverse executive teams.²

The EEO-1 Report breaks down a company's U.S. workforce by race, ethnicity and gender according to 10 employment categories, including senior management, defined to incorporate individuals within two reporting levels of the CEO.

TXRH discloses aggregate percentages for gender and separately, of racial/ethnic groups with no mention of job categories.³ EEO-I Report disclosure, however, would provide investors with more consistent information, in a decision-useful format, including:

- Standardized, quantitative, and reliable data in categories as defined by the EEOC, that is comparable across companies and industries, enabling investors to assess the representation of employees of color and women at various levels of TXRH;
- Specific data on senior management diversity; and

¹ <https://www.texasroadhouse.com/media/735/download?inline=1>

² <https://www.mckinsey.com/featured-insights/diversity-and-inclusion/diversity-wins-how-inclusion-matters>

³ <https://www.texasroadhouse.com/edia/735/download?inline=1>

- Particularized data that allows investors to assess the representation of specific racial and ethnic groups by gender, such as Black female employees, in a job category - *and to make meaningful, year-over-year comparisons.*

Disclosure of its EEO-1 Report is a cost-effective means for TXRH to demonstrate diversity performance. TXRH already collects the data and submits it to the EEOC. The proposal neither prevents nor discourages TXRH from disclosing any other information that management believes reflect its organizational structure or demonstrates its commitment to diversity and inclusion.

EEO-1 Report disclosure will bring TXRH into line with virtually all S&P 100 companies, and nearly 400 of the S&P 500 companies, which disclose or have committed to disclose their EEO-1 Report, including its acknowledged peers, Chipotle Mexican Grill, Inc. and Darden Restaurants, Inc.

Other shareholders have agreed. In 2021, New York City Retirement Systems' EEO-1 shareholder proposals at DuPont and Union Pacific received 84% and 86% support, respectively.

We ask shareholders to vote FOR this proposal."

Board's Opposition Statement

After careful consideration, the Board unanimously recommends that the shareholders vote AGAINST this shareholder proposal.

The Board believes that the adoption of a policy requiring the disclosure of the Company's Consolidated EEO-1 Report is unnecessary, overly prescriptive, and not in the best interest of the Company and its shareholders given the Company's existing workforce data disclosures, and the inherent risks and limitations relating to public disclosure of and over-reliance upon the EEO-1 Report as a singular measure for identifying or assessing our workplace diversity.

Texas Roadhouse already discloses EEO-1 data summarizing our workplace diversity.

Texas Roadhouse understands and appreciates that our various stakeholders – including our guests, employees, and shareholders – desire transparent disclosure relating to the Company's diversity demographics. To that end, we began voluntarily disclosing diversity data relating to our workforce in 2023 and continue to disclose this information, including the following public disclosures:

- Gender and diversity demographics of our Board of Directors in our annual proxy statement;
- Consolidated workplace demographics by gender and ethnicity classification in our Corporate Sustainability Report; and
- Gender and consolidated diversity demographics for our Support Center employees, restaurant managers, and restaurant hourly employees in our Annual Report on Form 10-K filed with the SEC.

This level of reporting and disclosure is consistent with many of our full-service sit-down restaurant peer companies, and with the ever-changing regulatory environment relating to required disclosures, we believe that our current disclosure is appropriate and provides our shareholders with the necessary information to effectively evaluate the diversity demographics within our Company and the manner in which our demographics and related disclosures compare to our peer companies.

Furthermore, we have been consistently recognized above our peer companies as an employer of choice by *Newsweek* in 2023 and in 2024 by being named, as one of "America's Greatest Workplaces", as well as by *Forbes Magazine* in 2021, 2022, and 2023, as one of the "Best Employers for Diversity."

There are inherent risks and limitations to using the EEO-1 Report as the measure for identifying our workplace diversity.

We believe that there are inherent risks and limitations in using the EEO-1 Report as the measure for evaluating our workplace diversity. As an initial matter, the information contained within the EEO-1 Report is a backward-looking singular snapshot in time, and does not accurately describe, measure, or properly contextualize our workplace diversity. Without proper context of the specific information described in the EEO-1 Report, there is a risk that the numbers could be misconstrued and not reflect the very real positive impact to Texas Roadhouse of our employment initiatives, workplace environment, and the overall effectiveness of our corporate strategies and programs.

In addition, the information disclosed in the EEO-1 Report is provided voluntarily by our employees and is based on a pre-determined, government form that categorizes our workforce into certain EEOC-mandated job categories that fail to account for company or industry-specific roles. As such, there are risks that the EEO-1 Report may not accurately or effectively describe the diversity within our organization.

Finally, part of the basis for encouraging our employees to voluntarily self-identify is the understanding that we would treat the actual report as confidential and to protect the confidentiality of certain employee demographic data. This is similar to the approach and analysis that the EEOC itself takes by not otherwise making a company's EEO-1 report publicly available. Depending on the number of employees in some of the demographic groups within the EEO-1 job categories, it may not be difficult to match the information on race or ethnicity with specific individuals, which in turn could create a chilling effect among our employees of voluntarily providing this information to us. If this occurs, we would risk a lack of disclosure by our employees, which could in turn hinder our ability to fully and accurately complete our EEO-1 Report, identify any opportunities we might want to leverage and/or otherwise evaluate the impact of our employment initiatives, and corporate strategies and programming moving forward.

For the above-referenced reasons, the Board recommends that the shareholders vote against the proponent's proposal.

Recommendation

THE BOARD RECOMMENDS THAT SHAREHOLDERS VOTE “AGAINST” THE SHAREHOLDER PROPOSAL REGARDING THE ADOPTION OF A POLICY REQUIRING THE DISCLOSURE OF OUR CONSOLIDATED EEO-1 REPORT.

SHAREHOLDER PROPOSALS

Under Rule 14a-8 promulgated under the Exchange Act, shareholders may present proposals to be included in the Company proxy statement for consideration at the next annual meeting of its shareholders by submitting their proposals to the Company in a timely manner. Any such proposal must comply with Rule 14a-8. If a shareholder submitting a matter to be raised at the Company's next annual meeting desires that such matter be included in the Company's proxy statement for that meeting, such matter must be submitted to the Company no later than December 5, 2025. The rules of the SEC set forth standards for what shareholder proposals the Company is required to include in a proxy statement for an annual meeting.

The Company's Bylaws, a copy of which is available on the Company's website at www.texasroadhouse.com, require shareholders who intend to propose business for consideration by shareholders at the 2026 annual meeting, other than shareholder proposals that are to be included in the proxy statement, to deliver written notice to the principal executive offices of the Company on or before December 5, 2025 (reflecting 120 calendar days prior to the one year anniversary of the date of the Company's proxy statement issued in connection with the prior year's annual meeting). This notice must include a description of the business desired to be brought before the annual meeting, the name and address of the shareholder proposing such business and of the beneficial owner, if any, on whose behalf the business is being brought, the class, series and number of shares of the Company which are beneficially owned by the shareholder and such other beneficial owner and any material interest of the shareholder and such other beneficial owner in such business. In addition, the Bylaws require shareholders who intend to nominate a candidate for election as a director to deliver written notice to the principal executive offices of the Company on or before December 5, 2025 (reflecting 120 day calendar days prior to the one year anniversary of the date of the Company's proxy statement issued in connection with the prior year's annual meeting). The notice of nomination must include the information set forth in the Bylaws for the candidate to be eligible for nomination. Shareholders who intend to solicit proxies in reliance on the SEC's universal proxy rule for director nominees submitted under the advance notice requirements of our Bylaws must comply with the additional requirements of Rule 14a-19, and, in accordance with the Bylaws, must provide the Company with proof of compliance with the requirements of Rule 14a-19 by no later than five (5) business days prior to the date of the annual meeting, unless the meeting is adjourned or postponed.

The Exchange Act rules permit management to vote proxies in its discretion in certain cases if the shareholder does not comply with these deadlines, and in certain other cases notwithstanding the shareholder's compliance with these deadlines.

SHAREHOLDERS' COMMUNICATIONS WITH THE BOARD

Shareholders that want to communicate in writing with the Board, or specific directors individually, may send proposed communications to the Company's Corporate Secretary, Christopher C. Colson, at 6040 Dutchmans Lane, Louisville, Kentucky 40205. The proposed communication will be reviewed by Mr. Colson and/or by the audit committee (as appropriate). If the communication is appropriate and serves to advance or improve the Company or its performance, then it will be forwarded to the Board or the appropriate director.

FORM 10-K

The Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2024, accompanies this proxy statement. The Company's Annual Report does not form any part of the material for solicitation of proxies.

Any shareholder who wishes to obtain, without charge, a copy of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2024, which includes financial statements, and is required to be filed with the SEC, may access it at www.texasroadhouse.com in the Investors section or may send a written request to Christopher C. Colson, Corporate Secretary Texas Roadhouse, Inc., 6040 Dutchmans Lane, Louisville, Kentucky 40205.

OTHER BUSINESS

The Board is not aware of any other matters to be presented at the Annual Meeting other than those set forth herein and routine matters incident to the conduct of the meeting. If any other matters should properly come before the Annual Meeting or any adjournment or postponement thereof, the persons named in the proxy statement, or their substitutes, intend to vote on such matters in accordance with their best judgment.

By Order of the Board of Directors,



Christopher C. Colson
Corporate Secretary

Louisville, Kentucky

April 4, 2025

Please vote your shares through any of the methods described on the proxy card as promptly as possible, whether you plan to attend the Annual Meeting in person. If you do attend the Annual Meeting, you may still vote in person, since the proxy may be revoked at any time before its exercise by delivering a written revocation of the proxy to the Company's Corporate Secretary.

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K

(Mark One)

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

For the fiscal year ended December 31, 2024
OR

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 **000-50972**

Texas Roadhouse, Inc.

(Exact name of registrant specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

20-1083890

(IRS Employer Identification Number)

6040 Dutchmans Lane

Louisville, Kentucky 40205

(Address of principal executive offices) (Zip Code)

(502) 426-9984

(Registrant's telephone number, including area code)

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, par value \$0.001 per share | TXRH | NASDAQ Global Select Market |

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

Indicate by check mark if 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 Section 15(d) of the Exchange Act. Yes No

Indicate by check mark whether 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 Regulation 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 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 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 voting stock held by non-affiliates of the registrant as of the last business day of the second fiscal quarter ended June 25, 2024 was approximately \$11.4 billion based on the closing stock price of \$171.66 on the Nasdaq Global Select Market.

The number of shares of common stock outstanding were 66,450,642 on February 19, 2025.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive Proxy Statement for the registrant's 2025 Annual Meeting of Stockholders, which is expected to be filed pursuant to Regulation 14A within 120 days of the registrant's fiscal year ended December 31, 2024, are incorporated by reference into Part III of this Form 10-K.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

From time to time, in periodic reports and oral statements and in this Annual Report on Form 10-K, we present statements about future events and expectations that constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (“Exchange Act”). Forward-looking statements are based on our beliefs, assumptions, and expectations of our future financial and operating performance and growth plans, taking into account the information currently available to us. These statements are not statements of historical fact. Forward-looking statements involve risks and uncertainties that may cause our actual results to differ materially from the expectations of future results we express or imply in any forward-looking statements. In addition to the other factors discussed under “Risk Factors” elsewhere in this report, factors that could contribute to these differences include, but are not limited to:

- our ability to successfully execute our growth strategies;
- our ability to successfully open new restaurants, acquire franchise restaurants, and/or execute other strategic initiatives;
- our ability to increase and/or maintain dine-in and to-go sales as well as profits at our existing restaurants;
- our ability to integrate the franchise or other restaurants which we acquire or develop;
- the continued service of key management personnel;
- the impact of health epidemics or pandemics on our business including restrictions or regulations on our operations;
- health, dietary, and other concerns about our food products;
- our ability to attract, motivate, and retain qualified employees;
- the impact of federal, state, or local government laws and regulations relating to our employees and the sale of food and alcoholic beverages;
- the impact of litigation, including remedial actions, payment of damages and expenses, and negative publicity;
- disruptions to the availability and price of our principal food and beverage products and all other operating costs;
- labor shortages or increased labor costs, such as federal or state minimum wage changes, market wage levels, health care, sick pay, and workers’ compensation insurance costs;
- inflationary increases in the costs of construction, including labor and material costs, and/or real estate;
- changes in consumer preferences and demographic trends;
- the impact of initiatives by competitors and increased competition generally;
- our ability to successfully expand into new and existing domestic and international markets;
- risks associated with partnering in markets with franchisees or other investment partners whose interests may not align with ours;
- risks associated with developing and successfully operating additional concepts;
- security breaches or technology failures including failure to protect and maintain the security of confidential guest, vendor, and employee information, either internally or by one of our vendors, compliance with privacy and data protection laws, and risks of failures or breaches of our data protection systems;

- the rate of growth of general and administrative expenses associated with building a strengthened corporate infrastructure to support our initiatives;
- negative publicity regarding food safety, health concerns, and other food or beverage related matters, including the integrity of our or our suppliers' food processing;
- our franchisees' adherence to the terms of their franchise agreements;
- potential fluctuation in our quarterly operating results due to seasonality and other factors;
- our ability to adequately protect our intellectual property;
- our ability to adequately protect the physical security of our employees, guests, and restaurants;
- our ability to raise capital in the future;
- volatility of actuarially determined self-insurance losses and loss estimates;
- adoption of new, or changes in existing, accounting policies and practices;
- changes in and/or interpretations of federal and state tax laws;
- adverse weather conditions which impact guest traffic at our restaurants; and
- unfavorable general economic conditions in the markets in which we operate that adversely affect consumer spending.

The words "believe," "may," "should," "anticipate," "estimate," "expect," "intend," "objective," "seek," "plan," "strive," "goal," "projects," "forecasts," "will," or similar words or, in each case, their negative or other variations or comparable terminology, identify forward-looking statements. We qualify any forward-looking statements entirely by these cautionary factors.

Other risks, uncertainties, and factors, including those discussed under "Risk Factors," or those currently deemed immaterial or unknown, could cause our actual results to differ materially from those projected in any forward-looking statements we make.

We assume no obligation to publicly update or revise these forward-looking statements for any reason or to update the reasons actual results could differ materially from those anticipated in these forward-looking statements, even if new information becomes available in the future, except as required by applicable law.

PART I

ITEM 1. BUSINESS

Texas Roadhouse, Inc. (the “Company,” “we,” “our” and/or “us”) was incorporated under the laws of the state of Delaware in 2004. The principal executive office is located in Louisville, Kentucky.

Introduction

The Company is a growing restaurant company operating predominantly in the casual dining segment. Our late founder, W. Kent Taylor, started the business in 1993 with the opening of the first Texas Roadhouse restaurant in Clarksville, Indiana. Since then, we have grown to three concepts with 784 restaurants in 49 states, one U.S. territory, and ten foreign countries.

Our mission statement is “Legendary Food, Legendary Service®” and our core values are “Passion, Partnership, Integrity, and Fun with Purpose.” Our operating strategy is designed to position each of our casual dining restaurants as the local hometown favorite for a broad segment of consumers seeking high quality, affordable meals served with friendly, attentive service. This strategy guides our purpose statement of “Serving Communities Across America and the World.”

Restaurant Concepts

As of December 31, 2024, we owned and operated 666 restaurants and franchised an additional 118 restaurants. Of the 666 restaurants we owned and operated, we operated 608 as Texas Roadhouse restaurants, 49 as Bubba’s 33 restaurants, and nine as Jaggers restaurants. Of the 118 franchise restaurants, 56 were domestic Texas Roadhouse restaurants, four were domestic Jaggers restaurants, 57 were international Texas Roadhouse restaurants, including one restaurant in a U.S. territory, and one was an international Jaggers restaurant.

Texas Roadhouse is a moderately priced, full-service, casual dining restaurant concept offering an assortment of specially seasoned and aged steaks hand-cut daily on the premises and cooked to order over open grills. In addition to steaks, we also offer our guests a selection of ribs, seafood, chicken, pork chops, pulled pork, and vegetable plates, and an assortment of hamburgers, salads, and sandwiches. The majority of our entrées include two made-from-scratch side items, and we offer all our dine-in guests free, unlimited roasted in-shell peanuts and fresh baked yeast rolls.

Bubba’s 33 is a moderately priced, full-service, casual dining restaurant concept featuring scratch-made food for all with a little rock ‘n’ roll, ice-cold beer, and signature cocktails. Our menu features burgers, pizza, and wings as well as a wide variety of appetizers, sandwiches, and dinner entrées. Bubba’s 33 is open for daily lunch and dinner service and delivery services are offered at a majority of locations. Our first Bubba’s 33 restaurant opened in May 2013 in Fayetteville, North Carolina.

Jaggers is a fast-casual restaurant concept offering burgers, hand-breaded chicken sandwiches and chicken tenders, made-to-order fresh salads, and hand-spun milkshakes. Jaggers offers drive-thru, carry-out, and dine-in service options. We also offer delivery services at a majority of locations. Our first Jaggers restaurant opened in December 2014 in Noblesville, Indiana.

Throughout this report, we use the term “restaurants” to include Texas Roadhouse and Bubba’s 33, unless otherwise noted.

Segment Information

We manage our restaurant and franchising operations by concept and as a result have identified Texas Roadhouse, Bubba’s 33, Jaggers, and retail initiatives as separate operating segments. In addition, we have identified Texas Roadhouse and Bubba’s 33 as reportable segments.

Operating Strategy

The operating strategy that underlies the growth of our restaurants is built on the following key components:

- *Offering high quality, freshly prepared food.* We place a great deal of emphasis on providing our guests with high quality, freshly prepared food. As part of our process, we have developed proprietary recipes to provide consistency in quality and taste throughout all restaurants. We expect a management level employee to inspect every entree before it leaves the kitchen to confirm it matches the guest's order and meets our standards for quality, portion size, appearance, and presentation. In addition, we employ a team of product coaches whose function is to provide continual, hands-on training and education to our kitchen staff for the purpose of promoting consistent adherence to recipes, food preparation procedures, food safety standards, and overall food quality.
- *Creating a fun and comfortable atmosphere with a focus on high quality service.* We believe the service quality and atmosphere we establish in our restaurants is a key component for fostering repeat business. In our full-service restaurants, we focus on keeping our table-to-server ratios low to allow our servers to truly focus on their guests and serve their needs in a personal, individualized manner. Our Texas Roadhouse restaurants feature a rustic southwestern lodge décor accentuated with hand-painted murals, neon signs, and southwestern prints, rugs, and artifacts. Additionally, our restaurants continuously play upbeat country hits. Our Bubba's 33 restaurants feature walls lined with televisions playing sporting events and music videos and are decorated with sports jerseys, neon signs, and other local flair. Our fast-casual concept, Jammers, offers both drive-thru and dining room service in a modern design featuring a contemporary exterior and a comfortable and inviting dining room.
- *Owner-operator partnership model.* As part of our effort to maintain a *People-First* culture, we offer a performance-based compensation program supported by competitive benefits and health programs to our individual restaurant managers and multi-restaurant operators, who are called "managing partners" and "market partners," respectively. Each of these partners is required to sign a multi-year employment agreement and make a refundable deposit at the time of hire, that we believe reinforces an ownership mentality. The annual compensation of these partners includes a base salary plus a performance bonus, which represents a percentage of each of their respective restaurant's pre-tax income. By providing our partners with a significant stake in the success of our restaurants, we believe that we are able to attract and retain talented, experienced, and highly motivated managing and market partners.
- *Offering everyday value.* Our everyday value includes attractive price points, generous portions, and heaping sides. When we evaluate menu pricing, we focus on remaining disciplined as we balance short-term pressures with long-term growth while always keeping our guest top of mind. Prices are reviewed individually in each local market and are offered at moderate price points that we believe are as low as or lower than those offered by our competitors without sacrificing food quality. Within each menu category, we offer a choice of several price points with the goal of fulfilling each guest's budget and value expectations. Based on the results of our pricing evaluations, we will continue to take pricing actions we feel are needed while striving to maintain our value proposition.
- *Serving our communities.* We strive to be the neighborhood destination in each market in which we operate. We do not rely on national television or print advertising to promote our brands. To build brand awareness and become the hometown favorite, our partners engage with their local communities through a variety of promotional activities, such as contributing time, money, and complimentary meals to charitable, civic, and cultural programs. Additionally, we employ marketing coordinators at the restaurant and market level to develop and execute the majority of the local marketing strategies.
- *Focusing on dinner.* In nearly all of our Texas Roadhouse restaurants, we limit our operating hours to dinner only during the weekdays with approximately one half of our restaurants offering lunch on Friday. This focus on dinner allows our restaurant teams to prepare for and manage only one shift per day during the week and to prepare for the significant volumes of sales our restaurants generate.

Restaurant Development and Unit Economics

We consistently evaluate opportunities to develop restaurants in new and existing markets. Our site selection process is critical to our growth strategy. In analyzing each prospective site, our real estate team and restaurant market partners devote significant time and resources to the evaluation of local market demographics, population density, household income levels, and site-specific characteristics such as visibility, accessibility, traffic generators, proximity of other retail activities and competitors, traffic counts, and parking. We work actively with experienced real estate brokers in target markets to select high quality sites and to maintain and regularly update our database of potential sites.

We design our restaurant prototypes to provide a relaxed atmosphere for our guests, while also focusing on restaurant-level returns over time. Our current prototypical Texas Roadhouse restaurant consists of a freestanding building with approximately 8,000 square feet with seating for approximately 270 to 325 guests and parking for approximately 180 vehicles either on-site or in combination with some form of off-site cross parking arrangement. Our current prototypes are adaptable to in-line and end-cap locations and/or spaces within an enclosed mall or a shopping center.

Our current prototypical Bubba's 33 restaurant consists of a freestanding building with approximately 7,600 square feet with seating for approximately 270 to 330 guests. Some locations include patio seating for approximately 60 guests. Parking is targeted for approximately 180 vehicles either on-site or in combination with some form of off-site cross parking arrangement.

Our capital investment for new restaurants, which includes an estimate of pre-opening expense and a 10x initial base rent factor for those sites that are leased, varies significantly depending on a number of factors. These factors include, but are not limited to: the concept, square footage, layout, scope of required site work, geographical location, supply chain costs, type of construction labor (union or non-union), local permitting requirements, our ability to negotiate with landowners and/or landlords, cost of liquor and other licenses, and pre-opening expense.

In 2024 and 2023, our average capital investment for Texas Roadhouse restaurants was approximately \$8.0 million. In 2024, an increase in building and furniture, fixtures, and equipment costs was offset by a decrease in site work and liquor license costs. We expect our average capital investment for restaurants to be opened in 2025 to increase to approximately \$8.6 million primarily due to increased site work costs and increased rent.

In 2024 and 2023, our average capital investment for Bubba's 33 restaurants was \$8.6 million and \$8.2 million, respectively. The increase in our 2024 average capital investment was primarily due to an increase in site work costs partially offset by a decrease in pre-opening costs. We expect our average capital investment for restaurants to be opened in 2025 to be approximately \$8.6 million.

Existing Restaurant Locations

As of December 31, 2024, we had 666 company restaurants and 118 franchise restaurants in 49 states, one U.S. territory, and ten foreign countries as shown in the chart below.

| | Number of Restaurants | | |
|---|-----------------------|-----------|-------|
| | Company | Franchise | Total |
| Alabama | 12 | — | 12 |
| Alaska | 2 | — | 2 |
| Arizona | 22 | — | 22 |
| Arkansas | 9 | — | 9 |
| California | 8 | 11 | 19 |
| Colorado | 17 | 1 | 18 |
| Connecticut | 6 | — | 6 |
| Delaware | 5 | — | 5 |
| Florida | 48 | — | 48 |
| Georgia | 17 | 3 | 20 |
| Idaho | 6 | — | 6 |
| Illinois | 19 | — | 19 |
| Indiana | 30 | 8 | 38 |
| Iowa | 11 | — | 11 |
| Kansas | 7 | 1 | 8 |
| Kentucky | 20 | 3 | 23 |
| Louisiana | 10 | 1 | 11 |
| Maine | 3 | — | 3 |
| Maryland | 14 | — | 14 |
| Massachusetts | 10 | 1 | 11 |
| Michigan | 22 | 3 | 25 |
| Minnesota | 7 | — | 7 |
| Mississippi | 3 | — | 3 |
| Missouri | 18 | — | 18 |
| Montana | 2 | 1 | 3 |
| Nebraska | 4 | — | 4 |
| Nevada | 4 | — | 4 |
| New Hampshire | 4 | — | 4 |
| New Jersey | 10 | — | 10 |
| New Mexico | 9 | — | 9 |
| New York | 22 | — | 22 |
| North Carolina | 22 | 3 | 25 |
| North Dakota | 2 | 1 | 3 |
| Ohio | 38 | 1 | 39 |
| Oklahoma | 10 | — | 10 |
| Oregon | 2 | — | 2 |
| Pennsylvania | 29 | 6 | 35 |
| Rhode Island | 3 | — | 3 |
| South Carolina | 9 | — | 9 |
| South Dakota | 2 | — | 2 |
| Tennessee | 19 | 1 | 20 |
| Texas | 93 | 6 | 99 |
| Utah | 10 | 1 | 11 |
| Vermont | 1 | — | 1 |
| Virginia | 24 | — | 24 |
| Washington | 4 | 1 | 5 |
| West Virginia | 4 | 3 | 7 |
| Wisconsin | 11 | 4 | 15 |
| Wyoming | 2 | — | 2 |
| Total domestic restaurants | 666 | 60 | 726 |
| Puerto Rico | — | 1 | 1 |
| Bahrain | — | 1 | 1 |
| China | — | 1 | 1 |
| South Korea | — | 8 | 8 |
| Kuwait | — | 3 | 3 |
| Mexico | — | 4 | 4 |
| Philippines | — | 24 | 24 |
| Qatar | — | 1 | 1 |
| Saudi Arabia | — | 4 | 4 |
| Taiwan | — | 6 | 6 |
| United Arab Emirates | — | 5 | 5 |
| Total international restaurants, including a U.S. territory | — | 58 | 58 |
| Total system-wide restaurants | 666 | 118 | 784 |

Food

Menu. Our restaurants offer a wide variety of menu items at attractive prices that are designed to appeal to a broad range of consumer tastes. At Texas Roadhouse restaurants, we offer a broad assortment of specially seasoned and aged steaks, all cooked over open grills and all but one hand-cut daily on the premises. We also offer our guests a selection of ribs, seafood, chicken, pork chops, pulled pork, and vegetable plates, and an assortment of burgers, salads, and sandwiches. Entrée prices include roasted in-shell peanuts, fresh baked yeast rolls, and most include the choice of two made-from-scratch sides. Other menu items include specialty appetizers such as the “Cactus Blossom®” and “Rattlesnake Bites”. We also provide a “12 & Under” menu for children that includes a selection of smaller-sized entrées served with one side item and a beverage.

At Bubba’s 33 restaurants, we offer a broad assortment of burgers, pizza, and wings as well as a wide variety of appetizers, sandwiches, and dinner entrées. Our Bubba’s 33 restaurants also offer an extensive selection of ice-cold draft beer and signature cocktails. We provide a “12 & Under” menu for children that includes a selection of items, including a beverage.

At Jaggers restaurants, we offer fresh, scratch-made food including double-stacked burgers, hand-breaded chicken sandwiches and chicken tenders, made-to-order fresh salads, and hand-spun milkshakes. We also provide a “12 & Under” menu for children that includes a selection of smaller-sized entrées, a side, a drink, and a cookie.

Most of our full-service restaurants feature a full bar that offers a selection of draft and bottled beer, major brands of liquor and wine, as well as made in-house margaritas and signature cocktails. Managing partners are encouraged to tailor their beer selection to include regional and local brands. In 2024, alcoholic beverages at all company restaurants accounted for 9.6% of restaurant sales.

We always strive to maintain a consistent menu at our restaurants. We continually review our menu to consider enhancements to existing menu items or the introduction of new items. We change our menu only after guest feedback and an extensive study of the operational and economic implications. To maintain our high levels of food quality and service, we generally remove one menu item for every new menu item introduced to facilitate our ability to execute high quality meals on a focused range of menu items.

We work with a third-party vendor to manage an online tool to provide nutritional information as well as help guests identify known allergens in each of our menu items. This information is available for all concepts.

Food Quality and Safety. We are committed to serving a varied menu of high quality, great tasting food items with an emphasis on freshness. We have developed proprietary recipes to promote consistency in quality and taste throughout all restaurants and provide a unique flavor experience to our guests. At each domestic Texas Roadhouse restaurant, a trained meat cutter hand cuts our steaks and other restaurant employees prepare our side items and yeast rolls from scratch in the restaurants daily. At both Texas Roadhouse and Bubba’s 33 restaurants, we assign individual kitchen employees to the preparation of designated food items in order to focus on quality, consistency, speed, and food safety. Additionally, we expect a management level employee to inspect every entrée before it leaves the kitchen to confirm it matches the guest’s order and meets our standards for quality, portion size, appearance, and presentation.

We employ a team of product coaches whose function is to provide continual, hands-on training and education to the kitchen staff in all of our restaurants for the purpose of reinforcing food quality, recipe consistency, food preparation procedures, food safety and sanitation standards, food appearance, freshness, portion size, and crisis management. The product coach team supports all of our full-service domestic restaurants.

Food safety and sanitation is of utmost importance to us. We currently utilize several additional programs to help facilitate adherence to proper food preparation procedures and food safety standards including temperature monitoring at vendor distribution centers and our daily taste and temperature procedures within each restaurant. We have a food team whose function, in conjunction with our product coaches, is to develop, enforce, and maintain programs designed to promote compliance with food safety guidelines. This includes the routine performance of a gap analysis through various tabletop exercises to identify areas of need or improvement. The food team also has incorporated technology in the food safety program which includes the use of electronic checklists that can capture and report trends and digital temperature monitoring and cooling automation.

We perform regular food safety and sanitation audits on our restaurants and these results are reviewed by various members of operations and management. To maximize adherence to food safety protocols, we have incorporated Hazard Analysis Critical Control Points principles and critical procedures (such as hand washing) in each recipe. All restaurant managers are required to complete the American National Standards Institute Certified Food Manager training. In addition, product coaches and certain food team members are required to obtain their Certified Professional-Food Safety designation from the National Environmental Health Association.

Procurement. Our procurement philosophy is designed to supply fresh, quality products to our restaurants at competitive prices while maximizing operating efficiencies. We negotiate directly with suppliers for substantially all food and beverage products to maximize quality and freshness and obtain competitive prices. Food and supplies are ordered by and shipped directly to our domestic restaurants. Most food products used in the operation of our restaurants are distributed to individual restaurants through a national distribution company. We strive to qualify more than one supplier for all key food items and believe that beef of comparable quality as well as all other essential food and beverage products are available, upon short notice, from alternative qualified suppliers.

As a requirement of our quality assurance process, primary food items are purchased from qualified vendors who are regularly audited by reputable, outside inspection services confirming compliance with United States Food and Drug Administration and United States Department of Agriculture guidelines, the results of which are reviewed by our food safety team.

We are committed to building long-term partnerships with suppliers who are dedicated to delivering and producing safe, high-quality ingredients and products in a sustainable, ethical, and humane manner. All suppliers are expected to comply with our Vendor Partner Expectations that outlines our standards for vendors, which include without limitation, adherence to our food safety standards, how they conduct their business, how they treat their employees, and an expectation that our suppliers will comply with all applicable laws and regulations. We have added these Vendor Partner Expectations to various contracts with our largest suppliers and distributors and are looking for ways to incorporate them into our contracts for additional selected vendors.

We are also focused on driving innovation, efficiency, and resiliency in our supply chain by collaborating with our suppliers to improve quality, enhance visibility, eliminate waste, create redundancy, and drive additional productivity in our operations.

Service

Service Quality. We believe that guest satisfaction and our ability to continually evaluate and improve the guest experience at each of our restaurants is important to our success. We employ a team of service coaches whose function is to provide consistent, hands-on training and education to our managers and service staff in all of our full-service domestic restaurants. This training and education reinforces service quality, teamwork, responsible alcohol service, staff attentiveness and guest interactions in the dining room, as well as the implementation of new technologies and process changes.

Guest Satisfaction. We receive valuable feedback from our guests through the use of guest surveys, our various websites including “texasroadhouse.com,” “bubbash33.com” or “eatjaggers.com,” a toll-free guest response telephone line, tabletop kiosks in the restaurant, emails, letters, social media, and personal interaction in the restaurant. We have implemented several programs to evaluate guest satisfaction, with particular attention given to food, beverage, and service quality, cleanliness, staff attitude and teamwork, and manager visibility and interaction. We continue to evaluate and implement new processes and technologies relating to guest satisfaction, including reducing guest wait times, improving host interaction with the guest, and improving the to-go experience for our guests.

Atmosphere. The atmosphere of our restaurants is intended to appeal to broad segments of the population. Substantially all Texas Roadhouse restaurants are of our prototype design, reflecting a rustic southwestern lodge atmosphere. The interiors feature wood walls and stained concrete floors and are decorated with hand-painted murals, neon signs, southwestern prints, rugs, and artifacts. The restaurants continuously play upbeat country hits. Guests may also view a display-baking area, where our fresh baked yeast rolls are prepared, and a meat cooler displaying fresh cut steaks. Once seated at a table, guests can enjoy free fresh baked yeast rolls along with roasted in-shell peanuts. Our Bubba’s 33 restaurants feature walls lined with televisions playing a variety of sports events and music videos and are decorated with sports jerseys, neon signs, and other local flair. Our fast-casual concept, Jaggers, offers both drive-thru

and dining room service in a modern design featuring a contemporary exterior and a comfortable and inviting dining room.

People

Management Personnel. Each of our restaurants is generally staffed with one managing partner and a combination of operations managers, kitchen managers, service managers, and assistant managers. Managing partners are single restaurant operators who have primary responsibility for the day-to-day operations of the entire restaurant. Operations managers support the managing partner in overall operations including oversight over the kitchen and service departments. Kitchen managers have primary responsibility for managing sections of the kitchen staff and certain kitchen operations including food production, preparation, execution, and quality standards. Service managers have primary responsibility for managing sections of the front of house staff and certain dining room, bar, and to-go operations including service quality and the guest experience. Assistant managers support our managing partners, operations managers, kitchen managers, and service managers in helping maintain our standards of quality and performance.

We use market partners to oversee the operation of our restaurants. Each market partner oversees a group of varying sizes of managing partners and their respective management teams. Market partners are also responsible for the hiring and development of each restaurant's management team and assisting in the site selection process. Through regular visits to the restaurants, the market partners facilitate adherence to all aspects of our concepts, strategies, and standards of quality. To further facilitate adherence to our standards of quality and to maximize uniform execution throughout the system, we employ product coaches and service coaches who regularly visit the restaurants to assist in training of both new and existing employees and to grade food and service quality. The attentive service and high quality food, which results from each restaurant having a managing partner, at least two to four managers, and the hands-on assistance of a product coach and a service coach, are critical to our success.

Managing partners and market partners are required, as a condition of employment, to sign a multi-year employment agreement. The annual compensation of our managing partners and market partners includes a base salary plus a percentage of pre-tax income of the restaurant(s) they operate or supervise. Managing partners and market partners are eligible to participate in our equity incentive plan and are required to make refundable deposits at the time of hire, that reinforces an ownership mentality. Generally, the deposits are refunded after five years of continuous service.

Training and Development. All restaurant employees are required to complete varying degrees of training before and during employment. Our comprehensive training program emphasizes our operating strategy, procedures, and standards, including responsible alcohol service, and is typically conducted individually at our restaurants or in groups throughout the country.

Our managing and market partners are generally required to have significant experience in the full-service restaurant industry and are generally hired at a minimum of nine months before their placement in a new or existing restaurant to allow time to fully train in all aspects of restaurant operations. All managing partners, kitchen and service managers, and other management employees are required to complete an extensive training program of up to 20 weeks, which includes training for every position in the restaurant. Trainees are validated at pre-determined points during their training by a market partner, managing partner, product coach, and service coach.

We have designated a number of our restaurants to be certified as training centers by our training department. These stores are utilized to train our new and existing managers to ensure compliance with all operating procedures and guidelines. Additionally, most restaurants are staffed with training coordinators responsible for ongoing daily training needs.

For new restaurant openings, a full team of designated trainers, each specializing in a specific restaurant position, is deployed to the restaurant at least ten days before opening. Formal employee training begins seven days before opening and follows a uniform, comprehensive training course as directed by a service coach.

Marketing

Our marketing strategy aims to promote our brands while retaining a localized focus. We strive to increase comparable restaurant sales by increasing the frequency of visits by our current guests and attracting new guests to our restaurants and also by communicating and promoting our concepts' food quality, the guest experience, and community support. We accomplish these objectives through three major initiatives.

Local Restaurant Marketing. Given our strategy to be a neighborhood destination, local restaurant marketing is integral in developing brand awareness in each market. Managing partners are encouraged to participate in creative, community-based marketing. We also engage in a variety of promotional activities, such as contributing time, money, and complimentary meals to charitable, civic, and community events. We employ marketing coordinators at the restaurant level and marketing coaches at the market level to develop and execute the majority of the local marketing strategies.

In-restaurant Marketing. A significant portion of our marketing fund is spent communicating with our guests inside our restaurants through point of purchase materials. We believe special promotions such as Valentine's Day, Mother's Day, and Veterans Day drive notable repeat business. Our eight-week holiday gift card campaign is one of our most impactful promotions.

Advertising. Our restaurants do not rely on national television or print advertising to promote our brands. Earned local media is a critical part of our strategy that features our products and people in local television, print, and radio. Our restaurants use a permission-based email loyalty program, as well as social media and digital marketing, to promote the brand and engage with our guests. Our approach to media aligns with our focus on local store marketing and community involvement. Additionally, we continue to look for ways through various strategic initiatives to drive awareness and guest engagement with our brands. This includes the introduction of branded food and retail products that are available for purchase online or in select retailers. These products include non-royalty based food and accessories as well as licensing arrangements for frozen rolls, honey cinnamon butter, steak sauces, steak seasonings, and certain non-alcoholic beverages.

Restaurant Franchise Arrangements

Franchise Restaurants. As of December 31, 2024, we had 22 franchisees that operated 118 Texas Roadhouse and Jaggers restaurants in 20 states, one U.S. territory, and ten foreign countries.

Our standard Texas Roadhouse domestic franchise agreement has a term of ten years with two renewal options for an additional five years each if certain conditions are satisfied. Our current form of domestic franchise agreement generally requires the franchisee to pay a franchise fee for each restaurant opened and royalties based on a percentage of gross sales. In addition, domestic Texas Roadhouse franchisees are required to pay a percentage of gross sales to a national marketing fund for system-wide promotions and related efforts. Domestically, franchise rights for our Texas Roadhouse restaurants are granted for specific restaurants only, as we have not entered into area development agreements with domestic Texas Roadhouse franchisees. We are currently not accepting new domestic Texas Roadhouse franchisees.

Internationally, we have entered into area development and franchise agreements for the development and operation of Texas Roadhouse restaurants in several foreign countries and one U.S. territory. For the existing international agreements, the franchisee is generally required to pay us a development fee for our grant of development rights in the named countries, a franchise fee for each restaurant to be opened, and royalties based on a percentage of gross sales.

We have also entered into area development and franchise agreements for Jaggers, our fast-casual concept. Our standard Jaggers domestic franchise agreement has a term of ten years with two renewal options for an additional five years each if certain conditions are satisfied. Currently, we have area development agreements in place that allow for the development and operation of Jaggers restaurants both domestically and internationally. As part of these agreements, the franchisees are required to pay us a development fee for our grant of development rights in the named territories, a franchise fee for each restaurant to be opened, and royalties based on a percentage of gross sales.

Our standard Texas Roadhouse and Jaggers domestic franchise agreements give us the right, but not the obligation, to compel a franchisee to transfer its interests to us based on pre-determined formulas included in our franchise agreements. Additionally, all of our Texas Roadhouse and Jaggers franchise agreements contain a pre-determined radius restriction prohibiting us from opening a competing restaurant within such radius.

Our area development or franchise agreements, whether domestic or international, may be terminated if the franchisee defaults in the performance of any of its obligations under the development or franchise agreement, including its obligations to develop the territory or operate its restaurants in accordance with our standards and specifications. A franchise agreement may also be terminated if a franchisee becomes insolvent, fails to make its required payments, creates a threat to the public health or safety, ceases to operate the restaurant, or misuses our trademarks.

Franchise Compliance Assurance. We have various systems in place to promote compliance with our systems and standards, both during the development and operation of franchise restaurants. We actively work with our franchisees to support successful franchise operations as well as compliance with our standards and procedures. During the restaurant development phase, we consent to the selection of restaurant sites and make available copies of our prototype building plans to franchisees. In addition, we ensure that the building design is in compliance with our standards. We provide training to a certain number of managers of a franchisee's first restaurant. We also provide trainers to assist in the opening of every domestic franchise restaurant and we provide trainers to assist our international franchisees in the opening of their restaurants until such time as they develop an approved restaurant opening training program. Finally, on an ongoing basis, we conduct reviews on all franchise restaurants to determine their level of effectiveness in executing our concept at a variety of operational levels. Our franchisees are required to follow the same standards and procedures regarding equipment and food purchases, preparation, and safety procedures as we maintain in our company restaurants. Reviews are conducted by seasoned operations teams and focus on key areas including health, safety, and execution proficiency. Finally, we perform initial, annual, and/or periodic due diligence from a compliance perspective on certain franchisees based on a risk assessment and evaluation of the franchise partner.

Management Services. We provide administrative services to certain domestic Texas Roadhouse franchise restaurants, some in which we have an ownership interest and others in which we have no ownership interest. Such administrative services may include accounting, tax, operational supervision, payroll, human resources, training, legal, and food, beverage, and equipment consulting for which we receive monthly fees. We also make available to these restaurants certain restaurant employees and employee benefits on a pass-through cost basis.

Information Technology

All of our company restaurants utilize management information systems, which are designed to improve operating efficiencies, provide restaurant and Support Center management with timely access to financial and operating data, and reduce administrative time and expense. With our current information systems, we have the ability to query, report, and analyze this intelligent data on a daily, weekly, monthly, quarterly, and year-to-date basis and beyond, on a company-wide, concept, regional, market, or individual restaurant basis. Together, this enables us to closely monitor sales and operating expenses at each of our restaurants throughout all concepts. We have a number of systems and reports that provide comparative information that enables both restaurant and Support Center management to supervise the financial and operational performance of our restaurants and to recognize and understand trends in the business. Restaurant hardware and software support for all of our restaurants is provided and coordinated from the restaurant Support Center in Louisville, Kentucky.

In the course of business, we gather and maintain sensitive information from our guests, employees, partners, and business operations. To protect this information, we have created and implemented a detailed set of procedures that are informed by recognized national and international standards. We have implemented extensive detective and preventative controls designed to ensure the appropriate level of protection for the confidentiality, integrity, and availability of data stored on or transferred through our information technology resources. We guard against business interruption by maintaining a disaster recovery plan, which includes, among other things, storing critical business information off-site, maintaining a redundant data center, testing the disaster recovery plan, and providing on-site power backup. Additionally, we use a risk-based approach to create and implement a detailed set of information security policies and procedures to protect against cybersecurity threats.

In addition to cash, we accept credit cards, debit cards, and gift cards as payment at our restaurants. We have systems and processes in place that focus on the protection of our guests' credit and debit card information and other private information that we are required to protect, such as our employees' personal information. Our systems have been carefully designed and configured to safeguard against data loss or compromise. We submit our systems to regular audit and review, ensuring compliance with the requirements of Payment Card Industry Data Security Standards and to assess vulnerability in our systems. See Risk Factors in Item 1A of this Form 10-K for a discussion of risks associated with breaches of security related to confidential guest and/or employee information.

We have made several digital enhancements to improve the guest experience and better support increased volumes at our restaurants. These enhancements include a fully customized digital experience that allows our guests to get on the waitlist or place an order for pickup or curbside service and has gift card and payment functionality. We have also implemented texting systems which allows our dine-in guests to wait outside or in their cars and has improved the to-go experience. In addition, we have implemented systems that enable touchless menus and contactless payments, providing a smoother guest checkout experience and enhanced turnaround times. Finally, we have implemented digital display

systems in our kitchens that increase kitchen efficiency, allow us to handle increased volumes, and enhance the employee experience. We have installed this system in nearly half of our domestic restaurants with plans to expand to all domestic restaurants in 2025.

Additionally, in 2024, we implemented a new human capital management system. This system is an integrated, cloud solution that provides enhanced recruiting, onboarding, time management, absence management, and payroll solutions.

We believe that our current systems and practice of implementing regular updates will position us well to support our current needs and future growth. Information systems projects are prioritized based on strategic, financial, regulatory, and other business advantage criteria.

Competition

Competition in the restaurant industry is intense. We compete with well-established food service companies on the basis of taste, quality, and price of the food offered, service, atmosphere, location, take-out and delivery options, as well as the overall dining experience. Our competitors include a large and diverse group of restaurant chains and individual restaurants that range from independent local operators that have opened restaurants in various markets to well-capitalized national restaurant chains. We also face competition from meal kit delivery services as well as the supermarket industry. In addition, improving product offerings of fast-casual and quick-service restaurants and better execution of to-go sales, together with negative economic conditions could cause consumers to choose less expensive alternatives. Although we believe that we compete favorably with respect to each of the above channels, other restaurants and retail establishments compete for the same casual dining guests, quality site locations, and restaurant-level employees as we do. We expect intense competition to continue across all aspects of the restaurant industry.

Trademarks

We derive significant value from the ownership and use of our trademarks, service marks, trade dress, and other intellectual property rights. We rely on these to market our concepts to consumers, distinguish our brands from other restaurant concepts, establish our unique brands, and prevent consumer confusion with other restaurant concepts. Accordingly, we have implemented processes to monitor our registrations and identify any infringement of our intellectual property rights. Our registered trademarks and service marks include, among others, our trade names and logos related to certain core menu offerings. We have registered all of our significant domestic marks for our restaurants with the United States Patent and Trademark Office. We have registered or have registrations pending for our most significant trademarks and service marks in multiple foreign jurisdictions and have registered or have registrations pending on certain trademarks and service marks for different classifications relating to our retail initiatives. We have also registered various Internet domain names.

Government Regulation

We are subject to a variety of federal, state, local, and international laws affecting our business. For a discussion of the risks and potential impact on our business of a failure by us to comply with applicable laws and regulations, see Item 1A, Risk Factors.

Each of our restaurants is subject to permitting and licensing requirements and regulations by a number of government authorities, which may include, among others, alcoholic beverage control, health and safety, sanitation, labor, use of packaging and materials, zoning, and public safety agencies in the state and/or municipality in which each restaurant is located. The development and operation of restaurants depends on selecting and acquiring suitable sites that satisfy our financial targets, which are subject to zoning, land use, environmental, traffic, and other regulations. We are also subject to laws and regulations relating to the preparation and sale of food, including regulations regarding product safety, nutritional content, and menu labeling.

In addition to domestic regulations, our international business exposes us to additional regulations, including antitrust and tax requirements, anti-boycott legislation, import/export and customs regulations and other international trade regulations, the USA Patriot Act, and the Foreign Corrupt Practices Act.

In order to serve alcoholic beverages in our restaurants, we must comply with alcoholic beverage control regulations which require each of our restaurants to apply to a state authority, and, in certain locations, county or

municipal authorities, for a license or permit to sell alcoholic beverages at our restaurants. These licenses or permits must be renewed annually and may be revoked or suspended for cause at any time. We are also subject in certain states to “dram shop” statutes, which generally provide a person injured by an intoxicated person the right to recover damages from an establishment that served alcoholic beverages to the intoxicated person. Consistent with industry standards, we focus on responsible alcohol service training and carry liquor liability coverage as part of our existing comprehensive general liability insurance as well as excess umbrella coverage. Additionally, and as part of our enterprise risk management program, we have a cross-functional risk subcommittee focused solely on responsible alcohol service.

Our restaurant operations are also subject to federal and state wage and hour laws and regulations governing such matters as minimum wage and overtime, meal and rest breaks, proper exempt classification, child labor, paying for all hours worked (including overtime), and proper handling of tips. A significant number of our hourly restaurant personnel receive tips as part of their compensation and are paid at or above a minimum wage rate after giving effect to applicable tips. We rely on our employees to accurately disclose the full amount of their tip income. We base our FICA tax reporting on the disclosures provided to us by our tipped employees.

Since 2002, we have had a Tip Rate Alternative Commitment agreement with the Internal Revenue Service. By complying with educational and other requirements of the agreement, we reduce the likelihood of potential employer-only FICA assessments for unreported or underreported tips.

Our restaurants are also subject to other federal and state labor laws and regulations governing such matters as health benefits, leaves of absence, unemployment taxes, workers’ compensation, work authorization and eligibility requirements, working conditions, safety standards, equal employment opportunities, anti-discrimination and harassment, reasonable accommodation, and other similar legal requirements.

Our restaurants must comply with the applicable requirements of the Americans with Disabilities Act of 1990 (“ADA”) and related state accessibility statutes. Under the ADA and related state laws, we must provide equal access to our goods and services to disabled guests. In addition, when constructing or undertaking remodeling of our restaurants, we must comply with the applicable ADA Standards for Accessible Design.

We are subject to laws relating to information security, data privacy, cashless payments, and consumer credit protection and fraud. An increasing number of governments and industry groups worldwide have established data privacy laws and standards for the protection of personal information, including social security numbers, financial information (including credit and debit card numbers), and health information.

Seasonality

Our business is subject to seasonal fluctuations. Historically, sales in most of our restaurants have been higher during the winter months of each year. Holidays, changes in weather, severe weather, and similar conditions may impact sales volumes seasonally in some operating regions. As a result, our quarterly operating results and comparable restaurant sales may fluctuate due to seasonality. Accordingly, results for any one quarter are not necessarily indicative of results to be expected for any other quarter or for any year and comparable restaurant sales for any particular future period may fluctuate.

Human Capital Management

At Texas Roadhouse, we take pride in being a *People-First* company. As of December 31, 2024, we employed approximately 95,000 people. This included 895 executive and administrative personnel and 3,736 restaurant management personnel, while the remainder were full and part-time hourly restaurant personnel. None of our employees are covered by a collective bargaining agreement and we consider our employee relations to be good.

Our business relies on our ability to attract and retain talented employees. To attract and retain talent, we cast a wide net, sourcing qualified candidates through multiple channels, and maintain our *People-First* culture through shared core values and a performance-based compensation program supported by competitive benefits and health programs. Further, our training and development programs are designed to provide our employees with ample opportunities to grow and develop in their careers.

Additionally, we believe that diversity of talent and experience and inclusion of all Roadies is what makes us truly Legendary. We value and welcome employees of all walks of life to share their gifts, strengths, voices, talents, and inspiration with us while working in our restaurants and Support Center, as we strive to reflect the communities we are

proud to serve. We are passionate about treating everyone with respect, appreciation, and fairness every day to ensure that we remain a legendary place to work. As a result, we are committed to attracting, retaining, engaging, recognizing, and developing a workforce that mirrors the diversity of our guests and is committed to upholding our shared values.

The table below shows the gender and racial and ethnic diversity of our employees as of December 31, 2024:

| | December 31, 2024 | |
|-----------------------------------|-------------------|---------------------|
| | Women | People of Color (1) |
| Support Center..... | 53 % | 12 % |
| Restaurant Managers..... | 40 % | 24 % |
| Hourly Restaurant Employees | 57 % | 44 % |

- (1) Denotes employees at company restaurants and our Support Center that identify as American Indian/Alaskan Native, Asian, Black/African American, Hispanic/Latino, Native Hawaiian/Pacific Islander, or two or more races.

Maintaining our Culture and Core Values. In our restaurants and at our Support Center, we are committed to our shared “Core Values of Passion, Partnership, Integrity, and Fun with Purpose”. These Core Values form the foundation of who we are as a company and how we interact with respect, appreciation, and fairness towards one another every day.

Performance-based Compensation and Benefits. We offer a performance-based compensation program to our managing partners and market partners. Each of these positions earn a base salary plus a performance bonus, which represents a percentage of each of their respective restaurant’s pre-tax income. By providing our partners with a significant stake in the success of our restaurants, we believe that we are able to attract and retain talented, experienced, and highly motivated managing and market partners.

We also support our employees by offering competitive wages and benefits for eligible employees. In addition to salaries, these programs (which vary by employee level) include, among other items, bonuses, stock awards, retirement savings plans with employer matching contributions, healthcare and insurance benefits, health savings and flexible spending accounts, tuition reimbursement, paid time off, paid parental leave, and various employee assistance programs.

Personal Development. We motivate and develop our employees by providing them with opportunities for increased responsibilities and advancement. As a part of our overall *People-First* strategy, we are committed to providing training and development opportunities through a variety of in-person and virtual programs and classes that are offered to restaurant employees, operators, and Support Center employees, all of which are designed to give employees at all levels the tools to succeed at their current job as well as opportunities for continuous learning, networking, growth, and development. With thousands of leadership positions across our restaurants, we provide a pathway and training for thousands of individuals across the country to advance from entry-level jobs into management roles. In addition, our geographic footprint often allows us to offer our restaurant team members relocation options at similar roles due to personal circumstances.

Employee Engagement. We value the diverse thoughts, opinions, and feedback from our employees at all levels across the Company, which means engaging and listening as a management team to what our employees have to say. We take an expansive and strategic approach to the manner in which we solicit and receive feedback utilizing a variety of methods from in-person focus groups to large-scale surveys. Through this employee engagement, we believe these listening sessions and tools allow us a better opportunity to constructively engage with and understand our employees’ strengths, opportunities, and challenges as we continue to work to evaluate and develop ways to leverage or address opportunities in our business.

Health and Safety. The health and safety of our employees is a top priority and we are committed to providing a safe workplace, ensuring the safety and well-being of all team members while also ensuring that we are in compliance with all laws and regulations as well as internal policies. This commitment includes the deployment of specific protocols and standards to our restaurants that focus on maintaining the health and safety of our employees.

Andy’s Outreach. Founded in 2005, Andy’s Outreach is a non-profit, tax-exempt organization whose mission is to provide financial support to employees of Texas Roadhouse and their families in times of severe hardship or crisis and in cases of tragic or catastrophic need. Andy’s Outreach is mainly funded by the support of Texas Roadhouse employees through payroll contributions, a domestic franchise store that is owned by Andy’s Outreach, and other fundraising efforts. Since its inception, Andy’s Outreach has assisted over 24,000 employees and distributed over \$30 million.

Additional information about our *People-First* initiatives is available through our website at www.texasroadhouse.com, under the investors section.

Corporate Sustainability

Our corporate sustainability mission is to leave every community better than we found it by focusing on four pillars – food, community, employees, and conservation. As we test and roll out new programs, we continue to build champions who are invested in furthering our sustainability efforts. Ongoing initiatives such as our meat cutter program, support of non-profits, employee development, and focus on conservation, create steady progress for our overall corporate sustainability program and are integrated into our daily operations. Additional information about our corporate sustainability mission is available through our website at www.texasroadhouse.com, under the corporate sustainability section.

Website Access to Reports

We make our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and amendments to those reports, filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act, available, free of charge on or through our website, www.texasroadhouse.com, as soon as reasonably practical after we electronically file such material with, or furnish it to, the Securities and Exchange Commission (“SEC”). The SEC maintains a website at www.sec.gov that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC.

Information about our Executive Officers

Set forth below are the name, age, position, and a brief account of the business experience of each of our executive officers. Executive officers are appointed by our Board of Directors (the “Board”) and serve until their successors are appointed or until resignation or removal, in accordance with their employment agreements. There are no family relationships among any of our executive officers.

| Name | Age | Position |
|-----------------------------|-----|--|
| Gerald L. Morgan | 64 | Chief Executive Officer |
| Regina A. Tobin | 61 | President |
| Christopher C. Colson | 48 | Chief Legal and Administrative Officer |
| Hernan E. Mujica | 63 | Chief Technology Officer |
| D. Christopher Monroe | 58 | Chief Financial Officer |
| Travis C. Doster | 58 | Chief Communications Officer |

Gerald L. Morgan. Mr. Morgan is Chief Executive Officer of the Company, having been appointed to this position in March 2021. Mr. Morgan joined the Company in 1997, during which time he has held the positions of Managing Partner, Market Partner, and Regional Market Partner. Mr. Morgan also previously served as President from December 2020 until Ms. Tobin’s appointment to President in January 2023. Mr. Morgan has nearly 40 years of restaurant management experience with Texas Roadhouse, Bennigan’s Restaurants, and Burger King.

Regina A. Tobin. Ms. Tobin is President of the Company, having been appointed to this position in January 2023. Ms. Tobin previously served as the Company’s Chief Learning and Culture Officer, a position she held from June 2021 through her appointment to President. Ms. Tobin joined the Company in 1996, during which time she has held the positions of Managing Partner, Market Partner, and Vice President of Training. Ms. Tobin has nearly 40 years of restaurant industry experience.

Christopher C. Colson. Mr. Colson is Chief Legal and Administrative Officer and Corporate Secretary of the Company, having been appointed to Chief Legal and Administrative Officer in January 2023 and Corporate Secretary in August 2019. Mr. Colson previously served as the Company’s General Counsel, a position he held from March 2021 through his appointment to Chief Legal and Administrative Officer. Mr. Colson joined the Company in 2005, during which time he has held the positions of Senior Counsel, Associate General Counsel, and Executive Director of the Global Development Group. Mr. Colson has over 20 years of restaurant industry experience with Texas Roadhouse, Frost Brown Todd (serving as outside counsel to the Company), YUM! Brands, and as assurance staff at KPMG.

Hernan E. Mujica. Mr. Mujica is Chief Technology Officer of the Company, having been appointed to this position in January 2023. Mr. Mujica had been previously designated Chief Information Officer, an executive officer position that he held from June 2021 through his appointment to Chief Technology Officer. Mr. Mujica joined the Company in 2012 as Vice President of Information Technology and was subsequently promoted to Chief Information Officer. Prior to joining the Company, Mr. Mujica held senior management positions at The Home Depot and Arthur Andersen. Mr. Mujica has over 30 years of experience in both industry and consulting roles.

D. Christopher Monroe. Mr. Monroe is Chief Financial Officer of the Company, having been appointed to this position in June 2023 upon joining the Company. In this role, Mr. Monroe is responsible for overseeing the Company's accounting, financial reporting, investor relations, tax, treasury, internal audit, and finance functions, as well as serving as the Company's principal financial officer. Prior to joining the Company, Mr. Monroe served in various positions at Southwest Airlines, including Director of Corporate Finance, Assistant Treasurer, and Vice President Treasurer, until his promotion in 2017 to Senior Vice President of Finance and Treasurer. As Senior Vice President of Finance and Treasurer, he oversaw the overall capital strategy, planning, and structure for Southwest Airlines with responsibility for corporate insurance and risk management, as well as supply chain management and corporate sustainability. Mr. Monroe has over 35 years of finance experience.

Travis C. Doster. Mr. Doster is Chief Communications Officer of the Company, having been appointed to this position in November 2023. In this role, he is responsible for leading the Company's communications, marketing, events, public affairs, government relations, and corporate sustainability functions. Mr. Doster joined the Company in 2006, as the Director, then Senior Director, of Communications where he served until his promotion to Vice President of Communications in 2018. Prior to joining the Company, Mr. Doster was a Vice President at FSA Public Relations, where he and his staff provided a number of services, including public relations, crisis management, and issues management, for national clients, including, Jimmy John's Gourmet Sandwich Shops, Qdoba Mexican Grill, and Cameron Mitchell Restaurants. Mr. Doster has over 30 years of media, public relations, and industry experience.

ITEM 1A. RISK FACTORS

Careful consideration should be given to the risks described below. If any of the risks and uncertainties described in the cautionary factors described below actually occur, our business, financial condition, results of operations, liquidity, and the trading price of our common stock could be materially and adversely affected. Moreover, we operate in a very competitive and rapidly changing environment. New factors emerge from time to time and it is not possible to predict the impact of all these factors on our business, financial condition, results of operations, or liquidity.

Risks Related to our Growth and Operating Strategy

Our growth strategy, which primarily depends on our ability to open new restaurants that are profitable, is subject to many factors, some of which are beyond our control.

We cannot assure you that we will be able to open new restaurants that are profitable in accordance with our expansion plans. We have experienced delays in opening some of our restaurants in the past and may experience delays in the future. These delays impact the timing of new restaurant openings and the related pre-opening expenses. Delays or failures in opening new restaurants could adversely affect our growth strategy. One of our biggest challenges in executing our growth strategy may be locating and securing an adequate supply of suitable new restaurant sites that satisfy our financial targets. Competition for suitable restaurant sites in our target markets may be intense.

Once opened, we anticipate that our new restaurants will generally take several months to reach planned operating levels due to start-up inefficiencies typically associated with new restaurants. We cannot assure you that any restaurant we open will be profitable or obtain operating results similar to those of our existing restaurants. Some of our new restaurants will be located in areas where we have little or no meaningful experience. Those new markets may have smaller trade areas and different competitive conditions, consumer tastes, and discretionary spending patterns than our traditional, existing markets, which may cause our new store locations to be less successful than restaurants in our existing market areas. Restaurants opened in new markets may open at lower average weekly sales volume than restaurants opened in existing markets and may have higher restaurant-level operating expense ratios than in existing markets. Sales at restaurants opened in new markets may take longer to reach average unit volume, if at all, thereby affecting our overall profitability. Our localized marketing strategy may not result in brand awareness and guest engagement. Additionally, the opening of a new restaurant could negatively impact sales at one or more of our existing nearby restaurants, which could adversely affect our results of operations.

Our ability to open new restaurants that are profitable will also depend on numerous other factors, many of which are beyond our control, including, but not limited to, the following:

- our ability to hire, train, and retain qualified operating personnel, especially market partners, managing partners, and/or other restaurant management personnel who can execute our business strategy and maintain our culture and brand standards;
- our ability to negotiate suitable purchase or lease terms to execute our business strategy;
- the availability and cost of construction materials, equipment and labor;
- our ability to control construction and development costs of new restaurants (including increased site, supply chain, and distribution costs);
- the potential impact of tariffs on U.S. imports, specifically building materials and restaurant equipment;
- our ability to secure required governmental approvals and permits in a timely manner, or at all;
- road construction and other factors limiting access to the restaurant;
- delays by our landlord or other developers in constructing other parts of a development adjacent to our premises in a timely manner;
- redevelopment of other parts of a development adjacent to our premises that affect the parking available for our restaurant;
- our ability to secure liquor licenses;
- competitive and economic conditions, consumer tastes and discretionary spending patterns that are different from and more difficult to predict or satisfy than in our existing markets;
- changes in federal, state, and/or local tax laws;
- the cost and availability of capital to fund construction costs and pre-opening expenses; and
- the impact of inclement weather, natural disasters, and other calamities.

You should not rely on past changes in our average unit volume or our comparable restaurant sales as an indication of our future results of operations because they may fluctuate significantly.

A number of factors have historically affected, and will continue to affect, our average unit volume and comparable restaurant sales, including, among other factors:

- consumer awareness and understanding of our concepts;
- our ability to execute our business strategy effectively;
- our ability to maintain higher levels of to-go sales at our restaurants;
- competition, from our competitors in the restaurant industry, our own restaurants, and/or other food service providers (such as delivery services and grocery stores);
- the impact of permanent changes in weather patterns that can cause inclement weather, natural disasters, and other calamities which impact guest traffic or product availability at our restaurants;
- consumer trends and seasonality;
- our ability to increase menu prices without adversely impacting guest traffic counts or per person average check growth;

- introduction of new menu items;
- loss of parking and/or access rights due to government action (such as eminent domain actions) or through private transactions;
- closures and/or dining rooms operating at limited capacity due to government mandated restaurant closures and/or limited availability of staff to meet our business standards;
- negative publicity regarding food safety, health concerns, quality of service, and other food or beverage related matters, including the integrity of our or our suppliers' food processing;
- general economic conditions, including an economic recession, which can affect restaurant traffic, local labor costs, and prices we pay for the food and beverage products and other supplies we use;
- legislation that impacts our suppliers' ability to maintain compliance with laws and regulations and impacts our ability to source product; and
- effects of actual or threatened terrorist attacks (including cyber and/or ransomware attacks).

Our average unit volume and comparable restaurant sales may not increase at rates achieved in the past, which may affect our sales growth and will continue to be a critical factor affecting our profitability. Our business is also subject to seasonal fluctuations. Historically, sales in most of our restaurants have been higher during the winter months of each year. Holidays, changes in weather, severe weather, and similar conditions may impact sales volumes seasonally in some operating regions. Accordingly, results for one quarter are not necessarily indicative of results to be expected for any other quarter or for any year and comparable restaurant sales for any particular future period may decrease. In the future, operating results may fall below the expectations of securities analysts and investors. In that event, the price of our common stock could decrease.

The development and/or acquisition of additional restaurant concepts may not contribute to our growth.

The development of additional restaurant concepts, including Bubba's 33 and Jaggers, created internally or acquired as a part of our other strategic initiatives may not be as successful as our experience in the development of the Texas Roadhouse concept. These concepts may have lower brand awareness and less operating experience than most Texas Roadhouse restaurants. In addition, they may have a higher initial investment cost and/or a lower per person average check amount. As a result, the development and/or acquisition of additional restaurant concepts may not contribute to our average unit volume growth and/or profitability in an incremental way. We can provide no assurance that these units will be accepted in the markets targeted for expansion and/or that we or our franchisees will be able to achieve our targeted returns when opening new locations. In the future, we may determine not to move forward with any further expansion and/or acquisition of additional restaurant concepts. These decisions could limit or delay our overall long-term growth. Additionally, expansion and/or acquisition of additional restaurant concepts might divert our management's attention from other business concerns or initiatives and could have an adverse impact on our core Texas Roadhouse business.

Our expansion into international markets presents increased economic, political, regulatory, and other risks.

The entrance into international markets may not be as successful as our experience in the development of our concepts domestically or any success we have had with our concepts in other international markets. In addition, operating in international markets may require significant resources and management attention and will subject us to economic, political, and regulatory risks that are different from and incremental to those in the United States. In addition to the risks that we face in the United States, our international operations involve risks that could adversely affect our business, including:

- the need to adapt our concepts for specific cultural and language differences;
- new and different sources of competition;
- the ability to identify appropriate business partners;
- difficulties and costs associated with staffing and managing foreign operations;

- difficulties in adapting and sourcing product specifications for international restaurant locations;
- fluctuations in currency exchange rates, which could impact royalties, revenue and expenses of our international operations, and expose us to foreign currency exchange rate risk;
- difficulties in complying with local laws, regulations, and customs in foreign jurisdictions;
- unexpected changes in regulatory requirements or tariffs on goods needed to construct and/or operate our restaurants;
- political or social unrest, economic instability, and destabilization of a region;
- effects of actual or threatened terrorist attacks;
- health concerns from global pandemics;
- compliance with U.S. laws such as the Foreign Corrupt Practices Act, and similar laws in foreign jurisdictions;
- differences in the registration and/or enforceability of intellectual property and contract rights;
- adverse tax consequences;
- profit repatriation and other restrictions on the transfer of funds; and
- different and more stringent user protection, data protection, privacy, and other laws.

Our failure to manage any of these risks successfully could harm our future international operations and our overall business and results of our operations.

We are also subject to governmental regulations throughout the world impacting the way we do business with our international franchisees. These include antitrust and tax requirements, anti-boycott regulations, import/export/customs, tariffs and other international trade regulations, the USA Patriot Act, and the Foreign Corrupt Practices Act. Failure to comply with any such legal requirements could subject us to monetary liabilities and other sanctions, which could adversely impact our business and financial performance.

Acquisition of existing restaurants from our domestic franchisees and other strategic initiatives may have unanticipated consequences that could harm our business and our financial condition.

We plan to continue to opportunistically acquire existing restaurants from our domestic franchisees over time. Additionally, from time to time, we evaluate potential mergers, acquisitions, joint ventures, or other strategic initiatives (including retail initiatives utilizing our intellectual property or other brand extensions) to acquire or develop additional business channels or concepts, and/or change the business strategy regarding an existing concept. To successfully execute any acquisition or development strategy, we will need to identify suitable acquisition or development candidates, negotiate acceptable acquisition or development terms, and possibly obtain appropriate financing.

Any acquisition or future development that we pursue, including the on-going development of new concepts or retail initiatives utilizing our intellectual property, whether or not successfully completed, may involve risks, including:

- material adverse effects on our operating results, particularly in the fiscal quarters immediately following the acquisition or development as the restaurants are integrated into our operations;
- risks associated with entering into new domestic markets or conducting operations where we have no or limited prior experience;
- risks associated with successfully integrating new employees, processes, and systems while also maintaining our culture and brand standards;

- risks inherent in accurately assessing the value, future growth potential, strengths, weaknesses, contingent and other liabilities and potential profitability of acquisition candidates, and our ability to achieve projected economic and operating synergies, without impacting our underlying business; and
- the diversion of management's attention from other business concerns.

Future acquisitions of existing restaurants from our franchisees or other strategic partners, which may be accomplished through a cash purchase transaction, the issuance of shares of common stock, or a combination of both, could have a dilutive impact on holders of our common stock and result in the incurrence of debt and contingent liabilities and impairment charges related to goodwill and other tangible and intangible assets, any of which could harm our business and financial condition. Additionally, following a franchise acquisition, we may be required to incur substantial capital improvement costs to meet company standards, which could impact our return on such acquisition.

Additionally, we may evaluate other means to leverage our competitive strengths, including the expansion of our products across other strategic initiatives or business opportunities (including retail initiatives utilizing our intellectual property). The expansion of our products may damage our reputation if products bearing our brands are not of the same quality or value that guests associate with our concepts or if our partners are accused of any actual or alleged misconduct. In addition, we may experience dilution of the goodwill associated with our concepts as they become more common and increasingly accessible.

Approximately 21% of our company restaurants are located in Texas and Florida and, as a result, we are sensitive to economic and other trends and developments in those states.

As of December 31, 2024, we operated a total of 93 company restaurants in Texas and 48 company restaurants in Florida. As a result, we are particularly susceptible to adverse trends and economic conditions in those states, including any state mandated changes in minimum and tipped wage rates and economic pressures that may result in lower sales and profits at our restaurants. In addition, given our geographic concentration in these states, negative publicity regarding any of our restaurants in either Texas or Florida could have a material adverse effect on our business and operations, as could other occurrences in either Texas or Florida such as health epidemics or pandemics, local strikes, energy shortages or extreme fluctuations in energy prices, droughts, earthquakes, hurricanes, fires, or other natural disasters.

Our franchisees could take actions that could harm our business.

Both our domestic and international franchisees are contractually obligated to operate their restaurants in accordance with our applicable restaurant operating standards. We also provide training and support to franchisees. However, most franchisees are independent third parties that we do not control, and these franchisees own, operate, and oversee the daily operations of their restaurants. As a result, the ultimate success and quality of any franchise restaurant rests with the franchisee. If franchisees or their employees do not successfully operate restaurants or act in a manner consistent with our standards, our image and reputation could be harmed, which in turn could adversely affect our business and operating results.

Decreased cash flow from operations, or an inability to access credit, could negatively affect our business initiatives or may result in our inability to execute our revenue, expense, and capital allocation strategies.

Our ability to fund our operating plans and to implement our capital allocation strategies depends on sufficient cash flow from operations and/or other financing, including the use of funding under our credit facility. We also may seek access to the debt and/or equity capital markets. There can be no assurance, however, that these sources of financing will be available on terms favorable to us, or at all. Our capital allocation strategies include, but are not limited to, new restaurant development, payment of dividends, refurbishment or relocation of existing restaurants, repurchases of our common stock, and franchise acquisitions. If we experience decreased cash flow from operations, our ability to fund our operations and planned initiatives, and to take advantage of growth opportunities, may be delayed or negatively affected. In addition, these disruptions or a negative effect on our revenue could affect our ability to borrow or comply with our covenants under our credit facility. If we are unable to raise additional capital, our growth could be impeded.

Our existing credit facility limits our ability to incur additional debt.

The lenders' obligation to extend credit under our credit facility depends on our maintaining certain financial covenants. If we are unable to maintain these covenants, we would be unable to obtain additional financing under this

credit facility. The credit facility permits us to incur additional secured or unsecured indebtedness outside the credit facility, except for the incurrence of secured indebtedness that in the aggregate is equal to or greater than \$125.0 million and 20% of our consolidated tangible net worth or circumstances where the incurrence of secured or unsecured indebtedness would prevent us from complying with our financial covenants. If we are unable to borrow additional capital or have sufficient liquidity to either repay or refinance the then outstanding balance at the expiration of our credit facility, or upon violation of the covenants, our growth could be impeded and our financial performance could be significantly adversely affected.

We are subject to all of the risks associated with leasing space subject to long-term non-cancelable leases, as well as risks related to renewal.

The majority of our company restaurants are located on leased premises. Additional sites that we lease are likely to be subject to similar long-term non-cancelable leases. In connection with the relocation, other operational changes or closure of any restaurant, we may nonetheless be committed to perform on our obligations under the applicable lease including, among other things, paying the base rent and real estate taxes for the balance of the lease term. We also are subject to landlord actions that could negatively impact our business or operations.

In addition, as each of our leases expires, there can be no assurance we will be able to renew our expiring leases after the expiration of all remaining renewal options, either on commercially acceptable terms or at all. As a result, 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 relocate or close a restaurant, which could subject us to construction and other costs and risks and may have an adverse effect on our results of operations.

We may be required to record impairment charges in the future.

In accordance with accounting guidance as it relates to the impairment of long-lived assets, we make certain estimates and projections with regard to company restaurant operations, as well as our overall performance in connection with our impairment analysis for long-lived assets. When impairment triggers are deemed to exist for any company restaurant, the estimated undiscounted future cash flows for the restaurant are compared to its carrying value. If the carrying value exceeds the undiscounted cash flows, an impairment charge would be recorded equal to the difference between the carrying value and the estimated fair value.

We review the value of our goodwill on an annual basis and also when events or changes in circumstances indicate that the carrying value of goodwill may exceed its fair value. Estimates of fair value are based upon the best information available as of the date of the assessment and incorporate management assumptions about expected future cash flows and contemplate other valuation measurements and techniques.

The estimates of fair value used in these analyses require the use of judgment regarding certain assumptions and estimates of future operating results. If actual results differ from our estimates or assumptions, impairment charges may be required in the future. If impairment charges are significant, our results of operations could be adversely affected.

Risks Related to Consumer Discretionary Spending and Macroeconomic Conditions

Changes in consumer preferences and discretionary spending could adversely affect our business.

Our success depends, in part, upon the popularity of our food products. Continued social concerns or shifts in consumer preferences away from our restaurants or food offerings, particularly beef, could harm our business. Consumer preferences regarding food sourcing in response to environmental or welfare concerns could also harm our business. Additionally, current and new medical treatments may cause consumers to avoid or consume less of our products.

Our success also depends to a significant extent on discretionary consumer spending, which is influenced by general economic conditions, including high inflationary periods, and the availability of discretionary income. Accordingly, we may experience declines in sales during economic downturns, pandemics, or other periods of uncertainty. Any material decline in the amount of discretionary spending could have a material adverse effect on our business, results of operations, financial condition, or liquidity.

Our objective to increase sales and profits at existing restaurants could be adversely affected by macroeconomic conditions.

In future periods, the U.S. and global economies could further suffer from a downturn in economic activity. Recessionary economic cycles, higher interest rates, higher fuel and other energy costs, sustained labor inflation, increases in commodity prices, higher levels of unemployment, higher consumer debt levels, higher tax rates and other changes in tax laws, imposition of tariffs, financial market volatility, political or military conflicts, social unrest, government spending, a low or stagnant pace of economic recovery and growth, or other economic factors that may affect consumer spending or buying habits could adversely affect the demand for our products. In addition, there is no assurance that any governmental plans to stimulate the economy will foster growth in consumer spending or buying habits. As in the past, we could experience reduced guest traffic or we may be unable or unwilling to increase the prices we charge for our products to offset higher costs or fewer transactions, either of which could reduce our sales and profit margins. Also, landlords or other tenants in the shopping centers in which some of our restaurants are located may experience difficulty as a result of macroeconomic trends or cease to operate, which could in turn negatively affect guest traffic at our restaurants. All of these factors could have a material adverse impact on our business, results of operations, financial condition, or liquidity.

Risks Related to Government Regulation and Litigation

We may not be able to obtain and maintain licenses and permits necessary to operate our restaurants and compliance with governmental laws and regulations could adversely affect our operating results.

The restaurant industry is subject to various federal, state, and local government regulations, including those relating to the sale of food and alcoholic beverages. Such regulations are subject to change from time to time, sometimes without notice to us. The failure to obtain and maintain these licenses, permits, and approvals, including liquor licenses, could adversely affect our operating results. Difficulties or failure to obtain the required licenses and approvals could delay or result in our decision to cancel the opening of new restaurants. Local authorities may revoke, suspend, or deny renewal of our liquor licenses if they determine that our conduct violates applicable regulations.

In addition to having to comply with these licensing requirements, various federal and state labor laws govern our relationship with our employees and affect operating costs. These laws include minimum and tipped wage requirements, overtime pay, meal and rest breaks, exempt classifications, health benefits, unemployment taxes, workers' compensation, work authorization and eligibility requirements, equal employment opportunities, anti-discrimination and harassment requirements, and working conditions. A number of factors could adversely affect our operating results, including:

- additional government-imposed increases in minimum and/or tipped wages, hourly and overtime pay, paid leaves of absence, sick leave, and mandated health benefits;
- increased tax reporting and tax payment requirements for employees who receive gratuities;
- any failure of our employees to comply with laws and regulations governing work authorization and eligibility requirements resulting in disruption of our work force and adverse publicity;
- a reduction in the number of states that allow gratuities to be credited toward minimum wage requirements, or a federal mandate prohibiting such credits; and
- increased government enforcement and/or litigation relating to federal and state employment laws, regulations, and requirements.

The federal Americans with Disabilities Act prohibits discrimination on the basis of disability in public accommodations and employment. Although our restaurants and other places of accommodation are designed to be accessible to the disabled, we could be required to make unexpected modifications to provide service to, or make reasonable accommodations, for disabled persons.

We are subject to increasing legal complexity and could be party to litigation that could adversely affect us.

Increasing legal complexity will continue to affect our operations and results. We could be subject to legal proceedings and enforcement actions that may adversely affect our business, including class actions, administrative

proceedings, government investigations, employment and personal injury claims, claims alleging violations of federal and state laws regarding consumer, workplace, and employment matters, immigration matters, wage and hour claims, discrimination and similar matters, landlord/tenant disputes, disputes with current and former suppliers, claims by current and former franchisees, data privacy claims, and intellectual property claims (including claims that we infringed upon another party's trademarks, copyrights or patents). Additionally, we are subject to Securities and Exchange Commission ("SEC") and NASDAQ reporting and disclosure requirements. Inconsistent standards imposed by state and federal governmental authorities can adversely affect our business and increase our cost of compliance and exposure to litigation which could result in significant judgments, including punitive and liquidated damages, and injunctive relief.

Occasionally, our guests file complaints or lawsuits against us alleging that we are responsible for an illness or injury they suffered as a result of a visit to our restaurants, or that we have problems with food quality or operations. As a Company, we take responsible alcohol service seriously. However, we are subject to "dram shop" statutes. These statutes generally allow a person injured by an intoxicated person to recover damages from an establishment that served alcoholic beverages to the intoxicated person. Some litigation against restaurant chains has resulted in significant judgments, including punitive damages, under dram shop statutes. Because a plaintiff may seek punitive damages, which may not be covered by insurance, this type of action could have an adverse impact on our financial condition and results of operations.

Litigation involving our relationship with franchisees and the legal distinction between our franchisees and us for employment law purposes, if determined adversely, could increase costs, negatively impact the business prospects of our franchisees, and subject us to incremental liability for their actions.

Our operating results could also be affected by the following:

- the relative level of our defense costs and nature and procedural status of pending proceedings;
- the cost and other effects of settlements, judgments, or consent decrees, which may require us to make disclosures or to take other actions that may affect perceptions of our brands and products;
- adverse results of pending or future litigation, including litigation challenging the composition and preparation of our products, or the appropriateness or accuracy of our marketing or other communication practices; and
- the scope and terms of insurance or indemnification protections that we may have (if any).

Regardless of whether any claims against us are valid or whether we are liable, claims may be expensive to defend and may divert time, attention, and money away from our operations and hurt our performance. A judgment significantly in excess of any applicable insurance coverage could have a significant adverse effect on our financial condition or results of operations. Further, adverse publicity resulting from these claims may hurt our business.

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

We self-insure a significant portion of expected losses related to employee health, workers' compensation, general liability, employment practices liability, cybersecurity, and property insurance programs. This includes our wholly-owned captive insurance company which covers certain lines of coverage. We use third-party insurance with varying retention levels to limit our exposure to significant losses. However, there are types of losses we may incur that cannot be insured against or that we believe are not economically reasonable to insure. Such damages could have a material adverse effect on our business, results of operations, and/or liquidity.

Unanticipated changes in our claims experience and/or the actuarial assumptions and management estimates underlying our reserves for these losses could result in significant increases in expense under these programs, which could have a material adverse effect on our financial condition, results of operations, and liquidity. Additionally, if our insurance costs increase, there can be no assurance we will be able to successfully offset the effect of such increases and our results of operations may be adversely affected.

Changes in tax laws and unanticipated tax liabilities could adversely affect our financial results.

We are primarily subject to federal, state, and local income and other taxes in the United States. Our effective income tax rate and other taxes in the future could be affected by a number of factors, including changes in the valuation of deferred tax assets and liabilities, changes in tax laws or other legislative changes, and the outcome of income tax

audits. Any significant increases in income tax rates, changes in and/or interpretations of income tax laws, or unfavorable resolution of tax matters could have a material adverse impact on our results of operations, financial condition, or liquidity.

Failure to properly address environmental, social, and/or governance (“ESG”) matters could adversely affect our brand, business, results of operations, and financial condition.

Entities across all industries are facing increased attention related to ESG matters including packaging and waste, animal health and welfare, human rights, reproductive rights, diversity and inclusion efforts, climate change, greenhouse gases, and land, energy, and water use. In addition, we have faced enhanced pressure to not only provide expanded disclosures around ESG matters and establish goals or targets with respect to ESG matters but also pressure to scale back our programs and/or initiatives relating to the same.

Evolving consumer and investor interest and preferences as well as governmental regulation and scrutiny may result in additional disclosure, due diligence, reporting, and specific target-setting with regard to our business and supply chain that could result in additional costs to comply with such demands. However, our ESG-related programs and initiatives and disclosures relating to the same may also result in brand and/or reputational risks and demands. Failure to balance these competing demands could result in consumer or investor scrutiny and/or litigation and could have an adverse effect on our business. Establishing targets or making other public commitments due to these demands, without a full or complete understanding of the cost or operational impact of changes in our supply chain or operating model, could also adversely affect our business and financial condition. In addition, some individuals, shareholder activists, government officials, and regulators have expressed opposing views and actions with respect to ESG matters which includes the proposal or enactment of “Anti-ESG” policies and initiatives. We may face increased scrutiny, reputational risk, and other demands from these parties regarding our ESG initiatives.

Risks Related to Human Capital

Failure to retain the services of our key management personnel, to successfully execute succession planning, or attract additional qualified personnel could harm our business.

Our future success depends on the continued services and performance of our key management personnel and our ability to develop future successors of such personnel as a part of our succession planning. Our future performance will depend on our ability to motivate and retain these and other key officers, employees, and managers, particularly regional market partners, market partners, and managing partners. Competition for these employees is intense. The unplanned loss of the services of members of our senior management team or other key officers or managers or the inability to attract additional qualified personnel as needed could significantly harm our business. In addition, our business could suffer from any actual or alleged misconduct of any of our key personnel.

Our business could be adversely affected by increased labor costs or labor shortages.

Labor is a primary component in the cost of operating our business. We devote significant resources to recruiting and training our restaurant managers and hourly employees. Increased labor costs due to competition, unionization, increased minimum and tipped wages, changes in hourly and overtime pay, state unemployment rates, sick pay or other employee benefits costs (including workers' compensation and health insurance), company staffing initiatives, or otherwise any regulatory changes resulting from any of the foregoing would adversely impact our operating expenses. In addition, failure to adequately monitor and proactively respond to employee dissatisfaction could lead to poor guest satisfaction, higher turnover, litigation, and unionization efforts, which could negatively impact our results of operations.

Increased competition for qualified employees caused by a shortage in the labor pool exerts upward pressure on wages paid to attract and retain such personnel, resulting in higher labor costs, together with greater recruitment and training expense. We could suffer from significant indirect costs, including restaurant disruptions due to management or hourly labor turnover and potential delays in new restaurant openings. A shortage in the labor pool could also cause our restaurants to be required to operate with reduced staff which could negatively impact our ability to provide adequate service levels to our guests resulting in adverse guest reactions and a possible reduction in guest traffic counts. Additionally, personal or public health concerns might make some existing personnel or potential candidates reluctant to work in enclosed restaurant environments.

We have many restaurants located in states or municipalities where the minimum and/or tipped wage is greater than the federal minimum and/or tipped wage. We anticipate that additional legislation increasing minimum and/or tipped

wage standards will be enacted in future periods either federally or in state and local jurisdictions. In addition, regulatory actions which result in changes to healthcare eligibility, design, and cost structure could occur. Any increases in minimum and/or tipped wages or increases in employee benefits costs could result in sustained higher labor costs.

Our operating margin will be adversely affected to the extent that we are unable or are unwilling to offset any increase in these labor costs through higher prices on our products. Our distributors and suppliers also may be affected by higher minimum wage and benefit standards which could result in higher costs for goods and services supplied to us.

Our success depends on our ability to attract, motivate, and retain qualified employees to keep pace with our growth strategy. If we are unable to do so, our results of operations may also be adversely affected.

Risks Related to Technology, Privacy and Intellectual Property

We rely heavily on information technology, and any material failure, weakness, cybersecurity breach, or other interruption could prevent us from effectively operating our business.

We rely heavily on information systems in all aspects of our operations, including point-of-sale systems, digital apps, financial systems, marketing programs, e-commerce, and various other processes and transactions. This reliance has significantly increased in recent years as we have had to depend to a greater extent on systems such as online ordering, contactless payments, and online waitlists as our guests are increasingly using our website and digital applications to place and pay for their orders. Our point-of-sale processing in our restaurants includes collection of cash, credit cards, debit cards, gift cards, and other processes and procedures. Our ability to efficiently and effectively manage our business depends significantly on the reliability, security, and capacity of these systems. As our business needs continue to evolve, these systems will require upgrading and maintenance over time, consequently requiring significant future commitments of resources and capital. As we become increasingly reliant on digital ordering and payment as a sales channel, our business could be negatively impacted if we are unable to successfully implement, execute, or maintain our consumer-facing digital initiatives. Additionally, the increased use of remote work has increased the susceptibility of our infrastructure to disruption.

The failure of these systems to operate effectively, maintenance problems, upgrading or transitioning to new platforms, or a material breach in the security of these systems could result in delays or errors to guest service and reduce efficiency in our operations. In addition, as we implement new technology platforms to improve productivity and overall guest experience, there can be no guarantees that these platforms will operate as reliably or be as operationally impactful as intended.

We have disaster recovery procedures and business continuity plans in place to address physical and technological crises, including tornadoes and other natural disasters, and back-up off-site locations for recovery of electronic and other forms of data information. However, if we are unable to fully implement our disaster recovery and business continuity plans, we may experience delays in recovery of data, inability to perform vital corporate functions, tardiness in required reporting and compliance, failures to adequately support field operations, and other breakdowns in normal communication and operating procedures that could have a material adverse effect on our financial condition, results of operations, and exposure to administrative and other legal claims.

Our systems may be vulnerable to a variety of threats and the rapid evolution and increased adoption of artificial intelligence technologies may intensify our cybersecurity risks. These risks can include unauthorized access, theft, use, destruction, or other compromises of our systems and can occur through a variety of methods, including attacks using malware, ransomware, denial of service attacks, or phishing incidents. While we have not had a cybersecurity incident that has had a material impact on our operations, there can be no assurances that such incidents will not occur in the future. Any such attack or disruption could cause an interruption of normal business operations, damage to our reputation, and a loss in guest confidence. Additionally, we could be subject to litigation and government enforcement actions as a result of any such failure. Any such event could cause us to incur significant unplanned expenses in excess of our insurance coverage, which could have a material impact on our financial condition and results of operations.

Additionally, our ability to expand and update our information technology infrastructure in response to our growing and changing needs could be inhibited in the event of a cybersecurity incident. This could lead to a delayed implementation of new service offerings, disruptions to guest experiences including via our website and applications, and the diversion of resources that would otherwise be invested in expanding our business and operations.

We outsource certain business processes to third-party vendors that subject us to risks, including disruptions in business and increased costs.

Some business processes are currently outsourced to third parties, including such processes as information technology, credit, debit, and gift card authorization and processing, insurance claims processing, unemployment claims processing, property, sales, and payroll tax filings, vendor payment processing, and other accounting processes. We continually evaluate our other business processes to determine if additional outsourcing is an appropriate option to accomplish our goals. These third-party vendors may be subject to cybersecurity risks and any interruptions or malfunctions in their operations may cause interruptions of our normal business operations for which we may have limited or no control.

We make a diligent effort to validate that all providers of outsourced services maintain customary internal controls, such as redundant processing facilities and adequate security frameworks to guard against breaches or data loss; however, there are no guarantees that failures will not occur. Failure of third parties to provide adequate services or internal controls over their processes could have an adverse effect on our results of operations, financial condition, or ability to accomplish our financial and management reporting.

We may incur increased costs to comply with privacy and data protection laws and, if we fail to comply or our systems are compromised by a security breach, we could be subject to government enforcement actions, private litigation, and adverse publicity.

New, modified, and existing privacy and data protection laws and regulations may result in significant costs and compliance challenges and adversely affect our business and financial condition. These privacy laws and regulations, which are constantly evolving, may be interpreted by regulatory authorities in new and differing manners, including the issuing of rulings that invalidate prior laws or regulations or increase penalties, and such interpretations may be inconsistent among jurisdictions. We may incur increased costs to comply with increasingly demanding privacy laws and regulations and such compliance may impede the development and offering of new products or services and may adversely impact the guest experience. We could also be subject to government enforcement actions, private litigation, and adverse publicity including reputational damage and loss of guest confidence.

We receive and maintain certain personal, financial, or other information about our guests, vendors, and employees. In 2024, approximately 88% of our transactions were by credit or debit cards. In addition, certain of our vendors receive and/or maintain certain personal, financial, and other information about our employees and guests on our behalf. The use and handling, including security, of this information is regulated by privacy and data protection laws and regulations in various jurisdictions, as well as by certain third-party contracts, frameworks, and industry standards, such as the Payment Card Industry Data Security Standard. Hardware, software, or other applications we develop and procure from third parties or vendor's third-party applications could be subject to vulnerabilities or cybersecurity incidents or may contain unknown defects in design or manufacture or other problems that could unexpectedly compromise information security. Unauthorized parties may also attempt to gain access to our systems and facilities through fraud, trickery, or other forms of deceiving our employees or vendors.

In addition, if our security and information systems are compromised as a result of data corruption or loss, cybersecurity incident, or a network security incident, or if our employees or vendors (or other persons or entities with which we do business with) fail to comply with such laws and regulations or fail to meet industry standards and this information is obtained by unauthorized persons or used inappropriately, it could result in liabilities and penalties and could damage our reputation, cause interruption of normal business performance, cause us to incur substantial costs, and result in a loss of guest confidence, which could adversely affect our results of operations and financial condition.

Our failure or inability to enforce our trademarks or other proprietary rights could adversely affect our competitive position or the value of our brand.

We own certain common law trademark rights and a number of federal and international trademark and service mark registrations, including our trade names and logos, and proprietary rights relating to certain of our core menu offerings. We believe that our trademarks and other proprietary rights are important to our success and our competitive position. Therefore, we devote appropriate resources to the protection of our trademarks and proprietary rights. However, the protective actions that we take may not be enough to prevent unauthorized usage or imitation by others, which could harm our image, brand, or competitive position and, if we commence litigation to enforce our rights, cause

us to incur significant legal fees. Our inability to register or protect our marks and other proprietary rights in foreign jurisdictions could adversely affect our competitive position in international markets.

We cannot assure you that third parties will not claim that our trademarks or menu offerings infringe upon their proprietary rights. Any such claim, whether or not it has merit, could be time-consuming, result in costly litigation, cause delays in introducing new menu items in the future or require us to enter into royalty or licensing agreements. As a result, any such claim could have a material adverse effect on our business, results of operations, financial condition, or liquidity.

Risks Related to the Restaurant Industry

Changes in food and supply costs and/or availability of products could adversely affect our results of operations.

Our profitability depends in part on our ability to anticipate and react to changes in food and supply costs and/or the availability of products necessary to operate our business, including increased costs arising from federal and/or state mandated requirements. Any increase in food prices or loss of supply, particularly proteins, could adversely affect our operating results. In addition, we are susceptible to increases in food costs as a result of factors beyond our control, such as food supply constrictions, inflationary cycles, weather conditions, food safety concerns, global pandemics, product recalls, global market and trade conditions, and government regulations including the imposition of tariffs. We cannot predict whether we will be able to anticipate and react to changing food costs and/or loss of supply by adjusting our purchasing practices, menu prices, or menu offerings, and a failure to do so could adversely affect our operating results. Extreme and/or long term increases in commodity prices could adversely affect our future results, especially if we are unable, primarily due to competitive reasons, to increase menu prices. Additionally, if there is a time lag between the increasing commodity prices and our ability to increase menu prices or if we believe the commodity price increase to be short in duration and we choose not to pass on the cost increases, our short-term results could be negatively affected. Also, if we adjust pricing there is no assurance that we will realize the full benefit of any adjustment due to changes in our guests' menu item selections and guest traffic.

We currently purchase our beef primarily from four beef suppliers coming from the United States or Canada. While we maintain relationships with additional suppliers, if any of these vendors were unable to fulfill its obligations under its contracts, we could encounter supply shortages and/or incur higher costs to secure adequate supplies, either of which would harm our business.

Our success depends on our ability to compete with many food service businesses.

The restaurant industry is intensely competitive. We compete with many well-established food service companies on the basis of taste, quality, and price of products offered, guest service, atmosphere, location, take-out and delivery options, and overall guest experience. Our competitors include a large and diverse group of restaurant chains and individual restaurants that range from independent local operators that have opened restaurants in various markets to well-capitalized national restaurant chains. We also face competition from meal kit delivery services as well as the supermarket industry. In addition, improving product offerings of fast-casual and quick-service restaurants, together with negative economic conditions could cause consumers to choose less expensive alternatives. As our competitors expand their operations, we expect competition to intensify. We also compete with other restaurant chains and other retail establishments for quality site locations and employees. Our competitors may generate or more effectively implement business strategies that improve the value and the relevance of their brands and reputation, relative to ours. This includes our competitors' ability to adapt and respond to new technological developments, including artificial intelligence, to develop new customer insights that allows them to better respond to changing guest expectations.

The food service industry is affected by litigation and publicity concerning food quality, health, and other issues, which could cause guests to avoid our restaurants and could result in significant liabilities or litigation costs.

Food service businesses can be adversely affected by litigation and complaints from guests, consumer groups, or government authorities resulting from food quality, illness, injury, or other health concerns or operating issues stemming from one restaurant or a limited number of restaurants. Adverse publicity about these allegations may negatively affect us, regardless of whether the allegations are true, by discouraging guests from eating at our restaurants. We could also incur significant liabilities if a lawsuit or claim results in a decision against us or litigation costs regardless of the result.

Health, social and environmental concerns relating to the consumption or sourcing of beef or other food products could affect consumer preferences and could negatively impact our results of operations.

Like other restaurant chains, consumer preferences could be affected by concerns about the consumption or sourcing of beef, the key ingredient in many of our menu items, or negative publicity concerning food quality and food safety, including food-borne illnesses. In addition, consumer preferences may be impacted by current and future menu-labeling requirements or social and environmental concerns about the sourcing of food products throughout our supply chain. Future regulatory action may occur which could result in further changes in the nutritional and environmental disclosure requirements. We cannot make any assurances regarding our ability to effectively respond to changes in consumer perceptions and to adapt our menu offerings to prevailing trends. The imposition of menu-labeling and food sourcing laws or regulations could have an adverse effect on our results of operations and financial position, as well as the restaurant industry in general. The labeling and sourcing requirements and any negative publicity concerning any of the food products we serve may adversely affect demand for our food and could result in a decrease in guest traffic to our restaurants. If we react to labeling or sourcing requirements or negative publicity by changing our concepts or our menu offerings or their ingredients, we may lose guests who do not prefer the new concept or products, and we may not be able to attract sufficient new guests to produce the revenue needed to make our restaurants profitable. In addition, we may have different or additional competitors for our intended guests as a result of a change in our concept and may not be able to compete successfully against those competitors. A decrease in guest traffic to our restaurants as a result of these health, social, and environmental concerns or negative publicity or as a result of a change in our menu or concept could significantly harm our business.

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

Food safety and sanitation is a top priority, and we dedicate substantial resources to help our guests enjoy safe, quality food products. However, food-borne illnesses and food safety issues occur in the food industry from time to time. Any report or publicity, whether true or not, linking us to instances of food-borne illness or other food safety issues, including food tampering or contamination, could adversely affect our concepts and reputation as well as results of operations. In addition, instances of food-borne illness, food tampering, or food contamination occurring solely at restaurants of our competitors could result in negative publicity about the food service industry generally and adversely impact our revenue and profits.

Furthermore, our reliance on third-party food suppliers and distributors increases the risk that food-borne illness incidents could be caused by factors outside of our control and that multiple locations would be affected rather than a single restaurant. While we attempt to minimize the risk, we cannot assure that all food items are properly maintained during transport throughout the supply chain and that our employees will identify all products that may be spoiled and should not be used in our restaurants. If our guests become ill from food-borne illnesses, we could be forced to temporarily close some restaurants. Furthermore, any instances of food contamination, whether or not at our restaurants, could subject us or our suppliers to a food recall.

In addition, the United States and other countries have experienced, or may experience in the future, outbreaks of viruses, such as COVID-19, Hepatitis A, Norovirus, Ebola, Avian Flu, SARS, and H1N1. To the extent that a virus is food-borne, future outbreaks may adversely affect the price and availability of certain food products and cause our guests to eat less of a product which may have a significant adverse effect on our business.

Our business could be adversely affected by our inability to respond to or effectively manage social media.

As part of our marketing strategy, we utilize social media platforms to promote our concepts and attract and retain guests. Our strategy may not be successful, resulting in expenses incurred without improvement in guest traffic or brand relevance. In addition, a variety of risks are associated with the use of social media, including improper disclosure of proprietary information, negative comments about us, exposure of personally identifiable information, fraud, or dissemination of false information. The inappropriate use of social media platforms by our guests or employees could increase our costs, lead to litigation, or result in negative publicity that could damage our reputation and adversely affect our results of operations.

Given the marked increase in the use of social media platforms, individuals have access to a broad audience of consumers and other interested persons. The availability of information on social media platforms is virtually immediate, as is its impact. Many social media platforms immediately publish the content their subscribers and

participants post, often without filters or checks on the accuracy of the content posted. Information concerning our Company may be posted on such platforms at any time. This includes posts by social media influencers that have a significant number of followers and reach on the variety of social media platforms. Additionally, social media has increasingly been utilized to target specific companies or brands as a result of a variety of actions or inactions, or perceived actions or inactions, that are disfavored by interest groups and such campaigns can rapidly accelerate and impact consumer behavior. If we are unable to quickly and effectively respond to such reports, we may suffer declines in guest traffic. The impact may be immediate without affording us an opportunity for redress or correction. These factors could have a material adverse impact on our business.

Risks Related to Stock Ownership and Our Corporate Structure

Provisions in our charter documents and Delaware law may delay or prevent our acquisition by a third party.

Our certificate of incorporation and by-laws contain several provisions that may make it more difficult for a third party to acquire control of us without the approval of our Board. These provisions include, among other things, advance notice for raising business or making nominations at meetings and “blank check” preferred stock. Blank check preferred stock enables our Board, without approval of the shareholders, to designate and issue additional series of preferred stock with such dividend, liquidation, conversion, voting, or other rights, including the right to issue convertible securities with no limitations on conversion, as our Board may determine. The issuance of blank check preferred stock may adversely affect the voting and other rights of the holders of our common stock as our Board may designate and issue preferred stock with terms that are senior to our common stock. These provisions may make it more difficult or expensive for a third party to acquire a majority of our outstanding common stock. These provisions also may delay, prevent, or deter a merger, acquisition, tender offer, proxy contest, or other transaction that might otherwise result in our shareholders receiving a premium over the market price for their common stock. If we issue preferred shares in the future that have a preference over our common stock with respect to dividends or upon liquidation, dissolution or winding up, or if we issue preferred shares with voting rights that dilute the voting power of our common stock, the rights of our common stockholders or the market price of our common stock may be adversely affected.

The Delaware General Corporation Law prohibits us from engaging in “business combinations” with “interested shareholders” (with some exceptions) unless such transaction is approved in a prescribed manner. The existence of this provision could have an anti-takeover effect with respect to transactions not approved in advance by the Board, including discouraging attempts that might result in a premium over the market price for our common stock.

There can be no assurance that we will continue to pay dividends on our common stock or repurchase our common stock up to the maximum amounts permitted under our previously announced repurchase program.

Payment of cash dividends on our common stock or repurchases of our common stock are subject to compliance with applicable laws and depends on, among other things, our results of operations, financial condition, level of indebtedness, capital requirements, business prospects, macro-economic conditions, and other factors that our Board may deem relevant. There can be no assurance that we will continue to pay dividends or repurchase our common stock at the same levels we have historically (if at all).

Our business could be negatively affected as a result of actions of activist shareholders, and such activism could impact the trading value of our common stock.

We value constructive input from our shareholders and the investment community. Our Board and management team are committed to acting in the best interests of all of our shareholders. There is no assurance that the actions taken by our Board and management in seeking to maintain constructive engagement with our shareholders will be successful.

Responding to actions by activist shareholders can be costly and time-consuming, disrupting our operations, and diverting the attention of management and our employees. Such activities could interfere with our ability to execute our strategic plan. The perceived uncertainties as to our future direction also resulting from activist strategies could also affect the market price and volatility of our common stock.

Failure to achieve and maintain effective internal control over financial reporting may negatively impact our business and our financial results.

The Company is responsible for establishing and maintaining effective internal control over financial reporting. This includes establishing controls around the adoption of new, or changes in existing, accounting policies and practices. Despite its inherent limitations, effective internal control over financial reporting helps provide reasonable assurance regarding the reliability of financial reporting for external purposes. A significant accounting error, financial reporting failure, or material weakness in internal control over financial reporting could cause results in our consolidated financial statements that do not accurately reflect our financial condition, a loss of investor confidence, and subsequent decline in the market price of our common stock, increase our costs and regulatory scrutiny, and lead to litigation or result in negative publicity that could damage our reputation.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 1C. CYBERSECURITY

Risk Management and Strategy

In the course of our operations, the Company receives and maintains sensitive information from our guests, employees, partners, and business operations. To address cybersecurity threats to this information, the Company uses a risk-based approach to create and implement a detailed set of information security policies and procedures based on frameworks established by the National Institute of Standards and Technology. The Company's Head of Information Security manages the Company's cybersecurity efforts and leads the cybersecurity team under the direct oversight of our Chief Technology Officer. These individuals, including all members of the cybersecurity team, have an average of over 16 years of experience involving information technology, including security, auditing, compliance, systems, and programming. Additionally, the Company engages in the use of external cybersecurity experts for training, contingency planning, consultation, and process documentation.

The Company has implemented detective and preventative controls designed to ensure the appropriate level of protection for the confidentiality, integrity, and availability of data stored on or transferred through our information technology resources. The Company has a risk assessment process to identify risks associated with our use of third-party service providers and has implemented specific processes and controls designed to mitigate those identified risks. Both internal and third-party audits are performed routinely to verify that these controls are effective. Additionally, the Company has implemented companywide security awareness training programs designed to provide best practices for protecting our network and systems, and routinely leads exercises for employees to reinforce the risk and proper handling of targeted emails. The Company's Head of Information Security is responsible for developing and implementing these controls and training exercises with support from our information technology department.

The Company's enterprise risk management program has established an internal risk committee to evaluate information governance risks including risks associated with the Company's use of artificial intelligence. This committee comprises members of management of the Company's information technology, human resources, marketing, accounting, risk, procurement, training, finance, and legal functions, and is focused on performing risk assessments to identify areas of concern and implement appropriate changes to enhance its cybersecurity and privacy policies and procedures. The internal risk committee is informed of the Company's risk prevention and mitigation efforts on a regular basis. The committee is also briefed on detection and remediation of cybersecurity incidents in a timely manner following the detection of any potential events.

The Company has a crisis response team comprising senior members of various corporate functions to oversee the response to various crises including potential crises arising from cybersecurity incidents that may impact the Company and/or its vendor partners. This team conducts regular tabletop exercises to simulate responses to cybersecurity incidents. To the extent there is a cybersecurity incident impacting the Company and/or a vendor partner, the crisis response team's process would be to ensure that our Head of Information Security and Chief Technology Officer are informed immediately and that the potential impact of the incident and remedial measures arising from the incident are communicated to the executive officers of the Company.

There can be no guarantee that our policies and procedures will be effective. Although our risk factors include

further detail about the material cybersecurity risks we face and how a cybersecurity incident may affect our business strategy, results of operations, or financial condition, we believe that risks from prior cybersecurity threats, including as a result of any prior cybersecurity incident, have not materially affected or are reasonably likely to materially affect our business strategy, results of operations, or financial condition to date. We can provide no assurances that there will not be incidents in the future or that they will not materially affect us, including our business strategy, results of operations, or financial condition.

Governance

The Board has authorized the audit committee to oversee the Company's risk assessment and risk management practices and strategies. This delegation includes maintaining responsibility for overseeing the Company's enterprise risk management program. As a part of this oversight role, the audit committee receives regular updates from management on cybersecurity threats and privacy risks impacting the Company, which includes benchmarking these risks versus our industry. Our Board members also engage in ad hoc conversations with management on cybersecurity-related news events, receive training specific to cybersecurity risks and threats and regularly discuss any updates to our cybersecurity risk management and strategy programs.

ITEM 2. PROPERTIES

Properties

Our Support Center is located in Louisville, Kentucky. We occupy this facility under a master lease with Paragon Centre Holdings, LLC, a limited liability company in which we have a minority ownership position. As of December 31, 2024, we leased 133,023 square feet. Our lease expires on October 31, 2048, including all applicable extensions.

As of December 31, 2024, we owned and operated 666 company restaurants. Of the 666 company-owned restaurants, 153 restaurants were on owned sites and 513 restaurants were on leased sites. These leased sites are classified as either land leases (where we lease the land and construct the building and leasehold improvements) or land and building or in-line space leases (where we lease the land, building, or in-line space and construct leasehold improvements as necessary). The breakdown of these leases is as follows:

| | |
|---|-----|
| Land leases | 452 |
| Land and building or in-line space leases | 61 |
| Total | 513 |

Additional information concerning our properties and leasing arrangements is included in Note 2 and Note 8 to the Consolidated Financial Statements appearing in Part II, Item 8 of this Annual Report on Form 10-K.

ITEM 3. LEGAL PROCEEDINGS

Information regarding legal proceedings is included in Note 13 to the Consolidated Financial Statements appearing in Part II, Item 8 of this Annual Report on Form 10-K.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

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

Our common stock is traded on the Nasdaq Global Select Market under the symbol TXRH.

The number of holders of record of our common stock as of February 19, 2025 was 157.

On February 19, 2025, our Board declared a quarterly dividend of \$0.68 per share of common stock which will be distributed on April 1, 2025 to shareholders of record at the close of business on March 18, 2025. The declaration and payment of cash dividends on our common stock is at the discretion of our Board, and any decision to declare a dividend will be based on a number of factors including, but not limited to, earnings, financial condition, applicable covenants under our credit facility and other contractual restrictions, or other factors deemed relevant.

Unregistered Sales of Equity Securities

There were no equity securities sold by the Company during the period covered by this Annual Report on Form 10-K that were not registered under the Securities Act of 1933, as amended.

Issuer Repurchases of Securities

In 2008, our Board approved our first stock repurchase program. From inception through December 31, 2024, we have paid \$763.3 million through our authorized stock repurchase programs to repurchase 21,958,130 shares of our common stock at an average price per share of \$34.76. On March 17, 2022, the Board approved a stock repurchase program for the repurchase of up to \$300.0 million of our common stock. This stock repurchase program has no expiration date. All repurchases to date have been made through open market transactions. The timing and amount of any repurchases through this program are determined by management under parameters approved by the Board, based on an evaluation of our stock price, market conditions, and other corporate considerations, including complying with Rule 10b5-1 trading arrangements under the Exchange Act.

In 2024, we paid \$79.8 million, excluding excise taxes, to repurchase 461,662 shares of our common stock. For the fourth quarter ended December 31, 2024, we paid \$35.1 million, excluding excise taxes, to repurchase 182,748 shares of our common stock. As of December 31, 2024, \$37.1 million remained authorized for stock repurchases.

The following table includes information regarding purchases of our common stock, excluding the impact of excise taxes, made by us during the quarter ended December 31, 2024:

| Period | Total Number of Shares Purchased | Average Price Paid per Share | Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs | Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plans or Programs |
|----------------------------------|----------------------------------|------------------------------|--|--|
| September 25 to October 22 | — | \$ — | — | \$ 72,194,874 |
| October 23 to November 19 | 53,780 | \$ 195.22 | 53,780 | \$ 61,696,192 |
| November 20 to December 31 | 128,968 | \$ 190.74 | 128,968 | \$ 37,096,422 |
| Total | <u>182,748</u> | | <u>182,748</u> | |

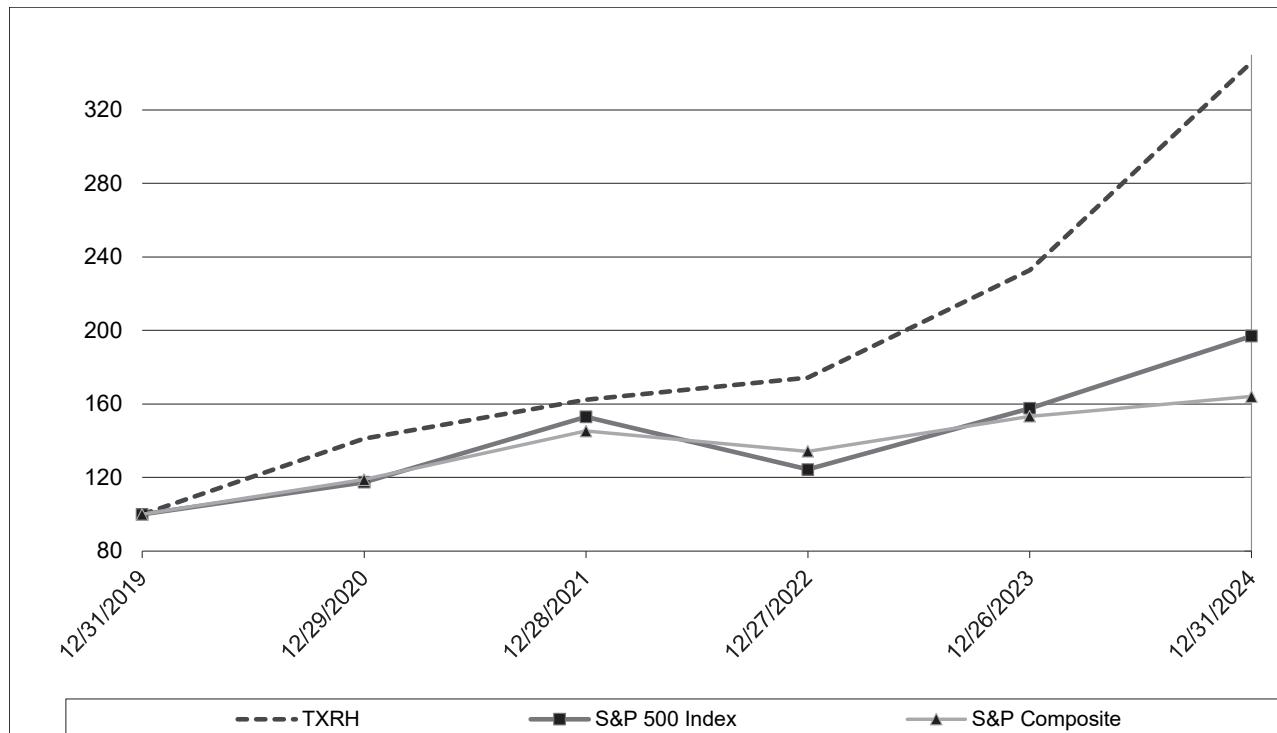
On February 19, 2025, our Board approved a stock repurchase program for the repurchase of up to \$500.0 million of our common stock. Any repurchases under this plan will be made by the Company through open market transactions. This stock repurchase program has no expiration date and replaces the previous stock repurchase program which was approved in 2022.

Stock Performance Graph

The following graph sets forth the cumulative total shareholder return experienced by holders of the Company's common stock compared to the cumulative total return of the S&P 500 Index as well as the industry specific S&P Composite 1500 Restaurant Sub-Index for the five year period ended December 31, 2024, the last trading day of our fiscal year. The graph assumes the values of the investment in our common stock and each index was \$100 on January 1, 2020 and the reinvestment of all dividends paid during the period of the securities comprising the indices.

Note: The stock price performance shown on the graph below does not indicate future performance.

Comparison of Cumulative Total Return Since January 1, 2020



| | <u>12/31/2019</u> | <u>12/29/2020</u> | <u>12/28/2021</u> | <u>12/27/2022</u> | <u>12/26/2023</u> | <u>12/31/2024</u> |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Texas Roadhouse, Inc. | \$ 100.00 | \$ 141.22 | \$ 162.36 | \$ 174.38 | \$ 232.77 | \$ 345.95 |
| S&P 500..... | \$ 100.00 | \$ 117.46 | \$ 153.01 | \$ 124.43 | \$ 157.72 | \$ 197.02 |
| S&P Composite 1500 Restaurant Sub-Index ... | \$ 100.00 | \$ 118.92 | \$ 145.30 | \$ 134.26 | \$ 153.38 | \$ 164.08 |

ITEM 6—RESERVED

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

The discussion and analysis below of the financial condition and results of operations for Texas Roadhouse, Inc. (the “Company,” “we,” “our,” and/or “us”) should be read in conjunction with the consolidated financial statements and the notes to such financial statements (pages F-1 to F-27), “Forward-looking Statements” (page 3), and Risk Factors set forth in Item 1A. Further, the discussion and analysis below generally discusses 2024 items and year-to-year comparisons between 2024 and 2023. Discussions of 2023 items and year-to-year comparisons between 2023 and 2022 are not included in this Annual Report on Form 10-K and can be found in “Management’s Discussion and Analysis of Financial Conditions and Results of Operations” in Part II, Item 7 of our Annual Report on Form 10-K for the fiscal year ended December 26, 2023, filed with the SEC on February 23, 2024.

Our Company

Texas Roadhouse, Inc. is a growing restaurant company operating predominantly in the casual dining segment. Our late founder, W. Kent Taylor, started the business in 1993 with the opening of the first Texas Roadhouse restaurant in Clarksville, Indiana. Since then, we have grown to three concepts with 784 restaurants in 49 states, one U.S. territory, and ten foreign countries. As of December 31, 2024, our 784 restaurants included:

- 666 company restaurants, of which 647 were wholly-owned and 19 were majority-owned. The results of operations of company restaurants are included in our consolidated statements of income. The portion of income attributable to noncontrolling interests in company restaurants that are majority-owned is reflected in the line item net income attributable to noncontrolling interests in our consolidated statements of income. Of the 666 company restaurants, we operated 608 as Texas Roadhouse restaurants, 49 as Bubba's 33 restaurants, and nine as Jaggers restaurants.
- 118 franchise restaurants, of which 20 we have a 5.0% to 10.0% ownership interest. The income derived from our minority interests in these franchise restaurants is reported in the line item equity income from investments in unconsolidated affiliates in our consolidated statements of income. Of the 118 franchise restaurants, 56 were domestic Texas Roadhouse restaurants, four were domestic Jaggers restaurants, 57 were international Texas Roadhouse restaurants, including one restaurant in a U.S. territory, and one was an international Jaggers restaurant.

We have contractual arrangements that grant us the right to acquire at pre-determined formulas the remaining equity interests in 17 of the 19 majority-owned company restaurants and 55 of the 60 domestic franchise restaurants.

Throughout this report, we use the term “restaurants” to include Texas Roadhouse and Bubba's 33, unless otherwise noted.

Presentation of Financial and Operating Data

We operate on a fiscal year that ends on the last Tuesday in December. Fiscal year 2024 was 53 weeks in length and, as such, the fourth quarter of fiscal 2024 was 14 weeks in length. Fiscal years 2023 and 2022 were both 52 weeks in length, and the fourth quarters were both 13 weeks in length.

Long-term Strategies to Grow Earnings Per Share and Create Shareholder Value

Our long-term strategies with respect to increasing net income and earnings per share, along with creating shareholder value, include the following:

- *Expanding Our Restaurant Base.* We continue to evaluate opportunities to develop restaurants in existing markets and in new domestic and international markets. Domestically, we remain focused primarily on markets where we believe a significant demand for our restaurants exists because of population size, income levels, the presence of shopping and entertainment centers, and a significant employment base. In addition, we continue to pursue opportunities to acquire domestic franchise locations to expand our company restaurant base.

We have entered into area development and franchise agreements for the development and operation of Texas Roadhouse restaurants in numerous foreign countries and one U.S. territory. We have also entered into domestic and international area development agreements for Jaggers, our fast-casual concept.

In 2024, we opened 31 company restaurants while our franchise partners opened 14 restaurants. The company restaurants included 26 Texas Roadhouse restaurants, four Bubba's 33 restaurants, and one Jaggers restaurant. The franchise restaurants included 11 international Texas Roadhouse restaurants, including one restaurant in a U.S. territory, two domestic Jaggers restaurants, and our first international Jaggers restaurant.

- *Maintaining and/or Improving Restaurant Level Profitability.* We continue to focus on driving comparable restaurant sales to maintain or improve restaurant level profitability. This includes a pricing strategy that balances the impacts of inflationary pressures with our long-term value positioning. In terms of driving traffic at our restaurants, we remain focused on encouraging repeat visits by our guests and attracting new guests through our continued commitment to operational standards relating to food and service quality. To attract new guests and increase the frequency of visits of our existing guests, we continue to drive various localized marketing programs, focus on speed of service and kitchen efficiency, increase throughput by adding seats and parking at certain restaurants, and enhance the guest digital experience.

At our high volume restaurants, we continue to look for opportunities to increase our dining room capacity by adding on to our existing building and/or to increase our parking capacity by leasing or purchasing property that adjoins our site. We also continue to make a number of building modifications and/or expansions to existing restaurants in order to better accommodate increased dine-in and to-go sales. These modifications include room expansions which add additional guest seating, the addition of to-go areas, and cooler expansions to accommodate higher inventory levels.

In recent years, we have relocated several existing Texas Roadhouse locations at or near the end of their associated lease or as a result of eminent domain which allowed us to move to a better site, update them to a current prototypical design, construct a larger building with more seats and greater number of available parking spaces, accommodate increased to-go sales, and/or obtain more favorable lease terms. We continue to evaluate these opportunities particularly as it relates to older locations with strong sales.

- *Leveraging Our Scalable Infrastructure.* To support our growth, we have made investments in our infrastructure across all critical functions, including the development of new strategic initiatives. Our ability to leverage our infrastructure in future years by growing our general and administrative costs at a slower rate than our revenue will depend, in part, on our new restaurant openings, our comparable restaurant sales growth rate going forward, and the level of investment we continue to make in our infrastructure.
- *Returning Capital to Shareholders.* We continue to evaluate opportunities to return capital to our shareholders, including the payment of dividends and the repurchase of common stock. In 2011, our Board declared our first quarterly dividend of \$0.08 per share of common stock which has consistently grown over time. On February 19, 2025, the Board declared a quarterly cash dividend of \$0.68 per share of common stock, representing an 11% increase compared to the quarterly dividend declared in the prior year period.

In 2008, the Board approved our first stock repurchase program. On February 19, 2025, our Board approved a stock repurchase program for the repurchase of up to \$500 million of our common stock. This stock repurchase program has no expiration date and replaces the previous stock repurchase program of \$300 million which was approved on March 17, 2022.

In 2024, we paid \$79.8 million, excluding excise taxes, to repurchase 461,662 shares of our common stock. From inception through December 31, 2024, we have paid \$763.3 million through our authorized stock repurchase programs to repurchase 21,958,130 shares of our common stock at an average price per share of \$34.76.

Key Measures We Use To Evaluate Our Company

Key measures we use to evaluate and assess our business include the following:

- *Comparable Restaurant Sales.* Comparable restaurant sales reflect the change in sales for all company restaurants across all concepts, unless otherwise noted, over the same period of the prior year for the

comparable restaurant base. We define the comparable restaurant base to include those restaurants open for a full 18 months before the beginning of the period measured excluding restaurants permanently closed during the period, if applicable. Comparable restaurant sales can be impacted by changes in guest traffic counts or by changes in the per person average check amount. Menu price changes, the mix of menu items sold, and the mix of dine-in versus to-go sales can affect the per person average check amount.

- *Average Unit Volume.* Average unit volume represents the average annual restaurant sales for Texas Roadhouse and Bubba's 33 restaurants open for a full six months before the beginning of the period measured excluding sales of restaurants permanently closed during the period, if applicable. Historically, average unit volume growth is less than comparable restaurant sales growth which indicates that newer restaurants are operating with sales growth levels lower than the company average. At times, average unit volume growth may be more than comparable restaurant sales growth which indicates that newer restaurants are operating with sales growth levels higher than company average.
- *Store Weeks and New Restaurant Openings.* Store weeks represent the number of weeks that all company restaurants across all concepts, unless otherwise noted, were open during the reporting period. Store weeks include weeks in which a restaurant is temporarily closed. Store week growth is driven by new restaurant openings and franchise acquisitions. New restaurant openings reflect the number of restaurants opened during a particular fiscal period, excluding store relocations. We consider store openings that occur simultaneously with a store closure in the same trade area to be a relocation.
- *Restaurant Margin.* Restaurant margin (in dollars, as a percentage of restaurant and other sales, and per store week) represents restaurant and other sales less restaurant-level operating costs, including food and beverage costs, labor, rent, and other operating costs. Restaurant margin is not a measurement determined in accordance with U.S. generally accepted accounting principles ("GAAP") and should not be considered in isolation, or as an alternative, to income from operations. This non-GAAP measure is not indicative of overall company performance and profitability in that this measure does not accrue directly to the benefit of shareholders due to the nature of the costs excluded. Restaurant margin is widely regarded as a useful metric by which to evaluate core restaurant-level operating efficiency and performance over various reporting periods on a consistent basis.

In calculating restaurant margin, we exclude certain non-restaurant-level costs that support operations, but do not have a direct impact on restaurant-level operational efficiency and performance, including general and administrative expenses. We exclude pre-opening expenses as they occur at irregular intervals and would impact comparability to prior period results. We exclude depreciation and amortization expenses, substantially all of which relate to restaurant-level assets, as they represent a non-cash charge for the investment in our restaurants. We exclude impairment and closure expenses as we believe this provides a clearer perspective of the Company's ongoing operating performance and a more useful comparison to prior period results. Restaurant margin as presented may not be comparable to other similarly titled measures of other companies in our industry. A reconciliation of income from operations to restaurant margin is included in the Results of Operations section below.

Other Key Definitions

Restaurant and Other Sales. Restaurant sales include gross food and beverage sales, net of promotions and discounts, for all company restaurants. Sales taxes collected from customers and remitted to governmental authorities are accounted for on a net basis and therefore are excluded from restaurant sales in our consolidated statements of income. Other sales primarily include the net impact of the amortization of third-party gift card fees and gift card breakage income and content revenue related to our tabletop kiosk devices.

Franchise Royalties and Fees. Franchise royalties consist of royalties, as defined in our franchise agreement, paid to us by our domestic and international franchisees. Domestic and international franchisees also typically pay an initial franchise fee and/or development fee for each new restaurant or territory. Revenues related to our royalty-based retail products are also included within franchise royalties and fees.

Food and Beverage Costs. Food and beverage costs consist of the costs of raw materials and ingredients used in the preparation of food and beverage products sold in our company restaurants. Approximately half of our food and beverage costs relate to beef.

Restaurant Labor Expenses. Restaurant labor expenses include all direct and indirect labor costs incurred in operations except for profit sharing incentive compensation expenses earned by our restaurant managing partners and market partners. These profit sharing expenses are reflected in restaurant other operating expenses. Restaurant labor expenses also include share-based compensation expense related to restaurant-level employees.

Restaurant Rent Expense. Restaurant rent expense includes all rent, except pre-opening rent, associated with the leasing of real estate and includes base, percentage, and straight-line rent expense.

Restaurant Other Operating Expenses. Restaurant other operating expenses consist of all other restaurant-level operating costs, the major components of which are supplies, profit sharing incentive compensation for our restaurant managing partners and market partners, utilities, credit card fees, general liability insurance, advertising, repairs and maintenance, property taxes, and outside services.

Pre-opening Expenses. Pre-opening expenses, which are charged to operations as incurred, consist of expenses incurred before the opening of a new or relocated restaurant and consist principally of opening and training team compensation and benefits, travel expenses, rent, food, beverage, and other initial supplies and expenses. The majority of pre-opening costs incurred relate to the hiring and training of employees due to the significant investment we make in training our people. Pre-opening costs vary by location depending on a number of factors, including the size and physical layout of each location; the number of management and hourly employees required to operate each restaurant; the availability of qualified restaurant staff members; the cost of travel and lodging for different geographic areas; the timing of the restaurant opening; and the extent of unexpected delays, if any, in obtaining final licenses and permits to open each restaurant.

Depreciation and Amortization Expenses. Depreciation and amortization expenses include the depreciation of fixed assets and amortization of intangibles with definite lives, substantially all of which relates to restaurant-level assets.

Impairment and Closure Costs, Net. Impairment and closure costs, net include any impairment of long-lived assets, including property and equipment, operating lease right-of-use assets, and goodwill, and expenses associated with the closure of a restaurant. Closure costs also include any gains or losses associated with a relocated restaurant or the sale of a closed restaurant and/or assets held for sale as well as lease costs associated with closed or relocated restaurants.

General and Administrative Expenses. General and administrative expenses comprise expenses associated with corporate and administrative functions that support development and restaurant operations and provide an infrastructure to support future growth. This includes salary, incentive-based and share-based compensation expense related to executive officers and Support Center employees, salary and share-based compensation expense related to market partners, software hosting fees, professional fees, group insurance, and the realized and unrealized holding gains and losses related to the investments in our deferred compensation plan.

Interest Income, Net. Interest income, net includes earnings on cash and cash equivalents and is reduced by interest expense, net of capitalized interest, on our debt or financing obligations including the amortization of loan fees, as applicable.

Equity Income from Investments in Unconsolidated Affiliates. Equity income includes our percentage share of net income earned by unconsolidated affiliates and our share of any gain on the acquisition of these affiliates. As of December 31, 2024 and December 26, 2023, we owned a 5.0% to 10.0% equity interest in 20 domestic franchise restaurants.

Net Income Attributable to Noncontrolling Interests. Net income attributable to noncontrolling interests represents the portion of income attributable to the other owners of the majority-owned restaurants. Our consolidated subsidiaries include 19 and 20 majority-owned restaurants as of December 31, 2024 and December 26, 2023, respectively.

2024 Financial Highlights

Total revenue increased \$741.7 million or 16.0% to \$5.4 billion in 2024 compared to \$4.6 billion in 2023 primarily due to an increase in comparable restaurant sales and an increase in store weeks. Comparable restaurant sales and store weeks increased 8.5% and 7.5%, respectively, at company restaurants in 2024. The increase in comparable restaurant sales was due to an increase in guest traffic along with an increase in per person average check. The increase in store weeks was due to new store openings and the benefit of the additional week in 2024. The additional week added \$114.7 million in revenue and a 2% benefit to store week growth.

Net income increased \$128.7 million or 42.2% to \$433.6 million in 2024 compared to \$304.9 million in 2023 primarily due to higher restaurant margin dollars, as described below, partially offset by higher depreciation and amortization expenses and higher general and administrative expenses. Diluted earnings per share increased 42.5% to \$6.47 from \$4.54 in the prior year primarily due to the increase in net income. Diluted earnings per share growth was positively impacted by approximately 5% as a result of the additional week.

Restaurant margin dollars increased \$207.8 million or 29.4% to \$915.8 million in 2024 compared to \$708.0 million in 2023 primarily due to higher sales. Restaurant margin, as a percentage of restaurant and other sales, increased to 17.1% in 2024 compared to 15.4% in 2023. The increase in restaurant margin, as a percentage of restaurant and other sales, was primarily driven by higher sales. The benefit of a higher average guest check and labor productivity more than offset wage and other labor inflation of 4.6% and commodity inflation of 0.7%.

In addition, capital allocation spend in 2024 included capital expenditures of \$354.3 million, dividends of \$162.9 million, and repurchases of common stock of \$79.8 million.

Results of Operations
(in thousands)

| | Fiscal Year Ended | | | |
|--|-------------------|--------------|-------------------|--------------|
| | December 31, 2024 | | December 26, 2023 | |
| | \$ | % | \$ | % |
| (In thousands) | | | | |
| Consolidated Statements of Income: | | | | |
| Revenue: | | | | |
| Restaurant and other sales | 5,341,853 | 99.4 | 4,604,554 | 99.4 |
| Franchise royalties and fees..... | 31,479 | 0.6 | 27,118 | 0.6 |
| Total revenue..... | <u>5,373,332</u> | <u>100.0</u> | <u>4,631,672</u> | <u>100.0</u> |
| Costs and expenses: | | | | |
| (As a percentage of restaurant and other sales) | | | | |
| Restaurant operating costs (excluding depreciation and amortization shown separately below): | | | | |
| Food and beverage | 1,785,119 | 33.4 | 1,593,852 | 34.6 |
| Labor..... | 1,764,740 | 33.1 | 1,539,124 | 33.4 |
| Rent..... | 80,560 | 1.5 | 72,766 | 1.6 |
| Other operating | 795,657 | 14.9 | 690,848 | 15.0 |
| (As a percentage of total revenue) | | | | |
| Pre-opening..... | 28,090 | 0.5 | 29,234 | 0.6 |
| Depreciation and amortization | 178,157 | 3.3 | 153,202 | 3.3 |
| Impairment and closure, net | 1,226 | NM | 275 | NM |
| General and administrative | 223,264 | 4.2 | 198,382 | 4.3 |
| Total costs and expenses..... | <u>4,856,813</u> | <u>90.4</u> | <u>4,277,683</u> | <u>92.4</u> |
| Income from operations | 516,519 | 9.6 | 353,989 | 7.6 |
| Interest income, net..... | 6,774 | 0.1 | 2,984 | 0.1 |
| Equity income from investments in unconsolidated affiliates | 1,197 | NM | 1,351 | NM |
| Income before taxes | 524,490 | 9.8 | 358,324 | 7.7 |
| Income tax expense | 80,145 | 1.5 | 44,649 | 1.0 |
| Net income including noncontrolling interests | 444,345 | 8.3 | 313,675 | 6.8 |
| Net income attributable to noncontrolling interests | 10,753 | 0.2 | 8,799 | 0.2 |
| Net income attributable to Texas Roadhouse, Inc. and subsidiaries | <u>433,592</u> | <u>8.1</u> | <u>304,876</u> | <u>6.6</u> |

NM – Not meaningful

Reconciliation of Income from Operations to Restaurant Margin
 (\$ In thousands, except restaurant margin \$ per store week)

| | Fiscal Year Ended | |
|--|--------------------------|--------------------------|
| | <u>December 31, 2024</u> | <u>December 26, 2023</u> |
| Income from operations | \$ 516,519 | \$ 353,989 |
| Less: | | |
| Franchise royalties and fees | 31,479 | 27,118 |
| Add: | | |
| Pre-opening | 28,090 | 29,234 |
| Depreciation and amortization | 178,157 | 153,202 |
| Impairment and closure, net | 1,226 | 275 |
| General and administrative | 223,264 | 198,382 |
| Restaurant margin | <u>915,777</u> | <u>707,964</u> |
| Restaurant margin \$/store week | \$ 26,572 | \$ 22,090 |
| Restaurant margin (<i>as a percentage of restaurant and other sales</i>) | 17.1% | 15.4% |

Restaurant Unit Activity

| | <u>Total</u> | <u>Texas Roadhouse</u> | <u>Bubba's 33</u> | <u>Jaggers</u> |
|---|--------------|------------------------|-------------------|----------------|
| Balance at December 26, 2023 | 741 | 686 | 45 | 10 |
| Company openings | 31 | 26 | 4 | 1 |
| Franchise openings - Domestic | 2 | — | — | 2 |
| Franchise openings - International (1) | 12 | 11 | — | 1 |
| Franchise closings - International | (2) | (2) | — | — |
| Balance at December 31, 2024 | <u>784</u> | <u>721</u> | <u>49</u> | <u>14</u> |
| | | | | |
| Company - Texas Roadhouse | | <u>608</u> | <u>582</u> | |
| Company - Bubba's 33 | | 49 | 45 | |
| Company - Jaggers | | 9 | 8 | |
| Total company | | <u>666</u> | <u>635</u> | |
| | | | | |
| Franchise - Texas Roadhouse - Domestic | | 56 | 56 | |
| Franchise - Jaggers - Domestic | | 4 | 2 | |
| Franchise - Texas Roadhouse - International (1) | | 57 | 48 | |
| Franchise - Jaggers - International | | 1 | — | |
| Total franchise | | <u>118</u> | <u>106</u> | |
| | | | | |
| Total | <u>784</u> | <u>741</u> | | |

(1) Includes a U.S. territory.

Restaurant and Other Sales

Restaurant and other sales increased 16.0% in 2024 compared to 2023. The following table summarizes certain key drivers and/or attributes of restaurant sales at company restaurants for the periods presented. Company restaurant count activity is shown in the restaurant unit activity table above.

| | 2024 | 2023 |
|---|---------------|---------------|
| Company Restaurants: | | |
| Increase in store weeks | 7.5 % | 5.8 % |
| Increase in average unit volume (1)..... | 7.8 % | 9.7 % |
| Other (2)..... | 0.8 % | — % |
| Total increase in restaurant sales | 16.1 % | 15.5 % |
| Other sales | (0.1)% | (0.1)% |
| Total increase in restaurant and other sales..... | 16.0 % | 15.4 % |
| | | |
| Store weeks | 34,464 | 32,050 |
| Comparable restaurant sales | 8.5 % | 10.1 % |
| | | |
| Texas Roadhouse restaurants: | | |
| Store weeks..... | 31,548 | 29,528 |
| Comparable restaurant sales | 8.6 % | 10.3 % |
| Average unit volume (in thousands) (1)..... | \$ 8,488 | \$ 7,642 |
| Average unit volume, 2023 adjusted (in thousands) (3) | \$ 8,488 | \$ 7,824 |
| | | |
| Weekly sales by group: | | |
| Comparable restaurants (549 and 527 units) | \$ 160,365 | \$ 147,274 |
| Average unit volume restaurants (17 and 22 units)..... | \$ 153,321 | \$ 139,688 |
| Restaurants less than six months old (42 and 33 units)..... | \$ 142,067 | \$ 146,614 |
| | | |
| Bubba's 33 restaurants: | | |
| Store weeks..... | 2,485 | 2,167 |
| Comparable restaurant sales | 5.5 % | 5.5 % |
| Average unit volume (in thousands) (1)..... | \$ 6,276 | \$ 5,921 |
| Average unit volume, 2023 adjusted (in thousands) (3) | \$ 6,276 | \$ 6,048 |
| | | |
| Weekly sales by group: | | |
| Comparable restaurants (37 and 34 units) | \$ 120,354 | \$ 113,972 |
| Average unit volume restaurants (4 and 3 units)..... | \$ 100,477 | \$ 112,698 |
| Restaurants less than six months old (8 and 8 units)..... | \$ 125,511 | \$ 114,312 |

- (1) Average unit volume restaurants include restaurants open a full six to 18 months before the beginning of the period measured, excluding sales from restaurants permanently closed during the period, if applicable.
- (2) Includes the impact of the year-over-year change in sales volume of all Jaggers restaurants, along with Texas Roadhouse and Bubba's 33 restaurants open less than six months before the beginning of the period measured and, if applicable, the impact of restaurants permanently closed or acquired during the period.
- (3) For comparative purposes, 2023 was adjusted to include 53 weeks.

The increase in restaurant sales for 2024 was primarily attributable to an increase in store weeks and an increase in comparable restaurant sales. The increase in store weeks was driven by the opening of new restaurants and the 2% benefit of the additional week in 2024. The increase in comparable restaurant sales growth was driven by an increase in guest traffic count along with an increase in our per person average check as shown in the table below.

| | 2024 | 2023 |
|--|-------------|-------------|
| Guest traffic counts | 4.4 % | 5.4 % |
| Per person average check | 4.1 % | 4.7 % |
| Comparable restaurant sales growth | 8.5 % | 10.1 % |

To-go sales as a percentage of restaurant sales were 12.8% in 2024 compared to 12.6% in 2023 and average weekly to-go sales were \$19,940 in 2024 compared to \$18,088 in 2023.

Per person average check for 2024 includes the benefit of menu price increases of approximately 2.2% and 0.9% implemented in Q2 2024 and Q4 2024, respectively. We implemented menu price increases of approximately 2.2% and 2.7% in Q2 2023 and Q4 2023, respectively. In addition, we plan to implement a menu price increase of approximately 1.4% in early April.

In 2024, we opened 31 company restaurants, which included 26 Texas Roadhouse restaurants, four Bubba's 33 restaurants, and one Jaggers restaurant. In 2024, we had store week growth of approximately 7.5% across all concepts, including a benefit of 2% from the additional week. In 2025, we expect store week growth of approximately 5% across all concepts, including a benefit of 2% from the acquisition of 13 domestic franchise restaurants at the beginning of our 2025 fiscal year.

Other sales primarily include the net impact of the amortization of third-party gift card fees and gift card breakage income and content revenue related to our tabletop kiosk devices. The net impact of these items was \$(9.8) million and \$(5.4) million for 2024 and 2023, respectively. The change was driven primarily by increased third-party gift card fee amortization from increased gift card sales and a decrease in our breakage adjustment recorded in 2024 of \$0.6 million compared to \$3.7 million recorded in 2023. The breakage adjustments relate to changes in our estimate of gift card breakage due to a shift in our historic redemption pattern which indicated that the percentage of gift cards sold that are not expected to be redeemed had increased.

Franchise Royalties and Fees

Franchise royalties and fees increased by \$4.4 million or 16.1% compared to 2023. The increases were due to comparable franchise restaurant sales growth and new store openings partially offset by \$1.5 million related to the reclassification of certain items that were reported in general and administrative expenses in our consolidated statement of income in 2023. Franchise comparable restaurant sales increased 6.4% in 2024.

In 2024, our franchise partners opened 11 international Texas Roadhouse restaurants, including one in a U.S. territory, two domestic Jaggers restaurants, and one international Jaggers restaurant. In addition, two international Texas Roadhouse restaurants closed during the year.

Food and Beverage Costs

Food and beverage costs, as a percentage of restaurant and other sales, decreased to 33.4% in 2024 compared to 34.6% in 2023. The decrease was primarily driven by the benefit of a higher average guest check partially offset by commodity inflation of 0.7% in 2024 primarily due to higher beef costs.

In 2025, we expect commodity inflation of 3% to 4% for the year with prices locked for approximately 40% of our forecasted costs and the remainder subject to floating market prices.

Restaurant Labor Expenses

Restaurant labor expenses, as a percentage of restaurant and other sales, decreased to 33.1% in 2024 compared to 33.4% in 2023. The decrease was primarily driven by the benefit of a higher guest check and labor productivity partially offset by wage and other labor inflation of 4.6% in 2024. Wage and other labor inflation was driven by higher wage and benefit expense due to labor market pressures along with increases in state-mandated minimum and tipped wage rates and increased investment in our people.

In 2025, we anticipate our labor costs will continue to be pressured by wage and other labor inflation of 4% to 5%.

Restaurant Rent Expense

Restaurant rent expense, as a percentage of restaurant and other sales, decreased to 1.5% in 2024 compared to 1.6% in 2023. The decrease was driven by the increase in average unit volume partially offset by higher rent expense at our newer restaurants.

Restaurant Other Operating Expenses

Restaurant other operating expenses, as a percentage of restaurant and other sales, decreased to 14.9% in 2024 compared to 15.0% in 2023. The decrease was driven by the increase in average unit volume partially offset by higher incentive compensation expense and higher general liability insurance expense. The increase in incentive compensation expense was due to favorable operating results and the increase in general liability insurance expense was due to unfavorable claims experience and an increase in retention levels.

Restaurant Pre-opening Expenses

Pre-opening expenses were \$28.1 million in 2024 compared to \$29.2 million in 2023. Pre-opening costs will fluctuate from period to period based on the specific pre-opening costs incurred for each restaurant, the number and timing of restaurant openings, and the number and timing of restaurant managers hired.

Depreciation and Amortization Expenses

Depreciation and amortization expenses, as a percentage of revenue, were 3.3% in both 2024 and in 2023. The increase in average unit volume was offset by higher depreciation expense at our newer restaurants.

Impairment and Closure Costs, Net

Impairment and closure costs, net were \$1.2 million and \$0.3 million in 2024 and 2023, respectively. In 2024, impairment and closure costs, net included \$0.8 million related to the impairment of a building at a previously relocated store and \$0.4 million related to ongoing closure costs for stores which have been relocated. In 2023, impairment and closure costs, net primarily related to ongoing closure costs for stores which have been relocated.

General and Administrative Expenses

General and administrative expenses, as a percentage of total revenue, decreased to 4.2% in 2024 compared to 4.3% in 2023. The decrease was driven by the increase in average unit volume and a separation payout of \$2.6 million in Q1 2023, related to the retirement of an executive officer, partially offset by higher restricted stock expense and incentive compensation expense. The increase in restricted stock expense was primarily due to shifting our restricted stock grants from quarterly to annually.

Interest Income, Net

Interest income, net was \$6.8 million in 2024 compared to \$3.0 million in 2023. The increase was driven by increased earnings on our cash and cash equivalents and decreased borrowings on our revolving credit facility in 2024.

Equity Income from Investments in Unconsolidated Affiliates

Equity income was \$1.2 million in 2024 compared to \$1.4 million in 2023. The decrease in 2024 was primarily driven by a \$0.6 million gain on the acquisition of four of these affiliates in 2023 partially offset by increased earnings on these remaining affiliates.

Income Tax Expense

Our effective tax rate increased to 15.3% in 2024 compared to 12.5% in 2023. The increase was driven by a decrease in the impact of the FICA tip tax credit, due to increased profitability. In 2025, we expect an effective tax rate of 15% to 16% based on forecasted operating results.

Segment Information

We manage our restaurant and franchising operations by concept and as a result have identified Texas Roadhouse, Bubba's 33, Jaggers, and our retail initiatives as separate operating segments. Our reportable segments are Texas Roadhouse and Bubba's 33. The Texas Roadhouse reportable segment includes the results of our company and franchise Texas Roadhouse restaurants. The Bubba's 33 reportable segment includes the results of our company Bubba's 33 restaurants. Our remaining operating segments, which include the results of our company and franchise Jaggers restaurants and our retail initiatives, are included in Other. In addition, corporate-related assets, depreciation and amortization, and capital expenditures are also included in Other.

Management uses restaurant margin as the primary measure for assessing performance of our segments. Restaurant margin (in dollars and as a percentage of restaurant and other sales) represents restaurant and other sales less restaurant-level operating costs, including food and beverage costs, labor, rent, and other operating costs. Restaurant margin is used by our chief operating decision maker to evaluate restaurant-level operating efficiency and performance. A reconciliation of income from operations to restaurant margin is included in the Results of Operations section above.

The following table presents a summary of restaurant margin by segment (in thousands):

| | Fiscal Year Ended | |
|----------------------|-------------------|--------------------------|
| | December 31, 2024 | December 26, 2023 |
| Texas Roadhouse..... | \$ 864,999 | 17.3 % \$ 671,158 |
| Bubba's 33..... | 46,422 | 15.6 33,942 |
| Other..... | 4,356 | 13.8 2,864 |
| Total..... | <u>\$ 915,777</u> | <u>17.1 % \$ 707,964</u> |
| | | <u>15.4 %</u> |

In our Texas Roadhouse reportable segment, restaurant margin dollars increased \$193.8 million or 28.9% in 2024. The increase was primarily due to higher sales and improved labor productivity partially offset by wage and other labor inflation as well as higher general liability insurance expense.

In our Bubba's 33 reportable segment, restaurant margin dollars increased \$12.5 million or 36.8% in 2024. The increase was primarily due to higher sales and improved labor productivity partially offset by wage and other labor inflation.

Liquidity and Capital Resources

The following table presents a summary of our net cash provided by (used in) operating, investing, and financing activities (in thousands):

| | Fiscal Year Ended | |
|---|-------------------|--------------------|
| | December 31, 2024 | December 26, 2023 |
| Net cash provided by operating activities | \$ 753,629 | \$ 564,984 |
| Net cash used in investing activities | (336,901) | (367,167) |
| Net cash used in financing activities | (275,749) | (267,432) |
| Net increase (decrease) in cash and cash equivalents... . | <u>\$ 140,979</u> | <u>\$ (69,615)</u> |

Net cash provided by operating activities was \$753.6 million in 2024 compared to \$565.0 million in 2023. The increase was primarily due to an increase in net income, an increase in depreciation and amortization expense, and a favorable change in working capital.

Our operations have not required significant working capital and, like many restaurant companies, we have been able to operate with negative working capital, if necessary. Sales are primarily for cash, and restaurant operations do not require significant inventories or receivables. In addition, we receive trade credit for the purchase of food, beverages, and supplies, thereby reducing the need for incremental working capital to support growth.

Net cash used in investing activities was \$336.9 million in 2024 compared to \$367.2 million in 2023. The decrease was primarily due to the acquisition of franchise stores in 2023 partially offset by an increase in capital expenditures in 2024.

We require capital principally for the development of new company restaurants, the refurbishment or relocation of existing restaurants, and the acquisition of franchise restaurants, as applicable. We either lease our restaurant site locations under operating leases for periods generally of five to 30 years (including renewal periods) or purchase the land when appropriate. As of December 31, 2024, 153 of the 666 company restaurants have been developed on land which we own.

The following table presents a summary of capital expenditures (in thousands):

| | Fiscal Year Ended | |
|---|-------------------|-------------------|
| | December 31, 2024 | December 26, 2023 |
| New company restaurants | \$ 198,367 | \$ 201,234 |
| Refurbishment or expansion of existing restaurants | 122,905 | 119,785 |
| Relocation of existing restaurants | 25,633 | 20,629 |
| Capital expenditures related to Support Center office | 7,436 | 5,386 |
| Total capital expenditures | <u>\$ 354,341</u> | <u>\$ 347,034</u> |

Our future capital requirements will primarily depend on the number and mix of new restaurants we open, the timing of those openings, and the restaurant prototype developed in a given fiscal year. These requirements will include costs directly related to opening, maintaining, or relocating restaurants and may also include costs necessary to ensure that our infrastructure is able to support a larger restaurant base.

We intend to satisfy our capital requirements over the next 12 months with cash on hand, net cash provided by operating activities, and if needed, funds available under our revolving credit facility. In 2025, we expect capital expenditures of approximately \$400 million.

Net cash used in financing activities was \$275.7 million in 2024 compared to \$267.4 million in 2023. The increase is primarily due to an increase in share repurchases and an increase in our quarterly dividend payments partially offset by the \$50 million repayment of our revolving credit facility in 2023.

On March 17, 2022, our Board approved a stock repurchase program for the repurchase of up to \$300.0 million of our common stock. This stock repurchase program has no expiration date. All repurchases to date under our stock repurchase programs have been made through open market transactions.

In 2024, we paid \$79.8 million, excluding excise taxes, to repurchase 461,662 shares of our common stock. In 2023, we paid \$50.0 million, excluding excise taxes, to repurchase 455,026 shares of our common stock. As of December 31, 2024, \$37.1 million remained under our authorized stock repurchase program.

On February 19, 2025, our Board approved a stock repurchase program for the repurchase of up to \$500.0 million of our common stock. Any repurchases under this plan will be made by the Company through open market transactions. This stock repurchase program has no expiration date and replaces the previous stock repurchase program which was approved in 2022.

On February 14, 2024, our Board authorized the payment of a quarterly dividend of \$0.61 per share of common stock compared to the quarterly dividend of \$0.55 per share of common stock declared in 2023. The payment of quarterly dividends totaled \$162.9 million and \$147.2 million in 2024 and 2023, respectively. On February 19, 2025, our Board declared a quarterly cash dividend of \$0.68 per share of common stock.

We paid distributions of \$10.4 million and \$8.0 million in 2024 and 2023, respectively, to equity holders of our majority-owned company restaurants.

We maintain a revolving credit facility (the “credit facility”) with a syndicate of commercial lenders led by JPMorgan Chase Bank, N.A. and PNC Bank, N.A. The credit facility is an unsecured, revolving credit agreement and has a borrowing capacity of up to \$300.0 million with the option to increase by an additional \$200.0 million subject to certain limitations, including approval by the syndicate of lenders. The credit facility has a maturity date of May 1, 2026.

As of December 31, 2024, we had no outstanding borrowings under the credit facility and had \$296.8 million of availability, net of \$3.2 million of outstanding letters of credit. As of December 26, 2023, we had no outstanding balance on the credit facility and had \$295.3 million of availability, net of \$4.7 million of outstanding letters of credit.

The interest rate for the credit facility as of December 31, 2024 and December 26, 2023 was 5.47% and 6.23%, respectively.

The lenders’ obligation to extend credit pursuant to the credit facility depends on us maintaining certain financial covenants, including a minimum consolidated fixed charge coverage ratio and a maximum consolidated leverage ratio.

The credit facility permits us to incur additional secured or unsecured indebtedness, except for the incurrence of secured indebtedness that in the aggregate is equal to or greater than \$125.0 million and 20% of our consolidated tangible net worth. We were in compliance with all financial covenants as of December 31, 2024.

Contractual Obligations

The following table summarizes the amount of payments due under specified contractual obligations as of December 31, 2024 (in thousands):

| | Payments Due by Period | | | | |
|---|------------------------|---------------------|-------------------|-------------------|----------------------|
| | Total | Less than 1 year | 1 - 3 Years | 3 - 5 Years | More than 5 years |
| Obligations under finance leases | 2,758 | 31 | 72 | 89 | 2,566 |
| Interest (1) | 3,893 | 312 | 615 | 599 | 2,367 |
| Real estate operating lease obligations | 1,472,259 | 79,801 | 163,025 | 167,477 | 1,061,956 |
| Capital obligations | 243,569 | 243,569 | — | — | — |
| Total contractual obligations (2) | <u>\$ 1,722,479</u> | <u>\$ 323,713</u> | <u>\$ 163,712</u> | <u>\$ 168,165</u> | <u>\$ 1,066,889</u> |

- (1) Includes interest on our financing leases and assumes a constant interest rate until maturity.
(2) Unrecognized tax benefits under Accounting Standards Codification 740, *Income Taxes*, are not significant and excluded from this amount.

We have no material minimum purchase commitments with our vendors that extend beyond a year. Refer to Notes 5, 8, and 13 to the consolidated financial statements for details of contractual obligations.

Guarantees

As of December 31, 2024 and December 26, 2023, we were contingently liable for \$9.4 million and \$10.4 million, respectively, for seven lease guarantees. These amounts represent the maximum potential liability of future payments under the guarantees. In the event of default, the indemnity and default clauses in our assignment agreements govern our ability to pursue and recover damages incurred. No material liabilities have been recorded as of December 31, 2024 or December 26, 2023, as the likelihood of default was deemed to be less than probable and the fair value of the guarantees is not considered significant.

Critical Accounting Policies and Estimates

The above discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with GAAP. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenue and expenses, and disclosures of contingent assets and liabilities. Our significant accounting policies are described in Note 2 to the accompanying consolidated financial statements. Critical accounting policies are those that we believe are most important to portraying our financial condition and results of operations and also require the greatest amount of subjective or complex judgments by management. Judgments or uncertainties regarding the application of these policies may result in significantly different amounts being reported under different conditions or using different assumptions. We consider the following policies to be the most critical in understanding the judgments that are involved in preparing the consolidated financial statements.

Impairment of Long-lived Assets. We evaluate long-lived assets to be held and used in the business, such as property and equipment, operating lease right-of-use assets, and intangible assets subject to amortization, for impairment whenever events and circumstances indicate that the carrying amount of a restaurant may not be recoverable. For the purposes of this evaluation, we define the asset group at the individual restaurant level. When we evaluate the restaurants, cash flows are the primary indicator of impairment. Recoverability of assets to be held and used is measured by comparison of the carrying amount of the restaurant to estimated undiscounted future cash flows expected to be generated by the restaurant.

Under our policies, trailing 12-month cash flow results under a predetermined amount at the individual restaurant level signals a potential impairment. In our evaluation of restaurants that do not meet the cash flow threshold, we estimate future undiscounted cash flows from operating the restaurant over the remaining useful life of the primary asset, which is the building or the operating lease right-of-use asset. In the estimation of future cash flows, we consider the

period of time the restaurant has been open, the trend of operations over such period, and future periods and expectations for future sales growth. We limit assumptions about important factors such as trend of future operations and sales growth to those that are supportable based upon our plans for the restaurant and actual results at comparable restaurants. Both qualitative and quantitative information are considered when evaluating for potential impairments. As we assess the ongoing expected cash flows and carrying amounts of our long-lived assets, these factors could cause us to realize a material impairment charge. Based on our reviews performed on the cash flows of our restaurants, the carrying amount associated with restaurants deemed at risk for impairment is not material to our consolidated financial statements.

If assets are determined to be impaired, we measure the impairment charge by calculating the amount by which the asset carrying amount exceeds its estimated fair value. The determination of asset fair value is also subject to significant judgment. We generally measure estimated fair value by discounting estimated future cash flows. When fair value is measured by discounting estimated future cash flows, the assumptions used are consistent with what we believe hypothetical market participants would use. We also use a discount rate that is commensurate with the risk inherent in the projected cash flows. If these assumptions change in the future, we may be required to record impairment charges for these assets.

In 2024, we recorded impairment and closure costs, net of \$1.2 million which related to the impairment of a building at a previously relocated store and ongoing closure costs for stores which have relocated. Refer to Note 17 in the consolidated financial statements for further discussion regarding impairment and closure costs recorded in 2024, 2023, and 2022.

Goodwill. Goodwill is tested annually for impairment and is tested more frequently if events and circumstances indicate that the asset might be impaired. An impairment loss is recognized to the extent that the carrying amount exceeds the fair value of the reporting unit, up to the amount of goodwill recorded. Goodwill is required to be tested for impairment at the reporting unit level, or the level of internal reporting that reflects the way in which an entity manages its businesses. A reporting unit is defined as an operating segment, or one level below an operating segment. Our reporting units are at the concept level. An entity may first assess qualitative factors in order to determine whether it is more likely than not that the fair value of the reporting unit is less than its carrying amount. The entity may also elect to bypass the qualitative assessment and determine the fair value of the reporting unit and compare it to its carrying amount. The fair value of the reporting unit may be based on several valuation approaches including capitalization of earnings, discounted cash flows, comparable public company market multiples, and comparable acquisition market multiples.

At December 31, 2024, our Texas Roadhouse reporting unit had allocated goodwill of \$169.7 million. No other reporting units had goodwill balances.

In performing the qualitative assessment, we reviewed factors such as macroeconomic conditions, industry and market considerations, cost factors, changes in management or key personnel, sustained decreases in share price, and the overall financial performance of the Company's Texas Roadhouse reporting unit. As a result of the qualitative assessment, no indicators of impairment were identified, and no additional indicators of impairment were identified through the end of the fourth quarter that would require additional testing. Changes in circumstances existing at the measurement date or at other times in the future could result in an impairment loss.

Effects of Inflation

During recent years, we have operated during periods of inflation, led primarily by wage and other labor inflation and commodity inflation. Some of the impacts of inflation have been offset by menu price increases and other adjustments. Whether we are able and/or choose to continue to offset the effects of inflation will determine to what extent, if any, inflation affects our restaurant profitability in future periods.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to market risk from changes in interest rates on variable rate debt and changes in commodity prices. Our exposure to interest rate fluctuations is limited to our outstanding bank debt. The terms of the credit facility require us to pay interest on outstanding borrowings at the Term Secured Overnight Financing Rate (“SOFR”), plus a fixed adjustment of 0.10% and a variable adjustment of 0.875% to 1.875% depending on our leverage ratio. As of December 31, 2024, we had no outstanding borrowings on our credit facility.

In an effort to secure high quality, low-cost ingredients used in the products sold in our restaurants, we employ various purchasing and pricing contract techniques. When purchasing certain types of commodities, we may be subject to prevailing market conditions resulting in unpredictable price volatility. For certain commodities, we may also enter into contracts for terms of one year or less that are either fixed price agreements or fixed volume agreements where the price is negotiated with reference to fluctuating market prices. We currently do not use financial instruments to hedge commodity prices, but we will continue to evaluate their effectiveness. Extreme and/or long-term increases in commodity prices could adversely affect our future results, especially if we are unable, primarily due to competitive reasons, to increase menu prices. Additionally, if there is a time lag between the increasing commodity prices and our ability to increase menu prices or if we believe the commodity price increase to be short in duration and we choose not to pass on the cost increases, our short-term financial results could be negatively affected.

We are subject to business risk as our beef supply is highly dependent upon four vendors. If these vendors are unable to fulfill their obligations under their contracts, we may encounter supply shortages and/or higher costs to secure adequate supply and a possible loss of sales, any of which would harm our business.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY FINANCIAL DATA

See Index to Consolidated Financial Statements at Item 15.

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

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of disclosure controls and procedures

We have evaluated the effectiveness of the design and operation of our disclosure controls and procedures pursuant to, and as defined in, Rules 13a-15(e) and 15d-15(e) under the Exchange Act, as of the end of the period covered by this report. Based on the evaluation, performed under the supervision and with the participation of our management, including the Chief Executive Officer (the “CEO”) and the Chief Financial Officer (the “CFO”), our management, including the CEO and CFO, concluded that our disclosure controls and procedures were effective as of December 31, 2024.

Changes in internal control

There were no changes in the Company’s internal control over financial reporting that occurred during the quarter ended December 31, 2024 that materially affected or are reasonably likely to materially affect, the Company’s internal control over financial reporting.

Management’s Report on Internal Control over Financial Reporting

Under Section 404 of the Sarbanes-Oxley Act of 2002, our management is required to assess the effectiveness of the Company’s internal control over financial reporting as of the end of each fiscal year and report, based on that assessment, whether the Company’s internal control over financial reporting is effective.

Management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting. As defined in Exchange Act Rule 13a-15(f), internal control over financial reporting is a process designed by, or under the supervision of, our principal executive and principal financial officers and effected by our Board of Directors, management and other personnel, 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. Therefore, internal control over financial reporting determined to be effective can provide only reasonable assurance with respect to financial statement preparation and may not prevent or detect all misstatements.

Under the supervision and with the participation of our management, including our CEO and CFO, we assessed the effectiveness of the Company’s internal control over financial reporting as of the end of the period covered by this report. In this assessment, the Company applied criteria based on the “Internal Control—Integrated Framework (2013)” issued by the Committee of Sponsoring Organizations of the Treadway Commission. These criteria are in the areas of control environment, risk assessment, control activities, information and communication, and monitoring. The Company’s assessment included documenting, evaluating and testing the design and operating effectiveness of its internal control over financial reporting. Based upon this evaluation, our management concluded that our internal control over financial reporting was effective as of December 31, 2024.

KPMG LLP, the independent registered public accounting firm that audited our Consolidated Financial Statements included in the Annual Report on Form 10-K, has also audited the effectiveness of the Company’s internal control over financial reporting as of December 31, 2024 as stated in their report at F-3.

ITEM 9B. OTHER INFORMATION

Rule 10b5-1 Trading Plans

In accordance with the disclosure requirement set forth in Item 408 of Regulation S-K, the following table discloses any executive officer or director who is subject to the filing requirements of Section 16 of the Exchange Act that adopted a Rule 10b5-1 trading arrangement during the fourth quarter ended December 31, 2024. These trading arrangements are intended to satisfy the affirmative defense conditions of Rule 10b5-1(c).

| Name | Title | Adoption Date | End Date (1) | Aggregate Number of Securities to be Sold |
|------------------------|-------------------------|---------------|--------------|---|
| Gerald L. Morgan | Chief Executive Officer | 11/14/2024 | 5/14/2026 | 20,000 |
| Regina A. Tobin | President | 11/18/2024 | 11/18/2025 | 3,370 |

- (1) A trading plan may expire on such earlier date that all transactions under the trading plan are completed.

Other than as disclosed above, no other executive officer or director adopted, modified, or terminated a Rule 10b5-1 or a non-Rule 10b5-1 trading arrangement during the 14 weeks ended December 31, 2024.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Information regarding our directors is incorporated herein by reference to the information set forth under “Election of Directors” in our Definitive Proxy Statement to be dated on or about April 4, 2025.

Information regarding our executive officers has been included in Part I of this Annual Report under the caption “Executive Officers of the Company.”

Information regarding our corporate governance is incorporated herein by reference to the information set forth in our Definitive Proxy Statement to be dated on or about April 4, 2025.

ITEM 11. EXECUTIVE COMPENSATION

Incorporated by reference from our Definitive Proxy Statement to be dated on or about April 4, 2025.

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

Incorporated by reference from our Definitive Proxy Statement to be dated on or about April 4, 2025.

Equity Compensation Plan Information

As of December 31, 2024, shares of common stock authorized for issuance under our equity compensation plans are summarized in the following table. Refer to Note 14 to the Consolidated Financial Statements for a description of the plans.

| Plan Category | Shares to Be Issued Upon Vest Date (1) | Shares Available for Future Grants |
|--|--|------------------------------------|
| Plans approved by shareholders | 441,190 | 6,219,382 |
| Plans not approved by shareholders | — | — |
| Total | 441,190 | 6,219,382 |

- (1) Total number of shares consist of 410,890 restricted stock units and 30,300 performance stock units. Shares in this column are excluded from the Shares Available for Future Grants column.

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

Incorporated by reference from our Definitive Proxy Statement to be dated on or about April 4, 2025.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Incorporated by reference from our Definitive Proxy Statement to be dated on or about April 4, 2025.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

1. Consolidated Financial Statements

| Description | Page Number in Report |
|---|--------------------------|
| Reports of Independent Registered Public Accounting Firm (PCAOB ID: 185) | F-1 |
| Consolidated Balance Sheets as of December 31, 2024 and December 26, 2023 | F-4 |
| Consolidated Statements of Income for the years ended December 31, 2024, December 26, 2023 and December 27, 2022 | F-5 |
| Consolidated Statements of Stockholders' Equity for the years ended December 31, 2024, December 26, 2023, and December 27, 2022 | F-6 |
| Consolidated Statements of Cash Flows for the years ended December 31, 2024, December 26, 2023, and December 27, 2022 | F-7 |
| Notes to Consolidated Financial Statements | F-8 |

2. Financial Statement Schedules

Omitted due to inapplicability or because required information is shown in our Consolidated Financial Statements or Notes thereto.

3. Exhibits

| Exhibit No. | Description |
|----------------|---|
| 3.1 | Restated Certificate of Incorporation for Texas Roadhouse, Inc. dated as of May 16, 2024 (incorporated by reference to Exhibit 3.2 of the Registrant's Current Report on Form 8-K May 16, 2024) |
| 3.2 | Amended and Restated Bylaws for Texas Roadhouse, Inc. dated as of May 16, 2024 (incorporated by reference to Exhibit 3.3 to the Registrant's Current Report on Form 8-K dated May 16, 2024) |
| 4.1 | Description of Securities |
| 10.1* | Form of Indemnification Agreement for Director and Executive Officer (incorporated by reference to Exhibit 10.1 of Registrant's Annual Report on Form 10-K for the year ended December 28, 2021) |
| 10.2 | Form of Limited Partnership Agreement and Operating Agreement for certain company-managed Texas Roadhouse restaurants, including schedule of the owners of such restaurants and the aggregate interests held by directors, executive officers and 5% stockholders who are parties to such an agreement (incorporated by reference to Exhibit 10.10 to the Registration Statement on Form S-1 of Registrant) |
| 10.3 | Form of Franchise Agreement and Preliminary Agreement for a Texas Roadhouse restaurant franchise, including schedule of directors, executive officers and 5% stockholders which have entered into either agreement (incorporated by reference to Exhibit 10.14 to the Registration Statement on Form S-1 of Registrant) |
| 10.4 | Schedule of the owners of company-managed Texas Roadhouse restaurants and the aggregate interests held by directors, executive officers and 5% stockholders who are parties to Limited Partnership Agreements and Operating Agreements as of December 31, 2024 the form of which is set forth in Exhibit 10.2 of this Form 10-K |
| 10.5 | Schedule of the directors, executive officers and 5% stockholders which have entered into Franchise Agreements or Preliminary Agreements for a Texas Roadhouse Franchise as of December 31, 2024 the form of which is set forth in Exhibit 10.3 of this Form 10-K |
| 10.6* | Texas Roadhouse, Inc. 2013 Long-Term Incentive Plan (incorporated by reference from Appendix A to the Texas Roadhouse, Inc. Proxy Statement on Schedule 14A filed with the Securities and Exchange Commission on April 5, 2013) |
| 10.7* | Amended and Restated Form of Restricted Stock Unit Award Agreement under the Texas Roadhouse, Inc. 2013 Long-Term Incentive Plan for non-officers (incorporated by reference to Exhibit 10.41 to the Registrant's Annual Report on Form 10-K for the year ended December 30, 2014) |
| 10.8* | Second Amended and Restated Deferred Compensation Plan of Texas Roadhouse Management Corp., as amended December 19, 2007 and December 31, 2008 (incorporated by reference to Exhibit 10.42 to the Registrant's Annual Report on Form 10-K for the year ended December 30, 2014) |

**Exhibit
No.**

Description

| | |
|--------|---|
| 10.9* | Third Amended and Restated Deferred Compensation Plan of Texas Roadhouse Management Corp., effective January 1, 2010 (incorporated by reference to Exhibit 10.43 to the Registrant's Annual Report on Form 10-K for the year ended December 30, 2014) |
| 10.10 | Master Lease Agreement dated October 26, 2018 between Paragon Centre Holdings, LLC and Texas Roadhouse Holdings LLC (incorporated by reference to Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 25, 2018) |
| 10.11 | Amended and Restated Credit Agreement dated as of August 7, 2017, by and among Texas Roadhouse Inc., and the lenders named therein and JPMorgan Chase Bank, N.A., as Administrative Agent (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K dated August 7, 2017) |
| 10.12 | Assignment and Assumption Agreement between Texas Roadhouse Holdings LLC and Texas Roadhouse, Inc. dated October 26, 2018 (incorporated by reference to Exhibit 10.27 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2019) |
| 10.13 | First Amendment to Paragon Centre Master Lease Agreement between Paragon Centre Holdings, LLC and Texas Roadhouse, Inc. dated December 13, 2019 (incorporated by reference to Exhibit 10.28 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2019) |
| 10.14 | First Amendment to Amended and Restated Credit Agreement, dated as of May 11, 2020, by and among Texas Roadhouse, Inc., and the lenders named therein and JPMorgan Chase Bank, N.A. as Administrative Agent (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on 8-K dated May 11, 2020) |
| 10.15 | Second Amendment to Amended and Restated Credit Agreement dated as of May 4, 2021 by and among Texas Roadhouse, Inc. and the lenders named therein and JPMorgan Chase Bank, N.A. as Administrative Agent (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K dated May 4, 2021) |
| 10.16* | Texas Roadhouse, Inc. 2021 Long-Term Incentive Plan (incorporated by reference from Appendix A to the Texas Roadhouse, Inc. Proxy Statement on Schedule 14A filed with the Securities and Exchange Commission on April 2, 2021) |
| 10.17* | Form of Texas Roadhouse, Inc. 2021 Long-Term Incentive Plan Performance Stock Unit Award Agreement (incorporated by reference to Exhibit 10.1 of Registrant's Current Report on Form 8-K dated June 15, 2021) |
| 10.18* | Form of Texas Roadhouse, Inc. 2021 Long-Term Incentive Plan Restricted Stock Unit Award Agreement (Officers) (incorporated by reference to Exhibit 10.1 of Registrant's Current Report on Form 8-K dated June 15, 2021) |
| 10.19* | Form of Texas Roadhouse, Inc. 2021 Long-Term Incentive Plan Restricted Stock Unit Award Agreement (Member of Board of Directors) (incorporated by reference to Exhibit 10.1 of Registrant's Current Report on Form 8-K dated June 15, 2021) |
| 10.20* | Employment Agreement between Texas Roadhouse Management Corp. and Christopher C. Colson dated December 27, 2024 |
| 10.21* | Employment Agreement between Texas Roadhouse Management Corp. and Travis C. Doster dated December 27, 2024 |
| 10.22* | Employment Agreement between Texas Roadhouse Management Corp. and David Christopher Monroe dated December 27, 2024 |
| 10.23* | Employment Agreement between Texas Roadhouse Management Corp. and Gerald L. Morgan dated December 27, 2024 |
| 10.24* | Employment Agreement between Texas Roadhouse Management Corp. and Hernan E. Mujica dated December 27, 2024 |
| 10.25* | Employment Agreement between Texas Roadhouse Management Corp. and Regina A. Tobin dated December 27, 2024 |
| 10.26 | Amendment No. 3 to Amended and Restated Credit Agreement dated May 19, 2023 by and among Texas Roadhouse, Inc., the lenders named therein and JPMorgan Chase Bank, N.A., as Administrative Agent (incorporated by reference to Exhibit 10.1 to Registrant's Current Report on Form 8-K dated May 19, 2023) |
| 10.27* | Form of Texas Roadhouse, Inc. 2021 Long-Term Incentive Plan Restricted Stock Unit Award Agreement (Non-Officers) (incorporated by reference to Exhibit 10.2 to Registrant's of the Registrant's Quarterly Report on Form 10-Q for the period ended September 26, 2023) |
| 19.1 | Texas Roadhouse, Inc. Stock Trading Policy |

| Exhibit No. | Description |
|----------------|---|
| 21.1 | List of Subsidiaries |
| 23.1 | Consent of KPMG LLP, Independent Registered Public Accounting Firm |
| 31.1 | Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| 31.2 | Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| 31.3 | Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| 32.1 | Certifications pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 |
| 97* | Texas Roadhouse, Inc. Policy for Recovery of Incentive Compensation for Executive Officers dated November 9, 2023 |
| 101 | The following financial statements from the Texas Roadhouse, Inc. Annual Report on Form 10-K for the year ended December 31, 2024, filed February 28, 2025, formatted in inline eXtensible Business Reporting Language (iXBRL): (i) Consolidated Balance Sheets, (ii) Consolidated Statements of Income, (iii) Consolidated Statements of Stockholders' Equity, (iv) Consolidated Statements of Cash Flows, and (v) the Notes to the Consolidated Financial Statements. |
| 104 | Cover page, formatted in iXBRL and contained in Exhibit 101. |

* Management contract or compensatory plan or arrangement required to be filed as an exhibit to Form 10-K.

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, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

TEXAS ROADHOUSE, INC.

By: /s/ GERALD L. MORGAN
Chief Executive Officer, Director
Date: February 28, 2025

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

| Signature | Title | Date |
|---|--|-------------------|
| <u>/s/ GERALD L. MORGAN</u> Gerald L. Morgan | Chief Executive Officer, Director (Principal Executive Officer) | February 28, 2025 |
| <u>/s/ D. CHRISTOPHER MONROE</u> D. Christopher Monroe | Chief Financial Officer (Principal Financial Officer) | February 28, 2025 |
| <u>/s/ KEITH V. HUMPICH</u> Keith V. Humpich | Vice President of Finance (Principal Accounting Officer) | February 28, 2025 |
| <u>/s/ GREGORY N. MOORE</u> Gregory N. Moore | Chairman of the Board, Director | February 28, 2025 |
| <u>/s/ JANE GROTE ABELL</u> Jane Grote Abell | Director | February 28, 2025 |
| <u>/s/ MICHAEL A. CRAWFORD</u> Michael A. Crawford | Director | February 28, 2025 |
| <u>/s/ DONNA E. EPPS</u> Donna E. Epps | Director | February 28, 2025 |
| <u>/s/ WAYNE L. JONES</u> Wayne L. Jones | Director | February 28, 2025 |
| <u>/s/ CURTIS A. WARFIELD</u> Curtis A. Warfield | Director | February 28, 2025 |
| <u>/s/ KATHLEEN M. WIDMER</u> Kathleen M. Widmer | Director | February 28, 2025 |
| <u>/s/ JAMES R. ZARLEY</u> James R. Zarley | Director | February 28, 2025 |

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Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors
Texas Roadhouse, Inc.:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Texas Roadhouse, Inc. and subsidiaries (the Company) as of December 31, 2024 and December 26, 2023, the related consolidated statements of income, stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2024, 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 December 31, 2024 and December 26, 2023, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2024, 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 December 31, 2024, 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 February 28, 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.

Potential indicators of impairment of long-lived assets

As discussed in Note 2 to the consolidated financial statements, the Company assesses long-lived assets, primarily related to restaurants held and used in the business, including property and equipment and right-of-use assets, for potential impairment whenever events or changes in circumstances indicate that the carrying amount of a restaurant, or asset group, may not be recoverable. Trailing 12-month cash flows under predetermined amounts at the individual restaurant level are the Company's primary indicator that the carrying amount of a restaurant may not be recoverable. Property and equipment, net of accumulated depreciation, and the operating lease right-of-use assets, net as of December 31, 2024 were \$1,617.7 million and \$769.9 million, respectively.

We identified the assessment of the Company's determination of potential indicators of impairment of long-lived assets as a critical audit matter. Subjective auditor judgement was required to evaluate the events or circumstances

indicating the carrying amount of an asset group may not be recoverable, including the determination of the cash flow thresholds and the utilization of trailing 12-month cash flows to identify a potential impairment trigger.

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 over the Company's long-lived asset impairment process, including controls relating to determination and identification of potential indicators of impairment. We evaluated the Company's methodology of using trailing 12-month cash flow results under predetermined thresholds at the individual restaurant level as a potential indicator of impairment. Specifically, we evaluated the Company's assessment of the factors considered, including the cash flows at the individual restaurant level and the cash flow thresholds used in the Company's analysis. We tested that those restaurants with trailing 12-month cash flows were evaluated for potential impairment triggers, and we compared trailing 12-month cash flows used in the Company's analysis to historical financial data. We also assessed other events and circumstances that could have been indicative of a potential impairment trigger by reviewing management's development reports and related meeting minutes and the board of directors meeting minutes.

/s/ KPMG LLP

We have served as the Company's auditor since 1998.

Louisville, Kentucky
February 28, 2025

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors
Texas Roadhouse, Inc.:

Opinion on Internal Control Over Financial Reporting

We have audited Texas Roadhouse, Inc. and subsidiaries' (the Company) internal control over financial reporting as of December 31, 2024, 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 December 31, 2024, 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 December 31, 2024 and December 26, 2023, the related consolidated statements of income, stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2024, and the related notes (collectively, the consolidated financial statements), and our report dated February 28, 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

Louisville, Kentucky
February 28, 2025

Texas Roadhouse, Inc. and Subsidiaries

Consolidated Balance Sheets

(in thousands, except share and per share data)

| | <u>December 31, 2024</u> | <u>December 26, 2023</u> |
|---|---------------------------------|---------------------------------|
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 245,225 | \$ 104,246 |
| Receivables, net of allowance for doubtful accounts of \$7 at December 31, 2024 and \$35 at December 26, 2023 | 193,170 | 175,474 |
| Inventories, net | 40,756 | 38,320 |
| Prepaid income taxes | — | 3,262 |
| Prepaid expenses and other current assets | 37,417 | 35,172 |
| Total current assets | <u>516,568</u> | <u>356,474</u> |
| Property and equipment, net of accumulated depreciation of \$1,223,064 at December 31, 2024 and \$1,078,855 at December 26, 2023 | 1,617,673 | 1,474,722 |
| Operating lease right-of-use assets, net | 769,865 | 694,014 |
| Goodwill | 169,684 | 169,684 |
| Intangible assets, net of accumulated amortization of \$23,147 at December 31, 2024 and \$20,929 at December 26, 2023 | 1,265 | 3,483 |
| Other assets | 115,724 | 94,999 |
| Total assets | <u>\$ 3,190,779</u> | <u>\$ 2,793,376</u> |
| Liabilities and Stockholders' Equity | | |
| Current liabilities: | | |
| Current portion of operating lease liabilities | \$ 28,172 | \$ 27,411 |
| Accounts payable | 144,791 | 131,638 |
| Deferred revenue-gift cards | 401,198 | 373,913 |
| Accrued wages | 101,981 | 68,062 |
| Income taxes payable | 2,986 | 112 |
| Accrued taxes and licenses | 56,824 | 42,758 |
| Other accrued liabilities | 92,178 | 101,540 |
| Total current liabilities | <u>828,130</u> | <u>745,434</u> |
| Operating lease liabilities, net of current portion | 826,300 | 743,476 |
| Restricted stock and other deposits | 9,288 | 8,893 |
| Deferred tax liabilities, net | 8,184 | 23,104 |
| Other liabilities | 145,154 | 114,958 |
| Total liabilities | <u>1,817,056</u> | <u>1,635,865</u> |
| Texas Roadhouse, Inc. and subsidiaries stockholders' equity: | | |
| Preferred stock (\$0.001 par value, 1,000,000 shares authorized; no shares issued or outstanding) | — | — |
| Common stock (\$0.001 par value, 100,000,000 shares authorized, 66,574,626 and 66,789,464 shares issued and outstanding at December 31, 2024 and December 26, 2023, respectively) | 67 | 67 |
| Retained earnings | 1,358,280 | 1,141,595 |
| Total Texas Roadhouse, Inc. and subsidiaries stockholders' equity | <u>1,358,347</u> | <u>1,141,662</u> |
| Noncontrolling interests | 15,376 | 15,849 |
| Total equity | 1,373,723 | 1,157,511 |
| Total liabilities and equity | <u>\$ 3,190,779</u> | <u>\$ 2,793,376</u> |

See accompanying Notes to Consolidated Financial Statements.

Texas Roadhouse, Inc. and Subsidiaries

Consolidated Statements of Income

(in thousands, except per share data)

| | Fiscal Year Ended | | |
|---|--------------------------|--------------------------|--------------------------|
| | December 31, 2024 | December 26, 2023 | December 27, 2022 |
| Revenue: | | | |
| Restaurant and other sales | \$ 5,341,853 | \$ 4,604,554 | \$ 3,988,791 |
| Franchise royalties and fees | <u>31,479</u> | <u>27,118</u> | <u>26,128</u> |
| Total revenue | <u>5,373,332</u> | <u>4,631,672</u> | <u>4,014,919</u> |
| Costs and expenses: | | | |
| Restaurant operating costs (excluding depreciation and amortization shown separately below): | | | |
| Food and beverage | 1,785,119 | 1,593,852 | 1,378,192 |
| Labor | 1,764,740 | 1,539,124 | 1,319,959 |
| Rent | 80,560 | 72,766 | 66,834 |
| Other operating | 795,657 | 690,848 | 596,305 |
| Pre-opening | 28,090 | 29,234 | 21,883 |
| Depreciation and amortization | 178,157 | 153,202 | 137,237 |
| Impairment and closure, net | 1,226 | 275 | 1,600 |
| General and administrative | 223,264 | 198,382 | 172,712 |
| Total costs and expenses | <u>4,856,813</u> | <u>4,277,683</u> | <u>3,694,722</u> |
| Income from operations | <u>516,519</u> | <u>353,989</u> | <u>320,197</u> |
| Interest income (expense), net | 6,774 | 2,984 | (124) |
| Equity income from investments in unconsolidated affiliates | 1,197 | 1,351 | 1,239 |
| Income before taxes | 524,490 | 358,324 | 321,312 |
| Income tax expense | <u>80,145</u> | <u>44,649</u> | <u>43,715</u> |
| Net income including noncontrolling interests | <u>444,345</u> | <u>313,675</u> | <u>277,597</u> |
| Less: Net income attributable to noncontrolling interests | <u>10,753</u> | <u>8,799</u> | <u>7,779</u> |
| Net income attributable to Texas Roadhouse, Inc. and subsidiaries | <u><u>\$ 433,592</u></u> | <u><u>\$ 304,876</u></u> | <u><u>\$ 269,818</u></u> |
| Net income per common share attributable to Texas Roadhouse, Inc. and subsidiaries: | | | |
| Basic | <u><u>\$ 6.50</u></u> | <u><u>\$ 4.56</u></u> | <u><u>\$ 3.99</u></u> |
| Diluted | <u><u>\$ 6.47</u></u> | <u><u>\$ 4.54</u></u> | <u><u>\$ 3.97</u></u> |
| Weighted average shares outstanding: | | | |
| Basic | <u><u>66,752</u></u> | <u><u>66,893</u></u> | <u><u>67,643</u></u> |
| Diluted | <u><u>67,011</u></u> | <u><u>67,149</u></u> | <u><u>67,920</u></u> |
| Cash dividends declared per share | <u><u>\$ 2.44</u></u> | <u><u>\$ 2.20</u></u> | <u><u>\$ 1.84</u></u> |

See accompanying Notes to Consolidated Financial Statements.

Texas Roadhouse, Inc. and Subsidiaries

Consolidated Statements of Stockholders' Equity

(tabular amounts in thousands, except share data)

| | Shares | Par Value | Additional Paid-in-Capital | Retained Earnings | Total Texas Roadhouse, Inc. and Subsidiaries | Noncontrolling Interests | Total |
|---|---------------|------------------|-----------------------------------|--------------------------|---|---------------------------------|--------------|
| Balance, December 28, 2021 | 69,382,418 | \$ 69 | \$ 114,504 | \$ 943,551 | \$ 1,058,124 | \$ 15,360 | \$ 1,073,484 |
| Net income | — | — | — | 269,818 | 269,818 | 7,779 | 277,597 |
| Distributions to noncontrolling interest holders | — | — | — | — | — | (7,775) | (7,775) |
| Acquisition of noncontrolling interest | — | — | (1,395) | — | (1,395) | (340) | (1,735) |
| Dividends declared (\$1.84 per share) | — | — | — | (124,137) | (124,137) | — | (124,137) |
| Shares issued under share-based compensation plans including tax effects. | 474,771 | — | — | — | — | — | — |
| Indirect repurchase of shares for minimum tax withholdings | (149,873) | — | (13,576) | — | (13,576) | — | (13,576) |
| Repurchase of shares of common stock. | (2,734,005) | (2) | (123,057) | (89,800) | (212,859) | — | (212,859) |
| Share-based compensation | — | — | 36,663 | — | 36,663 | — | 36,663 |
| Balance, December 27, 2022 | 66,973,311 | \$ 67 | \$ 13,139 | \$ 999,432 | \$ 1,012,638 | \$ 15,024 | \$ 1,027,662 |
| Net income | — | — | — | 304,876 | 304,876 | 8,799 | 313,675 |
| Distributions to noncontrolling interest holders | — | — | — | — | — | (7,974) | (7,974) |
| Dividends declared (\$2.20 per share) | — | — | — | (147,182) | (147,182) | — | (147,182) |
| Shares issued under share-based compensation plans including tax effects. | 391,793 | — | — | — | — | — | — |
| Indirect repurchase of shares for minimum tax withholdings | (120,614) | — | (12,688) | — | (12,688) | — | (12,688) |
| Repurchase of shares of common stock, including excise taxes | (455,026) | — | (34,681) | (15,531) | (50,212) | — | (50,212) |
| Share-based compensation | — | — | 34,230 | — | 34,230 | — | 34,230 |
| Balance, December 26, 2023 | 66,789,464 | \$ 67 | \$ — | \$ 1,141,595 | \$ 1,141,662 | \$ 15,849 | \$ 1,157,511 |
| Net income | — | — | — | 433,592 | 433,592 | 10,753 | 444,345 |
| Distributions to noncontrolling interest holders | — | — | — | — | — | (10,361) | (10,361) |
| Acquisition of noncontrolling interest, net of deferred taxes | — | — | (3,297) | — | (3,297) | (865) | (4,162) |
| Dividends declared (\$2.44 per share) | — | — | — | (162,864) | (162,864) | — | (162,864) |
| Shares issued under share-based compensation plans including tax effects. | 358,077 | — | — | — | — | — | — |
| Indirect repurchase of shares for minimum tax withholdings | (111,253) | — | (17,608) | — | (17,608) | — | (17,608) |
| Repurchase of shares of common stock, including excise taxes | (461,662) | — | (26,150) | (54,043) | (80,193) | — | (80,193) |
| Share-based compensation | — | — | 47,055 | — | 47,055 | — | 47,055 |
| Balance, December 31, 2024 | 66,574,626 | \$ 67 | \$ — | \$ 1,358,280 | \$ 1,358,347 | \$ 15,376 | \$ 1,373,723 |

See accompanying Notes to Consolidated Financial Statements.

Texas Roadhouse, Inc. and Subsidiaries
Consolidated Statements of Cash Flows
(in thousands)

| | Fiscal Year Ended | | |
|--|----------------------|----------------------|----------------------|
| | December 31, 2024 | December 26, 2023 | December 27, 2022 |
| Cash flows from operating activities: | | | |
| Net income including noncontrolling interests | \$ 444,345 | \$ 313,675 | \$ 277,597 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | | |
| Depreciation and amortization | 178,157 | 153,202 | 137,237 |
| Deferred income taxes | (13,803) | 3,115 | 9,456 |
| Loss on disposition of assets | 3,572 | 3,783 | 5,206 |
| Impairment and closure costs | 845 | 200 | 1,770 |
| Equity income from investments in unconsolidated affiliates | (1,197) | (1,351) | (1,239) |
| Distributions of income received from investments in unconsolidated affiliates | 1,133 | 689 | 1,022 |
| Provision for doubtful accounts | (28) | (14) | 33 |
| Share-based compensation expense | 47,055 | 34,230 | 36,663 |
| Changes in operating working capital, net of acquisitions: | | | |
| Receivables | (17,668) | (24,420) | 11,062 |
| Inventories | (2,436) | 105 | (6,099) |
| Prepaid expenses and other current assets | (2,245) | (5,612) | (6,540) |
| Other assets | (20,097) | (22,617) | 5,775 |
| Accounts payable | 13,142 | 23,083 | 5,408 |
| Deferred revenue—gift cards | 27,285 | 37,347 | 33,799 |
| Accrued wages | 33,919 | 13,518 | (10,172) |
| Prepaid income taxes and income taxes payable | 6,136 | 1,514 | 5,953 |
| Accrued taxes and licenses | 14,393 | 6,581 | 1,889 |
| Other accrued liabilities | 2,842 | (3,460) | 2,147 |
| Operating lease right-of-use assets and lease liabilities | 8,085 | 6,313 | 5,268 |
| Other liabilities | 30,194 | 25,103 | (4,510) |
| Net cash provided by operating activities | <u>753,629</u> | <u>564,984</u> | <u>511,725</u> |
| Cash flows from investing activities: | | | |
| Capital expenditures—property and equipment | (354,341) | (347,034) | (246,121) |
| Acquisitions of franchise restaurants, net of cash acquired | — | (39,153) | (33,069) |
| Proceeds from sale of investments in unconsolidated affiliates | — | 627 | 316 |
| Proceeds from sale of property and equipment | 1,441 | 2,110 | 2,269 |
| Proceeds from sale leaseback transactions | 15,999 | 16,283 | 12,871 |
| Net cash used in investing activities | <u>(336,901)</u> | <u>(367,167)</u> | <u>(263,734)</u> |
| Cash flows from financing activities: | | | |
| Payments on revolving credit facility | — | (50,000) | (50,000) |
| Distributions to noncontrolling interest holders | (10,361) | (7,974) | (7,775) |
| Acquisitions of noncontrolling interests | (5,279) | — | (1,735) |
| Proceeds from restricted stock and other deposits, net | 366 | 405 | 307 |
| Indirect repurchase of shares for minimum tax withholdings | (17,608) | (12,688) | (13,576) |
| Repurchase of shares of common stock, including excise taxes as applicable | (80,003) | (49,993) | (212,859) |
| Dividends paid to shareholders | (162,864) | (147,182) | (124,137) |
| Net cash used in financing activities | <u>(275,749)</u> | <u>(267,432)</u> | <u>(409,775)</u> |
| Net increase (decrease) in cash and cash equivalents | 140,979 | (69,615) | (161,784) |
| Cash and cash equivalents—beginning of period | 104,246 | 173,861 | 335,645 |
| Cash and cash equivalents—end of period | <u>\$ 245,225</u> | <u>\$ 104,246</u> | <u>\$ 173,861</u> |
| Supplemental disclosures of cash flow information: | | | |
| Interest paid, net of amounts capitalized | \$ 891 | \$ 1,119 | \$ 1,547 |
| Income taxes paid | \$ 87,333 | \$ 39,861 | \$ 25,910 |
| Capital expenditures included in current liabilities | \$ 34,509 | \$ 47,550 | \$ 34,689 |

See accompanying Notes to Consolidated Financial Statements.

Texas Roadhouse, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

(Tabular amounts in thousands, except share and per share data)

(1) Description of Business

Texas Roadhouse, Inc. and subsidiaries in which we have a controlling interest (collectively, the “Company,” “we,” “our,” and/or “us”), is a growing restaurant company operating predominantly in the casual dining segment. Our late founder, W. Kent Taylor, started the business in 1993 with the opening of the first Texas Roadhouse restaurant in Clarksville, Indiana.

The Company maintains three restaurant concepts operating as Texas Roadhouse, Bubba’s 33, and Jaggers. As of December 31, 2024, we owned and operated 666 restaurants and franchised an additional 118 restaurants in 49 states, one U.S. territory, and ten foreign countries. Of the 118 franchise restaurants, there were 60 domestic and 58 international restaurants, including one in a U.S. territory. As of December 26, 2023, we owned and operated 635 restaurants and franchised an additional 106 restaurants in 49 states and ten foreign countries. Of the 106 franchise restaurants, 58 were domestic and 48 were international restaurants.

(2) Summary of Significant Accounting Policies

Principles of Consolidation

The accompanying consolidated financial statements present the financial position, results of operations, and cash flows of the Company. All significant intercompany balances and transactions have been eliminated in consolidation.

As of December 31, 2024 and December 26, 2023, we owned a majority interest in 19 and 20 company restaurants, respectively. The operating results of these majority-owned restaurants are consolidated and the portion of income attributable to noncontrolling interests is recorded in the line item net income attributable to noncontrolling interests in our consolidated statements of income.

As of December 31, 2024 and December 26, 2023, we owned a 5.0% to 10.0% equity interest in 20 domestic franchise restaurants. These unconsolidated restaurants are accounted for using the equity method. Our investments in these unconsolidated affiliates are included in other assets in our consolidated balance sheets, and our percentage share of net income earned by these unconsolidated affiliates is recorded in the line item equity income from investments in unconsolidated affiliates in our consolidated statements of income.

Fiscal Year

We utilize a 52 or 53 week accounting period that typically ends on the last Tuesday in December. We utilize a 13 week accounting period for quarterly reporting purposes, except in years containing 53 weeks when the fourth quarter contains 14 weeks. Fiscal year 2024 was 53 weeks in length and fiscal years 2023 and 2022 were 52 weeks in length. In fiscal year 2024, the additional week increased restaurant and other sales by \$114.7 million and increased net income by approximately 5% in our consolidated statements of income.

Use of Estimates

We have made a number of estimates and assumptions relating to the reporting of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reporting of revenue and expenses during the period to prepare these consolidated financial statements in conformity with U.S. generally accepted accounting principles (“GAAP”). Significant items subject to such estimates and assumptions include the valuation of property and equipment, goodwill, lease liabilities and right-of-use assets, obligations related to insurance reserves, legal reserves, income taxes, and gift card breakage and fees. Actual results could differ from those estimates.

Texas Roadhouse, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

(Tabular amounts in thousands, except share and per share data)

Segment Reporting

Operating segments are defined as components of a company that engage in business activities from which it may earn revenue and incur expenses, and for which separate financial information is available and is regularly reviewed by the chief operating decision maker (“CODM”) to assess the performance of the individual segments and make decisions about resources to be allocated to the segments. The Company’s operating segments have been identified in accordance with the provisions of Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) ASC 280, *Segment Reporting*, as amended by ASU 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosure*.

We have identified Texas Roadhouse, Bubba’s 33, Jaggers, and our retail initiatives as separate operating segments. In addition, we have identified Texas Roadhouse and Bubba’s 33 as reportable segments. For further discussion of segment reporting, refer to Note 19.

Cash and Cash Equivalents

We consider all highly liquid debt instruments with original maturities of three months or less to be cash equivalents. Cash and cash equivalents also include receivables from credit card companies as these balances are highly liquid in nature and are settled within two to three business days. These amounted to \$49.4 million and \$27.8 million at December 31, 2024 and December 26, 2023, respectively.

Receivables

Receivables consist principally of amounts due from retail gift card providers, certain franchise restaurants for reimbursement of labor costs, pre-opening, and other expenses, and franchise restaurants for royalties and advertising fees.

Receivables are recorded at the invoiced amount and do not bear interest. The allowance for doubtful accounts is our best estimate of the amount of probable credit losses in our existing accounts receivable. We determine the allowance based on historical collection experience, adjusted for current and forecasted economic conditions and other factors such as credit risk or industry trends, and the age of receivables. We review our allowance for doubtful accounts quarterly. Past due balances over 120 days are reviewed individually for collectability. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote.

Inventories

Inventories, consisting principally of food, beverages, and supplies, are valued at the lower of cost (first-in, first-out) or net realizable value.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. Expenditures for major renewals and betterments are capitalized while expenditures for maintenance and repairs are expensed as incurred. Depreciation is computed on property and equipment, including assets located on leased properties, over the shorter of the estimated useful lives of the related assets or the underlying lease term using the straight-line method. In most cases, assets on leased properties are depreciated over a period of time which includes both the initial term of the lease and one or more option periods.

Texas Roadhouse, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

(Tabular amounts in thousands, except share and per share data)

The estimated useful lives are:

| | |
|---|---------------|
| Land improvements..... | 10 - 25 years |
| Buildings and leasehold improvements..... | 10 - 25 years |
| Furniture, fixtures and equipment | 3 - 10 years |

The cost of purchasing transferable liquor licenses through open markets in jurisdictions with a limited number of authorized liquor licenses are capitalized as indefinite-lived assets and included in Property and equipment, net.

Cloud Computing Arrangements

The Company capitalizes cloud computing implementation costs and amortizes these costs on a straight-line basis over the term of the related service agreement, including renewal periods that are reasonably certain to be exercised. Capitalized cloud computing implementation costs were \$5.9 million and \$3.0 million, net of accumulated amortization, as of December 31, 2024 and December 26, 2023, respectively. These costs are included in prepaid expenses and other current assets and other assets in our consolidated balance sheets. Related amortization expense was \$3.9 million, \$1.4 million, and \$1.0 million for the years ended December 31, 2024, December 26, 2023, and December 27, 2022, respectively, and is included in general and administrative expenses in our consolidated statements of income.

Leases

We recognize operating lease right-of-use assets and operating lease liabilities for real estate leases, including our restaurant leases and Support Center lease, as well as certain restaurant equipment leases based on the present value of the lease payments over the lease term. At lease inception, we include option periods that we are reasonably certain to exercise in the lease term. To determine if an option is reasonably certain to be exercised, we analyze the economic penalties that would be imposed from a failure to renew a lease, including the loss of our investment in leasehold improvements or the loss of future cash flows. We estimate the present value of lease payments based on our incremental borrowing rate which considers our estimated credit rating for a secured or collateralized instrument and corresponds to the underlying lease term. In addition, operating lease right-of-use assets are reduced for accrued rent and increased for any initial direct costs recognized at lease inception. For real estate and restaurant equipment leases commencing in 2019 and later, we account for lease and non-lease components as a single lease component. Reductions of the right-of-use asset and the changes in the lease liability are included within the changes in operating lease right-of-use assets and lease liabilities in our consolidated statements of cash flows.

Certain of our operating leases contain predetermined fixed escalations of the minimum rent over the lease term. For these leases, we recognize the related total rent expense on a straight-line basis over the lease term. We may receive rent concessions or leasehold improvement incentives upon opening a restaurant that is subject to a lease which we consider when determining straight-line rent expense. We also may receive rent holidays, which would begin on the possession date and end when the store opens, during which no cash rent payments are typically due under the terms of the lease. Rent holidays are included in the lease term when determining straight-line rent expense.

Certain of our operating leases contain clauses that provide for additional contingent rent based on a percentage of sales greater than certain specified target amounts. We recognize contingent rent expense as variable rent expense prior to the achievement of the specified target that triggers the contingent rent, provided achievement of the target is considered probable. In addition, certain of our operating leases have variable escalations of the minimum rent that depend on an index or rate. For these leases, we recognize operating lease right-of-use assets and operating lease liabilities based on the index or rate at the commencement date. Any subsequent changes to the index or rate are recognized as variable rent expense when the escalation is determinable.

Sale-leasebacks are transactions through which we sell previously acquired land at fair value and subsequently enter into a lease agreement on the same land. The resulting lease agreement is evaluated to determine classification as an operating or finance lease and is recorded based on the lease classification. Refer to Note 8 for further discussion of leases.

Texas Roadhouse, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

(Tabular amounts in thousands, except share and per share data)

Goodwill

Goodwill represents the excess of cost over fair value of assets of businesses acquired. In accordance with ASC 350, *Intangibles—Goodwill and Other* (“ASC 350”), goodwill is not subject to amortization and is evaluated for impairment on an annual basis, or sooner if an event or other circumstance indicates that goodwill may be impaired. The annual assessment date is the first day of our fourth quarter.

ASC 350 requires that goodwill be tested for impairment at the reporting unit level, or the level of internal reporting that reflects the way in which an entity manages its businesses. A reporting unit is defined as an operating segment, or one level below an operating segment. Our goodwill reporting units are at the concept or operating segment level.

As stated in ASC 350, an entity may first assess qualitative factors in order to determine if it is necessary to perform the quantitative test. In 2024 and 2023, we elected to perform a qualitative assessment for our annual review of goodwill. This review included evaluating factors such as macroeconomic conditions, industry and market considerations, cost factors, changes in management or key personnel, sustained decreases in share price, and the overall financial performance of the Company’s reporting units at the concept level. As a result of the qualitative assessment, no indicators of impairment were identified, and no additional indicators of impairment were identified through the end of the fiscal year that would require additional testing.

In 2024, 2023, and 2022, we determined there was no goodwill impairment. Refer to Note 7 for additional information related to goodwill and intangible assets.

Other Assets

Other assets consist primarily of deferred compensation plan assets, capitalized cloud computing implementation costs, investments in unconsolidated affiliates, and deposits. For further discussion of the deferred compensation plan, refer to Note 15 and Note 16.

Impairment or Disposal of Long-lived Assets

In accordance with ASC 360, *Property, Plant, and Equipment*, long-lived assets to be held and used in the business, such as property and equipment, operating lease right-of-use assets, and intangible assets subject to amortization, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. For the purposes of this evaluation, we define the asset group at the individual restaurant level. When we evaluate the restaurants, cash flows are the primary indicator of impairment.

Recoverability of assets to be held and used is measured by a comparison of the carrying amount of the restaurant to estimated undiscounted future cash flows expected to be generated by the restaurant. Under our policies, trailing 12-month cash flow results under a predetermined amount at the individual restaurant level signals potential impairment. In our evaluation of restaurants that do not meet the cash flow threshold, we estimate future undiscounted cash flows from operating the restaurant over its remaining useful life, which can be for a period of over 20 years. In the estimation of future cash flows, we consider the period of time the restaurant has been open, the trend of operations over such period, and future periods and expectations of future sales growth. Assumptions about important factors such as the trend of future operations and sales growth are limited to those that are supportable based upon the plans for the restaurant and actual results at comparable restaurants.

If the carrying amount of the restaurant exceeds its estimated undiscounted future cash flows, an impairment charge is recognized by the amount by which the carrying amount exceeds the estimated fair value of the assets. We generally measure fair value by discounting estimated future cash flows. When fair value is measured by discounting estimated future cash flows, the assumptions used are consistent with what we believe hypothetical market participants would use. We also use a discount rate that is commensurate with the risk inherent in the projected cash flows. The adjusted carrying amounts of assets to be held and used are depreciated over their remaining useful life. Refer to Note 17 for further discussion of amounts recorded as part of our impairment analysis.

Texas Roadhouse, Inc. and Subsidiaries

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(Tabular amounts in thousands, except share and per share data)

Insurance Reserves

We self-insure a significant portion of expected losses related to employee health, workers' compensation, general liability, employment practices liability, cybersecurity, and property claims. This includes our wholly-owned captive insurance company which covers certain lines of coverage. We use third-party insurance with varying retention levels to limit our exposure to significant losses.

We record a liability for unresolved claims and for an estimate of incurred but not reported claims based on historical experience. The estimated liability is based on a number of assumptions and factors regarding economic conditions, the frequency and severity of claims, and claim development history and settlement practices. Our assumptions are reviewed, monitored, and adjusted when warranted by changing circumstances.

Revenue Recognition

We recognize revenue in accordance with ASC 606, *Revenue from Contracts with Customers*, which requires an entity to allocate the transaction price received from customers to each separate and distinct performance obligation and recognize revenue as these performance obligations are satisfied. We recognize revenue from company restaurant sales when food and beverage products are sold. Restaurant sales include gross food and beverage sales, net of promotions and discounts, for all company restaurants. Sales taxes collected from customers and remitted to governmental authorities are accounted for on a net basis and therefore are excluded from restaurant sales in the consolidated statements of income.

We record deferred revenue for gift cards that have been sold but not yet redeemed. When the gift cards are redeemed, we recognize restaurant sales and reduce deferred revenue. For some of the gift cards that are sold we have determined that, based on our historic gift card redemption patterns, the likelihood of redemption is remote. For these gift cards, we record a breakage adjustment as a component of restaurant and other sales in the consolidated statements of income and reduce deferred revenue by the amount never expected to be redeemed. We use historic gift card redemption patterns to determine the breakage rate to utilize and recognize the expected breakage amount in a manner generally consistent with the actual redemption pattern of the associated gift card. We review the breakage rate on an annual basis, or sooner if circumstances indicate that the rate may have significantly changed and update the rate as needed. In addition, we incur fees on all gift cards that are sold through third-party retailers. These fees are also deferred and generally recorded consistent with the actual redemption pattern of the associated gift cards and are recorded as a component of restaurant and other sales in the consolidated statements of income.

We also recognize revenue from our franchising of Texas Roadhouse and Jaggers restaurants. This includes franchise royalties and domestic marketing and advertising fees, initial and upfront franchise fees, domestic and international development agreements, and supervisory and administrative service fees. We recognize franchise royalties and domestic marketing and advertising fees as franchise restaurant sales occur. For initial and upfront franchise fees and fees from development agreements, because the services we provide related to these fees do not contain separate and distinct performance obligations from the franchise right, these fees are recognized on a straight-line basis over the term of the associated franchise agreement. We recognize fees from supervision and administrative services as incurred.

Income Taxes

We account for income taxes in accordance with ASC 740, *Income Taxes*, under which deferred assets and liabilities are recognized based upon anticipated future tax consequences attributable to differences between financial statement carrying values of assets and liabilities and their respective tax bases. We recognize both interest and penalties on unrecognized tax benefits as part of income tax expense. A valuation allowance is established to reduce the carrying value of deferred tax assets if it is considered more likely than not that such assets will not be realized. Any change in the valuation allowance would be charged to income in the period such determination was made. For all years presented, no valuation allowances have been recorded.

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(Tabular amounts in thousands, except share and per share data)

Advertising

We have a domestic system-wide marketing and advertising fund. We maintain control of the marketing and advertising fund and, as such, have consolidated the fund's activity for all the years presented. Domestic company and franchise restaurants are required to remit a designated portion of sales to the advertising fund. Advertising contributions related to company restaurants are expensed as incurred and recorded as a component of other operating costs in our consolidated statements of income. Advertising contributions received from our franchisees are recorded as a component of franchise royalties and fees in our consolidated statements of income. The associated advertising expenses are recorded as incurred within general and administrative expenses in our consolidated statements of income.

Other costs related to local restaurant area marketing initiatives are included in other operating costs in our consolidated statements of income. These costs and the company restaurant advertising contribution amounted to \$31.8 million, \$28.3 million, and \$25.0 million for the years ended December 31, 2024, December 26, 2023, and December 27, 2022, respectively.

Pre-opening Expenses

Pre-opening expenses, which are charged to operations as incurred, consist of expenses incurred before the opening of a new or relocated restaurant and consist principally of opening team and training team compensation and benefits, travel expenses, rent, food, beverage, and other initial supplies and expenses.

Fair Value of Financial Instruments

Fair value is defined as the price that we would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants on the measurement date. ASC 820, *Fair Value Measurement*, establishes a framework for measuring fair value and expands disclosures about fair value measurements. This includes a three-level hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs in measuring fair value. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability on the measurement date.

- Level 1 Inputs based on quoted prices in active markets for identical assets.
- Level 2 Inputs other than quoted prices included within Level 1 that are observable for the assets, either directly or indirectly.
- Level 3 Inputs that are unobservable for the asset.

Fair value measurements are separately disclosed by level within the fair value hierarchy. Refer to Note 16 for further discussion of fair value measurement.

Recently Adopted Accounting Pronouncements

In November 2023, the FASB issued ASU 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosure*. This ASU primarily provides enhanced disclosures about significant segment expenses including requiring segment disclosures to include a description of other segment items by reportable segment and any additional measures of a segment's profit or loss used by the CODM when deciding how to allocate resources. The ASU also requires all annual disclosures currently required by Topic 280 to be included in interim periods as well as the title of the CODM and an explanation of how the CODM uses the reported measure of segment profit or loss in assessing performance and allocating resources. The amendments in this update are effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. We adopted this guidance during the fourth quarter of the 2024 fiscal year and provided additional detail and disclosures in our segment reporting disclosures. Refer to Note 19 for further discussion of segment reporting.

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(Tabular amounts in thousands, except share and per share data)

Recently Issued Accounting Pronouncements

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. This ASU primarily provides enhanced disclosures about an entity's income tax including requiring consistent categories and greater disaggregation of the information included in the rate reconciliation and income taxes paid disaggregated by jurisdiction. The amendments in this update are effective for fiscal years beginning after December 15, 2024, and interim periods within fiscal years beginning after December 15, 2025. We are currently assessing the impact of this new standard on our income tax disclosures and expect to provide additional detail and disclosures under this new guidance.

In November 2024, the FASB issued ASU 2024-03, *Income Statement – Reporting Comprehensive Income (Subtopic 220-40): Disaggregation of Income Statement Expenses*. This ASU primarily provides enhanced disclosures about the components of expenses within the income statement including purchases of inventory, employee compensation, depreciation, and intangible asset amortization. The amendments in this update are effective for fiscal years beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027. We are currently assessing the impact of this new standard on our disclosures and expect to provide additional detail and disclosures under this new guidance.

(3) Revenue

The following table disaggregates our revenue by major source:

| | Fiscal Year Ended | | |
|---------------------------------|--------------------------|--------------------------|--------------------------|
| | December 31, 2024 | December 26, 2023 | December 27, 2022 |
| Restaurant and other sales..... | \$ 5,341,853 | \$ 4,604,554 | \$ 3,988,791 |
| Franchise royalties..... | 28,342 | 24,169 | 23,058 |
| Franchise fees | 3,137 | 2,949 | 3,070 |
| Total revenue..... | <u>\$ 5,373,332</u> | <u>\$ 4,631,672</u> | <u>\$ 4,014,919</u> |

The following table presents a rollforward of deferred revenue-gift cards:

| | Fiscal Year Ended | |
|--|--------------------------|--------------------------|
| | December 31, 2024 | December 26, 2023 |
| Beginning balance..... | \$ 373,913 | \$ 335,403 |
| Gift card activations, net of third-party fees | 479,244 | 420,047 |
| Gift card redemptions and breakage | (451,959) | (381,537) |
| Ending balance | <u>\$ 401,198</u> | <u>\$ 373,913</u> |

We recognized restaurant sales of \$234.0 million for the year ended December 31, 2024 related to amounts in deferred revenue as of December 26, 2023. We recognized restaurant sales of \$209.2 million for the year ended December 26, 2023 related to amounts in deferred revenue as of December 27, 2022.

(4) Acquisitions

On December 28, 2022, the first day of the 2023 fiscal year, we completed the acquisition of eight franchise Texas Roadhouse restaurants located in Maryland and Delaware, including four in which we previously held a 5.0% equity interest. Pursuant to the terms of the acquisition agreements, we paid a total purchase price of \$39.1 million, net of cash acquired. The transactions in which we held an equity interest were accounted for as step acquisitions, and we recorded a gain of \$0.6 million on our previous investments in equity income from investments in unconsolidated affiliates in the consolidated statements of income.

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(Tabular amounts in thousands, except share and per share data)

These transactions were accounted for using the acquisition method as defined in ASC 805, *Business Combinations*. These acquisitions are consistent with our long-term strategy to increase net income and earnings per share.

The following table summarizes the consideration paid for these acquisitions and the estimated fair value of the assets acquired and the liabilities assumed at the acquisition date, which are adjusted for final measurement-period adjustments.

| | |
|---|-----------|
| Inventory | \$ 410 |
| Property and equipment | 17,763 |
| Operating lease right-of-use assets | 4,775 |
| Goodwill | 20,067 |
| Intangible assets | 1,700 |
| Other assets | 293 |
| Deferred revenue-gift cards | (1,164) |
| Current portion of operating lease liabilities..... | (110) |
| Operating lease liabilities, net of current portion | (4,665) |
| | <hr/> |
| | \$ 39,069 |

Intangible assets represent reacquired franchise rights which are being amortized over a weighted-average useful life of 2.2 years. We expect all of the goodwill will be deductible for tax purposes and believe the resulting amount of goodwill reflects the benefit of sales and unit growth opportunities as well as the benefit of the assembled workforce of the acquired restaurants.

(5) Long-term Debt

We maintain a revolving credit facility (the “credit facility”) with a syndicate of commercial lenders led by JPMorgan Chase Bank, N.A. and PNC Bank, N.A. The credit facility is an unsecured, revolving credit agreement and has a borrowing capacity of up to \$300.0 million with the option to increase by an additional \$200.0 million subject to certain limitations, including approval by the syndicate of commercial lenders. The credit facility has a maturity date of May 1, 2026.

We are required to pay interest on outstanding borrowings at the Term Secured Overnight Financing Rate (“SOFR”), plus a fixed adjustment of 0.10% and a variable adjustment of 0.875% to 1.875% depending on our consolidated leverage ratio.

As of December 31, 2024, we had no outstanding borrowings under the credit facility and had \$296.8 million of availability, net of \$3.2 million of outstanding letters of credit. As of December 26, 2023, we had no outstanding borrowings under the credit facility and had \$295.3 million of availability, net of \$4.7 million of outstanding letters of credit.

The interest rate for the credit facility as of December 31, 2024 and December 26, 2023 was 5.47% and 6.23%, respectively.

The lenders’ obligation to extend credit pursuant to the credit facility depends on us maintaining certain financial covenants, including a minimum consolidated fixed charge coverage ratio and a maximum consolidated leverage ratio. The credit facility permits us to incur additional secured or unsecured indebtedness, except for the incurrence of secured indebtedness that in the aggregate is equal to or greater than \$125.0 million and 20% of our consolidated tangible net worth. We were in compliance with all financial covenants as of December 31, 2024.

Texas Roadhouse, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

(Tabular amounts in thousands, except share and per share data)

(6) Property and Equipment, Net

Property and equipment were as follows:

| | December 31, 2024 | December 26, 2023 |
|---|----------------------------|----------------------------|
| Land and improvements | \$ 174,027 | \$ 165,919 |
| Buildings and leasehold improvements | 1,523,169 | 1,369,400 |
| Furniture, fixtures, and equipment | 1,027,644 | 908,489 |
| Construction in progress | 98,662 | 93,527 |
| Liquor licenses | <u>17,235</u> | <u>16,242</u> |
| | 2,840,737 | 2,553,577 |
| Accumulated depreciation and amortization | <u>(1,223,064)</u> | <u>(1,078,855)</u> |
| Total property and equipment, net | <u><u>\$ 1,617,673</u></u> | <u><u>\$ 1,474,722</u></u> |

For the year ended December 31, 2024, there was no interest capitalized in connection with restaurant construction. For the years ended December 26, 2023 and December 27, 2022, the amount of interest capitalized in connection with restaurant construction was \$0.5 million and \$1.3 million, respectively.

(7) Goodwill and Intangible Assets

All of our goodwill and intangible assets reside within the Texas Roadhouse reportable segment. The gross carrying amounts of goodwill and intangible assets were as follows:

| | Goodwill | Intangible Assets |
|---|--------------------------|--------------------------|
| Balance as of December 27, 2022 | \$ 148,732 | \$ 5,607 |
| Additions | 20,952 | 900 |
| Amortization expense | <u>—</u> | <u>(3,024)</u> |
| Balance as of December 26, 2023 | <u>\$ 169,684</u> | <u>\$ 3,483</u> |
| Additions | <u>—</u> | <u>—</u> |
| Amortization expense | <u>—</u> | <u>(2,218)</u> |
| Balance as of December 31, 2024 | <u><u>\$ 169,684</u></u> | <u><u>\$ 1,265</u></u> |

As of December 31, 2024, the gross carrying amount and accumulated amortization of the intangible assets were \$24.4 million and \$23.1 million, respectively. As of December 26, 2023, the gross carrying amount and accumulated amortization of the intangible assets were \$24.4 million and \$20.9 million, respectively.

Intangible assets consist of reacquired franchise rights. We amortize reacquired franchise rights on a straight-line basis over the remaining term of the franchise operating agreements, which varies by franchise agreement. Amortization expense for the next three years is expected to range from zero to \$1.2 million. Refer to Note 4 for discussion of the acquisitions completed for the year ended December 26, 2023.

Texas Roadhouse, Inc. and Subsidiaries
Notes to Consolidated Financial Statements
(Tabular amounts in thousands, except share and per share data)

(8) Leases

We recognize right-of-use assets and lease liabilities for both real estate and equipment leases that have a term in excess of one year. As of December 31, 2024 and December 26, 2023, these amounts were as follows:

| | December 31, 2024 | | |
|---|-------------------|-----------------|-------------------|
| | Real estate | Equipment | Total |
| Operating lease right-of-use assets..... | \$ 764,135 | \$ 5,730 | \$ 769,865 |
| Current portion of operating lease liabilities..... | 26,501 | 1,671 | 28,172 |
| Operating lease liabilities, net of current portion | 823,240 | 3,060 | 826,300 |
| Total operating lease liabilities | <u>\$ 849,741</u> | <u>\$ 4,731</u> | <u>\$ 854,472</u> |

| | December 26, 2023 | | |
|---|-------------------|-----------------|-------------------|
| | Real estate | Equipment | Total |
| Operating lease right-of-use assets..... | \$ 686,271 | \$ 7,743 | \$ 694,014 |
| Current portion of operating lease liabilities..... | 25,812 | 1,599 | 27,411 |
| Operating lease liabilities, net of current portion | 740,446 | 3,030 | 743,476 |
| Total operating lease liabilities | <u>\$ 766,258</u> | <u>\$ 4,629</u> | <u>\$ 770,887</u> |

Texas Roadhouse, Inc. and Subsidiaries

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(Tabular amounts in thousands, except share and per share data)

Information related to our real estate operating leases for the fiscal years ended December 31, 2024 and December 26, 2023 were as follows:

| | Fiscal Year Ended | |
|----------------------------|-------------------|-------------------|
| | December 31, 2024 | December 26, 2023 |
| Real estate costs | | |
| Operating lease | \$ 82,739 | \$ 75,068 |
| Variable lease | 7,007 | 5,079 |
| Total lease costs. | <u>\$ 89,746</u> | <u>\$ 80,147</u> |

| | December 31, 2024 | |
|---|--------------------------|----|
| | \$ | \$ |
| Real estate lease liabilities maturity analysis | | |
| 2025 | 79,801 | |
| 2026 | 80,985 | |
| 2027 | 82,040 | |
| 2028 | 83,220 | |
| 2029 | 84,257 | |
| Thereafter. | <u>1,061,956</u> | |
| Total | <u>1,472,259</u> | |
| Less interest. | 622,518 | |
| Total discounted operating lease liabilities | <u><u>\$ 849,741</u></u> | |

| | Fiscal Year Ended | |
|---|-------------------|-------------------|
| | December 31, 2024 | December 26, 2023 |
| Real estate leases other information | | |
| Cash paid for amounts included in measurement of operating lease liabilities. | \$ 74,654 | \$ 68,755 |
| Right-of-use assets obtained in exchange for new operating lease liabilities. | \$ 104,548 | \$ 83,310 |
| Weighted-average remaining lease term (years). | 17.35 | 17.71 |
| Weighted-average discount rate | 6.53 % | 6.49 % |

Operating lease payments exclude \$48.0 million of future minimum lease payments for executed real estate leases of which we have not yet taken possession. In addition to the above operating leases, as of December 31, 2024, we had two finance leases with a right-of-use asset balance and lease liability balance of \$1.9 million and \$2.8 million, respectively. As of December 26, 2023, we had two finance leases with a right-of-use asset balance and lease liability balance of \$2.0 million and \$2.8 million, respectively. The right-of-use asset balance is included as a component of other assets and the lease liability balance as a component of other liabilities in the consolidated balance sheets.

In 2024, we entered into five sale leaseback transactions that generated proceeds of \$16.0 million and no gain or loss was recognized on these transactions. In 2023, we entered into six sale leaseback that generated proceeds of \$16.3 million and no gain or loss was recognized on these transactions. The resulting operating leases are included in the operating lease right-of-use assets and lease liabilities noted above.

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(Tabular amounts in thousands, except share and per share data)

(9) Income Taxes

Components of our income tax expense for the years ended December 31, 2024, December 26, 2023, and December 27, 2022 were as follows:

| | Fiscal Year Ended | | |
|-------------------------|--------------------------|--------------------------|--------------------------|
| | <u>December 31, 2024</u> | <u>December 26, 2023</u> | <u>December 27, 2022</u> |
| Current: | | | |
| Federal | \$ 63,816 | \$ 21,694 | \$ 15,549 |
| State..... | 28,992 | 19,105 | 18,120 |
| Foreign | 1,140 | 735 | 590 |
| Total current..... | <u>93,948</u> | <u>41,534</u> | <u>34,259</u> |
| Deferred: | | | |
| Federal | (11,096) | 4,518 | 9,664 |
| State..... | (2,707) | (1,403) | (208) |
| Total deferred..... | <u>(13,803)</u> | <u>3,115</u> | <u>9,456</u> |
| Income tax expense..... | <u><u>\$ 80,145</u></u> | <u><u>\$ 44,649</u></u> | <u><u>\$ 43,715</u></u> |

Our pre-tax income is substantially derived from domestic restaurants.

A reconciliation of the statutory federal income tax rate to our effective tax rate for December 31, 2024, December 26, 2023, and December 27, 2022 is as follows:

| | Fiscal Year Ended | | |
|--|--------------------------|--------------------------|--------------------------|
| | <u>December 31, 2024</u> | <u>December 26, 2023</u> | <u>December 27, 2022</u> |
| Tax at statutory federal rate | 21.0 % | 21.0 % | 21.0 % |
| State and local tax, net of federal benefit | 3.6 | 3.6 | 3.7 |
| FICA tip tax credit | (8.7) | (11.1) | (10.5) |
| Work opportunity tax credit..... | (0.5) | (1.0) | (1.3) |
| Share-based compensation | (0.9) | (0.5) | (0.1) |
| Net income attributable to noncontrolling interests..... | (0.4) | (0.4) | (0.4) |
| Officers compensation | 0.6 | 0.6 | 0.7 |
| Other..... | <u>0.6</u> | <u>0.3</u> | <u>0.5</u> |
| Total..... | <u><u>15.3 %</u></u> | <u><u>12.5 %</u></u> | <u><u>13.6 %</u></u> |

Texas Roadhouse, Inc. and Subsidiaries

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(Tabular amounts in thousands, except share and per share data)

Components of deferred tax liabilities, net were as follows:

| | <u>December 31, 2024</u> | <u>December 26, 2023</u> |
|---|--------------------------|--------------------------|
| Deferred tax assets: | | |
| Deferred revenue—gift cards | \$ 35,915 | \$ 32,999 |
| Insurance reserves | 11,768 | 8,351 |
| Other reserves..... | 2,027 | 1,884 |
| Share-based compensation | 7,635 | 5,241 |
| Operating lease liabilities | 212,341 | 191,422 |
| Deferred compensation | 26,241 | 21,697 |
| Tax credit carryforwards..... | — | 45 |
| Other assets | 4,430 | 3,907 |
| Total deferred tax asset..... | <u>300,357</u> | <u>265,546</u> |
| Deferred tax liabilities: | | |
| Property and equipment..... | (91,161) | (90,638) |
| Goodwill and intangibles..... | (8,693) | (9,116) |
| Operating lease right-of-use asset..... | (191,065) | (171,999) |
| Other liabilities..... | (17,622) | (16,897) |
| Total deferred tax liability | <u>(308,541)</u> | <u>(288,650)</u> |
| Net deferred tax liability..... | <u>\$ (8,184)</u> | <u>\$ (23,104)</u> |

We have not provided a valuation allowance for any of our deferred tax assets as their realization is more likely than not.

A reconciliation of the beginning and ending liability for unrecognized tax benefits was as follows:

| | |
|---|-----------------|
| Balance at December 27, 2022 | \$ 3,925 |
| Additions to tax positions related to prior years..... | 964 |
| Additions to tax positions related to current year..... | 139 |
| Reductions due to statute expiration | (246) |
| Reductions due to exam settlement..... | — |
| Balance at December 26, 2023 | 4,782 |
| Additions to tax positions related to prior years..... | 317 |
| Additions to tax positions related to current year..... | 383 |
| Reductions due to statute expiration | — |
| Reductions due to exam settlement..... | (221) |
| Balance at December 31, 2024 | <u>\$ 5,261</u> |

As of December 31, 2024 and December 26, 2023, the amount of unrecognized tax benefits that would impact the effective tax rate if recognized was \$2.9 million and \$2.5 million, respectively.

As of December 31, 2024 and December 26, 2023, the total amount of accrued penalties and interest related to uncertain tax provisions was recognized as a part of income tax expense and these amounts were not material.

All entities for which unrecognized tax benefits exist as of December 31, 2024 possess a December tax year-end. As a result, as of December 31, 2024, the tax years ended December 26, 2023, December 27, 2022, and December 28, 2021 remain subject to examination by all tax jurisdictions. As of December 31, 2024, no audits were in process by a tax jurisdiction that, if completed during the next twelve months, would be expected to result in a material change to our unrecognized tax benefits. Additionally, as of December 31, 2024, no event occurred that is likely to result in a significant increase or decrease in the unrecognized tax benefits through December 30, 2025.

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(Tabular amounts in thousands, except share and per share data)

(10) Preferred Stock

Our Board of Directors (the “Board”) is authorized, without further vote or action by the holders of common stock, to issue from time to time up to an aggregate of 1,000,000 shares of preferred stock in one or more series. Each series of preferred stock will have the number of shares, designations, preferences, voting powers, qualifications, and special or relative rights or privileges as shall be determined by the Board, which may include, but are not limited to, dividend rights, voting rights, redemption and sinking fund provisions, liquidation preferences, conversion rights, and preemptive rights. There were no shares of preferred stock outstanding as of December 31, 2024 and December 26, 2023.

(11) Stock Repurchase Program

On March 17, 2022, our Board approved a stock repurchase program for the repurchase of up to \$300.0 million of our common stock. This stock repurchase program has no expiration date. All repurchases to date under our stock repurchase programs have been made through open market transactions. The timing and the amount of any repurchases are determined by management under parameters approved by the Board, based on an evaluation of our stock price, market conditions, and other corporate considerations, including complying with Rule 10b5-1 trading arrangements under the Securities Exchange Act of 1934, as amended.

For the year ended December 31, 2024, we paid \$79.8 million, excluding excise taxes, to repurchase 461,662 shares of our common stock. For the year ended December 26, 2023, we paid \$50.0 million, excluding excise taxes, to repurchase 455,026 shares of our common stock. As of December 31, 2024, we had \$37.1 million remaining under our authorized stock repurchase program. Refer to Note 20 for further discussion of our authorized stock repurchase program.

(12) Earnings Per Share

The share and net income per share data for all periods presented are based on the historical weighted-average shares outstanding. The diluted earnings per share calculations show the effect of the weighted-average restricted stock units outstanding from our equity incentive plans. Performance stock units are not included in the diluted earnings per share calculation until the performance-based criteria have been met. Refer to Note 14 for further discussion of our equity incentive plans.

For all periods presented, the weighted-average shares of nonvested stock units that were outstanding but not included in the computation of diluted earnings per share because they would have had an anti-dilutive effect were not significant.

The following table sets forth the calculation of earnings per share and weighted average shares outstanding as presented in the accompanying consolidated statements of income:

| | Fiscal Year Ended | | |
|---|------------------------------|------------------------------|------------------------------|
| | December 31, 2024 | December 26, 2023 | December 27, 2022 |
| Net income attributable to Texas Roadhouse, Inc. and subsidiaries | <u>\$ 433,592</u> | <u>\$ 304,876</u> | <u>\$ 269,818</u> |
| Basic EPS: | | | |
| Weighted-average common shares outstanding | 66,752 | 66,893 | 67,643 |
| Basic EPS | <u>\$ 6.50</u> | <u>\$ 4.56</u> | <u>\$ 3.99</u> |
| Diluted EPS: | | | |
| Weighted-average common shares outstanding | 66,752 | 66,893 | 67,643 |
| Dilutive effect of nonvested stock units | 259 | 256 | 277 |
| Shares-diluted | <u>67,011</u> | <u>67,149</u> | <u>67,920</u> |
| Diluted EPS | <u>\$ 6.47</u> | <u>\$ 4.54</u> | <u>\$ 3.97</u> |

Texas Roadhouse, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

(Tabular amounts in thousands, except share and per share data)

(13) Commitments and Contingencies

The estimated cost of completing capital project commitments at December 31, 2024 and December 26, 2023 was \$243.6 million and \$237.4 million, respectively.

As of December 31, 2024 and December 26, 2023, we are contingently liable for \$9.4 million and \$10.4 million, respectively, for seven lease guarantees. These amounts represent the maximum potential liability of future payments under the guarantees. In the event of default, the indemnity and default clauses in our assignment agreements govern our ability to pursue and recover damages incurred. No liabilities have been recorded as of December 31, 2024 or December 26, 2023, as the likelihood of default was deemed to be less than probable and the fair value of the guarantees is not considered significant.

During the year ended December 31, 2024, we bought our beef primarily from four suppliers. Although there are a limited number of beef suppliers, we believe that other suppliers could provide a similar product on comparable terms. We have no material minimum purchase commitments with our vendors that extend beyond a year.

Occasionally, we are a defendant in litigation arising in the ordinary course of business, including “slip and fall” accidents, employment related claims, dram shop statutes related to our service of alcohol, and claims from guests or employees alleging illness, injury or food quality, health, or operational concerns. None of these types of litigation, most of which are covered by insurance, has had a material effect on us and, as of the date of this report, we are not party to any litigation that we believe could have a material adverse effect on our business.

(14) Share-based Compensation

On May 13, 2021, our shareholders approved the Texas Roadhouse, Inc. 2021 Long-Term Incentive Plan (the “Plan”). The Plan provides for the granting of various forms of equity awards including options, stock appreciation rights, full value awards, and performance-based awards.

The Company provides restricted stock units (“RSUs”) to employees as a form of share-based compensation. A RSU is the conditional right to receive one share of common stock upon satisfaction of the vesting requirement. In addition to RSUs, the Company provides performance stock units (“PSUs”) to certain members of management as a form of share-based compensation. A PSU is the conditional right to receive one share of common stock upon meeting a performance obligation along with the satisfaction of the vesting requirement.

The following table summarizes share-based compensation expense recorded in the accompanying consolidated statements of income:

| | Fiscal Year Ended | | |
|--|------------------------------|------------------------------|------------------------------|
| | December 31, 2024 | December 26, 2023 | December 27, 2022 |
| Labor expense | \$ 16,277 | \$ 11,470 | \$ 10,656 |
| General and administrative expense | 30,778 | 22,760 | 26,007 |
| Total share-based compensation expense | <u>\$ 47,055</u> | <u>\$ 34,230</u> | <u>\$ 36,663</u> |

We recognize expense for RSUs and PSUs over the vesting term based on the grant date fair value of the award. We record forfeitures as they occur. Activity for our share-based compensation by type of grant for the fiscal year ended December 31, 2024 is presented below.

Texas Roadhouse, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

(Tabular amounts in thousands, except share and per share data)

Summary Details for RSUs

| | Shares | Weighted-Average Grant Date Fair Value | Weighted-Average Remaining Contractual Term (years) | Aggregate Intrinsic Value |
|--|------------------|--|---|------------------------------|
| Outstanding at December 26, 2023 | 442,327 | \$ 98.41 | | |
| Granted..... | 306,099 | 158.64 | | |
| Forfeited..... | (22,733) | 123.05 | | |
| Vested..... | <u>(314,803)</u> | 99.10 | | |
| Outstanding at December 31, 2024 | <u>410,890</u> | <u>\$ 141.43</u> | 0.9 | <u>\$ 74,052</u> |

As of December 31, 2024, with respect to unvested RSUs, there was \$25.1 million of unrecognized compensation cost that is expected to be recognized over a weighted-average period of 0.9 years. The vesting terms of all RSUs range from 1.0 to 5.0 years. The total intrinsic value of RSUs vested during the years ended December 31, 2024, December 26, 2023, and December 27, 2022 was \$49.9 million, \$37.8 million, and \$37.1 million, respectively. The excess tax benefit associated with vested RSUs for the years ended December 31, 2024, December 26, 2023, and December 27, 2022 was \$4.4 million, \$1.7 million, and \$0.4 million, respectively, which was recognized in the income tax provision.

Summary Details for PSUs

| | Shares | Weighted-Average Grant Date Fair Value | Weighted-Average Remaining Contractual Term (years) | Aggregate Intrinsic Value |
|---|-----------------|--|---|------------------------------|
| Outstanding at December 26, 2023 | 35,700 | \$ 94.61 | | |
| Granted..... | 28,600 | 118.30 | | |
| Performance shares adjustment (1) | 9,274 | 94.17 | | |
| Forfeited..... | — | — | | |
| Vested..... | <u>(43,274)</u> | 94.17 | | |
| Outstanding at December 31, 2024 | <u>30,300</u> | <u>\$ 117.46</u> | 0.1 | <u>\$ 5,460</u> |

(1) Additional shares from the January 2023 PSU grant that vested in January 2024 due to exceeding the initial 100% target.

We grant PSUs to certain members of management subject the achievement of certain earnings targets, which determine the number of units to vest at the end of the vesting period. Share-based compensation expense is recognized for the number of units expected to vest at the end of the period and is expensed beginning on the grant date and through the performance period. For each grant, PSUs vest after meeting the performance and service conditions. The total intrinsic value of PSUs vested during the years ended December 31, 2024, December 26, 2023, and December 27, 2022 was \$6.4 million, \$3.3 million, and \$5.4 million, respectively.

On January 8, 2025, approximately 41,000 shares vested related to the January 2024 PSU grant and are expected to be distributed in February 2025. As of December 31, 2024, with respect to unvested PSUs, there was \$0.1 million of unrecognized compensation cost that is expected to be recognized over a weighted-average period of 0.1 years. The allowable excess tax benefit associated with vested PSUs for the years ended December 31, 2024, December 26, 2023, and December 27, 2022 was not significant.

(15) Employee Benefit Plans

We have a defined contribution benefit plan (“401(k) Plan”) that is available to our Support Center employees and managers in our restaurants who meet certain compensation and eligibility requirements. The 401(k) Plan allows participating employees to defer the receipt of a portion of their compensation and contribute such amount to one or more investment options and the Company matches a certain percentage of the employee contributions. For the year ended December 31, 2024, company contributions totaling \$8.4 million and \$2.1 million were recorded in labor expense

Texas Roadhouse, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

(Tabular amounts in thousands, except share and per share data)

and general and administrative expense, respectively, within the consolidated statements of income. For the year ended December 26, 2023, company contributions totaling \$7.1 million and \$1.8 million were recorded in labor expense and general and administrative expense, respectively, within the consolidated statements of income.

We also have a deferred compensation plan which allows highly compensated employees to defer a portion of their compensation and contribute such amounts to one or more investment funds held in a rabbi trust. Beginning in 2023, we implemented a company match of a certain percentage of the employee contributions to the deferred compensation plan. For the years ended December 31, 2024 and December 26, 2023, company contributions totaling \$1.6 million and \$1.5 million were recorded in labor expense and general and administrative expense, respectively, within the consolidated statements of income. Refer to Note 16 for further discussion on the fair value measurement of the deferred compensation plan assets and liabilities.

(16) Fair Value Measurement

At December 31, 2024 and December 26, 2023, the fair values of cash and cash equivalents, accounts receivable, and accounts payable approximated their carrying values based on the short-term nature of these instruments. There were no transfers among levels within the fair value hierarchy during the year ended December 31, 2024.

The following table presents the fair values for our financial assets and liabilities measured on a recurring basis:

| | Fair Value Measurements | | |
|---|-------------------------|-------------------|-------------------|
| | Level | December 31, 2024 | December 26, 2023 |
| Deferred compensation plan—assets..... | 1 | \$ 101,071 | \$ 81,316 |
| Deferred compensation plan—liabilities..... | 1 | \$ (101,071) | \$ (81,222) |

We report the accounts of the deferred compensation plan in other assets and the corresponding liability in other liabilities in our consolidated balance sheets. These investments are considered trading securities and are reported at fair value based on quoted market prices. The realized and unrealized holding gains and losses related to these investments, as well as the offsetting compensation expense, are recorded in general and administrative expense in the consolidated statements of income.

(17) Impairment and Closure Costs

We recorded impairment and closure costs of \$1.2 million, \$0.3 million and \$1.6 million for the years ended December 31, 2024, December 26, 2023, and December 27, 2022, respectively.

Impairment and closure costs in 2024 included \$0.8 million related to the impairment of a building at a previously relocated store and \$0.4 million related to ongoing closure costs for stores which have been relocated.

Impairment and closure costs in 2023 included \$0.3 million related to ongoing closure costs for stores which have been relocated.

Impairment and closure costs in 2022 included \$1.7 million related to the impairment of the land, building, and operating lease right-of-use assets at three restaurants, two of which were relocated and \$0.6 million related to ongoing closure costs. This was partially offset by a \$0.7 million gain on the sale of land and building that was previously classified as assets held for sale.

(18) Related Party Transactions

As of December 31, 2024, December 26, 2023 and December 27, 2022, we had four franchise restaurants and one majority-owned company restaurant owned in part by a current officer of the Company. We recognized revenue of \$2.1 million, \$2.0 million, and \$1.8 million for the years ended December 31, 2024, December 26, 2023, and December 27, 2022, respectively, related to the four franchise restaurants.

Texas Roadhouse, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

(Tabular amounts in thousands, except share and per share data)

(19) Segment Information

Our CODM is the Chief Executive Officer. The CODM assesses the performance of the business and allocates resources at the concept level and as a result we have identified Texas Roadhouse, Bubba's 33, Jaggers, and our retail initiatives as separate operating segments. Our reportable segments are Texas Roadhouse and Bubba's 33. The Texas Roadhouse reportable segment includes the results of our company and franchise Texas Roadhouse restaurants. The Bubba's 33 reportable segment includes the results of our company Bubba's 33 restaurants. Our remaining operating segments, which include the results of our company and franchise Jaggers restaurants and the results of our retail initiatives, are included in Other. In addition, corporate-related assets, depreciation and amortization, and capital expenditures are also included in Other.

The CODM uses restaurant margin as the primary financial measure for assessing the performance of our segments. Restaurant margin represents restaurant and other sales less restaurant-level operating costs, including food and beverage costs, labor, rent, and other operating costs. Restaurant margin is also used by our CODM to evaluate core restaurant-level operating efficiency and performance, assist in the evaluation of operating trends over time, and in making capital allocation decisions. Capital allocation decisions include approving new store openings and the refurbishment or relocation of existing restaurants.

In calculating restaurant margin, we exclude certain non-restaurant-level costs that support operations, including pre-opening and general and administrative expenses, but do not have a direct impact on restaurant-level operational efficiency and performance. We exclude pre-opening expenses as they occur at irregular intervals and would impact comparability to prior period results. We exclude depreciation and amortization expenses, substantially all of which relate to restaurant-level assets, as it represents a non-cash charge for the investment in our restaurants. We exclude impairment and closure expenses as we believe this provides a clearer perspective of the Company's ongoing operating performance and a more useful comparison to prior period results. Restaurant margin as presented may not be comparable to other similarly titled measures of other companies in our industry.

Restaurant and other sales for all operating segments are derived primarily from food and beverage sales. We do not rely on any major customer as a source of sales and the customers and assets of our reportable segments are located predominantly in the United States. There are no material transactions between reportable segments.

Texas Roadhouse, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

(Tabular amounts in thousands, except share and per share data)

The following tables reconcile our segment results to our consolidated results reported in accordance with GAAP:

| | Fiscal Year Ended December 31, 2024 | | | |
|---|--|-------------------|-----------------|-------------------|
| | Texas Roadhouse | Bubba's 33 | Other | Total |
| Restaurant and other sales | \$ 5,012,707 | \$ 297,608 | \$ 31,538 | \$ 5,341,853 |
| Restaurant operating costs (excluding depreciation and amortization): | | | | |
| Food and Beverage | 1,691,302 | 83,701 | 10,116 | 1,785,119 |
| Labor | 1,646,437 | 108,306 | 9,997 | 1,764,740 |
| Rent | 72,060 | 7,677 | 823 | 80,560 |
| Other Operating | 737,909 | 51,502 | 6,246 | 795,657 |
| Restaurant margin | <u>\$ 864,999</u> | <u>\$ 46,422</u> | <u>\$ 4,356</u> | <u>\$ 915,777</u> |
| Depreciation and amortization | \$ 149,934 | \$ 16,447 | \$ 11,776 | \$ 178,157 |
| Segment assets | 2,488,679 | 255,320 | 446,780 | 3,190,779 |
| Capital expenditures | 304,259 | 38,557 | 11,525 | 354,341 |

| | Fiscal Year Ended December 26, 2023 | | | |
|---|--|-------------------|-----------------|-------------------|
| | Texas Roadhouse | Bubba's 33 | Other | Total |
| Restaurant and other sales | \$ 4,331,823 | \$ 247,195 | \$ 25,536 | \$ 4,604,554 |
| Restaurant operating costs (excluding depreciation and amortization): | | | | |
| Food and Beverage | 1,514,421 | 71,101 | 8,330 | 1,593,852 |
| Labor | 1,438,802 | 92,241 | 8,081 | 1,539,124 |
| Rent | 65,519 | 6,624 | 623 | 72,766 |
| Other Operating | 641,923 | 43,287 | 5,638 | 690,848 |
| Restaurant margin | <u>\$ 671,158</u> | <u>\$ 33,942</u> | <u>\$ 2,864</u> | <u>\$ 707,964</u> |
| Depreciation and amortization | \$ 126,719 | \$ 14,210 | \$ 12,273 | \$ 153,202 |
| Segment assets | 2,290,213 | 232,086 | 271,077 | 2,793,376 |
| Capital expenditures | 306,599 | 27,908 | 12,527 | 347,034 |

| | Fiscal Year Ended December 27, 2022 | | | |
|---|--|-------------------|---------------|-------------------|
| | Texas Roadhouse | Bubba's 33 | Other | Total |
| Restaurant and other sales | \$ 3,762,884 | \$ 211,690 | \$ 14,217 | \$ 3,988,791 |
| Restaurant operating costs (excluding depreciation and amortization): | | | | |
| Food and Beverage | 1,306,658 | 66,237 | 5,297 | 1,378,192 |
| Labor | 1,239,257 | 76,178 | 4,524 | 1,319,959 |
| Rent | 60,837 | 5,712 | 285 | 66,834 |
| Other Operating | 555,935 | 36,629 | 3,741 | 596,305 |
| Restaurant margin | <u>\$ 600,197</u> | <u>\$ 26,934</u> | <u>\$ 370</u> | <u>\$ 627,501</u> |
| Depreciation and amortization | \$ 112,546 | \$ 13,012 | \$ 11,679 | \$ 137,237 |
| Capital expenditures | 204,662 | 30,625 | 10,834 | 246,121 |

Texas Roadhouse, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

(Tabular amounts in thousands, except share and per share data)

A reconciliation of restaurant margin to income from operations is presented below. We do not allocate interest income (expense), net and equity income from investments in unconsolidated affiliates to reportable segments.

| | Fiscal Year Ended | | |
|-------------------------------------|----------------------|----------------------|----------------------|
| | December 31, 2024 | December 26, 2023 | December 27, 2022 |
| Restaurant margin | \$ 915,777 | \$ 707,964 | \$ 627,501 |
| Add: | | | |
| Franchise royalties and fees | 31,479 | 27,118 | 26,128 |
| Less: | | | |
| Pre-opening | 28,090 | 29,234 | 21,883 |
| Depreciation and amortization | 178,157 | 153,202 | 137,237 |
| Impairment and closure, net | 1,226 | 275 | 1,600 |
| General and administrative | 223,264 | 198,382 | 172,712 |
| Income from operations | \$ 516,519 | \$ 353,989 | \$ 320,197 |

(20) Subsequent Events

On January 1, 2025, we completed the acquisition of 13 domestic franchise restaurants. Pursuant to the terms of the acquisition agreements, we paid an aggregate purchase price of approximately \$78 million. We expect to complete the preliminary purchase price allocations relating to these transactions in the first quarter of fiscal year 2025.

On February 19, 2025, our Board approved a stock repurchase program for the repurchase of up to \$500.0 million of our common stock. This new stock repurchase program commenced on February 24, 2025 and any repurchases under such plan will be made by the Company through open market transactions. This stock repurchase program has no expiration date and replaces the previous stock repurchase program of \$300 million which was approved on March 17, 2022.

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CORPORATE SUSTAINABILITY

FOOD • COMMUNITY • EMPLOYEES • CONSERVATION

TO OUR SHAREHOLDERS,

It was another banner year for our Corporate Sustainability program, and we are proud of the advancements made in 2024. Through a methodical approach, we remain focused on making progress on our sustainability mission of leaving every community we are a part of better than we found it.

As such, we continue to look for opportunities that make "sense" and "cents" for our operators and the environment. We believe our Managing Partner Model, which provides our Managing Partners with 10% of their restaurant profits, remains one of our most important sustainability assets. This ownership mentality is a built-in incentive for our Managing Partners to reduce waste, conserve energy, and run efficient restaurants.

Listening and learning are critical in the evolution of our program, which is why we seek out continuous and proactive engagement with our Roadies, guests, vendors, and shareholders to understand their various perspectives on corporate sustainability. In 2024, we took this focus to the next level with our first materiality assessment of our Corporate Sustainability program where over 100 internal and external stakeholders were surveyed and interviewed. The results of our materiality assessment were consistent with what we expected and showed that we maintain significant alignment across all our stakeholders on our key principles of Legendary Food (food safety), Legendary Service (guest experience), and People-First (human capital management). We will continue to use the materiality assessment as a resource to help prioritize the evaluation of risks identified as most impactful by our internal and external stakeholders.

We also measured our Scope 3 greenhouse gas (GHG) emissions for the first time based on a 2023 base year. The assessment followed the GHG Protocol Corporate Standard, inclusive of Purchased Goods & Services, in line with both the science-based targets initiative and the California Senate Bill 253 requirements. For our 2023 fiscal year, Scope 3 GHG emissions represented 91.3% of our total emissions with the remaining 8.7% being collectively represented by our Scopes 1 and 2 GHG emissions.

OPERATIONAL INITIATIVES

In November 2024, we opened our first "green store" in Greeneville, TN to pressure test several materials and equipment. For this location, we procured sustainable building materials, rooftop solar panels, energy efficient equipment, and implemented water-saving measures. For a more in-depth look at the sustainable features we are testing in this location, see our full Corporate Sustainability Report at texasroadhouse.com/sustainability.

Another initiative we were excited to test was a comprehensive food waste audit. We engaged a third-party vendor to measure the contents of our food waste stream at our Danbury, CT location over a 48-hour collection period in December. The audit confirmed that food waste consisted primarily of unavoidable scraps and uneaten customer plate waste, with no evidence of wasteful practices, reflecting strong operational discipline. We plan to explore tests in other locations to continue learning and exploring potential operational opportunities.

We are also proud of our employee-facing sustainable uniform shirt initiative. In 2024, we kept nearly 1.8 million 20oz plastic bottles out of landfills and oceans. Over 165,000 sustainable uniform items were purchased and, as interest grows each year, we plan to roll out sustainable shift wear to all our brands. Based on feedback we have received, Roadies love the softness of the shirt, that it wrinkles less, and washes well. This initiative is a win-win!

We are also happy to announce that our third-party gift cards for Texas Roadhouse, Bubba's 33, and Jaggers are now paper. We have been working on phasing out plastic gift cards to offer a more sustainable alternative to our guests. The paper gift cards offer the same durability, print quality, and functionality as traditional gift cards.

In 2024, we signed a partnership between Bubba's 33 and the American Eagle Foundation (AEF), which is a 501(c)(3) organization dedicated to inspiring the global community to guard and protect the Bald Eagle and all birds of prey. This partnership aims to foster educational programs for children and focuses on the importance of raptor conservation. Bubba's 33 will also raise awareness and funds in our restaurants across the country to sponsor an American Bald Eagle named after our mascot, Ace the Eagle.

Through these initiatives and countless others throughout our company, our Roadies and guests can experience our Corporate Sustainability program firsthand as ambassadors of our initiatives.

(cont.)

PRESERVING RESOURCES

THROUGH

Recycling



Source: Waste Management

(cont. from previous page)

2025 AND BEYOND

As we head into 2025, we are excited about the momentum and clarity we have in place to help guide our Corporate Sustainability strategy.

We remain focused on making data-informed decisions and our Greeneville, TN store is a true testament to our methodical approach. We will evaluate the impact of the sustainable equipment and building materials at this location to assess what features could make "sense" and "cents" to include in future restaurants. We plan to share the findings in our 2025 Corporate Sustainability Report after we have completed a full year of testing and monitoring.

In addition, we have committed to joining the U.S. Roundtable for Sustainable Beef (USRSB). The USRSB is a multi-stakeholder initiative developed to advance, support, and

communicate continuous improvement in sustainability of the U.S. beef value chain. As a member of the USRSB, we will directly support their vision of the U.S. beef value chain as the trusted global leader in environmentally sound, socially responsible, and economically viable beef.

A key focus of our overall Corporate Sustainability strategy is compliance with all laws and regulations relating to corporate sustainability topics. To this end, in 2025, we engaged a consultant to assist us in preparing our first climate-related financial risk report, in accordance with the disclosure framework recommended and published by the Task Force on Climate-Related Financial Disclosures (TCFD) and requirements of the California Climate-Related Financial Risk Act (SB 261). This information will provide another resource for our program as we evaluate risks and opportunities.

While the sustainability landscape continues to evolve, we are consistent in our commitment to aligning our initiatives to our four sustainability pillars – food, community, employees, and conservation. Together, we are focused on continual progress to leave every community we are a part of better than we found it.

Our achievements from 2024 and ongoing initiatives in each pillar are detailed in our Corporate Sustainability Report, which can be found at texasroadhouse.com/sustainability.



Travis Doster
Chief Communications Officer



Opened our first "green store" in Greeneville, TN constructed with sustainable materials and equipment, which will be benchmarked against other nearby stores to inform future restaurant builds.



Recycled over 925,000 gallons of used cooking oil across all three of our brands. The oil is converted into airline fuel, used to feed livestock, and used to manufacture other products.



Completed our first materiality assessment of our Corporate Sustainability program. The assessment shows alignment across all our stakeholders on our key principles of food safety, guest experience, and human capital management.



\$34.9 million in food and monetary donations given to local non-profits, schools, and organizations in the communities we served.



165,000 sustainable uniform items were purchased, keeping landfills and oceans free of 1.8 million 20oz plastic bottles.



Engaged a third-party vendor to measure the contents of our food waste stream at our Danbury, CT location over a 48-hour collection period in December. The audit confirmed that food waste consisted primarily of unavoidable scraps and uneaten customer plate waste, with no evidence of wasteful practices.



Hosted our first African American Leadership Summit in July with leaders from each of our five Regions and the Support Center.



Measured our Scope 3 greenhouse gas (GHG) emissions for the first time based on a 2023 base year, which represented 91.3% of our total emissions.

2024 CORPORATE SUSTAINABILITY AT A GLANCE



RESTAURANT LOCATIONS

AS OF DECEMBER 31, 2024



BOARD OF DIRECTORS

GREGORY N. MOORE

Chairman of the Board, Texas Roadhouse, Inc.
Former Senior Vice President and Controller
Yum! Brands, Inc.

GERALD L. MORGAN

CEO
Texas Roadhouse, Inc.

JANE GROTE ABELL

Executive Chairwoman and Chief Purpose Officer
Donatos Pizza

MICHAEL A. CRAWFORD

Chairman, President, and CEO
Hall of Fame Resort & Entertainment Co.

DONNA E. EPPS

Former Partner
Deloitte LLP

WAYNE L. JONES

Former CEO
Anthony's Coal Fired Pizza

CURTIS A. WARFIELD

President and CEO
Windham Advisors LLC

KATHLEEN M. WIDMER

President and CEO
PRPL Skincare

JAMES R. ZARLEY

Former Chairman and CEO
Conversant, Inc.

SHAREHOLDER INFORMATION

SUPPORT CENTER (Corporate Office)

6040 Dutchmans Lane, Louisville, KY 40205
(800) TEX-ROAD or (800) 839-7623

ANNUAL MEETING

Thursday, May 15, 2025 - 9:00 AM EDT
Texas Roadhouse Support Center
6040 Dutchmans Lane, Louisville, KY 40205

TRANSFER AGENT

Computershare
P.O. Box 43078, Providence RI 02940-3078
Phone (877) 581-5548

FINANCIAL INQUIRIES

For additional financial documents and information,
please visit our website at texasroadhouse.com. Please
contact us by phone at (502) 426-9984 or by sending us
an email to investment@texasroadhouse.com

INDEPENDENT AUDITORS

KPMG LLP
400 W. Market Street, Suite 2400, Louisville, KY 40202
Phone (502) 587-0535

MEDIA INQUIRIES

For all media requests, please call (502) 638-5457

STOCK LISTING

Texas Roadhouse, Inc. Common Stock is listed on the
NASDAQ Stock Exchange under the symbol TXRH



CASEY COHEN
Texas Roadhouse - Turnersville, NJ
Managing Partner of the Year



VANESSA BLANCO-QUEZADA
Bubba's 33 - Albuquerque, NM
Managing Partner of the Year



BENITO GALINDO
Covington, LA
Meat Cutter of the Year



BRIANNA CARTER
Fort Wright, KY
Service Manager of the Year



FREDDY VIGUERAS MENDEZ
Wyomissing, PA
Kitchen Manager of the Year



FRANK HERNANDEZ
Support Center - IT
Roadie of the Year



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