
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended September 30, 2025

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

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 the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer ☒ Accelerated Filer ☐ Non-accelerated Filer ☐ Smaller Reporting Company ☐
Emerging Growth Company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

The number of shares of common stock outstanding were 66,146,079 on October 29, 2025.

TABLE OF CONTENTS

[PART I. FINANCIAL INFORMATION](#)

Item 1 — Financial Statements (Unaudited) — Texas Roadhouse, Inc. and Subsidiaries	3
Condensed Consolidated Balance Sheets — September 30, 2025 and December 31, 2024	3
Condensed Consolidated Statements of Income — For the 13 and 39 Weeks Ended September 30, 2025 and September 24, 2024	4
Condensed Consolidated Statements of Stockholders' Equity — For the 13 and 39 Weeks Ended September 30, 2025 and September 24, 2024	5
Condensed Consolidated Statements of Cash Flows — For the 39 Weeks Ended September 30, 2025 and September 24, 2024	7
Notes to Condensed Consolidated Financial Statements	8
Item 2 — Management's Discussion and Analysis of Financial Condition and Results of Operations	16
Item 3 — Quantitative and Qualitative Disclosures About Market Risk	28
Item 4 — Controls and Procedures	28

[PART II. OTHER INFORMATION](#)

Item 1 — Legal Proceedings	29
Item 1A — Risk Factors	29
Item 2 — Unregistered Sales of Equity Securities and Use of Proceeds	29
Item 3 — Defaults Upon Senior Securities	29
Item 4 — Mine Safety Disclosures	29
Item 5 — Other Information	30
Item 6 — Exhibits	30
Signatures	31

PART I — FINANCIAL INFORMATION
ITEM 1 — FINANCIAL STATEMENTS
Texas Roadhouse, Inc. and Subsidiaries
Condensed Consolidated Balance Sheets
(in thousands, except share and per share data)
(unaudited)

	<u>September 30, 2025</u>	<u>December 31, 2024</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 108,172	\$ 245,225
Receivables, net of allowance for doubtful accounts of \$14 at September 30, 2025 and \$7 at December 31, 2024	61,125	193,170
Inventories, net	45,476	40,756
Prepaid expenses and other current assets	34,593	37,417
Total current assets	<u>249,366</u>	<u>516,568</u>
Property and equipment, net of accumulated depreciation of \$1,333,531 at September 30, 2025 and \$1,223,064 at December 31, 2024	1,787,789	1,617,673
Operating lease right-of-use assets, net	841,964	769,865
Goodwill	230,305	169,684
Intangible assets, net of accumulated amortization of \$28,061 at September 30, 2025 and \$23,147 at December 31, 2024	13,132	1,265
Other assets	144,057	115,724
Total assets	<u>\$ 3,266,613</u>	<u>\$ 3,190,779</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Current portion of operating lease liabilities	\$ 29,956	\$ 28,172
Accounts payable	141,464	144,791
Deferred revenue-gift cards	248,560	401,198
Accrued wages	93,888	101,981
Income taxes payable	97	2,986
Accrued taxes and licenses	55,678	56,824
Other accrued liabilities	119,188	92,178
Total current liabilities	<u>688,831</u>	<u>828,130</u>
Operating lease liabilities, net of current portion	903,788	826,300
Restricted stock and other deposits	9,420	9,288
Deferred tax liabilities, net	9,724	8,184
Other liabilities	179,241	145,154
Total liabilities	<u>1,791,004</u>	<u>1,817,056</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, 66,228,169 and 66,574,626 shares issued and outstanding at September 30, 2025 and December 31, 2024, respectively)	66	67
Retained earnings	1,460,401	1,358,280
Total Texas Roadhouse, Inc. and subsidiaries stockholders' equity	<u>1,460,467</u>	<u>1,358,347</u>
Noncontrolling interests	15,142	15,376
Total equity	<u>1,475,609</u>	<u>1,373,723</u>
Total liabilities and equity	<u>\$ 3,266,613</u>	<u>\$ 3,190,779</u>

See accompanying notes to condensed consolidated financial statements.

Texas Roadhouse, Inc. and Subsidiaries
Condensed Consolidated Statements of Income
(in thousands, except per share data)
(unaudited)

	13 Weeks Ended		39 Weeks Ended	
	September 30, 2025	September 24, 2024	September 30, 2025	September 24, 2024
Revenue:				
Restaurant and other sales	\$ 1,429,111	\$ 1,265,279	\$ 4,373,427	\$ 3,913,073
Royalties and franchise fees	7,231	7,720	22,617	22,345
Total revenue	1,436,342	1,272,999	4,396,044	3,935,418
Costs and expenses:				
Restaurant operating costs (excluding depreciation and amortization shown separately below):				
Food and beverage	511,531	424,566	1,513,846	1,305,658
Labor	480,297	427,470	1,455,321	1,293,229
Rent	23,085	20,162	68,590	59,543
Other operating	209,917	191,011	634,762	581,515
Pre-opening	7,419	7,282	19,695	21,579
Depreciation and amortization	52,628	44,510	152,172	128,918
Impairment and closure, net	140	844	279	1,135
General and administrative	54,376	55,131	173,356	165,874
Total costs and expenses	1,339,393	1,170,976	4,018,021	3,557,451
Income from operations	96,949	102,023	378,023	377,967
Interest income, net	643	1,916	2,988	5,007
Equity income from investments in unconsolidated affiliates	120	235	1,771	778
Income before taxes	\$ 97,712	\$ 104,174	\$ 382,782	\$ 383,752
Income tax expense	12,812	17,400	55,130	57,913
Net income including noncontrolling interests	84,900	86,774	\$ 327,652	\$ 325,839
Less: Net income attributable to noncontrolling interests	1,728	2,362	6,733	8,080
Net income attributable to Texas Roadhouse, Inc. and subsidiaries	<u>\$ 83,172</u>	<u>\$ 84,412</u>	<u>\$ 320,919</u>	<u>\$ 317,759</u>
Net income per common share attributable to Texas Roadhouse, Inc. and subsidiaries:				
Basic	\$ 1.25	\$ 1.27	\$ 4.84	\$ 4.76
Diluted	<u>\$ 1.25</u>	<u>\$ 1.26</u>	<u>\$ 4.82</u>	<u>\$ 4.74</u>
Weighted average shares outstanding:				
Basic	66,358	66,704	66,373	66,777
Diluted	66,476	66,943	66,564	67,023
Cash dividends declared per share	<u>\$ 0.68</u>	<u>\$ 0.61</u>	<u>\$ 2.04</u>	<u>\$ 1.83</u>

See accompanying notes to condensed consolidated financial statements.

Texas Roadhouse, Inc. and Subsidiaries
Condensed Consolidated Statements of Stockholders' Equity
(in thousands, except share and per share data)
(unaudited)

For the 13 Weeks Ended September 30, 2025							
	Shares	Par Value	Additional Paid-in-Capital	Retained Earnings	Total Texas Roadhouse, Inc. and Subsidiaries	Noncontrolling Interests	Total
Balance, July 1, 2025	66,450,572	\$ 66	\$ —	\$ 1,450,728	\$ 1,450,794	\$ 15,428	\$ 1,466,222
Net income	—	—	—	83,172	83,172	1,728	84,900
Distributions to noncontrolling interest holders	—	—	—	—	—	(2,014)	(2,014)
Dividends declared (\$0.68 per share)	—	—	—	(45,075)	(45,075)	—	(45,075)
Shares issued under share-based compensation plans including tax effects	11,506	—	—	—	—	—	—
Indirect repurchase of shares for minimum tax withholdings	(3,369)	—	(603)	—	(603)	—	(603)
Repurchase of shares of common stock, including excise tax as applicable	(230,540)	—	(11,977)	(28,424)	(40,401)	—	(40,401)
Share-based compensation	—	—	12,580	—	12,580	—	12,580
Balance, September 30, 2025	66,228,169	\$ 66	\$ —	\$ 1,460,401	\$ 1,460,467	\$ 15,142	\$ 1,475,609

For the 13 Weeks Ended September 24, 2024							
	Shares	Par Value	Additional Paid-in-Capital	Retained Earnings	Total Texas Roadhouse, Inc. and Subsidiaries	Noncontrolling Interests	Total
Balance, June 25, 2024	66,727,898	\$ 67	\$ —	\$ 1,262,569	\$ 1,262,636	\$ 15,054	\$ 1,277,690
Net income	—	—	—	84,412	84,412	2,362	86,774
Distributions to noncontrolling interest holders	—	—	—	—	—	(2,485)	(2,485)
Acquisition of noncontrolling interest, net of deferred taxes	—	—	(23)	—	(23)	23	—
Dividends declared (\$0.61 per share)	—	—	—	(40,696)	(40,696)	—	(40,696)
Shares issued under share-based compensation plans including tax effects	60,735	—	—	—	—	—	—
Indirect repurchase of shares for minimum tax withholdings	(18,562)	—	(3,198)	—	(3,198)	—	(3,198)
Repurchase of shares of common stock, including excise tax as applicable	(56,248)	—	(11,555)	1,938	(9,617)	—	(9,617)
Share-based compensation	—	—	14,776	—	14,776	—	14,776
Balance, September 24, 2024	66,713,823	\$ 67	\$ —	\$ 1,308,223	\$ 1,308,290	\$ 14,954	\$ 1,323,244

See accompanying notes to condensed consolidated financial statements.

Texas Roadhouse, Inc. and Subsidiaries
Condensed Consolidated Statements of Stockholders' Equity
(in thousands, except share and per share data)
(unaudited)

For the 39 Weeks Ended September 30, 2025							
	Shares	Par Value	Additional Paid-in-Capital	Retained Earnings	Total Texas Roadhouse, Inc. and Subsidiaries	Noncontrolling Interests	Total
Balance, December 31, 2024	66,574,626	\$ 67	\$ —	\$ 1,358,280	\$ 1,358,347	\$ 15,376	\$ 1,373,723
Net income	—	—	—	320,919	320,919	6,733	327,652
Distributions to noncontrolling interest holders	—	—	—	—	—	(6,967)	(6,967)
Dividends declared (\$2.04 per share)	—	—	—	(135,367)	(135,367)	—	(135,367)
Shares issued under share-based compensation plans including tax effects	330,453	—	—	—	—	—	—
Indirect repurchase of shares for minimum tax withholdings	(103,581)	—	(18,686)	—	(18,686)	—	(18,686)
Repurchase of shares of common stock, including excise taxes	(573,329)	(1)	(17,143)	(83,431)	(100,575)	—	(100,575)
Share-based compensation	—	—	35,829	—	35,829	—	35,829
Balance, September 30, 2025	66,228,169	\$ 66	\$ —	\$ 1,460,401	\$ 1,460,467	\$ 15,142	\$ 1,475,609

For the 39 Weeks Ended September 24, 2024							
	Shares	Par Value	Additional Paid-in-Capital	Retained Earnings	Total Texas Roadhouse, Inc. and Subsidiaries	Noncontrolling Interests	Total
Balance, December 26, 2023	66,789,464	\$ 67	\$ —	\$ 1,141,595	\$ 1,141,662	\$ 15,849	\$ 1,157,511
Net income	—	—	—	317,759	317,759	8,080	325,839
Distributions to noncontrolling interest holders	—	—	—	—	—	(8,110)	(8,110)
Acquisition of noncontrolling interest, net of deferred taxes	—	—	(3,297)	—	(3,297)	(865)	(4,162)
Dividends declared (\$1.83 per share)	—	—	—	(122,205)	(122,205)	—	(122,205)
Shares issued under share-based compensation plans including tax effects	295,519	—	—	—	—	—	—
Indirect repurchase of shares for minimum tax withholdings	(92,246)	—	(14,027)	—	(14,027)	—	(14,027)
Repurchase of shares of common stock, including excise tax as applicable	(278,914)	—	(15,830)	(28,926)	(44,756)	—	(44,756)
Share-based compensation	—	—	33,154	—	33,154	—	33,154
Balance, September 24, 2024	66,713,823	\$ 67	\$ —	\$ 1,308,223	\$ 1,308,290	\$ 14,954	\$ 1,323,244

See accompanying notes to condensed consolidated financial statements.

Texas Roadhouse, Inc. and Subsidiaries
Condensed Consolidated Statements of Cash Flows
(in thousands)
(unaudited)

	39 Weeks Ended	
	September 30, 2025	September 24, 2024
Cash flows from operating activities:		
Net income including noncontrolling interests	\$ 327,652	\$ 325,839
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	152,172	128,918
Deferred income taxes	2,011	(9,592)
Loss on disposition of assets	4,078	2,842
Impairment and closure costs	83	826
Equity income from investments in unconsolidated affiliates	(1,771)	(778)
Distributions of income received from investments in unconsolidated affiliates	761	799
Provision for doubtful accounts	7	(22)
Share-based compensation expense	35,829	33,154
Changes in operating working capital, net of acquisitions:		
Receivables	132,064	123,155
Inventories	(3,775)	(1,522)
Prepaid expenses and other current assets	8,798	10,394
Other assets	(26,202)	(15,566)
Accounts payable	(162)	3,166
Deferred revenue—gift cards	(154,539)	(147,287)
Accrued wages	(8,155)	20,636
Prepaid income taxes and income taxes payable	(8,667)	5,923
Accrued taxes and licenses	(1,463)	6,849
Other accrued liabilities	9,680	(98)
Operating lease right-of-use assets and lease liabilities	7,114	4,845
Other liabilities	34,087	23,608
Net cash provided by operating activities	509,602	516,089
Cash flows from investing activities:		
Capital expenditures—property and equipment	(298,808)	(246,539)
Acquisitions of franchise restaurants, net of cash acquired	(94,230)	—
Proceeds from sale of investments in unconsolidated affiliates	1,329	—
Proceeds from sale of property and equipment	1,200	197
Proceeds from sale leaseback transactions	6,307	9,126
Net cash used in investing activities	(384,202)	(237,216)
Cash flows from financing activities:		
Debt issuance costs	(1,525)	—
Distributions to noncontrolling interest holders	(6,967)	(8,110)
Acquisitions of noncontrolling interests	—	(5,279)
Proceeds from restricted stock and other deposits, net	506	396
Indirect repurchase of shares for minimum tax withholdings	(18,686)	(14,027)
Repurchase of shares of common stock, including excise taxes as applicable	(100,414)	(44,689)
Dividends paid to shareholders	(135,367)	(122,205)
Net cash used in financing activities	(262,453)	(193,914)
Net (decrease) increase in cash and cash equivalents	(137,053)	84,959
Cash and cash equivalents—beginning of period	245,225	104,246
Cash and cash equivalents—end of period	\$ 108,172	\$ 189,205
Supplemental disclosures of cash flow information:		
Interest paid	\$ 690	\$ 669
Income taxes paid	\$ 61,786	\$ 61,804
Capital expenditures included in current liabilities	\$ 46,963	\$ 42,641

See accompanying notes to condensed consolidated financial statements.

Texas Roadhouse, Inc. and Subsidiaries
Notes to Condensed Consolidated Financial Statements
(tabular amounts in thousands, except per share data)
(unaudited)

(1) Basis of Presentation

The accompanying unaudited condensed consolidated financial statements include the accounts of Texas Roadhouse, Inc., our wholly owned subsidiaries and subsidiaries in which we have a controlling interest (collectively, the "Company," "we," "our" and/or "us") as of September 30, 2025 and December 31, 2024 and for the 13 and 39 weeks ended September 30, 2025 and September 24, 2024.

The Company maintains three restaurant concepts operating as Texas Roadhouse, Bubba's 33, and Jaggers. As of September 30, 2025, we owned and operated 702 restaurants and franchised an additional 104 restaurants in 49 states, one U.S. territory, and ten foreign countries. Of the 104 franchise restaurants, there were 44 domestic restaurants and 60 international restaurants, including one in a U.S. territory. As of September 24, 2024, we owned and operated 657 restaurants and franchised an additional 115 restaurants in 49 states, one U.S. territory, and ten foreign countries. Of the 115 franchise restaurants, there were 59 domestic restaurants and 56 international restaurants, including one in a U.S. territory.

As of September 30, 2025 and September 24, 2024, we owned a majority interest in 19 company restaurants. The operating results of these majority-owned restaurants are consolidated and the portion of income attributable to noncontrolling interests is reflected in the line item net income attributable to noncontrolling interests in our unaudited condensed consolidated statements of income.

As of September 30, 2025 and September 24, 2024, we owned a 5.0% to 10.0% equity interest in 17 and 20 domestic franchise restaurants, respectively. These unconsolidated restaurants are accounted for using the equity method. Our investments in these unconsolidated affiliates are included in other assets in our unaudited condensed consolidated balance sheets, and we record our percentage share of net income earned by these unconsolidated affiliates under equity income from investments in unconsolidated affiliates in our unaudited condensed consolidated statements of income.

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 unaudited condensed consolidated financial statements, and the reporting of revenue and expenses during the periods to prepare these unaudited condensed 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. Actual results could differ from those estimates.

In the opinion of management, the accompanying unaudited condensed consolidated financial statements reflect all adjustments, consisting only of normal recurring adjustments, necessary to present fairly our unaudited condensed consolidated financial statements for the periods presented. The unaudited condensed consolidated financial statements have been prepared in accordance with GAAP, except that certain information and footnotes have been condensed or omitted pursuant to rules and regulations of the Securities and Exchange Commission. Operating results for the 13 and 39 weeks ended September 30, 2025 are not necessarily indicative of the results that may be expected for the fiscal year ending December 30, 2025. The unaudited condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2024.

Our significant interim accounting policies include the recognition of income taxes using an estimated annual effective tax rate.

(2) Recent Accounting Pronouncements

In December 2023, the Financial Accounting Standards Board (the "FASB") issued Accounting Standards Update ("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, 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, with early adoption permitted, and may be applied on a prospective or retrospective basis. 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, as clarified by ASU 2025-01, are effective for fiscal years beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027, with early adoption permitted, and may be applied on a prospective or retrospective basis. 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) Long-term Debt

On April 24, 2025, we entered into an agreement for 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. This credit facility superseded and replaced our previous credit facility.

The credit facility is an unsecured, revolving credit agreement and has a borrowing capacity of up to \$450.0 million with the option to increase the capacity by an additional \$250.0 million, subject to certain limitations, including approval by the syndicate of lenders. The credit facility has a maturity date of April 24, 2030.

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 1.00% to 1.75% depending on our consolidated net leverage ratio.

As of September 30, 2025, we had no outstanding borrowings under the credit facility and had \$446.8 million of availability, net of \$3.2 million of outstanding letters of credit. As of December 31, 2024, we had no outstanding borrowings under the previous credit facility and had \$296.8 million of availability, net of \$3.2 million of outstanding letters of credit.

The interest rate for each credit facility as of September 30, 2025 and September 24, 2024 was 5.34% and 5.72%, 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 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 September 30, 2025.

(4) Revenue

The following table disaggregates our revenue by major source:

	13 Weeks Ended		39 Weeks Ended	
	September 30, 2025	September 24, 2024	September 30, 2025	September 24, 2024
Restaurant and other sales	\$ 1,429,111	\$ 1,265,279	\$ 4,373,427	\$ 3,913,073
Royalties	6,545	6,808	20,790	20,601
Franchise fees	686	912	1,827	1,744
Total revenue	<u>\$ 1,436,342</u>	<u>\$ 1,272,999</u>	<u>\$ 4,396,044</u>	<u>\$ 3,935,418</u>

The following table presents a rollforward of deferred revenue-gift cards:

	13 Weeks Ended		39 Weeks Ended	
	September 30, 2025	September 24, 2024	September 30, 2025	September 24, 2024
Beginning balance	\$ 277,293	\$ 250,485	\$ 401,198	\$ 373,913
Gift card activations, net of third-party fees	61,572	56,527	205,054	191,409
Gift card redemptions and breakage	(90,305)	(80,386)	(357,692)	(338,696)
Ending balance	<u>\$ 248,560</u>	<u>\$ 226,626</u>	<u>\$ 248,560</u>	<u>\$ 226,626</u>

We recognized restaurant sales of \$36.0 million and \$228.2 million for the 13 and 39 weeks ended September 30, 2025, respectively, related to amounts in deferred revenue as of December 31, 2024. We recognized restaurant sales of \$26.1 million and \$210.1 million for the 13 and 39 weeks ended September 24, 2024, respectively, related to amounts in deferred revenue as of December 26, 2023.

(5) Income Taxes

The effective tax rate was 13.1% and 16.7% for the 13 weeks ended September 30, 2025 and September 24, 2024, respectively. The effective tax rate was 14.4% and 15.1% for the 39 weeks ended September 30, 2025 and September 24, 2024, respectively. The decreases in the tax rates for the 13 and 39 weeks ended September 30, 2025 compared to the prior year periods were primarily due to an increase in the impact of the FICA tip tax credit.

(6) Commitments and Contingencies

The estimated cost of completing capital project commitments at September 30, 2025 and December 31, 2024 was \$234.3 million and \$243.6 million, respectively.

As of September 30, 2025 and December 31, 2024, we were contingently liable for \$8.7 million and \$9.4 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 September 30, 2025 and December 31, 2024, 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 13 and 39 weeks ended September 30, 2025 and September 24, 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" matters, 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 with varying retention levels, has had a material adverse 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.

(7) Acquisitions

Business Combinations

During the 39 weeks ended September 30, 2025, we completed the acquisitions of 17 domestic franchise Texas Roadhouse restaurants. Pursuant to the terms of the acquisition agreements, we paid a total purchase price of \$94.2 million, net of cash acquired.

These transactions were accounted for using the acquisition method as defined in Accounting Standards Codification ("ASC") 805, *Business Combinations*. These acquisitions are consistent with our long-term strategy to increase net income and earnings per share.

We held a 5% equity interest in one of the restaurants acquired and a 10% equity interest in two of the restaurants acquired. These transactions were accounted for as step acquisitions and we recorded a gain of \$1.2 million on our previous investments in equity income from investments in unconsolidated affiliates in the unaudited condensed consolidated statements of income.

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 dates, which are adjusted for measurement-period adjustments through September 30, 2025.

Current assets	\$ 1,167
Property and equipment	20,020
Operating lease right-of-use assets	39,755
Goodwill	60,622
Intangible assets	16,780
Other assets	470
Current portion of operating lease liabilities	(1,383)
Deferred revenue-gift cards	(1,901)
Current liabilities	(1,148)
Operating lease liabilities, net of current portion	(40,152)
	<u>\$ 94,230</u>

The aggregate purchase price is preliminary as we are finalizing working capital adjustments. Intangible assets represent reacquired franchise rights which are being amortized over a weighted-average useful life of 4.1 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.

Pro forma financial detail and operating results have not been presented as the results of the acquired restaurants are not material to our unaudited condensed consolidated financial position, results of operations, or cash flows.

Asset Acquisition

During the 13 weeks ended September 30, 2025, we completed the acquisition of our previously leased office buildings in Louisville, Kentucky that house our Support Center, for a total purchase price of \$22.8 million. The transaction was accounted for as an asset acquisition in accordance with ASC 805, *Business Combinations*. The allocation of the purchase price among the acquired assets, which consisted of land and building improvements, was based on their relative fair value as of the acquisition date.

(8) Related Party Transactions

As of September 30, 2025 and September 24, 2024, we had five franchise restaurants and one majority-owned company restaurant owned in part by current officers of the Company. We recognized revenue of \$0.6 million for each of the 13 weeks ended September 30, 2025 and September 24, 2024 related to the five franchise restaurants. We recognized revenue of \$1.9 million and \$1.8 million for the 39 weeks ended September 30, 2025 and September 24, 2024, respectively, related to the five franchise restaurants.

(9) 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.

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 unaudited condensed consolidated statements of income:

	13 Weeks Ended		39 Weeks Ended	
	September 30, 2025	September 24, 2024	September 30, 2025	September 24, 2024
Net income attributable to Texas Roadhouse, Inc. and subsidiaries	\$ 83,172	\$ 84,412	\$ 320,919	\$ 317,759
Basic EPS:				
Weighted-average common shares outstanding	66,358	66,704	66,373	66,777
Basic EPS	\$ 1.25	\$ 1.27	\$ 4.84	\$ 4.76
Diluted EPS:				
Weighted-average common shares outstanding	66,358	66,704	66,373	66,777
Dilutive effect of nonvested stock units	118	239	191	246
Shares-diluted	66,476	66,943	66,564	67,023
Diluted EPS	\$ 1.25	\$ 1.26	\$ 4.82	\$ 4.74

(10) Fair Value Measurements

At September 30, 2025 and December 31, 2024, 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 13 and 39 weeks ended September 30, 2025.

The following table presents the fair values for our financial assets and liabilities measured on a recurring basis:

	Level	Fair Value Measurements	
		September 30, 2025	December 31, 2024
Deferred compensation plan—assets	1	\$ 127,526	\$ 101,071
Deferred compensation plan—liabilities	1	\$ (127,526)	\$ (101,071)

We report the accounts of the deferred compensation plan in other assets and the corresponding liability in other liabilities in our unaudited condensed 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 unaudited condensed consolidated statements of income.

(11) Stock Repurchase Programs

On February 19, 2025, our Board of Directors (the "Board") approved a stock repurchase program under which we may repurchase up to \$500.0 million of our common stock. This stock repurchase program commenced on February 24, 2025, has no expiration date, and replaced a previous stock repurchase program which was approved on March 17, 2022 that authorized the Company to repurchase up to \$300.0 million of our common stock. 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 established 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 (the "Exchange Act"), and as applicable.

For the 13 and 39 weeks ended September 30, 2025, we paid \$40.0 million and \$100.0 million, excluding excise taxes, to repurchase 230,540 shares and 573,329 shares of our common stock, respectively. This includes \$70.0 million repurchased under our current authorization and \$30.0 million repurchased under our prior authorization. For the 13 and 39 weeks ended September 24, 2024, we paid \$9.6 million and \$44.7 million, excluding excise taxes, to repurchase 56,248 and 278,914 shares of our common stock, respectively. As of September 30, 2025, \$430.0 million remained under our authorized stock repurchase program.

(12) Segment Information

Our chief operating decision maker (the "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, Jagers, 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 Jagers 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, expansion, 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.

[Table of Contents](#)

The following tables reconcile our segment results to our consolidated results reported in accordance with GAAP:

For the 13 Weeks Ended September 30, 2025				
	Texas Roadhouse	Bubba's 33	Other	Total
Restaurant and other sales	\$ 1,336,660	\$ 82,922	\$ 9,529	\$ 1,429,111
Restaurant operating costs (excluding depreciation and amortization)				
Food and Beverage	484,872	23,612	3,047	511,531
Labor	446,368	30,907	3,022	480,297
Rent	20,706	2,091	288	23,085
Other Operating	192,786	15,263	1,868	209,917
Restaurant margin	<u>\$ 191,928</u>	<u>\$ 11,049</u>	<u>\$ 1,304</u>	<u>\$ 204,281</u>
Depreciation and amortization	\$ 43,773	\$ 4,800	\$ 4,055	\$ 52,628
Segment assets	2,613,014	289,606	363,993	3,266,613
Capital expenditures	94,945	10,797	23,154	128,896

For the 13 Weeks Ended September 24, 2024				
	Texas Roadhouse	Bubba's 33	Other	Total
Restaurant and other sales	\$ 1,184,125	\$ 73,416	\$ 7,738	\$ 1,265,279
Restaurant operating costs (excluding depreciation and amortization)				
Food and Beverage	401,259	20,815	2,492	424,566
Labor	397,780	27,223	2,467	427,470
Rent	17,992	1,969	201	20,162
Other Operating	176,545	12,919	1,547	191,011
Restaurant margin	<u>\$ 190,549</u>	<u>\$ 10,490</u>	<u>\$ 1,031</u>	<u>\$ 202,070</u>
Depreciation and amortization	\$ 37,372	\$ 4,150	\$ 2,988	\$ 44,510
Segment assets	2,286,417	244,773	382,625	2,913,815
Capital expenditures	81,882	6,735	2,444	91,061

For the 39 Weeks Ended September 30, 2025				
	Texas Roadhouse	Bubba's 33	Other	Total
Restaurant and other sales	\$ 4,097,648	\$ 248,724	\$ 27,055	\$ 4,373,427
Restaurant operating costs (excluding depreciation and amortization)				
Food and Beverage	1,435,234	70,058	8,554	1,513,846
Labor	1,356,696	90,078	8,547	1,455,321
Rent	61,625	6,173	792	68,590
Other Operating	585,296	44,231	5,235	634,762
Restaurant margin	<u>\$ 658,797</u>	<u>\$ 38,184</u>	<u>\$ 3,927</u>	<u>\$ 700,908</u>
Depreciation and amortization	\$ 126,103	\$ 13,679	\$ 12,390	\$ 152,172
Segment assets	2,613,014	289,606	363,993	3,266,613
Capital expenditures	232,803	36,705	29,300	298,808

[Table of Contents](#)

	For the 39 Weeks Ended September 24, 2024			
	Texas Roadhouse	Bubba's 33	Other	Total
Restaurant and other sales	\$ 3,672,510	\$ 217,501	\$ 23,062	\$ 3,913,073
Restaurant operating costs (excluding depreciation and amortization)				
Food and Beverage	1,237,878	60,516	7,264	1,305,658
Labor	1,207,106	78,941	7,182	1,293,229
Rent	53,274	5,664	605	59,543
Other Operating	539,928	37,161	4,426	581,515
Restaurant margin	<u>\$ 634,324</u>	<u>\$ 35,219</u>	<u>\$ 3,585</u>	<u>\$ 673,128</u>
Depreciation and amortization	\$ 108,327	\$ 11,961	\$ 8,630	\$ 128,918
Segment assets	2,286,417	244,773	382,625	2,913,815
Capital expenditures	214,815	25,268	6,456	246,539

A reconciliation of restaurant margin to income from operations is presented below. We do not allocate interest income, net and equity income from investments in unconsolidated affiliates to reportable segments.

	13 Weeks Ended		39 Weeks Ended	
	September 30, 2025	September 24, 2024	September 30, 2025	September 24, 2024
Restaurant margin	\$ 204,281	\$ 202,070	\$ 700,908	\$ 673,128
Add:				
Royalties and franchise fees	7,231	7,720	22,617	22,345
Less:				
Pre-opening	7,419	7,282	19,695	21,579
Depreciation and amortization	52,628	44,510	152,172	128,918
Impairment and closure, net	140	844	279	1,135
General and administrative	54,376	55,131	173,356	165,874
Income from operations	<u>\$ 96,949</u>	<u>\$ 102,023</u>	<u>\$ 378,023</u>	<u>\$ 377,967</u>

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

CAUTIONARY STATEMENT

This report contains forward-looking statements based on our current expectations, estimates, and projections about our industry and certain assumptions made by us. Words such as "anticipates," "expects," "intends," "plans," "believes," "seeks," "estimates," "may," "will," and variations of these words or similar expressions are intended to identify forward-looking statements. In addition, any statements that refer to expectations, projections, or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements. Such statements are not guarantees of future performance and are subject to certain risks, uncertainties, and assumptions that are difficult to predict. Therefore, our actual results could differ materially and adversely from those expressed in any forward-looking statements as a result of various factors. The section entitled "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2024, and in Part II, Item 1A in this Form 10-Q, along with disclosures in our other Securities and Exchange Commission ("SEC") filings discuss some of the important risk factors that may affect our business, results of operations, or financial condition. You should carefully consider those risks, in addition to the other information in this report, and in our other filings with the SEC, before deciding to invest in our Company or to maintain or increase your investment. We undertake no obligation to revise or update publicly any forward-looking statements, except as may be required by applicable law. The information contained in this Form 10-Q is not a complete description of our business or the risks associated with an investment in our common stock. We urge you to carefully review and consider the various disclosures made by us in this report and in our other reports filed with the SEC that discuss our business in greater detail and advise interested parties of certain risks, uncertainties, and other factors that may affect our business, results of operations, or financial condition.

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 Company in 1993 with the opening of the first Texas Roadhouse restaurant in Clarksville, Indiana. Since then, we have grown to three concepts with 806 restaurants in 49 states, one U.S. territory, and ten foreign countries. As of September 30, 2025, our 806 restaurants included:

- 702 company restaurants, of which 683 were wholly-owned and 19 were majority-owned. The results of operations of company restaurants are included in our unaudited condensed 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 unaudited condensed consolidated statements of income. Of the 702 company restaurants, we operated 638 as Texas Roadhouse restaurants, 54 as Bubba's 33 restaurants, and 10 as Jaggers restaurants.
- 104 franchise restaurants, of which 17 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 unaudited condensed consolidated statements of income. Of the 104 franchise restaurants, 39 were domestic Texas Roadhouse restaurants, five were domestic Jaggers restaurants, 59 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 equity interests in 17 of the 19 majority-owned company restaurants and 39 of the 44 systemwide 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

Throughout this report, the 13 weeks ended September 30, 2025 and September 24, 2024, are referred to as Q3 2025 and Q3 2024, respectively. The 39 weeks ended September 30, 2025 and September 24, 2024, are referred to as 2025 YTD and 2024 YTD, respectively. Fiscal year 2025 will be 52 weeks in length, with the quarters 13 weeks in length. Fiscal year 2024 was 53 weeks in length, with the fourth quarter 14 weeks in length.

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 comparable 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 quarterly, year-to-date, or 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 the 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 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, 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 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 unaudited condensed 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.
- *Royalties and Franchise Fees.* Royalties consist of franchise royalties, as defined in our franchise agreement, paid to us by our domestic and international franchisees, as well as royalties related to our royalty-based retail products. Domestic and international franchisees also typically pay an initial franchise fee and/or development fee for each new restaurant or territory.
- *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 relate 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 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 September 30, 2025, and September 24, 2024, we owned a 5.0% to 10.0% equity interest in 17 and 20 domestic franchise restaurants, respectively.
- *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 majority-owned restaurants as of September 30, 2025 and September 24, 2024.

Q3 2025 Financial Highlights

Total revenue increased \$163.3 million or 12.8% to \$1,436.3 million in Q3 2025 compared to \$1,273.0 million in Q3 2024 primarily due to an increase in store weeks and comparable restaurant sales. Store weeks and comparable restaurant sales increased 6.8% and 6.1%, respectively, at company restaurants in Q3 2025 compared to Q3 2024. The increase in store weeks was due to new store openings and the acquisition of franchise restaurants. The increase in comparable restaurant sales was due to an increase in guest traffic along with an increase in per person average check.

Net income decreased \$1.2 million or 1.5% to \$83.2 million in Q3 2025 compared to \$84.4 million in Q3 2024 as the increase in revenue was more than offset by increases in food and beverage costs and depreciation and amortization expenses. In addition, income tax expense decreased due to the decrease in profitability. Diluted earnings per share decreased 0.8% to \$1.25 in Q3 2025 from \$1.26 in Q3 2024 due to the decrease in net income partially offset by the impact of share repurchases.

Restaurant margin dollars increased \$2.2 million or 1.1% to \$204.3 million in Q3 2025 compared to \$202.1 million in Q3 2024 primarily due to higher sales. Restaurant margin, as a percentage of restaurant and other sales, decreased to 14.3% in Q3 2025 compared to 16.0% in Q3 2024. The decrease in restaurant margin, as a percentage of restaurant and other sales, was primarily due to commodity inflation of 7.9% and wage and other labor inflation of 3.9% partially offset by higher sales.

Capital allocation spend included capital expenditures of \$128.9 million, dividends of \$45.1 million, and repurchases of common stock of \$40.0 million.

Results of Operations
(in thousands)

	13 Weeks Ended				39 Weeks Ended			
	September 30, 2025		September 24, 2024		September 30, 2025		September 24, 2024	
	\$	%	\$	%	\$	%	\$	%
Condensed Consolidated Statements of Income:								
Revenue:								
Restaurant and other sales	1,429,111	99.5	1,265,279	99.4	4,373,427	99.5	3,913,073	99.4
Royalties and franchise fees	7,231	0.5	7,720	0.6	22,617	0.5	22,345	0.6
Total revenue	1,436,342	100.0	1,272,999	100.0	4,396,044	100.0	3,935,418	100.0
Costs and expenses:								
<i>(As a percentage of restaurant and other sales)</i>								
Restaurant operating costs (excluding depreciation and amortization shown separately below):								
Food and beverage	511,531	35.8	424,566	33.5	1,513,846	34.6	1,305,658	33.4
Labor	480,297	33.6	427,470	33.8	1,455,321	33.3	1,293,229	33.0
Rent	23,085	1.6	20,162	1.6	68,590	1.6	59,543	1.5
Other operating	209,917	14.7	191,011	15.1	634,762	14.5	581,515	14.9
<i>(As a percentage of total revenue)</i>								
Pre-opening	7,419	0.5	7,282	0.6	19,695	0.4	21,579	0.5
Depreciation and amortization	52,628	3.7	44,510	3.5	152,172	3.5	128,918	3.3
Impairment and closure, net	140	NM	844	0.1	279	NM	1,135	NM
General and administrative	54,376	3.8	55,131	4.3	173,356	3.9	165,874	4.2
Total costs and expenses	1,339,393	93.3	1,170,976	92.0	4,018,021	91.4	3,557,451	90.4
Income from operations	96,949	6.7	102,023	8.0	378,023	8.6	377,967	9.6
Interest income, net	643	NM	1,916	0.2	2,988	0.1	5,007	0.1
Equity income from investments in unconsolidated affiliates	120	NM	235	NM	1,771	NM	778	NM
Income before taxes	97,712	6.8	104,174	8.2	382,782	8.7	383,752	9.8
Income tax expense	12,812	0.9	17,400	1.4	55,130	1.3	57,913	1.5
Net income including noncontrolling interests	84,900	5.9	86,774	6.8	327,652	7.5	325,839	8.3
Net income attributable to noncontrolling interests	1,728	0.1	2,362	0.2	6,733	0.2	8,080	0.2
Net income attributable to Texas Roadhouse, Inc. and subsidiaries	83,172	5.8	84,412	6.6	320,919	7.3	317,759	8.1

NM — Not meaningful

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

	13 Weeks Ended		39 Weeks Ended	
	September 30, 2025	September 24, 2024	September 30, 2025	September 24, 2024
Income from operations	\$ 96,949	\$ 102,023	\$ 378,023	\$ 377,967
Less:				
Royalties and franchise fees	7,231	7,720	22,617	22,345
Add:				
Pre-opening	7,419	7,282	19,695	21,579
Depreciation and amortization	52,628	44,510	152,172	128,918
Impairment and closure, net	140	844	279	1,135
General and administrative	54,376	55,131	173,356	165,874
Restaurant margin	<u>\$ 204,281</u>	<u>\$ 202,070</u>	<u>\$ 700,908</u>	<u>\$ 673,128</u>
Restaurant margin \$/store week	\$ 22,513	\$ 23,784	\$ 26,004	\$ 26,725
Restaurant margin <i>(as a percentage of restaurant and other sales)</i>	14.3%	16.0%	16.0%	17.2%

See above for the definition of restaurant margin.

Restaurant Unit Activity

	Total	Texas Roadhouse	Bubba's 33	Jaggers
Balance at December 31, 2024	784	721	49	14
Company openings	19	13	5	1
Franchise openings - Domestic	1	—	—	1
Franchise openings - International	2	2	—	—
Balance at September 30, 2025	<u>806</u>	<u>736</u>	<u>54</u>	<u>16</u>

	September 30, 2025	September 24, 2024
Company - Texas Roadhouse	638	601
Company - Bubba's 33	54	48
Company - Jaggers	10	8
Total company	<u>702</u>	<u>657</u>
Franchise - Texas Roadhouse - Domestic	39	56
Franchise - Jaggers - Domestic	5	3
Franchise - Texas Roadhouse - International (1)	59	56
Franchise - Jaggers - International	1	-
Total franchise	<u>104</u>	<u>115</u>
Total	<u>806</u>	<u>772</u>

(1) Includes a U.S. territory.

Q3 2025 compared to Q3 2024

Restaurant and Other Sales

Restaurant and other sales increased 12.9% in Q3 2025 compared to Q3 2024 and 11.8% in 2025 YTD compared to 2024 YTD. 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.

	Q3 2025	Q3 2024	2025 YTD	2024 YTD
Company Restaurants:				
Increase in store weeks	6.8 %	5.8 %	7.0 %	5.4 %
Increase in average unit volume	5.2 %	7.5 %	4.0 %	8.1 %
Other	0.9 %	0.2 %	0.8 %	— %
Total increase in restaurant and other sales	12.9 %	13.5 %	11.8 %	13.5 %
Store weeks				
Store weeks	9,074	8,496	26,954	25,187
Comparable restaurant sales	6.1 %	8.5 %	5.1 %	8.8 %
Texas Roadhouse restaurants:				
Store weeks	8,258	7,768	24,595	23,070
Comparable restaurant sales	6.3 %	8.7 %	5.2 %	8.9 %
Average unit volume (in thousands)	\$ 2,104	\$ 1,994	\$ 6,533	\$ 6,261
Weekly sales by group:				
Comparable restaurants (599, 560, 583, and 549 units)	\$ 163,079	\$ 153,870	\$ 168,909	\$ 160,715
Average unit volume restaurants (26, 22, 28, and 17 units) (1)	\$ 132,628	\$ 132,430	\$ 138,305	\$ 153,918
Restaurants less than six months old (13, 19, 27, and 35 units)	\$ 158,932	\$ 142,628	\$ 153,842	\$ 142,925
Bubba's 33 restaurants:				
Store weeks	691	624	2,000	1,805
Comparable restaurant sales	1.8 %	5.3 %	3.4 %	5.0 %
Average unit volume (in thousands)	\$ 1,533	\$ 1,500	\$ 4,763	\$ 4,633
Weekly sales by group:				
Comparable restaurants (45, 40, 41, and 37 units)	\$ 117,470	\$ 116,330	\$ 122,859	\$ 120,952
Average unit volume restaurants (4, 5, 7, and 4 units) (1)	\$ 123,363	\$ 109,485	\$ 117,874	\$ 100,893
Restaurants less than six months old (5, 3, 6, and 7 units)	\$ 132,031	\$ 140,369	\$ 141,243	\$ 128,746

- (1) Average unit volume includes 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.

[Table of Contents](#)

The increase in restaurant sales for Q3 2025 and 2025 YTD was primarily due to an increase in store weeks and an increase in comparable restaurant sales. The increase in store weeks was driven by new store openings and the acquisition of franchise restaurants. The increase in comparable restaurant sales was driven by an increase in guest traffic counts along with an increase in our per person average check as shown in the table below.

	Q3 2025	Q3 2024	2025 YTD	2024 YTD
Guest traffic counts	4.3 %	3.8 %	3.1 %	4.3 %
Per person average check	1.8 %	4.7 %	2.0 %	4.5 %
Comparable restaurant sales growth	6.1 %	8.5 %	5.1 %	8.8 %

To-go sales as a percentage of restaurant sales were 13.6% in Q3 2025 compared to 12.7% in Q3 2024. To-go sales as a percentage of restaurant sales were 13.5% in 2025 YTD compared to 12.8% in 2024 YTD.

Per person average check includes the benefit of a menu price increase of approximately 1.4% implemented in Q2 2025 and menu price increases of approximately 2.2% and 0.9% implemented in Q2 2024 and Q4 2024, respectively. In addition, we implemented a menu price increase of approximately 1.7% at the beginning of Q4 2025.

In 2025 YTD, we opened 13 Texas Roadhouse company restaurants, five Bubba's 33 company restaurants, and one Jaggers company restaurant. In 2025, we expect store week growth of approximately 5% across all concepts, including a benefit from franchise acquisitions in 2025 YTD, offset by the lapping of the additional week in 2024. In 2026, we expect store week growth of 5% to 6% across all concepts, including the impact of franchise acquisitions.

Royalties and Franchise Fees

Royalties and franchise fees decreased by \$0.5 million or 6.3% in Q3 2025 compared to Q3 2024 and increased by \$0.3 million or 1.2% in 2025 YTD compared to 2024 YTD. The decrease in Q3 2025 compared to Q3 2024 was due to decreased royalties related to the franchise stores that were acquired. The increase in 2025 YTD compared to 2024 YTD was due to increased royalties related to our royalty-based retail products that rolled out in 2024 partially offset by decreased royalties related to the franchise stores that were acquired.

Food and Beverage Costs

Food and beverage costs, as a percentage of restaurant and other sales, increased to 35.8% in Q3 2025 compared to 33.5% in Q3 2024 and increased to 34.6% in 2025 YTD compared to 33.4% in 2024 YTD. The increases were primarily driven by commodity inflation of 7.9% in Q3 2025 and 5.1% in 2025 YTD, primarily driven by higher beef costs and shifts within the menu, partially offset by the benefit of a higher average guest check.

In 2025, we expect commodity inflation of approximately 6% with prices locked for approximately 80% of our remaining forecasted costs and the remainder subject to market rates. In 2026, we expect commodity inflation of approximately 7%.

Restaurant Labor Expenses

Restaurant labor expenses, as a percentage of restaurant and other sales, decreased to 33.6% in Q3 2025 compared to 33.8% in Q3 2024 and increased to 33.3% in 2025 YTD compared to 33.0% in 2024 YTD. The decrease in Q3 2025 compared to Q3 2024 was driven by the benefit of a higher average guest check and labor productivity partially offset by wage and other labor inflation of 3.9% in Q3 2025. The increase in 2025 YTD compared to 2024 YTD was driven by wage and other labor inflation of 4.1% in 2025 YTD partially offset by the benefit of a higher average guest check and labor productivity. 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 expect wage and other labor inflation of approximately 4%. In 2026, we expect wage and other labor inflation of 3% to 4%.

Restaurant Rent Expense

Restaurant rent expense, as a percentage of restaurant and other sales, was 1.6% in Q3 2025 and in Q3 2024 and was 1.6% in 2025 YTD compared to 1.5% in 2024 YTD. In Q3 2025 and 2025 YTD, higher rent expense at our recently acquired restaurants and newer restaurants was partially offset by the increase in average unit volume.

Restaurant Other Operating Expenses

Restaurant other operating expenses, as a percentage of restaurant and other sales, decreased to 14.7% in Q3 2025 compared to 15.1% in Q3 2024 and decreased to 14.5% in 2025 YTD compared to 14.9% in 2024 YTD. The decrease in Q3 2025 compared to Q3 2024 was driven by lower incentive compensation expense and the increase in average unit volume partially offset by higher general liability insurance expense of \$1.4 million. The decrease in 2025 YTD compared to 2024 YTD was driven by lower incentive compensation expense, the increase in average unit volume, and lower general liability insurance expense of \$3.7 million.

Pre-opening Expenses

Pre-opening expenses were \$7.4 million in Q3 2025 compared to \$7.3 million in Q3 2024 and \$19.7 million in 2025 YTD compared to \$21.6 million in 2024 YTD. Pre-opening costs will fluctuate from quarter to quarter based on 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 total revenue, increased to 3.7% in Q3 2025 compared to 3.5% in Q3 2024 and increased to 3.5% in 2025 YTD compared to 3.3% in 2024 YTD. The increases were driven by higher depreciation expense at our newer restaurants and intangible asset amortization expense related to the acquisition of franchise restaurants partially offset by the increase in average unit volume.

Impairment and Closure Costs, Net

Impairment and closure costs, net were \$0.1 million in Q3 2025 compared to \$0.8 million in Q3 2024 and \$0.3 million in 2025 YTD compared to \$1.1 million in 2024 YTD. In Q3 2025 and 2025 YTD, impairment and closure costs, net included closure costs related to restaurant relocations. In Q3 2024 and 2024 YTD, impairment and closure costs, net included costs related to the impairment of a building at a previously relocated store.

General and Administrative Expenses

General and administrative expenses, as a percentage of total revenue, decreased to 3.8% in Q3 2025 compared to 4.3% in Q3 2024 and decreased to 3.9% in 2025 YTD compared to 4.2% in 2024 YTD. The decreases were driven by the increase in average unit volume, lower incentive compensation expense, and lower restricted stock expense due to lapping the impact of the shift in the timing of our restricted stock grants from quarterly to annually.

Interest Income, Net

Interest income, net was \$0.6 million in Q3 2025 compared to \$1.9 million in Q3 2024 and was \$3.0 million in 2025 YTD compared to \$5.0 million in 2024 YTD. The decreases were driven by decreased earnings on our cash and cash equivalents.

Equity Income from Investments in Unconsolidated Affiliates

Equity income was \$0.1 million in Q3 2025 compared to \$0.2 million Q3 2024 and was \$1.8 million in 2025 YTD compared to \$0.8 million in 2024 YTD. The increase in 2025 YTD was driven by a \$1.2 million gain on the acquisition of three of these affiliates.

Income Tax Expense

Our effective tax rate was 13.1% in Q3 2025 compared to 16.7% in Q3 2024 and was 14.4% in 2025 YTD compared to 15.1% in 2024 YTD. The decreases in the tax rates were driven by an increase in the impact of the FICA tip tax credit.

In 2025, we expect an effective tax rate of approximately 14.5% based on forecasted operating results. In 2026, we expect an effective tax rate of approximately 15% 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 Texas Roadhouse restaurants and domestic and international franchise Texas Roadhouse restaurants. The Bubba's 33 reportable segment includes the results of our domestic 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 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 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, expansion, or relocation of existing restaurants. 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):

	13 Weeks Ended				
	September 30, 2025			September 24, 2024	
Texas Roadhouse	\$	191,928	14.4 %	\$	190,549 16.1 %
Bubba's 33		11,049	13.3		10,490 14.3
Other		1,304	13.7		1,031 13.3
Total	\$	204,281	14.3 %	\$	202,070 16.0 %

	39 Weeks Ended				
	September 30, 2025			September 24, 2024	
Texas Roadhouse	\$	658,797	16.1 %	\$	634,324 17.3 %
Bubba's 33		38,184	15.4		35,219 16.2
Other		3,927	14.5		3,585 15.5
Total	\$	700,908	16.0 %	\$	673,128 17.2 %

In our Texas Roadhouse reportable segment, restaurant margin dollars increased \$1.4 million or 0.7% in Q3 2025 and \$24.5 million or 3.9% in 2025 YTD. The increases were due to higher sales partially offset by higher food and beverage costs due to commodity inflation. In addition, restaurant margin, as a percentage of restaurant and other sales, decreased to 14.4% in Q3 2025 from 16.1% in Q3 2024 and decreased to 16.1% in 2025 YTD from 17.3% in 2024 YTD. Restaurant margin percentage was primarily impacted by commodity inflation partially offset by higher sales.

In our Bubba's 33 reportable segment, restaurant margin dollars increased \$0.6 million or 5.3% in Q3 2025 and \$3.0 million or 8.4% in 2025 YTD. The increases were due to higher sales partially offset by higher food and beverage costs due to commodity inflation and an increase in general liability insurance expense. In addition, restaurant margin, as

[Table of Contents](#)

a percentage of restaurant and other sales, decreased to 13.3% in Q3 2025 from 14.3% in Q3 2024 and decreased to 15.4% in 2025 YTD from 16.2% in 2024 YTD. Restaurant margin percentage was primarily impacted by the increased expenses noted above, which were partially offset by higher sales.

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):

	39 Weeks Ended	
	September 30, 2025	September 24, 2024
Net cash provided by operating activities	\$ 509,602	\$ 516,089
Net cash used in investing activities	(384,202)	(237,216)
Net cash used in financing activities	(262,453)	(193,914)
Net (decrease) increase in cash and cash equivalents	\$ (137,053)	\$ 84,959

Net cash provided by operating activities was \$509.6 million in 2025 YTD compared to \$516.1 million in 2024 YTD. This decrease was primarily due to an unfavorable change in working capital partially offset by an increase in depreciation and amortization expense and deferred income tax expense.

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 \$384.2 million in 2025 YTD compared to \$237.2 million in 2024 YTD. The increase was primarily due to the acquisition of 17 franchise restaurants in 2025 YTD and an increase in capital expenditures. The increase in capital expenditures is due to an increase in restaurant relocations, restaurant refurbishments and expansions, and the purchase of our Support Center for approximately \$22.8 million. These increases were partially offset by a decrease in the timing of new company restaurant spend.

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 of five to 30 years (including renewal periods) or purchase the land when appropriate. As of September 30, 2025, we had developed 158 of the 702 company restaurants on land that we own.

The following table presents a summary of capital expenditures (in thousands):

	39 Weeks Ended	
	September 30, 2025	September 24, 2024
New company restaurants	\$ 123,681	\$ 144,574
Refurbishment or expansion of existing restaurants	110,580	87,014
Relocation of existing restaurants	39,327	10,540
Capital expenditures related to Support Center office	25,220	4,411
Total capital expenditures	\$ 298,808	\$ 246,539

Our future capital requirements will primarily depend on the number and mix of new restaurants we open, the timing of those openings, the restaurant prototype developed in a given fiscal year, and potential franchise acquisitions. 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, including the purchase of our Support Center. In 2026, we expect capital expenditures of approximately \$400 million, driven primarily by an increase in new store openings.

Net cash used in financing activities was \$262.5 million in 2025 YTD compared to \$193.9 million in 2024 YTD. The increase is primarily due to an increase in share repurchases and an increase in quarterly dividends.

On February 19, 2025, our Board approved the payment of a quarterly cash dividend of \$0.68 per share of common stock compared to the quarterly dividend of \$0.61 per share of common stock declared in 2024. The payments of quarterly dividends totaled \$135.4 million and \$122.2 million in 2025 YTD and 2024 YTD, respectively.

On November 5, 2025, our Board approved the payment of the fourth quarter 2025 cash dividend of \$0.68 per share of common stock. This payment will be distributed on December 30, 2025, to shareholders of record at the close of business on December 2, 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 stock repurchase program has no expiration date and replaces the previous stock repurchase program which was approved in 2022.

During 2025 YTD, we paid \$100.0 million, excluding excise taxes, to repurchase 573,329 shares of our common stock. This includes \$30.0 million repurchased under our prior authorization and \$70.0 million repurchased under our current authorization. During 2024 YTD, we paid \$44.7 million, excluding excise taxes, to repurchase 278,914 shares of our common stock. As of September 30, 2025, \$430.0 million remained under our authorized stock repurchase program.

On April 24, 2025, we entered into an agreement for a revolving credit facility with a syndicate of commercial lenders led by JPMorgan Chase Bank, N.A. and PNC Bank, N.A. This credit facility superseded and replaced our previous credit facility.

The credit facility is an unsecured, revolving credit agreement and has a borrowing capacity of up to \$450.0 million with the option to increase the capacity by an additional \$250.0 million subject to certain limitations, including approval by the syndicate of commercial lenders. The credit facility has a maturity date of April 24, 2030.

As of September 30, 2025, we had no outstanding borrowings under the credit facility and had \$446.8 million of availability, net of \$3.2 million of outstanding letters of credit, respectively. As of December 31, 2024, we had no outstanding borrowings under the previous credit facility and had \$296.8 million of availability, net of \$3.2 million of outstanding letters of credit.

The interest rate for each credit facility as of September 30, 2025 and September 24, 2024 was 5.34% and 5.72%, 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 September 30, 2025.

Guarantees

As of September 30, 2025 and December 31, 2024, we were contingently liable for \$8.7 million and \$9.4 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 September 30, 2025 and December 31, 2024 as the likelihood of default was deemed to be less than probable and the fair value of the guarantees is not considered significant.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Information regarding market risk appears in our Annual Report on Form 10-K for the year ended December 31, 2024 in Part II, Item 7A, Quantitative and Qualitative Disclosures About Market Risk. There have been no material changes in market risk previously disclosed in our Form 10-K for the fiscal year ended December 31, 2024.

ITEM 4. 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 September 30, 2025.

Changes in Internal Control

There were no changes in the Company's internal control over financial reporting that occurred during the 13 weeks ended September 30, 2025 that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II — OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Information regarding legal proceedings is included in Note 6 to the Condensed Consolidated Financial Statements appearing in Part 1, Item 1 of this report on Form 10-Q.

ITEM 1A. RISK FACTORS

Information regarding risk factors appears in our Annual Report on Form 10-K for the year ended December 31, 2024, under the heading "Special Note Regarding Forward-looking Statements" and in Part I, Item 1A, Risk Factors. There have been no material changes from the risk factors previously disclosed in our Form 10-K for the fiscal year ended December 31, 2024.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

In 2008, our Board approved our first stock repurchase program. From inception through September 30, 2025, we have paid \$863.3 million, excluding excise taxes, through our authorized stock repurchase programs to repurchase 22,531,459 shares of our common stock at an average price per share of \$38.32. On February 19, 2025, our Board approved a stock repurchase program under which we may repurchase up to \$500.0 million of our common stock. This new stock repurchase program commenced on February 24, 2025, has no expiration date, and replaces the previous stock repurchase program which was approved on March 17, 2022 with respect to the repurchase of up to \$300.0 million of common stock. All repurchases to date under our stock repurchase programs have been made through open market transactions. The timing and the amount of any repurchases through this program will be determined by management under parameters established 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, as applicable.

For the 13 weeks ended September 30, 2025, we paid \$40.0 million, excluding excise taxes, to repurchase 230,540 shares of our common stock. As of September 30, 2025, \$430.0 million remained authorized for stock repurchases.

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
July 2 to July 29	—	\$ —	—	\$ 469,996,126
July 30 to August 26	136,706	\$ 175.06	136,706	\$ 446,063,990
August 27 to September 30	93,834	\$ 171.24	93,834	\$ 429,996,157
Total	<u>230,540</u>		<u>230,540</u>	

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

Rule 10b5-1 Trading Plans

During the 13 weeks ended September 30, 2025, no executive officer or director adopted, modified, or terminated a Rule 10b5-1 or a non-Rule 10b5-1 trading arrangement, as such terms are defined in Item 408(a) of Regulation S-K.

ITEM 6. EXHIBITS

<u>Exhibit No.</u>	<u>Description</u>
10.1	First Amendment to Employment Agreement between Texas Roadhouse Management Corp. and Gerald L. Morgan (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K dated August 14, 2025)
10.2	First Amendment to Employment Agreement between Texas Roadhouse Management Corp. and Christopher C. Colson (incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K dated August 14, 2025)
10.3	Executive Employment Agreement between Texas Roadhouse Management Corp. and Lloyd Paul Marshall (incorporated by reference to Exhibit 10.3 to the Registrant's Current Report on Form 8-K dated August 14, 2025)
31.1	Certifications pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certifications 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
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

TEXAS ROADHOUSE, INC.

Date: November 7, 2025

By: /s/ GERALD L. MORGAN

Gerald L. Morgan
Chief Executive Officer
(Principal Executive Officer)

Date: November 7, 2025

By: /s/ KEITH V. HUMPICH

Keith V. Humpich
Interim Chief Financial Officer
(Principal Financial Officer)
(Principal Accounting Officer)

CERTIFICATIONS PURSUANT TO SECTION 302 OF SARBANES-OXLEY ACT

I, Gerald L. Morgan, certify that:

1. I have reviewed this report on Form 10-Q of Texas Roadhouse, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 7, 2025

By: /s/ GERALD L. MORGAN

Gerald L. Morgan
Chief Executive Officer
(Principal Executive Officer)

CERTIFICATIONS PURSUANT TO SECTION 302 OF SARBANES-OXLEY ACT

I, Keith V. Humpich, certify that:

1. I have reviewed this report on Form 10-Q of Texas Roadhouse, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 7, 2025

By: /s/ KEITH V. HUMPICH

Keith V. Humpich
Interim Chief Financial Officer
(Principal Financial Officer)
(Principal Accounting Officer)

CERTIFICATIONS PURSUANT TO 18 U.S.C. SECTION 1350

Each of the undersigned officers of Texas Roadhouse, Inc. (the "Company") certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Quarterly Report on Form 10-Q of the Company for the quarterly period ended September 30, 2025 (the "Report") fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 7, 2025

By: /s/ GERALD L. MORGAN

Gerald L. Morgan
Chief Executive Officer
(Principal Executive Officer)

Date: November 7, 2025

By: /s/ KEITH V. HUMPICH

Keith V. Humpich
Interim Chief Financial Officer
(Principal Financial Officer)
(Principal Accounting Officer)