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

FORM 10-K

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

FOR THE FISCAL YEAR ENDED SEPTEMBER 29, 2024

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

FOR THE TRANSITION PERIOD FROM ________ TO ________.
COMMISSION FILE NUMBER 1-9390

JACK IN THE BOX INC.

(Exact name of registrant as specified in its charter)

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

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

Registrant's telephone number, including area code (858) 571-2121
Securities registered pursuant to Section 12(b) of the Act:

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

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

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

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

Indicate by check mark if the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes þ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulations S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes þ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☑ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐ Emerging growth company ☐

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

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

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

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

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

The aggregate market value of the common stock held by non-affiliates of the registrant as of the last business day of the registrant's most recently completed second fiscal quarter, computed by reference to the closing price reported on the NASDAQ Global Select Market — Composite Transactions as of April 14, 2024, was approximately $1.2 billion.

Number of shares of common stock, $0.01 par value, outstanding as of the close of business on November 14, 2024 —18,830,547.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Proxy Statement to be filed with the Securities and Exchange Commission in connection with the 2025 Annual Meeting of Stockholders are incorporated by reference into Part III hereof.

JACK IN THE BOX INC.

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FORWARD-LOOKING STATEMENTS

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

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

PART I

ITEM 1. BUSINESS

The Company

Overview. Jack in the Box Inc. (NASDAQ: JACK), a Delaware corporation (the “Company” or “Jack in the Box”), founded and headquartered in San Diego, California, is a restaurant company that operates and franchises Jack in the Box®, one of the nation's largest hamburger chains with approximately 2,200 restaurants across 22 states, and Del Taco®, one of the nation’s largest Mexican-American quick service restaurants (“QSR”) chains with approximately 600 restaurants across 17 states.

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

Restaurant Brands

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

Jack in the Box opened its first restaurant in 1951 and has since become one of the nation’s largest hamburger chains. Based on number of restaurants, the top 10 major markets of Jack in the Box comprise approximately 70% of the total system, and Jack in the Box is at least the third largest QSR hamburger chain in each of those major markets. As of September 29, 2024, Jack in the Box operated and franchised 2,191 quick-service restaurants, primarily in the western and southern United States, including two in Guam and two in Mexico. Of those total Jack in the Box restaurants at fiscal year-end, 2,041, or 93%, were franchised.

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

Founded in 1964, today Del Taco serves more than three million guests each week at its restaurants. Del Taco’s commitment to providing guests with the best quality and value for their money originates from cooking, chopping, shredding, and grilling menu items from scratch. As of September 29, 2024, Del Taco operated and franchised 594 restaurants. Of those total Del Taco restaurants at fiscal year-end, 461, or 78%, were franchised.

Business Strategy

Our strategies are rooted in two foundational principles:

- **Shape a High-Performance Culture** - When we serve our people and our franchisees well, we will maximize the guest experience for all who interact with the brand.
- **Leverage Innovation and Technology Platforms -** Taking our history of strong innovation on menu and operations and placing that same forward thinking on digital and technology development.

We use these principles as a guide while executing on our four strategic pillars:

- **Build Brand Loyalty** by transforming our restaurant design, improving the image of existing restaurants, and enhancing the digital experience for our guests.
- **Drive Operations Excellence** by evolving training efforts in our restaurants, execution of our brand standard systems, and improving speed and consistency.
- **Grow Restaurant Profits** by developing and implementing financial fundamentals, influencing pricing with a dynamic model, and building our data advantage.
- **Expand Our Brands Reach** by creating modular and flexible restaurant designs, building company-operated stores to help seed growth, and increasing franchise candidate and restaurant site lead generations.

This strategy builds on our historical strengths with our Jack in the Box and Del Taco differentiated, challenger brands. Those strengths include our uniquely broad menus, operational capabilities, passionate and loyal guests, committed team members and franchisees, and ability to invest in development and innovation that will deliver long term growth.

Del Taco Refranchising Strategy

In fiscal year 2024, we continued our refranchising strategy with three main intentions. First, to create a company-wide asset-light model that will benefit from mitigating exposure to macroeconomic pressures; second, to generate incremental development agreements throughout the refranchising process that provide a more robust unit growth pipeline than otherwise achievable; and third, to provide a more efficient capital structure.

Our objective is to be asset-light as we navigate market forces. We refranchised 47 Del Taco restaurants in fiscal year 2024, and 111 Del Taco restaurants in 2023. In connection with the 2024 refranchising, we added 42 new development commitments. Throughout 2025, we will continue refranchising and adjust the rate, pace and sequence of those efforts to balance the impact to earnings.

Franchising Program

Jack in the Box. The franchise agreement generally provides for an initial franchise fee of $50,000 per restaurant for a 20-year term, and royalty and marketing payments generally set at 5.0% of gross sales. Royalty rates are typically 5.0% of gross sales with some legacy agreements at higher rates. Some existing agreements provide for lower royalties for a limited time and may have variable rates. We may offer development agreements to franchisees (referred to in this context as “Developers”) for construction of one or more new restaurants over a defined period of time and in a defined geographic area. Developers may be required to pay fees for certain company-sourced new sites. Developers may lose their rights to future development if they do not maintain the required opening schedule. To stimulate growth, we have offered an incentive program that provides discounted royalty fees for franchisees who maintain development compliance and sign a Development Agreement for a minimum of three restaurants to be developed and opened under the development schedule during the timeframe specified under the Development Agreement.

Del Taco. The franchise agreement provides for an initial franchise fee of $35,000 per restaurant for a 20-year term, and royalty and marketing payments generally set at 5.0% and 4.0%, respectively, of gross sales. Some existing agreements provide for lower royalties for a limited time and may have variable rates. We may offer development agreements to franchisees for construction of one or more new restaurants over a defined period of time and in a defined geographic area. Developers may be required to pay fees for certain company-sourced new sites. Developers may lose their rights to future development if they do not maintain the required opening schedule. To stimulate growth, we have offered an incentive program that provides discounted royalty fees for multi-unit franchisees who agree to develop multiple restaurants pursuant to a Development Agreement in certain markets we have identified for further development and that we deem, in our sole determination, to be undeveloped, underdeveloped, or emerging in terms of the Del Taco brand’s market penetration; it is not available in markets we deem to be mature in terms of the Del Taco brand’s market penetration.

Site Selection and Design

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

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

The Jack in the Box restaurants are approximately 1,372 square feet, the restaurant can support a Y-Lane drive-thru configuration, provides a walk-up window for ordering, dual assembly kitchens, and a dedicated pick-up window for mobile and third-party delivery orders. The goal of this design is to reduce build out costs, while also increasing real estate flexibility. In addition, an approximate 2,003 square foot, 22-seat dining room building, and an approximate 2,450 square foot 50-seat dining room building designs are available.

The Del Taco restaurants are approximately 1,152 square feet, the restaurant can support a Y-Lane drive-thru configuration, provides a walk-up window for ordering and a dedicated pick-up window or lockers for mobile and third-party delivery orders. The goal of this design is to reduce build out costs, while also increasing real estate flexibility. In addition, an approximate 2,021 square-foot, 34-seat dining room building, and an approximate 2,304 square-foot 48-seat dining room building designs are available.

Restaurant Management and Operations

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

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

Jack in the Box. Restaurant managers are required to complete an extensive management training program involving a combination of in-restaurant instruction and on-the-job training in specially designated training restaurants. Restaurant managers and supervisory personnel train other restaurant employees in accordance with detailed procedures and guidelines using training aids available at each location.

Del Taco. Restaurant managers, assistant managers, shift managers and team leaders are certified through a series of online and on the job training modules. Every team member receives training modules focused on helping the team member clearly understand the brand and their role as well as modules focusing on the specifics of how to provide a consistent customer experience, how to complete specific tasks for their assigned position and ensure food safety. The training program is a blended learning approach including e-learning courses, hands-on exercises, and online knowledge validation tests. Before certification, shift managers attend a 2-hour virtual training, assistant managers attend a 1-day in person class and general managers attend a 2 day in-person class, all led by the training department or certified trainer.

Food Safety

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

Supply Chain

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

The primary commodities purchased by Jack in the Box restaurants are beef, poultry, pork, cheese, and produce. Taco meat is the largest commodity purchased by Del Taco. We monitor and purchase commodities in order to minimize the impact of fluctuations in price and supply. Contracts are entered into and commodity market positions may be secured when we consider them to be advantageous. However, certain commodities remain subject to price fluctuations. Most, if not all, essential food and beverage products are available or can be made available upon short notice from alternative qualified suppliers.

Information Systems

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

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

Advertising and Promotion

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

Competition and Markets

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

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

Human Capital Management

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

As of September 29, 2024, for our combined brands, we had 8,168 employees, of whom 7,542 were restaurant employees, 571 were corporate management and staff, and 55 were field operations management. Most of our employees are paid on an hourly basis, except for district and restaurant managers, and certain restaurant support center management and staff positions. We employ both full-time and part-time restaurant employees in order to provide the flexibility necessary during peak periods of restaurant operations and meet the individual needs of our employees. As of the end of fiscal 2024, approximately 87% of our restaurant employees were part-time. We have not experienced any significant work stoppages.

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

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

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

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

Trademarks and Service Marks

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

Seasonality

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

Government Regulation

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

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

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

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

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

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

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

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

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

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

Available Information

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

ITEM 1A. RISK FACTORS

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

Risks Related to Macroeconomic and Industry Conditions

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

Our business could be adversely impacted by increases in labor costs, including those increases triggered by regulatory actions regarding wages, scheduling and benefits; increased health care and workers' compensation insurance costs; increased wages and costs of other benefits necessary to attract and retain high quality employees with the right skill sets and increased wages, benefits and costs and inflationary and other pressure on wages now being experienced. The growth of our business can make it increasingly difficult to locate and hire sufficient numbers of employees, to maintain an effective system of internal controls, and to train employees to deliver a consistently high-quality product and customer experience, which could materially harm our business and results of operations. Furthermore, we have experienced, and could continue to experience, a shortage of labor for restaurant positions, including due to concerns around and illnesses arising from COVID-19 and its various novel variants and other factors, which could decrease the pool of available qualified talent for key functions and require restaurants to operate on reduced hours. In addition, our wages and benefits programs may be insufficient to attract and retain the top performing employees especially in a rising wage market.

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

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

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

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

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

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

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

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

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

The COVID-19 pandemic has disrupted and may continue to disrupt our business, which has affected and could continue to materially affect our operations, financial condition, and results of operations for an extended period of time.

The COVID-19 pandemic outbreak, federal, state and local government responses to COVID-19 and our responses to the outbreak have all disrupted and may continue to disrupt our business. Our operating results substantially depend upon our sales volumes, restaurant profitability, and financial stability, and to the extent we and/or our franchisees experience financial distress due to the COVID-19 pandemic, our operating results may be adversely impacted, potentially materially affecting our liquidity, financial condition, or results of operations.

Our business has been disrupted and could be further disrupted to the extent our suppliers, distributors, and/or third-party delivery partners are adversely impacted by the COVID-19 pandemic. If our suppliers, distributors, and/or third-party delivery partners experience labor shortages or their employees are unable to work, whether because of illness, quarantine, limitations on travel or other government restrictions in connection with COVID-19, we could face cost increases, shortages of food items, shortages of delivery services, and/or shortages of other supplies across our restaurants, and our results could be adversely impacted by such interruptions.

The COVID-19 outbreak also may have the effect of heightening many other risks disclosed herein, including, but not limited to, those related to consumer confidence, increase in food and commodity costs, supply chain interruptions, labor availability and cost, cybersecurity incidents, increased indebtedness, regulatory and legal complexity, governmental regulations, and our stock price.

Risks Related to Human Capital

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

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

Our business could be adversely affected by increased labor costs.

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

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

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

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

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

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

Risks Related to the Restaurant Industry

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Risks Relating to Health and Safety

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

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

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

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

Risks Related to Our Business Model and Strategy

We may not achieve our development goals.

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

- the inability to identify suitable franchisees;
- limited availability of financing for the Company and for franchisees at acceptable rates and terms;
- development costs exceeding budgeted or contracted amounts;
- the negative impact of any re-imaging strategy if not adopted by franchisees or embraced by guests;

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

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

The continued integration of the Jack in the Box and Del Taco businesses may be more difficult, time consuming, or costly than expected.

The combination of two independent businesses can be complex, costly, and time-consuming, and it may divert significant management attention and resources. This process may disrupt our business or otherwise impact our ability to compete. The failure to realize the anticipated benefits of integrating the two businesses could cause an interruption of, or a loss of momentum in, our activities and could adversely affect our results of operations.

The overall combination of the Jack in the Box and Del Taco businesses may also result in material unanticipated problems, expenses, liabilities, competitive responses and impacts, and loss of customer and other business relationships. The difficulties of combining the operations include, among others:

- difficulties in integrating operations and systems, including intellectual property and communications systems, administrative and information technology infrastructure, supplier and vendor arrangements and financial reporting and internal control systems;
- challenges in conforming standards, controls, procedures and accounting policies and business cultures;
- differences in control environments and cultures;
- difficulties in integrating and aligning policies, principles and practices;
- alignment of key performance measurements may result in a greater need to communicate and manage clear expectations while we work to integrate and align policies and practices;
- difficulties in integrating employees and attracting and retaining key personnel;
- challenges in retaining existing customers and obtaining new customers;
- difficulties in achieving anticipated cost savings, synergies, accretion targets, business opportunities, financing plans and growth prospects from the combination; and
- difficulties in managing the expanded operations of a significantly larger and more complex company.

Additionally, uncertainties over the integration process could cause customers, suppliers, distributors, and others to seek to change or cancel our existing business relationships or to refuse to renew existing relationships. Competitors may also target our existing customers by highlighting potential uncertainties and integration difficulties.

Some of these factors are outside our control, and any one of them could result in lower revenues, higher costs, and diversion of management time and energy, which could materially impact our business, financial condition and results of operations.

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

As of September 29, 2024, approximately 93% of our Jack in the Box restaurants and 78% of Del Taco restaurants were franchised; therefore, our success increasingly relies on the financial success and cooperation of our franchisees, yet we have limited influence over their operations. Our income arises from two sources: fees from franchised restaurants (e.g., royalties and rent based on a percentage of sales) and, to a lesser degree, profit from our remaining Company-operated restaurants. Our franchisees manage their businesses independently, and therefore are responsible for the day-to-day operation of their restaurants. The revenues we realize from franchised restaurants are largely dependent on the ability of our franchisees to grow their sales. If our franchisees do not experience sales growth, our revenues and margins could be negatively affected as a result. Also, if sales trends worsen for franchisees, their financial results may deteriorate, which could result in, among other things, franchisee bankruptcies, restaurant closures, or delayed or reduced payments to us. Our success also increasingly depends on the willingness and ability of our independent franchisees to implement shared strategies and major initiatives, which may include financial investment, and to remain aligned with us on operating and promotional plans. Franchisees' ability to contribute to the achievement of our plans is dependent in large part on the availability to them of funding at reasonable interest rates and may be negatively impacted by the financial markets in general or by the credit worthiness of our franchisees or the Company. As small businesses, some of our franchise operators may be negatively and disproportionately impacted by strategic initiatives, capital requirements, inflation, labor costs, employee relations issues, or other causes. In addition, franchisees' business obligations may not be limited to the operation of restaurants, making them subject to business and financial risks unrelated to the operation of our restaurants. These unrelated risks could adversely affect a franchisee's ability to make payments to us or to make payments on a timely basis. We cannot assure you that our franchisees will successfully participate in our strategic or marketing initiatives or operate their restaurants in a manner consistent with our requirements, standards, and expectations. As compared to some of our competitors, our brands have relatively fewer franchisees who, on average, operate more restaurants per franchisee. There are significant risks to our business if a franchisee, particularly one who operates a large number of restaurants, encounters financial difficulties, including bankruptcy, or fails to adhere to our standards, projecting an image inconsistent with our brands or negatively impacting our financial results.

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

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

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

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

Risks Related to Legal and Regulatory Risks

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

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

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

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

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

Americans with Disabilities Act and Similar State Laws

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

Consumer Protection and Privacy Laws

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

Food Regulation

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

Local Licensure, Zoning, and Other Regulation

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

Environmental Laws

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

Employment and Immigration Laws

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

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

Franchising Activities

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

From time to time, we may be subject to proposals by stockholders urging us to take certain corporate actions. If activist stockholder activities ensue, our business could be adversely affected because responding to proxy contests and reacting to other actions by activist stockholders can be costly and time-consuming, disrupt our operations and divert the attention of management and our employees. For example, we may be required to retain the services of various professionals to advise us on activist stockholder matters, including legal, financial, and communications advisers, the costs of which may negatively impact our future financial results. In addition, perceived uncertainties as to our future direction, strategy or leadership created as a consequence of activist stockholder initiatives may result in the loss of potential business opportunities, harm our ability to attract new investors, customers, employees, and joint venture partners, and cause our stock price to experience periods of volatility or stagnation.

Risks Related to Information and Technology

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

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

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

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

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

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

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

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

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

Risks Related to Our Capital Structure

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

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

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

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

Under the Indenture, the Master Issuer has approximately $1.7 billion of outstanding debt as of September 29, 2024.

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

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

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

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

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

- incur or guarantee additional indebtedness;
- sell certain assets;
- alter the business conducted by our subsidiaries;
- create or incur liens on certain assets; or

- consolidate, merge, sell or otherwise dispose of all or substantially all of the assets held within the securitization entities.

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

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 1C. CYBERSECURITY

Cybersecurity Risk Management and Strategy

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

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

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

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

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

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

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

Cybersecurity Governance

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

ITEM 2. PROPERTIES

The following table sets forth information about our restaurant locations (by segment, by state) for all restaurants in operation as of September 29, 2024:

	Del Taco			Jack in the Box		
	Company-Operated	Franchise	Total	Company-Operated	Franchise	Total
Alabama	—	2	2	—	—	—
Arizona	—	39	39	5	173	178
California	111	244	355	98	848	946
Colorado	—	19	19	—	18	18
Florida	3	10	13	—	—	—
Georgia	—	23	23	—	—	—
Hawaii	—	—	—	—	29	29
Idaho	—	12	12	—	33	33
Illinois	—	—	—	2	11	13
Indiana	—	—	—	—	3	3
Kansas	—	—	—	5	—	5
Kentucky	—	—	—	2	—	2
Louisiana	—	—	—	—	16	16
Michigan	9	1	10	—	—	—
Mississippi	—	1	1	—	—	—
Missouri	—	—	—	3	34	37
Nevada	—	44	44	—	79	79
New Mexico	—	13	13	—	8	8
North Carolina	—	—	—	—	18	18
Ohio	—	2	2	—	2	2
Oklahoma	10	—	10	8	7	15
Oregon	—	8	8	—	41	41
South Carolina	—	—	—	—	8	8
Tennessee	—	—	—	—	4	4
Texas	—	—	—	23	559	582
Utah	—	36	36	4	8	12
Virginia	—	1	1	—	—	—
Washington	—	6	6	—	138	138
Guam	—	—	—	—	2	2
Mexico	—	—	—	—	2	2
	133	461	594	150	2,041	2,191

Of the total 594 Del Taco and 2,191 Jack in the Box restaurants, our interest in restaurant properties consists of the following:

	Del Taco			Jack in the Box		
	Company-Operated	Franchise	Total	Company-Operated	Franchise	Total
Company-owned restaurant buildings:						
On company-owned land	1	—	1	11	172	183
On leased land	31	40	71	54	532	586
Subtotal	32	40	72	65	704	769
Company-leased restaurant buildings on leased land	101	156	257	85	971	1,056
Franchise directly-owned or directly-leased restaurant buildings	—	265	265	—	366	366
Total restaurant buildings	133	461	594	150	2,041	2,191

Our restaurant leases generally provide for fixed rental payments (with cost-of-living index adjustments) plus real estate taxes, insurance, and other expenses. For Jack in the Box, approximately 13% of the leases provide for contingent rental payments between 1% and 10% of the restaurant's gross sales once certain thresholds are met. For Del Taco, approximately 37% of the leases provide for contingent rental payments between 2% and 12% of the restaurant's gross sales once certain thresholds are met. We have generally been able to renew our restaurant leases as they expire at then-current market rates.

In addition to the restaurant locations, we own our corporate headquarters located in San Diego, California, which consists of approximately 70,000 square feet and approximately four acres of undeveloped land directly adjacent to it. We also lease an office, consisting of approximately 40,000 square feet in Lake Forest, California.

ITEM 3. LEGAL PROCEEDINGS

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

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

Information about our Executive Officers

The following table sets forth the name, age, position, and years with the Company of each person who is an executive officer of Jack in the Box Inc. as of September 29, 2024:

Name	Age	Positions	Years with the Company
Darin Harris	55	Chief Executive Officer	4
Brian Scott [(1)]	55	Executive Vice President, Chief Financial Officer	1
Ryan Ostrom	49	Executive Vice President, Chief Marketing Officer	2
Doug Cook	51	Senior Vice President, Chief Technology Officer	2
Tony Darden	54	Senior Vice President, Chief Operating Officer	3
Dawn Hooper	54	Senior Vice President, Controller	24
Tim Linderman	55	Senior Vice President, Chief Development Officer	3
Carl Mount	61	Senior Vice President, Chief Supply Chain Officer	—
Steven Piano	59	Senior Vice President, Chief People Officer	3
Sarah Super	48	Senior Vice President, Chief Legal and Risk Officer	11

(1) Effective November 20, 2024, Brian Scott is departing the company to pursue a new position outside the restaurant industry. Dawn Hooper, the Company's Senior Vice President, Controller, will serve as the Company's interim principal financial officer effective November 1, 2024, and as Interim Chief Financial Officer effective upon Brian Scott's departure and until the Company's new Chief Financial Officer, Lance Tucker, begins his employment on January 13, 2025.

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

Mr. Harris has been Chief Executive Officer since June 2020. He was previously Chief Executive Officer of North America for flexible working company, IWG PLC, Regus, North America, from April 2018 to May 2020. Prior to that, from August 2013 to January 2018, Mr. Harris served as Chief Executive Officer of CiCi's Enterprises LP. For just under five years, Mr. Harris also served as Chief Operating Officer for Primrose Schools from November 2008 to July 2013. He previously held franchise leadership roles as Senior Vice President at Arby's Restaurant Group, Inc, from June 2005 to October 2008 and Vice President, Franchise and Corporate Development at Captain D's Seafood, Inc., from May 2000 to January 2004. He was also a prior franchise operator of multiple Papa John's Pizza and Qdoba Mexican Grill restaurants from November 2002 to June 2005. Mr. Harris has more than 25 years of leadership experience in the restaurant industry encompassing operations, franchising, brand strategy and restaurant development.

Mr. Scott was hired as Executive Vice President and Chief Financial Officer in August 2023. Mr. Scott has more than 20 years of experience leading large companies, both public and private. Mr. Scott most recently served as the Chief Financial Officer of ShiftKey and prior to that he served as Chief Financial Officer of AMN Healthcare for over 10 years. In his prior roles, Mr. Scott oversaw accounting, finance, corporate financial planning and analysis, capital funding, investor relations and internal audit functions as well as certain shared services operations. Mr. Scott started his career with KPMG LLP and was also a partner in a mid-sized CPA firm. Mr. Scott currently serves on the private-equity backed boards of Thriveworks and Hueman. Mr. Scott received his bachelor's degree in accounting from California Polytechnic State University, San Luis Obispo and a Master of Business Administration from the McCombs School of Business at the University of Texas at Austin.

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

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

Mr. Darden has been Senior Vice President and Chief Operating Officer since June 2021. He has more than 20 years of cross functional executive leadership experience. Most recently, he served as the President of Mooyah, LLC, a privately held American fast casual hamburger restaurant chain headquartered in Plano, TX from April 2019 until June 2021. Prior to that, from May 2017 until April 2019, Mr. Darden served as the Chief Operating Officer of Taco Bueno Restaurants, L.P. ("Taco Bueno"), a privately held quick serve restaurant chain headquartered in Farmers Branch, TX that operates Tex-Mex style restaurants throughout the American South and Southwest. Through its acquisition of Taco Bueno, from December 2018 until April 2019, Mr. Darden also served as the Chief Operating Officer of Sun Holdings, Inc., a multi-concept franchisee based in Dallas, TX which owns and operates restaurants across eight states among different brands including Arby's, Burger King, CiCi's Pizza, Golden Corral, Krispy Kreme, Popeyes, and Taco Bueno. From February 2011 to May 2017, he served as the Vice President of Operation of Panera, LLC, an American chain store of bakery-café casual restaurants. Mr. Darden received his Bachelor of Arts, Interpersonal Communications from Azusa Pacific University.

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

Ms. Hooper has been Senior Vice President, Controller since December 2022, and has been with Jack in the Box since October 2000. She previously held positions of increasing responsibility in accounting since joining the Company in 2000, including Interim CFO, Controller, Assistant Controller, Vice President of Financial Reporting and Senior Manager of Corporate Accounting. Prior to joining the company, she began her career with KPMG LLP where she worked from September 1993 to September 2000. Ms. Hooper has more than 30 years in experience in accounting and finance. Ms. Hooper received her bachelor's degree in accounting from University of San Diego from the Knauss School of Business.

Mr. Linderman has been Senior Vice President, Chief Development Officer since April 2022, and previously held the position of Senior Vice President, Chief Franchise and Corporate Development Officer since August 2021. He held the position of Senior Vice President, Franchise and Corporate Development from October 2020 through July 2021. He has over 18 years of experience in the franchise industry. He most recently served as Chief Development Officer of Ascent Hospitality Management, LLC, a restaurant management company, from July 2019 to October 2020. Prior to that, from January 2014 until July 2019, he was the Chief Development Officer at Global Franchise Group, LLC, where he oversaw franchise sales, real estate, and construction for Great American Cookies, Marble Slab Creamery, Pretzelmaker, MaggieMoo's Ice Cream and Treatery and Hot Dog on a Stick. Before that, he was the Director of Franchise Development for Primrose School Franchising Company and held that same position at Arby's.

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

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

PART II

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

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

Dividends. In fiscal 2024, the Board of Directors declared four cash dividends of $0.44. Our dividend is subject to the discretion and approval of our Board of Directors and our compliance with applicable law, and depends upon, among other things, our results of operations, financial condition, level of indebtedness, capital requirements, contractual restrictions, and other factors that our Board of Directors may deem relevant.

Stock Repurchases. The following table sets forth information on our share repurchases of our common stock during the fourth quarter of 2024 (*dollars in thousands, except per share data*):

	(a) Total number of shares purchased	(b) Average price paid per share	(c) Total number of shares purchased as part of publicly announced programs	(d) Maximum dollar value that may yet be purchased under these programs
				$ 195,000
July 8, 2024 - August 4, 2024	—	$ —	—	$ 195,000
August 5, 2024 - September 1, 2024	201,141	$ 51.15	201,141	$ 184,712
September 2, 2024 - September 29, 2024	100,755	$ 46.77	100,755	$ 180,000
Total	301,896		301,896	

Stockholders. As of November 14, 2024, there were 522 stockholders of record.

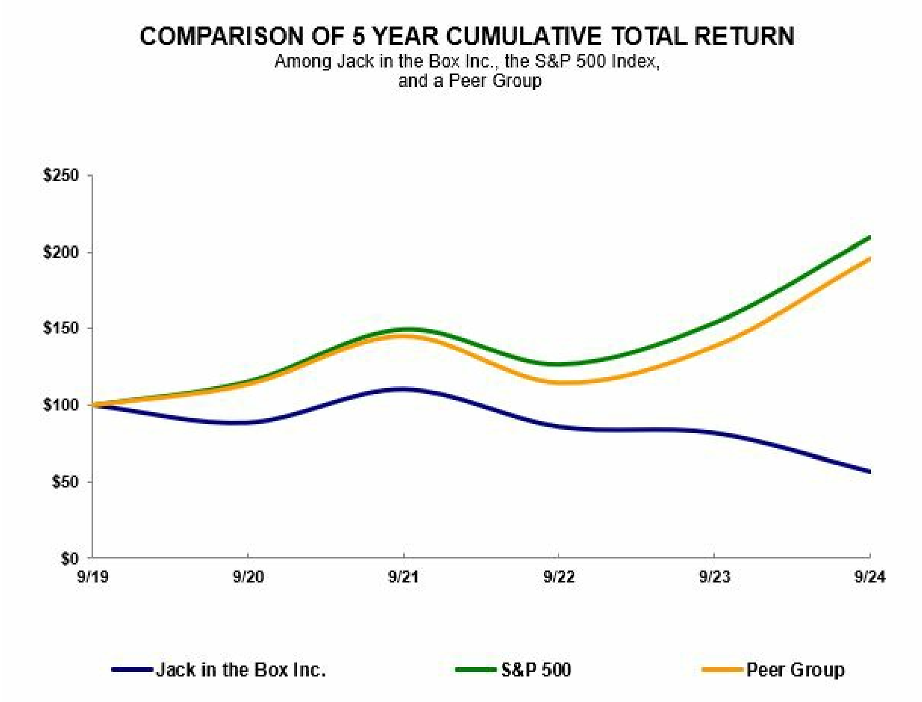
Securities Authorized for Issuance Under Equity Compensation Plans. The following table summarizes the equity compensation plans under which Company common stock may be issued as of September 29, 2024. Stockholders of the Company have approved all plans requiring such approval.

	(a) Number of securities to be issued upon exercise of outstanding options, warrants and rights (1)	(b) Weighted-average exercise price of outstanding options (1)	(c) Number of securities remaining for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by security holders (2)	632,801	$84.23	2,093,732

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

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

Performance Graph. The following graph compares the five-year cumulative return to holders of the Company's common stock at September 30th of each year to the yearly weighted cumulative return of a Peer Group Index and to the Standard & Poor's ("S&P") 500 Index for the same period. The below comparison assumes $100 was invested on September 30, 2019 in the Company's common stock and in the comparison groups and assumes reinvestment of dividends. The Company uses a Peer Group to assess the competitive pay levels of our senior executives, and to evaluate program design elements. In its annual review of the Peer Group Index used to benchmark executive compensation for our executive officers, the Compensation Committee of the Board of Directors, in consultation with its independent compensation consultant, approved changes to the Peer Group Index to include companies that more closely aligned with our financial selection criteria and are highly-franchised.



	2019	2020	2021	2022	2023	2024
Jack in the Box Inc.	$100	$88	$110	$86	$82	$57
S&P 500 Index	$100	$115	$150	$127	$154	$210
Peer Group (1)	$100	$114	$145	$114	$139	$196

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

ITEM 6. RESERVED.

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

GENERAL

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

Comparisons under this heading refer to the 52-week periods ended September 29, 2024 and October 1, 2023, respectively. Our MD&A consists of the following sections:

- ***Overview*** — a general description of our business.
- ***Results of Operations*** — an analysis of our consolidated statements of earnings for fiscal 2024 compared to fiscal 2023.
- ***Liquidity and Capital Resources*** — an analysis of our cash flows, including capital expenditures, share repurchase activity, dividends, and known trends that may impact liquidity.
- ***Critical Accounting Estimates*** — a discussion of accounting policies that require critical judgments and estimates.
- ***New accounting pronouncements*** — a discussion of new accounting pronouncements, dates of implementation and the impact on our consolidated financial position or results of operations, if any.
- ***Cautionary statements regarding forward-looking statements*** — a discussion of the risks and uncertainties that may cause our actual results to differ materially from any forward-looking statements made by management.

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

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

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

A comparison of our results of operations and cash flows for fiscal 2023 compared to fiscal 2022 can be found under Part II, "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the fiscal year ended October 1, 2023.

OVERVIEW

Our Business

Founded in 1951, Jack in the Box Inc. (the "Company") operates and franchises Jack in the Box ® quick-service restaurants. As of September 29, 2024, we operated and franchised 2,191 Jack in the Box quick-service restaurants, primarily in the western and southern United States, including two in Mexico and two in Guam.

On March 8, 2022, we completed the acquisition of Del Taco Restaurants, Inc. ("Del Taco"). Founded in 1964, Del Taco offers a unique variety of both Mexican and American favorites such as burritos and fries. Del Taco is the nation's second largest Mexican quick service restaurant chain by number of restaurants and as of September 29, 2024 has 594 restaurants across 17 states.

We derive revenue from retail sales at company-operated restaurants and rental revenue, royalties (based upon a percent of sales), franchise fees and contributions for advertising and other services from franchisees.

Refranchising of Del Taco

In fiscal year 2024, we continued on our refranchising strategy with three main intentions. First, to create a company-wide asset-light model that will benefit from mitigating exposure to macroeconomic pressures; second, to generate incremental development agreements throughout the refranchising process that provide a more robust unit growth pipeline than otherwise achievable; and third, to provide a more efficient capital structure. Our objective is to be asset-light as we navigate market forces. We refranchised 47 Del Taco restaurants in fiscal year 2024, and added 42 new development commitments as a result of the refranchising effort.

RESULTS OF OPERATIONS FOR FISCAL 2024 AND 2023

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

Jack in the Box:	2024	2023
Company	0.0 %	8.8 %
Franchise	(1.5)%	7.1 %
System	(1.3)%	7.3 %

Del Taco:	2024	2023
Company	(1.3)%	2.0 %
Franchise	(1.6)%	1.4 %
System	(1.5)%	1.7 %

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

	2024			2023		
Jack in the Box:	Company	Franchise	Total	Company	Franchise	Total
Beginning of year	142	2,044	2,186	146	2,035	2,181
New [(1)]	8	22	30	2	18	20
Refranchised	—	—	—	(5)	5	—
Closed	—	(25)	(25)	(1)	(14)	(15)
End of year	150	2,041	2,191	142	2,044	2,186
% of system	7 %	93 %	100 %	6 %	94 %	100 %

	2024			2023		
Del Taco:	Company	Franchise	Total	Company	Franchise	Total
Beginning of year	171	421	592	290	301	591
New	3	11	14	—	14	14
Acquired from franchisees	10	(10)	—	—	—	—
Refranchised	(47)	47	—	(111)	111	—
Closed	(4)	(8)	(12)	(8)	(5)	(13)
End of year	133	461	594	171	421	592
% of system	22 %	78 %	100 %	29 %	71 %	100 %

(1) The restaurant count includes 6 cloud kitchens as of the end of fiscal year 2024.

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

Jack in the Box:	2024	2023
Company-operated restaurant sales	$ 427,057	$ 413,748
Franchised restaurant sales [(1)]	3,969,200	4,005,985
Systemwide sales [(1)]	$ 4,396,257	$ 4,419,733

Del Taco:	2024	2023
Company-operated restaurant sales	$ 281,978	$ 432,530
Franchised restaurant sales [(1)]	674,804	541,913
Systemwide sales [(1)]	$ 956,782	$ 974,443

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

Jack in the Box Brand

Company Restaurant Operations

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

	2024			2023		
Company restaurant sales	$	427,057		$	413,748	
Company restaurant costs:						
Food and packaging	$	126,063	29.5 %	$	130,904	31.6 %
Payroll and employee benefits	$	134,678	31.5 %	$	127,357	30.8 %
Occupancy and other	$	73,735	17.3 %	$	69,215	16.7 %

Company restaurant sales increased $13.3 million, or 3.2%, in 2024 as compared with the prior year due to an increase in the average number of restaurants, as well as an increase in average check. The following table presents the approximate impact of these items on company restaurant sales in 2024 (*in millions*):

	2024 vs. 2023	
AUV increase	$	0.9
Increase in the average number of restaurants		12.3
Other		0.1
Total change in company restaurant sales	$	13.3

Same-store sales at company-operated restaurants remained the same in 2024 compared to a year ago. The following table summarizes the changes in company-operated same-store sales:

	2024 vs. 2023
Transactions	(3.4)%
Average check [(1)]	3.4 %
Change in same-store sales	0.0 %

(1) Includes price increases of 7.4% in 2024.

Food and packaging costs, as a percentage of company restaurant sales, decreased to 29.5% in 2024 from 31.6% a year ago, primarily due to a 2.0% impact from pricing leverage and 0.2% from commodity deflation, partially offset by 0.2% unfavorable menu item mix.

Commodity costs decreased in the current fiscal year by approximately 0.7%. The greatest impacts were seen in produce, beef, and poultry.

Payroll and employee benefit costs, as a percentage of company restaurant sales, increased to 31.5% in 2024 compared with 30.8% a year ago primarily due to a 0.7% impact from wage inflation of approximately 6.9%, and an increase in group insurance, which were partially offset by a decrease in incentive compensation. New regulations, such as AB 1228, which went into effect April 2024, have raised labor costs, particularly given our high concentration of restaurants in California.

Occupancy and other costs, as a percentage of company restaurant sales, increased to 17.3% in 2024 from 16.7% a year ago primarily due to higher security costs, credit card fees and other operating costs, partially offset by lower maintenance and repair. costs.

Jack in the Box Franchise Operations

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

	2024	2023
Franchise rental revenues	$ 347,227	$ 351,283
Royalties	198,377	207,064
Franchise fees and other	7,002	7,226
Franchise royalties and other	205,379	214,290
Franchise contributions for advertising and other services	217,757	215,990
Total franchise revenues	$ 770,363	$ 781,563
Franchise occupancy expenses	$ 217,430	$ 216,452
Franchise support and other costs	12,731	10,072
Franchise advertising and other services expenses	225,465	227,868
Total franchise costs	$ 455,626	$ 454,392
Franchise costs as a percentage of total franchise revenues	59.1 %	58.1 %
Average number of franchise restaurants	2,037	2,035
Franchised restaurant sales	$ 3,969,200	$ 4,005,985
Franchise restaurant AUV	$ 1,949	$ 1,968
Royalties as a percentage of total franchise restaurant sales (1)	5.0 %	5.2 %

(1) Excluding the impact of the $7.3 million termination fee in the first quarter of the prior year, royalties as a percentage of total franchised restaurant sales would be 5.0% for the fiscal year ended October 1, 2023.

Franchise rental revenues decreased $4.1 million, or 1.2%, in 2024 compared to the prior year, primarily due to a decrease in percentage rent of $8.5 million, driven by lower sales, partially offset by increases in minimum rent of $3.3 million and an increase of $2.5 million related to franchise lease terminations.

Franchise royalties and other decreased $8.9 million, or 4.2%, mainly in connection with a $7.3 million termination fee paid by a franchise operator who sold his restaurants to a new franchisee in the prior year, as well as lower royalty income driven by lower sales.

Franchise contributions for advertising and other services increased $1.8 million, or 0.8%, primarily due to increases in digital and technology fees of $3.5 million, partially offset by lower marketing contributions of $2.0 million in connection with lower franchise same store sales of 1.5%.

Franchise occupancy expenses, mainly rent, increased $1.0 million, or 0.5% in 2024, primarily due to higher operating lease costs.

Franchise support and other costs increased $2.7 million, or 26.4% in 2024, mainly related to a $2.0 million increase in bad debt expense due to a rollover of a bad debt reversal in the prior year, as well as higher operating costs in connection with digital fees and brand standard audits.

Franchise advertising and other service expenses decreased $2.4 million, or 1.1% in 2024 primarily due to lower marketing contributions resulting from a decrease in franchise sales.

Del Taco Brand

Company Restaurant Operations

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

	2024			2023		
Company restaurant sales	$	281,978		$	432,530	
Company restaurant costs:						
Food and packaging	$	73,207	26.0 %	$	119,931	27.7 %
Payroll and employee benefits	$	103,369	36.7 %	$	147,241	34.0 %
Occupancy and other	$	65,569	23.3 %	$	94,057	21.7 %

Company restaurant sales decreased $150.6 million or 34.8%, in 2024 as compared with the prior year primarily due to the refranchising of 47 company-operated restaurants and the closing of 4 company-operated restaurants in fiscal 2024, as well as a decrease in same store sales compared to the prior year.

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

	2024 vs. 2023	
AUV decrease	$	(6.1)
Decrease in the average number of restaurants		(144.1)
Other		(0.4)
Total change in company restaurant sales	$	(150.6)

Same-store sales at company-operated restaurants decreased 1.3% in 2024 compared to a year ago. The following table summarizes the increases (decreases) in company-operated same-store sales:

	2024 vs. 2023
Average check (1)	4.2 %
Transactions	(5.5)%
Change in same-store sales	(1.3)%

(1) Includes price increases of approximately 7.3% in 2024.

Food and packaging costs, as a percentage of company restaurant sales, decreased to 26.0% in 2024 from 27.7% a year ago primarily due to a 1.9% benefit from pricing leverage.

Commodity costs inflation was 0.2% in 2024. The largest sources of inflation in the current year were due to dairy and beverages, and was partially offset by favorability in pork, oil, eggs and cheese.

Payroll and employee benefit costs, as a percentage of company restaurant sales, increased to 36.7% in 2024 compared with 34.0% a year ago primarily due to a 2.2% impact from labor inflation. Labor inflation was 9.7% in the current year. Additional regulations, such as AB 1228, which went into effect April 2024, have raised labor costs, particularly given our high concentration of restaurants in California.

Occupancy and other costs, as a percentage of company restaurant sales, increased to 23.3% in 2024 from 21.7% a year ago primarily due to higher rent and operating expenses including utilities and information technology costs, partially offset by a change in the mix of restaurants due to refranchising.

Del Taco Franchise Operations

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

	2024	2023
Franchise rental revenues	$ 28,201	$ 13,308
Royalties	31,714	25,669
Franchise fees and other	1,077	556
Franchise royalties and other	32,791	26,225
Franchise contributions for advertising and other services	30,915	24,933
Total franchise revenues	$ 91,907	$ 64,466
Franchise occupancy expenses	$ 27,948	$ 13,150
Franchise support and other costs	4,551	2,259
Franchise advertising and other services expenses	33,667	25,666
Total franchise costs	$ 66,166	$ 41,075
Franchise costs as a percentage of total franchise revenues	72.0 %	63.7 %
Average number of franchise restaurants	429	344
Franchised restaurant sales	$ 674,804	$ 541,913
Franchised restaurant AUVs	$ 1,573	$ 1,574
Royalties as a percentage of total franchised restaurant sales	4.7 %	4.7 %

Franchise rental revenues increased $14.9 million, or 111.9% in 2024 compared to the prior year, primarily due to higher rental income of $11.0 million resulting from new subleases related to the 142 restaurants refranchised since the second quarter of 2023 and the 11 franchise-operated restaurants opened in fiscal 2024.

Franchise royalties and other increased $6.6 million, or 25.0% in 2024 compared to the prior year, primarily due to higher franchise restaurant sales resulting from the 142 restaurants refranchised since the second quarter of 2023 and the 11 franchise-operated restaurants opened in fiscal 2024.

Franchise contributions for advertising and other services revenues increased $6.0 million, or 24.0% in 2024 compared to the prior year, primarily due to higher marketing contributions related to higher franchise restaurant sales resulting from the 142 restaurants refranchised since the second quarter of 2023 and the 11 franchise-operated restaurants opened in fiscal 2024.

Franchise occupancy expenses, primarily rent, increased $14.8 million, or 112.5% in 2024 compared to the prior year, primarily due to higher rent related to franchise subleases for the 142 restaurants refranchised since the second quarter of 2023 and the 11 franchise-operated restaurants opened in fiscal 2024.

Franchise support and other costs increased $2.3 million, or 101.5% in 2024 compared to the prior year, primarily due to higher franchise development support costs, as well as additional overhead costs.

Franchise advertising and other service expenses increased $8.0 million, or 31.2% in 2024 compared to the prior year, primarily due to higher franchise restaurant sales resulting from the 142 restaurants refranchised since the second quarter of 2023 and the 11 franchise-operated restaurants opened in fiscal 2024.

Company-Wide Results

Depreciation and Amortization

Depreciation and amortization decreased $2.5 million in 2024 as compared with the prior year. The decreases in depreciation are primarily due to the refranchising of Del Taco restaurants since the prior year, as well as certain Jack in the Box franchise assets becoming fully depreciated. These decreases were partially offset by increases for new technology assets and new company restaurant openings.

Selling, General and Administrative ("SG&A") Expenses

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

	2024	2023
Advertising	$ 34,992	$ 38,753
Share-based compensation	13,471	11,205
Incentive compensation	9,911	20,283
Cash surrender value of COLI policies, net	(14,390)	(5,953)
Litigation matters	1,811	7,001
Insurance	3,183	5,991
Other	94,255	95,592
	$ 143,233	$ 172,872

Advertising costs represent company contributions to our marketing funds and are generally determined as a percentage of company-operated restaurant sales. Advertising costs decreased $3.8 million compared to the prior year primarily due to a decrease in company-operated restaurant sales in the current year which was primarily driven by Del Taco refranchising.

Share-based compensation in 2024 increased by $2.3 million compared to the prior year primarily due to a higher number of executive stock awards outstanding compared to the prior year.

Incentive compensation in 2024 decreased by $10.4 million compared to the prior year primarily due to lower achievement levels compared to the prior year for the Company's annual incentive plan.

The cash surrender value of our Company-owned life insurance ("COLI") policies, net of changes in our non-qualified deferred compensation obligation supported by these policies, are subject to market fluctuations. The changes in market values had a favorable impact of $8.4 million as compared to the prior year.

Litigation matters in 2024 decreased by $5.2 million as compared to the prior year due to the timing of litigation developments in each fiscal year. In fiscal 2023, we recorded litigation charges of $8.3 million for Gessele vs. Jack in the Box Inc., partially offset by a $1.6 million reversal in connection with the J&D Restaurant Group legal matter based on the Court's final ruling. Refer to Note 16, *Commitments and Contingencies*, of the notes to the consolidated financial statements for additional information.

Insurance costs in 2024 decreased $2.8 million as compared to the prior year primarily due to positive development factors related to workers compensation and general liability claims.

Pre-Opening Costs

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

Goodwill Impairment

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

Other Operating Expense, Net

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

	2024	2023
Integration and strategic initiatives	$ 15,631	$ 9,112
Costs of closed restaurants and other	2,975	4,786
Restaurant impairment charges	8,008	4,569
Accelerated depreciation	699	541
Gains on acquisition of restaurants	(2,702)	—
Losses (gains) on disposition of property and equipment, net	185	(8,171)
Other operating expense, net	$ 24,796	$ 10,837

Other operating expense, net increased $14.0 million in 2024 versus the prior year primarily due to the decrease in gains on disposition of property and equipment of $8.4 million due to gains recognized in the prior year from a sale of Jack in the Box restaurant properties to franchisees who were leasing the properties from us prior to the sale. The change was also impacted by the increase in integration and strategic initiatives of $6.5 million in the current year, as well as an increase in restaurant impairment charges of $3.4 million relating to under-performing Jack in the Box and Del Taco restaurants. Refer also to Note 9, *Other Operating Expense, Net,* of the notes to the consolidated financial statements for additional information.

Gains on the Sale of Company-Operated Restaurants

In 2024, gains on the sale of company-operated restaurants totaled $3.3 million and were related to the refranchising of 47 Del Taco restaurants. In the prior year, gains on the sale of company-operated restaurants totaled $18.0 million and were related to the refranchising of 111 Del Taco restaurants and five Jack in the Box restaurants. Refer to Note 4, *Summary of Refranchisings and Franchise Acquisitions,* of the notes to the consolidated financial statements for additional information.

Other Pension and Post-Retirement Expenses, Net

Our policy is to fund our pension plans at or above the minimum required by law. As of the date of our last actuarial funding valuation, there was no minimum requirement. We do not anticipate making any contributions to our Qualified Plan in fiscal 2025. For additional information, refer to Note 12, *Retirement Plans*, of the notes to the consolidated financial statements.

Interest Expense, Net

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

	2024	2023
Interest expense	$ 82,134	$ 84,627
Interest income	(2,118)	(2,181)
Interest expense, net	$ 80,016	$ 82,446

Interest expense, net, decreased $2.4 million in 2024. The interest expense portion decreased by $2.5 million primarily due to lower average borrowings, as well as lower average interest rates.

Income Taxes

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

For fiscal year 2023, the Company recorded income tax provisions of $58.5 million resulting in an effective tax rate of 30.9%. The effective tax rate for such period differed from the U.S. statutory tax rate primarily due to the impact of non-deductible goodwill related to the sale of company-operated restaurants partially offset by non-taxable gains from the market performance of insurance products used to fund certain non-qualified retirement plans.

LIQUIDITY AND CAPITAL RESOURCES

General

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

As of September 29, 2024, the Company had $54.2 million of cash and restricted cash on its consolidated balance sheet and available borrowings of $169.5 million under our $150.0 million Variable Funding Notes and our $75.0 million revolving credit facility. The Company continually assesses the optimal sources and uses of cash for our business. We review our balance sheet for any undervalued assets and pursue opportunities for capital sources, including the sale of our owned Jack in the Box properties and refranchising, primarily for Del Taco in the near term.

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

Cash Flows

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

	2024	2023
Total cash provided by (used in):		
Operating activities	$ 68,816	$ 215,006
Investing activities	(69,371)	42,219
Financing activities	(131,185)	(207,358)
Net cash flows	$ (131,740)	$ 49,867

Operating Activities. Operating cash flows decreased $146.2 million compared with a year ago. This decrease is primarily due to an unfavorable change in working capital of $156.1 million, partially offset by higher net income, when adjusted for non-cash items, of $9.9 million. The change in working capital is primarily a result of the payment of income taxes liabilities of $111.9 million (of which $50.3 million was a payment deferred from 2023 in connection with the Southern California winter storm disaster area declaration), an increase in bonus payout, an increase in deferred rent accrual and an increase in the advertising accruals.

Pension and Postretirement Contributions — Our policy is to fund our pension plans at or above the minimum required by law. As of the date of our last actuarial funding valuation for our qualified pension plan, there was no minimum contribution funding requirement. In 2024 and 2023, we contributed $5.9 million and $6.2 million, respectively, to our pension and postretirement plans. We do not anticipate making any contributions to our qualified defined benefit pension plan in fiscal 2025. For additional information, refer to Note 12, *Retirement Plans*, of the notes to the consolidated financial statements.

Investing Activities. Cash flows used in investing activities increased $111.6 million from 2024 compared to 2023. This increase was primarily due to $65.8 million of additional cash received in 2023 from the sale of Del Taco company-owned restaurants to franchisees, and an increase of $40.5 million for amounts used for the purchase of property and equipment.

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

	2024	2023
Restaurants:		
Remodel / refresh programs	$ 11,027	$ 9,159
New restaurants	22,563	8,159
Restaurant facility expenditures	18,972	22,592
Purchases of assets intended for sale and leaseback	26,455	14,960
Restaurant information technology	28,019	13,037
	107,036	67,907
Corporate Services:		
Information technology	7,976	6,752
Corporate facilities	462	295
	8,438	7,047
Total capital expenditures	$ 115,474	$ 74,954

In 2024, capital expenditures increased by $40.5 million compared to a year ago, primarily due to an increase in information technology for both restaurant and corporate of $16.2 million, new restaurant openings of $14.4 million, and an increase in the purchases of Jack in the Box restaurant properties intended for sale and leaseback of $11.5 million.

Sale and Sale-leaseback Transactions — To optimize our balance sheet and capital structure, we use sales and leaseback financing and provide our franchisees the opportunity to purchase the property that we currently lease to them.

In 2024, we completed one sales-leaseback transaction involving a restaurant property with proceeds of $1.7 million and completed the sale of properties to franchisees and other third parties during the year with proceeds of $25.0 million.

Financing Activities. Cash flows used in financing activities decreased by $76.2 million compared with a year ago, primarily as a result of a decrease in net borrowings of $56.2 million and a $20.0 million decrease in share repurchases compared with a year ago.

Repurchases of Common Stock — In fiscal 2024, the Company repurchased 1.1 million shares of its common stock for an aggregate cost of $70.6 million, including applicable excise tax. As of September 29, 2024, there was $180.0 million remaining under share repurchase programs authorized by the Board of Directors which do not expire.

Dividends — In fiscal 2024, the Board of Directors declared four quarterly cash dividends of $0.44 per share, totaling $34.2 million. Future dividends are subject to approval by our Board of Directors.

Securitized Refinancing Transaction — On February 11, 2022, the Company completed the sale of $550.0 million of its Series 2022-1 3.445% Fixed Rate Senior Secured Notes, Class A-2-I (the “Class A-2-I Notes”) and $550.0 million of its Series 2022-1 4.136% Fixed Rate Senior Secured Notes, Class A-2-II (the “Class A-2-II” and, together with the Class A-2-I Notes, the “2022 Notes”). Interest payments on the 2022 Notes are payable on a quarterly basis. The anticipated repayment dates of the Class A-2-I Notes and the Class A-2-II Notes will be February 2027 and February 2032, respectively, unless earlier prepaid to the extent permitted.

In 2022, the Company also entered into a revolving financing facility of Series 2022-1 Variable Funding Senior Secured Notes (the “Variable Funding Notes”), which permits borrowings up to a maximum of $150.0 million, subject to certain borrowing conditions, a portion of which may be used to issue letters of credit. As of September 29, 2024, we had $6.0 million of outstanding borrowings and had available borrowing capacity of $94.5 million under our 2022 Variable Funding Notes, net of letters of credits issued of $49.5 million.

The net proceeds from the sale of the 2022 Notes were used to repay in full $570.7 million in aggregate outstanding principal amount of the Company’s Series 2019-1 Class A-2-I Notes, together with the applicable make-whole premium and unpaid interest, and was used to fund a portion of the Company’s acquisition of Del Taco Restaurants, Inc.

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

The quarterly principal payment on the Class A-2 Notes may be suspended when the specified leverage ratio, which is a measure of outstanding debt to earnings before interest, taxes, depreciation, and amortization, adjusted for certain items (as defined in the Indenture), is less than or equal to 5.0x. Exceeding the leverage ratio of 5.0x does not violate any covenant related to the Class A-2 Notes.

Restricted Cash — In accordance with the terms of the Indenture, certain cash accounts have been established with the Indenture trustee for the benefit of the note holders and are restricted in their use. As of September 29, 2024, the Master Issuer had restricted cash of $29.4 million, which primarily represented cash collections and cash reserves held by the trustee to be used for payments of interest and commitment fees required for the Class A-2 Notes and Variable Funding Notes.

Covenants and Restrictions — The Notes are subject to a series of covenants and restrictions customary for transactions of this type, including (i) that the Master Issuer maintains specified reserve accounts to be used to make required payments in respect of the Notes, (ii) provisions relating to optional and mandatory prepayments and the related payment of specified amounts, including specified make-whole payments in the case of the Class A-2 Notes under certain circumstances, (iii) certain indemnification payments in the event, among other things, the assets pledged as collateral for the Notes are in stated ways defective or ineffective and (iv) covenants relating to recordkeeping, access to information and similar matters. The Notes are also subject to customary rapid amortization events provided for in the Indenture, including events tied to failure to maintain stated debt service coverage ratios, the sum of gross sales for specified restaurants being below certain levels on certain measurement dates, certain manager termination events, an event of default, and the failure to repay or refinance the Class A-2 Notes on the applicable scheduled maturity date. The Notes are also subject to certain customary events of default, including events relating to non-payment of required interest, principal, or other amounts due on or with respect to the Notes, failure to comply with covenants within certain time frames, certain bankruptcy events, breaches of specified representations and warranties, failure of security interests to be effective, and certain judgments. As of September 29, 2024, we were in compliance with all of our debt covenant requirements and were not subject to any rapid amortization events.

Contractual Obligations

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

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

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

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

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

DISCUSSION OF CRITICAL ACCOUNTING ESTIMATES

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

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

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

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

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

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

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

Legal Accruals — The Company is subject to claims and lawsuits in the ordinary course of its business. A determination of the amount accrued, if any, for these contingencies is made after analysis of each matter. We continually evaluate such accruals and may increase or decrease accrued amounts as we deem appropriate. Because lawsuits are inherently unpredictable, and unfavorable resolutions could occur, assessing contingencies is highly subjective and requires judgment about future events. As a result, the amount of ultimate loss may differ from those estimates.

NEW ACCOUNTING PRONOUNCEMENTS

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

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest Rate Risk — We would be exposed to interest rate risk on borrowings under our $150.0 million Variable Funding Notes and our $75.0 million revolving credit facility. As of September 29, 2024, we had $6.0 million of outstanding variable rate borrowings.

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

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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

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

None.

ITEM 9A. CONTROLS AND PROCEDURES

a. Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures

Based on an evaluation of the Company’s disclosure controls and procedures (as defined in Rule 13(a)-15(e) of the Securities Exchange Act of 1934, as amended), as of the end of the Company’s fiscal year ended September 29, 2024, the Company’s Chief Executive Officer and Chief Financial Officer (its principal executive officer and principal financial officer, respectively) have concluded that the Company’s disclosure controls and procedures were effective.

b. Changes in Internal Control Over Financial Reporting

There were no changes in the Company’s internal control over financial reporting that occurred during the Company’s fiscal quarter ended September 29, 2024 that have materially affected, or are reasonably likely to materially affect, the Company’s internal control over financial reporting.

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

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

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

Management, under the oversight of our principal executive officer, principal financial officer, and Audit Committee, assessed the effectiveness of the Company’s internal control over financial reporting as of September 29, 2024. In making this assessment, management used the criteria set forth in 2013 by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”) in Internal Control-Integrated Framework. Management has concluded that, as of September 29, 2024, the Company’s internal control over financial reporting was effective, at a reasonable assurance level, based on these criteria.

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

Report of Independent Registered Public Accounting Firm

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

Opinion on Internal Control Over Financial Reporting

We have audited Jack in the Box Inc. and subsidiaries' (the Company) internal control over financial reporting as of September 29, 2024, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of September 29, 2024, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of September 29, 2024 and October 1, 2023, the related consolidated statements of operations, comprehensive (loss) income, cash flows and stockholders' deficit for each of the fifty-two week periods ended September 29, 2024, October 1, 2023 and October 2, 2022, and the related notes (collectively, the consolidated financial statements), and our report dated November 20, 2024 expressed an unqualified opinion on those consolidated financial statements.

Basis for Opinion

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

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

Definition and Limitations of Internal Control Over Financial Reporting

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

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

/s/ KPMG LLP
San Diego, California
November 20, 2024

ITEM 9B. OTHER INFORMATION

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

On August 16, 2024, the Company adopted a Rule 10b5-1 trading arrangement to repurchase shares of the Company’s common stock up to an aggregate purchase price of $15.0 million. This Rule10b5-1 trading arrangement subsequently terminated on September 27, 2024.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

That portion of our definitive Proxy Statement appearing under the captions “Election of Directors,” “Director Qualifications and Biographical Information,” and “Committees of the Board” to be filed with the Commission pursuant to Regulation 14A within 120 days after September 29, 2024 and to be used in connection with our 2025 Annual Meeting of Stockholders is hereby incorporated by reference.

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

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

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

We have adopted a Code of Ethics, which applies to all Jack in the Box Inc. directors, officers, and employees, including the Chief Executive Officer, Chief Financial Officer, Controller, and all of the financial team. The Code of Ethics is posted on the Company’s corporate website, www.jackintheboxinc.com (under the “Investors — Governance — Governance Documents — Code of Conduct” caption) and is available in print free of charge to any stockholder upon request. We intend to satisfy the disclosure requirement regarding any amendment to, or waiver of, a provision of the Code of Ethics for the Chief Executive Officer, Chief Financial Officer, and Controller or persons performing similar functions, by posting such information on our corporate website. No such waivers have been issued during fiscal 2024.

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

ITEM 11. EXECUTIVE COMPENSATION

That portion of our definitive Proxy Statement appearing under the caption “Executive Compensation,” “Director Compensation and Stock Ownership Requirements,” “Compensation Committee Interlocks and Insider Participation,” and “Compensation Committee Report” to be filed with the Commission pursuant to Regulation 14A within 120 days after September 29, 2024 and to be used in connection with our 2025 Annual Meeting of Stockholders is hereby incorporated by reference.

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

That portion of our definitive Proxy Statement appearing under the caption “Security Ownership of Certain Beneficial Owners and Management” to be filed with the Commission pursuant to Regulation 14A within 120 days after September 29, 2024 and to be used in connection with our 2025 Annual Meeting of Stockholders is hereby incorporated by reference. Information regarding equity compensation plans under which Company common stock may be issued as of September 29, 2024 is set forth in Item 5 of this Report.

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

That portion of our definitive Proxy Statement appearing under the caption “Certain Relationships and Related Transactions” and “Directors’ Independence,” if any, to be filed with the Commission pursuant to Regulation 14A within 120 days after September 29, 2024 and to be used in connection with our 2025 Annual Meeting of Stockholders is hereby incorporated by reference.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

That portion of our definitive Proxy Statement appearing under the caption “Independent Registered Public Accountants Fees and Services” to be filed with the Commission pursuant to Regulation 14A within 120 days after September 29, 2024 and to be used in connection with our 2025 Annual Meeting of Stockholders is hereby incorporated by reference.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

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

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

ITEM 15(a) (3) Exhibits.

Number	Description	Form	Filed with SEC
2.1	Agreement and Plan of Merger, dated as of December 5, 2021, by and among Jack in the Box Inc, Epic Merger Sub Inc., and Del Taco Restaurants, Inc.[1]	8-K	12/6/2021
3.1	Certificate of Amendment of Restated Certificate of Incorporation dated September 21, 2007	8-K	9/24/2007
3.1.1	Restated Certificate of Incorporation, dated March 6, 1992	10-Q	5/14/2020
3.2	Amended and Restated Bylaws of Jack in the Box Inc., effective as of November 14, 2024	8-K	11/20/2024
4.1	Base Indenture, dated as of July 8, 2019, by and between Jack in the Box Funding, LLC, as Master Issuer, and Citibank, N.A., as Trustee and Securities Intermediary.	8-K	7/8/2019
4.2	Series 2019-1 Supplement to Base Indenture, dated as of July 8, 2019, by and between Jack in the Box Funding, LLC, as Master Issuer of the Series 2019-1 fixed rate senior secured notes, Class A-2, and Series 2019-1 variable funding senior notes, Class A-1, and Citibank, N.A., as Trustee and Series 2019-1 Securities Intermediary.	8-K	7/8/2019
4.3	Series 2022-1 Supplement to Base Indenture, dated as of February 11, 2022, by and between Jack in the Box Funding, LLC, as Master Issuer of the Series 2022-1 fixed rate senior secured notes, Class A-2, and Series 2022-1 variable funding senior notes, Class A-1, and Citibank, N.A., as Trustee and Series 2022-1 Securities Intermediary.	8-K	2/15/2022
4.4	First Supplement to the Base Indenture, dated as of February 11, 2022, by and between Jack in the Box Funding, LLC, as Master Issuer, and Citibank, N.A., as Trustee and Securities Intermediary.	8-K	2/15/2022
10.1.20	Class A-1 Note Purchase Agreement, dated as of July 8, 2019, by and among Jack in the Box Funding, LLC, as Master Issuer, each of Different Rules, LLC, Jack in the Box Properties, LLC and Jack in the Box SPV Guarantor, LLC, as Guarantors, Jack in the Box Inc. as Manager, the conduit investors party thereto, the financial institutions party thereto, certain funding agents, and Coöperatieve Rabobank, U.A., New York Branch, as L/C Provider, Swingline Lender and Administrative Agent	8-K	7/8/2019
10.1.21	The Guarantee and Collateral Agreement, dated July 8, 2019, by and among Jack in the Box SPV Guarantor, LLC, Different Rules, LLC, and Jack in the Box Properties, LLC, each as a Guarantor and Citibank, N.A., as Trustee.	8-K	7/8/2019
10.1.22	Management Agreement, dated as of July 8, 2019, by and among Jack in the Box Funding, LLC, as Master Issuer, certain subsidiaries of Jack in the Box Funding, LLC party thereto, Jack in the Box Inc., as Manager, and Citibank, N.A., as Trustee.	8-K	7/8/2019
10.1.23	Voting Agreement, dated as of December 5, 2021, by and among Jack in the Box Inc., Belfer Investment Partners LP and Lime Partners LLC	8-K	12/6/2021

Number	Description	Form	Filed with SEC
10.1.24	Voting Agreement, dated as of December 5, 2021, by and among Jack in the Box Inc., Levy Family Partners LLC, Lawrence F. Levy, Ari Levy and certain other Del Taco stockholders party thereto	8-K	12/6/2021
10.1.25	2022-1 Class A-2 Note Purchase Agreement, dated as of February 2, 2022, by and among Jack in the Box Inc., the subsidiaries of Jack in the Box Inc. party thereto and Guggenheim Securities, LLC acting on behalf of itself and as the representative of the initial purchasers.	8-K	2/3/2022
10.1.26	Class A-1 Note Purchase Agreement, dated as of February 11, 2022, by and among Jack in the Box Funding, LLC, as Master Issuer, each of Different Rules, LLC, Jack in the Box Properties, LLC and Jack in the Box SPV Guarantor, LLC, as Guarantors, Jack in the Box Inc. as Manager, the conduit investors party thereto, the financial institutions party thereto, certain funding agents, and Coöperatieve Rabobank U.A., New York Branch, as L/C Provider, Swingline Lender and Administrative Agent.	8-K	2/15/2022
10.1.27	First Amendment to the Management Agreement, dated as of February 11, 2022, by and among Jack in the Box Funding, LLC, as Master Issuer, certain subsidiaries of Jack in the Box Funding, LLC party thereto, Jack in the Box Inc., as Manager, and Citibank, N.A., as Trustee.	8-K	2/15/2022
10.2*	Form of Compensation and Benefits Assurance Agreement for Executives	10-Q	2/20/2008
10.2.1*	Form of Revised Compensation and Benefits Assurance Agreement for certain officers	10-Q	5/17/2012
10.2.2*	Form of Revised Compensation and Benefits Assurance Agreement for certain officers, dated May 8, 2014	10-K	11/21/2014
10.2.3*	Form of Revised Compensation and Benefits Assurance Agreement for certain officers, dated June 15, 2020	10-K	11/18/2020
10.2.20*	Tim Mullany Separation and Release Agreement, dated February 2, 2023	10-Q	3/1/2023
10.2.21*	Offer Letter by and between Brian Scott and Jack in the Box Inc., dated August 8, 2023	8-K	8/9/2023
10.2.22*	Offer Letter by and between Carl Mount and Jack in the Box Inc., dated July 18, 2024	______	Filed herewith
10.2.23*	Dean Gordon Consulting Services Agreement, dated August 5, 2024	______	Filed herewith
10.2.24*	Offer Letter by and between Lance Tucker and Jack in the Box Inc., dated November 6, 2024	8-K	11/12/2024
10.3*	Amended and Restated Supplemental Executive Retirement Plan	10-Q	2/18/2009
10.3.1 *	First Amendment to Jack in the Box Inc. Supplemental Executive Retirement Plan, As Amended and Restated Effective January 1, 2009	8-K	9/22/2015
10.4*	Amended and Restated Executive Deferred Compensation Plan	10-Q	2/18/2009
10.4.1 *	Jack in the Box Inc. Executive Deferred Compensation Plan, As Amended and Restated Effective January 1, 2016	8-K	9/22/2015
10.5*	Amended and Restated Deferred Compensation Plan for Non-Management Directors	10-K	11/22/2006
10.8*	Jack in the Box Inc. 2004 Stock Incentive Plan, Amended and Restated Effective February 17, 2012	DEF 14A	1/25/2017
10.8.1*	Form of Restricted Stock Award for officers and certain members of management under the 2004 Stock Incentive Plan	10-Q	8/5/2009
10.8.2*	Jack in the Box Inc. Non-Employee Director Stock Option Award Agreement under the 2004 Stock Incentive Plan	8-K	11/15/2005
10.8.3*	Form of Restricted Stock Unit Award Agreement for Non-Employee Director under the 2004 Stock Incentive Plan	10-K	11/22/2022
10.8.4*	Form of Restricted Stock Unit Grant Agreement for Non-Employee Directors under the 2004 Stock Incentive Plan	10-Q	5/14/2015
10.8.5*	Form of Stock Option and Performance Share Awards Agreement under the 2004 Stock Incentive Plan	10-K	11/22/2013
10.8.6*	Form of Time-Vested Restricted Stock Unit Award Agreement under the 2004 Stock Incentive Plan	10-K	11/22/2013
10.8.7*	Form of Time-Vesting Restricted Stock Unit Award Agreement under the 2004 Stock Incentive Plan	10-Q	2/19/2015
10.8.8*	Form of Stock Option and Performance Share Award Agreement under the 2004 Stock Incentive Plan	10-Q	2/19/2015

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

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

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

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

ITEM 16. FORM 10-K SUMMARY

Not applicable.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

JACK IN THE BOX INC.

By: /s/ DAWN HOOPER

Dawn Hooper
Interim Chief Financial Officer (principal financial officer)

November 20, 2024

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

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

Signature	**Title**	**Date**
/s/ DARIN HARRIS Darin Harris	Chief Executive Officer and Director (principal executive officer)	November 20, 2024
/s/ DAWN HOOPER Dawn Hooper	Interim Chief Financial Officer (principal financial officer and principal accounting officer)	November 20, 2024
/s/ DAVID L. GOEBEL David L. Goebel	Director and Chairman of the Board	November 20, 2024
/s/ GUILLERMO DIAZ, JR. Guillermo Diaz, Jr.	Director	November 20, 2024
/s/ SHARON P. JOHN Sharon P. John	Director	November 20, 2024
/s/ MADELEINE A. KLEINER Madeleine A. Kleiner	Director	November 20, 2024
/s/ ENRIQUE RAMIREZ MENA Enrique Ramirez Mena	Director	November 20, 2024
/s/ MICHAEL W. MURPHY Michael W. Murphy	Director	November 20, 2024
/s/ JAMES M. MYERS James M. Myers	Director	November 20, 2024
/s/ VIVIEN M. YEUNG Vivien M. Yeung	Director	November 20, 2024

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

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

Report of Independent Registered Public Accounting Firm

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

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Jack in the Box Inc. and subsidiaries (the Company) as of September 29, 2024 and October 1, 2023, the related consolidated statements of operations, comprehensive (loss) income, cash flows, and stockholders' deficit for each of the fifty-two week periods ended September 29, 2024, October 1, 2023 and October 2, 2022, and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of September 29, 2024 and October 1, 2023, and the results of its operations and its cash flows for each of the fifty-two week periods ended September 29, 2024, October 1, 2023 and October 2, 2022, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of September 29, 2024, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated November 20, 2024 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

Basis for Opinion

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

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

Critical Audit Matter

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

Valuation of goodwill related to the Del Taco brand

As discussed in Notes 1 and 5 to the consolidated financial statements, the goodwill balance as of September 29, 2024 was $25.4 million related to the Del Taco brand. Goodwill is evaluated for impairment annually during the third quarter of each year, or more frequently if indicators of impairment are present. Goodwill is evaluated for impairment by determining whether the fair value of the Company's reporting units exceed their carrying values. The Company's reporting units are their two restaurant brands, Jack in the Box and Del Taco.

We identified the evaluation of the goodwill impairment analysis for the Del Taco brand reporting unit as a critical audit matter. Evaluating the estimated fair value of the reporting unit involved a high degree of subjective auditor judgment. Specifically, the revenue growth rate assumptions used in estimating the fair value of the Del Taco brand reporting unit were challenging to evaluate as changes in these assumptions could have had a significant effect on the Company's assessment of the impairment of the goodwill of that reporting unit.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls related to the Company's goodwill impairment assessment process, which included a control related to the review of the revenue growth rate assumptions used in the projected financial information. We evaluated the reasonableness of the revenue growth rate assumptions for the Del Taco brand reporting unit by comparing the revenue growth rate assumptions to industry reports. We also compared the Company’s revenue growth rate assumptions to historical revenue growth rate trends to assess the Company’s ability to accurately forecast. In addition, we performed sensitivity analyses over the Company’s revenue growth rate assumptions to assess the impact any changes to those assumptions could have had on the Company’s fair value estimate.

/s/ KPMG LLP

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

San Diego, California
November 20, 2024

JACK IN THE BOX INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In thousands, except share and per share data)

	September 29, 2024	October 1, 2023
ASSETS		
Current assets:		
Cash	$ 24,745	$ 157,653
Restricted cash	29,422	28,254
Accounts and other receivables, net	83,567	99,678
Inventories	3,922	3,896
Prepaid expenses	13,126	16,911
Current assets held for sale	16,493	13,925
Other current assets	10,002	5,667
Total current assets	181,277	325,984
Property and equipment, at cost:		
Land	93,950	92,007
Buildings	963,699	968,221
Restaurant and other equipment	171,436	166,714
Construction in progress	49,445	31,647
	1,278,530	1,258,589
Less accumulated depreciation and amortization	(848,491)	(846,559)
Property and equipment, net	430,039	412,030
Other assets:		
Operating lease right-of-use assets	1,410,083	1,397,555
Intangible assets, net	10,515	11,330
Trademarks	283,500	283,500
Goodwill	161,209	329,986
Other assets, net	259,006	240,707
Total other assets	2,124,313	2,263,078
	$ 2,735,629	$ 3,001,092
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Current maturities of long-term debt	$ 35,880	$ 29,964
Current operating lease liabilities	162,017	142,518
Accounts payable	69,494	84,960
Accrued liabilities	166,868	302,178
Total current liabilities	434,259	559,620
Long-term liabilities:		
Long-term debt, net of current maturities	1,699,433	1,724,933
Long-term operating lease liabilities, net of current portion	1,286,415	1,265,514
Deferred tax liabilities	13,612	26,229
Other long-term liabilities	153,708	143,123
Total long-term liabilities	3,153,168	3,159,799
Stockholders' deficit:		
Preferred stock $0.01 par value, 15,000,000 shares authorized, none issued	—	—
Common stock $0.01 par value, 175,000,000 shares authorized, 82,825,851 and 82,645,814 issued, respectively	828	826
Capital in excess of par value	533,818	520,076
Retained earnings	1,866,660	1,937,598
Accumulated other comprehensive loss	(57,475)	(51,790)
Treasury stock, at cost, 63,996,399 and 62,910,964 shares, respectively	(3,195,629)	(3,125,037)
Total stockholders' deficit	(851,798)	(718,327)
	$ 2,735,629	$ 3,001,092

See accompanying notes to consolidated financial statements.

JACK IN THE BOX INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)

	Fiscal Year 2024	Fiscal Year 2023	Fiscal Year 2022
Revenues:			
Company restaurant sales	$ 709,035	$ 846,278	$ 701,070
Franchise rental revenues	375,428	364,591	340,391
Franchise royalties and other	238,170	240,515	216,821
Franchise contributions for advertising and other services	248,673	240,922	209,801
	1,571,306	1,692,306	1,468,083
Operating costs and expenses, net:			
Food and packaging	199,271	250,836	216,345
Payroll and employee benefits	238,047	274,598	232,250
Occupancy and other	139,305	163,273	135,803
Franchise occupancy expenses	245,379	229,602	215,609
Franchise support and other costs	17,281	12,328	16,490
Franchise advertising and other services expenses	259,131	253,533	218,272
Selling, general, and administrative expenses	143,233	172,872	130,823
Depreciation and amortization	59,776	62,287	56,100
Pre-opening costs	3,182	1,385	1,110
Goodwill impairment	162,624	—	—
Other operating expense, net	24,796	10,837	889
Gains on the sale of company-operated restaurants	(3,255)	(17,998)	(3,878)
	1,488,770	1,413,553	1,219,813
Earnings from operations	82,536	278,753	248,270
Other pension and post-retirement expenses, net	6,843	6,967	303
Interest expense, net	80,016	82,446	86,075
Earnings from continuing operations and before income taxes	(4,323)	189,340	161,892
Income taxes	32,372	58,514	46,111
Net (loss) earnings	$ (36,695)	$ 130,826	$ 115,781
Net (loss) earnings per share — basic	$ (1.87)	$ 6.35	$ 5.46
Net (loss) earnings per share — diluted	$ (1.87)	$ 6.30	$ 5.45
Cash dividends declared per common share	$ 1.76	$ 1.76	$ 1.76

See accompanying notes to consolidated financial statements.

JACK IN THE BOX INC. AND SUBSIDIARIES

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

	Fiscal Year		
	2024	2023	2022
Net (loss) earnings	$ (36,695)	$ 130,826	$ 115,781
Other comprehensive income:			
Actuarial (losses) gains arising during the period	(9,856)	823	24,249
Amortization of actuarial losses and prior service cost reclassified to earnings	2,135	2,154	3,238
	(7,721)	2,977	27,487
Tax effect	2,036	(785)	(7,215)
Other comprehensive (loss) income, net of taxes	(5,685)	2,192	20,272
Comprehensive (loss) income	$ (42,380)	$ 133,018	$ 136,053

See accompanying notes to consolidated financial statements.

JACK IN THE BOX INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Fiscal Year		
	2024	2023	2022
Cash flows from operating activities:			
Net (loss) earnings	$ (36,695)	$ 130,826	$ 115,781
Adjustments to reconcile net (loss) earnings to net cash provided by operating activities:			
Depreciation and amortization	59,776	62,287	56,100
Amortization of franchise tenant improvement allowances and incentives	4,998	4,647	4,446
Deferred finance cost amortization	4,830	5,040	5,496
Loss on extinguishment of debt	—	—	7,700
Excess tax deficiency from share-based compensation arrangements	51	71	123
Deferred income taxes	(10,812)	(11,989)	7,857
Share-based compensation expense	13,471	11,205	7,122
Pension and postretirement expense	6,843	6,967	303
(Gains) losses on cash surrender value of company-owned life insurance	(16,480)	(7,346)	12,668
Gains on the sale of company-operated restaurants	(3,255)	(17,998)	(3,878)
Gains on acquisition of restaurants	(2,702)	—	—
Losses (gains) on the disposition of property and equipment, net	185	(8,171)	(30,533)
Impairment charges and other	171,415	6,217	8,219
Changes in assets and liabilities, excluding acquisitions and dispositions:			
Accounts and other receivables	19,905	(4,048)	(18,143)
Inventories	(25)	1,367	304
Prepaid expenses and other current assets	(297)	(1,422)	(3,275)
Operating lease right-of-use assets and lease liabilities	22,705	2,364	2,593
Accounts payable	(15,404)	(1,692)	16,243
Accrued liabilities	(135,159)	47,459	(9,081)
Pension and postretirement contributions	(5,937)	(6,241)	(6,690)
Franchise tenant improvement allowance and incentive disbursements	(2,486)	(3,265)	(2,989)
Other	(6,111)	(1,272)	(7,484)
Cash flows provided by operating activities	68,816	215,006	162,882
Cash flows from investing activities:			
Purchases of property and equipment	(115,474)	(74,954)	(46,475)
Proceeds from the sale and leaseback of assets	1,728	3,673	10,768
Acquisition of Del Taco, net of cash acquired	—	—	(580,793)
Proceeds from the sale of company-operated restaurants	19,400	85,221	6,391
Proceeds from the sale of property and equipment	24,975	25,214	31,161
Other	—	3,065	360
Cash flows (used in) provided by investing activities	(69,371)	42,219	(578,588)
Cash flows from financing activities:			
Borrowings on revolving credit facilities	6,000	—	68,000
Repayments of borrowings on revolving credit facilities	—	(50,000)	(18,000)
Proceeds from issuance of debt	—	—	1,100,000
Principal repayments on debt	(29,892)	(30,109)	(588,064)
Debt issuance costs	—	—	(20,599)
Dividends paid on common stock	(33,972)	(35,890)	(36,987)
Proceeds from issuance of common stock	2	263	51
Repurchases of common stock	(70,000)	(90,029)	(25,000)
Payroll tax payments for equity award issuances	(3,323)	(1,593)	(1,223)
Cash flows (used in) provided by financing activities	(131,185)	(207,358)	478,178
Net (decrease) increase in cash and restricted cash	(131,740)	49,867	62,472
Cash and restricted cash at beginning of year	185,907	136,040	73,568
Cash and restricted cash at end of year	$ 54,167	$ 185,907	$ 136,040

See accompanying notes to consolidated financial statements.

JACK IN THE BOX INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIT
(Dollars in thousands)

	Number of Shares	Amount	Capital in Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock	Total
Balance at October 3, 2021	82,536,059	$ 825	$ 500,441	$ 1,764,412	$ (74,254)	$ (3,009,306)	$ (817,882)
Shares issued under stock plans, including tax benefit	44,540	1	50	—	—	—	51
Share-based compensation	—	—	7,122	—	—	—	7,122
Dividends declared	—	—	261	(37,246)	—	—	(36,985)
Purchases of treasury stock	—	—	—	—	—	(25,000)	(25,000)
Fair value of assumed Del Taco RSAs attributable to pre-combination service	—	—	449	—	—	—	449
Net earnings	—	—	—	115,781	—	—	115,781
Other comprehensive income	—	—	—	—	20,272	—	20,272
Balance at October 2, 2022	82,580,599	826	508,323	1,842,947	(53,982)	(3,034,306)	(736,192)
Shares issued under stock plans, including tax benefit	65,215	—	263	—	—	—	263
Share-based compensation	—	—	11,205	—	—	—	11,205
Dividends declared	—	—	285	(36,175)	—	—	(35,890)
Purchases of treasury stock	—	—	—	—	—	(90,731)	(90,731)
Net earnings	—	—	—	130,826	—	—	130,826
Other comprehensive income	—	—	—	—	2,192	—	2,192
Balance at October 1, 2023	82,645,814	826	520,076	1,937,598	(51,790)	(3,125,037)	(718,327)
Shares issued under stock plans, including tax benefit	180,037	2	—	—	—	—	2
Share-based compensation	—	—	13,471	—	—	—	13,471
Dividends declared	—	—	271	(34,243)	—	—	(33,972)
Purchases of treasury stock	—	—	—	—	—	(70,592)	(70,592)
Net loss	—	—	—	(36,695)	—	—	(36,695)
Other comprehensive loss	—	—	—	—	(5,685)	—	(5,685)
Balance at September 29, 2024	82,825,851	$ 828	$ 533,818	$ 1,866,660	$ (57,475)	$ (3,195,629)	$ (851,798)

See accompanying notes to consolidated financial statements.

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

On March 8, 2022, the Company acquired Del Taco Restaurants, Inc. ("Del Taco") for cash according to the terms and conditions of the Agreement and Plan of Merger, dated as of December 5, 2021. Del Taco is a nationwide operator and franchisor of restaurants featuring fresh and fast Mexican and American inspired cuisines. Refer to Note 3, *Business Combination*, for further details.

As of September 29, 2024, there were 150 company-operated and 2,041 franchise-operated Jack in the Box restaurants and 133 company-operated and 461 franchise-operated Del Taco restaurants.

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

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

Fiscal year — The Company's fiscal year is the 52 or 53 weeks ending the Sunday closest to September 30. In fiscal 2023, Del Taco operated on a fiscal year ending the Tuesday closest to September 30. Beginning fiscal 2024, Del Taco's fiscal year shifted to align with Jack in the Box. As a result, Del Taco's fiscal 2024 results include two fewer days. Comparisons throughout these notes to the consolidated financial statements refer to the 52-week periods ended September 29, 2024, October 1, 2023, and October 2, 2022 for fiscal years 2024, 2023, and 2022.

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

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

Restricted cash — In accordance with the terms of our securitized financing facility, certain cash balances are required to be held in trust. Such restricted cash primarily represents cash collections and cash reserves held by the trustee to be used for payments of quarterly interest and commitment fees required for the Class A-2 Notes and Variable Funding Notes. As of September 29, 2024 and October 1, 2023, restricted cash balances were $ 29.4 million and $28.3 million, respectively.

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

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

	2024	2023
Balance as of beginning of period	$ (4,146)	$ (5,975)
Reversal (provision) for expected credit losses, net	(372)	1,788
Write-offs charged against the allowance	6	41
Balance as of end of period	$ (4,512)	$ (4,146)

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

Internal-use Software Costs — The Company capitalizes costs incurred to implement software solely for its internal use, including (i) hosted applications used to deliver the Company's support services, and (ii) certain implementation costs incurred in a hosting arrangement that is a service contract when the preliminary project stage is complete, management with the relevant authority authorizes and commits to the funding of the software project, and it is probable the project will be completed and used to perform the intended function. Software implementation costs are capitalized to either other current assets or other long-term assets on the Company's consolidated balance sheet and amortized over the estimated useful life of the developed software. Hosted software implementation costs capitalized were $11.1 million and $7.9 million as of the end of fiscal year 2024 and 2023, respectively. Related amortization expense for software implementation costs was $4.5 million, $5.0 million and $5.1 million during fiscal years 2024, 2023 and 2022, respectively.

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

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

Buildings, equipment, and leasehold improvements are generally depreciated using the straight-line method based on the estimated useful lives of the assets, over the initial lease term for certain assets acquired in conjunction with the lease commencement for leased properties, or the remaining lease term for certain assets acquired after the commencement of the lease for leased properties. In certain situations, one or more option periods may be used in determining the depreciable life of assets related to leased properties if we deem that an economic penalty would be incurred otherwise. In either circumstance, our policy requires lease term consistency when calculating the depreciation period, in classifying the lease and in computing straight-line rent expense. Building, leasehold improvement assets and equipment are assigned lives that range from 1 to 35 years. Depreciation expense related to property and equipment was $59.2 million, $61.7 million, and $55.8 million in fiscal year 2024, 2023, and 2022, respectively.

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

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

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

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

During the third quarter of 2024, we had performed quantitative tests over the Del Taco reporting unit noting that the fair value of the reporting unit was less than the carrying value, which resulted in an impairment of goodwill of $162.6 million. Refer also to Note 5, *Goodwill and Intangible Assets,* in the notes to the consolidated financial statements for results of these tests and for additional information.

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

Company-owned life insurance — We have purchased company-owned life insurance (“COLI”) policies to support our non-qualified benefit plans. The cash surrender values of these policies were $129.7 million and $113.2 million as of September 29, 2024 and October 1, 2023, respectively, and are included in “Other assets, net”, in the accompanying consolidated balance sheets. Changes in cash surrender values are included in “Selling, general and administrative expenses” in the accompanying consolidated statements of earnings. These policies reside in an umbrella trust for use only to pay plan benefits to participants or to pay creditors if the Company becomes insolvent.

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

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

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

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

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

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

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

Gift cards — We sell gift cards to our customers in our restaurants and through selected third parties. The gift cards sold to our customers have no stated expiration dates and are subject to actual or potential escheatment rights in several of the jurisdictions in which we operate. We recognize income from gift cards when redeemed by the customer. Deferred gift card income totaled $2.7 million and $2.9 million as of September 29, 2024 and October 1, 2023, respectively, and are included in "Accrued liabilities" in the accompanying consolidated balance sheets.

While we will continue to honor all gift cards presented for payment, we may determine the likelihood of redemption to be remote for certain card balances due to, among other things, long periods of inactivity. In these circumstances, to the extent we determine there is no requirement for remitting balances to government agencies under unclaimed property laws, card balances may be recognized as income in our consolidated statements of operations. Amounts recognized on unredeemed gift card balances were $0.8 million, $1.6 million, and $0.7 million in fiscal 2024, 2023, and 2022, respectively.

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

Self-insurance — We are self-insured for a portion of our workers' compensation, general liability, employee medical and dental, and automotive claims. We utilize a paid-loss plan for our workers' compensation, general liability, and automotive programs, which have predetermined loss limits per occurrence and in the aggregate. We establish our undiscounted insurance liability and reserves using independent actuarial estimates of expected losses based on a statistical analysis of historical claims data. As of September 29, 2024 and October 1, 2023, our estimated self-insurance liability was $27.9 million and $31.3 million, respectively, and is included in "Accrued liabilities" in the accompanying consolidated balance sheet.

Advertising costs — We administer marketing funds at each of our restaurant brands that include contractual contributions. In 2024, 2023 and 2022, marketing fund contributions from Jack in the Box franchise and company-operated restaurants were approximately 5.0% of sales. In 2024, 2023, and 2022, marketing fund contributions from Del Taco franchise and company-operated restaurants were approximately 4.0% of sales.

Production costs of commercials, programming, and other marketing activities are charged to the marketing funds when the advertising is first used for its intended purpose, and the costs of advertising are charged to operations as incurred. When contributions to the marketing fund exceed the related advertising expenses, advertising costs are accrued up to the amount of revenues on an annual basis since we are contractually obligated to spend these funds. When advertising costs are greater than the contributions to the marketing fund resulting in a deficit, the excess costs are covered by marketing fund contributions in the following year. As of September 29, 2024, and October 1, 2023, the Jack in the Box marketing fund ended the year with a surplus and the additional amounts accrued were $0.8 million and $9.5 million, respectively. As of September 29, 2024, and October 1, 2023, the Del Taco marketing fund ended the year with a $0.8 million deficit and a $0.8 million surplus, respectively. Total contributions made by the Company and marketing fund deficits, if any, are included in "Selling, general, and administrative expenses" in the accompanying consolidated statements of earnings. In fiscal 2024, 2023, and 2022 consolidated advertising costs were $35.0 million, $38.9 million, and $32.6 million, respectively.

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

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

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

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

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

Effect of accounting pronouncements adopted in 2024 and those to be adopted in future periods — We reviewed the accounting pronouncements adopted in 2024, as well as all other recently issued accounting pronouncements and concluded that they were either not applicable or not expected to have a significant impact on our consolidated financial statements.

2. REVENUE

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

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

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

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

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

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

The following table disaggregates revenue by segment and primary source for the fiscal year ended October 2, 2022 *(in thousands)*:

	Jack in the Box	Del Taco	Total
Company restaurant sales	$ 414,225	$ 286,845	$ 701,070
Franchise rental revenues	335,936	4,455	340,391
Franchise royalties	188,902	13,414	202,316
Marketing fees	183,076	10,907	193,983
Technology and sourcing fees	14,740	1,078	15,818
Franchise fees and other services	14,309	196	14,505
Total revenue	$ 1,151,188	$ 316,895	$ 1,468,083

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

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

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

	2024	2023
Deferred franchise and development fees at beginning of period	$ 50,474	$ 46,449
Revenue recognized during the period	(5,854)	(5,469)
Additions during the period	7,370	9,494
Deferred franchise and development fees at end of period	$ 51,990	$ 50,474

As of September 29, 2024, approximately $9.2 million of development fees related to unopened stores are included in deferred revenue. Timing of revenue recognition is dependent upon the timing of store openings and are recognized over the franchise term at the date of opening.

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

2025	$	5,286
2026		4,953
2027		4,623
2028		4,008
2029		3,383
Thereafter		20,580
	$	42,833

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

3. BUSINESS COMBINATION

On March 8, 2022 (the "Closing Date"), the Company acquired 100% of the outstanding equity interest of Del Taco for cash according to the terms and conditions of the Agreement and Plan of Merger, dated as of December 5, 2021 (the "Merger Agreement"). The acquisition of Del Taco has been accounted for using the acquisition method of accounting in accordance with ASC 805, *Business Combinations*, with the Company treated as the accounting acquirer, which requires, among other things, that the assets acquired, and liabilities assumed be recognized at their acquisition date fair value. Jack in the Box acquired Del Taco as a part of the Company's goal to gain greater scale and accelerate growth.

In connection with the transaction, the Company repaid Del Taco's existing debt of $ 115.2 million related to a syndicated credit facility and Del Taco entered into a new syndicated credit facility.

The total purchase consideration for Del Taco was $ 593.3 million. Each share of Del Taco common stock issued and outstanding was converted into the right to receive $12.51 in cash without interest, less any applicable withholding taxes ("Merger Consideration"). Additionally, in connection with the transaction, each Del Taco equity award granted under Del Taco's equity compensation plans was either (i) converted into the right to receive Merger Consideration or (ii) converted into equity awards with respect to Jack in the Box common stock. Other components of purchase consideration include cash paid to settle Del Taco's existing debt and $7.1 million of seller transaction costs funded by Jack in the Box.

As part of the Merger Agreement, on the Closing Date, the Company assumed Del Taco's historical equity compensation plans. The awards under Del Taco's historical equity compensation plans that were not subject to accelerated vesting were exchanged for replacement awards of the Company, which included Del Taco's non-accelerating restricted stock awards ("non-accelerating RSAs"). Immediately following the Merger, these replacement awards were modified to accelerate the remaining vesting period to be one year following the Closing Date, other than the awards already scheduled to vest on June 30, 2022. The portion of the fair value of the replacement awards associated with pre-acquisition service of Del Taco's employees represented a component of the total purchase consideration. The remaining fair value of these replacement awards are subject to the recipients' continued service and thus were excluded from the purchase price. The awards which are subject to continued service will be recognized ratably as stock-based compensation expense over the requisite service period.

The acquisition of Del Taco was funded by cash on hand and borrowings under our 2022 Class A-2 Notes and 2022 Variable Funding Notes. The Company recognized transaction costs of $12.3 million in fiscal 2022. These costs were associated with advisory, legal, and consulting services and are presented in "Other operating expense, net" in the consolidated statement of operations.

Purchase consideration — The following summarizes the purchase consideration paid to Del Taco shareholders *(in thousands, except per share data)*:

	Amount
Del Taco shares outstanding as of March 8, 2022	36,442
Del Taco RSAs subject to accelerated vesting	805
Del Taco RSUs subject to accelerated vesting	70
Del Taco options subject to accelerated vesting	292
Total Del Taco shares outstanding	37,610
Merger Consideration (per Del Taco share)	$ 12.51
Total cash consideration paid to selling shareholders	$ 470,500
Del Taco transaction costs paid by Jack in the Box (1)	7,141
Del Taco closing indebtedness settled by Jack in the Box (2)	115,219
Replacement share-based payment awards pre-combination vesting expense	449
Total aggregate purchase consideration	$ 593,309

(1) Represents the portion of Del Taco merger-related transaction costs that were paid at the Closing Date by the Company.
(2) Represents the closing indebtedness of Del Taco's existing debt that was paid at the Closing Date by the Company.

Purchase price allocation — The final allocation of the purchase consideration was as follows *(in thousands)*:

Total aggregate purchase consideration, net of $12,068 cash acquired	$ 581,241
Assets:	
Accounts and other receivables	4,583
Inventories	3,233
Prepaid expenses	2,950
Other current assets	105
Property and equipment	145,032
Operating lease right-of-use assets	350,289
Intangible assets	12,371
Trademarks	283,500
Other assets	5,128
Liabilities:	
Current maturities of long-term debt	22
Current operating lease liabilities	21,991
Accounts payable	18,808
Accrued liabilities	112,579
Long-term debt, net of current maturities	349
Long-term operating lease liabilities, net of current portion	303,488
Deferred tax liabilities	75,355
Other long-term liabilities	13,080
Net assets acquired, excluding goodwill	$ 261,519
Goodwill	$ 319,722

The excess of the total consideration over the tangible assets, identifiable intangible assets, and assumed liabilities is recorded as goodwill. The goodwill of $319.7 million arising from the acquisition was primarily attributable to the market position and future growth potential of Del Taco for both company-operated and franchised restaurants related to future store openings, expansion into new markets, and expected synergies. None of the goodwill resulting from the acquisition is deductible for tax purposes. The goodwill arising from the Del Taco acquisition was allocated to the Company's reporting units as follows *(in thousands)*:

Del Taco brand	$ 230,722
Jack in the Box brand	89,000
Total acquisition date goodwill	$ 319,722

Refer to Note 5, *Goodwill and Intangible Assets*, for further details and for the changes in the carrying amount of goodwill.

Identifiable intangible assets — The identifiable intangible assets acquired consist of trademarks, franchise and development agreements, and favorable subleases. The Company amortizes the fair value of the franchise and development agreements and favorable and unfavorable sublease assets and liabilities on a straight-line basis over their respective useful lives.

The trademarks were valued using the relief from royalty method of the income approach, which was applied by discounting the after-tax royalties avoided by owning the trademark to present value. The key inputs and assumptions included the Company's estimates of the projected system wide sales, royalty rate and discount rate applicable to the trademark.

The franchise and development agreements were valued using the income approach, which was applied by discounting the projected after-tax cash flows associated with the agreements to present value. The key inputs and assumptions included the Company's estimates of the projected royalties received under the existing franchise and development agreements (including the impact of franchise churn) and the applicable discount rate.

The favorable and unfavorable sublease assets and liabilities were valued using the income approach, which was applied by discounting the differential between the market rent and contract rent to present value. The key inputs and assumptions included the Company's estimates of the market rent, contract rent and discount rate applicable to the favorable and unfavorable subleases.

The values allocated to intangible assets and the useful lives are as follows *(in thousands)*:

	Amount	Weighted Average Useful Life (Years)
Trademarks	$ 283,500	Indefinite
Franchise contracts	9,700	18
Sublease assets	2,671	13
Estimated fair value of acquired intangible assets	$ 295,871	

The estimated values of sublease liabilities totaled approximately $ 6.0 million. These liabilities have an estimated weighted-average useful life of approximately 15 years and are included in "Other long-term liabilities" in the accompanying consolidated balance sheets.

Unaudited pro forma results — The following unaudited pro forma combined financial information presents the Company's results as though Del Taco and the Company had been combined as the beginning of fiscal year 2021 *(in thousands)*:

	2022	2021
Total revenue	$ 1,686,160	$ 1,665,660
Net earnings	$ 118,000	$ 133,485

The unaudited pro forma financial information for all periods presented includes the business combination accounting effects resulting from this acquisition, mainly including adjustments to reflect additional amortization expense from acquired intangibles, incremental depreciation expense from the fair value property and equipment, elimination of historical interest expense associated with both Del Taco's and the Company's historical indebtedness, additional interest expense associated with the new Del Taco revolving credit facility and the Company's new borrowings as part of the refinancing to fund the acquisition, adjusted rent expense reflecting the acquired right-of-use assets and liabilities to their estimated acquisition-date values based upon valuation of related lease intangibles and remaining payments, as well as the fair value adjustments made to leasehold improvements, certain material non-recurring adjustments and the tax-related effects as though Del Taco was combined as of the beginning of fiscal 2021. The unaudited pro forma financial information as presented above is for informational purposes only and is not necessarily indicative of the results of operations that would have been achieved if the acquisition had taken place at the beginning of fiscal 2021, nor is it necessarily an indication of trends in future results for a number of reasons, including, but not limited to, differences between the assumptions used to prepare the pro forma information, cost savings from operating efficiencies, potential synergies, and the impact of incremental costs incurred in integrating the two brands.

For the periods subsequent to the acquisition that are included in 2022, Del Taco had total revenues of $ 316.9 million and net earnings of $ 6.5 million

4. SUMMARY OF REFRANCHISINGS AND FRANCHISE ACQUISITIONS

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

	2024	2023	2022
Restaurants sold to Jack in the Box franchisees	—	5	15
Restaurants sold to Del Taco franchisees	47	111	—
Proceeds from the sale of company-operated restaurants (1)	$ 19,400	$ 85,221	$ 6,391
Broker commissions	—	(1,614)	—
Net assets sold (primarily property and equipment)	(5,310)	(17,101)	(1,565)
Goodwill related to the sale of company-operated restaurants	(6,835)	(35,544)	(948)
Franchise fees	(1,266)	(3,086)	—
Sublease liabilities, net	(140)	(8,559)	—
Lease termination	(225)	(393)	—
Other (2)	(2,369)	(926)	—
Gains on the sale of company-operated restaurants	$ 3,255	$ 17,998	$ 3,878

(1) Amounts in 2024, 2023, and 2022 include additional proceeds of $1.5 million, $0.9 million, and $1.4 million, respectively, related to the extension of the underlying franchise and lease agreements from the sale of restaurants in prior years.
(2) Amount in 2024 is primarily comprised of a $2.2 million loss on sale of assets related to a Del Taco refranchising transaction that closed in the second quarter of 2024. Amount in 2023 is primarily related to charges for a restaurant that was closed due to refranchising the related market.

Franchise acquisitions — In 2024, Del Taco purchased 10 franchise-operated restaurants for $86 thousand as part of three separate transactions, and recognized related gains of $2.7 million. In 2022, Jack in the Box acquired 13 franchise restaurants for total consideration of $ 0.3 million, comprised of franchise receivables owed to the Company as of the acquisition date. There were no such acquisitions in 2023. We account for the acquisition of franchised restaurants using the acquisition method of accounting for business combinations. The purchase price allocations were based on fair value estimates determined using significant unobservable inputs (Level 3).

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

	2024	2023	2022
Restaurants acquired from Jack in the Box franchisees	—	—	13
Restaurants acquired from Del Taco franchisees	10	—	—
Purchase price (1)	(86)	—	(297)
Closing and acquisition costs	(31)	—	—
Property and equipment	3,945	—	540
Intangible assets	167	—	66
Operating lease right-of-use assets	3,479	—	—
Operating lease liability	(4,772)	—	—
Gain on the acquisition of franchise-operated restaurants	$ 2,702	$ —	$ 309

(1) The amounts related to outstanding receivables from franchisee forgiven upon acquisition

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

	2024	2023
Jack in the Box restaurant properties (1)	$ 14,567	$ 11,097
Other property and equipment (2)	199	766
Del Taco restaurants to be refranchised:		
Property and equipment	1,318	771
Goodwill	409	1,291
Assets held for sale	$ 16,493	$ 13,925

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

5. GOODWILL AND INTANGIBLE ASSETS

The changes in the carrying amount of goodwill during fiscal 2024 and 2023 were as follows (*in thousands*):

	Jack in the Box	Del Taco	Total
Goodwill	$ 136,099	$ 230,722	$ 366,821
Accumulated impairment losses	—	—	—
Balance at October 2, 2022	136,099	230,722	366,821
Sale of Del Taco company-operated restaurants to franchisees	—	(35,472)	(35,472)
Sale of Jack in the Box company-operated restaurants to franchisees	(72)	—	(72)
Reclassified to assets held for sale	—	(1,291)	(1,291)
Goodwill	136,027	193,959	329,986
Accumulated impairment losses	—	—	—
Balance at October 1, 2023	136,027	193,959	329,986
Impairment of goodwill	—	(162,624)	(162,624)
Sale of Del Taco company-operated restaurants to franchisees	—	(5,544)	(5,544)
Reclassified to assets held for sale	(200)	(409)	(609)
Goodwill	135,827	188,006	323,833
Accumulated impairment losses	—	(162,624)	(162,624)
Balance at September 29, 2024	$ 135,827	$ 25,382	$ 161,209

As of the June 9, 2024 testing date, the balance of the Del Taco reporting unit goodwill was $ 194.0 million. During the third quarter of 2024, the Company identified triggering events that indicated the goodwill allocated to the Del Taco reporting unit might be impaired. The triggering events related to i) a recent negative trend in Del Taco same store sales, ii) lower margins due in part to lower sales and wage increases required in California effective April 1, 2024 under AB 1228 and iii) unfavorable changes in the economic environment specifically impacting our industry, including inflation and interest rates. As a result, the Company performed a quantitative test over the Del Taco reporting unit, noting that the fair value of the reporting unit was less than the carrying value, which resulted in an impairment of goodwill of $162.6 million. The Company determined that there was no such triggering event for the Jack in the Box reporting unit during 2024.

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

In connection with the goodwill impairment test, the Company also performed a quantitative analysis over its long-lived assets, noting impairment of $0.1 million, which was recorded in the third quarter of 2024.

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

	September 29, 2024			October 1, 2023		
	Gross Amount	Accumulated Amortization	Net Amount	Gross Amount	Accumulated Amortization	Net Amount
Definite-lived intangible assets:						
Sublease assets	$ 2,671	$ (620)	$ 2,051	$ 2,671	$ (381)	$ 2,290
Franchise contracts	9,700	(1,389)	8,311	9,700	(850)	8,850
Reacquired franchise rights	464	(311)	153	297	(107)	190
	$ 12,835	$ (2,320)	$ 10,515	$ 12,668	$ (1,338)	$ 11,330
Indefinite-lived intangible assets:						
Del Taco trademark	$ 283,500	$ —	$ 283,500	$ 283,500	$ —	$ 283,500
	$ 283,500	$ —	$ 283,500	$ 283,500	$ —	$ 283,500

The following table summarizes, as of September 29, 2024, the estimated amortization expense for each of the next five fiscal years (*in thousands*):

2025	$ 796
2026	794
2027	807
2028	752
2029 and thereafter	7,366
Total	$ 10,515

6. FAIR VALUE MEASUREMENTS

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

	Total	Quoted Prices in Active Markets for Identical Assets (2) (Level 1)	Significant Other Observable Inputs (2) (Level 2)	Significant Unobservable Inputs (2) (Level 3)
Fair value measurements as of September 29, 2024:				
Non-qualified deferred compensation plan (1)	$ 18,481	$ 18,481	$ —	$ —
Total liabilities at fair value	$ 18,481	$ 18,481	$ —	$ —
Fair value measurements as of October 1, 2023:				
Non-qualified deferred compensation plan (1)	$ 15,501	$ 15,501	$ —	$ —
Total liabilities at fair value	$ 15,501	$ 15,501	$ —	$ —

(1) We maintain an unfunded defined contribution plan for key executives and other members of management. The fair value of this obligation is based on the closing market prices of the participants' elected investments. The obligation is included in "Accrued liabilities" and "Other long-term liabilities" on our consolidated balance sheets.
(2) We did not have any transfers in or out of Level 1, 2, or 3.

The following table presents the carrying value and estimated fair value of our Class A-2 Notes as of September 29, 2024 and October 1, 2023 (*in thousands*):

	September 29, 2024		October 1, 2023	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Series 2019 Class A-2 Notes	$ 699,625	$ 684,875	$ 706,875	$ 640,046
Series 2022 Class A-2 Notes	$ 1,045,000	$ 975,507	$ 1,067,000	$ 903,056

The fair value of the Class A-2 Notes was estimated using Level 2 inputs based on quoted market prices in markets that are not considered active markets. As of September 29, 2024, we had $6.0 million of outstanding borrowings under our Variable Funding Notes. The fair value of these loans approximates their carrying value due to the variable rate nature of these borrowings.

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

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

7. INDEBTEDNESS

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

	September 29, 2024	October 1, 2023
Series 2019-1 4.476% Fixed Rate Class A-2-II Notes	$ 265,375	$ 268,125
Series 2019-1 4.970% Fixed Rate Class A-2-III Notes	434,250	438,750
Series 2022-1 3.445% Fixed Rate Class A-2-I Notes	522,500	533,500
Series 2022-1 4.136% Fixed Rate Class A-2-II Notes	522,500	533,500
Series 2022-1 Variable Funding Notes, variable interest rate of 6.788% at September 29, 2024	6,000	—
Finance lease obligations and other debt	913	1,626
Total debt	1,751,538	1,775,501
Less current maturities of long-term debt	(35,880)	(29,964)
Less unamortized debt issuance costs	(16,225)	(20,604)
Long-term debt	$ 1,699,433	$ 1,724,933

Securitization refinancing transaction — On February 11, 2022, the Company completed the sale of $ 550.0 million of its Series 2022-1 3.445% Fixed Rate Senior Secured Notes, Class A-2-I (the “Class A-2-I Notes”) and $550.0 million of its Series 2022-1 4.136% Fixed Rate Senior Secured Notes, Class A-2-II (the “Class A-2-II” and, together with the Class A-2-I Notes, the “2022 Notes”). Interest payments on the 2022 Notes are payable on a quarterly basis. The anticipated repayment dates of the 2022 Class A-2-I Notes and the Class A-2-II Notes are February 2027 and February 2032, respectively (the “Anticipated Repayment Dates”), unless earlier prepaid to the extent permitted. The anticipated repayment dates of the existing 2019-1 Class A-2-II Notes and the Class A-2-III Notes are August 2026 and August 2029, respectively.

The Company also entered into a revolving financing facility of Series 2022-1 Variable Funding Senior Secured Notes (the “Variable Funding Notes”), which permits borrowings up to a maximum of $150.0 million, subject to certain borrowing conditions, a portion of which may be used to issue letters of credit. As of September 29, 2024, we had $6.0 million in outstanding borrowings and had available borrowing capacity of $94.5 million, net of letters of credits issued of $49.5 million.

The net proceeds of the sale of the 2022 Notes were used to repay in full of $ 570.7 million in aggregate outstanding principal amount of the Company’s Series 2019-1 Class A-2-I Notes, together with the applicable make-whole premium and unpaid interest, and was used to fund a portion of the Company’s acquisition of Del Taco. As a result, the Company recorded a loss on early extinguishment of debt of $5.6 million during the second quarter of 2022, which was comprised of the write-off of certain deferred financing costs and a specified make-whole premium payment, and is presented in “Interest expense, net” in the consolidated statement of operations. Additionally, in connection with the 2022 Notes, the Company capitalized $17.4 million of debt issuance costs, which are being amortized into interest expense over the Anticipated Repayment Dates, utilizing the effective interest rate method. The costs related to our Variable Funding Notes are presented within “Other assets, net” and are being amortized over the Anticipated Repayment Date of February 2027 using the straight-line method. As of September 29, 2024, the effective interest rates, including the amortization of debt issuance costs, were 4.851%, 5.258%, 3.796%, and 4.347% for the Series 2019-1 Class A-2-II Notes, Series 2019-1 Class A-2-III Notes, Series 2022-1 Class A-2-I Notes, and Series 2022-1 Class A-2-II Notes, respectively.

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

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

Variable Funding Notes — Depending on the type of borrowing under the Variable Funding Notes, interest on the Variable Funding Notes will be based on (i) the prime rate, (ii) overnight federal funds rates, (iii) the London interbank offered rate for U.S. Dollars or (iv) the lenders' commercial paper funding rate plus any applicable margin, as set forth in the Variable Funding Note Purchase Agreement. There is a scaled commitment fee on the unused portion of the Variable Funding Notes facility of between 50 and 100 basis points. The principal and interest on the Variable Funding Notes were repaid in full in October 2024. Following the anticipated repayment date (and any extensions thereof), additional interest will accrue equal to 5.00% per annum.

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

Revolving credit facility — In connection with the Del Taco acquisition, Del Taco's existing debt of $ 115.2 million related to a Syndicated Credit Facility dated August 5, 2015, was repaid and extinguished on the Closing Date. On the Closing Date, Del Taco entered into a new syndicated credit facility with an aggregate principal amount of up to $75.0 million, which now matures on February 28, 2025. The Company capitalized $ 0.3 million of debt issuance costs, which are being amortized into interest expense over the expected term of the credit facility. The revolving credit facility, as amended, included a limit of $20.0 million for letters of credit, all of which were cancelled as of September 29, 2024. As of September 29, 2024, we had no outstanding borrowings and available borrowing capacity of $75.0 million under the facility.

Bridge commitment letter — In connection with the Merger Agreement, the Company secured commitments for a bridge financing facility in an amount of up to $600.0 million (the "Bridge Facility"). No amounts were drawn under the Bridge Facility, which was terminated as a result of our securitization refinancing transaction. The Company expensed approximately $2.1 million for the unamortized issuance costs associated with this commitment which is presented in "Interest expense, net" in the consolidated statement of operations.

Maturities of long-term debt — Assuming repayment by the Anticipated Repayment Dates and based on the leverage ratio as of September 29, 2024, principal payments on our long-term debt outstanding at September 29, 2024 for each of the next five fiscal years and thereafter are as follows (*in thousands*):

2025	$ 35,880
2026	289,156
2027	516,034
2028	15,538
2029	427,292
Thereafter	467,638
	$ 1,751,538

8. LEASES

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

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

Company as lessee — Leased assets and liabilities consisted of the following as of September 29, 2024 and October 1, 2023 *(in thousands)*:

	September 29, 2024	October 1, 2023
Assets:		
Operating lease ROU assets	$ 1,410,083	$ 1,397,555
Finance lease ROU assets (1)	416	971
Total ROU assets	$ 1,410,499	$ 1,398,526
Liabilities:		
Current operating lease liabilities	$ 162,017	$ 142,518
Current finance lease liabilities (2)	602	689
Long-term operating lease liabilities	1,286,415	1,265,514
Long-term finance lease liabilities (2)	—	627
Total lease liabilities	$ 1,449,034	$ 1,409,348

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

The following table presents the components of our lease costs in fiscal 2024, 2023, and 2022 (*in thousands*):

	2024	2023	2022
Lease costs:			
Finance lease cost:			
Amortization of ROU assets (1)	$ 492	$ 691	$ 827
Interest on lease liabilities (2)	68	55	67
Operating lease cost (3)	243,488	240,153	218,837
Short-term lease cost (3)	195	730	824
Variable lease cost (3)(4)	51,374	50,448	48,872
	$ 295,617	$ 292,077	$ 269,427

(1) Included in “Depreciation and amortization” in our consolidated statements of earnings.
(2) Included in “Interest expense, net” in our consolidated statements of earnings.
(3) Operating lease, short-term and variable lease costs associated with franchisees and company-operated restaurants are included in “Franchise occupancy expenses” and “Occupancy and other,” respectively, in our consolidated statements of earnings. For our closed restaurants, these costs are included in “Other operating expense, net” and all other costs are included in “Selling, general and administrative expenses.”
(4) Includes $41.0 million, $39.9 million, and $38.2 million in 2024, 2023, and 2022, respectively, of property taxes and common area maintenance costs which are reimbursed by sub-lessees.

The following table presents supplemental information related to leases:

	September 29, 2024	October 1, 2023
Weighted-average remaining lease term (in years):		
Finance leases	0.8	1.7
Operating leases	11.1	11.1
Weighted-average discount rate:		
Finance leases	7.0 %	7.1 %
Operating leases	5.9 %	5.5 %

The following table presents as of September 29, 2024, the annual maturities of our lease liabilities (*in thousands*):

	Finance Leases	Operating Leases
Fiscal year:		
2025	$ 625	$ 239,575
2026	7	227,422
2027	—	224,198
2028	—	181,919
2029	—	144,349
Thereafter	—	1,015,330
Total future lease payments (1)	$ 632	$ 2,032,793
Less: imputed interest	(30)	(584,361)
Present value of lease liabilities	$ 602	$ 1,448,432
Less current portion	(602)	(162,017)
Long-term lease obligations	$ —	$ 1,286,415

(1) Total future lease payments include non-cancellable commitments of $0.6 million for finance leases and $1,375.1 million for operating leases.

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

	2024	2023
Buildings	$ —	$ 1,342
Equipment	6,003	6,140
Less accumulated amortization	(5,587)	(6,511)
	$ 416	$ 971

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

	2024	2023
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	$ 218,916	$ 236,356
Operating cash flows from financing leases	$ 68	$ 55
Financing cash flows from financing leases	$ 617	$ 836
Supplemental noncash information on lease liabilities arising from obtaining right-of-use assets:		
Right-of-use assets obtained in exchange for new operating lease obligations	$ 191,923	$ 250,862
Right-of-use assets obtained in exchange for new financing lease obligations	$ —	$ 5

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

In fiscal 2023, we sold one restaurant property in a sale and leaseback transaction for net proceeds of $ 3.7 million, and recorded a total loss of less than $0.1 million. The lease has been accounted for as an operating lease and contains an initial term of 20 years.

In fiscal 2022, we sold four restaurant properties in sale and leaseback transactions for net proceeds of $ 10.8 million, and recorded total losses of $0.2 million. The leases have been accounted for as operating leases and contain initial terms of 16 years and 20 years.

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

	2024			2023		
	Owned Properties	Leased Properties	Total	Owned Properties	Leased Properties	Total
Operating lease income - franchise	$ 18,301	$ 242,111	$ 260,412	$ 17,805	$ 225,392	$ 243,197
Variable lease income - franchise	12,522	100,903	113,425	12,700	108,010	120,710
Amortization of sublease assets and liabilities, net	—	1,591	1,591	—	684	684
Franchise rental revenues	$ 30,823	$ 344,605	$ 375,428	$ 30,505	$ 334,086	$ 364,591
Operating lease income - closed restaurants and other (1)	$ 31	$ 7,662	$ 7,693	$ 76	$ 7,387	$ 7,463

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

The following table presents as of September 29, 2024, future minimum rental receipts for non-cancellable leases and subleases (*in thousands*):

	September 29, 2024
Fiscal year:	
2025	$ 269,206
2026	254,975
2027	253,917
2028	208,641
2029	164,247
Thereafter	1,180,855
Total minimum rental receipts	$ 2,331,841

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

	September 29, 2024	October 1, 2023
Land	$ 71,130	$ 78,665
Buildings	763,697	792,177
Equipment	716	63
	835,543	870,905
Less accumulated depreciation	(669,459)	(672,137)
	$ 166,084	$ 198,768

9. OTHER OPERATING EXPENSE, NET

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

	2024	2023	2022
Acquisition, integration and strategic initiatives	$ 15,631	$ 9,112	$ 20,081
Costs of closed restaurants and other	2,975	4,786	4,599
Restaurant impairment charges	8,008	4,569	5,927
Accelerated depreciation	699	541	1,124
Gains on acquisition of restaurants	(2,702)	—	(309)
Losses (gains) on disposition of property and equipment, net	185	(8,171)	(30,533)
Other operating expenses, net	$ 24,796	$ 10,837	$ 889

Acquisition, integration and strategic initiatives — Costs incurred primarily related to severance, retention bonuses, strategic consulting fees and technology integration from the acquisition of Del Taco.

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

Restaurant impairment charges — In 2024, impairment charges included $3.4 million relating to under-performing Jack in the Box restaurants currently held for use, $1.2 million relating to under-performing Jack in the Box restaurants to be closed, and $ 2.6 million relating to underperforming Del Taco restaurants. In 2023, impairment charges included $4.4 million relating to under-performing Del Taco restaurants currently held for use. In 2022, impairment charges included amounts related to nine Jack in the Box company-operated restaurants that were closed in connection with the sale of the related markets as well as amounts related to Jack in the Box restaurants leased or subleased to franchisees for which the lease and franchise agreements were terminated early.

Accelerated depreciation — When a long-lived asset will be replaced or otherwise disposed of prior to the end of its estimated useful life, the useful life of the asset is adjusted based on the estimated disposal date and accelerated depreciation is recognized. In 2024, 2023 and 2022, accelerated depreciation primarily related to facility improvements, restaurant remodels, and information technology assets.

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

Losses (gains) on disposition of property and equipment, net — In 2024, losses primarily relate to the disposal of other property and equipment for Del Taco, partially offset by gains primarily relating to the sale of Jack in the Box restaurant properties to franchisees who were leasing the properties from us prior to the sale. In 2023, gains primarily relate to the sale of Jack in the Box restaurant properties to franchisees who were leasing the properties from us prior to the sale. In 2022, gains primarily relate to the sale of closed restaurant properties.

10. SEGMENT REPORTING

The Company's principal business consists of developing, operating and franchising our Jack in the Box and Del Taco restaurant brands, each of which is considered a reportable operating segment. In 2024, our chief operating decision maker revised the method by which they determine performance and strategy for our segments. This change was made to reflect a shared-services model whereby each brand's results of operations are assessed separately and do not include costs related to certain corporate functions which support both brands. This segment reporting structure reflects the Company's current management structure, internal reporting method and financial information used in deciding how to allocate Company resources. Based upon certain quantitative thresholds, each operating segment is considered a reportable segment. This change to our segment reporting did not change our reporting units for goodwill.

The Company measures and evaluates our segments based on segment revenues and segment profit. The reportable segments do not include an allocation of the costs related to shared service functions, such as accounting/finance, human resources, audit services, legal, tax and treasury. These costs are reflected in the caption "Shared services" below.

Our measure of segment profit excludes depreciation and amortization, share-based compensation, company-owned life insurance ("COLI") gains/losses, net of changes in our non-qualified deferred compensation obligation supported by these policies, acquisition, integration, and strategic initiatives, gains on the sale of company-operated restaurants, gains on acquisition of restaurants, and amortization of favorable and unfavorable leases and subleases, net.

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

	2024	2023	2022
Revenues by segment:			
Jack in the Box restaurant operations	$ 1,197,420	$ 1,195,311	$ 1,151,188
Del Taco restaurant operations	373,886	496,995	316,895
Consolidated revenues	$ 1,571,306	$ 1,692,306	$ 1,468,083
Segment profit reconciliation:			
Jack in the Box segment profit	$ 362,377	$ 381,171	$ 383,794
Del Taco segment profit	28,968	45,730	62,353
Shared services	(77,138)	(87,862)	(107,730)
	$ 314,207	$ 339,039	$ 338,417
Depreciation and amortization	59,776	62,287	56,100
Acquisition, integration and strategic initiatives	15,631	9,112	20,081
Share-based compensation	13,471	11,205	7,122
Net COLI (gains) losses	(14,390)	(5,953)	9,911
Goodwill impairment	162,624	—	—
Gains on the sale of company-operated restaurants	(3,255)	(17,998)	(3,878)
Gains on acquisition of restaurants	(2,702)	—	(309)
Amortization of favorable and unfavorable leases and subleases, net	516	1,633	1,120
Earnings from operations	$ 82,536	$ 278,753	$ 248,270

We do not evaluate, manage or measure performance of segments using asset, pension or post-retirement expense, interest income and expense, or income tax information; accordingly, this information by segment is not prepared or disclosed.

11. INCOME TAXES

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

	2024	2023	2022
Current:			
Federal	$ 32,251	$ 53,229	$ 28,934
State	10,933	17,274	9,320
	43,184	70,503	38,254
Deferred:			
Federal	(2,696)	(10,642)	5,344
State	(8,116)	(1,347)	2,513
	(10,812)	(11,989)	7,857
Income tax expense from continuing operations	$ 32,372	$ 58,514	$ 46,111

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

	2024		2023		2022	
Pre-tax income (loss)	$ (4,323)		$ 189,340		$ 161,892	
Income tax at federal statutory rate	(908)	21.0 %	39,821	21.0 %	33,964	21.0 %
State income taxes, net of federal benefit	(233)	5.4 %	10,587	5.6 %	8,437	5.2 %
Stock-based compensation expense	51	(1.2)%	71	— %	122	0.1 %
Tax credits, net of valuation allowance	(340)	7.9 %	(818)	(0.4)%	(906)	(0.6)%
Nondeductible goodwill related to impairment	35,075	(811.5)%	—	— %	—	— %
Nondeductible goodwill related to the sale of company-operated restaurants	1,787	(41.3)%	9,280	4.9 %	—	— %
Nondeductible transaction costs	—	— %	—	— %	940	0.6 %
Expense (benefit) related to COLIs	(4,703)	108.8 %	(1,947)	(1.0)%	3,319	2.1 %
Officers' compensation limitation	1,306	(30.2)%	1,188	0.6 %	677	0.4 %
Other, net	337	(7.8)%	332	0.2 %	(442)	(0.3)%
Effective tax rate	$ 32,372	(748.9)%	58,514	30.9 %	46,111	28.5 %

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

	2024	2023
Deferred tax assets:		
Operating and finance lease liabilities	$ 381,522	$ 372,095
Accrued defined benefit pension and postretirement benefits	22,074	18,896
Deferred income	15,465	15,137
Accrued legal settlements	4,764	11,099
Accrued insurance	7,135	8,086
Share-based compensation	6,814	6,139
Accrued incentive compensation	2,692	5,928
Capitalized research costs	1,443	1,943
Tax loss and tax credit carryforwards	387	1,956
Accrued compensation expense	1,254	1,259
Other reserves and allowances	1,241	1,144
Property and equipment, net of impairment	5,847	181
Other, net	4,201	3,852
Total gross deferred tax assets	454,839	447,715
Valuation allowance	—	(1,043)
Total net deferred tax assets	454,839	446,672
Deferred tax liabilities:		
Operating and finance lease ROU assets	(378,531)	(380,040)
Intangible assets	(88,378)	(84,969)
Investment basis limitation	—	(6,191)
Other	(1,542)	(1,701)
Total gross deferred tax liabilities	(468,451)	(472,901)
Net deferred tax liabilities	$ (13,612)	$ (26,229)

Deferred tax assets as of September 29, 2024 include state gross net operating loss carryforwards of approximately $ 11.4 million, of which $9.1 million has an indefinite carryforward. The remainder will expire at various times between 2026 and 2042. At September 29, 2024, California Enterprise Zone Credit carryforwards expired, and the Company released $1.0 million of deferred tax assets and $ 1.0 million of valuation allowances thereto. We believe it is more likely than not that all other deferred tax assets will be realized through future taxable income or alternative tax strategies.

The major jurisdictions in which the Company files income tax returns includes the United States and states in which we operate that impose an income tax. The federal statutes of limitations have not expired for fiscal year 2021 and forward. The statutes of limitations for California, which constitutes the Company's major state tax jurisdiction, have not expired for fiscal years 2018 and forward.

12. RETIREMENT PLANS

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

Defined contribution plans — At the beginning of fiscal year 2024, we maintained two qualified savings plans pursuant to Section 401(k) of the Internal Revenue Code (“IRC”); the Jack in the Box Inc. Easy$aver Plus Plan and the Del Taco Savings Plan. Effective January 1, 2024, the Del Taco Savings Plan was merged into the Easy$aver Plus Plan so that now we maintain one qualified savings plan. The plan allows all employees who meet certain age and minimum service requirements to defer a percentage of their pay on a pre-tax basis. Our contributions under these plans were $3.3 million, $2.3 million, and $2.1 million in each fiscal years 2024, 2023 and 2022, respectively.

We also maintain an unfunded, non-qualified deferred compensation plan for key executives and other members of management whose compensation deferrals or company matching contributions to the qualified savings plan are limited due to IRC rules. Effective January 1, 2016, this non-qualified plan was amended to replace the company matching contribution with an annual restoration match that is intended to “restore” up to the full match for participants whose elective deferrals (and related company matching contributions) to the qualified savings plan were limited due to IRC rules. A participant’s right to the Company restoration match vests immediately. This plan allows participants to defer up to 50% of their salary and 85% of their bonus, on a pre-tax basis. Our contributions under the non-qualified deferred compensation plan were $0.2 million in fiscal year 2024, $0.1 million in fiscal year 2023, and less than $0.1 million in fiscal year 2022.

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

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

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

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

	Qualified Plan		SERP		Postretirement Health Plans	
	2024	2023	2024	2023	2024	2023
Change in benefit obligation:						
Obligation at beginning of year	$ 266,345	$ 293,342	$ 53,513	$ 56,891	$ 11,891	$ 12,577
Interest cost	15,791	16,068	3,188	3,149	711	700
Participant contributions	—	—	—	—	102	101
Actuarial loss (gain)	29,769	(13,792)	5,199	(1,287)	1,186	(383)
Benefits paid	(13,985)	(14,884)	(4,803)	(5,240)	(1,268)	(1,145)
Settlements and other	—	(14,389)	—	—	32	41
Obligation at end of year	$ 297,920	$ 266,345	$ 57,097	$ 53,513	$ 12,654	$ 11,891
Change in plan assets:						
Fair value at beginning of year	$ 275,143	$ 303,951	$ —	$ —	$ —	$ —
Actual return on plan assets	41,281	465	—	—	—	—
Participant contributions	—	—	—	—	102	101
Employer contributions	—	—	4,803	5,240	1,134	1,002
Benefits paid	(13,985)	(14,884)	(4,803)	(5,240)	(1,268)	(1,145)
Settlements and other	—	(14,389)	—	—	32	42
Fair value at end of year	$ 302,439	$ 275,143	$ —	$ —	$ —	$ —
Funded (unfunded) status at end of year	$ 4,519	$ 8,798	$ (57,097)	$ (53,513)	$ (12,654)	$ (11,891)
Amounts recognized on the balance sheet:						
Noncurrent assets	$ 4,519	$ 8,798	$ —	$ —	$ —	$ —
Current liabilities	—	—	(5,124)	(5,138)	(1,111)	(1,072)
Noncurrent liabilities	—	—	(51,973)	(48,375)	(11,543)	(10,819)
Total asset (liability) recognized	$ 4,519	$ 8,798	$ (57,097)	$ (53,513)	$ (12,654)	$ (11,891)
Amounts in AOCI not yet reflected in net periodic benefit cost:						
Unamortized actuarial loss (gain), net	$ 100,938	$ 99,871	$ 18,542	$ 13,974	$ (8,132)	$ (10,232)
Unamortized prior service cost	—	—	—	15	—	—
Total	$ 100,938	$ 99,871	$ 18,542	$ 13,989	$ (8,132)	$ (10,232)
Other changes in plan assets and benefit obligations recognized in OCI:						
Net actuarial loss (gain)	$ 3,470	$ 848	$ 5,199	$ (1,287)	$ 1,186	$ (383)
Amortization of actuarial (loss) gain	(2,403)	(2,349)	(632)	(718)	914	932
Amortization of prior service cost	—	—	(14)	(19)	—	—
Total recognized in OCI	1,067	(1,501)	4,553	(2,024)	2,100	549
Net periodic benefit (credit) cost	3,212	3,312	3,834	3,886	(203)	(232)
Total recognized in comprehensive income	$ 4,279	$ 1,811	$ 8,387	$ 1,862	$ 1,897	$ 317
Amounts in AOCI expected to be amortized in next fiscal net periodic benefit cost:						
Net actuarial loss (gain)	$ 2,416		$ 990		$ (778)	

The net actuarial loss arising in the current year is primarily attributable to the impact of lower discount rates, partially offset by an increase in the actual return on plan assets.

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

As of September 29, 2024 and October 1, 2023, respectively, the Qualified Plan's ABO was less than the fair value of its plan assets. The SERP is an unfunded plan and, as such, had no plan assets as of September 29, 2024 and October 1, 2023. The following sets forth the PBO, ABO, and fair value of plan assets of our pension plans as of the measurement date in each fiscal year (*in thousands*):

	2024	2023
Qualified Plan:		
Projected benefit obligation	$ 297,920	$ 266,345
Accumulated benefit obligation	$ 297,920	$ 266,345
Fair value of plan assets	$ 302,439	$ 275,143
SERP:		
Projected benefit obligation	$ 57,097	$ 53,513
Accumulated benefit obligation	$ 57,097	$ 53,513
Fair value of plan assets	$ —	$ —

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

	2024	2023	2022
Qualified Plan:			
Interest cost	$ 15,791	$ 16,068	$ 12,506
Expected return on plan assets	(14,982)	(15,105)	(18,103)
Actuarial loss	2,403	2,349	2,193
Net periodic benefit (credit) cost	$ 3,212	$ 3,312	$ (3,404)
SERP:			
Interest cost	$ 3,188	$ 3,149	$ 2,173
Actuarial loss	632	718	1,666
Amortization of unrecognized prior service cost	14	19	19
Net periodic benefit cost	$ 3,834	$ 3,886	$ 3,858
Postretirement health plans:			
Interest cost	$ 711	$ 700	$ 489
Actuarial (gain) loss	(914)	(932)	(640)
Net periodic benefit (credit) cost	$ (203)	$ (232)	$ (151)

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

Assumptions — We determine our actuarial assumptions on an annual basis. In determining the present values of our benefit obligations and net periodic benefit costs as of and for the fiscal years ended September 29, 2024, October 1, 2023, and October 2, 2022, we used the following weighted-average assumptions:

	2024	2023	2022
Assumptions used to determine benefit obligations (1) (2):			
Qualified Plan:			
Discount rate	5.11%	6.10%	5.63%
SERP:			
Discount rate	5.09%	6.26%	5.80%
Postretirement health plans:			
Discount rate	5.09%	6.27%	5.82%
Assumptions used to determine net periodic benefit cost (2) (3):			
Qualified Plan:			
Discount rate	6.10%	5.63%	3.11%
Long-term rate of return on assets	5.60%	5.10%	4.50%
SERP:			
Discount rate	6.26%	5.80%	2.99%
Postretirement health plans:			
Discount rate	6.27%	5.82%	2.95%

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

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

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

The assumed discount rate and expected long-term rate of return on assets have a significant effect on amounts reported for our pension and postretirement plans. If the discount rate and expected rate of return on assets used were to decrease by 0.25%, fiscal 2024 earnings before income taxes would have decreased by $0.1 million and decreased by $1.0 million, respectively.

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

	2024	2023	2022
Healthcare cost trend rate for next year:			
Participants under age 65	6.25%	6.25%	6.25%
Participants age 65 or older	6.25%	6.25%	5.75%
Rate to which the cost trend rate is assumed to decline:			
Participants under age 65	4.50%	4.50%	4.50%
Participants age 65 or older	4.50%	4.50%	4.50%
Year the rate reaches the ultimate trend rate:			
Participants under age 65	2031	2031	2030
Participants age 65 or older	2031	2031	2028

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

Plan assets — Our investment philosophy is to invest assets in a prudent manner to meet the obligation of providing benefits to Plan participants and their beneficiaries in accordance with the time horizon appropriate for the Plan while employing asset diversification to minimize the risk of large losses. Our asset allocation strategy utilizes multiple investment managers in order to maximize the plan's return while minimizing risk. We regularly monitor our asset allocation, and senior financial management and the Finance Committee of the Board of Directors review performance results quarterly. We continually review our target asset allocation for our Qualified Plan and when changes are made, we reallocate our plan assets over a period of time, as deemed appropriate by senior financial management, to achieve our target asset allocation. Our plan asset allocation at the end of each fiscal 2024 and 2023 and respective target allocations were as follows:

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

	2023	Target	Minimum	Maximum
Cash & cash equivalents	1%	—%	—%	—%
Global equity	11%	12%	7%	17%
Alternative credit	10%	9%	4%	14%
Real assets	10%	9%	4%	14%
Liability-hedging assets	68%	70%	60%	80%
	100%	100%		

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

		Total	Other (i.e., NAV Assets) (3)	Quoted Prices in Active Markets for Identical (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Fair Value at September 30, 2024:						
Cash and cash equivalents	(1)	$ 2,933	$ —	$ —	$ 2,933	$ —
Equity:						
Global equity	(2)	40,193	40,193	—	—	—
Fixed income:						
Liability-hedging assets	(4)	200,675	86,089	—	114,586	—
Alternative credit	(5)	32,100	32,100	—	—	—
Real assets	(6)	26,538	26,538	—	—	—
		$ 302,439	$ 184,920	$ —	$ 117,519	$ —
Fair Value at September 30, 2023:						
Cash and cash equivalents	(1)	$ 3,266	$ —	$ —	$ 3,266	$ —
Equity:						
Global equity	(2)	30,879	30,879	—	—	—
Fixed income:						
Liability-hedging assets	(4)	184,085	77,653	—	106,432	—
Alternative credit	(5)	28,378	28,378	—	—	—
Real assets	(6)	28,535	28,535	—	—	—
		$ 275,143	$ 165,445	$ —	$ 109,698	$ —

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

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

Future cash flows — Our policy is to fund our plans at or above the minimum required by law. As of the date of our last actuarial funding valuation, there was no minimum requirement. We do not anticipate making any contributions to our Qualified Plan in fiscal 2025. Contributions expected to be paid in the next fiscal year, the projected benefit payments for each of the next five fiscal years, and the total aggregate amount for the subsequent five fiscal years are as follows (*in thousands*):

	Defined Benefit Plans	Postretirement Health Plans
Estimated net contributions during fiscal 2025	$ 5,125	$ 1,139
Estimated future year benefit payments during fiscal years:		
2025	$ 20,487	$ 1,139
2026	$ 20,825	$ 1,150
2027	$ 21,200	$ 1,155
2028	$ 21,600	$ 1,150
2029	$ 21,985	$ 1,139
2030-2034	$ 115,261	$ 5,245

We will continue to evaluate contributions to our Qualified Plan based on changes in pension assets as a result of asset performance in the current market and economic environment. Expected benefit payments are based on the same assumptions used to measure our benefit obligations at September 29, 2024 and include estimated future employee service, if applicable.

13. SHARE-BASED EMPLOYEE COMPENSATION

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

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

Our Amended and Restated 2004 Stock Incentive Plan ("Prior Plan") authorized the issuance of up to 11,600,000 common shares in connection with the granting of stock options, stock appreciation rights, restricted stock purchase rights, restricted stock bonuses, restricted stock units, or performance units to our employees and directors. As of January 1, 2023, no additional awards were granted under the Prior Plan. Our Jack in the Box Inc. 2023 Omnibus Incentive Plan ("Plan") authorizes the issuance of up to 2,500,000 common shares plus Prior Plan returning shares in connection with outstanding awards as of January 6, 2023 that on or following such date are not issued, settled in cash, or fail to vest. The Plan is intended to help the Company secure and retain the services of eligible award recipients, provide incentives for such persons to exert maximum efforts for the success of the Company, and provide a means by which such persons may benefit from increases in value of the common stock. The Plan provides for the granting of stock options, stock appreciation rights, restricted stock awards, restricted stock unit awards, or performance stock awards, to our employees and directors. There were 1,987,156 shares of common stock available for future issuance under this plan as of September 29, 2024.

We also maintain a deferred compensation plan for non-management directors under which those who are eligible to receive fees or retainers may choose to defer receipt of their compensation. The deferred amounts are converted to stock equivalents. The plan requires settlement in shares of our common stock based on the number of stock equivalents and dividend equivalents at the time of a participant's separation from the Board of Directors. This plan provides for the issuance of up to 350,000 shares of common stock in connection with the crediting of stock equivalents. There were 106,576 shares of common stock available for future issuance under this plan as of September 29, 2024.

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

	2024	2023	2022
Nonvested restricted stock units	$ 10,128	$ 7,598	$ 4,544
Stock options	—	4	19
Performance share awards	3,308	3,195	1,835
Nonvested restricted stock awards	—	166	434
Non-management directors' deferred compensation	35	242	290
Total share-based compensation expense	$ 13,471	$ 11,205	$ 7,122

Nonvested restricted stock units — Nonvested restricted stock units ("RSUs") are generally issued to employees and non-employee directors. Grants to executive officers of time-vesting RSUs vest ratably over four years or three years, are subject to a stock holding requirement of 50% of after-tax net shares resulting from the vesting of RSUs, and must be held until the multiple of base salary stock ownership is met. There were 22,582 RSU's vesting over four years, and 104,419 RSU's vesting over three years, outstanding as of September 29, 2024. RSUs issued to non-management directors vest 12 months from the date of grant, or upon termination of board service, including RSUs for which the director elected to defer receipt until termination of board service, and totaled 77,470 units outstanding as of September 29, 2024. RSUs issued to certain other employees either cliff vest or vest ratably over three years and totaled 177,267 units outstanding as of September 29, 2024. These awards are amortized to compensation expense over the estimated vesting period based upon the fair value of our common stock on the award date discounted by the present value of the expected dividend stream over the vesting period.

The following is a summary of RSU activity for fiscal 2024:

	Shares	Weighted-Average Grant Date Fair Value
RSUs outstanding at October 1, 2023	328,536	$ 70.97
Granted	204,908	$ 67.74
Released	(113,773)	$ 69.90
Forfeited	(37,933)	$ 70.70
RSUs outstanding at September 29, 2024	381,738	$ 69.59

As of September 29, 2024, there was approximately $ 11.8 million of total unrecognized compensation cost related to RSUs, which is expected to be recognized over a weighted-average period of 1.7 years. The weighted-average grant date fair value of awards granted was $ 67.74, $68.56, and $78.28 in fiscal years 2024, 2023, and 2022, respectively. In fiscal years 2024, 2023, and 2022, the total fair value of RSUs that vested and were released was $8.0 million, $4.6 million, and $2.5 million, respectively.

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

The following is a summary of stock option activity for fiscal 2024:

	Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value (in thousands)
Options outstanding at October 1, 2023	28,950	$ 94.92		
Expired	(14,939)	$ 104.95		
Options outstanding at September 29, 2024	14,011	$ 84.23	1.12	$ —
Options exercisable at September 29, 2024	14,011	$ 84.23	1.12	$ —

The aggregate intrinsic value in the table above is the amount by which the current market price of our stock on September 29, 2024 exceeds the weighted-average exercise price.

We use a valuation model to determine the fair value of options granted that requires the input of highly subjective assumptions, including the expected volatility of the stock price. No stock option awards were granted in fiscal 2024, 2023, or 2022.

As of September 29, 2024, there was no unrecognized compensation cost related to stock options grants. There were no stock options exercised in fiscal year 2024. The total intrinsic value of stock options exercised was less than $0.1 million in fiscal years 2023 and 2022, respectively.

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

The following is a summary of performance share award activity for fiscal 2024:

	Shares	Weighted-Average Grant Date Fair Value
Performance share awards outstanding at October 1, 2023	107,174	$ 72.51
Granted	62,103	$ 70.19
Issued	(29,922)	$ 88.88
Forfeited	(4,162)	$ 69.26
Performance adjustments	9,974	$ 88.88
Performance share awards outstanding at September 29, 2024	145,167	$ 70.53

As of September 29, 2024, there was approximately $3.0 million of total unrecognized compensation cost related to performance share awards, which is expected to be recognized over a weighted-average period of 1.9 years. The weighted-average grant date fair value of awards granted was $70.19, $65.74, and $78.95 in fiscal years 2024, 2023, and 2022, respectively. The total fair value of awards that became fully vested during fiscal years 2024, 2023, and 2022 was $2.7 million, $1.8 million, and $0.1 million, respectively.

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

As of September 29, 2024, there was no unrecognized compensation cost related to nonvested stock awards. The total fair value of awards that vested and were released during fiscal 2023 was $0.4 million.

Non-management directors' deferred compensation — All awards outstanding under our directors' deferred compensation plan are accounted for as equity-based awards and deferred amounts are converted into stock equivalents based on a per share price equal to the average of the closing price of our common stock for the 10 trading days immediately preceding the date the deferred compensation is credited to the director's account. During fiscal 2024, 2023, and 2022, 36,342 shares of common stock were issued in connection with a director retirement.

The following is a summary of the stock equivalent activity for fiscal 2024:

	Stock Equivalents	Weighted-Average Grant Date Fair Value
Stock equivalents outstanding at October 1, 2023	122,981	$ 47.16
Deferred directors' compensation	756	$ 69.40
Dividend equivalents	4,490	$ 60.33
Stock distribution	(36,342)	$ 37.71
Stock equivalents outstanding at September 29, 2024	91,885	$ 61.53

14. STOCKHOLDERS' DEFICIT

Repurchases of common stock — In fiscal 2024, the Company purchased 1.1 million shares of its common stock for an aggregate cost of $ 70.6 million, including applicable excise tax. As of September 29, 2024, there was $180.0 million remaining amount under share repurchase programs authorized by the Board of Directors which do not expire.

Dividends — In fiscal 2024, the Board of Directors declared four cash dividends of $0.44, respectively, totaling $34.2 million. Future dividends are subject to approval by our Board of Directors.

15. AVERAGE SHARES OUTSTANDING

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

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

	2024	2023	2022
Weighted-average shares outstanding — basic	19,572	20,603	21,195
Effect of potentially dilutive securities:			
Nonvested stock awards and units	—	134	47
Stock options	—	1	1
Performance share awards	—	26	2
Weighted-average shares outstanding — diluted	19,572	20,764	21,245
Excluded from diluted weighted-average shares outstanding:			
Antidilutive	153	25	23
Performance conditions not satisfied at the end of the period	145	81	61

16. COMMITMENTS AND CONTINGENCIES

Purchase commitments — Jack in the Box and Del Taco have long-term food and beverage supply agreements with certain major vendors, which provide food and fountain drink products and marketing support funding to the Company and its franchisees. These agreements require minimum purchases by the Company and its franchisees at agreed upon prices until the total volume commitments have been reached. Based on current pricing and ratio of usage at company-operated to franchised restaurants as of September 29, 2024, total food and beverage purchase requirements under these agreements is estimated to be approximately $89.9 million over the next six years.

We also have entered into various arrangements with vendors providing information technology services with no early termination fees. The Company's unconditional purchase obligations on these contracts total approximately $10.6 million over the next four years.

Legal matters — The Company assesses contingencies, including litigation contingencies, to determine the degree of probability and range of possible loss for potential accrual in our financial statements. An estimated loss contingency is accrued in the financial statements if it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. As of September 29, 2024, the Company had accruals of $16.2 million for all of its legal matters in aggregate, presented within “Accrued liabilities” on our consolidated balance sheet. Because litigation is inherently unpredictable, assessing contingencies is highly subjective and requires judgments about future events. When evaluating litigation contingencies, we may be unable to provide a meaningful estimate due to a number of factors, including the procedural status of the matter in question, the availability of appellate remedies, insurance coverage related to the claim or claims in question, the presence of complex or novel legal theories, and the ongoing discovery and development of information important to the matter. In addition, damage amounts claimed in litigation against us may be unsupported, exaggerated, or unrelated to possible outcomes, and as such are not meaningful indicators of our potential liability or financial exposure. The Company regularly reviews contingencies to determine the adequacy of the accruals and related disclosures. The ultimate amount of loss may differ from these estimates. Any estimate is not an indication of expected loss, if any, or of the Company’s maximum possible loss exposure and the ultimate amount of loss may differ materially from these estimates in the near term.

Gessele v. Jack in the Box Inc. — In August 2010, five former Jack in the Box employees instituted litigation in federal court in Oregon alleging claims under the federal Fair Labor Standards Act and Oregon wage and hour laws. The plaintiffs alleged that Jack in the Box failed to pay non-exempt employees for certain meal breaks and improperly made payroll deductions for shoe purchases and for workers’ compensation expenses, and later added additional claims relating to timing of final pay and related wage and hour claims involving employees of a franchisee. In 2016, the court dismissed the federal claims and those relating to franchise employees. In June 2017, the court granted class certification with respect to state law claims of improper deductions and late payment of final wages. The parties participated in a voluntary mediation on March 16, 2020, but the matter did not settle. On October 24, 2022, a jury awarded plaintiffs approximately $6.4 million in damages and penalties. The Company continues to dispute liability and the damage award and will defend against both through post-trial motions and all other available appellate remedies. As of September 29, 2024, the Company has accrued the verdict amount above, as well as pre-judgment and post-judgment interest and an estimated fee award, for an additional $9.3 million. These amounts are included within “Accrued liabilities” on our consolidated balance sheet as of September 29, 2024. The Company will continue to accrue for post-judgment interest until the matter is resolved.

Torrez — In March 2014, a former Del Taco employee filed a purported Private Attorneys General Act claim and class action alleging various causes of action under California’s labor, wage, and hour laws. The plaintiff generally alleges Del Taco did not appropriately provide meal and rest breaks and failed to pay wages and reimburse business expenses to its California non-exempt employees. On November 12, 2021, the court granted, in part, the plaintiff's motion for class certification. The parties participated in a voluntary mediation on May 24, 2022 and June 3, 2022. On June 4, 2022, we entered into a Settlement Memorandum of Understanding (the “Agreement”) which obligates the Company to pay a gross settlement amount of $50.0 million, for which in exchange we will be released from all claims by the parties. On August 8, 2023, the court issued its final approval of the settlement and on August 9, 2023 final judgment was entered. The Company made the full payments for the settlement amounts. As of September 29, 2024, the Company has no further amounts accrued on its consolidated balance sheet.

J&D Restaurant Group — On April 17, 2019, the trustee for a bankrupt former franchisee filed a complaint generally alleging the Company wrongfully terminated the franchise agreements and unreasonably denied two perspective purchasers the former franchisee presented. The parties participated in a mediation in April 2021, and again in December 2022, but the matter did not settle. Trial commenced on January 9, 2023. On February 8, 2023, the jury returned a verdict finding the Company had not breached any contracts in terminating the franchise agreements or denying the proposed buyers. However, while the jury also found the Company had not violated the California Unfair Practices Act, it found for the plaintiff on the claim for breach of implied covenant of good faith and fair dealing, and awarded $8.0 million in damages. On May 9, 2023, the court granted the Company’s post-trial motion, overturning the jury verdict and ordering the plaintiff take nothing on its claims. As a result, the Company reversed the prior $8.0 million accrual, and as of September 29, 2024, the Company has no amounts accrued for this case on its consolidated balance sheet. The Plaintiff has appealed the trial court’s post-trial rulings.

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

Lease guarantees — We remain contingently liable for certain leases relating to our former Qdoba business which we sold in fiscal 2018. Under the Qdoba Purchase Agreement, the buyer has indemnified the Company of all claims related to these guarantees. As of September 29, 2024, the maximum potential liability of future undiscounted payments under these leases is approximately $20.1 million. The lease terms extend for a maximum of approximately 13 more years, and we would remain a guarantor of the leases in the event the leases are extended for any established renewal periods. In the event of default, we believe the exposure is limited due to contractual protections and recourse available in the lease agreements, as well as the Qdoba Purchase Agreement, including a requirement of the landlord to mitigate damages by re-letting the properties in default, and indemnity from the Buyer. The Company has not recorded a liability for these guarantees as we believe the likelihood of making any future payments is remote.

17. SUPPLEMENTAL CONSOLIDATED CASH FLOW INFORMATION (in thousands)

	2024	2023	2022
Cash paid during the year for:			
Income tax payments	$ 102,512	$ 17,811	$ 33,819
Interest payments	$ 76,541	$ 78,958	$ 70,475
Non-cash investing and financing transactions:			
Increase in notes and accounts receivable from the sale of restaurant properties	$ 1,400	$ —	$ 10,001
Increase in dividends accrued or converted to common stock equivalents	$ 271	$ 285	$ 275
Consideration for franchise acquisitions	$ —	$ —	$ 297
(Decrease) increase in obligations for purchases of property and equipment	$ (2,482)	$ 3,731	$ 1,637

18. SUPPLEMENTAL CONSOLIDATED FINANCIAL STATEMENT INFORMATION (in thousands)

	September 29, 2024	October 1, 2023
Accounts and other receivables, net:		
Trade	$ 71,306	$ 93,660
Notes receivable, current portion	2,036	2,262
Income tax receivable	819	949
Other	13,918	6,953
Allowance for doubtful accounts	(4,512)	(4,146)
	$ 83,567	$ 99,678
Other assets, net:		
Company-owned life insurance policies	$ 129,685	$ 113,205
Franchise tenant improvement allowances	41,502	43,590
Deferred rent receivable	41,284	41,947
Notes receivable, less current portion	11,249	11,927
Other	35,286	30,038
	$ 259,006	$ 240,707
Accrued liabilities:		
Income tax liabilities	$ 778	$ 58,155
Payroll and related taxes	38,112	49,521
Legal accruals	16,220	40,877
Insurance	27,982	31,349
Sales and property taxes	26,107	30,508
Deferred rent income	—	19,397
Advertising	4,698	15,597
Deferred franchise fees and development fees	6,674	5,952
Other	46,297	50,822
	$ 166,868	$ 302,178
Other long-term liabilities:		
Defined benefit pension plans	$ 51,973	$ 48,375
Deferred franchise and development fees	45,316	44,522
Other	56,419	50,226
	$ 153,708	$ 143,123

19. SUBSEQUENT EVENTS

On November 14, 2024, the Board of Directors declared a cash dividend of $ 0.44 per share, to be paid on December 30, 2024 to shareholders of record as of the close of business on December 12, 2024. Future dividends will be subject to approval by our Board of Directors.

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July 18, 2024

Mr. Carl Mount
[ ]

Congratulations! On behalf of Jack in the Box Inc. and its Brands ("Company"), we're pleased to confirm our offer to you for the position of Senior Vice President, Chief Supply Chain Officer ("CSCO") of Jack in the Box Inc. (the "Company") reporting to Darin Harris, CEO. Your anticipated first day of work is Monday, August 26, 2024. This offer is contingent upon completion of a favorable background check and satisfactory completion of the Directors & Officers Questionnaire ("D&O Questionnaire").

Orientation: You will be contacted to schedule your in-person new hire orientation during your first week at the Jack in the Box Restaurant Support Center (RSC) in San Diego. Please Note: You will need to provide original documents to complete section 2 of the Form I9.

Remote-Based Work Arrangement:
As agreed, you will be based in Arizona and be required and expected to travel to the RSC in San Diego as business needs require. Any and all qualified expenses related to business travel to and from Arizona to San Diego should not exceed $5,000 per month and must be in compliance with the Company's travel and expense policy. This amount may be subject to change at the discretion of the Company based on the needs of the business and as work demands necessitate.

Base Compensation:
Your annual salary will be $450,000, paid on a bi-weekly basis equal to $17,307.70 per pay period.

Allowance:
You will receive a non-taxable annual technology allowance of $1,170, paid on a bi-weekly basis equal to $45 per pay period. This is intended to assist with the cost of using your personal cell phone, internet, or other device for business purposes.

Annual Incentive (Bonus):
Beginning with the Company's fiscal year 2025 (which begins September 30, 2024), you will be eligible to participate in the annual Performance Incentive Program for Jack in the Box executive officers with incentive payments based on attainment of Company performance targets for the fiscal year.

The target annual incentive potential for the CSCO position is 60% of base salary, up to a maximum potential of 2x target (120%), payable as a lump sum cash payment. To be eligible to receive payment, you must be employed at the time of payment.

Long-Term Incentive (LTI):
As CSCO, you will be eligible to receive your first annual long-term incentive stock grant, anticipated to be in November or December 2024, equal to an LTI value of $500,000 at grant, with the number of shares determined by reference to the 20-day average closing stock price of Jack in the Box common stock as of the grant date. Grant awards may be made in the form of any combination of the following:

(a) performance share units (PSUs) with vesting contingent on achievement of performance goals over a 3-fiscal year performance period, (b) restricted stock units (RSUs) that vest ratably at one-third per year over three years, and (c) stock options that vest equally over three years with a seven-year term. It is anticipated that the next annual grant award will be 50% PSUs and 50% RSUs. For subsequent annual grants, the LTI value will be equal to $400,000 at grant.

Annual long-term incentive stock grants are typically made in November or December each year and are subject to approval by the Company's Board of Directors and/or Compensation Committee thereof (the "Board") and subject to the terms and provisions of the Jack in the Box Inc. 2023 Omnibus Incentive Plan and award agreements.

Stock Ownership Guideline:
You will be subject to a stock ownership requirement equal to 1.5x your annual base salary to be achieved within 5-years from your start date. You will be required to hold fifty-percent of the after-tax net shares resulting from the vesting of PSUs and RSUs until you meet your stock ownership requirement.

New Hire One-Time Cash Payments:
You will receive a one-time cash bonus of $200,000, subject to required tax withholding (the "Sign-On New Hire Bonus"), with $100,000 payable within two weeks from your start date, and the remaining $100,000 payable six months from your start date. In the event that prior to the one-year anniversary of your start date with the Company either (i) you resign your employment with the Company for any reason or (ii) the Company terminates your employment for Cause (as defined in the Executive Severance Plan referenced below), in either case, you will be required to repay the full amount of the Sign-On New Hire Bonus to the Company within thirty (30) days of your cessation of employment with the Company.

One-Time New Hire RSU Grant:
You will receive a one-time new hire grant of restricted stock units (RSUs) equal to an LTI value of $300,000 at grant, with the number of shares determined by reference to the 20-day average closing stock price of Jack in the Box common stock as of the grant date. The RSUs vest ratably at one-third per year over three years, and fifty-percent of the after-tax net shares resulting from the vesting of such RSUs are subject to a holding requirement until you meet your stock ownership requirement. The grant will be made effective on the second Monday following your start date, subject to the terms and provisions of the Jack in the Box Inc. 2023 Omnibus Incentive Plan and award agreement.

Executive Employee Severance Program
You will be eligible to participate in the Jack in the Box Inc. Severance Plan for Executive Officers, as described in the Company's Form 8-K filed March 4, 2020.

Change in Control Assurance ("CIC")
You will be eligible to enter into the company's Compensation and Benefits Assurance Agreement for Executives, which will provide for benefits in the event of a CIC for the Senior Vice President level at 1.5x multiple of salary/annual incentive and 18 months COBRA coverage.

Deferred Compensation Programs:
401(k) Plan - You will be eligible to participate in the Company's 401(k) plan (the "Easy$aver Plus Plan"). The 401(k) plan is a tax-qualified savings plan in which you can defer a portion of your pay (salary and annual incentive). The Company will match 100% of your deferrals up to 4% of pay. Deferrals in the 401(k) plan are subject to Internal Revenue Code (IRC) annual limits.

EDCP Plan - You will also be eligible to participate in the Executive Deferred Compensation Plan (EDCP) which is a non-qualified, pre-tax deferred compensation plan that allows for deferrals not subject to IRC limits. This plan is subject to 409A and therefore you will be notified when you may elect to enroll in the EDCP. At the end of each calendar year, you may receive an annual restoration matching contribution if your deferrals to the 401(k) (and related Company matching contributions) are limited due to tax code limits applicable to the 401(k) Plan.

Health & Welfare Benefits:
You are eligible to participate in the Jack in the Box health plans which include medical, dental, and vision plans. These plans are contributory on a pre-tax basis and provide several choices of coverage for you and your family. You are eligible to enroll in health benefits upon hire and coverage will begin the first of the month following your hire date.

The Company provides employer-paid term life insurance, and as an officer of the Company, you will receive an enhanced level with a total life insurance value equal to $770,000. You may also elect to participate in other life and disability programs.

Vacation/Sick Program:
As CSCO, you will not accrue vacation time; time off may be taken as needed and with consideration of the needs of the business. You will accrue six days per year of sick time which may be carried over each year to a maximum of 60 days.

Note: All programs described in this offer letter are subject to the terms of provisions of the plans which are subject to change at the absolute discretion of the Company and are not guaranteed in any way. To the extent the terms of any plan or policy differ from what is in this letter, the plan or policy will determine the right and the amount of any benefits.

Employment Conditions:
This offer is contingent upon our receipt of various pre-employment screening elements including, but not limited to: educational record as you have stated on your application and/or resume; background check results; and references. You will be notified once we have successfully completed all components of the pre-employment process.

Jack in the Box Inc. requires as a condition of employment that new employees agree to keep certain business information confidential, and also to submit disputes to binding arbitration. As part of your orientation, you will be required to sign our Confidentiality Agreement and Dispute Resolution Agreement.

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You should also know that it is the policy of Jack in the Box Inc. that the employment relationship is one of “at will.” This simply means that either party – you or the Company – may terminate the employment at any time, with or without cause.

Notice of Rights Pursuant to Section 7 of the Defend Trade Secrets Act (DTSA) – Notwithstanding any provisions in this agreement or company policy applicable to the unauthorized use or disclosure of trade secrets, you are hereby notified that, pursuant to Section 7 of the DTSA, you cannot be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that is made (i) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law. You also may not be held so liable for such disclosures made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. In addition, individuals who file a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual files any document containing the trade secret under seal and does not disclose the trade secret, except pursuant to court order.

Reporting to Governmental Agencies – Additionally, nothing in this Agreement prevents me from filing a charge or complaint with the Equal Employment Opportunity Commission, the National Labor Relations Board, the Occupational Safety and Health Administration, the Securities and Exchange Commission or any other federal, state, or local governmental agency or commission (“Government Agencies”). I understand this Agreement does not limit my ability to communicate with any Government Agencies or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including providing documents or other information, without notice to the Company.

Your signature below will be your acknowledgement that you have read, understood, and agree to the above information, including that you are an “at will” employee. Please sign and return this copy as soon as possible to Steve Piano, SVP, Chief People Officer at [ ].

We look forward to you joining Jack in the Box Inc. as our new CSCO, congratulations!

Sincerely,

Steve Piano
SVP, Chief People Officer
Jack in the Box Inc.

Acknowledged and Accepted by:

/s/ Carl Mount	7/25/24
Carl Mount	Date

Exhibit 10.2.23

CONSULTING SERVICES AGREEMENT

This Consulting Services Agreement ("Agreement") is entered into and made effective as of August 5, 2024 ("Effective Date"), by and between Jack in the Box Inc. and its affiliates including Del Taco LLC ("Client") and Dean Gordon ("Consultant"). Client and Consultant may be referred to individually as a "Party" and together as "the Parties". For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. <u>**Recitals**</u>**.** This Agreement is made with reference to the following:

A. Consultant previously served as Client's Chief Supply Chain Officer ("CSCO"). Client desires to retain Consultant to provide consulting services (collectively "the Services"), including but not limited to: (i) consulting relating to Client's supply chain operations and infrastructure including current and future state and planning; (ii) relationship calibration between and among Client's suppliers, distributors, and franchisees of the quick service restaurant chains of which Client and its affiliated entities are franchisor (currently Jack in the Box® and Del Taco® each a "Franchisee"); (iii) assisting in the successful onboarding and integration of Client's new CSCO (including, but not limited to performing the Services identified on the attached Exhibit "1"); and (iv) serving as a general resource for Client as necessary and consulting on general matters as requested by Client.

B. Client desires to engage Consultant as an independent contractor, and Consultant desires to accept such engagement, to perform the Services described herein.

2. <u>**Scope of Services**</u>**.** Consultant shall perform the Services for Client as identified in this Agreement including all attachments and exhibits hereto.

3. <u>**Standard of Performing Services; Representations and Warranties**</u>**.**

A. Consultant represents and warrants that he shall perform the Services diligently, in a professional manner, and using Consultant's best efforts. Consultant shall comply with all applicable laws, rules, regulations and industry standards in performing the Services. Consultant shall always maintain the highest ethical standards. All Services shall be performed and provided in a form and format that is acceptable to and approved by Client.

B. Consultant represents and warrants that: (i) he has the power and authority to enter into this Agreement and to perform the Services and that entering into this Agreement does not violate the terms of any other agreement to which Consultant is a party; and (ii) the Services and provided by Consultant are original and do not infringe upon any third party's patents, trademarks, trade secrets, copyrights or other intellectual property rights or proprietary rights.

4. **Compensation; Reimbursement of Expenses**.

A. In consideration for the Services to be rendered by Consultant hereunder, and subject to the provisions of subparagraph (B) below, Client shall pay Consultant $50,000 (fifty thousand dollars) per month for August and September, then $25,000 (twenty-five thousand dollars) per month for October, November and December. Payments shall be made by Client to Consultant on a monthly basis on the first of each month.

B. Upon expiration or termination of this Agreement for any reason, Consultant shall not be entitled to any additional compensation beyond that previously earned and prorated as of the date of expiration or the effective date of any termination of this Agreement.

C. Client shall reimburse Consultant for reasonable and customary out of pocket expenses directly incurred by Consultant in performing the Services provided that any such fees are approved in writing and in advance by Client. Consultant shall promptly submit any invoices for any approved reimbursable expenses. All invoices submitted by Consultant for reimbursable expenses shall include details and backup material, as required by Client in its reasonable discretion and in accordance with Client's travel and expense reimbursement policies. Any reimbursable expenses shall be paid by Client to Consultant on a monthly basis.

5. **Term and Termination**. This Agreement shall begin on the Effective Date and shall remain in force and effect until December 31, 2024 (the "Term"). At the end of the Term, this Agreement shall terminate unless the Parties agree in writing to extend the Term of the Agreement. Either Party may terminate this Agreement for cause in the event that a Party materially breaches its obligations under the Agreement and fails to cure the breach within fifteen (15) days of receiving written notice of the breach.

6. **Independent Contractor Status**. In performing Services under this Agreement, Consultant is, and shall at all times be, acting and performing as an independent contractor with respect to Client, performing services in accordance with Consultant's own judgment as to the method of rendering such Services. Client shall neither have nor exercise any control or direction over the methods by which Consultant performs its work and function nor shall Client interfere with such freedom of action or prescribe rules or otherwise control or direct the manner in which such Services are performed. The sole interest of Client in the Services performed by Consultant is that such services by Consultant be performed in a competent, efficient and satisfactory manner. Client and Consultant shall not be in the relationship of employer-employee, partners or joint venturers, and neither Party shall have the authority to obligate or bind the other to any contract, obligation or undertaking whatsoever.

Consistent with the above described relationship, Client shall not make any deduction for any payroll taxes, unemployment or workers' compensation insurance, pensions, annuities or benefits measured by wages, salary or other compensation paid to Consultant, nor shall Consultant be entitled to participate in any benefit plans maintained by Client for the benefit of its employees.

Consultant acknowledges and agrees that Consultant shall not have any claim under this Agreement or otherwise against Client for vacation pay, sick leave, retirement benefits, social security, worker's compensation, disability, employee insurance benefits or any other employee benefits of any kind or nature.

7. **Ownership of Intellectual Property .** Provided that all amounts due and owing to Consultant under this Agreement have been fully paid by Client, then all right, title and interest in any intellectual property created by Consultant for Client as part of the Services under the Agreement shall be owned by Client. To the extent that such intellectual property rights includes copyrightable subject matter, then such material shall be deemed work made for hire for the Company within the meaning of the United States Copyright Act of 1976 and for all other purposes. If any intellectual property created by Consultant for Client under this Agreement is deemed not to be work made for hire, such intellectual property is hereby assigned by Consultant to the Client and Consultant shall not have or claim to have, under this Agreement or otherwise, any right, title or interest of any kind or nature whatsoever in such intellectual property rights.

8. **Confidential Information .** During the Term of this Agreement, the Parties shall comply with and abide by the terms of the Mutual Non-Disclosure Agreement previously entered into between the Parties. In addition, this Agreement shall be considered Confidential Information per the terms of the Mutual Non-Disclosure Agreement. Client may be required to sign additional documents in order to receive access to Client's systems in order to facilitate Consultant's performance of the Services. If so, then Consultant agrees to sign such documents as reasonably requested and required by Client.

9. **Indemnification .** Consultant shall defend, indemnify, and hold Client, and its officers, directors, shareholders, franchisees, members, affiliates, subsidiaries, employees, contractors, agents, representatives, and assigns, harmless from any third-party claims, demands, actions, damages, losses, liabilities, costs, and expenses, including, without limitation, reasonable attorneys' fees and costs (collectively, "Claims"), that arise from or relate to: (a) a material breach by Consultant of any provision of this Agreement; or (b) any negligence or willful misconduct by Consultant in performing the Services under this Agreement.

10. **Exclusivity .** During the Term of this Agreement, Consultant shall perform the Services exclusively for Client and shall not perform any services for or accept any employment from any other business including, but not limited to, any other quick service restaurant chain.

11. **Assignment .** Consultant shall not assign any of his rights nor delegate any of his duties under this Agreement without first obtaining the express written consent of Client. Client may assign its rights and obligations under this Agreement to any subsidiary or affiliated entity, or to any person or entity that acquires all or a substantial portion of its assets.

12. **Invalidity; Severability .** It is the intention of both Parties that the terms of this Agreement be construed so as to comply with the laws, rules and regulations of the State of California and any term or provision of this Agreement that shall be deemed or found to be contrary to such laws, rules or regulations shall be severed from this Agreement and shall be null and void, and the balance of this Agreement shall nevertheless remain in full force and effect. All ambiguities or inconsistencies shall be interpreted so as to comply with all such laws, rules and regulations.

13. **Notice** **.** Any notice required to be given pursuant to the provisions of this Agreement shall be in writing and sent by recognized overnight courier with delivery confirmation or certified mail, return receipt requested, and mailed to the Parties at the following addresses:

Client: Jack in the Box Inc.
Attention: General Counsel
9357 Spectrum Center Blvd
San Diego, CA 92123

Consultant: Dean Gordon
[ ]

14. **Binding Effect** **.** Except as otherwise expressly provided herein, this Agreement shall be binding upon and inure to the benefit of all heirs, administrators, executors and assigns of the Parties, and their successors in interest.

15. **Dispute Resolution; Jurisdiction; Waiver of Jury Trial** **.** In the event of a dispute between the Parties arising from or relating in any manner to this Agreement, or the relationship between the Parties created by this Agreement, the Parties shall first attempt to resolve the dispute through good faith negotiation. In the event that the dispute cannot be resolved through good faith negotiations, any legal suit, action or proceeding arising out of or related to this Agreement must be instituted exclusively in the state and federal courts located in San Diego, California. Each Party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action or proceeding. EACH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL ACTION, OR PROCEEDING, ARISING OUT OF OR RELATING TO THIS AGREEMENT.

16. **Attorneys' Fees** **.** In the event of any litigation between the Parties relating to this Agreement, the prevailing Party shall be entitled to recover its reasonable attorneys' fees and costs.

17. **Governing Law** **.** This Agreement is to be governed by and construed in accordance with the laws of the State of California without giving effect to its laws regarding conflicts of law that could result in the application of the laws of any other jurisdiction.

18. **Publicity; Use of Marks**. During the Term of this Agreement, Consultant shall not use or reference Client's (or any affiliate) name, logo, or any other designation relating to Client without the Client's prior written approval.

19. **Entire Agreement** . This Agreement constitutes the sole and entire agreement of the Parties relating to the subject matter hereof. The provisions of this Agreement may not be amended, modified, waived or changed in any manner other than by the written agreement of the Parties hereto.

20. **Waiver** . No covenant, provision, or condition of this Agreement shall be waived except by written waiver of the Party in whose favor it shall run. All waivers must be in writing and shall be effective only to the extent specifically set forth in such writing. The forbearance or indulgence of any Party in any regard whatsoever shall not constitute a waiver of any covenant, provision, or condition or of any subsequent breach thereof.

21. **Counterparts; Electronic Signature** . This Agreement may be executed in counterparts, each of which so executed shall be deemed to be an original, and such counterparts shall together constitute but one and the same Agreement. The Parties may execute this Agreement electronically, including via facsimile or an electronic exchange of 'PDF' copies of signature pages, each of which shall be deemed an original signature.

THE PARTIES, BY THEIR DULY AUTHORIZED REPRESENTATIVES, HAVE EXECUTED THIS AGREEMENT AS OF THE EFFECTIVE DATE IDENTIFIED ABOVE.

Jack in the Box Inc.	**Dean Gordon**
/s/ Steve Piano	/s/ Dean Gordon
Signature	Signature
Steve Piano	Dean C. Gordon
Printed Name	Printed Name

EXHIBIT "1"
SCOPE OF WORK

In additional to performing the Services identified in the Agreement, Consultant shall perform the following Services for Client: (1) assist in the successful onboarding and integration of the Client's new Chief Supply Chain Officer ("CSCO"); (2) provide consulting services regarding Client's Supply chain operations status and plan; (3) assist in the calibration of relationships between and among Client's suppliers, distributors, Franchisees and Client's internal teams; (4) assist in organizational navigation; (5) provide consulting on general matters and serve as a general resource for Client as requested by Client; and (6) assist in the implementation and execution of the Onboarding and Transition Plan identified below.

Onboarding and Transition Plan: Consultant shall assist Client in successfully onboarding and integrating the Client's new CSCO by, among other things, providing knowledge transfer and other assistance required to successfully transition to Client's new CSCO. The subject areas to be included as part of this effort include, but are not limited to the following areas within Client's supply chain organization:

- **SCMC & Franchise**
  - Charter
  - Budget
  - Organizational Dynamics
  - Communication

- **Supply Chain Operations**
  - Roles & Responsibilities
  - Cross-Functional Teams, Communications, Forums
  - Processes

- **Commodity Management**
  - Resources
  - Risk Management Strategy
  - Current Risk Profile

- **Contract Review**
  - Beverage
  - Distribution
  - Signage
  - Roadmap
  - Overall Status

- **Growth Initiatives**
  - Distribution Strategy
  - FF&E / Signage

Insider Trading Policy

POLICY

It is our policy that covered persons may not trade in Jack in the Box Inc. stock (directly or through others) when in possession of material non-public information relating to the Company. Covered persons may not communicate or "tip" material non-public information to others or recommend the purchase or sale of securities when aware of such information.

It is also our policy that members of the Board of Directors and certain employees may trade in Company securities only during certain times throughout the year called "Windows".

Those designated as "Insiders" are subject to additional restrictions described in the Appendix of 'Employee Insider Trading Help Doc'.

Violation of this policy or federal or state securities laws may subject you to disciplinary action, including termination of employment.

Who Is Covered By This Policy?

- Employees of the Company and its subsidiaries.
- Members of the Board of Directors and Officers of the Company.
- Former Employees/Board Members who are aware of material non-public information relating to the Company.
- Trusts, partnerships and any other entities in which Employees/ Board Members have share voting or investment control.
- Family members and others who reside with Employees/ Board Members.
- Family members who do not reside with Employees/ Board Members, but whose securities transactions are directed or influenced by the Employees/ Board Members.
- Consultants and suppliers who have access to material non-public information relating to the Company.

Window Periods (Applicable to Corporate and Support Employees)

- Members of the Board of Directors and all Corporate and Restaurant Support employees may trade in Company securities only during open "Windows". District Managers, Restaurant Managers, Assistant Managers and all other restaurant employees are not subject to the windows.
- Windows begin and end as specified by the Company, but will generally begin on the first business day after the quarterly earnings release and conference call, and end at the close of trading on the business day approximately three weeks later.

Note: Refer to the 'Employee Insider Trading Help Doc' for definitions, guidance and the Section 16 Appendix

RESOURCES

For more information on this policy, contact your manager or the Legal Department. Employee Insider Trading Help Doc

Form A-1 – Insider Request for Pre-Clearance

Exhibit 21.1

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

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the registration statements (Nos. 333-127765, 333-115619, 333-143032, 333-150913, 333-168554, 333-181506, 333-263363 and 333-270374) on Form S-8 of our reports dated November 20, 2024, with respect to the consolidated financial statements of Jack in the Box, Inc. and the effectiveness of internal control over financial reporting.

/s/ KPMG LLP

San Diego, California
November 20, 2024

Exhibit 31.1

CERTIFICATION

I, Darin Harris, certify that:

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

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: November 20, 2024

/S/ DARIN HARRIS
Darin Harris
Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, Dawn Hooper, certify that:

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

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions)

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: November 20, 2024

/S/ DAWN HOOPER
Dawn Hooper
Interim Chief Financial Officer

Exhibit 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

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

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

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

Dated: November 20, 2024

/S/ DARIN HARRIS
Darin Harris
Chief Executive Officer

Exhibit 32.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER

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

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

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

Dated: November 20, 2024

/S/ DAWN HOOPER
Dawn Hooper
Interim Chief Financial Officer