REFINITIV

DELTA REPORT

10-K

TXRH - TEXAS ROADHOUSE, INC.

10-K - DECEMBER 26, 2023 COMPARED TO 10-K - DECEMBER 27, 2022

The following comparison report has been automatically generated

TOTAL DELTAS	3733
CHANGES	358
DELETIONS	1399
ADDITIONS	1976

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

(Mark One)

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

For the fiscal year ended December 27, 2022 26, 2023

OR

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

For the transition period from to

Commission File Number **000-50972**

Texas Roadhouse, Inc.

(Exact name of registrant specified in its charter)

Delaware	**20-1083890**
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification Number)

6040 Dutchmans Lane

Louisville, Kentucky 40205

(Address of principal executive offices) (Zip Code)

(502) 426-9984

(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.001 per share	TXRH	NASDAQ Global Select Market

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

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

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

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

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

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

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

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

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

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

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

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

The aggregate market value of the voting stock held by non-affiliates of the registrant as of the last business day of the second fiscal quarter ended June 28, 2022 June 27, 2023 was $6,682,564,289 $7,271,884,191 based on the closing stock price of $100.50 $109.32 on the Nasdaq Global Select Market.

The number of shares of common stock outstanding were 67,017,505 66,828,113 on February 15, 2023 February 14, 2024.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive Proxy Statement for the registrant's 2023 2024 Annual Meeting of Stockholders, which is expected to be filed pursuant to Regulation 14A within 120 days of the registrant's fiscal year ended December 27, 2022 December 26, 2023, are incorporated by reference into Part III of this Form 10-K.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

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

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

- the rate of growth of general and administrative expenses associated with building a strengthened corporate infrastructure to support our initiatives;

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

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

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

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

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PART I

ITEM 1— 1. BUSINESS

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

Introduction

The Company is a growing restaurant company operating predominately predominantly in the casual dining segment. Our late founder, W. Kent Taylor, started the business in 1993 with the opening of the first Texas Roadhouse restaurant in Clarksville, Indiana. Since then, we have grown to three concepts with 697 741 restaurants in 49 states and ten foreign countries. Our mission statement is "Legendary Food, Legendary Service®." Our operating strategy is designed to position each of our casual dining restaurants as the local hometown favorite for a broad segment of consumers seeking high quality, affordable meals served with friendly, attentive service. As of December 27, 2022 December 26, 2023, we owned and operated 597 635 restaurants and franchised an additional 62 58 domestic restaurants and 38 48 international restaurants.

Restaurant Concepts

Of the 597 635 restaurants we owned and operated at the end of 2022, 2023, we operated 552 582 as Texas Roadhouse restaurants, 40 45 as Bubba's 33 restaurants and five eight as Jaggers restaurants.

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

Bubba's 33 is a family-friendly moderately priced, full-service, casual dining restaurant concept featuring scratch-made food for all with a little rock 'n' roll, ice-cold beer and signature drinks. Our menu features burgers, pizza and wings as well as a wide variety of appetizers, sandwiches and dinner entrées. Our first Bubba's 33 restaurant opened in May 2013 in Fayetteville, North Carolina.

Jaggers is a fast-casual restaurant concept offering burgers, hand-breaded chicken tenders and chicken sandwiches served with scratch-made sauces. In addition, we offer fresh salads that are tossed when ordered made-to-order and served with homemade dressings. Jaggers offers drive-thru, carry-out and dine-in service options. We also offer delivery services at certain locations. Our first Jaggers restaurant opened in December 2014 in Noblesville, Indiana.

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

Segment Information

We manage our restaurant and franchising operations by concept and as a result have identified Texas Roadhouse, Bubba's 33, Jaggers and retail initiatives (including our online store and royalty-based licensing arrangements) as separate operating segments. In addition, we have identified Texas Roadhouse and Bubba's 33 as reportable segments.

COVID-19 and Related Impacts

The Company has been subject to risks and uncertainties as a result of the COVID-19 pandemic (the "pandemic"). These include federal, state and local restrictions on restaurants, some of which limited capacity or seating in dining rooms while others allowed to-go or curbside service only. In 2022, all of our domestic company and franchise restaurants operated without restriction. We also experienced and expect to continue to experience commodity inflation and certain food and supply shortages as well as a more competitive labor market. To the extent these challenges persist, we will continue to experience increased costs.

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Operating Strategy

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

- *Offering high quality, freshly prepared food.* We place a great deal of emphasis on providing our guests with high quality, freshly prepared food. As part of our process, we have developed proprietary recipes to provide consistency in quality and taste throughout all restaurants. We expect a management level employee to inspect every entrée before it leaves the kitchen to confirm it matches the guest's order and meets our standards for quality, portion size, appearance and presentation. In addition, we employ a team of product coaches whose function is to provide continual, hands-on training and education to our kitchen staff for the purpose of promoting consistent adherence to recipes, food preparation procedures, food safety standards and overall food quality.

- *Creating a fun and comfortable atmosphere with a focus on high quality service.* We believe the service quality and atmosphere we establish in our restaurants is a key component for fostering repeat business. We In our full-service restaurants, we focus on keeping our table-to-server ratios low to allow our servers to truly focus on their guests and serve their needs in a personal, individualized manner. Our Texas Roadhouse restaurants feature a rustic southwestern lodge décor accentuated with hand-painted murals, neon signs, and southwestern prints, rugs and artifacts. Additionally, our restaurants continuously play upbeat country hits. Our Bubba's 33 restaurants feature walls lined with televisions playing sporting events and music videos and are decorated with sports jerseys, neon signs and other local flair. Our fast-casual concept, Jaggers, offers both drive-thru and dining room service in a modern design featuring a contemporary exterior and a comfortable and inviting dining room.
- *Offering performance-based manager compensation.* We As part of our effort to maintain a people-first culture, we offer a performance-based compensation program supported by competitive benefits and health programs to our individual restaurant managers and multi-restaurant operators, who are called "managing partners" and "market partners," respectively. Each of these partners earns a base salary plus a performance bonus, which represents a percentage of each of their respective restaurant's pre-tax income. By providing our partners with a significant stake in the success of our restaurants, we believe that we are able to attract and retain talented, experienced and highly motivated managing and market partners.
- *Offering attractive price points.* When we evaluate menu pricing, we focus on remaining disciplined as we balance short-term pressures with long-term growth while always keeping our guest top of mind. Prices are reviewed individually in each local market and are offered at moderate price points that we believe are as low as or lower than those offered by our competitors without sacrificing food quality. Within each menu category, we offer a choice of several price points with the goal of fulfilling each guest's budget and value expectations. Based on the results of our pricing evaluations, we will continue to take pricing actions as we feel are needed.
- *Focusing on dinner.* In nearly all of our Texas Roadhouse restaurants, we limit our operating hours to dinner only during the weekdays with approximately one half of our restaurants offering lunch on Friday. This focus on dinner allows our restaurant teams to prepare for and manage only one shift per day during the week and to prepare for the significant volumes of sales our restaurants generate.

Restaurant Development and Unit Economics

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

We design our restaurant prototypes to provide a relaxed atmosphere for our guests, while also focusing on restaurant-level returns over time. Our current prototypical Texas Roadhouse restaurant consists of a freestanding building with approximately 7,600 to 8,400 square feet with seating for approximately 270 to 325 guests and parking for approximately 180 vehicles either on-site or in combination with some form of off-site cross parking arrangement. Our current prototypes are adaptable to in-line and end-cap locations and/or spaces within an enclosed mall or a shopping center.

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

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

For 2022 2023 and 2021, 2022, our average capital investment for Texas Roadhouse restaurants which includes a 10x initial base rent factor in the event the land is leased, was $6.9 million $7.9 million and $5.7 million $6.9 million, respectively. The increase in our 2022 2023 average capital investment was primarily due to a larger an increase in building prototype and higher supply site work costs and an increase in liquor license costs. We expect our average capital investment for restaurants to be opened in 2023 2024 to remain flat at approximately $6.9 million with lower site costs offset by higher rent expense. $7.9 million.

For 2022 2023 and 2021, 2022, our average capital investment for Bubba's 33 restaurants which includes a 10x initial base rent factor in the event the land is leased, was $7.8 million $8.2 million and $7.4 million $7.8 million, respectively. The increase in our 2022 2023 average capital investment was primarily due to higher supply costs. an increase in pre-opening costs at one particular site. We expect our average capital investment for restaurants to be opened in 2023 2024 to decrease to be approximately $7.4 million due to lower site costs. $8.5 million.

Existing Restaurant Locations

As of December 27, 2022 December 26, 2023, we had 597 635 company restaurants and 100 106 franchise restaurants in 49 states and ten foreign countries as shown in the chart below.

	Number of Restaurants			Number of Restaurants		
	Company	Franchise	Total	Company	Franchise	Total
Alabama	9	—	9	10	—	10
Alaska	2	—	2	2	—	2
Arizona	20	—	20	20	—	20
Arkansas	8	—	8	9	—	9
California	6	10	16	8	11	19
Colorado	17	1	18	17	1	18

Connecticut	5	—	5	5	—	5
Delaware	3	2	5	5	—	5
Florida	44	—	44	44	—	44
Georgia	16	3	19	16	3	19
Idaho	6	—	6	6	—	6
Illinois	19	—	19	19	—	19
Indiana	25	8	33	28	8	36
Iowa	11	—	11	11	—	11
Kansas	6	1	7	7	1	8
Kentucky	17	2	19	19	3	22
Louisiana	10	1	11	10	1	11
Maine	3	—	3	3	—	3
Maryland	8	6	14	14	—	14
Massachusetts	10	1	11	10	1	11
Michigan	18	3	21	21	3	24
Minnesota	7	—	7	7	—	7
Mississippi	3	—	3	3	—	3
Missouri	18	—	18	18	—	18
Montana	—	1	1	2	1	3
Nebraska	4	—	4	4	—	4
Nevada	4	—	4	4	—	4
New Hampshire	3	—	3	3	—	3
New Jersey	10	—	10	10	—	10
New Mexico	7	—	7	9	—	9
New York	21	—	21	22	—	22
North Carolina	21	—	21	21	1	22
North Dakota	2	1	3	2	1	3
Ohio	35	2	37	36	1	37
Oklahoma	8	—	8	10	—	10
Oregon	2	—	2	2	—	2
Pennsylvania	26	6	32	27	6	33
Rhode Island	3	—	3	3	—	3
South Carolina	9	—	9	9	—	9
South Dakota	2	—	2	2	—	2
Tennessee	17	1	18	18	1	19
Texas	81	5	86	87	6	93
Utah	10	1	11	10	1	11
Vermont	1	—	1	1	—	1
Virginia	21	—	21	22	—	22
Washington	2	1	3	2	1	3
West Virginia	4	3	7	4	3	7
Wisconsin	11	3	14	11	4	15
Wyoming	2	—	2	2	—	2
Total domestic restaurants	597	62	659	635	58	693
Bahrain	—	1	1	—	1	1
China	—	1	1	—	1	1
South Korea	—	7	7	—	8	8
Kuwait	—	3	3	—	3	3
Mexico	—	3	3	—	3	3
Philippines	—	7	7	—	16	16
Qatar	—	1	1	—	1	1
Saudi Arabia	—	5	5	—	5	5
Taiwan	—	5	5	—	5	5

United Arab Emirates	—	5	5	—	5	5
Total international restaurants	—	38	38	—	48	48
Total system-wide restaurants	597	100	697	635	106	741

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Food

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

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

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

Most of our full-service restaurants feature a full bar that offers a selection of draft and bottled beer, major brands of liquor and wine as well as made in-house margaritas. margaritas and signature cocktails. Managing partners are encouraged to tailor their beer selection to include regional and local brands. Alcoholic In 2023, alcoholic beverages at all company restaurants accounted for 11.0% 10.3% of restaurant sales in fiscal 2022. sales.

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

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

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

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

Food safety and sanitation is of utmost importance to us. We currently utilize several additional programs to help facilitate adherence to proper food preparation procedures and food safety standards including our daily taste and temperature procedures. We have a food team whose function, in conjunction with our product coaches, is to develop, enforce and maintain programs designed to promote compliance with food safety guidelines. As a requirement of our quality assurance process, primary food items are purchased from qualified vendors who are regularly audited by reputable, outside inspection services confirming that the vendor is compliant with United States Food and Drug Administration and United States Department of Agriculture guidelines, the results of which are reviewed by our food safety team.

We perform regular food safety and sanitation audits on our restaurants and these results are reviewed by various members of operations and management. To maximize adherence to food safety protocols, we have incorporated

Hazard Analysis Critical Control Points principles and critical procedures (such as hand washing) in each recipe. All restaurant managers are required to complete the American National Standards Institute Certified Food Manager training. In addition, most of our product coaches and certain food team members have obtained or are in the process of obtaining required to obtain their Certified Professional-Food Safety designation from the National Environmental Health Association.

Procurement. Our procurement philosophy is designed to supply fresh, quality products to the restaurants at competitive prices while maximizing operating efficiencies. We negotiate directly with suppliers for substantially all food and beverage products to maximize quality and freshness and obtain competitive prices.

Food and supplies are ordered by and shipped directly to our domestic restaurants. Most food products used in the operation of our restaurants are distributed to individual restaurants through an independent national distribution company. We strive to qualify more than one supplier for all key food items and believe that beef of comparable quality as well as all other essential food and beverage products are available, upon short notice, from alternative qualified suppliers.

Service

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

Guest Satisfaction. Through the use of guest surveys, our various websites including "texasroadhouse.com," "bubbas33.com," "bubbas33.com" or "eatjaggers.com," a toll-free guest response telephone line, emails, letters, social media and personal interaction in the restaurant, we receive valuable feedback from guests. We have implemented several programs to evaluate guest satisfaction, with particular attention given to food, beverage and service quality, cleanliness, staff attitude and teamwork, and manager visibility and interaction. We continue to evaluate and implement new processes and technologies relating to guest satisfaction, including reducing guest wait times, improving host interaction with the guest and improving the to-go experience for our guests.

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

People

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

We use market partners to oversee the operation of our restaurants. Each market partner oversees a group of varying sizes of managing partners and their respective management teams. Market partners are also responsible for the hiring and development of each restaurant's management team and assisting in the site selection process. Through regular visits to the restaurants, the market partners facilitate adherence to all aspects of our concepts, strategies and standards of quality. To further facilitate adherence to our standards of quality and to maximize uniform execution

throughout the system, we employ product coaches and service coaches who regularly visit the restaurants to assist in training of both new and existing employees and to grade food and service quality. The attentive service and high quality food, which results from each restaurant having a managing partner, at least two to four managers and the hands-on assistance of a product coach and a service coach, are critical to our success.

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

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

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

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

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

Marketing

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

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

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

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

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Restaurant Franchise Arrangements

Franchise Restaurants. As of December 27, 2022 December 26, 2023, we had 22 21 franchisees that operated 100 106 Texas Roadhouse and Jaggers restaurants in 21 20 states and ten foreign countries. Domestically, franchise rights for our Texas Roadhouse restaurants are granted for specific restaurants only, as we have not granted any rights to develop a territory. We are currently not accepting new domestic Texas Roadhouse franchisees. Approximately 80% 85% of our franchise restaurants are operated by ten franchisees and no franchisee operates more than 16 restaurants.

Our standard Texas Roadhouse domestic franchise agreement has a term of ten years with two renewal options for an additional five years each if certain conditions are satisfied. Our current form of domestic franchise agreement generally requires the franchisee to pay a royalty franchise fee for each restaurant opened and royalties based on a percentage of gross sales. In addition, domestic Texas Roadhouse franchisees are required to pay a percentage of gross sales to a national marketing fund for system-wide promotions and related efforts.

Our standard Texas Roadhouse domestic franchise agreement gives us the right, but not the obligation, to compel a franchisee to transfer its assets to us in exchange for shares of our stock, or to convert its equity interests into shares of our stock. The amount of shares that a franchisee would receive is based on a formula that is included in the franchise agreement.

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

In 2021, we We have also entered into our first two area development agreements for Jaggers, our fast-casual concept. These Currently, we have agreements in place that allow for the development and operation of restaurants in specific territories in Texas, Oklahoma, and North Carolina. As part of these agreements, the franchisees are required to pay us a development fee for our grant of development rights in the named territories, a franchise fee for each restaurant to be opened and royalties based on the sales a percentage of each restaurant. gross sales. We expect opened our first two Jaggers franchise restaurant to open restaurants in 2023.

Our standard Texas Roadhouse and Jaggers domestic franchise agreements give us the right, but not the obligation, to compel a franchisee to transfer its interests to us based on pre-determined formulas included in our franchise agreements.

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

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

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

Information Technology

All of our company restaurants utilize computerized management information systems, which are designed to improve operating efficiencies, provide restaurant and Support Center management with timely access to financial and

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operating data and reduce administrative time and expense. With our current information systems, we have the ability to query, report and analyze this intelligent data on a daily, weekly, monthly, quarterly and year-to-date basis and beyond, on a company-wide, concept, regional, market or individual restaurant basis. Together, this enables us to closely monitor sales food and beverage costs and labor and operating expenses at each of our restaurants. restaurants throughout all concepts. We have a number

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of systems and reports that provide comparative information that enables both restaurant and Support Center management to supervise the financial and operational performance of our restaurants and to recognize and understand trends in the business.

Restaurant hardware and software support for all of our restaurants is provided and coordinated from the restaurant Support Center in Louisville, Kentucky.

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

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

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

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

Competition

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

Trademarks

Our registered trademarks and service marks include, among others, our trade names and our logo logos and proprietary rights related to certain core menu offerings. We have registered all of our significant marks for our restaurants with the United States Patent and Trademark Office. We have registered or have registrations pending for our most significant

trademarks and service marks in multiple foreign jurisdictions. To better protect our brands, we have also registered various Internet domain names. We believe that our trademarks, service marks and other proprietary rights have significant value and are important to our brand-building efforts and the marketing of our restaurant concepts.

Government Regulation

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

Each of our restaurants is subject to permitting and licensing requirements and regulations by a number of government authorities, which may include, among others, alcoholic beverage control, health and safety, sanitation,

labor, zoning and public safety agencies in the state and/or municipality in which each restaurant is located. The development and operation of restaurants depends on selecting and acquiring suitable sites that satisfy our financial targets, which are subject to zoning, land use, environmental, traffic and other regulations.

In addition to domestic regulations, our international business exposes us to additional regulations, including antitrust and tax requirements, anti-boycott legislation, import/export and customs regulations and other international trade regulations, the USA Patriot Act and the Foreign Corrupt Practices Act. We are also subject to laws and regulations relating to the preparation and sale of food, including regulations regarding product safety, nutritional content and menu labeling.

In order to serve alcoholic beverages in our restaurants, we must comply with alcoholic beverage control regulations which require each of our restaurants to apply to a state authority, and, in certain locations, county or municipal authorities, for a license or permit to sell alcoholic beverages on the premises. These licenses or permits must be renewed annually and may be revoked or suspended for cause at any time. We are also subject in certain states to "dram shop" statutes, which generally provide a person injured by an intoxicated person the right to recover damages from an establishment that served alcoholic beverages to the intoxicated person. Consistent with industry standards, we focus on responsible alcohol service training and carry liquor liability coverage as part of our existing comprehensive general liability insurance as well as excess umbrella coverage.

Our restaurant operations are also subject to federal and state labor laws governing such matters as minimum and tipped wage requirements, overtime pay, health benefits, unemployment taxes, workers' compensation, work eligibility requirements, working conditions, safety standards and hiring and employment practices. A significant number of our hourly restaurant personnel receive tips as part of their compensation and are paid at or above a minimum wage rate after giving effect to applicable tips. We rely on our employees to accurately disclose the full amount of their tip income. We base our FICA tax reporting on the disclosures provided to us by our tipped employees.

Our facilities must comply with the applicable requirements of the Americans with Disabilities Act of 1990 ("ADA") and related state accessibility statutes. Under the ADA and related state laws, we must provide equivalent service to disabled persons and make reasonable accommodation for their employment. In addition, when constructing or undertaking remodeling of our restaurants, we must make those facilities accessible.

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

Seasonality

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

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Human Capital Management

At Texas Roadhouse, we take pride in being a people-first company. As of December 27, 2022 December 26, 2023, we employed approximately 82,000 91,000 people. These employees This included 784 845 executive and administrative personnel and 3,080 3,507 restaurant management personnel, while the remainder were full and part-time hourly restaurant personnel. Many of our hourly restaurant employees work part-time. None of our employees are covered by a collective bargaining agreement and we consider our employee relations to be good.

Our business relies on our ability to attract and retain talented employees. To attract and retain talent, we strive to maintain our people-first culture through shared core values, a performance-based compensation program supported by competitive benefits and health programs and a diverse, inclusive and supportive workplace, with opportunities for our employees to grow and develop in their careers.

Additionally, we believe that diversity and inclusion are vital parts of our culture and what truly makes us legendary. We value and welcome employees of all walks of life to share their talents, gifts and strengths while working in our restaurants and the Support Center, as we strive to reflect the communities we are proud to serve. As a result, we are committed to attracting, retaining, engaging and developing a workforce that mirrors the diversity of our guests and is committed to upholding our shared values. The table below shows the gender and racial and ethnic diversity of our employees as of December 26, 2023:

	December 26, 2023	
	Women	People of Color (1)
Support Center	54 %	11 %
Restaurant Managers	39 %	24 %
Hourly Restaurant Employees	57 %	40 %

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

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Maintaining our Culture and Core Values. In our restaurants and at our Support Center, we are committed to our shared "Core Values of Passion, Partnership, Integrity, and Fun…all with Purpose". These Core Values form the foundation of who we are as a company and how we interact with respect, appreciation, and fairness towards one another every day. We also believe that diversity and inclusion are vital parts of our culture. We value and welcome employees of all walks of life to share their gifts and strengths while working in our restaurants and the Support Center, as we strive to reflect the communities we are proud to serve. As a result, we are committed to attracting, retaining, engaging and developing a workforce that mirrors the diversity of our guests and is committed to upholding our shared values.

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

We also offer a performance-based performance-based compensation program to our managing partners and market partners. Each of these positions earn a base salary plus a performance bonus, which represents a percentage of each of their respective restaurant's pre-tax income. By providing our partners with a significant stake in the success of our restaurants, we believe that we are able to attract and retain talented, experienced and highly motivated managing and market partners. In addition to salaries, these programs (which vary by employee level) include, among other items, bonuses, stock awards, retirement savings plans with employer matching contributions, healthcare and insurance benefits, health savings and flexible spending accounts, tuition reimbursement, paid time off, paid parental leave and various employee assistance programs.

Personal Development. We motivate and develop our employees by providing them with opportunities for increased responsibilities and advancement. We provide numerous training opportunities for our employees, with a focus on continuous learning and development. With thousands of leadership positions across our restaurants, we provide a pathway and training for thousands of individuals across the country to advance from entry-level jobs into management roles. In addition, our geographic footprint often allows us to offer our restaurant team members relocation options at similar roles when due to personal circumstances require it. circumstances.

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

Andy's Outreach. Founded in 2005, Andy's Outreach is a non-profit, tax-exempt organization whose mission is to provide financial support to employees of Texas Roadhouse and their families in times of severe hardship or crisis and in

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cases of tragic or catastrophic need. Andy's Outreach is mainly funded by the support of Texas Roadhouse employees through payroll contributions, a domestic franchise store that is owned by Andy's Outreach and other fundraising efforts. Since its inception, Andy's Outreach has assisted over 20,000 employees and distributed over $26 million.

Corporate Sustainability

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

Website Access to Reports

We make our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and amendments to those reports, filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, available, free of charge on or through our Internet website, www.texasroadhouse.com, as soon as reasonably practical after we electronically file such material with, or furnish it to, the Securities and Exchange Commission ("SEC"). The SEC maintains an internet site at www.sec.gov that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC.

Information about our Executive Officers

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

Name	Age	Position
Gerald L. Morgan	62 63	Chief Executive Officer
Regina A. Tobin	59 60	President
S. Chris Jacobsen	57	Chief Marketing Officer
Christopher C. Colson	46 47	Chief Legal and Administrative Officer
Hernan E. Mujica	61 62	Chief Technology Officer
Keith V. Humpich D. Christopher Monroe	53 57	Interim Chief Financial Officer
Travis C. Doster	57	Chief Communications Officer

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Gerald L. Morgan. Mr. Morgan was appointed Chief Executive Officer in March 2021. Mr. Morgan joined Texas Roadhouse in 1997, during which time he has held the positions of Managing Partner, Market Partner and Regional Market Partner. Mr. Morgan also served as President from December 2020 to January 2023. Mr. Morgan has more than 35 years of restaurant management experience with Texas Roadhouse, Bennigan's Restaurants and Burger King.

Regina A. Tobin. Ms. Tobin was appointed President in January 2023. Ms. Tobin joined Texas Roadhouse in 1996, during which time she has held the positions of Managing Partner, Market Partner, Vice President of Training and served as Chief Learning and Culture Officer from June 2021 through her appointment as President. Ms. Tobin has more than 30 years of restaurant management experience.

S. Chris Jacobsen. Mr. Jacobsen was appointed Chief Marketing Officer in February 2016. Mr. Jacobsen joined Texas Roadhouse in January 2003 where he served as Vice President of Marketing until his appointment as Chief Marketing Officer. Mr. Jacobsen has more than 30 years of restaurant marketing experience with Texas Roadhouse, Papa John's International and Waffle House, Inc.

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

Hernan E. Mujica. Mr. Mujica was appointed Chief Technology Officer in January 2023. Mr. Mujica joined Texas Roadhouse in January 2012 as Vice President of Information Technology and then Chief Information Officer, a position he held from March 2021 through his appointment as Chief Technology Officer. Prior to joining Texas

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Roadhouse, Mr. Mujica held senior management positions at The Home Depot and Arthur Andersen. Mr. Mujica has over 30 years of experience in both industry and consulting roles.

Keith V. Humpich. *D. Christopher Monroe.* Mr. Humpich Monroe was appointed Interim Chief Financial Officer in January 2023. Mr. Humpich June 2023 when he joined Texas Roadhouse in 2005, during which time he has held the positions of Director of Internal Audit, Senior Director of Internal Audit and Vice President of Finance. Roadhouse. Prior to joining Texas Roadhouse, Mr. Humpich Monroe held several accounting, finance various senior level financial positions, most recently as Senior Vice President of Finance and audit positions Treasurer, at Lexmark International and Ernst & Young, LLP. Southwest Airlines. Mr. Humpich Monroe has over 30 years of accounting financial experience.

Travis C. Doster. Mr. Doster was appointed Chief Communications Officer in November 2023. Mr. Doster joined Texas Roadhouse in 2006 as the Director, then Senior Director and finance Vice President of Communications, a position he held from 2018 through his appointment as Chief Communications Officer. Prior to joining Texas Roadhouse, Mr. Doster held a senior management position at FSA Public Relations where he provided services for national clients including Jimmy John's, Qdoba and Cameron Mitchell Restaurants. Mr. Doster has over 30 years of media, public relations and industry experience.

ITEM 1A. RISK FACTORS

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

Risks Related to our Growth and Operating Strategy

Our quarterly operating results may fluctuate significantly and could fall below the expectations of securities analysts and investors due to a number of factors, many of which are beyond our control, resulting in a decline in our stock price.

Our quarterly operating results may fluctuate significantly because of several factors, including:

- the timing of new restaurant openings and related expenses;
- restaurant operating costs for our newly-opened restaurants, which are often significantly higher during the first several months of operation than thereafter;
- labor availability and costs for hourly and management personnel including increases relating to unionization and mandated changes in federal and/or state minimum and tipped wage rates, overtime regulations, state unemployment taxes, sick pay or health benefits and other regulatory changes relating to any of the foregoing;

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- fluctuations in commodity prices and utility and energy costs;
- profitability of our restaurants, particularly in new markets;
- the impact of litigation, including negative publicity;
- decreases in average unit volume and comparable restaurant sales, including to-go sales;
- impairment of long-lived assets, including goodwill, and any loss on restaurant relocations or closures;
- general economic conditions, including an economic recession, which can affect restaurant traffic, local labor costs, and prices we pay for the food products and other supplies we use;
- negative publicity regarding food safety and other food and beverage related matters, including the integrity of our, and/or our suppliers' food processing;
- negative publicity relating to the consumption of beef or other products we serve;
- negative publicity regarding health concerns and/or global pandemics;
- closures and/or dining rooms operating at limited capacity due to government mandated restaurant closures and/or limited availability of staff to meet our business standards;
- changes in consumer preferences and competitive conditions including changes related to environmental, social and/or governance ("ESG")pressures;
- expansion to new domestic and/or international markets;
- the impact of inclement weather, natural disasters and other calamities which impact guest traffic or product availability at our restaurants;
- increases in infrastructure costs;
- changes in interest rates;
- adoption of new, or changes in existing, accounting policies or practices;
- changes in and/or interpretations of federal and state tax laws;
- actual self-insurance claims varying from actuarial estimates; and
- competitive actions.

Our business is also subject to seasonal fluctuations. Historically, sales in most of our restaurants have been higher during the winter months of each year. Holidays, changes in weather, severe weather and similar conditions may impact sales volumes seasonally in some operating regions. As a result, our quarterly operating results and comparable restaurant sales may fluctuate as a result of seasonality. Accordingly, results for any one quarter are not necessarily indicative of results to be expected for any other quarter or for any year and comparable, restaurant sales for any particular future period may decrease. In the future, operating results may fall below the expectations of securities analysts and investors. In that event, the price of our common stock could decrease.

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

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

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

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

- our ability to hire, train and retain qualified operating personnel, especially market partners, managing partners, and/or other restaurant management personnel who can execute our business strategy and maintain our culture and brand standards;
- our ability to negotiate suitable purchase or lease terms to execute our business strategy;
- the availability and cost of construction materials, equipment and labor;

- our ability to control construction and development costs of new restaurants (including increased site, supply chain and distribution costs);
- our ability to secure required governmental approvals and permits in a timely manner, or at all;
- road construction and other factors limiting access to the restaurant;
- delays by our landlord or other developers in constructing other parts of a development adjacent to our premises in a timely manner;
- redevelopment of other parts of a development adjacent to our premises that affect the parking available for our restaurant;
- our ability to secure liquor licenses, or at all; licenses;
- general competitive and economic conditions, including an economic recession; consumer tastes and discretionary spending patterns that are different from and more difficult to predict or satisfy than in our existing markets;
- changes in federal, state and/or local tax laws;
- the cost and availability of capital to fund construction costs and pre-opening expenses; and
- the impact of inclement weather, natural disasters and other calamities.

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

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

- consumer awareness and understanding of our concepts;
- our ability to execute our business strategy effectively;

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- our ability to maintain and manage the increased higher levels of to-go sales at our restaurants;
- competition, from our competitors in the restaurant industry, our own restaurants, and/or other food service providers (such as delivery services and grocery stores);
- the impact of permanent changes in weather patterns that can cause inclement weather, natural disasters and other calamities; calamities which impact guest traffic or product availability at our restaurants;
- consumer trends and seasonality;
- our ability to increase menu prices without adversely impacting guest traffic counts or per person average check growth;
- introduction of new menu items;
- loss of parking and/or access rights due to government action (such as eminent domain actions) or through private transactions;
- government mandated dining room closures and/or dining rooms operating at limited capacity due to health epidemics government mandated restaurant closures and/or pandemics; limited availability of staff to meet our business standards;
- negative publicity regarding food safety, health concerns, quality of service, and other food or beverage related matters, including the integrity of our or our suppliers' food processing;

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- general economic conditions, including an economic recession, which can affect restaurant traffic, local labor costs and prices we pay for the food and beverage products and other supplies we use;
- legislation that impacts our suppliers' ability to maintain compliance with laws and regulations and impacts our ability to source product; and
- effects of actual or threatened terrorist attacks (including cyber and/or ransomware attacks).

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

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

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

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

As of December 27, 2022December 26, 2023, our operations include 3848 Texas Roadhouse franchise restaurants in ten countries outside the United States, and we expect to have further international expansion in the future with one or more of our concepts. The entrance into international markets may not be as successful as our experience in the development of the Texas Roadhouse concept domestically or any success we have had with the Texas Roadhouse concept in other international markets. In addition, operating in international markets may require significant resources and management attention and will subject us to economic, political and regulatory risks that are different from and incremental to those in the United States. In addition to the risks that we face in the United States, our international operations involve risks that could adversely affect our business, including:

- the need to adapt our concepts for specific cultural and language differences;
- new and different sources of competition;
- the ability to identify appropriate business partners;
- difficulties and costs associated with staffing and managing foreign operations;
- difficulties in adapting and sourcing product specifications for international restaurant locations;
- fluctuations in currency exchange rates, which could impact royalties, revenue and expenses of our international operations and expose us to foreign currency exchange rate risk;
- difficulties in complying with local laws, regulations and customs in foreign jurisdictions;
- unexpected changes in regulatory requirements or tariffs on goods needed to construct and/or operate our restaurants;

- political or social unrest, economic instability and destabilization of a region;
- effects of actual or threatened terrorist attacks;
- health concerns from global pandemics;
- compliance with U.S. laws such as the Foreign Corrupt Practices Act, and similar laws in foreign jurisdictions;
- differences in the registration and/or enforceability of intellectual property and contract rights;
- adverse tax consequences;
- profit repatriation and other restrictions on the transfer of funds; and
- different and more stringent user protection, data protection, privacy and other laws.

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

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

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

We plan to continue to opportunistically acquire existing restaurants from our domestic franchisees over time. Additionally, from time to time, we evaluate potential mergers, acquisitions, joint ventures or other strategic initiatives

(including (including retail initiatives utilizing our intellectual property or other brand extensions) to acquire or develop additional business channels or concepts, and/or change the business strategy regarding an existing concept. To successfully execute any acquisition or development strategy, we will need to identify suitable acquisition or development candidates, negotiate acceptable acquisition or development terms and possibly obtain appropriate financing.

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

- material adverse effects on our operating results, particularly in the fiscal quarters immediately following the acquisition or development as the restaurants are integrated into our operations;
- risks associated with entering into new domestic markets or conducting operations where we have no or limited prior experience;
- risks associated with successfully integrating new employees, processes and systems while also maintaining our culture and brand standards;
- risks inherent in accurately assessing the value, future growth potential, strengths, weaknesses, contingent and other liabilities and potential profitability of acquisition candidates, and our ability to achieve projected economic and operating synergies, without impacting our underlying business; and
- the diversion of management's attention from other business concerns.

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

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

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

As of December 26, 2023, we operated a total of 87 company restaurants in Texas and 44 company restaurants in Florida. As a result, we are particularly susceptible to adverse trends and economic conditions in those states, including any state mandated changes in minimum and tipped wage rates and economic pressures that may result in lower sales and profits at our restaurants. In addition, given our geographic concentration in these states, negative publicity regarding any of our restaurants in either Texas or Florida could have a material adverse effect on our business and operations, as could other occurrences in either Texas or Florida such as health epidemics or pandemics, local strikes, energy shortages or extreme fluctuations in energy prices, droughts, earthquakes, hurricanes, fires or other natural disasters.

Our franchisees could take actions that could harm our business.

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

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

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

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

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

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

The majority of our company restaurants are located on leased premises. Additional sites that we lease are likely to be subject to similar long-term non-cancelable leases. In connection with the relocation, other operational changes or closure of any restaurant, we may nonetheless be committed to perform on our obligations under the applicable lease

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including, among other things, paying the base rent and real estate taxes for the balance of the lease term. We also are subject to landlord actions that could negatively impact our business or operations.

In addition, as each of our leases expires, there can be no assurance we will be able to renew our expiring leases after the expiration of all remaining renewal options, either on commercially acceptable terms or at all. As a result, at the end of the lease term and expiration of all renewal periods, we may be unable to renew the lease without substantial additional cost, if at all. As a result, we may be required to relocate or close a restaurant, which could subject us to construction and other costs and risks and may have an adverse effect on our operating performance. results of operations.

Approximately 21% We may be required to record additional impairment charges in the future.

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

We review the value of our company restaurants are located in Texas goodwill on an annual basis and Florida and, as a result, we are sensitive to economic and other trends and developments in those states.

As of December 27, 2022, we operated a total of 81 company restaurants in Texas and 44 company restaurants in Florida. As a result, we are particularly susceptible to adverse trends and economic conditions in those states, including any state mandated also when events or changes in minimum circumstances indicate that the carrying value of goodwill may exceed its fair value. The estimates of fair value are based upon the best information available as of the date of the assessment and tipped wage rates incorporate management assumptions about expected future cash flows and economic pressures that may result in lower sales contemplate other valuation measurements and profits at our restaurants. In addition, given our geographic concentration techniques.

The estimates of fair value used in these states, negative publicity regarding any analyses require the use of judgment, certain assumptions and estimates of future operating results. If actual results differ from our restaurants estimates or assumptions, additional impairment charges may be required in either Texas or Florida the future. If impairment charges are significant, our results of operations could have a material adverse effect on our business be adversely affected.

Risks Related to Consumer Discretionary Spending and

operations, as could other occurrences in either Texas or Florida such as health epidemics or pandemics, local strikes, energy shortages or extreme fluctuations in energy prices, droughts, earthquakes, hurricanes, fires or other natural disasters. Macroeconomic Conditions

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

Our success depends, in part, upon the popularity of our food products. Continued social concerns or shifts in consumer preferences away from our restaurants or food offerings, particularly beef, could harm our business. Also, Consumer preferences regarding food sourcing in response to environmental or welfare concerns could also harm our business. Additionally, our success depends to a significant extent on discretionary consumer spending, which is influenced by general economic conditions, including high inflationary periods, and the availability of discretionary income. Accordingly, we may experience declines in sales during economic downturns, pandemics or other periods of uncertainty. Any material decline in the amount of discretionary spending could have a material adverse effect on our business, results of operations, financial condition or liquidity.

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

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

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Risks Related to Government Regulation and Litigation

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

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

In addition to our having to comply with these licensing requirements, various federal and state labor laws govern our relationship with our employees and affect operating costs. These laws include minimum and tipped wage requirements, overtime pay, health benefits, unemployment taxes, workers' compensation, work eligibility requirements and working conditions. A number of factors could adversely affect our operating results, including:

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

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

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

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

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

Issues relating to ESGtopics could adversely affect our operating results.

Entities across all industries are facing increased interest related to their ESG compliance and practices. Evolving consumer and investor interest and preferences as well as governmental regulation may result in additional transparency, due diligence, reporting and specific target-setting with regard to our business and supply chain that could result in additional costs to comply with such demands. Failure to comply with the increased demands could result in public or investor scrutiny and/or litigation and could have an adverse effect on our business. Establishing targets or making other public commitments due to these demands, without a full or complete understanding of the cost or operational impact of changes in our supply chain or operating model, could also adversely affect our business and financial condition.

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

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

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

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

Our operating results could also be affected by the following:

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

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

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

We currently maintain insurance customary for businesses of our size and type. However, there are types of losses we may incur that cannot be insured against or that we believe are not economically reasonable to insure. Such damages could have a material adverse effect on our business, results of operations and/or liquidity. In addition, we self-insure a significant portion of expected losses under our health, workers' compensation, general liability, employment practices liability, cybersecurity and property insurance programs. Unanticipated changes in our claims experience and/or the actuarial assumptions and management estimates underlying our reserves for these losses could result in significantly different amounts of expense under these programs, which could have a material adverse effect on our financial condition, results of operations and liquidity.

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

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

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

The lenders' obligation to extend credit under our amended revolving credit facility depends on our maintaining certain financial covenants. If we are unable to maintain these covenants, we would be unable to obtain additional financing under this amended revolving credit facility. The amended revolving credit facility permits us to incur additional secured or unsecured indebtedness outside the revolving credit facility, except for the incurrence of secured indebtedness that in the aggregate is equal to or greater than $125.0 million and 20% of our consolidated tangible net worth or circumstances where the incurrence of secured or unsecured indebtedness would prevent us from complying with our financial covenants. If we are unable to borrow additional capital or have sufficient liquidity to either repay or refinance the then outstanding balance at the expiration of our amended revolving credit facility, or upon violation of the covenants, our growth could be impeded such increases and our financial performance could results of operations may be significantly adversely affected.

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

We are primarily subject to federal, state and local income and other taxes in the United States. Our effective income tax rate and other taxes in the future could be affected by a number of factors, including changes in the valuation of deferred tax assets and liabilities, changes in tax laws or other legislative changes and the outcome of income tax audits. Any significant increases in income tax rates, changes in and/or interpretations of income tax laws or unfavorable resolution of tax matters could have a material adverse impact on our results of operations, financial results. condition or liquidity.

We may be required Failure to record additional impairment charges in the future. adequately address environmental, social and/or governance (" ESG ") matters could adversely affect our brand, business, results of operations and financial condition.

Entities across all industries are facing increased interest related to ESG matters including packaging and waste, animal health and welfare, human rights, climate change, greenhouse gases and land, energy and water use. In accordance addition, we have faced enhanced pressure to provide expanded disclosures around ESG matters and establish goals or targets with accounting guidance as it relates respect to ESG matters. In response to the impairment heightened level of long-lived assets, expectation for expanded ESG disclosure, we make certain estimates have published a Corporate Sustainability Report detailing our ESG efforts and projections which we update regularly.

Evolving consumer and investor interest and preferences as well as governmental regulation may result in additional disclosure, due diligence, reporting and specific target-setting with regard to company restaurant operations, as well as our overall performance business and supply chain that could result in connection additional costs to comply with such demands. Failure to comply with the increased demands could result in consumer or investor scrutiny and/or litigation and could have an adverse effect on our impairment analysis for long-lived assets. When impairment triggers are deemed business. Establishing targets or making other public commitments due to exist for any company restaurant, these demands, without a full or complete understanding of the estimated undiscounted future cash flows for the restaurant are compared to its carrying value. If the carrying value exceeds the undiscounted cash flows, an impairment charge would be recorded equal to the difference between the carrying value and the estimated fair value.

We review the value cost or operational impact of our goodwill on an annual basis and also when events or changes in circumstances indicate that the carrying value of goodwill our supply chain or other intangible assets may exceed the fair value of such assets. The estimates of fair value are based upon the best information available as of the date of the assessment operating model, could also adversely affect our business and incorporate management assumptions about expected future cash flows and contemplate other valuation measurements and techniques. financial condition.

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

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

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

Our franchisees business could take actions that could harm our business. be adversely affected by increased labor costs or labor shortages.

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

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

We have many restaurants located in accordance states or municipalities where the minimum and/or tipped wage is greater than the federal minimum and/or tipped wage. We anticipate that additional legislation increasing minimum and/or tipped wage standards will be enacted in future periods either federally or in state and local jurisdictions. In addition, regulatory actions which result in changes to healthcare eligibility, design and cost structure could occur. Any increases in minimum and/or tipped wages or increases in employee benefits costs will result in sustained higher labor costs.

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

Our success depends on our ability to attract, motivate and retain qualified employees to keep pace with our applicable restaurant operating standards. We growth strategy. If we are unable to do so, our results of operations may also provide training and support to franchisees. However, most franchisees are independent third parties that we do not control, and these franchisees own, operate and oversee the daily operations of their restaurants. As a result, the ultimate success and quality of any franchise restaurant rests with the franchisee. If franchisees do not successfully operate restaurants in a manner consistent with our standards, our image and reputation could be harmed, which in turn could adversely affect our business and operating results. affected.

Risks Related to Information Technology, Privacy and Privacy Intellectual Property

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

We rely heavily on information systems in all aspects of our operations, including point-of-sale systems, digital apps, financial systems, marketing programs, e-commerce and various other processes and transactions. This reliance has significantly increased in recent years as we have had to rely to a greater extent on systems such as online ordering, contactless payments, online waitlists, and systems supporting a more remote workforce as our guests are increasingly using our website and digital applications to place and pay for their orders. Our point-of-sale processing in our restaurants includes collection of cash, credit cards, debit cards, gift cards and other processes and procedures. Our ability to efficiently and effectively manage our business depends significantly on the reliability, security and capacity of these systems. As our business needs continue to evolve, these systems will require upgrading and maintenance over time, consequently requiring significant future commitments of resources and capital. Additionally, as we become

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increasingly reliant on digital ordering and payment as a sales channel, our business could be negatively impacted if we are unable to successfully implement, execute or maintain our consumer-facing digital initiatives.

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

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

Table Our ability to expand and update our information technology infrastructure in response to our growing and changing needs would be inhibited in the event of Contents a cybersecurity incident. This could lead to a delayed implementation of new service offerings, disruptions to guest experiences including via our website and applications and the diversion of resources that would otherwise be invested in expanding our business and operations. Additionally, we could be subject to litigation and government enforcement actions as a result of any such failure. Any such claim or proceeding could cause us to incur significant unplanned expenses in excess of our insurance coverage, which could have a material impact on our financial condition and results of operations. In addition, if there are malfunctions or other problems with our processing vendors, billing software or payment processing systems, it may cause interruption of normal business performance. These vendors may also experience interruptions to their information technology systems that could adversely affect us and which we may have limited or no control.

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

Some business processes are currently outsourced to third parties, including such processes as information technology, gift card tracking, credit and debit card authorization and processing, insurance claims processing, unemployment claims processing, payroll tax filings, vendor payment processing and other accounting processes. We continually evaluate our other business processes to determine if additional outsourcing is a viable, and the most appropriate, option to accomplish our goals. We make a diligent effort to validate that all providers of outsourced services maintain customary internal controls, such as redundant processing facilities and adequate security frameworks to guard against breaches or data loss; however, there are no guarantees that failures will not occur. Failure of third parties to provide adequate services or internal controls over their processes could have an adverse effect on our results of operations, financial condition or ability to accomplish our financial and management reporting.

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

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

We receive and maintain certain personal, financial or other information about our guests, vendors and employees. In 2022, 2023, approximately 85% 88% of our transactions were by credit or debit cards. In addition, certain of our vendors receive and/or maintain certain personal, financial and other information about our employees and guests on our behalf. The use and handling, including security, of this information is regulated by privacy and data protection laws and regulations in

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various jurisdictions, as well as by certain third-party contracts, frameworks and industry standards, such as the Payment Card Industry Data Security Standard. Hardware, software or other applications we develop and procure from third parties or vendor's third-party applications could be subject to vulnerabilities or cybersecurity incidents or may contain defects in design or manufacture or other problems that could unexpectedly compromise information security. Unauthorized parties may also attempt to gain access to our systems and facilities through fraud, trickery or other forms of deceiving our employees or vendors.

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

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

We own certain common law trademark rights and a number of federal and international trademark and service mark registrations, including our trade names and logos, and proprietary rights relating to certain of our core menu offerings. We believe that our trademarks and other proprietary rights are important to our success and our competitive position. Therefore, we devote appropriate resources to the protection of our trademarks and proprietary rights. However, the protective actions that we take may not be enough to prevent unauthorized usage or imitation by others, which could be subject harm our image, brand or competitive position and, if we commence litigation to litigation and government enforcement actions as a result of any such failure. Any such claim or proceeding could enforce our rights, cause us to incur significant unplanned expenses legal fees. Our inability to register or protect our marks and other proprietary rights in excess of foreign jurisdictions could adversely affect our insurance coverage, which competitive position in international markets.

We cannot assure you that third parties will not claim that our trademarks or menu offerings infringe upon their proprietary rights. Any such claim, whether or not it has merit, could be time-consuming, result in costly litigation, cause delays in introducing new menu items in the future or require us to enter into royalty or licensing agreements. As a result, any such claim could have a material impact adverse effect on our business, results of operations, financial condition and results of operations. In addition, if there are malfunctions or other problems with our processing vendors, billing software or payment processing systems, it may cause interruption of normal business performance. liquidity.

Risks Related to the Restaurant Industry

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

Our profitability depends in part on our ability to anticipate and react to changes in food and supply costs and/or the availability of products necessary to operate our business, including increased costs arising from federal and/or state mandated requirements. Any increase in food prices or loss of supply, particularly proteins, could adversely affect our operating results. In addition, we are susceptible to increases in food costs as a result of factors beyond our control, such as food supply constrictions, weather conditions, food safety concerns, global pandemics, product recalls, global market and trade conditions, and government regulations. We cannot predict whether we will be able to anticipate and react to changing food costs and/or loss of supply by adjusting our purchasing practices, menu prices or menu offerings, and a failure to do so could adversely affect our operating results. Extreme and/or long term increases in commodity prices

could adversely affect our future results, especially if we are unable, primarily due to competitive reasons, to increase menu prices. Additionally, if there is a time lag between the increasing commodity prices and our ability to increase menu prices or if we believe the commodity price increase to be short in duration and we choose not to pass on the cost increases, our short-term results could be negatively affected. Also, if we adjust pricing there is no assurance that we will realize the full benefit of any adjustment due to changes in our guests' menu item selections and guest traffic.

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

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

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

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

We have many restaurants located in states or municipalities where the minimum and/or tipped wage is greater than the federal minimum and/or tipped wage. We anticipate that additional legislation significantly increasing minimum and/or tipped wage standards will be enacted in future periods and in other jurisdictions. In addition, regulatory actions which result in changes to healthcare eligibility, design and cost structure could occur. Any increases in minimum and/or tipped wages or increases in employee benefits costs will result in higher labor costs.

Our operating margin will be adversely affected to the extent that we are unable or are unwilling to offset any increase in these labor costs through higher prices on our products. Our distributors and suppliers also may be affected by higher minimum wage and benefit standards which could result in higher costs for goods and services supplied to us. Our success depends on our ability to attract, motivate and retain qualified employees to keep pace with our growth strategy. If we are unable to do so, our results of operations may also be adversely affected.

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

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

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

The restaurant industry is intensely competitive. We compete with many well-established food service companies on the basis of taste, quality and price of products offered, guest service, atmosphere, location, take-out and delivery

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options and overall guest experience. Our competitors include a large and diverse group of restaurant chains and individual restaurants that range from independent local operators that have opened restaurants in various markets to well-capitalized national restaurant chains. We also face competition from meal kit delivery services as well as the supermarket industry. In addition, improving product offerings of fast casual and quick-service restaurants, together with negative economic conditions could cause consumers to choose less expensive alternatives. As our competitors expand their operations, we expect competition to intensify. We also compete with other restaurant chains and other retail establishments for quality site locations and employees. Additionally, our competitors may generate or better implement business strategies that improve the value and the relevance of their brands and reputation, relative to ours. This could include the testing of delivery via internal or third-party methods or better execution around guests' to-go experience.

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

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

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

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

Given the marked increase in the use of social media platforms, individuals have access to a broad audience of consumers and other interested persons. The availability of information on social media platforms is virtually immediate as is its impact. Many social media platforms immediately publish the content their subscribers and participants post, often without filters or checks on the accuracy of the content posted. Information concerning our Company may be posted on such platforms at any time. Additionally, social media has increasingly been utilized to target specific companies or brands as a result of a variety of actions or inactions, or perceived actions or inactions, that are disfavored by interest groups and such campaigns can rapidly accelerate and impact consumer behavior. If we are unable to quickly and effectively respond to such reports, we may suffer declines in guest traffic. The impact may be immediate without affording us an opportunity for redress or correction. These factors could have a material adverse impact on our business.

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

Like other restaurant chains, consumer preferences could be affected by concerns about the consumption or sourcing of beef, the key ingredient in many of our menu items, or negative publicity concerning food quality and food safety, including food-borne illnesses. In addition, consumer preferences may be impacted by current and future menu-labeling requirements or social and environmental concerns about the sourcing of food products throughout our supply chain. Future regulatory action may occur which could result in further changes in the nutritional and environmental disclosure requirements. We cannot make any assurances regarding our ability to effectively respond to changes in consumer perceptions and to adapt our menu offerings to prevailing trends. The imposition of menu-labeling and food sourcing laws or regulations could have an adverse effect on our results of operations and financial position, as well as the restaurant industry in general. The labeling and sourcing requirements and any negative publicity concerning any of the food products we serve may adversely affect demand for our food and could result in a decrease in guest traffic to

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our restaurants. If we react to labeling or sourcing requirements or negative publicity by changing our concepts or our menu offerings or their ingredients, we may lose guests who do not prefer the new concept or products, and we may not be able to attract sufficient new guests to produce the revenue needed to make our restaurants profitable. In addition, we may have different or additional competitors for our intended guests as a result of a change in our concept and may not be able to compete successfully against those competitors. A decrease in guest traffic to our restaurants as a result of these health, social and environmental concerns or negative publicity or as a result of a change in our menu or concept could significantly harm our business.

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

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

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

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temporarily close some restaurants. Furthermore, any instances of food contamination, whether or not at our restaurants, could subject us or our suppliers to a food recall.

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

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

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

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

Risks Related to Stock Ownership and Our Corporate Structure

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

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

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

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

Payment of cash dividends on our common stock or repurchases of our common stock are subject to compliance with applicable laws and depends on, among other things, our results of operations, financial condition, level of

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indebtedness, capital requirements, business prospects, macro-economic conditions and other factors that our Board may deem relevant. There can be no assurance that we will continue to pay dividends or repurchase our common stock at the same levels we have historically (if at all).

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

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

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

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

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

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 1C. CYBERSECURITY

Risk Management and Strategy

In the course of our operations, the Company receives and maintains sensitive information from our guests, employees, partners and business operations. To address cybersecurity threats to this information, the Company uses a risk-based approach to create and implement a detailed set of information security policies and procedures based on frameworks established by the National Institute of Standards and Technology. The Company's Head of Information Security leads the Company's cybersecurity efforts under the direct oversight of our Chief Technology Officer. Together, these individuals have over 50 years of experience involving information technology, including security, auditing, compliance, systems and programming. Additionally, the Company engages in the use of external cybersecurity experts for training, contingency planning, consultation and process documentation.

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

The Company's enterprise risk management program has established an internal risk committee to evaluate information governance risks. This committee comprises members of management of the Company's information technology, human resources, marketing, accounting, risk, procurement, training, finance and legal functions, and is focused on performing risk assessments to identify areas of concern and implement appropriate changes to enhance its

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cybersecurity and privacy policies and procedures. The internal risk committee is informed of the Company's risk prevention and mitigation efforts on a regular basis. The committee is also briefed on detection and remediation of cybersecurity incidents in a timely manner following the detection of any potential events.

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

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

Governance

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

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ITEM 1B—UNRESOLVED STAFF COMMENTS

None.

ITEM 2—2. PROPERTIES

Properties

Our Support Center is located in Louisville, Kentucky. We occupy this facility under a master lease with Paragon Centre Holdings, LLC, a limited liability company in which we have a minority ownership position. As of December 27, 2022 December 26, 2023, we leased 133,023 square feet. Our lease expires on October 31, 2048, including all applicable extensions.

Of the 597 635 company restaurants in operation as of December 27, 2022 December 26, 2023, we owned 150 155 locations and leased 447 480 locations, as shown in the following table.

State	Owned	Leased	Total	Owned	Leased	Total

Alabama	3	6	9	3	7	10
Alaska	—	2	2	—	2	2
Arizona	5	15	20	6	14	20
Arkansas	1	7	8	2	7	9
California	1	5	6	1	7	8
Colorado	7	10	17	7	10	17
Connecticut	—	5	5	—	5	5
Delaware	1	2	3	1	4	5
Florida	7	37	44	7	37	44
Georgia	4	12	16	4	12	16
Idaho	1	5	6	1	5	6
Illinois	3	16	19	3	16	19
Indiana	13	12	25	13	15	28
Iowa	3	8	11	2	9	11
Kansas	2	4	6	2	5	7
Kentucky	4	13	17	4	15	19
Louisiana	2	8	10	2	8	10
Maine	—	3	3	—	3	3
Maryland	—	8	8	4	10	14
Massachusetts	1	9	10	1	9	10
Michigan	5	13	18	5	16	21
Minnesota	1	6	7	1	6	7
Mississippi	1	2	3	1	2	3
Missouri	3	15	18	2	16	18
Montana				—	2	2
Nebraska	1	3	4	1	3	4
Nevada	—	4	4	—	4	4
New Hampshire	2	1	3	2	1	3
New Jersey	—	10	10	—	10	10
New Mexico	1	6	7	1	8	9
New York	3	18	21	3	19	22
North Carolina	4	17	21	4	17	21
North Dakota	—	2	2	—	2	2
Ohio	12	23	35	12	24	36
Oklahoma	2	6	8	3	7	10
Oregon	—	2	2	—	2	2
Pennsylvania	3	23	26	3	24	27
Rhode Island	—	3	3	—	3	3
South Carolina	—	9	9	—	9	9
South Dakota	1	1	2	1	1	2
Tennessee	—	17	17	—	18	18
Texas	39	42	81	39	48	87
Utah	1	9	10	1	9	10
Vermont	—	1	1	—	1	1
Virginia	6	15	21	6	16	22
Washington	—	2	2	—	2	2
West Virginia	1	3	4	1	3	4
Wisconsin	4	7	11	4	7	11
Wyoming	2	—	2	2	—	2
Total	150	447	597	155	480	635

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

ITEM 3— 3. LEGAL PROCEEDINGS

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

ITEM 4— 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

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

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

The number of holders of record of our common stock as of February 15, 2023 February 14, 2024 was 159. 158.

On February 14, 2023 February 14, 2024, our Board of Directors (the "Board") declared a quarterly dividend of $0.55 $0.61 per share of common stock which will be distributed on March 24, 2023 March 26, 2024 to shareholders of record at the close of business on March 8, 2023. 13, 2024. The declaration and payment of cash dividends on our common stock is at the discretion of our Board, and any decision to declare a dividend will be based on a number of factors including, but not limited to, earnings, financial condition, applicable covenants under our amended credit facility and other contractual restrictions, or other factors deemed relevant.

Unregistered Sales of Equity Securities

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

Issuer Repurchases of Securities

In 2008, our Board approved our first stock repurchase program. From inception through December 27, 2022 December 26, 2023, we have paid $633.5 million $683.5 million through our authorized stock repurchase programs to repurchase 21,041,442 21,496,468 shares of our common stock at an average price per share of $30.11. $31.80. On March 17, 2022, the Board approved a stock repurchase program under which we may repurchase up to $300.0 million of our common stock. This stock repurchase program has no expiration date and replaced a previous stock repurchase program which was approved on May 31, 2019 that authorized the Company to repurchase up to $250.0 million of our common stock. date. All repurchases to date have been made through open market transactions. In 2022, 2023, we paid $212.9 million $50.0 million to repurchase 2,734,005 455,026 shares of our common stock. This includes $133.1 million repurchased under our current authorized stock repurchase program and $79.7 million repurchased under our prior authorization. For the 13 week period weeks ended December 27, 2022 December 26, 2023, we did not paid $4.8 million to repurchase any 40,707 shares of our common stock. As of December 27, 2022 December 26, 2023, $166.9 million $116.9 million remains authorized for stock repurchases.

The following table includes information regarding purchases of our common stock made by us during the quarter ended December 26, 2023:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plans or Programs
September 27 to October 24	—	$ —	—	$ 121,683,492
October 25 to November 21	—	$ —	—	$ 121,683,492
November 22 to December 26	40,707	$ 117.92	40,707	$ 116,883,508
Total	40,707		40,707	

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Stock Performance Graph

The following graph sets forth the cumulative total shareholder return experienced by holders of the Company's common stock compared to the cumulative total return of the broad market indices of the S&P 500 Index and Russell 3000 Index as well as the industry specific indices of the S&P Composite 1500 Restaurant Sub-Index and Russell 3000 Restaurant Index for the five year period ended December 27, 2022, 26, 2023, the last trading day of our fiscal year. The graph assumes the values of the investment in our common stock and each index was $100 on December 26, 2017 December 26, 2018 and the reinvestment of all dividends paid during the period of the securities comprising the indices.

Historically, we have presented the performance graph by comparing our cumulative total shareholder return against the Russell 3000 Index and Russell 3000 Restaurant Index. In 2022, we transitioned to the S&P 500 Index and S&P Composite 1500 Restaurant Sub-Index as these are more widely utilized industry indices. The performance graph below presents all the indices used for this transition year.

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

Comparison of Cumulative Total Return Since December 26, 2017 December 26, 2018

Graphic

	12/26/2017	12/24/2018	12/31/2019	12/29/2020	12/28/2021	12/27/2022	12/26/2018	12/31/2019	12/29/2020	12/28/2021	12/27/2022	12/26/2023
Texas Roadhouse, Inc.	$100.00	$106.69	$108.05	$152.59	$175.44	$188.43	$100.00	$101.28	$143.02	$164.44	$176.61	$235.74
S&P 500	$100.00	$ 89.44	$125.44	$147.34	$191.93	$156.08	$100.00	$140.25	$164.74	$214.60	$174.52	$221.20
S&P Composite 1500 Restaurant Sub-Index	$100.00	$104.87	$135.44	$161.06	$196.79	$181.84	$100.00	$129.15	$153.58	$187.65	$173.39	$198.08
Russell 3000	$100.00	$ 88.62	$123.87	$148.62	$188.83	$151.48						
Russell 3000 Restaurant Index	$100.00	$100.16	$130.00	$147.41	$170.36	$159.21						

ITEM 6— 6. RESERVED

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

The discussion and analysis below of the financial condition and results of operations for Texas Roadhouse, Inc. (collectively, the (the "Company," "we," "our" and/or "us") should be read in conjunction with the consolidated financial statements and the notes to such financial statements (pages F-1 to F-28) F-29), "Forward-looking Statements" (page 3) and Risk Factors set forth in Item 1A. For discussion and analysis of our financial condition and results of operations for fiscal year 2021 2022 compared to fiscal year 2020, 2021, see Part II, Item 7 of our 2021 2022 Form 10-K.

Our Company

Texas Roadhouse, Inc. is a growing restaurant company operating predominately predominantly in the casual dining segment. Our late founder, W. Kent Taylor, started the business in 1993 with the opening of the first Texas Roadhouse restaurant in Clarksville, Indiana. Since then, we have grown to three concepts with 697 741 restaurants in 49 states and ten foreign countries. As of December 27, 2022 December 26, 2023, our 697 741 restaurants included:

- 597 "company 635 company restaurants," of which 577 615 were wholly-owned and 20 were majority-owned. Of the 597 restaurants we owned and operated at the end of 2022, we operated 552 as Texas Roadhouse restaurants, 40 as Bubba's 33 restaurants and five as Jaggers restaurants. The results of operations of company restaurants are included in our consolidated statements of income and comprehensive income. The portion of income attributable to noncontrolling interests in company restaurants that are majority-owned is reflected in the line item entitled "Net net income attributable to noncontrolling interests" interests in our consolidated statements of income and comprehensive income. Of the 635 company restaurants, we operated 582 as Texas Roadhouse restaurants, 45 as Bubba's 33 restaurants and eight as Jaggers restaurants.

- 100 "franchise 106 franchise restaurants," 23 of which 20 we have a 5.0% to 10.0% ownership interest. All of the franchise restaurants operated as Texas Roadhouse restaurants. The income derived from our minority interests in these franchise restaurants is reported in the line item entitled "Equity equity income (loss) from investments in unconsolidated affiliates" affiliates in our consolidated statements of income and comprehensive income. Additionally, we provide various management services to these 23 Of the 106 franchise restaurants, as well as five additional franchise restaurants in which we have no ownership interest. Of the 100 franchise restaurants, 62 56 were domestic Texas Roadhouse restaurants, two were domestic Jaggers restaurants and 38 48 were international Texas Roadhouse restaurants.

We have contractual arrangements that grant us the right to acquire at pre-determined formulas the remaining equity interests in 18 of the 20 majority-owned company restaurants and 58 53 of the 62 58 domestic franchise restaurants.

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

Presentation of Financial and Operating Data

We operate on a fiscal year that ends on the last Tuesday in December. Fiscal year 2022 2023 and fiscal year 2021 2022 were both 52 weeks in length, and the fourth quarters were both 13 weeks in length.

COVID-19 and Related Impacts

The Company has been subject to risks and uncertainties as a result of the COVID-19 pandemic (the "pandemic"). These include federal, state and local restrictions on restaurants, some of which limited capacity or seating in dining rooms while others allowed to-go or curbside service only. In 2022, all of our domestic company and franchise locations operated without restriction. We also experienced and expect to continue to experience commodity inflation and certain food and supply shortages as well as a more competitive labor market. To the extent these challenges persist, we will continue to experience increased costs.

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

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

- *Expanding Our Restaurant Base.* We continue to evaluate opportunities to develop restaurants in existing markets and in new domestic and international markets. Domestically, we remain focused primarily on markets

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where we believe a significant demand for our restaurants exists because of population size, income levels, the presence of shopping and entertainment centers and a significant employment base. In addition, we continue to pursue opportunities to acquire domestic franchise locations to expand our company restaurant base.

We have entered into area development and franchise agreements for the development and operation of Texas Roadhouse restaurants in numerous foreign countries and one U.S. territory. We have also entered into area development agreements for Jaggers, our fast-casual concept. We expect opened our first two Jaggers franchise restaurant to open restaurants in 2023.

In 2022, 2023, we opened 23 30 company restaurants while our franchise partners opened seven restaurants internationally. 15 restaurants. The company restaurants included 18 22 Texas Roadhouse restaurants, four five Bubba's 33 restaurants, and one three Jaggers restaurant.

restaurants. The franchise restaurants included ten international Texas Roadhouse restaurants, three domestic Texas Roadhouse restaurants and two domestic Jaggers restaurants.

In 2023, we plan to open approximately 25 to 30 Texas Roadhouse and Bubba's 33 company restaurants and three Jaggers company restaurants. In addition, we expect as many as nine Texas Roadhouse international and domestic franchise openings and three Jaggers domestic franchise openings in 2023.

In 2022, we also completed the acquisition of eight domestic franchise Texas Roadhouse restaurants for an aggregate purchase price of $33.1 million $39.1 million. On our first day of fiscal year 2023, we completed the acquisition of eight domestic franchise Texas Roadhouse restaurants for an aggregate purchase price of approximately $39.0 million.

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

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

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

- *Leveraging Our Scalable Infrastructure.* To support our growth, we have made investments in our infrastructure across all critical functions, including the development of new strategic initiatives. Whether we are able to leverage our infrastructure in future years by growing our general and administrative costs at a slower rate than our revenue will depend, in part, on our new restaurant openings, our comparable restaurant sales growth rate going forward and the level of investment we continue to make in our infrastructure.

- *Returning Capital to Shareholders.* We continue to evaluate opportunities to return capital to our shareholders, including the payment of dividends and repurchase of common stock. In 2011, our Board of Directors (the "Board") declared our first quarterly dividend of $0.08 per share of common stock which has consistently grown over time. In 2022, the Board declared a quarterly cash dividend of $0.46 per share of common stock. On February 14, 2023, 2023, the Board declared a quarterly cash dividend of $0.55 per share of common stock. On February 14, 2024, the Board declared a quarterly cash dividend of $0.61 per share of common stock, representing a 20% an 11% increase compared to the quarterly dividend declared in the prior year period.

In 2008, the Board approved our first stock repurchase program. From inception through December 27, 2022, we have paid $633.5 million through our authorized stock repurchase programs to repurchase 21,041,442 shares of our common stock at an average price per share of $30.11. On March 17, 2022, the Board approved a stock repurchase program under which we may repurchase up to $300.0 million of our common stock. In 2022, 2023, we paid $212.9 million $50.0 million to repurchase 2,734,005 455,026 shares of our common stock. This includes $133.1 million repurchased under As of December 26, 2023, $116.9 million remained authorized for stock repurchases. From inception through December 26, 2023, we have paid $683.5 million through our current authorized stock repurchase program and $79.7 million repurchased under programs to repurchase 21,496,468 shares of our prior authorization. As common stock at an average price per share of December 27, 2022, $166.9 million remains authorized for stock repurchases. $31.80.

Key Measures We Use To Evaluate Our Company

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

- *Comparable Restaurant Sales.* Comparable restaurant sales reflects reflect the change in sales for all company restaurants across all concepts, unless otherwise noted, over the same period of the prior year for the comparable restaurant base. We define the comparable restaurant base to include those restaurants open for a full 18 months before the beginning of the period measured excluding restaurants permanently closed during the period. Comparable restaurant sales can be impacted by changes in guest traffic counts or by changes in the

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per person average check amount. Menu price changes, the mix of menu items sold and the mix of dine-in versus to-go sales can affect the per person average check amount.

- *Average Unit Volume.* Average unit volume represents the average annual restaurant sales for Texas Roadhouse and Bubba's 33 restaurants open for a full six months before the beginning of the period measured excluding sales of restaurants permanently closed during the period. Historically, average unit volume growth is less than comparable restaurant sales growth which indicates that newer restaurants are operating with sales growth levels lower than the company average. At times, average unit volume growth may be more than comparable restaurant sales growth which indicates that newer restaurants are operating with sales growth levels higher than company average.

- *Store Weeks and New Restaurant Openings.* Store weeks represent the number of weeks that all company restaurants across all concepts, unless otherwise noted, were open during the reporting period. Store weeks include weeks in which a restaurant is temporarily closed. Store week growth is driven by new restaurant openings and franchise acquisitions. New restaurant openings reflect the number of restaurants opened during a particular fiscal period, excluding store relocations. We consider store openings that occur simultaneous simultaneously with a store closure in the same trade area to be a relocation.

- *Restaurant Margin.* Restaurant margin (in dollars, and as a percentage of restaurant and other sales) sales and per store week) represents restaurant and other sales less restaurant-level operating costs, including food and beverage costs, labor, rent and other operating costs. Restaurant margin is not a measurement determined in accordance with U.S. generally accepted accounting principles ("GAAP") and should not be considered in isolation, or as an alternative, to income from operations. This non-GAAP measure is not indicative of overall company performance and profitability in that this measure does not accrue directly to the benefit of shareholders due to the nature of the costs excluded. Restaurant margin is widely regarded as a useful metric by which to evaluate core restaurant-level operating efficiency and performance over various reporting periods on a consistent basis.

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

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Other Key Definitions

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

Franchise Royalties and Fees. Franchise royalties consist of royalties, as defined in our franchise agreement, paid to us by our domestic and international franchisees. Domestic and international franchisees also typically pay an initial franchise fee and/or development fee for each new restaurant or territory.

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

Restaurant Labor Expenses. Restaurant labor expenses include all direct and indirect labor costs incurred in operations except for profit sharing incentive compensation expenses earned by our restaurant managing partners and

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market partners. These profit sharing expenses are reflected in restaurant other operating expenses. Restaurant labor expenses also include share-based compensation expense related to restaurant-level employees.

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

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

Pre-opening Expenses. Pre-opening expenses, which are charged to operations as incurred, consist of expenses incurred before the opening of a new or relocated restaurant and are comprised consist principally of opening and training team compensation and benefits, travel expenses, rent, food, beverage and other initial supplies and expenses. On average, approximately 70% The majority of total pre-opening costs incurred per restaurant opening relate to the hiring and training of employees. employees due to the significant investment we make in training our people. Pre-opening costs vary by location depending on a number of factors, including the size and physical layout of each location; the number of management and hourly employees required to operate each restaurant; the availability of qualified restaurant staff members; the cost of travel and lodging for different geographic areas; the timing of the restaurant opening; and the extent of unexpected delays, if any, in obtaining final licenses and permits to open the restaurants. each restaurant.

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

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

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

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

Equity Income (loss) from Investments in Unconsolidated Affiliates. Equity income (loss) includes our percentage share of net income earned by unconsolidated affiliates and our share of any gain on the acquisition of these affiliates. As of

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December 27, 2022 December 26, 2023 and December 28, 2021 December 27, 2022, we owned a 5.0% to 10.0% equity interest in 23 20 and 24 23 domestic franchise restaurants, respectively. Additionally, we had a 40% equity interest in four non-Texas Roadhouse restaurants as part of a joint venture agreement with a casual dining restaurant operator in China that we fully impaired in 2021.

Net Income Attributable to Noncontrolling Interests. Net income attributable to noncontrolling interests represents the portion of income attributable to the other owners of the majority-owned restaurants. Our consolidated subsidiaries include 20 majority-owned restaurants for all periods presented.

2022 2023 Financial Highlights

Total revenue increased $551.0 million $616.8 million or 15.9% 15.4% to $4.6 billion in 2023 compared to $4.0 billion in 2022 compared to $3.5 billion in 2021 primarily due to an increase in store weeks comparable restaurant sales and an increase in comparable restaurant sales. Store weeks and comparable store weeks. Comparable restaurant sales and store weeks increased 6.1% 10.1% and 9.7% 5.8%, respectively, at company restaurants in 2022. 2023. The increase in comparable restaurant sales was due to an increase in guest traffic along with an increase in per person average check. The increase in store weeks was due to new store openings and the acquisition of franchise restaurants. The increase in comparable restaurant sales was due to an increase in per person average check and an increase in guest traffic.

Net income increased $24.5 million $35.1 million or 10.0% 13.0% to $304.9 million in 2023 compared to $269.8 million in 2022 compared to $245.3 million in 2021 primarily due to higher restaurant margin dollars, as described below, partially offset by higher general and

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administrative expenses and higher depreciation and amortization expense. expenses. Diluted earnings per share increased 13.5% 14.3% to $3.97 $4.54 from $3.50 $3.97 in the prior year primarily due to the increase in net income and the benefit of share repurchases. income.

Restaurant margin dollars increased $45.8 million $80.5 million or 7.9% 12.8% to $708.0 million in 2023 compared to $627.5 million in 2022 compared to $581.7 million in 2021 primarily due to higher sales. Restaurant margin, as a percentage of restaurant and other sales, decreased to 15.4% in 2023 compared to 15.7% in 2022 compared to 16.9% in 2021. 2022. The decrease in restaurant margin, as a percentage of restaurant and other sales, was due to commodity and inflation, wage and other labor inflation and higher general liability insurance expense partially offset by higher sales.

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Table We repurchased 455,026 shares of Contents common stock for $50.0 million in 2023. We also paid a quarterly dividend of $0.55 per share of common stock, which totaled $147.2 million.

	Results of Operations			
	Fiscal Year Ended			
	2022		2021	
	$	%	$	%
	(In thousands)			
Consolidated Statements of Income:				
Revenue:				
Restaurant and other sales	3,988,791	99.3	3,439,176	99.3
Franchise royalties and fees	26,128	0.7	24,770	0.7
Total revenue	4,014,919	100.0	3,463,946	100.0
Costs and expenses:				
(As a percentage of restaurant and other sales)				
Restaurant operating costs (excluding depreciation and amortization shown separately below):				
Food and beverage	1,378,192	34.6	1,156,628	33.6
Labor	1,319,959	33.1	1,123,003	32.7
Rent	66,834	1.7	60,005	1.7
Other operating	596,305	14.9	517,808	15.1
(As a percentage of total revenue)				
Pre-opening	21,883	0.5	24,335	0.7
Depreciation and amortization	137,237	3.4	126,761	3.7
Impairment and closure, net	1,600	NM	734	NM
General and administrative	172,712	4.3	157,480	4.5
Total costs and expenses	3,694,722	92.0	3,166,754	91.4
Income from operations	320,197	8.0	297,192	8.6
Interest expense, net	124	NM	3,663	0.1
Equity income (loss) from investments in unconsolidated affiliates	1,239	NM	(637)	NM
Income before taxes	321,312	8.0	292,892	8.5
Income tax expense	43,715	1.1	39,578	1.1
Net income including noncontrolling interests	277,597	6.9	253,314	7.3
Net income attributable to noncontrolling interests	7,779	0.2	8,020	0.2
Net income attributable to Texas Roadhouse, Inc. and subsidiaries	269,818	6.7	245,294	7.1

NM – Not meaningful

	Reconciliation of Income from Operations to Restaurant Margin	
	Fiscal Year Ended	
	2022	2021
	(In thousands, except per store week)	
Income from operations	$ 320,197	$ 297,192
Less:		
Franchise royalties and fees	26,128	24,770
Add:		
Pre-opening	21,883	24,335
Depreciation and amortization	137,237	126,761
Impairment and closure, net	1,600	734
General and administrative	172,712	157,480
Restaurant margin	$ 627,501	$ 581,732
Restaurant margin $/store week	$ 20,721	$ 20,389
Restaurant margin *(as a percentage of restaurant and other sales)*	15.7%	16.9%

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	Results of Operations			
	Fiscal Year Ended			
	2023		2022	
	$	%	$	%
	(In thousands)			
Consolidated Statements of Income:				
Revenue:				
Restaurant and other sales	4,604,554	99.4	3,988,791	99.3
Franchise royalties and fees	27,118	0.6	26,128	0.7
Total revenue	4,631,672	100.0	4,014,919	100.0
Costs and expenses:				
(As a percentage of restaurant and other sales)				

Restaurant operating costs (excluding depreciation and amortization shown separately below):				
Food and beverage	1,593,852	34.6	1,378,192	34.6
Labor	1,539,124	33.4	1,319,959	33.1
Rent	72,766	1.6	66,834	1.7
Other operating	690,848	15.0	596,305	14.9
(As a percentage of total revenue)				
Pre-opening	29,234	0.6	21,883	0.5
Depreciation and amortization	153,202	3.3	137,237	3.4
Impairment and closure, net	275	NM	1,600	NM
General and administrative	198,382	4.3	172,712	4.3
Total costs and expenses	4,277,683	92.4	3,694,722	92.0
Income from operations	353,989	7.6	320,197	8.0
Interest income (expense), net	2,984	0.1	(124)	NM
Equity income from investments in unconsolidated affiliates	1,351	NM	1,239	NM
Income before taxes	358,324	7.7	321,312	8.0
Income tax expense	44,649	1.0	43,715	1.1
Net income including noncontrolling interests	313,675	6.8	277,597	6.9
Net income attributable to noncontrolling interests	8,799	0.2	7,779	0.2
Net income attributable to Texas Roadhouse, Inc. and subsidiaries	304,876	6.6	269,818	6.7

NM – Not meaningful

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	Reconciliation of Income from Operations to Restaurant Margin	
	Fiscal Year Ended	
	2023	2022
	(In thousands, except per store week)	
Income from operations	$ 353,989	$ 320,197
Less:		
Franchise royalties and fees	27,118	26,128
Add:		
Pre-opening	29,234	21,883
Depreciation and amortization	153,202	137,237
Impairment and closure, net	275	1,600
General and administrative	198,382	172,712
Restaurant margin	$ 707,964	$ 627,501
Restaurant margin $/store week	$ 22,090	$ 20,721
Restaurant margin *(as a percentage of restaurant and other sales)*	15.4%	15.7%

Restaurant Unit Activity

		Texas				Texas		
	Total	Roadhouse	Bubba's 33	Jaggers	Total	Roadhouse	Bubba's 33	Jaggers
Balance at December 28, 2021	667	627	36	4				
Balance at December 27, 2022					697	652	40	5
Company openings	23	18	4	1	30	22	5	3
Company closings	—	—	—	—				
Franchise openings - Domestic	—	—	—	—	5	3	—	2
Franchise openings - International	7	7	—	—	10	10	—	—
Franchise closings	—	—	—	—	(1)	(1)	—	—
Balance at December 27, 2022	697	652	40	5				
Balance at December 26, 2023					741	686	45	10

	December 27, 2022	December 28, 2021	December 26, 2023	December 27, 2022
Company - Texas Roadhouse	552	526	582	552
Company - Bubba's 33	40	36	45	40
Company - Jaggers	5	4	8	5
Franchise - Texas Roadhouse - U.S.	62	70		
Total company			635	597
Franchise - Texas Roadhouse - Domestic			56	62
Franchise - Jaggers - Domestic			2	—
Franchise - Texas Roadhouse - International	38	31	48	38
Total franchise			106	100
Total	697	667	741	697

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Restaurant and Other Sales

Restaurant and other sales increased 16.0% 15.4% in 2022 2023 compared to 2021. 2022. The following table summarizes certain key drivers and/or attributes of restaurant sales at company restaurants for the periods presented. Company restaurant count activity is shown in the restaurant unit activity table above.

	2022	2021	2023	2022
Company Restaurants:				
Increase in store weeks	6.1 %	5.0 %	5.8 %	6.1 %
Increase in average unit volume	9.4 %	36.7 %	9.7 %	9.4 %
Other(1)	0.4 %	2.6 %	— %	0.4 %
Total increase in restaurant sales	15.9 %	44.3 %	15.5 %	15.9 %
Other sales	0.1 %	0.2 %	(0.1)%	0.1 %
Total increase in restaurant and other sales	16.0 %	44.5 %	15.4 %	16.0 %
Store weeks	30,284	28,531	32,050	30,284
Comparable restaurant sales	9.7 %	37.8 %	10.1 %	9.7 %
Texas Roadhouse restaurants:				

Store weeks	28,127	26,622	29,528	28,127
Comparable restaurant sales	9.7 %	37.6 %	10.3 %	9.7 %
Average unit volume (in thousands)	$ 6,962	$ 6,358	$ 7,642	$ 6,943
Weekly sales by group:				
Comparable restaurants (499 and 473 units)	$ 134,085	$ 123,064		
Average unit volume restaurants (20 and 18 units)(2)	$ 128,665	$ 104,545		
Restaurants less than six months old (33 and 35 units)	$ 135,401	$ 124,142		
Comparable restaurants (527 and 499 units)			$147,274	$134,085
Average unit volume restaurants (22 and 20 units)(2)			$139,688	$128,665
Restaurants less than six months old (33 and 33 units)			$146,614	$135,401
Bubba's 33 restaurants:				
Store weeks	1,936	1,747	2,167	1,936
Comparable restaurant sales	10.5 %	43.0 %	5.5 %	10.5 %
Average unit volume (in thousands)	$ 5,620	$ 5,090	$ 5,921	$ 5,620
Weekly sales by group:				
Comparable restaurants (30 and 25 units)	$ 108,132	$ 101,097		
Average unit volume restaurants (4 and 5 units)(2)	$ 107,636	$ 81,813		
Restaurants less than six months old (6 and 6 units)	$ 121,791	$ 115,554		
Comparable restaurants (34 and 30 units)			$113,972	$108,132
Average unit volume restaurants (3 and 4 units)(2)			$112,698	$107,636
Restaurants less than six months old (8 and 6 units)			$114,312	$121,791

(1) Includes the impact of the year-over-year change in sales volume of all Jaggers restaurants, along with Texas Roadhouse and Bubba’s 33 restaurants open less than six months before the beginning of the period measured and, if applicable, the impact of restaurants permanently closed or acquired during the period.

(2) Average unit volume restaurants include restaurants open a full six to 18 months before the beginning of the period measured, excluding sales from restaurants permanently closed during the period, if applicable.

The increase in restaurant sales for 2022 2023 was primarily attributable to an increase in store weeks and an increase in comparable restaurant sales. The increase in store weeks was driven by the opening of new restaurants and the acquisition of franchise restaurants. The increase in comparable restaurant sales growth was driven primarily by increases an increase in guest traffic count along with an increase in our per person average check as shown in the table below.

	2022	2021	2023	2022
Guest traffic counts	1.9 %	27.6 %	5.4 %	1.9 %
Per person average check	7.8 %	10.2 %	4.7 %	7.8 %
Comparable restaurant sales growth	9.7 %	37.8 %	10.1 %	9.7 %

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The increase in 2022 2023 guest traffic counts was due to driven by an increase in dining room traffic partially offset by a decrease in to-go traffic. The increase in dining room traffic counts was primarily driven by all of our company locations operating without capacity restrictions for the entire 2022 period. To-go sales as a percentage of total restaurant sales were 12.6% in 2023 compared to 13.3% in 2022 and average weekly to-go sales were $18,088 in 2023 compared to 17.1% $17,504 in 2021. 2022.

Per person average check includes the benefit of menu price increases of approximately 2.2% and 2.7% implemented in Q2 2023 and Q4 2023, respectively, as well as increases of 3.2% and 2.9% implemented in Q2 2022 and Q4 2022, respectively, as well as increases of 1.8% and 4.2% implemented in Q2 2021 and Q4 2021, respectively.

In 2022, 2023, we opened 23 30 company restaurants, which included 18 22 Texas Roadhouse restaurants, four five Bubba's 33 restaurants and one three Jaggers restaurant. restaurants. We also completed the acquisition of eight domestic Texas Roadhouse franchise restaurants.

In 2023, we plan to open approximately 25 to 30 Texas Roadhouse and Bubba's 33 company restaurants and three Jaggers company restaurants. On December 28, 2022, the first day of our 2023 fiscal year, we completed the acquisition of eight domestic franchise restaurants for an aggregate purchase price of approximately $39.0 million. In total, 2024, we expect store week growth of at least 6% in 2023, approximately 8% across all concepts, including a benefit of 2% from the impact of the franchise restaurants acquired. 53rd week.

Other sales primarily represents include the net impact of the amortization of third-party gift card fees and gift card breakage income. income, sales related to our non-royalty based retail products and content revenue related to our tabletop kiosk devices. The net impact of these amounts was ($6.4) $(12.7) million and ($6.1) $(6.4) million for 2022 2023 and 2021, 2022, respectively. The change was driven primarily by favorable adjustments of $6.6 million increased third-party gift card fee amortization from increased gift card sales and $4.8 million a decrease in our breakage adjustment recorded in 2022 and 2021, respectively. These adjustments related 2023 of $3.7 million compared to $6.6 million recorded in 2022. The breakage adjustment relates to a change in our estimate of breakage due to a shift in our historic redemption pattern which indicated that the percentage of gift cards sold that are not expected to be redeemed had increased. This shift in redemption patterns was primarily due to the increase in sales through our third-party gift card program. As a result, we adjusted our expected breakage assumptions on unredeemed gift cards. The adjustments were partially offset by an increase in amortization of third-party fees due to an increase in sales through our third-party gift card program.

Franchise Royalties and Fees

Franchise royalties and fees increased by $1.4 million $1.0 million or 5.5% 3.8% compared to 2021 2022 primarily due to comparable restaurant sales growth and new store openings partially offset by decreased royalties related to the eight franchise acquisitions restaurants acquired in 2022. 2023. Franchise comparable restaurant sales increased 10.3% 9.6% in 2022. 2023.

In 2022, 2023, our existing franchise partners opened seven three domestic Texas Roadhouse restaurants and ten international restaurants. In 2023, we expect as many as nine Texas Roadhouse international and restaurants. Additionally, our first two domestic Jaggers franchise openings and three Jaggers domestic franchise openings. restaurants opened in 2023.

Food and Beverage Costs

Food and beverage costs, as a percentage of restaurant and other sales, increased to remained flat at 34.6% in 2022 from 33.6% in 2021 primarily due to commodity inflation partially offset by both periods presented as the benefit of a higher guest check. check was offset by commodity inflation. Commodity inflation was 10.8% 5.6% in 2022, with 2023 primarily due to higher costs across the basket. beef costs.

For 2023, 2024, we currently expect commodity cost inflation of approximately 5% to 6% for the year with prices locked for approximately 40% of our forecasted costs and the remainder subject to floating market prices.

Restaurant Labor Expenses

Restaurant labor expense, as a percentage of restaurant and other sales, increased to 33.4% in 2023 compared to 33.1% in 2022 compared to 32.7% in 2021. 2022. This increase was primarily due to wage and other labor inflation of 8.3% 6.6% in 2022. 2023. Wage and other labor inflation was primarily due to higher wage and benefit expense driven by labor market pressures along with increases in state-mandated minimum and tipped wage rates and increased investment in our people. In addition, a higher mix there was an increase in group insurance expense due to unfavorable claims experience of dining room sales versus to-go sales also contributed $7.6 million, as compared to the increase. prior year period. The increase was partially offset by the benefit of a higher guest check as well as a decrease in group insurance and workers' compensation expense due to favorable claims experience of $7.2 million $2.5 million, as compared to the prior year. year period, as well as the benefit of a higher guest check.

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In 2023, 2024, we anticipate our labor costs will continue to be pressured by wage and other labor inflation of 5% 4% to 6% 5% driven by labor market pressures, increases in state-mandated minimum and tipped wages and increased investment in our people.

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Restaurant Rent Expense

Restaurant rent expense, as a percentage of restaurant and other sales, remained flat at decreased to 1.6% in 2023 compared to 1.7% in both periods presented. 2022. The decrease was primarily due to an increase in average unit volume and was partially offset by higher rent expense, as a percentage of restaurant and other sales, at our newer restaurants.

Restaurant Other Operating Expenses

Restaurant other operating expenses, as a percentage of restaurant and other sales, decreased increased to 15.0% in 2023 compared to 14.9% in 2022 compared to 15.1% in 2021. 2022. The decrease increase was primarily due to the higher general liability insurance expense partially offset by an increase in average unit volume and lower supplies expense. The increase in general liability insurance expense in 2023 was due to unfavorable claims experience and bonus increased retention levels which resulted in additional expense partially offset by higher credit card charges and repair and maintenance costs. of $9.8 million as compared to 2022 which included a benefit of $4.9 million.

Restaurant Pre-opening Expenses

Pre-opening expenses were $29.2 million in 2023 compared to $21.9 million in 2022 compared to $24.3 million driven by an increase in 2021. the number and timing of new restaurant openings. Pre-opening costs will fluctuate from period to period based on the specific pre-opening costs incurred for each restaurant, the number and timing of restaurant openings and the number and timing of restaurant managers hired.

Depreciation and Amortization Expenses

Depreciation and amortization expenses, as a percentage of revenue, decreased to 3.3% in 2023 compared to 3.4% in 2022 compared to 3.7% in 2021. 2022. The decrease was primarily due to the increase in average unit volume partially offset by higher depreciation expense at new restaurants and increased amortization of intangible assets generated from franchise restaurant acquisitions. our newer restaurants.

Impairment and Closure Costs, Net

Impairment and closure costs, net were $0.3 million and $1.6 million in 2023 and $0.7 million in 2022, respectively. In 2023, impairment and 2021, respectively. closure costs, net primarily related to ongoing closure costs of relocated stores. In 2022, impairment and closure costs, net included $1.7 million related to the impairment of land, building and operating lease right-of-use assets at three restaurants, two of which have relocated and $0.6 million related to ongoing closure costs. This was partially offset by a $0.7 million gain on the sale of land and building that was previously classified as assets held for sale. In 2021, impairment and closure costs, net included the impairment of the fixed assets and operating lease right-of-use assets at two restaurants, both of which have relocated.

General and Administrative Expenses

General and administrative expenses, as a percentage of total revenue, decreased to remained flat at 4.3% in 2022 compared both periods presented. A separation payout, net of restricted stock forfeitures, of $2.6 million related to 4.5% the retirement of an executive officer in 2021. The decrease was primarily driven the first quarter of 2023, and increased software hosting fees were offset by the an increase in average unit volume and lower legal settlement expense partially offset by increased managing partner conference expense of $2.5 million. volume.

Interest Expense, Income (Expense), Net

Interest expense income (expense), net was $0.1 million $3.0 million in 2022 2023 compared to $3.7 million $(0.1) million in 2021. 2022. The decrease increase was primarily driven by increased earnings on our cash and cash equivalents and decreased borrowings on our amended revolving credit facility.

Equity Income Taxes from Unconsolidated Affiliates

Equity income was $1.4 million in 2023 compared to $1.2 million in 2022. The increase was primarily due to a $0.6 million gain on the acquisition of four of these affiliates in 2023 as compared to a $0.3 million gain on the acquisition of one of these affiliates in 2022.

Income Tax Expense

Our effective tax rate increased decreased to 12.5% in 2023 compared to 13.6% in 2022 compared to 13.5% in 2021. 2022. The increase decrease was primarily due to lower excess tax benefits related to our share-based compensation program partially offset by an increase in the FICA tip tax credit. credit and an increase in excess tax benefits related to share-based compensation. For 2023, 2024, we expect our an effective tax rate to be of approximately 14% based on forecasted operating results, excluding the impact of any legislative changes enacted. results.

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Segment Information

We manage our restaurant and franchising operations by concept and as a result have identified Texas Roadhouse, Bubba's 33, Jaggers and our retail initiatives as separate operating segments. Our reportable segments are Texas Roadhouse and Bubba's 33. The Texas Roadhouse reportable segment includes the results of our domestic company Texas Roadhouse restaurants and domestic and international franchise Texas Roadhouse restaurants. The Bubba's 33 reportable segment includes the results of our domestic company Bubba's 33 restaurants. Our remaining operating segments, which include the results of our domestic company and franchise Jaggers restaurants and the results of our retail initiatives, are included in Other.

Management uses restaurant margin as the primary measure for assessing performance of our segments. Restaurant margin (in dollars and as a percentage of restaurant and other sales) represents restaurant and other sales less restaurant-level operating costs, including food and beverage costs, labor, rent and other operating costs. Restaurant margin also includes sales and operating costs related to our non-royalty based retail initiatives. initiatives that is included in Other. Restaurant margin is used by our chief operating decision maker ("CODM") to evaluate restaurant-level operating efficiency and performance. A reconciliation of income from operations to restaurant margin is included in the Results of Operations section above.

The following table presents a summary of restaurant margin by segment (in thousands):

	52 Weeks Ended				Fiscal Year Ended			
	December 27, 2022		December 28, 2021		December 26, 2023		December 27, 2022	
Texas Roadhouse	$ 600,197	16.0 %	$ 552,039	16.9 %	$671,158	15.5 %	$600,197	16.0 %
Bubba's 33	26,934	12.7	28,862	16.6	33,942	13.7	26,934	12.7
Other	370	2.6	831	7.6	2,864	11.2	370	2.6
Total	$ 627,501	15.7 %	$ 581,732	16.9 %	$707,964	15.4 %	$627,501	15.7 %

In our Texas Roadhouse reportable segment, restaurant margin dollars increased $48.2 million $71.0 million or 8.7% 11.8% in 2022. 2023. The increase was primarily due to higher sales which were partially offset by commodity and wage and other labor inflation. In addition, restaurant margin, as a percentage of restaurant and other sales, decreased to 15.5% in 2023 from 16.0% in 2022 from 16.9% in 2021. 2022. Restaurant margin was negatively impacted by commodity inflation, driven by beef, and wage and other labor inflation which was partially offset by the benefit of an increase in comparable restaurant higher sales.

In our Bubba's 33 reportable segment, restaurant margin dollars decreased $1.9 million increased $7.0 million or 6.7% 26.0% in 2022. 2023. In addition, restaurant margin, as a percentage of restaurant and other sales, decreased increased to 13.7% in 2023 from 12.7% in

2022 from 16.6% in 2021. 2022. These decreases increases were primarily due to higher sales and commodity deflation, driven by commodity and poultry, partially offset by wage and other labor inflation which was partially offset by the benefit of an increase in comparable restaurant sales. inflation.

Liquidity and Capital Resources

The following table presents a summary of our net cash provided by (used in) operating, investing and financing activities (in thousands):

	Fiscal Year Ended		Fiscal Year Ended	
	2022	2021	2023	2022
Net cash provided by operating activities	$ 511,725	$ 468,826	$ 564,984	$ 511,725
Net cash used in investing activities	(263,734)	(195,104)	(367,167)	(263,734)
Net cash used in financing activities	(409,775)	(301,232)	(267,432)	(409,775)
Net decrease in cash and cash equivalents	$ (161,784)	$ (27,510)	$ (69,615)	$ (161,784)

Net cash provided by operating activities was $565.0 million in 2023 compared to $511.7 million in 2022 compared to $468.8 million in 2021. 2022. This increase was primarily due to an increase in net income, an increase in non-cash items such as depreciation and amortization expense and a favorable increase change in working capital. The favorable increase in working capital was partially offset by the final remittance of our deferred payroll tax liability of $23.0 million related to the Coronavirus Aid, Relief, and Economic Security Act.

Our operations have not required significant working capital and, like many restaurant companies, we have been able to operate with negative working capital. capital, if necessary. Sales are primarily for cash, and restaurant operations do not require significant inventories or receivables. In addition, we receive trade credit for the purchase of food, beverages and supplies, thereby reducing the need for incremental working capital to support growth.

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Net cash used in investing activities was $367.2 million in 2023 compared to $263.7 million in 2022 compared to $195.1 million in 2021. 2022. The increase was primarily due to higher capital expenditures, driven by the acquisition new company restaurants pipeline and the refurbishment of eight franchise restaurants for a net purchase price of $33.1 million as well as an existing restaurants. The increase in capital expenditures, the new company restaurants pipeline is primarily driven by due to an increase in new company restaurant locations currently under construction and refurbishments and relocations higher average development costs per location. The increase in the refurbishment of existing restaurants is primarily due to increased maintenance needs driven by the high sales volumes at our restaurants.

We require capital principally for the development of new company restaurants, the refurbishment or relocation of existing restaurants and the acquisition of franchise restaurants, if any. We either lease our restaurant site locations under operating leases for periods generally of five to 30 years (including renewal periods) or purchase the land when appropriate. As of December 27, 2022 December 26, 2023, 150 155 of the 597 635 company restaurants have been developed on land which we own.

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

	2022	2021	Fiscal Year Ended	
			2023	2022
New company restaurants	$ 139,210	$ 123,044	$ 201,234	$ 139,210
Refurbishment or expansion of existing restaurants	84,414	64,146	119,785	84,414
Relocation of existing restaurants	18,478	8,374	20,629	18,478
Capital expenditures related to Support Center office	4,019	5,128	5,386	4,019
Total capital expenditures	$ 246,121	$ 200,692	$ 347,034	$ 246,121

Our future capital requirements will primarily depend on the number and mix of new restaurants we open, the timing of those openings and the restaurant prototype developed in a given fiscal year. These requirements will include costs directly related to new restaurant construction costs restaurants or relocating existing restaurants and may also include costs necessary to ensure that our infrastructure is able to support a larger restaurant base. In 2023, we expect our capital expenditures to be approximately $265 million as we currently plan to open approximately 25 to 30 Texas Roadhouse and Bubba's 33 company restaurants. We also expect to have as many as four relocations in 2023. In addition, on the first day of our 2023 fiscal year, we completed the acquisition of eight domestic franchise restaurants for an aggregate purchase price of approximately $39.0 million.

We intend to satisfy our capital requirements over the next 12 months with cash on hand, net cash provided by operating activities, and if needed, funds available under our amended revolving credit facility. In 2024, we expect our capital expenditures to be $340 million to $350 million.

Net cash used in financing activities was $267.4 million in 2023 compared to $409.8 million in 2022 compared to $301.2 million in 2021. 2022. The increase decrease is primarily due to a decrease in the significant increases in amount of share repurchases and our dividend payment. These increases were partially offset by a decrease an increase in repayments made on our amended revolving credit facility. quarterly dividend payments.

On March 17, 2022, the our Board approved a stock repurchase program under which we may repurchase up to $300.0 million of our common stock. This stock repurchase program has no expiration date and replaced a previous stock repurchase program which was approved on May 31, 2019. date. All repurchases to date under our stock repurchase programs have been made through open market transactions. The timing and amount of any repurchases will be determined by management under parameters established by the Board, based on an evaluation

In 2023, we paid $50.0 million to repurchase 455,026 shares of our stock price, market conditions and other corporate considerations.

common stock. In 2022, we paid $212.9 million to repurchase 2,734,005 shares of our common stock. This includes $133.1 million repurchased under our current authorized stock repurchase program and $79.7 million repurchased under our prior authorization. In 2021, we paid $51.6 million to repurchase 584,932 shares of our common stock. As of December 27, 2022 December 26, 2023, $166.9 million $116.9 million remained under our authorized stock repurchase program.

On February 17, 2022 February 14, 2023, our Board authorized the payment of a quarterly dividend of $0.55 per share of common stock compared to the quarterly dividend of $0.46 per share of common stock. stock declared in 2022. The payment of quarterly dividends totaled $147.2 million and $124.1 million in 2023 and $83.7 million in 2022, and 2021, respectively. On February 14, 2023 February 14, 2024, our Board declared a quarterly cash dividend of $0.55 $0.61 per share of common stock.

We paid distributions of $8.0 million and $7.8 million in 2023 and $8.2 million in 2022, and 2021, respectively, to equity holders of our majority-owned company restaurants.

On May 4, 2021, we entered into an agreement to amend our We maintain a revolving credit facility (the "credit facility") with a syndicate of commercial lenders led by JPMorgan Chase Bank, N.A. and PNC Bank, N.A. The amended revolving credit facility remains is an unsecured, revolving credit agreement and has a borrowing capacity of up to $300.0 million $300.0 million with the option to increase by an additional $200.0 million subject to certain limitations, including approval by the syndicate of lenders. The amendment also extended the credit facility has a maturity date to of May 1, 2026.

The terms 47

Table of the amendment require us to pay interest on outstanding borrowings at the London Interbank Offered Rate ("LIBOR") plus a margin of 0.875% to 1.875% and pay a commitment fee of 0.125% to 0.30% per year on any unused portion of the amended revolving credit facility, in each case depending on our leverage ratio. The agreement also provides an Alternate Base Rate that may be substituted for LIBOR. Contents

As of December 27, 2022 December 26, 2023, we had $50.0 million no outstanding balance on the amended revolving credit facility and $233.5 had $295.3 million of availability, net of $16.5 million $4.7 million of outstanding letters of credit. As of December 28, 2021 December 27, 2022, we had $100.0 $50.0 million outstanding on the amended revolving credit facility, which was repaid in 2023, and $189.1 million $233.5 million of availability, net of $10.9 $16.5 million of outstanding letters of credit. These The outstanding amounts are amount as of December 27, 2022 is included as long-term debt on our consolidated balance sheets. sheet.

The interest rate for the $50.0 million outstanding credit facility as of December 26, 2023 and December 27, 2022 was 6.23% and 5.21%. The interest rate for the $100.0 million outstanding as of December 28, 2021 was 0.98%. , respectively.

The lenders' obligation to extend credit pursuant to the amended revolving credit facility depends on us maintaining certain financial covenants. covenants, including a minimum consolidated fixed charge coverage ratio and a maximum consolidated leverage ratio. The credit facility permits us to incur additional secured or unsecured indebtedness, except for the incurrence of secured indebtedness that in the aggregate is equal to or greater than $125.0 million and 20% of our consolidated tangible net worth. We were in compliance with all financial covenants as of December 27, 2022 and December 28, 2021 December 26, 2023.

Contractual Obligations

The following table summarizes the amount of payments due under specified contractual obligations as of December 27, 2022 December 26, 2023 (in thousands):

	Payments Due by Period					Payments Due by Period				
	Total	Less than 1 year	1 - 3 Years	3 - 5 Years	More than 5 years	Total	Less than 1 year	1 - 3 Years	3 - 5 Years	More than 5 years
Long-term debt obligation, including current maturities	$ 50,000	$ —	—	$ 50,000	$ —					
Obligations under finance leases	2,750	—	—	—	2,750	2,758	9	42	78	2,629
Interest(1)	13,208	2,919	5,840	1,484	2,965	4,207	314	622	608	2,664
Real estate operating lease obligations	1,191,064	66,675	132,401	130,574	861,414	1,332,486	73,511	144,658	146,018	968,299
Capital obligations	205,663	205,663	—	—	—	237,425	237,425	—	—	—
Total contractual obligations(2)	$1,462,685	$275,257	$ 138,241	$ 182,058	$ 867,129	$1,576,876	$311,259	$145,322	$146,704	$973,592

(1) Includes interest on our revolving credit facility financing leases and interest on our financing leases. We used the interest rate on our amended revolving credit facility as of December 27, 2022 for our variable rate debt and assumed $50.0 million remains outstanding on our amended revolving credit facility through the respective maturity for all borrowings. We assumed assumes a constant interest rate until maturity on our financing leases. maturity.

(2) Unrecognized tax benefits under Accounting Standards Codification 740, *Income Taxes,* are not significant and excluded from this amount.

We have no material minimum purchase commitments with our vendors that extend beyond a year. Refer to Notes 5, 8 and 13 to the consolidated financial statements for details of contractual obligations.

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Guarantees

As of December 27, 2022 December 26, 2023 and December 28, 2021 December 27, 2022, we were contingently liable for $11.3 million $10.4 million and $12.2 million $11.3 million, respectively, for seven lease guarantees. These amounts represent the maximum potential liability of future payments under the guarantees. In the event of default, the indemnity and default clauses in our assignment agreements govern our ability to pursue and recover damages incurred. No material liabilities have been recorded as of December 26, 2023 or December 27, 2022, as the likelihood of default was deemed to be less than probable and the fair value of the guarantees is not considered significant.

Critical Accounting Policies and Estimates

The above discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with GAAP. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenue and expenses and disclosures of contingent assets and liabilities. Our significant accounting policies are described in Note 2 to the accompanying consolidated financial statements. Critical accounting policies are those that we believe are most important to portraying our financial condition and results of operations and also require the greatest amount of subjective or complex judgments by management. Judgments or uncertainties regarding the application of these policies may result in significantly different amounts being reported under different conditions or using different assumptions. We consider the following policies to be the most critical in understanding the judgments that are involved in preparing the consolidated financial statements.

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Impairment of Long-lived Assets. We evaluate long-lived assets related to each restaurant to be held and used in the business, such as property and equipment, operating lease right-of-use assets and intangible assets subject to amortization, for impairment whenever events and circumstances indicate that the carrying amount of a restaurant may not be recoverable. For the purposes of this evaluation, we define the asset group at the individual restaurant level. When we evaluate the restaurants, cash flows are the primary indicator of impairment. Recoverability of assets to be held and used is measured by comparison of the carrying amount of the restaurant to estimated undiscounted future cash flows expected to be generated by the restaurant.

Under our policies, trailing 12-month 12-month cash flow results under a predetermined amount at the individual restaurant level signals a potential impairment. In our evaluation of restaurants that do not meet the cash flow threshold, we estimate future undiscounted cash flows from operating the restaurant over its estimated the remaining useful life of the primary asset, which is usually a period of 25 years. the building or the operating lease right-of-use asset. In the estimation of future cash flows, we consider the period of time the restaurant has been open, the trend of operations over such period and future periods and expectations for future sales growth. We limit assumptions about important factors such as trend of future operations and sales growth to those that are supportable based upon our plans for the restaurant and actual results at comparable restaurants. Both qualitative and quantitative information are considered when evaluating for potential impairments. As we assess the ongoing expected cash flows and carrying amounts of our long-lived assets, these factors could cause us to realize a material impairment charge. Based on our reviews performed on the cash flows of our restaurants, the carrying amount associated with restaurants deemed at risk for impairment is not material to our consolidated financial statements.

If assets are determined to be impaired, we measure the impairment charge by calculating the amount by which the asset carrying amount exceeds its estimated fair value. The determination of asset fair value is also subject to significant judgment. We generally measure estimated fair value by discounting estimated future cash flows. When fair value is measured by discounting estimated future cash flows, the assumptions used are consistent with what we believe hypothetical market participants would use. We also use a discount rate that is commensurate with the risk inherent in the projected cash flows. If these assumptions change in the future, we may be required to record impairment charges for these assets.

In 2022, 2023, we recorded impairment and closure costs, net of $1.6 million. This included $1.7 million related to the impairment of land, building and operating lease right-of-use assets at three restaurants, two of which have relocated and $0.6 million $0.3 million related to ongoing closure costs. This was partially offset by a gain costs of $0.7 million associated with the sale of land and building that was previously classified as assets held for sale. relocated stores. Refer to Note 17 in the consolidated financial statements for further discussion regarding closures impairment and impairments closure costs recorded in 2023, 2022 2021 and 2020. 2021.

Goodwill. Goodwill is tested annually for impairment and is tested more frequently if events and circumstances indicate that the asset might be impaired. An impairment loss is recognized to the extent that the carrying amount exceeds the fair value of the reporting unit. unit, up to the amount of goodwill recorded. Goodwill is required to be tested for impairment at the reporting unit level, or the level of internal reporting that reflects the way in which an entity manages its businesses. A reporting unit is defined as an operating segment, or one level below an operating segment. Our reporting units are at the concept level. An entity may first assess qualitative factors

in order to determine whether it is more likely than not that the fair value of the reporting unit is less than its carrying amount. The entity may also elect to bypass the qualitative assessment and determine the fair value of the reporting unit and compare it to its carrying amount. The fair value of the reporting unit may be based on several valuation approaches including capitalization of earnings, discounted cash flows, comparable public company market multiples and comparable acquisition market multiples. If the carrying amount of the reporting unit exceeds its fair value, an impairment loss is recognized for any excess of the carrying amount of the reporting unit's goodwill over the fair value of the reporting unit.

At December 27, 2022 December 26, 2023, our Texas Roadhouse reporting unit had allocated goodwill of $148.7 million $169.7 million. No other reporting units had goodwill balances. In 2021, due to a change in our management reporting structure, we changed the designation of our operating segment and reporting unit to be at the concept level from the restaurant level. As a result of this change, in 2021, we performed the goodwill impairment analysis at both the individual restaurant and concept level to substantiate that our goodwill was not impaired under either reporting unit definition. In 2022, we performed the goodwill impairment analysis at the concept level.

In performing the qualitative assessment, we reviewed factors such as macroeconomic conditions, industry and market considerations, cost factors, changes in management or key personnel, sustained decreases in share price and the overall financial performance of the Company's Texas Roadhouse reporting units at the concept level. unit. As a result of the qualitative assessment, no indicators of impairment were identified, and no additional indicators of impairment were identified through the end of the fourth quarter that would require additional testing. Changes in circumstances existing at the measurement date or at other times in the future could result in an impairment loss. Refer to Note 17 in the consolidated financial statements for further discussion regarding closures and impairments recorded, if any.

Effects of Inflation

We are currently operating in a period During recent years, we have operated during periods of high inflation, led primarily by commodity cost and wage and other labor inflation. Commodity cost inflation is due to increased costs incurred by our vendors related to increased labor, transportation, packaging, and raw materials costs. Wage and other labor inflation is driven by higher wage and benefit expense due to by labor market pressures along with increases in state-mandated minimum and tipped wage rates and increased investment in our people. Some of the impacts of inflation have been offset by menu price increases and other adjustments made during the year. Whether we are able and/or choose to continue to offset the effects of inflation will determine to what extent, if any, inflation affects our restaurant profitability in future periods.

ITEM 7A— 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to market risk from changes in interest rates on variable rate debt and changes in commodity prices. Our exposure to interest rate fluctuations is limited to our outstanding bank debt. The terms of the amended revolving credit facility require us to pay interest on outstanding borrowings at London Interbank Offering Rate ("LIBOR") SOFR, plus a margin fixed adjustment of 0.10%, plus a variable adjustment of 0.875% to 1.875% and pay a commitment fee of 0.125% to 0.30% per year on any unused portion of the amended revolving credit facility, in each case depending on our leverage ratio. The amended revolving credit facility also provides an Alternate Base Rate that may be substituted for LIBOR. As of December 27, 2022 December 26, 2023, we had $50.0 million no outstanding borrowings on our amended credit agreement. This outstanding amount is included as long-term debt on our consolidated balance sheets.

The interest rate for the $50.0 million outstanding on our amended revolving credit facility as of December 27, 2022 was 5.21%. Should interest rates based on these variable rate borrowings increase by one percentage point, our estimated annual interest expense would increase by $0.5 million. facility.

In an effort to secure high quality, low-cost ingredients used in the products sold in our restaurants, we employ various purchasing and pricing contract techniques. When purchasing certain types of commodities, we may be subject to prevailing market conditions resulting in unpredictable price volatility. For certain commodities, we may also enter into contracts for terms of one year or less that are either fixed price agreements or fixed volume agreements where the price is negotiated with reference to fluctuating market prices. We currently do not use financial instruments to hedge commodity prices, but we will continue to evaluate their effectiveness. Extreme and/or long-term increases in commodity prices could adversely affect our future results, especially if we are unable, primarily due to competitive reasons, to increase menu prices. Additionally, if there is a time lag between the increasing commodity prices and our ability to increase menu prices or if we believe the commodity price increase to be short in duration and we choose not to pass on the cost increases, our short-term financial results could be negatively affected.

We are subject to business risk as our beef supply is highly dependent upon four vendors. To date, we have been able to properly manage any supply shortages but have experienced increased costs. If these vendors are unable to fulfill their obligations under their contracts, we may encounter further supply shortages and/or higher costs to secure adequate supply and a possible loss of sales, any of which would harm our business.

ITEM 8— 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY FINANCIAL DATA

See Index to Consolidated Financial Statements at Item 15.

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

None.

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ITEM 9A— 9A. CONTROLS AND PROCEDURES

Evaluation of disclosure controls and procedures

We have evaluated the effectiveness of the design and operation of our disclosure controls and procedures pursuant to, and as defined in, Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended, as of the end of the period covered by this report. Based on the evaluation, performed under the supervision and with the participation of our management, including the Chief Executive Officer (the "CEO") and the Chief Financial Officer (the "CFO"), our management, including the CEO and CFO, concluded that our disclosure controls and procedures were effective as of December 27, 2022 December 26, 2023.

Changes in internal control

There were no significant changes in the Company's internal control over financial reporting that occurred during the quarter ended December 27, 2022 December 26, 2023 that materially affected or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Management's Report on Internal Control over Financial Reporting

Under Section 404 of the Sarbanes-Oxley Act of 2002, our management is required to assess the effectiveness of the Company's internal control over financial reporting as of the end of each fiscal year and report, based on that assessment, whether the Company's internal control over financial reporting is effective.

Management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting. As defined in Exchange Act Rule 13a-15(f), internal control over financial reporting is a process designed by, or under the supervision of, our principal executive and principal financial officers and effected by our Board of Directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Therefore, internal control over financial reporting determined to be effective can provide only reasonable assurance with respect to financial statement preparation and may not prevent or detect all misstatements.

Under the supervision and with the participation of our management, including our CEO and CFO, we assessed the effectiveness of the Company's internal control over financial reporting as of the end of the period covered by this report. In this assessment, the Company applied criteria based on the "Internal Control—Integrated Framework (2013)" issued by the Committee of Sponsoring Organizations of the Treadway Commission. These criteria are in the areas of control environment, risk assessment, control activities, information and communication, and monitoring. The Company's assessment included documenting, evaluating and testing the design and operating effectiveness of its internal control over financial reporting. Based upon this evaluation, our management concluded that our internal control over financial reporting was effective as of December 27, 2022 December 26, 2023.

KPMG LLP, the independent registered public accounting firm that audited our Consolidated Financial Statements included in the Annual Report on Form 10-K, has also audited the effectiveness of the Company's internal control over financial reporting as of December 27, 2022 December 26, 2023 as stated in their report at F-3.

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ITEM 9B— 9B. OTHER INFORMATION

None.***Rule 10b5-1 Trading Plans***

In accordance with the disclosure requirement set forth in Item 408 of Regulation S-K, the following table discloses any executive officer or director who is subject to the filing requirements of Section 16 of the Securities Exchange Act of 1934 that adopted a Rule 10b5-1 trading arrangement during the 13 weeks ended December 26, 2023. These trading arrangements are intended to satisfy the affirmative defense conditions of Rule 10b5-1(c).

Name	Title	Adoption Date	End Date (1)	Aggregate Number of Securities to be Sold
Hernan E. Mujica	Chief Technology Officer	11/22/2023	3/12/2024	1,740

(1) A trading plan may expire on such earlier date that all transactions under the trading plan are completed.

Other than as disclosed above, no other executive officer or director adopted, modified or terminated a Rule 10b5-1 or a non-Rule 10b5-1 trading arrangement during the 13 weeks ended December 26, 2023.

ITEM 9C—9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

None.

PART III

ITEM 10—10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Information regarding our directors is incorporated herein by reference to the information set forth under "Election of Directors" in our Definitive Proxy Statement to be dated on or about March 31, 2023 April 5, 2024.

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Information regarding our executive officers has been included in Part I of this Annual Report under the caption "Executive Officers of the Company."

Information regarding our corporate governance is incorporated herein by reference to the information set forth in our Definitive Proxy Statement to be dated on or about March 31, 2023 April 5, 2024.

ITEM 11—11. EXECUTIVE COMPENSATION

Incorporated by reference from our Definitive Proxy Statement to be dated on or about March 31, 2023 April 5, 2024.

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

Incorporated by reference from our Definitive Proxy Statement to be dated on or about March 31, 2023 April 5, 2024.

Equity Compensation Plan Information

As of December 27, 2022, 26, 2023, shares of common stock authorized for issuance under our equity compensation plans are summarized in the following table. Refer to Note 14 to the Consolidated Financial Statements for a description of the plans.

Plan Category	Shares to Be Issued Upon Vest Date (1)	Shares Available for Future Grants	Shares to Be Issued Upon Vest Date (1)	Shares Available for Future Grants
Plans approved by stockholders	524,439	6,598,721		
Plans not approved by stockholders	—	—		
Plans approved by shareholders			478,027	6,414,812
Plans not approved by shareholders			—	—
Total	524,439	6,598,721	478,027	6,414,812

(1) Total number of shares consist of 494,839 442,327 restricted stock units and 29,600 35,700 performance stock units. Shares in this column are excluded from the Shares Available for Future Grants column. No stock options were outstanding as of December 27, 2022.

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

Incorporated by reference from our Definitive Proxy Statement to be dated on or about March 31, 2023 April 5, 2024.

ITEM 14— 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Incorporated by reference from our Definitive Proxy Statement to be dated on or about March 31, 2023 April 5, 2024.

PART IV

ITEM 15—EXHIBITS, 15. EXHIBIT AND FINANCIAL STATEMENT SCHEDULES

1. Consolidated Financial Statements

2. Financial Statement Schedules

Omitted due to inapplicability or because required information is shown in our Consolidated Financial Statements or Notes thereto.

3. Exhibits

Exhibit No.	Description
3.1	Amended and Restated Certificate of Incorporation of Registrant (incorporated by reference to Exhibit 3.1 of the Registrant's Quarterly Report on Form 10-Q for the period ended June 28, 2016) (File No. 000-50972)

3.2	Amended and Restated Bylaws of Registrant for Texas Roadhouse, Inc. dated February 23, 2023 (incorporated by reference to Exhibit 3.3 3.1 to the Registration Statement Registrant's Current Report on Form S-1 of Registrant (File No. 333-115259) 8-K dated February 23, 2023)
4.1	Description of Securities (incorporated by reference to Exhibit 4.2 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2019 (File No. 000-50972))
10.1*	Form of Indemnification Agreement for Director and Executive Officer (incorporated by reference to Exhibit 10.1 of Registrant's Annual Report on Form 10-K for the year ended December 28, 2021)
10.2	Form of Limited Partnership Agreement and Operating Agreement for certain company-managed Texas Roadhouse restaurants, including schedule of the owners of such restaurants and the aggregate interests held by directors, executive officers and 5% stockholders who are parties to such an agreement (incorporated by reference to Exhibit 10.10 to the Registration Statement on Form S-1 of Registrant (File No. 333-115259)) Registrant)
10.3	Form of Franchise Agreement and Preliminary Agreement for a Texas Roadhouse restaurant franchise, including schedule of directors, executive officers and 5% stockholders which have entered into either agreement (incorporated by reference to Exhibit 10.14 to the Registration Statement on Form S-1 of Registrant (File No. 333-115259)) Registrant)
10.4	Schedule of the owners of company-managed Texas Roadhouse restaurants and the aggregate interests held by directors, executive officers and 5% stockholders who are parties to Limited Partnership Agreements and Operating Agreements as of December 27, 2022 December 26, 2023 the form of which is set forth in Exhibit 10.2 of this Form 10-K
10.5	Schedule of the directors, executive officers and 5% stockholders which have entered into Franchise Agreements or Preliminary Agreements for a Texas Roadhouse Franchise as of December 27, 2022 December 26, 2023 the form of which is set forth in Exhibit 10.3 of this Form 10-K
10.6*	Texas Roadhouse, Inc. 2013 Long-Term Incentive Plan (incorporated by reference from Appendix A to the Texas Roadhouse, Inc. Proxy Statement on Schedule 14A filed with the Securities and Exchange Commission on April 5, 2013 (File No. 000-50972))
10.7*	Amended and Restated Form of Restricted Stock Unit Award Agreement under the Texas Roadhouse, Inc. 2013 Long-Term Incentive Plan for non-officers (incorporated by reference to Exhibit 10.2 of 10.41 to the Registrant's Quarterly Annual Report on Form 10-Q 10-K for the quarter year ended June 25, 2013 (File No. 000-50972) December 30, 2014)

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Exhibit No.	Description
10.8*	Texas Roadhouse, Inc. Cash Bonus Plan for cash incentive awards granted pursuant to the Texas Roadhouse, Inc. 2013 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.3 of Registrant's Quarterly Report on Form 10-Q for the quarter ended June 25, 2013 (File No. 000-50972))
10.9*	Form of Performance Stock Unit Award Agreement under the Texas Roadhouse, Inc. 2013 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.36 to the Registrant's Annual Report on Form 10-K for the year ended December 29, 2015 (File No. 000-50972))
10.10*	Amended and Restated Form of Restricted Stock Unit Award Agreement under the Texas Roadhouse, Inc. 2013 Long-Term Incentive Plan for officers (incorporated by reference to Exhibit 10.40 to the Registrant's Annual Report on Form 10-K for the year ended December 30, 2014 (File No. 000-50972))
10.11*	Amended and Restated Form of Restricted Stock Unit Award Agreement under the Texas Roadhouse, Inc. 2013 Long-Term Incentive Plan for non-officers (incorporated by reference to Exhibit 10.41 to the Registrant's Annual Report on Form 10-K for the year ended December 30, 2014 (File No. 000-50972))
10.12*	Second Amended and Restated Deferred Compensation Plan of Texas Roadhouse Management Corp., as amended December 19, 2007 and December 31, 2008 (incorporated by reference to Exhibit 10.42 to the Registrant's Annual Report on Form 10-K for the year ended December 30, 2014 (File No. 000-50972))
10.13* 10.9*	Third Amended and Restated Deferred Compensation Plan of Texas Roadhouse Management Corp., effective January 1, 2010 (incorporated by reference to Exhibit 10.43 to the Registrant's Annual Report on Form 10-K for the year ended December 30, 2014 (File No. 000-50972))

10.14*	Form of Nonqualified Stock Option Agreement under Texas Roadhouse, Inc. 2013 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.47 to the Registrant's Annual Report on Form 10-K for the year ended December 29, 2015 (File No. 000-50972))
10.15 10.10	Master Lease Agreement dated October 26, 2018 between Paragon Centre Holdings, LLC and Texas Roadhouse Holdings LLC (incorporated by reference to Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 25, 2018 (File No. 000-50972))
10.16 10.11	Amended and Restated Credit Agreement dated as of August 7, 2017, by and among Texas Roadhouse Inc., and the lenders named therein and JPMorgan Chase Bank, N.A., as Administrative Agent (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K dated August 7, 2017 (File No. 000-50972))
10.17 10.12	Assignment and Assumption Agreement between Texas Roadhouse Holdings LLC and Texas Roadhouse, Inc. dated October 26, 2018 (incorporated by reference to Exhibit 10.27 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2019 (File No. 000-50972))
10.18 10.13	First Amendment to Paragon Centre Master Lease Agreement between Paragon Centre Holdings, LLC and Texas Roadhouse, Inc. dated December 13, 2019 (incorporated by reference to Exhibit 10.28 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2019 (File No. 000-50972))
10.19 10.14	First Amendment to Amended and Restated Credit Agreement, dated as of May 11, 2020, by and among Texas Roadhouse, Inc., and the lenders named therein and JPMorgan Chase Bank, N.A. as Administrative Agent (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on 8-K dated May 11, 2020 (File No. 000-50972))
10.20* 10.15*	Employment Agreement between Registrant and Gerald L. Morgan entered into as of December 17, 2020 (incorporated by reference to Exhibit 10.33 to the Registrant's Annual Report on Form 10-K for the year ended December 29, 2020 (File No. 000-50972))
10.21* 10.16*	Employment Agreement between Registrant and S. Chris Jacobsen entered into as of December 30, 2020 (incorporated by reference to Exhibit 10.36 to the Registrant's Annual Report on Form 10-K for the year ended December 29, 2020 (File No. 000-50972))
10.22* 10.17*	Employment Agreement between Registrant and Tonya Robinson entered into as of December 30, 2020 (incorporated by reference to Exhibit 10.37 to the Registrant's Annual Report on Form 10-K for the year ended December 29, 2020 (File No. 000-50972))
10.23* 10.18*	Employment Agreement between Registrant and Christopher C. Colson entered into as of March 31, 2021 (incorporated by reference to Exhibit 10.6 of the Registrant's Quarterly Report on Form 10-Q for the period ended March 30, 2021 (File No. 000- 50972))

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Exhibit No.	Description
10.24* 10.19*	First Amendment to Employment Agreement between Texas Roadhouse Management Corp. and Gerald L. Morgan dated March 31, 2021, with a retroactive effective date of March 18, 2021 (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K dated March 31, 2021 (File No. 000-50972))
10.25* 10.20*	Employment Agreement between Registrant and Regina A. Tobin entered into as of June 15, 2021 with an effective date of June 30, 2021 (incorporated by reference to Exhibit 10.3 of the Registrant's Quarterly Report on Form 10-Q for the period ended June 29, 2021 (File No. 000- 50972))
10.26* 10.21*	Employment Agreement between Registrant and Hernan E. Mujica entered into as of June 15, 2021 with an effective date of June 30, 2021 (incorporated by reference to Exhibit 10.4 of the Registrant's Quarterly Report on Form 10-Q for the period ended June 29, 2021 (File No. 000- 50972))
10.27 10.22	Second Amendment to Amended and Restated Credit Agreement dated as of May 4, 2021 by and among Texas Roadhouse, Inc. and the lenders named therein and JPMorgan Chase Bank, N.A. as Administrative Agent (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K dated May 4, 2021 (File No. 000-50972))

10.28* 10.23*	Texas Roadhouse, Inc. 2021 Long-Term Incentive Plan (incorporated by reference from Appendix A to the Texas Roadhouse, Inc. Proxy Statement on Schedule 14A filed with the Securities and Exchange Commission on April 2, 2021 (File No. 000-50972))
10.29* 10.24*	Form of Texas Roadhouse, Inc. 2021 Long-Term Incentive Plan Performance Stock Unit Award Agreement (incorporated by reference to Exhibit 10.1 of Registrant's Current Report on Form 8-K dated June 15, 2021 (File No. 000-50972))
10.30* 10.25*	Form of Texas Roadhouse, Inc. 2021 Long-Term Incentive Plan Restricted Stock Unit Award Agreement (Officers) (incorporated by reference to Exhibit 10.1 of Registrant's Current Report on Form 8-K dated June 15, 2021 (File No. 000-50972))

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Exhibit No.	Description
10.31* 10.26*	Form of Texas Roadhouse, Inc. 2021 Long-Term Incentive Plan Restricted Stock Unit Award Agreement (Member of Board of Directors) (incorporated by reference to Exhibit 10.1 of Registrant's Current Report on Form 8-K dated June 15, 2021 (File No. 000-50972))
10.32* 10.27*	Second Amendment to Employment Agreement between Texas Roadhouse Management Corp. and Gerald L. Morgan dated January 9, 2023 (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K dated January 6, 2023 (File No. 000-50972))
10.33* 10.28*	First Amendment to Employment Agreement between Texas Roadhouse Management Corp. and Regina A. Tobin dated January 9, 2023 (incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K dated January 6, 2023 (File No. 000-50972))
10.34* 10.29*	First Amendment to Employment Agreement between Texas Roadhouse Management Corp. and Hernan E. Mujica dated January 9, 2023 (incorporated by reference to Exhibit 10.3 to the Registrant's Current Report on Form 8-K dated January 6, 2023 (File No. 000-50972))
10.35* 10.30*	First Amendment to Employment Agreement between Texas Roadhouse Management Corp. and Christopher C. Colson dated January 9, 2023 (incorporated by reference to Exhibit 10.4 to the Registrant's Current Report on Form 8-K dated January 6, 2023 (File No. 000-50972))
10.36* 10.31*	Separation Agreement and Release of Claims dated January 5, 2023 by and between Tonya R. Robinson and Texas Roadhouse Management Corp. (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K dated January 4, 2023 (File)
10.32*	Employment Agreement between Texas Roadhouse Management Corp. and David Christopher Monroe dated May 17, 2023 (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K dated May 17, 2023)
10.33	Amendment No. 000-50972) 3 to Amended and Restated Credit Agreement dated May 19, 2023 by and among Texas Roadhouse, Inc., the lenders named therein and JPMorgan Chase Bank, N.A., as Administrative Agent (incorporated by reference to Exhibit 10.1 to Registrant's Current Report on Form 8-K dated May 19, 2023)
10.34*	Separation Agreement and Release of Claims dated August 3, 2023 by and between S. Chris Jacobsen and Texas Roadhouse Management Corp. (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K dated August 3, 2023)
10.35*	Form of Texas Roadhouse, Inc. 2021 Long-Term Incentive Plan Restricted Stock Unit Award Agreement (Non-Officers) (incorporated by reference to Exhibit 10.2 to Registrant's of the Registrant's Quarterly Report on Form 10-Q for the period ended September 26, 2023)
10.36*	Employment Agreement between Texas Roadhouse Management Corp. and Travis C. Doster dated November 9, 2023
21.1	List of Subsidiaries
23.1	Consent of KPMG LLP, Independent Registered Public Accounting Firm
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification pursuant to Section 302 of Chief Financial Officer the Sarbanes-Oxley Act of 2002
31.3	Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

32.1	Certification of Chief Executive Officer Certifications pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2 97*	Certification Texas Roadhouse, Inc. Policy for Recovery of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 Incentive Compensation for Executive Officers dated November 9, 2023

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Exhibit No.	Description
101	The following financial statements from the Texas Roadhouse, Inc. Annual Report on Form 10-K for the year ended December 27, 2022 December 26, 2023, filed February 24, 2023 February 23, 2024, formatted in inline eXtensible Business Reporting Language (iXBRL): (i) Consolidated Balance Sheets, (ii) Consolidated Statements of Income and Comprehensive Income, (iii) Consolidated Statements of Stockholders' Equity, (iv) Consolidated Statements of Cash Flows, and (v) the Notes to the Consolidated Financial Statements.
104	Cover page, formatted in iXBRL and contained in Exhibit 101.

* Management contract or compensatory plan or arrangement required to be filed as an exhibit to Form 10-K.

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ITEM 16. FORM 10-K SUMMARY

Not applicable.

SIGNATURES

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

TEXAS ROADHOUSE, INC.

By: /s/ Gerald L. Morgan

Chief Executive Officer, Director

Date: February 24, 2023 February 23, 2024

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

Signature	Title	Date
/s/ Gerald L. Morgan W. Gerald L. Morgan Gerald L. Morgan	Chief Executive Officer, Director (Principal Executive Officer)	February 23, 2024
/s/ D. Christopher Monroe D. Christopher Monroe	Chief Financial Officer (Principal Financial Officer)	February 24, 2023 23, 2024
/s/ Keith V. Humpich Keith V. Humpich	Vice President of Finance Interim Chief Financial Officer (Principal Financial Officer) (Principal Accounting Officer)	February 23, 2024
/s/ Gregory Gregory N. Moore Gregory N. Moore	Chairman of the Board, Director	February 24, 2023 23, 2024
/s/ Michael A. Crawford Michael A. Crawford	Director	February 23, 2024
/s/ Donna E. Epps Donna E. Epps	Director	February 24, 2023 23, 2024
/s/ Wayne L. Jones Wayne L. Jones	Director	February 23, 2024
/s/ Curtis A. Warfield Curtis A. Warfield	Director	February 24, 2023 23, 2024
/s/ Kathleen M. Widmer Kathleen M. Widmer	Director	February 23, 2024
/s/ James R. Zarley James R. Zarley	Director	February 23, 2024

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Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors
Texas Roadhouse, Inc.:

Opinion on the Consolidated Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Texas Roadhouse, Inc. and subsidiaries (the Company) as of December 27, 2022 December 26, 2023 and December 28, 2021 December 27, 2022, the related consolidated statements of income and comprehensive income, stockholders' equity, and cash flows for each of the years in the three-year period ended December 27, 2022 December 26, 2023, and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 27, 2022 December 26, 2023 and December 28, 2021 December 27, 2022, and the results of its operations and its cash flows for each of the years in the three-year period ended December 27, 2022 December 26, 2023, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 27, 2022 December 26, 2023, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated February 24, 2023 February 23, 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 it relates.

Potential indicators of impairment of long-lived assets

As discussed in Notes Note 2 and 17 to the consolidated financial statements, the Company assesses long-lived assets, primarily related to restaurants held and used in the business, including property and equipment and right-of-use assets, for potential impairment whenever events or changes in circumstances indicate that the carrying amount of a restaurant, or asset group, may not be recoverable. Trailing 12-month cash flows under predetermined amounts at the individual restaurant level are the Company's primary indicator that the carrying amount of a restaurant may not be recoverable. Property and equipment, net of accumulated depreciation, and the operating lease right-of-use asset, assets, net as of December 27, 2022 December 26, 2023 were $1,270.3 million $1,474.7 million and $630.3 million $694.0 million, respectively.

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We identified the assessment of the Company's determination of potential indicators of impairment of long-lived assets as a critical audit matter. Subjective auditor judgement was required to evaluate the events or circumstances

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indicating the carrying amount of an asset group may not be recoverable, including the determination of the cash flow thresholds and the utilization of the trailing 12-month cash flows to identify a potential impairment trigger.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls over the Company's long-lived asset impairment process, including controls relating to determination and identification of potential indicators of impairment. We evaluated the Company's methodology of using trailing 12-month cash flow results under predetermined thresholds at the individual restaurant level as a potential indicator of impairment. Specifically, we evaluated the Company's assessment of the factors considered, including the cash flows at the individual restaurant level and the cash flow thresholds used in the Company's analysis. We tested that those restaurants with trailing 12-month cash flows were evaluated for potential impairment triggers, and we compared the trailing 12-month cash flows to historical financial data. We also assessed other events and circumstances that could have been indicative of a potential impairment trigger by reviewing management's development reports and related meeting minutes and the board of directors meeting minutes.

/s/ KPMG LLP

We have served as the Company's auditor since 1998.

Louisville, Kentucky
February 24, 2023 23, 2024

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Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors
Texas Roadhouse, Inc.:

Opinion on Internal Control Over Financial Reporting

We have audited Texas Roadhouse, Inc. and subsidiaries' (the Company) internal control over financial reporting as of December 27, 2022 December 26, 2023, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 27, 2022 December 26, 2023, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 27, 2022 December 26, 2023 and December 28, 2021 December 27, 2022, the related consolidated statements of income and comprehensive income, stockholders' equity, and cash flows for each of the years in the three-year period ended December 27, 2022 December 26, 2023, and the related notes (collectively, the consolidated financial statements), and our report dated February 24, 2023 February 23, 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

Louisville, Kentucky
February 24, 2023 23, 2024

Texas Roadhouse, Inc. and Subsidiaries

Consolidated Balance Sheets

(in thousands, except share and per share data)

	December 27, 2022	December 28, 2021	December 26, 2023	December 27, 2022
Assets				
Current assets:				
Cash and cash equivalents	$ 173,861	$ 335,645	$ 104,246	$ 173,861
Receivables, net of allowance for doubtful accounts of $50 at December 27, 2022 and $17 at December 28, 2021	150,264	161,358		
Receivables, net of allowance for doubtful accounts of $35 at December 26, 2023 and $50 at December 27, 2022			175,474	150,264
Inventories, net	38,015	31,595	38,320	38,015
Prepaid income taxes	5,097	10,701	3,262	5,097
Prepaid expenses and other current assets	29,604	24,226	35,172	29,604
Total current assets	396,841	563,525	356,474	396,841
Property and equipment, net of accumulated depreciation of $968,036 at December 27, 2022 and $869,375 at December 28, 2021	1,270,349	1,162,441		
Property and equipment, net of accumulated depreciation of $1,078,855 at December 26, 2023 and $968,036 at December 27, 2022			1,474,722	1,270,349
Operating lease right-of-use assets, net	630,258	578,413	694,014	630,258
Goodwill	148,732	127,001	169,684	148,732
Intangible assets, net of accumulated amortization of $17,905 at December 27, 2022 and $15,092 at December 28, 2021	5,607	1,520		
Intangible assets, net of accumulated amortization of $20,929 at December 26, 2023 and $17,905 at December 27, 2022			3,483	5,607
Other assets	73,878	79,052	94,999	73,878
Total assets	$ 2,525,665	$ 2,511,952	$ 2,793,376	$ 2,525,665
Liabilities and Stockholders' Equity				
Current liabilities:				
Current portion of operating lease liabilities	$ 25,490	$ 21,952	$ 27,411	$ 25,490
Accounts payable	105,560	95,234	131,638	105,560
Deferred revenue-gift cards	335,403	300,657	373,913	335,403
Accrued wages and payroll taxes	54,544	64,716		
Accrued wages			68,062	54,544
Income taxes payable	434	85	112	434
Accrued taxes and licenses	35,264	33,375	42,758	35,264
Other accrued liabilities	95,315	86,125	101,540	95,315
Total current liabilities	652,010	602,144	745,434	652,010
Operating lease liabilities, net of current portion	677,874	622,892	743,476	677,874
Long-term debt	50,000	100,000	—	50,000
Restricted stock and other deposits	7,979	8,027	8,893	7,979
Deferred tax liabilities, net	20,979	11,734	23,104	20,979
Other liabilities	89,161	93,671	114,958	89,161
Total liabilities	1,498,003	1,438,468	1,635,865	1,498,003
Texas Roadhouse, Inc. and subsidiaries stockholders' equity:				
Preferred stock ($0.001 par value, 1,000,000 shares authorized; no shares issued or outstanding)	—	—	—	—
Common stock ($0.001 par value, 100,000,000 shares authorized, 66,973,311 and 69,382,418 shares issued and outstanding at December 27, 2022 and December 28, 2021, respectively)	67	69		

Common stock ($0.001 par value, 100,000,000 shares authorized, 66,789,464 and 66,973,311 shares issued and outstanding at December 26, 2023 and December 27, 2022, respectively)			67	67
Additional paid-in-capital	13,139	114,504	—	13,139
Retained earnings	999,432	943,551	1,141,595	999,432
Total Texas Roadhouse, Inc. and subsidiaries stockholders' equity	1,012,638	1,058,124	1,141,662	1,012,638
Noncontrolling interests	15,024	15,360	15,849	15,024
Total equity	1,027,662	1,073,484	1,157,511	1,027,662
Total liabilities and equity	$ 2,525,665	$ 2,511,952	$ 2,793,376	$ 2,525,665

See accompanying Notes to Consolidated Financial Statements.

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Texas Roadhouse, Inc. and Subsidiaries

Consolidated Statements of Income and Comprehensive Income

(in thousands, except per share data)

	Fiscal Year Ended			Fiscal Year Ended		
	December 27, 2022	December 28, 2021	December 29, 2020	December 26, 2023	December 27, 2022	December 28, 2021
Revenue:						
Restaurant and other sales	$ 3,988,791	$ 3,439,176	$ 2,380,177	$4,604,554	$3,988,791	$3,439,176
Franchise royalties and fees	26,128	24,770	17,946	27,118	26,128	24,770
Total revenue	4,014,919	3,463,946	2,398,123	4,631,672	4,014,919	3,463,946
Costs and expenses:						
Restaurant operating costs (excluding depreciation and amortization shown separately below):						
Food and beverage	1,378,192	1,156,628	780,646	1,593,852	1,378,192	1,156,628
Labor	1,319,959	1,123,003	875,764	1,539,124	1,319,959	1,123,003
Rent	66,834	60,005	54,401	72,766	66,834	60,005
Other operating	596,305	517,808	403,726	690,848	596,305	517,808
Pre-opening	21,883	24,335	20,099	29,234	21,883	24,335
Depreciation and amortization	137,237	126,761	117,877	153,202	137,237	126,761
Impairment and closure, net	1,600	734	2,263	275	1,600	734
General and administrative	172,712	157,480	119,503	198,382	172,712	157,480
Total costs and expenses	3,694,722	3,166,754	2,374,279	4,277,683	3,694,722	3,166,754
Income from operations	320,197	297,192	23,844	353,989	320,197	297,192
Interest expense, net	124	3,663	4,091			
Interest income (expense), net				2,984	(124)	(3,663)
Equity income (loss) from investments in unconsolidated affiliates	1,239	(637)	(500)	1,351	1,239	(637)
Income before taxes	321,312	292,892	19,253	358,324	321,312	292,892
Income tax expense (benefit)	43,715	39,578	(15,672)			

Income tax expense				44,649	43,715	39,578
Net income including noncontrolling interests	277,597	253,314	34,925	313,675	277,597	253,314
Less: Net income attributable to noncontrolling interests	7,779	8,020	3,670	8,799	7,779	8,020
Net income attributable to Texas Roadhouse, Inc. and subsidiaries	$ 269,818	$ 245,294	$ 31,255	$ 304,876	$ 269,818	$ 245,294
Other comprehensive income, net of tax:						
Foreign currency translation adjustment, net of tax of $—, ($36) and ($40), respectively	—	106	119			
Foreign currency translation adjustment, net of tax of $—, $— and ($36), respectively				—	—	106
Total comprehensive income	$ 269,818	$ 245,400	$ 31,374	$ 304,876	$ 269,818	$ 245,400
Net income per common share attributable to Texas Roadhouse, Inc. and subsidiaries:						
Basic	$ 3.99	$ 3.52	$ 0.45	$ 4.56	$ 3.99	$ 3.52
Diluted	$ 3.97	$ 3.50	$ 0.45	$ 4.54	$ 3.97	$ 3.50
Weighted average shares outstanding:						
Basic	67,643	69,709	69,438	66,893	67,643	69,709
Diluted	67,920	70,098	69,893	67,149	67,920	70,098
Cash dividends declared per share	$ 1.84	$ 1.20	$ 0.36	$ 2.20	$ 1.84	$ 1.20

See accompanying Notes to Consolidated Financial Statements.

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Texas Roadhouse, Inc. and Subsidiaries

Consolidated Statements of Stockholders' Equity

(tabular amounts in thousands, except share data)

	Shares	Par Value	Additional Paid-in-Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Texas Roadhouse, Inc. and Subsidiaries	Noncontrolling Interests	Total

	Shares	Par Value	Additional Paid-in-Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Texas Roadhouse, Inc. and Subsidiaries	Noncon Inter

Balance, December 31, 2019	69,400,252	$ 69	$ 140,501	$ 775,649	$ (225)	$ 915,994	$ 15,175	$ 931,169						
Net income	—	—	—	31,255	—	31,255	3,670	34,925						
Other comprehensive income, net of tax	—	—	—	—	119	119	—	119						
Noncontrolling interest contribution	—	—	—	—	—	—	133	133						
Distributions to noncontrolling interest holders	—	—	—	—	—	—	(3,432)	(3,432)						
Dividends declared ($0.36 per share)	—	—	—	(24,989)	—	(24,989)	—	(24,989)						
Shares issued under share-based compensation plans including tax effects	615,181	1	(1)	—	—	—	—	—						
Indirect repurchase of shares for minimum tax withholdings	(201,163)	—	(11,684)	—	—	(11,684)	—	(11,684)						
Repurchase of shares of common stock	(252,409)	—	(12,621)	—	—	(12,621)	—	(12,621)						
Share-based compensation	—	—	29,431	—	—	29,431	—	29,431						
Balance, December 29, 2020	69,561,861	$ 70	$ 145,626	$ 781,915	$ (106)	$ 927,505	$ 15,546	$ 943,051	69,561,861 $	70 $	145,626 $	781,915 $	(106)$	927,505 $
Net income	—	—	—	245,294	—	245,294	8,020	253,314	—	—	—	245,294	—	245,294
Other comprehensive income, net of tax	—	—	—	—	106	106	—	106	—	—	—	—	106	106
Distributions to noncontrolling interest holders	—	—	—	—	—	—	(8,206)	(8,206)	—	—	—	—	—	—
Dividends declared ($1.20 per share)	—	—	—	(83,658)	—	(83,658)	—	(83,658)	—	—	—	(83,658)	—	(83,658)
Shares issued under share-based compensation plans including tax effects	595,534	—	—	—	—	—	—	—	595,534	—	—	—	—	—

Indirect repurchase of shares for minimum tax withholdings	(190,045)	—	(17,628)	—	—	(17,628)	—	(17,628)	(190,045)	—	(17,628)	—	—	(17,628)
Repurchase of shares of common stock	(584,932)	(1)	(51,633)	—	—	(51,634)	—	(51,634)	(584,932)	(1)	(51,633)	—	—	(51,634)
Share-based compensation	—	—	38,139	—	—	38,139	—	38,139	—	—	38,139	—	—	38,139
Balance, December 28, 2021	69,382,418	$ 69	$ 114,504	$ 943,551	$ —	$ 1,058,124	$ 15,360	$ 1,073,484	69,382,418 $	69 $	114,504 $	943,551 $	— $	1,058,124 $
Net income	—	—	—	269,818	—	269,818	7,779	277,597	—	—	—	269,818	—	269,818
Distributions to noncontrolling interest holders	—	—	—	—	—	—	(7,775)	(7,775)	—	—	—	—	—	—
Acquisition of noncontrolling interest	—	—	(1,395)	—	—	(1,395)	(340)	(1,735)	—	—	(1,395)	—	—	(1,395)
Dividends declared ($1.84 per share)	—	—	—	(124,137)	—	(124,137)	—	(124,137)	—	—	—	(124,137)	—	(124,137)
Shares issued under share-based compensation plans including tax effects	474,771	—	—	—	—	—	—	—	474,771	—	—	—	—	—
Indirect repurchase of shares for minimum tax withholdings	(149,873)	—	(13,576)	—	—	(13,576)	—	(13,576)	(149,873)	—	(13,576)	—	—	(13,576)
Repurchase of shares of common stock	(2,734,005)	(2)	(123,057)	(89,800)	—	(212,859)	—	(212,859)	(2,734,005)	(2)	(123,057)	(89,800)	—	(212,859)
Share-based compensation	—	—	36,663	—	—	36,663	—	36,663	—	—	36,663	—	—	36,663
Balance, December 27, 2022	66,973,311	$ 67	$ 13,139	$ 999,432	$ —	$ 1,012,638	$ 15,024	$ 1,027,662	66,973,311 $	67 $	13,139 $	999,432 $	— $	1,012,638 $
Net income									—	—	—	304,876	—	304,876
Distributions to noncontrolling interest holders									—	—	—	—	—	—
Dividends declared ($2.20 per share)									—	—	—	(147,182)	—	(147,182)

Shares issued under share-based compensation plans including tax effects	391,793	—	—	—	—	—
Indirect repurchase of shares for minimum tax withholdings	(120,614)	—	(12,688)	—	—	(12,688)
Repurchase of shares of common stock, including excise tax	(455,026)	—	(34,681)	(15,531)	—	(50,212)
Share-based compensation	—	—	34,230	—	—	34,230
Balance, December 26, 2023	66,789,464	$ 67	$ —	$ 1,141,595	$ —	$ 1,141,662 $

See accompanying Notes to Consolidated Financial Statements.

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Texas Roadhouse, Inc. and Subsidiaries

Consolidated Statements of Cash Flows

(in thousands)

	Fiscal Year Ended			Fiscal Year Ended		
	December 27, 2022	**December 28, 2021**	**December 29, 2020**	**December 26, 2023**	**December 27, 2022**	**December 28, 2021**
Cash flows from operating activities:						
Net income including noncontrolling interests	$ 277,597	$ 253,314	$ 34,925	$ 313,675	$ 277,597	$ 253,314
Adjustments to reconcile net income to net cash provided by operating activities:						
Depreciation and amortization	137,237	126,761	117,877	153,202	137,237	126,761
Deferred income taxes	9,456	8,896	(19,932)	3,115	9,456	8,896
Loss on disposition of assets	5,206	3,167	3,144	3,783	5,206	3,167
Impairment and closure costs	1,770	673	2,290	200	1,770	673
Equity (income) loss from investments in unconsolidated affiliates	(1,239)	637	500	(1,351)	(1,239)	637
Distributions of income received from investments in unconsolidated affiliates	1,022	1,071	329	689	1,022	1,071
Provision for doubtful accounts	33	7	(1)	(14)	33	7

Share-based compensation expense	36,663	38,139	29,431	34,230	36,663	38,139
Changes in operating working capital:						
Changes in operating working capital, net of acquisitions:						
Receivables	11,062	(62,399)	1,058	(24,420)	11,062	(62,399)
Inventories	(6,099)	(9,231)	(2,017)	105	(6,099)	(9,231)
Prepaid expenses and other current assets	(6,540)	(2,485)	(2,133)	(5,612)	(6,540)	(2,485)
Other assets	5,775	(13,918)	(12,698)	(22,617)	5,775	(13,918)
Accounts payable	5,408	27,730	490	23,083	5,408	27,730
Deferred revenue—gift cards	33,799	67,845	23,458	37,347	33,799	67,845
Accrued wages and payroll taxes	(10,172)	12,734	12,283			
Accrued wages				13,518	(10,172)	12,734
Prepaid income taxes and income taxes payable	5,953	(8,973)	372	1,514	5,953	(8,973)
Accrued taxes and licenses	1,889	8,624	(5,700)	6,581	1,889	8,624
Other accrued liabilities	2,147	20,352	4,099	(3,460)	2,147	20,352
Operating lease right-of-use assets and lease liabilities	5,268	5,553	4,635	6,313	5,268	5,553
Other liabilities	(4,510)	(9,671)	38,028	25,103	(4,510)	(9,671)
Net cash provided by operating activities	511,725	468,826	230,438	564,984	511,725	468,826
Cash flows from investing activities:						
Capital expenditures—property and equipment	(246,121)	(200,692)	(154,401)	(347,034)	(246,121)	(200,692)
Acquisition of franchise restaurants, net of cash acquired	(33,069)	—	(10,580)	(39,153)	(33,069)	—
Proceeds from sale of investment in unconsolidated affiliate	316	—	—			
Proceeds from the sale of property and equipment	2,269	—	1,709			
Proceeds from sale of investments in unconsolidated affiliates				627	316	—
Proceeds from sale of property and equipment				2,110	2,269	—
Proceeds from sale leaseback transactions	12,871	5,588	2,167	16,283	12,871	5,588
Net cash used in investing activities	(263,734)	(195,104)	(161,105)	(367,167)	(263,734)	(195,104)
Cash flows from financing activities:						
(Payments on) proceeds from revolving credit facility, net	(50,000)	(140,000)	240,000			
Payments on revolving credit facility				(50,000)	(50,000)	(140,000)
Debt issuance costs	—	(708)	(641)	—	—	(708)
Proceeds from noncontrolling interest contribution	—	—	133			
Distributions to noncontrolling interest holders	(7,775)	(8,206)	(3,432)	(7,974)	(7,775)	(8,206)
Acquisition of noncontrolling interest	(1,735)	—	—	—	(1,735)	—
Proceeds from (payments on) restricted stock and other deposits, net	307	602	(823)			
Proceeds from restricted stock and other deposits, net				405	307	602
Indirect repurchase of shares for minimum tax withholdings	(13,576)	(17,628)	(11,684)	(12,688)	(13,576)	(17,628)
Repurchase of shares of common stock	(212,859)	(51,634)	(12,621)	(49,993)	(212,859)	(51,634)
Dividends paid to shareholders	(124,137)	(83,658)	(24,989)	(147,182)	(124,137)	(83,658)
Net cash (used in) provided by financing activities	(409,775)	(301,232)	185,943			
Net (decrease) increase in cash and cash equivalents	(161,784)	(27,510)	255,276			
Net cash used in financing activities				(267,432)	(409,775)	(301,232)
Net decrease in cash and cash equivalents				(69,615)	(161,784)	(27,510)
				173,861	335,645	363,155
Cash and cash equivalents—beginning of period	335,645	363,155	107,879			
Cash and cash equivalents—end of period	$ 173,861	$ 335,645	$ 363,155	$ 104,246	$ 173,861	$ 335,645

Supplemental disclosures of cash flow information:												
Interest paid, net of amounts capitalized	$	1,547	$	3,186	$	3,890	$	1,119	$	1,547	$	3,186
Income taxes paid	$	25,910	$	39,789	$	3,776	$	39,861	$	25,910	$	39,789
Capital expenditures included in current liabilities	$	34,689	$	23,087	$	14,808	$	47,550	$	34,689	$	23,087

See accompanying Notes to Consolidated Financial Statements.

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Texas Roadhouse, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

(Tabular amounts in thousands, except share and per share data)

(1) Description of Business

Texas Roadhouse, Inc. and subsidiaries (collectively, the "Company," "we," "our" and/or "us"), is a growing restaurant company operating predominately predominantly in the casual dining segment. Our late founder, W. Kent Taylor, started the business in 1993 with the opening of the first Texas Roadhouse restaurant in Clarksville, Indiana.

The Company maintains three restaurant concepts operating as Texas Roadhouse, Bubba's 33 and Jaggers. As of December 26, 2023, we owned and operated 635 restaurants and franchised an additional 106 restaurants in 49 states and ten foreign countries. Of the 106 franchise restaurants, there were 58 domestic and 48 international restaurants. As of December 27, 2022, we owned and operated 597 restaurants and franchised an additional 100 restaurants in 49 states and ten foreign countries. Of the 597 company restaurants that were operating at December 27, 2022, 577 were wholly-owned and 20 were majority-owned and we operated 552 as Texas Roadhouse restaurants, 40 as Bubba's 33 restaurants and five as Jaggers restaurants. Of the 100 franchise restaurants, 62 were domestic and 38 were international restaurants, all of which were operated as Texas Roadhouse restaurants.

As of December 28, 2021, we owned and operated 566 restaurants and franchised an additional 101 restaurants in 49 states and ten foreign countries. Of the 566 company restaurants that were operating at December 28, 2021, 546 were wholly-owned and 20 were majority-owned and we operated 526 as Texas Roadhouse restaurants, 36 as Bubba's 33 restaurants and four as Jaggers restaurants. Of the 101 franchise restaurants, 70 were domestic and 31 were international restaurants, all of which were operated as Texas Roadhouse restaurants.

Risks and Uncertainties

The Company has been subject to risks and uncertainties as a result of the COVID-19 pandemic (the "pandemic"). These include federal, state and local restrictions on restaurants, some of which limited capacity or seating in dining rooms while others allowed to-go or curbside service only. In 2022, all of our domestic company and franchise restaurants operated without restriction. In 2021 and 2020, all of our domestic company and franchise restaurants operated under various forms of capacity restrictions, which included outdoor and/or to-go or curbside service only.

(2) Summary of Significant Accounting Policies

(a) Principles of Consolidation

The accompanying consolidated financial statements present the financial position, results of operations and cash flows of the Company and its majority-owned subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation.

As of December 27, 2022 December 26, 2023 and December 28, 2021 December 27, 2022, we had owned a majority ownership interest in 20 company restaurants. The operating results of these majority-owned restaurants are consolidated and the portion of income attributable to noncontrolling interests in these restaurants is reflected in the line item entitled "Net net income attributable to noncontrolling interests" interests in our consolidated statements of income and comprehensive income.

As of December 27, 2022 December 26, 2023 and December 28, 2021 December 27, 2022, we owned a 5.0% to 10.0% equity interest in 23 20 and 24 23 domestic franchise restaurants, respectively. Additionally, as of December 28, 2021, we owned a 40% interest in four non-Texas Roadhouse restaurants in China that was fully impaired in 2021. The These unconsolidated restaurants are accounted for using the equity method. Our investments in these unconsolidated affiliates are included in other assets in our consolidated balance sheets, and we record our percentage share of net income earned by these unconsolidated affiliates in our consolidated statements of income and comprehensive income under equity income (loss) from investments in unconsolidated affiliates.

(b) Fiscal Year

We utilize a 52 or 53 week accounting period that typically ends on the last Tuesday in December. We utilize a 13 week accounting period for quarterly reporting purposes, except in years containing 53 weeks when the fourth quarter contains 14 weeks. Fiscal years 2023, 2022 2021 and 2020 2021 were 52 weeks in length.

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(c) Use of Estimates

We have made a number of estimates and assumptions relating to the reporting of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reporting of revenue and expenses during the period to prepare these consolidated financial statements in conformity with U.S. generally accepted accounting principles ("GAAP"). Significant items subject to such estimates and assumptions include the carrying amount valuation of property and equipment, goodwill, lease liabilities and right-of-use assets, obligations related to insurance reserves, leases and leasehold improvements, legal reserves, income taxes and gift card breakage and third-party fees and income taxes. breakage. Actual results could differ from those estimates.

(d) Segment Reporting

Operating segments are defined as components of a company that engage in business activities from which it may earn revenue and incur expenses, and for which separate financial information is available and is regularly reviewed by the chief operating decision maker ("CODM"), to assess the performance of the individual segments and make decisions about resources to be allocated to the segments. The Company's operating segments have been identified in accordance

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Texas Roadhouse, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

(Tabular amounts in thousands, except share and per share data)

with the provisions of Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") ASC 280, *Segment Reporting*.

(Tabular amounts in thousands, except share and per share data)

We have identified Texas Roadhouse, Bubba's 33, Jaggers and our retail initiatives as separate operating segments. In addition, we have identified Texas Roadhouse and Bubba's 33 as reportable segments. For further discussion of segment reporting, refer to Note 19.

(e) Cash and Cash Equivalents

We consider all highly liquid debt instruments with original maturities of three months or less to be cash equivalents. Cash and cash equivalents also include receivables from credit card companies as these balances are highly liquid in nature and are settled within two to three business days. These amounted to $22.0 27.8 million and $26.4 $22.0 million at December 27, 2022 December 26, 2023 and December 28, 2021 December 27, 2022, respectively.

(f) Receivables

Receivables consist principally of amounts due from retail gift card providers, certain franchise restaurants for reimbursement of labor costs, pre-opening and other expenses, and franchise restaurants for royalty fees.

Receivables are recorded at the invoiced amount and do not bear interest. The allowance for doubtful accounts is our best estimate of the amount of probable credit losses in our existing accounts receivable. We determine the allowance based on historical collection experience, adjusted for current and forecasted economic conditions and other factors such as credit risk or industry trends, and the age of receivables. We review our allowance for doubtful accounts quarterly. Past due balances over 120 days are reviewed individually for collectability. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote.

(g) Inventories

Inventories, consisting principally of food, beverages and supplies, are valued at the lower of cost (first-in, first-out) or net realizable value.

(h) Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. Expenditures for major renewals and betterments are capitalized while expenditures for maintenance and repairs are expensed as incurred. Depreciation is computed on property and equipment, including assets located on leased properties, over the shorter of the estimated useful lives of the related assets or the underlying lease term using the straight-line method. In most cases, assets on

leased properties are depreciated over a period of time which includes both the initial term of the lease and one or more option periods. Refer to Note 2(i) for further discussion of leases.

The estimated useful lives are:

Land improvements	10 - 25 years
Buildings and leasehold improvements	10 - 25 years
Furniture, fixtures and equipment	3 - 10 years

The cost of purchasing transferable liquor licenses through open markets in jurisdictions with a limited number of authorized liquor licenses are capitalized as indefinite-lived assets and included in Property and equipment, net.

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Texas Roadhouse, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

(Tabular amounts in thousands, except share and per share data)

(i) Cloud Computing Arrangements

The Company capitalizes cloud computing implementation costs and amortizes these costs on a straight-line basis over the term of the related service agreement, including renewal periods that are reasonably certain to be exercised. Capitalized cloud computing implementation costs were $3.0 million and $1.9 million, net of accumulated amortization, as of December 26, 2023 and December 27, 2022, respectively. These costs are included in prepaid expenses and other current assets and other assets in our consolidated balance sheets. Related amortization expense was $1.4 million, $1.0 million and $0.2 million for the years ended December 26, 2023, December 27, 2022, and December 28, 2021, respectively, and is included in general and administrative expenses in our consolidated statements of income and comprehensive income.

Leases

We recognize operating lease right-of-use assets and operating lease liabilities for real estate leases, including our restaurant leases and Support Center lease, as well as certain restaurant equipment leases based on the present value of the lease payments over the lease term. We estimate the present value based on our incremental borrowing rate which corresponds to the underlying lease term. In addition, operating lease right-of-use assets are reduced for accrued rent and increased for any initial direct costs recognized at lease inception. For real estate and restaurant equipment leases commencing in 2019 and later, we account for lease and non-lease components as a single lease component. Reductions of the right-of-use asset and the changes in the lease liability are included within the changes in operating lease right-of-use assets and lease liabilities in our consolidated statements of cash flows.

Certain of our operating leases contain predetermined fixed escalations of the minimum rent over the lease term. For these leases, we recognize the related total rent expense on a straight-line basis over the lease term. We may receive rent concessions or leasehold improvement incentives upon opening a restaurant that is subject to a lease which we consider when determining straight-line rent expense. We also may receive rent holidays, which would begin on the possession date and end when the store opens, during which no cash rent payments are typically due under the terms of the lease. Rent holidays are included in the lease term when determining straight-line rent expense. In recognizing straight-line rent expense, we record the difference between amounts charged to operations and amounts paid as accrued rent.

Certain of our operating leases contain clauses that provide for additional contingent rent based on a percentage of sales greater than certain specified target amounts. We recognize contingent rent expense as variable rent expense prior to the achievement of the specified target that triggers the contingent rent, provided achievement of the target is considered probable. In addition, certain of our operating leases have variable escalations of the minimum rent that depend on an index or rate. For these leases, we recognize operating lease right-of-use assets and operating lease liabilities based on the index or rate at the commencement date. Any subsequent changes to the index or rate are recognized as variable rent expense when the escalation is determinable.

Sale-leasebacks are transactions through which we sell previously acquired land at fair value and subsequently enter into a lease agreement on the same land. The resulting lease agreement is evaluated to determine classification as an operating or finance lease and is recorded based on the lease classification. Refer to Note 8 for further discussion of leases.

(j) Goodwill

Goodwill represents the excess of cost over fair value of assets of businesses acquired. In accordance with ASC 350, *Intangibles—Goodwill and Other* ("ASC 350"), goodwill is not subject to amortization and is evaluated for impairment on an annual basis, or sooner if an event or other circumstance indicates that goodwill may be impaired. The annual assessment date is the first day of our fourth quarter.

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ASC 350 requires that goodwill be tested for impairment at the reporting unit level, or the level of internal reporting that reflects the way in which an entity manages its businesses. A reporting unit is defined as an operating segment, or one level below an operating segment. Historically, we designated our operating segment and Our goodwill reporting unit to be at the

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same level which we defined to be the individual restaurant. In 2021, we changed the designation of our operating segment and reporting unit to be at the concept level. As a result of this change, in 2021, we performed the goodwill impairment analysis at both the individual restaurant and concept level to substantiate that our goodwill was not impaired under either reporting unit definition. In 2022, we performed the goodwill impairment analysis units are at the concept level.

As stated in ASC 350, an entity may first assess qualitative factors in order to determine if it is necessary to perform the quantitative test. In 2023, 2022 and 2021, we elected to perform a qualitative assessment for our annual review of goodwill. This review included evaluating factors such as macroeconomic conditions, industry and market considerations, cost factors, changes in management or key personnel, sustained decreases in share price and the overall financial performance of the Company's reporting units at the concept level. As a result of the qualitative assessment, no indicators of impairment were identified, and no additional indicators of impairment were identified through the end of the fourth quarter fiscal year that would require additional testing.

In 2023, 2022 and 2021, we determined there was no goodwill impairment. In 2020, as a result of our annual goodwill impairment analysis, we recorded goodwill impairment of $1.1 million. Refer to Note 7 for additional information related to goodwill and intangible assets.

(k) Other Assets

Other assets consist primarily of deferred compensation plan assets, investments in unconsolidated affiliates and deposits. For further discussion of the deferred compensation plan, refer to Note 15 and Note 16.

(l) Impairment or Disposal of Long-lived Assets

In accordance with ASC 360, *Property, Plant and Equipment*, long-lived assets related to each restaurant to be held and used in the business, such as property and equipment, operating lease right-of-use assets and intangible assets subject to amortization, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of a restaurant may not be recoverable. For the purposes of this evaluation, we define the asset group at the individual restaurant level. When we evaluate the restaurants, cash flows are the primary indicator of impairment.

Recoverability of assets to be held and used is measured by a comparison of the carrying amount of the restaurant to estimated undiscounted future cash flows expected to be generated by the restaurant. Under our policies, trailing 12-month cash flow results under a predetermined amount at the individual restaurant level signals potential impairment. In our evaluation of restaurants that do not meet the cash flow threshold, we estimate future undiscounted cash flows from operating the restaurant over its estimated remaining useful life, which can be for a period of over 20 years. In the estimation of future cash flows, we consider the period of time the restaurant has been open, the trend of operations over such period and future periods and expectations of future sales growth. Assumptions about important factors such as the trend of future operations and sales growth are limited to those that are supportable based upon the plans for the restaurant and actual results at comparable restaurants.

If the carrying amount of the restaurant exceeds its estimated undiscounted future cash flows, an impairment charge is recognized by the amount by which the carrying amount exceeds the estimated fair value of the assets. We generally measure fair value by discounting estimated future cash flows. When fair value is measured by discounting estimated future cash flows, the assumptions used are consistent with what we believe hypothetical market participants would use. We also use a discount rate that is commensurate with the risk inherent in the projected cash flows. The adjusted carrying amounts of assets to be held and used are depreciated over their remaining useful life. Refer to Note 17 for further discussion of amounts recorded as part of our impairment analysis.

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(m) Insurance Reserves

We self-insure a significant portion of expected losses under our health, workers' compensation, general liability, employment practices liability, and property insurance programs. We purchase insurance for individual claims that exceed the retention amounts listed below:

	December 27, 2022	December 28, 2021
Employment practices liability ("EPL")	$500,000	$500,000
EPL Class Action	$2,500,000	$2,500,000
Workers' compensation	$350,000	$350,000
General liability	$2,500,000	$1,000,000
Property	$250,000	$250,000
Employee healthcare	$400,000	$400,000

	December 26, 2023	December 27, 2022
Employment practices liability ("EPL")	$500,000	$500,000
EPL Class Action	$2,500,000	$2,500,000
Workers' compensation	$350,000	$350,000
General liability (1)	$2,500,000	$2,500,000
Property	$250,000	$250,000
Employee healthcare	$400,000	$400,000

(1) In addition to the retention amount of $2,500,000, we have an additional retention corridor that includes claim costs between $5,000,000 and $10,000,000 related to dram shop statutes.

We record a liability for unresolved claims and for an estimate of incurred but not reported claims based on historical experience. The estimated liability is based on a number of assumptions and factors regarding economic conditions, the frequency and severity of claims and claim development history and settlement practices. Our assumptions are reviewed, monitored, and adjusted when warranted by changing circumstances.

(n) Revenue Recognition

We recognize revenue in accordance with ASC 606, *Revenue from Contracts with Customers,* which requires an entity to allocate the transaction price received from customers to each separate and distinct performance obligation and recognize revenue as these performance obligations are satisfied. We recognize revenue from company restaurant sales when food and beverage products are sold. Restaurant sales include gross food and beverage sales, net of promotions and discounts, for all company restaurants. Sales taxes collected from customers and remitted to governmental authorities are accounted for on a net basis and therefore are excluded from restaurant sales in the consolidated statements of income and comprehensive income.

We record deferred revenue for gift cards that have been sold but not yet redeemed. When the gift cards are redeemed, we recognize restaurant sales and reduce deferred revenue. For some of the gift cards that are sold we have determined that, based on our historic gift card redemption patterns, the likelihood of redemption is remote. For these gift cards, we record a breakage adjustment and reduce deferred revenue by the amount never expected to be redeemed. We use historic gift card redemption patterns to determine the breakage rate to utilize and recognize the expected breakage amount in a manner generally consistent with the actual redemption pattern of the associated gift card. We review the breakage rate on an annual basis, or sooner if circumstances indicate that the rate may have significantly changed and update the rate accordingly as needed. In addition, we incur fees on all gift cards that are sold through third-party retailers. These fees are also deferred and generally recorded consistent with the actual redemption pattern of the associated gift cards.

We also recognize revenue from our franchising of Texas Roadhouse and Jaggers restaurants. This includes franchise royalties and domestic marketing and advertising fees, initial and upfront franchise fees, domestic and international development agreements and supervisory and administrative service fees. We recognize franchise royalties and domestic marketing and advertising fees as franchise restaurant sales occur. For initial and upfront franchise fees and fees from development agreements, because the services we provide related to these fees do not contain separate and distinct performance obligations from the franchise right, these fees are recognized on a straight-line basis over the term of the associated franchise agreement. We recognize fees from supervision and administrative services as incurred.

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(o) Income Taxes

We account for income taxes in accordance with ASC 740, *Income Taxes*, under which deferred assets and liabilities are recognized based upon anticipated future tax consequences attributable to differences between financial statement carrying values of assets and liabilities and their respective tax bases. We recognize both interest and penalties on unrecognized tax benefits as part of income tax expense. A valuation allowance is established to reduce the carrying value of deferred tax assets if it is considered more likely than not that such assets will not be realized. Any change in the valuation allowance would be charged to income in the period such determination was made. For all years presented, no valuation allowances have been recorded.

(p) Advertising

We have a domestic system-wide marketing and advertising fund. We maintain control of the marketing and advertising fund and, as such, have consolidated the fund’s activity for all the years presented. Domestic company and franchise restaurants are required to remit a designated portion of sales to the advertising fund. Advertising contributions related to company restaurants are recorded as a component of other operating costs. Advertising contributions received from our franchisees are recorded as a component of franchise royalties and fees in our consolidated statements of income and comprehensive income.

Other costs related to local restaurant area marketing initiatives are included in other operating costs in our consolidated statements of income and comprehensive income. These costs and the company restaurant contribution amounted to $25.0 28.3 million, $21.1 $25.0 million and $13.8 $21.1 million for the years ended December 26, 2023, December 27, 2022, December 28, 2021 and December 29, 2020 December 28, 2021, respectively.

(q) Pre-opening Expenses

Pre-opening expenses, which are charged to operations as incurred, consist of expenses incurred before the opening of a new or relocated restaurant and are comprised consist principally of opening team and training team compensation and benefits, travel expenses, rent, food, beverage and other initial supplies and expenses.

(r) Comprehensive Income

ASC 220, *Income Statement—Reporting Comprehensive Income*, establishes standards for reporting and the presentation of comprehensive income and its components in a full set of financial statements. Comprehensive income consists of net income and foreign currency translation adjustments which are excluded from net income under GAAP. Foreign currency translation adjustment represents the unrealized impact of translating the financial statements of our foreign investment.

(s) Fair Value of Financial Instruments

Fair value is defined as the price that we would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants on the measurement date. ASC 820, *Fair Value Measurements and Disclosures Measurement*, establishes a framework for measuring fair value and expands disclosures about fair value measurements. This includes a three-level hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable

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inputs in measuring fair value. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability on the measurement date.

Level 1	Inputs based on quoted prices in active markets for identical assets.
Level 2	Inputs other than quoted prices included within Level 1 that are observable for the assets, either directly or indirectly.
Level 3	Inputs that are unobservable for the asset.

Fair value measurements are separately disclosed by level within the fair value hierarchy. Refer to Note 16 for further discussion of fair value measurement.

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(t) Recent Recently Adopted Accounting Pronouncements

Reference Rate Reform

(Tabular amounts in thousands, except share and per share data)

In March 2020, the FASB issued Accounting Standards Update ("ASU") 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting,* which provides temporary optional expedients and exceptions to the current guidance on contract modifications and hedge accounting. These changes are intended to simplify the market transition from the London Interbank Offered Rate ("LIBOR") and other interbank offered rates to alternative reference rates. In December 2022, the FASB issued ASU 2022-06, *Reference Rate Reform (Topic 848): Deferral of the Sunset Date of Topic 848*, which defers the sunset date of Topic 848 from December 31, 2022 to December 31, 2024. We do not anticipate that adopted this guidance during the 2023 fiscal year and the adoption of this standard will did not have a significant an impact on our consolidated financial statements statements.

Recently Issued Accounting Pronouncements

In November 2023, the FASB issued ASU 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosure.* This ASUprimarily provides enhanced disclosures about significant segment expenses including requiring segment disclosures to include a description of other segment items by reportable segment and any additional measures of a segment's profit or loss used by the CODM when deciding how to allocate resources. The ASU also requires all annual disclosures currently required by Topic 280 to be included in interim periods as well as the title of the CODM and an explanation of how the CODM uses the reported measure of segment profit or loss in assessing performance and allocating resources. The amendments in this update are effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. We are currently assessing the impact of this new standard on our segment reporting disclosures.

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. This ASU primarily provides enhanced disclosures about an entity's income tax including requiring consistent categories and greater disaggregation of the information included in the rate reconciliation and income taxes paid disaggregated by jurisdiction. The amendments in this update are effective for fiscal years beginning after December 15, 2024, and interim periods within fiscal years beginning after December 15, 2025. We are currently assessing the impact of this new standard on our income tax disclosures.

(3) Revenue

The following table disaggregates our revenue by major source:

	Fiscal Year Ended			Fiscal Year Ended		
	December 27, 2022	December 28, 2021	December 29, 2020	December 26, 2023	December 27, 2022	December 28, 2021
Restaurant and other sales	$ 3,988,791	$ 3,439,176	$ 2,380,177	$4,604,554	$3,988,791	$3,439,176
Franchise royalties	23,058	21,770	15,542	24,169	23,058	21,770
Franchise fees	3,070	3,000	2,404	2,949	3,070	3,000
Total revenue	$ 4,014,919	$ 3,463,946	$ 2,398,123	$4,631,672	$4,014,919	$3,463,946

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

		Fiscal Year Ended

	December 27, 2022	December 28, 2021	December 26, 2023	December 27, 2022
Beginning balance	$ 300,657	$ 232,812	$ 335,403	$ 300,657
Gift card activations, net	366,606	319,698		
Gift card activations, net of third-party fees			420,047	366,606
Gift card redemptions and breakage	(331,860)	(251,853)	(381,537)	(331,860)
Ending balance	335,403	300,657	373,913	335,403

We recognized restaurant sales of $190.5 $209.2 million for the year ended December 26, 2023 related to amounts in deferred revenue as of December 27, 2022. We recognized restaurant sales of $190.5 million for the year ended December 27, 2022 related to the amount amounts in deferred revenue as of December 28, 2021. We recognized restaurant sales

(4) Acquisitions

On December 28, 2022, the first day of the 2023 fiscal year, we completed the acquisition of eight franchise Texas Roadhouse restaurants located in Maryland and Delaware, including four in which we previously held a 5.0% equity interest. Pursuant to the terms of the acquisition agreements, we paid a total purchase price of $140.1 39.1 million, net of cash acquired, for 100% of the entities. The transactions in which we held an equity interest were accounted for as step acquisitions and we recorded a gain of $0.6 million on our previous investments in equity income from investments in unconsolidated affiliates in the consolidated statements of income and comprehensive income.

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

The following table summarizes the consideration paid for these acquisitions and the estimated preliminary fair value of the assets acquired and the liabilities assumed at the acquisition date, which are adjusted for measurement-period adjustments through December 26, 2023.

Inventory	$ 410
Other assets	293
Property and equipment	17,763
Operating lease right-of-use assets	4,775
Goodwill	20,067
Intangible assets	1,700
Deferred revenue-gift cards	(1,164)
Current portion of operating lease liabilities	(110)
Operating lease liabilities, net of current portion	(4,665)
	$39,069

The aggregate purchase price is preliminary as we are finalizing working capital adjustments. Intangible assets represent reacquired franchise rights which are being amortized over a weighted-average useful life of 2.2 years. We expect all of the goodwill will be deductible for tax purposes and believe the resulting amount of goodwill reflects the benefit of sales and unit growth opportunities as well as the benefit of the assembled workforce of the acquired restaurants.

Pro forma financial detail and operating results for the year ended December 28, 2021 related December 26, 2023 have not been presented as the results of the acquired restaurants are not material to the amount our consolidated financial position, results of operations or cash flows.

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(4) Acquisitions thousands, except share and per share data)

On March 30, 2022, we completed the acquisition of one franchise Texas Roadhouse restaurant located in Nebraska in which we previously held a 5.49% equity interest. Pursuant to the terms of the acquisition agreement, we paid a total purchase price of $6.6 million, net of cash acquired, for 100% of the entity. The transaction was accounted for as a step acquisition and we recorded a gain of $0.3 million $0.3 million on our previous investment in equity income from investments in unconsolidated affiliates in the consolidated statements of income and comprehensive income.

Additionally, on On December 29, 2021, the first day of the 2022 fiscal year, we completed the acquisition of seven franchise Texas Roadhouse restaurants located in South Carolina and Georgia. Pursuant to the terms of the acquisition agreements, we paid a total purchase price of $26.4 26.5 million, net of cash acquired.

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

The following table summarizes the consideration paid (in thousands) for the these acquisitions and the estimated fair value of the assets acquired and the liabilities assumed at the acquisition date, which are adjusted for final measurement-period adjustments through December 27, 2022. adjustments.

Inventory	$ 321	$ 321
Other assets	222	222
Property and equipment	4,841	4,841
Operating lease right-of-use assets	1,221	1,221
Goodwill	21,731	22,616
Intangible assets	6,900	6,100
Deferred revenue-gift cards	(947)	(947)
Current portion of operating lease liabilities	(47)	(47)
Operating lease liabilities, net of current portion	(1,173)	(1,174)
	$ 33,069	$33,153

The aggregate purchase prices are preliminary as the Company is finalizing working capital adjustments. Intangible assets represent reacquired franchise rights which will be are being amortized over a weighted-average useful life of 3.43.5 years. We expect all of the goodwill and intangible asset amortization will be deductible for tax purposes and believe the resulting amount of goodwill reflects the benefit of sales and unit growth opportunities as well as the benefit of the assembled workforce of the acquired restaurants.

Pro forma financial detail and operating results for the year ended December 27, 2022 have not been presented as the results of the acquired restaurants are not material to our consolidated financial position, results of operations or cash flows.

(5) Long-term Debt

On May 4, 2021, we entered into an agreement to amend ourWe maintain a revolving credit facility (the "credit facility") with a syndicate of commercial lenders led by JPMorgan Chase Bank, N.A. and PNC Bank, N.A. The amended revolving credit facility remains is an unsecured, revolving credit agreement and has a borrowing capacity of up to $300.0 million with the option to increase by an additional $200.0 million subject to certain limitations, including approval by the syndicate of lenders. The amendment also extended the credit facility has a maturity date of May 1, 2026.

On May 19, 2023, we amended the credit facility to May 1, 2026. Prior provide for the transition from LIBOR to the Secured Overnight Financing Rate ("SOFR") as the benchmark rate for purposes of calculating interest on outstanding borrowings. Pursuant to the amendment, our original revolving credit facility had a borrowing capacity of up to $200.0 million with the option to increase by an additional $200.0 million subject to certain limitations, including approval by the syndicate of lenders.

The terms of the amendment require us we are required to pay interest on outstanding borrowings at LIBOR the Term SOFR, plus a margin fixed adjustment of 0.10% and a variable adjustment of 0.875% to 1.875% and pay a commitment fee of 0.125% to 0.30% per year on any unused portion of the amended revolving credit facility, in each case depending on our leverage ratio. The agreement also provides an Alternate Base Rate that may be substituted for LIBOR.

As At the time of December 27, 2022, transition to the Term SOFR, we had $50.0 million no outstanding on borrowings under the amended revolving credit facility and $233.5 million of availability, net of $16.5 million of outstanding letters of credit. As of December 28, 2021, we had $100.0 million outstanding on the amended revolving credit facility and $189.1 million of availability, net of $10.9 million of outstanding letters of credit. These outstanding amounts are included as long-term debt on our consolidated balance sheets. facility.

As of December 26, 2023, we had no outstanding balance on the credit facility and had $295.3 million of availability, net of $4.7 million of outstanding letters of credit. As of December 27, 2022, we had $50.0 million outstanding on the credit facility, which was repaid in 2023, and $233.5 million of availability, net of $16.5 million of outstanding letters of credit. The outstanding amount as of December 27, 2022 is included as long-term debt on our consolidated balance sheet.

The interest rate for the $50.0 million outstanding credit facility as of December 26, 2023 and December 27, 2022 was 6.23% and 5.21%. The interest rate for the , respectively.$100.0 million outstanding as of December 28, 2021 was 0.98%.

The lenders' obligation to extend credit pursuant to the amended revolving credit facility depends on us maintaining certain financial covenants. covenants, including a minimum consolidated fixed charge coverage ratio and a maximum consolidated leverage ratio. The credit facility permits us to incur additional secured or unsecured indebtedness, except for the incurrence of secured indebtedness that in the aggregate is equal to or greater than $125.0 million and 20% of our consolidated tangible net worth. We were in compliance with all financial covenants as of December 27, 2022 December 26, 2023 and December 28, 2021 December 27, 2022.

(6) Property and Equipment, Net

Property and equipment were as follows:

	December 27, 2022	December 28, 2021	December 26, 2023	December 27, 2022
Land and improvements	$ 148,220	$ 144,182	$ 165,919	$ 148,220
Buildings and leasehold improvements	1,206,930	1,092,776	1,369,400	1,206,930
Furniture, fixtures and equipment	797,058	732,160	908,489	797,058
Construction in progress	73,639	50,809	93,527	73,639
Liquor licenses	12,538	11,889	16,242	12,538
	2,238,385	2,031,816	2,553,577	2,238,385
Accumulated depreciation and amortization	(968,036)	(869,375)	(1,078,855)	(968,036)
	$ 1,270,349	$ 1,162,441	$ 1,474,722	$1,270,349

For the years ended December 27, 2022 December 26, 2023, December 28, 2021 December 27, 2022 and December 29, 2020 December 28, 2021, the amount of interest capitalized in connection with restaurant construction was $1.3 million $0.5 million, $0.2 million $1.3 million and $0.3 $0.2 million, respectively.

(7) Goodwill and Intangible Assets

All of our goodwill and intangible assets reside within the Texas Roadhouse reportable segment. The changes in the gross carrying amount amounts of goodwill and intangible assets are were as follows:

	Goodwill	Intangible Assets
Balance as of December 29, 2020 (1)	$ 127,001	$ 2,271
Additions	—	—
Amortization expense	—	(751)
Disposals and other, net	—	—
Impairment	—	—
Balance as of December 28, 2021	$ 127,001	$ 1,520
Additions	21,731	6,900
Amortization expense	—	(2,813)
Disposals and other, net	—	—
Impairment	—	—
Balance as of December 27, 2022	$ 148,732	$ 5,607

(1) Net of $5.9 million of accumulated goodwill impairment losses.

	Goodwill	Intangible Assets
Balance as of December 28, 2021	$ 127,001	$ 1,520
Additions	21,731	6,900
Amortization expense	—	(2,813)
Balance as of December 27, 2022	$ 148,732	$ 5,607
Additions	20,952	900
Amortization expense	—	(3,024)
Balance as of December 26, 2023	$ 169,684	$ 3,483

Intangible assets consist of reacquired franchise rights. The gross carrying amount and accumulated amortization of the intangible assets at December 27, 2022 December 26, 2023 were $23.5 24.4 million and $17.9 $20.9million, respectively. As of December 28, 2021 December 27, 2022, the gross carrying amount and accumulated amortization of the intangible assets were $16.6 23.5 million and $15.1 $17.9

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(Tabular amounts in thousands, except share and per share data)

million, respectively. We amortize reacquired franchise rights on a straight-line basis over the remaining term of the franchise operating agreements, which varies by franchise agreement. Amortization expense for the next four years is expected to range from $0.1 million zero to $2.6 $2.2 million. Refer to Note 4 for discussion of the acquisitions completed for the year years ended December 26, 2023 and December 27, 2022.

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(8) Leases

We recognize right-of-use assets and lease liabilities for both real estate and equipment leases that have a term in excess of one year. As of December 27, 2022 December 26, 2023 and December 28, 2021 December 27, 2022, these amounts were as follows:

	December 27, 2022			December 26, 2023		
	Real estate	Equipment	Total	Real estate	Equipment	Total
Operating lease right-of-use assets	$ 625,164	$ 5,094	$ 630,258	$686,271	$ 7,743	$694,014
Current portion of operating lease liabilities	23,803	1,687	25,490	25,812	1,599	27,411
Operating lease liabilities, net of current portion	674,468	3,406	677,874	740,446	3,030	743,476
Total operating lease liabilities	$ 698,271	$ 5,093	$ 703,364	$766,258	$ 4,629	$770,887

	December 28, 2021			December 27, 2022		
	Real estate	Equipment	Total	Real estate	Equipment	Total
Operating lease right-of-use assets	$ 574,356	$ 4,057	$ 578,413	$625,164	$ 5,094	$630,258
Current portion of operating lease liabilities	20,577	1,375	21,952	23,803	1,687	25,490
Operating lease liabilities, net of current portion	620,210	2,682	622,892	674,468	3,406	677,874
Total operating lease liabilities	$ 640,787	$ 4,057	$ 644,844	$698,271	$ 5,093	$703,364

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(Tabular amounts in thousands, except share and per share data)

Information related to our real estate operating leases as of and for the fiscal year years ended December 26, 2023 and December 27, 2022 and December 28, 2021 was were as follows:

Real estate costs	Fiscal Year Ended December 27, 2022	Fiscal Year Ended December 28, 2021	Fiscal Year Ended December 26, 2023	Fiscal Year Ended December 27, 2022
Operating lease	$ 68,742	$ 62,430	$ 75,068	$ 68,742
Variable lease	4,393	3,767	5,079	4,393
Total lease costs	$ 73,135	$ 66,197	$ 80,147	$ 73,135

Real estate lease liabilities maturity analysis	December 27, 2022	December 26, 2023
2023	$ 66,675	
2024	67,195	$ 73,511
2025	65,206	72,379
2026	65,081	72,279
2027	65,493	72,690
2028		73,328
Thereafter	861,414	968,299
Total	$ 1,191,064	$ 1,332,486
Less interest	492,793	566,228
Total discounted operating lease liabilities	$ 698,271	$ 766,258

Real estate leases other information	Fiscal Year Ended December 27, 2022	Fiscal Year Ended December 28, 2021	Fiscal Year Ended December 26, 2023	Fiscal Year Ended December 27, 2022
Cash paid for amounts included in measurement of operating lease liabilities	$ 63,269	$ 57,040	$ 68,755	$ 63,269
Right-of-use assets obtained in exchange for new operating lease liabilities	$ 54,666	$ 68,921	$ 83,310	$ 54,666
Weighted-average remaining lease term (years)	17.57	17.88	17.71	17.57
Weighted-average discount rate	6.34 %	6.46 %	6.49 %	6.34 %

Operating lease payments exclude $7.9 $39.2 million of future minimum lease payments for executed real estate leases of which we have not yet taken possession. In addition to the above operating leases, as of December 26, 2023, we had two finance leases with a right-of-use asset balance and lease liability balance of $2.0 million and $2.8 million, respectively. As of December 27, 2022, we had two finance leases with a right-of-use asset balance and lease liability balance of $2.1 million and $2.7 million, respectively. As of December 28, 2021, we had two finance leases with a right-of-use asset balance and lease liability balance of $2.2 million and $2.7 million, respectively. The right-of-use asset balance is included as a component of other assets and the lease liability balance as a component of other liabilities in the consolidated balance sheets.

In 2022, 2023, we entered into foursix sale leaseback transactions involving land that had recently been acquired. These sales generated proceeds of $12.9 $16.3 million and no gain or loss was recognized on the transactions. In 2021, 2022, we entered into threefour sale leaseback transactions involving land that had recently been acquired. These sales generated proceeds of $5.6 $12.9 million and no gain or loss was recognized on the transactions. The resulting operating leases are included in the operating lease right-of-use assets and lease liabilities noted above.

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Texas Roadhouse, Inc. and Subsidiaries

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(Tabular amounts in thousands, except share and per share data)

(9) Income Taxes

Components of our income tax expense (benefit) for the years ended December 26, 2023, December 27, 2022, and December 28, 2021 and December 29, 2020 are were as follows:

	Fiscal Year Ended			Fiscal Year Ended		
	December 27, 2022	December 28, 2021	December 29, 2020	December 26, 2023	December 27, 2022	December 28, 2021
Current:						
Federal	$ 15,549	$ 16,700	$ (648)	$ 21,694	$ 15,549	$ 16,700
State	18,120	13,539	4,505	19,105	18,120	13,539
Foreign	590	443	403	735	590	443
Total current	34,259	30,682	4,260	41,534	34,259	30,682
Deferred:						
Federal	9,664	7,391	(16,859)	4,518	9,664	7,391
State	(208)	1,505	(3,073)	(1,403)	(208)	1,505
Total deferred	9,456	8,896	(19,932)	3,115	9,456	8,896
Income tax expense (benefit)	$ 43,715	$ 39,578	$ (15,672)			
Income tax expense				$ 44,649	$ 43,715	$ 39,578

Our pre-tax income is substantially derived from domestic restaurants.

A reconciliation of the statutory federal income tax rate to our effective tax rate for December 26, 2023, December 27, 2022, December 28, 2021 and December 29, 2020 December 28, 2021 is as follows:

	Fiscal Year Ended			Fiscal Year Ended		
	December 27, 2022	December 28, 2021	December 29, 2020	December 26, 2023	December 27, 2022	December 28, 2021
Tax at statutory federal rate	21.0 %	21.0 %	21.0 %	21.0 %	21.0 %	21.0 %
State and local tax, net of federal benefit	3.7	3.8	3.6	3.6	3.7	3.8
FICA tip tax credit	(10.5)	(9.3)	(92.5)	(11.1)	(10.5)	(9.3)
Work opportunity tax credit	(1.3)	(1.2)	(12.4)	(1.0)	(1.3)	(1.2)
Stock compensation	(0.1)	(1.5)	(2.3)			
Share-based compensation				(0.5)	(0.1)	(1.5)
Net income attributable to noncontrolling interests	(0.4)	(0.5)	(3.0)	(0.4)	(0.4)	(0.5)
Officers compensation	0.7	1.1	2.6	0.6	0.7	1.1
Other	0.5	0.1	1.6	0.3	0.5	0.1
Total	13.6 %	13.5 %	(81.4)%	12.5 %	13.6 %	13.5 %

Our effective tax rate increased to 13.6% in 2022 compared to 13.5% in 2021. The increase was primarily due to lower excess tax benefits related to our share-based compensation program partially offset by an increase in the FICA tip tax credit.

Our effective tax rate was 13.5% in 2021 compared to a tax benefit of 81.4% in 2020. The increase was primarily due to the significant increase in pre-tax income. In 2020, our FICA tip and Work opportunity tax credits exceeded our federal tax liability which resulted in a tax rate benefit.

Texas Roadhouse, Inc. and Subsidiaries

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(Tabular amounts in thousands, except share and per share data)

Components of deferred tax liabilities, net are were as follows:

	December 27, 2022	December 28, 2021	December 26, 2023	December 27, 2022
Deferred tax assets:				
Deferred revenue—gift cards	$ 29,889	$ 24,056	$ 32,999	$ 29,889
Insurance reserves	6,506	6,407	8,351	6,506
Deferred payroll taxes	-	5,995		
Other reserves	1,060	1,077	1,884	1,060
Share-based compensation	5,059	6,040	5,241	5,059
Operating lease liabilities	173,853	160,638	191,422	173,853
Deferred compensation	17,934	16,233	21,697	17,934
Tax credit carryforwards	2,740	3,618	45	2,740
Other assets	2,991	2,801	3,907	2,991
Total deferred tax asset	240,032	226,865	265,546	240,032
Deferred tax liabilities:				
Property and equipment	(82,832)	(75,022)	(90,638)	(82,832)
Goodwill and intangibles	(8,374)	(7,742)	(9,116)	(8,374)
Operating lease right-of-use asset	(155,837)	(144,153)	(171,999)	(155,837)
Other liabilities	(13,968)	(11,682)	(16,897)	(13,968)
Total deferred tax liability	(261,011)	(238,599)	(288,650)	(261,011)
Net deferred tax liability	$ (20,979)	$ (11,734)	$ (23,104)	$ (20,979)

As of December 27, 2022 and December 28, 2021, we had a tax credit carryforwards carryforward of $2.7 million and $3.6 $2.7 million respectively, primarily related to FICA tip and Work opportunity tax credit carryforwards credits that exceeded credit limitations. These This federal carryforwards expire in 2042. We expect to generate sufficient earnings in future periods and/or may implement tax planning strategies that would allow us to carryforward was fully utilize these credits. As such, we have not provided any valuation allowances for these credits, or any of our other deferred tax assets, as their realization is more likely than not. utilized during 2023.

A reconciliation of the beginning and ending liability for unrecognized tax benefits is was as follows:

Balance at December 29, 2020	$ 1,662
Additions to tax positions related to prior years	49

(Tabular amounts in thousands, except share and per share data)

Additions to tax positions related to current year		413	
Reductions due to statute expiration		(160)	
Reductions due to exam settlement		(436)	
Balance at December 28, 2021		1,528	$1,528
Additions to tax positions related to prior years		1,545	1,545
Additions to tax positions related to current year		872	872
Reductions due to statute expiration		-	-
Reductions due to exam settlement		(20)	(20)
Balance at December 27, 2022	$	3,925	3,925
Additions to tax positions related to prior years			964
Additions to tax positions related to current year			139
Reductions due to statute expiration			(246)
Reductions due to exam settlement			-
Balance at December 26, 2023			$4,782

As of December 27, 2022 December 26, 2023 and December 28, 2021 December 27, 2022, the amount of unrecognized tax benefits that would impact the effective tax rate if recognized was $2.1 million $2.5 million and $1.5 million $2.1 million, respectively.

As of December 27, 2022 December 26, 2023 and December 28, 2021 December 27, 2022, the total amount of accrued penalties and interest related to uncertain tax provisions was recognized as a part of income tax expense and these amounts were not material.

All entities for which unrecognized tax benefits exist as of December 27, 2022 December 26, 2023 possess a December tax year-end. As a result, as of December 27, 2022 December 26, 2023, the tax years ended December 28, 2021 December 27, 2022, December 29, 2020 December 28, 2021 and December 31, 2019 December 29, 2020 remain subject to examination by all tax jurisdictions. As of December 27, 2022 December 26, 2023, no audits were in process by a tax jurisdiction that, if completed during the next twelve months, would be expected to result in a material change to our unrecognized tax benefits. Additionally, as of December 26, 2023, no event occurred that is likely to result in a significant increase or decrease in the unrecognized tax benefits through December 31, 2024.

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tax jurisdiction that, if completed during the next twelve months, would be expected to result in a material change to our unrecognized tax benefits. Additionally, as of December 27, 2022, no event occurred that is likely to result in a significant increase or decrease in the unrecognized tax benefits through December 26, 2023.

(10) Preferred Stock

Our Board of Directors (the "Board") is authorized, without further vote or action by the holders of common stock, to issue from time to time up to an aggregate of 1,000,000 shares of preferred stock in one or more series. Each series of preferred stock will have the number of shares, designations, preferences, voting powers, qualifications and special or relative rights or privileges as shall be determined by the Board, which may include, but are not limited to, dividend rights, voting rights, redemption and sinking fund provisions, liquidation preferences, conversion rights and preemptive rights. There were no shares of preferred stock outstanding at December 27, 2022 December 26, 2023 and December 28, 2021 December 27, 2022.

(11) Stock Repurchase Program

(Tabular amounts in thousands, except share and per share data)

On March 17, 2022, our Board approved a stock repurchase program under which we may repurchase up to $300.0 million of our common stock. This stock repurchase program has no expiration date and replaced a previous stock repurchase program which was approved on May 31, 2019 that authorized the Company to repurchase up to $250.0 million of our common stock. date. All repurchases to date under our stock repurchase programs have been made through open market transactions. The timing and the amount of any repurchases are determined by management under parameters established by the Board, based on an evaluation of our stock price, market conditions and other corporate considerations.

For the year ended December 26, 2023, we paid $50.0 million to repurchase 455,026 shares of our common stock. For the year ended December 27, 2022, we paid $212.9 million$212.9 million to repurchase 2,734,005 shares of our common stock. This includes included $133.1 million repurchased under our current authorized stock repurchase program and $79.7 million repurchased under our prior authorization. For the year ended December 28, 2021, we paid $51.6 million to repurchase 584,932 shares of our common stock. As of December 27, 2022 December 26, 2023, we had $166.9 116.9 million remaining under our authorized stock repurchase program.

(12) Earnings Per Share

The share and net income per share data for all periods presented are based on the historical weighted-average shares outstanding. The diluted earnings per share calculations show the effect of the weighted-average restricted stock units outstanding from our equity incentive plans. Performance stock units are not included in the diluted earnings per share calculation until the performance-based criteria have been met. Refer to Note 14 for further discussion of our equity incentive plans.

For all periods presented, the years ended December 27, 2022, December 28, 2021, and December 29, 2020, the weighted-average shares of non-vested nonvested stock units that were outstanding but not included in the computation of diluted earnings per share because they would have had an anti-dilutive effect were not significant.

The following table sets forth the calculation of earnings per share and weighted average shares outstanding as presented in the accompanying consolidated statements of income and comprehensive income:

	Fiscal Year Ended		
	December 26, 2023	December 27, 2022	December 28, 2021
Net income attributable to Texas Roadhouse, Inc. and subsidiaries	$ 304,876	$ 269,818	$ 245,294
Basic EPS:			
Weighted-average common shares outstanding	66,893	67,643	69,709
Basic EPS	$ 4.56	$ 3.99	$ 3.52
Diluted EPS:			
Weighted-average common shares outstanding	66,893	67,643	69,709
Dilutive effect of nonvested stock units	256	277	389
Shares-diluted	67,149	67,920	70,098
Diluted EPS	$ 4.54	$ 3.97	$ 3.50

The following table sets forth the calculation of earnings per share and weighted average shares outstanding as presented in the accompanying consolidated statements of income and comprehensive income:

	Fiscal Year Ended		
	December 27, 2022	December 28, 2021	December 29, 2020
Net income attributable to Texas Roadhouse, Inc. and subsidiaries	$ 269,818	$ 245,294	$ 31,255
Basic EPS:			
Weighted-average common shares outstanding	67,643	69,709	69,438
Basic EPS	$ 3.99	$ 3.52	$ 0.45
Diluted EPS:			
Weighted-average common shares outstanding	67,643	69,709	69,438
Dilutive effect of nonvested stock	277	389	455
Shares-diluted	67,920	70,098	69,893
Diluted EPS	$ 3.97	$ 3.50	$ 0.45

(13) Commitments and Contingencies

The estimated cost of completing capital project commitments at December 26, 2023 and December 27, 2022 and December 28, 2021 was $205.7 $237.4 million and $135.0 $205.7 million, respectively.

As of December 27, 2022 December 26, 2023 and December 28, 2021 December 27, 2022, we are contingently liable for $11.3 million $10.4 million and $12.2 million $11.3 million, respectively, for seven lease guarantees. These amounts represent the maximum potential liability of future payments under the guarantees. In the event of default, the indemnity and default clauses in our assignment agreements govern our ability to pursue and recover damages incurred. No liabilities have been recorded as of December 26, 2023 or December 27, 2022, as the likelihood of default was deemed to be less than probable and the fair value of the guarantees is not considered significant.

During the year ended December 27, 2022 December 26, 2023, we bought most of our beef primarily from four suppliers. Although there are a limited number of beef suppliers, we believe that other suppliers could provide a similar product on comparable terms. We have no material minimum purchase commitments with our vendors that extend beyond a year.

Occasionally, we are a defendant in litigation arising in the ordinary course of business, including "slip and fall" accidents, employment related claims, claims dram shop statutes related to our service of alcohol, and claims from guests or employees alleging illness, injury or food quality, health or operational concerns. None of these types of litigation, most of which are covered by insurance, has had a material effect on us and, as of the date of this report, we are not party to any litigation that we believe could have a material adverse effect on our business.

(14) Share-based Compensation

On May 13, 2021, our stockholders shareholders approved the Texas Roadhouse, Inc. 2021 Long-Term Incentive Plan (the "Plan"). The Plan provides for the granting of various forms of equity awards including options, stock appreciation rights, full value awards, and performance-based awards. This plan replaced the 2013 Long-Term Incentive Plan and no subsequent awards will be granted under the 2013 plan.

The Company provides restricted stock units ("RSUs") to employees as a form of share-based compensation. A RSU is the conditional right to receive one share of common stock upon satisfaction of the vesting requirement. In addition to RSUs, the Company provides performance stock units ("PSUs") to executives certain members of management as a form of share-based compensation. A PSU is the conditional right to receive one share of common stock upon meeting a performance obligation along with the satisfaction of the vesting requirement.

The following table summarizes the share-based compensation recorded in the accompanying consolidated statements of income and comprehensive income:

	Fiscal Year Ended

	December 26, 2023	December 27, 2022	December 28, 2021
Labor expense	$ 11,470	$ 10,656	$ 10,323
General and administrative expense	22,760	26,007	27,816
Total share-based compensation expense	$ 34,230	$ 36,663	$ 38,139

We recognize expense for RSUs and PSUs over the vesting term based on the grant date fair value of the award. We record forfeitures as they occur. Activity for our share-based compensation by type of grant for the year ended December 26, 2023 is presented below.

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(Tabular amounts in thousands, except share and per share data)

The following table summarizes the share-based compensation recorded in the accompanying consolidated statements of income and comprehensive income:

	Fiscal Year Ended		
	December 27, 2022	December 28, 2021	December 29, 2020
Labor expense	$ 10,656	$ 10,323	$ 10,081
General and administrative expense	26,007	27,816	19,350
Total share-based compensation expense	$ 36,663	$ 38,139	$ 29,431

Share-based compensation activity by type of grant as of December 27, 2022 and changes during the period then ended are presented below. We recognize expense for RSUs and PSUs over the vesting term based on the grant date fair value of the award. We do not estimate forfeitures as we record them as they occur.

Summary Details for RSUs

	Shares	Weighted-Average Grant Date Fair Value	Weighted-Average Remaining Contractual Term (years)	Aggregate Intrinsic Value	Shares	Weighted-Average Grant Date Fair Value	Weighted-Average Remaining Contractual Term (years)	Aggregate Intrinsic Value
Outstanding at December 28, 2021	558,183	$ 82.52						
Outstanding at December 27, 2022					494,839	$ 84.55		
Granted	395,859	88.40			346,013	103.87		
Forfeited	(45,207)	84.26			(38,111)	90.34		

	Shares	Weighted-Average Grant Date Fair Value	Weighted-Average Remaining Contractual Term (years)	Aggregate Intrinsic Value	Shares	Weighted-Average Grant Date Fair Value	Weighted-Average Remaining Contractual Term (years)	Aggregate Intrinsic Value
Vested	(413,996)	85.37			(360,414)	85.48		
Outstanding at December 27, 2022	494,839	$ 84.55	0.9	$ 47,663				
Outstanding at December 26, 2023					442,327	$ 98.41	0.9	$ 53,602

As of December 27, 2022 December 26, 2023, with respect to unvested RSUs, there was $18.5 million $20.6 million of unrecognized compensation cost that is expected to be recognized over a weighted-average period of 0.9 years. The vesting terms of the all RSUs range from 1.0 to 5.0 years. The total intrinsic value of RSUs vested during the years ended December 27, 2022 December 26, 2023, December 28, 2021 December 27, 2022 and December 29, 2020 December 28, 2021 was $37.1 37.8 million, $54.7 $37.1 million and $30.5 $54.7 million, respectively. The excess tax benefit associated with vested RSUs for the years ended December 27, 2022 December 26, 2023, December 28, 2021 December 27, 2022 and December 29, 2020 December 28, 2021 was $0.4 1.7 million, $4.3 million $0.4 million and $0.4 million $4.3 million, respectively, which was recognized in the income tax provision.

Summary Details for PSUs

	Shares	Weighted-Average Grant Date Fair Value	Weighted-Average Remaining Contractual Term (years)	Aggregate Intrinsic Value	Shares	Weighted-Average Grant Date Fair Value	Weighted-Average Remaining Contractual Term (years)	Aggregate Intrinsic Value
Outstanding at December 28, 2021	31,952	$ 86.22						
Outstanding at December 27, 2022					29,600	$ 87.52		
Granted	29,600	86.41			40,000	95.76		
Performance shares adjustment (1)	28,074	84.96			6,179	85.46		
Forfeited	—	—			(8,700)	91.85		
Vested	(60,026)	86.22			(31,379)	87.05		
Outstanding at December 27, 2022	29,600	$ 87.52	0.1	$ 2,851				
Outstanding at December 26, 2023					35,700	$ 94.61	0.1	$ 4,324

(1) Additional shares from the January 2021 2022 PSU grant that vested in January 2022 2023 due to exceeding the initial 100% target.

We grant PSUs to certain members of our executives management subject to a one-year vesting and the achievement of certain earnings targets, which determine the number of units to vest at the end of the vesting period. Share-based compensation expense is recognized for the number of units expected to vest at the end of the period and is expensed beginning on the grant date and through the performance period. For each grant, PSUs vest after meeting the performance and service conditions. The total intrinsic value of PSUs vested during the years ended December 27, 2022 December 26, 2023, December 28, 2021 December 27, 2022 and December 29, 2020 December 28, 2021 was $5.4 3.3 million, $0.4 million $5.4 million and $5.4 million $0.4 million, respectively.

Texas Roadhouse, Inc. and Subsidiaries

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(Tabular amounts in thousands, except share and per share data)

On January 8, 2023 January 8, 2024, 31,379 approximately 43,000 shares vested related to the January 2022 2023 PSU grant and are expected to be distributed during the 13 weeks ending March 28, 2023 March 26, 2024. As of December 27, 2022 December 26, 2023, with respect to unvested PSUs, the amount of unrecognized compensation cost that is expected to be recognized over a weighted-average period of 0.1 year was not significant. There was noThe allowable excess tax benefit associated with vested PSUs for the years ended December 27, 2022 December 26, 2023, December 27, 2022 and December 28, 2021 and December 29, 2020. was not significant.

(15) Employee Benefit Plans

We have a defined contribution benefit plan ("401(k) Plan") that is available to our Support Center employees and managers in our restaurants who meet certain compensation and eligibility requirements. The 401(k) Plan allows participating employees to defer the receipt of a portion of their compensation and contribute such amount to one or more investment options. Beginning in 2022, we implemented a company match of a certain percentage of the employee contributions to the 401(k) Plan. Company For the year ended December 26, 2023, company contributions totaling $7.1

million and $1.8 million were recorded in labor expense and general and administrative expense, respectively, within the consolidated statements of income and comprehensive income. For the year ended December 27, 2022, company contributions totaling $5.4 million and $1.6 million were recorded in labor expense and general and administrative expense, respectively, within the consolidated statements of income and comprehensive income.

We also have a deferred compensation plan which allows highly compensated employees to defer a portion of their compensation and contribute such amounts to one or more investment funds held in a rabbi trust. The Company did not provide any Beginning in 2023, we implemented a company match of a certain percentage of the employee contributions into this plan for any period presented. to the deferred compensation plan. For the year ended December 26, 2023, company contributions totaling $1.6 million and $1.5 million were recorded in labor expense and general and administrative expense, respectively, within the consolidated statements of income and comprehensive income. Refer to Note 16 for further discussion on the fair value measurement of the deferred compensation plan assets and liabilities.

(16) Fair Value Measurement

At December 27, 2022 December 26, 2023 and December 28, 2021 December 27, 2022, the fair values of cash and cash equivalents, accounts receivable and accounts payable approximated their carrying values based on the short-term nature of these instruments. At December 27, 2022 and December 28, 2021, the fair value of our amended revolving credit facility approximated its carrying value since it is a variable rate credit facility (Level 2). There were no transfers among levels within the fair value hierarchy during the year ended December 27, 2022 December 26, 2023.

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

(Tabular amounts in thousands, except share and per share data)

	Fair Value Measurements			Fair Value Measurements		
	Level	December 27, 2022	December 28, 2021	Level	December 26, 2023	December 27, 2022
Deferred compensation plan—assets	1	$ 61,835	$ 67,512	1	$ 81,316	$ 61,835
Deferred compensation plan—liabilities	1	$ (61,668)	$ (67,431)	1	$ (81,222)	$ (61,668)

We report the accounts of the deferred compensation plan in other assets and the corresponding liability in other liabilities in our consolidated financial statements. These investments are considered trading securities and are reported at fair value based on quoted market prices. The realized and unrealized holding gains and losses related to these investments, as well as the offsetting compensation expense, are recorded in general and administrative expense in the consolidated statements of income and comprehensive income.

The following table presents the fair value of our assets measured on a nonrecurring basis:

	Fair Value Measurements			Total gain (loss)		Fair Value Measurements			Total gain (loss)	
				Fiscal Year Ended					Fiscal Year Ended	
	Level	December 27, 2022	December 28, 2021	December 27, 2022	December 28, 2021	Level	December 26, 2023	December 27, 2022	December 26, 2023	December 27, 2022
Long-lived assets held for sale	3	$ —	$ 1,175	$ 690	$ (470)	3	$ —	$ —	$ —	$ 690
Long-lived assets held for use	3	$ 2,000	$ —	$ (997)	$ —	3	$ —	$ 2,000	$ —	$ (997)
Operating lease right-of-use assets	3	$ —	$ —	$ (708)	$ —	3	$ —	$ —	$ —	$ (708)
Investments in unconsolidated affiliates	3	$ —	$ —	$ —	$ (1,531)					

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Long-lived assets held for sale include included land and building at a site that was relocated and had a carrying amount of $1.2 million as of December 28, 2021. These assets were included in prepaid expenses and other current assets in our consolidated balance sheets and were valued using a Level 3 input. relocated. These assets were sold during the fiscal year ended December 27, 2022 and resulted in a gain of $0.7 million which is included in impairment and closure, net in our consolidated statements of income and comprehensive income. We recorded a loss of $0.5 million related to these assets for the year ended December 28, 2021, which is included in impairment and closure, net in our consolidated statements of income and comprehensive income.

Long-lived assets held for use include the land and building for one underperforming restaurant that was impaired down to fair value in 2022. These assets are were valued using a Level 3 input. This impairment, which totaled $1.0 million, is included in impairment and closure costs, net in our consolidated statements of income and comprehensive income. For further discussion of impairment charges, refer to Note 17.

Operating lease right-of-use assets as of December 27, 2022 includes the lease related asset assets for two restaurants that

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were relocated in 2022. These assets were reduced to a fair value of zero in 2022. This resulted in a loss of $0.7 million$0.7 million for the fiscal year ended December 27, 2022, which is included in impairment and closure, net in our consolidated statements of income and comprehensive income.

Investments in unconsolidated affiliates included a 40% equity interest in a joint venture in China which was fully impaired in late 2021. This asset was valued using a Level 3 input, or the amount we expected to receive upon the sale of this investment. This resulted in a loss of $1.5 million for the year ended December 28, 2021, which is included in equity income (loss) from investments in unconsolidated affiliates in our consolidated statements of income and comprehensive income.

(17) Impairment and Closure Costs

We recorded impairment and closure costs of $1.6 million $0.3 million, $0.7 million $1.6 million and $2.3 million $0.7 million for the years ended December 27, 2022 December 26, 2023, December 28, 2021 December 27, 2022 and December 29, 2020 December 28, 2021, respectively.

Impairment and closure costs in 2023 included $0.3 million related to ongoing closure costs for stores which have relocated.

Impairment and closure costs in 2022 included $1.7 million related to the impairment of the land, building and operating lease right-of-use assets at three restaurants, two of which have were relocated and $0.6 million related to ongoing closure costs. This was partially offset by a $0.7 million gain on the sale of land and building that was previously classified as assets held for sale.

Impairment and closure costs in 2021 included $0.7 million related to the impairment of the fixed assets and operating lease right-of-use assets at two restaurants, both of which have relocated.

Impairment and closure costs in 2020 included $1.2 million related to the impairment of the fixed assets and operating lease right-of-use assets at four restaurants, all of which have relocated. In addition, in 2020, we recorded goodwill impairment of $1.1 million related to two restaurants.

(18) Related Party Transactions

As of December 27, 2022 December 26, 2023, December 28, 2021 December 27, 2022 and December 29, 2020 December 28, 2021, we had four franchise restaurants and one majority-owned company restaurant owned in part by a current officer of the Company. We recognized revenue of $1.8 2.0 million, $1.7 million $1.8 million and $0.9 million $1.7 million for the years ended December 27, 2022 December 26, 2023, December 28, 2021 December 27, 2022, and December 29, 2020 December 28, 2021, respectively, related to these restaurants.

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(19) Segment Information

(Tabular amounts in thousands, except share and per share data)

We manage our restaurant and franchising operations by concept and as a result have identified Texas Roadhouse, Bubba's 33, Jaggers and our retail initiatives as separate operating segments. Our reportable segments are Texas Roadhouse and Bubba's 33. The Texas Roadhouse reportable segment includes the results of our domestic company Texas Roadhouse restaurants and domestic and international franchise Texas Roadhouse restaurants. The Bubba's 33 reportable segment includes the results of our domestic company Bubba's 33 restaurants. Our remaining operating segments, which include the results of our domestic company and franchise Jaggers restaurants and the results of our retail initiatives, are included in Other. In addition, Corporate-related segment assets, depreciation and amortization and capital expenditures are also included in Other.

Management uses restaurant margin as the measure for assessing performance of our segments. Restaurant margin (in dollars and as a percentage of restaurant and other sales) represents restaurant and other sales less restaurant-level operating costs, including food and beverage costs, labor, rent and other operating costs. Restaurant margin also includes sales and operating costs related to our non-royalty based retail initiatives. Restaurant margin is used by our CODM to evaluate core restaurant-level operating efficiency and performance over various reporting periods on a consistent basis. performance.

In calculating restaurant margin, we exclude certain non-restaurant-level costs that support operations, including pre-opening and general and administrative expenses, but do not have a direct impact on restaurant-level operational efficiency and performance. We exclude pre-opening expense as it occurs at irregular intervals and would impact comparability to prior period results. We exclude depreciation and amortization expense, substantially all of which relates to restaurant-level assets, as it represents a non-cash charge for the investment in our restaurants. We also exclude impairment and closure expense as we believe this provides a clearer perspective of the Company’s ongoing operating performance and a more useful comparison to prior period results. Restaurant margin as presented may not be comparable to other similarly titled measures of other companies in our industry.

Restaurant and other sales for all operating segments are derived primarily from food and beverage sales. We do not rely on any major customer as a source of sales and the customers and assets of our reportable segments are located predominantly in the United States. There are no material transactions between reportable segments.

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

	Fiscal Year Ended December 27, 2022			
	Texas Roadhouse	Bubba's 33	Other	Total
Restaurant and other sales	$ 3,762,884	$ 211,690	$ 14,217	$ 3,988,791
Restaurant operating costs (excluding depreciation and amortization)	3,162,687	184,756	13,847	3,361,290
Restaurant margin	$ 600,197	$ 26,934	$ 370	$ 627,501
Depreciation and amortization	$ 112,546	$ 13,012	$ 11,679	$ 137,237
Segment assets	2,015,173	201,503	308,989	2,525,665
Capital expenditures	204,662	30,625	10,834	246,121

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	Fiscal Year Ended December 28, 2021			
	Texas Roadhouse	Bubba's 33	Other	Total
Restaurant and other sales	$ 3,253,889	$ 174,355	$ 10,932	$ 3,439,176

	Texas Roadhouse	Bubba's 33	Other	Total
Restaurant operating costs (excluding depreciation and amortization)	2,701,850	145,493	10,101	2,857,444
Restaurant margin	$ 552,039	$ 28,862	$ 831	$ 581,732
Depreciation and amortization	$ 105,079	$ 12,700	$ 8,982	$ 126,761
Segment assets	1,874,620	179,856	457,476	2,511,952
Capital expenditures	167,746	23,408	9,538	200,692

	Fiscal Year Ended December 29, 2020			
	Texas Roadhouse	Bubba's 33	Other	Total
Restaurant and other sales	$ 2,267,815	$ 106,981	$ 5,381	$ 2,380,177
Restaurant operating costs (excluding depreciation and amortization)	2,011,517	98,565	4,455	2,114,537
Restaurant margin	$ 256,298	$ 8,416	$ 926	$ 265,640
Depreciation and amortization	$ 98,485	$ 12,036	$ 7,356	$ 117,877
Capital expenditures	127,162	13,833	13,406	154,401

Restaurant and other sales for all operating segments are derived primarily from food and beverage sales. We do not rely on any major customer as a source of sales and the customers and assets of our reportable segments are located predominantly in the United States. There are no material transactions between reportable segments.

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

	Fiscal Year Ended December 26, 2023			
	Texas Roadhouse	Bubba's 33	Other	Total
Restaurant and other sales	$ 4,331,823	$ 247,195	$ 25,536	$ 4,604,554
Restaurant operating costs (excluding depreciation and amortization)	3,660,665	213,253	22,672	3,896,590
Restaurant margin	$ 671,158	$ 33,942	$ 2,864	$ 707,964
Depreciation and amortization	$ 126,719	$ 14,210	$ 12,273	$ 153,202
Segment assets	2,290,213	232,086	271,077	2,793,376
Capital expenditures	306,599	27,908	12,527	347,034

	Fiscal Year Ended December 27, 2022			
	Texas Roadhouse	Bubba's 33	Other	Total
Restaurant and other sales	$ 3,762,884	$ 211,690	$ 14,217	$ 3,988,791
Restaurant operating costs (excluding depreciation and amortization)	3,162,687	184,756	13,847	3,361,290
Restaurant margin	$ 600,197	$ 26,934	$ 370	$ 627,501
Depreciation and amortization	$ 112,546	$ 13,012	$ 11,679	$ 137,237
Segment assets	2,015,173	201,503	308,989	2,525,665
Capital expenditures	204,662	30,625	10,834	246,121

	Fiscal Year Ended December 28, 2021			
	Texas Roadhouse	Bubba's 33	Other	Total
Restaurant and other sales	$ 3,253,889	$ 174,355	$ 10,932	$ 3,439,176
Restaurant operating costs (excluding depreciation and amortization)	2,701,850	145,493	10,101	2,857,444

(Tabular amounts in thousands, except share and per share data)

Restaurant margin	$ 552,039	$ 28,862	$ 831	$ 581,732
Depreciation and amortization	$ 105,079	$ 12,700	$ 8,982	$ 126,761
Segment assets	1,874,620	179,856	457,476	2,511,952
Capital expenditures	167,746	23,408	9,538	200,692

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

	Fiscal Year Ended			Fiscal Year Ended		
	December 27, 2022	December 28, 2021	December 29, 2020	December 26, 2023	December 27, 2022	December 28, 2021
Restaurant margin	$ 627,501	$ 581,732	$ 265,640	$707,964	$627,501	$581,732
Add:						
Franchise royalties and fees	26,128	24,770	17,946	27,118	26,128	24,770
Less:						
Pre-opening	21,883	24,335	20,099	29,234	21,883	24,335
Depreciation and amortization	137,237	126,761	117,877	153,202	137,237	126,761
Impairment and closure, net	1,600	734	2,263	275	1,600	734
General and administrative	172,712	157,480	119,503	198,382	172,712	157,480
Income from operations	$ 320,197	$ 297,192	$ 23,844	$353,989	$320,197	$297,192

(20) Subsequent Events

On December 28, 2022, the first day of our 2023 fiscal year, we completed the acquisition of eight domestic franchise restaurants. Pursuant to the terms of the acquisition agreements, we paid an aggregate purchase price of approximately $39.0 million. We expect to complete the preliminary purchase price allocations relating to these transactions in the first quarter of fiscal 2023.

Exhibit 10.1

INDEMNIFICATION AGREEMENT

This Indemnification Agreement (this "*Agreement*") is made as of November 11, 2021, by and between TEXAS ROADHOUSE, INC., a Delaware corporation (the "*Company*"), and ______________________, an individual resident ("*Indemnitee*").

WHEREAS, the Company is aware that competent and experienced persons are increasingly reluctant to serve or continue serving as directors or officers of companies and other entities unless they are protected by comprehensive liability insurance and adequate indemnification due to the increased exposure to litigation costs and risks resulting from service to such companies that often bear no relationship to the compensation of such directors or officers; and

WHEREAS, the statutes and judicial decisions regarding the duties of directors and officers are often insufficient to provide directors and officers with adequate, reliable knowledge of the legal risks to which they are exposed or the manner in which they are expected to execute their fiduciary duties and responsibilities; and

WHEREAS, the Company and Indemnitee recognize that plaintiffs often seek damages in such large amounts, and the costs of litigation may be so great (whether or not the claims are meritorious), that the defense and/or settlement of such litigation can create an extraordinary burden on the personal resources of directors and officer; and

WHEREAS, the Board of Directors of the Company has concluded that, to attract and retain competent and experienced persons to serve as directors and officers of the Company, it is not only reasonable and prudent but necessary to promote the best interests of the Company and its shareholders for the Company to contractually indemnify its directors and certain of its officers in the manner set forth herein, and to assume for itself liability for expenses and damages in connection with claims against such directors and officers in connection with their service to the Company as provided herein; and

WHEREAS, the law of the State of Delaware permits the Company to indemnify and advance defense costs to its officers and directors and to indemnify and advance expenses to persons who serve at the request of the Company as directors, officers, employees, or agents of other corporations or enterprises; and

WHEREAS, the Company desires to attract and retain the services of highly qualified individuals, such as Indemnitee, to serve as officers and directors of the Company and to indemnify its officers and directors so as to provide them with the maximum protection permitted by law.

NOW, THEREFORE, the Company and Indemnitee hereby agree as follows:

1. **INDEMNIFICATION**.

(a) THIRD PARTY PROCEEDINGS. The Company shall indemnify Indemnitee if Indemnitee is or was or becomes a party to or witness or other participant in, or is threatened to be made a party to or witness or other participant in, any threatened, pending or completed action, suit, proceeding or any alternative dispute resolution mechanism, or any hearing, inquiry or investigation, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Company) by reason of the fact that Indemnitee is or was a director, director nominee, officer, employee, agent or fiduciary of the Company, or any subsidiary of the Company, by reason of any action or inaction on the part of

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Indemnitee while an officer, director or director nominee or by reason of the fact that Indemnitee is or was serving at the request of the Company as a director, officer, employee, agent or fiduciary of another corporation, partnership, joint venture, trust or other enterprise, against any and all expenses (including reasonable attorneys' fees and all other costs, expenses and obligations actually incurred in connection with investigating, defending, being a witness in or participating in (including on appeal), or preparing to defend, be a witness in or participate in, any such action, suit, proceeding, alternative dispute resolution mechanism, hearing, inquiry or investigation), judgments, fines and amounts paid in settlement (if such settlement is approved in advance by the Company, which approval shall not be unreasonably withheld) actually and reasonably incurred by Indemnitee in connection with such action, suit or proceeding if Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to any criminal action or proceeding, had no reasonable cause to believe Indemnitee's conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that (i) Indemnitee did not act in good faith, (ii) Indemnitee did not act in a manner which Indemnitee reasonably believed to be in or not opposed to the best interests of the Company, or (iii) with respect to any criminal action or proceeding, Indemnitee had no reasonable cause to believe that Indemnitee's conduct was unlawful.

(b) PROCEEDINGS BY OR IN THE RIGHT OF THE COMPANY. The Company shall indemnify Indemnitee if Indemnitee was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Company or any subsidiary of the Company to procure a judgment in its favor by reason of the fact that Indemnitee is or was a director, director nominee, officer, employee or agent of the Company, or any subsidiary of the Company, by reason of any action or inaction on the part of Indemnitee while an officer, director or director nominee or by reason of the fact that Indemnitee is or was serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including reasonable attorneys' fees) and, to the fullest extent permitted by law, amounts paid in settlement, in each case to the extent actually and reasonably incurred by Indemnitee in connection with the defense or settlement of such action or proceeding if Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company and its shareholders, except that no indemnification shall be made in respect of any claim, issue or matter as to which Indemnitee shall have been adjudged to be liable to the Company in the performance of Indemnitee's duty to the Company and its shareholders unless and only to the extent that the court in which such action or suit is or was pending shall determine upon application that, in view of all the circumstances of the case, Indemnitee is fairly and reasonably entitled to indemnity for such expenses and then only to the extent that the court shall determine.

(c) CHANGE IN CONTROL. The Company agrees that if there is a Change in Control (as defined in Section 11(c) hereof) of the Company (other than a Change in Control which has been approved by a majority of the Company's Board of Directors who were directors immediately before such Change in Control) then, with respect to all matters thereafter arising concerning the rights of Indemnitees to payments of expenses and advancement of expenses under this Agreement or any other agreement or under the Company's Certificate of Incorporation or Bylaws as now or hereafter in effect, Independent Legal Counsel (as defined in Section 11(d) hereof) shall be selected by Indemnitee and approved by the Company (which approval shall not be unreasonably withheld, conditioned or delayed). Such counsel, among other things, shall render its written opinion to the Company and Indemnitee as to whether and to what extent Indemnitee would be permitted to be indemnified under applicable law and the Company agrees to abide by such opinion. The Company agrees to pay the reasonable fees of the Independent Legal Counsel referred to above and to fully indemnify such counsel against any and all expenses (including reasonable attorneys' fees), claims, liabilities and damages arising out of or relating to this Agreement or its engagement pursuant hereto.

(d) MANDATORY PAYMENT OF EXPENSES. To the extent that Indemnitee has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Subsections (a) and (b) of this Section 1, or in defense of any claim, issue or matter therein, Indemnitee shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by Indemnitee in connection therewith.

2. <u>AGREEMENT TO SERVE</u>. In consideration of the protection afforded by this Agreement, if Indemnitee is a director of the Company, Indemnitee agrees to serve at least for thirty (30) days after the effective date of this Agreement as a director and not to resign voluntarily during such period without the written consent of a majority of the Board of Directors. If Indemnitee is an officer of the Company not serving under an employment contract, Indemnitee agrees to serve in such capacity at least for thirty (30) days and not to resign voluntarily during such period without the written consent of a majority of the Board of Directors. Following the

applicable period set forth above, Indemnitee (who serves in a capacity other than as a director) agrees to continue to serve in such capacity at the will of the Company (or under separate agreement, if such agreement exists) so long as Indemnitee (who serves in a capacity other than as a director) is duly appointed or elected and qualified in accordance with the applicable provisions of the Bylaws of the Company or any subsidiary of the Company or until such time as the Indemnitee tenders his or her resignation in writing. Nothing contained in this Agreement is intended to or shall create in Indemnitee any right to continued employment.

3. EXPENSES; INDEMNIFICATION PROCEDURE.

(a) ADVANCEMENT OF EXPENSES. The Company shall advance all expenses incurred by Indemnitee in connection with the investigation, defense, settlement or appeal of any civil, criminal, administrative or investigative action, suit, proceeding or any alternative dispute resolution, or any hearing, inquiry or investigation referenced in Section 1(a) or (b) hereof (but not amounts actually paid in settlement of any such action, suit or proceeding). Indemnitee hereby undertakes to repay such expenses advanced only if, and to the extent that, it shall ultimately be determined that Indemnitee is not entitled to be indemnified by the Company as authorized hereby. The advances to be made hereunder shall be paid by the Company to Indemnitee within twenty-five (25) days following delivery of a written request therefore by Indemnitee to the Company.

(b) NOTICE/COOPERATION BY INDEMNITEE. Indemnitee shall, as a condition precedent to Indemnitee's right to be indemnified under this Agreement, give the Company notice in writing as soon as practicable of any claim made against Indemnitee for which indemnification will or could be sought under this Agreement. Notice to the Company shall be directed to the Chief Executive Officer of the Company at the address shown on the signature page of this Agreement (or such other address as the Company shall designate in writing to Indemnitee). Notice shall be deemed received three (3) business days after the date postmarked if sent by domestic certified or registered mail, properly addressed; otherwise notice shall be deemed received when such notice shall actually be received by the Company. In addition, Indemnitee shall give the Company such information and cooperation as it may reasonably require and as shall be within Indemnitee's power.

(c) PROCEDURE. Any indemnification and advances provided for in Section 1 and in this Section 3 shall be made no later than twenty-five (25) days after receipt of the written request of Indemnitee. If a claim under this Agreement, under any statute, or under any provision of the Company's Certificate of Incorporation or Bylaws providing for indemnification, is not paid in full by the Company within twenty-five (25) days after a written request for payment thereof has first been received by the Company, Indemnitee may, but need not, at any time thereafter submit Indemnitee's claim to arbitration as described in Section 14 to recover the unpaid amount of the claim and, subject to Section 15 of this Agreement, Indemnitee shall also be entitled to be paid for the expenses (including reasonable attorneys' fees) of

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bringing such claim. It shall be a defense to any such action (other than a claim brought for expenses incurred in connection with any action or proceeding in advance of its final disposition) that Indemnitee has not met the standards of conduct which make it permissible under applicable law for the Company to indemnify Indemnitee for the amount claimed, but the burden of proving such defense shall be on the Company, and Indemnitee shall be entitled to receive interim payments of expenses pursuant to Section 3(a) unless and until such defense may be finally adjudicated by court order or judgment from which no further right of appeal exists or an arbitration panel as described in Section 14. It is the parties' intention that if the Company contests Indemnitee's right to indemnification, the question of Indemnitee's right to indemnification shall be for the court or arbitration panel to decide, and neither the failure of the Company (including its Board of Directors, any committee or subgroup of the Board of Directors, independent legal counsel, or its shareholders) to have made a determination that indemnification of Indemnitee is proper in the circumstances because Indemnitee has met the applicable standard of conduct required by applicable law, nor an actual determination by the Company (including its Board of Directors, any committee or subgroup of the Board of Directors, independent legal counsel, or its shareholders) that Indemnitee has not met such applicable standard of conduct, shall create a presumption that Indemnitee has or has not met the applicable standard of conduct.

(d) NOTICE TO INSURERS. If, at the time of the receipt of a notice of a claim pursuant to Section 3(b) hereof, the Company has director and officer liability insurance in effect, the Company shall give prompt notice of the commencement of such proceeding

to the insurers in accordance with the procedures set forth in the respective policies. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of the Indemnitee, all amounts payable as a result of such proceeding in accordance with the terms of such policies.

(e) SELECTION OF COUNSEL. If the Company shall be obligated under Section 3(a) hereof to pay the expenses of any proceeding against Indemnitee, the Company, if appropriate, shall be entitled to assume the defense of such proceeding, with counsel approved by Indemnitee, which approval shall not be unreasonably withheld, upon the delivery to Indemnitee of written notice of its election so to do. After delivery of such notice, approval of such counsel by Indemnitee and the retention of such counsel by the Company, the Company will not be liable to Indemnitee under this Agreement for any fees of counsel subsequently incurred by Indemnitee with respect to the same proceeding, provided that (i) Indemnitee shall have the right to employ Indemnitee's own counsel in any such proceeding at Indemnitee's expense; and (ii) if (A) the employment of counsel by Indemnitee has been previously authorized by the Company, (B) Indemnitee shall have reasonably concluded that there may be a conflict of interest between the Company and Indemnitee in the conduct of any such defense, or (C) the Company shall not, in fact, have employed counsel to assume the defense of such proceeding, then the fees and expenses of Indemnitee's counsel shall be at the expense of the Company.

4. ADDITIONAL INDEMNIFICATION RIGHTS; NONEXCLUSIVITY.

(a) SCOPE. Notwithstanding any other provision of this Agreement, the Company hereby agrees to indemnify Indemnitee to the fullest extent permitted by law, notwithstanding that such indemnification is not specifically authorized by the other provisions of this Agreement, the Company's Certificate of Incorporation (as the same may have been amended), the Company's Bylaws or by statute. In the event of any change, after the date of this Agreement, in any applicable law, statute or rule which expands the right of a Delaware corporation to indemnify a member of its Board of Directors or an officer, such changes shall be, ipso facto, within the purview of Indemnitee's rights and Company's obligations under this Agreement. In the event of any change in any applicable law, statute or rule which narrows the right of a Delaware corporation to indemnify a member of its Board of Directors or an officer, such changes, to the extent not otherwise required by such law, statute or rule to be applied to this Agreement shall have no effect on this Agreement or the parties' rights and obligations hereunder.

(b) NONEXCLUSIVITY. The indemnification provided by this Agreement shall not be deemed exclusive of any rights to which Indemnitee may be entitled under the Company's Certificate of Incorporation, its Bylaws, any agreement, any vote of shareholders or disinterested directors, the General Corporation Law of the State of Delaware, or otherwise, both as to action in Indemnitee's official capacity and as to action in another capacity while holding such office. The indemnification provided under this Agreement shall continue as to Indemnitee for any action taken or not taken while serving in an indemnified capacity even though Indemnitee may have ceased to serve in such capacity at the time of any action or other covered proceeding.

5. PARTIAL INDEMNIFICATION. If Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for some or a portion of the expenses, judgments, fines, penalties or amounts paid in settlement actually or reasonably incurred by Indemnitee in the investigation, defense, appeal or settlement of civil, criminal, administrative or investigative action, suit, proceeding or any alternative dispute resolution, or any hearing, inquiry or investigation referenced in Section 1(a) or Section 1(b) hereof, but not, however, for the total amount thereof, the Company shall nevertheless indemnify Indemnitee for the portion of such expenses, judgments, fines or penalties to which Indemnitee is entitled.

6. MUTUAL ACKNOWLEDGEMENT. Both the Company and Indemnitee acknowledge that in certain instances, Federal law or applicable public policy may prohibit the Company from indemnifying its directors and officers under this Agreement or otherwise. Indemnitee understands and acknowledges that the Company has undertaken or may be required in the future to undertake with the Securities and Exchange Commission to submit the question of indemnification to a court in certain circumstances for a determination of the Company's right under public policy to indemnify Indemnitee.

7. DIRECTORS' AND OFFICERS' LIABILITY INSURANCE. The Company shall, from time to time, make a good faith determination whether or not it is practicable for the Company to obtain and maintain a policy or policies of insurance with reputable insurance companies providing the officers and directors of the Company with coverage for losses from wrongful acts, or to ensure the Company's performance of its indemnification obligations under this Agreement. Among other considerations, the Company will weigh the costs of obtaining such insurance coverage against the protection afforded by such coverage. In all policies of directors' and officers' liability insurance, Indemnitee shall be named as an insured in such a manner as to provide Indemnitee the same rights and benefits as are accorded to the most favorably insured of the Company's directors, if Indemnitee is a director; or of the Company's officers, if Indemnitee is not a director of the Company but is an officer; or of the Company's key employees, if Indemnitee is not an officer or director but is a key employee. Notwithstanding the foregoing, the Company shall have no obligation to obtain or maintain such insurance if the Company determines in good faith that such insurance is not reasonably available, if the premium costs for such insurance are disproportionate to the amount of coverage provided, if the coverage provided by such insurance is limited by exclusions so as to provide an insufficient benefit, or if Indemnitee is covered by similar insurance maintained by a subsidiary or parent of the Company.

8. SEVERABILITY. Nothing in this Agreement is intended to require or shall be construed as requiring the Company to do or fail to do any act in violation of applicable law. The Company's inability, pursuant to court order, to perform its obligations under this Agreement shall not constitute a breach of this Agreement. The provisions of this Agreement shall be severable as provided in this Section 8. If this Agreement or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Company shall nevertheless indemnify Indemnitee to the full extent permitted by any applicable portion of this Agreement that shall not have been invalidated, and the balance of this Agreement not so invalidated shall be enforceable in accordance with its terms.

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9. EXCEPTIONS. Any other provision herein to the contrary notwithstanding, the Company shall not be obligated pursuant to the terms of this Agreement:

(a) EXCLUDED ACTS. To indemnify Indemnitee for any acts or omissions or transactions from which a director may not be indemnified under the Delaware General Corporation Law; or

(b) CLAIMS INITIATED BY INDEMNITEE. To indemnify or advance expenses to Indemnitee with respect to proceedings or claims initiated or brought voluntarily by Indemnitee and not by way of defense, except with respect to proceedings brought to establish or enforce a right to indemnification under this Agreement or any other statute or law or otherwise as required under Section 145 of the Delaware General Corporation Law, but such indemnification or advancement of expenses may be provided by the Company in specific cases if the Board of Directors has approved the initiation or bringing of such claim; or

(c) LACK OF GOOD FAITH. To indemnify Indemnitee for any expenses incurred by the Indemnitee with respect to any proceeding instituted by Indemnitee to enforce or interpret this Agreement, if a court of competent jurisdiction or the arbitration panel determines that each of the material assertions made by the Indemnitee in such proceeding was not made in good faith or was frivolous; or

(d) INSURED CLAIMS. To indemnify Indemnitee for expenses or liabilities of any type whatsoever (including, but not limited to, judgments, fines, ERISA excise taxes or penalties, and amounts paid in settlement) which have been paid directly to Indemnitee by an insurance carrier under a policy of directors' and officers' liability insurance maintained by the Company; or

(e) CLAIMS UNDER SECTION 16(b). To indemnify Indemnitee for expenses and the payment of profits arising from the purchase and sale by Indemnitee of securities in violation of Section 16(b) of the Securities Exchange Act of 1934, as amended, or any similar successor statute; or

(f) CLAIMS UNDER SARBANES-OXLEY ACT OF 2002. To indemnify Indemnitee for expenses and the repayment of any amounts pursuant to Section 304 of the Sarbanes-Oxley Act of 2002, as amended, or any rule or regulations promulgated pursuant thereto.

10. EFFECTIVENESS OF AGREEMENT. This Agreement shall be effective as of the date set forth on the first page and may apply to acts or omissions of Indemnitee which occurred prior to such date if Indemnitee was an officer, director, director nominee, employee or other agent of the Company, or was serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, at the time such act or omission occurred.

11. CONSTRUCTION OF CERTAIN PHRASES.

(a) For purposes of this Agreement, references to the "*Company*" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, employees or agents, so that if Indemnitee is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, Indemnitee shall stand in the same position under the provisions of this Agreement with respect to the resulting or surviving corporation as Indemnitee would have with respect to such constituent corporation if its separate existence had continued.

(b) For purposes of this Agreement, references to "*other enterprises*" shall include employee benefit plans; references to "*fines*" shall include any excise taxes assessed on Indemnitee with respect to an employee benefit plan; and references to "*serving at the request of the Company*" shall include any service as a director, officer, employee or agent of the Company which imposes duties on, or involves services by, such director, officer, employee or agent with respect to an employee benefit plan, its participants, or beneficiaries.

(c) For purposes of this Agreement, the term "*Change of Control*" means that one (1) of the following events has taken place: (i) consummation of a merger or consolidation of the Company with any other entity, other than a merger or consolidation that would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving or resulting entity) more than fifty percent (50%) of the combined voting power of the surviving or resulting entity outstanding immediately after such merger or consolidation; (ii) consummation of a sale or disposition of all or substantially all of the assets of the Company (other than such a sale or disposition immediately after which such assets will be owned directly or indirectly by the shareholders of the Company in substantially the same proportions as their ownership of the common stock of the Company immediately before such sale or disposition); or (iii) any person becomes the beneficial owner (as determined pursuant to Section 13(d) of the Securities Exchange Act of 1934, as amended) of securities representing in excess of fifty percent (50%) of the aggregate voting power of the outstanding securities of the Company as required to be disclosed in a report on Schedule 13D of the Securities Exchange Act of 1934, as amended.

(d) For purposes of this Agreement, "*independent legal counsel* " shall mean an attorney or firm of attorneys, selected in accordance with the provisions of Section 1(c) hereof, who shall not have otherwise performed services for the Company or Indemnitee within the last three (3) years (other than with respect to matters concerning the rights of Indemnitee under this Agreement, or of other indemnitees under similar indemnity agreements).

(e) For purposes of this Agreement, "*voting securities*" shall mean any securities of the Company that vote generally in the election of directors.

12. COUNTERPARTS. This Agreement may be executed in one or more counterparts, each of which shall constitute an original.

13. SUCCESSORS AND ASSIGNS. This Agreement shall be binding upon the Company and its successors and assigns, and shall inure to the benefit of Indemnitee and Indemnitee's estate, heirs, legal representatives and assigns.

14. ARBITRATION. It is understood and agreed that the Company and Indemnitee shall carry out this Agreement in the spirit of mutual cooperation and good faith and that any differences, disputes or controversies shall be resolved and settled amicably among the parties hereto. If the dispute, controversy or difference is not so settled in the above manner within twenty-five (25) days, then the matter shall be exclusively submitted to arbitration in Jefferson County, Kentucky before three independent technically qualified arbitrators in accordance with the Commercial Arbitration Rules of the American Arbitration Association and under the laws of Delaware, without reference to conflict of laws principles. Subject to Sections 1(b) and 6, arbitration shall be the exclusive forum and the decision and award by the arbitrator(s) shall be final and binding upon the parties concerned and may be entered in any state court of Kentucky having jurisdiction.

15. ATTORNEYS' FEES. If any action is instituted or claim is submitted to arbitration by Indemnitee under this Agreement to enforce or interpret any of the terms hereof, Indemnitee shall be entitled

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to be paid all court costs and expenses, including reasonable attorneys' fees, incurred by Indemnitee with respect to such action or arbitration, unless as a part of such action, a court of competent jurisdiction or the arbitrator(s) determines that each of the material assertions made by Indemnitee as a basis for such claim were not made in good faith or were frivolous. In the event of an action instituted or a claim submitted to arbitration by or in the name of the Company under this Agreement or to enforce or interpret any of the terms of this Agreement, Indemnitee shall be entitled to be paid all court costs and expenses, including reasonable attorneys' fees, incurred by Indemnitee in defense of such action or claim (including with respect to Indemnitee's counterclaims and cross-claims made in such action or arbitration), unless as a part of such action the court or the arbitrator(s) determines that each of Indemnitee's material defenses to such action or claim were made in bad faith or were frivolous.

16. NOTICE. All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed duly given (i) if delivered by hand and receipted for by the party addressee, on the date of such receipt, or (ii) if mailed by domestic certified or registered mail with postage prepaid, on the third business day after the date postmarked. Addresses for notice to either party are as shown on the signature page of this Agreement, or as subsequently modified by written notice.

17. CONSENT TO JURISDICTION. The Company and Indemnitee each hereby irrevocably consent to the jurisdiction of the courts of the Commonwealth of Kentucky for all purposes in connection with any proceeding which arises out of or relates to this Agreement and agree that any action instituted under this Agreement shall be brought only in the state courts of the Commonwealth of Kentucky in Jefferson County and that any arbitration proceeding which arises out of or relates to this Agreement shall be held in Jefferson County, Kentucky, except as may otherwise be required by applicable law.

18. CHOICE OF LAW. This Agreement shall be governed by and its provisions construed in accordance with the laws of the State of Delaware as applied to contracts between Delaware residents entered into and performed entirely within Delaware.

19. SUBROGATION. In the event of payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee, who shall execute all documents required and shall do all acts that may be necessary to secure such rights and to enable the corporation effectively to bring suit to enforce such rights.

20. CONTINUATION OF INDEMNIFICATION. All agreements and obligations of the Company contained herein shall continue during the period that Indemnitee is a director, director nominee, officer or agent of the Company and shall continue thereafter so long as Indemnitee shall be subject to any possible claim or threatened, pending or completed action, suit or proceeding, whether civil, criminal, arbitrational, administrative or investigative, by reason of the fact that Indemnitee was serving in the capacity referred to herein.

21. AMENDMENT AND TERMINATION. Subject to Section 20, no amendment, modification, termination or cancellation of this Agreement shall be effective unless in writing signed by both parties hereto.

22. INTEGRATION AND ENTIRE AGREEMENT. This Agreement (a) sets forth the entire understanding between the parties, (b) supersedes all previous written or oral negotiations, commitments, understandings and agreements relating to the subject matter hereof and (c) merges all prior and contemporaneous discussions between the parties.

23. COUNTERPARTS; ELECTRONIC SIGNATURES. This Agreement may be executed in counterparts, each of which when so executed shall be deemed to be an original, and such counterparts

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together shall constitute one and the same agreement. This Agreement shall be binding on the parties when executed and delivered by the parties to one another by electronic transmission.

[Signatures Follow]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

COMPANY:

TEXAS ROADHOUSE, INC.,
a Delaware corporation

By: ______________________
Name: Gerald L. Morgan
Title: Chief Executive Officer and President

Address:

Texas Roadhouse, Inc.
6040 Dutchmans Lane
Louisville, Kentucky 40205

INDEMNITEE:

By: ______________________

Address:

____
____
____

Exhibit 10.4

Schedule of the Owners of Company-Managed Texas Roadhouse Restaurants and the Interests Held by Directors, Executive Officers and 5% Stockholders Who Are Parties to Limited Partnership Agreements and Operating Agreements

As of December 27, 2022 December 26, 2023

Entity Name	Restaurant Location	Percentage of Holdings' Interest	Actual Management Fee Charged	Percentage Owned by Executive Officers, Directors & 5% Stockholders
Texas Roadhouse of Brownsville, Ltd.	Brownsville, TX	5.09 %	0.5 %	3.06 %(1)
Texas Roadhouse of Mansfield, Ltd.	Mansfield, TX	52.5 %	3.5 %	34.5 %(1)
Roadhouse of McKinney, Ltd.	McKinney, TX	5.0 %	0.5 %	2.0 %(1)

(1) The ownership percentages listed for these restaurants are owned by Gerald L. Morgan, the Company's Chief Executive Officer and President. Officer.

Exhibit 10.5

Schedule of the Directors, Executive Officers and 5% Stockholders which have entered into Franchise Agreements or Preliminary Agreements for a Texas Roadhouse Restaurant

As of December 27, 2022 December 26, 2023

	Name and Ownership	Franchise Agt. Signed	Franchise Fee (1)	Royalty Rate	Name and Ownership	Franchise Agt. Signed	Franchise Fee (1)	Royalty Rate
BROWNSVILLE, TX TEXAS ROADHOUSE OF BROWNSVILLE, LTD. 6040 DUTCHMANS LANE LOUISVILLE, KY 40205	Gerald Morgan (3.06%)	06/14/2018	$ 15,000	4.0 %	Gerald Morgan (3.06%)	02/23/2023	$ 15,000	4.0 %

EL CAJON, CA TXRH EL CAJON, LLC 103 FLETCHER PARKWAY EL CAJON, CA 92020	Gerald Morgan (2.0%)	03/26/2019	$ 40,000	4.0 %	Gerald Morgan (2.0%)	03/26/2019	$ 40,000	4.0 %
MCKINNEY, TX ROADHOUSE OF MCKINNEY, LTD. 6040 DUTCHMANS LANE LOUISVILLE, KY 40205	Gerald Morgan (2.0%)	09/04/2019	$ 15,000	4.0 %	Gerald Morgan (2.0%)	09/04/2019	$ 15,000	4.0 %
OCEANSIDE, CA TXRH OCEANSIDE, LLC 2735 VISTA WAY OCEANSIDE, CA 92054	Gerald Morgan (2.0%)	10/28/2015	$ 40,000	4.0 %	Gerald Morgan (2.0%)	10/28/2015	$ 40,000	4.0 %

(1) This fee represents the renewal fee to be paid and/or has been paid by the applicable franchisee upon the renewal of the applicable Franchise Agreement.

Exhibit 10.36

EMPLOYMENT AGREEMENT
(Travis C. Doster)

THIS EMPLOYMENT AGREEMENT (this "*Agreement*") is made and entered into this 9th day of November, 2023 by and between TRAVIS C. DOSTER, whose address is 6103 Innes Trace, Louisville, Kentucky 40205 ("*Executive*"), and TEXAS ROADHOUSE MANAGEMENT CORP., a Kentucky corporation having its principal office at 6040 Dutchmans Lane, Louisville, Kentucky 40205 (the "*Company*").

WITNESSETH

WHEREAS, the Company desires, on the terms and conditions stated herein, to employ Executive as Chief Communications Officer pursuant to a written employment agreement; and

WHEREAS, Executive desires, on the terms and conditions stated herein, to be employed by the Company pursuant to a written employment agreement.

NOW, THEREFORE, in consideration of the foregoing recitals, and of the promises, covenants, terms, and conditions contained herein, the parties hereto, intending to be legally bound, agree as follows:

AGREEMENT

1. **Employment**.

(a) The Company hereby agrees to employ Executive as Chief Communications Officer, and Executive hereby accepts such employment with the Company, subject to the terms and conditions set forth in this Agreement.

(b) Executive affirms and represents that Executive is under no obligation, including non-competition and/or non-solicitation agreements, to any former employer or other party that restricts or is in any way inconsistent with Executive's acceptance of employment and Executive's subsequent employment with the Company, or is inconsistent with the promises Executive is making in this Agreement.

2. Term of Employment. Unless earlier terminated as hereinafter provided, the initial employment term shall be for a period beginning on November 9, 2023 (the "*Employment Date*") and ending on January 7, 2025 (such period referred to as the "*Initial Term*"). Unless (i) either party gives written notice at least sixty (60) days before expiration of the Initial Term or any Additional Term that they wish to either cease the terms of this Agreement being applicable to Executive's continued employment and such employment will then continue "at will" (*i.e.,* be terminable by either Executive or the Company at any time and for any reason, with or without cause), and subject to such terms and conditions established by the Company from time to time, or (ii) Executive's employment is earlier terminated as hereinafter provided, the term of Executive's employment under this Agreement will be automatically extended after the Initial Term, under the terms contained herein, on a year-to-year basis (such one-year periods referred to as "*Additional Terms*"). For purposes of this Agreement, the term "*Employment Term*" shall mean the Initial Term plus all Additional Terms.

3. Duties. While Executive is employed by the Company during the Employment Term, Executive shall be employed as the Chief Communications Officer of Texas Roadhouse, Inc., and such other titles as the Company may designate, and shall perform such duties and responsibilities as the

Company shall assign to Executive from time to time, including duties and responsibilities relating to the Company or Affiliates (as hereinafter defined) and certain officer positions of Affiliates as and if determined by the Company. Executive shall report to the Chief Executive Officer of Texas Roadhouse, Inc. or to such other person as designated by the Chief Executive Officer of Texas Roadhouse, Inc. and/or the Board of Directors of Texas Roadhouse, Inc. (the "*Board*") (as the same may change from time to time). Executive will faithfully and to the best of Executive's ability perform Executive's employment duties at such places and times as the Company may reasonably prescribe. Except when approved in advance by the Company, and except during vacation periods and reasonable periods of absence due to sickness, personal injury or other disability, Executive will devote Executive's full-time attention throughout Executive's Employment Term to Executive's services as Chief Communications Officer. Executive will render services exclusively to the Company during the Employment Term, except that Executive may engage in other material business activity if such service is approved in writing by the Board. Executive may participate in charitable activities and personal investment activities to a reasonable extent, and Executive may serve as a director of business organizations as approved by the Board, so long as such activities and directorships do not interfere with the performance of Executive's duties and responsibilities under this Agreement. Executive will always act in a manner that is in the best interests of the Company, and will use Executive's best efforts, skill and ability to promote the profitable growth of the Company.

4. Compensation.

(a) Salary. As compensation for Executive's services under this Agreement, the Company will pay Executive an initial base salary at the annual rate set forth on Schedule 1 per fiscal year, or such higher amount as may be determined by the Compensation Committee of the Board on an annual basis thereafter ("*Base Salary*"). Once increased, Base Salary may not be decreased during the Employment Term except for decreases that are applied generally to other executives of the Company, in an amount no greater than ten percent (10%). Such Base Salary will be paid in installments at regular intervals in accordance with the Company's payroll practices and procedures.

(b) Incentive Bonus. For each full fiscal year during the Employment Term, Executive shall be eligible for an incentive bonus, to be paid no less frequently than annually if and to the extent Executive remains employed on its date of payment, based upon achievement of defined goals established by the Compensation Committee of the Board and in accordance with the terms of any incentive plan of the Company in effect from time to time (the "*Incentive Bonus*").

(i) **The level of achievement of the objectives each fiscal year and the amount payable as Incentive Bonus shall be determined in good faith by the Compensation Committee of the Board. Any Incentive Bonus earned for a fiscal year shall be paid to Executive in a single lump sum on or before the date that is 2$^{1}/_{2}$ months following the last day of such fiscal year.**

(ii) **Subject to the achievement of the goals established by the Compensation Committee, as determined by the Compensation Committee, for each fiscal year of this Agreement, Executive shall be eligible for an annual target incentive bonus of at least the amount set forth on Schedule 1, or such higher amount as may be established by the Compensation Committee of the Board from time to time.**

(c) **Equity Incentive Plan. Executive will be eligible to participate in the Texas Roadhouse, Inc. 2021 Long Term Incentive Plan or any successor plan thereto at a level and with such awards as the Compensation Committee of the Board may from time to time grant. Executive's initial grant of service based restricted stock units and performance based restricted stock units is set forth on attached Schedule 1.**

(d) **Benefits. During the Employment Term, Executive will be entitled to participate in all employee benefit plans and programs of the Company that are available to employees generally to the extent that Executive meets the eligibility requirements for each individual plan or program. The Company provides no assurance as to the adoption or continuance of any particular employee benefit plan or program, and Executive's participation in any such plan or program shall be subject to the provisions, rules and regulations applicable thereto.**

(e) **Expenses. During the Employment Term, the Company shall reimburse Executive for all reasonable and necessary out-of-pocket business, travel and entertainment expenses incurred by Executive in the performance of Executive's duties and responsibilities, subject to the Company's normal policies and procedures for expense verification, documentation and reimbursement intervals. Any reimbursements made under this Section 4(e) must be submitted for payment timely such that it can be paid no later than the last day of Executive's taxable year following the taxable year in which the expense is incurred, or such expense will not be reimbursable.**

(f) **Vacations and Holidays. Executive shall be entitled to be absent from Executive's duties for the Company by reason of vacation for a period of four (4) weeks per fiscal year, or such longer period as the Company allows based on employment tenure with the Company. Executive's vacation time each fiscal year will accrue in accordance with the Company's normal policies and procedures. Executive shall coordinate Executive's vacation schedule with the Company so as not to impose an undue burden on the Company. In addition, Executive shall be entitled to such national and religious holidays as the Company shall approve for all of its employees from time to time.**

(g) **Clawback Provisions. Notwithstanding any other provision in this Agreement to the contrary, any compensation paid or payable to Executive pursuant to this Agreement or any other agreement or arrangement with the Company shall be subject to recovery or reduction in future payments in lieu of recovery pursuant to any Company clawback policy in effect from time to time, whether adopted before or after the date of this Agreement.**

5. **Termination.**

(a) **This Agreement and Executive's employment will terminate automatically if any of the following occurs:**

(i) **Executive's death;**

(ii) Executive's action to terminate employment for any reason whatsoever (including, without limitation, resignation or retirement); or

(iii) The Company notifies Executive in writing that Executive's employment is terminated for any reason other than those set forth in Sections 5(a)(i) or (ii) above.

(b) **By signing this Agreement below, Executive hereby submits an irrevocable letter of resignation pursuant to which Executive resigns from service as a member of the board of directors or as a manager of the Company or any Affiliate thereof, effective immediately upon (i)**

termination of Executive's employment by the Company for any reason, and (ii) acceptance of such resignation by the Board.

(c) **If Executive's employment is terminated for any reason or cause other than a Qualifying Reason as defined in Section 6(b) below (such as Executive's death, disability or for Cause), the Company**

shall pay to Executive only the Base Salary accrued for the last period of actual employment as well as any accrued paid time off that might be due at such termination in accordance with policies of the Company in effect from time to time, at the next regular pay date after the Date of Termination, and shall have no other severance obligations under this Agreement. To the extent permitted by applicable law, if Executive owes any monies to the Company at the time of Executive's termination, then the Company may retain money otherwise owed to Executive to the extent of Executive's debt to the Company.

6. **<u>Severance after Qualifying Termination</u>. If Executive's employment is terminated for a Qualifying Reason, then the Company will pay Executive, as separation pay, the following amounts and subject to the following conditions:**

(a) **Amount of Separation Pay: Three (3) months of Base Salary, unless the termination occurs within twelve (12) months following a Change in Control, in which case an amount equal to Executive's current Base Salary through the Initial Term or Additional Term (as and if applicable) will be paid, in each case at the Company's regular payroll intervals (subject to the release condition in Section 6(c) and delayed start as provided in that subsection and Section 23(c)). In addition, if Executive's termination occurs for a Qualifying Reason within twelve (12) months following a Change in Control, Executive shall be paid any incentive bonus earned but not yet paid for any fiscal year ended before the Date of Termination, plus an incentive bonus for the year in which the Date of Termination occurs, equal to Executive's target bonus for that year, prorated based on the number of days in the fiscal year elapsed before the Date of Termination, in each case at the same time that incentive bonuses for such periods are payable to other executive employees whose employment did not end.**

(b) **The Company will pay severance benefits under this Section on account of the termination of Executive's employment with the Company and its Affiliates only if the termination is attributable to one of the following "*Qualifying Reasons*:"**

(i) the result of Executive having submitted to the Company Executive's written resignation or offer of resignation upon and in accordance with (A) the request by the Board in writing or pursuant to a duly adopted resolution of the Board, or (B) the written request of the Chief Executive Officer of Texas Roadhouse, Inc., provided that such request is not based on the Company's finding that Cause for termination exists;

(ii) a termination by Executive for Good Reason within twelve (12) months following a Change in Control; or

(iii) a termination by Company for any reason other than Cause or as a result of Executive's death, or a disability which entitles Executive to benefits under the Company's long term disability plan.

A termination by Executive (a separation, including a voluntary retirement, initiated by Executive other than per a request described in subsection (i) above), other than for Good Reason within twelve (12) months following a Change in Control, shall not be a Qualifying Reason under this Agreement.

(c) **The Company is not obligated to pay any separation pay to Executive unless Executive has signed a full release of claims against the Company and its Affiliates that is in a form and scope acceptable to the Company (the "*Release*"), and all applicable consideration periods and rescission periods provided by law have expired. Executive must execute and deliver the Release to the Company no later than the date specified by the Company and in no event later than fifty (50) days following Executive's Date of**

Termination, and the Release will be delivered by the Company to Executive at least twenty-one (21) days (forty-five (45) days where Executive is required to be given forty-five (45) days to review and consider the Release) before the deadline set for its return. If the period of time to consider and revoke the Release spans two (2) tax years, then, in no event may separation pay be paid until the second (2nd) such tax year, even if the Release is signed and nonrevocable sooner. When paid, the first (1st) payment will be in an amount equal to the Base Salary that would have been paid at payroll dates before such first (1st) payment, absent a delay until the Release is irrevocable.

(d) **Further, Executive shall not be entitled to separation pay if Executive fails to return all Company property within Executive's possession or control and settle all expenses owed to the Company on or before the date the Release is executed and returned to the Company.**

(e) **If Executive, at any time before all separation payments due under this Agreement are paid, fails to comply with restrictive covenants in this Agreement or any other agreement with the Company, the Company may cease payment and any further amounts due shall be deemed a "disputed payment" for purposes of Code Section 409A-2(g) payable only as and if required as a result of the claim and dispute resolution provisions in Section 17 below.**

(f) **In no event shall Executive be obligated to seek other employment or take any other action by way of mitigation of the amounts, benefits and other compensation payable or otherwise provided to Executive after Executive's Date of Termination.**

7. **<u>Definitions</u>. In addition to terms capitalized and defined in the context where first used, the following terms shall have the meanings indicated below:**

(a) **Termination for "*Cause*" means a termination by the Company for one (1) or more of the following reasons, as stated in a written notice of termination:**

(i) Executive's conviction of, or being charged with having committed, a felony;

(ii) Executive's acts of dishonesty or moral turpitude that are detrimental to the business of the Company;

(iii) Executive's acts or omissions that Executive knew or should have reasonably known were likely to damage the business of the Company;

(iv) Executive's failure to obey the reasonable and lawful directions of the Company, including, without limitation, the Company's policies and procedures (including the Company's policies prohibiting discrimination, harassment, and retaliation), and the Texas Roadhouse, Inc. Code of Conduct;

(v) Executive's failure to perform Executive's obligations under this Agreement;

(vi) Executive's willful breach of any agreement or covenant of this Agreement or any fiduciary duty owed to the Company; and/or

(vii) Executive's unsatisfactory performance of Executive's duties after: (A) Executive has received written notice of the general nature of the unsatisfactory performance and (B) Executive has failed to cure the unsatisfactory performance within thirty (30) days thereafter to the satisfaction of the Company. If, during this thirty (30)

day timeframe, the Company determines that Executive is not making reasonable good faith efforts to cure the deficiencies to the satisfaction of the Company, the Company has the right to immediately terminate Executive's employment. If the Company determines that Executive cured the unsatisfactory performance before the conclusion of the thirty (30) day timeframe, any recurrence of the same or similar unsatisfactory performance within twelve (12) months of the conclusion of

the thirty (30) day timeframe shall constitute "<u>Cause</u>" for Executive's termination, and Executive's employment may be terminated with no further or additional opportunity to cure the unsatisfactory performance.

(b) **A "*Change in Control*" means that one of the following events has taken place:**

(i) consummation of a merger or consolidation of the Company with any other entity, other than a merger or consolidation that would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving or resulting entity) more than fifty percent (50%) of the combined voting power of the surviving or resulting entity outstanding immediately after such merger or consolidation;

(ii) consummation of a sale or disposition of all or substantially all of the assets of the Company (other than such a sale or disposition immediately after which such assets will be owned directly or indirectly by the stockholders of the Company in substantially the same proportions as their ownership of the common stock of the Company immediately before such sale or disposition); or

(iii) any Person becomes the beneficial owner (as determined pursuant to Section 13(d) of the Securities Exchange Act of 1934, as amended (the "***Exchange Act***")) of securities representing in excess of fifty percent (50%) of the aggregate voting power of the outstanding securities of the Company as required to be disclosed in a report on Schedule 13D of the Exchange Act.

Notwithstanding anything in the foregoing to the contrary, the Board shall have full and final authority, in its sole discretion, to determine conclusively whether a Change in Control shall have occurred pursuant to the above definition, the date of the occurrence of such Change in Control, and any incidental matters relating thereto.

For purposes of this Section 7(b), the term "*Company*" means Texas Roadhouse, Inc.

(c) **"*Code*" means the Internal Revenue Code of 1986, as amended.**

(d) **"*Date of Termination*" means (A) if Executive's employment is terminated by the Company or by Executive other than for Good Reason, the date of receipt of the notice of termination or any later date specified therein (which date shall be not more than thirty (30) days after giving such notice), as the case may be, (B) if Executive's employment is terminated by Executive for Good Reason, the thirtieth (30th) day following receipt by the Company of the notice of termination for Good Reason if the Company fails to cure the condition giving rise to Good Reason during the thirty (30) day cure period, or any later date specified therein, as the case may be, provided that such date may not be more than sixty (60) days following the Company's receipt of the notice of termination.**

(e) **"*Good Reason*" given by Executive in a notice of termination must be based on:**

(i) the assignment to Executive of a different title or job responsibilities that result in a substantial decrease in the level of responsibility from those in effect immediately before the Change in Control;

(ii) a reduction by the Company or the surviving company in Executive's base pay as in effect immediately before the Change in Control;

(iii) a significant reduction by the Company or the surviving company in total benefits available to Executive under cash incentive, stock incentive and other employee benefit plans after the Change in Control compared to the total package of such benefits as in effect before the Change in Control;

(iv) the requirement by the Company or the surviving company that Executive be based more than fifty (50) miles from where Executive's office is located immediately before the Change in Control, except for required travel on company business to an extent substantially consistent with the business travel obligations which Executive undertook on behalf of the Company before the Change in Control; or

(v) the failure by the Company to obtain from any Successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company ("***Successor***") an agreement to assume obligations under this Agreement.

Provided, however**, that Good Reason shall not exist unless the reason set forth is not cured within thirty (30) days after Executive has delivered written notice of such condition to the Company. Further, in each case, Executive must give the Company notice of the condition within ninety (90) days of the initial existence of the condition, and the separation from service must occur within sixty (60) days following notice of termination, or the termination will not be considered to be for Good Reason.**

(f) **"*Person*" has the meaning ascribed to such term in Section 3(a)(9) of the Exchange Act and used in Sections 13(d) and 14(d) thereof, including a "group" as defined in Section 13(d) thereof.**

8. **Cooperation. Executive agrees to cooperate fully with the Company, its attorneys and representatives in any litigation, arbitration or administrative proceeding related to Executive's current or former employment with the Company. With respect to any complaints or concerns that Executive may have regarding Executive's own employment, nothing in this Agreement is intended to preclude or interfere with Executive's right to contact an attorney or governmental agency, or to participate in any investigation or other proceeding involving such an agency. With respect to any other matters, however, Executive agrees not to collaborate with or provide information, documents, or statements to any person or entity adverse to the Company (or its parent, affiliates, or employees) in any actual or potential proceeding, without first providing reasonable written notice to the Company. Nothing herein will prevent Executive from providing truthful responses, under oath, in response to a subpoena from any judicial or governmental authority. If Executive receives any subpoena, or other oral or written request, formal or informal, to provide information or documents from or about the Company or any of its officers, directors, or employees, Executive agrees to notify the Company immediately and cooperate with the Company's attorneys. The Company will use reasonable efforts to schedule Executive's cooperation in a manner that avoids causing Executive any undue hardship. Executive's obligation to cooperate under this Section 8 extends for five (5)**

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years from the last date on which Executive receives any compensation under this Agreement or any amendment and restatement or successor hereto.

9. **Confidentiality and Nondisparagement.**

(a) **Confidentiality Covenant. Executive agrees:**

(i) Executive's employment creates a relationship in which the Company places confidence and trust in Executive with respect to certain information pertaining to the business of the Company and its Affiliates that Executive may receive during Executive's employment by the Company.

(ii) Without the written consent of the Company, Executive will not use for Executive's benefit or disclose at any time during or after Executive's employment, except to the extent required by Executive's duties or except to the extent of Executive's obligations under Section 14, any information Executive obtains or develops while employed by the Company regarding any actual or potential recipes, suppliers, products, services, employees, documents pertaining to the Company or any of its Affiliates (including, without limitation, this Agreement, franchise agreements, employment agreements and joint venture agreements), financial affairs, systems, applications, or methods of marketing, service or procurement of the Company or any of its Affiliates, or any confidential matter regarding the business of the Company or any of its Affiliates, except information that at the time is generally known to the public or is required to be disclosed by law or legal process, other than as a result of disclosure by Executive not permitted under this Agreement (collectively, "***Confidential Information***").

(iii) At Executive's request, the Company will tell Executive, in writing, whether or not the Company considers any particular item of information to be Confidential Information. Executive agrees to contact the Company before Executive discloses any information that Executive acquired during Executive's employment to determine whether the Company considers the information to be Confidential Information.

(iv) Upon Executive's termination, Executive will promptly return to the Company all documents and papers (including all copies, stored electronically or otherwise) relating to Confidential Information and other physical property in Executive's possession that belongs to the Company or any of its Affiliates.

(b) **<u>Binding Effect</u>. Executive agrees that the provisions of this Section 9 are binding upon Executive's heirs, successors and legal representatives.**

(c) **<u>Obligations Additive</u>. Executive acknowledges that the obligations imposed by this Section 9 are in addition to, and not in place of, any obligations imposed by applicable statutory or common law.**

(d) **<u>Nondisparagement</u>. Executive shall not at any time during the Employment Term or for a period of two (2) years after Executive's employment ends, disparage the Company, any of its Affiliates and any of their respective officers and directors.**

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10. **<u>Intellectual Property</u>.**

(a) **<u>Disclosure and Assignment</u>. As used herein, "*Creations*" means writings, works of authorship, recipes, formulas, ideas, concepts, inventions, discoveries, and improvements, whether patented, patentable or not and whether copyrighted, copyrightable, or not. Furthermore, as used herein, "*Employment Creations*" means any and all Creations created, prepared, produced, authored, amended, conceived or reduced to practice by Executive whether solely or in collaboration with others while he or she is employed by the Company that: (i) relate in any way to the Company's business; or (ii) relate to the Company's actual or contemplated business, research, or development; or (iii) result from any work performed by Executive for the Company. Executive acknowledges that, by reason of being employed by the Company at the relevant times, to the extent permitted by law, every copyrightable Employment Creation, regardless of whether copyright protection is sought or preserved by the Company, shall be a "work made for hire" as defined in 17 U.S.C. §101, and the Company shall own all rights in and to such Employment Creation throughout the world except to the extent such ownership is waived in writing by the Board. To the extent the preceding sentence does not apply, as of the Effective Date, Executive agrees to transfer and assign and hereby transfers and assigns to the Company (or its designee) all right, title, and interest of Executive in and to every Employment Creation. Executive further agrees to transfer and assign and hereby transfers and assigns to the Company all Creations created, prepared, produced, authored, amended, conceived or reduced to practice by Executive within one (1) year following Executive's termination of employment with the Company (whether voluntary or otherwise), if the Creation is a result of Company's Confidential Information obtained by Executive during Executive's employment with the Company (collectively, "*Post-Employment Creations*"). Executive shall communicate promptly and disclose to the Company, in such form as the Company may request, all information, details, and data pertaining to each Employment Creation and each Post-Employment Creation. Nothing contained in this Agreement shall be construed to reduce or limit the Company's rights, title, or interest in any Employment Creations or Post-Employment Creations so as to be less in any respect than that the Company would have had in the absence of this Agreement except to the extent such ownership is waived in writing by the Board.**

(b) **<u>Moral Rights</u>. To the extent any copyrights are assigned under this Agreement, Executive hereby irrevocably waives, to the extent permitted by applicable law, any and all claims Executive may now or hereafter have in any jurisdiction to all rights of paternity, integrity, disclosure, and withdrawal and any other rights that may be known as "moral rights" with respect to all Employment Creations and Post-Employment Creations and all intellectual property rights therein.**

(c) **<u>Trademarks</u>. All right, title, and interest in and to any and all trademarks, trade names, service marks, and logos adopted, used, or considered for use by the Company during Executive's employment (whether or not developed by Executive) to identify the Company's business or other goods or services (collectively, the "*Marks*"), together with the goodwill appurtenant thereto, and all other materials, ideas, or other property** conceived, created, developed, adopted, or improved by Executive solely or jointly during Executive's employment by the Company and relating to its business shall be owned exclusively by the Company. Executive shall not have, and will not claim to have, any right, title, or interest of any kind in or to the Marks or such other property.

(d) **Further Assurances and Documentation**. During and after Executive's employment, Executive shall, for no additional consideration, reasonably cooperate with the Company to (i) apply for, obtain, perfect, and transfer to the Company the Employment Creations and Post-Employment Creations and any intellectual property rights therein in any jurisdiction in the world; and (ii) maintain, protect, and enforce the same, including, without limitation, executing and delivering to the Company such formal transfers and assignments, applications, oaths, declarations, affidavits, waivers, and such other documents as the Company may request to permit the Company (or its designee) to file and prosecute such registration

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applications and other documents it deems useful to protect or enforce its rights under this Agreement. The Company will pay all of Executive's reasonable expenses in connection with this cooperation.

(e) **Non-Applicability**. Executive is hereby notified that this Section 10 does not apply to any Creation for which no equipment, supplies, facility, Confidential Information, or other trade secret information of the Company was used and which was developed entirely on Executive's own time, unless (i) the Creation relates in any way to (A) the business of the Company, or (B) the Company's actual or contemplated business, research, or development; or (ii) the Creation results from any work performed by Executive for the Company.

(f) **No License**. Executive understands that this Agreement does not, and shall not be construed to, grant Executive any license or right of any nature with respect to any Employment Creations, or any Post-Employment Creations, or any Confidential Information, materials, recipes, software, or other tools made available to Executive by the Company.

11. **Non-Competition and Non-Solicitation**.

(a) During the Employment Term, Executive will not do or say anything that: (i) could advance an interest of any existing or prospective competitor of the Company or any of its Affiliates in any way; (ii) that will or may injure an interest of the Company or any of its Affiliates in its relationship and dealings with existing or potential suppliers or customers; or (iii) solicits or encourages any other employee of the Company or any of its Affiliates to do or say something that is disloyal to the Company or any of its Affiliates, is inconsistent with the interest of the Company or any of its Affiliate's interests or violates any provision of this Agreement.

(b) During Executive's employment under this Agreement and for two (2) years following the termination of Executive's employment (whether under this Agreement or during a successor or "at will" employment period):

(i) Executive shall not, directly or indirectly, on Executive's own behalf or on behalf of any person or entity other than the Company, including without limitation as a proprietor, principal, agent, partner, officer, director, stockholder, employee, member of any association, consultant or otherwise, engage in any business that is directly competitive with the business of the Company, including without limitation any business that operates one or more full-service, casual dining steakhouse restaurants within the United States or any foreign country in which the Company or its franchisees or its joint venture partners is operating or in which Executive knows the Company or its franchisees or its joint venture partners proposes to open within twenty-four (24) months. The provisions of this Section shall also apply to any business which is directly competitive with any other business which the Company or an Affiliate acquires or develops during Executive's employment with the Company.

(ii) Except as required in the performance of Executive's duties as an employee of the Company, Executive shall not, directly or indirectly, (A) hire, engage or solicit or induce or attempt to induce to cease working for the Company, any person who is then an employee of the Company or who was an employee of the Company during the six (6) month period immediately preceding Executive's termination of employment with the Company, nor (B) solicit, request, advise, induce or attempt to induce any vendor, supplier or other business contact of the Company to cancel,

curtail, cease doing business with, or otherwise adversely change its relationship with the Company.

(c) **For the purposes of this Agreement, the phrase "*proposes to open*" a restaurant includes all locations for which active, bona fide negotiations to secure a fee or leasehold interest with the intention of establishing a restaurant are being conducted. Mere ownership, whether through direct or indirect stock holdings or otherwise, of 1% or less of a business shall not constitute a violation of the restriction in Section 11(b)(i) above, unless a greater amount is approved in writing by the Board and the Chairman of Texas Roadhouse, Inc. Executive is deemed to engage in a business if Executive expects to acquire a proprietary interest in a business or to be made an employee, officer, director, manager, consultant, independent contractor, advisor or otherwise of such business at any time after such possibility has been discussed with any officer, director, employee, agent, or promoter of such business.**

(d) **Executive agrees that Executive's experience, capabilities and circumstances are such that these provisions will not prevent Executive from earning a livelihood. Executive further agrees that the limitations set forth in this Section (including, without limitation, any time or territorial limitations) are reasonable and properly required for the adequate protection of the businesses of the Company and its Affiliates. The covenants made by Executive in this Section (and in Sections 8, 9, 10 and 17) will survive the expiration or termination of this Agreement.**

12. **Injunctive Relief. Executive acknowledges and agrees that the provisions of the forgoing Sections 8, 9, 10 and 11 are reasonable and necessary to protect legitimate interests of the Company and that a remedy at law for any breach or threatened breach of the provisions of Sections 8, 9, 10 and 11 would be inadequate, and so Executive agrees that the Company and any of its Affiliates are entitled to injunctive relief in addition to any other available rights and remedies in cases of any such breach or threatened breach of those Sections. In addition, Executive acknowledges and agrees that an action for an injunction under Sections 8, 9, 10 and 11 may only be brought in the state or federal courts located in Louisville, Kentucky. Executive irrevocably accepts the venue and jurisdiction of those courts for the purposes of any such suit for an injunction, and further irrevocably waives any claim that any such suit has been brought in an inconvenient forum.**

13. **Non-Assignability. The services to be provided by Executive are personal in nature and therefore neither Executive or Executive's beneficiaries or legal representatives may assign this Agreement or any right or interest under this Agreement. Any attempt, voluntary or involuntary, to effect any such action will be null, void and of no effect. The Company may assign or delegate this Agreement or any rights and interests under this Agreement to any Affiliate or to any successor to the Company, and Executive will be bound by such assignment or delegation.**

14. **Notification to Future Employers. Executive will notify any future employer of Executive's obligations under the provisions of Sections 8, 9, 10 and 11.**

15. **Affiliate. For the purposes of this Agreement, the term "*Affiliate*" or "*Affiliates*" means (i) Texas Roadhouse, Inc. and each corporation, limited liability company, partnership, or other entity that directly or indirectly, controls Texas Roadhouse, Inc., (ii) is controlled, directly or indirectly, by Texas Roadhouse, Inc., or (iii) is under common control, directly or indirectly, with Texas Roadhouse, Inc., as well as any entity that owns, operates, manages, licenses or franchises a Texas Roadhouse, Bubba's 33, or Jaggers (or any future Texas Roadhouse or Affiliate) restaurant concept.**

16. **Notices. Any notice required under this Agreement must be given in writing and either delivered in person, via email or by first class certified or registered mail, if to the Company, at the**

Company's principal place of business: Attn: Texas Roadhouse Legal Department, 6040 Dutchmans Lane, Louisville, KY 40205, and if to Executive, at Executive's home address most recently filed with the Company, or to such other address as either party has designated in writing to the other party.

17. **Dispute Resolution**.

(a) **Arbitration Agreement. Except as provided in Section 10, all disputes, claims, or controversies between Executive and the Company or any of its Affiliates, or any of their employees, arising out of or in any way related to (i) this Agreement, (ii) the breach, termination, enforcement, interpretation, or validity thereof, or (iii) Executive's Employment, shall be resolved by arbitration in Louisville, Kentucky, or in an alternate, mutually-convenient location of the parties' choosing, by one arbitrator, who shall be a lawyer or retired judge with at least ten years' experience. Executive and the Company and its Affiliates agree to arbitrate those claims whether they arise in contract or tort, assert violations of statutes, regulations, or ordinances, or are based on other legal or equitable theories. Arbitration shall proceed under the rules and procedures of the American Arbitration Association, including its procedures for dispositive motion practice. The parties to the arbitration shall use good faith efforts to complete the arbitration within one hundred fifty (150) days of the appointment of the arbitrator. In any arbitration that Executive commences, the Company will pay the arbitrator's fees if Executive prevails, or if other applicable law requires the Company to do so. It is expressly agreed that this Agreement evidences a transaction in interstate commerce and that this Section 17(a) is governed by the Federal Arbitration Act. Executive may reject this Section 17(a) if Executive does so in writing to the Company within thirty (30) days of Executive's Employment Date.**

(b) **Waiver of Jury Trial and Class or Multiparty Claims. By agreeing to arbitrate, Executive and the Company and its Affiliates voluntarily and knowingly waive any right to a jury trial. In addition, Executive acknowledges that Executive's relationship with the Company is unique and that there are and will be differences from the relationships the Company may have with other employees or executives. Therefore, any arbitration shall be conducted and resolved on an individual basis only and not on a class-wide, multiple plaintiff or claimant, consolidated or similar basis.**

(c) **Limitations Period; Deadline to Assert Claims. Executive and the Company and its Affiliates agree that arbitration of any disputes, claims, or controversies shall be initiated within one year of the act or occurrence giving rise to the dispute, claim or controversy, even though that deadline is or may be shorter than the period provided by statutes of limitations that would apply in the absence of this Section. Any claim that is not asserted in an arbitration within one (1) year of the act or occurrence giving rise to it shall be deemed waived.**

(d) **Governing Law & Forum. This Agreement is governed by Federal Arbitration Act and the laws of the Commonwealth of Kentucky without regard to its conflicts of law provisions. If Executive timely and validly rejects Section 17(a), or otherwise files any claim against the Company or any of its Affiliates that is not subject to Section 17(a), Executive agrees that the state or federal courts located in Jefferson County, Kentucky shall be the exclusive forum for such a claim.**

18. **Severability. Executive agrees that if any the arbitrator or court of competent jurisdiction will finally hold that any provision of Sections 8, 9, 10, 11 or 17 is void or constitutes an unreasonable restriction against Executive, the provisions of such Sections 8, 9, 10, 11 or 17 will not be rendered void but will apply to such extent as such arbitrator or court may judicially determine constitutes a reasonable restriction under the circumstances. If any part of this Agreement other than Sections 8, 9, 10, 11 or 17 is held by an arbitrator or court of competent jurisdiction to be invalid, illegal or incapable of being enforced in whole or in part by reason of any rule of law or public policy, such part will be deemed to be severed**

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from the remainder of this Agreement for the purpose only of the particular legal proceedings in question and such part and all other covenants and provisions of this Agreement will in every other respect continue in full force and effect and no covenant or provision will be deemed dependent upon any other covenant or provision.

19. **Waiver. Failure to insist upon strict compliance with any of the terms, covenants or conditions is not a waiver of such term, covenant or condition, nor will any waiver or relinquishment of any right or power be deemed a waiver or relinquishment of such right or power.**

20. **Nature of Relationship. This Agreement creates an employee-employer relationship. The parties do not intend for this Agreement to create a legal or equitable partnership, a joint venture, or any other relationship.**

21. **Entire Agreement; Modifications. This Agreement represents the entire agreement between the parties regarding the subject matter and supersedes all prior oral or written proposals, understandings, and other commitments between the parties related to Executive's employment by the Company and Affiliates, except for any written stock option or stock award agreement between Executive and the Company. This Agreement is binding upon and benefits the parties, their heirs, legal representatives, successors, and permitted assigns. This Agreement may be modified or amended only by an instrument in writing signed by both parties.**

22. **Beneficial Ownership of Liquor Licenses. If a local or state law requires Executive to be the owner of the liquor license, or to be a member of the entity that owns the liquor license, Executive acknowledges and agree that such ownership is solely for the benefit of the owner of the restaurant and/or the entity holding the liquor license and that Executive is not entitled to compensation relating to the ownership of any liquor license, or relating to the ownership of any member interest in an entity owning a liquor license. Upon termination of Executive's employment, Executive will relinquish ownership of the liquor license upon request of the Company or the owner of the restaurant, and Executive will surrender, without compensation, any membership interest in an entity owning a liquor license. Executive will execute and deliver any documents that the Company requests in order to effect such transfer of ownership promptly and without consideration.**

23. **Tax Matters.**

(a) **Withholding. Notwithstanding any other provision of this Agreement, the Company may withhold from amounts payable under this Agreement all federal, state, local and foreign taxes that the Company determines are required to be withheld by applicable laws or regulations.**

(b) **409A Compliance Intent. This Agreement is intended to provide for compensation that is exempt from Code Section 409A as separation pay (up to the Code Section 409A limit) or as a short-term deferral, and to be compliant with Code Section 409A with respect to additional compensation under this Agreement. This Agreement shall be interpreted, construed, and administered in accordance with this intent, provided that the Company does not promise or warrant any tax treatment of compensation. Executive is responsible for obtaining advice regarding all questions to federal, state, or local income, estate, payroll, or other tax consequences arising from participation herein. This Agreement shall not be amended or terminated in a manner that would accelerate or delay payment of severance pay or bonus pay except as permitted under Treasury Regulations under Code Section 409A.**

(c) **Six Month Delay. Notwithstanding anything herein to the contrary, if Executive is a "specified employee" within the meaning of Treasury Regulation Section 1.409A-1(i) (or any successor**

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thereto) on the Date of Termination, any payments under this Agreement that are triggered by termination of employment and which are not exempt as separation pay under Treasury Regulation Section 1.409A-1(b)(9) or as short-term deferral pay, shall not begin to be paid until six months after the Date of Termination, and at that time, Executive will receive in one lump sum payment of all the payments (without interest) that would have otherwise been paid to Executive during the first six (6) months following Executive's Date of Termination. The Company shall determine, consistent with any guidance issued under Code Section 409A, the portion of payments that are required to be delayed, if any.

(d) **Termination Must be within 409A to Trigger Payments. For purposes of the timing of payments triggered by the termination, termination shall not be considered to have occurred until the date Executive and the Company reasonably anticipate that (i) Executive will not perform any further services for the Company or any other entity considered a single employer with the Company under Code Section 414(b) or (c) (but substituting fifty percent (50%) for eighty percent (80%) in the application thereof) (the "*Employer Group*"), or (ii) the level of bona fide services Executive will perform for the Employer Group after that date will permanently decrease to less than twenty percent (20%) of the average level of bona fide services performed over the previous thirty-six (36) months (or if shorter over the duration of service). For this purpose, service performed as an employee or as an independent contractor is counted, except that service as a member of the board of directors of an Employer Group entity is not counted unless termination benefits under this Agreement are aggregated with benefits under any other Employer Group plan or agreement in which Executive also participates as a director. Executive will not be treated as having a termination of Executive's employment while he is on military leave, sick leave or other bona fide leave of absence if the leave does not exceed six months or, if longer, the period during which Executive has a reemployment right under statute or contract. If a bona fide leave of absence extends beyond six months, Executive's employment will be considered to terminate on the first day after the end of such six-month period, or on the day after Executive's statutory or contractual**

reemployment right lapses, if later. The Company will determine when Executive's Date of Termination occurs based on all relevant facts and circumstances, in accordance with Treasury Regulation Section 1.409A-1(h).

(e) **Code Section 280G Cap. If the separation pay described in Section 6(a) plus the value of any other compensation or benefits payable pursuant to any other plan or program of the Company that are deemed to be paid or transferred in connection with the Change in Control (the "*CIC Benefits*") are payable to Executive in connection with a Change in Control and, if paid, could subject Executive to an excise tax under Code Section 4999 and any similar tax imposed by state or local law as well as any interest and penalties with respect to such tax(es) (the "*Excise Tax*"), then notwithstanding the provisions of Section 6, the Company shall reduce the CIC Benefits (the "*Benefit Reduction*") to $1.00 below the amount necessary to result in Executive not being subject to the Excise Tax. Executive shall bear all expense of, and be solely responsible for, any Excise Tax should no Benefit Reduction be made. The determination of whether any such Benefit Reduction shall be imposed shall be made by a nationally recognized public accounting firm selected by the Company and reasonably acceptable to Executive, and such determination shall be binding on both Executive and the Company. Such accounting firm shall be engaged by and paid by the Company and shall promptly give the Company and Executive a copy of the detailed calculation of any Benefit Reduction.**

[signature page follows]

SIGNED:

Dated: 11/10/2023

EXECUTIVE:

/s/ Travis C. Doster
Signature

Travis C. Doster
Printed Name

COMPANY:

TEXAS ROADHOUSE MANAGEMENT CORP.

Dated: 11/10/2023

By: /s/ Christopher C. Colson
Christopher C. Colson, Secretary

SCHEDULE 1

Year 1

Base Salary: $500,000

Incentive Bonus target: $400,000 (which amount shall be prorated based on your 2023 fiscal year service). The target is currently based on 50% earnings per share growth and 50% pre-tax profits. Depending on the level of achievement of the goals, the bonus may be reduced to a minimum of

$0 or increased to a maximum of two times the base target amount under the current incentive compensation policy of the Compensation Committee of the Board.

Equity Incentive Grant:

A. Service-Based Restricted Stock Units: Executive will receive a grant of 3,100 service-based restricted stock units, which was calculated by dividing $325,000 by $103.41 (which was the closing sales price of the Company's common stock on the Nasdaq Global Select Market on November 8, 2023), with such quotient being rounded up or down to the nearest 100 shares. These service based restricted stock units will be granted on November 9, 2023 and will vest on January 8, 2025, provided Executive is still employed by the Company as of the vesting date.

These service-based restricted stock units are in addition to (A) the 834 service-based restricted stock units granted on May 10, 2023 and scheduled to vest on May 10, 2024 relating to your Q1 2023 service, (B) the 837service-based restricted stock units granted on August 2, 2023 and scheduled to vest on August 2, 2024 relating to your Q2 2023 service, (C) the 911 service-based restricted stock units granted on November 1, 2023 and scheduled to vest on November 1, 2024 relating to your Q3 2023 service, and (D) a certain number of service-based restricted stock units to be granted in February 2024 following the release of the Company's Q4 2023 earnings and scheduled to vest in February 2025 relating to your Q4 2023 service, which will be calculated by dividing $92,500 by the closing sales price of the Company's common stock on the day immediately prior to the grant date.

B. Performance-Based Restricted Stock Units: Executive will receive a grant of 1,700 performance based restricted stock units, which was calculated by dividing $175,000 by $103.41 (which was the closing sales price of the Company's common stock on the Nasdaq Global Select Market on November 8, 2023), with such quotient being rounded up or down to the nearest 100 shares. These performance-based restricted stock units will be subject to certain conditions and limitations set forth in separate PSU Agreements. These performance based restricted stock units will be granted on November 9, 2023 and will vest on January 8, 2025, provided Executive is still employed by the Company as of the vesting date and subject to the achievement of defined goals set forth in the table below.

Target Performance-Based Restricted Stock Units	Portion of Target Grant Based on EPS Performance Goal	Portion of Target Grant Based on Pre-tax Profit Goal	Minimum $ of Performance-Based Restricted Stock Units	Maximum Aggregate Performance-Based Restricted Stock Units
1,700	50%	50%	0	3,400

TXRH Executive Employment Agreement – DOSTER
Signature Page

Exhibit 21.1

SUBSIDIARIES OF THE COMPANY

The following contains a list of the "significant subsidiaries" of Texas Roadhouse, Inc. as of December 27, 2022December 26, 2023, together with the names of certain other subsidiaries, and the states in which those subsidiaries are organized. The names of particular subsidiaries of Texas Roadhouse, Inc. have been omitted because, considered in the aggregate as a single subsidiary, they would not constitute, as of the end of the year covered by this report, a "significant subsidiary" as that term is defined in Rule 1-02(w) of Regulation S-X under the Securities Exchange Act of 1934.

I. SUBSIDIARIES WHOLLY-OWNED BY TEXAS ROADHOUSE, INC.

NAME OF ENTITY	FORM OF ENTITY
Armadillo, Inc.	Virginia corporation
Bubba's Development Corporation	Kentucky corporation
Bubba's Holdings LLC	Kentucky limited liability company

Jaggers Development Corporation	Kentucky corporation
Jaggers Holdings LLC	Kentucky limited liability company
Legendary Food Services LLC	Kentucky limited liability company
Legendary Products LLC	Kentucky limited liability company
Roadhouse-Creek of NJ, LLC	Kentucky limited liability company
Texas Roadhouse Central Treasury LLC	Kentucky limited liability company
Texas Roadhouse Delaware LLC	Delaware limited liability company
Texas Roadhouse Development Corporation	Kentucky corporation
Texas Roadhouse Holdings LLC	Kentucky limited liability company
Texas Roadhouse International, LLC	Nevada limited liability company
Texas Roadhouse Management Corp.	Kentucky corporation

II. INDIRECTLY WHOLLY-OWNED SUBSIDIARIES

NAME OF ENTITY	FORM OF ENTITY
Jaggers Restaurant Enterprises, Inc.	Texas corporation
JDC International LLC	Kentucky limited liability company
Roadhouse Enterprises, Inc.	Texas corporation
SRC Kansas, LLC	Kansas limited liability company
Strategic Restaurant Enterprises, Inc.	Texas corporation
Texas Roadhouse Administrative Services, LLC	Kentucky limited liability company
Texas Roadhouse Intermediary, LLC	Kentucky limited liability company
Texas Roadhouse International Services, LLC	Kentucky limited liability company
Texas Roadhouse of Conway, Inc.	Arkansas non-profit corporation
Texas Roadhouse of Jonesboro, Inc.	Arkansas non-profit corporation
Texas Roadhouse of Kansas, LLC	Kansas limited liability company
Texas Roadhouse of Searcy, Inc.	Arkansas non-profit corporation
TRDC International, LLC	Nevada limited liability company
TXRH International IP, LLC	Texas limited liability company

III. PARTIALLY-OWNED SUBSIDIARIES

NAME OF ENTITY	FORM OF ENTITY
SRC of Anne Arundel County, MD, LLC	Kentucky limited liability company
Texas Roadhouse of Austin-North, Ltd.	Kentucky limited partnership
Texas Roadhouse of Austin, Ltd.	Kentucky limited partnership
Texas Roadhouse of Baltimore County, MD, LLC	Kentucky limited liability company
Texas Roadhouse of Bakersfield, LLC	Kentucky limited liability company
Texas Roadhouse of Baytown, TX, LLC	Kentucky limited liability company
Texas Roadhouse of Carroll County, MD, LLC	Kentucky limited liability company
Texas Roadhouse of Corona, CA LLC	Kentucky limited liability company
Texas Roadhouse of Fort Myers, FL, LLC	Kentucky limited liability company
Texas Roadhouse of Gilbert, AZ, LLC	Kentucky limited liability company
Texas Roadhouse of Hendersonville, de Novo, LLC	Kentucky limited liability company
Texas Roadhouse of Howard County, MD, LLC	Kentucky limited liability company
Texas Roadhouse of Huber Heights, LLC	Kentucky limited liability company
Texas Roadhouse of Jacksonville, NC, LLC	Kentucky limited liability company
Texas Roadhouse of Lancaster OH, LLC	Kentucky limited liability company
Texas Roadhouse of Lexington, KY, II, LLC	Kentucky limited liability company
Texas Roadhouse of Mansfield, Ltd.	Kentucky limited partnership

Texas Roadhouse of Menifee, CA, LLC	Kentucky limited liability company
Texas Roadhouse of Orange Park, LLC	Kentucky limited liability company
Texas Roadhouse of Parker, LLC	Kentucky limited liability company
Texas Roadhouse of Richmond, LLC	Kentucky limited liability company
Texas Roadhouse of Stillwater, OK, LLC	Kentucky limited liability company
Texas Roadhouse of Valdosta, LLC	Kentucky limited liability company
Texas Roadhouse of Warwick, LLC	Kentucky limited liability company
Texas Roadhouse of Wicomico County, MD, LLC	Kentucky limited liability company

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Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the registration statements (Nos. 333-121241, 333-188683 and 333-256205) on Form S-8 of our reports dated February 24, 2023February 23, 2024, with respect to the consolidated financial statements of Texas Roadhouse, Inc. and subsidiaries and the effectiveness of internal control over financial reporting.

/s/ KPMG LLP

Louisville, Kentucky
February 24, 2023 23, 2024

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
CERTIFICATIONS PURSUANT TO SECTION 302 OF SARBANES-OXLEY ACT

I, Gerald L. Morgan, certify that:

1. **I have reviewed this report on Form 10-K of Texas Roadhouse, Inc.;**

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

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

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

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

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

Date: February 24, 2023 February 23, 2024

By: /s/ GERALD L. MORGAN
Gerald L. Morgan

Chief Executive Officer

(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER

CERTIFICATIONS PURSUANT TO SECTION 302 OF SARBANES-OXLEY ACT

I, Keith V. Humpich, D. Christopher Monroe, certify that:

1. **I have reviewed this report on Form 10-K of Texas Roadhouse, Inc.;**

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

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

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

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

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

Date: February 24, 2023 February 23, 2024

By: /s/ KEITHD. CHRISTOPHER MONROE

D. Christopher Monroe

Chief Financial Officer

(Principal Financial Officer)

Exhibit 31.3

CERTIFICATIONS PURSUANT TO SECTION 302 OF SARBANES-OXLEY ACT

I, Keith V. Humpich, certify that:

1. **I have reviewed this report on Form 10-K of Texas Roadhouse, Inc.;**

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

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

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

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

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

Date: February 23, 2024

By: /s/ KEITH V. HUMPICH HUMPICH

Keith V. Humpich

*Interim Chief Financial Officer*Vice President of Finance

(Principal Accounting Officer)

Exhibit 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
CERTIFICATIONS PURSUANT TO 18 U.S.C. SECTION 1350

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

(1) **The Annual Report on Form 10-K of the Company for the fiscal year ended December 27, 2022 December 26, 2023 (the "Report") fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934; and**

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

Date: February 24, 2023 February 23, 2024

By: /s/ GERALD GERALD L. MORGAN MORGAN

Gerald L. Morgan

Chief Executive Officer

(Principal Executive Officer)

Exhibit 32.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350

I, Keith V. Humpich, Interim Chief Financial Officer of Texas Roadhouse, Inc. (the "Company"), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

(1) **The Annual Report on Form 10-K of the Company for the fiscal year ended December 27, 2022 (the "Report") fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934; and**

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

Date: February 24, 2023 February 23, 2024

By: /s/ KEITH D. CHRISTOPHER MONROE
D. Christopher Monroe
Chief Financial Officer
(Principal Financial Officer)

Date: February 23, 2024

By: /s/ KEITH V. HUMPICH HUMPICH
Keith V. Humpich
Interim Chief Financial Officer Vice President of Finance
(Principal Accounting Officer)

Exhibit 97

TEXAS ROADHOUSE, INC.

POLICY FOR RECOVERY OF INCENTIVE COMPENSATION

1. Purpose. This Policy for Recovery of Incentive Compensation (this "*Policy*") is adopted by the Compensation Committee of the Board of Directors (the "*Board*") of Texas Roadhouse, Inc., a Delaware corporation (the "*Corporation*"), on November 9, 2023. The purpose of this Policy is to provide the Corporation with the ability to recover erroneously awarded Incentive-based Compensation (as hereinafter defined) from Executive Officers (as hereinafter defined). The Corporation has adopted this Policy to comply with Section 10D and Rule 10D-1 of the Securities Exchange Act of 1934, as amended (the "*Exchange Act*") ("*Rule 10D-1*"). This Policy amends, restates and replaces that certain Policy for Recovery of Incentive Compensation dated February 3, 2022 and previously adopted by the Compensation Committee on behalf of the Corporation.

2. Definitions.

(a) **"*Accounting Restatement*" means an accounting restatement due to the material noncompliance of the Corporation with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements (a "Big R" restatement), or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period (a "little r" restatement).**

(b) **"*Clawback Eligible Incentive Compensation*" means all Incentive-based Compensation Received by an Executive Officer (i) on or after October 2, 2023, (ii) after beginning service as an Executive Officer, (iii) who served as an Executive Officer at any time during the applicable**

performance period relating to any Incentive-based Compensation (whether or not such Executive Officer is serving at the time the Erroneously Awarded Compensation is required to be repaid to the Corporation), (iv) while the Corporation has a class of securities listed on a national securities exchange or a national securities association, and (v) during the applicable Clawback Period.

(c) **"*Clawback Period*" means, with respect to any Accounting Restatement, the three (3) completed fiscal years of the Corporation immediately preceding the Restatement Date, and if the Corporation changes its fiscal year, any transition period of less than nine months within or immediately following those three completed fiscal years, provided that a transition period of greater than nine months will be deemed a completed fiscal year.**

(d) **"*Committee*" means the Compensation Committee of the Board of Directors of the Corporation, if composed entirely of independent directors, or in the absence of such a committee, a majority of independent directors serving on the Board.**

(e) **"*Erroneously Awarded Compensation*" means, with respect to each Executive Officer in connection with an Accounting Restatement, the amount of Clawback Eligible Incentive Compensation that exceeds the amount of Incentive-based Compensation that otherwise would have been Received had it been determined based on the restated amounts, computed without regard to any taxes paid.**

(f) **"*Executive Officer*" means each individual who is currently or was previously designated as an "officer" of the Corporation as defined in Rule 16a-1(f) under the Exchange Act. For the avoidance of doubt, the identification of an executive officer for purposes of this Policy shall include each executive officer who is or was identified pursuant to Item 401(b) of Regulation S-K or Item 6.A of Form 20-F, as**

applicable, as well as the principal financial officer and principal accounting officer (or, if there is no principal accounting officer, the controller).

(g) **"*Financial Reporting Measures*" means measures that are determined and presented in accordance with the accounting principles used in preparing the Corporation's financial statements, and all other measures that are derived wholly or in part from such measures. Stock price and total shareholder return (and any measures that are derived wholly or in part from stock price or total shareholder return) shall, for purposes of this Policy, be considered Financial Reporting Measures. For the avoidance of doubt, a Financial Reporting Measure need not be presented in the Corporation's financial statements or included in a filing with the SEC.**

(h) **"*Incentive-based Compensation*" means any compensation that is granted, earned or vested based wholly or in part upon the attainment of a Financial Reporting Measure, including but not limited to, annual bonuses and other short and long-term cash incentives, stock options, stock appreciation rights, restricted stock, restricted stock units, performance shares, performance units, and retirement plans and life insurance plans that take into account other incentive-based compensation.**

(i) **"*Received*" means, with respect to any Incentive-based Compensation, actual or deemed receipt, and Incentive-based Compensation shall be deemed received in the Corporation's fiscal period during which the Financial Reporting Measure specified in the Incentive-based Compensation award is attained, even if the payment or grant of the Incentive-based Compensation to the Executive Officer occurs after the end of that period.**

(j) **"*Restatement Date*" means the earlier to occur of (i) the date the Board, a committee of the Board or the officers of the Corporation authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the Corporation is required to prepare an Accounting Restatement, or (ii) the date a court, regulator or other legally authorized body directs the Corporation to prepare an Accounting Restatement.**

3. Process for Recovering. In the event of an Accounting Restatement, the Corporation will reasonably promptly recover the Erroneously Awarded Compensation Received in accordance with the applicable rules of The Nasdaq Stock Market ("*NASDAQ*") and Rule 10D-1 as follows:

(a) **After an Accounting Restatement, the Committee shall determine the amount of any Erroneously Awarded Compensation Received by each Executive Officer and shall promptly notify each Executive Officer with a written notice containing the amount of any Erroneously Awarded Compensation and a demand for repayment or return of such compensation, as applicable. For Incentive-based Compensation based on (or**

derived from) the Corporation's stock price or total shareholder return, where the amount of Erroneously Awarded Compensation is not subject to mathematical recalculation directly from the information in the applicable Accounting Restatement: (A) the amount to be repaid or returned shall be determined by the Committee based on a reasonable estimate of the effect of the Accounting Restatement on the Corporation's stock price or total shareholder return upon which the Incentive-based Compensation was Received; and (B) the Corporation shall maintain documentation of the determination of such reasonable estimate and provide the relevant documentation as required to NASDAQ.

(b) **The Committee shall have discretion to determine the appropriate method of recovering Erroneously Awarded Compensation based on the particular facts and circumstances. The method of recovery may include, without limitation, (i) requiring reimbursement of cash Incentive-based Compensation previously paid, (ii) seeking recovery of any gain realized on the vesting, exercise, settlement, sale, transfer, or other disposition of any equity-based awards, (iii) offsetting the recouped amount from any compensation otherwise owed by the Corporation to the Executive Officer, and (iv)**

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cancelling outstanding vested or unvested equity awards. Except as set forth in Section 4 below, in no event may the Corporation accept an amount that is less than the amount of Erroneously Awarded Compensation in satisfaction of an Executive Officer's obligations hereunder.

(c) **To the extent that the Executive Officer has already reimbursed the Corporation for any Erroneously Awarded Compensation Received under any duplicative recovery obligations established by the Corporation or applicable law, it shall be appropriate for any such reimbursed amount to be credited to the amount of Erroneously Awarded Compensation that is subject to recovery under this Policy.**

(d) **To the extent that an Executive Officer fails to repay all Erroneously Awarded Compensation to the Corporation when due, the Corporation shall take all actions reasonable and appropriate to recover such Erroneously Awarded Compensation from the applicable Executive Officer. The applicable Executive Officer shall be required to reimburse the Corporation for any and all expenses reasonably incurred (including legal fees) by the Corporation in recovering such Erroneously Awarded Compensation in accordance with the immediately preceding sentence.**

4. Exceptions From Recovery. Notwithstanding anything herein to the contrary, the Corporation shall not be required to take the actions contemplated by Section 4 above if the Committee determines that recovery would be impracticable and any of the following conditions are met:

(a) **The Committee has determined that the direct expenses paid to a third party to assist in enforcing the Policy would exceed the amount to be recovered. Before making this determination, the Corporation must make a reasonable attempt to recover the Erroneously Awarded Compensation, document such attempt(s) and provide such documentation to NASDAQ.**

(b) **Recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Corporation, to fail to meet the requirements of Section 401(a)(13) or Section 411(a) of the Internal Revenue Code of 1986, as amended, and regulations thereunder.**

5. Administration and Interpretation. This Policy shall be administered by the Committee. The Committee has the full authority to interpret and enforce this Policy and any and all determinations by the Committee under this Policy shall be final and binding on all affected individuals for the purposes of the application of this Policy. The Committee has the authority to hire such experts and independent counsel as they deem necessary. This Policy will be interpreted and enforced, and appropriate disclosures and other filings with respect to this Policy will be made, in accordance with Rule 10D-1 and with the standards of the Exchange.

6. Disclosure Requirements. The Corporation shall file all disclosures with respect to this Policy required by applicable U.S. Securities and Exchange Commission ("*SEC*") filings and rules.

7. Prohibition of Indemnification. The Corporation shall not insure or indemnify any Executive Officer against (i) the loss of any Erroneously Awarded Compensation that is repaid, returned or recovered pursuant to the terms of this Policy, or (ii) any claims relating to the Corporation's enforcement of its rights under this Policy.

8. **<u>Amendment</u>. The Committee may amend or change the terms of this Policy at any time for any reason or no reason, including as required to comply with the rules of the SEC or NASDAQ. Notwithstanding the foregoing, no amendment or termination of this Policy shall be effective if such amendment or termination would (after taking into account any actions taken by the Corporation contemporaneously with such amendment or termination) cause the Corporation to violate any federal securities laws, SEC rule or NASDAQ rule.**

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9. **<u>Other Recovery Rights</u>. This Policy shall be binding and enforceable against all Executive Officers and, to the extent required by applicable law or guidance from the SEC or NASDAQ, their beneficiaries, heirs, executors, administrators or other legal representatives. The Committee intends that this Policy will be applied to the fullest extent required by applicable law. Any employment agreement, equity award agreement, compensatory plan or any other agreement or arrangement with an Executive Officer shall be deemed to include, as a condition to the grant of any benefit or exercise of any rights thereunder, an agreement by the Executive Officer to abide by the terms of this Policy.**

The remedies under this Policy are in addition to, and not in lieu of, any legal and equitable claims the Corporation or any of its subsidiaries may have or any actions that may be imposed by law enforcement agencies, regulators, administrative bodies or other authorities. The exercise by the Committee of any rights pursuant to this Policy shall be without prejudice to any other rights that the Corporation or the Committee may have with respect to any Executive Officer subject to this Policy.

ADOPTED BY BOARD OF DIRECTORS: NOVEMBER 9, 2023

<u>Exhibit “A”</u>

ACKNOWLEDGEMENT & AGREEMENT
TO TEXAS ROADHOUSE, INC. POLICY FOR RECOVERY OF INCENTIVE COMPENSATION

This Acknowledgement & Agreement to Texas Roadhouse, Inc. Policy for Recovery of Incentive Compensation (this “*Acknowledgement*”) is delivered by the undersigned officer (“*Executive*”), as of the date set forth below, to Texas Roadhouse, Inc. (the “*Corporation*”). Executive is an officer (as defined under Section 16 of the Securities Exchange Act of 1934, as amended) of the Corporation and an employee of the Corporation or one of its subsidiaries.

Effective [ ], 2023, the Compensation Committee of the Corporation (the “*Committee*”) adopted a Policy for Recovery of Incentive Compensation (as amended, restated, supplemented or otherwise modified from time to time by the Board, the “*Clawback Policy*”).

In consideration of the continued benefits to be received from the Corporation (and/or any subsidiary of the Corporation) and Executive’s right to participate in, and as a condition to the receipt of, Incentive-based Compensation (as defined in the Clawback Policy), Executive hereby acknowledges and agrees to the following:

1. Executive has read and understands the Clawback Policy and has had an opportunity to ask questions to the Corporation regarding the Clawback Policy.

2. Executive agrees to be bound by and to abide by the terms of the Clawback Policy and intends for the Clawback Policy to be applied to the fullest extent of the law.

3. The Clawback Policy shall apply to any and all Clawback Eligible Incentive Compensation (as defined in the Clawback Policy).

No modifications, waivers or amendments of the terms of this Acknowledgement shall be effective unless signed in writing by the Executive and the Corporation. The provisions of this Acknowledgement shall inure to the benefit of the Corporation, and shall be binding upon, the beneficiaries, heirs, executors, administrators or other legal representatives and assigns of Executive.

[Signature Page Follows]

By signing below, Executive agrees to the application of the Policy for Recovery of Incentive Compensation and the other terms of this Acknowledgement.

Signature: ______________________

Printed Name: ______________________

Date: ______________________

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