
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended June 30, 2026

OR

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

For the transition period from to

Commission File Number 000-50972

Texas Roadhouse, Inc.

(Exact name of registrant specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

20-1083890

(IRS Employer
Identification Number)

6040 Dutchmans Lane

Louisville, Kentucky 40205

(Address of principal executive offices) (Zip Code)

(502) 426-9984

(Registrant's telephone number, including area code)

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

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

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

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

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

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

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

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

Yes ☐ No ☒

The number of shares of common stock outstanding were 65,640,926 on July 29, 2026.

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

	June 30, 2026	December 30, 2025
Assets		
Current assets:		
Cash and cash equivalents	\$ 202,427	\$ 134,709
Receivables, net of allowance for doubtful accounts of \$32 at June 30, 2026 and \$12 at December 30, 2025	74,139	214,511
Inventories, net	49,687	45,560
Prepaid income taxes	1,098	13,774
Prepaid expenses and other current assets	34,547	42,922
Total current assets	361,898	451,476
Property and equipment, net of accumulated depreciation of \$1,460,453 at June 30, 2026 and \$1,379,207 at December 30, 2025	1,886,572	1,803,841
Operating lease right-of-use assets, net	942,110	879,521
Goodwill	275,036	242,220
Intangible assets, net of accumulated amortization of \$33,957 at June 30, 2026 and \$29,611 at December 30, 2025	26,485	17,742
Other assets	179,965	154,672
Total assets	<u>\$ 3,672,066</u>	<u>\$ 3,549,472</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Current portion of operating lease liabilities	\$ 32,837	\$ 30,953
Accounts payable	179,035	163,421
Deferred revenue-gift cards	305,900	448,744
Accrued wages	102,384	97,380
Income taxes payable	2,023	123
Accrued taxes and licenses	54,617	53,421
Other accrued liabilities	113,997	114,795
Total current liabilities	790,793	908,837
Operating lease liabilities, net of current portion	1,004,717	943,070
Long-term debt	50,000	—
Restricted stock and other deposits	9,330	9,525
Deferred tax liabilities, net	22,245	14,682
Other liabilities	215,187	191,656
Total liabilities	2,092,272	2,067,770
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, 65,585,589 and 65,943,730 shares issued and outstanding at June 30, 2026 and December 30, 2025, respectively)	66	66
Retained earnings	1,558,576	1,460,754
Accumulated other comprehensive loss	(90)	—
Total Texas Roadhouse, Inc. and subsidiaries stockholders' equity	1,558,552	1,460,820
Noncontrolling interests	21,242	20,882
Total equity	1,579,794	1,481,702
Total liabilities and equity	<u>\$ 3,672,066</u>	<u>\$ 3,549,472</u>

See accompanying notes to condensed consolidated financial statements.

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

	13 Weeks Ended		26 Weeks Ended	
	June 30, 2026	July 1, 2025	June 30, 2026	July 1, 2025
Revenue:				
Restaurant and other sales	\$ 1,672,913	\$ 1,503,974	\$ 3,299,602	\$ 2,944,316
Royalties and franchise fees	7,063	8,080	13,540	15,386
Total revenue	1,679,976	1,512,054	3,313,142	2,959,702
Costs and expenses:				
Restaurant operating costs (excluding depreciation and amortization shown separately below):				
Food and beverage	591,525	511,324	1,165,827	1,002,315
Labor	544,001	495,049	1,078,620	975,024
Rent	25,247	23,028	49,960	45,505
Other operating	237,020	217,230	465,646	424,845
Pre-opening	8,492	5,464	15,128	12,276
Depreciation and amortization	58,341	50,744	115,184	99,544
Impairment and closure, net	153	111	153	139
General and administrative	72,409	62,763	133,495	118,980
Total costs and expenses	1,537,188	1,365,713	3,024,013	2,678,628
Income from operations	142,788	146,341	289,129	281,074
Interest income, net	1,021	1,044	1,566	2,345
Equity income from investments in unconsolidated affiliates	182	1,426	326	1,651
Income before taxes	\$ 143,991	\$ 148,811	\$ 291,021	\$ 285,070
Income tax expense	19,477	22,118	40,512	42,318
Net income including noncontrolling interests	124,514	126,693	\$ 250,509	\$ 242,752
Less: Net income attributable to noncontrolling interests	2,581	2,608	5,143	5,005
Net income attributable to Texas Roadhouse, Inc. and subsidiaries	\$ 121,933	\$ 124,085	\$ 245,366	\$ 237,747
Other comprehensive loss, net of tax:				
Unrealized loss on investments, net of tax of \$12 and \$30	(36)	—	(90)	—
Total comprehensive income	\$ 121,897	\$ 124,085	\$ 245,276	\$ 237,747
Net income per common share attributable to Texas Roadhouse, Inc. and subsidiaries:				
Basic	\$ 1.86	\$ 1.87	\$ 3.73	\$ 3.58
Diluted	\$ 1.85	\$ 1.86	\$ 3.72	\$ 3.57
Weighted average shares outstanding:				
Basic	65,696	66,373	65,809	66,429
Diluted	65,920	66,598	66,019	66,656
Cash dividends declared per share	\$ 0.75	\$ 0.68	\$ 1.50	\$ 1.36

See accompanying notes to condensed consolidated financial statements.

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

For the 13 Weeks Ended June 30, 2026								
	Shares	Par Value	Additional Paid-in-Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Texas Roadhouse, Inc. and Subsidiaries	Noncontrolling Interests	Total
Balance, March 31, 2026	65,825,744	\$ 66	\$ —	\$ 1,516,945	\$ (54)	\$ 1,516,957	\$ 21,429	\$ 1,538,386
Net income	—	—	—	121,933	—	121,933	2,581	124,514
Other comprehensive loss, net of tax	—	—	—	—	(36)	(36)	—	(36)
Distributions to noncontrolling interest holders	—	—	—	—	—	—	(2,768)	(2,768)
Dividends declared (\$0.75 per share)	—	—	—	(49,256)	—	(49,256)	—	(49,256)
Shares issued under share-based compensation plans including tax effects	21,458	—	—	—	—	—	—	—
Indirect repurchase of shares for minimum tax withholdings	(7,695)	—	(1,572)	—	—	(1,572)	—	(1,572)
Repurchase of shares of common stock, including excise tax as applicable	(253,918)	—	(11,874)	(31,046)	—	(42,920)	—	(42,920)
Share-based compensation	—	—	13,446	—	—	13,446	—	13,446
Balance, June 30, 2026	65,585,589	\$ 66	\$ —	\$ 1,558,576	\$ (90)	\$ 1,558,552	\$ 21,242	\$ 1,579,794

For the 13 Weeks Ended July 1, 2025								
	Shares	Par Value	Additional Paid-in-Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Texas Roadhouse, Inc. and Subsidiaries	Noncontrolling Interests	Total
Balance, April 1, 2025	66,403,351	\$ 66	\$ —	\$ 1,380,055	\$ —	\$ 1,380,121	\$ 15,428	\$ 1,395,549
Net income	—	—	—	124,085	—	124,085	2,608	126,693
Distributions to noncontrolling interest holders	—	—	—	—	—	—	(2,608)	(2,608)
Dividends declared (\$0.68 per share)	—	—	—	(45,121)	—	(45,121)	—	(45,121)
Shares issued under share-based compensation plans including tax effects	158,435	—	—	—	—	—	—	—
Indirect repurchase of shares for minimum tax withholdings	(49,516)	—	(9,059)	—	—	(9,059)	—	(9,059)
Repurchase of shares of common stock, including excise tax as applicable	(61,698)	—	(1,640)	(8,291)	—	(9,931)	—	(9,931)
Share-based compensation	—	—	10,699	—	—	10,699	—	10,699
Balance, July 1, 2025	66,450,572	\$ 66	\$ —	\$ 1,450,728	\$ —	\$ 1,450,794	\$ 15,428	\$ 1,466,222

See accompanying notes to condensed consolidated financial statements.

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

For the 26 Weeks Ended June 30, 2026								
	Shares	Par Value	Additional Paid-in-Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Texas Roadhouse, Inc. and Subsidiaries	Noncontrolling Interests	Total
Balance, December 30, 2025	65,943,730	\$ 66	\$ —	\$ 1,460,754	\$ —	\$ 1,460,820	\$ 20,882	\$ 1,481,702
Net income	—	—	—	245,366	—	245,366	5,143	250,509
Other comprehensive loss, net of tax	—	—	—	—	(90)	(90)	—	(90)
Distributions to noncontrolling interest holders	—	—	—	—	—	—	(4,783)	(4,783)
Dividends declared (\$1.50 per share)	—	—	—	(98,663)	—	(98,663)	—	(98,663)
Shares issued under share-based compensation plans including tax effects	83,604	—	—	—	—	—	—	—
Indirect repurchase of shares for minimum tax withholdings	(26,612)	—	(4,668)	—	—	(4,668)	—	(4,668)
Repurchase of shares of common stock, including excise taxes	(415,133)	—	(22,234)	(48,881)	—	(71,115)	—	(71,115)
Share-based compensation	—	—	26,902	—	—	26,902	—	26,902
Balance, June 30, 2026	65,585,589	\$ 66	\$ —	\$ 1,558,576	\$ (90)	\$ 1,558,552	\$ 21,242	\$ 1,579,794

For the 26 Weeks Ended July 1, 2025								
	Shares	Par Value	Additional Paid-in-Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Texas Roadhouse, Inc. and Subsidiaries	Noncontrolling Interests	Total
Balance, December 31, 2024	66,574,626	\$ 67	\$ —	\$ 1,358,280	\$ —	\$ 1,358,347	\$ 15,376	\$ 1,373,723
Net income	—	—	—	237,747	—	237,747	5,005	242,752
Distributions to noncontrolling interest holders	—	—	—	—	—	—	(4,953)	(4,953)
Dividends declared (\$1.36 per share)	—	—	—	(90,292)	—	(90,292)	—	(90,292)
Shares issued under share-based compensation plans including tax effects	318,947	—	—	—	—	—	—	—
Indirect repurchase of shares for minimum tax withholdings	(100,212)	—	(18,083)	—	—	(18,083)	—	(18,083)
Repurchase of shares of common stock, including excise tax as applicable	(342,789)	(1)	(5,166)	(55,007)	—	(60,174)	—	(60,174)
Share-based compensation	—	—	23,249	—	—	23,249	—	23,249
Balance, July 1, 2025	66,450,572	\$ 66	\$ —	\$ 1,450,728	\$ —	\$ 1,450,794	\$ 15,428	\$ 1,466,222

See accompanying notes to condensed consolidated financial statements.

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

	26 Weeks Ended	
	June 30, 2026	July 1, 2025
Cash flows from operating activities:		
Net income including noncontrolling interests	\$ 250,509	\$ 242,752
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	115,184	99,544
Deferred income taxes	7,799	(6,467)
Loss on disposition of assets	2,229	3,475
Impairment and closure costs	101	39
Equity income from investments in unconsolidated affiliates	(326)	(1,651)
Distributions of income received from investments in unconsolidated affiliates	300	605
Provision for doubtful accounts	20	4
Share-based compensation expense	26,902	23,249
Changes in operating working capital, net of acquisitions:		
Receivables	140,352	128,182
Inventories	(3,807)	(4,029)
Prepaid expenses and other current assets	9,140	5,452
Other assets	(19,742)	(21,682)
Accounts payable	8,735	1,323
Deferred revenue—gift cards	(143,661)	(125,806)
Accrued wages	5,004	(10,162)
Prepaid income taxes and income taxes payable	14,576	(6,622)
Accrued taxes and licenses	1,926	(7,231)
Other accrued liabilities	(4,958)	13,870
Operating lease right-of-use assets and lease liabilities	5,412	4,226
Other liabilities	23,532	26,909
Net cash provided by operating activities	<u>439,227</u>	<u>365,980</u>
Cash flows from investing activities:		
Capital expenditures—property and equipment	(178,845)	(169,912)
Acquisitions of franchise restaurants, net of cash acquired	(71,778)	(93,878)
Purchases of debt securities	(5,335)	—
Proceeds from sale of investments in unconsolidated affiliates	—	1,321
Proceeds from sale of property and equipment	—	135
Proceeds from sale leaseback transactions	13,975	2,807
Net cash used in investing activities	<u>(241,983)</u>	<u>(259,527)</u>
Cash flows from financing activities:		
Proceeds from revolving credit facility	70,000	—
Payments on revolving credit facility	(20,000)	—
Debt issuance costs	—	(1,525)
Distributions to noncontrolling interest holders	(4,783)	(4,953)
Proceeds from restricted stock and other deposits, net	433	390
Indirect repurchase of shares for minimum tax withholdings	(4,668)	(18,083)
Repurchase of shares of common stock, including excise taxes as applicable	(71,845)	(60,414)
Dividends paid to shareholders	(98,663)	(90,292)
Net cash used in financing activities	<u>(129,526)</u>	<u>(174,877)</u>
Net increase (decrease) in cash and cash equivalents	67,718	(68,424)
Cash and cash equivalents—beginning of period	134,709	245,225
Cash and cash equivalents—end of period	<u>\$ 202,427</u>	<u>\$ 176,801</u>
Supplemental disclosures of cash flow information:		
Interest paid, net of amounts capitalized	\$ 676	\$ 447
Income taxes paid	\$ 18,137	\$ 54,936
Capital expenditures included in current liabilities	\$ 46,002	\$ 45,186

See accompanying notes to condensed consolidated financial statements.

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

(1) Basis of Presentation

The accompanying unaudited condensed consolidated financial statements include the accounts of Texas Roadhouse, Inc., our wholly owned subsidiaries and subsidiaries in which we have a controlling interest (collectively, the "Company," "we," "our" and/or "us") as of June 30, 2026 and December 30, 2025 and for the 13 and 26 weeks ended June 30, 2026 and July 1, 2025.

The Company maintains three restaurant concepts operating as Texas Roadhouse, Bubba's 33, and Jagers. As of June 30, 2026, we owned and operated 732 restaurants and franchised an additional 100 restaurants in 49 states, one U.S. territory, and ten foreign countries. Of the 100 franchise restaurants, there were 37 domestic restaurants and 63 international restaurants, including two in a U.S. territory. As of July 1, 2025, we owned and operated 695 restaurants and franchised an additional 102 restaurants in 49 states, one U.S. territory, and ten foreign countries. Of the 102 franchise restaurants, there were 44 domestic restaurants and 58 international restaurants, including one in a U.S. territory.

As of June 30, 2026 and July 1, 2025, we owned a majority interest in 20 and 19 company restaurants, respectively. The operating results of these majority-owned restaurants are consolidated and the portion of income attributable to noncontrolling interests is reflected in the line item net income attributable to noncontrolling interests in our unaudited condensed consolidated statements of income and comprehensive income.

As of June 30, 2026 and July 1, 2025, we owned a 5.0% to 10.0% equity interest in 14 and 17 domestic franchise restaurants, respectively. These unconsolidated restaurants are accounted for using the equity method. Our investments in these unconsolidated affiliates are included in other assets in our unaudited condensed consolidated balance sheets, and we record our percentage share of net income earned by these unconsolidated affiliates under equity income from investments in unconsolidated affiliates in our unaudited condensed consolidated statements of income and comprehensive income.

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

In the opinion of management, the accompanying unaudited condensed consolidated financial statements reflect all adjustments, consisting only of normal recurring adjustments, necessary to present fairly our unaudited condensed consolidated financial statements for the periods presented. The unaudited condensed consolidated financial statements have been prepared in accordance with GAAP, except that certain information and footnotes have been condensed or omitted pursuant to rules and regulations of the Securities and Exchange Commission. Operating results for the 13 and 26 weeks ended June 30, 2026 are not necessarily indicative of the results that may be expected for the fiscal year ending December 29, 2026. The unaudited condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in our Annual Report on Form 10-K for the fiscal year ended December 30, 2025.

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

(2) Recent Accounting Pronouncements

In November 2024, the Financial Accounting Standards Board issued Accounting Standards Update ("ASU") 2024-03, *Income Statement – Reporting Comprehensive Income (Subtopic 220-40): Disaggregation of Income Statement Expenses*. This ASU primarily provides enhanced disclosures about the components of expenses within the income statement including purchases of inventory, employee compensation, depreciation, and intangible asset amortization. The amendments in this update are effective for fiscal years beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027, and may be applied either prospectively or retrospectively for all periods presented. We are currently assessing the impact of this new standard on our disclosures and expect to provide additional detail and disclosures under this new guidance.

(3) Long-term Debt

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

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

We are required to pay interest on outstanding borrowings at the Term Secured Overnight Financing Rate ("SOFR"), plus a fixed adjustment of 0.10% and a variable adjustment of 1.00% to 1.75% depending on our consolidated net leverage ratio.

As of June 30, 2026, we had \$50.0 million in outstanding borrowings under the credit facility and had \$397.6 million of availability, net of \$2.4 million of outstanding letters of credit. As of December 30, 2025, we had no outstanding borrowings under the credit facility and had \$447.6 million of availability, net of \$2.4 million of outstanding letters of credit.

The interest rate on the credit facility was 4.74% and 5.42% as of June 30, 2026 and July 1, 2025, respectively.

The lenders' obligation to extend credit pursuant to the credit facility depends on us maintaining certain financial covenants, including a minimum consolidated fixed charge ratio and a maximum consolidated leverage ratio. The credit facility permits us to incur additional secured or unsecured indebtedness, except for the incurrence of secured indebtedness that in the aggregate is equal to or greater than \$125.0 million and 20% of our consolidated tangible net worth. We were in compliance with all financial covenants as of June 30, 2026.

(4) Revenue

The following table disaggregates our revenue by major source:

	13 Weeks Ended		26 Weeks Ended	
	June 30, 2026	July 1, 2025	June 30, 2026	July 1, 2025
Restaurant and other sales	\$ 1,672,913	\$ 1,503,974	\$ 3,299,602	\$ 2,944,316
Royalties	6,555	7,468	12,508	14,245
Franchise fees	508	612	1,032	1,141
Total revenue	<u>\$ 1,679,976</u>	<u>\$ 1,512,054</u>	<u>\$ 3,313,142</u>	<u>\$ 2,959,702</u>

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

	13 Weeks Ended		26 Weeks Ended	
	June 30, 2026	July 1, 2025	June 30, 2026	July 1, 2025
Beginning balance	\$ 330,406	\$ 295,752	\$ 448,744	\$ 401,198
Gift card activations, net of third-party fees	87,838	86,101	153,112	143,482
Gift card redemptions and breakage	(112,344)	(104,560)	(295,956)	(267,387)
Ending balance	<u>\$ 305,900</u>	<u>\$ 277,293</u>	<u>\$ 305,900</u>	<u>\$ 277,293</u>

We recognized restaurant sales of \$58.6 million and \$211.7 million for the 13 and 26 weeks ended June 30, 2026 related to amounts in deferred revenue as of December 30, 2025. We recognized restaurant sales of \$53.0 million and \$192.2 million for the 13 and 26 weeks ended July 1, 2025 related to amounts in deferred revenue as of December 31, 2024.

(5) Income Taxes

The effective tax rate was 13.5% and 14.9% for the 13 weeks ended June 30, 2026 and July 1, 2025, respectively. The effective tax rate was 13.9% and 14.8% for the 26 weeks ended June 30, 2026 and July 1, 2025, respectively. The decrease in the tax rate for the 13 and 26 weeks ended June 30, 2026, as compared to the prior year period, was primarily due to an increase in the impact of the FICA tip tax credit partially offset by a decrease in the excess tax benefit on stock compensation and an increase in non-deductible officers' compensation.

(6) Commitments and Contingencies

As of June 30, 2026 and December 30, 2025, we were contingently liable for \$7.5 million and \$7.8 million, respectively, for five 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 June 30, 2026 and December 30, 2025, as the likelihood of default was deemed to be less than probable and the fair value of the guarantees is not considered significant.

During the 13 and 26 weeks ended June 30, 2026, we bought our beef primarily from four suppliers who represent a significant portion of the total beef marketplace. If one of these vendors was unable to fulfill their obligations, we believe that the remaining suppliers could meet our needs by supplying comparable products at potentially higher costs. We have no material minimum purchase commitments with our vendors that extend beyond a year.

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

(7) Acquisitions

During the 26 weeks ended June 30, 2026, we completed the acquisitions of five domestic franchise Texas Roadhouse restaurants of which a current officer of the Company had a 2% ownership interest in two of these restaurants. Pursuant to the terms of the acquisition agreements, we paid a total purchase price of \$71.7 million, net of cash acquired.

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

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The following table summarizes the consideration paid for these acquisitions, and the estimated fair value of the assets acquired and the liabilities assumed at the acquisition date, which are adjusted for measurement-period adjustments through June 30, 2026.

Current assets	\$ 321
Property and equipment	20,922
Operating lease right-of-use assets	15,092
Goodwill	32,730
Intangible assets	13,090
Other assets	205
Current portion of operating lease liabilities	(127)
Deferred revenue-gift cards	(816)
Operating lease liabilities, net of current portion	(9,725)
	<u>\$ 71,692</u>

The aggregate purchase price is preliminary as we are finalizing working capital adjustments. Intangible assets represent reacquired franchise rights which are being amortized over a weighted-average useful life of 5.5 years. All of the goodwill will be deductible for tax purposes and the goodwill reflects the benefit of sales and unit growth opportunities as well as the benefit of the assembled workforce of the acquired restaurants.

Pro forma financial detail and operating results have not been presented as the results of the acquired restaurants are not material to our unaudited condensed consolidated financial statements.

During the 52 weeks ended December 30, 2025, we completed the acquisition of 20 domestic franchise Texas Roadhouse restaurants. Pursuant to the terms of the acquisition agreements, we paid a total purchase price of \$107.6 million, net of cash acquired.

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

The following table summarizes the consideration paid for these acquisitions, and the estimated fair value of the assets acquired and the liabilities assumed at the acquisition dates, which are adjusted for final measurement-period adjustments.

Current assets	\$ 1,397
Property and Equipment	25,067
Operating lease right-of-use assets	41,646
Goodwill	72,622
Intangible assets	16,940
Other assets	526
Current portion of operating lease liabilities	(1,597)
Deferred revenue-gift cards	(2,126)
Current liabilities	(1,787)
Operating lease liabilities, net of current portion	(41,829)
Noncontrolling interests	(3,245)
	<u>\$ 107,614</u>

Intangible assets represent reacquired franchise rights which are being amortized over a weighted-average useful life of 4.1 years. Goodwill totaling \$65.5 million will be deductible for tax purposes and the goodwill reflects the benefit of sales and unit growth opportunities as well as the benefit of the assembled workforce of the acquired restaurants.

Pro forma financial detail and operating results have not been presented as the results of the acquired restaurants are not material to our unaudited condensed consolidated financial statements.

(8) Related Party Transactions

As of June 30, 2026, we had three franchise restaurants and one majority-owned company restaurant owned in part by current officers of the Company. For the 13 and 26 weeks ended June 30, 2026, we recognized revenue of \$0.4 million and \$0.8 million, respectively, related to the three franchise restaurants.

As of July 1, 2025, we had five franchise restaurants and one majority-owned company restaurant owned in part by current officers of the Company. For the 13 and 26 weeks ended July 1, 2025, we recognized revenue of \$0.7 million and \$1.3 million, respectively, related to the five franchise restaurants.

(9) Earnings Per Share

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

For all periods presented, the weighted-average shares of nonvested stock units that were outstanding but not included in the computation of diluted earnings per share because they would have had an anti-dilutive effect were not significant.

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

	13 Weeks Ended		26 Weeks Ended	
	June 30, 2026	July 1, 2025	June 30, 2026	July 1, 2025
Net income attributable to Texas Roadhouse, Inc. and subsidiaries	\$ 121,933	\$ 124,085	\$ 245,366	\$ 237,747
Basic EPS:				
Weighted-average common shares outstanding	65,696	66,373	65,809	66,429
Basic EPS	\$ 1.86	\$ 1.87	\$ 3.73	\$ 3.58
Diluted EPS:				
Weighted-average common shares outstanding	65,696	66,373	65,809	66,429
Dilutive effect of nonvested stock units	224	225	210	227
Shares-diluted	65,920	66,598	66,019	66,656
Diluted EPS	\$ 1.85	\$ 1.86	\$ 3.72	\$ 3.57

(10) Fair Value Measurements

As of June 30, 2026 and December 30, 2025, 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. As of June 30, 2026, the carrying amount of debt outstanding on our credit facility approximated its fair value as it is a variable rate credit facility (Level 2). There were no transfers among levels within the fair value hierarchy during the 13 and 26 weeks ended June 30, 2026.

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

	Level	Fair Value Measurements	
		June 30, 2026	December 30, 2025
Deferred compensation plan—assets	1	\$ 156,871	\$ 134,347
Deferred compensation plan—liabilities	1	\$ (156,946)	\$ (134,158)
Debt securities	2	\$ 9,381	\$ 4,188

We report the accounts of the deferred compensation plan in other assets and the corresponding liability in other liabilities in our unaudited condensed consolidated balance sheets. During the 26 weeks ended June 30, 2026, we transitioned a portion of the plan assets to company-owned life insurance contracts which are recorded at their cash surrender value. The remaining investments are trading securities which are recorded 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 reported in general and administrative expense in our unaudited condensed consolidated statements of income and comprehensive income.

Debt security investments are held by our wholly-owned captive insurance company as collateral for certain insurance coverages. These investments, which are classified as available-for-sale, are primarily comprised of corporate bonds and are reported in other long-term assets in our unaudited condensed consolidated balance sheets. The fair value of these investments is based on market values obtained from an independent third-party pricing service. Unrealized gains and losses related to these investments are reported in other comprehensive income in our unaudited condensed consolidated statements of income and comprehensive income.

(11) Stock Repurchase Programs

On February 19, 2025, our Board of Directors (the "Board") approved a stock repurchase program under which we may repurchase up to \$500.0 million of our common stock. This stock repurchase program commenced on February 24, 2025, has no expiration date, and replaced a previous stock repurchase program which was approved on March 17, 2022 that authorized the Company to repurchase up to \$300.0 million of our common stock. All repurchases to date under our stock repurchase programs have been made through open market transactions. The timing and the amount of any repurchases are determined by management under parameters established by the Board, based on an evaluation of our stock price, market conditions, and other corporate considerations, including complying with Rule 10b5-1 trading arrangements under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and as applicable.

For the 13 and 26 weeks ended June 30, 2026, we paid \$42.6 million and \$70.8 million, excluding excise taxes, to repurchase 253,918 and 415,133 shares, respectively, of our common stock. For the 13 and 26 weeks ended July 1, 2025, we paid \$9.8 million and \$60.0 million, excluding excise taxes, to repurchase 61,698 and 342,789 shares of our common stock, respectively. As of June 30, 2026, \$309.2 million remained under our authorized stock repurchase program.

(12) Segment Information

The Chief Executive Officer is our chief operating decision maker (the "CODM"). The CODM assesses the performance of the business and allocates resources at the concept level and as a result we have identified Texas Roadhouse, Bubba's 33, and Jagers as separate operating segments. In addition, we have identified our retail initiatives as a separate operating segment. Finally, we have identified Texas Roadhouse and Bubba's 33 as reportable segments. The Texas Roadhouse reportable segment includes the results of our company and franchise Texas Roadhouse restaurants. The Bubba's 33 reportable segment includes the results of our company Bubba's 33 restaurants. Our remaining operating segments, which include the results of our company and franchise Jagers restaurants and the results of our retail initiatives, are included in Other. In addition, corporate-related assets, depreciation and amortization, and capital expenditures are also included in Other.

The CODM uses restaurant margin as the primary financial measure for assessing the performance of our segments. Restaurant margin represents restaurant and other sales less restaurant-level operating costs, including food and beverage costs, labor, rent, and other operating costs. Restaurant margin is also used by our CODM to evaluate core restaurant-level operating efficiency and performance, assist in the evaluation of operating trends over time, and in making capital

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allocation decisions. Capital allocation decisions include approving new store openings and the refurbishment, expansion, or relocation of existing restaurants.

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

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

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

For the 13 Weeks Ended June 30, 2026				
	Texas Roadhouse	Bubba's 33	Other	Total
Restaurant and other sales	\$ 1,565,113	\$ 96,836	\$ 10,964	\$ 1,672,913
Restaurant operating costs (excluding depreciation and amortization)				
Food and Beverage	560,312	27,699	3,514	591,525
Labor	505,645	34,911	3,445	544,001
Rent	22,425	2,470	352	25,247
Other Operating	218,115	16,950	1,955	237,020
Restaurant margin	<u>\$ 258,616</u>	<u>\$ 14,806</u>	<u>\$ 1,698</u>	<u>\$ 275,120</u>
Depreciation and amortization	\$ 48,201	\$ 5,332	\$ 4,808	\$ 58,341
Capital expenditures	72,943	20,110	5,627	98,680

For the 13 Weeks Ended July 1, 2025				
	Texas Roadhouse	Bubba's 33	Other	Total
Restaurant and other sales	\$ 1,408,769	\$ 86,184	\$ 9,021	\$ 1,503,974
Restaurant operating costs (excluding depreciation and amortization)				
Food and Beverage	484,406	24,096	2,822	511,324
Labor	461,640	30,632	2,777	495,049
Rent	20,728	2,047	253	23,028
Other Operating	200,411	15,056	1,763	217,230
Restaurant margin	<u>\$ 241,584</u>	<u>\$ 14,353</u>	<u>\$ 1,406</u>	<u>\$ 257,343</u>
Depreciation and amortization	\$ 42,108	\$ 4,572	\$ 4,064	\$ 50,744
Capital expenditures	76,515	12,949	3,059	92,523

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For the 26 Weeks Ended June 30, 2026				
	Texas Roadhouse	Bubba's 33	Other	Total
Restaurant and other sales	\$ 3,090,185	\$ 189,137	\$ 20,280	\$ 3,299,602
Restaurant operating costs (excluding depreciation and amortization)				
Food and Beverage	1,105,522	53,788	6,517	1,165,827
Labor	1,003,983	68,216	6,421	1,078,620
Rent	44,484	4,818	658	49,960
Other Operating	428,431	33,494	3,721	465,646
Restaurant margin	<u>\$ 507,765</u>	<u>\$ 28,821</u>	<u>\$ 2,963</u>	<u>\$ 539,549</u>
Depreciation and amortization	\$ 95,008	\$ 10,543	\$ 9,633	\$ 115,184
Segment assets	2,811,966	359,959	500,141	3,672,066
Capital expenditures	134,744	33,520	10,581	178,845

For the 26 Weeks Ended July 1, 2025				
	Texas Roadhouse	Bubba's 33	Other	Total
Restaurant and other sales	\$ 2,760,988	\$ 165,802	\$ 17,526	\$ 2,944,316
Restaurant operating costs (excluding depreciation and amortization)				
Food and Beverage	950,362	46,446	5,507	1,002,315
Labor	910,328	59,171	5,525	975,024
Rent	40,919	4,082	504	45,505
Other Operating	392,510	28,968	3,367	424,845
Restaurant margin	<u>\$ 466,869</u>	<u>\$ 27,135</u>	<u>\$ 2,623</u>	<u>\$ 496,627</u>
Depreciation and amortization	\$ 82,330	\$ 8,879	\$ 8,335	\$ 99,544
Segment assets	2,571,129	275,946	408,201	3,255,276
Capital expenditures	137,858	25,908	6,146	169,912

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

	13 Weeks Ended		26 Weeks Ended	
	June 30, 2026	July 1, 2025	June 30, 2026	July 1, 2025
Restaurant margin	\$ 275,120	\$ 257,343	\$ 539,549	\$ 496,627
Add:				
Royalties and franchise fees	7,063	8,080	13,540	15,386
Less:				
Pre-opening	8,492	5,464	15,128	12,276
Depreciation and amortization	58,341	50,744	115,184	99,544
Impairment and closure, net	153	111	153	139
General and administrative	72,409	62,763	133,495	118,980
Income from operations	<u>\$ 142,788</u>	<u>\$ 146,341</u>	<u>\$ 289,129</u>	<u>\$ 281,074</u>

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

CAUTIONARY STATEMENT

This report contains forward-looking statements based on our current expectations, estimates, and projections about our industry and certain assumptions made by us. Words such as "anticipates," "expects," "intends," "plans," "believes," "seeks," "estimates," "may," "will," and variations of these words or similar expressions are intended to identify forward-looking statements. In addition, any statements that refer to expectations, projections, or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements. Such statements are not guarantees of future performance and are subject to certain risks, uncertainties, and assumptions that are difficult to predict. Therefore, our actual results could differ materially and adversely from those expressed in any forward-looking statements as a result of various factors. The section entitled "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended December 30, 2025, and in Part II, Item 1A in this Form 10-Q, along with disclosures in our other Securities and Exchange Commission ("SEC") filings discuss some of the important risk factors that may affect our business, results of operations, or financial condition. You should carefully consider those risks, in addition to the other information in this report, and in our other filings with the SEC, before deciding to invest in our Company or to maintain or increase your investment. We undertake no obligation to revise or update publicly any forward-looking statements, except as may be required by applicable law. The information contained in this Form 10-Q is not a complete description of our business or the risks associated with an investment in our common stock. We urge you to carefully review and consider the various disclosures made by us in this report and in our other reports filed with the SEC that discuss our business in greater detail and advise interested parties of certain risks, uncertainties, and other factors that may affect our business, results of operations, or financial condition.

Our Company

Texas Roadhouse, Inc. is a growing restaurant company operating predominantly in the casual dining segment. Our late founder, W. Kent Taylor, started the Company in 1993 with the opening of the first Texas Roadhouse restaurant in Clarksville, Indiana. Since then, we have grown to three concepts with 832 restaurants in 49 states, one U.S. territory, and ten foreign countries. As of June 30, 2026, our 832 restaurants included:

- 732 company restaurants, of which 712 were wholly-owned and 20 were majority-owned. The results of operations of company restaurants are included in our unaudited condensed 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 net income attributable to noncontrolling interests in our unaudited condensed consolidated statements of income and comprehensive income. Of the 732 company restaurants, we operated 662 as Texas Roadhouse restaurants, 59 as Bubba's 33 restaurants, and 11 as Jaggers restaurants.
- 100 franchise restaurants, of which 14 we have a 5.0% to 10.0% ownership interest. The income derived from our minority interests in these franchise restaurants is reported in the line item equity income from investments in unconsolidated affiliates in our unaudited condensed consolidated statements of income and comprehensive income. Of the 100 franchise restaurants, 31 were domestic Texas Roadhouse restaurants, six were domestic Jaggers restaurants, 62 were international Texas Roadhouse restaurants, including two restaurants in a U.S. territory, and one was an international Jaggers restaurant.

We have contractual arrangements that grant us the right to acquire at pre-determined formulas the equity interests in 18 of the 20 majority-owned company restaurants and 32 of the 37 systemwide domestic franchise restaurants.

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

Presentation of Financial and Operating Data

Throughout this report, the 13 weeks ended June 30, 2026 and July 1, 2025, are referred to as Q2 2026 and Q2 2025, respectively. The 26 weeks ended June 30, 2026 and July 1, 2025, are referred to as 2026 YTD and 2025 YTD, respectively. Fiscal year 2026 will be 52 weeks in length, with the quarters 13 weeks in length. Fiscal year 2025 was 52 weeks in length, with the quarters 13 weeks in length.

Key Measures We Use to Evaluate Our Company

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

- *Comparable Restaurant Sales.* Comparable restaurant sales reflect the change in sales for all company restaurants across all concepts, unless otherwise noted, over the same period of the prior year for the comparable restaurant base. We define the comparable restaurant base to include those restaurants open for a full 18 months before the beginning of the period measured excluding restaurants permanently closed during the period, if applicable. Comparable restaurant sales can be impacted by changes in guest traffic counts or by changes in the per person average check amount. Menu price changes, the mix of menu items sold, and the mix of dine-in versus to-go sales can affect the per person average check amount.
- *Average Unit Volume.* Average unit volume represents the average quarterly, year-to-date, or annual restaurant sales for Texas Roadhouse and Bubba's 33 restaurants open for a full six months before the beginning of the period measured excluding sales of restaurants permanently closed during the period, if applicable. Historically, average unit volume growth is less than comparable restaurant sales growth which indicates that newer restaurants are operating with sales growth levels lower than the company average. At times, average unit volume growth may be more than comparable restaurant sales growth which indicates that newer restaurants are operating with sales growth levels higher than the company average.
- *Store Weeks and New Restaurant Openings.* Store weeks represent the number of weeks that all company restaurants across all concepts, unless otherwise noted, were open during the reporting period. Store weeks include weeks in which a restaurant is temporarily closed. Store week growth is driven by new restaurant openings and franchise acquisitions. New restaurant openings reflect the number of restaurants opened during a particular fiscal period, excluding store relocations. We consider store openings that occur simultaneously with a store closure in the same trade area to be a relocation.
- *Restaurant Margin.* Restaurant margin (in dollars, as a percentage of restaurant and other sales, and per store week) represents restaurant and other sales less restaurant-level operating costs, including food and beverage costs, labor, rent, and other operating costs. Restaurant margin is not a measurement determined in accordance with GAAP and should not be considered in isolation, or as an alternative, to income from operations. This non-GAAP measure is not indicative of overall company performance and profitability in that this measure does not accrue directly to the benefit of shareholders due to the nature of the costs excluded. Restaurant margin is widely regarded as a useful metric by which to evaluate core restaurant-level operating efficiency and performance over various reporting periods on a consistent basis.

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

Other Key Definitions

- *Restaurant and Other Sales.* Restaurant sales include gross food and beverage sales, net of promotions and discounts, for all company restaurants. Sales taxes collected from customers and remitted to governmental authorities are accounted for on a net basis and therefore are excluded from restaurant sales in our unaudited condensed consolidated statements of income and comprehensive income. Other sales primarily include the net impact of the amortization of third-party gift card fees and gift card breakage income and content revenue related to our tabletop kiosk devices.
- *Royalties and Franchise Fees.* Royalties consist of franchise royalties, as defined in our franchise agreement, paid to us by our domestic and international franchisees, as well as royalties related to our royalty-based retail products. Domestic and international franchisees also typically pay an initial franchise fee and/or development fee for each new restaurant or territory.
- *Food and Beverage Costs.* Food and beverage costs consist of the costs of raw materials and ingredients used in the preparation of food and beverage products sold in our company restaurants. Approximately half of our food and beverage costs relate to beef.
- *Restaurant Labor Expenses.* Restaurant labor expenses include all direct and indirect labor costs incurred in operations except for profit sharing incentive compensation expenses earned by our restaurant managing partners and market partners. These profit sharing expenses are reflected in restaurant other operating expenses. Restaurant labor expenses also include share-based compensation expense related to restaurant-level employees.
- *Restaurant Rent Expense.* Restaurant rent expense includes all rent, except pre-opening rent, associated with the leasing of real estate and includes base, percentage, and straight-line rent expense.
- *Restaurant Other Operating Expenses.* Restaurant other operating expenses consist of all other restaurant-level operating costs, the major components of which are supplies, utilities, profit sharing incentive compensation for our restaurant managing partners and market partners, credit card fees, general liability insurance, advertising, repairs and maintenance, property taxes, and outside services.
- *Pre-opening Expenses.* Pre-opening expenses, which are charged to operations as incurred, consist of expenses incurred before the opening of any new or relocated company restaurant and consist principally of opening and training team compensation and benefits, travel expenses, rent, food, beverage, and other initial supplies and expenses. The majority of pre-opening costs incurred relate to the hiring and training of employees due to the significant investment we make in training our people. Pre-opening costs vary by location and concept depending on a number of factors, including the size and physical layout of each location; the number of management and hourly employees required to operate each restaurant; the availability of qualified restaurant staff members; the cost of travel and lodging for different geographic areas; the timing of the restaurant opening; and the extent of unexpected delays, if any, in obtaining final licenses and permits to open each restaurant.
- *Depreciation and Amortization Expenses.* Depreciation and amortization expenses include the depreciation of property and equipment and amortization of intangibles with definite lives, substantially all of which relate to restaurant-level assets.
- *Impairment and Closure Costs, Net.* Impairment and closure costs, net include any impairment of long-lived assets, including property and equipment, operating lease right-of-use assets, intangible assets, and goodwill, and expenses associated with the relocation or closure of a restaurant. Closure costs also include any gains or losses associated with the sale of a closed restaurant and/or assets held for sale.
- *General and Administrative Expenses.* General and administrative expenses comprise expenses associated with corporate and administrative functions that support development and restaurant operations and provide an

infrastructure to support future growth. This includes salary, incentive-based, and share-based compensation expense related to executive officers and Support Center employees, salary and share-based compensation expense related to regional and market partners, software hosting fees, professional fees, group insurance, and the realized and unrealized holding gains and losses related to the investments in our deferred compensation plan.

- *Interest Income, Net.* Interest income, net includes earnings on cash and cash equivalents and is reduced by interest expense, net of capitalized interest, on our debt or financing obligations including the amortization of loan fees, as applicable.
- *Equity Income from Investments in Unconsolidated Affiliates.* Equity income includes our percentage share of net income earned by unconsolidated affiliates and our share of any gain on the acquisition of these affiliates. As of June 30, 2026, and July 1, 2025, we owned a 5.0% to 10.0% equity interest in 14 and 17 domestic franchise restaurants, respectively.
- *Net Income Attributable to Noncontrolling Interests.* Net income attributable to noncontrolling interests represents the portion of income attributable to the other owners of our majority-owned restaurants. Our consolidated subsidiaries include 20 and 19 majority-owned restaurants as of June 30, 2026 and July 1, 2025, respectively.

Q2 2026 Financial Highlights

Total revenue increased \$167.9 million or 11.1% to \$1,680.0 million in Q2 2026 compared to \$1,512.1 million in Q2 2025 primarily due to increases in comparable restaurant sales and store weeks. Comparable restaurant sales and store weeks increased 6.2% and 5.0%, respectively, at company restaurants in Q2 2026 compared to Q2 2025. 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.

Net income decreased \$2.2 million or 1.7% to \$121.9 million in Q2 2026 compared to \$124.1 million in Q2 2025 as the increase in restaurant margin dollars, as described below, was more than offset by increases in pre-opening, depreciation and amortization, and general and administrative expenses. Diluted earnings per share decreased 0.7% to \$1.85 in Q2 2026 from \$1.86 in Q2 2025 due to the decrease in net income partially offset by the impact of share repurchases.

Restaurant margin dollars increased \$17.8 million or 6.9% to \$275.1 million in Q2 2026 compared to \$257.3 million in Q2 2025 primarily due to higher sales. Restaurant margin, as a percentage of restaurant and other sales, decreased to 16.4% in Q2 2026 compared to 17.1% in Q2 2025. The decrease in restaurant margin, as a percentage of restaurant and other sales, was primarily due to commodity inflation of 7.0% and wage and other labor inflation of 3.9% partially offset by higher sales.

Cash provided by operating activities was \$180.1 million and capital allocation spend included capital expenditures of \$98.7 million, dividends of \$49.3 million, and repurchases of common stock of \$42.6 million.

Results of Operations
(in thousands)

	13 Weeks Ended				26 Weeks Ended			
	June 30, 2026		July 1, 2025		June 30, 2026		July 1, 2025	
	\$	%	\$	%	\$	%	\$	%
Condensed Consolidated Statements of Income:								
Revenue:								
Restaurant and other sales	1,672,913	99.6	1,503,974	99.5	3,299,602	99.6	2,944,316	99.5
Royalties and franchise fees	7,063	0.4	8,080	0.5	13,540	0.4	15,386	0.5
Total revenue	1,679,976	100.0	1,512,054	100.0	3,313,142	100.0	2,959,702	100.0
Costs and expenses:								
<i>(As a percentage of restaurant and other sales)</i>								
Restaurant operating costs (excluding depreciation and amortization shown separately below):								
Food and beverage	591,525	35.4	511,324	34.0	1,165,827	35.3	1,002,315	34.0
Labor	544,001	32.5	495,049	32.9	1,078,620	32.7	975,024	33.1
Rent	25,247	1.5	23,028	1.5	49,960	1.5	45,505	1.5
Other operating	237,020	14.2	217,230	14.5	465,646	14.1	424,845	14.5
<i>(As a percentage of total revenue)</i>								
Pre-opening	8,492	0.5	5,464	0.4	15,128	0.5	12,276	0.4
Depreciation and amortization	58,341	3.5	50,744	3.4	115,184	3.5	99,544	3.4
Impairment and closure, net	153	NM	111	NM	153	NM	139	NM
General and administrative	72,409	4.3	62,763	4.2	133,495	4.0	118,980	4.0
Total costs and expenses	1,537,188	91.5	1,365,713	90.3	3,024,013	91.3	2,678,628	90.5
Income from operations	142,788	8.5	146,341	9.7	289,129	8.7	281,074	9.5
Interest income, net	1,021	0.1	1,044	0.1	1,566	NM	2,345	0.1
Equity income from investments in unconsolidated affiliates	182	NM	1,426	0.1	326	NM	1,651	0.1
Income before taxes	143,991	8.6	148,811	9.8	291,021	8.8	285,070	9.6
Income tax expense	19,477	1.2	22,118	1.5	40,512	1.2	42,318	1.4
Net income including noncontrolling interests	124,514	7.4	126,693	8.4	250,509	7.6	242,752	8.2
Net income attributable to noncontrolling interests	2,581	0.2	2,608	0.2	5,143	0.2	5,005	0.2
Net income attributable to Texas Roadhouse, Inc. and subsidiaries	121,933	7.3	124,085	8.2	245,366	7.4	237,747	8.0

NM — Not meaningful

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

	13 Weeks Ended		26 Weeks Ended	
	June 30, 2026	July 1, 2025	June 30, 2026	July 1, 2025
Income from operations	\$ 142,788	\$ 146,341	\$ 289,129	\$ 281,074
Less:				
Royalties and franchise fees	7,063	8,080	13,540	15,386
Add:				
Pre-opening	8,492	5,464	15,128	12,276
Depreciation and amortization	58,341	50,744	115,184	99,544
Impairment and closure, net	153	111	153	139
General and administrative	72,409	62,763	133,495	118,980
Restaurant margin	<u>\$ 275,120</u>	<u>\$ 257,343</u>	<u>\$ 539,549</u>	<u>\$ 496,627</u>
Restaurant margin \$/store week	\$ 29,092	\$ 28,562	\$ 28,649	\$ 27,776
Restaurant margin <i>(as a percentage of restaurant and other sales)</i>	16.4%	17.1%	16.4%	16.9%

See above for the definition of restaurant margin.

Restaurant Unit Activity

	Total	Texas Roadhouse	Bubba's 33	Jaggers
Balance at December 30, 2025	816	744	56	16
Company openings	13	9	3	1
Franchise openings - Domestic	1	—	—	1
Franchise openings - International	2	2	—	—
Balance at June 30, 2026	<u>832</u>	<u>755</u>	<u>59</u>	<u>18</u>

	June 30, 2026	July 1, 2025
Company - Texas Roadhouse	662	634
Company - Bubba's 33	59	52
Company - Jaggers	11	9
Total company	<u>732</u>	<u>695</u>
Franchise - Texas Roadhouse - Domestic	31	39
Franchise - Jaggers - Domestic	6	5
Franchise - Texas Roadhouse - International (1)	62	57
Franchise - Jaggers - International	1	1
Total franchise	<u>100</u>	<u>102</u>
Total	<u>832</u>	<u>797</u>

(1) Includes a U.S. territory.

Q2 2026 compared to Q2 2025

Restaurant and Other Sales

Restaurant and other sales increased 11.2% in Q2 2026 compared to Q2 2025 and 12.1% in 2026 YTD compared to 2025 YTD. The following table summarizes certain key drivers and/or attributes of restaurant sales at company restaurants for the periods presented. Company restaurant count activity is shown in the restaurant unit activity table above.

	Q2 2026	Q2 2025	2026 YTD	2025 YTD
Company Restaurants:				
Increase in store weeks	5.0 %	7.2 %	5.3 %	7.1 %
Increase in average unit volume	5.3 %	4.8 %	6.0 %	3.6 %
Other	0.9 %	0.8 %	0.8 %	0.5 %
Total increase in restaurant and other sales	11.2 %	12.8 %	12.1 %	11.2 %
Store weeks				
Store weeks	9,457	9,010	18,833	17,880
Comparable restaurant sales	6.2 %	5.8 %	6.7 %	4.7 %
Texas Roadhouse restaurants:				
Store weeks	8,574	8,226	17,093	16,337
Comparable restaurant sales	6.5 %	5.9 %	7.0 %	4.7 %
Average unit volume (in thousands)	\$ 2,380	\$ 2,246	\$ 4,724	\$ 4,439
Weekly sales by group:				
Comparable restaurants (626, 590, 619, and 583 units)	\$ 183,982	\$ 173,349	\$ 182,652	\$ 171,492
Average unit volume restaurants (20, 28, 23, and 28 units) (1)	\$ 155,639	\$ 144,493	\$ 156,086	\$ 140,338
Restaurants less than six months old (16, 16, 20, and 23 units)	\$ 180,822	\$ 163,767	\$ 171,785	\$ 159,002
Bubba's 33 restaurants:				
Store weeks	742	668	1,470	1,310
Comparable restaurant sales	1.3 %	4.3 %	1.1 %	4.1 %
Average unit volume (in thousands)	\$ 1,659	\$ 1,645	\$ 3,272	\$ 3,237
Weekly sales by group:				
Comparable restaurants (48, 43, 48, and 41 units)	\$ 128,185	\$ 126,812	\$ 125,905	\$ 125,195
Average unit volume restaurants (6, 5, 4, and 7 units) (1)	\$ 122,880	\$ 124,187	\$ 124,988	\$ 120,474
Restaurants less than six months old (5, 4, 7, and 4 units)	\$ 159,187	\$ 149,788	\$ 146,239	\$ 148,376

(1) Average unit volume restaurants includes those 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 Q2 2026 and 2026 YTD was primarily attributable to an increase in comparable restaurant sales and an increase in store weeks. The increase in comparable restaurant sales was driven by an increase in guest traffic count along with an increase in our per person average check as shown in the table below. The increase in store weeks was driven by new store openings and the acquisition of franchise restaurants.

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	<u>Q2 2026</u>	<u>Q2 2025</u>	<u>YTD 2026</u>	<u>YTD 2025</u>
Guest traffic counts	3.0 %	4.0 %	3.8 %	2.6 %
Per person average check	3.2 %	1.8 %	2.9 %	2.1 %
Comparable restaurant sales	<u>6.2 %</u>	<u>5.8 %</u>	<u>6.7 %</u>	<u>4.7 %</u>

To-go sales as a percentage of restaurant sales were 14.3% in Q2 2026 compared to 13.3% in Q2 2025. To-go sales as a percentage of restaurant sales were 14.4% in 2026 YTD compared to 13.4% in 2025 YTD.

Per person average check includes the benefit of a menu price increase of approximately 1.9% implemented in Q2 2026 and menu price increases of approximately 1.4% and 1.7% implemented in Q2 2025 and Q4 2025, respectively.

In 2026 YTD, we opened nine Texas Roadhouse company restaurants, three Bubba's 33 company restaurants, and one Jagers company restaurant. In 2026, we expect store week growth of 5% to 6%, including the benefit from franchise acquisitions.

Royalties and Franchise Fees

Royalties and franchise fees decreased \$1.0 million or 12.6% in Q2 2026 compared to Q2 2025 and decreased by \$1.8 million or 12.0% in 2026 YTD compared to 2025 YTD. The decreases were primarily due to decreased royalties related to the franchise stores that were acquired.

Food and Beverage Costs

Food and beverage costs, as a percentage of restaurant and other sales, increased to 35.4% in Q2 2026 compared to 34.0% in Q2 2025 and increased to 35.3% in 2026 YTD compared to 34.0% in 2025 YTD. The increases were primarily driven by commodity inflation of 7.0% in Q2 2026 and 6.6% in 2026 YTD, due to higher beef costs, partially offset by the benefit of a higher average guest check.

In 2026, we expect commodity inflation of approximately 5%, with prices locked for approximately 60% of our remaining forecasted costs and the remainder subject to floating market prices.

Restaurant Labor Expenses

Restaurant labor expenses, as a percentage of restaurant and other sales, decreased to 32.5% in Q2 2026 compared to 32.9% in Q2 2025 and decreased to 32.7% in 2026 YTD compared to 33.1% in 2025 YTD. The decreases were primarily driven by the benefit of a higher average guest check and labor productivity partially offset by wage and other labor inflation of 3.9% in both Q2 2026 and 2026 YTD.

In 2026, we expect wage and other labor inflation of 3% to 4%.

Restaurant Rent Expense

Restaurant rent expense, as a percentage of restaurant and other sales, was 1.5% for all periods presented. In Q2 2026 and 2026 YTD, higher rent expense at our newer restaurants was offset by the increase in average unit volume.

Restaurant Other Operating Expenses

Restaurant other operating expenses, as a percentage of restaurant and other sales, decreased to 14.2% in Q2 2026 compared to 14.5% in Q2 2025 and decreased to 14.1% in 2026 YTD compared to 14.5% in 2025 YTD. The decreases were primarily driven by lower general liability insurance and incentive compensation expense, as well as the increase in average unit volume, partially offset by higher credit card fees and utilities expenses.

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Pre-opening Expenses

Pre-opening expenses were \$8.5 million in Q2 2026 compared to \$5.5 million in Q2 2025 and \$15.1 million in 2026 YTD compared to \$12.3 million in 2025 YTD. The increases were driven by an increase in our pipeline of new store openings. Pre-opening costs will fluctuate from quarter to quarter based on specific pre-opening costs incurred for each restaurant, the number and timing of restaurant openings, and the number and timing of restaurant managers hired.

Depreciation and Amortization Expenses

Depreciation and amortization expenses, as a percentage of total revenue, increased to 3.5% in both Q2 2026 and 2026 YTD compared to 3.4% in both Q2 2025 and 2025 YTD. The increases were driven by higher depreciation expense at our newer restaurants and intangible asset amortization expense related to the acquisition of franchise restaurants partially offset by the increase in average unit volume.

Impairment and Closure Costs, Net

Impairment and closure costs, net were \$0.2 million in both Q2 2026 and 2026 YTD, compared to \$0.1 million in both Q2 2025 and 2025 YTD. Impairment and closure costs, net in all periods presented primarily included costs related to restaurant relocations.

General and Administrative Expenses

General and administrative expenses, as a percentage of total revenue, increased to 4.3% in Q2 2026 compared to 4.2% in Q2 2025 and was 4.0% in 2026 YTD and in 2025 YTD, respectively. In Q2 2026 and 2026 YTD compared to Q2 2025 and 2025 YTD, higher legal settlement expense and higher incentive and stock compensation expense was partially offset by lower rent expense due to the purchase of our Support Center in 2025 and the increase in average unit volume.

Interest Income, Net

Interest income, net was \$1.0 million in both Q2 2026 and Q2 2025 and was \$1.6 million in 2026 YTD compared to \$2.3 million in 2025 YTD. The decrease in 2026 YTD compared to 2025 YTD was driven by decreased earnings on our cash and cash equivalents and borrowings on our credit facility.

Equity Income from Investments in Unconsolidated Affiliates

Equity income was \$0.2 million in Q2 2026 compared to \$1.4 million Q2 2025 and was \$0.3 million in 2026 YTD compared to \$1.7 million in 2025 YTD. The decreases were driven by lapping a \$1.2 million gain on the acquisition of three of the affiliates in Q2 2025 and fewer affiliates due to the acquisition of six of these affiliates in the prior year.

Income Tax Expense

Our effective tax rate was 13.5% in Q2 2026 compared to 14.9% in Q2 2025 and was 13.9% in 2026 YTD compared to 14.8% in 2025 YTD. The decreases in the tax rates were driven primarily by an increase in the impact of the FICA tip tax credit partially offset by a decrease in the excess tax benefit on stock compensation and an increase in non-deductible officers' compensation.

In 2026, we expect an effective tax rate of approximately 14% based on forecasted operating results.

Segment Information

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

The CODM uses restaurant margin as the primary measure for assessing performance of our segments. Restaurant margin (in dollars and as a percentage of restaurant and other sales) represents restaurant and other sales less restaurant-level operating costs, including food and beverage costs, labor, rent, and other operating costs. Restaurant margin is used by our CODM to evaluate core restaurant-level operating efficiency and performance, assist in the evaluation of operating trends over time, and in making capital allocation decisions. Capital allocation decisions include approving new store openings and the refurbishment, expansion, or relocation of existing restaurants. A reconciliation of income from operations to restaurant margin is included in the Results of Operations section above.

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

	13 Weeks Ended			
	June 30, 2026		July 1, 2025	
Texas Roadhouse	\$	258,616	16.5 %	\$ 241,584 17.1 %
Bubba's 33		14,806	15.3	14,353 16.7
Other		1,698	15.5	1,406 15.6
Total	\$	275,120	16.4 %	\$ 257,343 17.1 %

	26 Weeks Ended			
	June 30, 2026		July 1, 2025	
Texas Roadhouse	\$	507,765	16.4 %	\$ 466,869 16.9 %
Bubba's 33		28,821	15.2	27,135 16.4
Other		2,963	14.6	2,623 15.0
Total	\$	539,549	16.4 %	\$ 496,627 16.9 %

In our Texas Roadhouse reportable segment, restaurant margin dollars increased \$17.0 million or 7.1% in Q2 2026 and increased \$40.9 million or 8.8% in 2026 YTD. The increases were due to higher sales partially offset by higher food costs due to commodity inflation. In addition, restaurant margin, as a percentage of restaurant and other sales, decreased to 16.5% in Q2 2026 from 17.1% in Q2 2025 and decreased to 16.4% in 2026 YTD from 16.9% in 2025 YTD. Restaurant margin percentage was primarily impacted by commodity inflation partially offset by higher sales.

In our Bubba's 33 reportable segment, restaurant margin dollars increased \$0.5 million or 3.2% in Q2 2026 and increased \$1.7 million or 6.2% in 2026 YTD. The increases were due to higher sales partially offset by higher food costs and higher restaurant labor expenses. In addition, restaurant margin, as a percentage of restaurant and other sales, decreased to 15.3% in Q2 2026 from 16.7% in Q2 2025 and decreased to 15.2% in 2026 YTD from 16.4% in 2025 YTD. Restaurant margin percentage was primarily impacted by the increased expenses noted above, which were partially offset by higher sales.

Liquidity and Capital Resources

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

	26 Weeks Ended	
	June 30, 2026	July 1, 2025
Net cash provided by operating activities	\$ 439,227	\$ 365,980
Net cash used in investing activities	(241,983)	(259,527)
Net cash used in financing activities	(129,526)	(174,877)
Net increase (decrease) in cash and cash equivalents	\$ 67,718	\$ (68,424)

Net cash provided by operating activities was \$439.2 million in 2026 YTD compared to \$366.0 million in 2025 YTD. This increase was primarily due to increases in net income, depreciation and amortization expenses, deferred income taxes, and a favorable change in working capital.

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

Net cash used in investing activities was \$242.0 million in 2026 YTD compared to \$259.5 million in 2025 YTD. The decrease was primarily due to the acquisition of 17 franchise restaurants in 2025 YTD compared to five in 2026 YTD and an increase in proceeds from sale leaseback transactions partially offset by an increase in capital expenditures.

We require capital principally for the development of new company restaurants, the refurbishment or relocation of existing restaurants, and the acquisition of franchise restaurants. We either lease our restaurant site locations under operating leases for periods of five to 30 years (including renewal periods) or purchase the land when appropriate.

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

	26 Weeks Ended	
	June 30, 2026	July 1, 2025
New company restaurants	\$ 106,266	\$ 76,643
Refurbishment or expansion of existing restaurants	60,744	58,898
Relocation of existing restaurants	7,700	31,253
Capital expenditures related to Support Center office	4,135	3,118
Total capital expenditures	\$ 178,845	\$ 169,912

Our future capital requirements will primarily depend on the number and mix of new restaurants we open, the timing of those openings, the restaurant prototype developed in a given fiscal year, and potential franchise acquisitions. These requirements will include costs directly related to opening, maintaining, or relocating restaurants and may also include costs necessary to ensure that our infrastructure is able to support a larger restaurant base.

We intend to satisfy our capital requirements over the next 12 months with cash on hand, net cash provided by operating activities and, if needed, funds available under our revolving credit facility. In 2026, we expect capital expenditures of approximately \$400 million.

Net cash used in financing activities was \$129.5 million in 2026 YTD compared to \$174.9 million in 2025 YTD. The decrease was primarily due to net borrowings of \$50.0 million on our credit facility and a decrease in indirect repurchases of shares for minimum tax withholdings related to our stock compensation program partially offset by an increase in share repurchases and an increase in quarterly dividend payments.

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On February 18, 2026, our Board approved the payment of a quarterly cash dividend of \$0.75 per share of common stock compared to the quarterly dividend of \$0.68 per share of common stock declared in 2025. The payment of quarterly dividends totaled \$98.7 million and \$90.3 million in 2026 YTD and 2025 YTD, respectively.

On August 5, 2026, our Board approved the payment of the Q3 2026 cash dividend of \$0.75 per share of common stock. This payment will be distributed on September 29, 2026, to shareholders of record at the close of business on September 1, 2026.

On February 19, 2025, our Board approved a stock repurchase program for the repurchase of up to \$500.0 million of our common stock. This stock repurchase program has no expiration date and replaced the previous stock repurchase program which was approved in 2022.

During 2026 YTD, we paid \$70.8 million, excluding excise taxes, to repurchase 415,133 shares of our common stock. During 2025 YTD, we paid \$60.0 million, excluding excise taxes, to repurchase 342,789 shares of our common stock. As of June 30, 2026, \$309.2 million remained under our authorized stock repurchase program.

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

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

As of June 30, 2026, we had \$50.0 million in outstanding borrowings under the credit facility and had \$397.6 million of availability, net of \$2.4 million of outstanding letters of credit. As of December 30, 2025, we had no outstanding borrowings under the credit facility and had \$447.6 million of availability, net of \$2.4 million of outstanding letters of credit.

The interest rate on the credit facility as of June 30, 2026 and July 1, 2025 was 4.74% and 5.42%, respectively.

The lenders' obligation to extend credit pursuant to the credit facility depends on us maintaining certain financial covenants, including a minimum consolidated fixed charge coverage ratio and a maximum consolidated leverage ratio. The credit facility permits us to incur additional secured or unsecured indebtedness, except for the incurrence of secured indebtedness that in the aggregate is equal to or greater than \$125.0 million and 20% of our consolidated tangible net worth. We were in compliance with all financial covenants as of June 30, 2026.

Guarantees

As of June 30, 2026 and December 30, 2025, we were contingently liable for \$7.5 million and \$7.8 million, respectively, for five 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 June 30, 2026 and December 30, 2025 as the likelihood of default was deemed to be less than probable and the fair value of the guarantees is not considered significant.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Information regarding market risk appears in our Annual Report on Form 10-K for the year ended December 30, 2025 in Part II, Item 7A, Quantitative and Qualitative Disclosures About Market Risk. There have been no material changes in market risk previously disclosed in our Form 10-K for the fiscal year ended December 30, 2025.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We have evaluated the effectiveness of the design and operation of our disclosure controls and procedures pursuant to, and as defined in, Rules 13a-15(e) and 15d-15(e) under the Exchange Act as of the end of the period covered by this report. Based on the evaluation, performed under the supervision and with the participation of our management, including the Chief Executive Officer (the "CEO") and the Chief Financial Officer (the "CFO"), our management, including the CEO and CFO, concluded that our disclosure controls and procedures were effective as of June 30, 2026.

Changes in Internal Control

There were no changes in the Company's internal control over financial reporting that occurred during the 13 weeks ended June 30, 2026 that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II — OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

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

ITEM 1A. RISK FACTORS

Information regarding risk factors appears in our Annual Report on Form 10-K for the year ended December 30, 2025, under the heading "Special Note Regarding Forward-looking Statements" and in Part I, Item 1A, Risk Factors. There have been no material changes from the risk factors previously disclosed in our Form 10-K for the fiscal year ended December 30, 2025.

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

In 2008, our Board approved our first stock repurchase program. From inception through June 30, 2026, we have paid \$984.1 million, excluding excise taxes, through our authorized stock repurchase programs to repurchase 23,242,270 shares of our common stock at an average price per share of \$42.34. On February 19, 2025, our Board approved a stock repurchase program under which we may repurchase up to \$500.0 million of our common stock. This new stock repurchase program commenced on February 24, 2025, has no expiration date, and replaced the previous stock repurchase program which was approved on March 17, 2022 with respect to the repurchase of up to \$300.0 million of common stock. All repurchases to date under our stock repurchase programs have been made through open market transactions. The timing and the amount of any repurchases through this program will be determined by management under parameters established by the Board, based on an evaluation of our stock price, market conditions and other corporate considerations, including complying with Rule 10b5-1 trading arrangements under the Exchange Act, as applicable.

For the 13 weeks ended June 30, 2026, we paid \$42.6 million, excluding excise taxes, to repurchase 253,918 shares of our common stock. As of June 30, 2026, \$309.2 million remained authorized for stock repurchases.

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plans or Programs
April 1 to April 28	91,151	\$ 162.15	91,151	\$ 336,996,953
April 29 to May 26	63,320	\$ 167.70	63,320	\$ 326,377,916
May 27 to June 30	99,447	\$ 172.72	99,447	\$ 309,201,225
Total	<u>253,918</u>		<u>253,918</u>	

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION***Rule 10b5-1 Trading Plans***

In accordance with the disclosure requirement set forth in Item 408 of Regulation S-K, the following table discloses any executive officer or director who is subject to the filing requirements of Section 16 of the Exchange Act that adopted a Rule 10b5-1 trading arrangement during the 13 weeks ended June 30, 2026. These trading arrangements are intended to satisfy the affirmative defense conditions of Rule 10b5-1(c).

Name	Title	Adoption Date	End Date (1)	Aggregate Number of Securities to be Sold
Gerald L. Morgan	Chief Executive Officer & Executive Vice Chairman	5/22/2026	8/12/2027	20,000
Christopher C. Colson	Chief Business and Administrative Officer	6/1/2026	3/31/2027	800

(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 June 30, 2026.

ITEM 6. EXHIBITS

<u>Exhibit No.</u>	<u>Description</u>
31.1	Certifications pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certifications pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.3	Certifications pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certifications pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

SIGNATURES

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

TEXAS ROADHOUSE, INC.

Date: August 7, 2026

By: /s/ GERALD L. MORGAN

Gerald L. Morgan

Chief Executive Officer, Executive Vice Chairman
(Principal Executive Officer)

Date: August 7, 2026

By: /s/ MICHAEL S. LENIHAN

Michael S. Lenihan

Chief Financial Officer
(Principal Financial Officer)

Date: August 7, 2026

By: /s/ KEITH V. HUMPICH

Keith V. Humpich

Chief Accounting and Financial Services Officer
(Principal Accounting Officer)

CERTIFICATIONS PURSUANT TO SECTION 302 OF SARBANES-OXLEY ACT

I, Gerald L. Morgan, certify that:

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

Date: August 7, 2026

By: /s/ GERALD L. MORGAN

Gerald L. Morgan
Chief Executive Officer, Executive Vice Chairman
(Principal Executive Officer)

CERTIFICATIONS PURSUANT TO SECTION 302 OF SARBANES-OXLEY ACT

I, Michael S. Lenihan, certify that:

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

Date: August 7, 2026

By: /s/ MICHAEL S. LENIHAN

Michael S. Lenihan
Chief Financial Officer
(Principal Financial Officer)

CERTIFICATIONS PURSUANT TO SECTION 302 OF SARBANES-OXLEY ACT

I, Keith V. Humpich, certify that:

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

Date: August 7, 2026

By: /s/ KEITH V. HUMPICH

Keith V. Humpich
Chief Accounting and Financial Services Officer
(Principal Accounting Officer)

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

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

- (1) The Quarterly Report on Form 10-Q of the Company for the quarterly period ended June 30, 2026 (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: August 7, 2026

By: /s/ GERALD L. MORGAN

Gerald L. Morgan
Chief Executive Officer, Executive Vice Chairman
(Principal Executive Officer)

Date: August 7, 2026

By: /s/ MICHAEL S. LENIHAN

Michael S. Lenihan
Chief Financial Officer
(Principal Financial Officer)

Date: August 7, 2026

By: /s/ KEITH V. HUMPICH

Keith V. Humpich
Chief Accounting and Financial Services Officer
(Principal Accounting Officer)