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Zacks Report Date: December 17, 2025

Jack in the Box Inc. (JACK)

$19.53 (Stock Price as of 12/17/2025)

Price Target (6-12 Months): **$14.00**

Long Term: 6-12 Months	**Zacks Recommendation:** (Since: 11/21/25) Prior Recommendation: Neutral	**Underperform**
Short Term: 1-3 Months	**Zacks Rank:** (1-5)	**5-Strong Sell**
	Zacks Style Scores:	VGM: D
	Value: A | Growth: F | Momentum: F	

Summary

Shares of Jack in the Box have underperformed the industry in the past six months. The company reported mixed third-quarter fiscal 2025 results, with earnings missing the Zacks Consensus Estimate by 34.8%, and revenues surpassing the same by 1.5%. Both metrics decreased on a year-over-year basis. The company continues to face pressure from weakened consumer demand across income tiers, leading to negative traffic trends. Additionally, higher labor expenses, commodity inflation and rising utilities and other operating costs are weighing on profitability. In the fiscal fourth quarter, restaurant-level margin at the Jack in the Box brand declined to 16.1% from 18.5% a year earlier, while Del Taco also experienced compression, with margins falling to 6.8% from 9.3% in the prior-year quarter.

Price, Consensus & Surprise[1]

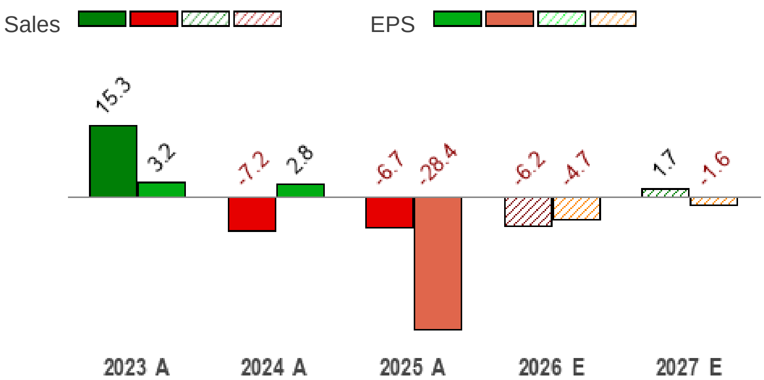
Data Overview

52 Week High-Low	**$43.13 - $13.99**
20 Day Average Volume (sh)	**1,030,803**
Market Cap	**$385.3 M**
YTD Price Change	**-51.0%**
Beta	**1.13**
Dividend / Div Yld	**$0.00 / 0.0%**
Industry	**Retail - Restaurants**
Zacks Industry Rank	**Bottom 24% (184 out of 243)**

Last EPS Surprise	**-34.8%**
Last Sales Surprise	**1.5%**
EPS F1 Est- 4 week change	**-18.5%**
Expected Report Date	**02/24/2026**
Earnings ESP	**0.0%**

P/E TTM	**4.6**
P/E F1	**4.6**
PEG F1	**0.1**
P/S TTM	**0.3**

Sales and EPS Growth Rates (Y/Y %)[1]



Sales Estimates (millions of $)[1]

	Q1	Q2	Q3	Q4	Annual*
2027	418 E	312 E	314 E	307 E	1,398 E
2026	414 E	308 E	309 E	311 E	1,374 E
2025	469 A	337 A	333 A	326 A	1,465 A

EPS Estimates[1]

	Q1	Q2	Q3	Q4	Annual*
2027	1.39 E	0.93 E	0.94 E	0.89 E	4.16 E
2026	1.23 E	0.88 E	0.95 E	0.86 E	4.23 E
2025	1.92 A	1.20 A	1.02 A	0.30 A	4.44 A

*Quarterly figures may not add up to annual.

(1) The data in the charts and tables, including the Zacks Consensus EPS and sales estimates, is as of 12/17/2025.
(2) The report's text and the price target are as of 11/24/2025.

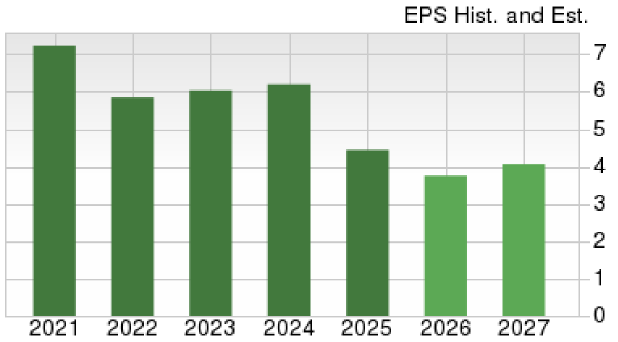
Overview

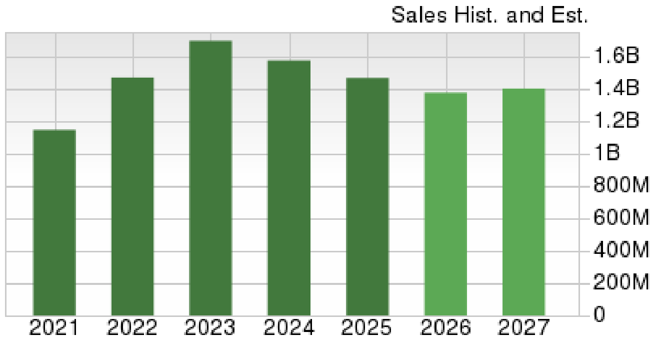
Based in San Diego, Jack in the Box is a restaurant company that operates and franchises through Jack in the Box quick-service restaurants and is one of the nation's largest hamburger chains. In 1951, the company opened its first restaurant, and since then, Jack in the Box has become the largest hamburger chain. On the basis of a number of restaurants, the company's top 10 markets comprise nearly 70% of the total system. Jack in the Box is also the second largest QSR hamburger chain in nine of those 10 markets.

During the second quarter of 2020, the company acquired eight franchise restaurants as a result of a legal action filed in October 2019 against a franchisee. It received the judgment in January 2020, thereby granting possession of the restaurants. As of Jan. 19, 2025, the Jack in the Box system included 2,190 quick-service restaurants, mainly across the western and southern United States, along with two in Guam and two in Mexico. The company had 93% franchised restaurants. Also, as of the same date, Del Taco had 589 quick-service restaurants across 17 U.S. states.

Previously, the company operated under Jack in the Box quick-service restaurants and Qdoba Mexican Eats fast-casual restaurants.

In December 2017, the company signed an agreement to sell Qdoba to Apollo Global Management, LLC. On March 21, 2018, the company finally announced the sell-out of Qdoba Restaurant Corporation. Jack in the Box sold Qdoba to an affiliate of certain funds managed by the affiliates of Apollo for roughly $305 million in cash. In connection with the sale, the terms of the credit facility demand Jack in the Box to make a pre-payment of $260 million to retire outstanding debt under its term loan.





As of 12/17/2025

As of 12/17/2025

Reasons To Sell:

High debt, as well as labor and utility inflation, remain concerns for the company.

- **Weak Consumer Spending:** In the fourth quarter of fiscal 2025, Jack in the Box continued to face a tough macroeconomic backdrop. Management cited weakened consumer demand across multiple income groups, which resulted in negative traffic trends. Same-store sales for the Jack brand declined 7.4%, with both franchise and company-operated locations posting declines. Del Taco also reported a 3.9% decrease in system same-store sales.

- **Margin Compression Ails:** In the fiscal fourth quarter, Jack in the Box's restaurant-level margin fell to 16.1% from 18.5% a year earlier. This decline was largely attributed to reduced sales volumes, higher labor costs, commodity inflation, and increased utility and other operating costs. Labor costs rose 100 basis points year over year to 33.7% of sales.

  Del Taco's margins were also under pressure, with restaurant-level margins dropping to 6.8% from 9.3% reported in the year-ago quarter. Occupancy and other operating costs also increased across both brands.

- **High Debt a Concern:** Maintaining liquidity has become an arduous task amid the persisting macroeconomic risks. As of Sept. 28, 2025, the company's Long-term debt (net of current maturities) totaled $1.67 billion, compared with $1.7 billion as of Sept. 29, 2024. JACK ended the fiscal 2025 with cash and restricted cash of $81.8 million compared with $54.2 million in the prior-year period, which may not be enough to manage the high-debt level.

- **Limited International Presence and Heightened Competition:** American dining brands are keen on expanding in the fast-growing emerging markets. While several other restaurateurs, including Yum! Brands, McDonald's and Domino's Pizza have opened their outlets in emerging markets; Jack in the Box seems to be slow on this front. Thus, a limited international presence might be a big disadvantage for the company and hurt its competitive position. Moreover, the company is experiencing increased competitive pressure on breakfast and lunch parts, as many other restaurateurs have introduced aggressive value offers.

Risks(2) (to the Underperform recommendation)

- **Focus on Menu Innovation:** Menu innovation is one of the primary characteristics of Jack's brand. Jack in the Box is the nation's one of the largest hamburger chains. The company makes regular menu innovations and provides limited-period offers (LPO) at both its flagship restaurants to drive long-term customer loyalty. The company is experiencing encouraging results from its systemwide menu-optimization initiative, introduced in the fiscal first quarter, leading to improvements in both product mix and average check.

  In the fiscal fourth quarter, Jack in the Box sharpened its focus on affordability and value-oriented menu options. In early October, the company adjusted pricing on three signature combos to make them more accessible and increased cup sizes on small combos to enhance perceived value. At the same time, management emphasized a commitment to high-quality food and continued innovation, with a clear priority on delivering hotter, juicier burgers with greater consistency across the system. Management stated that the marketing lineup for the remainder of the year will balance innovation with value, while plans for 2026 include the return of select classic items and refreshed brand campaigns for the 75th anniversary.

- **Strengthening Delivery Channel:** Jack in the Box is also increasingly focusing on delivery channels, which is a growing area for the industry. Given the high demand for this service, the company has undertaken third-party delivery channels to bolster transactions and sales. The company partnered with DoorDash, Postmates, Grubhub and Uber Eats. It is expanding its mobile application in a few markets that support order-ahead functionality and payment. Going forward, the company continues to integrate its point-of-sale (POS) systems with third-party vendors to enhance restaurant operations. Also, it emphasized technological investments covering applications, software and tools (like digital menu boards), along with AI and personalized in-store ordering, vision sensors and scheduling. The company anticipates the enhanced operational capabilities to drive guest experience and higher store-level margins in the upcoming periods.

- **Focus on Digital and Tech Modernization:** Jack in the Box is aggressively modernizing its technology infrastructure. In the fiscal third quarter, management highlighted increased use of digital and in-app offers — including value-driven promotions such as the $5 Smashed Jack — which supported improved transaction trends and helped introduce new customers to the brand.

  Overall, sales trends strengthened by roughly 300 basis points over the course of the quarter as guests responded to the enhanced value strategy. In parallel, Jack in the Box is rolling out systemwide technology upgrades, including drive-thru enhancements and the installation of digital menu boards as part of its broader restaurant refresh initiative. These efforts are aimed at improving order accuracy, increasing speed and elevating the guest experience, with management expecting digital and tech investments to support continued sales momentum into 2026.

- **Focus on Franchising:** The Jack in the Box restaurants is primarily franchised. We believe franchising a large chunk of its system will lower its general and administrative expenses and thereby boost earnings. Moreover, in the long term, it would generate a higher return on equity by lowering capital requirements. This would also boost free cash flow, thereby enhancing shareholder return. The company also aims to continue focusing on effectively managing costs, along with improving guest experience, by striving toward operational excellence. Notably, the company believes that the majority of Jack in the Box's new unit growth will be through franchise restaurants.

  Jack in the Box remains in a position of strength, supported by AUVs nearing $2 million, a committed franchise base and strong core brand equities to leverage as it works to regain momentum. Looking ahead, management indicated that a comprehensive reimage program will be an important next step, with plans to roll out an updated design initiative across the system to further elevate brand perception and support long-term growth.

- **Development Efforts:** The company continues to collaborate with its franchisees and leverage guest insights to ensure value remains a competitive advantage for both brands. In the fiscal fourth quarter, Jack in the Box opened 15 new restaurants while closing 47, and ended the year with 2,136 restaurants, including eight in Chicago.

  Jack in the Box continued its expansion in Chicago during the fiscal fourth quarter, with eight restaurants now open within 12 weeks. The new locations are opening with strong volumes and are expected to perform well. Management reaffirmed its commitment to new unit development, emphasizing that closures are part of a broader strategy to strengthen the franchise base and enable growth from a healthier foundation. The company expects that capital, previously tied up in underperforming units, will be redirected toward building new locations. The company's development pipeline remains robust, with further expansion planned in 2025. Also, it expects to have Jack in the Box restaurants in 40 states by 2030.

- **Focus on Unit Store Economics:** Efforts to maximize unit economics and reduce build costs are crucial in achieving the goal of a sub-five-year payback and achieving net unit growth of over 2%. In the fiscal fourth quarter, Jack in the Box closed 38 restaurants under the JACK on Track closure program. The closures are expected to improve the health of franchise portfolios and may shift sales to nearby locations. Going forward, the company plans to close 80 to 120 restaurants by the end of calendar 2025, most performing below the portfolio average.

  The company highlighted that it has entered into an agreement to divest Del Taco, marking a significant milestone in simplifying the business and refocusing entirely on strengthening the Jack in the Box brand. Management noted that the separation will allow resources and attention to be redirected toward core operational improvement, while proceeds from the sale are expected to support debt paydown. The transaction is anticipated to close in the first quarter of 2026.

Last Earnings Report

FY Quarter Ending	9/30/2025
Earnings Reporting Date	Nov 19, 2025
Sales Surprise	1.47%
EPS Surprise	-34.78%
Quarterly EPS	0.30
Annual EPS (TTM)	4.44

Jack in the Box Q4 Earnings Lag & Revenues Beat Estimates

Jack in the Box reported mixed third-quarter fiscal 2025 results, with earnings missing the Zacks Consensus Estimate, and revenues surpassing the same. Both metrics decreased on a year-over-year basis.

Jack in the Box's Earnings & Revenue Details

In the fiscal fourth quarter, adjusted operating earnings per share (EPS) were 30 cents, which missed the Zacks Consensus Estimate of 46 cents. The metric fell 74.1% from $1.16 per share reported in the prior-year quarter.

Quarterly revenues of $326.2 million surpassed the consensus mark of $321 million. The top line also declined 6.6% on a year-over-year basis due to lower sales volume in both brands and the Del Taco refranchising transactions.

Franchise rental revenues decreased 7.6% year over year to $80.7 million. Franchise royalties and other revenues decreased 4.4% year over year to $52.1 million.

Franchise contributions to advertising and other services revenues declined 9.3% year over year to $50.9 million. Company restaurant sales in the quarter were $142.5 million, down from $151.4 million reported in the prior-year quarter.

Jack in the Box's Comps Discussion

In the quarter under review, company-owned same-store sales decreased 5.3% against a decrease of 2.2% reported in the prior-year quarter.

Same-store sales at franchised stores decreased 7.6% against a 2% decline reported in the prior-year quarter.

Systemwide same-store sales dropped 7.4% compared with a 2.1% decrease reported in the year-ago quarter.

Del Taco's Performance

In fourth-quarter fiscal 2025, company-owned same-store sales moved down 3.1% year over year, comprising the decline in franchise same-store and system-operated same-store sales of 4.2% and 3.9%, respectively.

Operating Highlights of Jack in the Box

In the fiscal fourth quarter, the total restaurant-level adjusted margin was 16.1% compared with 18.5% reported in the prior-year quarter.

The total franchise level margin was 38.9% in the fiscal fourth quarter, down from 40.4% reported in the prior-year quarter.

In the quarter under review, selling, general and administrative expenses accounted for 11.2% of total revenues, up from 8.6% in the prior-year quarter.

Jack in the Box's Balance Sheet

As of Sept. 28, 2025, cash totaled $51.5 million compared with $24.7 million as of Sept. 29, 2024. Long-term debt (net of current maturities) totaled $1.67 billion as of Sept. 28, 2025, compared with $1.7 billion as of Sept. 29, 2024.

Jack in the Box did not repurchase any shares of its common stock during the fiscal fourth quarter. For the full year 2025, the company repurchased 0.1 million shares, which cost $5.0 million. As of Sept. 28, 2025, it still had $175 million available under its board-approved stock buyback program. Additionally, the company previously announced the discontinuation of its dividend.

Jack in the Box's Fiscal 2026 Outlook

For fiscal 2026, management anticipates adjusted EBITDA to be in the range of $225-$240 million. Company-wide capital expenditures in fiscal 2025 are now expected in the range of $45-$50 million.

Jack in the Box restaurant level margin is expected to be 17-18%. The same-store sales for Jack in the Box are anticipated to be down or up 1% compared with 2025. The franchise level margin for Jack in the Box is anticipated in the range of $275 to $290 million.

Valuation

Jack in the Box's shares are down 17.2% in the past six months and 65% in the trailing 12-month period. Stocks in the Zacks sub-industry are down 8.1%, but the Zacks Retail-Wholesale sector is up 3.3% in the past six months. Over the past year, the Zacks sub-industry has declined 13.4%, but the sector has increased by 3.3%.

The S&P 500 index is up 16.3% in the past six months and 12.9% in the past year.

The stock is currently trading at 3.99X forward 12-month earnings, which compares to 23.68X for the Zacks sub-industry, 23.91X for the Zacks sector, and 22.8X for the S&P 500 index.

Over the past five years, the stock has traded as high as 18.86X and as low as 3.07X, with a 5-year median of 11.78X. Our Underperform recommendation indicates that the stock will perform worse than the market. Our $14 price target reflects 3.32X forward 12-month earnings.

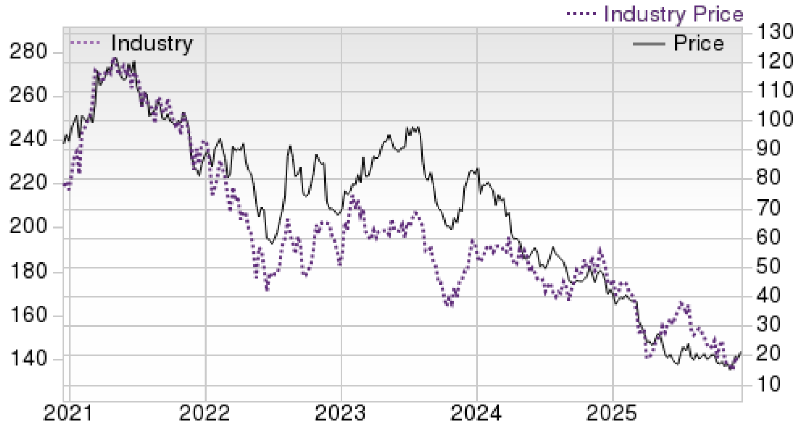
The table below shows the summary valuation data for JACK.

Valuation Multiples - JACK

		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	3.99	23.68	23.91	22.8
	5-Year High	18.86	30.45	34.74	23.81
	5-Year Low	3.07	22.25	21.48	15.73
	5-Year Median	11.78	25.42	24.78	21.21
P/S F12M	Current	0.23	3.43	1.59	5.14
	5-Year High	2.51	5.45	2.05	5.5
	5-Year Low	0.19	3.34	1.2	3.83
	5-Year Median	0.96	4.13	1.54	5.04
EV/EBITDA TTM	Current	8.91	17.71	12.66	17.91
	5-Year High	12.31	32.79	27.12	22.4
	5-Year Low	6.91	15.84	11.27	13.87
	5-Year Median	9.37	19.13	14.56	17.95

As of 11/21/2025 *Source: Zacks Investment Research*

Industry Analysis[1] **Zacks Industry Rank:** Bottom 24% (184 out of 243)



Top Peers [1]

Company (Ticker)	Rec	Rank
Domino's Pizza Inc **(DPZ)**	Neutral	3
McDonald's Corporati…**(MCD)**	Neutral	3
Restaurant Brands In…**(QSR)**	Neutral	3
Red Robin Gourmet Bu…**(RRGB)**	Neutral	3
The Wendy's Company **(WEN)**	Neutral	3
Yum! Brands, Inc. **(YUM)**	Neutral	3
Yum China **(YUMC)**	Neutral	3
Papa John's Internat…**(PZZA)**	Underperform	5

Industry Comparison[1] Industry: Retail - Restaurants

				Industry Peers		
	JACK	**X Industry**	**S&P 500**	**MCD**	**RRGB**	**WEN**
Zacks Recommendation (Long Term)	Underperform	-	-	Neutral	Neutral	Neutral
Zacks Rank (Short Term)	5	-	-	3	3	3
VGM Score	D	-	-	D	A	A
Market Cap	385.31 M	641.24 M	38.58 B	223.97 B	72.40 M	1.59 B
# of Analysts	4	4	22	12	1	9
Dividend Yield	0.00%	0.00%	1.42%	2.37%	0.00%	6.71%
Value Score	A	-	-	C	A	A
Cash/Price	0.21	0.10	0.04	0.01	0.43	0.20
EV/EBITDA	43.10	9.51	14.55	18.72	39.79	7.58
PEG Ratio	0.15	2.33	2.20	3.49	NA	1.56
Price/Book (P/B)	NA	2.39	3.33	NA	NA	14.56
Price/Cash Flow (P/CF)	2.48	9.29	15.10	21.35	13.39	4.69
P/E (F1)	4.82	21.01	19.71	25.98	NA	9.57
Price/Sales (P/S)	0.26	0.69	3.09	8.53	0.06	0.72
Earnings Yield	18.44%	4.04%	5.06%	3.85%	-13.15%	10.42%
Debt/Equity	-1.78	0.22	0.57	-18.25	-1.79	26.89
Cash Flow ($/share)	8.21	1.96	8.99	14.73	0.30	1.78
Growth Score	F	-	-	C	B	B
Hist. EPS Growth (3-5 yrs)	-4.50%	9.08%	8.16%	12.69%	NA	8.87%
Proj. EPS Growth (F1/F0)	-4.73%	5.94%	8.57%	3.33%	84.13%	-13.00%
Curr. Cash Flow Growth	-19.41%	10.34%	6.75%	-1.53%	-87.92%	2.40%
Hist. Cash Flow Growth (3-5 yrs)	-1.80%	7.45%	7.43%	6.76%	-46.09%	6.08%
Current Ratio	0.51	0.72	1.18	1.00	0.43	0.81
Debt/Capital	NA%	34.96%	38.01%	NA	NA	96.41%
Net Margin	-5.51%	2.24%	12.78%	32.04%	-4.31%	8.43%
Return on Equity	-9.23%	5.63%	17.00%	-280.89%	NA	125.74%
Sales/Assets	0.56	0.93	0.53	0.45	2.04	0.45
Proj. Sales Growth (F1/F0)	-6.20%	2.82%	5.79%	2.90%	-2.70%	-3.30%
Momentum Score	F	-	-	D	A	C
Daily Price Chg	3.77%	-0.76%	-0.24%	-1.33%	-2.66%	1.46%
1 Week Price Chg	11.89%	0.27%	-0.59%	1.76%	1.01%	2.01%
4 Week Price Chg	43.09%	1.46%	2.76%	3.25%	-1.23%	1.46%
12 Week Price Chg	10.81%	-5.27%	2.15%	3.73%	-42.92%	-8.14%
52 Week Price Chg	-52.42%	-10.66%	12.39%	6.22%	-22.20%	-51.06%
20 Day Average Volume	1,030,803	634,732	2,743,646	3,379,204	197,808	6,910,336
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(F1) EPS Est 4 week change	-18.50%	0.00%	0.00%	-0.19%	11.67%	0.38%
(F1) EPS Est 12 week change	-19.45%	-1.79%	0.69%	-2.03%	28.86%	0.55%
(Q1) EPS Est Mthly Chg	-27.19%	0.00%	0.00%	-0.39%	-3.70%	-3.71%

Zacks Stock Rating System

We offer two rating systems that take into account investors' holding horizons: Zacks Rank and Zacks Recommendation. Each provides valuable insights into the future profitability of the stock and can be used separately or in combination with each other depending on your investment style.

Zacks Recommendation

The Zacks Recommendation aims to predict performance over the next 6 to 12 months. The foundation for the quantitatively determined Zacks Recommendation is trends in the company's estimate revisions and earnings outlook. The Zacks Recommendation is broken down into 3 Levels; Outperform, Neutral and Underperform. Unlike many Wall Street firms, we have an excellent balance between the number of Outperform and Neutral recommendations. Our team of 70 analysts are fully versed in the benefits of earnings estimate revisions and how that is harnessed through the Zacks quantitative rating system. But we have given our analysts the ability to override the Zacks Recommendation for the 1200 stocks that they follow. The reason for the analyst over-rides is that there are often factors such as valuation, industry conditions and management effectiveness that a trained investment professional can spot better than a quantitative model.

Zacks Rank

The Zacks Rank is our short-term rating system that is most effective over the one- to three-month holding horizon. The underlying driver for the quantitatively-determined Zacks Rank is the same as the Zacks Recommendation, and reflects trends in earnings estimate revisions.

Zacks Style Scores

The Zacks Style Score is as a complementary indicator to the Zacks rating system, giving investors a way to focus on the highest rated stocks that best fit their own stock picking preferences.

Academic research has proven that stocks with the best Value, Growth and Momentum characteristics outperform the market. The Zacks Style Scores rate stocks on each of these individual styles and assigns a rating of A, B, C, D and F. We also produce the VGM Score (V for Value, G for Growth and M for Momentum), which combines the weighted average of the individual Style Scores into one score. This is perfectly suited for those who want their stocks to have the best scores across the board.

Value Score	A
Growth Score	F
Momentum Score	F
VGM Score	D

As an investor, you want to buy stocks with the highest probability of success. That means buying stocks with a Zacks Recommendation of Outperform, which also has a Style Score of an A or a B.

Disclosures

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