

Jack in the Box Inc.

GAAP to Non-GAAP Reconciliations

(\$ in 000's)

From time to time, the Company discusses financial measures which may be considered "non-GAAP" financial measures under applicable Securities and Exchange Commission rules and regulations. The Company encourages investors to rely upon GAAP numbers, but includes the non-GAAP financial measures as supplemental metrics to assist investors in analyzing the company's performance. The non-GAAP financial measures disclosed by the Company should not be considered a substitute for, or superior to, financial measures calculated in accordance with GAAP. In addition, the non-GAAP financial measures used by the Company may be calculated differently from, and therefore may not be comparable to, similarly titled measures used by other companies.

Adjusted Operating EBITDA (excludes franchise gains and impairment and other charges, net)

	52 Weeks Ended				Consolidated
	October 1, 2017				
	Jack in the Box	Qdoba	Shared services and unallocated costs	Gains on the sale of company- operated restaurants	
¹ Net earnings - GAAP					\$ 135,332
¹ Losses from discontinued operations, net of income tax benefit					2,976
¹ Income taxes					81,315
¹ Interest expense, net					46,518
¹ Earnings from operations					<u>\$ 266,141</u>
² Earnings from operations	\$ 280,097	\$ 31,031	\$ (83,021)	\$ 38,034	\$ 266,141
¹ Gains on the sale of company-operated restaurants	-	-	-	(38,034)	(38,034)
³ Impairment and other charges, excluding restructuring costs	9,568	6,714	22	-	16,304
³ Restructuring costs	-	-	8,837	-	8,837
⁴ Depreciation and amortization	60,678	21,500	6,761	-	88,939
Adjusted EBITDA - Non-GAAP	<u>\$ 350,343</u>	<u>\$ 59,245</u>	<u>\$ (67,401)</u>	<u>\$ -</u>	<u>\$ 342,187</u>

Refer to the Jack in the Box Inc. Annual Report on Form 10-K filed with the SEC on November 30, 2017, as follows:

- ¹ Consolidated Statements of Earnings
- ² Note 16 to the Consolidated Financial Statements
- ³ Consolidated amount from Note 9 to the Consolidated Financial Statements
- ⁴ Consolidated amount from the Consolidated Statements of Cash Flows

JACK IN THE BOX INC. AND SUBSIDIARIES
GAAP to Non-GAAP Reconciliations
Fiscal Year 2017
(\$ in 000's)

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	Consolidated	% (5)	Jack in the Box	% (5)	Qdoba	% (5)	Shared Services and Unallocated Costs
1, 2 Earnings from operations - GAAP	<u>\$ 266,141</u>						
Other operating expenses, net:							
2 Selling, general and administrative expenses	\$ (165,752)						
2 Impairment and other charges, net	(25,141)						
2 Gains on the sale of company-operated restaurants	<u>38,034</u>						
2 Total other operating expenses, net	\$ (152,859)						
Franchise operations:							
2 Franchise rental revenues	\$ 231,687		\$ 231,578		\$ 109		
2 Franchise royalties and other	169,748		149,791		19,957		
2 Franchise occupancy expenses	(171,591)		(171,483)		(108)		
2 Franchise support and other costs	<u>(14,222)</u>		<u>(8,811)</u>		<u>(5,411)</u>		
2 Franchise margin - Non-GAAP	\$ 215,622		\$ 201,075		\$ 14,547		
Company restaurant operations:							
2 Company restaurant sales	\$ 1,152,479		\$ 715,921		\$ 436,558		
2 Food and packaging	(346,944) (30.1%)		(206,653) (28.9%)		(140,291) (32.1%)		
2 Payroll and employee benefits	(333,611) (28.9%)		(211,611) (29.6%)		(122,000) (27.9%)		
2 Occupancy and other	<u>(268,546) (23.3%)</u>		<u>(153,451) (21.4%)</u>		<u>(115,095) (26.4%)</u>		
2 Restaurant operating margin - Non-GAAP	\$ 203,378 17.6%		\$ 144,206 20.1%		\$ 59,172 13.6%		
2 Restaurant operating margin - Non-GAAP	\$ 203,378		\$ 144,206		\$ 59,172		
6 Advertising costs	<u>(58,210) (5.1%)</u>		<u>(36,489) (5.1%)</u>		<u>(21,721) (5.0%)</u>		
Restaurant EBIT - Non-GAAP	\$ 145,168 12.6%		\$ 107,717 15.0%		\$ 37,451 8.6%		
Depreciation and amortization:							
Company restaurant occupancy and other	\$ 49,100		\$ 29,084		\$ 20,016	\$ -	
7, 2 Franchise occupancy expenses	30,860		30,860		-	-	
Franchise support and other costs	523		-		523	-	
Impairment and other charges, net	51		51		-	-	
Selling, general and administrative expenses	<u>8,404</u>		<u>682</u>		<u>961</u>	<u>6,761</u>	
8 Total depreciation and amortization	\$ 88,939		\$ 60,678		\$ 21,500	\$ 6,761	
3 Company Restaurant EBITDA - Non-GAAP			<u>\$ 136,801</u> 19.1%		<u>\$ 57,467</u> 13.2%		
Jack Company Restaurant Unit Economics							
Average number of restaurants			382				
4 Company restaurant sales			\$ 1,874				
4 Food and packaging costs			(541)				
4 Payroll and employee benefits			(554)				
4 Occupancy and other			<u>(402)</u>				
4 Restaurant operating margin - Non-GAAP			377				
4 Advertising costs			<u>(96)</u>				
4 Restaurant EBIT - Non-GAAP			282				
4 Depreciation and amortization			<u>76</u>				
4 Company Restaurant EBITDA - Non-GAAP			<u>\$ 358</u>				
4 EBITDA Margin - Non-GAAP			19.1%				

1 Earnings from operations is the sum of total other operating expenses, net, franchise margin and restaurant operating margin.

2 Refer to the Jack in the Box Inc. press release filed November 29, 2017.

3 Company Restaurant EBITDA is the sum of Restaurant EBIT and Company restaurant occupancy and other depreciation and amortization.

4 Calculated as the corresponding figure above, divided by average number of restaurants.

5 Calculated as a percentage of company restaurant sales.

Refer to the Jack in the Box Inc. Annual Report on Form 10-K filed with the SEC on November 30, 2017, as follows:

6 Note 1 to the Consolidated Financial Statements.

7 Item 7 Management's Discussion and Analysis of Financial Condition and Results of Operations.

8 Consolidated amount from Consolidated Statements of Cash Flows.