



Second Quarter 2025
Shareholder Letter



Q2 2025 HIGHLIGHTS

BUSINESS OVERVIEW

SECOND QUARTER 2025 HIGHLIGHTS:

- Total revenue grew 12.6% year-over-year to \$356.5m.
 - Shack sales grew 12.4% year-over-year to \$343.2m.
 - Licensing revenue grew 20.2% year-over-year to \$13.3m.
- System-wide sales grew 13.7% year-over-year to \$549.9m.
- Average weekly sales (AWS) increased 1.3% year-over-year to \$78k.
- Same-Shack sales (SSS) grew 1.8% year-over-year.
- Operating income of \$22.4m versus \$10.8m last year.
 - Restaurant-level profit margin¹ of 23.9% of Shack sales, 190 bps improvement year-over-year.
- Net income of \$18.5m versus net income of \$10.4m last year.
 - Adjusted EBITDA¹ of \$58.9m, up 24.8% year-over-year.
- Net income attributable to Shake Shack Inc. of \$17.1m, or earnings of \$0.41 per diluted share.
 - Adjusted pro forma net income¹ of \$19.5m, or earnings of \$0.44 per fully exchanged and diluted share.
- Opened 13 new Company-operated Shacks, including two drive-thrus. Opened nine new licensed Shacks.

"Over the past year, we've improved our operations and strengthened our unit economics through more efficient processes and applying best practices from larger, scaled organizations while staying true to the Shake Shack brand. We remain laser focused on driving healthy same-Shack sales with a specific emphasis on increasing guest frequency. We are committed to continuing to differentiate ourselves through a mix of operational, culinary, and marketing strategies to reinforce the significant value we offer," said Chief Executive Officer, Rob Lynch.

"Our second quarter results reflect the progress against our strategic priorities. We delivered 12.4% Shack sales growth, opened 13 new Company-operated Shacks and nine new licensed Shacks, and achieved 1.8% same-Shack sales growth. We expanded Restaurant-level margin by 190 basis points and grew Adjusted EBITDA approximately 25% year-over-year, supported by strong performance in our Company-operated business and a 20.2% increase in Licensing revenue. Notably, our trends improved throughout the quarter and into July, with same-Shack sales up 3.2%. Our culinary innovation, marketing evolution, and continued improvements in our supply chain and operations position us to perform well against our long-term goals," said Chief Financial Officer, Katie Fogertey.

System-wide Sales

\$549.9m

13.7% growth year-over-year with strong new unit openings.

Same-Shack Sales (SSS) Growth

+1.8%

Trends improved sequentially fueled by marketing, operational improvements, and culinary innovation.

Restaurant-level Profit Margin¹

23.9%

190 bps higher versus last year driven by strength of the new labor model and other initiatives.

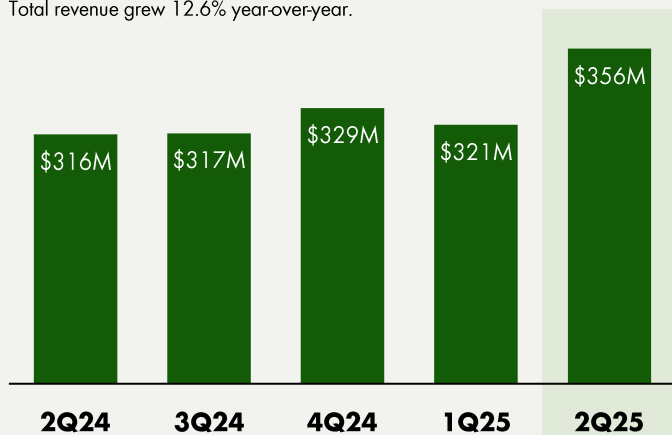
1. Restaurant-level profit, Restaurant-level profit margin, Adjusted EBITDA and Adjusted pro forma net income are non-GAAP measures. Reconciliations to the most directly comparable financial measures presented in accordance with GAAP are set forth in the financial details section of this Shareholder Letter.

Q2 2025 HIGHLIGHTS

We are pleased with Q2 2025 performance, with +12.4% Shack sales growth and +24.8% Adjusted EBITDA year-over-year, and +190 bps Restaurant-level profit margin vs last year.

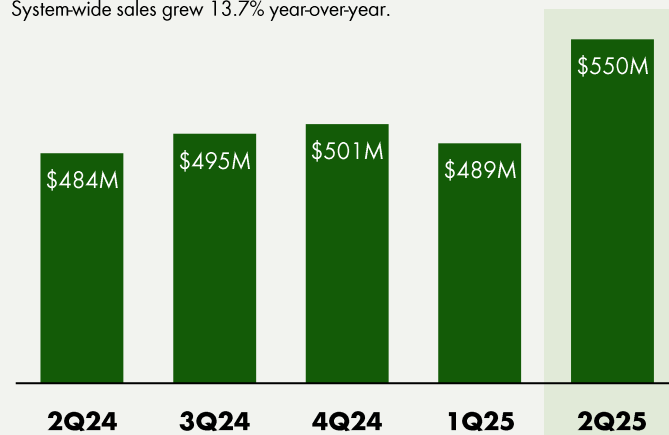
Total Revenue

Total revenue grew 12.6% year-over-year.



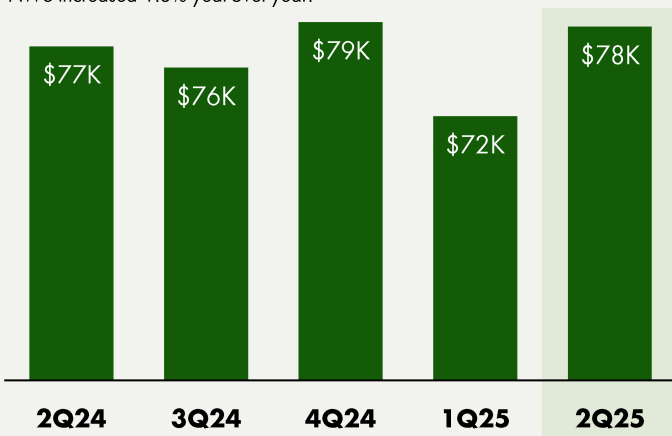
System-wide Sales

System-wide sales grew 13.7% year-over-year.



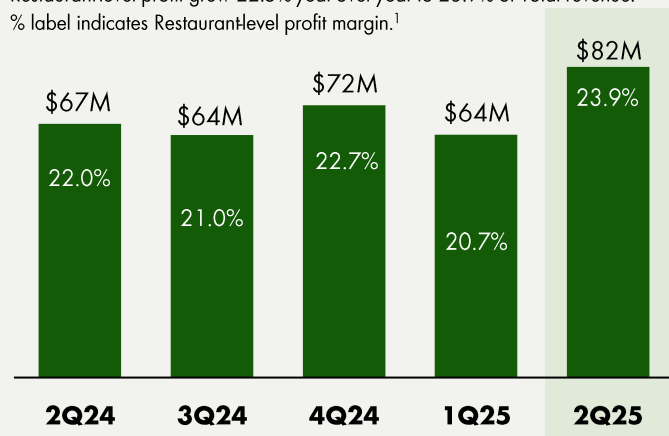
Average Weekly Sales (AWS)

AWS increased 1.3% year-over-year.



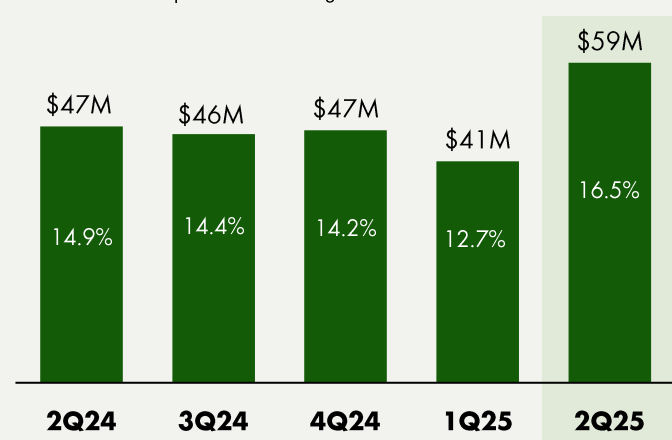
Restaurant-level Profit¹

Restaurant-level profit grew 22.5% year-over-year to 23.9% of Total revenue. % label indicates Restaurant-level profit margin.¹



Adjusted EBITDA¹

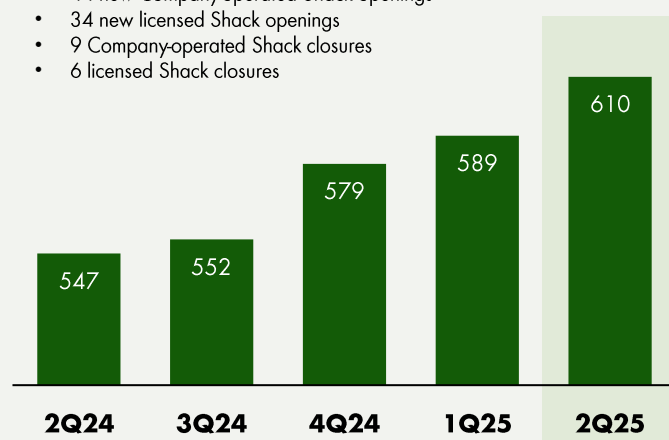
Adjusted EBITDA grew 24.8% year-over-year to 16.5% of Total revenue. % label indicates Adjusted EBITDA margin.



System-wide Shack Count

System-wide unit count grew 11.5% year-over-year versus 2Q24, including:

- 44 new Company-operated Shack openings
- 34 new licensed Shack openings
- 9 Company-operated Shack closures
- 6 licensed Shack closures



1. Restaurant-level profit, Restaurant-level profit margin, and Adjusted EBITDA are non-GAAP measures. Reconciliations to the most directly comparable financial measures presented in accordance with GAAP are set forth in the financial details section of this Shareholder Letter.



Stand For Something Good

TO OUR SHAREHOLDERS

July 31, 2025

We're incredibly grateful to our Shake Shack team members around the world, as our second quarter results marked the 18th consecutive quarter of positive same-Shack sales growth, along with higher Restaurant-level and Adjusted EBITDA margins and double-digit Adjusted EBITDA growth. These strong results reflect the great progress we have made against our strategic priorities.

In the second quarter, we opened 22 new Shacks, 13 Company-operated and nine Licensed, with strong initial sales. These great new Shacks, combined with same-Shack sales growth and healthy, improving profitability across our regions underscores the strength of the Shake Shack brand and the growing - and still untapped - demand across the country. Two openings were among the highest initial day sales in our Company-operated history, both drive-thru formats in suburban markets.

Our operational, marketing, and culinary strategic priorities are having a strong impact on our Company-operated business. In fact, we grew same-Shack sales 1.8% year-over-year, with steady improvements each month and into July with 3.2% same-Shack sales. To build on our success, we're making additional advertising investments to amplify the already positive impact of our culinary innovation on Shack sales and Restaurant-level margins.

In the quarter, we also expanded our Restaurant-level margin by 190 bps, thanks to the successful implementation of our operational scorecard system coupled with improvements to our labor model and enhancements to our scheduling tools. These upgrades are helping us deliver a better guest experience while optimizing expenses and returns across our Shacks.

We grew our Licensing revenue by 20.2% year-over-year, with nine new openings that performed well, including in the US, Canada and Middle East, and continued sales growth in our existing Shacks.

We also grew Adjusted EBITDA by 24.8%, reaching 16.5% of Total revenue, marking our highest second quarter Adjusted EBITDA margin since 2018. With \$336.8m in cash and cash equivalents, up ~\$35m from \$301.8m last year, we're well positioned to keep investing in what matters most to our long-term success - our people, our Shacks and our guests.

Taken all together, our strong performance this quarter underscores the meaningful progress we've made in growing our business and strengthening our fundamentals. The work we're doing today across operations, innovation and marketing is laying the foundation for sustained growth—and we're just getting started. Thank you for your continued interest in our Company.



2025 STRATEGIC PRIORITIES

OUR PROGRESS YEAR-TO-DATE

(1) BUILD A CULTURE OF LEADERS

WE ARE BUILDING A PIPELINE OF LEADERS TO SUPPORT OUR ROAD TO 1,500 SHACKS.

- Investments in leadership development programs and training.
- Welcomed new CPO to support talent acquisition, enterprise growth and build organizational capabilities for our people-first culture.

(2) OPTIMIZE RESTAURANT OPERATIONS

WE ARE DRIVING PROFITABILITY WITH A FOCUS ON DEVELOPING OUR PEOPLE AND ACCOUNTABILITY ON PERFORMANCE.

- Grew Restaurant-level profit margin by 190 bps year-over-year, led by operational improvements and solid flow-thru on incremental sales.
- With our new scorecard system and focus on training, coaching and systems, we made continued improvements in order accuracy, speed of service, and scheduling accuracy metrics.

(3) DRIVE COMP SALES BY INCREASING GUEST FREQUENCY

OUR GREATEST OPPORTUNITY TO GROW SAME-SHACK SALES IS THROUGH FREQUENCY.

- Culinary focus: Summer BBQ LTO with new fried pickles side. National launch of Dubai Shake.
- Frequency focus: Launched compelling offers and rewards tied to frequency in our digital channels.
- Drive-thru focus: Our new combos menu is live at all 46 drive-thru locations.

(4) BUILD AND OPERATE OUR SHACKS WITH BEST-IN-CLASS RETURNS

WE ARE GROWING OUR INDUSTRY LEADING CASH-ON-CASH RETURNS.

- We're delivering on cash-on-cash return targets on new Shacks, supported by AUVs, improving profitability and lower build costs.
- We opened 17 Company-operated Shacks year-to-date and are on track to open 45 to 50 in 2025.

(5) ACCELERATE OUR LICENSED BUSINESS

WE ARE BUILDING THE PIPELINE FOR GROWTH AROUND THE GLOBE.

- We opened 16 licensed Shacks year-to-date and are on track to open 35 to 40 licensed Shacks in 2025.
- Announced two new partnerships in the quarter to license Shacks in US casinos and in Panama.
- Successful culinary innovation is driving sales.

(6) INVEST IN OUR FUTURE & LONG-TERM STRATEGIC CAPABILITIES

WE ARE ACCELERATING OUR PACE OF INNOVATION.

- Our new Kitchen Innovation Lab is live – and already accelerating testing of new equipment, processes and layouts to help us deliver even better guest experiences.
- We are well underway to open our second US Support Center later this year – a hub for innovation and collaboration that will help us collectively write Shake Shack's next chapter of growth.

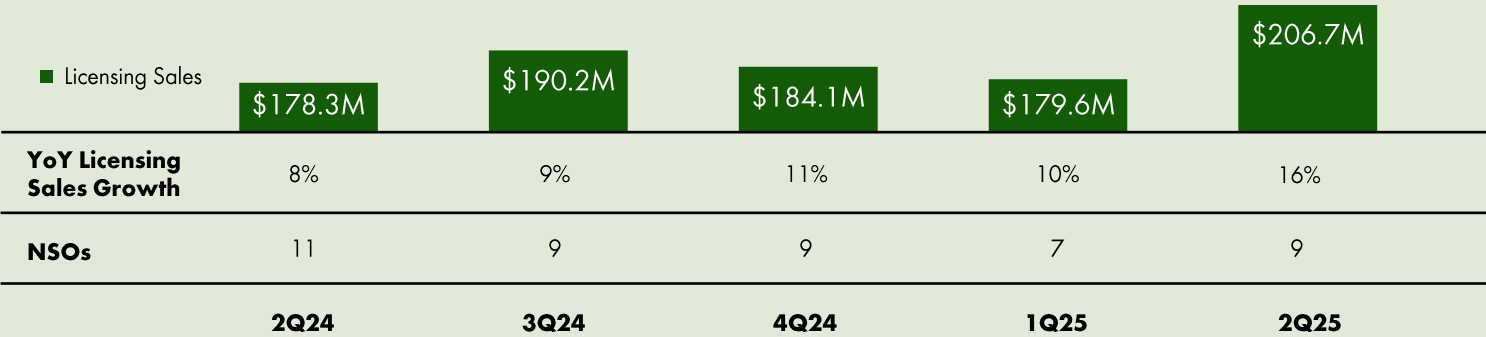
LICENSED BUSINESS HIGHLIGHTS

Our licensed business grew 20.2% year-over-year to \$13.3m. Licensing sales¹ grew by 15.9% to \$206.7m. We opened nine new licensed Shacks with strong performance, especially in the US, Canada and Middle East. In China, our trends improved year-over-year as we focused on menu innovation and daypart opportunities.

We also are pleased with the performance of our partnership with Delta Air Lines and expanded it in the quarter. Delta is now offering Shake Shack burgers in first-class on domestic flights from 13 airports. This is a great example of how we’re growing brand presence and reaching our guests in new and exciting ways.

We ended the quarter with 264 licensed Shacks across 20 markets and remain on track to open 35 to 40 Shacks in 2025. In May, we announced two new partnerships: one with PENN Entertainment to bring Shake Shack to more US casinos, and another with Grupo Attie-Multifood Enterprises, marking our first entry into Central America with Panama. These milestones reflect the strength of our brand, the untapped demand we continue to see, and the global white space opportunity ahead for Shake Shack.

WE GREW LICENSING SALES 16% VERSUS LAST YEAR



Fiscal May 2025

Tema World, Istanbul, Turkey
Seoungsu, Seoul, Korea
One Fullerton, Singapore

Fiscal June 2025

Galerias Metepec, Toluca, Mexico
Cambridge, United Kingdom
Incheon Airport T2, Incheon, South Korea
Mitsui Outlet Park Kisarazu, Chiba, Japan
Expanded Delta partnership to seven more domestic airports

Fiscal July 2025

Port, Tel Aviv, Israel
Suvarnabhumi Airport, Bangkok, Thailand
Rinku Premium Outlet, Osaka, Japan
Expanded Delta partnership to one more domestic airport

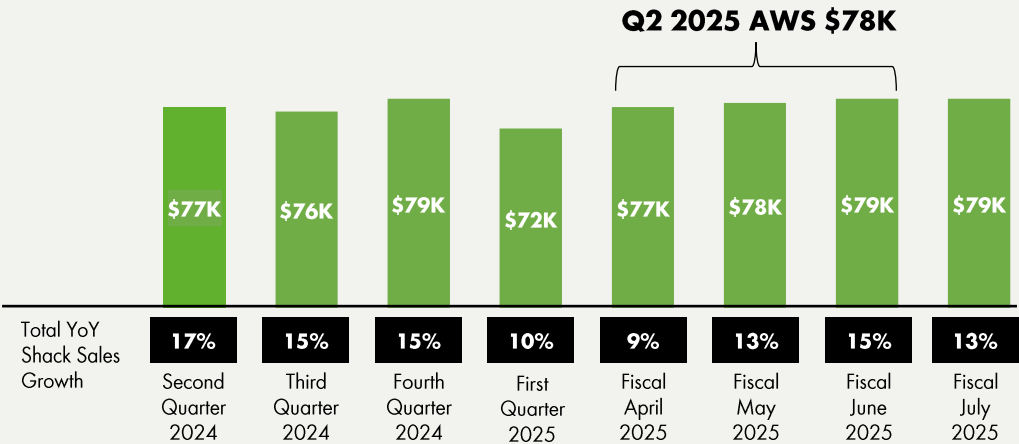
1. Licensing sales is an operating measure and consists of sales from licensed Shacks. The Company does not recognize the sales from licensed Shacks as revenue. Of these amounts, revenue is limited to Licensing revenue based on a percentage of sales from licensed Shacks, as well as certain upfront fees, such as territory fees and opening fees.

AWS AND SAME-SHACK SALES¹

Second quarter AWS was \$78k.

Our sales trends performed better than historical seasonality, as we opened new Shacks with excellence, and executed well against operational improvements, new menu innovation, and had continued success from marketing.

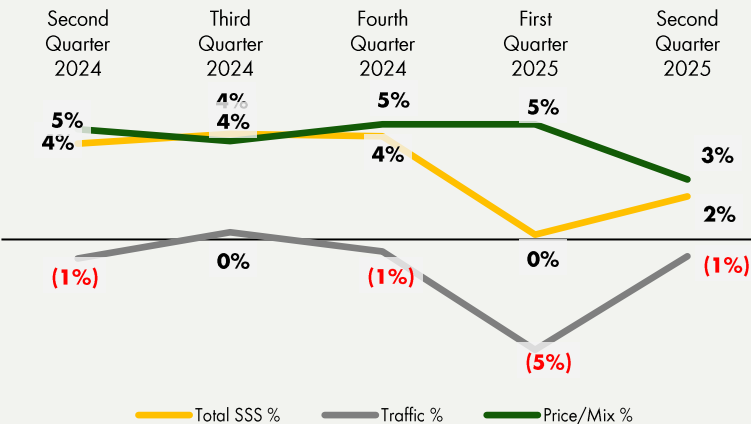
July SSS% grew 3.2% year-over-year as we continued to roll out compelling menu innovation, including a full month of Dubai Shake, and build upon our marketing strategies.



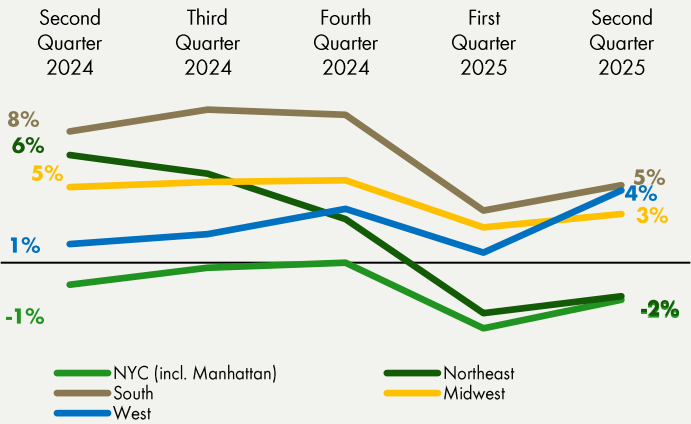
Same-Shack sales grew 1.8% year-over-year in 2Q25. We drove strong performance across many of our markets this quarter, with at least high singledigit comp growth in many key markets including Miami, Orlando, San Francisco, Houston, and Denver. Our operational improvements, including optimized hours, are resulting in higher sales and a better guest experience. Additionally, our marketing and menu innovation are resonating, and we’re building on our momentum with new media investments for Dubai Shake and Dollar Sodas.

Price / mix grew 2.5%. For the quarter, we had approximately 2% in-Shack menu price and approximately 3% blended menu price across all channels. This compares to blended approximately 7% price in Q2 2024. We drove positive mix with culinary and menu innovation as well as strategic merchandising opportunities in our digital and kiosk channels. IPC was negative, impacted by smaller party size.

2Q25 SSS¹ UP 1.8% VERSUS PRIOR YEAR



SSS¹ BY REGION VERSUS PRIOR YEAR



1. Same-Shack sales, or “SSS”, and same-Shack sales growth are key metrics. As a reminder, SSS excludes the impact of closures that are two consecutive days or more, but one day closures and the impact of operating with fewer hours are included.



RESTAURANT-LEVEL PROFIT

Second quarter Restaurant-level profit¹ grew 22.5% year-over-year to \$82.2m, and Restaurant-level profit margin improved 190 bps to 23.9% of Shack sales.

Restaurant-level costs in the second quarter (covered in more detail on the following pages) were as follows:

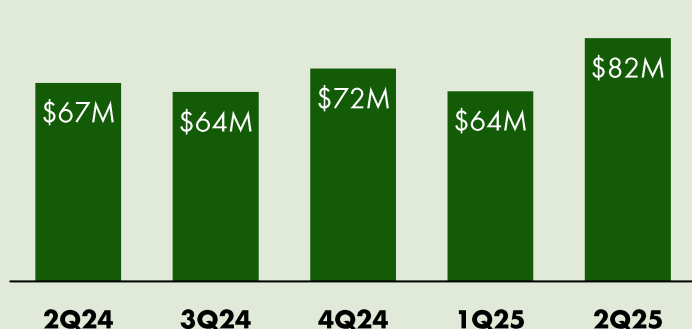
- Food and paper costs were 28.2% of Shack sales.
- Labor and related expenses were 25.7% of Shack sales.
- Other operating expenses were 14.8% of Shack sales.
- Occupancy and related expenses were 7.5% of Shack sales.

We made meaningful strides in operational efficiency this quarter, driven by our standardized scorecard and improved labor model as well as enhancements in scheduling tools. These improvements are giving our operators greater clarity and accountability, while elevating the guest experience across our Shacks.

The operational standards and training investments we're establishing today are laying a strong foundation for sustainable growth and margin expansion – critical as we look ahead to our target of 1,500 Shacks.

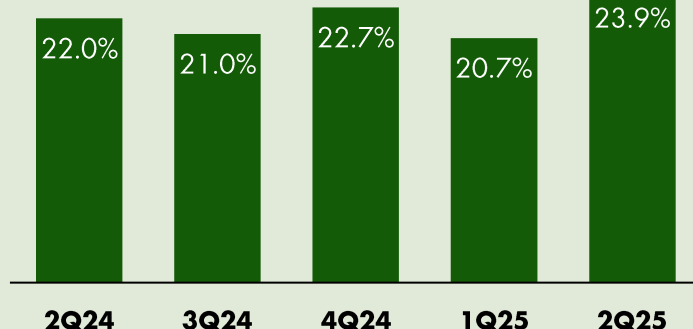
Restaurant-level Profit¹ (\$)

Restaurant-level profit grew 22.5% year-over-year.



Restaurant-level Profit Margin¹ (%)

Restaurant-level profit margin expanded 190 bps year-over-year.



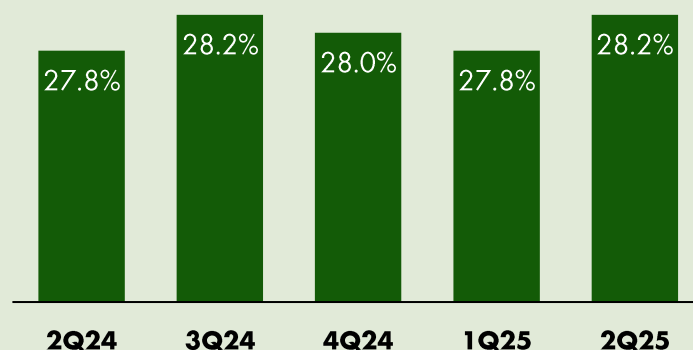
1. Restaurant-level profit and Restaurant-level profit margin are non-GAAP measures. A reconciliation to the most directly comparable financial measure presented in accordance with GAAP is set forth in the financial details section of this Shareholder Letter.

RESTAURANT-LEVEL PROFIT

FOOD & PAPER COSTS

Food and paper costs (“COGS”) were 28.2% of Shack sales in the second quarter, up 40 bps year-over-year. Overall inflation on food and paper was up low single-digits, with beef costs up mid single-digits, and dairy costs elevated, followed by deflation in the remainder of our basket. This was a result of our supply chain strategies including growing our supplier base, identifying opportunities to benefit from our growing scale, as well as broader market forces.

COGS as a % of Shack Sales



We expect food and paper inflation to continue into 2025, led by higher beef costs, though we anticipate savings in other categories to help offset some of the pressure. To manage inflationary pressures, we’re actively pursuing continued supply chain efficiencies—including bringing on additional suppliers, leveraging our scale, and optimizing distribution and logistics. Our guidance assumes no major changes in the broader economic or geopolitical environment, including potential impacts from tariffs. We continue to see a large degree of uncertainty in the outlook for beef prices. This represents the largest category of spend in our food and paper basket at 30% to 35%.

Food and Paper Inflationary Pressures				
Commodities	Basket Range	2Q2025 YoY Actual Inflation	3Q2025 YoY Inflation Outlook *	FY2025 YoY Inflation Outlook *
Beef	~ 30% to 35% ²	+ MSD %	+ Low Teens %	+ MSD% - HSD%
Total Food ¹	~ 90% ³	+ LSD %	+ LSD %	+ LSD %
Paper and Packaging	~ 10% ⁴	- LSD %	- LSD %	- LSD %
Blended Food & Paper	100%	+ LSD %	+ LSD %	+ LSD %

*Our basket can change due to product and sales channel mix. Additionally, we do not contract many components of our basket, and those that we do have different contracted periods throughout the year. We are providing our current expectations for our basket; however, the blended weight and the individual components are subject to change for a variety of reasons.



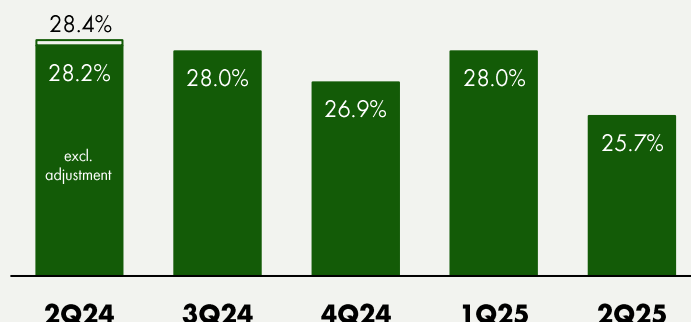
1. Total Food includes food and beverage.
2. Beef basket range calculated as a % of Total Blended Food & Paper.
3. Total Food basket range calculated as a % of Total Blended Food & Paper.
4. Paper & Packaging basket range calculated as a % of Total Blended Food & Paper.

RESTAURANT-LEVEL PROFIT LABOR, OTHER OPEX & OCCUPANCY

Labor and related expenses ("Labor")

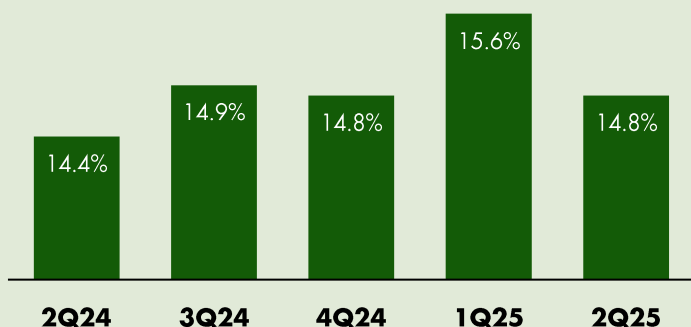
were **25.7% of Shack sales** in the second quarter, **down 270 bps year-over-year**. Our new labor model, standardized scorecard and enhanced scheduling tools are giving our operators more clarity and insights into how they are running their Shacks, as well as driving a better guest experience and operational efficiencies.

Labor as a % of Shack Sales¹



1. Adjustment: 2Q24: \$0.4m of expenses related to California healthcare charges for fiscal 2020 through 2023 which do not represent fiscal 2024 Labor and related expenses.

Other Opex as a % of Shack Sales

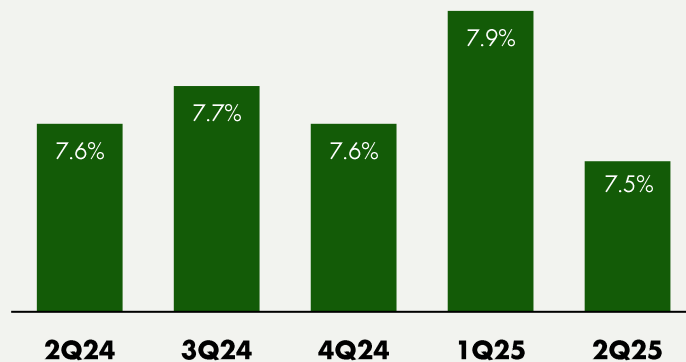


Other operating expenses ("Other opex") were **14.8% of Shack sales** in the second quarter, up 40 bps year-over-year. This slight increase was led by two strategic factors: our continued investment in marketing to drive top-line growth, some of which is reflected in Other operating expenses, and higher sales in our digital channels. Digital sales accounted for 36% of total sales—up from 34% last year. We saw a modest benefit from lower utilities costs as a percentage of sales versus last year.

Occupancy and related expenses

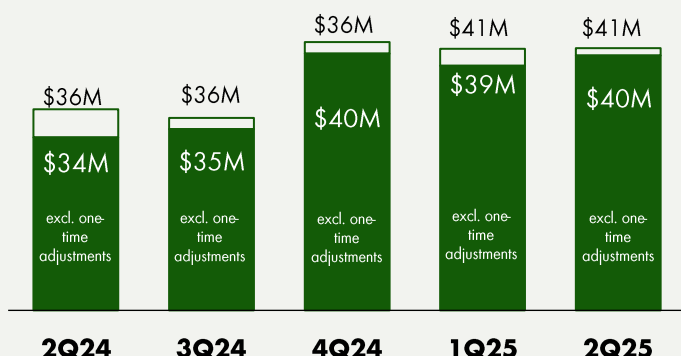
("Occupancy") were **7.5% of Shack sales** in the second quarter, down 10 bps year-over-year, led by sales leverage.

Occupancy as a % of Shack Sales



ADDITIONAL EXPENSES & ADJUSTED EBITDA

G&A Expenses²

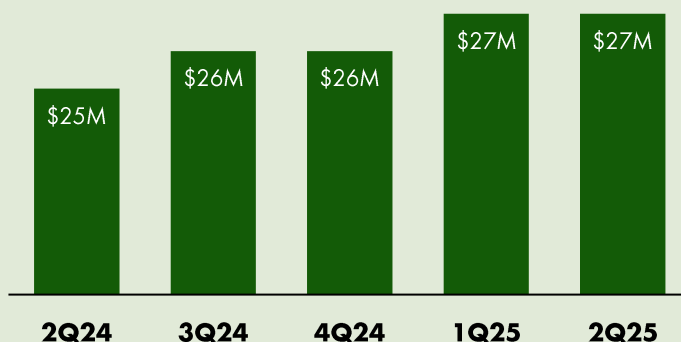


Second quarter General and administrative (“G&A”) expenses were \$40.7m, or \$40.1m excluding one-time adjustments. G&A, excluding one-time adjustments, was 11.3% of Total revenue in the quarter, 50 bps higher than last year, with the increase driven by strategic investments in our people to support Shack growth and marketing investments.

Equity-based compensation expense was \$5.2m, with \$4.7m in G&A.

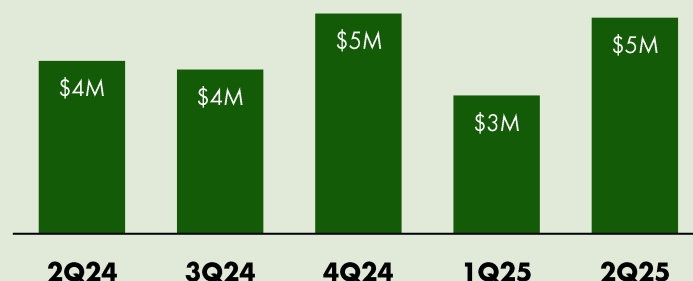
2. One-time adjustments: 2Q24 \$2.0M professional fees and executive transition costs, 3Q24 \$0.8M professional fees and executive transition costs, 4Q24 \$0.8M professional fees and executive transition costs, 1Q25 \$1.2M legal settlement and restatement costs related to prior periods and 2Q25 \$0.6m of severance and restatement costs related to prior periods.

Depreciation and Amortization Expense



Depreciation and amortization expense was \$26.5m. Our Depreciation and amortization expense grew as we opened more Shacks and implemented technology innovation across the business.

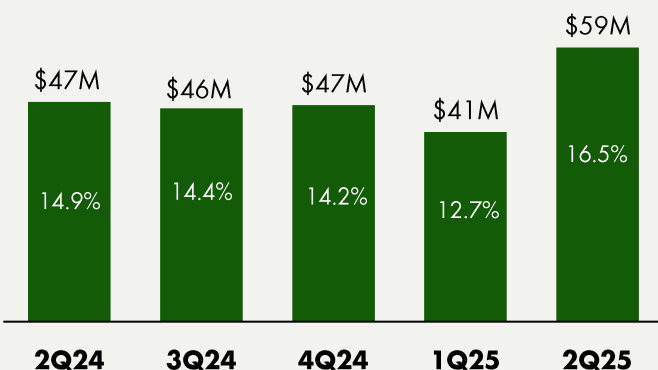
Pre-opening Costs



Pre-opening costs were \$5.0m. Our strategies, including a dedicated training and operating team is continuing to yield cost savings while ensuring strong new unit operating performance.

Adjusted EBITDA¹

% label indicates Adjusted EBITDA margin



1. Adjusted EBITDA is a non-GAAP measure. A reconciliation to the most directly comparable financial measures presented in accordance with GAAP are set forth in the financial details section of this Shareholder Letter.

Adjusted EBITDA grew 24.8% year-over-year to \$58.9m, or 16.5% of Total revenue – 160 bps higher than last year. This marks our highest Adjusted EBITDA level on record and second quarter margin since 2018, underscoring the meaningful progress we've made in strengthening our business fundamentals.

Despite navigating a challenging inflationary environment and macro headwinds, we've continued to invest in our long-term growth opportunities and grown our profitability at approximately double the growth rate of Total revenue.

EBITDA adjustments for 2Q25 totaled \$7.2m, consisting of (i) equity-based compensation of \$5.2m, (ii) impairments, loss on disposal of assets, and Shack closures of \$0.9m, (iii) \$0.6m of amortization of cloud-based software implementation costs and (iv) \$0.5m of one-time adjustments.

FINANCIAL OUTLOOK

Fiscal second quarter and fiscal year 2025 guidance is derived from preliminary, unaudited results based on information currently available to the Company. We factor in an assumption around a degree of pressure on the consumer spending landscape and ongoing inflationary headwinds and do not reflect any change in the current environment or outsized impacts from potential tariffs. While the Company believes these estimates are meaningful, they could differ from the actual results that the Company ultimately reports in its Quarterly Report on Form 10-Q for fiscal quarter ending September 24, 2025 and its Annual Report on Form 10-K for the fiscal year ending December 31, 2025.

Q3 2025 Guidance

Company-operated openings	13 - 16
Licensed openings	7 - 9
Total revenue	\$358m - \$364m
Licensing revenue	\$13.3m - \$13.6m
Same-Shack sales versus 2024	+ LSD %
Restaurant-level profit margin	22.0% - 22.5%

FY 2025 Guidance

Company-operated openings	45 - 50
Licensed openings	35 - 40
Total revenue	\$1.4b - \$1.5b
Licensing revenue	\$51.5m - \$52.5m
Same-Shack sales versus 2024	+ LSD%
Restaurant-level profit margin	~ 22.5%
General and administrative expenses ¹	11.5% - 12.0% of Total Revenue
Equity-based compensation	\$22m
Depreciation and amortization expense	\$107m - \$109m
Pre-opening costs	\$18m - \$19m
Net income	\$50m - \$60m
Adjusted EBITDA	\$210m - \$220m
Adjusted Pro Forma Tax Rate	24% - 25%

Three Year Financial Targets²

Total revenue growth	Low Teens %
System-wide unit growth	Low Teens %
Restaurant-level profit margin	At least 50 bps expansion / year
Adjusted EBITDA growth	Low - High Teens %

1. G&A includes \$20m of the \$22m total Equity-based compensation.

2. These targets reflect metrics for fiscal years 2025, 2026 and 2027. FY2025 has 53 weeks, and these targets have been adjusted to exclude the 53rd week.

These forward-looking projections are subject to known and unknown risks, uncertainties and other important factors that may cause actual results to be materially different from these projections. Factors that may cause such differences include those discussed in the Company's Form 10-K for the fiscal year ended December 25, 2024, and our Cautionary Note On Forward-Looking Statements herein.

These forward-looking projections should be reviewed in conjunction with the consolidated financial statements and the section titled "Cautionary Note Regarding Forward-Looking Statements", within the Company's Form 10-K, which form the basis of our assumptions used to prepare these forward-looking projections. You should not attribute undue certainty to these projections, and we undertake no obligation to revise or update any forward-looking information, except as required by law.

Financial Details & Definitions



CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

This presentation contains forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995, which are subject to known and unknown risks, uncertainties and other important factors that may cause actual results to be materially different from the statements made herein.

All statements other than statements of historical fact included in this presentation are forward-looking statements, including, but not limited to, the Company's growth, including its long-term growth goals, strategic initiatives and priorities, and liquidity. Forward looking statements discuss the Company's current expectations, targets and projections relating to the Company's financial position, results of operations, plans, objectives, future performance and business, including expected financial results and operating performance for fiscal 2025, strategic priorities, expected development targets, and fiscal third quarter and full year 2025 guidance and three-year financial targets.

Forward-looking statements reflect the Company's current expectations and projections with respect to future events and are based on certain assumptions and are subject to risks and uncertainties that could cause the Company's actual results to differ materially from trends, plans, or expectations set forth in the forward-looking statements. relating to its financial position, results of operations, plans, objectives, future performance and business. You can identify forward-looking statements by the fact that they do not relate strictly to historical or current facts. These statements may include words such as "aim," "anticipate," "believe," "estimate," "expect," "forecast," "future," "intend," "outlook," "potential," "preliminary," "project," "projection," "plan," "seek," "targets," "may," "could," "would," "will," "should," "can," "can have," "likely," the negatives thereof and other similar expressions. All forward-looking statements are expressly qualified in their entirety by these cautionary statements. Some of the factors which could cause results to differ materially from the Company's expectations include the Company's ability to develop and open new Shacks on a timely basis, increased costs or shortages or interruptions in the supply and delivery of the Company's products, increased labor costs or shortages, inflationary pressures, the impact of tariffs, the impact of Shack closures, the Company's management of its digital capabilities and expansion into delivery, as well as its kiosk, drive-thru and multiple format investments, the Company's ability to maintain and grow sales at its existing Shacks, and risks relating to the restaurant industry generally. You should evaluate all forward-looking statements made in this presentation in the context of the risks and uncertainties disclosed in the Company's Annual Report on Form 10-K for the fiscal year ended December 25, 2024 as filed with the Securities and Exchange Commission ("SEC") and the Company's other SEC filings. All of the Company's SEC filings are available online at www.sec.gov, www.shakeshack.com or upon request from Shake Shack Inc. The forward-looking statements included in this presentation are made only as of the date hereof. The Company undertakes no obligation to publicly update or revise any forward-looking statement as a result of new information, future events or otherwise, except as otherwise required by law.

DEFINITIONS

The following definitions, and definitions on the subsequent pages, apply to terms as used in this shareholder letter:

"Shack sales" is defined as the aggregate sales of food, beverages, gift card breakage income, and Shake Shack branded merchandise at Company-operated Shacks and excludes sales from licensed Shacks.

"System-wide sales" is an operating measure and consists of sales from Company-operated Shacks and licensed Shacks. The Company does not recognize the sales from licensed Shacks as revenue. Of these amounts, revenue is limited to licensing revenue based on a percentage of sales from licensed Shacks, as well as certain up-front fees, such as territory fees and opening fees.

"Same-Shack sales" or "SSS" represents Shack sales for the comparable Shack base, which is defined as the number of Company-operated Shacks open for 24 full fiscal months or longer. For consecutive days that Shacks were temporarily closed, the comparative period was also adjusted.

"Average weekly sales" or "AWS" is calculated by dividing total Shack sales by the number of operating weeks for all Shacks in operation during the period. For Shacks that are not open for the entire period, fractional adjustments are made to the number of operating weeks open such that it corresponds to the period of associated sales.

"Adjusted pro forma net income," a non-GAAP measure, represents Net income attributable to Shake Shack Inc. assuming the full exchange of all outstanding SSE Holdings, LLC membership interests ("LLC Interests") for shares of Class A common stock, adjusted for certain non-recurring and other items that the Company does not believe directly reflect its core operations and may not be indicative of the Company's recurring business operations.

"EBITDA," a non-GAAP measure, is defined as Net income before interest expense (net of interest income), Income tax expense, and Depreciation and amortization expense.

"Adjusted EBITDA," a non-GAAP measure, is defined as EBITDA (as defined above), excluding equity-based compensation expense, Impairments, loss on disposal of assets and Shack closures, amortization of cloud-based software implementation costs, as well as certain non-recurring items that the Company does not believe directly reflect its core operations and may not be indicative of the Company's recurring business operations.

"Adjusted EBITDA margin," a non-GAAP measure, is defined as Net income before interest expense (net of interest income), Income tax expense and Depreciation and amortization expense, which also excludes equity-based compensation expense, Impairments, loss on disposal of assets and Shack closures, amortization of cloud-based software implementation costs, as well as certain non-recurring items that the Company does not believe directly reflect its core operations and may not be indicative of the Company's recurring business operations, as a percentage of Total revenue.

"Restaurant-level profit," a non-GAAP measure, is defined as Shack sales less Shack-level operating expenses, including Food and paper costs, Labor and related expenses, Other operating expenses, and Occupancy and related expenses.

"Restaurant-level profit margin," a non-GAAP measure, is defined as Shack sales less Shack-level operating expenses, including Food and paper costs, Labor and related expenses, Other operating expenses and Occupancy and related expenses as a percentage of Shack sales.

DEVELOPMENT HIGHLIGHTS

	Thirteen Weeks Ended	
	June 25, 2025	June 26, 2024
Shacks in the comparable base	257	228
Shack counts (at the end of the period)		
System-wide total	610	547
Company-operated	346	311
Licensed total	264	236
Domestic Licensed	46	40
International Licensed	218	196

Development Highlights

During the second quarter of 2025, we opened 13 new Company-operated Shacks and nine new licensed Shacks. Below are Shacks opened during the second quarter of 2025.

Location	Type	Opening Date
Vancouver, WA — Fishers Landing	Company-operated	4/15/2025
Antalya, Turkey — Antalya Airport	Licensed	4/17/2025
Queens, NY — John F. Kennedy International Airport, Terminal 8	Licensed	4/23/2025
Istanbul, Turkey — Tema World	Licensed	4/25/2025
Goodyear, AZ — Goodyear	Company-operated	4/29/2025
Seoul, South Korea — Seoungsu	Licensed	5/1/2025
Brick, NJ — Brick	Company-operated	5/7/2025
Gainesville, VA — Gainesville	Company-operated	5/15/2025
Surprise, AZ — Surprise	Company-operated	5/20/2025
Buffalo, NY — The Boulevard	Company-operated	5/20/2025
Charlotte, NC — Charlotte Premium Outlets	Company-operated	5/20/2025
Singapore, Singapore — One Fullerton	Licensed	5/21/2025
Toluca, Mexico — Galerias Metepec	Licensed	5/22/2025
Chicago, IL — Elston & Logan	Company-operated	5/28/2025
Hillsboro, OR — Reeds Crossing	Company-operated	6/10/2025
Salt Lake City, UT — City Creek Center	Company-operated	6/12/2025
Cambridge, United Kingdom — Cambridge	Licensed	6/12/2025
Salt Lake City, UT — Foothill Village	Company-operated	6/17/2025
St. Louis, MO — Sunset Hills	Company-operated	6/17/2025
Incheon, South Korea — Incheon Airport T2	Licensed	6/21/2025
Chiba, Japan — Mitsui Outlet Park Kisarazu	Licensed	6/23/2025
Yonkers, NY — Ridge Hill	Company-operated	6/24/2025

BALANCE SHEETS

(UNAUDITED)

	June 25, 2025	December 25, 2024
<i>(in thousands, except share and per share amounts)</i>		
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 336,804	\$ 320,714
Accounts receivable, net	21,201	19,687
Inventories	6,028	6,014
Prepaid expenses and other current assets	26,810	21,801
Total current assets	390,843	368,216
Property and equipment, net of accumulated depreciation of \$506,081 and \$457,186 respectively.	577,054	551,600
Operating lease assets	453,844	424,611
Deferred income taxes, net	340,897	341,586
Other assets	12,395	10,958
TOTAL ASSETS	\$ 1,775,033	\$ 1,696,971
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 20,662	\$ 23,609
Accrued expenses	79,741	63,005
Accrued wages and related liabilities	23,294	25,422
Operating lease liabilities, current	59,133	55,739
Other current liabilities	21,220	19,538
Total current liabilities	204,050	187,313
Long-term debt	247,207	246,683
Long-term operating lease liabilities	525,998	494,499
Liabilities under tax receivable agreement, net of current portion	247,625	247,017
Other long-term liabilities	31,089	27,833
Total liabilities	1,255,969	1,203,345
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, no par value—10,000,000 shares authorized; none issued and outstanding as of June 25, 2025 and December 25, 2024.	-	-
Class A common stock, \$0.001 par value—200,000,000 shares authorized; 40,243,981 and 40,068,068 shares issued and outstanding as of June 25, 2025 and December 25, 2024, respectively.	40	40
Class B common stock, \$0.001 par value—35,000,000 shares authorized; 2,439,789 and 2,455,713 shares issued and outstanding as of June 25, 2025 and December 25, 2024, respectively.	2	2
Additional paid-in capital	445,682	442,993
Retained earnings	48,377	26,984
Accumulated other comprehensive loss	(4)	(1)
Total stockholders' equity attributable to Shake Shack, Inc.	494,097	470,018
Non-controlling interests	24,967	23,608
Total equity	519,064	493,626
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 1,775,033	\$ 1,696,971

STATEMENTS OF INCOME

(UNAUDITED)

	Thirteen Weeks Ended				Twenty-Six Weeks Ended			
	June 25,		June 26,		June 25,		June 26,	
(in thousands, except per share amounts)	2025		2024		2025		2024	
Shack sales	\$ 343,224	96.3%	\$ 305,480	96.5%	\$ 653,062	96.4%	\$ 586,032	96.5%
Licensing revenue	13,242	3.7%	11,016	3.5%	24,302	3.6%	20,968	3.5%
TOTAL REVENUE	356,466	100.0%	316,496	100.0%	677,364	100.0%	607,000	100.0%
Shack-level operating expenses ⁽¹⁾ :								
Food and paper costs	96,621	28.2%	85,053	27.8%	182,658	28.0%	165,306	28.2%
Labor and related expenses	88,058	25.7%	86,614	28.4%	174,726	26.8%	168,123	28.7%
Other operating expenses	50,768	14.8%	43,953	14.4%	99,030	15.2%	85,809	14.6%
Occupancy and related expenses	25,593	7.5%	23,226	7.6%	50,224	7.7%	45,414	7.7%
General and administrative expenses	40,671	11.4%	36,313	11.5%	81,311	12.0%	72,257	11.9%
Depreciation and amortization expense	26,545	7.4%	25,496	8.1%	53,088	7.8%	50,937	8.4%
Pre-opening costs	4,955	1.4%	4,014	1.3%	8,173	1.2%	6,767	1.1%
Impairments, loss on disposal of assets, and Shack closures	881	0.2%	1,045	0.3%	2,938	0.4%	1,571	0.3%
TOTAL EXPENSES	334,092	93.7%	305,714	96.6%	652,148	96.3%	596,184	98.2%
INCOME FROM OPERATIONS	22,374	6.3%	10,782	3.4%	25,216	3.7%	10,816	1.8%
Other income, net	2,850	0.8%	3,300	1.0%	5,821	0.9%	6,506	1.1%
Interest expense	(548)	(0.2)%	(527)	(0.2)%	(1,111)	(0.2)%	(1,035)	(0.2)%
INCOME BEFORE INCOME TAXES	24,676	6.9%	13,555	4.3%	29,926	4.4%	16,287	2.7%
Income tax expense	6,193	1.7%	3,173	1.0%	6,930	1.0%	3,691	0.6%
NET INCOME	18,483	5.2%	10,382	3.3%	22,996	3.4%	12,596	2.1%
Less: Net income attributable to non-controlling interests	1,335	0.4%	714	0.2%	1,603	0.2%	888	0.1%
NET INCOME ATTRIBUTABLE TO SHAKE SHACK INC.	\$ 17,148	4.8%	\$ 9,668	3.1%	\$ 21,393	3.2%	\$ 11,708	1.9%
Earnings per share of Class A common stock:								
Basic	\$ 0.43		\$ 0.24		\$ 0.53		\$ 0.30	
Diluted	\$ 0.41		\$ 0.23		\$ 0.51		\$ 0.28	
Weighted-average shares of Class A common stock outstanding:								
Basic	40,226		39,750		40,173		39,632	
Diluted	41,819		41,480		41,842		41,369	

(1) As a percentage of Shack sales.

CASH FLOW STATEMENTS

(UNAUDITED)

	Twenty-Six Weeks Ended	
	June 25, 2025	June 26, 2024
OPERATING ACTIVITIES		
Net income (including amounts attributable to non-controlling interests)	\$ 22,996	\$ 12,596
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization expense	53,088	50,937
Amortization of debt issuance costs	524	524
Amortization of cloud computing assets	1,166	1,048
Non-cash operating lease cost	42,250	37,655
Equity-based compensation	9,750	7,381
Deferred income taxes	3,785	1,311
Non-cash interest	46	(128)
Net amortization of discount on held-to-maturity securities	-	(434)
Impairment, loss on disposal of assets, and Shack closures	2,938	1,571
Changes in operating assets and liabilities:		
Accounts receivable	(1,514)	933
Inventories	(14)	210
Prepaid expenses and other current assets	(2,162)	(864)
Other assets	(3,978)	(1,219)
Accounts payable	(2,164)	(1,084)
Accrued expenses	12,947	4,409
Accrued wages and related liabilities	(2,128)	1,639
Other current liabilities	(343)	(732)
Operating lease liabilities	(44,356)	(32,553)
Other long-term liabilities	3,389	1,010
NET CASH PROVIDED BY OPERATING ACTIVITIES	96,220	84,210
INVESTING ACTIVITIES		
Purchases of property and equipment	(67,438)	(65,992)
Maturities of held-to-maturity marketable securities	—	66,420
NET CASH (USED IN) PROVIDED BY INVESTING ACTIVITIES	(67,438)	428
FINANCING ACTIVITIES		
Payments on principal of financing leases	(2,631)	(1,918)
Distributions paid to non-controlling interest holders	(857)	(145)
Payments under Tax Receivable Agreement	(24)	—
Net proceeds from stock option exercises	123	552
Employee withholding taxes related to net settled equity awards	(9,300)	(5,941)
NET CASH USED IN FINANCING ACTIVITIES	(12,689)	(7,452)
Effect of exchange rate changes on cash and cash equivalents	(3)	(1)
INCREASE IN CASH AND CASH EQUIVALENTS	16,090	77,185
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	320,714	224,653
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 336,804	\$ 301,838

RESTAURANT-LEVEL PROFIT DEFINITIONS

Restaurant-Level Profit

"Restaurant-level profit," a non-GAAP measure, is defined as Shack sales less Shack-level operating expenses, including Food and paper costs, Labor and related expenses, Other operating expenses, and Occupancy and related expenses.

Restaurant-level Profit Margin

"Restaurant-level profit margin," a non-GAAP measure, is defined as Shack sales less Shack-level operating expenses, including Food and paper costs, Labor and related expenses, Other operating expenses and Occupancy and related expenses as a percentage of Shack sales.

How This Measure Is Useful

When used in conjunction with GAAP financial measures, Restaurant-level profit and Restaurant-level profit margin are supplemental measures of operating performance that the Company believes are useful measures to evaluate the performance and profitability of its Shacks. Additionally, Restaurant-level profit and Restaurant-level profit margin are key metrics used internally by management to develop internal budgets and forecasts, as well as assess the performance of its Shacks relative to budget and against prior periods. It is also used to evaluate employee compensation as it serves as a metric in certain performance-based employee bonus arrangements. The Company believes presentation of Restaurant-level profit and Restaurant-level profit margin provides investors with a supplemental view of its operating performance that can provide meaningful insights to the underlying operating performance of the Shacks, as these measures depict the operating results that are directly impacted by the Shacks and exclude items that may not be indicative of, or are unrelated to, the ongoing operations of the Shacks. It may also assist investors to evaluate the Company's performance relative to peers of various sizes and maturities and provides greater transparency with respect to how management evaluates the business, as well as the financial and operational decision-making.

Limitations of the Usefulness of this Measure

Restaurant-level profit and Restaurant-level profit margin may differ from similarly titled measures used by other companies due to different methods of calculation. Presentation of Restaurant-level profit and Restaurant-level profit margin is not intended to be considered in isolation or as a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP. Restaurant-level profit excludes certain costs, such as General and administrative expenses and Pre-opening costs, which are considered normal, recurring cash operating expenses and are essential to support the operation and development of the Company's Shacks. Therefore, this measure may not provide a complete understanding of the Company's operating results as a whole and Restaurant-level profit and Restaurant-level profit margin should be reviewed in conjunction with the Company's GAAP financial results. A reconciliation of Restaurant-level profit to operating income, the most directly comparable GAAP financial measure, is set forth on next slide.

RESTAURANT-LEVEL PROFIT

(dollar amounts in thousands)	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	June 25, 2025	June 26, 2024	June 25, 2025	June 26, 2024
Income from operations	\$ 22,374	\$ 10,782	\$ 25,216	\$ 10,816
Less:				
Licensing revenue	13,242	11,016	24,302	20,968
Add:				
General and administrative expenses	40,671	36,313	81,311	72,257
Depreciation and amortization expense	26,545	25,496	53,088	50,937
Pre-opening costs	4,955	4,014	8,173	6,767
Impairments, loss on disposal of assets, and Shack closures	881	1,045	2,938	1,571
Adjustment				
Employee benefit charges ⁽¹⁾	-	445	-	445
Restaurant-level profit	\$ 82,184	\$ 67,079	\$ 146,424	\$ 121,825
Total revenue	\$ 356,466	\$ 316,496	\$ 677,364	\$ 607,000
Less: Licensing revenue	13,242	11,016	24,302	20,968
Shack sales	\$ 343,224	\$ 305,480	\$ 653,062	\$ 586,032
Restaurant-level profit margin ⁽¹⁾	23.9%	22.0%	22.4%	20.8%

(1) Expenses related to California healthcare charges for fiscal 2020 through 2023 which do not represent fiscal 2024 Labor and related expenses.

(2) As a percentage of Shack sales.

ADJUSTED EBITDA DEFINITIONS

EBITDA and Adjusted EBITDA

EBITDA, a non-GAAP measure, is defined as Net income before interest expense (net of interest income), Income tax expense and Depreciation and amortization expense. Adjusted EBITDA, a non-GAAP measure, is defined as EBITDA (as defined above) excluding equity-based compensation expense, Impairments, loss on disposal of assets and Shack closures, amortization of cloud-based software implementation costs, as well as certain non-recurring items that the Company does not believe directly reflect its core operations and may not be indicative of the Company's recurring business operations.

How These Measures Are Useful

When used in conjunction with GAAP financial measures, EBITDA and adjusted EBITDA are supplemental measures of operating performance that the Company believes are useful measures to facilitate comparisons to historical performance and competitors' operating results. Adjusted EBITDA is a key metric used internally by management to develop internal budgets and forecasts and also serves as a metric in its performance-based equity incentive programs and certain bonus arrangements. The Company believes presentation of EBITDA and adjusted EBITDA provides investors with a supplemental view of the Company's operating performance that facilitates analysis and comparisons of its ongoing business operations because they exclude items that may not be indicative of the Company's ongoing operating performance.

Limitations of the Usefulness of These Measures

EBITDA and adjusted EBITDA may differ from similarly titled measures used by other companies due to different methods of calculation. Presentation of EBITDA and adjusted EBITDA is not intended to be considered in isolation or as a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP. EBITDA and adjusted EBITDA exclude certain normal recurring expenses. Therefore, these measures may not provide a complete understanding of the Company's performance and should be reviewed in conjunction with the GAAP financial measures. A reconciliation of EBITDA and adjusted EBITDA to Net income, the most directly comparable GAAP measure, is set forth on next slide.

ADJUSTED EBITDA

(dollar amounts in thousands)	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	June 25, 2025	June 26, 2024	June 25, 2025	June 26, 2024
Net income	\$ 18,483	\$ 10,382	\$ 22,996	\$ 12,596
Depreciation and amortization expense	26,545	25,496	53,088	50,937
Interest expense, net	500	395	1,023	368
Income tax expense	6,193	3,173	6,930	3,691
EBITDA	\$ 51,721	\$ 39,446	\$ 84,037	\$ 67,592
Equity-based compensation	5,209	3,739	9,750	7,381
Amortization of cloud-based software implementation costs	560	530	1,166	1,048
Impairments, loss on disposal of assets, and Shack closures	881	1,045	2,938	1,571
Restatement costs ⁽¹⁾	100	208	354	1,599
Legal settlements ⁽²⁾	-	-	983	-
CEO transition costs	35	109	35	588
Severance	379	-	379	-
Employee benefit charges ⁽³⁾	-	445	-	445
Other ⁽⁴⁾	15	1,687	3	2,870
Adjusted EBITDA	\$ 58,900	\$ 47,209	\$ 99,645	\$ 83,094
Adjusted EBITDA margin⁽⁵⁾	16.5%	14.9%	14.7%	13.7%

(1) Expenses incurred related to the restatement of prior periods in the 2023 Form 10-K.

(2) Expenses incurred to establish accruals related to the settlements of legal matters.

(3) Expenses related to California healthcare charges for fiscal 2020 through 2023 which do not represent fiscal 2024 Labor and related expenses.

(4) Expenses incurred for professional fees related to non-recurring matters.

(5) Calculated as a percentage of Total revenue, which was \$356.5 million and \$677.4 million for the thirteen and twenty-six weeks ended June 25, 2025, respectively, and \$316.5 million and \$607.0 million for the thirteen and twenty-six weeks ended June 26, 2024, respectively.

ADJUSTED PRO FORMA NET INCOME AND INCOME PER SHARE DEFINITIONS

Adjusted Pro Forma Net Income and Adjusted Pro Forma Earnings Per Fully Exchanged and Diluted Share

Adjusted pro forma net income represents Net income attributable to Shake Shack Inc. assuming the full exchange of all outstanding SSE Holdings, LLC membership interests ("LLC Interests") for shares of Class A common stock, adjusted for certain non-recurring items that the Company does not believe are directly related to its core operations and may not be indicative of recurring business operations. Adjusted pro forma earnings per fully exchanged and diluted share is calculated by dividing adjusted pro forma net income by the weighted-average shares of Class A common stock outstanding, assuming the full exchange of all outstanding LLC Interests, after giving effect to the dilutive effect of outstanding equity-based awards.

How These Measures Are Useful

When used in conjunction with GAAP financial measures, adjusted pro forma net income and adjusted pro forma earnings per fully exchanged and diluted share are supplemental measures of operating performance that the Company believes are useful measures to evaluate performance period over period and relative to its competitors. By assuming the full exchange of all outstanding LLC Interests, the Company believes these measures facilitate comparisons with other companies that have different organizational and tax structures, as well as comparisons period over period because it eliminates the effect of any changes in Net income attributable to Shake Shack Inc. driven by increases in its ownership of SSE Holdings, which are unrelated to the Company's operating performance, and excludes items that are non-recurring or may not be indicative of ongoing operating performance.

Limitations of the Usefulness of These Measures

Adjusted pro forma net income and adjusted pro forma earnings per fully exchanged and diluted share may differ from similarly titled measures used by other companies due to different methods of calculation. Presentation of adjusted pro forma net income and adjusted pro forma earnings (loss) per fully exchanged and diluted share should not be considered alternatives to Net income and earnings per share, as determined under GAAP. While these measures are useful in evaluating the Company's performance, it does not account for the earnings attributable to the non-controlling interest holders and therefore does not provide a complete understanding of the Net income attributable to Shake Shack Inc. Adjusted pro forma net income and adjusted pro forma earnings per fully exchanged and diluted share should be evaluated in conjunction with GAAP financial results.

ADJUSTED PRO FORMA NET INCOME AND INCOME PER SHARE

(in thousands, except per share amounts)	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	June 25, 2025	June 26, 2024	June 25, 2025	June 26, 2024
Numerator:				
Net income attributable to Shake Shack Inc.	\$ 17,148	\$ 9,668	\$ 21,393	\$ 11,708
Adjustments:				
Reallocation of Net income attributable to non-controlling interests from the assumed exchange of LLC Interests ⁽¹⁾	1,335	714	1,603	888
Impairment charge and Shack closures ⁽²⁾	295	-	1,948	-
Restatement costs ⁽³⁾	100	208	354	1,599
Employee benefit charges ⁽⁴⁾	-	445	-	445
Legal settlements ⁽⁵⁾	-	-	983	-
Severance	379	-	379	-
CEO transition costs	35	109	35	588
Other ⁽⁶⁾	15	1,687	3	2,870
Tax impact of above adjustments ⁽⁷⁾	169	(685)	(824)	(329)
Adjusted pro forma net income	\$ 19,476	\$ 12,146	\$ 25,874	\$ 17,769
Denominator:				
Weighted-average shares of Class A common stock outstanding—diluted	41,819	41,480	41,842	41,369
Adjustments:				
Assumed exchange of weighted average LLC Interests for shares of Class A common stock ⁽¹⁾	2,445	2,693	2,446	2,761
Adjusted pro forma fully exchanged weighted-average shares of Class A common stock outstanding—diluted	44,264	44,173	44,288	44,130
Adjusted pro forma earnings per fully exchanged share—diluted	\$ 0.44	\$ 0.27	\$ 0.58	\$ 0.40

	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	June 25, 2025	June 26, 2024	June 25, 2025	June 26, 2024
Earnings per share of Class A common stock—diluted	\$ 0.41	\$ 0.23	\$ 0.51	\$ 0.28
Assumed exchange of weighted average LLC Interests for shares of Class A common stock ⁽¹⁾	0.01	0.01	0.01	0.01
Non-GAAP adjustments ⁽⁸⁾	0.02	0.03	0.06	0.11
Adjusted pro forma earnings per fully exchanged share—diluted	\$ 0.44	\$ 0.27	\$ 0.58	\$ 0.40

(1) Assumes the exchange of all outstanding LLC Interests for shares of Class A common stock, resulting in the elimination of the non-controlling interest and recognition of the net income attributable to non-controlling interests.

(2) Expenses incurred related to Shack closures during fiscal 2024.

(3) Expenses incurred related to the restatement of prior periods in the 2023 Form 10-K.

(4) Expenses related to California healthcare charges for fiscal 2020 through 2023 which do not represent fiscal 2024 Labor and related expenses.

(5) Expenses incurred to establish accruals related to the settlements of legal matters.

(6) Expenses incurred for professional fees related to non-recurring matters.

(7) Represents the tax effect of the aforementioned adjustments and pro forma adjustments to reflect corporate income taxes at assumed effective tax rates of 23.6% and 23.1% for the thirteen and twenty-six weeks ended June 25, 2025, respectively, and 24.1% and 18.4% for the thirteen and twenty-six weeks ended June 26, 2024, respectively. Amounts include provisions for U.S. federal income taxes, certain LLC entity-level taxes and foreign withholding taxes, assuming the highest statutory rates apportioned to each applicable state, local and foreign jurisdiction.

(8) Represents the per share impact of non-GAAP adjustments for each period. Refer to the reconciliation of Adjusted pro forma net income above, for additional information.

ADJUSTED PRO FORMA EFFECTIVE TAX RATE DEFINITIONS

Adjusted Pro Forma Effective Tax Rate

Adjusted pro forma effective tax rate represents the effective tax rate assuming the full exchange of all outstanding SSE Holdings, LLC membership interests ("LLC Interests") for shares of Class A common stock, adjusted for certain non-recurring items that the Company does not believe are directly related to its core operations and may not be indicative of its recurring business operations.

How This Measure Is Useful

When used in conjunction with GAAP financial measures, adjusted pro forma effective tax rate is a supplemental measure of operating performance that the Company believes is useful to evaluate its performance period over period and relative to its competitors. By assuming the full exchange of all outstanding LLC Interests, the Company believes this measure facilitates comparisons with other companies that have different organizational and tax structures, as well as comparisons period over period because it eliminates the effect of any changes in effective tax rate driven by increases in its ownership of SSE Holdings, which are unrelated to the Company's operating performance, and excludes items that are non-recurring or may not be indicative of ongoing operating performance.

Limitations of the Usefulness of this Measure

Adjusted pro forma effective tax rate may differ from similarly titled measures used by other companies due to different methods of calculation. Presentation of adjusted pro forma effective tax rate should not be considered an alternative to effective tax rate, as determined under GAAP. While this measure is useful in evaluating the Company's performance, it does not account for the effective tax rate attributable to the non-controlling interest holders and therefore does not provide a complete understanding of effective tax rate. Adjusted pro forma effective tax rate should be evaluated in conjunction with GAAP financial results. A reconciliation of adjusted pro forma effective tax rate, the most directly comparable GAAP measure, is set forth on next slide.

2025 ADJUSTED PRO FORMA EFFECTIVE TAX RATE

	Thirteen Weeks Ended			Twenty-Six Weeks Ended		
	June 25, 2025			June 25, 2025		
(dollar amounts in thousands)	Income Tax Expense (Benefit)	Income (Loss) Before Income Taxes	Effective Tax Rate	Income Tax Expense (Benefit)	Income Before Income Taxes	Effective Tax Rate
As reported	\$ 6,193	\$ 24,676	25.1%	\$ 6,930	\$ 29,926	23.2%
Non-GAAP adjustments (before tax):						
Legal settlements	-	-	-	-	983	-
Severance	-	379	-	-	379	-
Impairment charge and Shack closures	-	295	-	-	1,948	-
CEO transition costs	-	35	-	-	35	-
Restatement costs	-	100	-	-	354	-
Other Adjustments	-	15	-	-	3	-
Tax effect of non-GAAP adjustments and assumed exchange of outstanding LLC Interests	(169)	-	-	824	-	-
Adjusted pro forma	\$ 6,024	\$ 25,500	23.6%	\$ 7,754	\$ 33,628	23.1%
Less:						
Net tax impact from stock-based compensation	253	-	-	524	-	-
Adjusted pro forma (excluding windfall tax benefits)	\$ 6,277	\$ 25,500	24.6%	\$ 8,278	\$ 33,628	24.6%

2024 ADJUSTED PRO FORMA EFFECTIVE TAX RATE

	Thirteen Weeks Ended			Twenty-Six Weeks Ended		
	June 26, 2024			June 26, 2024		
(dollar amounts in thousands)	Income Tax Expense (Benefit)	Income (Loss) Before Income Taxes	Effective Tax Rate	Income Tax Expense (Benefit)	Income (Loss) Before Income Taxes	Effective Tax Rate
As reported	\$ 3,173	\$ 13,555	23.4%	\$ 3,691	\$ 16,287	22.7%
Non-GAAP adjustments (before tax):						
CEO transition costs	-	109	-	-	588	-
Restatement costs	-	208	-	-	1,599	-
Employee benefit charges	-	445	-	-	445	-
Other Adjustments	-	1,687	-	-	2,870	-
Tax effect of non-GAAP adjustments and assumed exchange of outstanding LLC Interests	685	-	-	329	-	-
Adjusted pro forma	\$ 3,858	\$ 16,004	24.1%	\$ 4,020	\$ 21,789	18.4%
Less:						
Net tax impact from stock-based compensation	(227)	-	-	947	-	-
Adjusted pro forma (excluding windfall tax benefits)	\$ 3,631	\$ 16,004	22.7%	\$ 4,967	\$ 21,789	22.8%

CONTACT INFORMATION



INVESTOR CONTACT

Melissa Calandruccio, ICR
Michelle Michalski, ICR
(844) Shack-04 (844-742-2504)
investor@shakeshack.com

MEDIA CONTACT

Meg Davis, Shake Shack
mcastranova@shakeshack.com