

SHAKE SHACK®

Third Quarter 2025
Shareholder Letter

Q3 2025 HIGHLIGHTS

BUSINESS OVERVIEW

THIRD QUARTER 2025 HIGHLIGHTS:

- Total revenue grew 15.9% year-over-year to $367.4m.
    - Shack sales grew 15.7% year-over-year to $352.8m.
    - Licensing revenue grew 21.1% year-over-year to $14.6m.
- System-wide sales grew 15.4% year-over-year to $571.5m.
- Average weekly sales (AWS) increased 2.6% year-over-year to $78k.
- Same-Shack sales (SSS) grew 4.9% year-over-year.
- Operating income of $18.5m versus operating loss of $18.0m last year.
    - Restaurant-level profit margin[1] of 22.8% of Shack sales, 180 bps improvement year-over-year.
- Net income of $13.7m versus net loss of $11.1m last year.
    - Adjusted EBITDA[1] of $54.1m, up 18.2% year-over-year.
- Net income attributable to Shake Shack Inc. of $12.5m, or earnings of $0.30 per diluted share.
    - Adjusted pro forma net income[1] of $15.9m, or earnings of $0.36 per fully exchanged and diluted share.
- Opened 13 new Company-operated Shacks and seven new licensed Shacks.

"We have made a lot of progress on the plan that we laid out at the beginning of 2025, and the quarterly results show that we are focused on the right strategic priorities moving forward. Collectively, our efforts have resulted in better guest service, operational improvements and productivity, a steady cadence of culinary innovation, and the foundation of a brand marketing model. We have a long way to go to realize our full potential but are prioritizing initiatives that strengthen our foundation, support sustainable growth, and position us well for continued long-term success," said Chief Executive Officer, Rob Lynch.

"We are very pleased with our third-quarter performance, as we delivered 4.9% same-Shack sales growth—a 390 basis point improvement from our first-half 2025 run rate—alongside 180 basis points of Restaurant-level margin expansion, even as we navigated the highest beef prices we have faced in years. We grew Adjusted EBITDA by double-digit percent year-over-year and are on a path to have the largest class of new Shack openings this year on record," said Chief Financial Officer, Katie Fogertey.

System-wide Sales

$571.5m

15.4% growth year-over-year driven by new unit openings and SSS% growth in existing Shacks.

Same-Shack Sales (SSS) Growth

+4.9%

With +130 bps traffic growth y/y, fueled by marketing, operational improvements and culinary innovation.

Restaurant-level Profit Margin[1]

22.8%

180 bps higher versus last year driven by operational improvements and traffic growth.

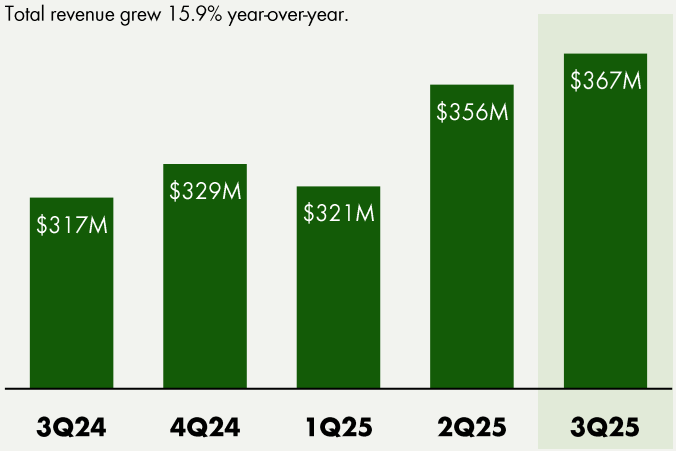
1. Restaurant-level profit, Restaurant-level profit margin, Adjusted EBITDA and Adjusted pro forma net income are non-GAAP measures. Reconciliations to the most directly comparable financial measures presented in accordance with GAAP are set forth in the financial details section of this Shareholder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

Q3 2025 HIGHLIGHTS

We are pleased with Q3 2025 performance: +15.9% Total revenue, 4.9% Same-Shack sales, +18.2% Adjusted EBITDA growth year-over-year, and +180 bps Restaurant-level profit margins vs last year.

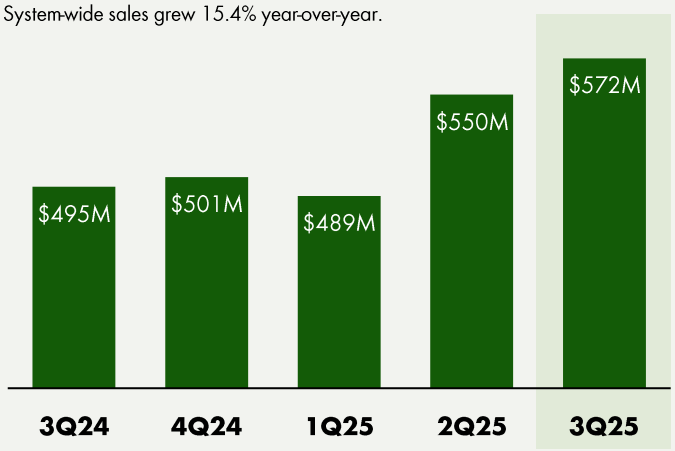
Total Revenue

Total revenue grew 15.9% year-over-year.



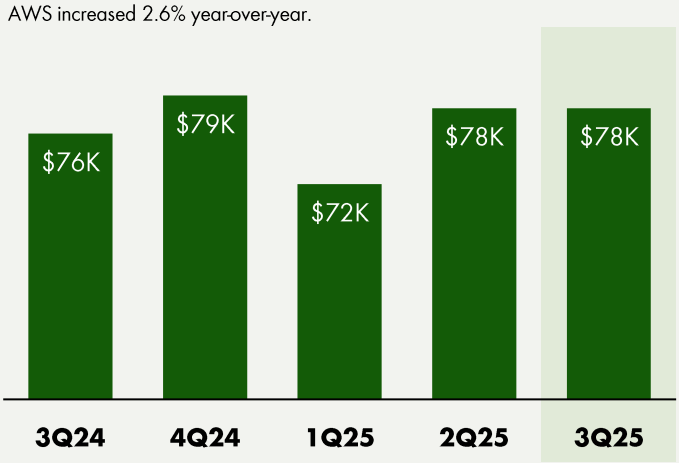
System-wide Sales

System-wide sales grew 15.4% year-over-year.



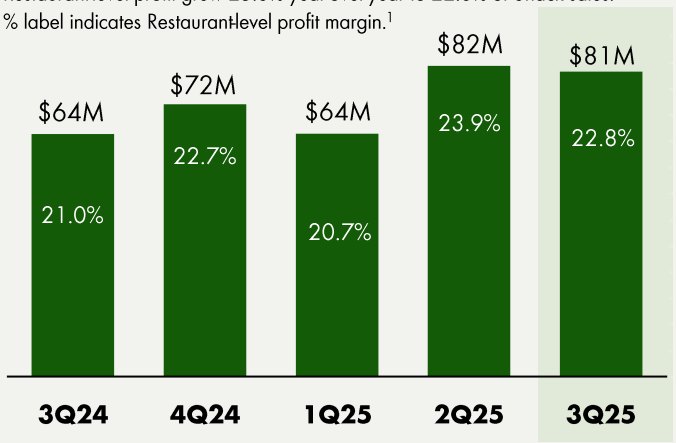
Average Weekly Sales (AWS)

AWS increased 2.6% year-over-year.



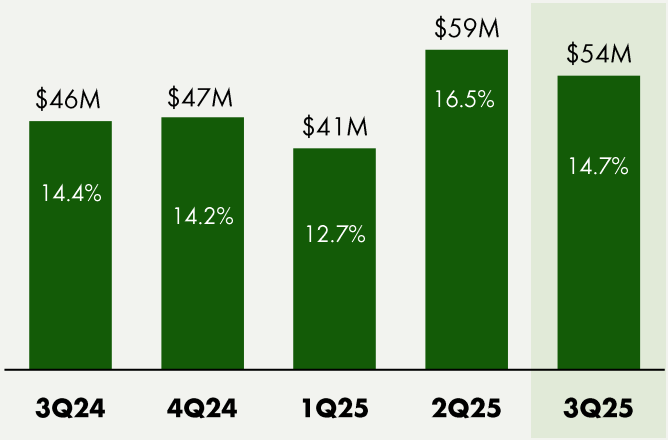
Restaurant-level Profit[1]

Restaurant-level profit grew 25.6% year-over-year to 22.8% of Shack sales.
% label indicates Restaurant-level profit margin.[1]



Adjusted EBITDA[1]

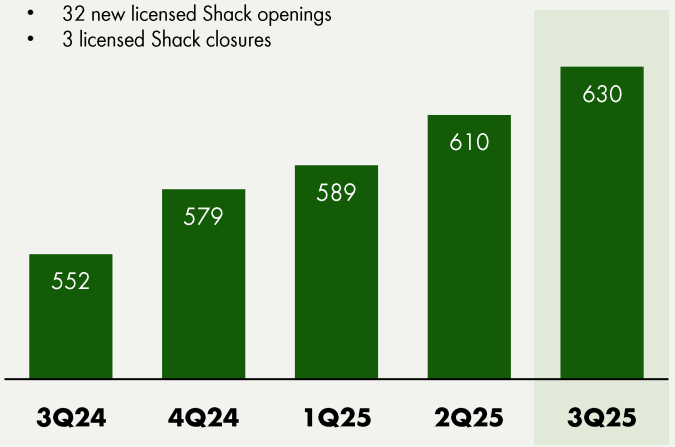
Adjusted EBITDA grew 18.2% year-over-year to 14.7% of Total revenue.
% label indicates Adjusted EBITDA margin.



System-wide Shack Count

System-wide unit count grew 14.1% year-over-year versus 3Q24, including:

- 49 new Company-operated Shack openings
- 32 new licensed Shack openings
- 3 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.



TO OUR SHAREHOLDERS

October 30, 2025

We are proud of the work that our teams did to deliver our strong third quarter results, while continuing to build the foundation for sustainable, long-term growth. In the third quarter 2025, Total revenue reached $367.4 million, with Shack sales growing 15.7% year-over-year to $352.8 million and Licensing revenue growing 21.1% to $14.6 million, along with record system-wide sales of $572 million.

We grew same-Shack sales 4.9% - marking the 19th consecutive quarter of positive growth for our Company. We drove 1.3% traffic growth, supported by compelling culinary offerings and an in-App value platform around $1 drinks that we amplified with new paid media strategies. With our strong sales and operational improvements, we were able to grow our Restaurant-level profit margin by 180 basis points year-over-year, reaching 22.8% - the highest third quarter margin since 2019, despite facing higher beef costs.

We're focused on improving the experience for both guests and team members, and this is a virtuous cycle. We stand today with a workforce that is more tenured than two years ago, reflecting our commitment to creating an environment where careers can grow. It's not surprising to us that with a more experienced hourly workforce, our Shacks are running more efficiently. Versus 2023, our guests are receiving their orders over a minute faster, throughput is higher, including at peaks, and guest satisfaction is up across key metrics. These improvements not only enhance the guest experience but also support long-term sales growth, higher profitability, and Shake Shack brand loyalty.

Additionally, we are doing a better job of supporting our managers with above store leadership, data and analytics, and recruiting and training tools, as they work to optimize the operations of their Shacks and deliver on their profitability goal. In fact, nearly all our Shacks met or exceeded labor targets in Q3, compared to approximately half last year.

Building a strong culture of leaders is essential to how we open our pipeline with excellence and execute against our long-term growth objectives of reaching at least 1,500 Company-operated Shacks. We are making solid progress against our development and growth goals this year, and we're on track to open 45 to 50 Company-operated Shacks - our largest class to date - with plans for 55 to 60 openings in FY 2026. Our licensed business remains on solid footing, with 23 new openings as of Q3, targeting 35 to 40 total openings in 2025, and 40 to 45 in 2026.

We are on a solid path to continue to grow our business profitability. In FY 2025, we expect to grow Total revenue by 16% to approximately $1.45bn, a record level for the Company, with positive LSD% same-Shack sales growth, mid-teens unit growth, and 20% to 21% growth in Licensing revenue. With our operational improvements, we are on track to expand our Restaurant-level profit margins 130 to 160 basis points this year – despite pressures in the beef market, and to grow Adjusted EBITDA by 20% to 22% year-over-year.

SHAKE SHACK®

ROAD TO 1500

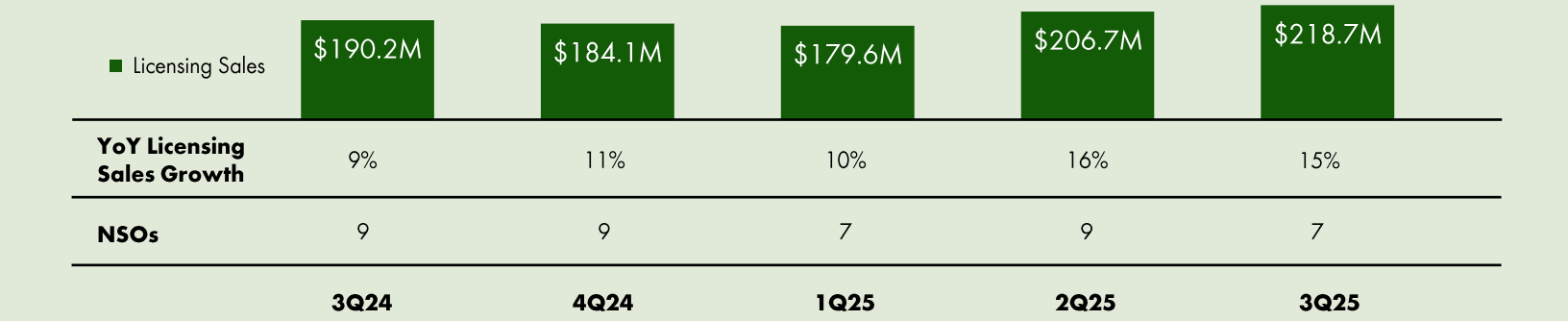
2025 STRATEGIC PRIORITIES	OUR PROGRESS YEAR-TO-DATE
(1) BUILD A CULTURE OF LEADERS	
WE ARE BUILDING A PIPELINE OF LEADERS TO SUPPORT OUR ROAD TO 1,500 SHACKS.	• Supporting managers with improved data and analytics, and recruiting and training tools. • Welcomed new Chief Brand Officer to drive strategic marketing initiatives and strengthen brand leadership in the marketplace.
(2) OPTIMIZE RESTAURANT OPERATIONS	
WE ARE DRIVING PROFITABILTIY WITH A FOCUS ON DEVELOPING OUR PEOPLE AND ACCOUNTABILITY ON PERFORMANCE.	• Grew Restaurant-level profit margin by 180 bps year-over-year, led by operational improvements and solid flow-through on incremental sales. • Our scorecard and training have significantly improved speed of service times and guest satisfaction scores across meal taste, cleanliness of our Shacks, and higher likelihood to return.
(3) DRIVE COMP SALES BY INCREASING GUEST FREQUENCY	
OUR GREATEST OPPORTUNITY TO GROW SAME-SHACK SALES IS THROUGH FREQUENCY.	• Culinary focus: Summer BBQ menu which highlighted innovation of our premium sides with fried pickles. • Innovation focus: Dubai Chocolate Shake throughout the Summer. New hot dog items surrounding our "Dog Days of Summer" promotion. • Frequency focus: Success with in-App only offers, with a ~50% increase in rate of App downloads year-to-date.
(4) BUILD AND OPERATE OUR SHACKS WITH BEST-IN-CLASS RETURNS	
WE ARE GROWING OUR INDUSTRY LEADING CASH-ON-CASH RETURNS.	• Our cash-on-cash return metrics remain strong and we continue to target at least 30% to 33% returns for new Shack openings. • We opened 30 Company-operated Shacks as of Q3 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 23 licensed Shacks as of Q3 and are on track to open 35 to 40 licensed Shacks in 2025. • Announced a new partnership in Hawaii this quarter, making a total of four new partners announced this year. • Prioritize culinary innovation rooted in local tastes to grow sales.
(6) INVEST IN OUR FUTURE & LONG-TERM STRATEGIC CAPABILITIES	
WE ARE ACCELERATING OUR PACE OF INNOVATION.	• Actively testing multiple equipment solutions designed to make our Shacks easier to operate, and with an emphasis on improving product quality, consistency, and speed. • Investing in our technology infrastructure, particularly kiosk and digital channels, to enable guest recognition and loyalty programs.

LICENSED BUSINESS HIGHLIGHTS

Our Licensing revenue grew 21.1% year-over-year to $14.6m including approximately $1m in initial territory, opening, and termination fees that more than doubled year-over-year. Licensing sales[1] grew by 15.0% to $218.7m and we opened seven new licensed Shacks in the quarter. Sales growth was driven by solid performance across regions, particularly new unit openings in the US, Canada, Israel, and Turkey. We continue to see improving performance in China, led by Hong Kong, benefitting from new menu innovation and recovering tourism trends.

We ended the quarter with 271 licensed Shacks across 20 markets and remain on track to open 35 to 40 Shacks in 2025. In addition to our previous announcements to bring Shake Shack to more US casinos and to Panama in 2026, this quarter we announced plans to bring Shake Shack to Vietnam in 2026 and Hawaii in 2027.

WE GREW LICENSING SALES 15% VERSUS LAST YEAR



	3Q24	4Q24	1Q25	2Q25	3Q25
YoY Licensing Sales Growth	9%	11%	10%	16%	15%
NSOs	9	9	7	9	7



Mississauga, Canada



Osaka, Japan


Manila, Philippines

Fiscal August 2025

KLIA2 Airport, Kuala Lumpur, Malaysia
Square One, Mississauga, Canada

Fiscal September 2025

Green Hills, Manila, Philippines
Narita Airport T1, Tokyo, Japan

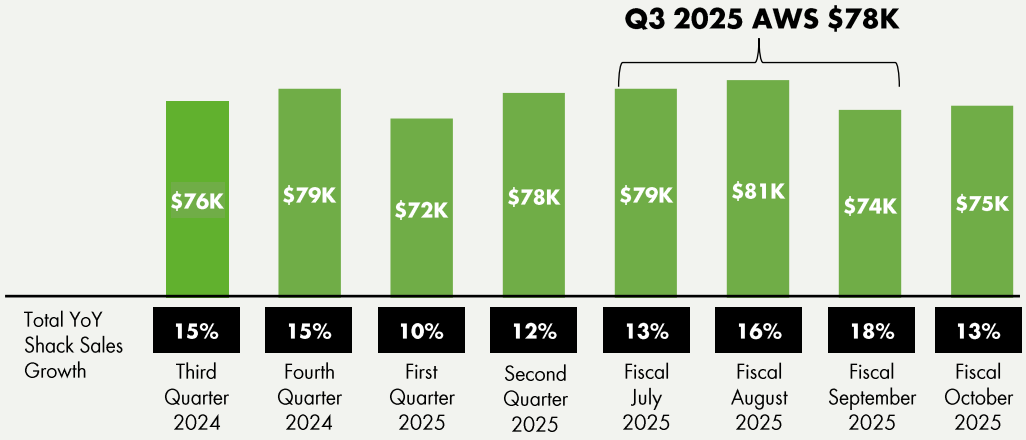
Fiscal October 2025

Siheung Premium Outlet, Siheung, Korea
Yonge & Eglinton, Toronto, Canada
Pittsburgh Airport Concourse, Pittsburgh, USA

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 fees, such as territory fees, opening fees, and termination fees.

AWS AND SAME-SHACK SALES[1]

Third quarter AWS was $78k. Our trends performed better than historical seasonality, reaching the highest third quarter AWS in six years. Our sales benefited from marketing promotions, continued operational improvements, new menu innovation, and paid media.

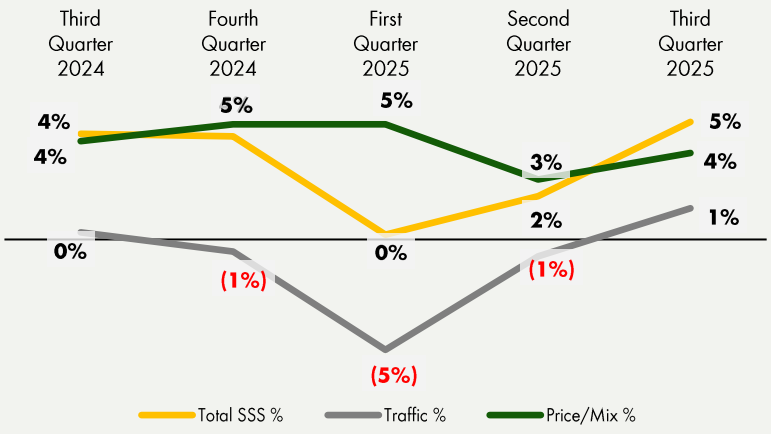


Same-Shack sales grew 4.9% year-over-year in 3Q25. We drove strong performance this quarter with positive comps in nearly all regions, yet continued macro pressures in New York Metro and Washington D.C. weighed on our overall results. We drove 7% to 8% comps in the South, West, and Midwest with double-digit comps in San Francisco, Orlando, Dallas, and Denver, among others. Additionally, we benefited from media investments for the Dubai Chocolate Shake and $1 sodas on our own digital channels.

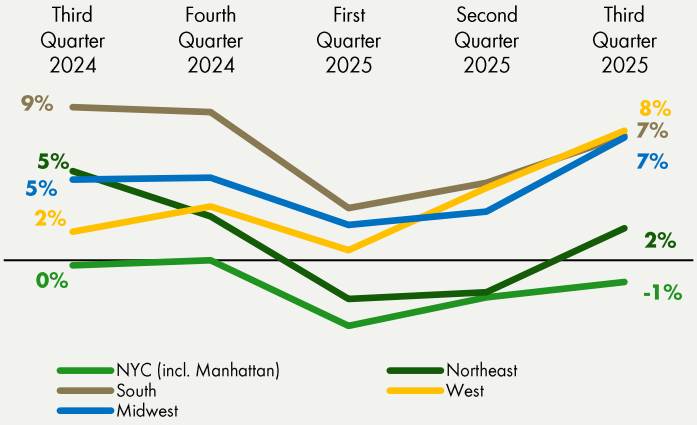
Price / mix grew 3.6%. For the quarter, we had approximately 2% in-Shack menu price and approximately 4% blended menu price across all channels. This compares to approximately blended 6% price in Q3 2024. We drove positive mix through strategic merchandising initiatives in our digital and kiosk channels. IPC was negative, impacted by incremental checks that had a higher attach rate of non-protein LTO items, including shakes.

October SSS% grew 1.3% year-over-year. Beyond rising macro pressures, including in Washington D.C., we also faced headwinds from softer LTO performance and less menu price than we had exiting 3Q25.

3Q25 SSS[1] UP 4.9% VERSUS PRIOR YEAR



SSS[1] 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

Third quarter Restaurant-level profit[1] grew 25.6% year-over-year to $80.6m, and Restaurant-level profit margin improved 180 bps to 22.8% of Shack sales.

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

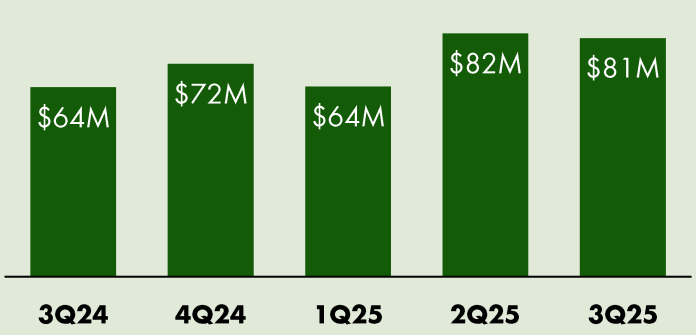
- Food and paper costs were 29.3% of Shack sales.
- Labor and related expenses were 24.9% of Shack sales.
- Other operating expenses were 15.2% of Shack sales.
- Occupancy and related expenses were 7.7% of Shack sales.

The strong performance by our operators and the advancement of our strategic initiatives underscore the momentum we've built and our commitment to sustainable margin expansion over time, all while delivering on improving guest metrics.

The operational standards and training investments we're establishing today through our culture of accountability are laying a strong foundation for sustainable growth and margin expansion – reflective of our three-year outlook.

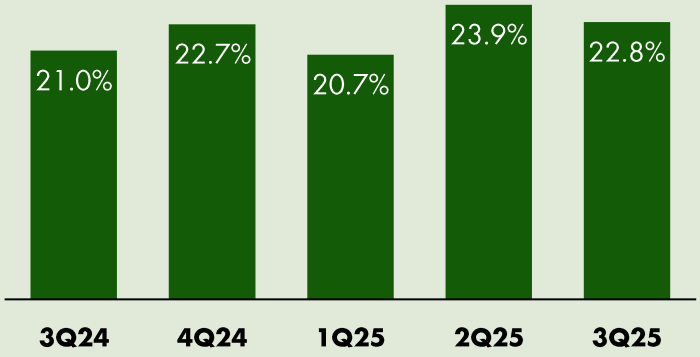
Restaurant-level Profit[1] ($)

Restaurant-level profit grew 25.6% year-over-year.



Restaurant-level Profit Margin[1] (%)

Restaurant-level profit margin expanded 180 bps year-over-year.









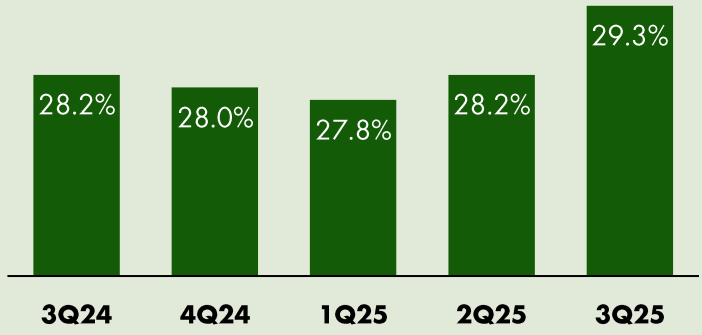


1. Restaurant-level profit and Restaurant-level profit margin are non-GAAP measures. A reconciliation to the most directly comparable financial measure presented in accordance with GAAP is set forth in the financial details section of this Shareholder Letter.

RESTAURANT-LEVEL PROFIT
FOOD & PAPER COSTS

Food and paper costs ("COGS") were 29.3% of Shack sales in the third quarter, up 110 bps year-over-year. Inflation in food and paper increased by mid-single digits percentage year-over-year, with beef up by mid-teens percent year-over-year. We realized deflation across many other items within our basket that helped offset some pressure from beef prices. These outcomes reflect both external market trends and the positive impact of our supply chain initiatives, including supplier diversification and strategic efforts to leverage our expanding scale for improved cost management.

COGS as a % of Shack Sales



We expect food and paper inflation to continue into the fourth quarter, led by higher beef costs, though we are achieving savings in other categories to help offset some of the pressure. While beef inflation is expected to continue in Q4, we anticipate only a low single-digit net impact on food and paper costs - an improvement from 3Q levels - due to the positive impact from our supply chain strategies. Beef represents the largest category of spend in our food and paper basket at 30% to 35%. Our guidance assumes no major changes in the broader economic or geopolitical environment, including potential impacts from tariffs.

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

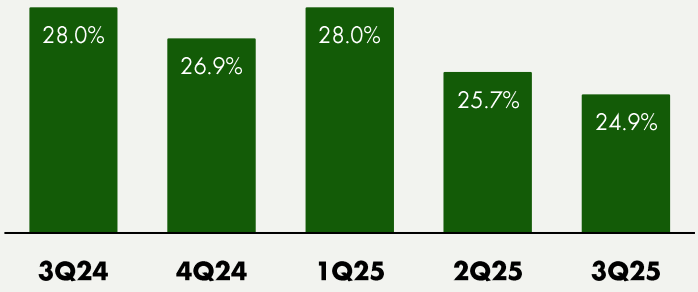


1. Total Food includes food and beverage.
2. Beef basket range calculated as a % of Total Blended Food & Paper.
3. Total Food basket range calculated as a % of Total Blended Food & Paper.
4. Paper & Packaging basket range calculated as a % of Total Blended Food & Paper.

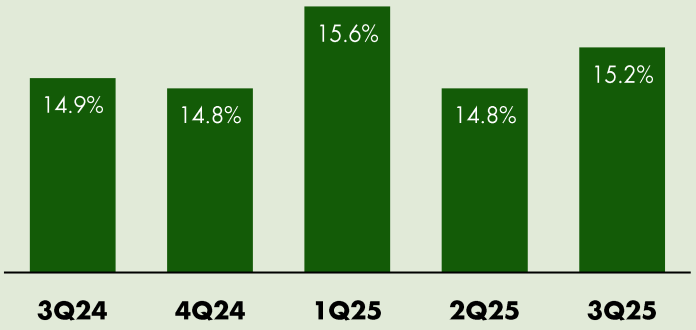
RESTAURANT-LEVEL PROFIT LABOR, OTHER OPEX & OCCUPANCY

Labor and related expenses ("Labor") were **24.9% of Shack sales** in the third quarter, **down 310 bps year-over-year**. Through our new labor model, standardized scorecard, and advanced scheduling tools, we've strengthened execution at the Shack level and equipped our teams with better visibility into performance. This focus on operational discipline is translating into improved efficiencies and continued momentum in guest experience scores.

Labor as a % of Shack Sales



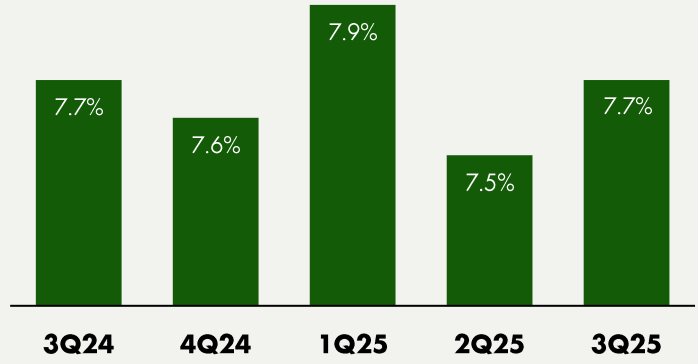
Other Opex as a % of Shack Sales



Other operating expenses ("Other opex") were **15.2% of Shack sales** in the third quarter, up 30 bps year-over-year. The increase was largely driven by higher delivery sales mix. Digital sales accounted for 35% of total sales, compared to 34% last year. Despite this modest uptick, we realized benefit from sales leverage and lower utilities expenses as a percentage of sales year-over-year.

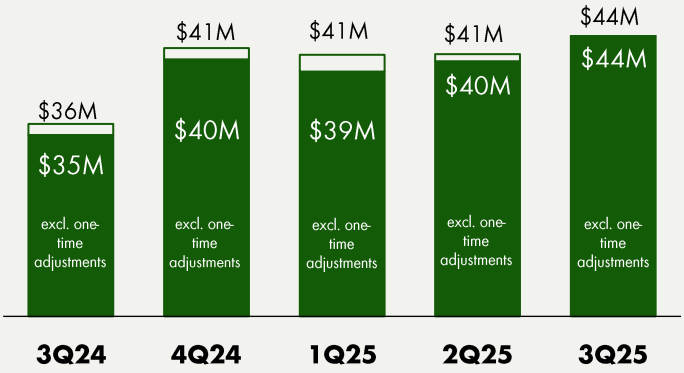
Occupancy and related expenses ("Occupancy") were **7.7% of Shack sales** in the third quarter, flat year-over-year.

Occupancy as a % of Shack Sales



ADDITIONAL EXPENSES & ADJUSTED EBITDA

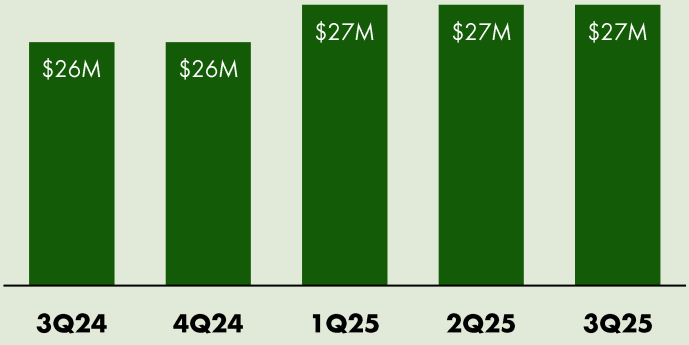
G&A Expenses[2]



2. One-time adjustments: 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 to related to prior periods and 2Q25 $0.6m of severance and restatement costs related to prior periods.

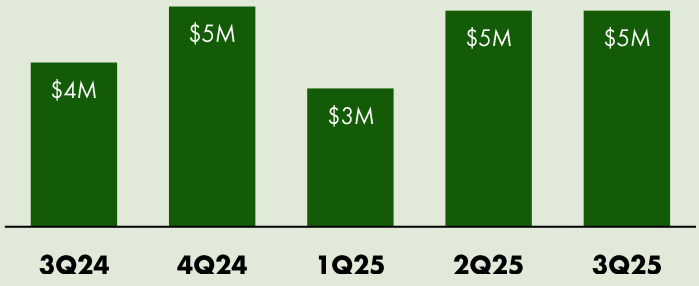
Third quarter General and administrative ("G&A") expenses were $44.4m. We had no one-time adjustments. G&A was 12.1% of Total revenue in the quarter, 80 bps higher than last year, with growth driven by a significant increase in our marketing investments to drive our sales.

Depreciation and Amortization Expense



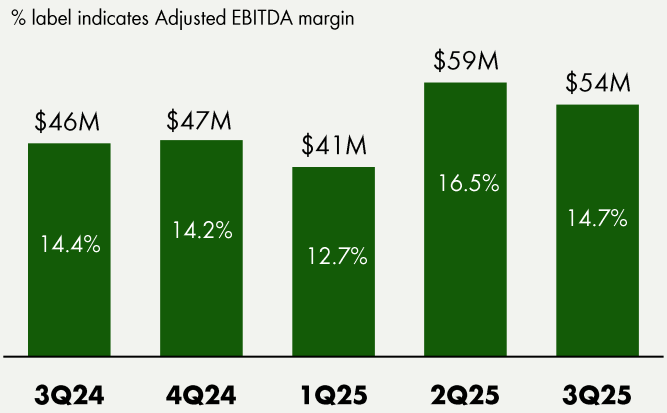
Depreciation and amortization expense was $27.1m. Our Depreciation and amortization expense grew as we opened more Shacks.

Pre-opening Costs



Pre-opening costs were $4.6m. Pre-opening cost per Shack we opened in the quarter is down year-over-year despite incurring more costs for future openings as we accelerate our new Shack opening pace into 2026.

Adjusted EBITDA[1]



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 18.2% year-over-year to $54.1m, or 14.7% of Total revenue – 30 bps higher than last year. We achieved our highest third-quarter Adjusted EBITDA margin since 2019 against a backdrop of persistent inflation and broader macro challenges.

EBITDA adjustments for 3Q25 totaled $5.4m, consisting of (i) equity-based compensation of $4.4m, (ii) impairments, loss on disposal of assets, and Shack closures of $0.5m, and (iii) $0.5m of amortization of cloud-based software implementation costs.

FINANCIAL OUTLOOK

Fiscal fourth 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 including potential changes to tariffs, amongst other factors. While the Company believes these estimates are meaningful, they could differ from the actual results that the Company ultimately reports in its Annual Report on Form 10-K for the fiscal year ending December 31, 2025.

Q4 2025 Guidance

Company-operated openings	15 - 20
Licensed openings	12 - 17
Total revenue	$406m - $412m
Licensing revenue	$15.4m - $15.7m
Same-Shack sales versus 2024	+ LSD %
Restaurant-level profit margin	23.3% - 23.8%

FY 2025 Guidance

Company-operated openings	45 – 50
Licensed openings	35 – 40
Total revenue	~$1.45b
Licensing revenue	$54.1m - $54.5m
Same-Shack sales versus 2024	+ LSD %
Restaurant-level profit margin	22.7% - 23.0%
General and administrative expenses	12.3% to 12.5% of total revenue
Equity-based compensation[1]	$20m
Depreciation and amortization expense	$107m - $109m
Pre-opening costs	$19m
Net income	$50m - $60m
Adjusted EBITDA	$210m - $215m
Adjusted Pro Forma Tax Rate	24% - 25%

Three Year Financial Targets[2]

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. Equity-based compensation is comprised of $18m in G&A and $2m in Restaurant-level profit .
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, opening fees, and termination 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	
	September 24, 2025	**September 25, 2024**
Shacks in the comparable base	268	227
Shack counts (at the end of the period)		
System-wide total	630	552
Company-operated	359	310
Licensed total	271	242
Domestic Licensed	46	42
International Licensed	225	200

Development Highlights

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

Location	Type	Opening Date
Atlanta, GA — The Battery	Company-operated	6/28/2025
Reston, VA — Reston Town Center	Company-operated	7/15/2025
Tel Aviv, Israel — Port	Licensed	7/16/2025
New York, NY — Rockefeller Center	Company-operated	7/17/2025
Bangkok, Thailand — Suvarnabhumi Airport	Licensed	7/18/2025
Osaka, Japan — Rinku Premium Outlet	Licensed	7/21/2025
Barnstable, MA — Hyannis	Company-operated	7/29/2025
Irvine, CA — Tustin Market Place	Company-operated	8/7/2025
Selangor, Malaysia — Kuala Lumpur International Airport, Terminal 2	Licensed	8/8/2025
Orlando, FL — Waterford Lakes	Company-operated	8/12/2025
Bronx, NY — Broadway Plaza Riverdale	Company-operated	8/14/2025
Mississauga, Canada — Square One	Licensed	8/19/2025
Manila, Philippines — Green Hills	Licensed	9/1/2025
Narita, Japan — Narita Airport T1	Licensed	9/11/2025
Fairfax, VA — Kamp Washington	Company-operated	9/16/2025
Short Pump, VA — Short Pump	Company-operated	9/16/2025
Rochester, NY — Greece	Company-operated	9/17/2025
Jacksonville Beach, FL — South Beach Regional	Company-operated	9/23/2025
Merriam, KS — Merriam Grand Station	Company-operated	9/23/2025
Sunnyside, NY — Sunnyside	Company-operated	9/24/2025

BALANCE SHEETS
(UNAUDITED)

(in thousands, except share and per share amounts)		September 24, 2025		December 25, 2024
ASSETS				
Current assets:				
Cash and cash equivalents	$	357,757	$	320,714
Accounts receivable, net		20,612		19,687
Inventories		6,311		6,014
Prepaid expenses and other current assets		30,097		21,801
Total current assets		414,777		368,216
Property and equipment, net of accumulated depreciation of $529,577 and $457,186 respectively.		598,092		551,600
Operating lease assets		468,087		424,611
Deferred income taxes, net		334,978		341,586
Other assets		11,251		10,958
TOTAL ASSETS	$	1,827,185	$	1,696,971
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current liabilities:				
Accounts payable	$	23,562	$	23,609
Accrued expenses		93,945		63,005
Accrued wages and related liabilities		25,946		25,422
Operating lease liabilities, current		60,671		55,739
Other current liabilities		21,226		19,538
Total current liabilities		225,350		187,313
Long-term debt		247,469		246,683
Long-term operating lease liabilities		540,248		494,499
Liabilities under tax receivable agreement, net of current portion		247,825		247,017
Other long-term liabilities		31,056		27,833
Total liabilities		1,291,948		1,203,345
Commitments and contingencies				
Stockholders' equity:				
Preferred stock, no par value—10,000,000 shares authorized; none issued and outstanding as of September 24, 2025 and December 25, 2024.		-		-
Class A common stock, $0.001 par value—200,000,000 shares authorized; 40,253,444 and 40,068,068 shares issued and outstanding as of September 24, 2025 and December 25, 2024, respectively.		40		40
Class B common stock, $0.001 par value—35,000,000 shares authorized; 2,434,789 and 2,455,713 shares issued and outstanding as of September 24, 2025 and December 25, 2024, respectively.		2		2
Additional paid-in capital		448,096		442,993
Retained earnings		60,878		26,984
Accumulated other comprehensive loss		(1)		(1)
Total stockholders' equity attributable to Shake Shack, Inc.		509,015		470,018
Non-controlling interests		26,222		23,608
Total equity		535,237		493,626
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$	1,827,185	$	1,696,971

STATEMENTS OF INCOME
(UNAUDITED)

(in thousands, except per share amounts)	Thirteen Weeks Ended September 24, 2025		Thirteen Weeks Ended September 25, 2024		Thirty-Nine Weeks Ended September 24, 2025		Thirty-Nine Weeks Ended September 25, 2024	
Shack sales	$ 352,846	96.0%	$ 304,897	96.2%	$ 1,005,908	96.3%	$ 890,929	96.4%
Licensing revenue	14,565	4.0%	12,027	3.8%	38,867	3.7%	32,995	3.6%
TOTAL REVENUE	367,411	100.0%	316,924	100.0%	1,044,775	100.0%	923,924	100.0%
Shack-level operating expenses[1]:								
Food and paper costs	103,461	29.3%	86,056	28.2%	286,119	28.4%	251,362	28.2%
Labor and related expenses	88,033	24.9%	85,523	28.0%	262,759	26.1%	253,646	28.5%
Other operating expenses	53,779	15.2%	45,564	14.9%	152,809	15.2%	131,373	14.7%
Occupancy and related expenses	26,995	7.7%	23,608	7.7%	77,219	7.7%	69,022	7.7%
General and administrative expenses	44,381	12.1%	35,691	11.3%	125,692	12.0%	107,948	11.7%
Depreciation and amortization expense	27,079	7.4%	25,722	8.1%	80,167	7.7%	76,659	8.3%
Pre-opening costs	4,625	1.3%	3,662	1.2%	12,798	1.2%	10,429	1.1%
Impairments, loss on disposal of assets, and Shack closures	510	0.1%	29,086	9.2%	3,448	0.3%	30,657	3.3%
TOTAL EXPENSES	348,863	95.0%	334,912	105.7%	1,001,011	95.8%	931,096	100.8%
INCOME (LOSS) FROM OPERATIONS	18,548	5.0%	(17,988)	(5.7)%	43,764	4.2%	(7,172)	(0.8)%
Other income, net	3,103	0.8%	3,504	1.1%	8,924	0.9%	10,010	1.1%
Interest expense	(504)	(0.1)%	(498)	(0.2)%	(1,615)	(0.2)%	(1,533)	(0.2)%
INCOME (LOSS) BEFORE INCOME TAXES	21,147	5.8%	(14,982)	(4.7)%	51,073	4.9%	1,305	0.1%
Income tax expense (benefit)	7,436	2.0%	(3,873)	(1.2)%	14,366	1.4%	(182)	0.0%
NET INCOME (LOSS)	13,711	3.7%	(11,109)	(3.5)%	36,707	3.5%	1,487	0.2%
Less: Net income (loss) attributable to non-controlling interests	1,210	0.3%	(898)	(0.3)%	2,813	0.3%	(10)	0.0%
NET INCOME (LOSS) ATTRIBUTABLE TO SHAKE SHACK INC.	$ 12,501	3.4%	$ (10,211)	(3.2)%	$ 33,894	3.2%	$ 1,497	0.2%
Earnings (Loss) per share of Class A common stock:								
Basic	$ 0.31		$ (0.26)		$ 0.84		$ 0.04	
Diluted	$ 0.30		$ (0.26)		$ 0.81		$ 0.03	
Weighted-average shares of Class A common stock outstanding:								
Basic	40,250		40,010		40,199		39,758	
Diluted	41,874		40,010		41,852		44,163	

(1) As a percentage of Shack sales.

CASH FLOW STATEMENTS
(UNAUDITED)

	Thirty-Nine Weeks Ended	
	September 24, 2025	September 25, 2024
OPERATING ACTIVITIES		
Net income (including amounts attributable to non-controlling interests)	$ 36,707	$ 1,487
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization expense	80,167	76,659
Amortization of debt issuance costs	786	786
Amortization of cloud computing assets	1,676	1,577
Non-cash operating lease cost	64,489	57,484
Equity-based compensation	14,173	11,539
Deferred income taxes	9,238	(4,122)
Non-cash interest	31	(123)
Net amortization of discount on held-to-maturity securities	-	(440)
Impairment, loss on disposal of assets, and Shack closures	3,448	28,703
Changes in operating assets and liabilities:		
Accounts receivable	(925)	104
Inventories	(297)	258
Prepaid expenses and other current assets	(4,134)	(3,781)
Other assets	(4,634)	(2,489)
Accounts payable	(610)	(3,907)
Accrued expenses	22,078	10,123
Accrued wages and related liabilities	524	1,016
Other current liabilities	(1,377)	(1,385)
Operating lease liabilities	(65,713)	(49,159)
Other long-term liabilities	3,592	1,742
NET CASH PROVIDED BY OPERATING ACTIVITIES	159,219	126,072
INVESTING ACTIVITIES		
Purchases of property and equipment	(106,697)	(100,801)
Maturities of held-to-maturity marketable securities	-	69,420
NET CASH USED IN INVESTING ACTIVITIES	(106,697)	(31,381)
FINANCING ACTIVITIES		
Payments on principal of financing leases	(4,013)	(2,921)
Deferred financing costs	(10)	-
Distributions paid to non-controlling interest holders	(1,758)	(208)
Payments under Tax Receivable Agreement	(37)	-
Net proceeds from stock option exercises	123	795
Employee withholding taxes related to net settled equity awards	(9,784)	(6,146)
NET CASH USED IN FINANCING ACTIVITIES	(15,479)	(8,480)
Effect of exchange rate changes on cash and cash equivalents	-	1
INCREASE IN CASH AND CASH EQUIVALENTS	37,043	86,212
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	320,714	224,653
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 357,757	$ 310,865

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

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
(dollar amounts in thousands)	**September 24, 2025**	**September 25, 2024**	**September 24, 2025**	**September 25, 2024**
Income (loss) from operations	$ 18,548	$ (17,988)	$ 43,764	$ (7,172)
Less:				
Licensing revenue	14,565	12,027	38,867	32,995
Add:				
General and administrative expenses	44,381	35,691	125,692	107,948
Depreciation and amortization expense	27,079	25,722	80,167	76,659
Pre-opening costs	4,625	3,662	12,798	10,429
Impairments, loss on disposal of assets, and Shack closures	510	29,086	3,448	30,657
Adjustment:				
Employee benefit charges[1]	-	8	-	453
Restaurant-level profit	$ 80,578	$ 64,154	$ 227,002	$ 185,979
Total revenue	$ 367,411	$ 316,924	$ 1,044,775	$ 923,924
Less: Licensing revenue	14,565	12,027	38,867	32,995
Shack sales	$ 352,846	$ 304,897	$ 1,005,908	$ 890,929
Restaurant-level profit margin[2]	22.8%	21.0%	22.6%	20.9%

(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

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
(dollar amounts in thousands)	**September 24, 2025**	**September 25, 2024**	**September 24, 2025**	**September 25, 2024**
Net income (loss)	$ 13,711	$ (11,109)	$ 36,707	$ 1,487
Depreciation and amortization expense	27,079	25,722	80,167	76,659
Interest expense, net	472	442	1,495	810
Income tax expense (benefit)	7,436	(3,873)	14,366	(182)
EBITDA	$ 48,698	$ 11,182	$ 132,735	$ 78,774
Equity-based compensation	4,423	4,158	14,173	11,539
Amortization of cloud-based software implementation costs	510	529	1,676	1,577
Impairments, loss on disposal of assets, and Shack closures	510	29,086	3,448	30,657
Legal settlements[(1)]	-	-	983	-
Severance	-	-	379	-
Restatement costs[(2)]	-	1	354	1,600
CEO transition costs	-	53	35	641
Employee benefit charges[(3)]	-	8	-	453
Other[(4)]	-	774	3	3,644
Adjusted EBITDA	$ 54,141	$ 45,791	$ 153,786	$ 128,885
Adjusted EBITDA margin[(5)]	14.7%	14.4%	14.7%	13.9%

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

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

(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 $367.4 million and $1,044.8 million for the thirteen and thirty-nine weeks ended September 24, 2025, respectively, and $316.9 million and $923.9 million for the thirteen and thirty-nine weeks ended September 25, 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

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
(in thousands, except per share amounts)	**September 24, 2025**	**September 25, 2024**	**September 24, 2025**	**September 25, 2024**
Numerator:				
Net income (loss) attributable to Shake Shack Inc.	$ 12,501	$ (10,211)	$ 33,894	$ 1,497
Adjustments:				
Reallocation of Net income attributable to non-controlling interests from the assumed exchange of LLC Interests[1]	1,210	(898)	2,813	(10)
Impairment charge and Shack closures[2]	(44)	28,157	1,904	28,157
Legal settlements[3]	-	-	983	-
Severance	-	-	379	-
Restatement costs[4]	-	1	354	1,600
CEO transition costs	-	53	35	641
Employee benefit charges[5]	-	8	-	453
Other[6]	-	774	3	3,644
Tax impact of above adjustments[7]	2,187	(6,725)	1,363	(7,054)
Adjusted pro forma net income	$ 15,854	$ 11,159	$ 41,728	$ 28,928
Denominator:				
Weighted-average shares of Class A common stock outstanding—diluted	41,874	40,010	41,852	44,163
Adjustments:				
Assumed exchange of LLC Interests for shares of Class A common stock[1]	2,437	2,466	2,443	-
Dilutive effect of equity awards	-	278	-	-
Dilutive effect of convertible notes	-	1,467	-	-
Adjusted pro forma fully exchanged weighted-average shares of Class A common stock outstanding—diluted	44,311	44,221	44,295	44,163
Adjusted pro forma earnings per fully exchanged share—diluted	$ 0.36	$ 0.25	$ 0.94	$ 0.66

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	September 24, 2025	**September 25, 2024**	**September 24, 2025**	**September 25, 2024**
Earnings (loss) per share of Class A common stock—diluted	$ 0.30	$ (0.26)	$ 0.81	$ 0.03
Assumed exchange of LLC Interests for shares of Class A common stock[1]	0.01	-	0.02	-
Non-GAAP adjustments[8]	0.05	0.52	0.11	0.63
Dilutive effect of convertible notes	-	(0.01)	-	-
Adjusted pro forma earnings per fully exchanged share—diluted	$ 0.36	$ 0.25	$ 0.94	$ 0.66

(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 (loss) attributable to non-controlling interests.

(2) Expenses incurred related to Shack closures during fiscal 2024 and fiscal 2025 and impairment expenses incurred during fiscal 2025.

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

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

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

(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 24.9% and 23.8% for the thirteen and thirty-nine weeks ended September 24, 2025, respectively, and 20.4% and 19.2% for the thirteen and thirty-nine weeks ended September 25, 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

(dollar amounts in thousands)	Thirteen Weeks Ended September 24, 2025			Thirty-Nine Weeks Ended September 24, 2025		
	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	$ 7,436	$ 21,147	35.2%	$ 14,366	$ 51,073	28.1%
Non-GAAP adjustments (before tax):						
Legal settlements	-	-	-	-	983	-
Severance	-	-	-	-	379	-
Impairment charge and Shack closures	-	(44)	-	-	1,904	-
CEO transition costs	-	-	-	-	35	-
Restatement costs	-	-	-	-	354	-
Other Adjustments	-	-	-	-	3	-
Tax effect of non-GAAP adjustments and assumed exchange of outstanding LLC Interests	(2,187)	-	-	(1,363)	-	-
Adjusted pro forma	**$ 5,249**	**$ 21,103**	**24.9%**	**$ 13,003**	**$ 54,731**	**23.8%**
Less:						
Net tax impact from stock-based compensation	42	-	-	566	-	-
Adjusted pro forma (excluding windfall tax benefits)	**$ 5,291**	**$ 21,103**	**25.1%**	**$ 13,569**	**$ 54,731**	**24.8%**

2024 ADJUSTED PRO FORMA EFFECTIVE TAX RATE

(dollar amounts in thousands)	Thirteen Weeks Ended September 25, 2024			Thirty-Nine Weeks Ended September 25, 2024		
	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	$ (3,873)	$ (14,982)	25.9%	$ (182)	$ 1,305	(13.9)%
Non-GAAP adjustments (before tax):						
Impairment charge and Shack closures	-	28,157	-	-	28,157	-
CEO transition costs	-	53	-	-	641	-
Professional Fees for a non-recurring matter	-	774	-	-	3,644	-
Restatement costs	-	1	-	-	1,600	-
Employee benefit charges	-	8	-	-	453	-
Tax effect of non-GAAP adjustments and assumed exchange of outstanding LLC Interests	6,725	-	-	7,054	-	-
Adjusted pro forma	**$ 2,852**	**$ 14,011**	**20.4%**	**$ 6,872**	**$ 35,800**	**19.2%**
Less:						
Net tax impact from stock-based compensation	213	-	-	1,160	-	-
Adjusted pro forma (excluding windfall tax benefits)	**$ 3,065**	**$ 14,011**	**21.9%**	**$ 8,032**	**$ 35,800**	**22.4%**

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