

ICR CONFERENCE
JANUARY 9, 2018

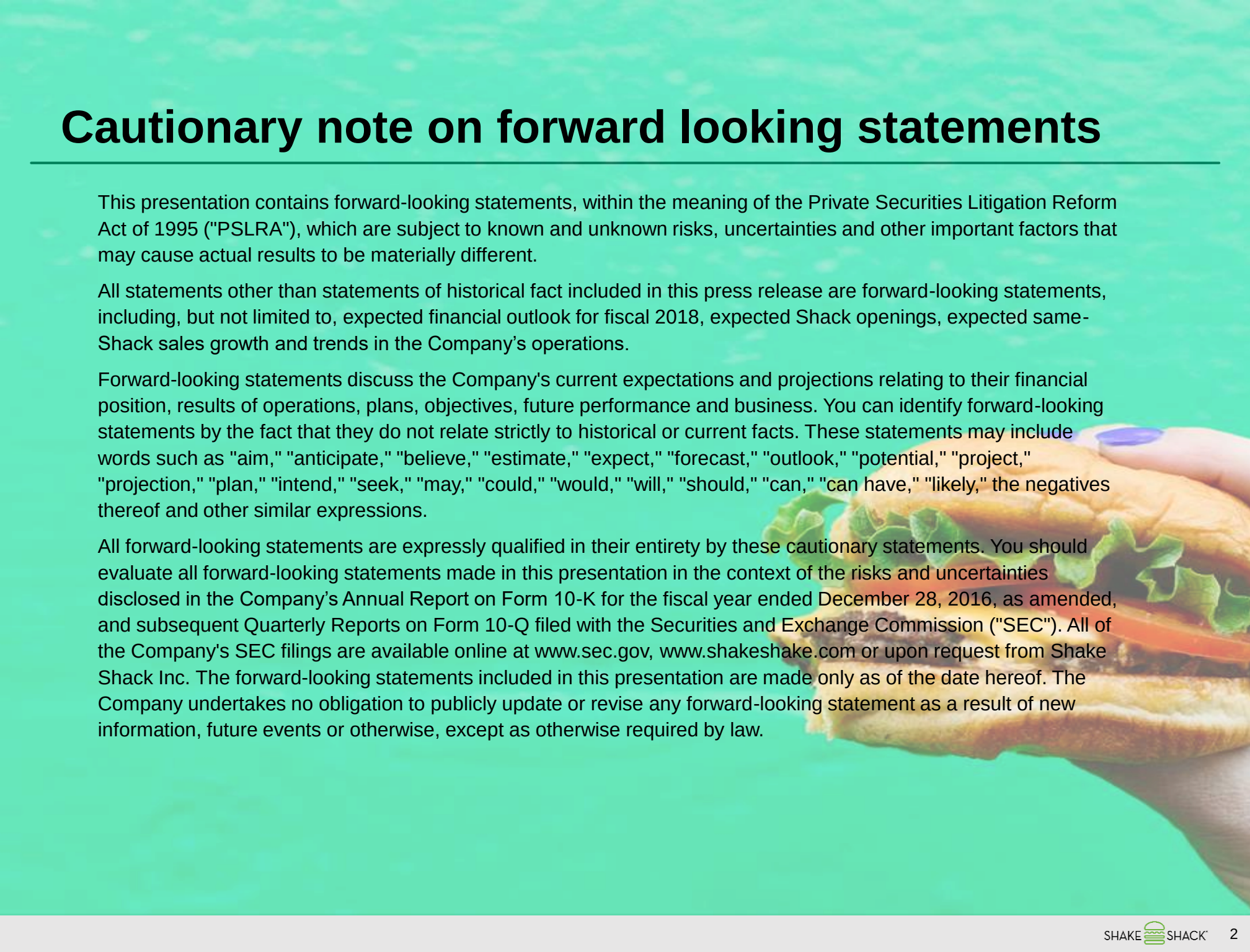
Cautionary note on forward looking statements

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

All statements other than statements of historical fact included in this press release are forward-looking statements, including, but not limited to, expected financial outlook for fiscal 2018, expected Shack openings, expected same-Shack sales growth and trends in the Company's operations.

Forward-looking statements discuss the Company's current expectations and projections relating to their 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," "outlook," "potential," "project," "projection," "plan," "intend," "seek," "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. 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 28, 2016, as amended, and subsequent Quarterly Reports on Form 10-Q filed with the Securities and Exchange Commission ("SEC"). All of the Company's SEC filings are available online at www.sec.gov, www.shakeshake.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.



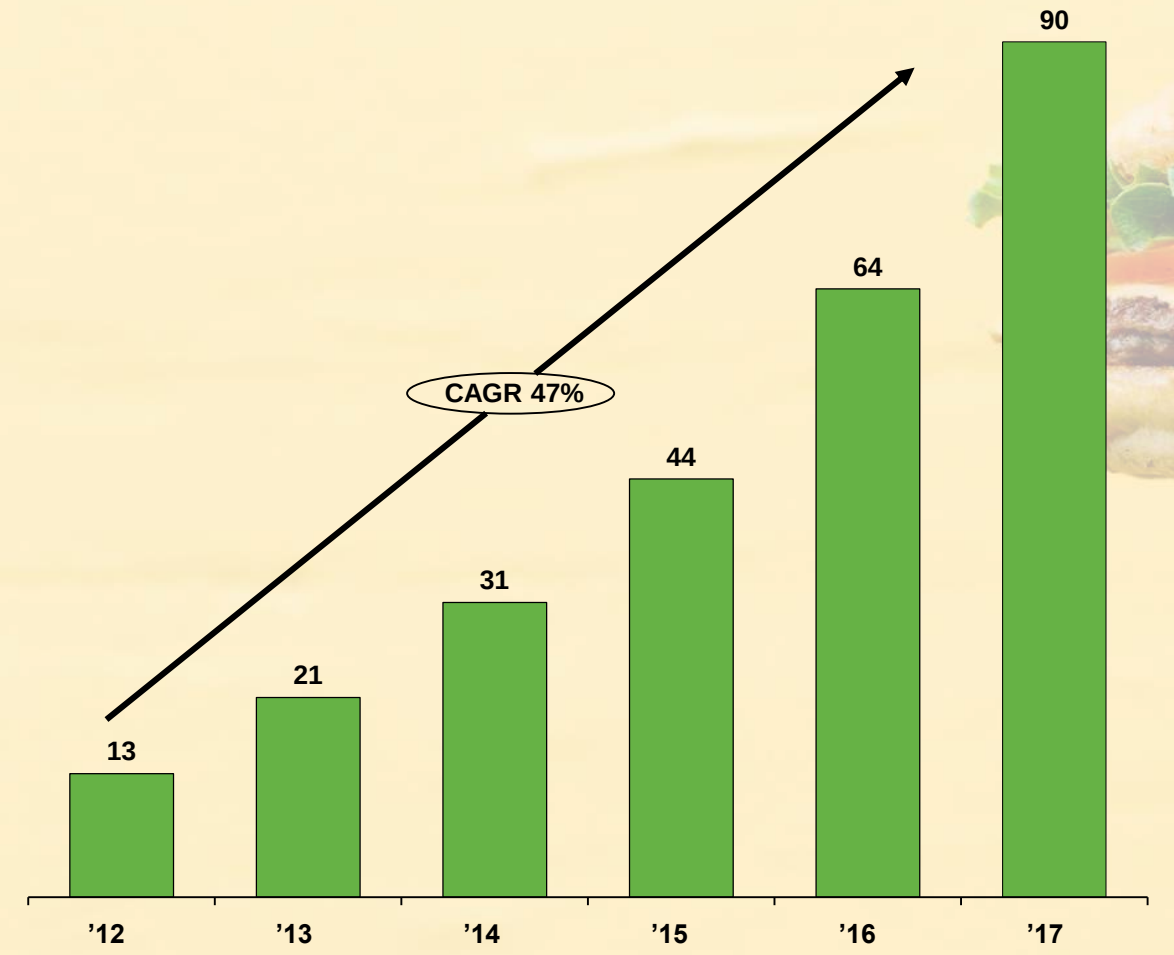


Shake Shack is a growing, loyal, connected community. We are relentlessly focused on excellence, experience and hospitality.



Domestic growth delivering increased momentum

Domestic Company-Operated Shacks at Period End



Note: CAGR is the compounded annual growth rate represented by '17 in relation to '12

- 2017 represented a record year with 26 domestic openings
- New Market entries included Detroit, San Diego, Milwaukee, St. Louis, Lexington and San Antonio
- Continued market penetration in major existing markets including NYC, DC, Chicago, and LA
- Strategic development across multiple formats: urban, free-standing pad and shopping/lifestyle center



UTC San Diego, CA

Photo credit: Zagat 2017


SHAKE SHACK
BURGERS FROZEN CUSTARD FRIES SHAKES HOT DOGS FLOATS BURGERS SHAKES SODA

Troy, MI



El Segundo, CA



The Wharf, DC



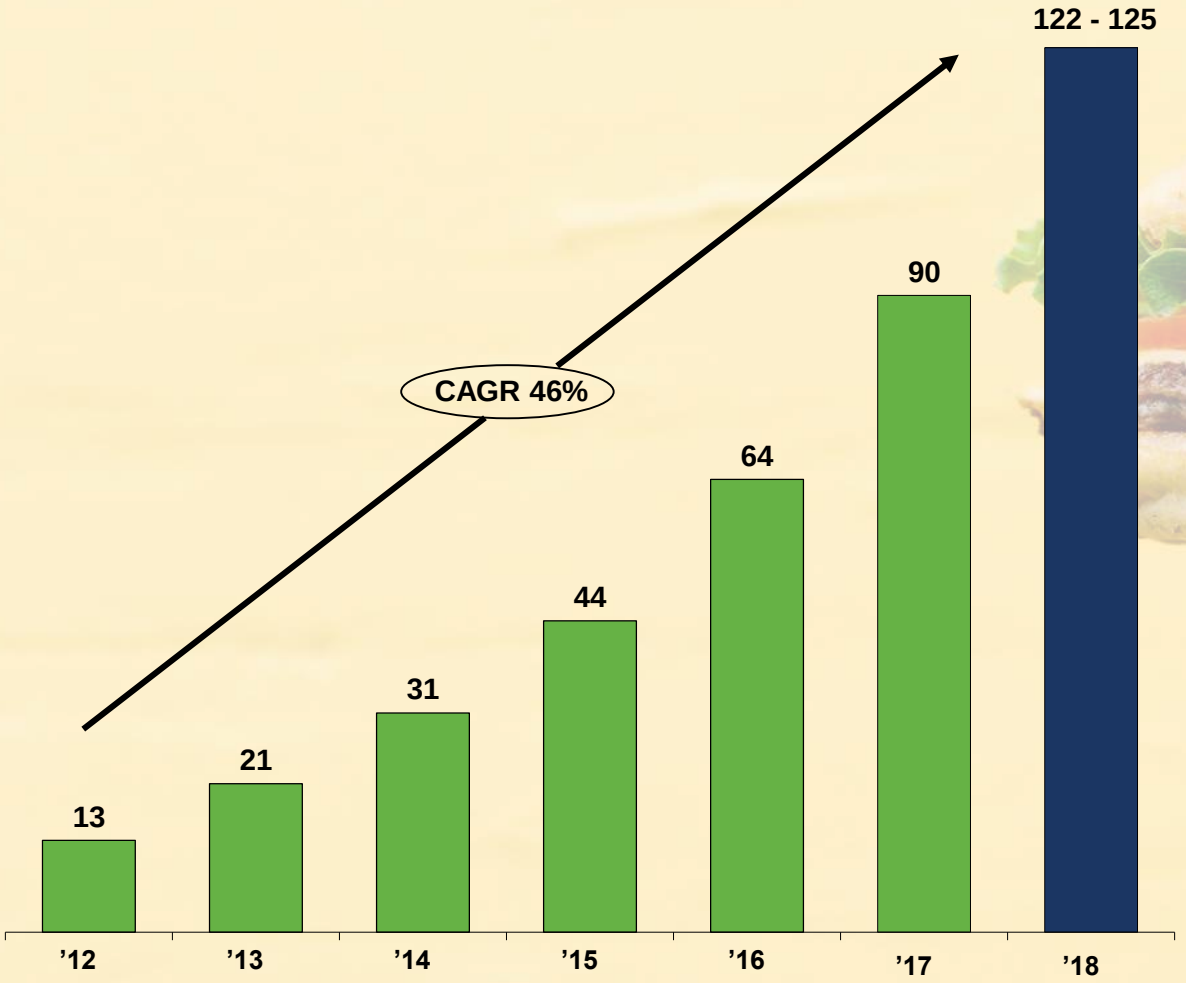
Milwaukee, WI


SHAKE SHACK
BURGERS FROZEN CUSTARD FRIES SHAKES HOTDOGS CONCRETES BURGERS SODA
SHAKE SHACK
Budweiser

St. Louis, MO

Domestic growth delivering increased momentum

Domestic Company-Operated Shacks at Period End



Note: CAGR is the compounded annual growth rate represented by the maximum of the '18 range in relation to '12

- 2018 targeted to deliver our largest class of domestic openings at 32-35 Shacks, although 2H back-weighted
- Strength of brand continues to enable premium real estate choices
- Openings will continue to represent a balance between new markets, further penetration of existing markets and with a multi-format strategy
- New 2018 markets will include Seattle, Denver, and Charlotte


SHAKE SHACK
BURGERS FROZEN CUSTARD FRIES SHAKES HOT DOGS CONCRETES BURGERS FRIES SHAKES

Denver, CO



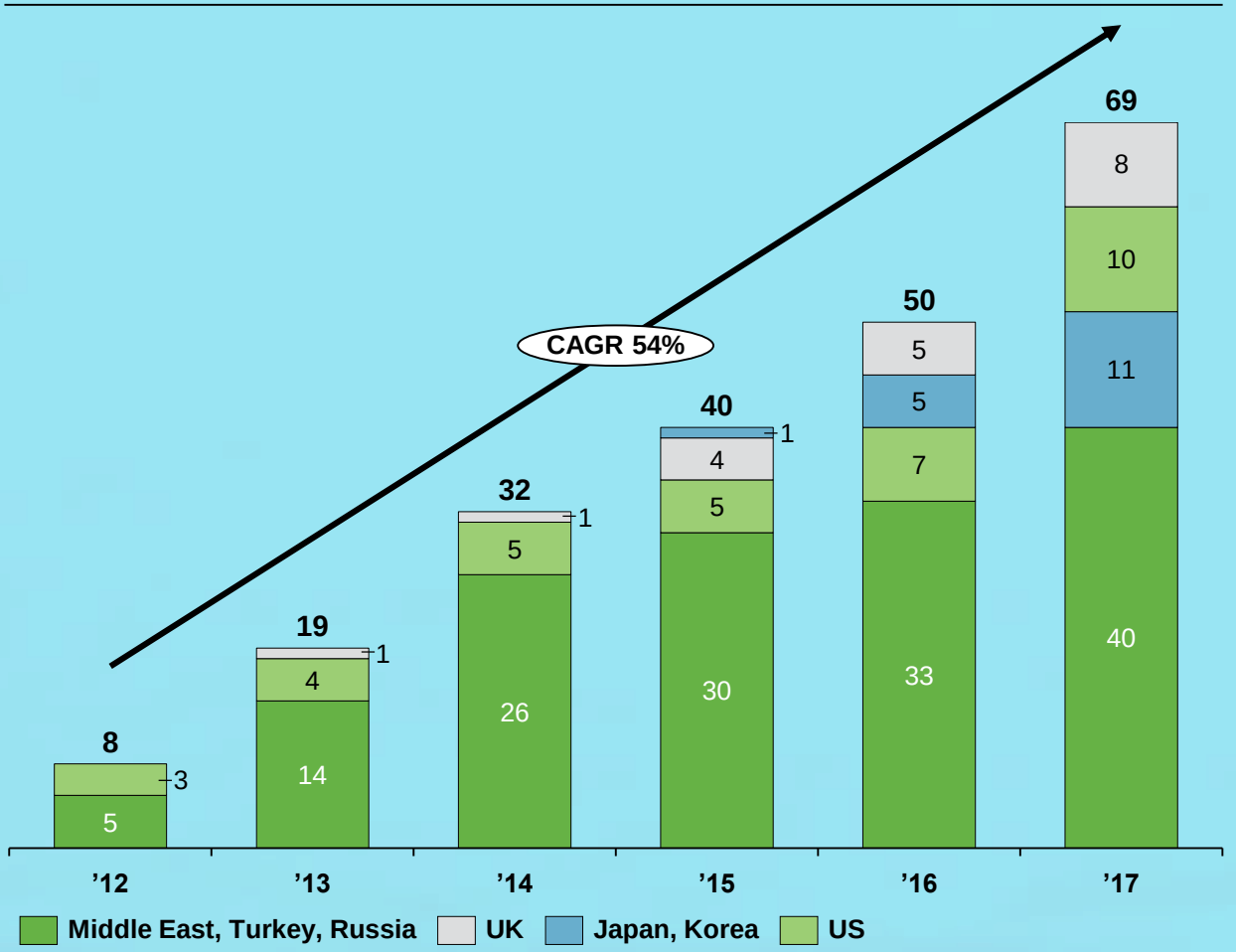
Rice Village, TX


SHAKE SHACK
OZEN CUSTARD FRIES
SHAKES HOT DOGS CONCRETES SODA BURGERS FROZEN CUSTARD FRIES SHAKES HOT DOGS CONCRETES SODA BURGERS FROZ

Seattle, WA

Diversified and strong licensing growth

Licensed Shacks at Period End



- Operating globally across 12 countries
- Capital light, high margin expansion model
- Key partnerships with top-tier international restaurant/retail operators
- 2017 openings across all regions with particularly strong performance in Japan and Korea

Note: CAGR is the compounded annual growth rate represented by '17 in relation to '12



LAX, T3



M&T Stadium, Baltimore, MD



Minute Maid Park, Houston, TX



Riyadh, KSA



Cambridge Circus, London, UK



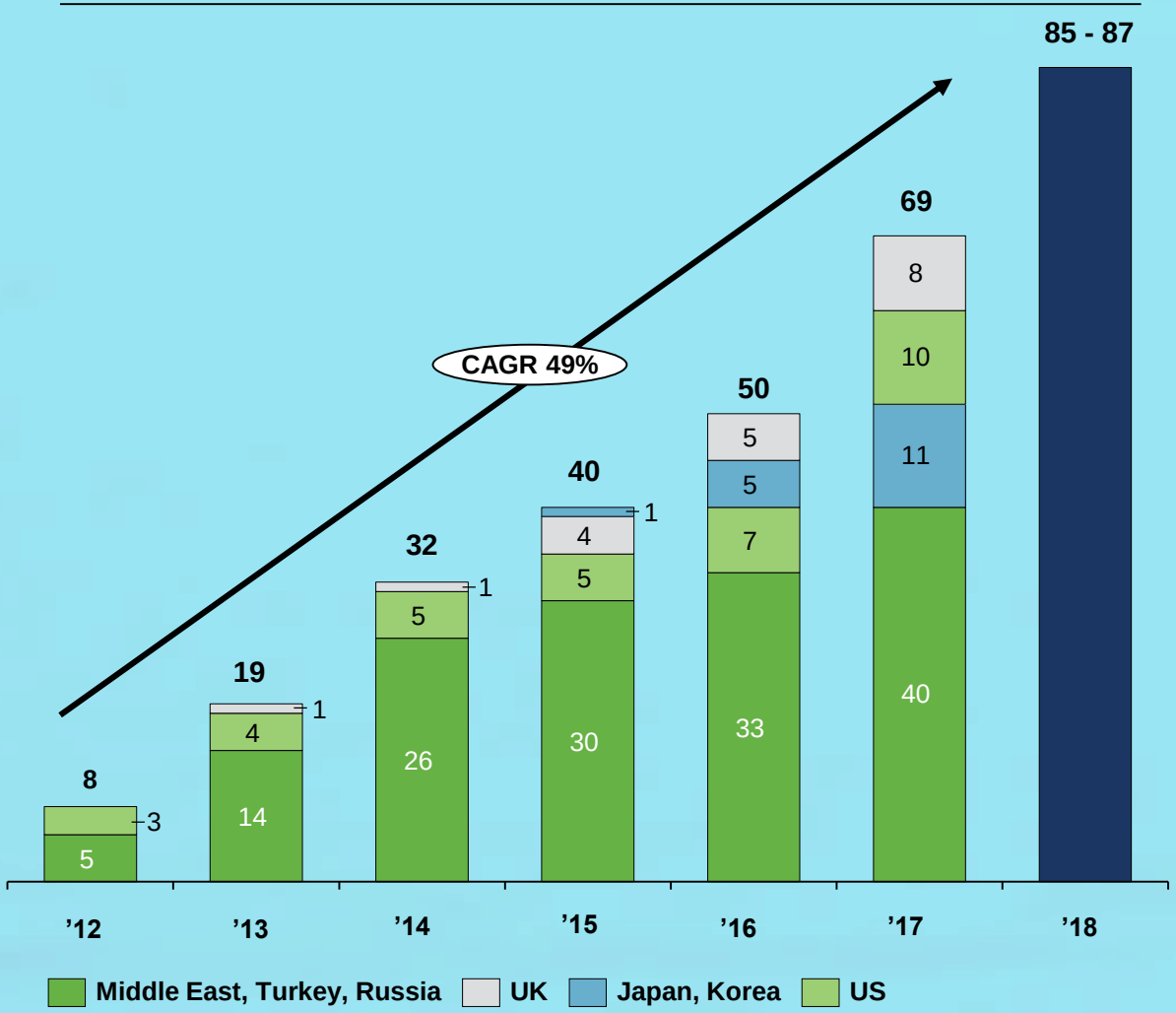
Goyang, Seoul, Korea



Roppongi, Tokyo, Japan

2018 - Significant growth year with focus on Asia

Licensed Shacks at Period End



Note: CAGR is the compounded annual growth rate represented by 'the maximum of the '18 range in relation to '12

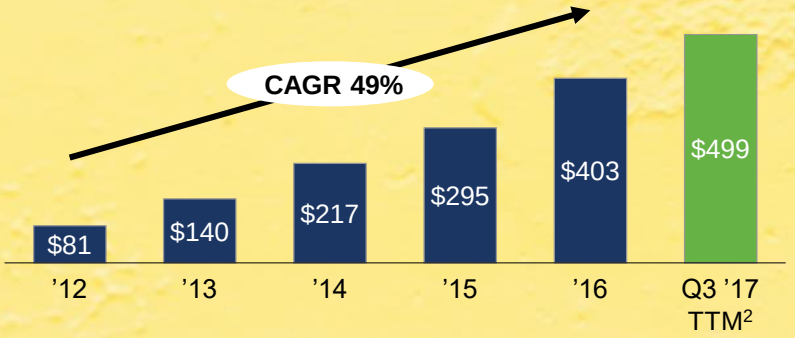
- International brand strength continues to represent significant ongoing expansion opportunity
- Most recent partnership with Maxim's will see us entering Hong Kong in 2018 and Shanghai in 2019
- Domestic license strategy focused around major airports and sports stadiums



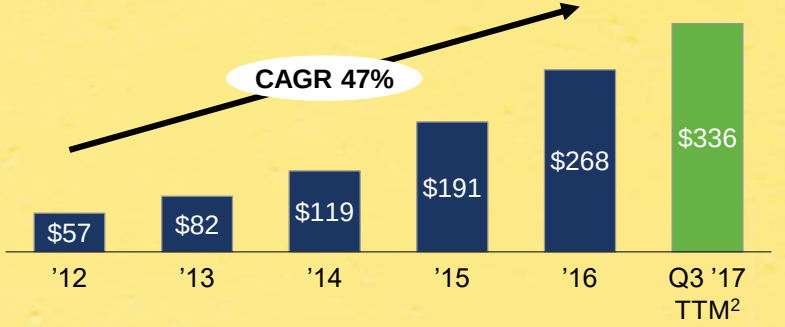
IFC, Hong Kong, China

Consistently strong financial performance

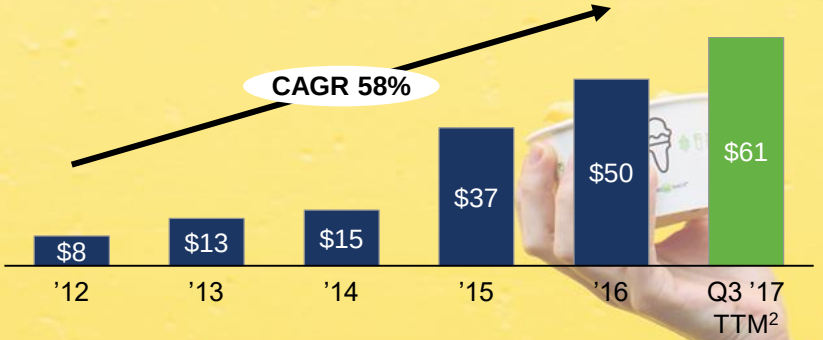
Shack System-wide Sales[1] ($M)



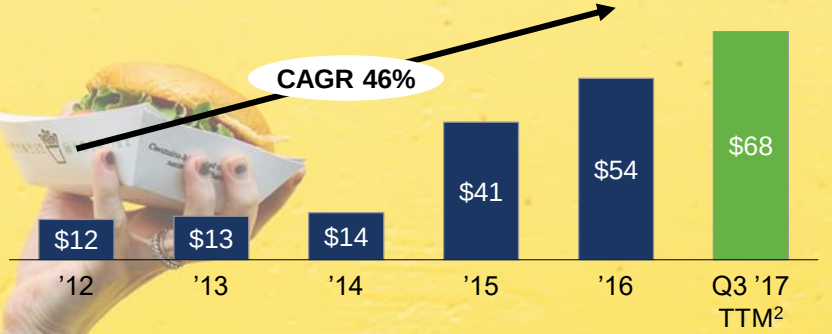
Total Revenue ($M)



Adjusted EBITDA[3] ($M)



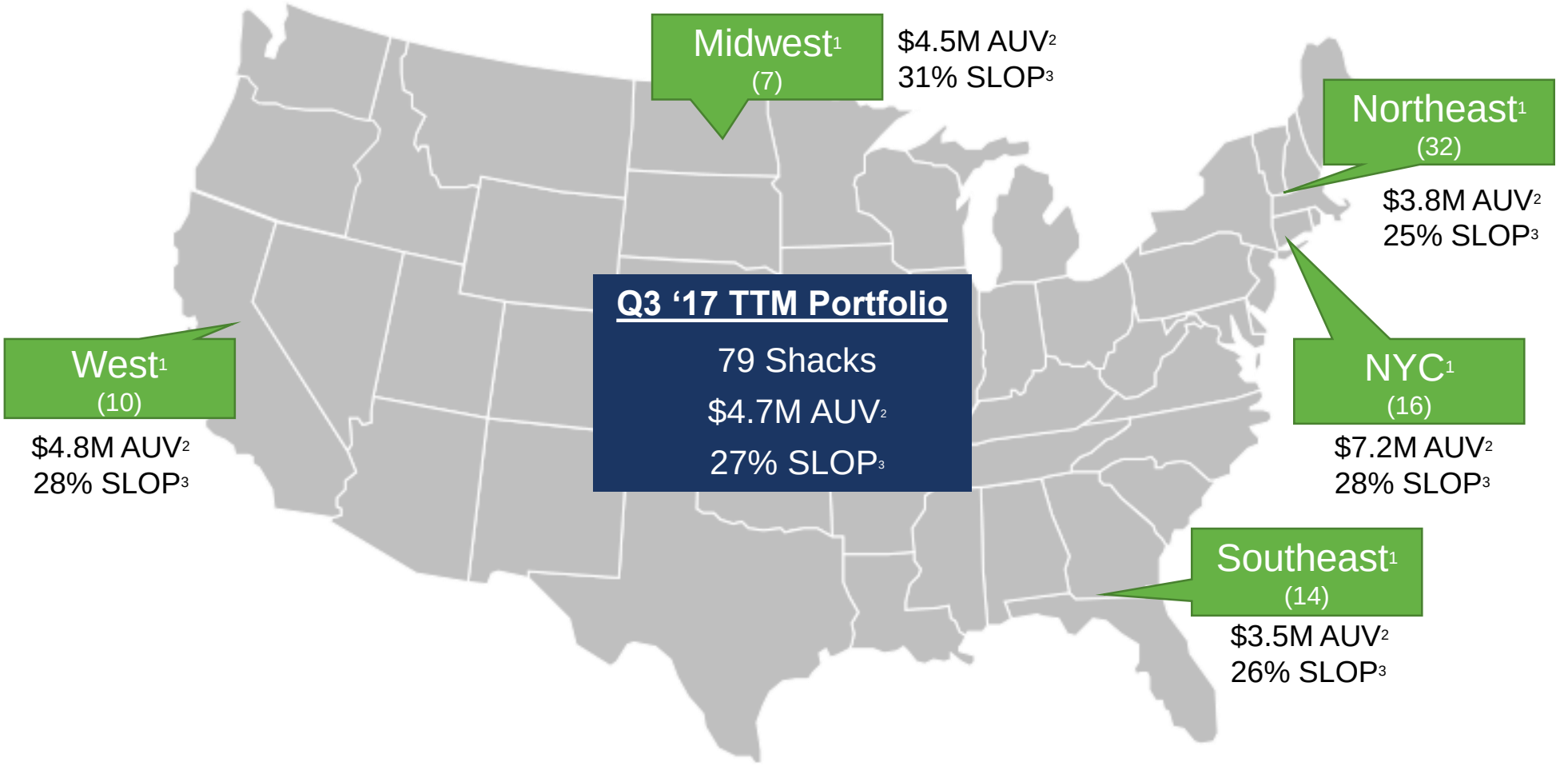
Cash Flow From Operations ($M)



1. See appendix for definition.
2. Represents trailing twelve months (TTM) as of Q3'17 period-end.
3. Adjusted EBITDA is a Non-GAAP measure. Definition and reconciliation of adjusted EBITDA to Net Income, the most directly comparable financial measure presented in accordance with GAAP, is included in the appendix of this presentation.

Note: CAGR is the compounded annual growth rate between '12 and '16

Born in NYC; strong nationwide



Note: The above represents the results for the trailing twelve months (TTM) for all Shacks open as of the Q3' 17 period-end.
1. Regions defined as NYC, which represents 5 boroughs; Northeast, which represents non-NYC NY, CT, DC, DE, MA, MD, NJ, PA, VA; Southeast, which represents FL, GA, TX; Midwest, which represents IL, KY, MI, MN; and West, which represents AZ, CA, NV.
2. See appendix for definition of Average Unit Volumes (AUV).
3. Shack-Level operating profit (SLOP) is a non-GAAP measure. A definition and reconciliation of Shack-level operating profit to operating income is included in the appendix of this presentation.

Preliminary assessment of tax reform

- Reviewing and analyzing the full impact of the bill and will provide tax guidance on Q4 earnings call (Feb ‘18)
- Decreased Federal corporate rate will lower our effective tax rate and benefit EPS
- Revaluation of Deferred Tax assets & Tax Receivable Agreement liability on the balance sheet will occur in Q4 ‘17 (non-cash P&L charge)
- Currently reviewing impact of new rules for Qualified Improvement Property and associated expensing
- Use of existing cash will focus on key investments in business infrastructure, digital innovation and quality Shack development



Digital innovation a key focus & area of investment

Experience meets Convenience

- iOS app launched Jan ’17; Android Jul ‘17
- Seamless order-to-pickup experience
- Encouraging download and retention performance
- Average check >15% higher than in-Shack
- Increased ability to connect directly with guests
- Drive to personalized marketing and app-based promotions



Digital innovation a key focus & area of investment



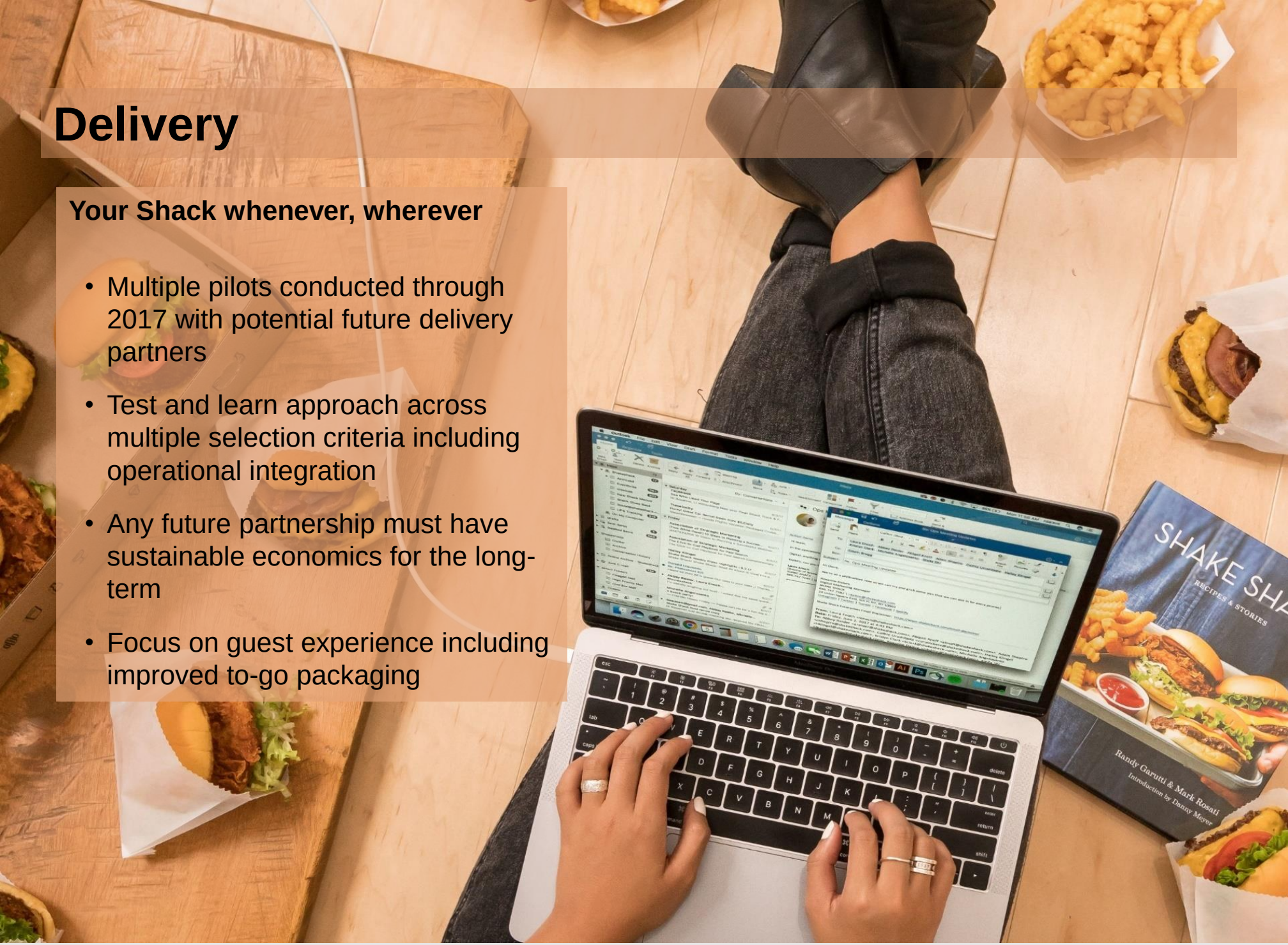
Astor Place, NYC

- Our latest NYC Shack, designed to experiment
- Kiosk only, no cashiers with guests supported by hospitality champs
- Kiosk experience highly visual and mirrors the app
- Cashless environment
- Split kitchen allows for greater throughput at peak times
- Starting wage $15 per hour

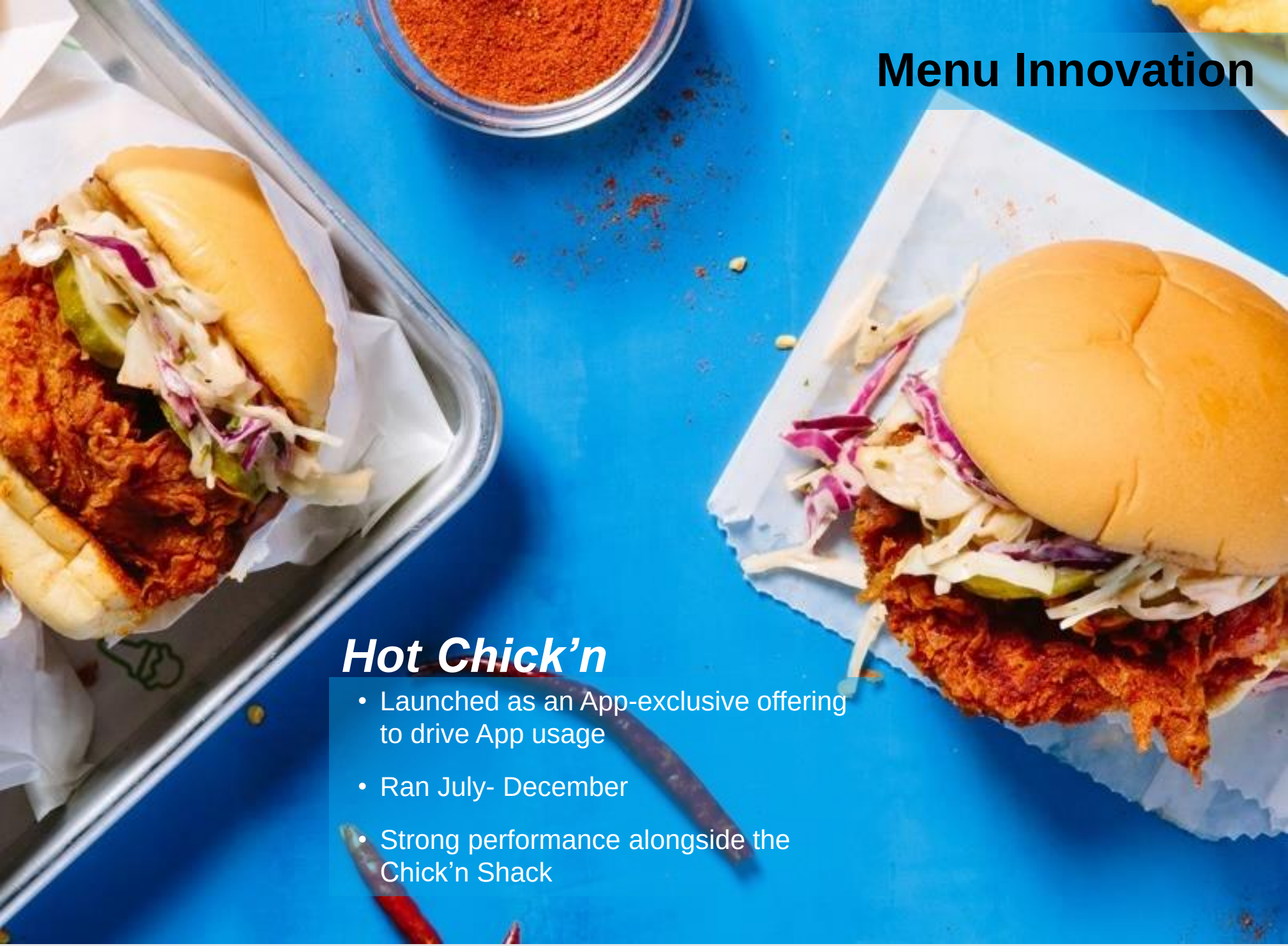
Delivery

Your Shack whenever, wherever

- Multiple pilots conducted through 2017 with potential future delivery partners
- Test and learn approach across multiple selection criteria including operational integration
- Any future partnership must have sustainable economics for the long-term
- Focus on guest experience including improved to-go packaging



Menu Innovation



Hot Chick'n

- Launched as an App-exclusive offering to drive App usage
- Ran July- December
- Strong performance alongside the Chick'n Shack

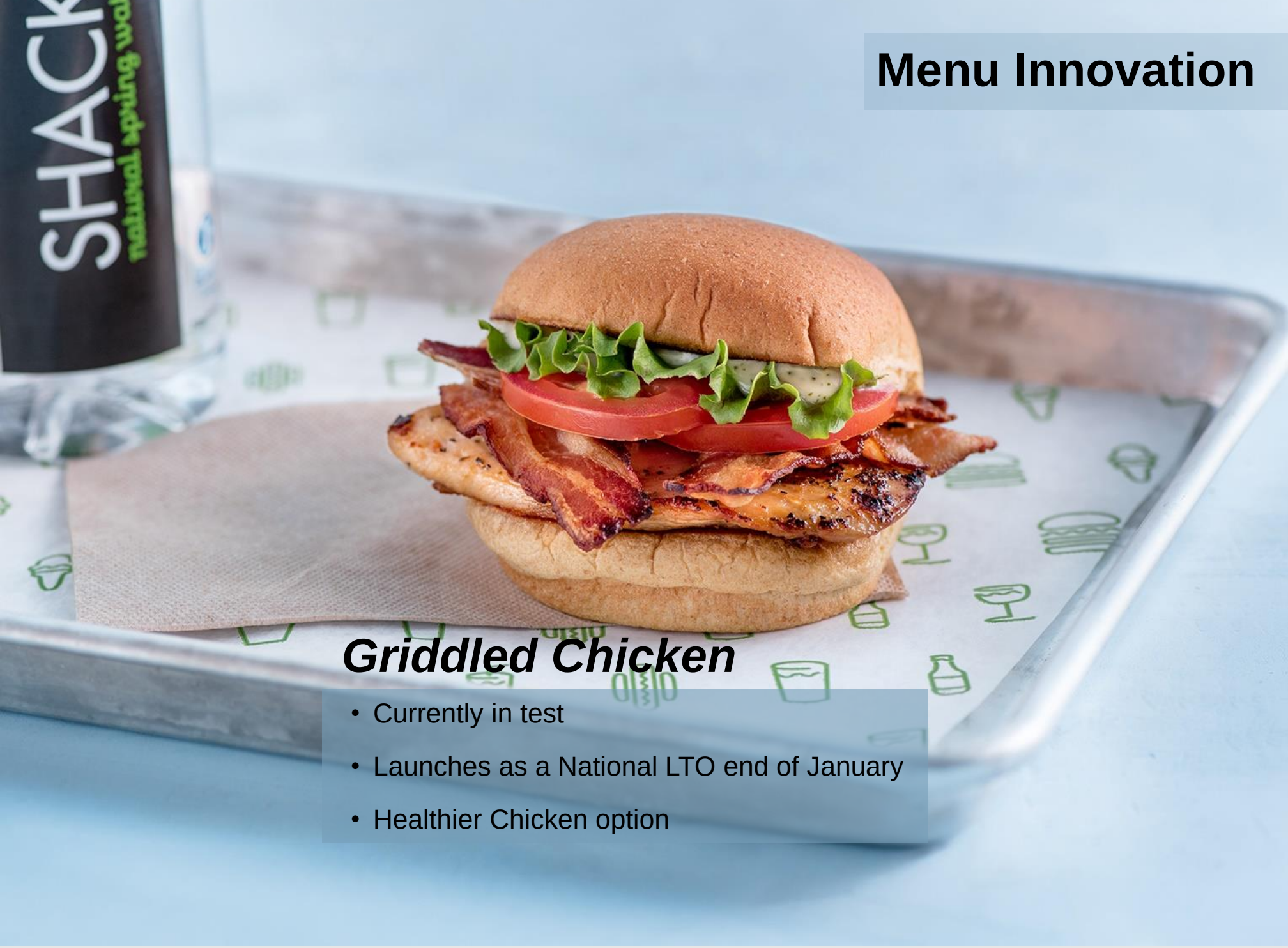
Menu Innovation



Chili

- Currently running nationally
- Multi-category LTO: Burger, Fries, Dog, & Bowl of Chili

Menu Innovation



Griddled Chicken

- Currently in test
- Launches as a National LTO end of January
- Healthier Chicken option

Q1 2018 Trio of Shakes



Chocolate Chip Red Velvet

Mint Cookies & Cream

Apple Pie à la Mode

People & Culture



Looking ahead…

- Strong growth momentum to date, both domestically & internationally
- 2018 will represent an acceleration of Shack openings, another record year throughout new and existing markets
- We will strategically invest in financial & operational systems and infrastructure to support ramped up growth in 18’ and forward
- Digital innovation will continue be a key area of focus and investment
- People are our most valuable asset….. and our largest P&L headwind for the foreseeable future




SHAKE SHACK®
ICR CONFERENCE
JANUARY 9, 2018



SHAKE SHACK®

Appendix

Definitions

“Adjusted EBITDA,” a non-GAAP measure, is defined as EBITDA excluding equity-based compensation expense, deferred rent expense, losses on the disposal of property and equipment, 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. Effective September 28, 2016, the Company no longer excludes pre-opening costs from its computation of adjusted EBITDA. Prior period amounts have been restated to conform to the current period computation methodology.

"Average unit volumes" or "AUVs" for any 12-month period consist of the average annualized sales of all domestic company-operated Shacks over that period. AUVs are calculated by dividing total Shack sales from domestic company-operated Shacks by the number of domestic company-operated Shacks open during that period. For Shacks that are not open for the entire period, fractional adjustments are made to the number of Shacks open such that it corresponds to the period of associated sales.

“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.

"Shack-level operating 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.

"Shack-level operating 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.

"Shack sales" is defined as the aggregate sales of food, beverages and Shake Shack-branded merchandise at domestic company-operated Shacks and excludes sales from licensed Shacks.

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

Income Statement – Third Quarter and YTD 2017

	Thirteen Weeks Ended				Thirty-Nine Weeks Ended			
	September 27, 2017		September 28, 2016		September 27, 2017		September 28, 2016	
Shack sales	$ 91,100	96.3%	$ 71,871	96.4%	$ 253,258	96.4%	$ 188,430	96.5%
Licensing revenue	3,509	3.7%	2,696	3.6%	9,416	3.6%	6,774	3.5%
TOTAL REVENUE	94,609	100.0%	74,567	100.0%	262,674	100.0%	195,204	100.0%
Shack-level operating expenses[1]:								
Food and paper costs	25,760	28.3%	20,393	28.4%	71,646	28.3%	53,529	28.4%
Labor and related expenses	23,806	26.1%	18,216	25.3%	66,692	26.3%	46,640	24.8%
Other operating expenses	9,229	10.1%	6,577	9.2%	25,380	10.0%	17,475	9.3%
Occupancy and related expenses	7,522	8.3%	6,009	8.4%	20,741	8.2%	15,541	8.2%
General and administrative expenses	9,204	9.7%	7,885	10.6%	27,352	10.4%	22,265	11.4%
Depreciation expense	5,604	5.9%	3,719	5.0%	15,610	5.9%	10,229	5.2%
Pre-opening costs	2,670	2.8%	2,598	3.5%	6,961	2.7%	6,708	3.4%
Loss on disposal of property and equipment	204	0.2%	—	—%	317	0.1%	—	—%
TOTAL EXPENSES	83,999	88.8%	65,397	87.7%	234,699	89.3%	172,387	88.3%
OPERATING INCOME	10,610	11.2%	9,170	12.3%	27,975	10.7%	22,817	11.7%
Other income, net	229	0.2%	151	0.2%	622	0.2%	197	0.1%
Interest expense	(475)	-0.5%	(89)	-0.1%	(1,144)	-0.4%	(267)	-0.1%
INCOME BEFORE INCOME TAXES	10,364	11.0%	9,232	12.4%	27,453	10.5%	22,747	11.7%
Income tax expense	2,494	2.6%	2,443	3.3%	7,537	2.9%	6,058	3.1%
NET INCOME	7,870	8.3%	6,789	9.1%	19,916	7.6%	16,689	8.5%
Less: net income attributable to non-controlling interests	2,873	3.0%	3,023	4.1%	7,773	3.0%	8,163	4.2%
NET INCOME ATTRIBUTABLE TO SHAKE SHACK INC.	$ 4,997	5.3%	$ 3,766	5.1%	$ 12,143	4.6%	$ 8,526	4.4%
Earnings per share of Class A common stock:								
Basic	$0.19		$0.16		$0.47		$0.38	
Diluted	$0.19		$0.15		$0.46		$0.37	
Weighted-average shares of Class A common stock outstanding:								
Basic	26,024		24,023		25,733		22,310	
Diluted	26,477		24,554		26,248		22,805	

1. As a percentage of Shack sales.

Non-GAAP Financial Measures

This presentation contains non-GAAP financial measures, including but not limited to, EBITDA, Adjusted EBITDA, Shack-level operating profit and Shack-level operating profit margin. Shack-level operating profit and Shack-level operating profit margin are not required by, or presented in accordance with, GAAP.

Shack-level Operating Profit

Shack-level operating profit 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.

How This Measure Is Useful

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

Limitations of the Usefulness of this Measure

Shack-level operating profit and Shack-level operating profit margin are not necessarily equivalent to similarly titled measures used by other companies due to different methods of calculation. Presentation of Shack-level operating profit and Shack-level operating 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. Shack-level operating profit excludes certain costs, such as general and administrative expenses and pre-opening costs which are considered normal, recurring cash operating expenses, and therefore may not provide a complete understanding of the operating results of our company as a whole. Therefore, Shack-level operating profit and Shack-level operating profit margin should be reviewed in conjunction with our GAAP financial results. A reconciliation of Shack-level operating profit to operating income, the most directly comparable GAAP financial measure, is set forth on the following slides.

EBITDA and Adjusted EBITDA

EBITDA is defined as net income before net interest expense, income tax expense and depreciation and amortization expense. Adjusted EBITDA is defined as EBITDA (as defined above) excluding equity-based compensation expense, deferred rent expense, losses on the disposal of property and equipment, as well as certain non-recurring items that we don't believe directly reflect our core operations and may not be indicative of our 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 we believe are useful measures to facilitate comparisons to historical performance and competitors' operating results. Adjusted EBITDA is a key metric used internally by our management to develop internal budgets and forecasts and also serves as a metric in our performance-based equity incentive programs and certain of our bonus arrangements. We believe presentation of EBITDA and Adjusted EBITDA provides investors with a supplemental view of our operating performance that facilitates analysis and comparisons of our ongoing business operations because they exclude items that may not be indicative of our ongoing operating performance.

Limitations of the Usefulness of These Measures

EBITDA and Adjusted EBITDA are not necessarily comparable to 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 our performance and should be reviewed in conjunction with our GAAP financial measures. A reconciliation of EBITDA and Adjusted EBITDA to net income, the most directly comparable GAAP measure, is set forth on the following slides.

Shack-level Operating Profit by Region

(dollar amounts in thousands)	Total Company					Domestic Company-operated Shacks By Region[1], Q3 '17 TTM					
	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Trailing Twelve Months	NYC	Northeast	Southeast	Midwest	West	Corporate / Other[2]
Domestic Company-operated Shacks (Opened During Q3 '17 TTM Period)					21	2	8	5	3	3	0
Domestic Company-operated Shacks (as of Q3 '17)					79	16	32	14	7	10	0
Operating income	$ 4,988	$ 5,628	$ 11,737	$ 10,610	$ 32,963	$ 24,378	$ 16,505	$ 5,907	$ 4,631	$ 7,271	$ (25,729)
Less:											
Licensing revenue	2,351	2,594	3,313	3,509	11,767						11,767
Add:											
General and administrative expenses	8,291	8,470	9,678	9,204	35,643						35,643
Depreciation expense	4,273	4,748	5,258	5,604	19,883	4,115	7,659	2,822	1,198	3,102	987
Pre-opening costs	2,812	2,415	1,876	2,670	9,773	1,810	2,787	1,860	1,435	1,658	223
Loss on disposal of property and equipment	34	13	100	204	351	111	134	79	10	16	1
Shack-level operating profit	$ 18,047	$ 18,680	$ 25,336	$ 24,783	$ 86,846	$ 30,414	$ 27,085	$ 10,668	$ 7,274	$ 12,047	$ (642)
Total revenue	$ 73,271	$ 76,749	$ 91,316	$ 94,609	$ 335,945	106,733	109,511	41,651	23,827	42,409	11,814
Less: Licensing revenue	2,351	2,594	3,313	3,509	11,767						11,767
Shack sales	$ 70,920	$ 74,155	$ 88,003	$ 91,100	$ 324,178	$ 106,733	$ 109,511	$ 41,651	$ 23,827	$ 42,409	$ 47
Shack-level operating profit margin	25%	25%	29%	27%	27%	28%	25%	26%	31%	28%	NA

[1]The regions of domestic company-operated Shacks are defined as: NYC, which represents 5 boroughs; Northeast, which represents non-NYC NY, CT, DC, DE, MA, MD, NJ, PA, VA; Southeast, which represents FL, GA, TX; Midwest, which represents IL, KY, MI, MN; and West which represents AZ, CA, NV.

[2]Corporate/Other includes any amounts not attributable to a specific Shack and primarily relates to our corporate functions and other centralized operations.

Adjusted EBITDA

(in thousands)	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Trailing Twelve Months Ended Q3'17	2016	2015	2014	2013	2012
Net income	$ 5,457	$ 3,862	$ 8,184	$ 7,870	$ 25,373	$ 22,146	$ 3,124	$ 2,118	$ 5,423	$ 4,133
Depreciation expense	4,273	4,748	5,258	5,604	19,883	14,502	10,222	5,809	3,541	2,162
Interest expense, net	87	283	347	456	1,173	285	325	363	52	156
Income tax expense	292	1,658	3,385	2,494	7,829	6,350	3,304	662	460	397
EBITDA	**10,109**	**10,551**	**17,174**	**16,424**	**54,258**	**43,283**	**16,975**	**8,952**	**9,476**	**6,848**
Equity-based compensation	1,537	1,249	1,285	1,289	5,360	5,354	4,314	165	93	450
Deferred compensation	-	-	-	-	-	-	-	-	2,054	-
Deferred rent	444	225	302	240	1,211	2,251	1,482	2,830	975	839
Loss on disposal of property and equipment	34	13	100	204	351	34	17	105	25	-
Non-recurring compensation expenses related to the IPO	-	-	-	-	-	-	12,818	-	-	-
IPO-related expenses	-	-	-	-	-	-	635	2,675	-	-
Legal settlement	-	-	-	-	-	-	770	-	-	-
Other income related to adjustment of liabilities under tax receivable agreement	(688)	-	-	-	(688)	(688)	-	-	-	-
Executive transition costs[1]	-	134	517	13	664	-	-	-	-	-
Other non-cash items	-	-	-	-	-	-	-	135	99	238
ADJUSTED EBITDA	**$ 11,436**	**$ 12,172**	**$ 19,378**	**$ 18,170**	**$ 61,156**	**$ 50,234**	**$ 37,011**	**$ 14,862**	**$ 12,722**	**$ 8,375**

(1) Represents fees paid to an executive recruiting firm, a non-recurring signing bonus and certain other benefits paid upon the hiring of the Company's chief financial officer.

2017 & 2018 Full Year Guidance

	FY 2017 November 1, 2017	FY 2018 November 1, 2017
Revenue	$354M to $355M	*
Same-Shack sales growth	-1.5% to -2.0%	*
Domestic company-operated openings	24 to 26	32 to 35
Licensed Shack openings	18, net	16 to 18, net
Shack-level operating profit margin	26.5% to 27.0%	*
General and administrative expenses	$38M to $40M	*
Depreciation expense	approx. $22M	*
Interest expense	$1.6M to $1.8M	*
Adjusted pro forma tax rate	40% to 41%	*

* Full 2018 guidance will be provided in February 2018