

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the quarterly period ended September 24, 2025

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number: 001-36823



SHAKE SHACK INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

47-1941186

(IRS Employer
Identification No.)

**225 Varick Street
Suite 301**

New York, New York

(Address of principal executive offices)

10014

(Zip Code)

(646) 747-7200

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading symbol(s)</u>	<u>Name of each exchange on which registered</u>
Class A Common Stock, par value \$0.001	SHAK	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule-405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). ☐ Yes ☒ No

As of October 22, 2025, there were 40,253,589 shares of Class A common stock outstanding and 2,434,789 shares of Class B common stock outstanding.

SHAKE SHACK INC.

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Cautionary Note Regarding Forward-Looking Information

This Quarterly Report on Form 10-Q ("Form 10-Q") 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 Form 10-Q are forward-looking statements, including, but not limited to, statements about our growth, including our long-term growth goals, strategic priorities and initiatives, and liquidity. Forward-looking statements discuss our current expectations, targets and projections relating to our 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," "likely," "outlook," "potential," "preliminary," "project," "projection," "plan," "seek," "targets," "may," "could," "would," "will," "should," "can," "can have," the negatives thereof and other similar expressions.

Forward-looking statements reflect our current views with respect to future events and are based on certain assumptions and are subject to risks and uncertainties that could cause our actual results to differ materially from trends, plans, or expectations set forth in the forward-looking statements, as set forth in this Form 10-Q. 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 our expectations include our ability to develop and open new Shacks on a timely basis, increased costs or shortages or interruptions in the supply and delivery of products, increased labor costs or shortages, inflationary pressures, the impact of tariffs, the impact of Shack closures, our management of digital capabilities and expansion into delivery, as well as kiosk, drive-thru and multiple format investments, our ability to maintain and grow sales at existing Shacks, and risks relating to the restaurant industry generally. You should evaluate all forward-looking statements made in this Form 10-Q in the context of the risks and uncertainties disclosed in our Annual Report on Form 10-K for the fiscal year ended December 25, 2024 as filed with the U.S. Securities and Exchange Commission ("SEC") and our other filings with the SEC.

The forward-looking statements included in this Form 10-Q are made only as of the date hereof. We undertake 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. If we do update one or more forward-looking statements, no inference should be made that we will make additional updates with respect to those or other forward-looking statements.

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements (Unaudited).

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SHAKE SHACK INC.

CONDENSED CONSOLIDATED 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 (Note 13)		
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

See accompanying Notes to Condensed Consolidated Financial Statements.

SHAKE SHACK INC.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME (LOSS)

(UNAUDITED)

(in thousands, except per share amounts)

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	September 24 2025	September 25 2024	September 24 2025	September 25 2024
Shack sales	\$ 352,846	\$ 304,897	\$ 1,005,908	\$ 890,929
Licensing revenue	14,565	12,027	38,867	32,995
TOTAL REVENUE	367,411	316,924	1,044,775	923,924
Shack-level operating expenses:				
Food and paper costs	103,461	86,056	286,119	251,362
Labor and related expenses	88,033	85,523	262,759	253,646
Other operating expenses	53,779	45,564	152,809	131,373
Occupancy and related expenses	26,995	23,608	77,219	69,022
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
TOTAL EXPENSES	348,863	334,912	1,001,011	931,096
INCOME (LOSS) FROM OPERATIONS	18,548	(17,988)	43,764	(7,172)
Other income, net	3,103	3,504	8,924	10,010
Interest expense	(504)	(498)	(1,615)	(1,533)
INCOME (LOSS) BEFORE INCOME TAXES	21,147	(14,982)	51,073	1,305
Income tax expense (benefit)	7,436	(3,873)	14,366	(182)
NET INCOME (LOSS)	13,711	(11,109)	36,707	1,487
Less: Net income (loss) attributable to non-controlling interests	1,210	(898)	2,813	(10)
NET INCOME (LOSS) ATTRIBUTABLE TO SHAKE SHACK INC.	\$ 12,501	\$ (10,211)	\$ 33,894	\$ 1,497
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

See accompanying Notes to Condensed Consolidated Financial Statements.

SHAKE SHACK INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(UNAUDITED)
(in thousands)

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	September 24 2025	September 25 2024	September 24 2025	September 25 2024
Net income (loss)	\$ 13,711	\$ (11,109)	\$ 36,707	\$ 1,487
Other comprehensive income, net of tax ⁽¹⁾ :				
Change in foreign currency translation adjustment	3	2	—	1
OTHER COMPREHENSIVE INCOME	3	2	—	1
COMPREHENSIVE INCOME (LOSS)	13,714	(11,107)	36,707	1,488
Less: Comprehensive income (loss) attributable to non-controlling interests	1,210	(898)	2,813	(10)
COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO SHAKE SHACK INC.	\$ 12,504	\$ (10,209)	\$ 33,894	\$ 1,498

(1) Net of tax expense of \$0 for the thirteen and thirty-nine weeks ended September 24, 2025 and September 25, 2024.

See accompanying Notes to Condensed Consolidated Financial Statements.

SHAKE SHACK INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(UNAUDITED)
(in thousands, except share amounts)

For the Thirteen Weeks Ended September 24, 2025 and September 25, 2024										
	Class A Common Stock		Class B Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Non- Controlling Interest	Total Equity	
	Shares	Amount	Shares	Amount						
BALANCE, JUNE 25, 2025	40,243,981	\$ 40	2,439,789	\$ 2	\$ 445,682	\$ 48,377	\$ (4)	\$ 24,967	\$519,064	
Net income	—	—	—	—	—	12,501	—	1,210	13,711	
Other comprehensive income:										
Net change in foreign currency translation adjustment	—	—	—	—	—	—	3	—	3	
Equity-based compensation	—	—	—	—	4,511	—	—	—	4,511	
Activity under stock compensation plans	4,463	—	—	—	(1,459)	—	—	974	(485)	
Redemption of LLC Interests	5,000	—	(5,000)	—	28	—	—	(28)	—	
Establishment of liabilities under tax receivable agreement and related changes to deferred tax assets associated with increases in tax basis	—	—	—	—	(666)	—	—	—	(666)	
Distributions paid to non-controlling interest holders	—	—	—	—	—	—	—	(901)	(901)	
BALANCE, SEPTEMBER 24, 2025	40,253,444	\$ 40	2,434,789	\$ 2	\$ 448,096	\$ 60,878	\$ (1)	\$ 26,222	\$535,237	
BALANCE, JUNE 26, 2024	39,966,973	\$ 40	2,487,936	\$ 2	\$ 433,877	\$ 28,485	\$ (4)	\$ 23,965	\$486,365	
Net loss	—	—	—	—	—	(10,211)	—	(898)	(11,109)	
Other comprehensive income:										
Net change in foreign currency translation adjustment	—	—	—	—	—	—	2	—	2	
Equity-based compensation	—	—	—	—	4,261	—	—	—	4,261	
Activity under stock compensation plans	28,338	—	—	—	(213)	—	—	251	38	
Redemption of LLC Interests	31,778	—	(31,778)	—	302	—	—	(302)	—	
Establishment of liabilities under tax receivable agreement and related changes to deferred tax assets associated with increases in tax basis	—	—	—	—	(439)	—	—	—	(439)	
Distributions paid to non-controlling interest holders	—	—	—	—	—	—	—	(63)	(63)	
BALANCE, SEPTEMBER 25, 2024	40,027,089	\$ 40	2,456,158	\$ 2	\$ 437,788	\$ 18,274	\$ (2)	\$ 22,953	\$479,055	

See accompanying Notes to Condensed Consolidated Financial Statements.

For the Thirty-Nine Weeks Ended September 24, 2025 and September 25, 2024

	Class A Common Stock		Class B Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Non- Controlling Interest	Total Equity
	Shares	Amount	Shares	Amount					
BALANCE, DECEMBER 25, 2024	40,068,068	\$ 40	2,455,713	\$ 2	\$ 442,993	\$ 26,984	\$ (1)	\$ 23,608	\$493,626
Net income	—	—	—	—	—	33,894	—	2,813	36,707
Other comprehensive income:									
Net change in foreign currency translation adjustment	—	—	—	—	—	—	—	—	—
Equity-based compensation	—	—	—	—	14,502	—	—	—	14,502
Activity under stock compensation plans	164,452	—	—	—	(10,950)	—	—	1,288	(9,662)
Redemption of LLC Interests	20,924	—	(20,924)	—	(271)	—	—	271	—
Establishment of liabilities under tax receivable agreement and related changes to deferred tax assets associated with increases in tax basis	—	—	—	—	1,822	—	—	—	1,822
Distributions paid to non-controlling interest holders	—	—	—	—	—	—	—	(1,758)	(1,758)
BALANCE, SEPTEMBER 24, 2025	40,253,444	\$ 40	2,434,789	\$ 2	\$ 448,096	\$ 60,878	\$ (1)	\$ 26,222	\$535,237
BALANCE, DECEMBER 27, 2023	39,474,315	\$ 39	2,834,513	\$ 3	\$ 426,601	\$ 16,777	\$ (3)	\$ 25,953	\$469,370
Net income (loss)	—	—	—	—	—	1,497	—	(10)	1,487
Other comprehensive income:									
Net change in foreign currency translation adjustment	—	—	—	—	—	—	1	—	1
Equity-based compensation	—	—	—	—	11,819	—	—	—	11,819
Activity under stock compensation plans	174,419	1	—	—	(6,110)	—	—	758	(5,351)
Redemption of LLC Interests	378,355	—	(378,355)	(1)	3,541	—	—	(3,540)	—
Establishment of liabilities under tax receivable agreement and related changes to deferred tax assets associated with increases in tax basis	—	—	—	—	1,937	—	—	—	1,937
Distributions paid to non-controlling interest holders	—	—	—	—	—	—	—	(208)	(208)
BALANCE, SEPTEMBER 25, 2024	40,027,089	\$ 40	2,456,158	\$ 2	\$ 437,788	\$ 18,274	\$ (2)	\$ 22,953	\$479,055

See accompanying Notes to Condensed Consolidated Financial Statements.

SHAKE SHACK INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)
(in thousands)

	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)
Impairments, 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 finance 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

See accompanying Notes to Condensed Consolidated Financial Statements.

SHAKE SHACK INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(in thousands, except share and per share amounts)

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NOTE 1: NATURE OF OPERATIONS

Shake Shack Inc. was formed on September 23, 2014 as a Delaware corporation for the purpose of facilitating an initial public offering and other related transactions in order to carry on the business of SSE Holdings, LLC and its subsidiaries ("SSE Holdings"). Shake Shack Inc. is the sole managing member of SSE Holdings and, as sole managing member, the Company operates and controls all of the business and affairs of SSE Holdings. As a result, the Company consolidates the financial results of SSE Holdings and reports a non-controlling interest representing the economic interest in SSE Holdings held by the other members of SSE Holdings. As of September 24, 2025 the Company owned 94.3% of SSE Holdings. Unless the context otherwise requires, "we," "us," "our," "Shake Shack," the "Company" and other similar references, refer to Shake Shack Inc. and, unless otherwise stated, all of its subsidiaries, including SSE Holdings.

The Company operates and licenses Shake Shack restaurants ("Shacks"), which serve burgers, chicken, hot dogs, crinkle cut fries, shakes, frozen custard, beer, wine and more. As of September 24, 2025, there were 630 Shacks in operation system wide, of which 359 were Company-operated Shacks and 271 were licensed Shacks.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying unaudited Condensed Consolidated Financial Statements include the accounts of Shake Shack Inc. and its subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation. These interim Condensed Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") and on a basis consistent in all material respects with the accounting policies described in its Annual Report on Form 10-K for the fiscal year ended December 25, 2024 ("2024 Form 10-K"). Certain information and footnote disclosures normally presented in annual financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to the rules and regulations of the SEC. These interim Condensed Consolidated Financial Statements should be read in conjunction with the consolidated financial statements and related notes thereto included in the Company's 2024 Form 10-K. In the Company's opinion, all adjustments, which are normal and recurring in nature, necessary for a fair presentation of the financial position and results of operation have been included. Operating results for interim periods are not necessarily indicative of the results that may be expected for the full fiscal year.

SSE Holdings is considered a variable interest entity. Shake Shack Inc. is the primary beneficiary as the Company has the majority economic interest in SSE Holdings and, as the sole managing member, has decision making authority that significantly affects the economic performance of the entity, while the limited partners have no substantive kick-out or participating rights. As a result, the Company consolidates SSE Holdings. The assets and liabilities of SSE Holdings represent substantially all of the Company's consolidated assets and liabilities with the exception of certain deferred taxes and liabilities under the Tax Receivable Agreement. As of September 24, 2025 and December 25, 2024, the net assets of SSE Holdings were \$475,113 and \$413,793, respectively. The assets of SSE Holdings are subject to certain restrictions in SSE Holdings' revolving credit agreement.

Fiscal Year

The Company operates on a 52/53 week fiscal year ending on the last Wednesday of December. Fiscal 2025 contains 53 weeks and ends on December 31, 2025. Fiscal 2024 contained 52 weeks and ended on December 25, 2024. Unless otherwise stated, references to years in this report relate to fiscal years.

Use of Estimates

The preparation of these Condensed Consolidated Financial Statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of sales and expenses during the reporting period. Actual results could differ from those estimates.

Recently Issued Accounting Pronouncements

The Company reviewed all recently issued accounting pronouncements and concluded that they were not applicable or not expected to have a significant impact on its Condensed Consolidated Financial Statements.

NOTE 3: REVENUE

Revenue Recognition

Revenue disaggregated by type was as follows:

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	September 24 2025	September 25 2024	September 24 2025	September 25 2024
Shack sales	\$ 352,846	\$ 304,897	\$ 1,005,908	\$ 890,929
Licensing revenue:				
Sales-based royalties	13,561	11,567	36,813	31,824
Initial territory, opening, and termination fees	1,004	460	2,054	1,171
Total revenue	\$ 367,411	\$ 316,924	\$ 1,044,775	\$ 923,924

The aggregate amount of the transaction price allocated to performance obligations that were unsatisfied or partially unsatisfied as of September 24, 2025 was \$27,731. The Company expects to recognize this amount as revenue over a long-term period, as the majority of license terms for each Shack range from ten to twenty years. This amount excludes any variable consideration related to sales-based royalties.

Contract Balances

Contract liabilities and receivables from contracts with customers were as follows:

	September 24 2025	December 25 2024
Shack sales receivables	\$ 11,153	\$ 10,699
Licensing receivables, net of allowance for doubtful accounts	5,774	5,735
Gift card liability	2,119	2,584
Deferred revenue, current	1,845	1,666
Deferred revenue, long-term	19,245	17,060

Revenue recognized that was included in the respective liability balances at the beginning of the period was as follows:

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	September 24 2025	September 25 2024	September 24 2025	September 25 2024
Gift card liability	\$ 119	\$ 109	\$ 771	\$ 696
Deferred revenue	561	445	1,597	1,147

NOTE 4: FAIR VALUE MEASUREMENTS

Assets and Liabilities Measured at Fair Value on a Recurring Basis

The carrying values of the Company's Cash and cash equivalents, Accounts receivable, net, Accounts payable and Accrued expenses approximate fair value due to the short-term nature of these financial instruments. Refer to Note 6, Debt, for additional information relating to the fair value of the Company's outstanding debt instruments.

A summary of other income from marketable securities was as follows:

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	September 24 2025	September 25 2024	September 24 2025	September 25 2024
Income from marketable securities	\$ —	\$ 15	\$ —	\$ 640

Assets and Liabilities Measured at Fair Value on a Non-Recurring Basis

Assets and liabilities measured at fair value on a non-recurring basis include long-lived assets, operating lease right-of-use assets and indefinite-lived intangible assets. The Company performs its impairment analysis at least annually or whenever events or circumstances indicate that the carrying amount of an asset may not be recoverable.

During the thirteen and thirty-nine weeks ended September 24, 2025, the Company recognized impairment expense of \$8 and \$170, respectively, related to the nine Shack closures in fiscal 2024. Additionally, the Company recognized miscellaneous Shack closure expense of \$(52) and \$1,734, respectively for the thirteen and thirty-nine weeks ended September 24, 2025, primarily related to the true-up of expenses for the nine Shack closures in fiscal 2024.

During the thirteen and thirty-nine weeks ended September 25, 2024, the Company recognized impairment expense, related to right-of-use assets, and property, plant and equipment of \$26,394 related to the nine Shack closures in fiscal 2024 and miscellaneous Shack closure expense of \$1,763.

NOTE 5: SUPPLEMENTAL BALANCE SHEET INFORMATION

The components of Prepaid expenses and other current assets were as follows:

	September 24 2025	December 25 2024
Prepaid expenses	\$ 12,341	\$ 8,196
Tenant allowance receivables	16,923	12,761
Other	833	844
Prepaid expenses and other current assets	\$ 30,097	\$ 21,801

The components of Other current liabilities were as follows:

	September 24 2025	December 25 2024
Sales tax payable	\$ 7,071	\$ 6,999
Current portion of financing equipment lease liabilities	5,603	4,086
Gift card liability	2,119	2,584
Other	6,433	5,869
Other current liabilities	\$ 21,226	\$ 19,538

NOTE 6: DEBT

Convertible Notes

The Company's \$250,000 aggregate principal amount of 0% Convertible Senior Notes due 2028 ("Convertible Notes") will mature on March 1, 2028, unless earlier converted, redeemed or repurchased in certain circumstances. Upon conversion, the Company pays or delivers, as the case may be, cash, shares of Class A common stock or a combination of cash and shares of Class A common stock, at the Company's election.

The Convertible Notes are convertible at the option of the holders at any time prior to the close of business on the business day immediately preceding December 1, 2027, only under the following circumstances: (1) during any fiscal quarter commencing after the fiscal quarter ending on June 30, 2021 (and only during such fiscal quarter), if the last reported sale price of the Company's Class A common stock, par value \$0.001 per share, for at least 20 trading days (whether or not consecutive) during a period of 30 consecutive trading days ending on, and including, the last trading day of the immediately preceding fiscal quarter is greater than or equal to 130% of the conversion price for the Convertible Notes on each applicable trading day; (2) during the five business day period after any ten consecutive trading day period (the "measurement period") in which the trading price (as defined in the Indenture) per one thousand dollar principal amount of the Convertible Notes for each trading day of the measurement period was less than 98% of the product of the last reported sale price of Class A common stock and the conversion rate for the Convertible Notes on each such trading day; (3) if the Company calls such Convertible Notes for redemption, at any time prior to the close of business on the scheduled trading day immediately preceding the redemption date, but only with respect to the Convertible Notes called (or deemed called) for redemption; and (4) upon the occurrence of specified corporate events as set forth in the Indenture. On or after December 1, 2027, until the close of business on the second scheduled trading day immediately preceding the maturity date, holders of the Convertible Notes may convert all or any portion of their Convertible Notes at any time, regardless of the foregoing circumstances.

The Convertible Notes had an initial conversion rate of 5.8679 shares of Class A common stock per one thousand dollar principal amount of Convertible Notes, which is equivalent to an initial conversion price of approximately \$170.42 per share of Class A common stock. The fair value of the Convertible Notes was approximately \$240,000 and \$256,900, respectively, as of September 24, 2025 and December 25, 2024, based on external pricing data, including available quoted market prices of these instruments, and consideration of comparable debt instruments with similar interest rates and trading frequency, among other factors, and is classified as a Level 2 measurement within the fair value hierarchy.

	Classification	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
		September 24 2025	September 25 2024	September 24 2025	September 25 2024
Amortization expense on Convertible Notes	Interest expense	\$ 262	\$ 262	\$ 786	\$ 786

	September 24 2025	December 25 2024
Convertible Notes	\$ 250,000	\$ 250,000
Discount and debt issuance costs, net of amortization	(2,531)	(3,317)
Long-term debt	\$ 247,469	\$ 246,683

Revolving Credit Facility

The Company maintains a revolving credit facility agreement ("Revolving Credit Facility") which permits borrowings up to \$50,000 with the ability to increase available borrowings up to an additional \$100,000, subject to satisfaction of certain conditions.

In July 2025, the Company entered into the sixth amendment to the Revolving Credit Facility ("Sixth Amendment"), which, among other things, extends the maturity date until the earlier of (a) February 28, 2028, or (b) the date that is 91 days prior to the scheduled maturity date of any Convertible Notes outstanding at any time.

Outstanding borrowings under the Revolving Credit Facility bear interest at either: (i) the base rate plus applicable margin ranging from 0.0% to 1.5% or (ii) the Secured Overnight Financing Rate ("SOFR") plus applicable margin ranging from 1.0% to 2.5%, in each case dependent upon the net lease adjusted leverage ratio. As of September 24, 2025 and December 25, 2024, no amounts were outstanding under the Revolving Credit Facility.

The obligations under the Revolving Credit Facility are secured by a first-priority security interest in substantially all of the assets of SSE Holdings and the guarantors. The obligations under the Revolving Credit Facility are guaranteed by each of SSE Holdings' direct and indirect subsidiaries, with certain exceptions. The Revolving Credit Facility requires the Company to comply with maximum net lease adjusted leverage and minimum fixed charge coverage ratios, as well as other customary affirmative and negative covenants. As of September 24, 2025, the Company was in compliance with all covenants.

The Revolving Credit Facility also permits the issuance of letters of credit upon our request of up to \$15,000. As of September 24, 2025 and December 25, 2024, the Company had outstanding letters of credit of \$3,894 in connection with the Revolving Credit Facility.

Classification		Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
		September 24 2025	September 25 2024	September 24 2025	September 25 2024
Interest expense on Revolving Credit Facility	Interest expense	\$ 14	\$ 17	\$ 47	\$ 51

Classification		September 24 2025	December 25 2024
Unamortized deferred financing costs on Revolving Credit Facility	Other assets	\$ 21	\$ 23

NOTE 7: LEASES

A summary of operating and finance right-of-use assets and lease liabilities were as follows:

Classification		September 24 2025	December 25 2024
Operating leases	Operating lease assets	\$ 468,087	\$ 424,611
Finance leases	Property and equipment, net	15,046	12,225
Total right-of-use assets		\$ 483,133	\$ 436,836
Operating leases:			
	Operating lease liabilities, current	\$ 60,671	\$ 55,739
	Long-term operating lease liabilities	540,248	494,499
Finance leases:			
	Other current liabilities	5,603	4,086
	Other long-term liabilities	10,051	8,616
Total lease liabilities		\$ 616,573	\$ 562,940

The components of lease expense were as follows:

	Classification	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
		September 24 2025	September 25 2024	September 24 2025	September 25 2024
Operating lease cost	Occupancy and related expenses Pre-opening costs General and administrative expenses	\$ 22,239	\$ 19,829	\$ 64,489	\$ 57,484
Finance lease cost:					
Amortization of right-of-use assets	Depreciation and amortization expense	1,430	1,051	4,181	3,094
Interest on lease liabilities	Interest expense	227	191	693	578
Variable lease cost	Occupancy and related expenses Pre-opening costs General and administrative expenses	6,517	5,355	18,052	16,084
Short-term lease cost	Occupancy and related expenses	171	213	481	619
Total lease cost		\$ 30,584	\$ 26,639	\$ 87,896	\$ 77,859

As of September 24, 2025, future minimum lease payments for operating and finance leases consisted of the following:

	Operating Leases	Finance Leases
2025 ⁽¹⁾	\$ 9,514	\$ 1,641
2026	94,136	6,181
2027	99,541	5,579
2028	95,603	2,896
2029	89,433	429
Thereafter	382,135	253
Total minimum payments	770,362	16,979
Less: imputed interest	186,366	1,325
Total lease liabilities	\$ 583,996	\$ 15,654

(1) Operating leases are net of certain tenant allowance receivables that were reclassified to Other current assets as of September 24, 2025.

As of September 24, 2025, the Company had additional operating lease commitments of \$237,813 for non-cancelable leases without a possession date, which commence in 2025 or later. The terms of these lease commitments are materially consistent with leases recognized on the Condensed Consolidated Balance Sheets.

A summary of lease terms and discount rates for operating and finance leases were as follows:

	September 24 2025	December 25 2024
Weighted average remaining lease term (years):		
Operating leases	8.6	8.7
Finance leases	2.9	3.3
Weighted average discount rate:		
Operating leases	6.3 %	6.2 %
Finance leases	5.9 %	6.1 %

Supplemental cash flow information related to leases was as follows:

	Thirty-Nine Weeks Ended	
	September 24 2025	September 25 2024
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 75,776	\$ 61,208
Operating cash flows from finance leases	693	578
Financing cash flows from finance leases	4,013	2,921
Right-of-use assets obtained in exchange for lease obligations:		
Operating leases	82,119	67,115
Finance leases	7,943	3,610

NOTE 8: NON-CONTROLLING INTERESTS

Shake Shack is the primary beneficiary and sole managing member of SSE Holdings and, as a result, consolidates the financial results of SSE Holdings. The Company reports a non-controlling interest representing the economic interest held by the other members of SSE Holdings. The Third Amended and Restated Limited Liability Company Agreement, as further amended, (the "LLC Agreement") of SSE Holdings provides that holders of SSE Holdings, LLC membership interests ("LLC Interests") may, from time to time, require SSE Holdings to redeem all or a portion of their LLC Interests for newly-issued shares of Class A common stock on a one-for-one basis. In connection with any redemption or exchange, the Company will receive a corresponding number of LLC Interests, increasing the total ownership interest in SSE Holdings. Changes in the ownership interest in SSE Holdings while the Company retains its controlling interest in SSE Holdings will be accounted for as equity transactions. As such, future redemptions or direct exchanges of LLC Interests in SSE Holdings by the other members of SSE Holdings will result in a change in ownership and reduce the amount recorded as non-controlling interest and increase additional paid-in capital.

The following table summarizes the ownership interest in SSE Holdings:

	September 24, 2025		December 25, 2024	
	LLC Interests	Ownership %	LLC Interests	Ownership %
Number of LLC Interests held by Shake Shack Inc.	40,253,444	94.3 %	40,068,068	94.2 %
Number of LLC Interests held by non-controlling interest holders	2,434,789	5.7 %	2,455,713	5.8 %
Total LLC Interests outstanding	42,688,233	100.0 %	42,523,781	100.0 %

The weighted average ownership percentages for the applicable reporting periods are used to attribute Net income (loss) and Other comprehensive income (loss) to the non-controlling interest holders and were as follows:

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	September 24 2025	September 25 2024	September 24 2025	September 25 2024
Non-controlling interest holders' weighted average ownership percentages	5.7 %	5.8 %	5.7 %	6.3 %

The following table summarizes the effects of changes in ownership of SSE Holdings on the Company's equity:

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	September 24 2025	September 25 2024	September 24 2025	September 25 2024
Net income (loss) attributable to Shake Shack Inc.	\$ 12,501	\$ (10,211)	\$ 33,894	\$ 1,497
Other comprehensive income:				
Unrealized holding gain on foreign currency translation adjustment	3	2	—	1
Transfers (to) from non-controlling interests:				
Increase (decrease) in additional paid-in capital as a result of the redemption of LLC Interests	28	302	(271)	3,541
Decrease in additional paid-in capital as a result of activity under stock compensation plan	(1,459)	(213)	(10,950)	(6,110)
Total effect of changes in ownership interest on equity (loss) attributable to Shake Shack Inc.	\$ 11,073	\$ (10,120)	\$ 22,673	\$ (1,071)

The following table summarizes the LLC Interests activity:

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	September 24 2025	September 25 2024	September 24 2025	September 25 2024
LLC Interests activity under the Company's stock compensation plan:				
Number of LLC Interests received by Shake Shack Inc.	4,463	28,338	164,452	174,419
Redemption and acquisition of LLC Interests:				
Number of LLC Interests redeemed by non-controlling interest holders	5,000	31,778	20,924	378,355
Number of LLC Interests received by Shake Shack Inc.	5,000	31,778	20,924	378,355
Issuance of Class A common stock:				
Shares of Class A common stock issued in connection with redemptions of LLC Interests	5,000	31,778	20,924	378,355
Cancellation of Class B common stock:				
Shares of Class B common stock surrendered and canceled	5,000	31,778	20,924	378,355

NOTE 9: EQUITY-BASED COMPENSATION

A summary of equity-based compensation expense by award type was as follows:

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	September 24 2025	September 25 2024	September 24 2025	September 25 2024
Performance stock units	\$ 729	\$ 989	\$ 3,267	\$ 1,267
Restricted stock units	3,694	3,169	10,906	10,272
Equity-based compensation expense	\$ 4,423	\$ 4,158	\$ 14,173	\$ 11,539
Total income tax benefit recognized related to equity-based compensation	\$ 134	\$ 102	\$ 347	\$ 319

Equity-based compensation expense recognized was as follows:

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	September 24 2025	September 25 2024	September 24 2025	September 25 2024
General and administrative expenses	\$ 3,899	\$ 3,726	\$ 12,667	\$ 10,359
Labor and related expenses	524	432	1,506	1,180
Equity-based compensation expense	\$ 4,423	\$ 4,158	\$ 14,173	\$ 11,539

NOTE 10: INCOME TAXES

Shake Shack is the sole managing member of SSE Holdings, which is classified as a partnership for U.S federal and most applicable state and local income tax purposes. As the managing member, the Company consolidates SSE Holdings financial results. As a partnership, SSE Holdings is not subject to U.S. federal and certain state and local income taxes. Instead, any taxable income or loss generated by SSE Holdings is allocated to its members, including the Company, on a pro rata basis. The Company is subject to U.S. federal, state and local income taxes with respect to its allocable share of taxable income or loss from SSE Holdings, as well as any stand-alone income or loss generated by Shake Shack Inc. The Company is also subject to withholding taxes in foreign jurisdictions.

Effective Income Tax Rates

The following table presents the Company's effective income tax rates:

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	September 24 2025	September 25 2024	September 24 2025	September 25 2024
Effective income tax rates	35.2 %	25.9 %	28.1 %	(13.9)%

The increase in the effective income tax rate for the thirteen weeks ended September 24, 2025 was primarily driven by higher state income tax expense and the remeasurement of deferred tax assets.

The increase in the effective income tax rate for the thirty-nine weeks ended September 24, 2025 was primarily driven by the remeasurement of deferred tax assets and a reduced benefit compared to the prior year from the mix of tax benefits relative to lower pretax income.

The Company's weighted average ownership interest in SSE Holdings was as follows:

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	September 24 2025	September 25 2024	September 24 2025	September 25 2024
Shake Shack's weighted average ownership percentages	94.3 %	94.2 %	94.3 %	93.7 %

Deferred Tax Assets and Liabilities

The Company acquires LLC Interests in connection with the redemption of LLC Interests and activity relating to its stock compensation plan and recognizes deferred tax assets associated with the basis difference in its investment in SSE Holdings upon acquisition of these LLC Interests.

The following table summarizes the LLC Interests acquired by the Company:

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	September 24 2025	September 25 2024	September 24 2025	September 25 2024
LLC Interests activity under the Company's stock compensation plan	4,463	28,338	164,452	174,419
LLC Interests activity from redemptions of LLC Interests	5,000	31,778	20,924	378,355
Total LLC Interests acquired by the Company	9,463	60,116	185,376	552,774

Deferred tax assets related to the basis difference in the Company's investment in SSE Holdings were as follows:

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	September 24 2025	September 25 2024	September 24 2025	September 25 2024
Deferred tax assets recognized upon acquisition of LLC Interests	\$ (495)	\$ 284	\$ 2,322	\$ 10,861
			September 24 2025	December 25 2024
Total deferred tax assets related to the acquisition of LLC Interests			\$ 100,080	\$ 89,397

The Company also recognizes deferred tax assets related to additional tax basis increases generated from expected future payments under the Tax Receivable Agreement and related deductions for imputed interest on such payments. Refer to "Tax Receivable Agreement," herein for additional information.

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	September 24 2025	September 25 2024	September 24 2025	September 25 2024
Deferred tax assets recognized under the Tax Receivable Agreement	\$ 50	\$ 225	\$ 218	\$ 3,288

The Company evaluates the realizability of its deferred tax assets on a quarterly basis and establishes valuation allowances when it is more likely than not that all or a portion of a deferred tax asset may not be realized. As of September 24, 2025, the Company concluded, based on the weight of all available positive and negative evidence, that all of its deferred tax assets (except for those deferred tax assets relating to certain state tax credits and net operating losses) are more likely than not to be realized. As such, no additional valuation allowance was recognized.

Tax Receivable Agreement

On February 4, 2015, the Company entered into a tax receivable agreement with certain then-existing non-controlling members of SSE Holdings (the "Tax Receivable Agreement"). This agreement obligates the Company to pay the non-controlling interest holders 85% of any tax benefits that the Company may actually realize, or be deemed to realize, from (i) increases in the Company's share of the tax basis of SSE Holdings due to redemptions or exchanges of LLC Interests, (ii) tax basis increases resulting from payments made under the Tax Receivable Agreement, and (iii) deductions from imputed interest under the agreement (the "TRA Payments"). The Company expects to benefit from the remaining 15% of any realized tax benefits. The TRA Payments are not conditioned upon any continued ownership interest in SSE Holdings or us. Additionally, the rights of each non-controlling interest holder under the Tax Receivable Agreement, are assignable to transferees of its LLC Interests.

Pursuant to the Company's election under Section 754 of the Internal Revenue Code (the "Code"), the Company expects to obtain an increase in its share of the tax basis in the net assets of SSE Holdings when LLC Interests are redeemed or exchanged by the other members of SSE Holdings. The Company plans to make an election under Section 754 of the Code for each taxable year in which a redemption or exchange of LLC Interest occurs. The Company intends to treat any redemptions and exchanges of LLC Interests as direct purchases of LLC Interests for U.S. federal income tax purposes. These increases in tax basis may reduce the amounts that would otherwise be paid in the future to various tax authorities. They may also decrease gains (or increase losses) on future dispositions of certain capital assets to the extent tax basis is allocated to those capital assets.

There were no transactions subject to the Tax Receivable Agreement for which the Company did not recognize the related liability, as the Company concluded that it would have sufficient future taxable income to utilize all of the related tax benefits generated by all transactions that occurred during the thirty-nine weeks ended September 24, 2025 and September 25, 2024.

A summary of obligations and payments made under the Tax Receivable Agreement were as follows:

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	September 24 2025	September 25 2024	September 24 2025	September 25 2024
Amounts paid under the Tax Receivable Agreement	\$ 13	\$ —	\$ 37	\$ —

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	September 24 2025	September 25 2024	September 24 2025	September 25 2024
Additional liabilities recognized under the Tax Receivable Agreement	\$ 201	\$ 946	\$ 809	\$ 12,211

	September 24 2025	December 25 2024
Total obligations under the Tax Receivable Agreement	\$ 248,506	\$ 247,734

New Tax Legislation

On July 4, 2025, An Act to Provide for Reconciliation Pursuant to Title II of H. Con. Res. 14 (the "Act"), commonly referred to as the One Big Beautiful Bill Act was enacted into law. The Act includes multiple effective dates, with certain provisions effective beginning in 2025 and others phased in through 2027. Key changes under the Act include the acceleration of tax deductions for domestic research expenditures and qualified property, as well as modifications to the limitations on the deductibility of net interest expense. The new legislation did not have a material impact on the Company's results for the thirteen and thirty-nine weeks ended September 24, 2025, and the Company continues to evaluate the potential impact of the Act on our Condensed Consolidated Financial Statements.

NOTE 11: EARNINGS (LOSS) PER SHARE

Basic earnings (loss) per share of Class A common stock is computed by dividing Net income (loss) attributable to Shake Shack Inc. by the weighted average number of shares of Class A common stock outstanding during the period. Diluted earnings (loss) per share of Class A common stock is computed by dividing Net income (loss) attributable to Shake Shack Inc. by the weighted average number of shares of Class A common stock outstanding, adjusted to give effect to potentially dilutive securities.

The following table sets forth reconciliations of the numerators and denominators used to compute basic and diluted earnings (loss) per share of Class A common stock (in thousands, except per share amounts):

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	September 24 2025	September 25 2024	September 24 2025	September 25 2024
Numerator:				
Net income (loss) attributable to Shake Shack Inc.—basic	\$ 12,501	\$ (10,211)	\$ 33,894	\$ 1,497
Reallocation of net income (loss) attributable to non-controlling interests from the assumed conversion of Class B shares	—	—	—	(10)
Net income (loss) attributable to Shake Shack Inc.—diluted	\$ 12,501	\$ (10,211)	\$ 33,894	\$ 1,487
Denominator:				
Weighted average shares of Class A common stock outstanding—basic	40,250	40,010	40,199	39,758
Effect of dilutive securities:				
Stock options	2	—	2	62
Performance stock units	19	—	41	47
Restricted stock units	136	—	143	166
Convertible Notes	1,467	—	1,467	1,467
Shares of Class B common stock	—	—	—	2,663
Weighted average shares of Class A common stock outstanding—diluted	41,874	40,010	41,852	44,163
Earnings (loss) per share of Class A common stock—basic	\$ 0.31	\$ (0.26)	\$ 0.84	\$ 0.04
Earnings (loss) per share of Class A common stock—diluted	\$ 0.30	\$ (0.26)	\$ 0.81	\$ 0.03

The effect of potential share settlement of the Convertible Notes outstanding for the period is included as potentially dilutive shares of Class A common stock under application of the if-converted method in the computation of diluted earnings (loss) per share, except when the effect would be anti-dilutive. Refer to Note 6, Debt, for additional information.

Shares of Class B common stock do not share in the earnings or losses of Shake Shack and are therefore not participating securities. As such, separate presentation of basic and diluted earnings (loss) per share of Class B common stock under the two-class method has not been presented. However, shares of Class B common stock outstanding for the period are considered potentially dilutive shares of Class A common stock under application of the if-converted method and are included in the computation of diluted earnings (loss) per share, except when the effect would be anti-dilutive.

The following table presents potentially dilutive securities excluded from the computations of diluted earnings (loss) per share of Class A common stock:

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	September 24 2025	September 25 2024	September 24 2025	September 25 2024
Stock options	—	52,050 (2)	—	—
Performance stock units	119,101 (1)	86,313 (2)	119,101 (1)	85,440 (1)
Restricted stock units	—	139,742 (2)	—	—
Shares of Class B common stock	2,434,789 (2)	2,465,936 (2)	2,434,789 (2)	—
Convertible notes	—	1,466,975 (2)	—	—

(1) Number of securities outstanding at the end of the period that were excluded from the computation of diluted earnings (loss) per share of Class A common stock because the performance conditions associated with these awards were not met assuming the end of the reporting period was the end of the performance period.

(2) Number of securities outstanding at the end of the period that were excluded from the computation of diluted earnings (loss) per share of Class A common stock because the effect would have been anti-dilutive.

NOTE 12: SUPPLEMENTAL CASH FLOW INFORMATION

The following table sets forth supplemental cash flow information:

	Thirty-Nine Weeks Ended	
	September 24 2025	September 25 2024
Cash paid for:		
Income taxes, net of refunds	\$ 4,120	\$ 5,508
Interest, net of amounts capitalized	629	724
Non-cash investing activities:		
Accrued purchases of property and equipment	31,227	23,493
Capitalized equity-based compensation	155	165
Non-cash financing activities:		
Establishment of liabilities under Tax Receivable Agreement	809	12,211

NOTE 13: COMMITMENTS AND CONTINGENCIES

Lease Commitments

The Company is obligated under various operating leases for Shacks and Shack Support Centers expiring in various years through 2045. Under certain of these leases, the Company is liable for contingent rent based on a percentage of sales in excess of specified thresholds and typically responsible for its proportionate share of real estate taxes, common area maintenance costs and other occupancy costs.

Certain leases require the Company to obtain letters of credit. As of September 24, 2025, the Company held three letters of credit totaling \$695.

Purchase Commitments

Purchase obligations include legally binding contracts, including commitments for the purchase, construction or remodeling of real estate and facilities, firm minimum commitments for inventory purchases, equipment purchases, marketing-related contracts, software acquisition/license commitments and service contracts. These obligations are generally short-term in nature and are recorded as liabilities when the related goods are received or services rendered. The Company also enters into long-term, exclusive contracts with certain vendors to supply food, beverages and paper goods, obligating the Company to purchase specified quantities.

Legal Contingencies

The Company is subject to various legal proceedings, claims and liabilities, involving employees and guests alike, which arise in the ordinary course of business and are generally covered by insurance. As of September 24, 2025, the amount of the ultimate liability with respect to these matters was not material.

Liabilities under Tax Receivable Agreement

The Company is a party to the Tax Receivable Agreement under which it is contractually committed to pay certain of the members of SSE Holdings 85% of the amount of any tax benefits that are actually realized, or in some cases are deemed to realize, as a result of certain transactions. The Company is not obligated to make any payments under the Tax Receivable Agreement until the tax benefits associated with the transactions that gave rise to the payments are realized. Amounts payable

under the Tax Receivable Agreement are contingent upon, among other things, (i) generation of future taxable income over the term of the Tax Receivable Agreement and (ii) future changes in tax laws. If the Company does not generate sufficient taxable income in the aggregate over the term of the Tax Receivable Agreement to utilize the tax benefits, then it would not be required to make the related TRA Payments. The Company recognizes liabilities relating to the obligations under the Tax Receivable Agreement if concluding that it is probable that it would have sufficient future taxable income over the term of the Tax Receivable Agreement to utilize the related tax benefits. Refer to Note 10, Income Taxes, for additional information relating to the Tax Receivable Agreement.

NOTE 14: RELATED PARTY TRANSACTIONS

Madison Square Park Conservancy

The Chairman of the Board of Directors serves as a director of the Madison Square Park Conservancy ("MSP Conservancy"), with which Shake Shack has a license agreement and pays license fees to operate the Madison Square Park Shack. No amounts were due to MSP Conservancy as of September 24, 2025 and December 25, 2024.

		Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
		September 24 2025	September 25 2024	September 24 2025	September 25 2024
	Classification				
Amounts paid to MSP Conservancy	Occupancy and related expenses	\$ 233	\$ 249	\$ 709	\$ 707
	Other operating expenses				

Olo, Inc.

The Chairman of the Board of Directors served as a director of Olo, Inc., a platform the Company uses in connection with its mobile ordering application through September 2025.

		Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
		September 24 2025	September 25 2024	September 24 2025	September 25 2024
	Classification				
Amounts paid to Olo, Inc.	Other operating expenses	\$ 319	\$ 301	\$ 799	\$ 615

		September 24 2025		December 25 2024
	Classification			
Amounts due to Olo, Inc.	Accounts payable	\$ 319	\$	227
	Accrued expenses			

Tax Receivable Agreement

The Company entered into a Tax Receivable Agreement that provides for the payment by the Company of 85% of the amount of any tax benefits that are actually realized, or in some cases are deemed to realize, as a result of certain transactions. Refer to Note 10, Income Taxes, for additional information.

		Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
		September 24 2025	September 25 2024	September 24 2025	September 25 2024
	Classification				
Amounts paid under the Tax Receivable Agreement	Other current liabilities	\$ 13	\$ —	\$ 37	\$ —

Classification		September 24 2025	December 25 2024
Amounts due under the Tax Receivable Agreement	Other current liabilities Liabilities under Tax Receivable Agreement, net of current portion	\$ 248,506	\$ 247,734

Distributions to Members of SSE Holdings

Under the terms of the SSE Holdings LLC Agreement, SSE Holdings is obligated to make tax distributions to its members. No tax distributions were payable to non-controlling interest holders as of September 24, 2025 and December 25, 2024.

Classification	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	September 24 2025	September 25 2024	September 24 2025	September 25 2024
Amounts paid to non-controlling interest holders	\$ 901	\$ 63	\$ 1,758	\$ 208

NOTE 15: SEGMENT REPORTING

Shake Shack operates and licenses Shake Shack restaurants, which serve burgers, chicken, hot dogs, crinkle cut fries, shakes, frozen custard, beer, wine and more. The Company operates Shacks in the United States and has both domestic and international licensed Shacks.

The chief operating decision maker (the "CODM") is the Chief Executive Officer. The Company determined it has one operating segment and one reportable segment, as the CODM regularly reviews Shack operations and financial performance at a consolidated level. The CODM also allocates resources at a consolidated level.

The CODM uses net income to allocate resources (including labor, technology, and capital resources) for the single segment to make decisions regarding annual budget, new Shack openings, entering new geographic markets, landlord and vendor negotiations, marketing decisions, pursuing new business ventures, and driving the Company's mission.

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	September 24 2025	September 25 2024	September 24 2025	September 25 2024
Segment revenue	\$ 367,411	\$ 316,924	\$ 1,044,775	\$ 923,924
Less:				
Food and paper costs	103,461	86,056	286,119	251,362
Labor and related expenses	88,033	85,523	262,759	253,646
Other operating expenses ⁽¹⁾	53,779	45,564	152,809	131,373
Occupancy and related expenses	26,995	23,608	77,219	69,022
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
Interest expense	504	498	1,615	1,533
Income tax expense (benefit)	7,436	(3,873)	14,366	(182)
Other income, net ⁽²⁾	(3,103)	(3,504)	(8,924)	(10,010)
Segment income (loss)	13,711	(11,109)	36,707	1,487
Reconciliation of profit or loss:				
Adjustments and reconciling items	—	—	—	—
Consolidated net income (loss)	\$ 13,711	\$ (11,109)	\$ 36,707	\$ 1,487
			September 24 2025	December 25 2024
Total Assets			\$ 1,827,185	\$ 1,696,971

- (1) Other operating expenses consist of delivery commissions, Shack-level marketing expenses, repairs and maintenance, utilities, and other operating expenses incidental to operating our Company-operated Shacks, such as non-perishable supplies, credit card fees and property insurance.
- (2) Other income, net includes net unrealized and realized gains and losses from marketable securities, dividend and interest income, and adjustments to liabilities under the Tax Receivable Agreement. Interest income was \$32 and \$120 for the thirteen and thirty-nine weeks ended September 24, 2025, respectively. Interest income was \$57 and \$724 for the thirteen and thirty-nine weeks ended September 25, 2024, respectively.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

This section and other parts of this Quarterly Report on Form 10-Q ("Form 10-Q") contain 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 are forward-looking statements including, but not limited to, statements about our growth, including our long-term growth goals, strategic priorities and initiatives, and liquidity. Forward-looking statements discuss our current expectations, targets and projections relating to our 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," "likely," "outlook," "potential," "preliminary," "project," "projection," "plan," "seek," "targets," "may," "could," "would," "will," "should," "can," "can have," the negatives thereof and other similar expressions.

Forward-looking statements reflect our current views with respect to future events and are based on certain assumptions and are subject to risks and uncertainties that could cause our actual results to differ materially from trends, plans, or expectations set forth in the forward-looking statement, as set forth in this Form 10-Q. All forward-looking statements are expressly qualified in

their entirety by these cautionary statements. You should evaluate all forward-looking statements made in this Form 10-Q in the context of the risks and uncertainties disclosed in our Annual Report on Form 10-K for the fiscal year ended December 25, 2024 ("2024 Form 10-K") and our other filings with the SEC.

The forward-looking statements included in this Form 10-Q are made only as of the date hereof. We undertake 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. If we do update one or more forward-looking statements, no inference should be made that we will make additional updates with respect to those or other forward-looking statements.

The following discussion should be read in conjunction with our 2024 Form 10-K and the Condensed Consolidated Financial Statements and notes thereto included in Part I, Item 1 of this Form 10-Q. All information presented herein is based on our fiscal calendar. Unless otherwise stated, references to particular years, quarters, months or periods refer to our fiscal years and the associated quarters, months and periods of those fiscal years.

OVERVIEW

Shake Shack serves modern, fun and elevated versions of American classics using only premium ingredients. We are known for our made-to-order 100% Angus beef burgers, crispy chicken, hand-spun milkshakes, house-made lemonades, beer, wine, and more. With our fine-dining roots and a commitment to crafting uplifting experiences, Shake Shack has become a cult-brand and created a new category, fine-casual.

Our purpose is to Stand For Something Good in all aspects of our business. Stand For Something Good is a call to action for all of our stakeholders — our team, guests, communities, suppliers and investors — and we actively invite them all to share in this philosophy with us. This commitment drives our integration into the local communities in which we operate and fosters a deep and lasting connection with our guests. We are committed to a positive social impact, creating an equitable and inclusive workplace and community and focusing on environmental sustainability.

The following definitions apply to these terms as used herein:

"Average weekly sales" 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.

"Same-Shack sales" 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.

"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.

Key Operating Metrics

Same-Shack sales for the thirteen weeks ended September 24, 2025 increased 4.9% compared to the same period last year, driven by a 3.6% increase in price mix and a 1.3% increase in guest traffic. Same-Shack sales for the thirty-nine weeks ended September 24, 2025 increased 2.4% compared to the same period last year, driven by a 3.6% increase in price mix, partially offset by a 1.2% decline in guest traffic. For the purpose of calculating same-Shack sales for the thirteen and thirty-nine weeks ended September 24, 2025, Shack sales for 268 Shacks were included in the comparable Shack base.

Average weekly sales were \$78,000 for the thirteen weeks ended September 24, 2025, compared to \$76,000 for the same period last year, primarily driven by higher menu prices and menu mix, partially offset by a decrease in items per check. Average weekly sales were \$76,000 for the thirty-nine weeks ended September 24, 2025, compared to \$75,000 for the same period last year, primarily driven by higher menu prices and the closure of nine underperforming Company-operated Shacks in the third quarter of fiscal 2024, partially offset by a decline in guest traffic.

System-wide sales for the thirteen weeks ended September 24, 2025 increased 15.4% to \$571.5 million compared to the same period last year. System-wide sales for the thirty-nine weeks ended September 24, 2025 increased 13.3% to \$1,610.8 million compared to the same period last year.

Digital sales for the thirteen weeks ended September 24, 2025 increased 19.1% to \$124.2 million compared to the same period last year. Digital sales for the thirty-nine weeks ended September 24, 2025 increased 16.7% to \$364.7 million compared to the same period last year. Digital sales includes orders placed on the Shake Shack app, website and third-party delivery platforms, which represented 35.2% and 36.3%, respectively, of Shack sales during the thirteen and thirty-nine weeks ended September 24, 2025.

Development Highlights

During the thirteen weeks ended September 24, 2025, we opened 13 new Company-operated Shacks and seven new licensed Shacks.

The following table presents the Shacks opened during the thirteen weeks ended September 24, 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

As of September 24, 2025, there were 630 Shacks in operation system wide, of which 359 were Company-operated Shacks and 271 were licensed Shacks.

RESULTS OF OPERATIONS

The following table summarizes our results of operations for the thirteen and thirty-nine weeks ended September 24, 2025 and September 25, 2024:

	Thirteen Weeks Ended				Thirty-Nine Weeks Ended							
	September 24 2025		September 25 2024		September 24 2025		September 25 2024					
(dollar amounts in thousands)												
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)	— %
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)	— %
NET INCOME (LOSS) ATTRIBUTABLE TO SHAKE SHACK INC.	\$	12,501	3.4 %	\$	(10,211)	(3.2)%	\$	33,894	3.2 %	\$	1,497	0.2 %

(1) As a percentage of Shack sales.

Shack Sales

Shack sales represent the aggregate sales of food, beverages and Shake Shack branded merchandise at our Company-operated Shacks and gift card breakage income. Shack sales in any period are directly influenced by the number of operating weeks in such period and the total number of open Shacks.

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	September 24 2025	September 25 2024	September 24 2025	September 25 2024
<i>(dollar amounts in thousands)</i>				
Shack sales	\$ 352,846	\$ 304,897	\$ 1,005,908	\$ 890,929
Percentage of Total revenue	96.0 %	96.2 %	96.3 %	96.4 %
Dollar change compared to prior year	\$ 47,949		\$ 114,979	
Percentage change compared to prior year	15.7 %		12.9 %	

Shack sales for the thirteen weeks ended September 24, 2025 increased 15.7% to \$352.8 million versus the same period last year. The increase was primarily due to the opening of 49 new Company-operated Shacks between September 25, 2024 and

September 24, 2025, which contributed \$36.1 million, as well as increased menu prices, partially offset by a decline in items per check and the impact from the closure of nine Company-operated Shacks in fiscal 2024.

Shack sales for the thirty-nine weeks ended September 24, 2025 increased 12.9% to \$1,005.9 million versus the same period last year. The increase was primarily due to the opening of 49 new Company-operated Shacks between September 25, 2024 and September 24, 2025, which contributed \$80.5 million, as well as increased menu prices, partially offset by the impact from the closure of nine Company-operated Shacks in fiscal 2024.

Licensing Revenue

Licensing revenue is comprised of license fees and opening fees, territory fees, and termination fees for certain licensed Shacks. License fees are calculated as a percentage of sales and territory fees are payments for the exclusive right to develop Shacks in a specific geographic area.

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	September 24 2025	September 25 2024	September 24 2025	September 25 2024
<i>(dollar amounts in thousands)</i>				
Licensing revenue	\$ 14,565	\$ 12,027	\$ 38,867	\$ 32,995
<i>Percentage of Total revenue</i>	4.0 %	3.8 %	3.7 %	3.6 %
Dollar change compared to prior year	\$ 2,538		\$ 5,872	
Percentage change compared to prior year	21.1 %		17.8 %	

Licensing revenue for the thirteen weeks ended September 24, 2025 increased 21.1% to \$14.6 million versus the same period last year. Licensing revenue for the thirty-nine weeks ended September 24, 2025 increased 17.8% to \$38.9 million versus the same period last year. The increases for the thirteen and thirty-nine weeks ended September 24, 2025 were primarily due to the opening of 29 net new licensed Shacks between September 25, 2024 and September 24, 2025, which contributed \$1.4 million and \$2.7 million, respectively, as well as revenue recognized from the contract termination of a licensed partner and higher sales at existing domestic licensed Shacks and from our partnership with Delta Air Lines.

Food and Paper Costs

Food and paper costs include the direct costs associated with food, beverage and packaging of our menu items. The components of Food and paper costs are variable by nature, change with sales volume, and are impacted by menu mix, channel mix and fluctuations in commodity costs, as well as geographic scale and proximity.

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	September 24 2025	September 25 2024	September 24 2025	September 25 2024
<i>(dollar amounts in thousands)</i>				
Food and paper costs	\$ 103,461	\$ 86,056	\$ 286,119	\$ 251,362
<i>Percentage of Shack sales</i>	29.3 %	28.2 %	28.4 %	28.2 %
Dollar change compared to prior year	\$ 17,405		\$ 34,757	
Percentage change compared to prior year	20.2 %		13.8 %	

Food and paper costs for the thirteen weeks ended September 24, 2025 increased 20.2% to \$103.5 million versus the same period last year. Food and paper costs for the thirty-nine weeks ended September 24, 2025 increased 13.8% to \$286.1 million versus the same period last year. The increases for the thirteen and thirty-nine weeks ended September 24, 2025 were primarily due to the opening of 49 new Company-operated Shacks between September 25, 2024 and September 24, 2025, which contributed approximately \$10.9 million and \$23.8 million, respectively, partially offset by the closure of nine Company-operated Shacks in fiscal 2024.

As a percentage of Shack sales, the increase in Food and paper costs for the thirteen weeks ended September 24, 2025 was primarily driven by increased commodity costs, mainly beef, and unfavorable menu mix, partially offset by increased menu prices. As a percentage of Shack sales, the increase in Food and paper costs for the thirty-nine weeks ended September 24, 2025 was primarily driven by unfavorable menu mix and increased commodity costs, mainly beef, partially offset by increased menu prices.

Labor and Related Expenses

Labor and related expenses include Company-operated Shack-level hourly and management wages, bonuses, payroll taxes, equity-based compensation, workers' compensation expense and medical benefits. As we expect with other variable expense items, labor costs should grow as our Shack sales grow. Factors that influence labor costs include minimum wage and payroll tax legislation, health care costs, size and location of the Shack and the performance of our Company-operated Shacks.

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	September 24 2025	September 25 2024	September 24 2025	September 25 2024
<i>(dollar amounts in thousands)</i>				
Labor and related expenses	\$ 88,033	\$ 85,523	\$ 262,759	\$ 253,646
Percentage of Shack sales	24.9 %	28.0 %	26.1 %	28.5 %
Dollar change compared to prior year	\$ 2,510		\$ 9,113	
Percentage change compared to prior year	2.9 %		3.6 %	

Labor and related expenses for the thirteen weeks ended September 24, 2025 increased 2.9% to \$88.0 million versus the same period last year. Labor and related expenses for the thirty-nine weeks ended September 24, 2025 increased 3.6% to \$262.8 million versus the same period last year. The increases for the thirteen and thirty-nine weeks ended September 24, 2025 were primarily due to the opening of 49 new Company-operated Shacks between September 25, 2024 and September 24, 2025, partially offset by labor efficiencies and the closure of nine Company-operated Shacks in fiscal 2024.

As a percentage of Shack sales, the decreases in Labor and related expenses for the thirteen and thirty-nine weeks ended September 24, 2025 were primarily due to labor efficiencies, partially offset by increased wages and incremental expenses from the opening of 49 new Company-operated Shacks between September 25, 2024 and September 24, 2025.

Other Operating Expenses

Other operating expenses consist of delivery commissions, Shack-level marketing expenses, repairs and maintenance, utilities and other operating expenses incidental to operating our Company-operated Shacks, such as non-perishable supplies, credit card fees and property insurance.

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	September 24 2025	September 25 2024	September 24 2025	September 25 2024
<i>(dollar amounts in thousands)</i>				
Other operating expenses	\$ 53,779	\$ 45,564	\$ 152,809	\$ 131,373
Percentage of Shack sales	15.2 %	14.9 %	15.2 %	14.7 %
Dollar change compared to prior year	\$ 8,215		\$ 21,436	
Percentage change compared to prior year	18.0 %		16.3 %	

Other operating expenses for the thirteen weeks ended September 24, 2025 increased 18.0% to \$53.8 million versus the same period last year. Other operating expenses for the thirty-nine weeks ended September 24, 2025 increased 16.3% to \$152.8 million versus the same period last year. The increases for the thirteen and thirty-nine weeks ended September 24, 2025 were primarily due to increased transaction costs, mainly delivery commission, associated with higher sales, as well as increased facilities costs and marketing spend.

As a percentage of Shack sales, the increase in Other operating expenses for the thirteen weeks ended September 24, 2025 was primarily due to increased delivery commission associated with the growth in our digital business and increased professional services, partially offset by sales leverage. As a percentage of Shack sales, the increase in Other operating expenses for the thirty-nine weeks ended September 24, 2025 was primarily due to increased delivery commission associated with the growth in our digital business and increased marketing spend, partially offset by sales leverage.

Occupancy and Related Expenses

Occupancy and related expenses consist of Shack-level occupancy expenses (including rent, common area expenses and certain local taxes), and exclude occupancy expenses associated with unopened Shacks, which are recorded separately in Pre-opening costs.

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	September 24 2025	September 25 2024	September 24 2025	September 25 2024
<i>(dollar amounts in thousands)</i>				
Occupancy and related expenses	\$ 26,995	\$ 23,608	\$ 77,219	\$ 69,022
Percentage of Shack sales	7.7 %	7.7 %	7.7 %	7.7 %
Dollar change compared to prior year	\$ 3,387		\$ 8,197	
Percentage change compared to prior year	14.3 %		11.9 %	

Occupancy and related expenses for the thirteen weeks ended September 24, 2025 increased 14.3% to \$27.0 million versus the same period last year. Occupancy and related expenses for the thirty-nine weeks ended September 24, 2025 increased 11.9% to \$77.2 million versus the same period last year. The increases for the thirteen and thirty-nine weeks ended September 24, 2025 were primarily due to the opening of 49 new Company-operated Shacks between September 25, 2024 and September 24, 2025, which contributed approximately \$2.6 million and \$5.4 million, respectively, partially offset by the closure of nine Company-operated Shacks in fiscal 2024.

As a percentage of Shack sales, Occupancy and related expenses were flat for the thirteen and thirty-nine weeks ended September 24, 2025.

General and Administrative Expenses

General and administrative expenses consist of costs associated with corporate and administrative functions that support Shack development and operations, as well as equity-based compensation expense.

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	September 24 2025	September 25 2024	September 24 2025	September 25 2024
<i>(dollar amounts in thousands)</i>				
General and administrative expenses	\$ 44,381	\$ 35,691	\$ 125,692	\$ 107,948
Percentage of Total revenue	12.1 %	11.3 %	12.0 %	11.7 %
Dollar change compared to prior year	\$ 8,690		\$ 17,744	
Percentage change compared to prior year	24.3 %		16.4 %	

General and administrative expenses for the thirteen weeks ended September 24, 2025 increased 24.3% to \$44.4 million versus the same period last year. The increase was primarily due to increased investments in marketing as well as increased wages and other team costs to support our Shack growth, partially offset by the absence of professional fees related to non-recurring matters compared to the prior year period. As a percentage of Total revenue, the increase in General and administrative expenses for the thirteen weeks ended September 24, 2025 was primarily due to the aforementioned items.

General and administrative expenses for the thirty-nine weeks ended September 24, 2025 increased 16.4% to \$125.7 million versus the same period last year. The increase was primarily due to increased investments in marketing as well as increased wages and other team costs to support our Shack growth, partially offset by a decrease in professional fees related to non-recurring matters and costs associated with the restatement of prior periods included in the fiscal 2023 Form 10-K. As a percentage of Total revenue, the increase in General and administrative expenses for the thirty-nine weeks ended September 24, 2025 was primarily due to the aforementioned items.

Depreciation and Amortization Expense

Depreciation and amortization expense primarily consists of the depreciation of fixed assets, including leasehold improvements and equipment.

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	September 24 2025	September 25 2024	September 24 2025	September 25 2024
<i>(dollar amounts in thousands)</i>				
Depreciation and amortization expense	\$ 27,079	\$ 25,722	\$ 80,167	\$ 76,659
Percentage of Total revenue	7.4 %	8.1 %	7.7 %	8.3 %
Dollar change compared to prior year	\$ 1,357		\$ 3,508	
Percentage change compared to prior year	5.3 %		4.6 %	

Depreciation and amortization expense for the thirteen weeks ended September 24, 2025 increased 5.3% to \$27.1 million versus the same period last year. Depreciation and amortization expense for the thirty-nine weeks ended September 24, 2025 increased 4.6% to \$80.2 million versus the same period last year. The increases for the thirteen and thirty-nine weeks ended September 24, 2025 were primarily due to incremental depreciation of capital expenditures related to the opening of 49 new Company-operated Shacks between September 25, 2024 and September 24, 2025, partially offset by a reduction in depreciation expense due to fully depreciated technology projects and assets compared to the prior year period and the closure of nine Company-operated Shacks in fiscal 2024.

Pre-Opening Costs

Pre-opening costs consist primarily of occupancy, manager and team member wages, cookware, travel and lodging costs for our opening training team and other supporting team members, marketing expenses, legal fees and inventory costs incurred prior to the opening of a Company-operated Shack. All such costs incurred prior to the opening of a Company-operated Shack are expensed in the period in which the expense was incurred. Pre-opening costs can fluctuate significantly from period to period, based on the number and timing of Company-operated Shack openings and the specific pre-opening costs incurred for each Company-operated Shack. Additionally, Company-operated Shack openings in new geographic markets may initially experience higher pre-opening costs than our established geographic markets, such as the New York City metropolitan area, where we have greater economies of scale and incur lower travel and lodging costs for our training team.

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	September 24 2025	September 25 2024	September 24 2025	September 25 2024
<i>(dollar amounts in thousands)</i>				
Pre-opening costs	\$ 4,625	\$ 3,662	\$ 12,798	\$ 10,429
Percentage of Total revenue	1.3 %	1.2 %	1.2 %	1.1 %
Dollar change compared to prior year	\$ 963		\$ 2,369	
Percentage change compared to prior year	26.3 %		22.7 %	

Pre-opening costs for the thirteen weeks ended September 24, 2025 increased 26.3% to \$4.6 million versus the same period last year. The increase was primarily due to increased wages and team costs for our Shack teams related to the timing of Shack openings throughout the year and increased legal costs to support our larger development pipeline.

Pre-opening costs for the thirty-nine weeks ended September 24, 2025 increased 22.7% to \$12.8 million versus the same period last year. The increase was primarily due to increased legal costs to support our development pipeline, increased wages and team costs for our Shack teams related to the timing of Shack openings throughout the year.

Impairments, loss on disposal of assets, and Shack closures

Impairments, loss on disposal of assets, and Shack closures primarily consists of the net book value of assets that have been retired which primarily consists of furniture, equipment and fixtures that were replaced in the normal course of business; impairment charges related to our long-lived assets, which includes property and equipment, as well as operating and finance lease assets; and miscellaneous Shack closure expenses, including employee-related costs, cleaning, and sign removal costs.

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	September 24 2025	September 25 2024	September 24 2025	September 25 2024
<i>(dollar amounts in thousands)</i>				
Impairments, loss on disposal of assets, and Shack closures	\$ 510	\$ 29,086	\$ 3,448	\$ 30,657
Percentage of Total revenue	0.1 %	9.2 %	0.3 %	3.3 %
Dollar change compared to prior year	\$ (28,576)		\$ (27,209)	

Impairments, loss on disposal of assets, and Shack closures for the thirteen and thirty-nine weeks ended September 24, 2025 decreased to \$0.5 million and \$3.4 million, respectively versus the same periods last year. The decreases for the thirteen and thirty-nine weeks ended September 24, 2025 were primarily due to non-cash impairment charges and miscellaneous Shack closure expense of \$28.2 million during the thirteen and thirty-nine weeks ended 2024, related to the closure of nine Company-operated Shacks in August 2024.

Other Income, Net

Other income, net consists primarily of interest income, adjustments to liabilities under the Tax Receivable Agreement, dividend income and net unrealized and realized gains and losses from marketable securities.

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	September 24 2025	September 25 2024	September 24 2025	September 25 2024
<i>(dollar amounts in thousands)</i>				
Other income, net	\$ 3,103	\$ 3,504	\$ 8,924	\$ 10,010
Percentage of Total revenue	0.8 %	1.1 %	0.9 %	1.1 %
Dollar change compared to prior year	\$ (401)		\$ (1,086)	
Percentage change compared to prior year	(11.4)%		(10.8)%	

Other income, net for the thirteen weeks ended September 24, 2025 decreased to \$3.1 million versus the same period last year. The decrease was primarily due to lower interest rates on cash equivalents, partially offset by a higher cash equivalents balance compared to the prior year period.

Other income, net for the thirty-nine weeks ended September 24, 2025 decreased to \$8.9 million versus the same period last year. The decrease was primarily due to a change from investments in the prior year to cash equivalents in the current year and lower interest rates on cash equivalents.

Interest Expense

Interest expense generally consists of interest on the current portion of our liabilities under the Tax Receivable Agreement, imputed interest related to our financing equipment leases, amortization of deferred financing costs, interest and fees on our Revolving Credit Facility and amortization of debt issuance costs.

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	September 24 2025	September 25 2024	September 24 2025	September 25 2024
<i>(dollar amounts in thousands)</i>				
Interest expense	\$ (504)	\$ (498)	\$ (1,615)	\$ (1,533)
Percentage of Total revenue	(0.1)%	(0.2)%	(0.2)%	(0.2)%
Dollar change compared to prior year	\$ (6)		\$ (82)	
Percentage change compared to prior year	1.2 %		5.3 %	

Interest expense for the thirteen weeks ended September 24, 2025 increased 1.2% to \$0.5 million versus the same period last year. Interest expense for the thirty-nine weeks ended September 24, 2025 increased 5.3% to \$1.6 million versus the same period last year. The increases for the thirteen and thirty-nine weeks ended September 24, 2025 were primarily due to increased finance lease charges from the opening of 49 new Company-operated Shacks between September 25, 2024 and September 24, 2025, partially offset by a decrease in various sales tax audit assessment charges compared to the prior year period.

Income Tax Expense (Benefit)

We are the sole managing member of SSE Holdings and, as a result, consolidate the financial results of SSE Holdings. For U.S. federal and certain state and local tax purposes, SSE Holdings is classified as a partnership. Consequently, any taxable income or loss generated by SSE Holdings is passed through to and included in the taxable income or loss of its members, including us, on a pro rata basis. As a result, the Company is subject to U.S. federal income taxes, along with applicable state and local taxes on its allocable share of any taxable income or loss of SSE Holdings. Additionally, the Company is taxed on any standalone income or loss generated by Shake Shack, Inc. The Company is also subject to withholding taxes in certain foreign jurisdictions.

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	September 24 2025	September 25 2024	September 24 2025	September 25 2024
<i>(dollar amounts in thousands)</i>				
Income tax expense (benefit)	\$ 7,436	\$ (3,873)	\$ 14,366	\$ (182)
Percentage of Total revenue	2.0 %	(1.2)%	1.4 %	— %
Dollar change compared to prior year	\$ 11,309		\$ 14,548	
Percentage change compared to prior year	(292.0)%		(7,993.4)%	

Our effective income tax rates for the thirteen weeks ended September 24, 2025 and September 25, 2024 were 35.2% and 25.9%, respectively. The increase for the thirteen weeks ended September 24, 2025 was primarily driven by higher state income tax expense and the remeasurement of deferred tax assets, which contributed to a higher effective rate compared to the same period last year.

Our effective income tax rates for the thirty-nine weeks ended September 24, 2025 and September 25, 2024 were 28.1% and (13.9)%, respectively. The increase for the thirty-nine weeks ended September 24, 2025 was primarily driven by the remeasurement of deferred tax assets and a reduced benefit compared to the prior year, from the mix of tax benefits relative to lower pretax income.

The Company's ownership interest in SSE Holdings is directly related to its share of the taxable income of SSE Holdings. Our weighted average ownership interest in SSE Holdings was 94.3% and 94.2%, respectively, for the thirteen weeks ended September 24, 2025 and September 25, 2024, and 94.3% and 93.7%, respectively, for the thirty-nine weeks ended September 24, 2025 and September 25, 2024. These increases in the Company's ownership interest in SSE Holdings LLC increased its share of the taxable income of SSE Holdings.

Net Income (Loss) Attributable to Non-controlling Interests

We are the sole managing member of SSE Holdings and have the sole voting power in, and control the management of, SSE Holdings. Accordingly, we consolidate the financial results of SSE Holdings and report a non-controlling interest on our Condensed Consolidated Statements of Income (Loss), representing the portion of net income (loss) attributable to the other members of SSE Holdings. The Third Amended and Restated Limited Liability Company Agreement of SSE Holdings provides that holders of LLC Interests may, from time to time, require SSE Holdings to redeem all or a portion of their LLC Interests for newly-issued shares of Class A common stock on a one-for-one basis. In connection with any redemption or exchange, we will receive a corresponding number of LLC Interests, increasing our total ownership interest in SSE Holdings. The weighted average ownership percentages for the applicable reporting periods are used to attribute net income (loss) and other comprehensive income (loss) to Shake Shack Inc. and the non-controlling interest holders.

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	September 24 2025	September 25 2024	September 24 2025	September 25 2024
<i>(dollar amounts in thousands)</i>				
Net income (loss) attributable to non-controlling interests	\$ 1,210	\$ (898)	\$ 2,813	\$ (10)
Percentage of Total revenue	0.3 %	(0.3)%	0.3 %	— %

Net income (loss) attributable to non-controlling interests for the thirteen and thirty-nine weeks ended September 24, 2025 increased to \$1.2 million and \$2.8 million, respectively versus the same periods last year. The increases for the thirteen and thirty-nine weeks ended September 24, 2025 were primarily due to increased net results compared to the same periods last year, partially offset by a decrease in the non-controlling interest holders' weighted average ownership, which was 5.7% for the thirteen and thirty-nine weeks ended September 24, 2025 and 5.8% and 6.3%, respectively, for the thirteen and thirty-nine weeks ended September 25, 2024.

NON-GAAP FINANCIAL MEASURES

To supplement the Condensed Consolidated Financial Statements, which are prepared and presented in accordance with accounting principles generally accepted in the United States of America ("GAAP"), we use the following non-GAAP financial measures: Restaurant-level profit, Restaurant-level profit margin, EBITDA, adjusted EBITDA, adjusted EBITDA margin, adjusted pro forma net income and adjusted pro forma earnings per fully exchanged and diluted share (collectively the "non-GAAP financial measures").

Restaurant-Level Profit

Restaurant-level profit is defined as Shack sales less Shack-level operating expenses which include 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, Restaurant-level profit and Restaurant-level profit margin are supplemental measures of operating performance that we believe are useful measures to evaluate the performance and profitability of our Shacks. Additionally, Restaurant-level profit and Restaurant-level 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 team member compensation as it serves as a metric in certain of our performance-based team member bonus arrangements. We believe the presentation of Restaurant-level profit and Restaurant-level 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

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 our Shacks. Therefore, this measure may not provide a complete understanding of the operating results of our Company as a whole and Restaurant-level profit and Restaurant-level profit margin should be reviewed in conjunction with our GAAP financial results. A reconciliation of Restaurant-level profit to Income (loss) from operations, the most directly comparable GAAP financial measure, is as follows.

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	September 24 2025	September 25 2024	September 24 2025	September 25 2024
<i>(dollar amounts in thousands)</i>				
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.

EBITDA and Adjusted EBITDA

EBITDA is defined as Net income (loss) before Interest expense (net of interest income), Income tax expense (benefit) and Depreciation and amortization expense. Adjusted EBITDA is defined as EBITDA 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 we do not 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 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 our performance and should be reviewed in conjunction with our GAAP financial measures. A reconciliation of EBITDA and adjusted EBITDA to Net income (loss), the most directly comparable GAAP measure, is as follows.

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	September 24 2025	September 25 2024	September 24 2025	September 25 2024
<i>(dollar amounts in thousands)</i>				
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 Adjusted Pro Forma Earnings Per Fully Exchanged and Diluted Share

Adjusted pro forma net income represents Net income (loss) 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 we do not believe are directly related to our core operations and may not be indicative of our 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 we believe are useful measures to evaluate our performance period over period and relative to our competitors. By assuming the full exchange of all outstanding LLC Interests, we believe 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 (loss) attributable to Shake Shack Inc. driven by increases in our ownership of SSE Holdings, which are unrelated to our operating performance, and excludes items that are non-recurring or may not be indicative of our 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 per fully exchanged and diluted share should not be considered alternatives to Net income (loss) and earnings (loss) per share, as determined under GAAP. While these measures are useful in evaluating our performance, they do not account for the earnings attributable to the non-controlling interest holders and therefore do not provide

a complete understanding of the Net income (loss) 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 our GAAP financial results. A reconciliation of adjusted pro forma net income to Net income (loss) attributable to Shake Shack Inc., the most directly comparable GAAP measure, and the computation of adjusted pro forma earnings per fully exchanged and diluted share are set forth below.

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	September 24 2025	September 25 2024	September 24 2025	September 25 2024
<i>(in thousands, except per share amounts)</i>				
Numerator:				
Net income (loss) attributable to Shake Shack Inc.	\$ 12,501	\$ (10,211)	\$ 33,894	\$ 1,497
Adjustments:				
Reallocation of Net income (loss) 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 weighted average 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 weighted average 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. Refer to Note 11, Earnings (Loss) per Share, in the accompanying Condensed Consolidated Financial Statements, for additional information.

(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.

LIQUIDITY AND CAPITAL RESOURCES

Sources and Uses of Cash

Our primary sources of liquidity are cash from operations, cash and cash equivalents on hand, and availability under our Revolving Credit Facility. As of September 24, 2025, we maintained a Cash and cash equivalents balance of \$357.8 million. In March 2021, we issued 0% Convertible Senior Notes (“Convertible Notes”), and received \$243.8 million of proceeds, net of discounts. Refer to Note 6, Debt, in the accompanying Condensed Consolidated Financial Statements, for additional information.

On June 6, 2024, we filed a Registration Statement on Form S-3 with the SEC which permits us to issue a combination of securities described in the prospectus in one or more offerings from time to time. To date, we have not experienced difficulty accessing the capital markets; however, future volatility in the capital markets may affect our ability to access those markets or increase the costs associated with issuing debt or equity instruments.

Our primary requirements for liquidity are to fund our working capital needs, operating and finance lease obligations, capital expenditures and general corporate needs. Our requirements for working capital are generally not significant because our guests pay for their food and beverage purchases in cash or on debit or credit cards at the time of the sale and we are able to sell many of our inventory items before payment is due to the supplier of such items. Our ongoing capital expenditures are principally related to opening new Shacks, existing Shack capital investments (both for remodels and maintenance), as well as investments in our corporate technology infrastructure to support our Shack Support Centers, Shake Shack locations, and digital strategy.

In addition, we are obligated to make payments to certain members of SSE Holdings under the Tax Receivable Agreement. As of September 24, 2025, such obligations totaled \$248.5 million. Amounts payable under the Tax Receivable Agreement are contingent upon, among other things, (i) generation of future taxable income over the term of the Tax Receivable Agreement and (ii) future changes in tax laws. If we do not generate sufficient taxable income in the aggregate over the term of the Tax Receivable Agreement to utilize the tax benefits, then we would not be required to make the related payments under the Tax Receivable Agreement. Although the amount of any payments that must be made under the Tax Receivable Agreement may be significant, the timing of these payments will vary and will generally be limited to one payment per member per year. The amount of such payments is also limited to the extent we utilize the related deferred tax assets. The payments that we are required to make will generally reduce the amount of overall cash flow that might have otherwise been available to us or to SSE Holdings, but we expect the cash tax savings we will realize from the utilization of the related deferred tax assets to fund the required payments.

We believe our existing cash and cash equivalents balances and cash from operations will be sufficient to fund our operating and finance lease obligations, capital expenditures, Tax Receivable Agreement obligations and working capital needs for at least the next 12 months.

Summary of Cash Flows

The following table presents a summary of our cash flows from operating, investing and financing activities.

	Thirty-Nine Weeks Ended	
	September 24 2025	September 25 2024
<i>(in thousands)</i>		
Net cash provided by operating activities	\$ 159,219	\$ 126,072
Net cash used in investing activities	(106,697)	(31,381)
Net cash used in financing activities	(15,479)	(8,480)
Effect of exchange rate changes on cash and cash equivalents	—	1
Net 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

Operating Activities

For the thirty-nine weeks ended September 24, 2025, net cash provided by operating activities was \$159.2 million compared to \$126.1 million for the thirty-nine weeks ended September 25, 2024, an increase of \$33.1 million. The increase was primarily driven by a \$37.1 million improvement in net results after excluding non-cash charges, partially offset by changes in working capital of \$4.0 million. The changes in working capital primarily included an increase in payments on lease liabilities due to the opening of 49 new Company-operated Shacks between September 25, 2024 and September 24, 2025, partially offset by a change in the timing and payments related to general business accruals.

Investing Activities

For the thirty-nine weeks ended September 24, 2025, net cash used in investing activities was \$106.7 million compared to \$31.4 million for the thirty-nine weeks ended September 25, 2024. The change was primarily driven by the absence of \$69.4 million of proceeds from maturities of held-to-maturity marketable securities in the current period, compared to the prior year.

Financing Activities

For the thirty-nine weeks ended September 24, 2025, net cash used in financing activities was \$15.5 million compared to \$8.5 million for the thirty-nine weeks ended September 25, 2024, an increase of \$7.0 million. This increase was primarily due to an increase in withholding taxes related to net settled equity awards.

Convertible Notes

In March 2021, we issued \$250.0 million aggregate principal amount of 0% Convertible Senior Notes due 2028 in a private placement to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933. The Convertible Notes will mature on March 1, 2028, unless earlier converted, redeemed or repurchased in certain circumstances. Upon conversion, we pay or deliver, as the case may be, cash, shares of Class A common stock or a combination of cash and shares of Class A common stock, at our election. Refer to Note 6, Debt, in the accompanying Condensed Consolidated Financial Statements, for additional information.

Revolving Credit Facility

In August 2019, we entered into a Revolving Credit Facility, which permits borrowings up to \$50.0 million, with the ability to increase available borrowings up to an additional \$100.0 million, subject to satisfaction of certain conditions. The Revolving Credit Facility also permits the issuance of letters of credit upon our request of up to \$15.0 million.

In July 2025, the Company entered into the sixth amendment to the Revolving Credit Facility ("Sixth Amendment"), which, among other things, extends the maturity date until the earlier of (a) February 28, 2028, or (b) the date that is 91 days prior to the scheduled maturity date of any Convertible Notes outstanding at any time.

Outstanding borrowings under the Revolving Credit Facility bear interest at either: (i) the base rate plus applicable margin ranging from 0.0% to 1.5% or (ii) the Secured Overnight Financing Rate ("SOFR") plus applicable margin ranging from 1.0% to 2.5%, in each case depending on the net lease adjusted leverage ratio. As of September 24, 2025 and December 25, 2024, no amounts were outstanding under the Revolving Credit Facility.

The obligations under the Revolving Credit Facility are secured by a first-priority security interest in substantially all of the assets of SSE Holdings and the guarantors. The obligations under the Revolving Credit Facility are guaranteed by each of SSE Holdings' direct and indirect subsidiaries, with certain exceptions.

The Revolving Credit Facility requires us to comply with maximum net lease adjusted leverage and minimum fixed charge coverage ratios, as well as other customary affirmative and negative covenants. As of September 24, 2025, we were in compliance with all covenants.

Contractual Obligations

Material contractual obligations arising in the normal course of business primarily consist of operating and finance lease obligations, long-term debt, liabilities under the Tax Receivable Agreement and purchase obligations. The timing and nature of these commitments are expected to have an impact on our liquidity and capital requirements in future periods. Refer to Note 6,

Debt and Note 7, Leases, in the accompanying Condensed Consolidated Financial Statements included in Part I, Item 1 for additional information relating to our long-term debt and operating and financing leases.

Liabilities under the Tax Receivable Agreement include amounts to be paid to the non-controlling interest holders, assuming we will have sufficient taxable income over the term of the Tax Receivable Agreement to utilize the related tax benefits. Refer to Note 10, Income Taxes, in the accompanying Condensed Consolidated Financial Statements included in Part I, Item 1, for additional information relating to our Tax Receivable Agreement and related liabilities.

Purchase obligations include all legally binding contracts, including commitments for the purchase, construction, or remodeling of real estate and facilities, firm minimum commitments for inventory purchases, equipment purchases, marketing-related contracts, software acquisition/license commitments and service contracts. The majority of our purchase obligations are due within the next 12 months. The Company also enters into long-term, exclusive contracts with certain vendors to supply food, beverages and paper goods, obligating the Company to purchase specified quantities.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Our discussion and analysis of our consolidated financial condition and results of operations is based upon the accompanying Condensed Consolidated Financial Statements and notes thereto, which have been prepared in accordance with GAAP. The preparation of the Condensed Consolidated Financial Statements requires us to make estimates, judgments and assumptions, which we believe to be reasonable, based on the information available. These estimates and assumptions affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosures of contingent assets and liabilities. Variances in the estimates or assumptions used to actual experience could yield materially different accounting results. On an ongoing basis, we evaluate the continued appropriateness of our accounting policies and resulting estimates to make adjustments we consider appropriate under the facts and circumstances. There have been no significant changes to our critical accounting policies as disclosed in our Annual Report on Form 10-K for the fiscal year ended December 25, 2024.

Recently Issued Accounting Pronouncements

Refer to Note 2, Summary of Significant Accounting Policies under Part I, Item 1 of this Form 10-Q.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

There have been no material changes to our exposure to market risks as described in Part II, Item 7A of our Annual Report on Form 10-K for the fiscal year ended December 25, 2024.

Item 4. Controls and Procedures.

DISCLOSURE CONTROLS AND PROCEDURES

Under the supervision and with the participation of our management, including the Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (the "Exchange Act")) as of the end of the period covered by this report. Our disclosure controls and procedures are designed to ensure that information required to be disclosed in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and that such information is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

There were no changes to our internal control over financial reporting that occurred during the quarter ended September 24, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings.

The information required by this Item is incorporated by reference to Part I, Item 1, Note 13, Commitments and Contingencies.

Item 1A. Risk Factors.

There have been no material changes to the risk factors disclosed in the Company's Annual Report on Form 10-K for the fiscal year ended December 25, 2024.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

None.

Item 3. Defaults Upon Senior Securities.

None.

Item 5. Other Information.

Rule 10b5-1 Trading Plans

Pursuant to Item 408(a) of Regulation S-K, the following officer(s) (as defined in Rule 16a-1(f) under the Exchange Act) adopted or terminated a “Rule 10b5-1 trading arrangement” during the thirteen weeks ended September 24, 2025 as follows:

Name	Position	Action	Adoption Date	Expiration Date	Aggregate Number of Securities to be Purchased/Sold
Stephanie Sentell	Chief Operations Officer	Adoption	8/25/2025	11/24/2026	2,482 shares to be sold ⁽¹⁾

(1) Includes 982 restrictive stock units that will vest on March 1, 2026.

Other than as disclosed above, no other officer or director adopted or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408(a) of Regulation S-K.

Item 6. Exhibits.

Exhibit Number	Exhibit Description	Incorporated by Reference			Filed Herewith
		Form	Exhibit	Filing Date	
3.1	Amended and Restated Certificate of Incorporation of Shake Shack Inc., effective February 4, 2015	8-K	3.1	2/10/2015	
3.2	Second Amended and Restated Bylaws of Shake Shack Inc., dated October 1, 2019	8-K	3.1	10/4/2019	
4.1	Form of Class A Common Stock Certificate	S-1/A	4.1	1/28/2015	
31.1	Certification of the Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002				*
31.2	Certification of the Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002				*
32	Certification of Principal Executive Officer and Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002				#
101.INS	XBRL Instance Document - the instance document does not appear in the interactive data file because its XBRL tags are embedded within the Inline XBRL document				*
101.SCH	XBRL Taxonomy Extension Schema Document				*
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document				*
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document				*
101.LAB	XBRL Taxonomy Extension Label Linkbase Document				*
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document				*
104	Cover Page Interactive Data File - the cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document				*

Furnished herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Shake Shack Inc.
(Registrant)

Date: October 30, 2025

By: /s/ Robert Lynch

Robert Lynch
Chief Executive Officer
(Principal Executive Officer and Duly Authorized Officer)

Date: October 30, 2025

By: /s/ Katherine I. Fogertey

Katherine I. Fogertey
Chief Financial Officer
(Principal Financial Officer and Duly Authorized Officer)

Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Robert Lynch, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarterly period ended September 24, 2025 of Shake Shack Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 30, 2025

/s/ Robert Lynch

Robert Lynch
Chief Executive Officer

Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Katherine I. Fogertey, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarterly period ended September 24, 2025 of Shake Shack Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 30, 2025

/s/ Katherine I. Fogertey
Katherine I. Fogertey
Chief Financial Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Shake Shack Inc. (the "Company"), for the quarterly period ended September 24, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned officers of the Company certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: October 30, 2025

/s/ Robert Lynch

Robert Lynch
Chief Executive Officer

Date: October 30, 2025

/s/ Katherine I. Fogertey

Katherine I. Fogertey
Chief Financial Officer