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 July 1, 2026

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®

SHAKE SHACK INC.

(Exact name of registrant as specified in its charter)

Delaware	**47-1941186**
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

225 Varick Street
Suite 301
New York, New York **10014**
(Address of principal executive offices) (Zip Code)

(646) 747-7200
(Registrant's telephone number, including area code)

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

Title of each class	Trading symbol(s)	Name of each exchange on which registered
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 July 29, 2026, there were 40,408,149 shares of Class A common stock outstanding and 2,390,789 shares of Class B common stock outstanding.

SHAKE SHACK INC.
TABLE OF CONTENTS

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," "target," "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, interest rates, the impact of tariffs, volatility in the financial markets and broader macroeconomic conditions, the impact of Shack closures, the impact of ongoing conflicts and related developments in the Middle East, our management of digital capabilities and expansion into delivery, as well as kiosk, drive-thru and multiple format investments, risks associated with cyberattacks, data security and technology disruptions, the impact of adverse weather conditions, changes in consumer spending patterns, volatility in tourism and consumer travel, our ability to maintain and grow sales at existing Shacks, the performance and profitability of newly opened Shacks and licensed Shacks, risks associated with our international licensing operations, 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 31, 2025 as filed with the U.S. Securities and Exchange Commission ("SEC"), our subsequent Quarterly Reports on Form 10-Q, 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.

Table of Contents

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements (Unaudited).

SHAKE SHACK INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

(in thousands, except share and per share amounts)

	July 1 2026	December 31 2025
ASSETS		
Current assets:		
Cash and cash equivalents	$ 307,962	$ 360,123
Accounts receivable, net	34,657	32,962
Inventories	7,359	7,182
Prepaid expenses and other current assets	43,780	30,080
Total current assets	393,758	430,347
Property and equipment, net of accumulated depreciation of $604,230 and $551,004, respectively.	673,299	625,851
Operating lease assets	551,687	507,253
Deferred income taxes, net	319,980	322,385
Other assets	11,556	10,373
TOTAL ASSETS	$ 1,950,280	$ 1,896,209
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 23,612	$ 24,747
Accrued expenses	92,318	103,354
Accrued wages and related liabilities	23,175	25,481
Operating lease liabilities, current	67,164	63,553
Other current liabilities	29,732	27,783
Total current liabilities	236,001	244,918
Long-term debt	248,255	247,731
Long-term operating lease liabilities	621,756	575,138
Liabilities under tax receivable agreement, net of current portion	244,713	244,463
Other long-term liabilities	28,004	30,210
Total liabilities	1,378,729	1,342,460
Commitments and contingencies (Note 13)		
Stockholders' equity:		
Preferred stock, no par value—10,000,000 shares authorized; none issued and outstanding as of July 1, 2026 and December 31, 2025.	—	—
Class A common stock, $0.001 par value—200,000,000 shares authorized; 40,370,460 and 40,254,281 shares issued and outstanding as of July 1, 2026 and December 31, 2025, respectively.	40	40
Class B common stock, $0.001 par value—35,000,000 shares authorized; 2,425,789 and 2,434,789 shares issued and outstanding as of July 1, 2026 and December 31, 2025, respectively.	2	2
Additional paid-in capital	456,186	452,577
Retained earnings	88,099	72,709
Accumulated other comprehensive loss	(6)	(1)
Total stockholders' equity attributable to Shake Shack Inc.	544,321	525,327
Non-controlling interests	27,230	28,422
Total equity	571,551	553,749
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 1,950,280	$ 1,896,209

See accompanying Notes to Condensed Consolidated Financial Statements.

SHAKE SHACK INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)
(in thousands, except per share amounts)

	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	July 1 2026	**June 25 2025**	**July 1 2026**	**June 25 2025**
Shack sales	$ 403,437	$ 343,224	$ 757,484	$ 653,062
Licensing revenue	14,181	13,242	26,871	24,302
TOTAL REVENUE	417,618	356,466	784,355	677,364
Shack-level operating expenses:				
Food and paper costs	116,276	96,621	216,299	182,658
Labor and related expenses	101,226	88,058	193,943	174,726
Other operating expenses	63,118	50,768	120,630	99,030
Occupancy and related expenses	30,151	25,593	58,805	50,224
General and administrative expenses	48,321	40,671	101,929	81,311
Depreciation and amortization expense	30,717	26,545	59,837	53,088
Pre-opening costs	6,638	4,955	13,508	8,173
Impairments, loss on disposal of assets, and Shack closures	425	881	1,292	2,938
TOTAL EXPENSES	396,872	334,092	766,243	652,148
INCOME FROM OPERATIONS	20,746	22,374	18,112	25,216
Other income, net	2,602	2,850	5,345	5,821
Interest expense	(553)	(548)	(1,101)	(1,111)
INCOME BEFORE INCOME TAXES	22,795	24,676	22,356	29,926
Income tax expense	5,913	6,193	5,768	6,930
NET INCOME	16,882	18,483	16,588	22,996
Less: Net income attributable to non-controlling interests	1,202	1,335	1,198	1,603
NET INCOME ATTRIBUTABLE TO SHAKE SHACK INC.	$ 15,680	$ 17,148	$ 15,390	$ 21,393
Earnings per share of Class A common stock:				
Basic	$ 0.39	$ 0.43	$ 0.38	$ 0.53
Diluted	$ 0.37	$ 0.41	$ 0.37	$ 0.51
Weighted-average shares of Class A common stock outstanding:				
Basic	40,358	40,226	40,323	40,173
Diluted	41,866	41,819	41,873	41,842

See accompanying Notes to Condensed Consolidated Financial Statements.

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

	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	July 1 2026	**June 25 2025**	**July 1 2026**	**June 25 2025**
Net income	$ 16,882	$ 18,483	$ 16,588	$ 22,996
Other comprehensive loss, net of tax(1):				
Change in foreign currency translation adjustment	—	(2)	(5)	(3)
OTHER COMPREHENSIVE LOSS	—	(2)	(5)	(3)
COMPREHENSIVE INCOME	16,882	18,481	16,583	22,993
Less: Comprehensive income attributable to non-controlling interests	1,202	1,335	1,198	1,603
COMPREHENSIVE INCOME ATTRIBUTABLE TO SHAKE SHACK INC.	$ 15,680	$ 17,146	$ 15,385	$ 21,390

(1) Net of tax expense of $0 for the thirteen and twenty-six weeks ended July 1, 2026 and June 25, 2025.

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 July 1, 2026 and June 25, 2025	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, APRIL 1, 2026	40,350,155	$ 40	2,430,789	$ 2	$ 453,457	$ 72,419	$ (6)	$ 28,677	$554,589
Net income	—	—	—	—	—	15,680	—	1,202	16,882
Other comprehensive income:									
Net change in foreign currency translation adjustment	—	—	—	—	—	—	—	—	—
Equity-based compensation	—	—	—	—	4,077	—	—	—	4,077
Activity under stock compensation plans	15,305	—	—	—	(694)	—	—	210	(484)
Redemption of LLC Interests	5,000	—	(5,000)	—	54	—	—	(54)	—
Establishment of liabilities under tax receivable agreement and related changes to deferred tax assets associated with increases in tax basis	—	—	—	—	(708)	—	—	—	(708)
Distributions paid to non-controlling interest holders	—	—	—	—	—	—	—	(2,805)	(2,805)
BALANCE, JULY 1, 2026	40,370,460	$ 40	2,425,789	$ 2	$ 456,186	$ 88,099	$ (6)	$ 27,230	$571,551
BALANCE, MARCH 26, 2025	40,221,661	$ 40	2,444,789	$ 2	$ 442,047	$ 31,229	$ (2)	$ 24,189	$497,505
Net income	—	—	—	—	—	17,148	—	1,335	18,483
Other comprehensive loss:									
Net change in foreign currency translation adjustment	—	—	—	—	—	—	(2)	—	(2)
Equity-based compensation	—	—	—	—	5,338	—	—	—	5,338
Activity under stock compensation plans	17,320	—	—	—	(1,149)	—	—	299	(850)
Redemption of LLC Interests	5,000	—	(5,000)	—	20	—	—	(20)	—
Establishment of liabilities under tax receivable agreement and related changes to deferred tax assets associated with increases in tax basis	—	—	—	—	(574)	—	—	—	(574)
Distributions paid to non-controlling interest holders	—	—	—	—	—	—	—	(836)	(836)
BALANCE, JUNE 25, 2025	40,243,981	$ 40	2,439,789	$ 2	$ 445,682	$ 48,377	$ (4)	$ 24,967	$519,064

See accompanying Notes to Condensed Consolidated Financial Statements.

For the Twenty-Six Weeks Ended July 1, 2026 and June 25, 2025	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 31, 2025	40,254,281	$ 40	2,434,789	$ 2	$ 452,577	$ 72,709	$ (1)	$ 28,422	$553,749
Net income	—	—	—	—	—	15,390	—	1,198	16,588
Other comprehensive loss:									
Net change in foreign currency translation adjustment	—	—	—	—	—	—	(5)	—	(5)
Equity-based compensation	—	—	—	—	9,359	—	—	—	9,359
Activity under stock compensation plans	107,179	—	—	—	(6,166)	—	—	497	(5,669)
Redemption of LLC Interests	9,000	—	(9,000)	—	70	—	—	(70)	—
Establishment of liabilities under tax receivable agreement and related changes to deferred tax assets associated with increases in tax basis	—	—	—	—	346	—	—	—	346
Distributions paid to non-controlling interest holders	—	—	—	—	—	—	—	(2,817)	(2,817)
BALANCE, JULY 1, 2026	40,370,460	$ 40	2,425,789	$ 2	$ 456,186	$ 88,099	$ (6)	$ 27,230	$571,551
BALANCE, DECEMBER 25, 2024	40,068,068	$ 40	2,455,713	$ 2	$ 442,993	$ 26,984	$ (1)	$ 23,608	$493,626
Net income	—	—	—	—	—	21,393	—	1,603	22,996
Other comprehensive loss:									
Net change in foreign currency translation adjustment	—	—	—	—	—	—	(3)	—	(3)
Equity-based compensation	—	—	—	—	9,991	—	—	—	9,991
Activity under stock compensation plans	159,989	—	—	—	(9,491)	—	—	314	(9,177)
Redemption of LLC Interests	15,924	—	(15,924)	—	(299)	—	—	299	—
Establishment of liabilities under tax receivable agreement and related changes to deferred tax assets associated with increases in tax basis	—	—	—	—	2,488	—	—	—	2,488
Distributions paid to non-controlling interest holders	—	—	—	—	—	—	—	(857)	(857)
BALANCE, JUNE 25, 2025	40,243,981	$ 40	2,439,789	$ 2	$ 445,682	$ 48,377	$ (4)	$ 24,967	$519,064

See accompanying Notes to Condensed Consolidated Financial Statements.

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

	Twenty-Six Weeks Ended	
	July 1 2026	June 25 2025
OPERATING ACTIVITIES		
Net income (including amounts attributable to non-controlling interests)	$ 16,588	$ 22,996
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization expense	59,837	53,088
Amortization of debt issuance costs	524	524
Amortization of cloud computing assets	1,043	1,166
Non-cash operating lease cost	50,624	42,250
Equity-based compensation	9,082	9,750
Deferred income taxes	3,002	3,785
Non-cash interest	27	46
Impairments, loss on disposal of assets, and Shack closures	1,292	2,938
Changes in operating assets and liabilities:		
Accounts receivable	(1,695)	(1,514)
Inventories	(177)	(14)
Prepaid expenses and other current assets	(12,529)	(2,162)
Other assets	(5,125)	(3,978)
Accounts payable	1,573	(2,164)
Accrued expenses	(14,019)	12,947
Accrued wages and related liabilities	(2,306)	(2,128)
Other current liabilities	575	(343)
Operating lease liabilities	(43,987)	(44,356)
Other long-term liabilities	1,133	3,389
NET CASH PROVIDED BY OPERATING ACTIVITIES	65,462	96,220
INVESTING ACTIVITIES		
Purchases of property and equipment	(104,901)	(67,438)
NET CASH USED IN INVESTING ACTIVITIES	(104,901)	(67,438)
FINANCING ACTIVITIES		
Payments on principal of finance leases	(3,254)	(2,631)
Distributions paid to non-controlling interest holders	(2,817)	(857)
Payments under tax receivable agreement, including interest	(977)	(24)
Net proceeds from stock option exercises	69	123
Employee withholding taxes related to net settled equity awards	(5,738)	(9,300)
NET CASH USED IN FINANCING ACTIVITIES	(12,717)	(12,689)
Effect of exchange rate changes on cash and cash equivalents	(5)	(3)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(52,161)	16,090
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	360,123	320,714
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 307,962	$ 336,804

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)

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 July 1, 2026 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, and more. As of July 1, 2026, there were 703 Shacks in operation system wide, of which 406 were Company-operated Shacks and 297 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 31, 2025 ("2025 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 2025 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 July 1, 2026 and December 31, 2025, the net assets of SSE Holdings were $527,776 and $500,732, 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 2026 contains 52 weeks and ends on December 30, 2026. Fiscal 2025 contained 53 weeks and ended on December 31, 2025. 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		Twenty-Six Weeks Ended	
	July 1 2026	June 25 2025	July 1 2026	June 25 2025
Shack sales	$ 403,437	$ 343,224	$ 757,484	$ 653,062
Licensing revenue:				
Sales-based royalties	13,561	12,613	25,714	23,252
Initial territory, opening, and termination fees	620	629	1,157	1,050
Total revenue	$ 417,618	$ 356,466	$ 784,355	$ 677,364

The aggregate amount of the transaction price allocated to performance obligations that were unsatisfied or partially unsatisfied as of July 1, 2026 was $26,226. 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:

	July 1 2026	December 31 2025
Shack sales receivables	$ 14,397	$ 13,397
Licensing receivables, net of allowance for doubtful accounts	6,408	7,507
Gift card liability	2,704	3,711
Deferred revenue, current	1,972	1,928
Deferred revenue, long-term	18,677	19,154

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

	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	July 1 2026	June 25 2025	July 1 2026	June 25 2025
Gift card liability	$ 330	$ 193	$ 1,093	$ 652
Deferred revenue	611	617	1,146	1,036

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.

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.

There were no impairment charges recognized during the thirteen and twenty-six weeks ended July 1, 2026. During the thirteen and twenty-six weeks ended June 25, 2025, the Company recognized impairment charges of nil and $162, respectively, related to the nine Shack closures in fiscal 2024. Additionally, the Company recognized miscellaneous Shack closure expense of $295 and $1,786, respectively for the thirteen and twenty-six weeks ended June 25, 2025.

NOTE 5: SUPPLEMENTAL BALANCE SHEET INFORMATION

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

	July 1 2026	December 31 2025
Prepaid expenses	$ 24,658	$ 11,162
Tenant allowance receivables	19,095	17,924
Other	27	994
Prepaid expenses and other current assets	$ 43,780	$ 30,080

The components of Other current liabilities were as follows:

	July 1 2026	December 31 2025
Sales tax payable	$ 8,339	$ 10,080
Current portion of financing equipment lease liabilities	6,633	5,959
Gift card liability	2,704	3,711
Current portion of liabilities under tax receivable agreement	1,396	2,372
Other	10,660	5,661
Other current liabilities	$ 29,732	$ 27,783

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 $229,415 and $236,875, respectively, as of July 1, 2026 and December 31, 2025, 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.

		Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	Classification	**July 1 2026**	**June 25 2025**	**July 1 2026**	**June 25 2025**
Amortization expense on Convertible Notes	Interest expense	$ 262	$ 262	$ 524	$ 524

	July 1 2026	**December 31 2025**
Convertible Notes	$ 250,000	$ 250,000
Discount and debt issuance costs, net of amortization	(1,745)	(2,269)
Long-term debt	$ 248,255	$ 247,731

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 July 1, 2026 and December 31, 2025, 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 July 1, 2026, 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 July 1, 2026 and December 31, 2025, the Company had outstanding letters of credit of $4,853 and $4,839, respectively, in connection with the Revolving Credit Facility.

		Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	Classification	July 1 2026	June 25 2025	July 1 2026	June 25 2025
Interest expense on Revolving Credit Facility	Interest expense	$ 13	$ 16	$ 27	$ 33

	Classification	July 1 2026	December 31 2025
Unamortized deferred financing costs on Revolving Credit Facility	Other assets	$ 14	$ 19

NOTE 7: LEASES

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

	Classification	July 1 2026	December 31 2025
Operating leases	Operating lease assets	$ 551,687	$ 507,253
Finance leases	Property and equipment, net	14,218	15,056
Total right-of-use assets		$ 565,905	$ 522,309
Operating leases:			
	Operating lease liabilities, current	$ 67,164	$ 63,553
	Long-term operating lease liabilities	621,756	575,138
Finance leases:			
	Other current liabilities	6,633	5,959
	Other long-term liabilities	8,278	9,745
Total lease liabilities		$ 703,831	$ 654,395

The components of lease expense were as follows:

		Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	Classification	July 1 2026	June 25 2025	July 1 2026	June 25 2025
Operating lease cost	Occupancy and related expenses Pre-opening costs General and administrative expenses	$ 25,937	$ 21,576	$ 50,624	$ 42,250
Finance lease cost:					
Amortization of right-of-use assets	Depreciation and amortization expense	1,683	1,397	3,306	2,751
Interest on lease liabilities	Interest expense	212	231	434	466
Variable lease cost	Occupancy and related expenses Pre-opening costs General and administrative expenses	6,779	5,932	13,210	11,535
Short-term lease cost	Occupancy and related expenses	154	163	306	310
Total lease cost		$ 34,765	$ 29,299	$ 67,880	$ 57,312

As of July 1, 2026, future minimum lease payments for operating and finance leases consisted of the following:

	Operating Leases	Finance Leases
2026[1]	$ 35,696	$ 3,702
2027	107,912	7,011
2028	113,591	4,017
2029	106,635	662
2030	94,255	351
Thereafter	430,323	174
Total minimum payments	888,412	15,917
Less: imputed interest	218,587	1,006
Total lease liabilities	$ 669,825	$ 14,911

(1) Operating leases are net of certain tenant allowance receivables that were reclassified to Other current assets as of July 1, 2026.

As of July 1, 2026, the Company had additional operating lease commitments of $184,053 for non-cancelable leases without a possession date, which commence in 2026 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:

	July 1 2026	December 31 2025
Weighted average remaining lease term (years):		
Operating leases	8.8	8.6
Finance leases	2.4	2.8
Weighted average discount rate:		
Operating leases	6.3 %	6.3 %
Finance leases	5.6 %	5.8 %

Supplemental cash flow information related to leases was as follows:

	Twenty-Six Weeks Ended	
	July 1 2026	June 25 2025
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	$ 51,463	$ 52,000
Operating cash flows from finance leases	434	466
Financing cash flows from finance leases	3,254	2,631
Right-of-use assets obtained in exchange for lease obligations:		
Operating leases	75,213	55,233
Finance leases	2,688	6,292

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:

	July 1, 2026		December 31, 2025	
	LLC Interests	Ownership %	LLC Interests	Ownership %
Number of LLC Interests held by Shake Shack Inc.	40,370,460	94.3 %	40,254,281	94.3 %
Number of LLC Interests held by non-controlling interest holders	2,425,789	5.7 %	2,434,789	5.7 %
Total LLC Interests outstanding	42,796,249	100.0 %	42,689,070	100.0 %

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

	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	July 1 2026	June 25 2025	July 1 2026	June 25 2025
Non-controlling interest holders' weighted average ownership percentages	5.7 %	5.7 %	5.7 %	5.7 %

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

	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	July 1 2026	June 25 2025	July 1 2026	June 25 2025
Net income attributable to Shake Shack Inc.	$ 15,680	$ 17,148	$ 15,390	$ 21,393
Other comprehensive loss:				
Foreign currency translation adjustment	—	(2)	(5)	(3)
Transfers (to) from non-controlling interests:				
Increase (decrease) in additional paid-in capital as a result of the redemption of LLC Interests	54	20	70	(299)
Decrease in additional paid-in capital as a result of activity under stock compensation plan	(694)	(1,149)	(6,166)	(9,491)
Total effect of changes in ownership interest on equity attributable to Shake Shack Inc.	$ 15,040	$ 16,017	$ 9,289	$ 11,600

The following table summarizes the LLC Interests activity:

	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	July 1 2026	June 25 2025	July 1 2026	June 25 2025
LLC Interests activity under the Company's stock compensation plan:				
Number of LLC Interests received by Shake Shack Inc.	15,305	17,320	107,179	159,989
Redemption and acquisition of LLC Interests:				
Number of LLC Interests redeemed by non-controlling interest holders	5,000	5,000	9,000	15,924
Number of LLC Interests received by Shake Shack Inc.	5,000	5,000	9,000	15,924
Issuance of Class A common stock:				
Shares of Class A common stock issued in connection with redemptions of LLC Interests	5,000	5,000	9,000	15,924
Cancellation of Class B common stock:				
Shares of Class B common stock surrendered and canceled	5,000	5,000	9,000	15,924

NOTE 9: EQUITY-BASED COMPENSATION

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

	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	July 1 2026	June 25 2025	July 1 2026	June 25 2025
Performance stock units	$ (333)	$ 1,390	$ 460	$ 2,538
Restricted stock units	4,255	3,819	8,622	7,212
Equity-based compensation expense	$ 3,922	$ 5,209	$ 9,082	$ 9,750

Equity-based compensation expense recognized was as follows:

	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	July 1 2026	June 25 2025	July 1 2026	June 25 2025
General and administrative expenses	$ 3,201	$ 4,653	$ 7,789	$ 8,768
Labor and related expenses	689	556	1,261	982
Pre-opening costs	32	—	32	—
Equity-based compensation expense	$ 3,922	$ 5,209	$ 9,082	$ 9,750

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		Twenty-Six Weeks Ended	
	July 1 2026	June 25 2025	July 1 2026	June 25 2025
Effective income tax rates	25.9 %	25.1 %	25.8 %	23.2 %

The increases in the effective income tax rates for the thirteen and twenty-six weeks ended July 1, 2026 were primarily driven by a decrease in forecasted pre-tax income compared to the prior year, including the effects of nondeductible tax items and a nonrecurring deferred tax adjustment recognized in the prior-year period.

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

	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	July 1 2026	June 25 2025	July 1 2026	June 25 2025
Shake Shack's weighted average ownership percentages	94.3 %	94.3 %	94.3 %	94.3 %

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		Twenty-Six Weeks Ended	
	July 1 2026	June 25 2025	July 1 2026	June 25 2025
LLC Interests activity under the Company's stock compensation plan	15,305	17,320	107,179	159,989
LLC Interests activity from redemptions of LLC Interests	5,000	5,000	9,000	15,924
Total LLC Interests acquired by the Company	20,305	22,320	116,179	175,913

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

	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	July 1 2026	June 25 2025	July 1 2026	June 25 2025
Deferred tax assets recognized upon acquisition of LLC Interests	$ (633)	$ (541)	$ 541	$ 2,817

	July 1 2026	December 31 2025
Total deferred tax assets related to the acquisition of LLC Interests	$ 85,260	$ 74,094

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		Twenty-Six Weeks Ended	
	July 1 2026	June 25 2025	July 1 2026	June 25 2025
Deferred tax assets recognized under the Tax Receivable Agreement	$ 27	$ 55	$ 58	$ 168

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 July 1, 2026, 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.

One Big Beautiful Bill Act

On July 4, 2025, bill H.R. 1, commonly referred to as the "One Big Beautiful Bill Act" or "OBBBA," was signed into law, with certain provisions effective in 2025 and others in 2026. The Act provides for changes to U.S. federal tax law, including the expensing of U.S. research expenditures and certain eligible capital expenditures, among other provisions. The Company has recognized the effects of the OBBBA provisions in its financial results to the extent they are applicable to the twenty-six weeks ended July 1, 2026.

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 twenty-six weeks ended July 1, 2026 and June 25, 2025.

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

	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	July 1 2026	June 25 2025	July 1 2026	June 25 2025
Amounts paid under the Tax Receivable Agreement, including interest	$ —	$ —	$ 977	$ 24

	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	July 1 2026	June 25 2025	July 1 2026	June 25 2025
Additional liabilities recognized under the Tax Receivable Agreement	$ 101	$ 204	$ 251	$ 608

	July 1 2026	December 31 2025
Total obligations under the Tax Receivable Agreement	$ 246,109	$ 246,835

NOTE 11: EARNINGS PER SHARE

Basic earnings per share of Class A common stock is computed by dividing Net income attributable to Shake Shack Inc. by the weighted average number of shares of Class A common stock outstanding during the period. Diluted earnings per share of Class A common stock is computed by dividing Net income 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 per share of Class A common stock (in thousands, except per share amounts):

	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	July 1 2026	June 25 2025	July 1 2026	June 25 2025
Numerator:				
Net income attributable to Shake Shack Inc.—basic	$ 15,680	$ 17,148	$ 15,390	$ 21,393
Net income attributable to Shake Shack Inc.—diluted	$ 15,680	$ 17,148	$ 15,390	$ 21,393
Denominator:				
Weighted average shares of Class A common stock outstanding—basic	40,358	40,226	40,323	40,173
Effect of dilutive securities:				
Stock options	1	2	1	3
Performance stock units	6	23	15	53
Restricted stock units	34	101	67	146
Convertible Notes	1,467	1,467	1,467	1,467
Weighted average shares of Class A common stock outstanding—diluted	41,866	41,819	41,873	41,842
Earnings per share of Class A common stock—basic	$ 0.39	$ 0.43	$ 0.38	$ 0.53
Earnings per share of Class A common stock—diluted	$ 0.37	$ 0.41	$ 0.37	$ 0.51

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 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 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 per share, except when the effect would be anti-dilutive.

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

	Thirteen Weeks Ended				Twenty-Six Weeks Ended			
	July 1 2026		June 25 2025		July 1 2026		June 25 2025	
Performance stock units	225,832	*(1)*	120,892	*(1)*	225,832	*(1)*	120,892	*(1)*
Shares of Class B common stock	2,425,789	*(2)*	2,439,789	*(2)*	2,425,789	*(2)*	2,439,789	*(2)*

(1) Number of securities outstanding at the end of the period that were excluded from the computation of diluted earnings 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 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:

	Twenty-Six Weeks Ended	
	July 1 2026	June 25 2025
Cash paid for:		
Income taxes, net of refunds	$ 2,129	$ 2,882
Interest, net of amounts capitalized	550	451
Non-cash investing activities:		
Accrued purchases of property and equipment	34,992	24,171
Capitalized equity-based compensation	138	144
Non-cash financing activities:		
Establishment of liabilities under Tax Receivable Agreement	251	608

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 July 1, 2026, 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 July 1, 2026, 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 July 1, 2026 and December 31, 2025.

		Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	Classification	July 1 2026	June 25 2025	July 1 2026	June 25 2025
Amounts paid to MSP Conservancy	Occupancy and related expenses Other operating expenses	$ 240	$ 243	$ 560	$ 476

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		Twenty-Six Weeks Ended	
	Classification	July 1 2026	June 25 2025	July 1 2026	June 25 2025
Amounts paid under the Tax Receivable Agreement, including interest	Other current liabilities	$ —	$ —	$ 977	$ 24

	Classification	July 1 2026	December 31 2025
Amounts due under the Tax Receivable Agreement	Other current liabilities Liabilities under Tax Receivable Agreement, net of current portion	$ 246,109	$ 246,835

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 July 1, 2026 and December 31, 2025.

		Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	Classification	July 1 2026	June 25 2025	July 1 2026	June 25 2025
Amounts paid to non-controlling interest holders	Non-controlling interests	$ 2,805	$ 836	$ 2,817	$ 857

NOTE 15: SEGMENT REPORTING

Shake Shack operates and licenses Shake Shack restaurants, which serve burgers, chicken, hot dogs, crinkle cut fries, shakes, frozen custard 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		Twenty-Six Weeks Ended	
	July 1 2026	June 25 2025	July 1 2026	June 25 2025
Segment revenue	$ 417,618	$ 356,466	$ 784,355	$ 677,364
Less:				
Food and paper costs	116,276	96,621	216,299	182,658
Labor and related expenses	101,226	88,058	193,943	174,726
Other operating expenses(1)	63,118	50,768	120,630	99,030
Occupancy and related expenses	30,151	25,593	58,805	50,224
General and administrative expenses	48,321	40,671	101,929	81,311
Depreciation and amortization expense	30,717	26,545	59,837	53,088
Pre-opening costs	6,638	4,955	13,508	8,173
Impairments, loss on disposal of assets, and Shack closures	425	881	1,292	2,938
Interest expense	553	548	1,101	1,111
Income tax expense	5,913	6,193	5,768	6,930
Other income, net(2)	(2,602)	(2,850)	(5,345)	(5,821)
Segment income	16,882	18,483	16,588	22,996
Reconciliation of profit or loss:				
Adjustments and reconciling items	—	—	—	—
Consolidated net income	$ 16,882	$ 18,483	$ 16,588	$ 22,996

	July 1 2026	December 31 2025
Total Assets	$ 1,950,280	$ 1,896,209

(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 consists primarily of interest income, adjustments to liabilities under the Tax Receivable Agreement, dividend income, and net unrealized and realized gain and losses from marketable securities. Interest income was $85 and $117 for the thirteen and twenty-six weeks ended July 1, 2026, respectively, and $49 and $88 for the thirteen and twenty-six weeks ended June 25, 2025, 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," "target," "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 31, 2025 ("2025 Form 10-K"), our subsequent Quarterly Reports on Form 10-Q, 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 2025 Form 10-K, our subsequent Quarterly Reports on Form 10-Q, the Condensed Consolidated Financial Statements and notes thereto included in Part I, Item 1 of this Form 10-Q, and our other filings with the SEC. 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 elevated versions of American classics using only the best ingredients. We're known for our delicious made-to-order Angus beef burgers, crinkle cut fries, crispy chicken, hand-spun milkshakes, house-made lemonades, and more. With our high-quality food at a great value, warm hospitality, and a commitment to crafting uplifting experiences, Shake Shack has become a cult-brand with widespread appeal.

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 July 1, 2026 increased 3.5% compared to the same period last year, driven by a 2.0% increase in guest traffic and a 1.5% increase in price mix. Same-Shack sales for the twenty-six weeks ended July 1, 2026 increased 4.0% compared to the same period last year, driven by a 2.3% increase in price mix and a 1.7% increase in guest traffic. For the purpose of calculating same-Shack sales for the thirteen and twenty-six weeks ended July 1, 2026, Shack sales for 296 Shacks were included in the comparable Shack base.

Average weekly sales were $78,000 for the thirteen weeks ended July 1, 2026, which was flat compared to the same period last year, primarily driven by higher menu prices, partially offset by menu mix. Average weekly sales were $75,000 for the twenty-six weeks ended July 1, 2026, which was flat compared to the same period last year, primarily driven by higher menu prices, partially offset by menu mix.

System-wide sales for the thirteen weeks ended July 1, 2026 increased 13.8% to $625.8 million compared to the same period last year. System-wide sales for the twenty-six weeks ended July 1, 2026 increased 13.9% to $1,184.1 million compared to the same period last year.

Digital sales for the thirteen weeks ended July 1, 2026 increased 34.3% to $164.5 million compared to the same period last year. Digital sales for the twenty-six weeks ended July 1, 2026 increased 27.1% to $305.6 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 40.8% and 40.3%, respectively, of Shack sales during the thirteen and twenty-six weeks ended July 1, 2026.

Development Highlights

The following tables summarize the Shacks opened and closed during the thirteen and twenty-six weeks ended July 1, 2026.

	Thirteen Weeks Ended July 1, 2026		
	Company-operated	Licensed	System Wide
Shack counts at the beginning of period	390	289	679
Openings	16	11	27
Permanent closures	—	(3)	(3)
Shack counts at the end of period	406	297	703

	Twenty-six Weeks Ended July 1, 2026		
	Company-operated	Licensed	System Wide
Shack counts at the beginning of period	373	286	659
Openings	33	16	49
Permanent closures	—	(5)	(5)
Shack counts at the end of period	406	297	703

RESULTS OF OPERATIONS

The following table summarizes our results of operations for the thirteen and twenty-six weeks ended July 1, 2026 and June 25, 2025:

(dollar amounts in thousands)	Thirteen Weeks Ended				Twenty-Six Weeks Ended			
	July 1 2026		June 25 2025		July 1 2026		June 25 2025	
Shack sales	$ 403,437	96.6 %	$ 343,224	96.3 %	$ 757,484	96.6 %	$ 653,062	96.4 %
Licensing revenue	14,181	3.4 %	13,242	3.7 %	26,871	3.4 %	24,302	3.6 %
TOTAL REVENUE	417,618	100.0 %	356,466	100.0 %	784,355	100.0 %	677,364	100.0 %
Shack-level operating expenses(1):								
Food and paper costs	116,276	28.8 %	96,621	28.2 %	216,299	28.6 %	182,658	28.0 %
Labor and related expenses	101,226	25.1 %	88,058	25.7 %	193,943	25.6 %	174,726	26.8 %
Other operating expenses	63,118	15.6 %	50,768	14.8 %	120,630	15.9 %	99,030	15.2 %
Occupancy and related expenses	30,151	7.5 %	25,593	7.5 %	58,805	7.8 %	50,224	7.7 %
General and administrative expenses	48,321	11.6 %	40,671	11.4 %	101,929	13.0 %	81,311	12.0 %
Depreciation and amortization expense	30,717	7.4 %	26,545	7.4 %	59,837	7.6 %	53,088	7.8 %
Pre-opening costs	6,638	1.6 %	4,955	1.4 %	13,508	1.7 %	8,173	1.2 %
Impairments, loss on disposal of assets, and Shack closures	425	0.1 %	881	0.2 %	1,292	0.2 %	2,938	0.4 %
TOTAL EXPENSES	396,872	95.0 %	334,092	93.7 %	766,243	97.7 %	652,148	96.3 %
INCOME FROM OPERATIONS	20,746	5.0 %	22,374	6.3 %	18,112	2.3 %	25,216	3.7 %
Other income, net	2,602	0.6 %	2,850	0.8 %	5,345	0.7 %	5,821	0.9 %
Interest expense	(553)	(0.1)%	(548)	(0.2)%	(1,101)	(0.1)%	(1,111)	(0.2)%
INCOME BEFORE INCOME TAXES	22,795	5.5 %	24,676	6.9 %	22,356	2.9 %	29,926	4.4 %
Income tax expense	5,913	1.4 %	6,193	1.7 %	5,768	0.7 %	6,930	1.0 %
NET INCOME	16,882	4.0 %	18,483	5.2 %	16,588	2.1 %	22,996	3.4 %
Less: Net income attributable to non-controlling interests	1,202	0.3 %	1,335	0.4 %	1,198	0.2 %	1,603	0.2 %
NET INCOME ATTRIBUTABLE TO SHAKE SHACK INC.	$ 15,680	3.8 %	$ 17,148	4.8 %	$ 15,390	2.0 %	$ 21,393	3.2 %

(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.

(dollar amounts in thousands)	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	July 1 2026	June 25 2025	July 1 2026	June 25 2025
Shack sales	$ 403,437	$ 343,224	$ 757,484	$ 653,062
Percentage of Total revenue	*96.6 %*	*96.3 %*	*96.6 %*	*96.4 %*
Dollar change compared to prior year	$ 60,213		$ 104,422	
Percentage change compared to prior year	17.5 %		16.0 %	

Shack sales for the thirteen weeks ended July 1, 2026 increased 17.5% to $403.4 million versus the same period last year. The increase was primarily due to the opening of 61 new Company-operated Shacks between June 25, 2025 and July 1, 2026, which contributed $47.2 million, as well as a 3.5% increase in same-Shack sales.

Shack sales for the twenty-six weeks ended July 1, 2026 increased 16.0% to $757.5 million versus the same period last year. The increase was primarily due to the opening of 61 new Company-operated Shacks between June 25, 2025 and July 1, 2026, which contributed $76.4 million, as well as a 4.0% increase in same-Shack sales.

Licensing Revenue

Licensing revenue includes initial territory fees, Shack opening fees, termination fees and ongoing sales-based royalty fees from licensed Shacks.

	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
(dollar amounts in thousands)	**July 1 2026**	**June 25 2025**	**July 1 2026**	**June 25 2025**
Licensing revenue	$ 14,181	$ 13,242	$ 26,871	$ 24,302
Percentage of Total revenue	*3.4 %*	*3.7 %*	*3.4 %*	*3.6 %*
Dollar change compared to prior year	$ 939		$ 2,569	
Percentage change compared to prior year	7.1 %		10.6 %	

Licensing revenue for the thirteen weeks ended July 1, 2026 increased 7.1% to $14.2 million versus the same period last year. The increase was primarily due to the opening of 40 new licensed Shacks between June 25, 2025 and July 1, 2026, which contributed $1.3 million, partially offset by decreased sales at existing international licensed Shacks, primarily in the Middle East.

Licensing revenue for the twenty-six weeks ended July 1, 2026 increased 10.6% to $26.9 million versus the same period last year. The increase was primarily due to the opening of 40 new licensed Shacks between June 25, 2025 and July 1, 2026, which contributed $2.2 million.

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		Twenty-Six Weeks Ended	
(dollar amounts in thousands)	**July 1 2026**	**June 25 2025**	**July 1 2026**	**June 25 2025**
Food and paper costs	$ 116,276	$ 96,621	$ 216,299	$ 182,658
Percentage of Shack sales	*28.8 %*	*28.2 %*	*28.6 %*	*28.0 %*
Dollar change compared to prior year	$ 19,655		$ 33,641	
Percentage change compared to prior year	20.3 %		18.4 %	

Food and paper costs for the thirteen weeks ended July 1, 2026 increased 20.3% to $116.3 million versus the same period last year. Food and paper costs for the twenty-six weeks ended July 1, 2026 increased 18.4% to $216.3 million versus the same period last year. The increases for the thirteen and twenty-six weeks ended July 1, 2026 were primarily due to the opening of 61 new Company-operated Shacks between June 25, 2025 and July 1, 2026, which contributed approximately $14.3 million and $22.9 million, respectively, as well as increased commodity costs, mainly beef.

As a percentage of Shack sales, the increases in Food and paper costs for the thirteen and twenty-six weeks ended were primarily driven by unfavorable menu mix and increased commodity costs, mainly beef, and marketing promotions, 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		Twenty-Six Weeks Ended	
(dollar amounts in thousands)	July 1 2026	June 25 2025	July 1 2026	June 25 2025
Labor and related expenses	$ 101,226	$ 88,058	$ 193,943	$ 174,726
Percentage of Shack sales	*25.1 %*	*25.7 %*	*25.6 %*	*26.8 %*
Dollar change compared to prior year	$ 13,168		$ 19,217	
Percentage change compared to prior year	15.0 %		11.0 %	

Labor and related expenses for the thirteen weeks ended July 1, 2026 increased 15.0% to $101.2 million versus the same period last year. Labor and related expenses for the twenty-six weeks ended July 1, 2026 increased 11.0% to $193.9 million versus the same period last year. The increases for the thirteen and twenty-six weeks ended July 1, 2026 were primarily due to the opening of 61 new Company-operated Shacks between June 25, 2025 and July 1, 2026, partially offset by labor efficiencies.

As a percentage of Shack sales, the decreases in Labor and related expenses for the thirteen and twenty-six weeks ended July 1, 2026 were primarily due to labor efficiencies and sales leverage, partially offset by increased wages and incremental expenses from the opening of 61 new Company-operated Shacks between June 25, 2025 and July 1, 2026 as we accelerate our pipeline and as these Shacks mature.

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		Twenty-Six Weeks Ended	
(dollar amounts in thousands)	July 1 2026	June 25 2025	July 1 2026	June 25 2025
Other operating expenses	$ 63,118	$ 50,768	$ 120,630	$ 99,030
Percentage of Shack sales	*15.6 %*	*14.8 %*	*15.9 %*	*15.2 %*
Dollar change compared to prior year	$ 12,350		$ 21,600	
Percentage change compared to prior year	24.3 %		21.8 %	

Other operating expenses for the thirteen weeks ended July 1, 2026 increased 24.3% to $63.1 million versus the same period last year. Other operating expenses for the twenty-six weeks ended July 1, 2026 increased 21.8% to $120.6 million versus the same period last year. The increases for the thirteen and twenty-six weeks ended July 1, 2026 were primarily due to increased transaction costs associated with higher sales, and increased facilities costs.

As a percentage of Shack sales, the increase in Other operating expenses for the thirteen weeks ended July 1, 2026 was primarily due to increased delivery commissions associated with higher delivery sales and increased facilities costs. As a percentage of Shack sales, the increase in Other operating expenses for the twenty-six weeks ended July 1, 2026 was primarily due to increased facilities cost, mainly the timing of repairs and maintenance, and increased transaction costs associated with higher sales.

Table of Contents

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		Twenty-Six Weeks Ended	
(dollar amounts in thousands)	July 1 2026	June 25 2025	July 1 2026	June 25 2025
Occupancy and related expenses	$ 30,151	$ 25,593	$ 58,805	$ 50,224
Percentage of Shack sales	*7.5 %*	*7.5 %*	*7.8 %*	*7.7 %*
Dollar change compared to prior year	$ 4,558		$ 8,581	
Percentage change compared to prior year	17.8 %		17.1 %	

Occupancy and related expenses for the thirteen weeks ended July 1, 2026 increased 17.8% to $30.2 million versus the same period last year. Occupancy and related expenses for the twenty-six weeks ended July 1, 2026 increased 17.1% to $58.8 million versus the same period last year. The increases for the thirteen and twenty-six weeks ended July 1, 2026 were primarily due to the opening of 61 new Company-operated Shacks between June 25, 2025 and July 1, 2026, which contributed approximately $3.2 million and $5.2 million, respectively.

As a percentage of Shack sales, Occupancy and related expenses were flat for the thirteen weeks ended July 1, 2026. As a percentage of Shack sales, the increase in Occupancy and related expenses for the twenty-six weeks ended July 1, 2026 was primarily driven by higher common area maintenance charges.

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		Twenty-Six Weeks Ended	
(dollar amounts in thousands)	July 1 2026	June 25 2025	July 1 2026	June 25 2025
General and administrative expenses	$ 48,321	$ 40,671	$ 101,929	$ 81,311
Percentage of Total revenue	*11.6 %*	*11.4 %*	*13.0 %*	*12.0 %*
Dollar change compared to prior year	$ 7,650		$ 20,618	
Percentage change compared to prior year	18.8 %		25.4 %	

General and administrative expenses for the thirteen weeks ended July 1, 2026 increased 18.8% to $48.3 million versus the same period last year. The increase was primarily due to increased investments in marketing initiatives as well as increased legal costs. As a percentage of Total revenue, the increase in General and administrative expenses for the thirteen weeks ended July 1, 2026 was primarily due to the aforementioned items, partially offset by a reduction in performance-based compensation and forfeitures of equity-based compensation.

General and administrative expenses for the twenty-six weeks ended July 1, 2026 increased 25.4% to $101.9 million versus the same period last year. The increase was primarily due to increased investments in marketing initiatives as well as increased wages and other team costs. As a percentage of Total revenue, the increase in General and administrative expenses for the twenty-six weeks ended July 1, 2026 was primarily due to increased investments in marketing and technology initiatives, partially offset by a reduction in performance-based compensation.

Depreciation and Amortization Expense

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

	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
(dollar amounts in thousands)	July 1 2026	June 25 2025	July 1 2026	June 25 2025
Depreciation and amortization expense	$ 30,717	$ 26,545	$ 59,837	$ 53,088
Percentage of Total revenue	*7.4 %*	*7.4 %*	*7.6 %*	*7.8 %*
Dollar change compared to prior year	$ 4,172		$ 6,749	
Percentage change compared to prior year	15.7 %		12.7 %	

Depreciation and amortization expense for the thirteen weeks ended July 1, 2026 increased 15.7% to $30.7 million versus the same period last year. Depreciation and amortization expense for the twenty-six weeks ended July 1, 2026 increased 12.7% to $59.8 million versus the same period last year. The increases for the thirteen and twenty-six weeks ended July 1, 2026 were primarily due to incremental depreciation of capital expenditures related to the opening of 61 new Company-operated Shacks between June 25, 2025 and July 1, 2026.

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 mix of formats we open from period to period. 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 and southern California, where we have greater economies of scale and incur lower travel and lodging costs for our training team.

	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
(dollar amounts in thousands)	July 1 2026	June 25 2025	July 1 2026	June 25 2025
Pre-opening costs	$ 6,638	$ 4,955	$ 13,508	$ 8,173
Percentage of Total revenue	*1.6 %*	*1.4 %*	*1.7 %*	*1.2 %*
Dollar change compared to prior year	$ 1,683		$ 5,335	
Percentage change compared to prior year	34.0 %		65.3 %	

Pre-opening costs for the thirteen weeks ended July 1, 2026 increased 34.0% to $6.6 million versus the same period last year. Pre-opening costs for the twenty-six weeks ended July 1, 2026 increased 65.3% to $13.5 million versus the same period last year. The increases for the thirteen and twenty-six weeks ended July 1, 2026 were primarily due to increased wages and team costs, occupancy costs, and travel and entertainment expense to support our larger development pipeline which includes more Shacks opened during the thirteen and twenty-six weeks ended July 1, 2026 and Shacks under construction compared to the same prior year periods.

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.

(dollar amounts in thousands)	Thirteen Weeks Ended July 1 2026	Thirteen Weeks Ended June 25 2025	Twenty-Six Weeks Ended July 1 2026	Twenty-Six Weeks Ended June 25 2025
Impairments, loss on disposal of assets, and Shack closures	$ 425	$ 881	$ 1,292	$ 2,938
Percentage of Total revenue	*0.1 %*	*0.2 %*	*0.2 %*	*0.4 %*
Dollar change compared to prior year	$ (456)		$ (1,646)	
Percentage change compared to prior year	(51.8)%		(56.0)%	

Impairments, loss on disposal of assets, and Shack closures for the thirteen and twenty-six weeks ended July 1, 2026 decreased to $0.4 million and $1.3 million, respectively, versus the same periods last year. The decreases for the thirteen and twenty-six weeks ended July 1, 2026 were primarily due to the absence of expenses related to the closure of nine Company-operated Shacks in fiscal 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.

(dollar amounts in thousands)	Thirteen Weeks Ended July 1 2026	Thirteen Weeks Ended June 25 2025	Twenty-Six Weeks Ended July 1 2026	Twenty-Six Weeks Ended June 25 2025
Other income, net	$ 2,602	$ 2,850	$ 5,345	$ 5,821
Percentage of Total revenue	*0.6 %*	*0.8 %*	*0.7 %*	*0.9 %*
Dollar change compared to prior year	$ (248)		$ (476)	
Percentage change compared to prior year	(8.7)%		(8.2)%	

Other income, net for the thirteen weeks ended July 1, 2026 decreased to $2.6 million versus the same period last year. Other income, net for the twenty-six weeks ended July 1, 2026 decreased to $5.3 million versus the same period last year. The decreases for the thirteen and twenty-six weeks ended July 1, 2026 were primarily due to lower dividends.

Interest Expense

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

(dollar amounts in thousands)	Thirteen Weeks Ended July 1 2026	Thirteen Weeks Ended June 25 2025	Twenty-Six Weeks Ended July 1 2026	Twenty-Six Weeks Ended June 25 2025
Interest expense	$ (553)	$ (548)	$ (1,101)	$ (1,111)
Percentage of Total revenue	*(0.1)%*	*(0.2)%*	*(0.1)%*	*(0.2)%*
Dollar change compared to prior year	$ (5)		$ 10	
Percentage change compared to prior year	0.9 %		(0.9)%	

Interest expense for the thirteen weeks ended July 1, 2026 increased 0.9% to $0.6 million versus the same period last year. The increase for the thirteen weeks ended July 1, 2026 was primarily due to an increase in various sales tax audit assessment charges, partially offset by a decrease in finance lease charges related to new financing equipment leases with lower lease liability balances.

Interest expense for the twenty-six weeks ended July 1, 2026 decreased 0.9% to $1.1 million versus the same period last year. The decrease for the twenty-six weeks ended July 1, 2026 was primarily due to a decrease in finance lease charges related to new financing equipment leases with lower lease liability balances, partially offset by an increase in various sales tax audit assessment charges.

Income Tax Expense

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		Twenty-Six Weeks Ended	
(dollar amounts in thousands)	**July 1 2026**	**June 25 2025**	**July 1 2026**	**June 25 2025**
Income tax expense	$ 5,913	$ 6,193	$ 5,768	$ 6,930
Percentage of Total revenue	*1.4 %*	*1.7 %*	*0.7 %*	*1.0 %*
Dollar change compared to prior year	$ (280)		$ (1,162)	
Percentage change compared to prior year	(4.5)%		(16.8)%	

Our effective income tax rates for the thirteen weeks ended July 1, 2026 and June 25, 2025 were 25.9% and 25.1%, respectively. Our effective income tax rates for the twenty-six weeks ended July 1, 2026 and June 25, 2025 were 25.8% and 23.2%, respectively. The increases in the effective income tax rates for the thirteen and twenty-six weeks ended July 1, 2026 were primarily driven by a decrease in forecasted pre-tax income compared to the prior year, including the effects of nondeductible tax items and a nonrecurring deferred tax adjustment recognized in the prior-year period.

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% for the thirteen and twenty-six weeks ended July 1, 2026 and June 25, 2025.

Net Income 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, representing the portion of net income 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 and other comprehensive income to Shake Shack Inc. and the non-controlling interest holders.

	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
(dollar amounts in thousands)	**July 1 2026**	**June 25 2025**	**July 1 2026**	**June 25 2025**
Net income attributable to non-controlling interests	$ 1,202	$ 1,335	$ 1,198	$ 1,603
Percentage of Total revenue	*0.3 %*	*0.4 %*	*0.2 %*	*0.2 %*

Net income attributable to non-controlling interests for the thirteen and twenty-six weeks ended July 1, 2026 decreased to $1.2 million versus the same periods last year. The decreases for the thirteen and twenty-six weeks ended July 1, 2026 were primarily due to a decline in net results compared to the same periods last year.

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 from operations, the most directly comparable GAAP financial measure, is as follows.

	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
(dollar amounts in thousands)	**July 1 2026**	**June 25 2025**	**July 1 2026**	**June 25 2025**
Income from operations	$ 20,746	$ 22,374	$ 18,112	$ 25,216
Less:				
Licensing revenue	14,181	13,242	26,871	24,302
Add:				
General and administrative expenses	48,321	40,671	101,929	81,311
Depreciation and amortization expense	30,717	26,545	59,837	53,088
Pre-opening costs	6,638	4,955	13,508	8,173
Impairments, loss on disposal of assets, and Shack closures	425	881	1,292	2,938
Restaurant-level profit	$ 92,666	$ 82,184	$ 167,807	$ 146,424
Total revenue	$ 417,618	$ 356,466	$ 784,355	$ 677,364
Less: Licensing revenue	14,181	13,242	26,871	24,302
Shack sales	$ 403,437	$ 343,224	$ 757,484	$ 653,062
Restaurant-level profit margin(1)	23.0 %	23.9 %	22.2 %	22.4 %

(1) As a percentage of Shack sales.

Table of Contents

EBITDA and Adjusted EBITDA

EBITDA is defined as Net income before Interest expense (net of interest income), Income tax expense 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, the most directly comparable GAAP measure, is as follows.

	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
(dollar amounts in thousands)	**July 1 2026**	**June 25 2025**	**July 1 2026**	**June 25 2025**
Net income	$ 16,882	$ 18,483	$ 16,588	$ 22,996
Depreciation and amortization expense	30,717	26,545	59,837	53,088
Interest expense, net	468	500	984	1,023
Income tax expense	5,913	6,193	5,768	6,930
EBITDA	53,980	51,721	83,177	84,037
Equity-based compensation	3,922	5,209	9,082	9,750
Amortization of cloud-based software implementation costs	531	560	1,043	1,166
Impairments, loss on disposal of assets, and Shack closures	425	881	1,292	2,938
Executive transition costs(1)	1,121	414	2,251	414
Legal settlements(2)	848	—	848	983
Restatement costs(3)	—	100	—	354
Other(4)	374	15	473	3
Adjusted EBITDA	$ 61,201	$ 58,900	$ 98,166	$ 99,645
Adjusted EBITDA margin(5)	14.7 %	16.5 %	12.5 %	14.7 %

(1) Expenses incurred in connection with the termination, search, and hiring of certain executive positions.
(2) Expenses incurred to establish accruals related to the settlements of legal matters.
(3) Expenses incurred related to the restatement of prior periods in the 2023 Form 10-K.
(4) Amounts related to the conflict in the Middle East and expenses incurred for professional fees related to non-recurring matters.
(5) Calculated as a percentage of Total revenue, which was $417.6 million and $784.4 million for the thirteen and twenty-six weeks ended July 1, 2026, respectively, and $356.5 million and $677.4 million for the thirteen and twenty-six weeks ended June 25, 2025, 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 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 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 and earnings 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 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 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		Twenty-Six Weeks Ended	
(in thousands, except per share amounts)	July 1 2026	June 25 2025	July 1 2026	June 25 2025
Numerator:				
Net income attributable to Shake Shack Inc.	$ 15,680	$ 17,148	$ 15,390	$ 21,393
Adjustments:				
Reallocation of Net income attributable to non-controlling interests from the assumed exchange of LLC Interests(1)	1,202	1,335	1,198	1,603
Impairment charge and Shack closures(2)	6	295	35	1,948
Executive transition costs(3)	1,121	414	2,251	414
Legal settlements(4)	848	—	848	983
Restatement costs(5)	—	100	—	354
Other(6)	374	15	473	3
Tax impact of above adjustments(7)	(326)	169	(1,202)	(824)
Adjusted pro forma net income	$ 18,905	$ 19,476	$ 18,993	$ 25,874
Denominator:				
Weighted average shares of Class A common stock outstanding—diluted	41,866	41,819	41,873	41,842
Adjustments:				
Assumed exchange of weighted average LLC Interests for shares of Class A common stock(1)	2,429	2,445	2,431	2,446
Adjusted pro forma fully exchanged weighted average shares of Class A common stock outstanding—diluted	44,295	44,264	44,304	44,288
Adjusted pro forma earnings per fully exchanged share—diluted	$ 0.43	$ 0.44	$ 0.43	$ 0.58

	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	July 1 2026	June 25 2025	July 1 2026	June 25 2025
Earnings per share of Class A common stock—diluted	$ 0.37	$ 0.41	$ 0.37	$ 0.51
Assumed exchange of weighted average LLC Interests for shares of Class A common stock(1)	0.01	0.01	—	0.01
Non-GAAP adjustments(8)	0.05	0.02	0.06	0.06
Adjusted pro forma earnings per fully exchanged share—diluted	$ 0.43	$ 0.44	$ 0.43	$ 0.58

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

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

(3) Expenses incurred in connection with the termination, search, and hiring of certain executive positions.

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

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

(6) Amounts related to the conflict in the Middle East and 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 24.8% and 26.8% for the thirteen and twenty-six weeks ended July 1, 2026, respectively, and 23.6% and 23.1% for the thirteen and twenty-six weeks ended June 25, 2025, 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 July 1, 2026, we maintained a Cash and cash equivalents balance of $308.0 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 relating to our long-term debt.

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 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 July 1, 2026, such obligations totaled $246.1 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.

	Twenty-Six Weeks Ended	
(in thousands)	**July 1 2026**	**June 25 2025**
Net cash provided by operating activities	$ 65,462	$ 96,220
Net cash used in investing activities	(104,901)	(67,438)
Net cash used in financing activities	(12,717)	(12,689)
Effect of exchange rate changes on cash and cash equivalents	(5)	(3)
Net increase (decrease) in Cash and cash equivalents	(52,161)	16,090
Cash and cash equivalents at beginning of period	360,123	320,714
Cash and cash equivalents at end of period	$ 307,962	$ 336,804

Operating Activities

For the twenty-six weeks ended July 1, 2026, net cash provided by operating activities was $65.5 million compared to $96.2 million for the twenty-six weeks ended June 25, 2025, a decrease of $30.7 million. The decrease was primarily driven by changes in working capital of $36.2 million, partially offset by a $5.5 million improvement in net results after excluding non-cash charges. The changes in working capital primarily included a change in the timing and payments related to general business accruals, mainly related to delivery service providers, and an increase in prepaid rent payments due to the shift of our fiscal calendar, partially offset by a change in the timing and payments related to general business operations.

Investing Activities

For the twenty-six weeks ended July 1, 2026, net cash used in investing activities was $104.9 million compared to $67.4 million for the twenty-six weeks ended June 25, 2025. The change was primarily driven by an increase of $37.5 million of capital expenditures related to our larger development pipeline, compared to the prior year.

Financing Activities

For the twenty-six weeks ended July 1, 2026, net cash used in financing activities was $12.7 million, which was flat compared to the same period last year, primarily driven by a decrease in withholding taxes related to net settled equity awards, partially offset by an increase in distributions paid to non-controlling interest holders.

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 relating to our long-term debt.

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 July 1, 2026 and December 31, 2025, 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 July 1, 2026, 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, 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, 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 31, 2025.

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 31, 2025.

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 July 1, 2026 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 31, 2025.

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

No officer or director adopted, terminated, or modified 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 in the thirteen weeks ended July 1, 2026.

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 Shack Shake 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	
10.1	Employment Agreement, effective as of May 11, 2026, by and among Michelle Hook, Shake Shack Inc., SSE Holdings, LLC, and Shake Shack Enterprises, LLC	8-K	10.1	5/7/2026	
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: August 5, 2026	By:	/s/ Robert Lynch
		Robert Lynch
		Chief Executive Officer (Principal Executive Officer and Duly Authorized Officer)
Date: August 5, 2026	By:	/s/ Michelle Hook
		Michelle Hook
		Chief Financial Officer (Principal Financial Officer and Duly Authorized Officer)

Exhibit 31.1

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 July 1, 2026 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: August 5, 2026

/s/ Robert Lynch

Robert Lynch

Chief Executive Officer

Exhibit 31.2

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

I, Michelle Hook, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarterly period ended July 1, 2026 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: August 5, 2026

/s/ Michelle Hook

Michelle Hook

Chief Financial Officer

Exhibit 32

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 July 1, 2026, 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: August 5, 2026

/s/ Robert Lynch
Robert Lynch
Chief Executive Officer

Date: August 5, 2026

/s/ Michelle Hook
Michelle Hook
Chief Financial Officer