

The Hackett Group, Inc.
Supplemental Data Discussed During Q3 2025 Earnings Conference Call

Q3 2025 % of recurring revenue before reimbursements to total Company revenue before reimbursements	approx. 23%
Q3 2025 % Global SBT segment revenue increase, excluding OneStream and non-renewal of an IPaaS contract over prior year	increase of 4%
Q3 2025 total Company adjusted cost of sales	\$41.4M
Q3 2025 total Company adjusted cost of sales as % of revenue before reimbursements	57.4%
Q3 2024 total Company adjusted cost of sales	\$44.2M
Q3 2024 total Company adjusted cost of sales as % of revenue before reimbursements	56.8%
Q3 2025 total Company adjusted gross margin as % of revenue before reimbursements	42.6%
Q3 2024 total Company adjusted gross margin as % of revenue before reimbursements	43.2%
Q3 2025 total Company adjusted SGA	\$16.5M
Q3 2025 total Company adjusted SGA as % of revenue before reimbursements	22.9%
Q3 2024 total Company adjusted SGA	\$17.0M
Q3 2024 total Company adjusted SGA as % of total revenue	21.8%
Q3 2025 adjusted EBITDA	\$15.3M
Q3 2025 adjusted EBITDA as a % of revenue before reimbursements	21.2%
Q3 2024 adjusted EBITDA	\$17.7M
Q3 2024 adjusted EBITDA as a % of revenue before reimbursements	22.7%
Q3 2025 stock price award program expense	\$4.8M
Q3 2025 stock price award program expense EPS impact	\$0.17
Q3 2025 acquisition related cash and non-cash compensation net reversals and related expenses	\$2.1M
Q3 2025 acquisition related cash and non-cash compensation net reversals and related expenses EPS impact	\$0.05
Q3 2025 EPS impact on restructuring costs	\$0.08
Q3 2025 Strategy and Business Transformation Group % revenue in GS&BT segment	Greater than 50%
Q3 2025 total GS&BT segment revenue as % of Company total revenue	Greater than 50%

The Hackett Group, Inc.
RECONCILIATION OF GAAP TO NON-GAAP MEASURES
(in thousands, except per share data)
(unaudited)

RECONCILIATION OF GAAP TO NON-GAAP MEASURES (ADJUSTED NET INCOME)

	Quarter Ended		Nine Months Ended	
	September 26, 2025	September 27, 2024	September 26, 2025	September 27, 2024
GAAP NET INCOME	\$ 2,547	\$ 8,587	\$ 7,351	\$ 26,066
Adjustments (1):				
Non-cash stock based compensation expense (2)	2,694	2,989	8,272	8,438
Stock price award program compensation expense (2)(3)	4,768	602	15,053	602
Acquisition-related cash compensation (reversal) expense (4)	(540)	41	76	41
Acquisition-related non-cash stock based compensation (reversal) expense (4)	(1,574)	232	1,956	232
Acquisition-related costs	11	53	398	53
Legal settlement and related costs	-	-	-	102
Restructuring cost	3,112	-	3,112	-
Amortization of intangible assets (4)	311	-	685	-
ADJUSTED NET INCOME BEFORE INCOME TAXES ON ADJUSTMENTS (1)	11,329	12,504	36,903	35,534
Tax effect of adjustments above (5)	1,171	366	4,451	1,822
ADJUSTED NET INCOME (1)	\$ 10,158	\$ 12,138	\$ 32,452	\$ 33,712
GAAP diluted net income per common share	\$ 0.90	\$ 0.31	\$ 0.26	\$ 1.21
Adjusted diluted net income per common share (1)	\$ 0.37	\$ 0.43	\$ 1.15	\$ 0.43
Weighted average common and common equivalent shares outstanding	27,615	28,142	28,161	28,142

RECONCILIATION OF GAAP TO NON-GAAP MEASURES (ADJUSTED EBITDA)

	Quarter Ended		Nine Months Ended	
	September 26, 2025	September 27, 2024	September 26, 2025	September 27, 2024
GAAP NET INCOME	\$ 2,547	\$ 8,587	\$ 7,351	\$ 26,066
Add back:				
Income tax expense	2,474	3,845	6,100	9,423
Interest expense	438	368	1,006	1,352
Depreciation	1,052	940	3,111	2,823
Amortization	311	-	685	-
EBITDA	6,822	13,740	18,253	39,664
Adjustments:				
Non-cash stock based compensation expense (2)	2,694	2,989	8,272	8,438
Stock price award program compensation expense (2)(3)	4,768	602	15,053	602
Acquisition-related cash compensation expense (4)	(540)	41	76	41
Acquisition-related non-cash stock based compensation expense (4)	(1,574)	232	1,956	232
Acquisition-related costs	11	53	398	53
Restructuring cost	3,112	-	3,112	-
Legal settlement and related costs	-	-	-	102
ADJUSTED EBITDA	\$ 15,293	\$ 17,657	\$ 47,120	\$ 49,132

RECONCILIATION OF GAAP TO NON-GAAP MEASURES (ADJUSTED GROSS MARGIN)

	Quarter Ended		Nine Months Ended	
	September 26, 2025	September 27, 2024	September 26, 2025	September 27, 2024
Revenue:				
Revenue before reimbursements	\$ 72,166	\$ 77,949	\$ 226,026	\$ 229,572
Reimbursements	945	1,828	3,849	5,048
Total revenue	73,111	79,777	229,875	234,620
Costs and expenses:				
Cost of service:				
Personnel costs before reimbursable expenses	42,433	46,417	140,485	137,583
Reimbursable expenses	945	1,828	3,849	5,048
Total cost of service	43,378	48,245	144,334	142,631
GAAP GROSS MARGIN	29,733	31,532	85,541	91,989
Adjustments:				
Non-cash stock based compensation expense (2)	1,661	1,728	4,820	4,761
Stock price award program compensation expense (2)(3)	1,496	177	4,723	177
Acquisition-related cash compensation (reversal) expense (4)	(540)	41	76	41
Acquisition-related non-cash stock based compensation (reversal) expense (4)	(1,576)	230	1,951	230
ADJUSTED GROSS MARGIN	\$ 30,774	\$ 33,708	\$ 97,111	\$ 97,198

RECONCILIATION OF GAAP TO NON-GAAP MEASURES (ADJUSTED COS)

	Quarter Ended		Nine Months Ended	
	September 26, 2025	September 27, 2024	September 26, 2025	September 27, 2024
GAAP TOTAL COST OF SERVICE	\$ 43,378	\$ 48,245	\$ 144,334	\$ 142,631
Adjustments:				
Non-cash stock based compensation expense (2)	(1,661)	(1,728)	(4,820)	(4,761)
Stock price award program compensation expense compensation expense (2)(3)	(1,496)	(177)	(4,723)	(177)
Acquisition-related cash compensation expense (4)	540	(41)	(76)	(41)
Acquisition-related non-cash stock based compensation expense (4)	1,576	(230)	(1,951)	(230)
Reimbursable expenses	(945)	(1,828)	(3,849)	(5,048)
ADJUSTED COS	\$ 41,392	\$ 44,241	\$ 128,915	\$ 132,374

RECONCILIATION OF GAAP TO NON-GAAP MEASURES (ADJUSTED SGA)

	Quarter Ended		Nine Months Ended	
	September 26, 2025	September 27, 2024	September 26, 2025	September 27, 2024
GAAP SELLING, GENERAL AND ADMINISTRATIVE COSTS	\$ 21,162	\$ 18,732	\$ 67,972	\$ 55,148
Adjustments:				
Non-cash stock based compensation expense (2)	(1,041)	(1,688)	(3,463)	(4,104)
Stock price award program compensation expense compensation expense (2)(3)	(3,272)	-	(10,330)	-
Acquisition-related costs	(11)	(53)	(398)	(53)
Amortization expense	(311)	-	(685)	-
Legal settlement and related costs	-	-	-	(102)
ADJUSTED SGA	\$ 16,527	\$ 16,991	\$ 53,096	\$ 50,889

(1) The Company provides adjusted earnings results (which excludes non-cash stock based compensation expense, stock price award program compensation expense, acquisition-related cash and non-cash stock based compensation expense, amortization expense, acquisition related costs and legal settlement and related costs and includes a GAAP tax rate) as a complement to results provided in accordance with Generally Accepted Accounting Principles (GAAP). These non-GAAP results are provided to enhance the users' overall understanding of the Company's current financial performance and its prospects for the future. The Company believes the non-GAAP results provide useful information to both management and investors and by excluding certain expenses that it believes are not indicative of its core operating results. The non-GAAP measures are included to provide investors and management with an alternative method for assessing operating results in a manner that is focused on the performance of its ongoing primary operations and to provide a consistent basis for comparison between quarters. Further, these non-GAAP results are one of the primary indicators management uses for planning and forecasting. The presentation of this additional non-GAAP information should be considered in addition to, and not as a substitute for or superior to, any results prepared in accordance with GAAP.

(2) Non-cash stock based compensation expense is accounted for under Financial Accounting Standards Board Accounting Standards Codification Topic 718, Compensation-Stock Compensation. The Company excludes non-cash stock based compensation expense and the related tax effects for the purposes of adjusted net income and adjusted diluted earnings per share. The Company believes that non-GAAP measures of profitability, which exclude non-cash stock based compensation expense, are widely used by investors.

(3) The stock price award program compensation expense relates to equity awards that were granted with certain market share price hurdles and service conditions to meet before they are vested. The market price hurdles include twenty consecutive trading days of equal to or greater than \$30, \$40 and \$50 per share price. As of December 27, 2024, the first market condition had been met, and although the shares have not vested they are included in the Company's dilutive shares outstanding for the quarter ended September 26, 2025. As of September 26, 2025, the second and third market conditions had not been met and as such the shares have not vested and are not included in the Company's basic or dilutive shares outstanding. Non-cash compensation of \$4.8 million and \$15.1 million was recorded in the third quarter and first nine months of 2025, respectively.

(4) The Company incurs cash and non-cash stock based compensation expense for acquisition related consideration that is recognized over time under GAAP. The Company believes excluding these amounts more consistently presents its ongoing results of operations because they are related to acquisitions and not due to normal operating activities. The acquisition-related non-cash stock based compensation expense is also accounted for under Financial Accounting Standards Board Accounting Standards Codification Topic 718, Compensation-Stock Compensation.

(5) The adjustment for the income tax expense is based on the accounting treatment and income tax rate for the jurisdiction of each item. The impact of all of the non-cash stock based compensation expense was \$0.4 million and \$0.3 million in the third quarters of 2025 and 2024 and \$3.3 million and \$1.8 million in first nine months of 2025 and 2024, respectively. The impact of acquisition related cash compensation benefit was \$136 thousand and expense of \$19 thousand in the third quarter and first nine months of 2025, respectively, and an expense of \$25 thousand in both the third quarter and first nine months in 2024. The impact of the legal settlement and related costs was \$27 thousand in the first nine months in 2024. The impact of the acquisition related costs and amortization expense was \$83 thousand and \$0.3 million in the third quarter and first nine months in 2025, respectively, and \$14 thousand in both the third quarter and first nine months in 2024. The impact of the restructuring cost was \$0.8 million in both the third quarter and first nine months in 2025.

THE HACKETT GROUP, INC.

ESTIMATED NON-CASH COMPENSATION FOR ACQUISITION AND STOCK PRICE AWARD PROGRAM

In Millions

Stock Price Award Program

	<u>COS</u>	<u>SGA</u>	<u>Total</u>
Q3-2025	1.5	3.3	4.8
Q4-2025	0.6	1.3	1.9
Q1-2026	0.5	1.2	1.7
Q2-2026	0.5	1.2	1.7
Q3-2026	0.5	1	1.5
Q4-2026	0.2	0.4	0.6

Acquisition Related Non-cash Compensation

	<u>COS</u>
Q4-2025	0.9
Q1-2026	0.7
Q2-2026	0.6
Q3-2026	0.6
Q4-2026	0.6