The Hackett Group, Inc.

CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands, except per share data)

(unaudited)

	Quarter Ended		Nine Months Ended	
	September 25, 2026	**September 26, 2025**	**September 25, 2026**	**September 26, 2025**
Revenue:				
Revenue before reimbursements	$ 68,934	$ 72,166	$ 205,119	$ 226,026
Reimbursements	856	945	2,796	3,849
Total revenue	69,790	73,111	207,915	229,875
Costs and expenses:				
Cost of service:				
Personnel costs before reimbursable expenses (includes $3,209 and $5,080 and $1,580 and $11,493 of non-cash stock based compensation expense in the three and nine months ended September 25, 2026 and September 26, 2025, respectively)	41,224	42,433	120,361	140,485
Reimbursable expenses	856	945	2,796	3,849
Total cost of service	42,080	43,378	123,157	144,334
Selling, general and administrative costs (includes $1,875 and $5,736 and $4,308 and $13,788 of non-cash stock based compensation expense in the three and nine months ended September 25, 2026 and September 26, 2025, respectively)	18,792	21,162	56,744	67,972
Restructuring costs	1,433	3,112	3,881	3,112
Total costs and operating expenses	62,305	67,652	183,782	215,418
Operating income	7,485	5,459	24,133	14,457
Other expense, net:				
Interest expense, net	(1,154)	(438)	(3,373)	(1,006)
Income before income taxes	6,331	5,021	20,760	13,451
Income tax expense	2,774	2,474	8,513	6,100
Net income	$ 3,557	$ 2,547	$ 12,247	$ 7,351
Basic net income per common share:				
Income per common share	$ 0.14	$ 0.09	$ 0.49	$ 0.27
Weighted average common shares outstanding	24,862	27,288	25,031	27,492
Diluted net income per common share:				
Income per common share	$ 0.14	$ 0.09	$ 0.49	$ 0.26
Weighted average common and common equivalent shares outstanding	24,953	27,615	25,126	28,161

The Hackett Group, Inc.
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands)
(unaudited)

	September 25, 2026	December 27, 2025
ASSETS		
Current assets:		
Cash	$ 12,645	$ 18,197
Accounts receivable and contract assets, net	67,860	59,505
Prepaid expenses and other current assets	9,557	6,175
Total current assets	90,062	83,877
Property, software and equipment, net	28,573	24,011
Other assets	356	358
Intangible assets	2,256	3,252
Goodwill	90,049	90,659
Operating lease right-of-use assets	1,856	2,484
Deferred tax asset	2,013	1,806
Total assets	$ 215,165	$ 206,447
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 5,490	$ 6,295
Accrued expenses and other liabilities	23,894	28,824
Contract liabilities	11,685	12,317
Income tax payable	-	74
Operating lease liabilities	1,125	1,259
Total current liabilities	42,194	48,769
Deferred tax liability	15,058	12,537
Long-term debt	86,142	75,818
Operating lease liabilities	731	1,223
Total liabilities	144,125	138,347
Shareholders' equity	71,040	68,100
Total liabilities and shareholders' equity	$ 215,165	$ 206,447

	Quarter Ended		Nine Months Ended	
	September 25, 2026	September 26, 2025	September 25, 2026	September 26, 2025
Global S&BT (1):				
Revenue before reimbursements	$ 36,619	$ 42,398	$ 108,578	$ 128,651
Cost of sales	19,299	21,440	58,448	66,526
Gross margin	17,320	20,958	50,130	62,125
Selling, general and administrative costs	6,528	7,717	21,165	23,111
Segment contribution	10,792	13,241	28,965	39,014
Oracle Solutions (2):				
Revenue before reimbursements	$ 15,907	$ 16,353	$ 46,673	$ 57,243
Cost of sales	9,751	11,751	29,899	39,377
Gross margin	6,156	4,602	16,774	17,866
Selling, general and administrative costs	1,141	1,921	4,004	6,368
Segment contribution	5,015	2,681	12,770	11,498
SAP Solutions (3):				
Revenue before reimbursements	$ 16,408	$ 13,415	$ 49,869	$ 40,132
Cost of sales	8,957	8,183	27,372	23,035
Gross margin	7,451	5,232	22,497	17,097
Selling, general and administrative costs	2,281	1,569	6,776	5,293
Segment contribution	5,170	3,663	15,721	11,804
Total Company (4):				
Total segment contribution	20,977	19,585	57,456	62,316
Items not allocated to segment level (4):				
Corporate general and administrative expenses	5,568	4,292	14,356	15,196
Non-cash stock based compensation expense	2,309	2,694	6,843	8,272
Stock price award program compensation expense	1,442	4,768	4,181	15,053
Acquisition-related cash compensation (reversal) expense	-	(540)	(64)	76
Acquisition-related non-cash stock based compensation (reversal) expense	1,333	(1,574)	(208)	1,956
Acquisition-related costs	-	11	-	398
Restructuring costs	1,433	3,112	3,881	3,112
Depreciation expense	1,110	1,052	3,423	3,111
Amortization expense	297	311	911	685
Interest expense, net	1,154	438	3,373	1,006
Income before taxes	$ 6,331	$ 5,021	$ 20,760	$ 13,451

(1) Global S&BT includes the results of our North America and International Gen AI Consulting, Implementation and Licensing, Benchmarking and Business Transformation offerings, Executive Advisory, Market Intelligence and IP as-a-Service, OneStream and eProcurement.

(2) Oracle Solutions includes the results of our EPM/ERP practices.

(3) SAP Solutions includes the results of our SAP applications and related SAP service offerings.

(4) Segment contributions consist of the revenue generated by the segment, less the direct costs of revenue and selling, general and administrative expenses that are incurred directly by the segment. Items not allocated to the segment level include corporate costs related to administrative functions that are performed in a centralized manner that are not attributable to a particular segment. Items not allocated to the segment level include corporate general and administrative expenses, non-cash stock based compensation expense, acquisition related cash and non-cash stock based compensation expense, depreciation and amortization expense, any one-time costs, interest expense and foreign currency gains and losses. Corporate general and administrative expenses primarily include costs related to business support functions including accounting and finance, human resources, legal, information technology and office administration. Corporate general and administrative expenses exclude one-time, non-recurring expenses and benefits.

The Hackett Group, Inc.

RECONCILIATION OF GAAP TO NON-GAAP MEASURES

(in thousands, except per share data)

(unaudited)

	Quarter Ended		Nine Months Ended	
	September 25, 2026	September 26, 2025	September 25, 2026	September 26, 2025
GAAP NET INCOME	$ 3,557	$ 2,547	$ 12,247	$ 7,351
Adjustments (1):				
Non-cash stock based compensation expense (2)	2,309	2,694	6,843	8,272
Stock price award program compensation expense (2)(3)	1,442	4,768	4,181	15,053
Acquisition-related cash compensation (reversal) expense (4)	-	(540)	(64)	76
Acquisition-related non-cash stock based compensation (reversal) expense (4)	1,333	(1,574)	(208)	1,956
Acquisition-related costs	-	11	-	398
Amortization expense	297	311	911	685
Restructuring costs	1,433	3,112	3,881	3,112
ADJUSTED NET INCOME BEFORE INCOME TAXES ON ADJUSTMENTS (1)	10,371	11,329	27,791	36,903
Tax effect of adjustments above (5)	638	1,171	936	4,451
ADJUSTED NET INCOME (1)	$ 9,733	$ 10,158	$ 26,855	$ 32,452
GAAP diluted net income per common share	$ 0.14	$ 0.09	$ 0.49	$ 0.26
Adjusted diluted net income per common share (1)	$ 0.39	$ 0.37	$ 1.07	$ 1.15
Weighted average common and common equivalent shares outstanding	24,953	27,615	25,126	28,161

(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 any one-time 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 September 25, 2026, 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 25, 2026. As of September 25, 2026, 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 expense of $1.4 million and $4.2 million was recorded in the third quarter and first nine months of 2026, 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 expense of $1.3 million and $2.8 million and expense of $1.5 million and $6.6 million in the third quarter and first nine months of 2026 and 2025, respectively. The impact of acquisition related cash compensation reversal was a benefit of $16 thousand in the first nine months of 2026 and a benefit of $141 thousand and expense of $19 thousand in the third quarter and first nine months of 2025, respectively. The impact of the acquisition related costs including amortization was $77 thousand and $238 thousand and $81 thousand and $179 thousand in the third quarter and first nine months of 2026 and 2025, respectively. The impact of the restructuring cost was $0.4 million and $1.0 million in the third quarter and first nine months of 2026 and $0.8 million in both the third quarter and first nine months in 2025, respectively.

The Hackett Group, Inc.
SUPPLEMENTAL FINANCIAL DATA
(unaudited)

	Quarter Ended		
	September 25, 2026	**June 26, 2026**	**September 26, 2025**
Segment Total Revenue and Revenue Before Reimbursements (in thousands):			
Global S&BT:			
Total revenue	$ 37,134	$ 36,036	$ 42,925
Reimbursements	515	447	527
Revenue before reimbursements	$ 36,619	$ 35,589	$ 42,398
Oracle Solutions:			
Total revenue	$ 16,106	$ 15,481	$ 16,504
Reimbursements	199	164	151
Revenue before reimbursements	$ 15,907	$ 15,317	$ 16,353
SAP Solutions:			
Total revenue	$ 16,550	$ 17,811	$ 13,682
Reimbursements	142	375	267
Revenue before reimbursements	$ 16,408	$ 17,436	$ 13,415
Total segment revenue:			
Total revenue	$ 69,790	$ 69,328	$ 73,111
Reimbursements	856	986	945
Revenue before reimbursements	$ 68,934	$ 68,342	$ 72,166
Revenue Concentration:			
(% of total revenue)			
Top customer	4%	3%	5%
Top 5 customers	15%	13%	17%
Top 10 customers	24%	23%	26%
Key Metrics and Other Financial Data:			
Total Company:			
Consultant headcount	1,210	1,211	1,317
Total headcount	1,474	1,491	1,599
Days sales outstanding (DSO) (1)	64	56	71
Cash provided by operating activities (in thousands)	1,802	15,160	$ 11,395
Depreciation (in thousands)	1,110	1,148	$ 1,052
Amortization (in thousands)	297	299	$ 311
Capital expenditures (in thousands)	3,151	2,575	$ 2,405
Remaining Plan authorization:			
Shares purchased (in thousands)	167	372	839
Cost of shares repurchased (in thousands)	$ 1,823	$ 3,928	$ 17,405
Average price per share of shares purchased	$ 10.90	$ 10.56	$ 20.73
Remaining Plan authorization (in thousands)	$ 16,283	$ 18,106	$ 12,590
Shares Purchased to Satisfy Employee Net Vesting Obligations:			
Shares purchased (in thousands)	59	5	268
Cost of shares purchased (in thousands)	$ 633	$ 57	$ 5,514
Average price per share of shares purchased	$ 10.69	$ 12.14	$ 20.61

(1) Given the increase in Value Added Reseller (VAR) revenue over the last two years, which carries multi-year terms, the DSO calculation has been revised to exclude the related revenue and accounts receivables.