



## European Wax Center, Inc. Provides Update Ahead of Presentation at ICR Conference 2024

January 8, 2024

### ***Reports preliminary fiscal 2023 net new center openings at high end of previous outlook Expects remaining fiscal 2023 financial results within or above previous outlook***

PLANO, Texas, Jan. 08, 2024 (GLOBE NEWSWIRE) -- Today, European Wax Center, Inc. (NASDAQ: EWCZ), the largest and fastest-growing franchisor and operator of out-of-home waxing services in the United States, provides an update ahead of its presentation at the 26th Annual ICR Conference.

David Willis, Chief Executive Officer of European Wax Center, Inc., stated: "In 2023, we delivered another year of strong unit growth with 100 net new center openings, 18 of which opened in the fourth quarter. The continued commitment of our franchise partners to growing the European Wax Center brand allows us to enter 2024 with a strong development pipeline and reinforces our confidence in our underlying business model. Additionally, we are pleased with our execution of driving guest reservations during the fourth quarter. Our core guests, which include both Wax Pass and routine guests, continue to choose European Wax Center for their personal care needs, representing a recurring revenue stream for our franchisees, and in turn, our business. We remain focused on expanding our leadership position in out-of-home hair removal and creating additional value for our franchisees and shareholders."

The Company reports preliminary fiscal 2023 results of:

- **100 net new center openings**, at high end of previous outlook of 98 to 100

### **Fiscal 2023 Outlook**

The Company updates its previous fiscal 2023 outlook for the following metrics:

	<b>Fiscal 2023 Outlook (Current)</b>	<b>Fiscal 2023 Outlook (Previous)</b>
System-Wide Sales	\$952 million to \$955 million	\$945 million to \$955 million
Total Revenue	\$218 million to \$219 million	\$217 million to \$219 million
Same-Store Sales	2.5% to 2.8%	1.5% to 2.5%

The Company reiterates its previous fiscal 2023 outlook for the following metrics:

	<b>Fiscal 2023 Outlook (Current)</b>
Adjusted Net Income	\$20.5 million to \$21.5 million
Adjusted EBITDA	\$74.5 million to \$76.0 million

The Company also repurchased approximately 1.7 million shares for \$23.5 million during the fourth quarter of 2023 and has cumulatively repurchased the full \$40 million authorized under its current share repurchase program.

The Company notes that its fiscal 2023 financial results are subject to quarter and year-end closing procedures, including a financial statement audit. The Company expects to publish its audited financial results for the fiscal year ended January 6, 2024 in early March 2024.

Management is scheduled to participate in a fireside chat at the ICR Conference 2024 today, Monday, January 8, 2024, at 9:00 a.m. EST. The live audio webcast can be accessed at the Company's investor relations website, <https://investors.waxcenter.com>. A replay of the broadcast will remain on the Company's investor relations website for one year.

### **About European Wax Center, Inc.**

European Wax Center, Inc. (NASDAQ: EWCZ) is the largest and fastest-growing franchisor and operator of out-of-home waxing services in the United States. European Wax Center locations perform more than 22 million services per year, providing guests with an unparalleled, professional personal care experience administered by highly trained wax specialists within the privacy of clean, individual waxing suites. The Company continues to revolutionize the waxing industry with its innovative Comfort Wax® formulated with the highest quality ingredients to make waxing a more efficient and relatively painless experience, along with its collection of proprietary products to help enhance and extend waxing results. By leading with its values – We Care About Each Other, We Do the Right Thing, We Delight Our Guests, and We Have Fun While Being Awesome – the Company is proud to be Certified™ by Great Place to Work®. European Wax Center, Inc. was founded in 2004 and is headquartered in Plano, Texas. Its network, which now includes more than 1,000 centers in 45 states, generated sales of nearly \$900 million in fiscal 2022. For more information, including how to receive your first wax free, please visit: <https://waxcenter.com>.

### **Forward-Looking Statements**

This press release includes "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking

statements in this press release include but are not limited to European Wax Center, Inc.'s strategy, outlook and growth prospects, its operational and financial outlook for fiscal 2023, its long-term targets and algorithm and statements by European Wax Center's executives. Words including "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "may," "might," "plan," "potential," "predict," "project," "seek," "should," "will," or "would," or, in each case, the negative thereof or other variations thereon or comparable terminology are intended to identify forward-looking statements. In addition, any statements or information that refer to expectations, beliefs, plans, projections, objectives, performance or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking.

These forward-looking statements are based on current expectations and beliefs. These statements are neither promises nor guarantees, but involve known and unknown risks, uncertainties and other important factors that may cause the Company's actual results, performance or achievements to be materially different results, performance or achievements expressed or implied by the forward-looking statements, including, but not limited to: the operational and financial results of its franchisees; the ability of its franchisees to enter new markets, select appropriate sites for new centers or open new centers; the effectiveness of the Company's marketing and advertising programs and the active participation of franchisees in enhancing the value of its brand; the failure of its franchisees to participate in and comply with its agreements, business model and policies; the Company's and its franchisees' ability to attract and retain guests; the effect of social media on the Company's reputation; the Company's ability to compete with other industry participants and respond to market trends and changes in consumer preferences; the effect of the Company's planned growth on its management, employees, information systems and internal controls; the Company's ability to retain or effectively respond to a loss of key executives; a significant failure, interruptions or security breach of the Company's computer systems or information technology; the Company and its franchisees' ability to attract, train, and retain talented wax specialists and managers; changes in the availability or cost of labor; the Company's ability to retain its franchisees and to maintain the quality of existing franchisees; failure of the Company's franchisees to implement business development plans; the ability of the Company's limited key suppliers, including international suppliers, and distribution centers to deliver its products; changes in supply costs and decreases in the Company's product sourcing revenue; the Company's ability to adequately protect its intellectual property; the Company's substantial indebtedness; the impact of paying some of the Company's pre-IPO owners for certain tax benefits it may claim; changes in general economic and business conditions; the Company's and its franchisees' ability to comply with existing and future health, employment and other governmental regulations; complaints or litigation that may adversely affect the Company's business and reputation; the seasonality of the Company's business resulting in fluctuations in its results of operations; the impact of global crises, such as the COVID-19 pandemic on the Company's operations and financial performance; the impact of inflation and rising interest rates on the Company's business; the Company's access to sources of liquidity and capital to finance its continued operations and growth strategy and the other important factors discussed under the caption "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2022 filed with the Securities and Exchange Commission (the "SEC"), as such factors may be updated from time to time in its other filings with the SEC, accessible on the SEC's website at [www.sec.gov](http://www.sec.gov) and Investors Relations section of the Company's website at [www.waxcenter.com](http://www.waxcenter.com).

These and other important factors could cause actual results to differ materially from those indicated by the forward-looking statements made in this press release. Any forward-looking statement that the Company makes in this press release speaks only as of the date of such statement. Except as required by law, the Company does not have any obligation to update or revise, or to publicly announce any update or revision to, any of the forward-looking statements, whether as a result of new information, future events or otherwise.

#### **Disclosure Regarding Non-GAAP Financial Measures**

In addition to the financial measures presented in this release in accordance with U.S. Generally Accepted Accounting Principles ("GAAP"), the Company has included certain non-GAAP financial measures in this release, including Adjusted net income and Adjusted EBITDA. Management believes these non-GAAP financial measures are useful because they enable management, investors, and others to assess the operating performance of the Company.

We define Adjusted net income (loss) as net income (loss) adjusted for the impact of certain additional non-cash and other items that we do not consider in our evaluation of ongoing performance of our core operations. These items include exit costs related to leases of abandoned space, IPO-related costs, non-cash equity-based compensation expense, corporate headquarters office relocation, debt extinguishment costs, non-cash gains and losses on remeasurement of our tax receivable agreement liability, transaction costs and other one-time expenses.

We define Adjusted EBITDA as net income (loss) before interest, taxes, depreciation and amortization, adjusted for the impact of certain additional non-cash and other items that we do not consider in our evaluation of ongoing performance of our core operations. These items include exit costs related to leases of abandoned space, IPO-related costs, non-cash equity-based compensation expense, corporate headquarters office relocation, non-cash gains and losses on remeasurement of our tax receivable agreement liability, transaction costs and other one-time expenses. Please refer to the reconciliations of non-GAAP financial measures to their GAAP equivalents located in our most recent earnings release dated November 8, 2023.

This release includes forward-looking guidance for certain non-GAAP financial measures, including Adjusted EBITDA and Adjusted net income. These measures will differ from net income (loss), determined in accordance with GAAP, in ways similar to those described in our most recent earnings release dated November 8, 2023. We are not able to provide, without unreasonable effort, guidance for net income (loss), determined in accordance with GAAP, or a reconciliation of guidance for Adjusted EBITDA and Adjusted net income (loss) to the most directly comparable GAAP measure because the Company is not able to predict with reasonable certainty the amount or nature of all items that will be included in net income (loss).

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