

The logo consists of a red square with the text "EUROPEAN WAX CENTER" in white, stacked vertically. The word "EUROPEAN" is at the top, "WAX" is in the middle, and "CENTER" is at the bottom with a registered trademark symbol (®) to its right. The background of the slide is a close-up of a wax warmer with a purple wax candle melting inside, set against a light purple background.

EUROPEAN  
WAX  
CENTER®

20 Years of Smooth

# European Wax Center

Investor Presentation

September 2024

# Disclaimer

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This Presentation contains forward-looking statements. You should not place undue reliance on forward-looking statements because they are subject to numerous uncertainties and factors relating to our operations and business environment, all of which are difficult to predict and many of which are beyond our control. Forward-looking statements include information concerning our possible or assumed future results of operations, including descriptions of our business strategy. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “might,” “plan,” “potential,” “predict,” “projection,” “seek,” “should,” “will” or “would,” or, in each case, their negative, or other variations or comparable terminology and expressions. The forward-looking statements include, among other things, statements relating to our strategy, outlook and growth prospects, our operational and financial targets, general economic trends and trends in the industry, markets and competitive environment in which we operate. These statements are based on assumptions that we have made in light of our experience in the industry as well as our perceptions of historical trends, current conditions, expected future developments and other factors we believe are appropriate under the circumstances as of the date of this Presentation. As you view and consider this Presentation, you should understand that these statements are not guarantees of performance or results and that our actual results of operations, financial condition and liquidity, and the development of the industry in which we operate, may differ materially from those made in or suggested by the forward-looking statements contained in this Presentation. By their nature, forward-looking statements involve known and unknown risks and uncertainties, including the risks outlined under “Risk Factors” in our filings with the SEC, which may cause actual results to differ materially from any results expressed or implied by any forward-looking statement. Although we believe that the forward-looking statements contained in this Presentation are based on reasonable assumptions, the information available to us may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. We do not undertake to revise forward-looking statements to reflect future events or circumstances.

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We include in this Presentation statements regarding factors that have impacted our industry. Such statements are statements of belief and are based on industry data and forecasts that we have obtained from internal company surveys, publicly available information, industry publications and surveys and third-party studies. Industry publications, surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of such information. Certain market, ranking and industry data included in the Presentation, including the size of certain markets and our size or position and the positions of our competitors within these markets, including our services relative to our competitors, are based on estimates of our management. These estimates have been derived from our management’s knowledge and experience in the market in which we operate, as well as information obtained from internal company surveys, industry publications and surveys, third-party studies and other publicly available information related to the market in which we operate. Unless otherwise noted, all of our market share and market position information presented in this Presentation is an approximation based on management’s knowledge. In addition, while we believe that the industry information included herein is generally reliable, such information is inherently imprecise. While we are not aware of any misstatements regarding the industry data presented herein, our estimates involve risks and uncertainties and are subject to change based on various factors.

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# Executive Summary

20 Years of Smooth

# Overview of European Wax Center

European Wax Center is *the largest and fastest-growing* provider of out-of-home (“OOH”) waxing services



## CATEGORY CREATOR and LEADER

Professionalized OOH waxing experience  
Only player with a national footprint and 6x larger than next competitor  
Performed over 23 million waxing services via 15+ million guest visits in FY 2023



## FAVORABLE MARKET DYNAMICS

Addresses a recurring human need  
Fragmented and growing market  
Considerable market penetration opportunity remains



## COMPELLING ASSET-LIGHT FRANCHISE MODEL

Stable, recurring revenue  
Largely fixed SG&A structure supports long-term margin opportunity  
Strong cash flow conversion  
Demonstrated resilience



## ATTRACTIVE AND HIGHLY PREDICTABLE CENTER LEVEL ECONOMICS

Modest upfront investment  
Consistent maturation curve  
Strong cash-on-cash returns  
Drives reinvestment in the network



## GUEST EXPERIENCE AND LOYALTY PROGRAM DRIVE STICKINESS

Over 75% of sales from our Core guests (Wax Pass holders and Routine guests)  
Non-discretionary service for our Core Guests



## DIFFICULT TO REPLICATE AND COMPETITIVELY MOATED

Unmatched scale, superior guest experience, strong loyalty,  
established pipeline of wax specialists, committed franchise partners

## TANGIBLE GROWTH OPPORTUNITY

## OUR STRONG FINANCIAL FOUNDATION

**1,044**

Centers<sup>1</sup>

**\$221M**

FY 2023 revenue<sup>1</sup>

**\$955M**

FY 2023 system-wide sales<sup>1</sup>

**34.4%**

FY 2023 Adj. EBITDA margin<sup>2</sup>

**+2.9%**

FY 2023 SSS

**\$55M**

FY 2023 Free Cash Flow<sup>3</sup>

1. As of January 6, 2024 on a 53 week basis.

2. See Appendix for reconciliations of our non-GAAP financial measures.

3. Defined as Operating Cash Flow less Investing Cash Flows.

# Unmatched scale in a large, growing and fragmented market

**~\$18B<sup>2</sup>**

total hair removal  
addressable  
domestic market

## Relative Growth Rate

(2015-2019)

**~3%**

total hair removal  
addressable domestic  
market CAGR

vs.

**~8%<sup>2</sup>**

OOH waxing  
market CAGR

**EUROPEAN  
WAX  
CENTER®**

**~\$1.0B**

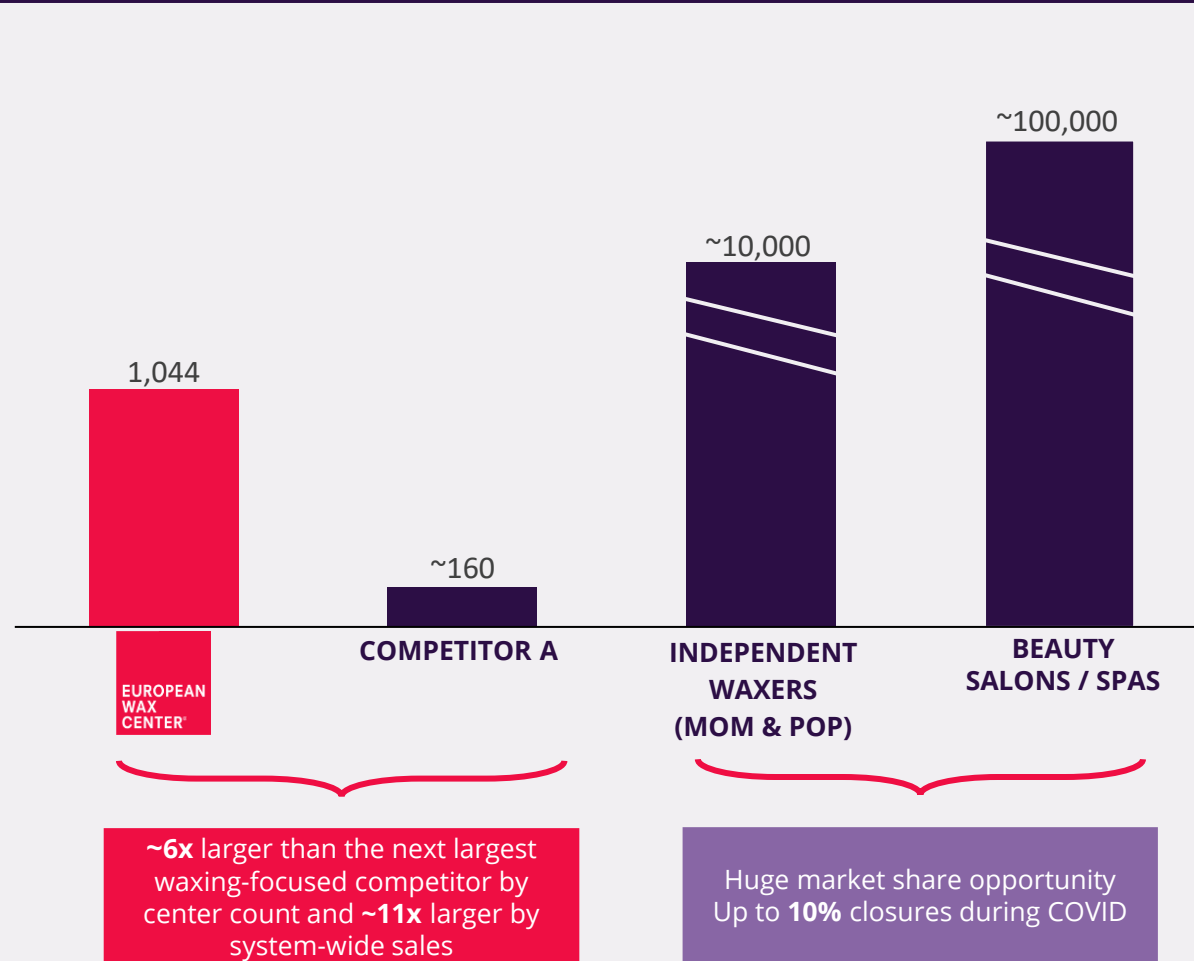
realized market

**~5%**

Market share vs.  
Total hair removal  
market

1. EWC and Competitor A center count as of January 6, 2024.
2. Based on industry data and forecasts obtained from internal company surveys, publicly available information, industry publications and surveys and third-party studies prior to our 2021 initial public offering.

## CENTER COUNT<sup>1,2</sup>




# Waxing provides our guests with benefits surpassing other temporary hair removal methods

	WAXING AT 	SHAVING	SUGARING
COST PER SESSION	\$12 – \$92	LESS	MORE
TIME SPENT	15 – 30 MINUTES / MONTH	MUCH MORE	MORE
FREQUENCY	1 – 2 TIMES / MONTH	MUCH MORE	SAME
EXPERIENCE	CLEAN, PROFESSIONAL	DIY	MESSIER

EWC boosts guest confidence and provides them a **cost-effective** and **time-efficient** way to maintain personal hygiene – creating the ultimate outcome in terms of **results, time** and **value**.

We are also testing **Laser Hair Removal** as an addition to our core service offering and evaluating its potential to **attract** new guests, **increase** share of wallet from existing guests, and **enhance** already-compelling 4-wall economics.

# Our differentiated guest experience and scale provide us with a competitive moat

	 EUROPEAN WAX CENTER	OTHER PURE PLAY WAXERS	NAIL / BEAUTY SALONS	MOM & POP WAXING
<b>INSTILL TRUST</b>	✓ LARGEST OOH WAXING BRAND IN THE U.S.			✓
<b>INSTILL REPEAT BEHAVIOR</b>	✓ CORE GUESTS VISIT 7X – 8X PER YEAR, COMPRISING ~75% OF NETWORK SALES			
<b>HIGH QUALITY SERVICE / HOSPITALITY ORIENTATION</b>	✓ WAX SPECIALISTS MUST COMPLETE PROPRIETARY TRAINING PROGRAM IN ADDITION TO BEING LICENSED	✓		
<b>FOCUS ON HYGIENE STANDARDS</b>	✓ INDUSTRY-LEADING HYGIENE STANDARDS	✓		
<b>DIFFERENTIATED EXPERIENCE</b>	✓ SCALE-BASED TECH INVESTMENT & PROPRIETARY COMFORT WAX® FORMULA			
<b>ANYWHERE, ANYTIME CONVENIENCE</b>	✓ OVER 1,040 LOCATIONS IN 45 STATES TO CHOOSE FROM		✓	
<b>COST EFFICIENT, SAFE &amp; HIGHLY EFFECTIVE</b>	✓ SERVICES START AS LOW AS \$12 PER SESSION AND MOST PERFORMED IN LESS THAN 15 MINUTES	✓	✓	✓



# Competitive Moat

<p><b>SCALE</b></p>	<ul style="list-style-type: none"> <li>• National footprint of 1,040+ locations</li> <li>• Sourcing efficiencies and cost negotiations through our leading scale</li> <li>• As category leader, we maintain pricing power to protect gross profit and franchisee 4-wall margins</li> </ul>
<p><b>GUEST EXPERIENCE</b></p>	<ul style="list-style-type: none"> <li>• Trusted</li> <li>• Expert</li> <li>• Consistent</li> <li>• Professional</li> <li>• Convenient</li> <li>• Proprietary</li> <li>• Tech-enabled</li> <li>• Industry-leading hygiene standards</li> <li>• Award-winning products</li> </ul>
<p><b>MARKETING &amp; LOYALTY PROGRAMS</b></p>	<ul style="list-style-type: none"> <li>• Driving retention for loyal guests through our pre-paid Wax Pass program</li> <li>• Large-scale, data driven national and local media partnerships</li> <li>• Leverage CRM to drive behaviors including purchasing a Wax Pass, attaching retail products, and adding new services</li> <li>• Loyalty program provides further incentives</li> </ul>
<p><b>PIPELINE OF WAX SPECIALISTS</b></p>	<ul style="list-style-type: none"> <li>• Nearly 9,000 licensed wax specialists trained through our award-winning programs</li> <li>• Reputable brand that is a leading employer of cosmetologists nationwide</li> <li>• Beauty school partnership program now includes 30+ schools</li> <li>• Website upgrades highlight compelling in-center experience for wax specialists and drive application conversion in centers</li> </ul>
<p><b>COMMITTED FRANCHISEE BASE</b></p>	<ul style="list-style-type: none"> <li>• Strong relationships with existing franchisees who comprise the vast majority of our development pipeline</li> <li>• Diverse franchisee base of small operators, multi-unit developers and large private equity-backed operators</li> <li>• Support services (pre-opening / training / monitoring / operational support / local marketing / best practices)</li> </ul>



# Superior Franchise Model

AUV<sup>2</sup>

**\$1.0M**

Ramp to Maturity

**5 years**

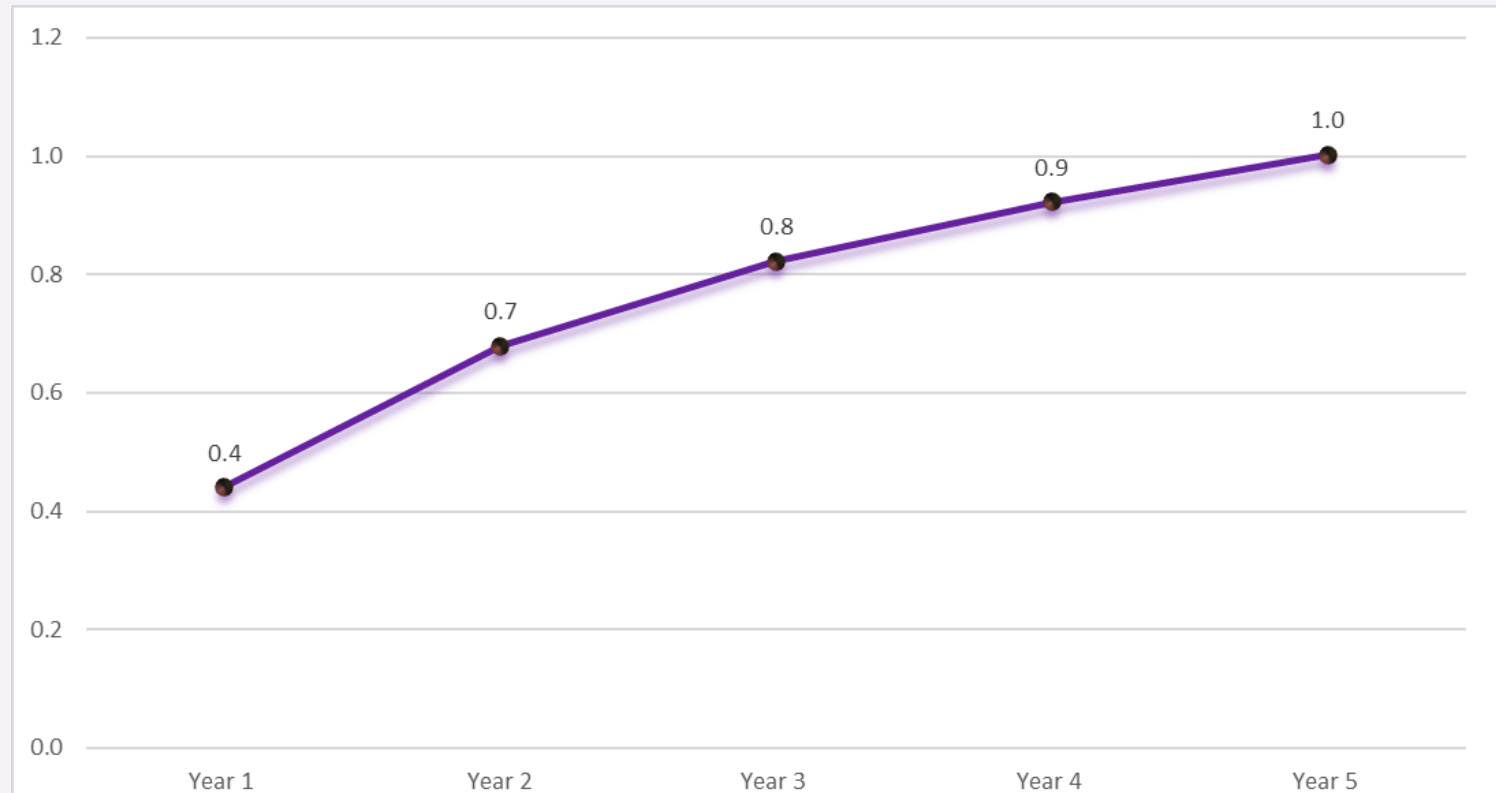
Investment<sup>3</sup>

**~\$450K**

Cash-on-Cash Return<sup>4</sup>

**50%+**

## AUV (\$M) PERFORMANCE<sup>1</sup>



## COHORTS RAMP WITH REMARKABLE CONSISTENCY

1. NCO ramp based on weighted-average AUV of centers opened between 2009-2022 excluding Covid impacted periods from the yearly averages.
2. Represents Year 5.
3. Assumes typical capital investment and initial operating expenses as reported by franchisee partners, along with franchise fee and start-up package. Investment may vary based on local market conditions.
4. Cash on cash return is an internal Company estimate based on unaudited results as reported by franchisee partners. It is calculated as Year 5 EBITDA divided by initial capital investment, franchise fee and start-up package.

# Resilient business model that performs through various economic cycles

## ENGAGEMENT REMAINS STRONG



Franchisee demand and core guest engagement remain strong despite rising interest rates and inflationary pressures



Center count increased **11%** in 2023 with **370+** licenses in pipeline



Wax Pass holders and Routine guests represent **~75%** of sales and have maintained EWC frequency and spending habits



Attractive value proposition with services starting at **\$12** and averaging **\$35**



Average guest household income of **\$100K+** with significantly higher income for our most engaged guests



Asset-light model drives outsized free cash flow with **\$55M** in FY 2023

# Since IPO, our highly predictable model has continued to deliver...

01

Opened 200+ new centers, with a strong pipeline for anticipated strong future growth

02

System wide sales growth of ~31%

03

Revenue growth of ~36%

04

Adj EBITDA growth of ~39%

05

Enhanced our marketing capabilities and guest insights

06

Strong management team

07

Continue to test and learn, including launch of Laser Hair Removal pilot

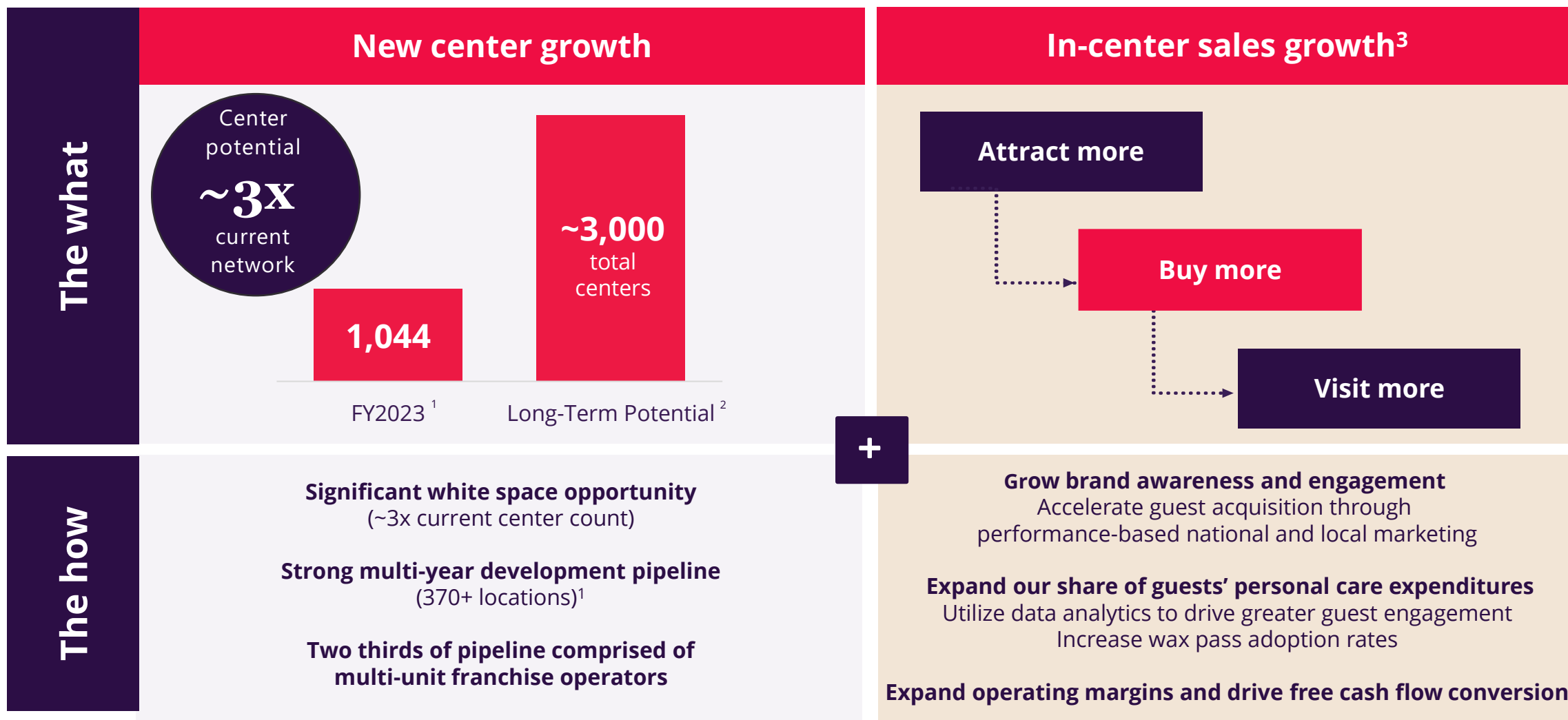


*Note: Growth measured through Q4 FY2023 as compared to Q3 FY2021 trailing twelve months.*



Our Focused  
Growth Opportunity

# Our compelling growth story



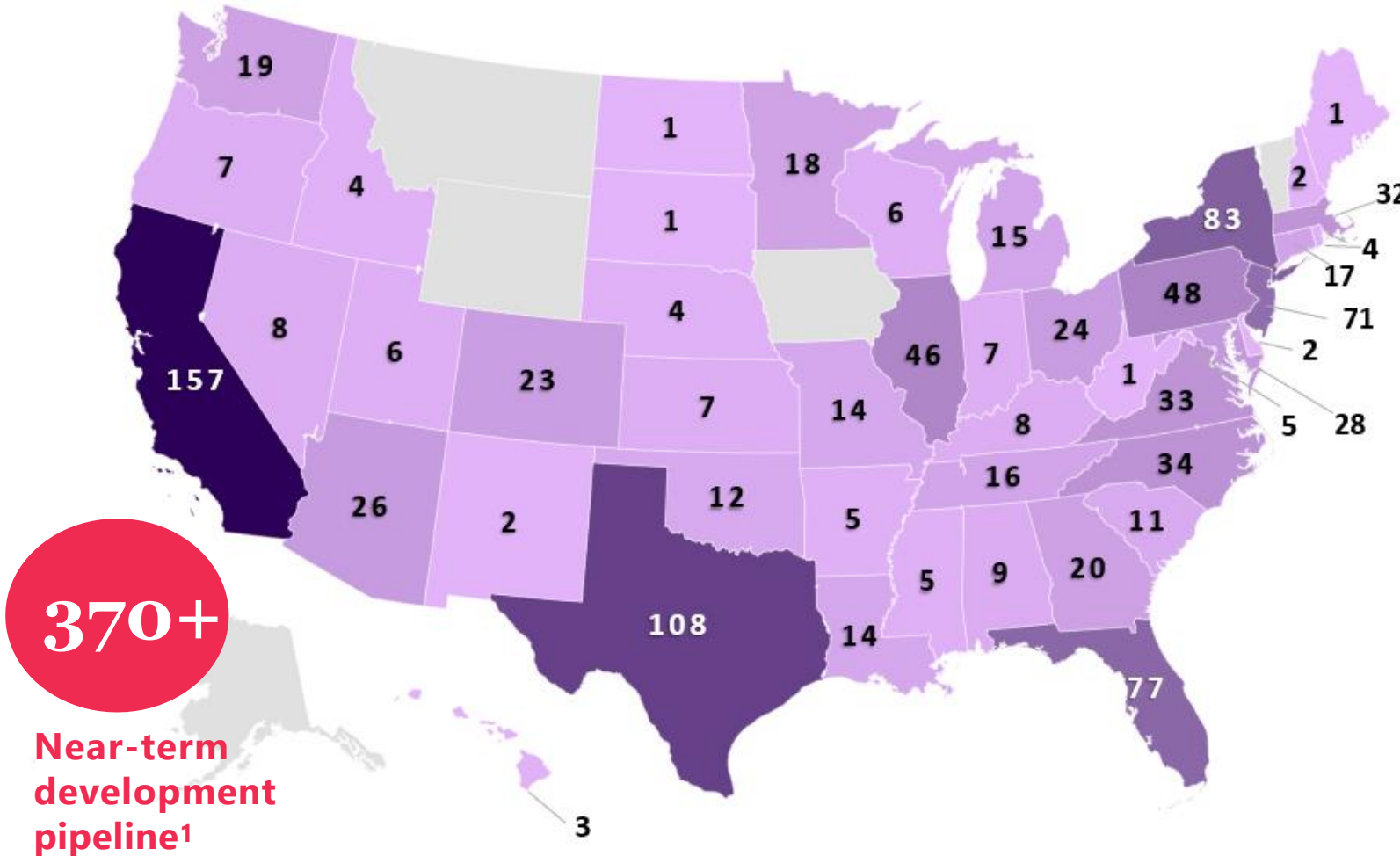
1. As of January 6, 2024.

2. Within the next 15 years.

3. Drives both system-wide sales and same-store sales growth



# We will grow our national footprint across new and existing markets



**370+**

Near-term development pipeline<sup>1</sup>

## PATH TO GROWTH

Partner with existing franchisees to fuel new center growth

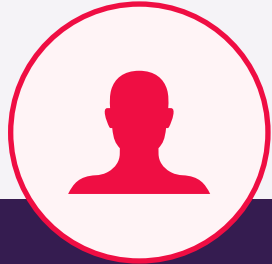
Grow density in key markets, leading to increased network effects and word of mouth marketing

While also focusing on markets with less development activity over the last few years

Provide ongoing franchisee support to ensure franchisee success

- New pre-opening playbook launched network wide
- Enhanced local marketing support and agency partnerships

# To drive sustained in-center sales growth, our formula is simple



**Attract more**  
*New guest growth*

Target with Multimedia

Activate Local Marketing

Motivate Guest Referrals

Ink the Right Partnerships



**Buy more**  
*Ticket value*

Increase Wax Pass Sales

Add On Services

Attach More Retail Product

Expand our Touchpoints



**Visit more**  
*Service frequency*

Action Guest Data

Reach with CRM

Find the Right Wax Pass

Retarget with Media

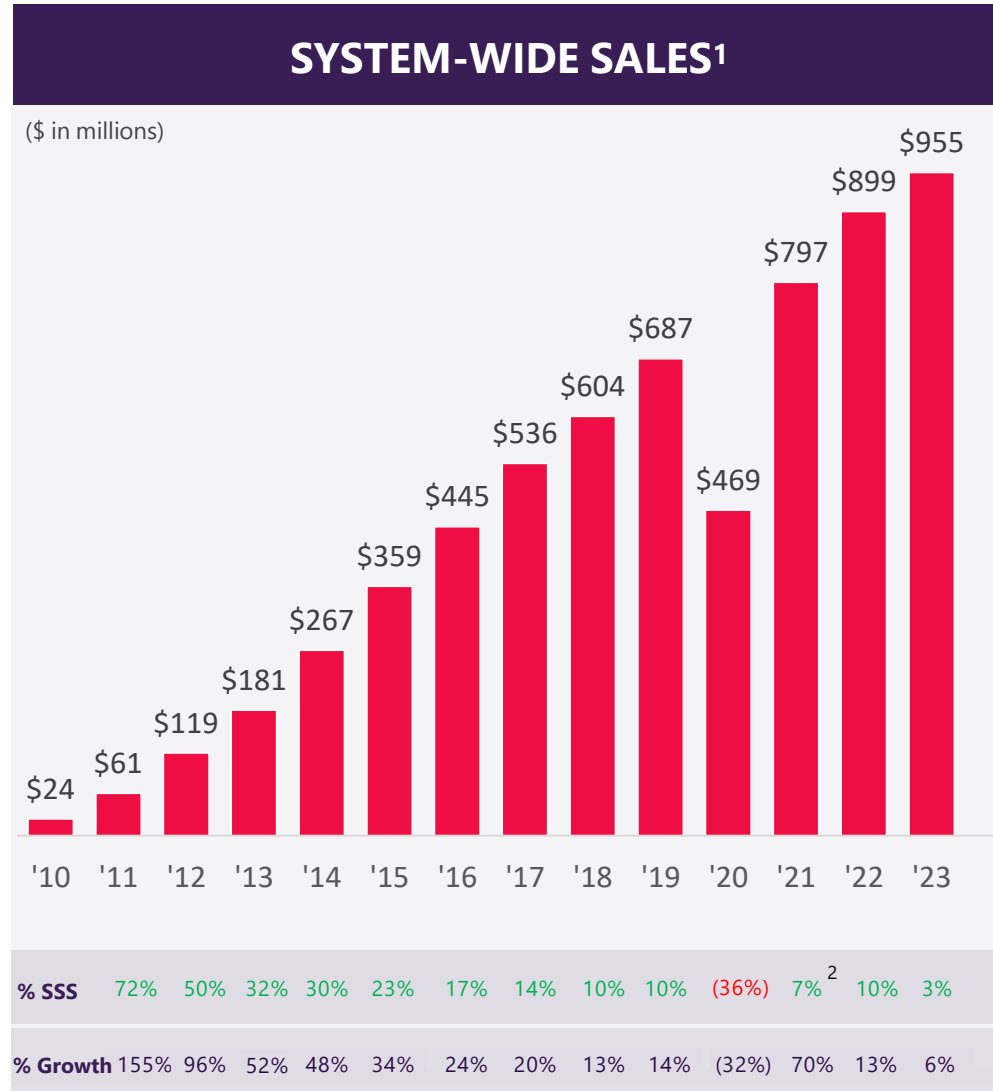
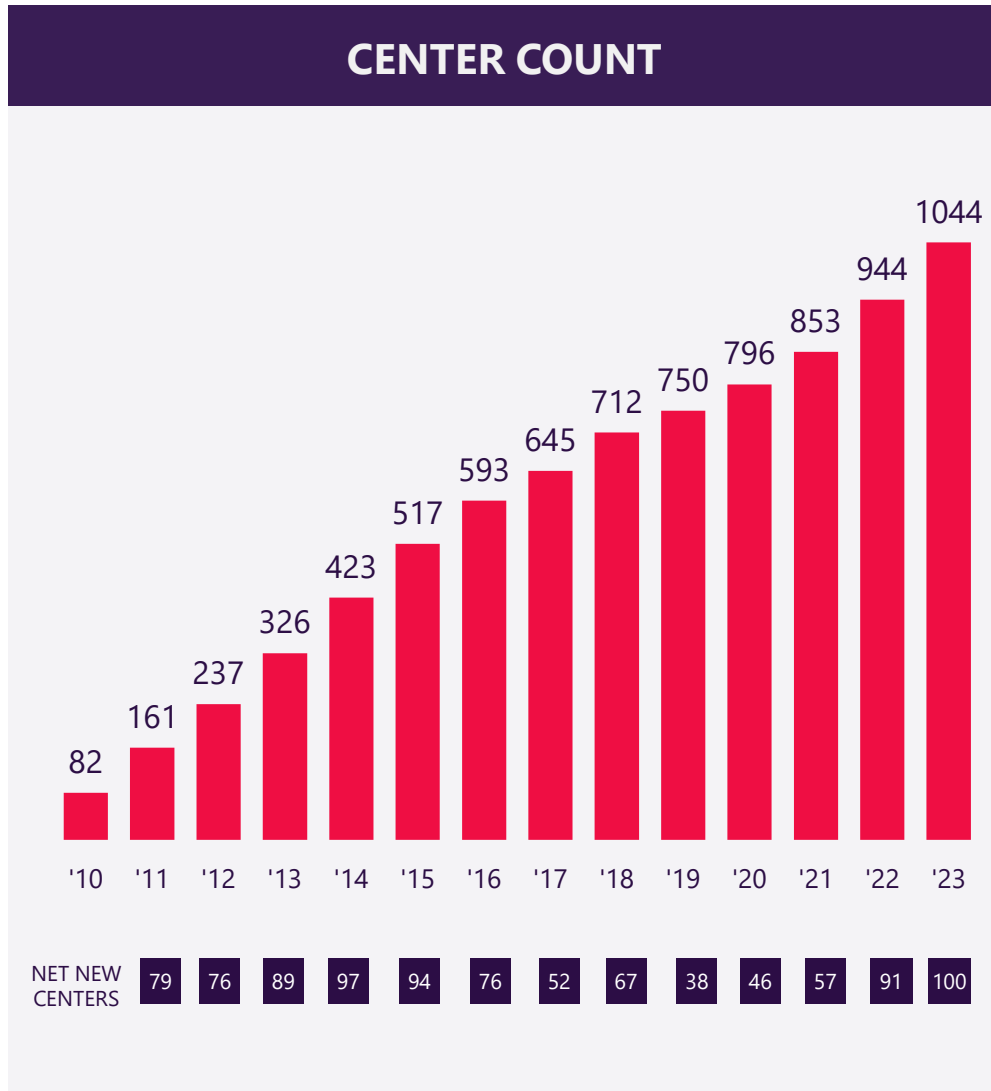




# Our Strong and Predictable Financial Performance

20 Years of Smooth

# Long track record of sustained growth



**9**  
Consecutive years of positive SSS growth through 2019

**22%**  
Center CAGR (2010-2023)

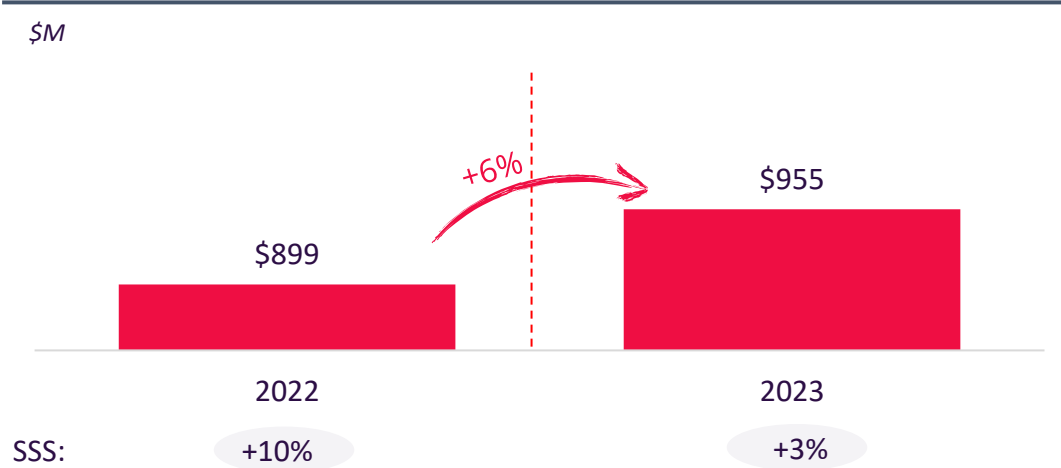
**33%**  
System-wide sales CAGR (2010-2023)

1. Represents sales from same day services, retail sales and cash collected from wax passes.

2. Same-store sales increase for the year ended December 25, 2021 is calculated in comparison to the year ended December 28, 2019 due to the significant decline in our sales in 2020 due to COVID-19.

# Recurring revenue streams generate resilient profitability

## System-Wide Sales<sup>1</sup>



## KEY HIGHLIGHTS

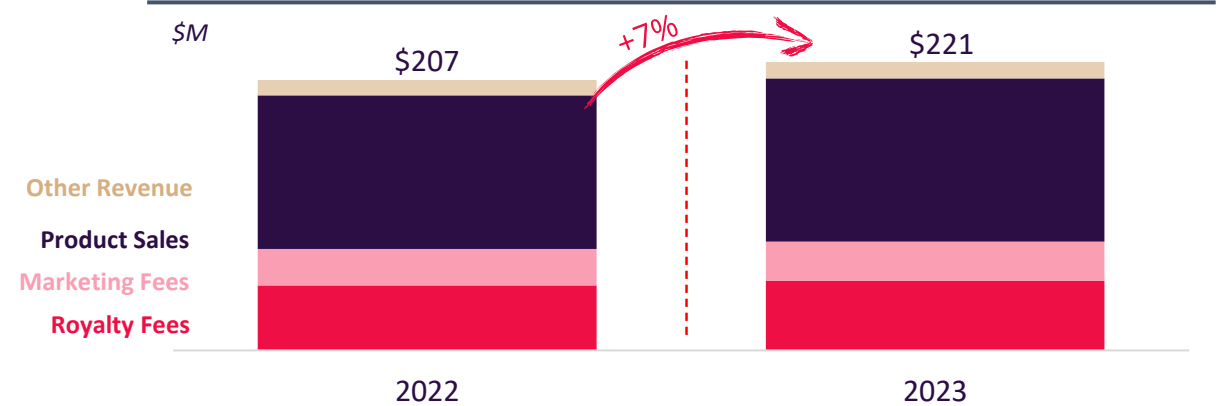
### The network:

- Wax Pass program fosters loyalty and return visits
- 50%+ cash-on-cash returns at maturity<sup>2</sup>

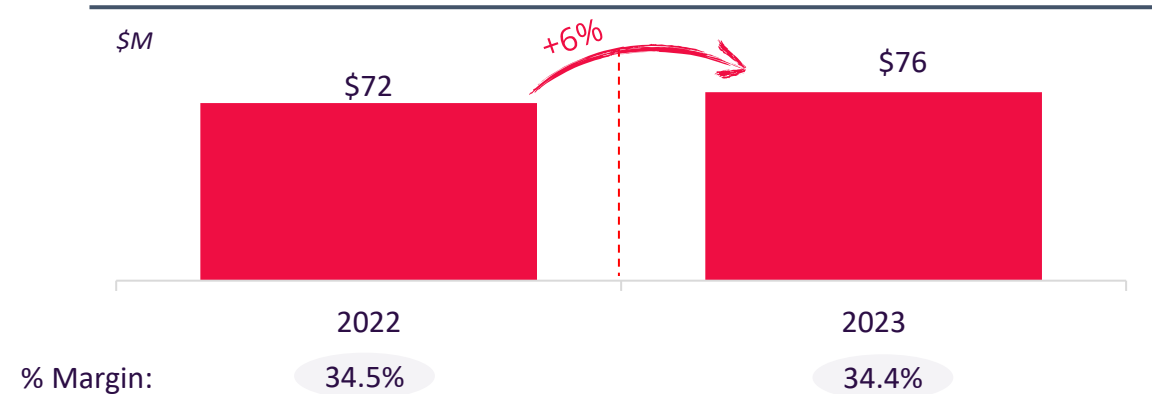
### European Wax Center, Inc:

- Highly predictable recurring revenue model via Product Sales (Comfort Wax and retail products) and Royalty Fees
- Asset-light and largely fixed SG&A structure generates strong margins

## Revenue



## Adjusted EBITDA<sup>3</sup>



1. Represents sales from same day services, retail sales and cash collected from wax passes.

2. Cash on cash return is an internal Company estimate based on unaudited results as reported by franchisee partners. It is calculated as Year 5 EBITDA divided by initial capital investment, franchise fee and start-up package

3. See Appendix for reconciliations of our non-GAAP financial measures.

# Capital structure supports continued growth

## FY2023 Net Leverage

(\$M)	1/06/2024
Total Debt	\$394
Cash	\$59
<b>Net Debt</b>	<b>\$334</b>
<b>Adj. EBITDA</b>	<b>\$76</b>
<b>Net Debt / Adj. EBITDA</b>	<b>4.4x</b>

## Capital Allocation Framework

Preserve Liquidity

Cash Surplus to Support Growth

Locked in Attractive Long-Term Interest Rate

Return Capital to Shareholders

We are committed to optimizing our capital structure as evidenced by \$90M in cumulative share repurchase authorizations. Given the growing cash flow of our business, we expect to be able to further de-lever over time.

# Our outlook – FY 2024

## Two Growth Vectors Drive Achievement of Our Financial Outlook

Unit Growth

+

In-Center Sales Growth

**27 – 32**

**Net New Center  
Openings**



**ATTRACT MORE**

*New guest growth*

**\$930M – \$950M**  
System-Wide Sales



**BUY MORE**

*Build visit value*

**\$216M – \$221M**  
EWC Revenue



**VISIT MORE**

*Increase wax pass  
conversion and loyalty*

**(1.5)% – 0.5%**  
Same Store Sales

Pipeline of **370+** Licenses<sup>1</sup>

Drives **\$70M – \$74M** Adj. EBITDA<sup>2</sup>

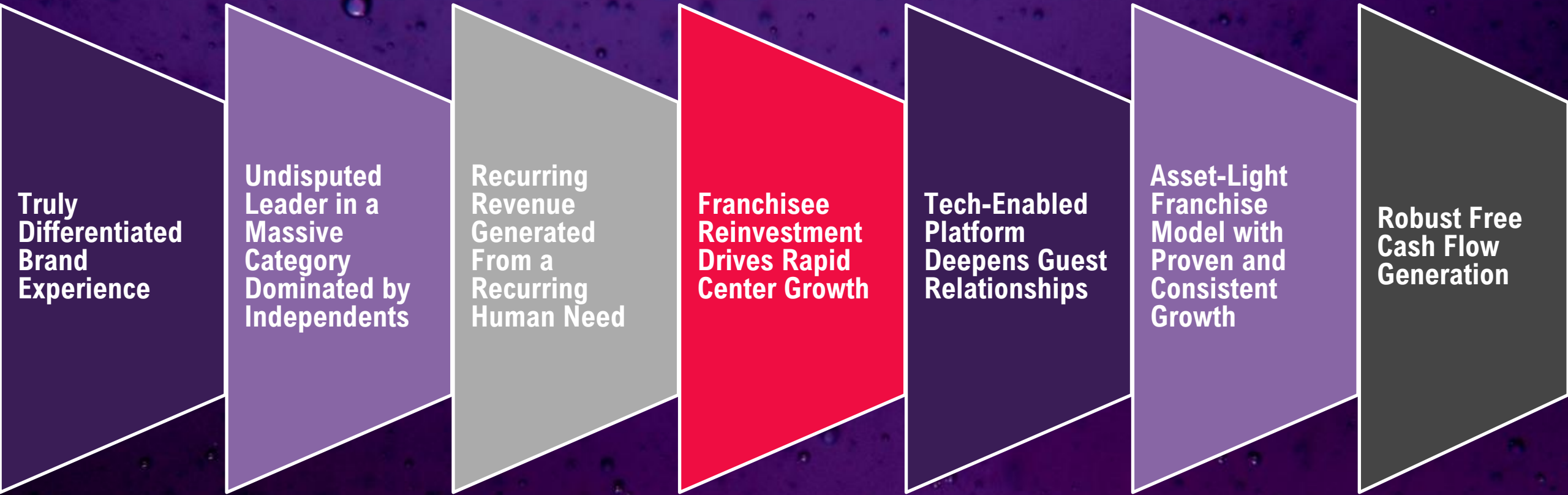
1. Pipeline of signed licenses as of January 6, 2024.

2. Includes approximately \$4M of costs related to Company's investment in laser hair removal.

# Long-term financial growth framework

METRIC	LONG-TERM TARGET
UNIT GROWTH	High Single-Digits
ANNUAL SSS	High Single-Digits
ANNUAL REVENUE GROWTH	Low Double-Digit
ADJUSTED EBITDA GROWTH	Low-to-Mid Teens

# Our investment highlights



20 Years of Smooth



# Appendix

# EBITDA and Adjusted EBITDA reconciliation

Adjusted EBITDA	For the Years Ended	
	January 6, 2024	December 31, 2022
(in thousands)		
Net income	\$12,346	\$13,613
Interest expense, net	26,686	23,626
Income tax expense (benefit)	6,236	-53,191
Depreciation and amortization	20,170	20,231
EBITDA	\$65,438	\$4,279
Equity-based compensation <sup>(1)</sup>	10,988	9,033
Remeasurement of tax receivable agreement liability <sup>(2)</sup>	-412	56,228
Transaction costs <sup>(3)</sup>	—	1,405
Other <sup>(4)</sup>	—	666
Adjusted EBITDA	\$76,014	\$71,611
Adjusted EBITDA margin	34.4%	34.5%

(1) Represents non-cash equity-based compensation expense.

(2) Represents non-cash expense related to the remeasurement of our tax receivable agreement liability and contractual cash interest paid on our tax receivable liability.

(3) Represents costs related to our secondary offering of Class A common stock by selling stockholders and certain costs incurred in connection with our securitization transaction.

(4) Represents non-core operating expenses identified by management. For fiscal year 2022 these costs relate to executive severance.