UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): August 9, 2023

EUROPEAN WAX CENTER, INC.
(Exact name of Registrant as Specified in Its Charter)

Delaware	**001-40714**	**86-3150064**
(State or Other Jurisdiction of Incorporation)	**(Commission File Number)**	**(IRS Employer Identification No.)**

5830 Granite Parkway, 3rd Floor Plano, Texas	**75024**
(Address of Principal Executive Offices)	**(Zip Code)**

Registrant's Telephone Number, Including Area Code: (469) 264-8123

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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 $0.00001 per share	EWCZ	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

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. ☐

Item 2.02 Results of Operations and Financial Condition.

On August 9, 2023, European Wax Center, Inc. (the “Company”) issued the press release attached hereto as Exhibit 99.1 reporting its financial results for the 13 and 26 weeks ended July 1, 2023.

All of the information included in Items 2.02 and 9.01 of this report and Exhibit 99.1 hereto is being furnished and shall not be deemed to be “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, and shall not be incorporated by reference in any filing under the Securities Act of 1933, as amended (the “Securities Act”) or the Exchange Act, regardless of any general incorporation language in such filings, unless expressly incorporated by specific reference in such filing.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Departure of Principal Executive Officer

On August 9, 2023, the Company announced that David Berg will depart from his position as Chief Executive Officer of the Company, effective September 30, 2023. As of such date, Mr. Berg will remain an employee of the Company and will assume the position of Executive Chair of the Company’s Board of Directors (the “Board”). In connection with his appointment as Executive Chair, Mr. Berg’s annual base salary will be reduced to $100,000 and he will remain eligible to participate in the Company’s bonus program with a target bonus of 100% of base salary.

Appointment of Principal Executive Officer

In connection with Mr. Berg’s departure as Chief Executive Officer, the Company announced on August 9, 2023 that David Willis, who has served the Company as President and Chief Operating Officer, will assume the role of Chief Executive Officer effective as of September 30, 2023.

Mr. Willis, age 52, first joined the Company in 2016 and served as Chief Financial Officer until July 2020, and again from January 2022 to March 2023. Mr. Willis has served as Chief Operating Officer since September 2019, and in March 2023, he was elevated to President. Prior to joining the Company, Mr. Willis served as an Operating Partner for Riata Capital Group, LLC from October 2014 to July 2016, as Chief Financial Officer of Williams Industrial Services Group Inc. (f/k/a Global Power Equipment Group Inc.) from January 2008 to November 2013, and as a Senior Director at Alvarez & Marsal from September 2001 to January 2008. Mr. Willis received a B.B.A. in accounting from the University of Oklahoma and an M.B.A. from the University of Tulsa.

In connection with the appointment of Mr. Willis as Chief Executive Officer, Mr. Willis’ annual base salary will be $600,000 and he will be eligible to participate in the Company’s bonus program with a target bonus of 100% of base salary. In addition, on August 9, 2023, the Board approved a grant of equity awards to Mr. Willis with an aggregate grant date fair value of $162,500 to be made to Mr. Willis on September 30, 2023 in connection with his appointment as Chief Executive Officer. An award having approximately fifty percent of the aggregate grant date fair value will be made in the form of restricted stock units (“RSUs”) and the other fifty percent will be made in the form of stock options with an exercise price equal to 120% of the closing price of a share of the Company’s Class A common stock on the date the stock option is granted. The RSUs will vest in equal installments on each of the first three anniversaries of the grant date, and the options will be exercisable in full on the third anniversary of the grant date, generally subject to continued employment through the applicable vesting date.

Appointment of Directors

On August 9, 2023, the Board appointed Mr. Willis as a member of the Board as a Class I director, effective September 30, 2023.

Mr. Willis does not have any family relationships with any director, officer or person nominated or chosen by the Company to become a director or executive officer of the Company. There is no arrangement or understanding between Mr. Willis and any other person pursuant to which he was appointed Chief Executive Officer of the Company. There are no transactions involving Mr. Willis requiring disclosure under Item 404(a) of Regulation S-K.

Mr. Willis will receive the compensation outlined in this Section 5.02 of this Current Report on Form 8-K for his service as the Company’s Chief Executive Officer, but will receive no additional compensation for his service as a member of the Board.

Item 7.01 Regulation FD.

The Company issued a press release in connection with the announcement of the leadership updates described above, a copy of which is furnished herewith as Exhibit 99.2.

All of the information included in this Item 7.01 the accompanying exhibit is being furnished and shall not be deemed to be “filed” for the purposes of Section 18 of the Exchange Act, or otherwise subject to the liabilities of that section, and shall not be incorporated by reference in any filing under the Securities Act or the Exchange Act, regardless of any general incorporation language in such filings, unless expressly incorporated by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits

Exhibit Number	Description
99.1	Press release reporting financial results for the 13 and 26 weeks ended July 1, 2023, issued by European Wax Center, Inc. on August 9, 2023.
99.2	Press release announcing leadership updates issued by European Wax Center, Inc. on August 9, 2023.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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.

	EUROPEAN WAX CENTER, INC.
Date: August 9, 2023	By: /s/ GAVIN M. O'CONNOR
	Name: Gavin M. O'Connor
	Title: Chief Legal Officer, Chief Human Resources Officer and Corporate Secretary

EXHIBIT 99.1

European Wax Center, Inc. Reports Second Quarter Fiscal Year 2023 Results

Achieves milestone 1000th center opening
Reiterates fiscal 2023 outlook

Second Quarter Fiscal 2023 versus 2022

- Net new centers increased 12.3% to 1,003 total centers in 45 states
- System-wide sales of $254.2 million increased 10.0%
- Total revenue of $59.1 million increased 10.7%
- Same-store sales increased 2.6%
- GAAP net income of $5.6 million increased 175.4%
- Adjusted EBITDA of $21.2 million increased 13.8%

Plano, TX, August 9, 2023 - 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, reports financial results for the 13 and 26 weeks ended July 1, 2023.

David Berg, Chief Executive Officer of European Wax Center, Inc. stated: "We are pleased to deliver second quarter results in line with our expectations, reinforcing the strength and consistency of the European Wax Center business model. Our guests remain committed to both their personal care routines and our brand as evidenced by 10% system-wide-sales growth during the quarter and another strong semiannual promotion period that drove double digit growth in Wax Pass sales. Including our milestone 1000th center, we opened 25 net new centers across 19 states, highlighting continued strong demand among franchisees of all sizes and geographies. Driven by attractive unit economics, our existing franchisee base accounted for 100% of second quarter new units and continues to fuel our future growth. The predictable nature of our most loyal guests, coupled with our robust unit pipeline, gives us confidence in reiterating our full-year financial expectations for 2023."

Results for the Second Quarter of Fiscal 2023 versus Fiscal 2022

- Franchisees opened 25 net new centers, and we ended the quarter with 1,003 centers, representing a 12.3% increase versus 893 centers in prior year period.
- System-wide sales of $254.2 million grew 10.0% from $231.1 million in the prior year period, primarily driven by net new centers opened over the past twelve months and increased spend by guests at existing centers.
- Total revenue of $59.1 million increased 10.7% from $53.4 million in the prior year period.
- Same-store sales increased 2.6%.
- Selling, general and administrative expenses ("SG&A") of $14.1 million decreased 7.2% from $15.2 million in the prior year period. SG&A as a percent of total revenue improved 460 basis points to 23.9% from 28.5%, primarily due to the nonrecurrence of professional fees related to the Company's refinancing and secondary offering in the prior year period.
- Interest expense of $6.8 million decreased from $8.1 million in the prior year period primarily due to the nonrecurrence of a $2.0 million loss on debt extinguishment, partially offset by the impact of higher average principal balances and interest rates following the Company's refinancing in the prior year period.
- Income tax expense was $2.8 million compared to a negligible amount in the prior year period.
- Net income of $5.6 million increased 175.4% from $2.0 million in the prior year period. Adjusted net income of $5.8 million decreased 22.4% from $7.4 million in the prior year period, primarily due to the impact of tax-related adjustments in the current year.
- Adjusted EBITDA of $21.2 million increased 13.8% from $18.6 million in the prior year period. As a percent of total revenue, Adjusted EBITDA margin increased 100 basis points to 35.9% from 34.9%.

Year-to-Date Results through the Second Quarter of Fiscal 2023 versus Fiscal 2022

- Franchisees opened 59 net new centers in the first half of fiscal 2023.
- System-wide sales of $472.6 million grew 7.9% from $438.0 million in the prior year-to-date period, primarily driven by net new centers opened over the past twelve months and increased spend by guests at existing centers.
- Total revenue of $109.0 million increased 10.3% from $98.8 million in the prior year-to-date period.
- Same-store sales increased 3.4%.
- SG&A of $31.4 million increased 2.3% from $30.7 million in the prior year-to-date period. SG&A as a percent of total revenue improved 230 basis points to 28.8% from 31.1%, primarily due to a reduction in professional fees related to the Company’s refinancing and secondary offering in the prior year period, partially offset by increased share-based compensation expense in the current year.
- Interest expense of $13.6 million increased from $9.6 million in the prior year-to-date period due to higher average principal balances and interest rates following the Company’s refinancing, partially offset by the nonrecurrence of a $2.0 million loss on debt extinguishment.
- Income tax expense was $2.3 million compared to a negligible amount in the prior year-to-date period.
- Net income of $4.5 million decreased from net income of $6.1 million in the prior year-to-date period. Adjusted net income of $9.2 million decreased from $16.0 million in the prior year-to-date period, primarily due to the impact of tax-related adjustments in the current year.
- Adjusted EBITDA of $37.5 million increased 11.0% from $33.8 million in the prior year-to-date period. As a percent of total revenue, Adjusted EBITDA margin increased 20 basis points to 34.4% from 34.2%.

Balance Sheet and Cash Flow

The Company ended the quarter with $54.4 million in cash and cash equivalents, $7.0 million in restricted cash, $396.0 million in borrowings outstanding under its senior secured notes and no outstanding borrowings under its revolving credit facility. Net cash provided by operating activities totaled $17.0 million during the quarter.

Fiscal 2023 Outlook(1)

The Company reiterates its previous outlook for fiscal year 2023 as follows:

	Fiscal 2023 Outlook
New Center Openings, Net	95 to 100
System-Wide Sales	$965 million to $990 million
Total Revenue	$222 million to $229 million
Same-Store Sales	Mid-Single Digits
Adjusted Net Income(2)	$22 million to $24.5 million
Adjusted EBITDA	$77 million to $80 million

(1) Fiscal 2022 and Fiscal 2023 each include a 53rd week in the fourth quarter. The Company estimates the 53rd week contribution to the top and bottom line is worth approximately one half of an average fourth quarter week. The Company's current outlook assumes no meaningful change in consumer behavior driven by inflationary pressures or the COVID-19 pandemic and no further impacts from incremental tightening in the labor market beyond what we see today.
(2) Adjusted net income outlook assumes a 20% blended statutory tax rate for Fiscal 2023.

See “Disclosure Regarding Non-GAAP Financial Measures” and the reconciliation tables that accompany this release for a discussion and reconciliation of certain non-GAAP financial measures included in this release.

Webcast and Conference Call Information

European Wax Center, Inc. will host a conference call to discuss second quarter fiscal 2023 results today, August 9, 2023, at 8:00 a.m. ET/7:00 a.m. CT. To access the conference call dial-in information, analysts should click here to register online at least 15 minutes before the start of the call. All other participants are asked to access the earnings webcast via https://investors.waxcenter.com. A replay of the webcast will be available two hours after the call and archived on the same web page 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. In 2022 its network of 944 centers in 45 states generated sales of nearly $900 million. 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 and its long-term targets and algorithm, including but not limited to statements under the heading “Fiscal 2023 Outlook” and statements by European Wax Center’s executive. 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 of 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 and Investors Relations section of the Company’s website at 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 EBITDA and Adjusted net income. 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 EBITDA as net income (loss) before interest, taxes, depreciation and amortization. We believe that EBITDA, which eliminates the impact of certain expenses that we do not believe reflect our underlying business performance, provides useful information to investors to assess the performance of our business.

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.

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. Please refer to the reconciliations of non-GAAP financial measures to their GAAP equivalents located at the end of this release.

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 the reconciliations at the end of this release. 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).

Glossary of Terms for Our Key Business Metrics
System-Wide Sales. System-wide sales represent sales from same day services, retail sales and cash collected from wax passes for all centers in our network, including both franchisee-owned and corporate-owned centers. While we do not record franchised center sales as revenue, our royalty revenue is calculated based on a percentage of franchised center sales, which are 6.0% of sales, net of retail product sales, as defined in the franchise agreement. This measure allows us to better assess changes in our royalty revenue, our overall center performance, the health of our brand and the strength of our market position relative to competitors. Our system-wide sales growth is driven by net new center openings as well as increases in same-store sales.

Same-Store Sales. Same-store sales reflect the change in year-over-year sales from services performed and retail sales for the same-store base. We define the same-store base to include those centers open for at least 52 full weeks. If a center is closed for greater than six consecutive days, the center is deemed a closed center and is excluded from the calculation of same-store sales until it has been reopened for a continuous 52 full weeks. This measure highlights the performance of existing centers, while excluding the impact of new center openings and closures. We review same-store sales for corporate-owned centers as well as franchisee-owned centers. Same-store sales growth is driven by increases in the number of transactions and average transaction size.

EUROPEAN WAX CENTER, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Amounts in thousands, except share and per share amounts)
(Unaudited)

	July 1, 2023	December 31, 2022
ASSETS		
Current assets:		
Cash and cash equivalents	$ 54,367	$ 44,219
Restricted cash	7,021	6,575
Accounts receivable, net	9,053	6,932
Inventory	23,534	23,017
Prepaid expenses and other current assets	7,625	5,574
Total current assets	101,600	86,317
Property and equipment, net	2,716	2,747
Operating lease right-of-use assets	4,600	4,899
Intangible assets, net	173,551	183,030
Goodwill	328,551	328,551
Deferred income taxes	140,341	106,187
Other non-current assets	3,818	4,301
Total assets	**$ 755,177**	**$ 716,032**
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	$ 16,298	$ 18,547
Long-term debt, current portion	4,000	4,000
Tax receivable agreement liability, current portion	1,406	4,867
Deferred revenue, current portion	4,719	4,084
Operating lease liabilities, current portion	1,287	1,312
Total current liabilities	27,710	32,810
Long-term debt, net	371,400	370,935
Tax receivable agreement liability, net of current portion	206,760	167,293
Deferred revenue, net of current portion	6,795	6,901
Operating lease liabilities, net of current portion	3,936	4,227
Other long-term liabilities	1,995	3,562
Total liabilities	618,596	585,728
Commitments and contingencies		
Stockholders' equity:		
Preferred stock ($0.00001 par value, 100,000,000 shares authorized, none issued and outstanding as of July 1, 2023 and December 31, 2022.)	—	—
Class A common stock ($0.00001 par value, 600,000,000 shares authorized, 51,097,146 and 45,277,325 shares issued and 50,329,914 and 44,561,685 shares outstanding as of July 1, 2023 and December 31, 2022, respectively)	—	—
Class B common stock ($0.00001 par value, 60,000,000 shares authorized, 12,364,046 and 18,175,652 shares issued and outstanding as of July 1, 2023 and December 31, 2022, respectively)	—	—
Treasury stock, at cost 767,232 and 715,640 shares of Class A common stock as of July 1, 2023 and December 31, 2022, respectively	(10,899)	(10,080)
Additional paid-in capital	225,527	207,517
Accumulated deficit	(114,933)	(118,437)
Total stockholders' equity attributable to European Wax Center, Inc.	99,695	79,000
Noncontrolling interests	36,886	51,304
Total stockholders' equity	136,581	130,304
Total liabilities and stockholders' equity	**$ 755,177**	**$ 716,032**

EUROPEAN WAX CENTER, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Amounts in thousands)
(Unaudited)

	For the Thirteen Weeks Ended		For the Twenty-Six Weeks Ended	
	July 1, 2023	June 25, 2022	July 1, 2023	June 25, 2022
REVENUE				
Product sales	$ 33,725	$ 30,502	$ 61,567	$ 55,279
Royalty fees	14,147	12,769	26,498	24,154
Marketing fees	7,915	7,175	14,817	13,626
Other revenue	3,303	2,912	6,100	5,725
Total revenue	59,090	53,358	108,982	98,784
OPERATING EXPENSES				
Cost of revenue	16,900	14,864	31,357	26,854
Selling, general and administrative	14,134	15,227	31,397	30,702
Advertising	8,684	8,049	16,493	14,605
Depreciation and amortization	5,045	5,055	10,108	10,115
Total operating expenses	44,763	43,195	89,355	82,276
Income from operations	14,327	10,163	19,627	16,508
Interest expense	6,762	8,080	13,624	9,587
Other expense (income)	(792)	33	(792)	818
Income before income taxes	8,357	2,050	6,795	6,103
Income tax expense	2,763	19	2,254	46
NET INCOME	**$ 5,594**	**$ 2,031**	**$ 4,541**	**$ 6,057**
Less: net income attributable to noncontrolling interests	1,582	1,063	1,037	3,204
NET INCOME ATTRIBUTABLE TO EUROPEAN WAX CENTER, INC.	**$ 4,012**	**$ 968**	**$ 3,504**	**$ 2,853**

EUROPEAN WAX CENTER, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in thousands)
(Unaudited)

	For the Twenty-Six Weeks Ended	
	July 1, 2023	June 25, 2022
Cash flows from operating activities:		
Net income	$ 4,541	$ 6,057
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	10,108	10,115
Amortization of deferred financing costs	2,639	1,229
Gain on interest rate cap	—	(196)
Provision for inventory obsolescence	(11)	(125)
Loss on debt extinguishment	—	1,957
Provision for bad debts	80	—
Deferred income taxes	2,164	—
Remeasurement of tax receivable agreement liability	(792)	818
Equity compensation	7,757	5,335
Changes in assets and liabilities:		
Accounts receivable	(2,452)	(3,674)
Inventory	(506)	(3,431)
Prepaid expenses and other assets	(1,110)	212
Accounts payable and accrued liabilities	(1,464)	(964)
Deferred revenue	529	421
Other long-term liabilities	(263)	(146)
Net cash provided by operating activities	**21,220**	**17,608**
Cash flows from investing activities:		
Purchases of property and equipment	(623)	(82)
Net cash used in investing activities	**(623)**	**(82)**
Cash flows from financing activities:		
Deferred loan costs	—	(12,419)
Proceeds from long-term debt	—	384,328
Principal payments on long-term debt	(2,000)	(180,000)
Payments of debt extinguishment costs	—	(77)
Distributions to EWC Ventures LLC members	(1,214)	(4,760)
Payment of Class A common stock offering costs	—	(870)
Repurchase of Class A common stock	(819)	—
Taxes on vested restricted stock units paid by withholding shares	(146)	—
Dividends to holders of Class A common stock	—	(122,227)
Dividend equivalents to holders of EWC Ventures units	(2,615)	(82,746)
Payments pursuant to tax receivable agreement	(3,209)	—
Net cash used in financing activities	**(10,003)**	**(18,771)**
Net increase in cash	**10,594**	**(1,245)**
Cash, cash equivalents and restricted cash, beginning of period	50,794	43,301
Cash, cash equivalents and restricted cash, end of period	**$ 61,388**	**$ 42,056**
Supplemental cash flow information:		
Cash paid for interest	$ 11,097	$ 3,042
Cash paid for income taxes	$ 513	$ 26
Non-cash investing activities:		
Property purchases included in accounts payable and accrued liabilities	$ —	$ 5
Right-of-use assets obtained in exchange for operating lease obligations	$ 368	$ —

Reconciliation of GAAP net income to Adjusted net income:

	For the Thirteen Weeks Ended		For the Twenty-Six Weeks Ended	
	July 1, 2023	June 25, 2022	July 1, 2023	June 25, 2022
(in thousands)				
Net income	$ 5,594	$ 2,031	$ 4,541	$ 6,057
Share-based compensation(1)	1,826	2,000	7,757	5,335
Loss on extinguishment of debt	—	1,957	—	1,957
Remeasurement of tax receivable agreement liability (2)	(792)	33	(792)	818
Transaction costs (3)	—	1,406	—	1,406
Other (4)	—	—	—	417
Tax effect of adjustments to net income (5)	(863)	—	(2,334)	—
Adjusted net income	$ 5,765	$ 7,427	$ 9,172	$ 15,990

(1) Represents non-cash equity-based compensation expense.
(2) Represents non-cash adjustments related to the remeasurement of our tax receivable agreement 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.
(5) Represents the income tax impact of non-GAAP adjustments computed by applying our estimated blended statutory tax rate to our share of the identified items and incorporating the effect of nondeductible and other rate impacting adjustments.

Reconciliation of GAAP net income to EBITDA and Adjusted EBITDA:

	For the Thirteen Weeks Ended		For the Twenty-Six Weeks Ended	
	July 1, 2023	June 25, 2022	July 1, 2023	June 25, 2022
(in thousands)				
Net income	$ 5,594	$ 2,031	$ 4,541	$ 6,057
Interest expense	6,762	8,080	13,624	9,587
Income tax expense	2,763	19	2,254	46
Depreciation and amortization	5,045	5,055	10,108	10,115
EBITDA	$ 20,164	$ 15,185	$ 30,527	$ 25,805
Share-based compensation(1)	1,826	2,000	7,757	5,335
Remeasurement of tax receivable agreement liability (2)	(792)	33	(792)	818
Transaction costs (3)	—	1,406	—	1,406
Other (4)	—	—	—	417
Adjusted EBITDA	$ 21,198	$ 18,624	$ 37,492	$ 33,781
Adjusted EBITDA margin	35.9 %	34.9 %	34.4 %	34.2 %

(1) Represents non-cash equity-based compensation expense.
(2) Represents non-cash adjustments related to the remeasurement of our tax receivable agreement 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.

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EXHIBIT 99.2

European Wax Center Announces CEO Succession Plan

President and Chief Operating Officer David Willis Appointed Chief Executive Officer
David Berg to Become Executive Chairman of the Board of Directors

PLANO, Texas, August 9, 2023 -- European Wax Center, Inc. (the "Company" or "European Wax Center") (NASDAQ: EWCZ), the largest and fastest-growing franchisor and operator of out-of-home waxing services in the United States, today announced that President and Chief Operating Officer David Willis will succeed David Berg as Chief Executive Officer ("CEO") as part of the Company's succession plan, effective September 30, 2023. Mr. Willis will also join the Company's Board of Directors at that time. David Berg will assume the newly created role of Executive Chairman of the Board of Directors ("Board") on September 30, 2023.

"It has been an honor to serve as European Wax Center's CEO and I am so proud of our accomplishments that have positioned us for continued growth. Most importantly, I am thankful for the best-in-class culture we have created – where our Associates live our values, can be their authentic selves and are able to do their best work," Mr. Berg said. "David Willis has been my key partner in setting forth and executing our strategic roadmap. He is a world-class leader with extensive franchisee relationships and deep knowledge of our business model. I look forward to continuing to work with him and the rest of European Wax Center's exceptional leadership team in my new role."

Since joining European Wax Center in 2018, Mr. Berg has led the Company's expansion from nearly 700 centers to over 1,000 centers today. Under Mr. Berg's leadership, the Company has increased network sales at double-digit rates and more than doubled its bottom-line performance. Since its successful IPO in 2021, the Company has consistently met or exceeded its earnings guidance, and in 2022, returned over $200 million to shareholders through dividends and share repurchases.

"On behalf of the Board of Directors, I want to thank David Berg for his invaluable contributions to European Wax Center's success. He has executed a focused strategy for sustained growth and shareholder return while expanding our leadership position in out-of-home hair removal," said Chairman of European Wax Center's Board Andy Crawford. "This transition is part of a thoughtful succession planning process which reflects the Board's commitment to building a strong bench of leaders that will continue to execute on European Wax Center's growth story. David Willis is a seasoned executive who has helped transform European Wax Center into the company it is today, and the Board has full confidence in him and the leadership team to scale our footprint as the category leader."

"I am humbled and honored to be named European Wax Center's next CEO, and I could not be more excited about the future of the Company," said Mr. Willis. "I look forward to working closely with David Berg, the Board, our amazing Associates and our franchisee partners as we accelerate European Wax Center's growth and continue to deepen relationships with our guests by providing unparalleled service."

Mr. Willis has served as European Wax Center's President since March 2023 and Chief Operating Officer since September 2019. He served as Chief Financial Officer from January 2022 to March 2023 and from July 2016 until December 2020. Prior to joining the Company, Mr. Willis served as an Operating Partner for Riata Capital Group, LLC from October 2014 to July 2016, during which he provided consulting services to the Company on supply chain, finance, and operations matters.

Additionally, the Company has appointed Chief Legal and Human Resources Officer Gavin O'Connor to the newly formed leadership position of Chief Administrative Officer, effective September 30, 2023. As CAO, Mr. O'Connor will assume responsibility for the Company's supply chain and technology functions, in addition to his current responsibilities of legal, talent, ESG and risk management.

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. In 2022 its network of 944 centers in 45 states generated sales of nearly $900 million. 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, succession plan, leadership transition and expectations with respect to the performance of its executive leadership, and statements by European Wax Center's executives and members of the Board. 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 of 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 and Investors Relations section of the Company's website at 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.

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