

European Wax Center

Investor Presentation

November 2021

Disclaimer

Forward-Looking Statements

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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This Presentation includes certain measures (“non-GAAP financial measures”) which are not presented in accordance with generally accepted accounting principles in the United States of America (“GAAP”), such as adjusted net income before interest, taxes, depreciation and amortization (“Adjusted EBITDA”), Adjusted EBITDA margin, free cash flow and free cash flow conversion, which are non-GAAP financial measures. These non-GAAP financial measures are not measures of financial performance in accordance with GAAP and may exclude items that are significant in understanding and assessing our financial results. Therefore, these measures should not be considered in isolation or as an alternative to GAAP measures. You should be aware that our presentation of these measures may not be comparable to similarly titled measures used by other companies. Management believes that such measures are commonly reported by issuers and widely used by investors as indicators of a company’s operating performance. All non-GAAP financial measures contained herein should be considered only as a supplement to, and not as a superior measure to, financial measures prepared in accordance with GAAP. Please see slide 28 and 29 for more information.

Market and Industry Data

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.

Trademarks

This Presentation contains references to our trademarks and service marks and to those belonging to other entities, including EUROPEAN WAX CENTER, EWC, STRUT, WAX PASS and COMFORT WAX. Solely for convenience, trademarks and trade names referred to in this Presentation may appear without the ® or TM symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights or the rights of the applicable licensor to these trademarks and trade names. We do not intend our use or display of other companies’ trade names, trademarks or service marks to imply a relationship with, or endorsement or sponsorship of us by, any other companies.



Executive Summary

Overview of European Wax Center

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



ATTRACTIVE ASSET-LIGHT MODEL

We are 99% franchised with superior unit economics



CATEGORY CREATOR

We created the category in OOH waxing



CATEGORY LEADER

We performed 21 million waxing services in 2019



RECURRING REVENUE MODEL

Our services are a non-discretionary part of consumers personal-care and beauty regimens



DIFFICULT TO REPLICATE, COMPETITIVELY MOATED

Our scale, our unique operational model, our tech-enabled customer experience



PREPAID WAX PASS PROGRAM DRIVES STICKINESS

60% of all our services redeemed via Wax Passes in 2019

OUR STRONG FINANCIAL FOUNDATION

833

Centers¹

\$163MM

LTM Q3 2021 revenue

\$728MM

LTM Q3 2021
system-wide sales

34%

LTM Q3 2021
adj. EBITDA margin²

52%

Four-year stacked
same-store sales³

99%

LTM Q3 2021
free cash flow
conversion^{2,4}

1. As of September 25, 2021.

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

3. Represents sum of 2016 – 2019 annual same-store sales.

4. Defined as (Adjusted EBITDA – CapEx) / Adjusted EBITDA. 99% LTM Q3 2021 free cash flow conversion excludes positive CapEx of \$535K in Q4 2020.

Our path to category leadership

OUR MISSION

Ensure **every guest** who walks through our doors leaves feeling **unapologetically confident**

OUR VISION

Grow our position as the **most trusted** out-of-home waxing personal care brand

WAXING PRIOR TO EWC

Shared space for waxing in the 'back of salons' – waxing **not a primary focus**

Questionable hygiene & safety standards

Lack of consistent training standards

Use of **low-quality wax** creates potential for **painful service delivery**

High friction guest experience despite recurring nature of service



WAXING AT EUROPEAN WAX CENTER

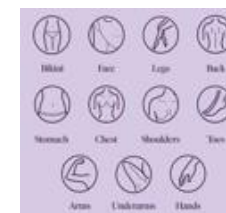
Singular focus on perfecting and **professionalizing the wax experience**

Industry leading cleanliness standards since brand launch

Wax specialists must complete proprietary training program in addition to being licensed

Proprietary Comfort Wax® delivers a relatively painless experience

Brand **obsessed with guest experience**, consistency, convenience and tech-enablement



Developed concept after identifying distinct need for focused and professional OOH waxing

Unmatched scale in a large, growing and fragmented market



~\$18BN

total hair removal
addressable
domestic market

Relative Growth Rate
(2015-2019)

~3%

total hair removal
addressable domestic
market CAGR

vs.

~8%

OOH waxing
market CAGR



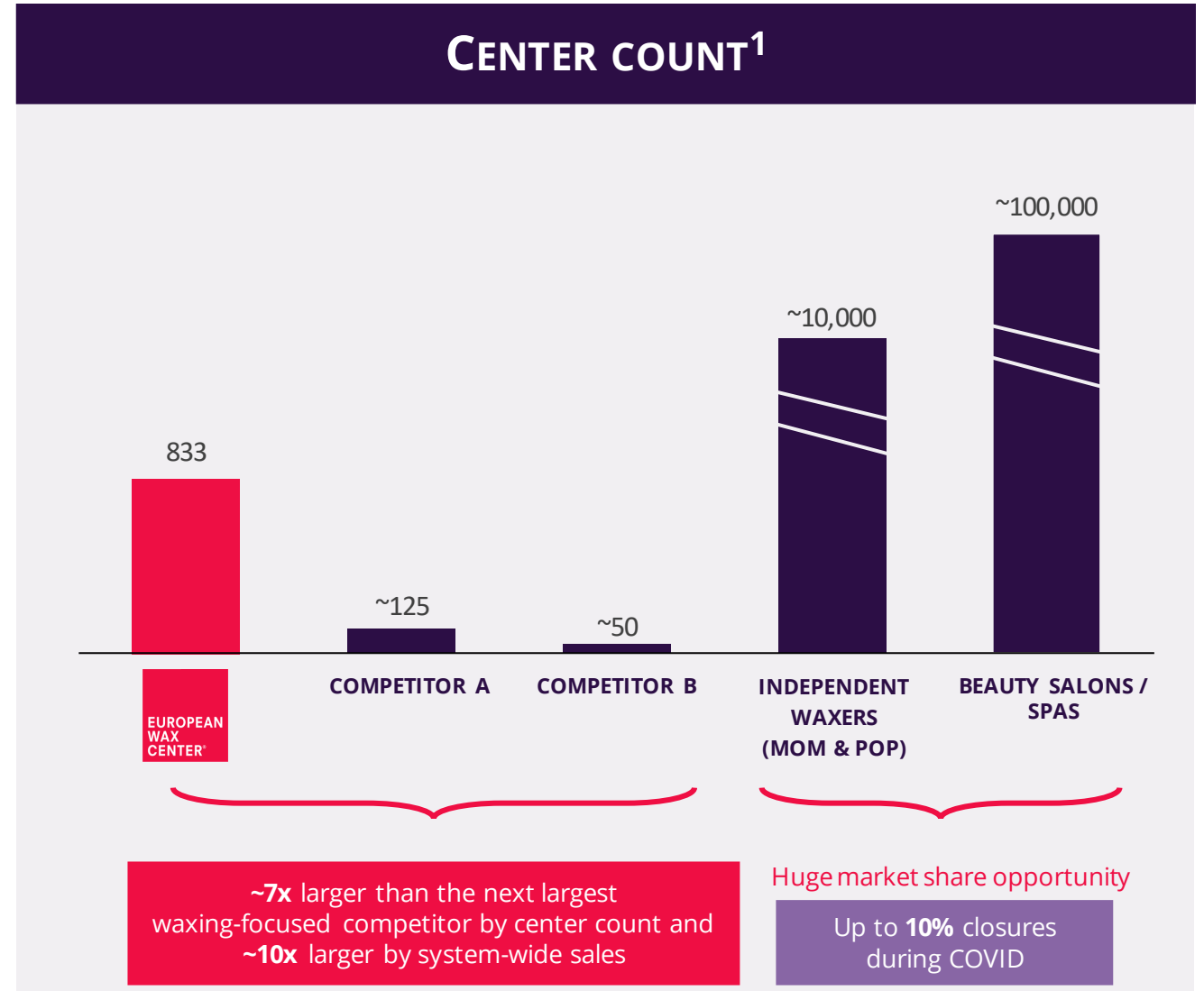
EUROPEAN
WAX
CENTER®

~\$0.7BN

realized market

~4%

Market share vs.
Total hair removal
market



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
INSTILL TRUST	✓ LARGEST OOH WAXING BRAND IN THE U.S.			✓
INSTILL REPEAT BEHAVIOR	✓ ~60% OF SERVICES PURCHASED ON A WAX PASS			
HIGH QUALITY SERVICE / HOSPITALITY ORIENTATION	✓ WAX SPECIALISTS MUST COMPLETE PROPRIETARY TRAINING PROGRAM IN ADDITION TO BEING LICENSED	✓		
FOCUS ON HYGIENE STANDARDS	✓ INDUSTRY-LEADING HYGIENE STANDARDS	✓		
DIFFERENTIATED WAXING EXPERIENCE	✓ SCALE-BASED TECH INVESTMENT & PROPRIETARY COMFORT WAX® FORMULA			
ANYWHERE, ANYTIME CONVENIENCE	✓ MORE THAN 800 LOCATIONS TO CHOOSE FROM		✓	

Waxing provides our guests with benefits surpassing all other hair removal methods

	WAXING AT 	SHAVING	SUGARING	LASER HAIR REMOVAL
COST PER SESSION	\$10 – \$81 →	LESS	MORE	MUCH MORE
TIME SPENT	15 – 30 MINUTES / MONTH →	MUCH MORE	MORE	MORE
FREQUENCY	1 – 2 TIMES / MONTH →	MUCH MORE	SAME	LESS
EXPERIENCE	CLEAN, PROFESSIONAL	DIY	MESSIER	EXPENSIVE

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

Superior franchise model

Focused and difficult-to-
replicate operating model

255/ 64%

Franchisees in our
high-quality
franchises base¹

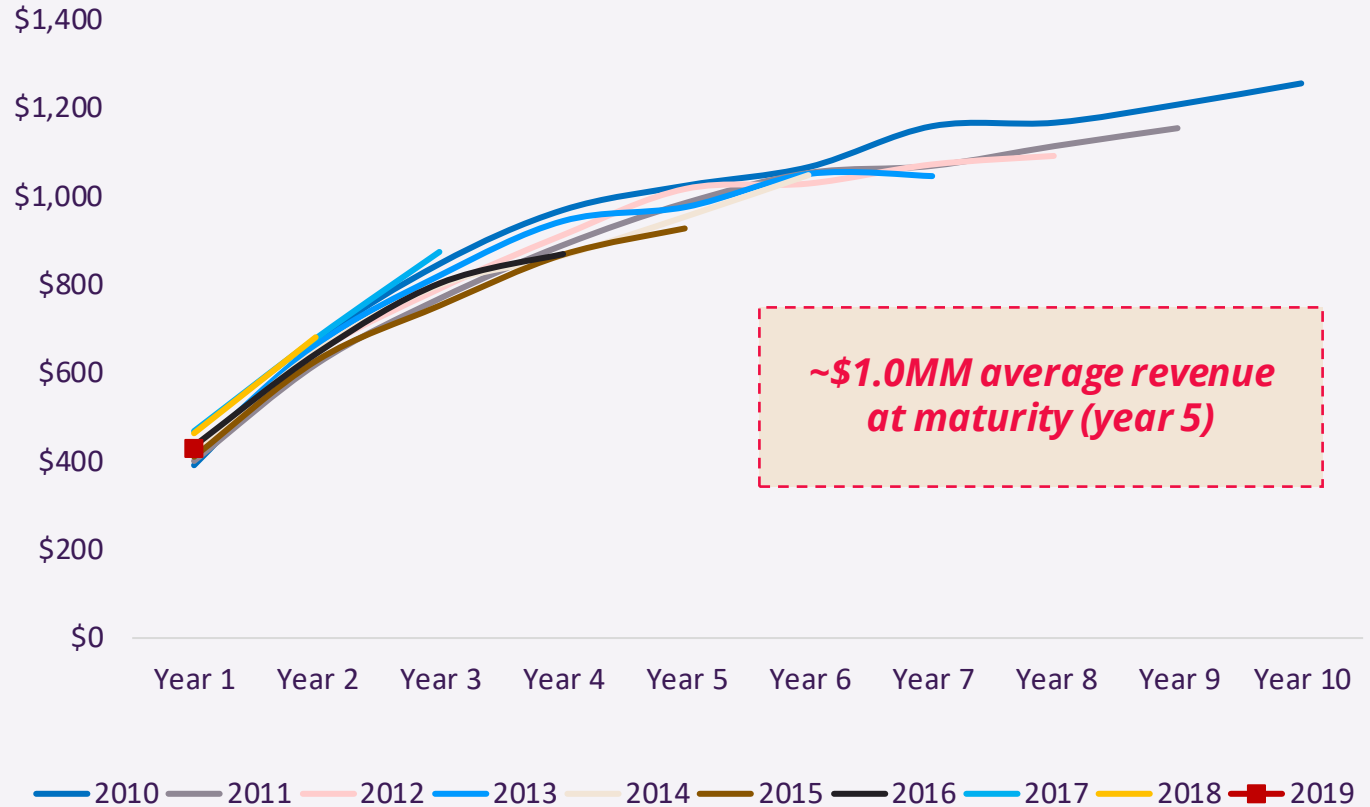
Franchisees
operate
multiple locations¹

60%+

Annual cash on cash
returns at maturity
(year 5)²

**Our value proposition has
created a franchisee base that is
committed to growing our brand**

AUV (\$K) PERFORMANCE BY CENTER COHORT



Cohorts ramp with remarkable consistency

Since IPO, our highly predictable model continues to deliver

STRONG REBOUND ACROSS THE NETWORK IN A CHALLENGING ENVIRONMENT

- **Significant network sales growth** relative to pre-pandemic performance
- **Strong guest metrics** as consumers return to their personal care regimen post-pandemic
- **New EWC Rewards program** enhances guest experience and incentivizes frequency and retention
- **Attractive same-store sales performance** excluding wax specialist supply side impacts in California



ACCELERATING UNIT DEVELOPMENT AND EVOLUTION OF FRANCHISEE BASE

- **Acceleration of new center expansion strategy** with 37 net new center openings Q3 YTD and raised outlook to 57 net new centers for the fiscal year
- 200+ centers in **expanding near-term development pipeline**
- **Transition towards balanced franchisee mix between small independents, regional and multi-unit developers**

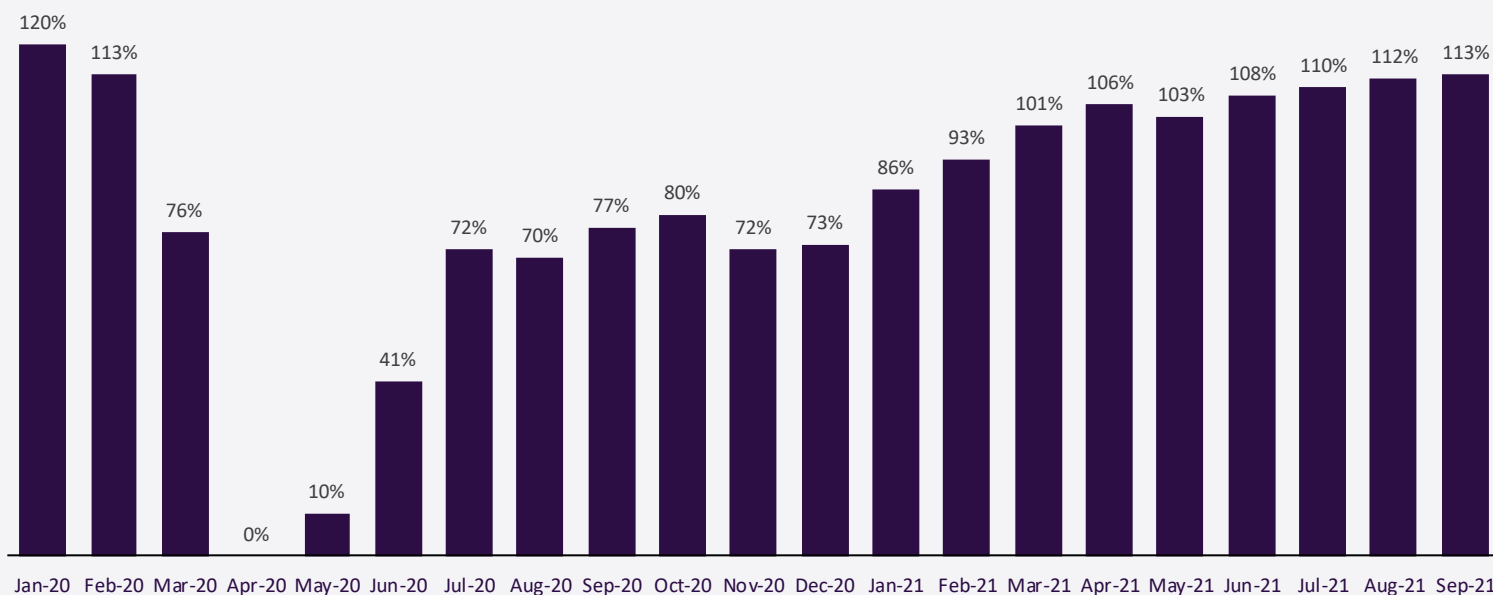


RECORD Q2 AND Q3 FY2021 EARNINGS FOLLOWING IPO

- **EWC Revenue:**
 - Q3 2021 grew 61% vs. 2020 and 20% vs. 2019
 - Q2 2021 grew 343% vs. 2020 and 11% vs. 2019
- **Adj. EBITDA¹:**
 - Q3 2021 grew 353% vs. 2020 and 39% vs. 2019
 - Q2 2021 grew 1,935% vs. 2020 and 73% vs. 2019
- **Supported by :**
 - Strong new customer acquisition
 - Increased visits from existing guests
 - Expansion of the Wax Pass program

Our resilience through 2020 and COVID-19 demonstrates the strength of our business model

MONTHLY SYSTEM-WIDE SALES¹ VS. 2019 BASELINE²



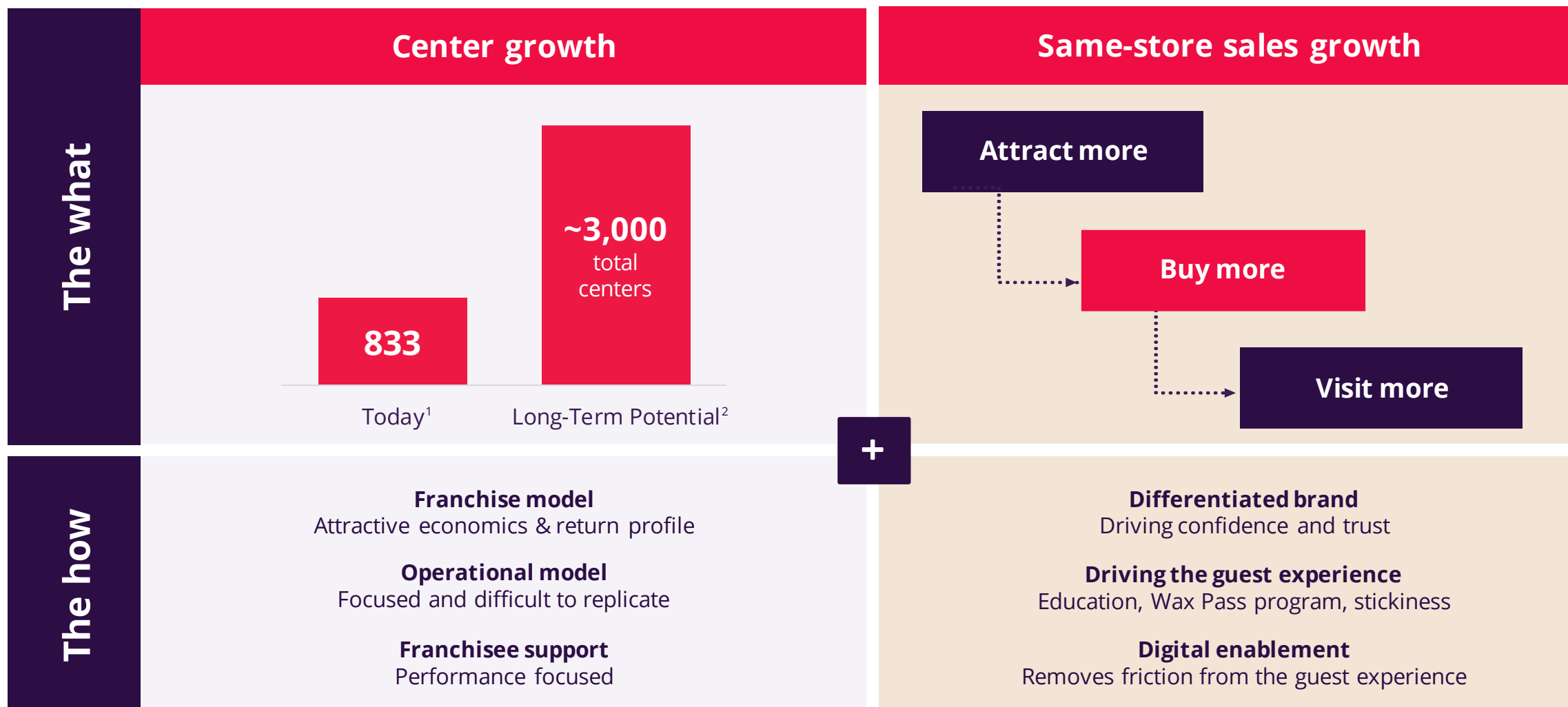
We opened **46** net new locations in 2020 and **37** net new locations YTD Q3 2021

European wax center is a non-discretionary part of our guests' personal care routines!

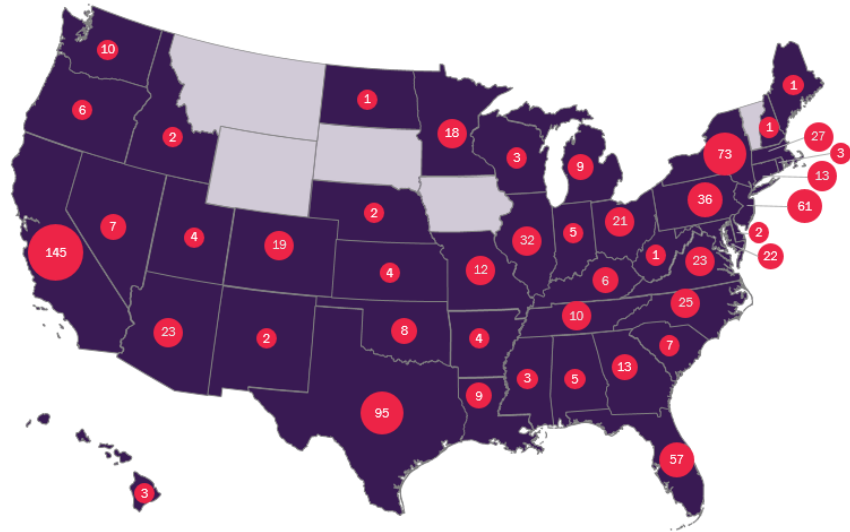


Our Focused Growth Opportunity

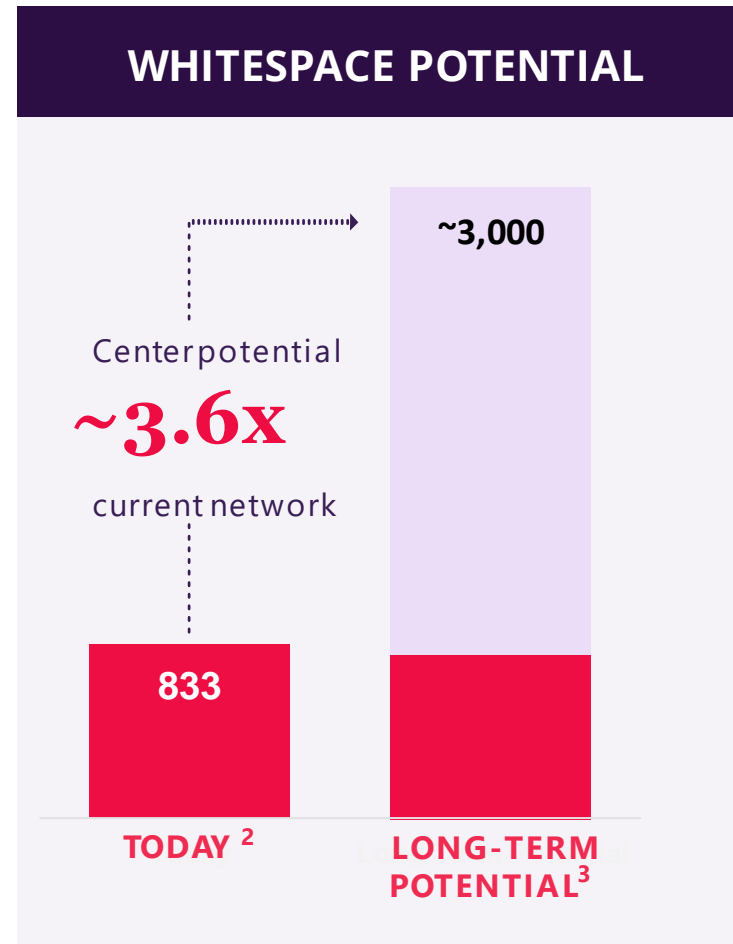
Our compelling growth story



We will grow our national footprint across new and existing markets



200+ Near-term development pipeline ¹



To drive sustained same-store sales growth, our formula is simple



Attract more
New guest growth

First Wax Free Promise

Performance Based
Marketing

Expanded Reach



Buy more
Build visit value

EWC Product
Brand Attachment

Efficient Promotion Planning
and Execution

In-Suite Service
Recommendations



Visit more
*Increase Wax Pass
conversion & loyalty*

Evolve Loyalty Program

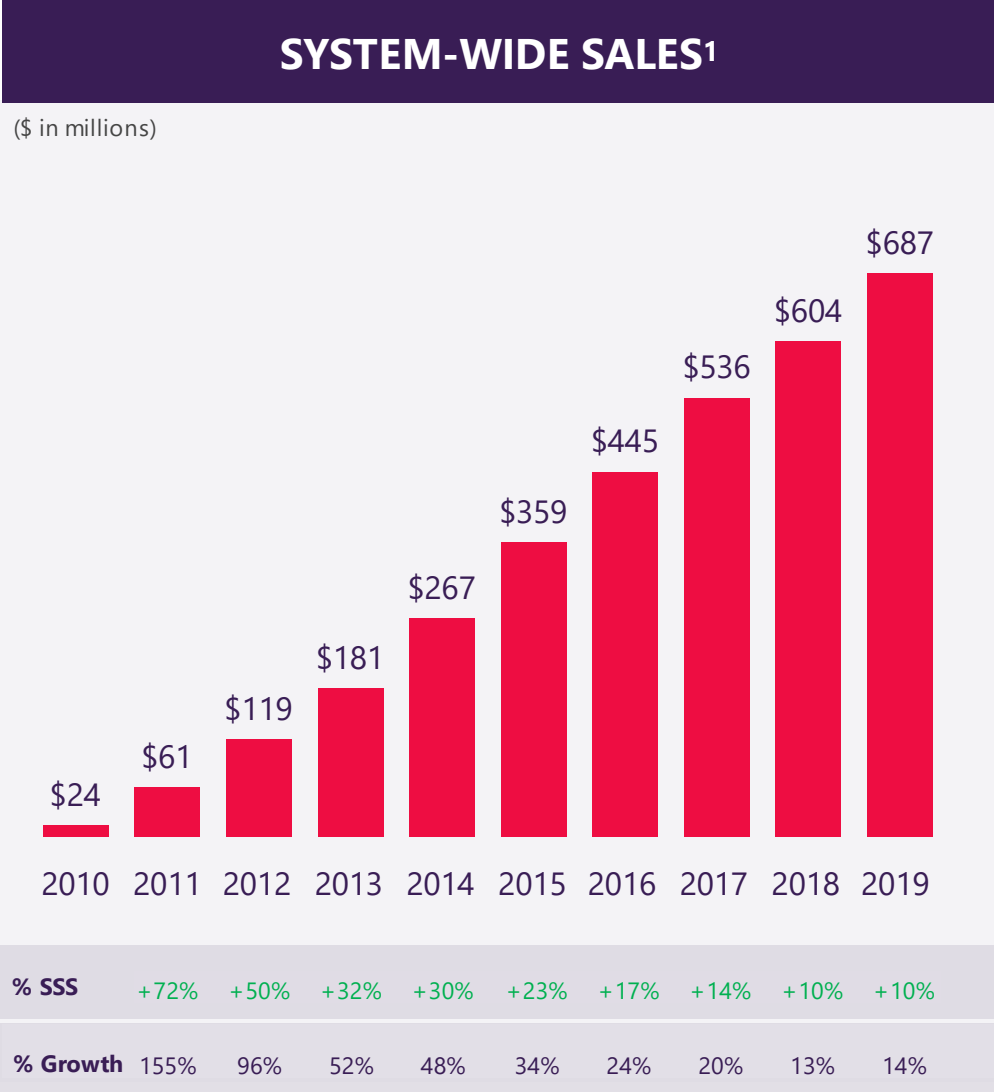
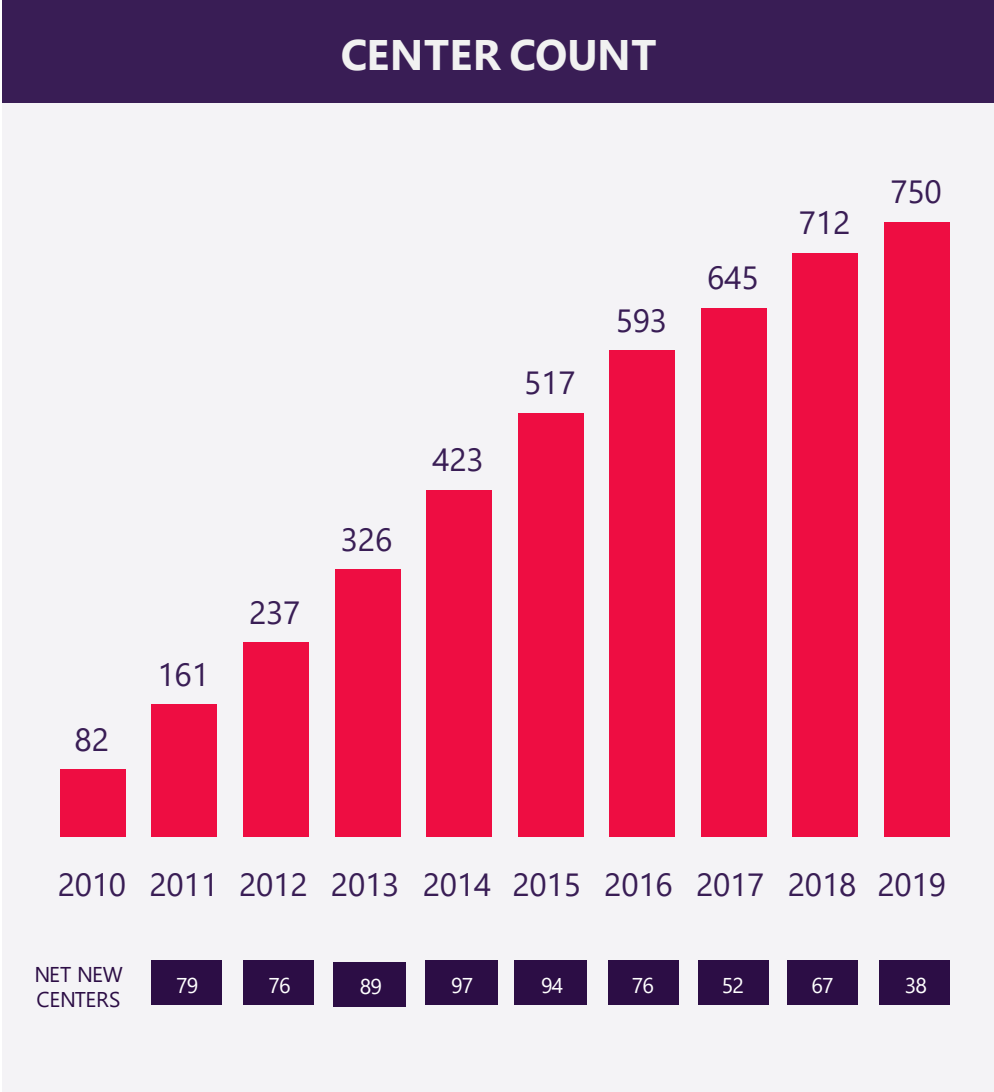
Advance CRM Capabilities

Wax Pass



Our Strong and Predictable Financial Performance

Long track record of sustained growth



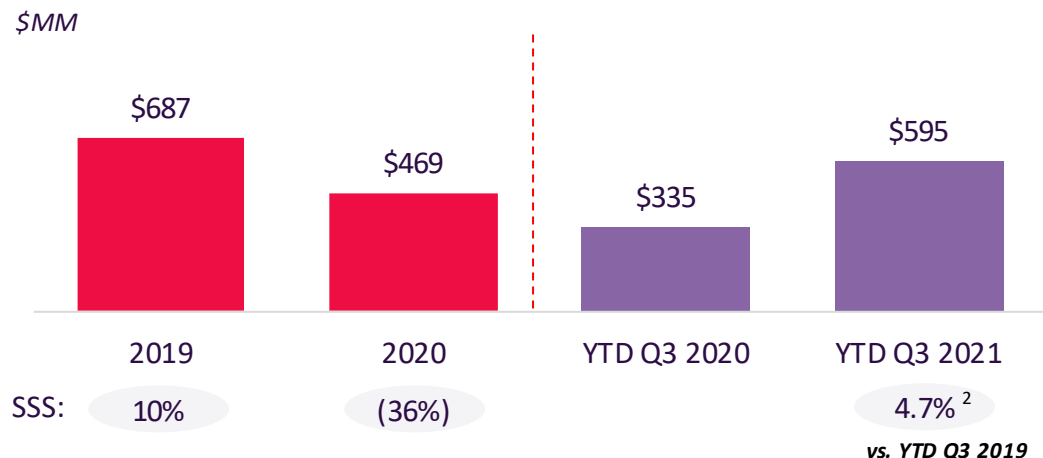
10
Consecutive years of positive
SSS growth through 2019

28%
Center CAGR
(2010-2019)

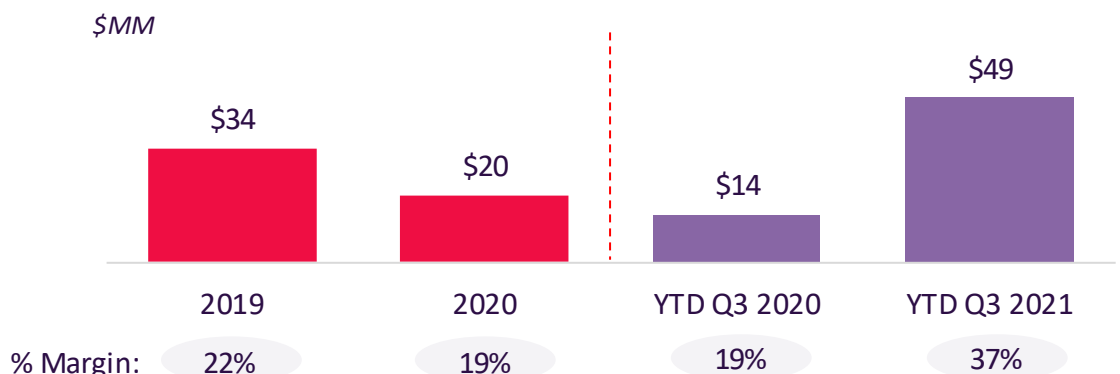
45%
System-wide sales CAGR
(2010-2019)

Resilient profitability and robust free cash flow generation

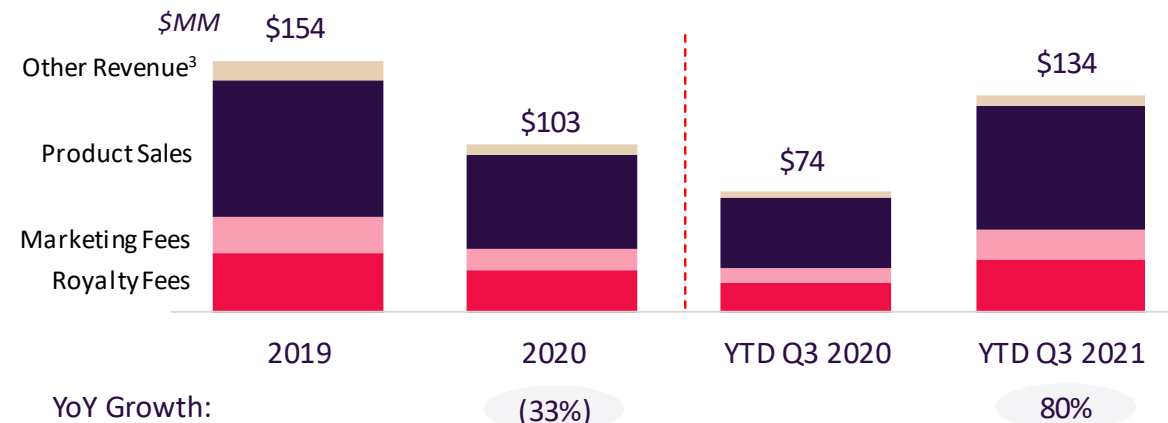
System-Wide Sales¹



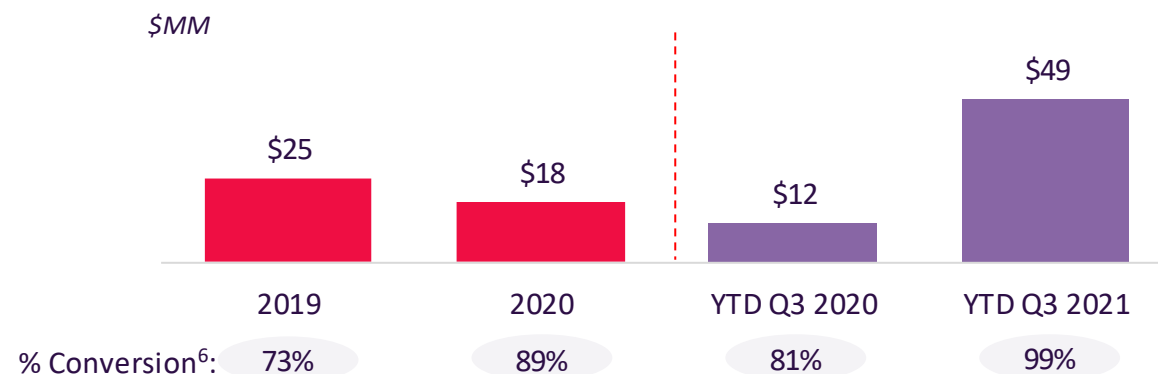
Adjusted EBITDA⁴



Revenue



Free Cash Flow^{4,5}



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

2. Represents same-store sales growth compared to the first three quarters of fiscal 2019.

3. Other revenue primarily consists of service revenues from our corporate-owned centers and franchise fees, as well as technology fees, annual brand conference revenues and training.

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

5. Defined as (Adjusted EBITDA – CapEx).

6. Defined as (Adjusted EBITDA – CapEx) / Adjusted EBITDA.

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

PEOPLE + PERFORMANCE

1

Truly Differentiated
Brand Experience

2

Undisputed Leader in a
Massive Category
Dominated by
Independents

3

Predictable, Recurring
Revenue Generated From
a Recurring Human Need

4

Franchisee Reinvestment
Drives Rapid Center
Growth

5

Tech-Enabled Platform
Deepens Relationships
Between Guest,
Franchisee and the Brand

6

Asset-Light Franchise
Model with Proven and
Consistent Growth

7

Robust Free Cash
Flow Conversion

EUROPEAN
WAX
CENTER®



Appendix

EBITDA and Adjusted EBITDA reconciliation

	Thirteen Weeks Ended			Thirty-Nine Weeks Ended		Last Twelve Months Ended	Year Ended	
	September 25, 2021	September 26, 2020	September 28, 2019	September 25, 2021	September 26, 2020	September 25, 2021	December 26, 2020	December 28, 2019
<i>(in thousands)</i>								
Reconciliation of income (loss) to EBITDA and Adjusted EBITDA								
Net Income (Loss)	(\$9,272)	(\$6,543)	\$2,250	(\$441)	(\$16,956)	(\$4,980)	(\$21,495)	(\$24,396)
Interest Expense	9,515	4,597	4,028	18,686	13,304	23,658	18,276	15,548
Provision for income taxes	—	—	—	—	—	—	—	—
Depreciation	327	434	532	1,168	1,205	1,612	1,649	2,198
Amortization	4,523	4,640	3,568	14,091	13,807	18,217	17,933	13,336
EBITDA	\$5,093	\$3,128	\$10,378	\$33,504	\$11,360	\$38,507	\$16,363	\$6,686
Impairment of internally developed software ¹	—	—	—	—	—	—	—	18,183
Exit costs - lease abandonment ²	—	—	—	—	159	—	159	778
Corporate headquarters relocation ³	—	125	1,262	—	671	—	671	6,097
Share-based compensation ⁴	7,395	403	235	7,952	1,649	8,355	2,052	1,570
IPO-related costs ⁵	1,715	—	—	4,697	100	4,776	179	—
IPO-related compensation expense ⁶	2,343	—	—	2,343	—	2,343	—	—
Other compensation-related costs ⁷	—	—	—	380	350	607	577	691
Adjusted EBITDA	\$16,546	\$3,656	\$11,875	\$48,876	\$14,289	\$54,588	\$20,001	\$34,005
Adjusted EBITDA Margin ⁸	34%	12%	29%	37%	19%	34%	19%	22%
Total Revenue	49,011	30,450	40,698	133,570	74,086	162,891	103,407	154,197

1. Represents costs related to the abandonment of our internally developed point-of-sale software system prior to implementation of a third-party cloud-based system.

2. Represents exit costs related to abandoned leases resulting from our corporate headquarter relocation.

3. Represents costs related to employee relocation, severance and moving fees resulting from our corporate headquarter relocation.

4. Represents non-cash equity-based compensation expense.

5. Represents legal, accounting and other costs incurred in preparation for initial public offering.

6. Represents cash-based compensation expense recorded in connection with the initial public offering.

7. Represents costs related to reorganization driven by COVID-19 and buildup of executive leadership team.

8. Defined as Adjusted EBITDA / Total Revenue.

Free Cash Flow reconciliation

	Thirty-Nine Weeks Ended		Year Ended	
	September 25, 2021	September 26, 2020	December 26, 2020	December 28, 2019
<i>(in thousands)</i>				
Adjusted EBITDA	\$48,876	\$14,289	\$20,001	\$34,005
Capex ¹	364	2,693	2,158	9,343
Free Cash Flow ²	48,512	11,596	17,843	24,662
Free Cash Flow Conversion ³	99%	81%	89%	73%

1. Represents purchases of property and equipment.

2. Defined as (Adjusted EBITDA – CapEx).

3. Defined as (Adjusted EBITDA – CapEx) / Adjusted EBITDA.