
**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): November 10, 2022

Mister Car Wash, Inc.

(Exact name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-40542
(Commission File Number)

47-1393909
(IRS Employer
Identification No.)

222 E. 5th Street
Tucson, Arizona
(Address of Principal Executive Offices)

85705
(Zip Code)

Registrant's Telephone Number, Including Area Code: 520 615-4000

N/A

(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
Common stock, par value \$0.01 per share	MCW	The New York Stock Exchange

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 November 10, 2022, Mister Car Wash, Inc. (the “Company”) issued a press release announcing its financial results for the quarter ended September 30, 2022. A copy of the Company’s press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

The information in this Current Report on Form 8-K (including Exhibit 99.1) shall not be deemed “filed” for 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, nor shall it be deemed to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit Number	Description
99.1	Press Release issued by Mister Car Wash, Inc., dated November 10, 2022
104	Cover Page Interactive Data File – the cover page XBRL tags are embedded within the Inline Instance 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.

Mister Car Wash, Inc.

Date: November 10, 2022

By: /s/ Jedidiah Gold
Jedidiah Gold
Chief Financial Officer

Mister Car Wash Announces Third Quarter Fiscal 2022 Financial Results

Net revenues increased 12.0%
Comparable stores sales increased 2.9%
Unlimited Wash Club memberships increased 18.9%
Opened eight new greenfield locations and three acquired locations

Tucson, Ariz., November 10, 2022 – Mister Car Wash, Inc. (the “Company”) (NYSE: MCW), the nation’s largest car wash brand, today announced its financial results for the quarter ended September 30, 2022.

“We are pleased with our third quarter results and believe it speaks to the resiliency and long-term opportunity of our business,” stated John Lai, Chairperson and CEO of Mister Car Wash. “Similar to the trends in the previous quarter, demand remained steady, and retention of Unlimited Wash Club members remained consistent. We continue to balance long-term growth investments while being mindful of the realities of the current macroeconomic environment.”

Highlights for the Third Quarter Ended September 30, 2022

- Net revenues increased 12.0% to \$217.6 million from \$194.3 million in the third quarter of 2021.
- Comparable stores sales increased 2.9% compared to a 21.3% increase in the third quarter of 2021.
- The Company added more than 19,000 Unlimited Wash Club® (“UWC”) Members in the third quarter. As of September 30, 2022, the Company had approximately 1.860 million UWC Members, which represented an 18.9% increase over the same time last year. UWC sales represented approximately 69% of total wash sales in the third quarter of 2022 compared to approximately 66% in the third quarter of 2021.
- The Company opened eight new greenfield locations and three acquired locations in the third quarter of 2022, bringing the total number of car wash locations operated to 420 on September 30, 2022, compared to 360 car wash locations on September 30, 2021, an increase of 16.7%.
- Net income and net income per diluted share were \$24.0 million and \$0.07, respectively.
- Adjusted net income⁽¹⁾ and diluted adjusted net income per share⁽¹⁾ were \$30.0 million and \$0.09, respectively.
- Adjusted EBITDA⁽¹⁾ increased 5.9% to \$66.1 million from \$62.5 million in the third quarter of 2021.

Highlights for the Nine-Months Ended September 30, 2022

- Net revenues increased 16.8% to \$662.2 million from \$566.9 million in the comparable period last year.
- Comparable stores sales increased 5.3% compared to a 38.6% increase in the comparable period last year.
- The Company added approximately 204 thousand UWC Members.
- Net income and net income per diluted share were \$95.1 million and \$0.29, respectively.
- Adjusted net income⁽¹⁾ increased 14.6% to \$104.9 million from \$91.5 million and diluted adjusted net income per share⁽¹⁾ increased 6.7% to \$0.32 from \$0.30 in the comparable period last year.
- Adjusted EBITDA⁽¹⁾ increased 9.4% to \$215.5 million from \$197.0 million in the comparable period last year.

⁽¹⁾ See Use of Non-GAAP Financial Measures and Reconciliation of GAAP to Non-GAAP Financial Measures disclosures included below in this press release.

Store Count

	Three Months Ended September 30,		Nine Months Ended
	2022	2021	September 30, 2022
Beginning location count	409	351	396
Locations acquired	3	2	9
Greenfield locations opened	8	7	15
Closures	-	-	-
Ending location count	420	360	420

Balance Sheet and Cash Flow Highlights

•As of September 30, 2022, cash and cash equivalents totaled \$74.9 million, and there were no borrowings under the Company's Revolving Commitment, compared to cash and cash equivalents of \$19.7 million and no borrowings under the Revolving Commitment as of September 30, 2021.

•Net cash provided by operating activities totaled \$185.5 million during the first nine months of 2022, compared to \$153.3 million for the same period of fiscal 2021.

Sale-Leasebacks

•In the third quarter 2022, the Company completed two separate sale-leaseback transactions involving a total of 14 car wash locations for aggregate consideration of \$60.9 million.

•Subsequent to the end of the third quarter 2022, the Company completed three separate sale-leaseback transactions involving a total of five car wash locations for aggregate consideration of \$25.2 million, bringing the year-to-date aggregate proceeds from sale-leasebacks to \$89.9 million.

Fiscal 2022 Outlook

The Company is adjusting its outlook for the fiscal year ending December 31, 2022, as follows:

	Current	Previous
Net revenues	\$865 to \$880 million	\$860 to \$880 million
Comparable stores sales growth %	4.0% to 5.0%	3.0% to 5.0%
Adjusted net income	\$123 to \$128 million	\$118 to \$128 million
Adjusted EBITDA	\$273 to \$278 million	\$268 to \$278 million
Diluted adjusted net income per share	\$0.38 to \$0.39	\$0.36 to \$0.39
Interest Expense	\$43 million	\$42 million
Weighted average common shares outstanding, diluted, full year	328 million	329 million
New greenfield locations	At least 25	Approx. 30
Capital expenditures ⁽¹⁾	\$200 to \$240 million	\$235 to \$285 million
Sale leasebacks	\$90 to \$95 million	\$140 to \$150 million

⁽¹⁾ Total capital expenditures for the fiscal year ending December 31, 2022 are expected to consist of approximately \$160 to \$190 million of growth capital expenditures related to the opening of new stores and \$40 million to \$50 million of other capital expenditures related to store maintenance, growth and the expenditures to integrate acquired locations.

Conference Call Details

A conference call to discuss the Company's financial results for the third quarter of fiscal 2022 and to provide a business update is scheduled for today, November 10, 2022 at 4:30 p.m. Eastern Time. Investors and analysts interested in participating in the call are invited to dial 855-209-8213 (international callers please dial 1-412-542-4146) approximately 10 minutes prior to the start of the call. A live audio webcast of the conference call will be available online at <https://ir.mistercarwash.com/>.

A recorded replay of the conference call will be available within approximately three hours of the conclusion of the call and can be accessed online at <https://ir.mistercarwash.com/> for 90 days.

About Mister Car Wash® | Inspiring People to Shine®

Headquartered in Tucson, AZ, Mister Car Wash, Inc. (NYSE: MCW) operates 420 car washes nationwide and has the largest car wash subscription program in North America. With over 25 years of car wash experience, the Mister team is focused on operational

excellence and delivering a memorable customer experience through elevated hospitality. The Mister brand is anchored in quality, friendliness and a commitment to the communities we serve as good stewards of the environment and the resources we use. We believe that when you take care of your people, they will take care of your customers. To learn more visit: www.mistercarwash.com.

Use of Non-GAAP Financial Measures

This press release includes references to non-GAAP financial measures, including Adjusted EBITDA, Adjusted net income (loss), Adjusted net income (loss) per share and Adjusted net income (loss) per share, on a diluted basis (the “Company’s Non-GAAP Financial Measures”). These non-GAAP financial measures are not based on any comprehensive set of accounting rules or principles and should not be considered a substitute for, or superior to, financial measures calculated in accordance with GAAP, and may be different from non-GAAP financial measures used by other companies. In addition, these non-GAAP financial measures should be read in conjunction with the Company’s financial statements prepared in accordance with GAAP. The reconciliations of the Company’s non-GAAP financial measures to the corresponding GAAP measures should be carefully evaluated.

The Company’s Non-GAAP Financial Measures are non-GAAP measures of the Company’s financial performance and should not be considered as an alternative to net income as a measure of financial performance or any other performance measure derived in accordance with U.S. GAAP, and should not be construed as an inference that the Company’s future results will be unaffected by unusual or nonrecurring items. Adjusted EBITDA is defined as net income (loss) before interest expense, net, income tax provision (benefit), depreciation and amortization expense, (gain) loss on sale of assets, loss on extinguishment of debt, stock-based compensation expense, acquisition expenses, management fees, non-cash rent expense, expenses associated with the IPO, expenses associated with the secondary public offering, and other nonrecurring charges. Adjusted net income (loss) is defined as net income (loss) before (gain) loss on sale of assets, loss on extinguishment of debt, stock-based compensation expense, acquisition expenses, management fees, non-cash rent expense, expenses associated with the IPO, expenses associated with the secondary public offering, other nonrecurring charges, tax benefits related to stock awards exercised and the tax impact of adjustments to net income (loss). Adjusted net income (loss) per share is defined as basic net income (loss) per share before (gain) loss on sale of assets, loss on extinguishment of debt, stock-based compensation expense, acquisition expenses, management fees, non-cash rent expense, expenses associated with the IPO, expenses associated with the secondary public offering, other nonrecurring charges, tax benefits related to stock awards exercised and the tax impact of adjustments to basic net income (loss) per share. Diluted adjusted net income per share is defined as diluted net income (loss) per share before (gain) loss on sale of assets, loss on extinguishment of debt, stock-based compensation expense, acquisition expenses, management fees, non-cash rent expense, expenses associated with the IPO, expenses associated with the secondary public offering, other nonrecurring charges, tax benefits related to stock awards exercised and the tax impact of adjustments to basic net income (loss) per share.

The Company presents the Company’s Non-GAAP Financial Measures because management believes that these measures assist investors and analysts in comparing the Company’s operating performance across reporting periods on a consistent basis by excluding items that management does not believe are indicative of the Company’s ongoing operating performance. Investors are encouraged to evaluate these adjustments and the reasons the Company considers them appropriate for supplemental analysis. In evaluating Company’s Non-GAAP Financial Measures, investors should be aware that in the future the Company may incur expenses that are the same as or similar to some of the adjustments in the Company’s presentation of Company’s Non-GAAP Financial Measures. The Company’s presentation of Company’s Non-GAAP Financial Measures should not be construed as an inference that the Company’s future results will be unaffected by unusual or nonrecurring items. There can be no assurance that the Company will not modify the presentation of the Company’s Non-GAAP Financial Measures in future periods, and any such modification may be material. In addition, the Company’s Non-GAAP Financial Measures may not be comparable to similarly titled measures used by other companies in the Company’s industry or across different industries.

Management believes that the Company’s Non-GAAP Financial Measures are helpful in highlighting trends in the Company’s core operating performance compared to other measures, which can differ significantly depending on long-term strategic decisions regarding capital structure, the tax jurisdictions in which companies operate and capital investments. Management also uses Adjusted EBITDA in connection with establishing discretionary annual incentive compensation; to supplement U.S. GAAP measures of performance in the evaluation of the effectiveness of the Company’s business strategies; to make budgeting decisions; and because the Company’s credit facilities use measures similar to Adjusted EBITDA to measure the Company’s compliance with certain covenants.

The Company’s Non-GAAP Financial Measures have limitations as analytical tools, and investors should not consider these measures in isolation or as substitutes for analysis of the Company’s results as reported under U.S. GAAP. Some of these limitations include, for example, Adjusted EBITDA does not reflect: the Company’s cash expenditure or future requirements for capital expenditures or contractual commitments; the Company’s cash requirements for the Company’s working capital needs; the interest expense and the cash requirements necessary to service interest or principal payments on the Company’s debt; cash requirements for replacement of assets that are being depreciated and amortized; and the impact of certain cash charges or cash receipts resulting from matters management does not find indicative of the Company’s ongoing operations. In addition, other companies in the Company’s industry may calculate similarly titled non-GAAP financial measures differently than the Company.

A reconciliation of the Company’s full year guidance for Adjusted EBITDA, Adjusted net income (loss) and Diluted adjusted net income per share, for fiscal 2022 to the most directly comparable GAAP financial measures cannot be provided without unreasonable efforts and is not provided herein because of the inherent difficulty in forecasting and quantifying certain amounts that are necessary

for such reconciliations, including acquisition expenses, other expenses and the other adjustments reflected in our reconciliation of historical non-GAAP financial measures, the amounts of which, could be material.

Forward-Looking Statements

This press release includes “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 27A of the Securities Act of 1933, as amended (the “Securities Act”) and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). All statements contained in this press release other than statements of historical fact, including, without limitation, statements regarding Mister Car Wash’s expansion efforts and expected growth and financial and operational results for fiscal 2022. Words including “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “might,” “plan,” “potential,” “predict,” “seek,” or “should,” or 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, though not all forward-looking statements use these words or expressions.

These forward-looking statements are based on management’s 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 from any future results, performance or achievements expressed or implied by the forward-looking statements, including, but not limited to: our inability to attract new customers, retain existing customers and maintain or grow the number of Unlimited Wash Club® (“UWC”) members, which could adversely affect our business, financial condition and results of operations and rate of growth; our failure to acquire, or open and operate new locations in a timely and cost-effective manner, and enter into new markets or leverage new technologies, may materially and adversely affect our competitive advantage or financial performance; our inability to successfully implement our growth strategies on a timely basis or at all; we are subject to a number of risks and regulations related to credit card and debit card payments we accept; an overall decline in the health of the economy and other factors impacting consumer spending, such as natural disasters and fluctuations in inflation, may affect consumer purchases, reduce demand for our services and materially and adversely affect our business, results of operations and financial condition; growing inflation, supply chain disruption and other increased operating costs could materially and adversely affect our results of operations; our locations may experience difficulty hiring and retaining qualified personnel, resulting in higher labor costs; we lease or sublease the land and buildings where a number of our locations are situated, which could expose us to possible liabilities and losses; our indebtedness could adversely affect our financial health and competitive position; our business is subject to various laws and regulations and changes in such laws and regulations, or failure to comply with existing or future laws and regulations, may result in litigation, investigation or claims by third parties or employees that could adversely affect our business; our locations are subject to certain environmental laws and regulations; we are subject to data security and privacy risks that could negatively impact our results of operations or reputation; we may be unable to adequately protect, and we may incur significant costs in enforcing or defending, our intellectual property and other proprietary rights; stockholders’ ability to influence corporate matters may be limited because a small number of stockholders beneficially own a substantial amount of our common stock and continue to have substantial control over us; our stock price may be volatile or may decline regardless of our operating performance, resulting in substantial losses for investors purchasing shares of our common stock; and the other important factors discussed under the caption “Risk Factors” in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2021, 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.mistercarwash.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.

Contacts*Investors:*

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Condensed Consolidated Statements of Operations and Comprehensive Income (Loss)
(Amounts in thousands, except share and per share data)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Net revenues	\$ 217,576	\$ 194,310	\$ 662,154	\$ 566,898
Cost of labor and chemicals	68,228	63,438	203,117	203,051
Other store operating expenses	82,343	68,435	239,173	194,889
General and administrative	24,743	22,166	74,040	226,015
(Gain) loss on sale of assets	(649)	748	(3,336)	(5,559)
Total costs and expenses	174,665	154,787	512,994	618,396
Operating income (loss)	42,911	39,523	149,160	(51,498)
Other expense:				
Interest expense, net	10,100	5,717	27,028	33,416
Loss on extinguishment of debt	-	-	-	3,183
Total other expense	10,100	5,717	27,028	36,599
Income (loss) before taxes	32,811	33,806	122,132	(88,097)
Income tax provision (benefit)	8,814	6,440	26,988	(29,747)
Net income (loss)	\$ 23,997	\$ 27,366	\$ 95,144	\$ (58,350)
Other comprehensive income (loss), net of tax:				
(Loss) gain on interest rate swap	(1,795)	54	375	401
Total comprehensive income (loss)	<u>\$ 22,202</u>	<u>\$ 27,420</u>	<u>\$ 95,519</u>	<u>\$ (57,949)</u>
Net income (loss) per share:				
Basic	<u>\$ 0.08</u>	<u>\$ 0.09</u>	<u>\$ 0.31</u>	<u>\$ (0.21)</u>
Diluted	<u>\$ 0.07</u>	<u>\$ 0.08</u>	<u>\$ 0.29</u>	<u>\$ (0.21)</u>
Weighted-average common shares outstanding:				
Basic	304,290,590	296,360,660	302,641,749	274,387,532
Diluted	326,881,152	327,320,169	327,773,344	274,387,532

Condensed Consolidated Balance Sheets
(Amounts in thousands, except share and per share data)
(Unaudited)

	September 30, 2022	As of	December 31, 2021
Assets			
Current assets:			
Cash and cash equivalents	\$ 74,885	\$	19,738
Restricted cash	62		120
Accounts receivable, net	2,937		1,090
Other receivables	14,441		22,796
Inventory, net	8,888		6,334
Prepaid expenses and other current assets	11,247		8,766
Total current assets	112,460		58,844
Property and equipment, net	514,357		472,448
Operating lease right of use assets, net	763,427		718,533
Other intangible assets, net	125,781		129,820
Goodwill	1,107,072		1,060,221
Other assets	8,394		8,236
Total assets	<u>\$ 2,631,491</u>	<u>\$</u>	<u>2,448,102</u>
Liabilities and stockholders' equity			
Current liabilities:			
Accounts payable	\$ 27,589	\$	27,346
Accrued payroll and related expenses	19,976		16,963
Other accrued expenses	25,460		20,201
Current maturities of operating lease liability	39,336		37,345
Current maturities of finance lease liability	648		559
Deferred revenue	28,814		27,815
Total current liabilities	141,823		130,229
Long-term portion of debt, net	895,428		896,336
Operating lease liability	750,929		717,552
Financing lease liability	14,955		15,359
Long-term deferred tax liability	45,741		22,603
Other long-term liabilities	7,043		8,871
Total liabilities	1,855,919		1,790,950
Stockholders' equity:			
Common stock, \$0.01 par value, 1,000,000,000 shares authorized, 304,624,334 and 300,120,451 shares outstanding as of September 30, 2022 and December 31, 2021, respectively	3,052		3,007
Additional paid-in capital	775,199		752,343
Accumulated other comprehensive income	600		225
Accumulated deficit	(3,279)		(98,423)
Total stockholders' equity	775,572		657,152
Total liabilities and stockholders' equity	<u>\$ 2,631,491</u>	<u>\$</u>	<u>2,448,102</u>

Condensed Consolidated Statements of Cash Flows
(Amounts in thousands)
(Unaudited)

	Nine Months Ended September 30,	
	2022	2021
Cash flows from operating activities:		
Net income (loss)	\$ 95,144	\$ (58,350)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization expense	45,274	36,530
Stock-based compensation expense	16,959	210,292
(Gain) loss on sale of assets	(3,336)	(5,559)
Loss on extinguishment of debt	-	3,183
Amortization of deferred debt issuance costs	1,270	898
Non-cash lease expense	29,602	26,535
Deferred income tax	21,526	(33,247)
Changes in assets and liabilities:		
Accounts receivable, net	(1,663)	(549)
Other receivables	8,355	(5,595)
Inventory, net	(2,431)	850
Prepaid expenses and other current assets	(2,458)	(5,042)
Accounts payable	6,424	4,025
Accrued expenses	4,295	6,874
Deferred revenue	660	1,531
Operating lease liability	(32,103)	(26,468)
Other noncurrent assets and liabilities	(2,065)	(2,599)
Net cash provided by operating activities	\$ 185,453	\$ 153,309
Cash flows from investing activities:		
Purchases of property and equipment	(132,014)	(86,330)
Acquisition of car wash operations, net of cash	(65,533)	(55,072)
Proceeds from sale of property and equipment	63,763	50,944
Net cash used in investing activities	\$ (133,784)	\$ (90,458)
Cash flows from financing activities:		
Proceeds from issuance of common stock pursuant to initial public offering	-	468,750
Proceeds from issuance of common stock under employee plans	5,941	121
Payments for repurchases of common stock	-	(308)
Proceeds from secondary public offering for employee tax withholdings	-	20,859
Tax withholdings paid on behalf of employees for secondary public offering	-	(20,859)
Payments on debt borrowings	(2,100)	(456,972)
Payments of debt extinguishment costs	-	(28)
Payments of deferred debt issuance costs	-	(226)
Principal payments on finance lease obligations	(421)	(364)
Payments of issuance costs pursuant to initial public offering	-	(29,194)
Net cash provided by (used in) financing activities	\$ 3,420	\$ (18,221)
Net change in cash and cash equivalents and restricted cash during period	55,089	44,630
Cash and cash equivalents and restricted cash at beginning of period	19,858	117,874
Cash and cash equivalents and restricted cash at end of period	\$ 74,947	\$ 162,504
Supplemental disclosure of cash flow information:		
Cash paid for interest	\$ 25,900	\$ 33,134
Cash paid for income taxes	\$ 2,416	\$ 8,029
Supplemental disclosure of non-cash investing and financing activities:		
Property and equipment in accounts payable	\$ 10,965	\$ 14,817
Property and equipment accrued in other accrued expenses	\$ 3,886	\$ -

GAAP to Non-GAAP Reconciliations
(Amounts in thousands, except share and per share data)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Reconciliation of net income to Adjusted EBITDA:				
Net income (loss)	\$ 23,997	\$ 27,366	\$ 95,144	\$ (58,350)
Interest expense, net	10,100	5,717	27,028	33,416
Income tax provision (benefit)	8,814	6,440	26,988	(29,747)
Depreciation and amortization expense	15,193	12,980	45,274	36,530
		748		
(Gain) loss on sale of assets	(649)		(3,336)	(5,559)
Loss on extinguishment of debt	-	-	-	3,183
Stock-based compensation expense	5,461	6,751	16,959	210,292
Acquisition expenses	1,303	968	2,541	1,977
Management fees	-	-	-	500
Non-cash rent expense	745	380	1,820	1,136
Expenses associated with initial public offering	-	124	272	1,574
Expenses associated with secondary public offering	-	498	-	498
Other	1,168	478	2,767	1,550
Adjusted EBITDA	<u>\$ 66,132</u>	<u>\$ 62,450</u>	<u>\$ 215,457</u>	<u>\$ 197,000</u>

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Reconciliation of weighted-average common shares outstanding - diluted to Adjusted weighted-average common shares outstanding - diluted:				
Weighted-average common shares outstanding - diluted	326,881,152	327,320,169	327,773,344	274,387,532
Adjustments for potentially dilutive securities	-	-	-	25,943,005
Adjusted weighted-average common shares outstanding - diluted	<u>326,881,152</u>	<u>327,320,169</u>	<u>327,773,344</u>	<u>300,330,537</u>

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Reconciliation of net income to Adjusted Net Income:				
Net income (loss)	\$ 23,997	\$ 27,366	\$ 95,144	\$ (58,350)
(Gain) loss on sale of assets	(649)	748	(3,336)	(5,559)
Loss on extinguishment of debt	-	-	-	3,183
Stock-based compensation expense	5,461	6,751	16,959	210,292
Acquisition expenses	1,303	968	2,541	1,977
Management fees	-	-	-	500
Non-cash rent expense	745	380	1,820	1,136
Expenses associated with initial public offering	-	124	272	1,574
Expenses associated with secondary public offering	-	498	-	498
Other	1,168	478	2,767	1,550
Income tax impact of stock award exercises	(38)	(2,555)	(5,996)	(11,466)
Tax impact of adjustments to net income (loss)	(2,007)	(2,487)	(5,256)	(53,788)
Adjusted Net Income	<u>\$ 29,980</u>	<u>\$ 32,271</u>	<u>\$ 104,915</u>	<u>\$ 91,547</u>
Diluted Adjusted Net Income per Share	<u>\$ 0.09</u>	<u>\$ 0.10</u>	<u>\$ 0.32</u>	<u>\$ 0.30</u>
Adjusted weighted-average common shares outstanding - diluted	326,881,152	327,320,169	327,773,344	300,330,537

