

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2025

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: 001-40542


Mister Car Wash, Inc.
(Exact name of Registrant as specified in its Charter)

Delaware
(State or other jurisdiction of incorporation or organization)
222 E. 5th Street, Tucson, Arizona
(Address of principal executive offices)

47-1393909
(I.R.S. Employer Identification No.)
85705
(Zip Code)

Registrant's telephone number, including area code: (520) 615-4000

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 Nasdaq Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer
Non-accelerated filer Smaller reporting company
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.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of July 24, 2025, the registrant had 327,275,242 shares of common stock, \$0.01 par value per share, outstanding.

MISTER CAR WASH, INC.
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FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains 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 and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). All statements other than statements of present and historical facts contained in this Quarterly Report on Form 10-Q, including without limitation, statements regarding our future results of operations and financial position, business strategy and approach are forward-looking. You can generally identify forward-looking statements by our use of forward-looking terminology such as "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "may," "might," "plan," "potential," "predict," "seek," "should," "will," "would" or the negative thereof or comparable terminology.

Forward-looking statements are based on our management's beliefs and assumptions and on information currently available to us. Such beliefs and assumptions may or may not prove to be correct. Additionally, such forward-looking statements are subject to a number of known and unknown risks, uncertainties and assumptions, and actual results may differ materially from those expressed or implied in the forward-looking statements in this Quarterly Report on Form 10-Q due to various factors, including, but not limited to, those identified in Part I. Item 1A. "Risk Factors" and in Part II. Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations" of our Annual Report on Form 10-K for the fiscal year ended December 31, 2024 (the "2024 Form 10-K") and in Part I. Item 2. "Management's Discussion and Analysis of Financial Condition and Results of Operations" of this Quarterly Report on Form 10-Q.

You are cautioned not to place undue reliance on such forward-looking statements. In addition, even if actual results are consistent with the forward-looking statements included elsewhere in this Quarterly Report on Form 10-Q, they may not be indicative of results or developments in future periods.

Any forward-looking statement that we make in this Quarterly Report on Form 10-Q speaks only as of the date of such statement. Except as required by law, we do not undertake 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, after the date of this Quarterly Report on Form 10-Q.

As used in this Quarterly Report on Form 10-Q, unless otherwise stated or the context requires otherwise, references to "Mister Car Wash," "Mister," the "Company," "we," "us," and "our," refer to Mister Car Wash, Inc. and its subsidiaries on a consolidated basis.

PART I—FINANCIAL INFORMATION
Item 1. Financial Statements.

Mister Car Wash, Inc.
Consolidated Statements of Operations and Comprehensive Income
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
<i>(Amounts in thousands, except share and per share data)</i>				
Net revenues	\$ 265,415	\$ 255,043	\$ 527,071	\$ 494,226
Costs and expenses				
Cost of labor and chemicals	76,627	72,691	150,879	144,349
Other store operating expenses	108,850	99,543	218,517	196,346
General and administrative	25,113	24,912	49,772	54,622
Loss on sale of assets, net	679	2,897	790	1,364
Total costs and expenses	<u>211,269</u>	<u>200,043</u>	<u>419,958</u>	<u>396,681</u>
Operating income	54,146	55,000	107,113	97,545
Other (income) expense				
Interest expense, net	15,172	20,254	31,195	40,278
Loss on extinguishment of debt	—	—	—	1,882
Other income	(21)	—	(21)	(5,189)
Total other expense, net	<u>15,151</u>	<u>20,254</u>	<u>31,174</u>	<u>36,971</u>
Income before taxes	38,995	34,746	75,939	60,574
Income tax provision	10,400	12,655	20,344	21,846
Net income	<u>\$ 28,595</u>	<u>\$ 22,091</u>	<u>\$ 55,595</u>	<u>\$ 38,728</u>
Other comprehensive income, net of tax				
Gain on interest rate swap	350	—	350	—
Total comprehensive income	<u>\$ 28,945</u>	<u>\$ 22,091</u>	<u>\$ 55,945</u>	<u>\$ 38,728</u>
Earnings per share				
Basic	\$ 0.09	\$ 0.07	\$ 0.17	\$ 0.12
Diluted	\$ 0.09	\$ 0.07	\$ 0.17	\$ 0.12
Weighted-average common shares outstanding				
Basic	325,561,496	319,415,156	324,884,649	317,626,972
Diluted	331,824,299	328,325,135	331,655,434	329,168,640

See accompanying notes to consolidated financial statements.

Mister Car Wash, Inc.
Consolidated Statements of Cash Flows
(Unaudited)

(Amounts in thousands)	Six Months Ended June 30,	
	2025	2024
Cash flows from operating activities		
Net income	\$ 55,595	\$ 38,728
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization expense	42,655	39,856
Stock-based compensation expense	13,320	12,152
Loss on sale of assets, net	790	1,364
Loss on extinguishment of debt	—	1,882
Amortization of deferred debt issuance costs	574	713
Non-cash lease expense	27,262	24,037
Deferred income tax	17,131	19,903
Changes in assets and liabilities		
Accounts receivable, net	(1,852)	(2,222)
Other receivables	230	(5,846)
Inventory, net	314	3,093
Prepaid expenses and other current assets	969	(1,267)
Accounts payable	2,471	3,251
Accrued expenses	(3,764)	3,022
Deferred revenue	2,554	2,070
Operating lease liability	(23,654)	(21,025)
Other noncurrent assets and liabilities	(217)	(829)
Net cash provided by operating activities	\$ 134,378	\$ 118,882
Cash flows from investing activities		
Purchases of property and equipment	(113,112)	(163,096)
Proceeds from sale of property and equipment	1,783	18,454
Net cash used in investing activities	\$ (111,329)	\$ (144,642)
Cash flows from financing activities		
Proceeds from issuance of common stock under employee plans	3,662	2,773
Payments of tax withholding on option exercises	—	(19,290)
Proceeds from debt borrowings	—	925,000
Proceeds from revolving line of credit	—	92,000
Payments on debt borrowings	(67,307)	(901,201)
Payments on revolving line of credit	—	(84,000)
Payments of deferred debt issuance costs	—	(4,525)
Principal payments on finance lease obligations	(387)	(362)
Net cash provided by (used in) financing activities	\$ (64,032)	\$ 10,395
Net change in cash and cash equivalents and restricted cash during period	(40,983)	(15,365)
Cash and cash equivalents and restricted cash at beginning of period	67,612	19,119
Cash and cash equivalents and restricted cash at end of period	\$ 26,629	\$ 3,754
Reconciliation of cash, cash equivalents, and restricted cash to the consolidated balance sheets		
Cash and cash equivalents	26,405	3,609
Restricted cash, included in prepaid expenses and other current assets	224	145
Total cash, cash equivalents, and restricted cash	\$ 26,629	\$ 3,754
Supplemental disclosure of cash flow information		
Cash paid for interest	\$ 32,245	\$ 39,646
Cash paid for income taxes	\$ 2,204	\$ 2,181
Supplemental disclosure of non-cash investing and financing activities		
Property and equipment in accounts payable	\$ 9,545	\$ 21,119
Property and equipment accrued in other accrued expenses	\$ 3,983	\$ —
Payment of debt financing costs in other accrued expenses	\$ —	\$ 735

See accompanying notes to consolidated financial statements.

Mister Car Wash, Inc.
Consolidated Balance Sheets
(Unaudited)

<i>(Amounts in thousands, except share and per share data)</i>	As of	
	June 30, 2025	December 31, 2024
Assets		
Current assets		
Cash and cash equivalents	\$ 26,405	\$ 67,463
Accounts receivable, net	2,642	791
Other receivables	11,423	13,518
Inventory, net	5,414	5,728
Prepaid expenses and other current assets	11,792	11,590
Total current assets	57,676	99,090
Property and equipment, net	880,527	814,600
Operating lease right of use assets, net	905,229	924,896
Other intangible assets, net	111,577	112,507
Goodwill	1,134,734	1,134,734
Other assets	16,254	15,969
Total assets	\$ 3,105,997	\$ 3,101,796
Liabilities and stockholders' equity		
Current liabilities		
Accounts payable	\$ 31,122	\$ 30,020
Accrued payroll and related expenses	21,990	27,116
Other accrued expenses	34,908	39,162
Current maturities of long-term debt	—	6,920
Current maturities of operating lease liability	51,020	48,986
Current maturities of finance lease liability	834	804
Deferred revenue	36,514	33,960
Total current liabilities	176,388	186,968
Long-term debt, net	849,055	909,094
Operating lease liability	874,858	890,613
Financing lease liability	12,795	13,262
Deferred tax liabilities, net	118,988	101,741
Other long-term liabilities	2,930	1,766
Total liabilities	2,035,014	2,103,444
Stockholders' equity		
Common stock, \$0.01 par value, 1,000,000,000 shares authorized, 327,257,547 and 323,693,863 shares outstanding as of June 30, 2025 and December 31, 2024, respectively	3,278	3,242
Additional paid-in capital	846,914	830,264
Accumulated other comprehensive income	350	—
Retained earnings	220,441	164,846
Total stockholders' equity	1,070,983	998,352
Total liabilities and stockholders' equity	\$ 3,105,997	\$ 3,101,796

See accompanying notes to consolidated financial statements.

Mister Car Wash, Inc.
Consolidated Statements of Stockholders' Equity
(Amounts in thousands, except share and per share data)
(Unaudited)

Six Months Ended June 30, 2025

	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income	Retained Earnings	Stockholders' Equity
	Shares	Amount				
Balance as of December 31, 2024	323,693,863	\$ 3,242	\$ 830,264	\$ —	\$ 164,846	\$ 998,352
Stock-based compensation expense	—	—	6,843	—	—	6,843
Vesting of restricted stock units	137,425	1	(1)	—	—	—
Exercise of stock options	983,150	11	1,689	—	—	1,700
Net income	—	—	—	—	27,000	27,000
Balance as of March 31, 2025	<u>324,814,438</u>	<u>\$ 3,254</u>	<u>\$ 838,795</u>	<u>\$ —</u>	<u>\$ 191,846</u>	<u>\$ 1,033,895</u>
Stock-based compensation expense	—	—	6,477	—	—	6,477
Issuance of common stock under employee plans	188,893	2	1,233	—	—	1,235
Vesting of restricted stock units	1,697,973	17	(17)	—	—	—
Exercise of stock options	556,243	5	426	—	—	431
Gain on interest rate swap	—	—	—	350	—	350
Net income	—	—	—	—	28,595	28,595
Balance as of June 30, 2025	<u>327,257,547</u>	<u>\$ 3,278</u>	<u>\$ 846,914</u>	<u>\$ 350</u>	<u>\$ 220,441</u>	<u>\$ 1,070,983</u>

Six Months Ended June 30, 2024

	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income	Retained Earnings	Stockholders' Equity
	Shares	Amount				
Balance as of December 31, 2023	315,192,401	\$ 3,157	\$ 817,271	\$ —	\$ 94,607	\$ 915,035
Stock-based compensation expense	—	—	6,246	—	—	6,246
Vesting of restricted stock units	139,409	1	(1)	—	—	—
Exercise of stock options	4,116,291	42	704	—	—	746
Tax withholding on option exercises	(1,613,019)	(16)	(9,924)	—	—	(9,940)
Net income	—	—	—	—	16,637	16,637
Balance as of March 31, 2024	<u>317,835,082</u>	<u>\$ 3,184</u>	<u>\$ 814,296</u>	<u>\$ —</u>	<u>\$ 111,244</u>	<u>\$ 928,724</u>
Stock-based compensation expense	—	—	5,906	—	—	5,906
Issuance of common stock under employee plans	232,136	2	1,411	—	—	1,413
Vesting of restricted stock units	1,114,106	11	(11)	—	—	—
Exercise of stock options	3,599,539	36	625	—	—	661
Tax withholding on option exercises	(1,385,675)	(13)	(9,382)	—	—	(9,395)
Net income	—	—	—	—	22,091	22,091
Balance as of June 30, 2024	<u>321,395,188</u>	<u>\$ 3,220</u>	<u>\$ 812,845</u>	<u>\$ —</u>	<u>\$ 133,335</u>	<u>\$ 949,400</u>

See accompanying notes to consolidated financial statements.

Mister Car Wash, Inc.
Notes to Consolidated Financial Statements
(Dollar amounts in thousands, except per share data)
(Unaudited)

1. Nature of Business

Mister Car Wash, Inc., a Delaware corporation, together with its subsidiaries (collectively, “we,” “us,” “our” or the “Company”), is based in Tucson, Arizona and is a provider of conveyORIZED car wash services. We primarily operate Express Exterior Locations, which offer express exterior cleaning services along with free vacuum services, and interior cleaning services at select locations. As of June 30, 2025, we operated 522 car washes in 21 states.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying unaudited consolidated financial statements as of June 30, 2025 and for the three and six months ended June 30, 2025 and 2024 have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) and pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”) for interim financial statements. Certain information and note disclosures normally included in financial statements prepared in accordance with U.S. GAAP have been omitted pursuant to such rules and regulations. As such, the information included in this quarterly report on Form 10-Q should be read in conjunction with our audited consolidated financial statements and the notes thereto for the year ended December 31, 2024 included in the 2024 Form 10-K.

The consolidated financial statements have been prepared on the same basis as the audited consolidated financial statements. In the opinion of management, the accompanying unaudited consolidated financial statements reflect all adjustments consisting of normal recurring adjustments necessary for a fair presentation of our financial position and results of operations. Such adjustments are of a normal and recurring nature. The consolidated results of operations and comprehensive income for the three and six months ended June 30, 2025 are not necessarily indicative of the consolidated results of operations and comprehensive income that may be expected for any other future interim or annual period.

Use of Estimates

The preparation of the unaudited consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue and expenses during the periods reported. Some of the significant estimates that we have made pertain to the determination of deferred tax assets and liabilities and certain assumptions used related to the evaluation of goodwill, intangibles, and property and equipment asset impairment. Actual results could differ from those estimates.

Accounts Receivable, Net

Accounts receivable are presented net of an allowance for doubtful accounts of \$169 and \$123 as of June 30, 2025 and December 31, 2024, respectively. The activity in the allowance for doubtful accounts was immaterial for the three and six months ended June 30, 2025 and 2024.

Other Receivables

Other receivables consisted of the following for the periods presented:

	As of	
	June 30, 2025	December 31, 2024
Payroll tax withholding and exercise proceeds receivable	\$ —	\$ 834
Construction receivable	3,632	4,584
Income tax receivable	296	1,864
Insurance receivable	5,622	4,250
Other	1,873	1,986
Total other receivables	<u>\$ 11,423</u>	<u>\$ 13,518</u>

Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consisted of the following for the periods presented:

	As of	
	June 30, 2025	December 31, 2024
Spare parts	\$ 3,761	\$ 4,801
Prepaid insurance	2,809	2,658
Other	5,222	4,131
Total prepaid expenses and other current assets	<u>\$ 11,792</u>	<u>\$ 11,590</u>

Inventory, Net

Inventory consisted of the following for the periods presented:

	As of	
	June 30, 2025	December 31, 2024
Chemical washing solutions	\$ 5,454	\$ 5,831
Other	71	14
Total inventory, gross	5,525	5,845
Reserve for obsolescence	(111)	(117)
Total inventory, net	<u>\$ 5,414</u>	<u>\$ 5,728</u>

The activity in the reserve for obsolescence was immaterial for the three and six months ended June 30, 2025 and 2024.

Derivative Financial Instruments

The Company has a pay fixed, receive variable interest rate swap contract (“Swap”) to manage its exposure to changes in interest rates. The Swap is recognized in the consolidated balance sheets at fair value. The Swap is a cash flow hedge and is recorded using hedge accounting, as such, changes in the fair value of the Swap are recorded in Other comprehensive income (loss), net of tax until the hedged item is recognized in earnings. Amounts reported in Other comprehensive income, net of tax related to the Swap are reclassified to interest expense as interest payments are made on the Company’s variable-rate debt. The swap is scheduled to terminate June 30, 2027.

The Company assesses, both at the inception of the hedge and on an ongoing basis, whether the derivative used as a hedging instrument is highly effective in offsetting the changes in the cash flow of the hedged item. If it is determined that the derivative is not highly effective as a hedge or ceases to be highly effective, the Company will discontinue hedge accounting prospectively. See Note 8- Fair Value Measurements and Note 9-Interest Rate Swap for additional information.

Revenue Recognition

The following table summarizes the composition of our net revenues for the periods presented:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Recognized over time	\$ 200,191	\$ 184,082	\$ 392,039	\$ 360,341
Recognized at a point in time	64,917	70,861	134,601	133,707
Other revenue	307	100	431	178
Net revenues	<u>\$ 265,415</u>	<u>\$ 255,043</u>	<u>\$ 527,071</u>	<u>\$ 494,226</u>

Earnings Per Share

Reconciliations of the numerators and denominators of the basic and diluted earnings per share calculations for the periods presented are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Numerator				
Net income	\$ 28,595	\$ 22,091	\$ 55,595	\$ 38,728
Denominator				
Weighted-average common shares outstanding - basic	325,561,496	319,415,156	324,884,649	317,626,972
Effect of potentially dilutive securities				
Stock options	3,721,922	7,509,205	4,046,601	10,097,192
Restricted stock units	2,538,733	1,399,443	2,721,188	1,428,419
Stock purchase rights	2,148	1,331	2,996	16,057
Weighted-average common shares outstanding - diluted	331,824,299	328,325,135	331,655,434	329,168,640
Earnings per share - basic	\$ 0.09	\$ 0.07	\$ 0.17	\$ 0.12
Earnings per share - diluted	\$ 0.09	\$ 0.07	\$ 0.17	\$ 0.12

The following potentially dilutive shares were excluded from the computation of diluted earnings per share for the periods presented because including them would have been antidilutive:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Stock options	4,864,949	4,153,264	4,894,707	3,909,744
Restricted stock units	1,409,548	1,336,924	704,777	668,462
Stock purchase rights	82,581	95,582	41,293	49,358

Employee Retention Credit

In response to the COVID-19 pandemic, the Employee Retention Credit (“ERC”), was established under the Coronavirus Aid, Relief, and Economic Security Act. The ERC is a refundable tax credit against certain employment taxes equal to 50% of the qualified wages an eligible employer paid to employees from March 13, 2020 to December 31, 2020. Companies who meet the eligibility requirements can claim the ERC on an original or adjusted employment tax return for a period within those dates.

In March 2024, we determined that we qualified for and recognized \$4,663 (net of tax advisory costs) in relief for the period from March 13, 2020 to December 31, 2020. Upon receipt of the credit, we will owe an immaterial amount for tax advisory costs associated with the assessment of the tax credit. As there is no authoritative guidance under U.S. GAAP for government assistance to for-profit business entities, the Company accounted for the ERC by analogy to International Accounting Standards 20, or IAS 20, *Accounting for Government Grants and Disclosure of Government Assistance*. In accordance with IAS 20, management determined it has reasonable assurance of receipt of the identified ERC amount and recorded the credit in Other income on our consolidated statements of operations and comprehensive income.

As of June 30, 2025 and December 31, 2024, the tax credit receivable was \$4,663. This amount is included in Other assets on our consolidated balance sheet.

Recent Accounting Pronouncements

In December 2023, the FASB issued ASU No. 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which focuses on the rate reconciliation and income taxes paid. ASU No. 2023-09 requires a public business entity (PBE) to disclose, on an annual basis, a tabular rate reconciliation using both percentages and currency amounts, broken out into specified categories with certain reconciling items further broken out by nature and jurisdiction to the extent those items exceed a specified threshold. In addition, all entities are required to disclose income taxes paid, net of refunds received disaggregated by federal, state/local, and foreign and by jurisdiction if the amount is at least 5% of total income tax payments, net of refunds received. For PBEs, the new standard is effective for annual periods beginning after December 15, 2024, with early adoption permitted. An entity may apply the amendments in this ASU prospectively by providing the revised disclosures for the period ending December 31, 2025 and continuing to provide the pre-ASU disclosures for the prior periods, or may apply the amendments retrospectively by providing the revised disclosures for all periods presented. The adoption of this ASU will be reflected in the Company's annual financial statements for the year ending December 31, 2025, and is not expected to have a material impact on our consolidated financial statements.

In November 2024, the FASB issued ASU No. 2024-03, Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses, which requires a PBE to disclose

additional information about specific expense categories in the notes to financial statements at interim and annual periods. This information is generally not presented in the financial statements. The ASU requires that at each interim and annual period a PBE: (1) disclose the amounts of (a) purchases of inventory, (b) employee compensation, (c) depreciation, (d) intangible asset amortization, and (e) depreciation, depletion, and amortization; (2) include certain amounts that are already required to be disclosed under current U.S. GAAP in the same disclosure as the other disaggregation requirements; (3) disclose a qualitative description of the amounts remaining in relevant expense captions that are not separately disaggregated quantitatively, and (4) disclose the total amount of selling expenses and, in annual reporting periods, an entity's definition of selling expenses. The ASU is effective for annual periods beginning after December 15, 2026, and interim periods beginning after December 15, 2027, with early adoption permitted. The guidance should be applied either prospectively to financial statements issued for periods after the effective date of this ASU or retrospectively to any or all prior periods presented in the financial statements. We are still assessing the impact of this ASU.

3. Property and Equipment, Net

Property and equipment, net consisted of the following for the periods presented:

	As of	
	June 30, 2025	December 31, 2024
Land	\$ 135,390	\$ 123,550
Buildings and improvements	379,634	328,664
Finance leases	16,497	16,554
Leasehold improvements	162,465	151,635
Vehicles and equipment	366,598	353,660
Furniture, fixtures and equipment	105,767	106,271
Construction in progress	72,557	61,153
Property and equipment, gross	1,238,908	1,141,487
Accumulated depreciation	(353,692)	(322,676)
Accumulated amortization - finance leases	(4,689)	(4,211)
Property and equipment, net	<u>\$ 880,527</u>	<u>\$ 814,600</u>

For the three months ended June 30, 2025 and 2024, depreciation expense was \$21,032 and \$18,372, respectively. For the six months ended June 30, 2025 and 2024, depreciation expense was \$41,239 and \$36,072, respectively.

For the three months ended June 30, 2025 and 2024, amortization expense on finance leases was \$242 and \$251, respectively. For the six months ended June 30, 2025 and 2024, amortization expense on finance leases was \$486 and \$502, respectively.

During the second quarter of 2025, the Company sold a car wash location that was classified as held for sale. Based on the net proceeds of the sale, a gain of \$338 was recorded during the second quarter of 2025. The gain was recorded in loss on sale of assets, net on the consolidated statements of operations and comprehensive income.

As of June 30, 2025, the two car wash locations classified as held for sale have a net book value of \$3,294. The assets of these locations are recorded in property and equipment, net on the consolidated balance sheets.

4. Other Intangible Assets, Net

Other intangibles assets, net consisted of the following as of the periods presented:

	June 30, 2025		December 31, 2024	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Trade names and trademarks	\$ 107,000	\$ —	\$ 107,000	\$ —
Customer relationships	9,700	7,253	9,700	7,019
Covenants not to compete	6,940	4,810	13,230	10,404
Other intangible assets, net	<u>\$ 123,640</u>	<u>\$ 12,063</u>	<u>\$ 129,930</u>	<u>\$ 17,423</u>

For the three months ended June 30, 2025 and 2024, amortization expense associated with our finite-lived intangible assets was \$464 and \$1,638, respectively. For the six months ended June 30, 2025 and 2024, amortization expense associated with our finite-lived intangible assets was \$930 and \$3,282, respectively.

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As of June 30, 2025, estimated future amortization expense was as follows:

Fiscal Year Ending:

2025 (remaining six months)	\$	897
2026		1,585
2027		758
2028		433
2029		310
Thereafter		594
Total estimated future amortization expense	\$	<u>4,577</u>

5. Other Accrued Expenses

Other accrued expenses consisted of the following for the periods presented:

	As of	
	June 30, 2025	December 31, 2024
Utilities	\$ 7,444	\$ 6,685
Accrued tax expense	12,028	11,485
Insurance expense	6,540	4,843
Greenfield development accruals	3,983	9,653
Other	4,913	6,496
Total other accrued expenses	<u>\$ 34,908</u>	<u>\$ 39,162</u>

Accrued tax expense is comprised of federal, state, and local taxes payable for property, income, sales, use, and personal property.

Greenfield development accruals represent an obligation to pay for invoices not yet received, primarily related to land and buildings and improvements, on properties which we have taken control of as of June 30, 2025 and December 31, 2024.

6. Income Taxes

The effective income tax rates on continuing operations for the six months ended June 30, 2025 and 2024 were 26.8% and 36.1%, respectively. In general, the effective tax rates differed from the U.S. federal statutory income tax rate primarily due to state income taxes, non-deductible expenses such as those related to certain executive compensation, and discrete tax expenses related to stock option exercises during the period.

The year-to-date provision for income taxes for the six months ended June 30, 2025 included taxes on earnings at an anticipated annual effective tax rate of 25.3% and a net, unfavorable tax impact of \$1,095 related primarily to discrete tax expense originating from stock options exercised during the six months ended June 30, 2025.

The year-to-date provision for income taxes for the six months ended June 30, 2024 included taxes on earnings at an anticipated annual effective tax rate of 25.5% and a net, unfavorable tax impact of \$6,399 related primarily to discrete tax expense originating from stock options exercised during the six months ended June 30, 2024.

On July 4, 2025, the "One Big Beautiful Bill Act" (the "OBBBA") was signed into law. The OBBBA includes a broad range of tax reform provisions, such as the permanent extension of certain expiring provisions of the 2017 Tax Cuts and Jobs Act ("TCJA"), and the restoration of favorable tax treatment for certain business provisions. The legislation has multiple effective dates, with certain provisions effective for the 2025 tax year and others being implemented through 2027. We are currently evaluating the impact of the OBBBA, including the extension of TCJA provisions, on our consolidated financial statements.

For the six months ended June 30, 2025 and 2024, we recorded \$44 and \$219 related to unrecognized tax benefits or interest and penalties related to any uncertain tax positions.

7. Debt

Long-term debt consisted of the following as of the periods presented:

	Maturity	Stated Interest Rate	Effective Interest Rate	As of	
				June 30, 2025	December 31, 2024
Credit agreement					
First lien term loan	March 27, 2031	6.83%	6.95%	\$ 853,074	\$ 920,381
Unamortized discount and debt issuance costs				(4,019)	(4,367)
Current maturities of debt				—	(6,920)
Total long-term portion of debt, net				\$ 849,055	\$ 909,094

As of June 30, 2025, there are no payments required until the maturity date.

As of June 30, 2025 and December 31, 2024, unamortized discount and debt issuance costs were \$5,729 and \$6,304, respectively, and accumulated amortization of debt issuance costs was \$4,591 and \$4,018, respectively.

For the three months ended June 30, 2025 and 2024, the amortization of debt issuance costs in interest expense, net in the consolidated statements of operations and comprehensive income was approximately \$288 and \$303, respectively.

For the six months ended June 30, 2025 and 2024, the amortization of debt issuance costs in interest expense, net in the consolidated statements of operations and comprehensive income was approximately \$574 and \$713, respectively.

Amended and Restated First Lien Credit Agreement

On August 21, 2014, we entered into a Credit Agreement (“Credit Agreement”) which was originally comprised of a term loan (“First Lien Term Loan”) and a revolving commitment (“Revolving Commitment”), which was subsequently amended and restated. The Credit Agreement was collateralized by substantially all personal property (including cash, inventory, property and equipment, and intangible assets), real property, and equity interests owned by us.

First Lien Term Loan

In March 2024, we entered into Amendment No. 5 to the Credit Agreement with the lenders party thereto, and Bank of America, N.A. (“BofA”) as the successor administrative agent and collateral agent. This amendment further modified the Credit Agreement by providing \$925,000 in first lien term commitments, consisting of \$901,201 to refinance outstanding term loans and \$23,799 in additional incremental term commitments (collectively, the “2024 Term Loans”). Starting September 30, 2024, the loans will be amortized in equal quarterly installments at an annual rate of 1.00% of the original principal amount. In connection with Amendment No. 5, we expensed \$1,882 of previously unamortized debt issuance costs as a loss on extinguishment of debt in the consolidated statements of operations and comprehensive income.

In November 2024, we entered into Amendment No. 6 to the Credit Agreement with the lenders party thereto, and BofA as the successor administrative agent and collateral agent. This amendment further modified the Credit Agreement by resetting the soft call protection of 1% for voluntary prepayments of the Term Loans to last for six months after the effective date of this Amendment, as well as repricing the Term and Revolving Loans margins, where each was reduced by 0.25%. In connection with Amendment No. 6, we expensed \$94 of previously unamortized debt issuance costs as a loss on extinguishment of debt in the consolidated statements of operations and comprehensive income.

Revolving Commitment

Amendment No. 5 to our Credit Agreement also increased our borrowing capacity under the Revolving Commitment from \$150,000 to \$300,000. Any unused commitment fee is also payable based on the First Lien Net Leverage Ratio. The Credit Agreement requires a Rent Adjusted Total Net Leverage Ratio no greater than 6.50 to 1.00, tested quarterly beginning with the quarter ending September 30, 2024, for the benefit of lenders holding the Revolving Commitment.

The maximum available borrowing capacity under the Revolving Commitment is reduced by outstanding letters of credit under the Revolving Commitment. As of June 30, 2025 and December 31, 2024, the available borrowing capacity under the Revolving Commitment was \$299,791.

In addition, an unused commitment fee based on our First Lien Net Leverage Ratio is payable on the average of the unused borrowing capacity under the Revolving Commitment. As of June 30, 2025 and December 31, 2024, the unused commitment fee was 0.20% and 0.25%, respectively.

Standby Letters of Credit

As of June 30, 2025, we have a letter of credit sublimit of \$90,000 under the Revolving Commitment, provided that the total utilization of revolving commitments under the Revolving Commitment does not exceed \$300,000. Any letter of credit issued under the Credit Agreement has an expiration date which is the earlier of (i) no later than 12 months from the date of issuance or (ii) five

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business days prior to the maturity date of the Revolving Commitment, as amended under Amendment No. 2 to the Credit Agreement. Letters of credit under the Revolving Commitments reduce the maximum available borrowing capacity under the Revolving Commitment. As of June 30, 2025 and December 31, 2024, the amounts associated with outstanding letters of credit were \$209.

Covenants

As of June 30, 2025, we were in compliance with all covenants related to our long-term debt.

8. Fair Value Measurements

The following table presents financial assets and liabilities which are measured at fair value on a recurring basis as of June 30, 2025:

	Fair Value Measurements			
	Total	Level 1	Level 2	Level 3
Assets				
Deferred compensation plan	\$ 7,059	\$ 7,059	\$ —	\$ —
Interest rate swap	\$ 466	\$ —	\$ 466	\$ —
Liabilities				
Deferred compensation plan	\$ 4,266	\$ 4,266	\$ —	\$ —
Contingent consideration	\$ 4,328	\$ —	\$ —	\$ 4,328

The following table presents financial assets and liabilities which are measured at fair value on a recurring basis as of December 31, 2024:

	Fair Value Measurements			
	Total	Level 1	Level 2	Level 3
Assets				
Deferred compensation plan	\$ 6,487	\$ 6,487	\$ —	\$ —
Liabilities				
Deferred compensation plan	\$ 4,425	\$ 4,425	\$ —	\$ —
Contingent consideration	\$ 4,328	\$ —	\$ —	\$ 4,328

We measure the fair value of our financial assets and liabilities using the highest level of inputs that are available as of the measurement date. The carrying amounts of cash and cash equivalents, accounts receivable, and accounts payable approximate their fair value due to the immediate or short-term maturity of these financial instruments. See Note 9 Interest Rate Swap for additional information on the interest rate swap.

As of June 30, 2025, and December 31, 2024, we did not hold any cash investments.

We maintain a deferred compensation plan for a certain group of our highly compensated employees, in which certain of our executive officers participate in. The plan allows eligible participants to defer up to 90% of their base salary and/or incentive plan compensation as well as any refunds from our 401(k) Plan. Participants may elect investment funds selected by the Company in whole percentages. Changes in the value of compensation deferred under these plans are recognized each period based on the fair value of the underlying measurement funds. These investment funds consist primarily of equity securities, such as common stock and mutual funds, and fixed income securities and are valued at the closing price reported on the active market on which the individual securities are traded and are classified as Level 1. These investment options do not represent actual ownership of or ownership rights in the applicable funds; they serve the purpose of valuing the account and the corresponding obligation of the Company.

As of June 30, 2025 and December 31, 2024, the fair value of our First Lien Term Loan approximated its carrying value due to the debt's variable interest rate terms.

We recognized a Level 3 contingent consideration liability in connection with the Downtowner Car Wash acquisition in December 2021. We measured its contingent consideration liability using Level 3 unobservable inputs. The contingent consideration liability is associated with the achievement of certain targets and is estimated at each balance sheet date by considering among other factors, results of completed periods and our most recent financial projection for future periods subject to earn-out payments. There are two components to the contingent consideration: a payment when we obtained the certificate of occupancy for the car wash and opened it to the public in 2023 and an annual payment based on certain financial metrics of the acquired business. A change in the forecasted revenue or projected opening dates could result in a significantly lower or higher fair value measurement. We determined that there were no significant changes to the unobservable inputs that would have resulted in a change in fair value of this contingent consideration liability at June 30, 2025. No payments were made during the three and six months ended June 30, 2025 and 2024.

During the three and six months ended June 30, 2025 and 2024, there were no transfers between fair value measurement levels.

9. Interest Rate Swap

On April 28, 2025, the Company executed a pay-fixed, receive-floating interest rate swap (the “Swap”) to mitigate variability in forecasted interest payments on an aggregate notional amount of \$250,000 of the Company’s variable-rate First Lien Term Loan. The Swap has an effective date of June 30, 2025, with a maturity date of June 30, 2027. The Company designated the Swap as a cash flow hedge.

As of June 30, 2025, information pertaining to the Swap is as follows:

Notional Amount	Fair Value	Pay-Fixed	Receive-Floating	Maturity Date
\$ 250,000	\$ 466	3.369%	4.327%	June 30, 2027

As of June 30, 2025 and December 31, 2024, the current portion of the fair value of the Swap was \$1,096 and \$0, respectively, and is included in prepaid and other current assets in the accompanying consolidated balance sheets.

As of June 30, 2025 and December 31, 2024, the long-term portion of the fair value of the Swap was \$630 and \$0, respectively, and is included in other long-term liabilities in the accompanying consolidated balance sheets.

For the three and six months ended June 30, 2025 and 2024, amounts reported in other comprehensive income in the accompanying consolidated statements of operations and comprehensive income are net of tax of \$116 and \$0, respectively.

10. Leases

Balance sheet information related to leases consisted of the following for the periods presented:

Classification	As of		
	June 30, 2025	December 31, 2024	
Assets			
Operating	Operating right of use assets, net	\$ 905,229	\$ 924,896
Finance	Property and equipment, net	11,809	12,344
Total lease assets		\$ 917,038	\$ 937,240
Liabilities			
Current			
Operating	Current maturities of operating lease liability	\$ 51,020	\$ 48,986
Finance	Current maturities of finance lease liability	834	804
Long-term			
Operating	Operating lease liability	874,858	890,613
Finance	Financing lease liability	12,795	13,262
Total lease liabilities		\$ 939,507	\$ 953,665

Components of total lease cost, net, consisted of the following for the periods presented:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Operating lease expense(a)	\$ 30,783	\$ 27,659	\$ 61,487	\$ 54,871
Finance lease expense				
Amortization of lease assets	243	251	487	502
Interest on lease liabilities	245	260	495	524
Short-term lease expense	22	52	39	103
Variable lease expense(b)	3,015	2,756	10,909	10,020
Total lease expense	\$ 34,308	\$ 30,978	\$ 73,417	\$ 66,020

a) Operating lease expense includes an immaterial amount of sublease income and is included in other store operating expenses and general and administrative expenses in the accompanying consolidated statements of operations and comprehensive income.

b) Variable lease costs consist of property taxes, property insurance, and common area or other maintenance costs for our leases of land and buildings and is included in other store operating expenses in the accompanying consolidated statements of operations and comprehensive income.

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The following includes supplemental information for the periods presented:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Operating cash flows from operating leases	\$ 29,909	\$ 26,843	\$ 59,429	\$ 53,360
Operating cash flows from finance leases	\$ 245	\$ 260	\$ 495	\$ 524
Financing cash flows from finance leases	\$ 194	\$ 182	\$ 387	\$ 362
Operating lease ROU assets obtained in exchange for lease liabilities	\$ 335	\$ 20,237	\$ 7,595	\$ 34,947
Weighted-average remaining operating lease term	13.59	13.67	13.59	13.67
Weighted-average remaining finance lease term	14.46	15.19	14.46	15.19
Weighted-average operating lease discount rate	8.13%	8.09%	8.13%	8.09%
Weighted-average finance lease discount rate	7.34%	7.33%	7.34%	7.33%

As of June 30, 2025, lease obligation maturities were as follows:

Fiscal Year Ending:	Operating Leases	Finance Leases
2025 (remaining six months)	\$ 60,236	\$ 887
2026	120,250	1,792
2027	116,681	1,819
2028	110,411	1,846
2029	109,812	1,575
Thereafter	1,061,661	16,850
Total future minimum obligations	\$ 1,579,051	\$ 24,769
Present value discount	(653,173)	(11,140)
Present value of net future minimum lease obligations	\$ 925,878	\$ 13,629
Current portion	(51,020)	(834)
Long-term obligations	\$ 874,858	\$ 12,795

Forward-Starting Leases

As of June 30, 2025, we entered into 11 leases that had not yet commenced related to build-to-suit arrangements for car wash locations. These leases will commence in years 2025 through 2027 with initial lease terms of 15 to 20 years.

As of December 31, 2024, we entered into 10 leases that had not yet commenced related to build-to-suit arrangements for car wash locations. These leases will commence in years 2025 through 2027 with initial lease terms of 15 to 20 years.

Sale-Leaseback Transactions

During the three and six months ended June 30, 2025, we did not complete any sale-leaseback transactions.

During the three and six months ended June 30, 2024, we completed three and four sale-leaseback transactions related to car wash locations, respectively, with aggregate consideration of \$13,845 and \$18,745, respectively, resulting in net losses of \$2,658 and \$961, respectively, which are included in (gain) loss on sale of assets in the accompanying consolidated statements of operations and comprehensive income. Contemporaneously with the closing of the sales, we entered into lease agreements for the properties for initial 20-year terms. For the sale-leaseback transactions consummated in the three and six months ended June 30, 2024, the cumulative initial annual rent for the property was approximately \$881 and \$1,187, respectively, subject to annual escalations. These leases are accounted for as operating leases.

11. Stockholders' Equity

As of June 30, 2025, there were 1,000,000,000 shares of common stock authorized, 333,430,468 shares of common stock issued, and 327,257,547 shares of common stock outstanding.

As of December 31, 2024, there were 1,000,000,000 shares of common stock authorized, 329,866,784 shares of common stock issued, and 323,693,863 shares of common stock outstanding.

As of June 30, 2025 and December 31, 2024, there were 5,000,000 shares of preferred stock authorized, and none were issued or outstanding.

We use the cost method to account for treasury stock. As of June 30, 2025 and December 31, 2024, we had 6,172,921 shares of treasury stock. As of June 30, 2025 and December 31, 2024, the cost of treasury stock included in additional paid-in capital in the accompanying consolidated balance sheets was \$28,895.

12. Stock-Based Compensation

We recognize stock-based compensation expense associated with stock options and restricted stock units ("RSUs"), and stock purchase rights. Stock options and RSUs are granted under the 2014 Stock Option Plan of Hotshine Holdings, Inc. (the "2014 Plan") and 2021 Incentive Award Plan (the "2021 Plan") while stock purchase rights are granted under the 2021 Employee Stock Purchase Plan ("2021 ESPP").

Refer to our 2024 Form 10-K for additional details on employee stock incentive plans.

Share-Based Payment Valuation

The grant date fair value of Time Vesting Options granted is determined using the Black-Scholes option-pricing model. The grant date fair value of stock purchase rights granted under the 2021 ESPP is determined using the Black-Scholes option-pricing model.

2021 ESPP

The following table presents, on a weighted-average basis, the assumptions used in the Black-Scholes option-pricing model to determine the grant date fair value of stock purchase rights granted under the 2021 ESPP during the periods presented:

	Six Months Ended June 30,	
	2025	2024
Expected volatility	39.42% - 42.14%	49.59% - 50.14%
Risk-free interest rate	4.30% - 4.44%	5.38% - 5.41%
Expected term (in years)	0.49 - 0.50	0.49 - 0.50
Expected dividend yield	None	None

Time Vesting Options

The following table presents, on a weighted-average basis, the assumptions used in the Black-Scholes option-pricing model to determine the grant date fair value of Time Vesting Options granted under the 2021 Plan during the periods presented:

	Six Months Ended June 30,	
	2025	2024
Expected volatility	46.74%	45.98%
Risk-free interest rate	4.07%	4.52%
Expected term (in years)	6.0	6.0
Expected dividend yield	None	None

Stock Options

A summary of our stock option activity during the period presented is as follows:

	Time Vesting Options	Performance Vesting Options	Total Number of Stock Options	Weighted- Average Exercise Price
Outstanding as of December 31, 2024	9,137,994	1,897,467	11,035,461	\$ 5.70
Granted	1,583,512	—	1,583,512	\$ 7.08
Exercised	(986,093)	(553,300)	(1,539,393)	\$ 1.38
Forfeited	(193,073)	—	(193,073)	\$ 9.39
Outstanding as of June 30, 2025	9,542,340	1,344,167	10,886,507	\$ 6.44
Options vested or expected to vest as of June 30, 2025	9,010,111	1,344,167	10,354,278	\$ 9.16
Options exercisable as of June 30, 2025	5,950,001	1,344,167	7,294,168	\$ 5.69

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The number and weighted-average grant date fair value of stock options during the period presented are as follows:

	Number of Stock Options		Weighted-Average Grant Date Fair Value	
	Time Vesting Options	Performance Vesting Options	Time Vesting Options	Performance Vesting Options
Unvested as of December 31, 2024	3,544,956	—	\$ 4.05	—
Granted	1,583,512	—	\$ 3.56	—
Vested	(1,450,382)	—	\$ 4.12	—
Forfeited	(85,746)	—	\$ 4.24	—
Unvested as of June 30, 2025	3,592,340	—	\$ 3.79	—

We granted 1,583,512 Time Vesting Options with a grant date fair value of \$5,637 during the six months ended June 30, 2025. There were no Performance Vesting Options granted during the six months ended June 30, 2025.

The fair value of shares attributable to stock options that vested during the six months ended June 30, 2025 was \$10,426.

As of June 30, 2025, the weighted-average remaining contractual life of outstanding stock options was approximately 6.01 years.

Restricted Stock Units

A summary of our RSU activity during the period presented is as follows:

	Restricted Stock Units	Weighted-Average Grant Date Fair Value
Unvested as of December 31, 2024	4,812,481	\$ 8.10
Granted	3,037,300	7.08
Vested	(1,835,398)	8.56
Forfeited	(320,535)	7.55
Unvested as of June 30, 2025	5,693,848	\$ 7.44

We granted 3,037,300 RSUs with a grant date fair value of \$21,503 during the six months ended June 30, 2025.

The fair value of shares attributable to RSUs that vested during the six months ended June 30, 2025 was \$13,067.

As of June 30, 2025, the weighted-average remaining contractual life of outstanding RSUs was approximately 9.26 years.

Stock-Based Compensation Expense

We estimated a forfeiture rate of 10.26% for awards with service-based vesting conditions based on historical experience and future expectations of the vesting of these share-based payments. We used this rate as an assumption in calculating stock-based compensation expense for Time Vesting Options, RSUs, and stock purchase rights granted under the 2021 ESPP.

Total stock-based compensation expense, by caption, recorded in the consolidated statements of operations and comprehensive income for the periods presented is as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Cost of labor and chemicals	\$ 2,794	\$ 2,465	\$ 5,576	\$ 4,938
General and administrative	3,683	3,441	7,744	7,214
Total stock-based compensation expense	\$ 6,477	\$ 5,906	\$ 13,320	\$ 12,152

Total stock-based compensation expense, by award type, recorded in the consolidated statements of operations and comprehensive income for the periods presented is as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Time Vesting Options	\$ 1,511	\$ 1,382	\$ 3,374	\$ 2,959
RSUs	4,774	4,348	9,562	8,755
2021 ESPP	192	176	384	438
Total stock-based compensation expense	\$ 6,477	\$ 5,906	\$ 13,320	\$ 12,152

As of June 30, 2025, total unrecognized compensation expense related to unvested Time Vesting Options was \$9,258, which is expected to be recognized over a weighted-average period of 3.95 years.

As of June 30, 2025, there was no unrecognized compensation expense related to unvested Performance Vesting Options as the completion of the IPO satisfied the performance condition and as a result, all outstanding Performance Vesting Options vested.

As of June 30, 2025, total unrecognized compensation expense related to unvested RSUs was \$25,919, which is expected to be recognized over a weighted-average period of 2.34 years.

As of June 30, 2025, total unrecognized compensation expense related to unvested stock purchase rights under the 2021 ESPP was \$289, which is expected to be recognized over a weighted-average period of 0.38 years.

13. Commitments and Contingencies

Litigation

We are involved from time to time in various legal proceedings related to employment practices, environmental issues, commercial disputes, antitrust and other regulatory matters concerning our business. We record liabilities for losses from legal proceedings when we determine that it is probable that the outcome in a legal proceeding will be unfavorable and the amount of loss can be reasonably estimated. The Company does not believe that any proceeding or litigation, either alone or in the aggregate, will have a material adverse effect on the Company's financial position, results of operations or cash flows; it is possible that an unfavorable outcome of some or all of the matters, however unlikely, could result in a charge that might be material to the results of an individual fiscal quarter or year.

Insurance

We carry a broad range of insurance coverage, including general and business auto liability, commercial property, workers' compensation, cyber risk, and general umbrella policies. As of June 30, 2025 and December 31, 2024, we accrued \$6,468 and \$4,803, respectively, for assessments on insurance claims filed, which are included in other accrued expenses in the accompanying consolidated balance sheets. As of June 30, 2025 and December 31, 2024, we recorded \$5,622 and \$4,250, respectively, in receivables from its non-healthcare insurance carriers related to these insurance claims, which are included in other receivables in the accompanying consolidated balance sheets. The receivables are paid when the claim is finalized, and the reserved amounts on these claims are expected to be paid within one year.

14. Segment Information

The Company operates as one operating segment where it derives its revenues from activities related to providing car wash services at its car wash locations that are geographically diversified throughout the United States and have similar economic characteristics and nature of services.

To assess consolidated performance the chief operating decision maker ("CODM"), who is the Chief Executive Officer, evaluates the operating results and performance through net income. Our CODM regularly reviews net income as reported on the consolidated statement of operations and comprehensive income and total assets as reported on the consolidated balance sheet for purposes of evaluating performance, allocating resources, setting incentive compensation targets, and planning and forecasting future periods. As presented on the consolidated statements of operations and comprehensive income, the CODM views consolidated expense information related to the cost of labor and chemicals, other store operating expenses, and general and administrative expenses to be significant and there are no other significant segment expenses or items that would require disclosure.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations.

You should read the following discussion and analysis of our financial condition and results of operations together with our consolidated financial statements and related notes included elsewhere in this Quarterly Report on Form 10-Q and the audited consolidated financial statements and related notes included in our 2024 Form 10-K. This discussion contains forward-looking statements based upon current plans, expectations and beliefs involving risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth in other parts of this Quarterly Report on Form 10-Q and in Part I, Item 1A. “Risk Factors” and in Part II, Item 7. “Management’s Discussion and Analysis of Financial Condition and Results of Operations” of our 2024 Form 10-K.

Who We Are

Mister Car Wash, Inc. is the nation's leading car wash brand, primarily offering express exterior cleaning services, with interior cleaning services at select locations, across 522 car washes in 21 states as of June 30, 2025. We offer a monthly subscription program, which we call the Unlimited Wash Club® (“UWC”), as a flexible, quick, and convenient option for customers to keep their cars clean. Our scale and over 25 years of innovation allow us to drive operating efficiencies and invest in training, infrastructure, and technology that improve speed of service, quality, and sustainability and realize strong financial performance.

Factors Affecting Our Business and Trends

We believe that our business and growth depend on a number of factors that present significant opportunities for us and may involve risks and challenges, including those discussed below and in Part I, Item 1A. “Risk Factors” of our 2024 Form 10-K.

- *Growth in comparable store sales.* Comparable store sales have been a driver of our net revenue growth. We will seek to continue to grow our comparable store sales by increasing the number of UWC Members, maximizing efficiency and throughput of our car wash locations, optimizing marketing spend to add new customers, and increasing customer visitation frequency.
- *Number and loyalty of UWC Members.* The UWC program is an important element of our business. UWC Members contribute a large portion of our net revenue and provide recurring revenue through their monthly membership fees.
- *Labor management.* Hiring and retaining skilled team members and experienced management represents one of our largest investments. We believe people are the key to our success and we have been able to successfully attract and retain engaged, high-quality team members by paying competitive wages, offering attractive benefit packages, and providing robust training and development opportunities. While the competition for skilled labor is intense and subject to high turnover, we believe our approach to wages and benefits will continue to allow us to attract suitable team members and management to support our growth.

In addition, the United States government recently announced tariffs on goods imported from various countries to the United States. Countries subject to such tariffs have imposed or may in the future impose reciprocal or retaliator. While we believe in the strength of our business, the potential macroeconomic impacts of these actions, if implemented, are difficult to predict and may have a material adverse impact on our business, results of operations and financial condition. Specifically, negative macroeconomic impact on consumers affecting general discretionary income, consumer confidence, or purchasing patterns may reduce demand for our services.

Factors Affecting the Comparability of Our Results of Operations

Our results have been affected by, and may in the future be affected by, the following factors, which must be understood in order to assess the comparability of our period-to-period financial performance and condition.

Greenfield Location Development

While we continue to explore and evaluate acquisition opportunities, more recently, a component of our growth strategy has been to grow through greenfield development of Mister Car Wash locations, with particular focus on Express Exterior Locations, and we anticipate further pursuit of this strategy in the future. We believe such a strategy will provide a more controllable pipeline of unit growth for future locations in existing and adjacent markets.

The comparability of our results may be impacted by the inclusion of financial performance of greenfield locations that have not delivered a full fiscal year of financial results nor matured to average unit volumes, which we typically expect after approximately three full years of operation.

Key Performance Indicators

We prepare and analyze various operating and financial data to assess the performance of our business and to help in the allocation of our resources. The key operating performance and financial metrics and indicators we use are set forth below, as of and for the three and six months ended June 30, 2025 and 2024.

(Dollars in thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Financial and Operating Data:				
Location count (end of period)	522	491	522	491
Comparable store sales growth	1.2%	2.4%	3.6%	1.6%
UWC Members (in thousands, end of period)	2,228	2,126	2,228	2,126
UWC sales as a percentage of total wash sales	76%	72%	74%	73%
Net income	\$ 28,595	\$ 22,091	\$ 55,595	\$ 38,728
Net income margin	10.8%	8.7%	10.5%	7.8%
Adjusted EBITDA	\$ 87,046	\$ 88,692	\$ 172,695	\$ 163,864
Adjusted EBITDA margin	32.8%	34.8%	32.8%	33.2%

Location Count (end of period)

Our location count refers to the total number of car wash locations at the end of a period, inclusive of new greenfield locations, acquired locations and offset by closed locations. The total number of locations that we operate, as well as the timing of location openings, acquisitions, and closings, have, and will continue to have, an impact on our performance. In the three and six months ended June 30, 2025, we increased our location count by 4 and 8 greenfield locations, respectively.

Our Express Exterior Locations, which offer express exterior cleaning services, comprise 459 of our current locations and our Interior Cleaning Locations, which offer both express exterior cleaning services and interior cleaning services, comprise 63 of our current locations.

Comparable Store Sales Growth

We consider a location a comparable store on the first day of the 13th full calendar month following a greenfield location's first day of operations, or for acquired locations, the first day of the 13th full calendar month following the date of acquisition. A location converted from an Interior Cleaning Location format to an Express Exterior Location format is excluded when the location did not offer interior cleaning services in the current period but did offer interior cleaning services in the prior year period. Comparable store sales growth is the percentage change in total wash sales of all comparable store car washes.

Increasing the number of new locations is a component of our growth strategy and as we continue to execute on our growth strategy, we expect that a significant portion of our sales growth will be attributable to non-comparable store sales. Accordingly, comparable store sales are only one measure we use to assess the success of our growth strategy.

UWC Members (end of period)

Members of our monthly subscription service are known as Unlimited Wash Club Members, or UWC Members. We view the number of UWC Members and the growth in the number of UWC Members on a net basis from period to period as key indicators of our revenue growth. The number of UWC Members has grown over time as we have acquired new customers and retained previously acquired customers. There were approximately 2.2 million UWC Members as of June 30, 2025. UWC Members grew by approximately 5% from December 31, 2024 through June 30, 2025.

UWC Sales as a Percentage of Total Wash Sales

UWC sales as a percentage of total wash sales represents the penetration of our subscription membership program as a percentage of our overall wash sales. Total wash sales are defined as the net revenue generated from express exterior cleaning services and interior cleaning services for both UWC Members and retail customers. UWC sales as a percentage of total wash sales is calculated as sales generated from UWC Members as a percentage of total wash sales. UWC sales were 76% and 72% of our total wash sales for the three months ended June 30, 2025 and 2024, respectively. UWC sales were 74% and 73% of our total wash sales for the six months ended June 30, 2025 and 2024, respectively.

Adjusted EBITDA and Adjusted EBITDA Margin

Adjusted EBITDA is a non-GAAP measure of our operating 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 generally accepted accounting principles in the United States of America (“U.S. GAAP”). Adjusted EBITDA is defined as net income before interest expense, net, income tax provision, depreciation and amortization expense, loss on sale of assets, stock-based compensation expense, acquisition expenses, non-cash rent expense, debt refinancing costs, and other nonrecurring charges. Adjusted EBITDA margin is defined as Adjusted EBITDA divided by net revenues for a given period.

We present Adjusted EBITDA because we believe it assists investors and analysts in comparing our operating performance across reporting periods on a consistent basis by excluding items that we do not believe are indicative of our ongoing operating performance. You are encouraged to evaluate these adjustments and the reasons we consider them appropriate for supplemental analysis. In evaluating Adjusted EBITDA, you should be aware that in the future we may incur expenses that are the same as or similar to some of the adjustments in our presentation of Adjusted EBITDA. Our presentation of Adjusted EBITDA should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items. There can be no assurance that we will not modify the presentation of Adjusted EBITDA in future periods, and any such modification may be material. In addition, Adjusted EBITDA may not be comparable to similarly titled measures used by other companies in our industry or across different industries.

Management believes Adjusted EBITDA is helpful in highlighting trends in our 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. We also use Adjusted EBITDA in connection with establishing discretionary annual incentive compensation; to evaluate in conjunction with U.S. GAAP measures of performance, the effectiveness of our business strategies; to make budgeting decisions; and because our Credit Agreement uses measures similar to Adjusted EBITDA to measure our compliance with certain covenants.

Adjusted EBITDA and Adjusted EBITDA Margin are not recognized terms under GAAP and should not be considered as a substitute for net income, net income margin, or any other financial measure presented in accordance with GAAP. Adjusted EBITDA has its limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of our results as reported under U.S. GAAP.

The following is a reconciliation of net income to Adjusted EBITDA for the periods presented.

(Dollars in thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Net income	\$ 28,595	\$ 22,091	\$ 55,595	\$ 38,728
Interest expense, net	15,172	20,254	31,195	40,278
Income tax provision	10,400	12,655	20,344	21,846
Depreciation and amortization expense	21,738	20,261	42,655	39,856
Loss on sale of assets, net (a)	679	2,897	790	1,364
Stock-based compensation expense (b)	7,274	6,791	14,390	13,593
Acquisition expenses (c)	1,199	548	2,613	1,113
Non-cash rent expense (d)	1,652	1,495	3,618	2,982
Debt refinancing costs (e)	—	—	—	1,882
Employee retention credit	—	—	—	(5,189)
Other (f)	337	1,700	1,495	7,411
Adjusted EBITDA	\$ 87,046	\$ 88,692	\$ 172,695	\$ 163,864
Net revenues	\$ 265,415	\$ 255,043	\$ 527,071	\$ 494,226
Net income margin	10.8%	8.7%	10.5%	7.8%
Adjusted EBITDA margin	32.8%	34.8%	32.8%	33.2%

- (a) Consists of losses on the disposition of assets associated with sale leaseback transactions, the sale of property and equipment, and store closures or the impairments associated with store closures and relocations.
- (b) Represents non-cash expense associated with our stock-based compensation as well as related taxes.
- (c) Represents expenses incurred in strategic acquisitions and greenfield development. Expenses include professional fees for accounting and auditing services, appraisals, legal fees and financial services, dead deal costs, one-time costs associated with supplies for rebranding the acquired stores, and distinct travel expenses for related, distinct integration efforts by team members who are not part of our dedicated integration team.
- (d) Represents the difference between cash paid for rent expense and U.S. GAAP rent expense.
- (e) Represents non-deferred legal fees and other expenses related to Credit Agreement amendments, and loss on extinguishment of debt associated with amendments to the debt facilities.
- (f) Consists of other items as determined by management not to be reflective of our ongoing operating performance, such as costs associated with severance pay, legal settlements and legal fees related to contract terminations, and nonrecurring strategic project costs.

Results of Operations for the Three Months Ended June 30, 2025 and 2024

(Dollars in thousands)	Three Months Ended June 30,			
	2025		2024	
	Amount	% of Revenue	Amount	% of Revenue
Net revenues	\$ 265,415	100%	\$ 255,043	100%
Costs and expenses				
Cost of labor and chemicals	76,627	29%	72,691	29%
Other store operating expenses	108,850	41%	99,543	39%
General and administrative	25,113	9%	24,912	10%
Loss on sale of assets, net	679	0%	2,897	1%
Total costs and expenses	211,269	80%	200,043	78%
Operating income	54,146	20%	55,000	22%
Other (income) expense				
Interest expense, net	15,172	6%	20,254	8%
Other income	(21)	(0)%	—	0%
Total other expense, net	15,151	6%	20,254	8%
Income before taxes	38,995	15%	34,746	14%
Income tax provision	10,400	4%	12,655	5%
Net income	\$ 28,595	11%	\$ 22,091	9%

Net Revenues

(Dollars in thousands)	Three Months Ended June 30,			
	2025	2024	\$ Change	% Change
Net revenues	\$ 265,415	\$ 255,043	\$ 10,372	4%

The increase in net revenues was primarily attributable to growth in UWC Members, wash package mix, and the year-over-year addition of 31 locations.

Cost of Labor and Chemicals

(Dollars in thousands)	Three Months Ended June 30,			
	2025	2024	\$ Change	% Change
Cost of labor and chemicals	\$ 76,627	\$ 72,691	\$ 3,936	5%
Percentage of net revenues	29%	29%		

The increase in cost of labor and chemicals was primarily attributable to an increase in volume and the year-over-year addition of 31 locations, as well as increased store labor rates, partially offset by labor optimization and lower chemical costs due to new formulations and strategic partnerships.

Other Store Operating Expenses

(Dollars in thousands)	Three Months Ended June 30,			
	2025	2024	\$ Change	% Change
Other store operating expenses	\$ 108,850	\$ 99,543	\$ 9,307	9%
Percentage of net revenues	41%	39%		

The increase in other store operating expenses was primarily attributable to the year-over-year addition of 31 locations, increased utilities and maintenance expenses, as well as additional rent expense for the addition of 36 net new land and building leases between periods.

General and Administrative

(Dollars in thousands)	Three Months Ended June 30,			
	2025	2024	\$ Change	% Change
General and administrative	\$ 25,113	\$ 24,912	\$ 201	1%
Percentage of net revenues	9%	10%		

The increase in general and administrative expenses was primarily attributable to increased investments in marketing as well as other costs to support strategic growth initiatives. These increases were partially offset by lower amortization expense and compensation expenses.

Loss on Sale of Assets, Net

(Dollars in thousands)	Three Months Ended June 30,		\$ Change	% Change
	2025	2024		
Loss on sale of assets, net	\$ 679	\$ 2,897	\$ (2,218)	(77)%
Percentage of net revenues	0%	1%		

The change in loss on sale of assets was primarily driven by gains associated with sale-leaseback activity in the prior year compared to losses associated with asset retirements and no sale-leaseback activity in the current year.

Total Other Expense, Net

(Dollars in thousands)	Three Months Ended June 30,		\$ Change	% Change
	2025	2024		
Total other expense, net	\$ 15,151	\$ 20,254	\$ (5,103)	(25)%
Percentage of net revenues	6%	8%		

The decrease is attributable to a \$5.1 million decrease in interest expense, net driven by lower average interest rates and \$71.9 million of principal payments on the First Lien Term Loan between periods.

Income Tax Provision

(Dollars in thousands)	Three Months Ended June 30,		\$ Change	% Change
	2025	2024		
Income tax provision	\$ 10,400	\$ 12,655	\$ (2,255)	(18)%
Percentage of net revenues	4%	5%		

The decrease in income tax provision was primarily attributable to the change in net, unfavorable income tax impact from equity awards activity as compared to the prior year.

Results of Operations for the Six Months Ended June 30, 2025 and 2024

(Dollars in thousands)	Six Months Ended June 30,			
	2025		2024	
	Amount	% of Revenue	Amount	% of Revenue
Net revenues	\$ 527,071	100%	\$ 494,226	100%
Costs and expenses				
Cost of labor and chemicals	150,879	29%	144,349	29%
Other store operating expenses	218,517	41%	196,346	40%
General and administrative	49,772	9%	54,622	11%
Loss on sale of assets, net	790	0%	1,364	0%
Total costs and expenses	419,958	80%	396,681	80%
Operating income	107,113	20%	97,545	20%
Other (income) expense				
Interest expense, net	31,195	6%	40,278	8%
Loss on extinguishment of debt	—	0%	1,882	0%
Other income	(21)	(0)%	(5,189)	(1)%
Total other expense, net	31,174	6%	36,971	7%
Income before taxes	75,939	14%	60,574	12%
Income tax provision	20,344	4%	21,846	4%
Net income	\$ 55,595	11%	\$ 38,728	8%

Net Revenues

(Dollars in thousands)	Six Months Ended June 30,		\$ Change	% Change
	2025	2024		
Net revenues	\$ 527,071	\$ 494,226	\$ 32,845	7%

The increase in net revenues was primarily attributable to growth in UWC Members, increased retail customer traffic, wash package mix, and the year-over-year addition of 31 locations.

Cost of Labor and Chemicals

(Dollars in thousands)	Six Months Ended June 30,		\$ Change	% Change
	2025	2024		
Cost of labor and chemicals	\$ 150,879	\$ 144,349	\$ 6,530	5%
Percentage of net revenues	29%	29%		

The increase in cost of labor and chemicals was primarily attributable to an increase in volume and the year-over-year addition of 31 locations, as well as increased store labor rates, partially offset by labor optimization and lower chemical costs due to new formulations and strategic partnerships.

Other Store Operating Expenses

(Dollars in thousands)	Six Months Ended June 30,		\$ Change	% Change
	2025	2024		
Other store operating expenses	\$ 218,517	\$ 196,346	\$ 22,171	11%
Percentage of net revenues	41%	40%		

The increase in other store operating expenses was primarily attributable to the year-over-year addition of 31 locations, increased utilities and maintenance expenses, as well as additional rent expense for the addition of 36 net new land and building leases between periods.

General and Administrative

(Dollars in thousands)	Six Months Ended June 30,		\$ Change	% Change
	2025	2024		
General and administrative	\$ 49,772	\$ 54,622	\$ (4,850)	(9)%
Percentage of net revenues	9%	11%		

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The decrease in general and administrative expenses was primarily attributable to the debt refinancing costs in the prior year and decreased amortization expense due to intangible assets that fully amortized in the prior year, partially offset by investments in marketing as well as other costs to support strategic growth initiatives.

Loss on Sale of Assets, Net

(Dollars in thousands)	Six Months Ended June 30,		\$ Change	% Change
	2025	2024		
Loss on sale of assets, net	\$ 790	\$ 1,364	\$ (574)	(42)%
Percentage of net revenues	0%	0%		

The change in loss on sale of assets was primarily driven by gains associated with sale-leaseback activity in the prior year compared to losses associated with asset retirements and no sale-leaseback activity in the current year.

Total Other Expense, Net

(Dollars in thousands)	Six Months Ended June 30,		\$ Change	% Change
	2025	2024		
Total other expense, net	\$ 31,174	\$ 36,971	\$ (5,797)	(16)%
Percentage of net revenues	6%	7%		

The decrease is primarily attributable to a \$9.1 million decrease in interest expense, net driven by lower average interest rates and \$71.9 million of principal payments on the First Lien Term Loan between periods, as well as \$1.9 million loss on extinguishment of debt related to our debt refinancing activity in the prior year, partially offset by the \$5.2 million gain related to the recognition of an employee retention credit in the prior year.

Income Tax Provision

(Dollars in thousands)	Six Months Ended June 30,		\$ Change	% Change
	2025	2024		
Income tax provision	\$ 20,344	\$ 21,846	\$ (1,502)	(7)%
Percentage of net revenues	4%	4%		

The decrease in income tax provision was primarily attributable to the change in net, unfavorable income tax impact from equity awards activity as compared to the prior year.

Liquidity and Capital Resources

Funding Requirements

Our primary requirements for liquidity and capital are to fund our investments in our core business, which includes lease payments, pursue greenfield location development and acquisitions of new locations, and to service our indebtedness. Historically, these cash requirements have been met through funds raised by the sale of our common stock, utilization of our credit facilities, sale-leaseback transactions, and cash provided by operations.

As of June 30, 2025 and December 31, 2024, we had cash and cash equivalents of \$26.4 million and \$67.5 million, respectively, and \$299.8 million of available borrowing capacity under our Revolving Commitment.

For a description of our credit facilities and our recent debt refinancing, please see Note 7 Debt in the consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q. As of June 30, 2025, we were in compliance with the covenants under the Credit Agreement.

We believe that our sources of liquidity and capital will be sufficient to finance our growth strategy and operations, as well as planned capital expenditures, for at least the next 12 months. However, we cannot assure you that cash provided by operating activities or cash and cash equivalents will be sufficient to meet our future needs. If we are unable to generate sufficient cash flows from operations in the future, we may have to obtain additional financing. If we obtain additional capital by issuing equity, the interests of our existing stockholders will be diluted. If we incur additional indebtedness, that indebtedness may contain significant financial and other covenants that may significantly restrict our operations. We cannot assure you that we could obtain additional financing on favorable terms or at all.

Cash Flows for the Six Months Ended June 30, 2025 and 2024

Operating Activities. For the six months ended June 30, 2025, net cash provided by operating activities was \$134.4 million and was comprised of net income of \$55.6 million, increased by \$101.7 million as a result of non-cash adjustments including depreciation and amortization expense, stock-based compensation expense, non-cash lease expense, deferred income taxes, loss on sale of assets, net, and amortization of debt issuance costs. Changes in working capital balances decreased cash provided by operating activities by \$22.9 million and were primarily driven by operating lease payments.

For the six months ended June 30, 2024, net cash provided by operating activities was \$118.9 million and was comprised of net income of \$38.7 million, increased by \$99.9 million as a result of non-cash adjustments comprised primarily of depreciation and amortization expense, stock-based compensation expense, non-cash lease expense, deferred income taxes, a loss on disposal of property and equipment, a loss on extinguishment of debt, and amortization of debt issuance costs. Changes in working capital balances decreased cash provided by operating activities by \$19.8 million and were primarily driven by operating lease payments.

Investing Activities. For the six months ended June 30, 2025, net cash used in investing activities was \$111.3 million and was primarily comprised of investments in property and equipment to support our greenfield development and other initiatives, offset by the sale of property and equipment.

For the six months ended June 30, 2024, net cash used in investing activities was \$144.6 million and was primarily comprised of investments in property and equipment to support our greenfield development and other initiatives, offset by the sale of property and equipment.

Financing Activities. For the six months ended June 30, 2025, net cash used in financing activities was \$64.0 million and was primarily comprised of payments for the First Lien Term Loan and finance lease obligations, partially offset by proceeds related to the issuance of common stock under employee plans.

For the six months ended June 30, 2024, net cash provided by financing activities was \$10.4 million and was primarily comprised of proceeds from our refinancing of the First Lien Term Loan and Revolving Commitment, partially offset by payments for payroll tax withholdings to settle cashless stock option exercises, payments on debt borrowings and Revolving Commitment, and payments of deferred financing costs due to our debt refinancing.

Critical Accounting Policies and Estimates

Our consolidated financial statements have been prepared in accordance with U.S. GAAP. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses and related disclosure of contingent assets and liabilities.

On an ongoing basis, we evaluate our estimates and assumptions, including those related to revenue recognition, goodwill and other intangible assets, income taxes and stock-based compensation. We base our estimates on historical experience, current developments and on various other assumptions that we believe to be reasonable under these circumstances, the results of which form the basis for making judgments about carrying values of assets and liabilities that cannot readily be determined from other sources. There can be no assurance that actual results will not differ from those estimates.

The significant accounting policies and estimates used in preparation of the consolidated financial statements are described in our 2024 Form 10-K. There have been no material changes to our significant accounting policies during the three and six months ended June 30, 2025.

Recent Accounting Pronouncements

See Note 2 Summary of Significant Accounting Policies to our consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q for a discussion of recent accounting pronouncements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

There have been no material changes in our exposure to market risk from the information provided in "Item 7A. Quantitative and Qualitative Disclosures About Market Risk" in our 2024 Form 10-K.

Item 4. Controls and Procedures.

Disclosure Controls and Procedures

In order to ensure that the information we must disclose in our filings with the Securities and Exchange Commission (the "SEC") is recorded, processed, summarized and reported on a timely basis, we have developed and implemented disclosure controls and procedures. Our management, with the participation of our President and Chief Executive Officer and our Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of June 30, 2025. Based on that evaluation, our management, including the President and Chief Executive Officer and the Chief Financial Officer, has concluded that our disclosure controls and procedures were effective as of June 30, 2025 in ensuring that information required to be disclosed in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and is accumulated and communicated to our management, including the President and Chief Executive Officer and the Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during the three months ended June 30, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings.

Except as set forth in Note 13 - Commitments & Contingencies to our consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q, there have been no material changes to the legal proceedings described in Part I "Item 3. Legal Proceedings" and Note 18 Commitments & Contingencies to the consolidated financial statements of our 2024 Form 10-K.

Item 1A. Risk Factors.

There have been no material changes to the risk factors described in Part I. Item 1A. "Risk Factors" of our 2024 Form 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

None.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

Rule 10b5-1 Trading Plan Arrangements

During the three months ended June 30, 2025, none of the directors or officers of the Company adopted, modified or terminated any "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement", as those terms are defined under Item 408 of Regulation S-K.

Item 6. Exhibits.

Exhibit Number	Description	Form	File No	Exhibit	Filing Date	Filed/Furnished Herewith
3.1	Amended and Restated Certificate of Incorporation of the Company	8-K	001-40542	3.2	06/01/2022	
3.2	Certificate of Amendment of Amended and Restated Certificate of Incorporation of the Company	8-K	001-40542	3.1	06/01/2023	
3.3	Amended and Restated Bylaws of the Company	8-K	001-40542	3.2	07/02/2021	
31.1	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					*
31.2	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					*
32.1	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					**
32.2	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					**
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document.					*
101.SCH	Inline XBRL Taxonomy Extension Schema Document					*
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document					*
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document					*
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document					*
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document					*
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)					*

* Filed herewith.

** Furnished herewith.

† Indicates management contract or compensatory plan.

**CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Jedidiah Gold, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2025 of Mister Car Wash, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 1, 2025

By: _____
/s/ Jedidiah Gold
Jedidiah Gold
Chief Financial Officer
(Principal Financial Officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Mister Car Wash, Inc. (the "Company") on Form 10-Q for the quarterly period ended June 30, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: August 1, 2025

By: _____
/s/ Jedidiah Gold
Jedidiah Gold
Chief Financial Officer
(Principal Financial Officer)
