

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**FORM 10-Q**

(Mark one)

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

For the quarterly period ended **June 29, 2024**

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File No. **001-37425**

**WINGSTOP INC.**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of incorporation or organization)

**47-3494862**

(IRS Employer Identification No.)

**15505 Wright Brothers Drive**

**Addison, Texas**

(Address of principal executive offices)

**75001**

(Zip Code)

**(972) 686-6500**

(Registrant's telephone number, including area code)

**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	WING	NASDAQ Global Select Market

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	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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

On July 30, 2024 there were 29,304,401 shares of common stock outstanding.

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**PART I FINANCIAL INFORMATION**

**Item 1. Financial Statements**

**WINGSTOP INC. AND SUBSIDIARIES**  
**Consolidated Balance Sheets**  
(amounts in thousands, except share and par value amounts)

	June 29, 2024 (Unaudited)	December 30, 2023
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 96,749	\$ 90,216
Restricted cash	11,444	11,444
Accounts receivable, net	16,059	12,408
Prepaid expenses and other current assets	6,768	4,948
Advertising fund assets, restricted	31,768	25,328
Total current assets	162,788	144,344
Property and equipment, net	107,738	91,292
Operating lease assets	55,379	19,092
Goodwill	68,733	67,708
Trademarks	32,700	32,700
Customer relationships, net	7,108	7,740
Other non-current assets	17,375	14,949
<b>Total assets</b>	<b>\$ 451,821</b>	<b>\$ 377,825</b>
<b>Liabilities and stockholders' deficit</b>		
Current liabilities		
Accounts payable	\$ 5,752	\$ 4,725
Current portion of operating lease liabilities	4,061	2,380
Other current liabilities	42,955	38,571
Advertising fund liabilities	31,768	25,328
Total current liabilities	84,536	71,004
Long-term debt, net	713,258	712,327
Operating lease liabilities	53,943	17,807
Deferred revenues, net of current	32,928	30,145
Deferred income tax liabilities, net	4,626	3,721
Other non-current liabilities	71	187
Total liabilities	889,362	835,191
Commitments and contingencies (see Note 7)		
<b>Stockholders' deficit</b>		
Common stock, \$0.01 par value; 100,000,000 shares authorized; 29,304,401 and 29,337,920 shares issued and outstanding as of June 29, 2024 and December 30, 2023, respectively	293	293
Additional paid-in-capital	1,869	2,676
Retained deficit	(439,326)	(459,994)
Accumulated other comprehensive loss	(377)	(341)
Total stockholders' deficit	(437,541)	(457,366)
<b>Total liabilities and stockholders' deficit</b>	<b>\$ 451,821</b>	<b>\$ 377,825</b>

See accompanying notes to consolidated financial statements.

**WINGSTOP INC. AND SUBSIDIARIES**  
**Consolidated Statements of Comprehensive Income**  
(amounts in thousands, except per share data)  
(Unaudited)

	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	June 29, 2024	July 1, 2023	June 29, 2024	July 1, 2023
Revenue:				
Royalty revenue, franchise fees and other	\$ 71,160	\$ 47,984	\$ 138,257	\$ 96,172
Advertising fees	54,654	36,596	104,803	74,059
Company-owned restaurant sales	29,885	22,593	58,428	45,663
Total revenue	155,699	107,173	301,488	215,894
Costs and expenses:				
Cost of sales <sup>(1)</sup>	22,673	16,642	43,944	33,337
Advertising expenses	58,548	38,729	111,740	78,372
Selling, general and administrative	28,097	22,128	53,275	45,773
Depreciation and amortization	5,161	3,218	8,571	6,207
Loss on disposal of assets	—	—	—	77
Total costs and expenses	114,479	80,717	217,530	163,766
Operating income	41,220	26,456	83,958	52,128
Interest expense, net	5,200	4,244	9,744	8,817
Other (income) expense	(471)	(46)	(774)	142
Income before income tax expense	36,491	22,258	74,988	43,169
Income tax expense	9,006	6,077	18,756	11,319
Net income	\$ 27,485	\$ 16,181	\$ 56,232	\$ 31,850
Earnings per share				
Basic	\$ 0.94	\$ 0.54	\$ 1.92	\$ 1.06
Diluted	\$ 0.93	\$ 0.54	\$ 1.91	\$ 1.06
Weighted average shares outstanding				
Basic	29,343	29,972	29,346	29,959
Diluted	29,457	30,049	29,468	30,043
Dividends per share	\$ 0.22	\$ 0.19	\$ 0.44	\$ 0.38
Other comprehensive income (loss)				
Currency translation adjustment	\$ (12)	\$ 128	\$ (36)	\$ 276
Other comprehensive income (loss)	(12)	128	(36)	276
Comprehensive income	\$ 27,473	\$ 16,309	\$ 56,196	\$ 32,126

<sup>(1)</sup> Cost of sales includes all operating expenses of company-owned restaurants, including advertising expenses, and excludes depreciation and amortization, which are presented separately.

See accompanying notes to consolidated financial statements.

**WINGSTOP INC. AND SUBSIDIARIES**  
**Consolidated Statements of Stockholders' Deficit**  
**For the Twenty-Six Weeks Ended July 1, 2023**  
(amounts in thousands, except share data)  
(Unaudited)

	<u>Common Stock</u>						
	Shares	Amount	Additional Paid-In Capital	Retained Deficit	Accumulated Other Comprehensive Loss	Total Stockholders' Deficit	
Balance at December 31, 2022	29,932,668	\$ 300	\$ 2,797	\$ (393,321)	\$ (637)	\$ (390,861)	
Net income	—	—	—	15,669	—	15,669	
Shares issued under stock plans	49,817	—	111	—	—	111	
Tax payments for restricted stock upon vesting	(13,613)	—	—	(2,292)	—	(2,292)	
Stock-based compensation expense, net of forfeitures	—	—	3,345	—	—	3,345	
Dividends declared on common stock and equivalents	—	—	(5,444)	(465)	—	(5,909)	
Currency translation adjustment	—	—	—	—	147	147	
Balance at April 1, 2023	29,968,872	300	809	(380,409)	(490)	(379,790)	
Net income	—	—	—	16,181	—	16,181	
Shares issued under stock plans	9,084	—	362	—	—	362	
Tax payments for restricted stock upon vesting	(342)	—	—	(69)	—	(69)	
Stock-based compensation expense, net of forfeitures	—	—	3,546	—	—	3,546	
Dividends declared on common stock and equivalents	—	—	(2,679)	(3,030)	—	(5,709)	
Currency translation adjustment	—	—	—	—	128	128	
Balance at July 1, 2023	29,977,614	\$ 300	\$ 2,038	\$ (367,327)	\$ (362)	\$ (365,351)	

See accompanying notes to consolidated financial statements.

**WINGSTOP INC. AND SUBSIDIARIES**  
**Consolidated Statements of Stockholders' Deficit**  
**For the Twenty-Six Weeks Ended June 29, 2024**  
(amounts in thousands, except share data)  
(Unaudited)

	<b>Common Stock</b>						
	<b>Shares</b>	<b>Amount</b>	<b>Additional Paid-In Capital</b>	<b>Retained Deficit</b>	<b>Accumulated Other Comprehensive Loss</b>	<b>Total Stockholders' Deficit</b>	
Balance at December 30, 2023	29,337,920	\$ 293	\$ 2,676	\$ (459,994)	\$ (341)	\$ (457,366)	
Net income	—	—	—	28,747	—	28,747	
Shares issued under stock plans	42,918	1	707	—	—	708	
Tax payments for restricted stock upon vesting	(10,860)	—	—	(3,717)	—	(3,717)	
Stock-based compensation expense, net of forfeitures	—	—	3,812	—	—	3,812	
Dividends declared on common stock and equivalents	—	—	(6,277)	(262)	—	(6,539)	
Currency translation adjustment	—	—	—	—	(24)	(24)	
Balance at March 30, 2024	29,369,978	294	918	(435,226)	(365)	(434,379)	
Net income	—	—	—	27,485	—	27,485	
Shares issued under stock plans	11,323	—	546	—	—	546	
Purchases of common stock	(75,862)	(1)	(4,304)	(24,915)	—	(29,220)	
Tax payments for restricted stock upon vesting	(1,038)	—	—	(401)	—	(401)	
Stock-based compensation expense, net of forfeitures	—	—	4,926	—	—	4,926	
Dividends declared on common stock and equivalents	—	—	(217)	(6,269)	—	(6,486)	
Currency translation adjustment	—	—	—	—	(12)	(12)	
Balance at June 29, 2024	29,304,401	\$ 293	\$ 1,869	\$ (439,326)	\$ (377)	\$ (437,541)	

See accompanying notes to consolidated financial statements.

**WINGSTOP INC. AND SUBSIDIARIES**  
**Consolidated Statements of Cash Flows**  
(amounts in thousands)  
(Unaudited)

	<b>Twenty-Six Weeks Ended</b>	
	<b>June 29, 2024</b>	<b>July 1, 2023</b>
Operating activities		
Net income	\$ 56,232	\$ 31,850
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation and amortization	8,571	6,207
Deferred income taxes	905	(1,030)
Stock-based compensation expense	8,738	6,891
Loss on disposal of assets	—	77
Amortization of debt issuance costs	1,037	1,021
Changes in operating assets and liabilities:		
Accounts receivable	(3,341)	(1,286)
Prepaid expenses and other assets	(3,040)	(4)
Advertising fund assets and liabilities, net	3,892	6,235
Accounts payable and other current liabilities	3,157	(3,528)
Deferred revenue	3,274	1,442
Other non-current liabilities	1,412	92
Cash provided by operating activities	80,837	47,967
Investing activities		
Purchases of property and equipment	(21,459)	(17,002)
Acquisition of restaurants from franchisee	(3,292)	(4,396)
Payments for investments	(500)	(808)
Cash used in investing activities	(25,251)	(22,206)
Financing activities		
Proceeds from exercise of stock options	1,254	473
Repayments of long-term debt	—	(3,650)
Purchases of common stock	(29,220)	—
Tax payments for restricted stock upon vesting	(4,118)	(2,361)
Dividends paid	(13,077)	(11,836)
Cash used in financing activities	(45,161)	(17,374)
Net increase in cash, cash equivalents, and restricted cash	10,425	8,387
Cash, cash equivalents, and restricted cash at beginning of period	119,676	205,715
Cash, cash equivalents, and restricted cash at end of period	\$ 130,101	\$ 214,102
Supplemental information:		
Accrued capital expenditures	\$ 3,946	\$ 4,179

See accompanying notes to consolidated financial statements.



**WINGSTOP INC. AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**  
**(Unaudited)**

**(1) Basis of Presentation and Update to Significant Accounting Policies**

*Nature of operations.* Wingstop Inc., together with its consolidated subsidiaries (collectively, "Wingstop" or the "Company"), is in the business of franchising and operating Wingstop restaurants. As of June 29, 2024, the Company had a total of 2,352 restaurants system-wide. The Company's restaurant base is approximately 98% franchised, with 2,300 franchised locations (including 312 restaurants in international locations and U.S. territories) and 52 company-owned restaurants as of June 29, 2024.

*Basis of presentation.* The accompanying unaudited consolidated financial statements have been prepared in accordance with the rules and regulations of the Securities and Exchange Commission ("SEC") for interim financial information. Consequently, financial information and disclosures normally included in financial statements prepared annually in accordance with accounting principles generally accepted in the United States ("GAAP") have been condensed or omitted. Balance sheet amounts are as of June 29, 2024 and December 30, 2023, and operating results are for the thirteen and twenty-six weeks ended June 29, 2024 and July 1, 2023.

Certain prior period information on the Consolidated Balance Sheets have been reclassified to conform to the current presentation.

In the Company's opinion, all necessary adjustments have been made for the fair presentation of the results of the interim periods presented. The results of operations for such interim periods are not necessarily indicative of the results to be expected for the full year. The accompanying interim unaudited consolidated financial statements should be read in conjunction with the audited financial statements and the related notes thereto included in the Company's Annual Report on Form 10-K for the fiscal year ended December 30, 2023.

*Fiscal year.* The Company uses a 52- or 53-week fiscal year that ends on the last Saturday of the calendar year. Fiscal years 2024 and 2023 each have 52 weeks.

*Cash, Cash Equivalents, and Restricted Cash.* Cash, cash equivalents, and restricted cash within the Consolidated Balance Sheets and the Consolidated Statements of Cash Flows as of June 29, 2024 and December 30, 2023 were as follows (in thousands):

	June 29, 2024	December 30, 2023
Cash and cash equivalents	\$ 96,749	\$ 90,216
Restricted cash	11,444	11,444
Restricted cash, included in Advertising fund assets, restricted	21,908	18,016
Total cash, cash equivalents, and restricted cash	<u>\$ 130,101</u>	<u>\$ 119,676</u>

*Recently issued accounting pronouncements.* We reviewed all recently issued accounting pronouncements and concluded that they were either not applicable or not expected to have a significant impact on our consolidated financial statements. There have been no changes to the recently issued accounting pronouncements not yet adopted disclosed in the Company's Annual Report on Form 10-K for the fiscal year ended December 30, 2023.

**(2) Earnings per Share**

Basic earnings per share is computed by dividing income available to common stockholders by the weighted average number of shares of common stock outstanding for the reporting period. Diluted earnings per share reflects the potential dilution that could occur if securities convertible into, or other contracts to issue, common stock were exercised or converted into common stock. For the calculation of diluted earnings per share, the basic weighted average number of shares is increased by the dilutive effect of the exercise and vesting of stock options and service-based and performance-based restricted stock units, respectively, as determined using the treasury stock method.

**WINGSTOP INC. AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**  
**(Unaudited)**

Basic weighted average shares outstanding is reconciled to diluted weighted average shares outstanding as follows (in thousands):

	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	June 29, 2024	July 1, 2023	June 29, 2024	July 1, 2023
Basic weighted average shares outstanding	29,343	29,972	29,346	29,959
Dilutive shares	114	77	122	84
Diluted weighted average shares outstanding	29,457	30,049	29,468	30,043

For the thirteen weeks ended June 29, 2024 and July 1, 2023, equity awards representing approximately 0 and 1,000 shares, respectively, were excluded from the dilutive earnings per share calculation because the effect would have been anti-dilutive.

For the twenty-six weeks ended June 29, 2024 and July 1, 2023, equity awards representing approximately 28,000 and 3,000 shares, respectively, were excluded from the dilutive earnings per share calculation because the effect would have been anti-dilutive.

**(3) Stockholders' Deficit**

***Dividends***

In connection with the Company's regular dividend program, in each of the first two quarters of 2024, our Board of Directors declared a quarterly dividend of \$0.22 per share of common stock, which, in aggregate, totaled \$12.9 million, or \$0.44 per share of common stock, and which was paid during the twenty-six weeks ended June 29, 2024.

Subsequent to the second quarter, on July 30, 2024, our Board of Directors declared a quarterly dividend of \$0.27 per share of common stock for stockholders of record as of August 16, 2024. The regular quarterly dividend is to be paid on September 6, 2024, totaling approximately \$7.9 million.

***Share Repurchase Program***

On August 17, 2023, the Company announced a share repurchase program with authorization to purchase up to \$250.0 million of its outstanding shares of common stock (the "Share Repurchase Program"). During the thirteen weeks ended June 29, 2024, the Company repurchased and retired 75,862 shares of its common stock at an average price of \$381.29 per share. As of June 29, 2024, \$96.1 million remained available under the Share Repurchase Program.

**(4) Fair Value Measurements**

Fair value is the price that would be received upon sale of an asset or paid upon transfer of a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability. Assets and liabilities are classified using a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value as follows:

- Level 1 — Unadjusted quoted prices for identical instruments traded in active markets.
- Level 2 — Observable market-based inputs or unobservable inputs corroborated by market data.
- Level 3 — Unobservable inputs reflecting management's estimates and assumptions.

**WINGSTOP INC. AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**  
**(Unaudited)**

The carrying values of cash and cash equivalents, accounts receivable, and accounts payable approximate fair value due to their short-term nature. Fair value of debt and the investment in bonds issued by the Company's United Kingdom master franchisee, Lemon Pepper Holdings Ltd. ("LPH"), are determined on a non-recurring basis, which results are summarized as follows (in thousands):

		June 29, 2024		December 30, 2023	
	Fair Value Hierarchy	Carrying Value	Fair Value	Carrying Value	Fair Value
Securitized Financing Facility:					
2020-1 Class A-2 Senior Secured Notes <sup>(1)</sup>	Level 2	\$ 472,800	\$ 429,548	\$ 472,800	\$ 423,823
2022-1 Class A-2 Senior Secured Notes <sup>(1)</sup>	Level 2	\$ 248,125	\$ 222,370	\$ 248,125	\$ 222,370
Investments in bonds of LPH <sup>(2)</sup>	Level 3	\$ 3,624	\$ 4,367	\$ 3,557	\$ 4,306

<sup>(1)</sup> The fair value of the 2020-1 and 2022-1 Class A-2 Senior Secured Notes was estimated using available market information.

<sup>(2)</sup> The fair value approximates discounted cash flows using current market rates for debt investments with similar maturities and credit risk.

The Company also measures certain non-financial assets (primarily long-lived assets, intangible assets, and goodwill) at fair value on a non-recurring basis in connection with its periodic evaluations of such assets for potential impairment.

**(5) Income Taxes**

Income tax expense and the effective tax rate were \$9.0 million and 24.7%, respectively, for the thirteen weeks ended June 29, 2024, and \$6.1 million and 27.3%, respectively, for the thirteen weeks ended July 1, 2023. Income tax expense and the effective tax rate were \$18.8 million and 25.0%, respectively, for the twenty-six weeks ended June 29, 2024, and \$11.3 million and 26.2%, respectively, for the twenty-six weeks ended July 1, 2023. The decrease in the effective tax rate is primarily related to an increase in excess tax benefits recognized from stock-based compensation in income tax expense as compared to the prior fiscal period.

**(6) Debt Obligations**

Long-term debt consisted of the following components (in thousands):

	June 29, 2024	December 30, 2023
2020-1 Class A-2 Senior Secured Notes	\$ 472,800	\$ 472,800
2022-1 Class A-2 Senior Secured Notes	248,125	248,125
Debt issuance costs, net of amortization	(7,667)	(8,598)
Total debt	713,258	712,327

The Company's outstanding debt was issued by Wingstop Funding LLC, a limited-purpose, bankruptcy-remote, wholly-owned indirect subsidiary of Wingstop Inc. and consists of (i) Series 2020-1 2.84% Fixed Rate Senior Secured Notes, Class A-2 (the "2020 Class A-2 Notes"), (ii) Series 2022-1 3.734% Fixed Rate Senior Secured Notes, Class A-2 (the "2022 Class A-2 Notes"), and (iii) a revolving financing facility of Series 2022-1 Variable Funding Senior Notes, Class A-1 (the "2022 Variable Funding Notes," and together with the 2022 Class A-2 Notes, the "2022 Notes"), which permits borrowings of up to a maximum principal amount of \$200 million, subject to certain borrowing conditions, a portion of which may be used to issue letters of credit.

No borrowings were outstanding under the 2022 Variable Funding Notes as of June 29, 2024 and December 30, 2023.

As of June 29, 2024, the Company's leverage ratio under the 2020 Class A-2 Notes and the 2022 Class A-2 Notes was less than 5.0x. Per the terms of the Company's debt agreements, principal payments can be suspended at the borrower's election until the repayment date, as long as the Company maintains a leverage ratio of less than 5.0x. Accordingly, the Company elected to suspend payments following the principal payment made in the second quarter of 2023, and the entire outstanding balance of \$720.9 million of the 2020 Class A-2 Notes and the 2022 Class A-2 Notes has been classified as long-term debt due after fiscal year 2026.

**WINGSTOP INC. AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**  
**(Unaudited)**

The 2020 Class A-2 Notes and 2022 Notes were issued in securitization transactions, and are guaranteed by certain limited-purpose, bankruptcy-remote, wholly-owned indirect subsidiaries of the Company and secured by a security interest in substantially all of their assets, including certain domestic and foreign revenue-generating assets, consisting principally of franchise-related agreements, intellectual property, and vendor rebate contracts.

**(7) Commitments and Contingencies**

The Company is subject to legal proceedings, claims, and liabilities, including claims and actions resulting from employment-related and franchise-related matters, which arise in the ordinary course of business and are generally covered by insurance. In the opinion of management, the amount of ultimate liability with respect to such actions is not likely to have a material adverse impact on the Company's financial position, results of operations, or cash flows.

**(8) Leases**

The Company has operating leases for retail store locations, office space, and equipment. The Company determines whether an arrangement is a lease at inception. The Company's leases have remaining terms of 0.3 years to 13.7 years, some of which include options to extend the lease term for up to ten years. The years remaining on the Company's lease terms may include years that may be added to the lease terms by the exercise of options to renew when it is reasonably certain that the Company will exercise such options.

During the first fiscal quarter 2024, the Company executed a lease for an office building, which commenced in May 2024. The operating lease has an initial lease term of 13.8 years with undiscounted fixed payments of \$66.9 million over the initial term.

Components of lease expense were as follows (in thousands):

	Twenty-Six Weeks Ended	
	June 29, 2024	July 1, 2023
Operating lease cost <sup>(1)</sup>	2,480	1,685
Variable lease cost <sup>(2)</sup>	370	293
Total lease cost	2,850	1,978

<sup>(1)</sup> Includes short-term leases, which are immaterial.

<sup>(2)</sup> Primarily related to adjustments for inflation, common area maintenance, and property tax.

Supplemental cash flow information related to leases is as follows (in thousands):

	Twenty-Six Weeks Ended	
	June 29, 2024	July 1, 2023
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 1,564	\$ 1,629
Right-of-use assets obtained in exchange for new operating lease liabilities	\$ 37,950	\$ 1,963

**(9) Stock-Based Compensation**

During the twenty-six weeks ended June 29, 2024, the Company granted 23,114 restricted stock units ("RSUs") to certain employees. The RSUs granted to certain employees generally vest in equal annual amounts over a three-year period subsequent to the grant date and had a weighted-average grant-date fair value of \$371.17 per unit.

In addition, the Company granted 23,874 performance stock units ("PSUs") to certain employees during the twenty-six weeks ended June 29, 2024. Of the total PSUs granted, 20,593 PSUs are subject to a service condition and a performance vesting condition based on return on incremental invested capital ("ROI PSUs"). The ROI PSUs are generally eligible to cliff-vest approximately three years from the grant date, and the maximum vesting percentage that could be realized for each of the ROI PSUs is 250% based on the level of performance achieved for the awards. The remaining 3,281 PSUs granted are subject to a service condition and a performance vesting condition based on the number of net new restaurants opened over the performance

**WINGSTOP INC. AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**  
**(Unaudited)**

period ("NNR PSUs"). The NNR PSUs vest in equal annual amounts over a three-year period, and the maximum vesting percentage that could be realized for each of the NNR PSUs is 100% based on the level of performance achieved for the awards. The PSUs had a weighted-average grant-date fair value of \$370.95 per unit. Total compensation cost for the PSUs is determined based on the most likely outcome of the performance condition and the number of awards expected to vest based on the outcome.

Total compensation expense related to all share-based awards, net of forfeitures recognized, was \$8.7 million and \$6.9 million for the twenty-six weeks ended June 29, 2024 and July 1, 2023, respectively, and was included in Selling, general and administrative ("SG&A") expense in the Consolidated Statements of Comprehensive Income.

**(10) Revenue from Contracts with Customers**

The following table represents a disaggregation of revenue from contracts with customers for the thirteen and twenty-six weeks ended June 29, 2024 and July 1, 2023 (in thousands):

	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	June 29, 2024	July 1, 2023	June 29, 2024	July 1, 2023
Royalty revenue	\$ 64,201	\$ 43,271	\$ 125,393	\$ 86,785
Advertising fees and related income	54,654	36,596	104,803	74,059
Franchise fees	1,440	1,107	2,682	2,169

Franchise fee, development fee, and international territory fee payments received by the Company are recorded as deferred revenue on the Consolidated Balance Sheets, which represents a contract liability. Deferred revenue is reduced as fees are recognized in revenue over the term of the franchise license for the respective restaurant. As the term of the franchise license is typically ten years, substantially all of the franchise fee revenue recognized in the thirteen and twenty-six weeks ended June 29, 2024 was included in the deferred revenue balance as of December 30, 2023. Approximately \$10.3 million and \$9.3 million of deferred revenue as of June 29, 2024 and December 30, 2023, respectively, relates to restaurants that have not yet opened, so the fees are not yet being amortized. The weighted average remaining amortization period for deferred franchise and renewal fees related to open restaurants is 7.1 years. The Company did not have any material contract assets as of June 29, 2024.

**(11) Acquisitions of Company-owned Restaurants**

During the second fiscal quarter ended June 29, 2024, the Company acquired one existing restaurant from a franchisee. The total purchase price was \$3.3 million and was funded by cash flow from operations. The following table summarizes the allocations of the purchase price to the estimated fair value of assets acquired and liabilities assumed at the date of the acquisition (in thousands):

	Purchase Price Allocation
Working capital	\$ 8
Property and equipment	65
Reacquired franchise rights	2,200
Goodwill	1,025
Total purchase price	<u>\$ 3,298</u>

The excess of the purchase price over the aggregate fair value of assets acquired was allocated to goodwill and is attributable to the benefits expected as a result of the acquisition, including sales and unit growth opportunities. All of the goodwill from the acquisition is expected to be deductible for federal income tax purposes.

Pro-forma financial information of the combined entities is not presented due to the immaterial impact of the financial results of the acquisition on our consolidated financial statements.

Subsequent to the end of the fiscal second quarter 2024, the Company acquired two existing restaurants from a franchisee. The purchase price, in the aggregate, was \$7.0 million, funded by cash flow from operations. The restaurant acquisitions are accounted for as business combinations. The Company is still determining the estimated fair value of assets acquired and liabilities assumed. The excess of the purchase price over the aggregate fair value of assets acquired will be allocated to

**WINGSTOP INC. AND SUBSIDIARIES**  
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goodwill. The results of operations of these acquisitions will be included in our Consolidated Statements of Comprehensive Income as of the dates of acquisition.

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

*The following discussion and analysis of the financial condition and results of operations of Wingstop Inc. (collectively with its direct and indirect subsidiaries on a consolidated basis, "Wingstop," the "Company," "we," "our," or "us") should be read in conjunction with the accompanying unaudited consolidated financial statements and related notes in Part I, Item 1 of this Quarterly Report on Form 10-Q (this "Quarterly Report") and with the audited consolidated financial statements and the related notes included in our Annual Report on Form 10-K for the fiscal year ended December 30, 2023 (our "Annual Report"). The statements in this discussion regarding industry outlook, our expectations regarding our future performance, liquidity and capital resources, and other non-historical statements are forward-looking statements. These forward-looking statements are subject to risks and uncertainties, including, but not limited to, the risks and uncertainties described in "Special Note Regarding Forward-Looking Statements," below and "Risk Factors" beginning on page 11 of our Annual Report. Our actual results may differ materially from those contained in or implied by any forward-looking statements.*

*We operate on a 52- or 53-week fiscal year ending on the last Saturday of each calendar year. Our fiscal quarters are comprised of 13 weeks, with the exception of the fourth quarter of a 53-week year, which contains 14 weeks. Fiscal years 2024 and 2023 each contain 52 weeks.*

### Overview

Wingstop is the largest fast casual chicken wings-focused restaurant chain in the world, with over 2,350 locations worldwide. We are dedicated to serving the world flavor through an unparalleled guest experience and offering of classic wings, boneless wings, tenders, and chicken sandwiches, always cooked to order and hand-sauced-and-tossed in 12 bold, distinctive flavors.

The Company is primarily a franchisor, with approximately 98% of Wingstop's restaurants currently owned and operated by independent franchisees. We believe our asset-light, highly-franchised business model generates strong operating margins and requires low capital expenditures, creating stockholder value through strong and consistent free cash flow and capital-efficient growth.

### Second Quarter of 2024 Highlights

- System-wide sales increased 45.2% over the prior fiscal second quarter to \$1.2 billion;
- 73 net new openings in the fiscal second quarter 2024 for a total of 2,352 worldwide locations;
- Domestic same store sales increased 28.7% over the prior fiscal second quarter;
- Company-owned restaurant same store sales increased 14.1% over the prior fiscal second quarter;
- Digital sales increased to 68.3% of system-wide sales, as compared to 65.2% in the prior fiscal second quarter;
- Domestic AUV increased to \$2.0 million;
- Total revenue increased 45.3% over the prior fiscal second quarter to \$155.7 million;
- Net income increased 69.9% to \$27.5 million, or \$0.93 per diluted share, compared to net income of \$16.2 million, or \$0.54 per diluted share, in the prior fiscal second quarter; and
- Adjusted EBITDA, a non-GAAP measure, increased 50.7% to \$51.8 million, compared to adjusted EBITDA of \$34.4 million in the prior fiscal second quarter.

### Year-to-Date Second Quarter of 2024 Highlights

- System-wide sales increased 41.0% to \$2.3 billion;
- 138 net new openings in the year-to-date second quarter of 2024;
- Domestic same store sales increased 25.1% over the prior fiscal year-to-date period;
- Total revenue increased 39.6% to \$301.5 million over the prior fiscal year-to-date period;
- Net income increased 76.6% to \$56.2 million, or \$1.91 per diluted share, compared to net income of \$31.9 million, or \$1.06 per diluted share, in the prior fiscal year-to-date period; and
- Adjusted EBITDA, a non-GAAP measure, increased 48.0% to \$102.0 million, compared to adjusted EBITDA of \$68.9 million in the prior fiscal year-to-date period.

## Key Performance Indicators

Key measures that we use in evaluating our restaurants and assessing our business include the following:

*Number of restaurants.* Management reviews the number of new restaurants, the number of closed restaurants, and the number of acquisitions and divestitures of restaurants to assess net new restaurant growth.

	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	June 29, 2024	July 1, 2023	June 29, 2024	July 1, 2023
<b>Domestic Franchised Activity:</b>				
Beginning of period	1,924	1,710	1,877	1,678
Openings	65	42	112	74
Closures	—	(1)	—	(1)
Acquired by Company	(1)	(2)	(1)	(2)
Restaurants end of period	1,988	1,749	1,988	1,749
<b>Domestic Company-Owned Activity:</b>				
Beginning of period	50	43	49	43
Openings	1	—	2	—
Closures	—	—	—	—
Acquired by Company	1	2	1	2
Restaurants end of period	52	45	52	45
<b>Total Domestic Restaurants</b>	<b>2,040</b>	<b>1,794</b>	<b>2,040</b>	<b>1,794</b>
<b>International Franchised Activity<sup>(1)</sup>:</b>				
Beginning of period	305	243	288	238
Openings	10	9	27	17
Closures	(3)	—	(3)	(3)
Restaurants end of period	312	252	312	252
<b>Total System-wide Restaurants</b>	<b>2,352</b>	<b>2,046</b>	<b>2,352</b>	<b>2,046</b>

<sup>(1)</sup> Including U.S. territories.

*System-wide sales.* System-wide sales represents net sales for all of our company-owned and franchised restaurants, as reported by franchisees. This measure allows management to better assess changes in our royalty revenue, our overall store performance, the health of our brand, and the strength of our market position relative to competitors. Our system-wide sales growth is driven by new restaurant openings as well as increases in same store sales.

*Domestic average unit volume ("AUV").* Domestic AUV consists of the average annual sales of all restaurants that have been open for a trailing 52-week period or longer. This measure is calculated by dividing sales during the applicable period for all restaurants being measured by the number of restaurants being measured. Domestic AUV includes revenue from both company-owned and franchised restaurants. Domestic AUV allows management to assess our domestic company-owned and franchised restaurant economics. Changes in domestic AUV growth are primarily driven by increases in same store sales and are also influenced by opening new restaurants.

*Domestic same store sales.* Domestic same store sales reflects the change in year-over-year sales for the same store restaurant base. We define the same store restaurant base to include those restaurants open for at least 52 full weeks. This measure highlights the performance of existing restaurants, while excluding the impact of new restaurant openings and permanent closures. We review same store sales for domestic company-owned restaurants as well as system-wide domestic restaurants. Domestic same store sales growth is driven by increases in transactions and average transaction size. Transaction size increases are driven by price increases or favorable mix shift from either an increase in items purchased or shifts into higher priced items.



**EBITDA and Adjusted EBITDA.** We define EBITDA as net income before interest expense, net, income tax expense (benefit), and depreciation and amortization. We define Adjusted EBITDA as net income before interest expense, net, income tax expense (benefit), and depreciation and amortization, with further adjustments for losses on debt extinguishment and financing transactions, transaction costs, costs and fees associated with investments in our strategic initiatives, and stock-based compensation expense. Adjusted EBITDA may not be comparable to other similarly titled captions of other companies due to differences in methods of calculation. For a reconciliation of net income to EBITDA and Adjusted EBITDA and for further discussion of EBITDA and Adjusted EBITDA as non-GAAP measures and how we utilize them, see footnote 2 below.

The following table sets forth our key performance indicators for the thirteen and twenty-six weeks ended June 29, 2024 and July 1, 2023 (in thousands, except unit data):

	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	June 29, 2024	July 1, 2023	June 29, 2024	July 1, 2023
Number of system-wide restaurants open at end of period	2,352	2,046	2,352	2,046
System-wide sales <sup>(1)</sup>	\$ 1,175,910	\$ 809,750	\$ 2,299,518	\$ 1,631,359
Domestic restaurant AUV	\$ 2,032	\$ 1,704	\$ 2,032	\$ 1,704
Domestic same store sales growth	28.7 %	16.8 %	25.1 %	18.4 %
Company-owned domestic same store sales growth	14.1 %	5.7 %	10.1 %	7.9 %
Total revenue	\$ 155,699	\$ 107,173	\$ 301,488	\$ 215,894
Net income	\$ 27,485	\$ 16,181	\$ 56,232	\$ 31,850
Adjusted EBITDA <sup>(2)</sup>	\$ 51,778	\$ 34,350	\$ 102,041	\$ 68,933

<sup>(1)</sup> The percentage of system-wide sales attributable to company-owned restaurants was 2.5% and 2.8% for the thirteen weeks ended June 29, 2024 and July 1, 2023, respectively. The remainder was generated by franchised restaurants, as reported by our franchisees.

<sup>(2)</sup> EBITDA and Adjusted EBITDA are supplemental measures of our performance that are not required by, or presented in accordance with, GAAP. EBITDA and Adjusted EBITDA should not be considered as an alternative to net income or any other performance measure derived in accordance with GAAP, or as an alternative to cash flow from operating activities as a measure of our liquidity.

We caution investors that amounts presented in accordance with our definitions of EBITDA and Adjusted EBITDA may not be comparable to similar measures disclosed by our competitors, because not all companies and analysts calculate EBITDA and Adjusted EBITDA in the same manner. We present EBITDA and Adjusted EBITDA because we consider them to be important supplemental measures of our performance and believe they are frequently used by securities analysts, investors, and other interested parties in the evaluation of companies in our industry. Management believes that investors' understanding of our performance is enhanced by including these non-GAAP financial measures as a reasonable basis for comparing our ongoing results of operations. Many investors are interested in understanding the performance of our business by comparing our results from ongoing operations on a period-over-period basis and would ordinarily add back non-cash expenses such as depreciation and amortization, as well as items that are not part of normal day-to-day operations of our business.

Management uses EBITDA and Adjusted EBITDA:

- as a measurement of operating performance because we believe they assist us in comparing the operating performance of our restaurants on a consistent basis, as they remove the impact of items not directly resulting from our core operations;
- for planning purposes, including the preparation of our internal annual operating budget and financial projections;
- to evaluate the performance and effectiveness of our operational strategies;
- to evaluate our capacity to fund capital expenditures and expand our business; and
- to calculate incentive compensation payments for our employees, including assessing performance under our annual incentive compensation plan.

By providing these non-GAAP financial measures, together with a reconciliation to the most comparable GAAP measure, we believe we are enhancing investors' understanding of our business and our results of operations, as well as assisting investors in evaluating how well we are executing our strategic initiatives. EBITDA and Adjusted EBITDA have limitations as analytical tools and should not be considered in isolation, or as an alternative to, or a substitute for net income or other financial statement data presented in our consolidated financial statements as indicators of financial performance. Some of the limitations are:

- such measures do not reflect our cash expenditures or future requirements for capital expenditures or contractual commitments;
- such measures do not reflect changes in, or cash requirements for, our working capital needs;
- such measures do not reflect the interest expense or the cash requirements necessary to service interest or principal payments on our debt;
- such measures do not reflect our tax expense or the cash requirements to pay our taxes;
- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future and such measures do not reflect any cash requirements for such replacements; and
- other companies in our industry may calculate such measures differently than we do, limiting their usefulness as comparative measures.

Due to these limitations, EBITDA and Adjusted EBITDA should not be considered as measures of discretionary cash available to us to invest in the growth of our business. We compensate for these limitations by relying primarily on our GAAP results and using these non-GAAP measures only as performance measures and supplementally. As noted in the table below, Adjusted EBITDA includes adjustments for losses on debt extinguishment and financing transactions, transaction costs, costs and fees associated with investments in our strategic initiatives, and stock-based compensation expense. We believe these adjustments are appropriate because the amounts recognized can vary significantly from period to period, do not directly relate to the ongoing operations of our restaurants, and complicate comparisons of our internal operating results and operating results of other restaurant companies over time. Each of the normal recurring adjustments and other adjustments described in this paragraph and in the reconciliation table below help management measure our core operating performance over time by removing items that are not related to day-to-day operations.

The following table reconciles net income to EBITDA and Adjusted EBITDA for the thirteen and twenty-six weeks ended June 29, 2024 and July 1, 2023 (in thousands):

	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	June 29, 2024	July 1, 2023	June 29, 2024	July 1, 2023
Net income	\$ 27,485	\$ 16,181	\$ 56,232	\$ 31,850
Interest expense, net	5,200	4,244	9,744	8,817
Income tax expense	9,006	6,077	18,756	11,319
Depreciation and amortization	5,161	3,218	8,571	6,207
EBITDA	\$ 46,852	\$ 29,720	\$ 93,303	\$ 58,193
Additional adjustments:				
Consulting fees <sup>(a)</sup>	—	1,084	—	3,850
Stock-based compensation expense <sup>(b)</sup>	4,926	3,546	8,738	6,890
Adjusted EBITDA	\$ 51,778	\$ 34,350	\$ 102,041	\$ 68,933

<sup>(a)</sup> Represents non-recurring consulting fees that are not part of our ongoing operations and are incurred to execute discrete, project-based strategic initiatives, which are included in Selling, general and administrative on the Consolidated Statements of Comprehensive Income. The costs incurred in the thirteen and twenty-six weeks ended July 1, 2023 include consulting fees relating to a comprehensive review of our long-term growth strategy for our domestic business to explore potential future initiatives, which review was completed in fiscal year 2023. Given the magnitude and scope of this strategic review initiative that is not expected to recur in the foreseeable future, the Company considers the incremental consulting fees incurred with respect to the initiative not reflective of the ongoing costs to operate its business.

<sup>(b)</sup> Includes non-cash, stock-based compensation, net of forfeitures.

## Results of Operations

### Thirteen Weeks Ended June 29, 2024 compared to Thirteen Weeks Ended July 1, 2023

The following table sets forth our results of operations for the thirteen weeks ended June 29, 2024 and July 1, 2023 (dollars in thousands):

	Thirteen Weeks Ended		Increase / (Decrease)	
	June 29, 2024	July 1, 2023	\$	%
Revenue:				
Royalty revenue, franchise fees and other	\$ 71,160	\$ 47,984	\$ 23,176	48.3 %
Advertising fees	54,654	36,596	18,058	49.3 %
Company-owned restaurant sales	29,885	22,593	7,292	32.3 %
Total revenue	155,699	107,173	48,526	45.3 %
Costs and expenses:				
Cost of sales <sup>(1)</sup>	22,673	16,642	6,031	36.2 %
Advertising expenses	58,548	38,729	19,819	51.2 %
Selling, general and administrative	28,097	22,128	5,969	27.0 %
Depreciation and amortization	5,161	3,218	1,943	60.4 %
Total costs and expenses	114,479	80,717	33,762	41.8 %
Operating income	41,220	26,456	14,764	55.8 %
Interest expense, net	5,200	4,244	956	22.5 %
Other (income) expense	(471)	(46)	(425)	923.9 %
Income before income tax expense	36,491	22,258	14,233	63.9 %
Income tax expense	9,006	6,077	2,929	48.2 %
Net income	\$ 27,485	\$ 16,181	\$ 11,304	69.9 %

<sup>(1)</sup>Cost of sales includes all operating expenses of company-owned restaurants, including advertising expenses, but excludes depreciation and amortization, which are presented separately.

## Revenue

During the thirteen weeks ended June 29, 2024, total revenue was \$155.7 million, an increase of \$48.5 million, or 45.3%, compared to \$107.2 million in the comparable period in 2023.

Royalty revenue, franchise fees and other increased \$23.2 million, of which \$12.1 million was due to domestic same store sales growth of 28.7%, and \$8.1 million was due to net new franchise restaurant development. Other revenue increased by \$1.9 million primarily due to an increase in vendor rebates.

Advertising fees increased \$18.1 million primarily due to a 45.2% increase in system-wide sales during the fiscal second quarter 2024. \$3.1 million of the increase was due to an increase in the national advertising fund contribution rate to 5.3% from 5.0% effective the first day of the fiscal second quarter 2024.

Company-owned restaurant sales increased \$7.3 million, due to an increase of \$3.6 million related to the addition of seven net new company-owned restaurants since the prior fiscal second quarter. The remainder of the increase was due to company-owned same store sales growth of 14.1%, which was driven primarily by an increase in transactions.

### Cost of sales

The table below presents the major components of cost of sales (dollars in thousands):

	Thirteen Weeks Ended			
	June 29, 2024		July 1, 2023	
	In dollars	As a % of company-owned restaurant sales	In dollars	As a % of company-owned restaurant sales
Food, beverage and packaging costs	\$ 10,695	35.8 %	\$ 7,264	32.2 %
Labor costs	6,987	23.4 %	5,520	24.4 %
Other restaurant operating expenses	5,757	19.3 %	4,408	19.5 %
Vendor rebates	(766)	(2.6) %	(550)	(2.4) %
Total cost of sales	\$ 22,673	75.9 %	\$ 16,642	73.7 %

Food, beverage and packaging costs as a percentage of company-owned restaurant sales were 35.8% in the thirteen weeks ended June 29, 2024, compared to 32.2% in the comparable period in 2023. This increase was primarily due to a 46.3% increase in the cost of bone-in chicken wings as compared to the prior year period. Our purchases in the prior fiscal second quarter were tied primarily to the spot market, which benefited from significant deflation in the cost of bone-in chicken wings.

Labor costs as a percentage of company-owned restaurant sales were 23.4% for the thirteen weeks ended June 29, 2024, compared to 24.4% in the comparable period in 2023. The decrease as a percentage of company-owned restaurant sales was primarily due to leverage as a result of company-owned domestic same store sales growth of 14.1%.

Other restaurant operating expenses as a percentage of company-owned restaurant sales were 19.3% for the thirteen weeks ended June 29, 2024, compared to 19.5% for the thirteen weeks ended July 1, 2023. The decrease as a percentage of company-owned restaurant sales was primarily due to leverage related to the company-owned domestic same store sales increase of 14.1%, partially offset by an increase in pre-opening expenses in the current fiscal quarter and an increase in the national advertising fund contribution rate to 5.3% from 5.0% effective the first day of the fiscal second quarter 2024.

### Advertising expenses

During the thirteen weeks ended June 29, 2024, advertising expenses were \$58.5 million, an increase of \$19.8 million compared to \$38.7 million in the comparable period in 2023. Advertising expenses are recognized at the same time the related revenue is recognized, which does not necessarily correlate to the actual timing of the related advertising spend.

### Selling, general and administrative ("SG&A")

During the thirteen weeks ended June 29, 2024, SG&A expense was \$28.1 million, an increase of \$6.0 million compared to \$22.1 million in the comparable period in 2023. The increase in SG&A expense was driven by an increase in headcount related expenses of \$1.9 million to support the growth in our business, an increase in incentive compensation and performance-based stock compensation expense of \$1.9 million primarily related to the Company's performance, and an increase in consulting and other professional fees of \$1.0 million associated with our strategic initiatives.

### Depreciation and amortization

During the thirteen weeks ended June 29, 2024, depreciation and amortization was \$5.2 million, an increase of \$1.9 million compared to \$3.2 million in the comparable period in 2023. The increase in depreciation and amortization was primarily due to depreciation expense for the software assets placed in service related to our MyWingstop technology platform during the thirteen weeks ended June 29, 2024.

### Interest expense, net

During the thirteen weeks ended June 29, 2024, interest expense, net was \$5.2 million, an increase of \$1.0 million compared to \$4.2 million of interest expense, net in the comparable period in 2023. The increase was primarily driven by additional interest income earned on our cash balances during the thirteen weeks ended July 1, 2023.

### Income tax expense

During the thirteen weeks ended June 29, 2024, we recognized income tax expense of \$9.0 million, yielding an effective tax rate of 24.7%, compared to an effective tax rate of 27.3% in the prior year period. The decrease in the effective tax rate is

primarily related to an increase in excess tax benefits recognized from stock-based compensation in income tax expense as compared to the prior fiscal quarter.

**Twenty-Six Weeks Ended June 29, 2024 compared to Twenty-Six Weeks Ended July 1, 2023**

The following table sets forth our results of operations for the twenty-six weeks ended June 29, 2024 and July 1, 2023 (dollars in thousands):

	Twenty-Six Weeks Ended		Increase / (Decrease)	
	June 29, 2024	July 1, 2023	\$	%
Revenue:				
Royalty revenue, franchise fees and other	\$ 138,257	\$ 96,172	\$ 42,085	43.8 %
Advertising fees	104,803	74,059	30,744	41.5 %
Company-owned restaurant sales	58,428	45,663	12,765	28.0 %
Total revenue	301,488	215,894	85,594	39.6 %
Costs and expenses:				
Cost of sales <sup>(1)</sup>	43,944	33,337	10,607	31.8 %
Advertising expenses	111,740	78,372	33,368	42.6 %
Selling, general and administrative	53,275	45,773	7,502	16.4 %
Depreciation and amortization	8,571	6,207	2,364	38.1 %
Loss on disposal of assets	—	77	(77)	(100.0)%
Total costs and expenses	217,530	163,766	53,764	32.8 %
Operating income	83,958	52,128	31,830	61.1 %
Interest expense, net	9,744	8,817	927	10.5 %
Other (income) expense	(774)	142	(916)	(645.1)%
Income before income tax expense	74,988	43,169	31,819	73.7 %
Income tax expense	18,756	11,319	7,437	65.7 %
Net income	\$ 56,232	\$ 31,850	\$ 24,382	76.6 %

<sup>(1)</sup> Cost of sales includes all operating expenses of company-owned restaurants, including advertising expenses, and excludes depreciation and amortization, which are presented separately.

**Revenue**

During the twenty-six weeks ended June 29, 2024, total revenue was \$301.5 million, an increase of \$85.6 million, or 39.6%, compared to \$215.9 million in the comparable period in 2023.

Royalty revenue, franchise fees and other increased \$42.1 million, of which \$21.5 million was due to domestic same store sales growth of 25.1%, and \$13.8 million was due to net new franchise development. Other revenue increased by \$3.0 million primarily due to an increase in vendor rebates.

Advertising fees increased \$30.7 million due to a 41.0% increase in system-wide sales during the twenty-six weeks ended June 29, 2024, and \$3.1 million was due to an increase in the national advertising fund contribution rate to 5.3% from 5.0% effective the first day of the fiscal second quarter 2024.

Company-owned restaurant sales increased \$12.8 million, primarily due to an increase of \$6.7 million related to the addition of seven net new company-owned restaurants since the prior year comparable period. The remainder of the increase was due to company-owned same store sales growth of 10.1%, which was driven primarily by an increase in transactions.

### ***Cost of sales***

The table below presents the major components of cost of sales (dollars in thousands):

	Twenty-Six Weeks Ended			
	June 29, 2024		July 1, 2023	
	In dollars	As a % of company-owned restaurant sales	In dollars	As a % of company-owned restaurant sales
Food, beverage and packaging costs	\$ 20,596	35.3 %	\$ 14,751	32.3 %
Labor costs	13,663	23.4 %	11,037	24.2 %
Other restaurant operating expenses	11,167	19.1 %	8,633	18.9 %
Vendor rebates	(1,482)	(2.5) %	(1,084)	(2.4) %
Total cost of sales	\$ 43,944	75.2 %	\$ 33,337	73.0 %

Food, beverage and packaging costs as a percentage of company-owned restaurant sales were 35.3% in the twenty-six weeks ended June 29, 2024, compared to 32.3% in the comparable period in 2023. The increase was primarily due to a 41.5% increase in the cost of bone-in chicken wings as compared to the prior year period. Our purchases in the prior fiscal year period were tied primarily to the spot market, which benefited from significant deflation in the cost of bone-in chicken wings.

Labor costs as a percentage of company-owned restaurant sales were 23.4% for the twenty-six weeks ended June 29, 2024, compared to 24.2% in the comparable period in 2023. The decrease in company-owned restaurant wages as a percentage of sales was primarily due to leverage as a result of company-owned domestic same store sales growth of 10.1%.

Other restaurant operating expenses as a percentage of company-owned restaurant sales were 19.1% for the twenty-six weeks ended June 29, 2024, comparable to 18.9% in the prior fiscal year period in 2023.

### ***Advertising expenses***

During the twenty-six weeks ended June 29, 2024, advertising expenses were \$111.7 million, an increase of \$33.4 million compared to \$78.4 million in the comparable period in 2023. Advertising expenses are recognized at the same time the related revenue is recognized, which does not necessarily correlate to the actual timing of the related advertising spend.

### ***Selling, general and administrative (SG&A)***

During the twenty-six weeks ended June 29, 2024, SG&A expense was \$53.3 million, an increase of \$7.5 million compared to \$45.8 million in the comparable period in 2023. The increase in SG&A expense was driven by an increase in headcount related expenses of \$3.7 million to support the growth in our business and an increase in incentive compensation and performance-based stock compensation expense of \$2.3 million primarily related to the Company's performance.

### ***Depreciation and amortization***

During the twenty-six weeks ended June 29, 2024, depreciation and amortization was \$8.6 million, an increase of \$2.4 million compared to \$6.2 million in the comparable period in 2023. The increase in depreciation and amortization was primarily due to depreciation expense for software assets placed in service related to our MyWingstop technology platform during the twenty-six weeks ended June 29, 2024.

### ***Interest expense, net***

During the twenty-six weeks ended June 29, 2024, interest expense, net was \$9.7 million, an increase of \$0.9 million compared to \$8.8 million of interest expense, net in the comparable period in 2023. The increase was primarily driven by additional interest income earned on our cash balances during the twenty-six weeks ended July 1, 2023.

### ***Income tax expense***

During the twenty-six weeks ended June 29, 2024, we recognized income tax expense of \$18.8 million yielding an effective tax rate of 25.0%, compared to an effective tax rate of 26.2% in the prior year period. The decrease in the effective tax rate is primarily related to an increase in excess tax benefits recognized from stock-based compensation in income tax expense as compared to the prior fiscal period.

## Liquidity and Capital Resources

*General.* Our primary sources of liquidity and capital resources are cash provided from operating activities, cash and cash equivalents on hand, and borrowings available under our securitized financing facility. Our primary requirements for liquidity and capital are working capital, general corporate needs, capital expenditures, income tax payments, debt service requirements, dividend payments, and the repurchases of shares of our common stock (if any). Historically, we have operated with minimal positive working capital or with negative working capital. We generally utilize available cash flows from operations to invest in our business, service our debt obligations, pay dividends, and repurchases of shares of our common stock (if any).

Our primary sources of short-term and long-term liquidity are expected to be cash flows from operations and available borrowings under our 2022 Variable Funding Notes (as defined below). As of June 29, 2024, the Company had \$96.7 million of cash and cash equivalents on its balance sheet.

Based upon current levels of operations and anticipated growth, we expect that cash flows from operations, combined with our securitized financing facility, including our 2022 Variable Funding Notes, will be sufficient to meet our capital expenditure, working capital and debt service requirements for at least the next twelve months and the foreseeable future.

The following table shows summary cash flows information for the twenty-six weeks ended June 29, 2024 and July 1, 2023 (in thousands):

	Twenty-Six Weeks Ended	
	June 29, 2024	July 1, 2023
Net cash provided by (used in):		
Operating activities	\$ 80,837	\$ 47,967
Investing activities	(25,251)	(22,206)
Financing activities	(45,161)	(17,374)
Net change in cash and cash equivalents	\$ 10,425	\$ 8,387

*Operating activities.* Our cash flows from operating activities are principally driven by sales at both franchise restaurants and company-owned restaurants, as well as franchise and development fees. We collect franchise royalties from our franchise owners on a weekly basis. Restaurant-level operating costs at our company-owned restaurants, unearned franchise and development fees, and corporate overhead costs also impact our cash flow from operating activities.

Net cash provided by operating activities was \$80.8 million in the twenty-six weeks ended June 29, 2024, an increase of \$32.9 million from net cash provided by operating activities of \$48.0 million in the twenty-six weeks ended July 1, 2023. The increase is primarily due to an increase in operating income.

*Investing activities.* Our net cash used in investing activities was \$25.3 million in the twenty-six weeks ended June 29, 2024, an increase of \$3.0 million from net cash used in investing activities of \$22.2 million in the twenty-six weeks ended July 1, 2023. The increase in net cash used in investing activities was primarily due to an increase in capital expenditures related to our technology investments as compared to the prior fiscal year period.

*Financing activities.* Our net cash used in financing activities was \$45.2 million in the twenty-six weeks ended June 29, 2024, an increase of \$27.8 million from net cash used in financing activities of \$17.4 million in the twenty-six weeks ended July 1, 2023. The increase in net cash used in financing activities was primarily due to the repurchase of approximately \$29.2 million in common stock under our Share Repurchase Program in the twenty-six weeks ended June 29, 2024, partially offset by principal payments made in the twenty-six weeks ended July 1, 2023.

*Securitized financing facility.* On March 9, 2022, the Company completed a securitized financing transaction, pursuant to which Wingstop Funding LLC, a limited purpose, bankruptcy-remote, indirect wholly-owned subsidiary of the Company, issued \$250 million of its Series 2022-1 3.734% Fixed Rate Senior Secured Notes, Class A-2 (the "2022 Class A-2 Notes"), and entered into a revolving financing facility of Series 2022-1 Variable Funding Senior Notes, Class A-1 (the "2022 Variable Funding Notes," and together with the 2022 Class A-2 Notes, the "2022 Notes"), which permits borrowings of up to a maximum principal amount of \$200 million, subject to certain borrowing conditions, a portion of which may be used to issue letters of credit. The proceeds from the securitized financing transaction were used to pay related transaction fees and expenses, strengthen the Company's liquidity position and for general corporate purposes, which included a return of capital to the Company's stockholders.

In addition to the 2022 Notes, the Company's outstanding debt consists of its existing Series 2020-1 2.84% Fixed Rate Senior Secured Notes, Class A-2 (the "2020 Class A-2 Notes"). No borrowings were outstanding under the 2022 Variable Funding Notes as of June 29, 2024.

During the fiscal second quarter of 2024, the Company continued to have a leverage ratio under the 2020 Class A-2 Notes and the 2022 Class A-2 Notes of less than 5.0x. Per the terms of the Company's debt agreements, principal payments are not due until the repayment date as long as the Company maintains a leverage ratio of less than 5.0x. Accordingly, the entire outstanding balance of the 2020 Class A-2 Notes and the 2022 Class A-2 Notes has been classified as long-term debt due after fiscal year 2026.

*Dividends.* We paid a quarterly cash dividend of \$0.22 per share of common stock in each of the first two quarters of 2024, aggregating \$12.9 million in the twenty-six weeks ended June 29, 2024. On July 30, 2024, our Board of Directors approved a dividend of \$0.27 per share, to be paid on September 6, 2024 to stockholders of record as of August 16, 2024, totaling approximately \$7.9 million.

We do not currently expect the restrictions in our debt instruments to impact our ability to make regular quarterly dividends pursuant to our quarterly dividend program. However, any future declarations of dividends, as well as the amount and timing of such dividends, are subject to capital availability and the discretion of our Board of Directors, which must evaluate, among other things, whether cash dividends are in the best interest of the Company and our stockholders.

*Share Repurchase Program.* On August 17, 2023, the Company announced a share repurchase program with authorization to purchase up to \$250.0 million of its outstanding shares of common stock (the "Share Repurchase Program"). During the thirteen weeks ended June 29, 2024, the Company repurchased and retired 75,862 shares of its common stock at an average price of \$381.29 per share. As of June 29, 2024, \$96.1 million remained available under the Share Repurchase Program.

### ***Critical Accounting Policies and Estimates***

Our consolidated financial statements and accompanying notes are prepared in accordance with GAAP. Preparing consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. These estimates and assumptions are affected by the application of our accounting policies. Critical accounting estimates are those that require application of management's most difficult, subjective, or complex judgments, often as a result of matters that are inherently uncertain and may change in subsequent periods. While we apply our judgment based on assumptions believed to be reasonable under the circumstances, actual results could vary from these assumptions. It is possible that materially different amounts would be reported using different assumptions. Our critical accounting policies and estimates are identified and described in our annual consolidated financial statements and the related notes included in our Annual Report, and there have been no material changes since the filing of our Annual Report.

### ***Recent Accounting Pronouncements***

Refer to Note 1, *Basis of Presentation*, of the notes to the consolidated financial statements.



### Special Note Regarding Forward-Looking Statements

This report includes statements of our expectations, intentions, plans and beliefs that constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and are intended to come within the safe harbor protection provided by those sections. These statements, which involve risks and uncertainties, relate to the discussion of our business strategies and our expectations concerning future operations, margins, profitability, trends, liquidity and capital resources and to analyses and other information that are based on forecasts of future results and estimates of amounts not yet determinable. These forward-looking statements can generally be identified by the use of forward-looking terminology, including the terms "may," "will," "should," "expect," "intend," "plan," "outlook," "anticipate," "believe," "think," "estimate," "seek," "predict," "can," "could," "project," "potential" or, in each case, their negative or other variations or comparable terminology, although not all forward-looking statements are accompanied by such terms. These forward-looking statements are made based on expectations and beliefs concerning future events affecting us and are subject to uncertainties, risks, and factors relating to our operations and business environments, all of which are difficult to predict and many of which are beyond our control, that could cause our actual results to differ materially from those matters expressed or implied by these forward-looking statements.

Such risks and other factors include those listed below and elsewhere in this report and our Annual Report, that could cause actual results or outcomes to differ from the results expressed or implied by forward-looking statements:

- our ability to effectively implement our growth strategy;
- our relationships with, and the performance of, our existing and new franchises and franchisees, as well as actions by franchisees that could harm our business;
- our ability to identify, recruit and contract with a sufficient number of qualified franchisees;
- risks associated with food safety, food-borne illness and other health concerns;
- our ability to successfully expand into new and existing markets;
- our ability to effectively compete within our industry;
- risks associated with changes in food and supply costs;
- risks associated with interruptions in our supply chain, including availability of food products;
- risks associated with data privacy, cybersecurity and the use and implementation of information technology including heightened risks that may arise upon increased adoption of artificial intelligence technologies;
- risks associated with our increasing dependence on digital commerce platforms and third-party delivery service providers;
- uncertainty in the law with respect to the assignment or allocation of liabilities in the franchise business model;
- risks associated with litigation against us or our franchisees;
- risks associated with the availability and cost of labor;
- our ability to successfully advertise and market our business;
- risks associated with changes in customer preferences, perceptions and eating habits;
- risks associated with our future performance and operating results falling below the expectations of securities analysts and investors;
- risks associated with the geographic concentration of our business;
- the impact on our business from unexpected events such as international conflict or war and related sanctions, acts of terrorism, civil unrest, epidemics and pandemics and severe weather;
- our ability to comply with laws and government regulations, including those relating to food products, employment and franchising, or increased costs associated with new or changing regulations;
- our ability to maintain adequate insurance coverage for our business;
- risks associated with damage to our reputation or lack of acceptance of our brand in existing or new markets;
- risks associated with our expansion into international markets and foreign government restrictions on operations;
- our ability to attract and retain our executive officers and other key employees;

- our ability to protect our intellectual property, including trademarks, trade secrets and other proprietary rights;
- the impact on our business from environmental, social and corporate governance matters; and
- our ability to comply with the terms of our securitized debt financing and generate sufficient cash flows to satisfy our significant debt service obligations thereunder.

The above list of factors is not exhaustive. Some of these and other factors are discussed in more detail under "Risk Factors" in our Annual Report. When considering forward-looking statements in this report or that we make in other reports or statements, you should keep in mind the cautionary statements in this report and future reports we file with the SEC. Any forward-looking statements made in this report speak only as of the date of the report, unless specified otherwise. New risks and uncertainties arise from time to time, and we cannot predict when they may arise or how they may affect us. Except as required by law, we assume no obligation to update or revise any forward-looking statements for any reason, or to update the reasons actual results could differ materially from those anticipated in any forward-looking statements, even if new information becomes available in the future.

**Item 3. Quantitative and Qualitative Disclosures About Market Risk**

*Commodity Price Risk.* We are exposed to market risks from changes in commodity prices. Many of the food products purchased by us are affected by weather, production, availability and other factors outside of our control, including inflation as compared to the prior year period. Although we enter into arrangements in an effort to mitigate the price volatility of food costs, there are no established fixed price markets for fresh bone-in chicken wings, so we may be subject to prevailing market conditions. Bone-in chicken wings accounted for approximately 18.9% and 15.8% of our company-owned restaurant cost of sales during the twenty-six weeks ended June 29, 2024 and July 1, 2023, respectively. A hypothetical 10% increase in the bone-in chicken wing costs would have increased costs of sales by approximately \$0.8 million during the twenty-six weeks ended June 29, 2024. We do not engage in speculative financial transactions nor do we hold or issue financial instruments for trading purposes.

*Interest Rate Risk.* Our long-term debt, including current portion, consisted entirely of the \$720.9 million incurred under the 2020 Class A-2 Notes and the 2022 Class A-2 Notes as of June 29, 2024 (excluding unamortized debt issuance costs). The Company's predominantly fixed-rate debt structure has reduced its exposure to interest rate increases that could adversely affect its earnings and cash flows, but the Company remains exposed to changes in market interest rates reflected in the fair value of the debt and to the risk that the Company may need to refinance maturing debt with new debt at a higher rate. The Company is exposed to interest rate increases under the 2022 Variable Funding Notes; however, the Company had no outstanding borrowings under its 2022 Variable Funding Notes as of June 29, 2024.

**Item 4. Controls and Procedures***Evaluation of Disclosure Controls and Procedures*

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as of June 29, 2024, pursuant to Rule 13a-15 under the Exchange Act. In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply its judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that as of June 29, 2024, our disclosure controls and procedures are effective to provide reasonable assurance that information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the rules and forms of the SEC, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

*Changes in Internal Control over Financial Reporting*

There have been no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) of the Exchange Act) that occurred during our most recent fiscal quarter 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

We are currently involved in various claims and legal actions that arise in the ordinary course of business, including claims and actions resulting from employment-related and franchise-related matters. None of these matters, some of which are covered by insurance, has had a material effect on us, and, as of the date of this report, we are not party to any pending legal proceedings that we believe would have a material adverse effect on our business, financial condition, results of operations or cash flows. However, a significant increase in the number of these claims or an increase in amounts owing under successful claims could materially and adversely affect our business, financial condition, results of operations or cash flows.

Item 1A. Risk Factors

A description of the risk factors associated with our business is contained in the "Risk Factors" section of our Annual Report.

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

Issuer Purchases of Equity Securities

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs <sup>(1)</sup>
March 31, 2024 - April 27, 2024	—	\$ —	—	\$ —
April 28, 2024 - May 25, 2024	38,763	386.92	38,763	109,999,905
May 26, 2024 - June 29, 2024	37,099	375.41	37,099	96,070,713
Total	75,862	\$ 381.29	75,862	\$ 96,070,713

<sup>(1)</sup> On August 17, 2023, the Company announced a share repurchase program with authorization to purchase up to \$250.0 million of its outstanding shares of common stock (the "Share Repurchase Program"). The authorization for the repurchase continues until all such shares have been repurchased or the repurchase plan is terminated by action of our Board of Directors. As of June 29, 2024, \$96.1 million remained available under the Share Repurchase Program.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

During the thirteen weeks ended June 29, 2024, no director or officer of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

**Item 6. Exhibits**

**Index to Exhibits**

<b>Exhibit No.</b>	<b>Description</b>
3.1	<a href="#">Amended and Restated Certificate of Incorporation of Wingstop Inc., as amended through June 15, 2020, filed as Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 27, 2020 (File No. 001-37425) on July 29, 2020 and incorporated by reference herein.</a>
3.2	<a href="#">Amended and Restated Bylaws of Wingstop Inc., effective as of December 1, 2022, filed as Exhibit 3.1 to the Company's Current Report on Form 8-K (File No. 001-37425) on December 2, 2022 and incorporated by reference herein.</a>
10.1†	<a href="#">Wingstop Inc. 2024 Omnibus Incentive Plan, filed as Exhibit 10.1 to the Company's Current Report on Form 8-K (File No. 001-37425) on May 23, 2024 and incorporated by reference herein.</a>
10.2†	<a href="#">Form of Service-based Restricted Stock Unit Award Agreement under the Wingstop Inc. 2024 Omnibus Incentive Plan, filed as Exhibit 10.2 to the Company's Current Report on Form 8-K (File No. 001-37425) on May 23, 2024 and incorporated by reference herein.</a>
10.3†	<a href="#">Form of Performance-based Restricted Stock Unit Award Agreement under the Wingstop Inc. 2024 Omnibus Incentive Plan, filed as Exhibit 10.3 to the Company's Current Report on Form 8-K (File No. 001-37425) on May 23, 2024 and incorporated by reference herein.</a>
10.4†	<a href="#">Form of Option Award Agreement under the Wingstop Inc. 2024 Omnibus Incentive Plan, filed as Exhibit 10.4 to the Company's Current Report on Form 8-K (File No. 001-37425) on May 23, 2024 and incorporated by reference herein.</a>
10.5†	<a href="#">Form of Restricted Stock Award Agreement under the Wingstop Inc. 2024 Omnibus Incentive Plan, filed as Exhibit 10.5 to the Company's Current Report on Form 8-K (File No. 001-37425) on May 23, 2024 and incorporated by reference herein.</a>
31.1*	<a href="#">Certification of Principal Executive Officer under Section 302 of the Sarbanes-Oxley Act of 2002.</a>
31.2*	<a href="#">Certification of Principal Financial Officer under Section 302 of the Sarbanes-Oxley Act of 2002.</a>
32.1**	<a href="#">Certification of Chief Executive Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>
32.2**	<a href="#">Certification of Chief Financial Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>
101 INS*	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its 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 (formatted as Inline XBRL and Contained in Exhibit 101)

\* Filed herewith.

\*\* Furnished, not filed.

† Indicates management contract or compensatory plan or arrangement.

### Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Wingstop Inc.  
(Registrant)

Date: July 31, 2024

By: /s/ Michael J. Skipworth  
*President and Chief Executive Officer*  
(Principal Executive Officer)

Date: July 31, 2024

By: /s/ Alex R. Kaleida  
*Chief Financial Officer*  
(Principal Financial and Accounting Officer)

## CERTIFICATION PURSUANT TO EXCHANGE ACT RULE 13a-14(a)/15d-14(a) AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Michael J. Skipworth, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Wingstop 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 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) 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 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: July 31, 2024

By: /s/ Michael J. Skipworth  
*President and Chief Executive Officer*  
(Principal Executive Officer)



## CERTIFICATION PURSUANT TO EXCHANGE ACT RULE 13a-14(a)/15d-14(a) AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Alex R. Kaleida, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Wingstop 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 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) 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 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: July 31, 2024

By: /s/ Alex R. Kaleida  
*Chief Financial Officer*  
(Principal Financial and Accounting 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 on Form 10-Q for the period ended June 29, 2024 of Wingstop Inc. (the "Company"), as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Michael J. Skipworth, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, 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 results of operations of the Company.

Date: July 31, 2024

By: /s/ Michael J. Skipworth  
*President and Chief Executive Officer*  
(Principal Executive 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 on Form 10-Q for the period ended June 29, 2024 of Wingstop Inc. (the "Company"), as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Alex R. Kaleida, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, 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 results of operations of the Company.

Date: July 31, 2024

By: /s/ Alex R. Kaleida

*Chief Financial Officer*

(Principal Financial and Accounting Officer)