

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

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

Date of Report (Date of earliest event reported): September 7, 2022

DAVE & BUSTER'S ENTERTAINMENT, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State of
incorporation)

001-35664
(Commission File
Number)

35-2382255
(IRS Employer
Identification Number)

1221 S. Belt Line Rd., Suite 500
Coppell, TX 75019
(Address of principal executive offices)

Registrant's telephone number, including area code: (214) 357-9588

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

- Written communications pursuant to Rule 425 under the Securities Act
 Soliciting material pursuant to Rule 14a-12 of the Exchange Act
 Pre-commencement communications pursuant to Rule 14d-2(b) Exchange Act
 Pre-commencement communications pursuant to Rule 13e-4(c) Exchange Act

Securities registered pursuant to Section 12(b) of the Act:

| <u>Title of each class</u> | <u>Trading Symbol(s)</u> | <u>Name of each exchange on which registered</u> |
|-------------------------------|--------------------------|--|
| Common Stock \$0.01 par value | PLAY | NASDAQ Stock Market LLC |

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

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Section 2 – Financial Information

Item 2.02. Results of Operations and Financial Condition.

The information contained in Item 2.02 of this Current Report on Form 8-K, including the Exhibit attached hereto, is being furnished and shall not be deemed to be “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section. Furthermore, the information contained in Item 2.02 of this Current Report on Form 8-K shall not be deemed to be incorporated by reference into any registration statement or other document filed pursuant to the Securities Act of 1933, as amended.

On September 7, 2022, Dave & Buster’s Entertainment, Inc. (the “Company”) issued a press release announcing results its second quarter 2022 results. A copy of this Press Release is attached hereto as Exhibit 99.1.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits.

[99.1](#) [Press release dated September 7, 2022.](#)

104 Cover Page Interactive Data File (the Cover Page Interactive Data File is embedded within the Inline XBRL document).

SIGNATURES

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

DAVE & BUSTER’S ENTERTAINMENT, INC.

Date: September 7, 2022

By: /s/ Michael Quartieri

Michael Quartieri

Senior Vice President and Chief Financial Officer



Dave & Buster's Reports Second Quarter 2022 Financial Results

DALLAS, September 7, 2022 (GLOBE NEWSWIRE) -- Dave & Buster's Entertainment, Inc., (NASDAQ:PLAY), ("Dave & Buster's" or "the Company"), an owner and operator of entertainment and dining venues, today announced financial results for its second quarter ended July 31, 2022.

Key Second Quarter 2022 Highlights

- The Company completed its acquisition of Main Event on June 29, 2022.
- The Company implemented over \$11.5 million of annualized cost synergies to date that will be realized in future quarters and increased its target annualized cost synergies from \$20.0 million to \$25.0 million.
- Record second quarter revenue of \$468.4 million increased 35.9% from the second quarter of 2019 and increased 24.0% from the second quarter of 2021. Main Event branded stores contributed \$51.4 million of revenue during the quarter.
- Total comparable sales at Dave & Buster's branded stores increased 9.6% compared with the same period in 2019.
- Total comparable sales at Main Event branded stores increased 29.7% during the period from June 29 through July 31, 2022 compared with the same period in 2019.
- Net income totaled \$29.1 million, or 59 cents per diluted share, compared with net income of \$52.8 million, or \$1.07 per diluted share in the second quarter of 2021 and net income of \$32.4 million, or 90 cents per diluted share in the second quarter of 2019.
- Record Adjusted EBITDA of \$119.6 million increased 39.0% from the second quarter of 2019 and increased 0.3% from the second quarter of 2021.
- During the second quarter of 2022, the Company repurchased 764,988 shares for \$25 million.
- The Company ended the quarter with \$591.8 million of liquidity, which includes \$100.4 in cash and \$491.4 million available under its \$500 million revolving credit facility.

"We are pleased to report record revenue for the second quarter," said Chris Morris, Dave & Buster's Chief Executive Officer. "We experienced strong guest visitation and spending across both brands this quarter. Our teams continued to deliver high levels of service to our guests, while simultaneously beginning the process of integration into one company. I want to recognize the efforts of our combined teams as we work to capture the synergies from our combination and adopt best practices across our brands. While we saw substantial headwinds during the quarter from wage and commodity inflation, we remained focused on driving revenue and strong cash flow while still working to mitigate these pressures with operational efficiencies and appropriate pricing actions. We have significant upside potential and with our continued focus on innovation, growth and value creation, we are determined to deliver on that potential. We are excited about the future of this new organization and look forward to sharing our progress in the coming quarters."

Second Quarter 2022 Results

Total revenue was a record \$468.4 million, an increase of 24.0% from \$377.6 million in the second quarter of 2021 and an increase of 35.9% from \$344.6 million in the second quarter of 2019. Total revenue at Dave & Buster's branded stores was \$417.0 million, an increase of 10.4% from \$377.6 million in the second quarter of 2021 and an increase of 21.0% from \$344.6 million from the second quarter of 2019. Total revenue at Main Event branded stores was \$51.4 million for the period from June 29 through July 31, 2022.

Comparable store sales at Dave & Buster's branded stores increased 9.6% compared with the second quarter of 2019 (the Company has chosen to continue reporting comparable store sales versus 2019 in order to provide a more meaningful comparison). Walk-in comparable store sales at Dave & Buster's branded stores increased 13.0% while Special Event comparable store sales declined 23.1% compared with the same period in 2019. Non-comparable store revenue at Dave & Buster's branded stores totaled \$84.7 million compared with \$69.2 million in the second quarter of 2021 and \$40.7 million in the second quarter of 2019.

Comparable store sales at Main Event branded stores for the period from June 29 through July 31, 2022, increased 29.7% compared with the same period in 2019. Walk-in comparable store sales at Main Event branded stores during the June 29 through July 31, 2022 period increased 34.9% while Special Event comparable store sales declined 1.4% compared with the same period in 2019. Non-comparable store revenue during this period at Main Event branded stores totaled \$13.5 million.

Operating income totaled \$56.5 million, or 12.1% of revenue, compared with operating income of \$79.2 million, or 21.0% of revenue in the second quarter of 2021 and operating income of \$46.2 million, or 13.4% of revenue in the second quarter of 2019. Operating income during the second quarter of 2022 was negatively impacted by transaction costs related to the acquisition of Main Event, increases in pre-opening and stock-based compensation expenses and an impairment charge.

Net income totaled \$29.1 million, or 59 cents per diluted share, compared with net income of \$52.8 million, or \$1.07 per diluted share in the second quarter of 2021 and net income of \$32.4 million, or 90 cents per diluted share in the second quarter of 2019.

Adjusted EBITDA totaled a record \$119.6 million, or 25.5% of revenue, compared with Adjusted EBITDA of \$119.2 million, or 31.6% of revenue in the second quarter of 2021 and adjusted EBITDA of \$86.0 million, or 25.0% of revenue in the second quarter of 2019.

Store operating income before depreciation and amortization totaled \$136.7 million, or 29.2% of revenue, compared with store operating income before depreciation and amortization of \$134.2 million, or 35.5% of revenue in the second quarter of 2021 and store operating income before depreciation and amortization of \$99.7 million, or 28.9% of revenue in the second quarter of 2019.

Balance Sheet, Liquidity and Cash Flow

In connection with the acquisition of Main Event, the Company refinanced its existing \$500 million revolving credit facility and closed on a new \$850 million term loan due June 29, 2029.

The Company generated \$84.5 million in operating cash flow during the second quarter, and ended the quarter with \$591.8 million of liquidity, which includes \$100.4 in cash and \$491.4 million available under its \$500 million revolving credit facility.

During the second quarter of 2022, the Company repurchased 764,988 shares for \$25 million under its \$100 million authorized share repurchase program.

Third Quarter 2022 Business Update

The Company's business has continued to improve through the first five weeks of the third quarter, during which comparable store sales on a consolidated basis increased 22.1% with increases of 17.6% at Dave & Buster's branded stores and 42.3% at Main Event branded stores compared with the same period in 2019. Consolidated walk-in comparable store sales increased 24.7% while Special Event comparable store sales declined 4.2% for the five-week period compared with 2019. At Dave & Buster's branded stores, walk-in comparable store sales increased 20.0% while Special Event comparable store sales declined 11.9% for the five-week period compared with 2019. At Main Event branded stores, walk-in comparable store sales increased 48.9% while Special Event comparable store sales increased 9.3% for the five-week period compared with 2019.

Quarterly Report on Form 10-Q Available

The Company's Quarterly Report on Form 10-Q, will be available at www.sec.gov and at the Company's investor relations website, contains a thorough review of its financial results for the second quarter ended July 31, 2022.

Investor Conference Call and Webcast

Management will hold a conference call to report these results on Wednesday, September 7, 2022, at 4:00 p.m. Central Time (5:00 p.m. Eastern Time). Participants can access the conference call by dialing toll-free (877) 883-0383. The international dial-in for participants is (412) 902-6506. The participant entry number is 9220602. A replay will be available after the call for one year beginning at 6:00 p.m. Central Time (7:00 p.m. Eastern Time) and can be accessed by dialing toll-free (877) 344-7529 or by the international toll number (412) 317-0088; the replay access code 4030138. Additionally, a live and archived webcast of the conference call will be available under the Investor Relations section at www.daveandbusters.com/.

About Dave & Buster's Entertainment, Inc.

Founded in 1982 and headquartered in Coppell, Texas, Dave & Buster's Entertainment, Inc., is the owner and operator of 200 venues in North America that offer premier entertainment and dining experiences to guests through two distinct brands: Dave & Buster's and Main Event. The Company has 148 Dave & Buster's branded stores in 41 states, Puerto Rico, and Canada and offers guests the opportunity to "Eat Drink Play and Watch," all in one location. Each store offers a full menu of entrées and appetizers, a complete selection of alcoholic and non-alcoholic beverages, and an extensive assortment of entertainment attractions centered around playing games and watching live sports and other televised events. The Company also operates 52 Main Event branded stores in 17 states across the country, and offers state-of-the-art bowling, laser tag, hundreds of arcade games and virtual reality, making it the perfect place for families to connect and make memories. For more information about each brand, visit daveandbusters.com and mainevent.com.

Forward-Looking Statements

The Company cautions that this release contains forward-looking statements, including, without limitation, statements relating to the impact on our business and operations of the coronavirus pandemic. These forward-looking statements involve risks and uncertainties and, consequently, could be affected by the uncertain and unprecedented impact of the pandemic and new coronavirus variants on our business and operations and the related impact on our liquidity needs; our ability to continue as a going concern; our ability to obtain waivers, and thereafter continue to satisfy covenant requirements, under our revolving credit facility; our ability to access other funding sources; the implementation and duration of government-mandated and voluntary shutdowns and restrictions; the speed with which our stores safely can be reopened and fully operated and the level of customer demand following reopening and full operations; the economic impact of the pandemic and related disruptions on the communities we serve; our overall level of indebtedness; general business and economic conditions, including as a result of the pandemic; the impact of competition; the seasonality of the Company's business; adverse weather conditions; future commodity prices; guest and employee complaints and litigation; fuel and utility costs; labor costs and availability; changes in consumer and corporate spending, including as a result of the pandemic; changes in demographic trends; changes in governmental regulations; unfavorable publicity, our ability to open new stores, and acts of God. Accordingly, actual results may differ materially from the forward-looking statements, and the Company therefore cautions you against relying on such forward-looking statements. Dave & Buster's intends these forward-looking statements to speak only as of the time of this release and does not undertake to update or revise them as more appropriate information becomes available, except as required by law.

***Non-GAAP Measures**

To supplement its consolidated financial statements, which are prepared and presented in accordance with GAAP, the Company uses the following non-GAAP financial measures: EBITDA, EBITDA margin, Adjusted EBITDA, Adjusted EBITDA margin, Store operating income before depreciation and amortization, and Store operating income before depreciation and amortization margin (collectively the “non-GAAP financial measures”). The presentation of this financial information is not intended to be considered in isolation or as a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP. The Company uses these non-GAAP financial measures for financial and operational decision making and as a means to evaluate period-to-period comparisons. The Company believes that they provide useful information about operating results, enhance the overall understanding of our operating performance and future prospects, and allow for greater transparency with respect to key metrics used by management in its financial and operational decision making. The non-GAAP measures used by the Company in this press release may be different from the measures used by other companies.

For Investor Relations Inquiries:

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Dave & Buster’s Entertainment, Inc.
(972) 813-1151
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DAVE & BUSTER'S ENTERTAINMENT, INC.
Condensed Consolidated Balance Sheets
(in thousands)

| | <u>July 31, 2022</u> | <u>January 30, 2022</u> |
|---|----------------------|-------------------------|
| | (unaudited) | (audited) |
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 100,386 | \$ 25,910 |
| Other current assets | 114,120 | 119,661 |
| Total current assets | 214,506 | 145,571 |
| Property and equipment, net | 1,149,632 | 778,597 |
| Operating lease right of use assets | 1,330,468 | 1,037,197 |
| Intangible and other assets, net | 956,134 | 384,425 |
| Total assets | <u>\$ 3,650,740</u> | <u>\$ 2,345,790</u> |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Total current liabilities | \$ 407,585 | \$ 311,515 |
| Operating lease liabilities | 1,599,417 | 1,277,539 |
| Other long-term liabilities | 67,681 | 49,881 |
| Long-term debt, net | 1,219,678 | 431,395 |
| Stockholders' equity | 356,379 | 275,460 |
| Total liabilities and stockholders' equity | <u>\$ 3,650,740</u> | <u>\$ 2,345,790</u> |

DAVE & BUSTER'S ENTERTAINMENT, INC.
Consolidated Statements of Operations (Unaudited)
(in thousands, except share and per share amounts)

| | 13 Weeks Ended | | 13 Weeks Ended | | 13 Weeks Ended | |
|--|----------------|--------|----------------|--------|----------------|--------|
| | July 31, 2022 | | August 1, 2021 | | August 4, 2019 | |
| Food and beverage revenue | \$ 156,995 | 33.5% | \$ 123,006 | 32.6% | \$ 137,921 | 40.0% |
| Amusement and other revenue | 311,364 | 66.5% | 254,632 | 67.4% | 206,678 | 60.0% |
| Total revenue | 468,359 | 100.0% | 377,638 | 100.0% | 344,599 | 100.0% |
| Cost of food and beverage (as a percentage of food and beverage revenue) | 46,461 | 29.6% | 33,127 | 26.9% | 36,934 | 26.8% |
| Cost of amusement and other (as a percentage of amusement and other revenue) | 29,075 | 9.3% | 24,584 | 9.7% | 22,689 | 11.0% |
| Total cost of products | 75,536 | 16.1% | 57,711 | 15.3% | 59,623 | 17.3% |
| Operating payroll and benefits | 113,674 | 24.3% | 80,623 | 21.3% | 80,927 | 23.5% |
| Other store operating expenses | 142,440 | 30.4% | 105,116 | 27.9% | 104,376 | 30.3% |
| General and administrative expenses | 37,710 | 8.1% | 18,470 | 4.9% | 15,991 | 4.6% |
| Depreciation and amortization expense | 38,614 | 8.2% | 34,875 | 9.2% | 32,745 | 9.5% |
| Pre-opening costs | 3,913 | 0.8% | 1,676 | 0.4% | 4,723 | 1.4% |
| Total operating costs | 411,887 | 87.9% | 298,471 | 79.0% | 298,385 | 86.6% |
| Operating income | 56,472 | 12.1% | 79,167 | 21.0% | 46,214 | 13.4% |
| Interest expense, net | 17,118 | 3.7% | 13,728 | 3.7% | 4,605 | 1.3% |
| Loss on debt refinancing | 1,479 | 0.3% | - | 0.0% | - | 0.0% |
| Income before provision for income taxes | 37,875 | 8.1% | 65,439 | 17.3% | 41,609 | 12.1% |
| Provision for income taxes | 8,787 | 1.9% | 12,669 | 3.3% | 9,253 | 2.7% |
| Net income | \$ 29,088 | 6.2% | \$ 52,770 | 14.0% | \$ 32,356 | 9.4% |
| Net income per share: | | | | | | |
| Basic | \$ 0.60 | | \$ 1.10 | | \$ 0.91 | |
| Diluted | \$ 0.59 | | \$ 1.07 | | \$ 0.90 | |
| Weighted average shares used in per share calculations: | | | | | | |
| Basic shares | 48,831,639 | | 48,178,611 | | 35,407,965 | |
| Diluted shares | 49,271,521 | | 49,229,817 | | 36,015,710 | |
| Other information: | | | | | | |
| Company-owned stores at end of period | 200 | | 142 | | 130 | |
| Store operating weeks in the period | 2,171 | | 1,817 | | 1,674 | |
| Total revenue per store operating weeks in the period | \$ 216 | | \$ 208 | | \$ 206 | |

The following table sets forth a reconciliation of net income to EBITDA and Adjusted EBITDA for the periods shown:

| | 13 Weeks Ended | | 13 Weeks Ended | | 13 Weeks Ended | |
|---------------------------------------|----------------|-------|----------------|-------|----------------|-------|
| | July 31, 2022 | | August 1, 2021 | | August 4, 2019 | |
| Net income | \$ 29,088 | 6.2% | \$ 52,770 | 14.0% | \$ 32,356 | 9.4% |
| Add back: Interest expense, net | 17,118 | | 13,728 | | 4,605 | |
| Loss on debt refinancing | 1,479 | | - | | - | |
| Provision for income taxes | 8,787 | | 12,669 | | 9,253 | |
| Depreciation and amortization expense | 38,614 | | 34,875 | | 32,745 | |
| EBITDA | 95,086 | 20.3% | 114,042 | 30.2% | 78,959 | 22.9% |
| Add back: Loss on asset disposal | 154 | | 112 | | 406 | |
| Impairment of long-lived assets | 1,841 | | - | | - | |
| Share-based compensation | 4,698 | | 3,187 | | 1,907 | |
| Pre-opening costs | 3,913 | | 1,676 | | 4,723 | |
| Other costs (1) | 13,858 | | 135 | | (13) | |
| Adjusted EBITDA | \$ 119,550 | 25.5% | \$ 119,152 | 31.6% | \$ 85,982 | 25.0% |

(1) Fiscal year 2022 amount primarily represents costs related to the acquisition of Main Event and subsequent integration costs.

The following table sets forth a reconciliation of operating income to store operating income before depreciation and amortization for the periods shown:

| | <u>13 Weeks Ended</u> | | <u>13 Weeks Ended</u> | | <u>13 Weeks Ended</u> | |
|---|-----------------------|-------|-----------------------|-------|-----------------------|-------|
| | <u>July 31, 2022</u> | | <u>August 1, 2021</u> | | <u>August 4, 2019</u> | |
| Operating income | \$ 56,472 | 12.1% | \$ 79,167 | 21.0% | \$ 46,214 | 13.4% |
| Add back: General and administrative expenses | 37,710 | | 18,470 | | 15,991 | |
| Depreciation and amortization expense | 38,614 | | 34,875 | | 32,745 | |
| Pre-opening costs | 3,913 | | 1,676 | | 4,723 | |
| Store operating income before depreciation and amortization | <u>\$ 136,709</u> | 29.2% | <u>\$ 134,188</u> | 35.5% | <u>\$ 99,673</u> | 28.9% |

DAVE & BUSTER'S ENTERTAINMENT, INC.
Consolidated Statements of Operations (Unaudited)
(in thousands, except share and per share amounts)

| | 26 Weeks Ended | | 26 Weeks Ended | | 26 Weeks Ended | |
|--|----------------|--------|----------------|--------|----------------|--------|
| | July 31, 2022 | | August 1, 2021 | | August 4, 2019 | |
| Food and beverage revenue | \$ 308,907 | 33.6% | \$ 208,764 | 32.5% | \$ 286,142 | 40.4% |
| Amusement and other revenue | 610,553 | 66.4% | 434,214 | 67.5% | 422,039 | 59.6% |
| Total revenue | 919,460 | 100.0% | 642,978 | 100.0% | 708,181 | 100.0% |
| Cost of food and beverage (as a percentage of food and beverage revenue) | 89,716 | 29.0% | 56,284 | 27.0% | 75,688 | 26.5% |
| Cost of amusement and other (as a percentage of amusement and other revenue) | 55,841 | 9.1% | 41,198 | 9.5% | 45,660 | 10.8% |
| Total cost of products | 145,557 | 15.8% | 97,482 | 15.2% | 121,348 | 17.1% |
| Operating payroll and benefits | 207,035 | 22.5% | 130,902 | 20.4% | 163,800 | 23.1% |
| Other store operating expenses | 266,865 | 29.0% | 189,561 | 29.4% | 210,621 | 29.8% |
| General and administrative expenses | 66,007 | 7.2% | 35,561 | 5.5% | 32,837 | 4.6% |
| Depreciation and amortization expense | 71,902 | 7.8% | 69,974 | 10.9% | 63,886 | 9.0% |
| Pre-opening costs | 6,910 | 0.8% | 3,335 | 0.5% | 11,725 | 1.7% |
| Total operating costs | 764,276 | 83.1% | 526,815 | 81.9% | 604,217 | 85.3% |
| Operating income | 155,184 | 16.9% | 116,163 | 18.1% | 103,964 | 14.7% |
| Interest expense, net | 28,509 | 3.1% | 28,548 | 4.5% | 8,661 | 1.2% |
| Loss on debt refinancing | 1,479 | 0.2% | - | 0.0% | - | 0.0% |
| Income before provision for income taxes | 125,196 | 13.6% | 87,615 | 13.6% | 95,303 | 13.5% |
| Provision for income taxes | 29,124 | 3.2% | 15,210 | 2.3% | 20,504 | 2.9% |
| Net income | \$ 96,072 | 10.4% | \$ 72,405 | 11.3% | \$ 74,799 | 10.6% |
| Net income per share: | | | | | | |
| Basic | \$ 1.97 | | \$ 1.51 | | \$ 2.07 | |
| Diluted | \$ 1.95 | | \$ 1.47 | | \$ 2.03 | |
| Weighted average shares used in per share calculations: | | | | | | |
| Basic shares | 48,705,956 | | 47,937,158 | | 36,117,815 | |
| Diluted shares | 49,357,051 | | 49,272,693 | | 36,803,001 | |
| Other information: | | | | | | |
| Company-owned stores at end of period | 200 | | 142 | | 130 | |
| Store operating weeks in the period | 4,047 | | 3,450 | | 3,290 | |
| Total revenue per store operating weeks in the period | \$ 227 | | \$ 186 | | \$ 215 | |

The following table sets forth a reconciliation of net income to EBITDA and Adjusted EBITDA for the periods shown:

| | 26 Weeks Ended | | 26 Weeks Ended | | 26 Weeks Ended | |
|---------------------------------------|----------------|-------|----------------|-------|----------------|-------|
| | July 31, 2022 | | August 1, 2021 | | August 4, 2019 | |
| Net income | \$ 96,072 | 10.4% | \$ 72,405 | 11.3% | \$ 74,799 | 10.6% |
| Add back: Interest expense, net | 28,509 | | 28,548 | | - | |
| Loss on debt refinancing | 1,479 | | - | | 8,661 | |
| Provision for income taxes | 29,124 | | 15,210 | | 20,504 | |
| Depreciation and amortization expense | 71,902 | | 69,974 | | 63,886 | |
| EBITDA | 227,086 | 24.7% | 186,137 | 28.9% | 167,850 | 23.7% |
| Add back: Loss on asset disposal | 370 | | 257 | | 826 | |
| Impairment of long-lived assets | 1,841 | | - | | - | |
| Share-based compensation | 8,253 | | 6,158 | | 3,732 | |
| Pre-opening costs | 6,910 | | 3,335 | | 11,725 | |
| Other costs (1) | 18,337 | | (30) | | 33 | |
| Adjusted EBITDA | \$ 262,797 | 28.6% | \$ 195,857 | 30.5% | \$ 184,166 | 26.0% |

(1) Fiscal year 2022 amount primarily represents costs related to the acquisition of Main Event and subsequent integration costs.

The following table sets forth a reconciliation of operating income to store operating income before depreciation and amortization for the periods shown:

| | <u>26 Weeks Ended</u> | | <u>26 Weeks Ended</u> | | <u>26 Weeks Ended</u> | |
|---|-----------------------|-------|-----------------------|-------|-----------------------|-------|
| | <u>July 31, 2022</u> | | <u>August 1, 2021</u> | | <u>August 4, 2019</u> | |
| Operating income | \$ 155,184 | 16.9% | \$ 116,163 | 18.1% | \$ 103,964 | 14.7% |
| Add back: General and administrative expenses | 66,007 | | 35,561 | | 32,837 | |
| Depreciation and amortization expense | 71,902 | | 69,974 | | 63,886 | |
| Pre-opening costs | 6,910 | | 3,335 | | 11,725 | |
| Store operating income before depreciation and amortization | <u>\$ 300,003</u> | 32.6% | <u>\$ 225,033</u> | 35.0% | <u>\$ 212,412</u> | 30.0% |