Q1 2023 Financial Results

As of March 31, 2023 | Reported on May 4, 2023

THE JOINT chiropractic

Safe Harbor Statements

Certain statements contained in this presentation are "forward-looking statements" about future events and expectations. Forward-looking statements are based on our beliefs, assumptions and expectations of industry trends, our future financial and operating performance and our growth plans, taking into account the information currently available to us. These statements are not statements of historical fact. Forward-looking statements involve risks and uncertainties that may cause our actual results to differ materially from the expectations of future results we express or imply in any forward-looking statements, and you should not place undue reliance on such statements. Factors that could contribute to these differences include, our inability to identify and recruit enough qualified chiropractors and other personnel to staff our clinics, due in part to the nationwide labor shortage, and an increase in operating expenses due to measures we may need to take to address such shortage, inflation, exacerbated by COVID-19 and the current war in Ukraine, which has increased our costs and which could otherwise negatively impact our business, the potential for further disruption to our operations and the unpredictable impact on our business of the COVID-19 outbreak and outbreaks of other contagious diseases, our failure to develop or acquire company-owned or managed clinics as rapidly as we intend, our failure to profitably operate company-owned or managed clinics, short-selling strategies and negative opinions posted on the internet which could drive down the market price of our common stock and result in class action lawsuits, our failure to remediate future material weaknesses in our internal control over financial reporting, which could negatively impact our ability to accurately report our financial results, prevent fraud, or maintain investor confidence, and other factors described in our filings with the SEC, including in the section entitled "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2022 filed with the SEC on March 10, 2023 and subsequently-filed current and quarterly reports. Words such as, "anticipates," "believes," "continues," "estimates," "expects," "goal," "objectives," "intends," "may," "opportunity," "plans," "potential," "near-term," "long-term," "projections," "assumptions," "projects," "guidance," "forecasts," "outlook," "target," "trends," "should," "could," "would," "will," and similar expressions are intended to identify such forward-looking statements. We qualify any forward-looking statements entirely by these cautionary factors. 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 these forward-looking statements, even if new information becomes available in the future. Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance, unless expressed as such, and should only be viewed as historical data.

Business Structure

The Joint Corp. is a franchisor of clinics and an operator of clinics in certain states. In Arkansas, California, Colorado, District of Columbia, Florida, Illinois, Kansas, Kentucky, Maryland, Michigan, Minnesota, New Jersey, New York, North Carolina, Oregon, Pennsylvania, Rhode Island, South Dakota, Tennessee, Washington, West Virginia and Wyoming, The Joint Corp. and its franchisees provide management services to affiliated professional chiropractic practices.

Three Enterprise Initiatives to Advance Growth

Forging the Chiropractic Dream

Harnessing the Power of Our Data

Accelerating the Pace of Clinic Growth

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Building upon Foundation for Growth

17%

Increase in system-wide sales Q1 2023 over Q1 2022

8%

Increase in comp sales[1] for all clinics >13 months in operation Q1 2023 over Q1 2022

1%

Increase in comp sales[1] for all clinics >48 months in operation Q1 2023 over Q1 2022

	Q1 2023	Q1 2022
Revenue	$28.5M	$22.4M
Operating Loss	$678K	$176K
Other Income/(Expense)[2]	$3.8M	$(16)K
Net Income/(Loss)	$2.3M	$(206)K
Adjusted EBITDA[3]	$2.0M	$1.8M

Unrestricted cash $14.8M at Mar. 31, 2023, compared to $9.7M at Dec. 31, 2022

[1]Comparable sales include only the sales from clinics that have been open at least 13 or 48 full months and exclude any clinics that have permanently closed.

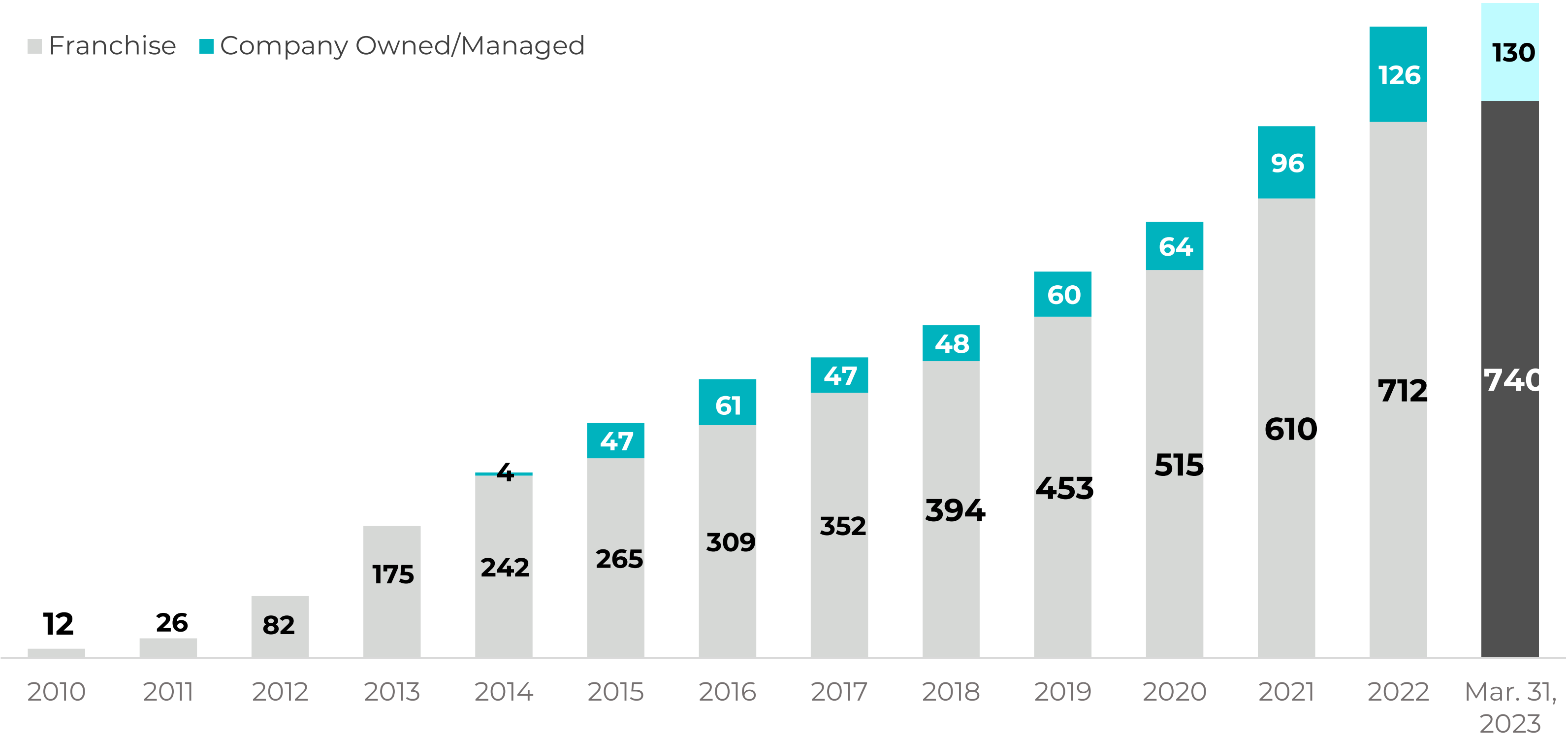
[2] Other income in Q1 2023 include net employee retention credits of $3.9 million.

[2] Reconciliation of Adjusted EBITDA to GAAP earnings is included in the Appendix.

	Q1 2023	Q1 2022
Franchise Licenses Sold	17	22
Total New Franchised Clinics Opened	29	27
Greenfield Clinics Opened	4	4
Franchised Clinics Acquired	0	0
Clinics in Development	218	278

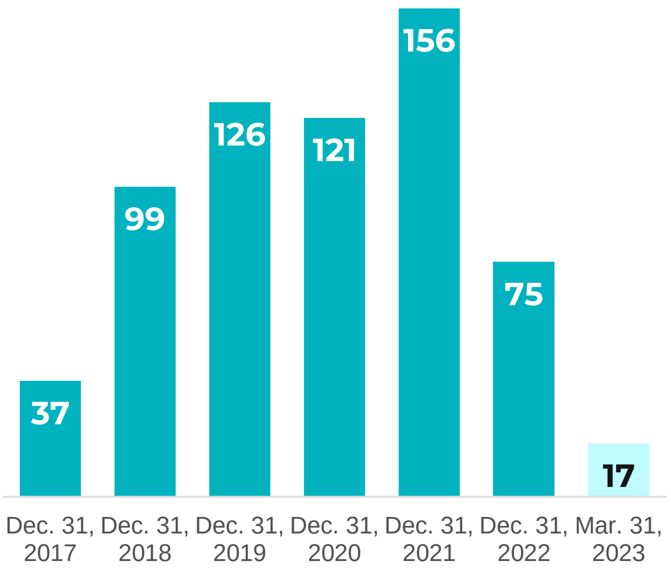
33 New Clinics in Q1 2023, Up from 31 in Q1 2022

TOTAL CLINICS OPEN

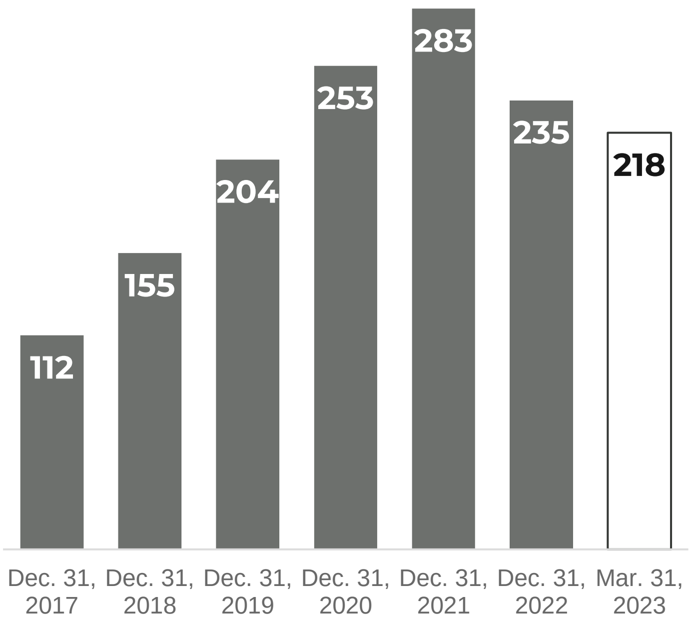


Pipeline for Growth

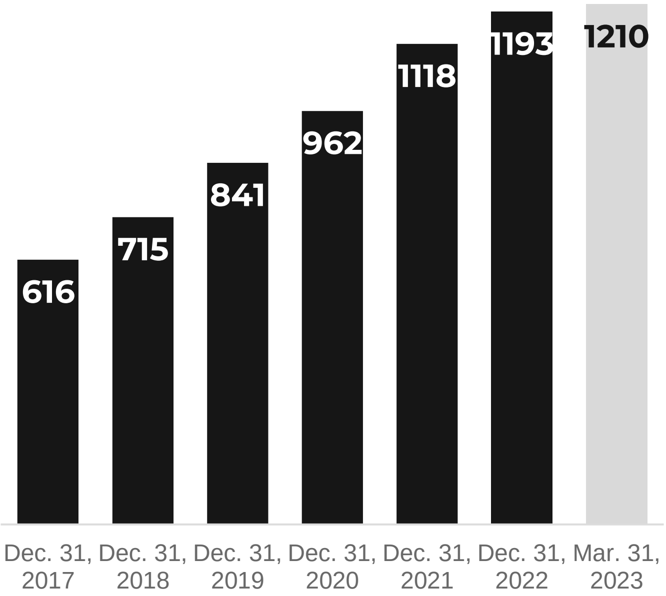
Franchise Licenses Sold Annually



Clinics in Active Development[1]



Gross Cumulative Franchise Licenses Sold[1]



67% sold by Regional Developers in 2022

69% of clinics supported by 18 RDs as of Dec. 31, 2022

RD territories cover 55% of Metropolitan Statistical Areas (MSAs) as of Dec. 31, 2022

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[1] Of the 1,210 franchise licenses sold as of March 31, 2023, 218 are in active development, 740 are currently operating and the balance represents terminated/closed licenses.

Enhancing Marketing Programs

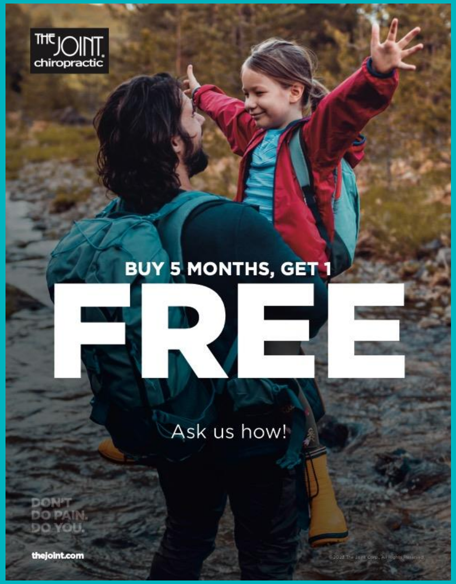
"Love The Joint"

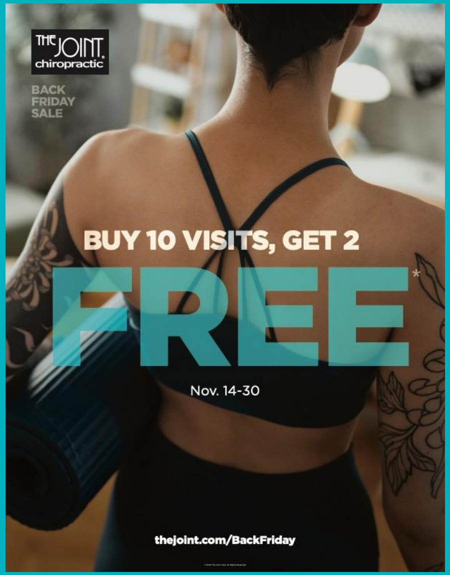
Social Campaign Sweepstakes

- 14,900+ entries and comments
- 20,000+ likes
- 13,000+ new followers

Annual New Patient Contest

- Promote $29 new patient offer
- 19% new patient increase in March over prior three-month average





Q1 2023 Financial Results

$ in M[1]	Q1 2023	Q1 2022	Differences	
Revenue	$28.5	$22.4	$6.0	27%
• **Corporate clinics**	17.1	12.6	4.5	36%
• **Franchise fees**	11.3	9.8	1.5	15%
Cost of revenue	2.6	2.3	0.3	8%
Sales and marketing	4.1	3.3	0.9	27%
Depreciation and amortization	2.3	1.6	0.7	44%
G&A	19.9	15.4	4.5	30%
Operating loss	(0.7)	(0.2)	(0.5)	NA
Other income / (expense)	3.8	0.0	3.8	NA
Tax expense	0.8	0.0	0.8	NA
Net Income	2.3	(0.2)	2.1	NA
Adj. EBITDA[2]	2.0	1.8	0.2	13%

[1] Due to rounding, numbers may not add up precisely to the totals.
[2] Reconciliation of Adjusted EBITDA to GAAP earnings is included in the Appendix.

Reiterating 2023 Financial Guidance

$ in M	2022 Actual	2023 Low Guidance	2023 High Guidance
Revenues	$101.9	$123.0	$128.0
Adjusted EBITDA[1]	$11.5	$12.5	$14.0
New Franchised Clinic Openings	121	100	120
New Greenfield Clinics[2]	16	8	12

[1] Reconciliation of Adjusted EBITDA to GAAP earnings is included in the appendix. | [2] Historically, company-owned or managed clinic openings included a combination of both greenfields and acquisitions. The company will continue to acquire previously franchised clinics. However, as these transactions are opportunistic, management will no longer include the acquired clinic estimate in guidance. To provide greater clarity, the 2023 company-owned or managed guidance includes greenfield clinic openings only.

Leading Market Growth

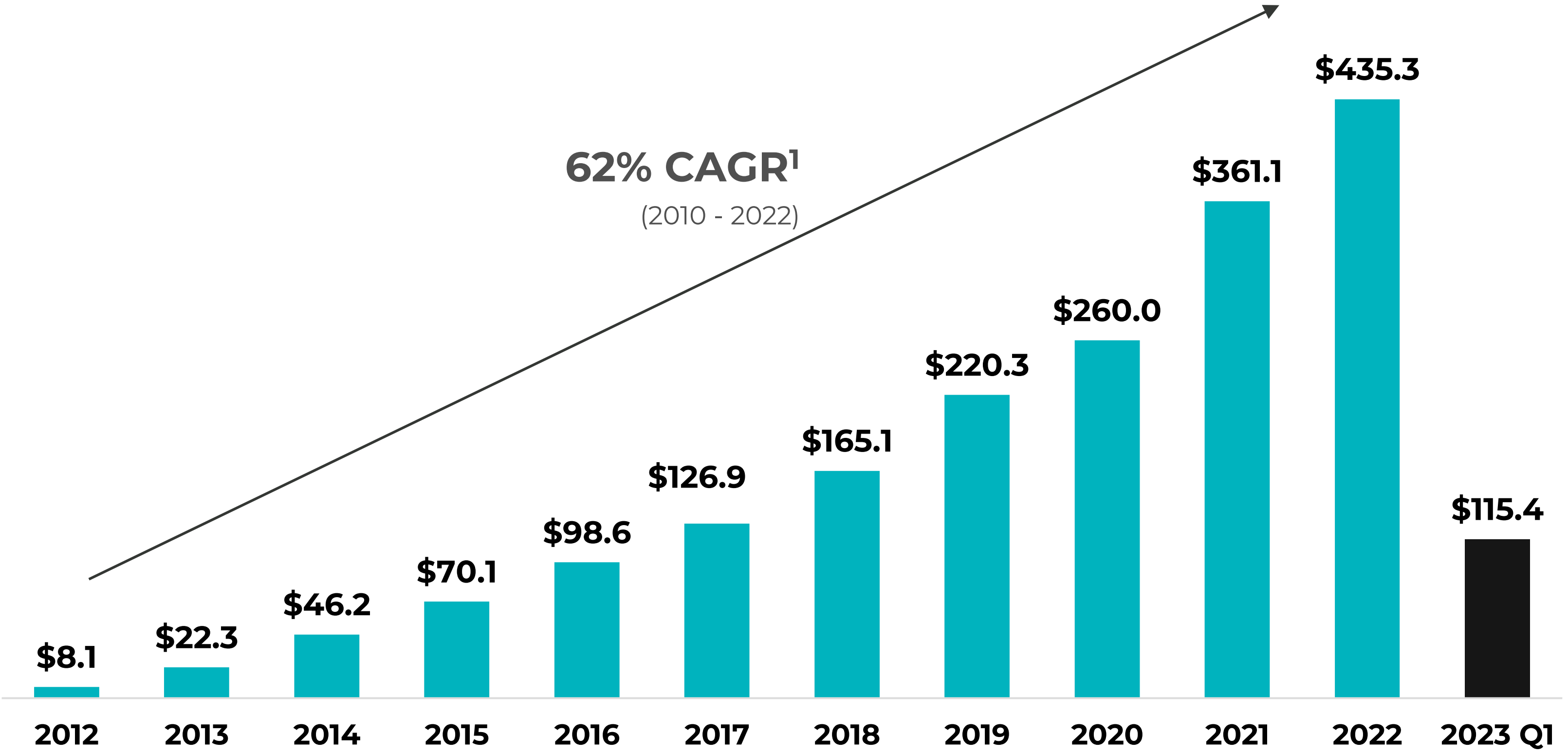
The Joint Corp. 12-yr. CAGR 62%[1] vs. Industry 5-yr. CAGR 5.1%[2]

People will continue to seek more noninvasive, holistic ways to manage their pain.

We'll be there to treat them.

System-wide Sales

($ in M)



[1] For the period ended Dec. 31, 2022
[2] March 2023 Kentley Insights Chiropractic Care Market Research Report

Driving Long-term Shareholder Value

The most powerful brand-building tool is **our storefronts**.

Performance Metrics and Non-GAAP Measures

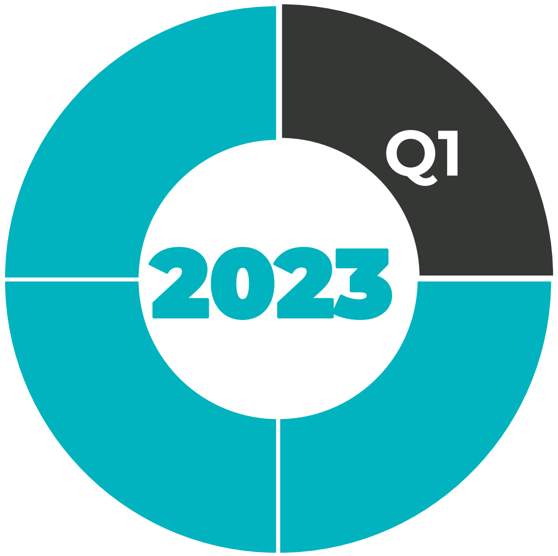
This presentation includes commonly discussed performance metrics. System-wide sales include sales at all clinics, whether operated by the company or by franchisees. While franchised sales are not recorded as revenues by the company, management believes the information is important in understanding the company's financial performance, because these sales are the basis on which the company calculates and records royalty fees and are indicative of the financial health of the franchisee base. Comp sales include the sales from both company-owned or managed clinics and franchised clinics that in each case have been open at least 13 full months and exclude any clinics that have closed.

This presentation includes non-GAAP financial measures. EBITDA and Adjusted EBITDA are presented because they are important measures used by management to assess financial performance, as management believes they provide a more transparent view of the Company's underlying operating performance and operating trends than GAAP measures alone. Reconciliations of net loss to EBITDA and Adjusted EBITDA are presented where applicable. The Company defines EBITDA as net income/(loss) before net interest, tax expense, depreciation, and amortization expenses. The Company defines Adjusted EBITDA as EBITDA before acquisition-related expenses, bargain purchase net gain, gain/(loss) on disposition or impairment, stock-based compensation expenses and employee retention credits.

EBITDA and Adjusted EBITDA do not represent and should not be considered alternatives to net income or cash flows from operations, as determined by accounting principles generally accepted in the United States, or GAAP. While EBITDA and Adjusted EBITDA are frequently used as measures of financial performance and the ability to meet debt service requirements, they are not necessarily comparable to other similarly titled captions of other companies due to potential inconsistencies in the methods of calculation. EBITDA and Adjusted EBITDA should be reviewed in conjunction with the Company's financial statements filed with the SEC.

Q1 2023 Segment Results as of Mar. 31, 2023

$ in 000s



	Corporate Clinics	Franchise Operations	Unallocated Corporate	The Joint Consolidated
Total Revenues	$ 17,128	$ 11,322	$ -	**$ 28,450**
Total Operating Costs	(17,677)	(6,678)	(4,773)	(29,129)
Operating Income (Loss)	(550)	4,644	(4,773)	(678)
Other Income (Expense), net	-	-	3,821	3,821
Income (Loss) Before Income Tax Expense	(550)	4,644	(952)	3,143
Total Income Taxes	-	-	842	842
Net Income (Loss)	(550)	4,644	(1,794)	**2,301**
Net Interest	-	-	50	50
Income Taxes	-	-	842	842
Total Depreciation and Amortization Expense	2,055	199	89	2,343
EBITDA	1,505	4,843	(813)	**5,535**
Stock Based Compensation Exp	-	-	266	266
Loss on Disposition/Impairment	65	-	-	65
Acquisition Expenses	39	-	-	39
Other Income, net	-	-	(3,871)	(3,871)
Adjusted EBITDA	$ 1,610	$ 4,843	$ (4,418)	**$ 2,035**

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GAAP – Non-GAAP Reconciliation

$ in 000s

	Quarter Ending 03/31/2021	Quarter Ending 06/30/2021	Quarter Ending 09/30/2021	Quarter Ending 12/31/2021		Quarter Ending 03/31/2022	Quarter Ending 06/30/2022	Quarter Ending 09/30/2022	Quarter Ending 12/31/2022		Quarter Ending 03/31/2023
Total Revenue	17,548	20,219	20,992	22,101	80,860	22,439	25,057	26,603	27,813	101,911	28,450
Total Cost of Revenue	1,765	2,039	2,300	2,410	8,514	2,313	2,427	2,490	2,600	9,830	2,624
Gross Profit	**$ 15,783**	**$ 18,180**	**$ 18,691**	**$ 19,691**	**$ 72,346**	**$ 20,126**	**$ 22,630**	**$ 24,113**	**$ 25,212**	**$ 92,081**	**$ 25,826**
Sales & Marketing	2,489	3,133	2,882	2,921	11,424	3,287	3,840	3,539	3,296	13,963	4,160
Depreciation/Amortization Expense	1,170	1,443	1,662	1,814	6,089	1,629	1,700	2,012	2,303	7,644	2,343
Other Operating Expenses	10,186	11,611	12,812	14,936	49,546	15,379	16,589	18,056	18,307	68,330	19,936
Total Other Income (Expense)	13	25	(13)	(29)	(4)	(23)	(48)	(30)	(100)	(201)	3,756
Total Income Taxes	(364)	(666)	(614)	351	(1,293)	13	109	(16)	660	767	842
Net Income (Loss)	**$ 2,315**	**$ 2,684**	**$ 1,937**	**$ (360)**	**$ 6,576**	**$ (206)**	**$ 345**	**$ 491**	**$ 547**	**$ 1,177**	**$ 2,301**
Net Interest	22	16	16	16	70	16	19	25	72	133	50
Income Taxes	(364)	(666)	(614)	351	(1,293)	13	109	(16)	660	767	842
Depreciation and Amortization Expense	1,170	1,443	1,662	1,814	6,089	1,629	1,700	2,012	2,303	7,644	2,343
EBITDA	**$ 3,142**	**$ 3,477**	**$ 3,001**	**$ 1,821**	**$ 11,441**	**$ 1,453**	**$ 2,174**	**$ 2,512**	**$ 3,582**	**$ 9,721**	**$ 5,535**
Stock Based Compensation	246	284	297	229	1,056	324	340	306	304	1,274	266
(Gain) Loss on Disposition/Impairment	65	(44)	(4)	10	27	7	89	264	50	410	65
Acquisition Expenses	6	39	3	20	69	(0)	32	47	32	110	39
Other Income, net	-	-	-	-	-	-	-	-	-	-	(3,871)
Adjusted EBITDA	**$ 3,459**	**$ 3,756**	**$ 3,297**	**$ 2,080**	**$ 12,593**	**$ 1,783**	**$ 2,635**	**$ 3,129**	**$ 3,968**	**$ 11,515**	**$ 2,035**

Contact Information

Peter D. Holt, President & CEO
peter.holt@thejoint.com

The Joint Corp. | 16767 N. Perimeter Dr., Suite 110, Scottsdale, AZ 85260 | (480) 245-5960

Jake Singleton, CFO
jake.singleton@thejoint.com

The Joint Corp. | 16767 N. Perimeter Dr., Suite 110, Scottsdale, AZ 85260 | (480) 245-5960

Kirsten Chapman, LHA Investor Relations
thejoint@lhai.com

LHA Investor Relations | 50 California Street, Suite 1500 | San Francisco, CA 94111| (415) 433-3777

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