



XPONENTIALTM FITNESS

Q4 2022 FINANCIAL RESULTS

As of December 31st, 2022 | Reported on March 2nd, 2023





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Market Data and Non-GAAP Financial Measures

This presentation includes statistical and other industry and market data that we obtained from industry publications and research, surveys, studies and other similar third-party sources, as well as our estimates based on such data and on our internal sources. Such data and estimates involve a number of assumptions and limitations, and you are cautioned not to give undue weight to such data and estimates. We believe that the information from these third-party sources is reliable; however, we have not independently verified them, we make no representation as to their accuracy or completeness and we do not undertake to update the data from such sources after the date of this presentation. Further, our business and the industry in which we operate is subject to a high degree of risk and uncertainty, which could cause results to differ materially from those expressed in the estimates made by the third-party sources and by us.

We use certain non-GAAP financial information in this presentation, such as EBITDA, Adjusted EBITDA and adjusted net income (loss), to evaluate our ongoing operations and for internal planning and forecasting purposes. We believe that non-GAAP financial information, when taken collectively with comparable GAAP financial measures, is helpful to investors because it provides consistency and comparability with past financial performance, and provides meaningful supplemental information regarding our performance by excluding certain items that may not be indicative of our business, results of operations or outlook. However, non-GAAP financial information is presented for supplemental informational purposes only, has limitations as an analytical tool, and should not be considered in isolation or as a substitute for financial information presented in accordance with GAAP. In addition, other companies, including companies in our industry, may calculate similarly titled non-GAAP measures differently or may use other measures to evaluate their performance, all of which could reduce the usefulness of our non-GAAP financial measure as tools for comparison. We seek to compensate such limitations by providing a detailed reconciliation for the non-GAAP financial measures to the most directly comparable financial measures stated in accordance with GAAP in this presentation. You are encouraged to review the related GAAP financial measures and the reconciliation of the non-GAAP financial measures to their most directly comparable GAAP financial measures and not rely on any single financial measure to evaluate our business. In addition, we are not able to provide a quantitative reconciliation of the estimated full-year Adjusted EBITDA for fiscal year ending December 31, 2023 without unreasonable efforts to the most directly comparable GAAP financial measure due to the high variability, complexity and low visibility with respect to certain items such as taxes, TRA remeasurements, and income and expense from changes in fair value of contingent consideration from acquisitions. We expect the variability of these items to have a potentially unpredictable and potentially significant impact on future GAAP financial results, and, as such, we also believe that any reconciliations provided would imply a degree of precision that would be confusing or misleading to investors.

Q4 / FY 2022 Key Operating Metrics⁽¹⁾

System-Wide Sales
\$294M / \$1.0Bn

+38% / +46% YoY

Same Store Sales
%

+17% / +25%

Total Members
590K

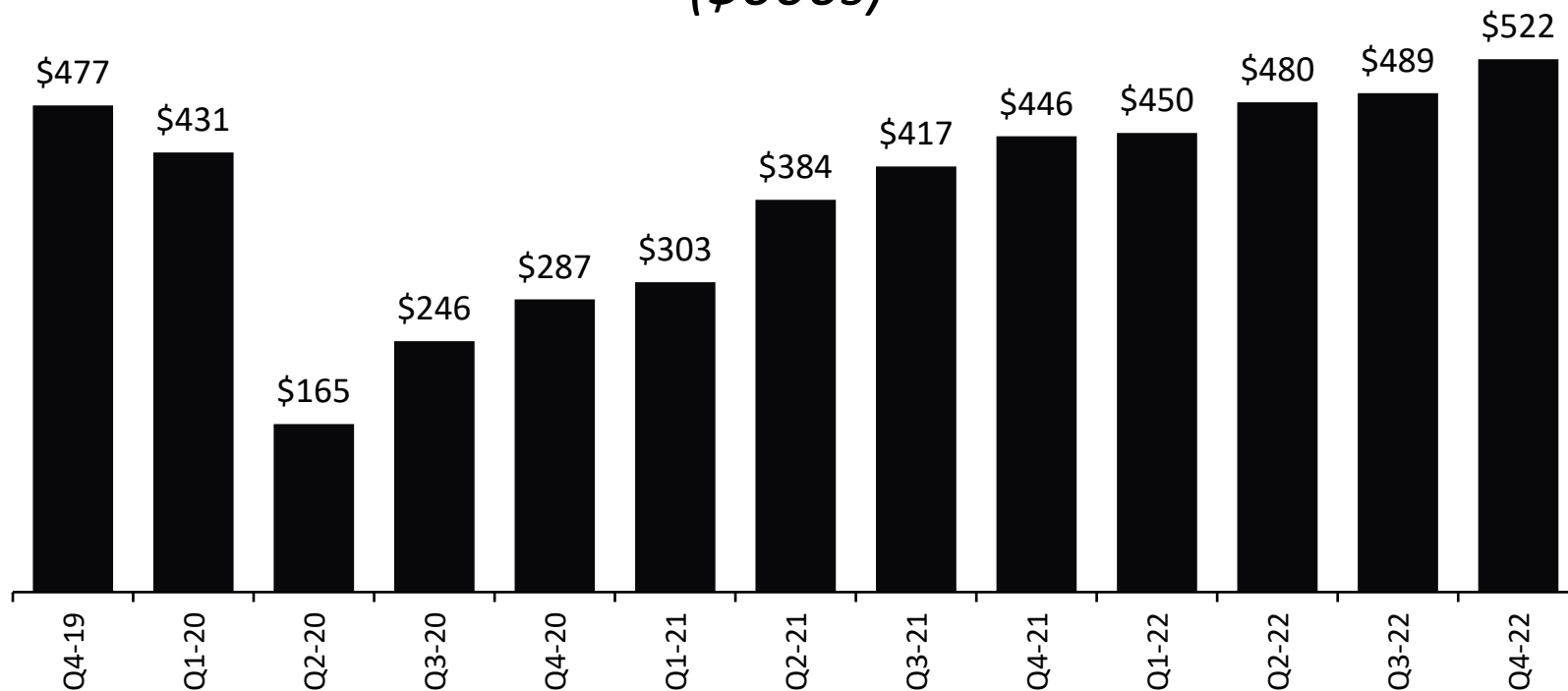
+32% +YoY

***Greater Than 36
Months***

+18% / +25%

1) YoY comparison refers to Q4 2021 and FY 2021, respectively. Total Members, same store sales and system-wide sales represents North America only.

North America Run-Rate Average Unit Volumes⁽¹⁾ (\$000s)



1) Quarterly Run-Rate AUV ("average unit volume") is calculated by taking the average sales during the quarter for all studios that are at least 6 months old at the beginning of the respective quarter, and then multiplying that number by four.

Q4 / FY 2022 Key Operating Metrics⁽¹⁾

Revenue
\$71M / \$245M

+44% / +58% YoY

Adj. EBITDA
\$22M / \$74M

+158% / +172% YoY

1) YoY comparison refers to Q4 2021 and FY 2021, respectively.

Q4 & FY 2022 Key Operating Metrics⁽¹⁾

Global Studios
2,641

+24% YoY

Global Licenses
5,450

+23% YoY

1) YoY comparison refers to Q4 2021.

Increasing System-Wide Sales and AUVs

New Partnerships

Connecting with the consumer on their fitness
journeys when and where they want

Territory



ONE

Income Statement

<i>In \$ thousands, except per share amounts</i>	Q4 2022	Q4 2021	\$ Difference	% Change		2022	2021	\$ Difference	% Change
System-wide Sales (North America)	\$294,077	\$213,059	\$81,017	38%		\$1,033,240	\$709,657	\$323,582	46%
Revenue:									
Franchise revenue	\$32,158	\$22,955	\$9,203	40%		\$115,286	\$74,459	\$40,827	55%
Equipment revenue	\$11,531	\$7,012	\$4,519	64%		\$43,461	\$22,583	\$20,878	92%
Merchandise revenue	\$7,973	\$6,520	\$1,453	22%		\$27,073	\$20,140	\$6,933	34%
Franchise marketing fund revenue	\$5,840	\$4,120	\$1,720	42%		\$20,384	\$13,623	\$6,761	50%
Other service revenue	\$13,767	\$8,765	\$5,002	57%		\$38,750	\$24,274	\$14,476	60%
Total Revenue	\$71,269	\$49,372	\$21,897	44%		\$244,954	\$155,079	\$89,875	58%
Operating costs and expenses:									
Costs of product revenue	\$12,269	\$9,291	\$2,978	32%		\$47,220	\$28,550	\$18,670	65%
Costs of franchise and service revenue	\$4,858	\$4,101	\$757	18%		\$18,447	\$12,716	\$5,731	45%
Selling, general and administrative expenses	\$34,661	\$32,732	\$1,929	6%		\$129,108	\$94,798	\$34,310	36%
Depreciation and amortization	\$4,090	\$3,334	\$756	23%		\$15,315	\$10,172	\$5,143	51%
Marketing fund expense	\$4,594	\$3,740	\$854	23%		\$17,290	\$13,044	\$4,246	33%
Acquisition and transaction expenses (income)	\$8,231	\$23,091	(\$14,860)	(64%)		\$2,438	\$26,618	(\$24,180)	(91%)
Total operating costs and expenses	\$68,703	\$76,289	(\$7,586)	(10%)		\$229,818	\$185,898	\$43,920	24%
Operating income (loss)	\$2,566	(\$26,917)	\$29,483	NM		\$15,136	(\$30,819)	\$45,955	NM
Net income (loss)	(\$367)	(\$29,785)	\$29,418	NM		\$2,875	(\$51,440)	\$54,315	NM
Earnings (loss) per share (basic)	(\$1.13)	(\$2.45)	\$1.32	NM		(\$0.87)	(\$2.85)	\$1.98	NM

Adjusted Net Earnings (Loss) per Share

<i>In thousands, except per share amounts</i>	Q4 2022	Q4 2021	2022	2021
Net income (loss)	(\$367)	(\$29,785)	\$2,875	(\$51,440)
Change in fair value of contingent consideration	\$8,231	\$22,420	\$2,440	\$25,640
TRA remeasurement	(\$1,112)	\$1,261	\$523	\$1,441
Impairment of brand assets	\$0	\$0	\$3,656	\$0
Adjusted net income (loss)	\$6,752	(\$6,104)	\$9,494	(\$24,359)
Adjusted net income (loss) attributable to noncontrolling interest	\$3,016	(\$3,077)	\$4,432	(\$12,362)
Adjusted net income (loss) attributable to Xponential Fitness, Inc.	\$3,736	(\$3,027)	\$5,062	(\$11,997)
Dividends on preferred shares	(\$1,798)	(\$1,612)	(\$6,931)	(\$2,828)
Deemed dividend	\$0	\$0	\$0	(\$3,201)
EPS numerator - Basic	\$1,938	(\$4,639)	(\$1,869)	(\$18,026)
Add: Adjusted net income (loss) attributable to noncontrolling interest	\$3,016	\$0	\$0	\$0
Add: Dividends on preferred shares	\$1,798	\$0	\$0	\$0
EPS numerator - Diluted	\$6,752	(\$4,639)	(\$1,869)	(\$18,026)
Adjusted net earnings (loss) per share - Basic	\$0.07	(\$0.21)	(\$0.07)	(\$0.80)
Weighted average shares of Class A common stock outstanding - Basic	26,819	22,598	25,295	22,403
Adjusted net earnings (loss) per share - Diluted	\$0.11	(\$0.21)	(\$0.07)	(\$0.80)
Weighted average shares of Class A common stock outstanding - Diluted	62,839	22,598	25,295	22,403

Note: The above adjusted net earnings (loss) per share is computed by dividing the adjusted net income (loss) attributable to holders of Class A common stock by the weighted average shares of Class A common stock outstanding during the period. Total share count does not include potential future shares vested upon achieving certain earn-out thresholds. Net income, however, continues to take into account the non-cash contingent liability primarily due to Rumble.

Adjusted EBITDA Margin

<i>In \$ thousands</i>	Q4 2022	Q4 2021	2022	2021
Net income (loss)	(\$367)	(\$29,785)	\$2,875	(\$51,440)
Interest expense, net	\$3,361	\$2,472	\$11,212	\$23,545
Income taxes	\$684	\$396	\$526	\$783
Depreciation and amortization	\$4,090	\$3,334	\$15,315	\$10,172
EBITDA	\$7,768	(\$23,583)	\$29,928	(\$16,940)
Equity-based compensation	\$5,124	\$5,498	\$29,044	\$9,699
Employer payroll taxes related to equity-based compensation	\$123	\$0	\$123	\$0
Acquisition and transaction expenses (income)	\$8,231	\$23,091	\$2,438	\$26,618
Management fees and expenses	\$0	\$0	\$0	\$462
Litigation expenses	\$1,927	\$4,605	\$10,301	\$8,312
Employee retention credit	\$0	(\$2,269)	(\$2,597)	(\$2,269)
Secondary public offering expenses	\$99	\$0	\$836	\$0
TRA remeasurement	(\$1,112)	\$1,261	\$523	\$1,441
Impairment of brand assets	\$0	\$0	\$3,656	\$0
Adjusted EBITDA	\$22,160	\$8,603	\$74,252	\$27,323
<i>Margin</i>	<i>31%</i>	<i>17%</i>	<i>30%</i>	<i>18%</i>

Note: We define Adjusted EBITDA as EBITDA (net income/loss before interest, taxes, depreciation and amortization), adjusted for the impact of certain non-cash and other items that we do not consider in our evaluation of ongoing operating performance. These items include equity-based compensation and related employer payroll taxes, acquisition and transaction expenses (including change in contingent consideration), management fees and expenses (that were discontinued after July 2021), litigation expenses (consisting of legal and related fees for specific proceedings that arise outside of the ordinary course of our business), employee retention credit (a tax credit for retaining employees throughout the COVID-19 pandemic), secondary public offering expenses for which we did not receive proceeds, expense related to the remeasurement of our TRA obligation and expense related to loss on impairment of our brand intangible assets and goodwill that we do not believe reflect our underlying business performance and affect comparability. EBITDA and Adjusted EBITDA are also frequently used by analysts, investors and other interested parties to evaluate companies in our industry. We believe that Adjusted EBITDA, viewed in addition to, and not in lieu of, our reported GAAP results, provides useful information to investors regarding our performance and overall results of operations because it eliminates the impact of other items that we believe reduce the comparability of our underlying core business performance from period to period and is therefore useful to our investors in comparing the core performance of our business from period to period.

FY 2023 Guidance

<i>(\$ in millions)</i>	Low Range Guidance	High Range Guidance	2022	% Change vs 2022 at Midpoint
Net New Studio Openings <i>(Global)</i>	540	560	511	8%
System-wide Sales <i>(North America)</i>	\$1,340	\$1,350	\$1,033	30%
Revenue	\$285	\$295	\$245	18%
Adjusted EBITDA	\$101	\$105	\$74	39%

STRID[®]CLUB PILATES[®]

STRETCH LAB

RUMBLE

YOGASIX

AKT

G CYCLE BAR[®]pure barre[®]

ROW HOUSE

BFT



Q&A

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FITNESS

Please see the FAQ section at investor.xponential.com for a list of commonly asked questions on our corporate structure and capitalization.