



XPONENTIALTM FITNESS

Q3 2023 FINANCIAL RESULTS

As of September 30th, 2023 | Reported on November 7th,
2023





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This presentation contains forward-looking statements that are based on current expectations, estimates, forecasts and projections of future performance based on management’s judgment, beliefs, current trends, and anticipated financial performance. These forward-looking statements include, without limitation, statements relating to expected growth of our business; projected number of new studio openings; profitability; the expected impact of our movement away from company-owned studios; anticipated industry trends; projected financial and performance information such as system-wide sales; projected annual revenue, Adjusted EBITDA and other statements under the section “2023 Outlook”; our competitive position in the boutique fitness industry; our efforts to optimize our capital structure, and ability to execute our business strategies. Forward-looking statements involve risks and uncertainties that may cause actual results to differ materially from those contained in the forward-looking statements. These factors include, but are not limited to, our relationships with master franchisees, franchisees and international partners; difficulties and challenges in opening studios by franchisees; the ability of franchisees to generate sufficient revenues; risks relating to expansion into international markets; loss of reputation and brand awareness; general economic conditions and industry trends; and other risks as described in our SEC filings, including our Annual Report on Form 10-K for the full year ended December 31, 2022 filed by Xponential with the SEC and other periodic reports filed with the SEC. Other unknown or unpredictable factors or underlying assumptions subsequently proving to be incorrect could cause actual results to differ materially from those in the forward-looking statements. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, level of activity, performance, or achievements. You should not place undue reliance on these forward-looking statements. All information provided in this presentation is as of today’s date, unless otherwise stated, and Xponential undertakes no duty to update such information, except as required under applicable law.

Non-GAAP Financial Measures

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.

Q3 2023 Key Operating Metrics⁽¹⁾

System-Wide Sales

\$357M

+35% YoY

Same Store Sales

%

+15%

Total Members

726K

+26% +YoY

***Greater Than 36
Months***

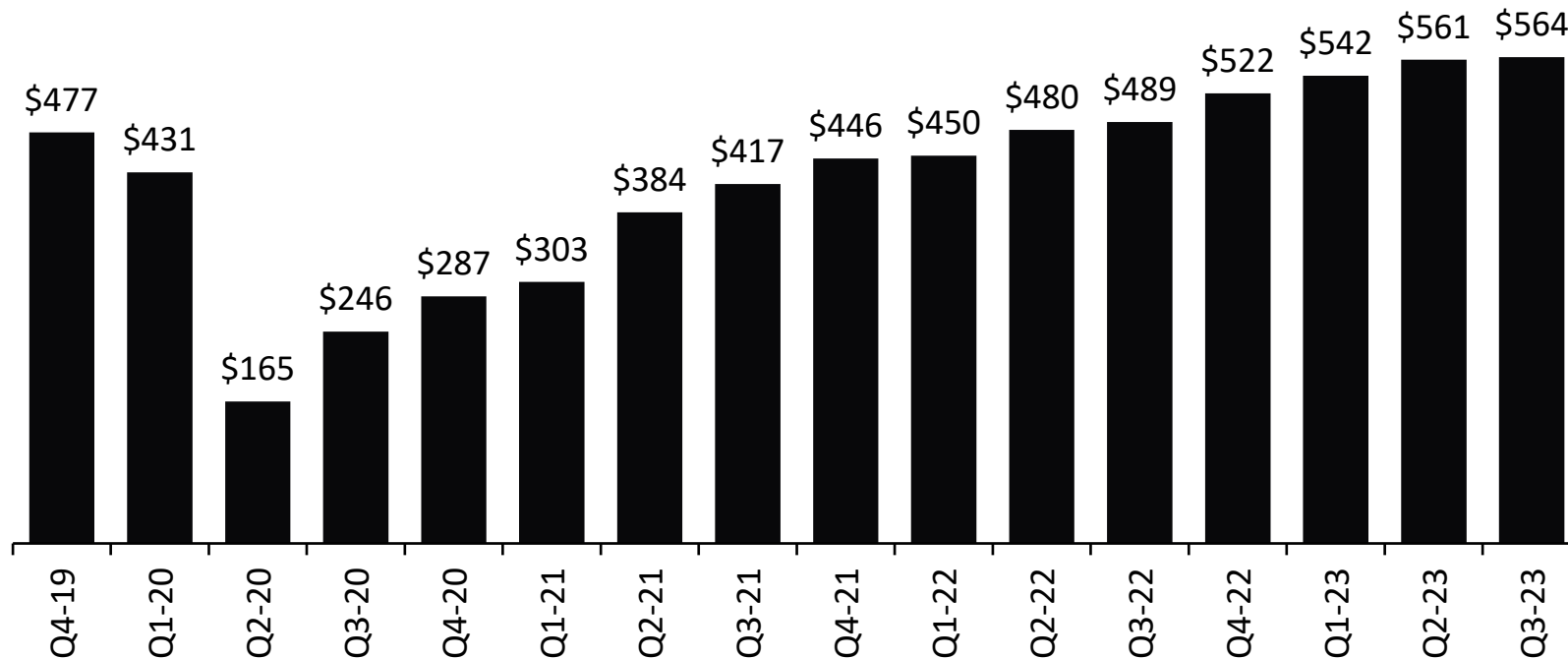
+15%

1) YoY comparison refers to Q3 2022. Total Members, same store sales and system-wide sales represents North America only.



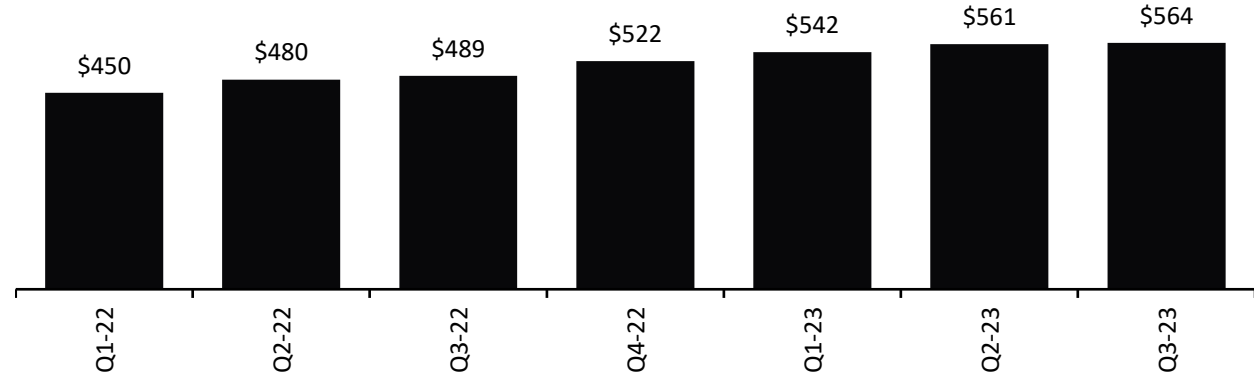
North America Run-Rate Average Unit Volumes⁽¹⁾

(\$000s)



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

North America Run-Rate AUVs (\$'000s)⁽¹⁾



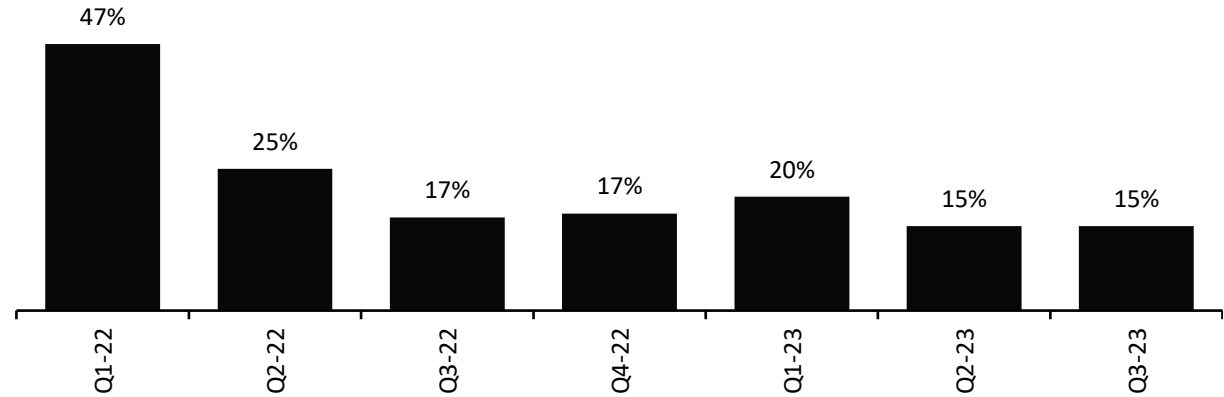
Studios contributing to Run Rate AUV

| | | | | | | | |
|--------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Open studios (end of period) | 2,028 | 2,120 | 2,215 | 2,324 | 2,406 | 2,520 | 2,596 |
| Less: studios < 6 months | (205) | (233) | (266) | (299) | (289) | (308) | (292) |
| Less: non-standard studios | 0 | 0 | 0 | (3) | (7) | (9) | (18) |
| Less: studios at \$0 | (6) | (2) | (12) | (8) | (11) | (15) | (7) |
| Total Studios in RR AUV | 1,817 | 1,885 | 1,937 | 2,014 | 2,099 | 2,188 | 2,279 |

| | | | | | | | |
|---------------------------------------|-------------|-------------|------------|------------|------------|------------|------------|
| % of Studios >6 Mo Included | 100% | 100% | 99% | 99% | 99% | 99% | 99% |
|---------------------------------------|-------------|-------------|------------|------------|------------|------------|------------|

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

Same Store Sales (\$000s)⁽¹⁾



Studios contributing to Same Store Sales

| | | | | | | | |
|-------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Open studios (end of period) | 2,028 | 2,120 | 2,215 | 2,324 | 2,406 | 2,520 | 2,596 |
| Less: studios < 13 months | (281) | (319) | (355) | (403) | (414) | (446) | (450) |
| Less: non-standard studios | 0 | 0 | 0 | 0 | (3) | (5) | (8) |
| Less: studios w/o 13 mo cons. sales | (41) | (41) | (44) | (39) | (49) | (54) | (44) |
| Total Studios in SSS% | 1,706 | 1,760 | 1,816 | 1,882 | 1,940 | 2,015 | 2,094 |

| | | | | | | | |
|--|------------|------------|------------|------------|------------|------------|------------|
| % of Studios >13 Mo Included | 98% | 98% | 98% | 98% | 97% | 97% | 98% |
|--|------------|------------|------------|------------|------------|------------|------------|

¹⁾ Same store sales refer to period-over-period sales comparisons for the base of studios. In accordance with industry standard, we define the same store sales base to include studios in North America that are in traditional locations and that have generated positive sales for at least 13 consecutive calendar months as of the measurement date.

Q3 2023 Key Operating Metrics⁽¹⁾

Revenue
\$80M

+26% YoY

Adj. EBITDA
\$27M

+33% YoY

1) YoY comparison refers to Q3 2022.

Q3 2023 Key Operating Metrics⁽¹⁾

Global Studios
2,980

+20% YoY

Global Licenses
6,088

+17% YoY

1) YoY comparison refers to Q3 2022.

Omnichannel Approach

Leverage scale to acquire B2B partnerships that promote new customer growth, drive system-wide sales and AUVs, and increase member benefits and retention



Income Statement

| <i>In \$ thousands, except per share amounts</i> | Q3 2023 | Q3 2022 | \$ Difference | % Change |
|--|----------------|----------------|----------------------|-----------------|
| System-wide Sales (North America) | \$356,705 | \$264,837 | \$91,868 | 35% |
| Revenue: | | | | |
| Franchise revenue | \$36,425 | \$30,006 | \$6,419 | 21% |
| Equipment revenue | \$12,564 | \$11,770 | \$794 | 7% |
| Merchandise revenue | \$8,456 | \$6,264 | \$2,192 | 35% |
| Franchise marketing fund revenue | \$6,948 | \$5,172 | \$1,776 | 34% |
| Other service revenue | \$16,042 | \$10,551 | \$5,491 | 52% |
| Total revenue, net | \$80,435 | \$63,763 | \$16,672 | 26% |
| Operating costs and expenses: | | | | |
| Costs of product revenue | \$12,709 | \$11,840 | \$869 | 7% |
| Costs of franchise and service revenue | \$3,559 | \$4,811 | (\$1,252) | (26%) |
| Selling, general and administrative expenses | \$48,579 | \$32,841 | \$15,738 | 48% |
| Depreciation and amortization | \$4,216 | \$4,154 | \$62 | 1% |
| Marketing fund expense | \$5,817 | \$4,260 | \$1,557 | 37% |
| Acquisition and transaction expenses (income) | (\$1,923) | \$16,290 | (\$18,213) | NM |
| Total operating costs and expenses | \$72,957 | \$74,196 | (\$1,239) | (2%) |
| Operating income (loss) | \$7,478 | (\$10,433) | \$17,911 | NM |
| Net income (loss) | (\$5,183) | (\$13,056) | \$7,873 | NM |
| Earnings (loss) per share (basic) | \$0.91 | (\$1.53) | \$2.44 | NM |

Adjusted Net Earnings per Share

| <i>In thousands, except per share amounts</i> | Q3 2023 | Q3 2022 |
|--|----------------|----------------|
| Net income (loss) | (\$5,183) | (\$13,056) |
| Change in fair value of contingent consideration | (\$1,923) | \$16,290 |
| TRA remeasurement | \$1,845 | \$1,078 |
| Write down of goodwill and brand assets | \$4,579 | \$3,656 |
| Restructuring and related charges | \$6,703 | \$0 |
| Adjusted net income | \$6,021 | \$7,968 |
| Adjusted net income (loss) attributable to noncontrolling interest | \$2,038 | \$3,612 |
| Adjusted net income attributable to Xponential Fitness, Inc. | \$3,983 | \$4,356 |
| Dividends on preferred shares | (\$1,233) | (\$1,777) |
| Earnings (loss) per share - basic numerator | \$2,750 | \$2,579 |
| Add: adjusted net income attributable to noncontrolling interest | \$2,038 | \$3,612 |
| Add: dividends on preferred shares | \$1,233 | \$1,777 |
| Earnings (loss) per share - diluted numerator | \$6,021 | \$7,968 |
| Adjusted net earnings (loss) per share - basic | \$0.09 | \$0.10 |
| Adjusted net earnings (loss) per share - diluted | \$0.11 | \$0.13 |

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> | Q3 2023 | Q3 2022 |
|---|-----------------|------------------|
| Net income (loss) | (\$5,183) | (\$13,056) |
| Interest expense, net | \$10,614 | \$2,931 |
| Income taxes | \$202 | (\$308) |
| Depreciation and amortization | \$4,216 | \$4,154 |
| EBITDA | \$9,849 | (\$6,279) |
| Equity-based compensation | \$3,536 | \$4,243 |
| Employer payroll taxes related to equity-based compensation | \$94 | \$0 |
| Acquisition and transaction expenses (income) | (\$1,923) | \$16,290 |
| Litigation expenses | \$1,511 | \$1,015 |
| Employee retention credit | \$0 | \$0 |
| Financial transaction fees and related expenses | \$327 | \$0 |
| TRA remeasurement | \$1,845 | \$1,078 |
| Write down of goodwill and brand assets | \$4,579 | \$3,656 |
| Restructuring and related charges | \$6,703 | \$0 |
| Adjusted EBITDA | \$26,521 | \$20,003 |
| <i>Margin</i> | <i>33%</i> | <i>31%</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), 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), fees for financial transactions, such as secondary public offering expenses for which we do not receive proceeds (including bonuses paid to executives related to completion of such transactions), expense related to the remeasurement of our TRA obligation, write down of goodwill and brand assets, and restructuring and related charges 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

| (\$ in millions) | Low Range Guidance | High Range Guidance | 2022 | % Change vs 2022 at Midpoint |
|--|--------------------|---------------------|---------|------------------------------|
| New Studio Openings (Global) | 550 | 560 | 511 | 9% |
| Prior - Q4 2022 - Q2 2023 | 540 | 560 | | 8% |
| System-wide Sales (North America) | \$1,390 | \$1,395 | \$1,033 | 35% |
| Prior - Q2 2023 | \$1,385 | \$1,395 | | 35% |
| Prior - Q1 2023 | \$1,370 | \$1,380 | | 33% |
| Prior - Q4 2022 | \$1,340 | \$1,350 | | 30% |
| Revenue | \$305 | \$310 | \$245 | 26% |
| Prior - Q2 2023 | \$295 | \$305 | | 22% |
| Prior - Q1 2023 | \$290 | \$300 | | 20% |
| Prior - Q4 2022 | \$285 | \$295 | | 18% |
| Adjusted EBITDA | \$104.5 | \$106.5 | \$74 | 42% |
| Prior - Q2 2023 | \$102.5 | \$106.5 | | 41% |
| Prior - Q1 2023 | \$102 | \$106 | | 40% |
| Prior - Q4 2022 | \$101 | \$105 | | 39% |

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Q&A

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