



# XPONENTIAL<sup>TM</sup> FITNESS

## INVESTOR PRESENTATION

As of December 31, 2023 | Reported on February 29, 2024





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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.

In addition to our results determined in accordance with GAAP, we believe non-GAAP financial measures are useful in evaluating our operating performance. We use certain non-GAAP financial information in this presentation, such as EBITDA, Adjusted EBITDA and adjusted net income (loss), and adjusted net earnings (loss) per share, which exclude certain non-operating or non-recurring items, including but not limited to, equity-based compensation expenses, acquisition and transaction expenses, litigation expenses, employee retention credit, financial transaction fees and related expenses, tax receivable agreement remeasurement, impairment of goodwill and other assets that we believe are not representative of our core business or future operating performance, and charges incurred in connection with our restructuring plan, 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 measures 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, 2024 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.





Xponential is one of the Leading Global Franchisors in the  
\$20 Billion+ Boutique Fitness Industry

Our Mission is to Make Boutique Fitness  
Accessible to Everyone

10 Brands Across High-Growth Modalities in 3,000+  
Locations



# What is Boutique Fitness?

- **Retail studio space**
- **Structured, class-based programming** in a specific fitness modality
- **Social, supportive community** of coaches and consumers
- **Affluent, engaged, loyal consumer**
- **Has grown more rapidly than the overall \$97Bn global health & fitness club industry**<sup>(1)(2)</sup>
- **Xponential grew and gained share through COVID**<sup>(3)</sup>, while industry contracted (30% of U.S. boutique studios closed permanently)<sup>(1)</sup>

## Large and Growing U.S. Fitness Industry

**~\$31Bn**

2023E  
Total Market Size<sup>(4)</sup>

**21+**

Consecutive Years of U.S.  
Annual Growth Prior to  
COVID-19<sup>(5)</sup>

**~\$24Bn**

2023E  
Boutique Fitness  
Market Size<sup>(6)</sup>

**+5.3%**

'23E - '25E  
Boutique Fitness  
Market CAGR<sup>(6)</sup>

1) International Health, Racquet & Sports Association (“IHRSA”) Research, “2022 IHRSA Global Report.”

2) From 2015 to 2019.

3) From December 2019 to December 2021.

4) IBISWorld report, “Gym, Health & Fitness Clubs in the U.S.,” published January 2023.

5) IHRSA Research. Represents the period from 1998 to 2019.

6) Third party study conducted by Frost & Sullivan.



# Experienced Management Team With a Successful Track Record in Fitness Franchising



## Anthony Geisler

Founder & CEO

9 Years at Xponential  
22 Years of Industry Experience



## John Meloun

CFO

6 Years at Xponential  
25 Years of Industry Experience



## Sarah Luna

President

9 Years at Xponential  
16 Years of Industry Experience



## Andrew Hagopian

CLO

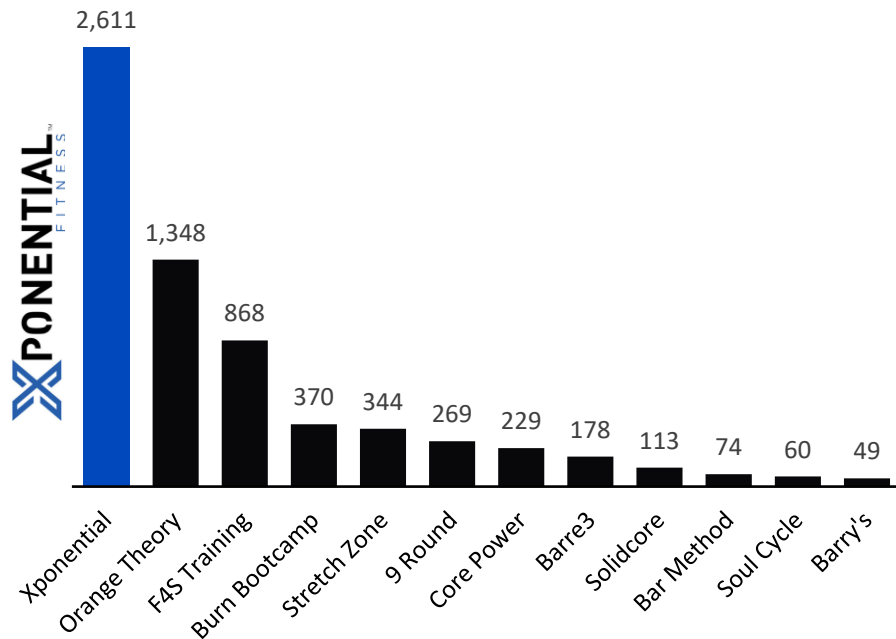
1 Year at Xponential  
18 Years of Industry Experience



 Franchised

# Xponential is one of the Largest Global Franchisors in \$20Bn+ Boutique Fitness Industry

## Total U.S. Studios Open<sup>(1)</sup>



## Xponential Highlights<sup>(2)</sup>

**3,050+**

Global Studios Open

+16% vs. 2022

**6,250+**

Global License Sold

+15% vs. 2022

**\$1.4B+**

LTM System-Wide Sales<sup>(3)</sup>

+36% vs. 2022

**715K+**

Total Members

+21% vs. 2022

**\$319M**

2023 Revenue

+30% vs. 2022

**\$105M**

2023 Adj. EBITDA

+42% vs. 2022

1) Source for non-Xponential brands: Company websites accessed on February 5, 2024.

2) All data as of December 31, 2023.

3) System-wide sales represents gross sales by all North American studios. We receive approximately 7% and 2% of the sales by franchisees as royalty revenue and marketing fund revenue, respectively.

4) See appendix for reconciliation to net loss, the most directly comparable GAAP financial measure.



# Xponential's Boutique Offering at a Glance



## Studio Storefronts

- Convenient retail locations
- Avg size: 1,500-2,500 sqft
- Also inside of big box gyms



## Retail Operations











- Branded & third-party products
- Recurring revenue stream
- Create consumer brand experience outside of the studio



## Class Sessions

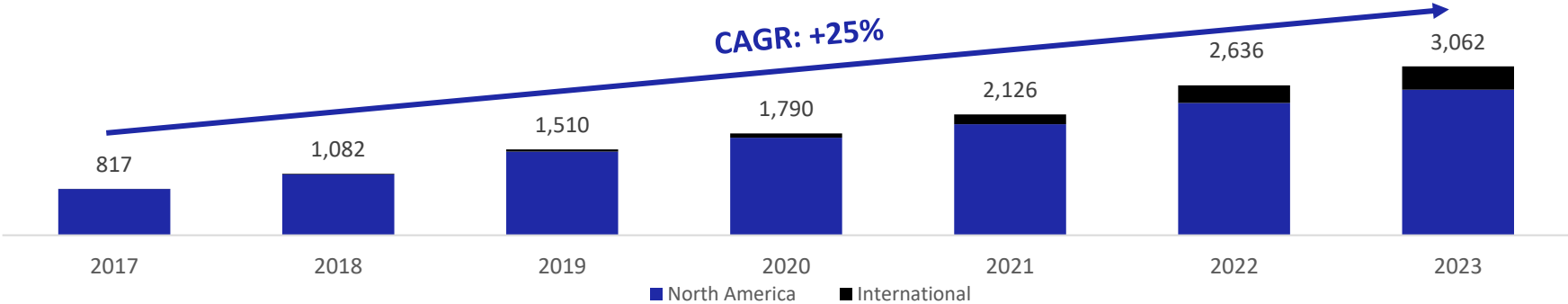
- Small class sizes
- Flexible location (indoor/outdoor/digital)
- Community driven

# Xponential's Evolution From One to Ten Brands in Key Boutique Fitness Verticals<sup>(1)</sup>

Acquired	Mar 2015 <sup>(2)</sup>	Sep 2017	Nov 2017	Dec 2017	Mar 2018	Jul 2018	Oct 2018	Mar 2021	Oct 2021	Jan 2024
 CLUB PILATES	 CYCLEBAR	 STRETCH LAB	 ROW HOUSE	 AKT	 YOGASIX	 pure barre	 RUMBLE	 BFT	 lindora	
Open Studios <sup>(3)</sup>	988	265	467	78	14	197	638	87	293	31
Licenses Sold <sup>(3)</sup>	1,641	563	976	327	122	631	780	387	720	N/A



Global Studios<sup>(4)</sup>



1) As of February 29, 2024, Xponential's health & wellness verticals include Pilates, indoor cycling, barre, stretching, rowing, dancing, boxing, functional training, yoga and metabolic health solutions. All additional data as of December 31, 2023  
 2) Acquired by Anthony Geisler prior to the formation of Xponential Fitness.  
 3) Does not include Princess Cruises. Licenses sales are presented gross of terminations.  
 4) Data includes STRIDE as the brand was divested post year-end; data does not include Lindora as acquisition closed on January 2, 2024.





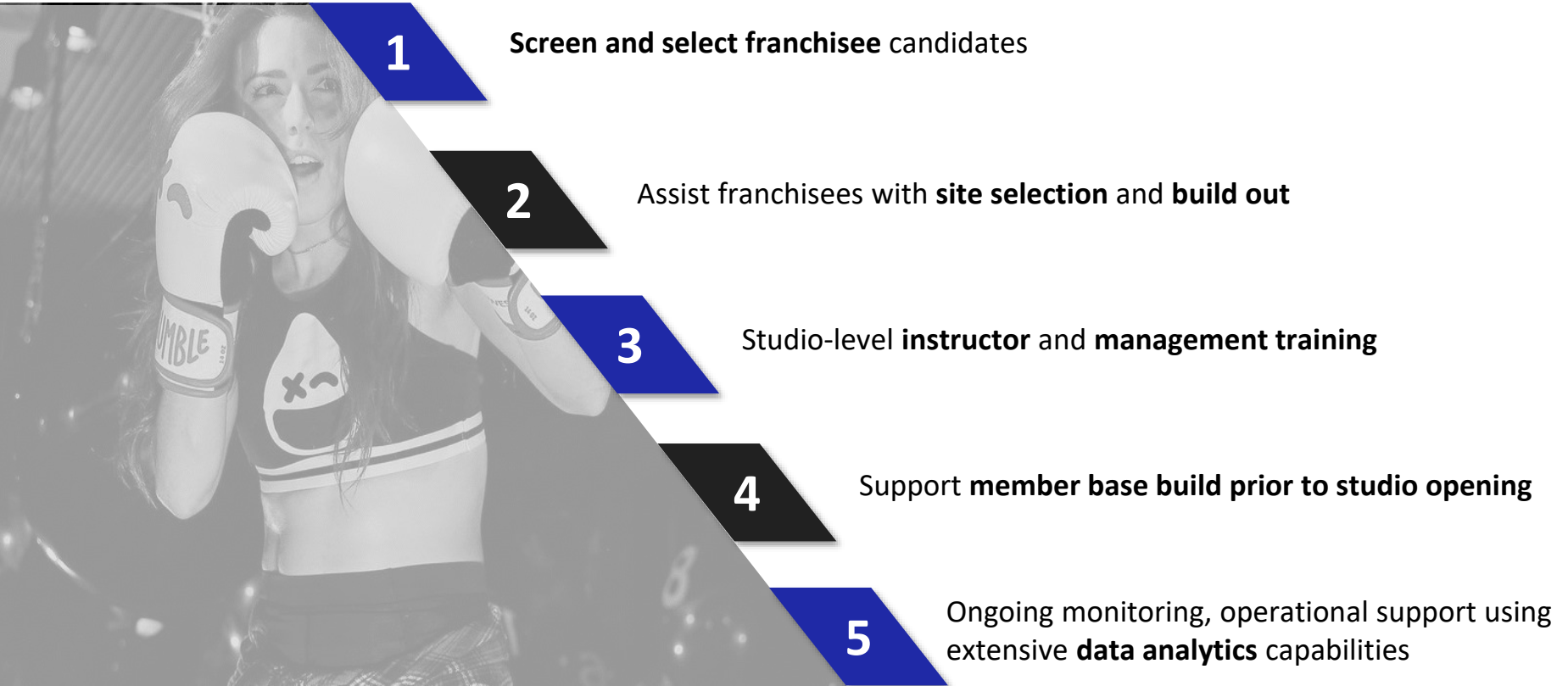


# Our Franchise Model

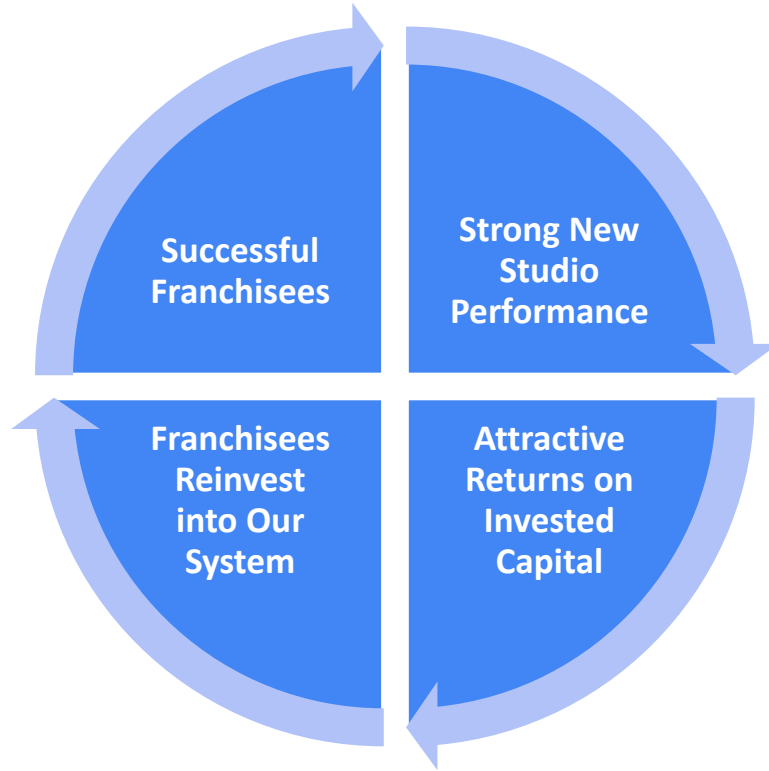
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FITNESS



# Proven Model to Rapidly Scale Franchised Boutique Fitness Concepts



# Platform Synergies for All Stakeholders



## Strong Value Proposition for All Parties

- **Franchisor:** recurring revenue, asset-light model with strong free cash flow conversion
- **Franchisee:** strong studio economics, multi-brand opportunity, adaptable operating model
- **Customer:** 10 unique brands, premium value and consistency, expert instruction

# Passionate, Growing and Loyal Consumer Base

## Typical Consumer:

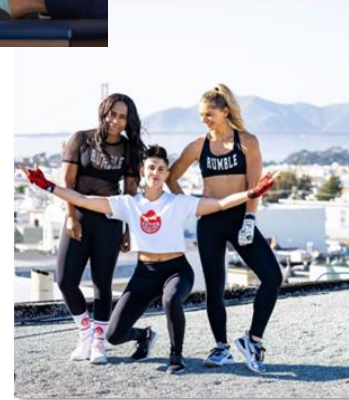
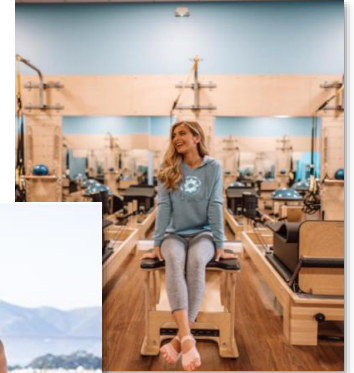
- Majority Female, 20 - 60 years old
- 5% Male in 2019, 11% today
- Bachelor's degree
- Household income of \$160K+ annually

## Consumers can purchase:

- Recurring memberships, or walk-in classes
- 4x, 8x or unlimited classes/month memberships
- 8x membership: average price of \$14-\$26 per class<sup>(1)</sup>
- XPASS and XPLUS multi-brand access membership

## Active membership base<sup>(2)</sup>:

- 715K+ growing membership base
- ~90% of members on recurring memberships
- Average spend of \$135/member/month



1) Pricing is based on a minimum threshold that franchisees must charge to customers. Average excludes StretchLab which typically prices between \$34-\$104 per session for an 8x per month recurring membership.  
2) Represents North American studios as of December 31, 2023.

# Compelling Studio-Level Franchisee Economics<sup>(1)</sup>

**~\$360K**

Initial Investment<sup>(2)</sup>

**25% - 30%**

Operating Margin

**~\$500K**

Average Annual Revenue in Year 2

**2.5**

Year Payback

**6 - 12**

Month Ramp to Base Maturity<sup>(3)</sup>

**~35-40%**

Cash-on-Cash Return

- 1) Represents designed studio-level economics as of Q4 2023; not inclusive or representative of studios within a LA Fitness, City Sports Club or Lindora.
- 2) Initial Investment is net of estimated tenant improvement benefit.
- 3) Base Maturity is achieved when a studio has annualized monthly revenue of approximately \$400K.



# Key Strategies for Growth

1

Grow Franchised Studio Base Across All Brands in North America

2

Grow Brands and Studio Base Internationally

3

Drive System-Wide Same Store Sales and Grow Average Unit Volumes

4

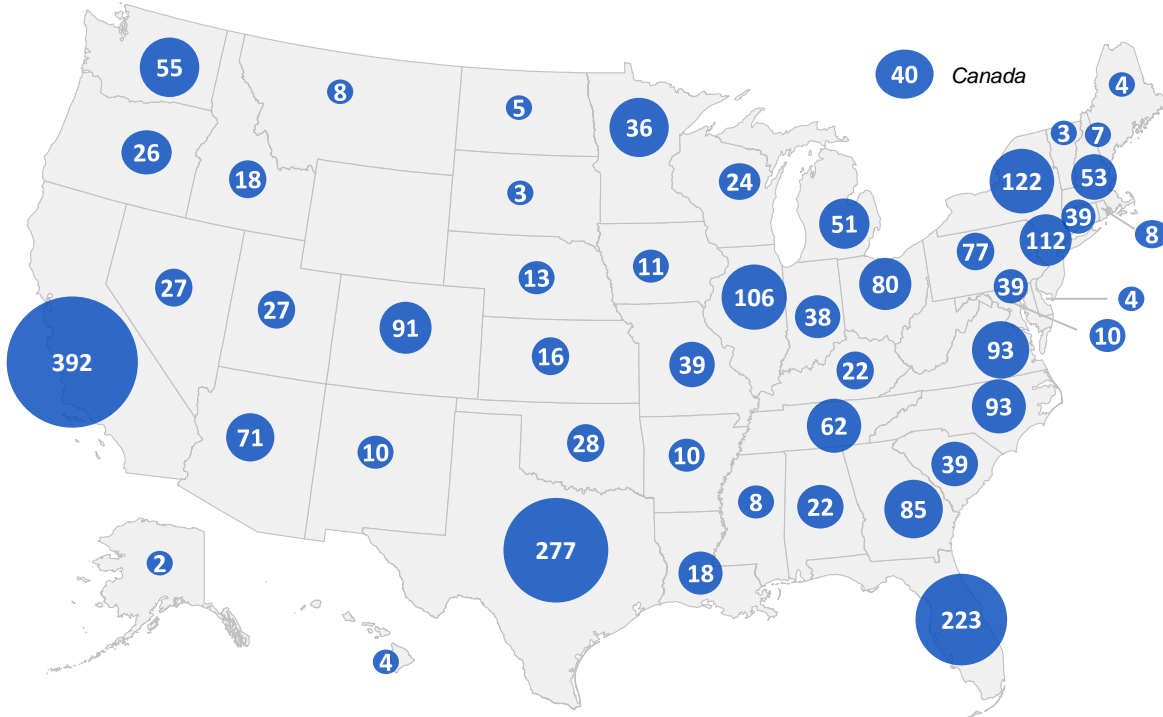
Expand Operating Margins and Drive Free Cash Flow Conversion



1

Key Strategies for Growth

## Grow Franchised Studio Base Across All Brands in North America



- **66%** of U.S. population lives within **10 miles** of an Xponential studio<sup>(1)</sup>
- Buxton estimates **potential for ~7,900 studios in U.S. alone**<sup>(2)</sup>
- Franchisees contractually committed to opening **1,900+ new North American studios**<sup>(3)</sup>

1) U.S. population excluding Alaska and Hawaii per Buxton Company, as of May 2023. Does not include Lindora.

2) Buxton estimated potential for 6,900 Xponential studios in the U.S. prior to the BFT acquisition. While no formal analysis has been conducted to assess the incremental gain of BFT, Buxton expects that the addition of BFT will add another ~1,000 independent studio opportunities to Xponential's U.S. white space provided that Xponential and BFT continue to operate in a manner consistent with the rest of the portfolio brands. Does not include Lindora.

3) As of December 31, 2023.

# Grow Brands and Studio Base Internationally

## Large International Opportunity

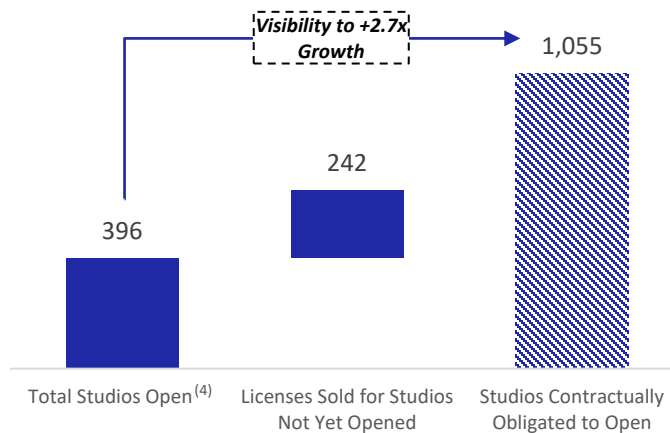
# \$97B

Global Health and Fitness Club Industry in 2022<sup>(1)</sup>

# 23

Total Countries with Contracts in Place<sup>(2)</sup>

## Significant Embedded International Growth<sup>(3)</sup>



- Exponential partners with **experienced master franchisees** to deploy an asset light global expansion strategy
- Focused on **attractive international markets** with the largest opportunity
- **Extensive white space** to continue international expansion

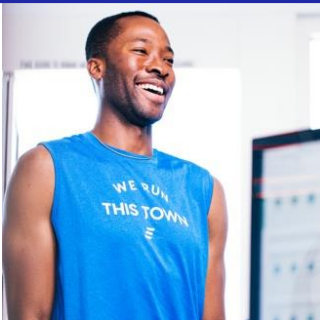


1) Source: IHRSA Research, "2022 IHRSA Global Report."  
 2) As of December 31, 2023. Includes the United States and Canada.  
 3) As of December 31, 2023.  
 4) Does not include units on Princess Cruise ships.



# Drive System-Wide Same Store Sales and Grow Average Unit Volumes

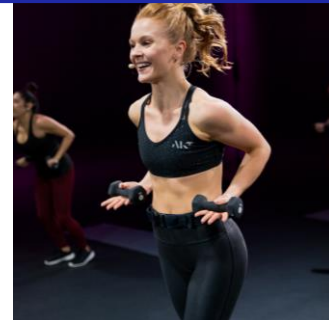
Acquire New Customers



Increase Membership Penetration



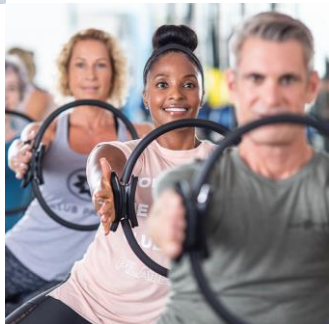
Drive Increasing Spend from Consumers



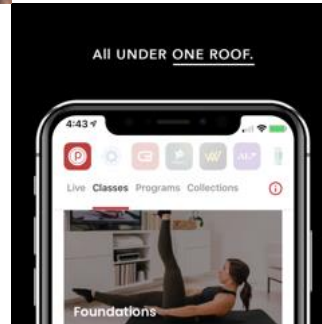
Expand Additional Revenue Streams Within Our Franchised Studios



Utilize XPASS to Increase Retention and Generate Lead Flow



Attract and Retain Consumers Through Our XPLUS Digital Platform



## Drive System-Wide Same Store Sales and Grow Average Unit Volumes (Cont'd.)

# XPLUS

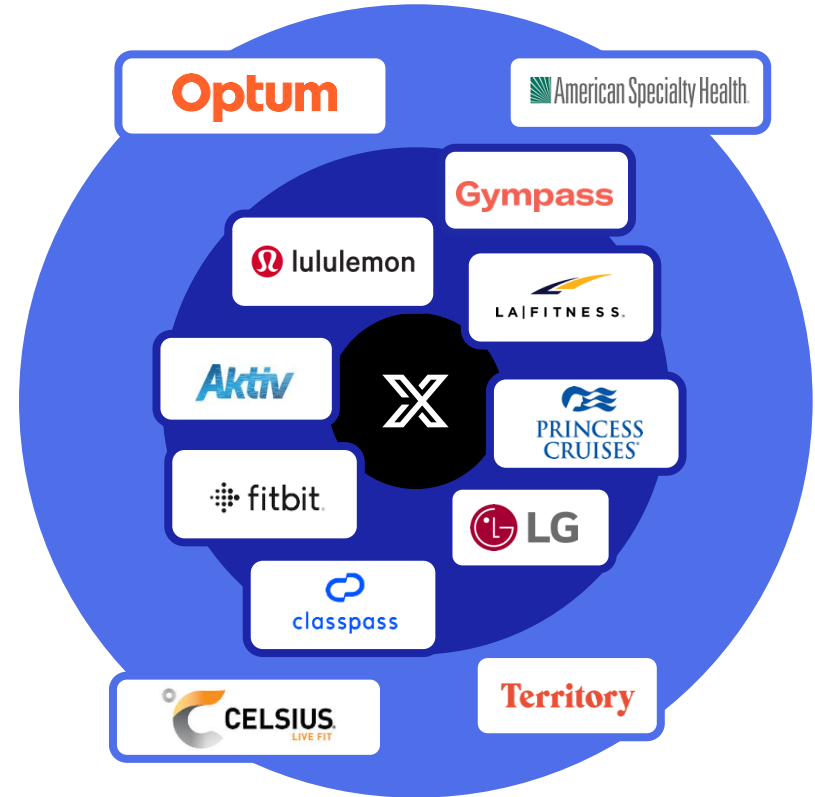
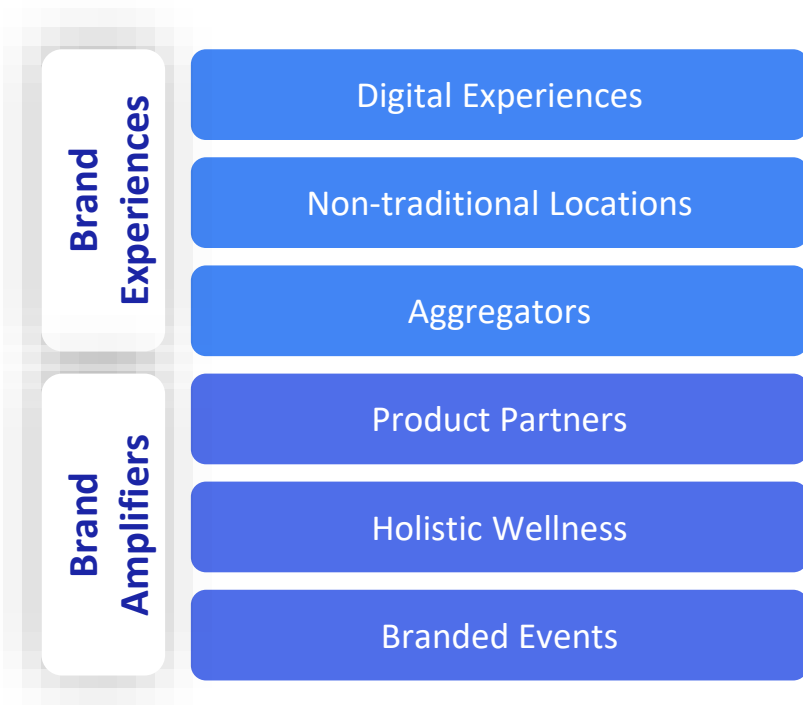
### XPLUS: Our Virtual, On-Demand Class Content Platform

- XPLUS **mobile / desktop application** available to consumers via individual or all access subscriptions (\$9 to \$29/month)
- Accommodates all schedules and geographies – **anytime, anywhere**
- Extensive selection of digital workouts in our content library
- **Drives retention and engagement** – consumers connected to our brands even when they can't make it into the studio
- **Xponential controls user experience** - 90%+ class bookings through proprietary mobile app<sup>(1)</sup>



1) Last 90 days as of December 31, 2023.

## Drive System-Wide Same Store Sales and Grow Average Unit Volumes (Cont'd.)



## Expand Operating Margins and Drive Free Cash Flow Conversion

- **Continued growth** from installed base
- **Leverage centralized SG&A** across the portfolio
- New studio openings drive **increased high margin royalty revenue**
- International studios provide **high margin pass through**
- **High free cash flow conversion** driven by **limited ongoing capital requirements**
- Provide an **omni-channel offering** and introduce B2B partnerships through studios, XPLUS and XPASS

# Introducing Lindora

## Overview:

- Leading provider of medically guided wellness & metabolic health solutions through:
  - Weight management programs, IV hydration, hormone replacement therapy and other services
- Complements Xponential's portfolio of brands
- 30 locations in Southern California; one in Washington<sup>(1)</sup>
  - Existing locations became Xponential franchisees
- Brand to be franchised nationally and globally
- Acquisition closed on January 2, 2024 for \$8.5 million in cash and a \$1.0 million earnout



**\$900K+**

Average  
Unit Volumes

**1.5K–2.5K**

Average  
Clinic Sq. Ft.

**\$224B+**

2021 Global Est. Weight  
Management Market Size<sup>(2)</sup>

**\$400B+**

2030 Global Est. Weight  
Management Market Size<sup>(2)</sup>

1) As of December 31, 2023.

2) Facts and Factors (Feb. 2023). Weight Loss and Weight Management Market Size, Share, Growth Analysis Report By Diet (Meal, Supplement, and Beverage), By Service (Fitness Centers, Consulting Services, Slimming Centers, and Online Programs), and By Region – Global and Regional Industry Insights, Overview, Comprehensive Analysis, Trends, Statistical Research, Market Intelligence, Historical Data and Forecast 2022 -2030. (Report No. FAF-2223).



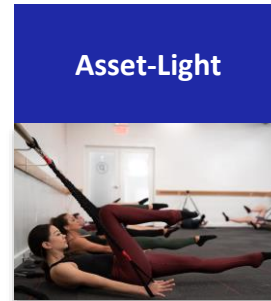
# Financial Overview

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# Highly Attractive Asset-Light Business Model

- Predictable, recurring revenue
- Fixed SG&A across growing, diversified platform supports long-term margin potential
- Proven franchisee selection process
- Proven ability to acquire and scale brands

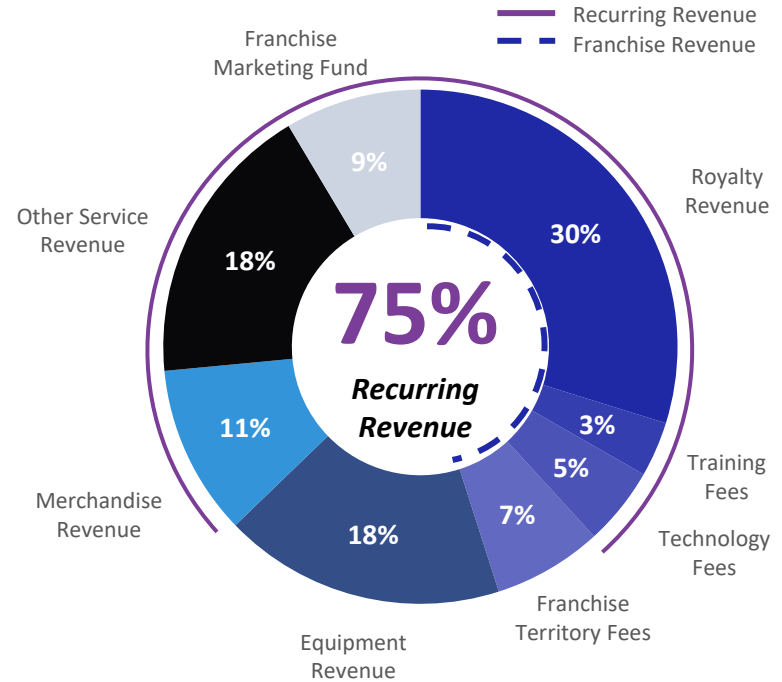


# Revenue Overview

## Revenue Overview

- **Franchise Revenue** – Franchise territory fees, ~7% royalty fees, technology fees, transfer fees and instructor training
- **Equipment Revenue** – Sales of equipment to franchisees and related rebates
- **Merchandise Revenue** – Branded and non-branded merchandise sales to franchisees and related rebates
- **Marketing Fund Revenue** – 2% of gross sales
- **Other Service Revenue** – Other rebates, company-owned studio revenue, XPASS and XPLUS revenue

## 75% Recurring Revenue for Full Year Ended December 31, 2023<sup>(1)</sup>



1) Totals may not add to 100% due to rounding.



## Continued Growth and Increased Member Engagement

Metric	2021	2022	2023	2021 vs. 2022 % Change	2022 vs. 2023 % Change
Global Gross New Studio Openings <sup>(1)</sup>	335	513	<b>557</b>	+53%	+9%
Global Licenses Sold <sup>(2)</sup>	4,424	5,450	<b>6,255</b>	+23%	+15%
Q4 Run-Rate AUV <sup>(3)</sup> (\$000s)	\$446	\$522	<b>\$590</b>	+17%	+13%
Same Store Sales <sup>(4)</sup> (%)	41%	25%	<b>16%</b>	--	--
Total Members <sup>(5)</sup> (000s)	449	590	<b>717</b>	+32%	+21%
Total Visits <sup>(6)</sup> (M)	29.7	39.2	<b>51.5</b>	+32%	+31%

Note: Metrics are as of December 31 of year presented, unless noted otherwise.

1) For the year ended December 31 of the year presented.

2) Licenses sold are gross of terminated licenses.

3) Quarterly Run-Rate AUV ("average unit volume") is calculated by taking the average sales during the quarter for all traditional North America studio locations that are at least 6 months old at the beginning of the respective quarter, and where sales are not equal to zero, and then multiplying that number by four.

4) Change in period-over-period sales for the North America same store base. We define the same store base to include only sales from studios in North America that have been open for at least 13 consecutive calendar months at measurement date.

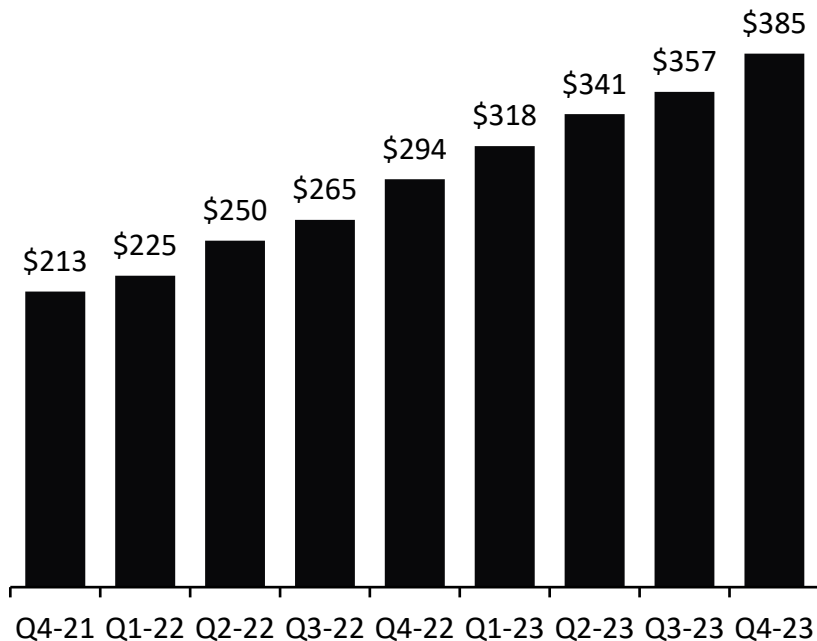
5) We define as members any individuals that have a monthly membership agreement with one of our studios.

6) Includes in-studio and live-stream visits.

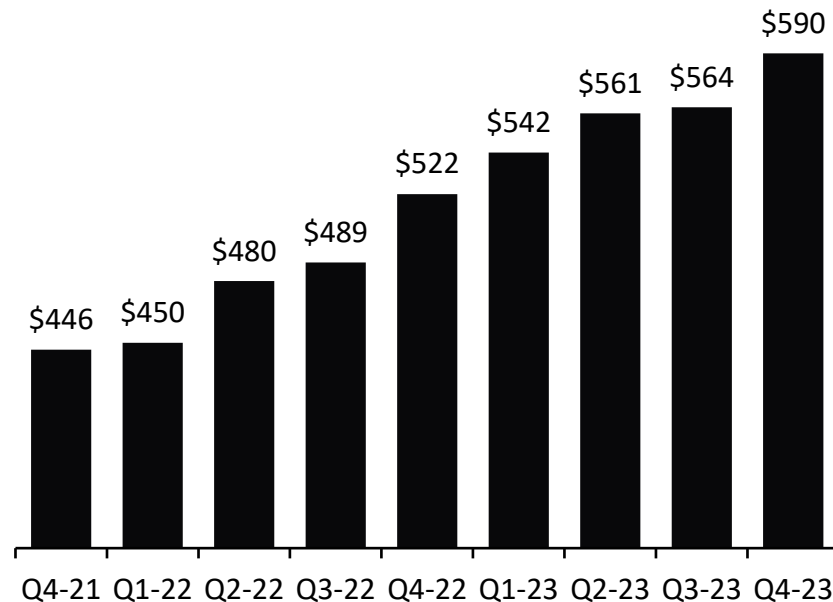


# System-Wide Sales and AUV Momentum Across the Xponential Platform

## North America System-Wide Sales<sup>(1)</sup> (\$M)



## North America Run-Rate AUVs<sup>(2)</sup> (\$000s)



1) System-wide sales represents gross sales by all North America-based studios. We receive approximately 7% and 2% of the sales by franchisees as royalty revenue and marketing fund revenue, respectively.

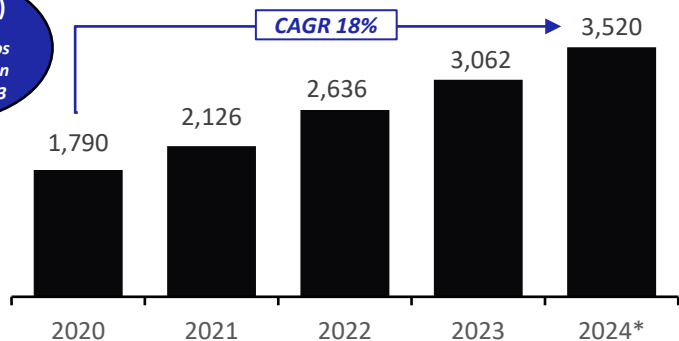
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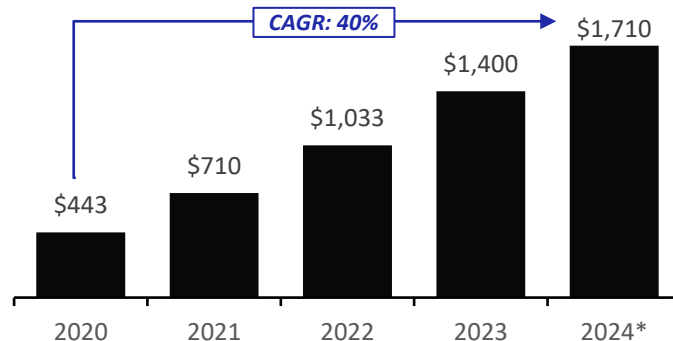
# Financial Summary

## Global Open Studios

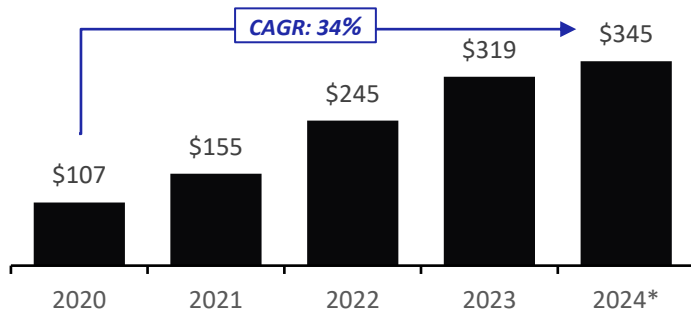
**3,000+(1)**  
additional studios  
obligated to open  
as of 12/31/2023



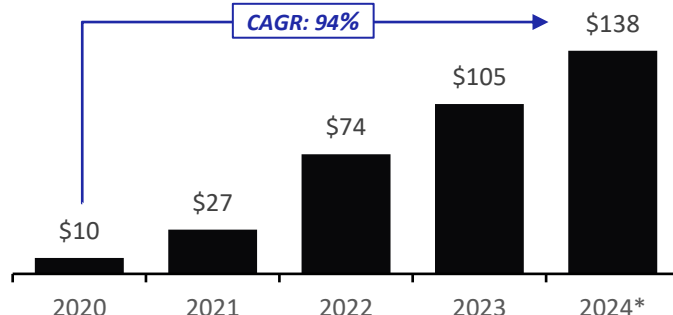
## North American System-Wide Sales (\$M)



## Revenue (\$M)



## Adj. EBITDA (\$M)(2)



\* 2024 represents midpoint of guidance range. 2024 global open studios net of 3% closures assumed in 2024.

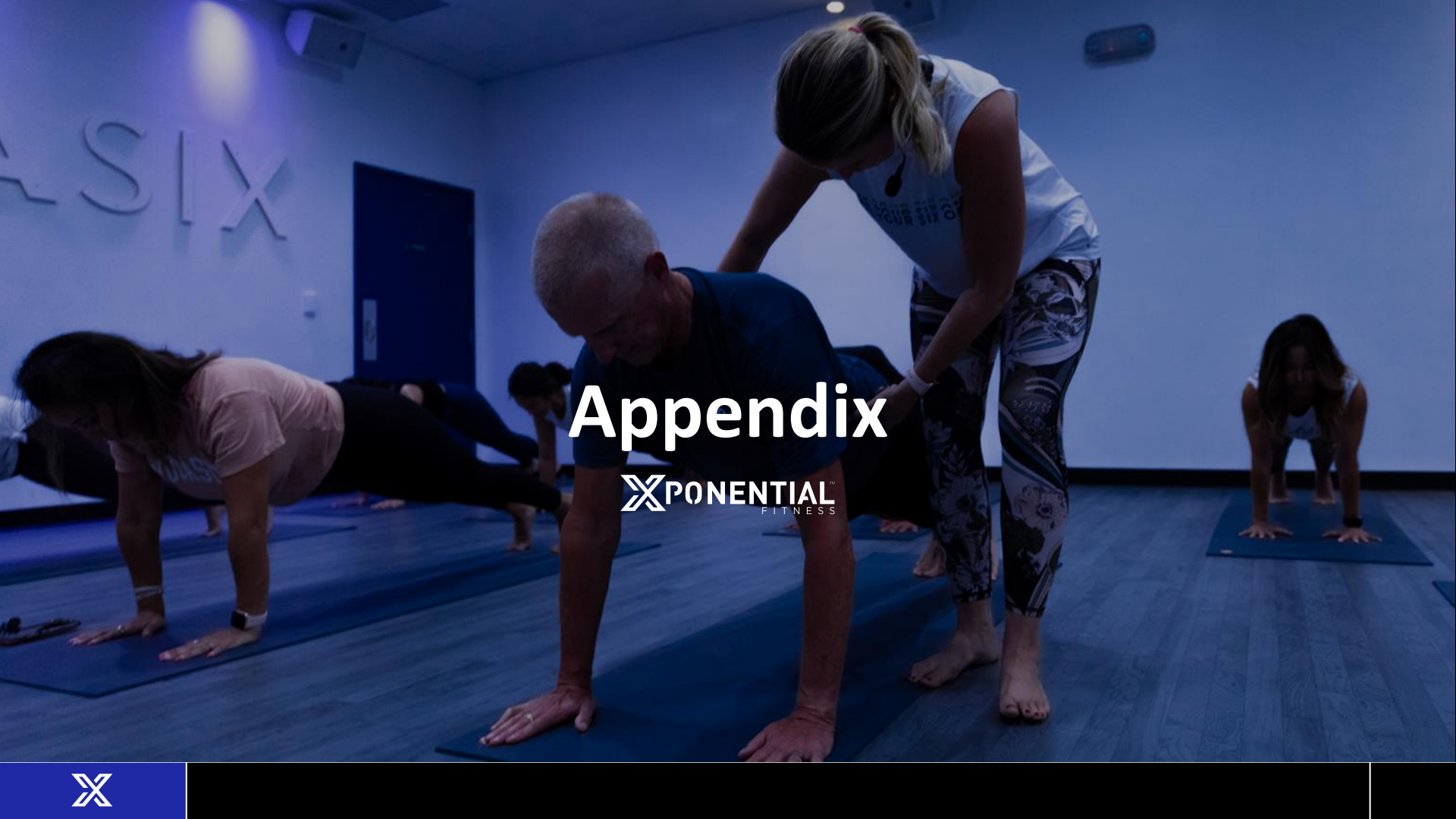
Margin: **9.2%** **17.6%** **30.3%** **33.1%** **40.0%**

- 1) Represents (i) North American sold licenses, net of open studios and license terminations, (ii) international BFT licenses sold not yet opened and (iii) international licenses obligated to be sold and opened under MFA.
- 2) See appendix for reconciliation to net loss, the most directly comparable GAAP financial measure.



## Investment Highlights

- Proven and **experienced management** team
- **Diversified market leader** poised for **stability** and **scale**
- Passionate, **growing and loyal consumer base**
- **Established model that rapidly scales** boutique fitness concepts
- **Asset-light** franchise model and **predictable recurring revenue** streams support **strong free cash flow** conversion
- Highly **attractive** and predictable **studio-level economics**
- Large and **expanding franchisee base** with visible organic growth



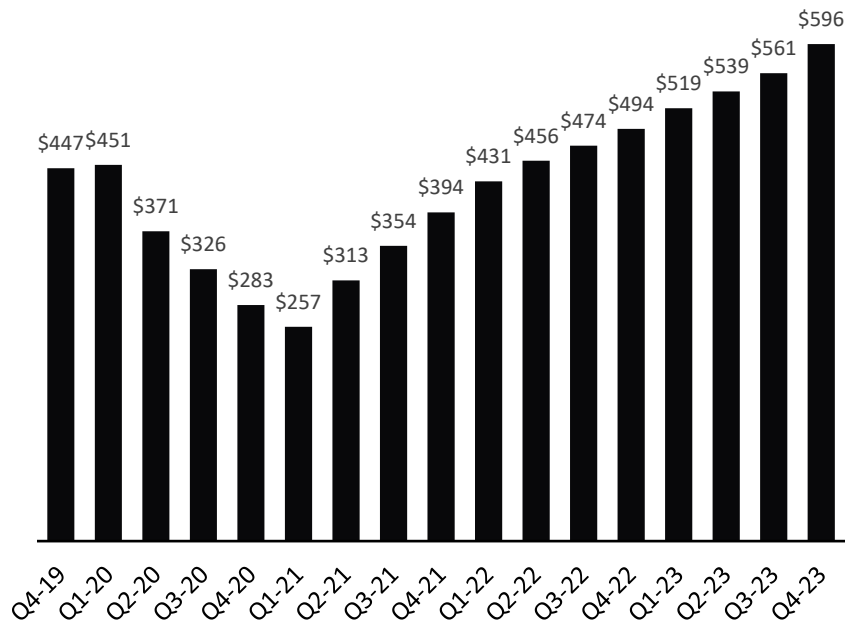
# Appendix

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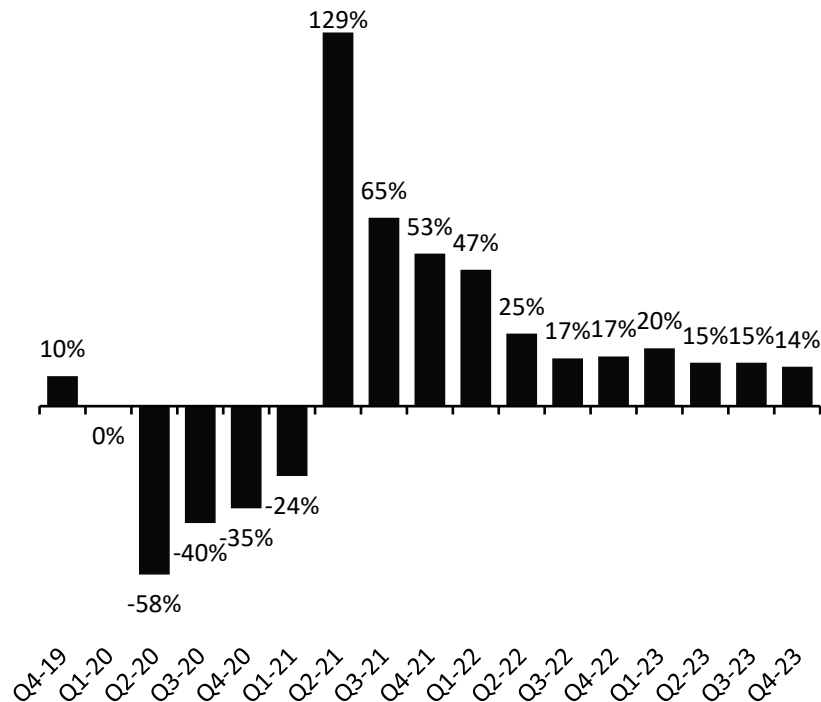


# Last 12 Month Average Unit Volumes (\$000s) and Same Store Sales (%)

## North America Last 12 Month AUVs<sup>(1)</sup>



## North America Same Store Sales<sup>(2)</sup>



1) Represents LTM AUVs for North America-based studios open for 13+ months.

2) We calculate same store sales as the change in period-over-period sales for the North America same store base. We define the same store base to include only sales from studios in North America that have been open for at least 13 consecutive calendar months at measurement date.



## FY 2024 Guidance – As of February 29, 2024

<i>(\$ in millions)</i>	<b>Low Range Guidance</b>	<b>High Range Guidance</b>	<b>2023</b>	<b>% Change vs. 2023 at Midpoint*</b>
<b>New Studio Openings (Global)</b>	<b>540</b>	<b>560</b>	557	<b>nm</b>
<b>System-wide Sales (North America)</b>	<b>\$1,705</b>	<b>\$1,715</b>	\$1,400	<b>22%</b>
<b>Revenue</b>	<b>\$340.0</b>	<b>\$350.0</b>	\$318.7	<b>8%</b>
<b>Adjusted EBITDA</b>	<b>\$136.0</b>	<b>\$140.0</b>	\$105.3	<b>31%</b>

1) \* Change is based on the midpoint of 2024 guidance ranges vs. 2023 actuals.

## Q4 2023 Performance

	(\$ in millions)	Q4 2023	Q4 2022	% Change
<u>Q4 2023</u>	Revenue	\$90	\$71	27%
<i>Top line</i>	Adjusted EBITDA	\$31	\$22	38%
<i>Performance</i>	Gross New Studio Openings ( <i>Global</i> )	169	155	8%
<i>Driven by</i>	System-wide Sales <sup>(1)</sup> ( <i>North America</i> )	\$385	\$294	31%
<i>Continued</i>	Same Store Sales <sup>(2)</sup> ( <i>North America</i> )	14%	17%	N/A
<i>Improvement in</i>	Q4 Run-Rate AUV <sup>(3)</sup>	\$590	\$522	13%
<i>System-wide Sales</i>	( <i>thousands; North America</i> )			

1) System-wide sales represents gross sales by all North America-based studios. We receive approximately 7% and 2% of the sales by franchisees as royalty revenue and marketing fund revenue, respectively.

2) We calculate same store sales as the change in period-over-period sales for the North America same store base. We define the same store base to include only sales from studios in North America that have been open for at least 13 consecutive calendar months at measurement date.

3) Quarterly Run-Rate AUV ("average unit volume") is calculated by taking the average sales during the quarter for all traditional North America studio locations that are at least 6 months old at the beginning of the respective quarter, and where sales are not equal to zero, and then multiplying that number by four.





# Our Next 3 Year Financial Growth Targets<sup>(1)</sup>

**500 to 600**

Annual Global New Studio Openings

**Mid to High  
Single Digits**

North American Same Store Sales Growth

**High Single Digits to  
Low Teens**

Revenue Growth

**15% – 30%**

Adj. EBITDA Growth

**40% - 45%**

Adj. EBITDA Margin



1) Represents 2024 to 2026 growth targets and assumes no additional brand acquisitions.

## Reconciliation of GAAP to Non-GAAP Measures: Adjusted Net Earnings Per Share

<i>In thousands, except per share amounts</i>	Q4 2023	Q4 2022	2023	2022
Net income (loss)	(\$9,075)	(\$367)	(\$1,713)	\$2,875
Acquisition and transaction expenses (income)	(\$531)	\$8,231	(\$17,964)	\$2,440
TRA remeasurement	\$96	(\$1,112)	\$3,193	\$523
Impairment of goodwill and other assets	\$4,850	\$0	\$16,667	\$3,656
Restructuring and related charges	\$8,817	\$0	\$15,520	\$0
Adjusted net income	\$4,157	\$6,752	\$15,703	\$9,494
Adjusted net income attributable to noncontrolling interest	\$1,447	\$3,016	\$5,387	\$4,432
Adjusted net income attributable to Xponential Fitness, Inc.	\$2,710	\$3,736	\$10,316	\$5,062
Dividends on preferred shares	(\$1,215)	(\$1,798)	(\$4,974)	(\$6,931)
EPS (LPS) numerator - Basic	\$1,495	\$1,938	\$5,342	(\$1,869)
Add: Adjusted net income (loss) attributable to noncontrolling interest	\$1,447	\$3,016	\$5,387	\$0
Add: Dividends on preferred shares	\$1,215	\$1,798	\$4,974	\$0
EPS numerator - diluted	\$4,157	\$6,752	\$15,703	(\$1,869)
Adjusted net earnings (loss) per share - basic	\$0.05	\$0.07	\$0.17	(\$0.07)
Adjusted net earnings (loss) per share - diluted	\$0.08	\$0.11	\$0.28	(\$0.07)

Note: The above adjusted net income (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.

## Reconciliation of GAAP to Non-GAAP Measures: Adjusted EBITDA

<i>In \$ thousands</i>	Q4 2023	Q4 2022	2023	2022
Net income (loss)	(\$9,075)	(\$367)	(\$1,713)	\$2,875
Interest expense, net	\$11,069	\$3,361	\$37,122	\$11,212
Income taxes	\$859	\$684	\$1,071	\$526
Depreciation and amortization	\$4,182	\$4,090	\$16,883	\$15,315
<b>EBITDA</b>	<b>\$7,035</b>	<b>\$7,768</b>	<b>\$53,363</b>	<b>\$29,928</b>
Equity-based compensation	\$2,350	\$5,124	\$17,997	\$29,044
Employer payroll taxes related to equity-based compensation	\$13	\$123	\$672	\$123
Acquisition and transaction expenses (income)	(\$531)	\$8,231	(\$17,964)	\$2,438
Litigation expenses	\$984	\$1,927	\$6,839	\$10,301
Employee retention credit	\$0	\$0	\$0	(\$2,597)
Financial transaction fees and related expenses	\$7,067	\$99	\$9,038	\$836
TRA remeasurement	\$96	(\$1,112)	\$3,193	\$523
Impairment of goodwill and other assets	\$4,850	\$0	\$16,667	\$3,656
Restructuring and related charges	\$8,817	\$0	\$15,520	\$0
<b>Adjusted EBITDA</b>	<b>\$30,681</b>	<b>\$22,160</b>	<b>\$105,325</b>	<b>\$74,252</b>
<i>Margin</i>	<i>34%</i>	<i>31%</i>	<i>33%</i>	<i>30%</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 (income) (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) and other contemplated corporate transactions, expense related to the remeasurement of our TRA obligation, expense related to loss on impairment or write down of goodwill and other assets, and restructuring and related charges incurred in connection with our restructuring plan 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.



## Net Income to GAAP Earnings per Share

<i>In thousands, except per share amounts</i>	Q4 2023	Q4 2022	2023	2022
Numerator:				
Net income (loss)	(\$9,075)	(\$367)	(\$1,713)	\$2,875
Less: net (income) loss attributable to noncontrolling interests	(\$1,638)	\$24,343	(\$15,765)	\$19,284
Less: dividends on preferred shares	(\$1,863)	(\$3,250)	(\$7,652)	(\$13,000)
Less: deemed contribution (dividend)	\$15,644	(\$50,979)	\$49,970	(\$31,185)
Add: deemed contribution from redemption of convertible preferred stock	\$0	\$0	\$12,679	\$0
Net income (loss) attributable to XPO Inc. - basic	\$3,068	(\$30,253)	\$37,519	(\$22,026)
Add: dividends on preferred shares	\$1,863	\$0	\$7,652	\$0
Less: deemed (contribution) dividend	(\$15,644)	\$0	(\$49,970)	\$0
Less: deemed contribution from redemption of convertible preferred stock	\$0	\$0	(\$12,679)	\$0
Net income (loss) attributable to XPO Inc. - diluted	(\$10,713)	(\$30,253)	(\$17,478)	(\$22,026)
Denominator:				
Weighted average shares of Class A common stock outstanding - basic	30,900	26,819	31,742	25,295
Weighted average shares of Class A common stock outstanding - diluted	38,863	26,819	39,705	25,295
Net earnings (loss) per share attributable to Class A common stock - basic	\$0.10	(\$1.13)	\$1.18	(\$0.87)
Net earnings (loss) per share attributable to Class A common stock - diluted	(\$0.28)	(\$1.13)	(\$0.44)	(\$0.87)

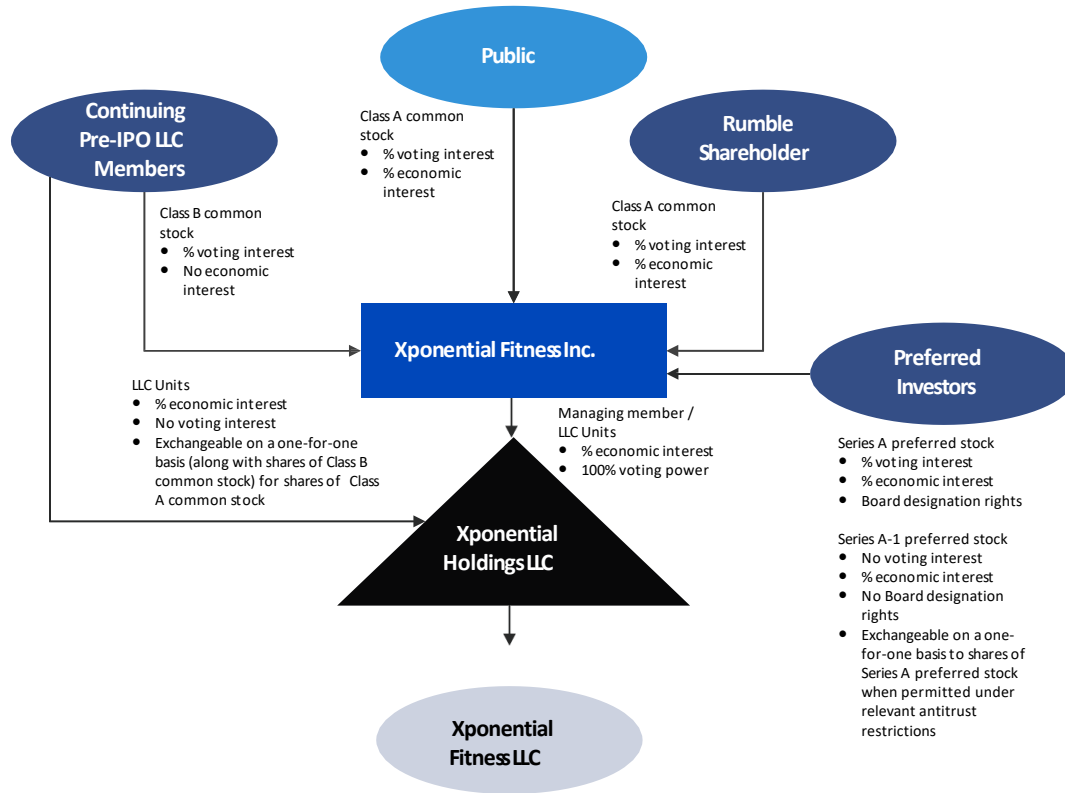
# Capital Structure Supports Continued Growth

- Franchised business model with highly predictable and recurring revenue streams and limited on-going capital requirements creates visibility into cash available to service debt obligations
- As business continues to grow, overall EBITDA and margin will continue to increase, significantly reducing our Net Leverage Ratio
- In January 2023, we borrowed \$130M in incremental term loans (“ITL”) to repurchase approximately 43% of our convertible preferred stock. Prior to the repurchase, these shares would have been convertible into 5.9M shares of Class A Common Stock
- In August 2023, Xponential borrowed \$65M in ITL primarily for purposes of an accelerated stock repurchase (“ASR”) and general working capital
- During the third quarter of 2023, a \$50M stock repurchase program was completed at an average price of \$19.24 and 2.6 million common A shares were repurchased
- Actively evaluating opportunities to optimize balance sheet and lower cost of capital
- During the first quarter of 2024, Xponential completed a 2-year extension on its term loan with its current lender to preserve optionality

<i>(\$ in millions)</i>	<b>December 31, 2023</b> As Reported
Cash, Cash Equivalents and Restricted Cash	\$37
Total Debt	\$329
<b>Net Debt</b>	<b>\$291</b>
FY 2023 Adj. EBITDA <sup>(1)</sup>	\$105
<b>Net Debt / FY 2023 Adj. EBITDA<sup>(1)</sup></b>	<b>2.8x</b>

1) See appendix for reconciliation to net loss, the most directly comparable GAAP financial measure.

# Up-C Structure Overview



## ✓ Purpose of the structure

- Preserves “flow-through” tax treatment for historic owners following the IPO
- Creates tax basis step-up when historic owners sell interest
  - ◆ Typical for historic owners to retain a portion of the value of the step-up via a tax receivable agreement

## ✓ Description of structure

- Historic owners typically hold their interest in the business through an LLC or other legal entity treated as a partnership for U.S. tax purposes (“OpCo LLC”)
- Newly created C-corporation (“PubCo”) raises IPO proceeds and uses proceeds to buy OpCo LLC units from OpCo LLC directly and/or from the historic owners
- Following the IPO, the historic owners continue to hold a direct interest in OpCo LLC
  - ◆ The OpCo LLC units are typically exchangeable on a one-for-one basis for PubCo shares
  - ◆ The historic owners also typically hold a non-economic voting interest in PubCo providing them with voting rights commensurate with their economic interest in OpCo LLC
- Public shareholders and LLC members have equal voting interests

# Board of Directors



**Mark Grabowski**  
*Chairman*

**Anthony Geisler**  
*CEO, Director*

**Brenda Morris**  
*Lead Director*

**Jair Clarke**  
*Director*

**Chelsea A. Grayson**  
*Director*

- Snapdragon Capital Partners
- TPG Growth
- L Catterton
- AEA Investors
- American Capital Strategies

- Xponential Fitness
- Club Pilates (scaled & sold to TPG)
- LA Boxing (scaled & sold to UFC)

- CSuite Financial Partners
- Boot Barn Holdings, Inc.
- Duluth Holdings Inc.
- Apex Parks Group
- Hot Topic, Inc.
- 5.11 Tactical

- Microsoft Corporation
- The Walt Disney Company
- IBM
- Lockheed Martin

- Wunderkind
- True Religion
- American Apparel Inc.
- Spark Networks
- Goodness Growth Holdings
- iHerb
- Lapmaster Group Holdings

- A.B., Dartmouth College
- M.B.A., University of Pennsylvania

- B.A., University of Southern California

- B.A., Pacific Lutheran University
- M.B.A., Seattle University

- B.A., University of Miami

- B.A., University of California, Los Angeles
- J.D., Loyola Law School

STRIDE

CLUB PILATES

STRETCH LAB

RUMBLE

YOGASIX

AKT

G CYCLEBAR

pure barre

ROWHOUSE

BFT



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FITNESS