

The Largest Global Franchisor of Health & Wellness Brands

X^{EXPONENTIAL}™

Q4 2023 FINANCIAL RESULTS

As of December 31st, 2023

Reported on February 29th, 2024





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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 transition 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 “2024 Outlook”; our competitive position in the boutique fitness industry; our efforts to optimize our capital structure, and ability to execute our business strategies and our strategic growth drivers. 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, 2023 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

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.

2023 Key Operating Metrics⁽¹⁾

Global Studios
3,062

+16% YoY

Global Licenses
6,255

+15% YoY

1) YoY comparison refers to Q4 2022. Includes Stride, but does not include Lindora.



2023 Key Operating Metrics⁽¹⁾

System-Wide Sales

\$1.4B

+36% YoY

Same Store Sales

%⁽²⁾

+16%

Total Members

717K

+21% +YoY

**Greater Than 36
Months
+17%**

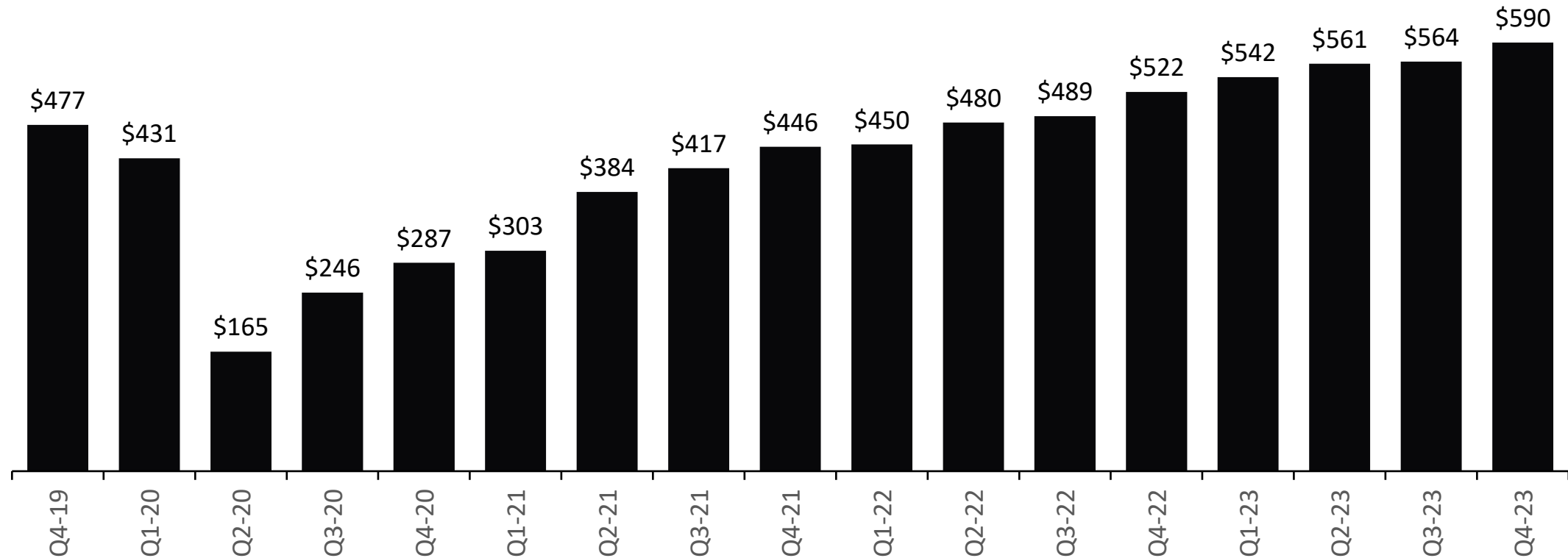
1) YoY comparison refers to Q4 2022. Total Members, same store sales and system-wide sales represents North America only.

2) 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.

3) All metrics include Stride, but do not include Lindora.



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. All metrics include Stride, but do not include Lindora.

2023 Key Operating Metrics⁽¹⁾

Revenue
\$319M

+30% YoY

Adj. EBITDA
\$105M

+42% YoY

1) YoY comparison refers to 2022. All metrics include Stride, but do not include Lindora.



Introducing Lindora

- Leading provider of medically guided wellness & metabolic health solutions
- 30 locations in Southern California; one in Washington⁽¹⁾
- Existing locations became Xponential franchisees
- Brand to be franchised nationally and globally



\$900K+

Average
Unit Volumes

1.5K–2.5K

Average
Clinic Sq. Ft.

\$224B+

2021 Global Est. Weight
Management Market Size⁽²⁾

\$400B+

2030 Global Est. Weight
Management Market Size⁽²⁾

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).

Income Statement

<i>In \$ thousands, except per share amounts</i>	Q4 2023	Q4 2022	\$ Difference	% Change	2023	2022	\$ Difference	% Change
System-wide Sales (North America)	\$384,581	\$294,077	\$90,505	31%	\$1,400,335	\$1,033,240	\$367,096	36%
Revenue:								
Franchise revenue	\$39,091	\$32,158	\$6,933	22%	\$143,615	\$115,286	\$28,329	25%
Equipment revenue	\$16,368	\$11,531	\$4,837	42%	\$56,454	\$43,461	\$12,993	30%
Merchandise revenue	\$10,125	\$7,973	\$2,152	27%	\$34,146	\$27,073	\$7,073	26%
Franchise marketing fund revenue	\$7,516	\$5,840	\$1,676	29%	\$27,292	\$20,384	\$6,908	34%
Other service revenue	\$17,095	\$13,767	\$3,328	24%	\$57,153	\$38,750	\$18,403	47%
Total Revenue	\$90,195	\$71,269	\$18,926	27%	\$318,660	\$244,954	\$73,706	30%
Operating costs and expenses:								
Costs of product revenue	\$17,012	\$12,269	\$4,743	39%	\$57,979	\$47,220	\$10,759	23%
Costs of franchise and service revenue	\$4,606	\$4,858	(\$252)	(5%)	\$15,911	\$18,447	(\$2,536)	(14%)
Selling, general and administrative expenses	\$50,825	\$34,661	\$16,164	47%	\$166,828	\$125,452	\$41,376	33%
Impairment of goodwill and other assets	\$4,758	\$0	\$4,758	NM	\$16,667	\$3,656	\$13,011	NM
Depreciation and amortization	\$4,182	\$4,090	\$92	2%	\$16,883	\$15,315	\$1,568	10%
Marketing fund expense	\$6,394	\$4,594	\$1,800	39%	\$22,683	\$17,290	\$5,393	31%
Acquisition and transaction expenses (income)	(\$531)	\$8,231	(\$8,762)	(106%)	(\$17,964)	\$2,438	(\$20,402)	(837%)
Total operating costs and expenses	\$87,246	\$68,703	\$18,543	27%	\$278,987	\$229,818	\$49,169	21%
Operating income (loss)	\$2,949	\$2,566	\$383	15%	\$39,673	\$15,136	\$24,537	162%
Net income (loss)	(\$9,075)	(\$367)	(\$8,708)	NM	(\$1,713)	\$2,875	(\$4,588)	NM
Earnings (loss) per share (basic)	\$0.10	(\$1.13)	\$1.23	NM	\$1.18	(\$0.87)	\$2.05	NM

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 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 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
EBITDA	\$7,035	\$7,768	\$53,363	\$29,928
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
Adjusted EBITDA	\$30,681	\$22,160	\$105,325	\$74,252
<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.



2023 License Sales and New Studios

“Scaled” Brands: >150 open studios in North America. Includes Club Pilates, CycleBar, Pure Barre, Stretch Lab, and Yoga Six

“Growth” Brands: <150 open studios in North America. Includes Row House, AKT, Stride⁽¹⁾, Rumble and BFT.

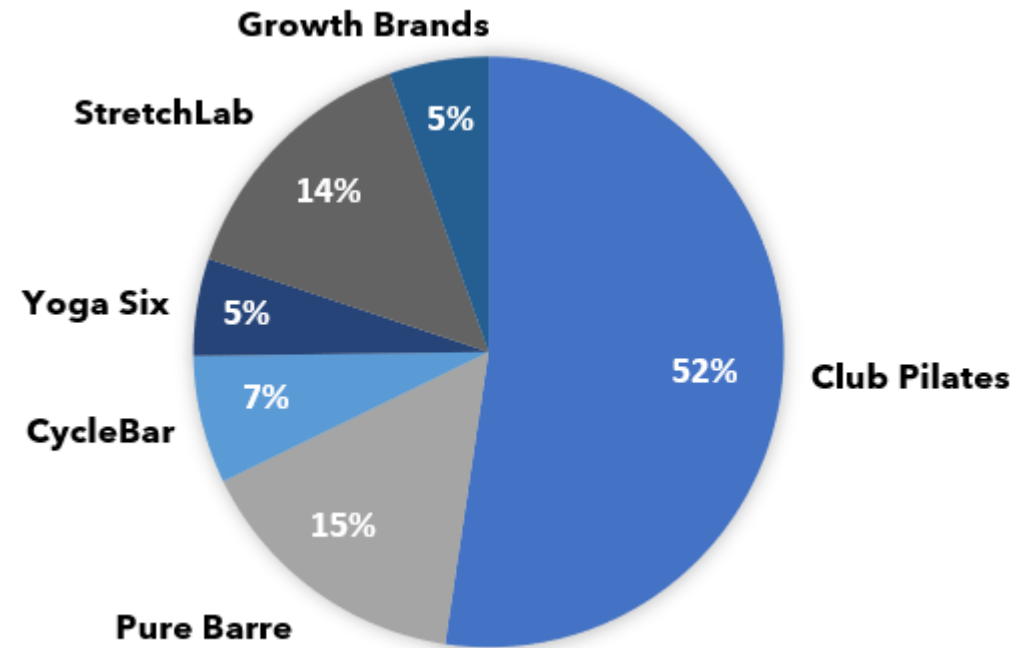
Brand	License Sales	%	New Studios	%
Club Pilates	361	45%	167	30%
StretchLab	159	20%	163	29%
BFT	149	19%	71	13%
Yoga Six	56	7%	34	6%
Rumble	36	4%	50	9%
Pure Barre	20	2%	25	4%
CycleBar	10	1%	23	4%
Row House	-4	0%	1	0%
AKT	3	0%	5	1%
Stride	0	0%	3	1%
Non-Traditional ⁽¹⁾	15	2%	15	3%
Total	805	100%	557	100%
North America	628	78%	438	79%
International	177	22%	119	21%
Total	805	100%	557	100%

1) Non-Traditional includes studios for LAFitness and Princess Cruise Lines. All metrics include Stride, but do not include Lindora.

2023 North American System-Wide Sales⁽¹⁾

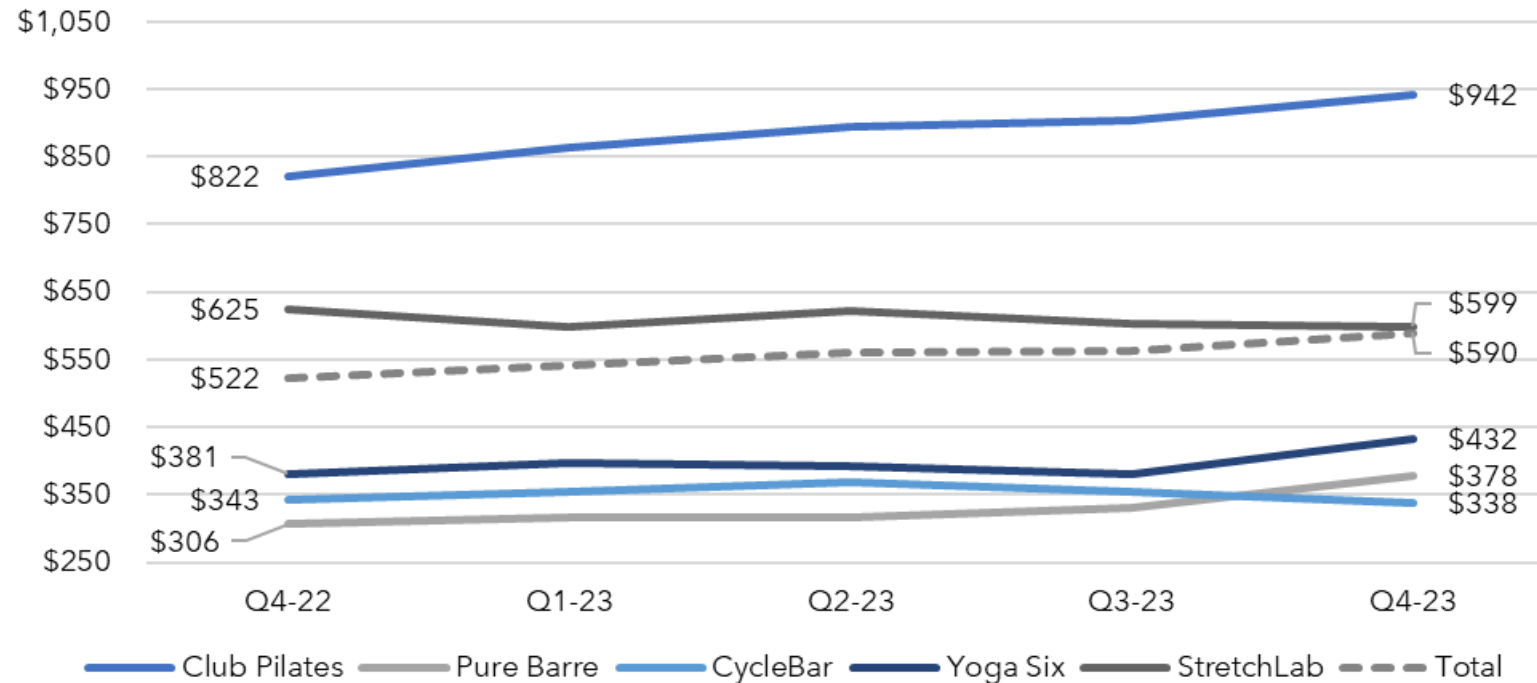
“Scaled” brands:

- 92% of open studios
- 95% of system-wide sales



1) Percentages are rounded, so total may not equal 100%. All data represents North America. All metrics include Stride, but do not include Lindora.

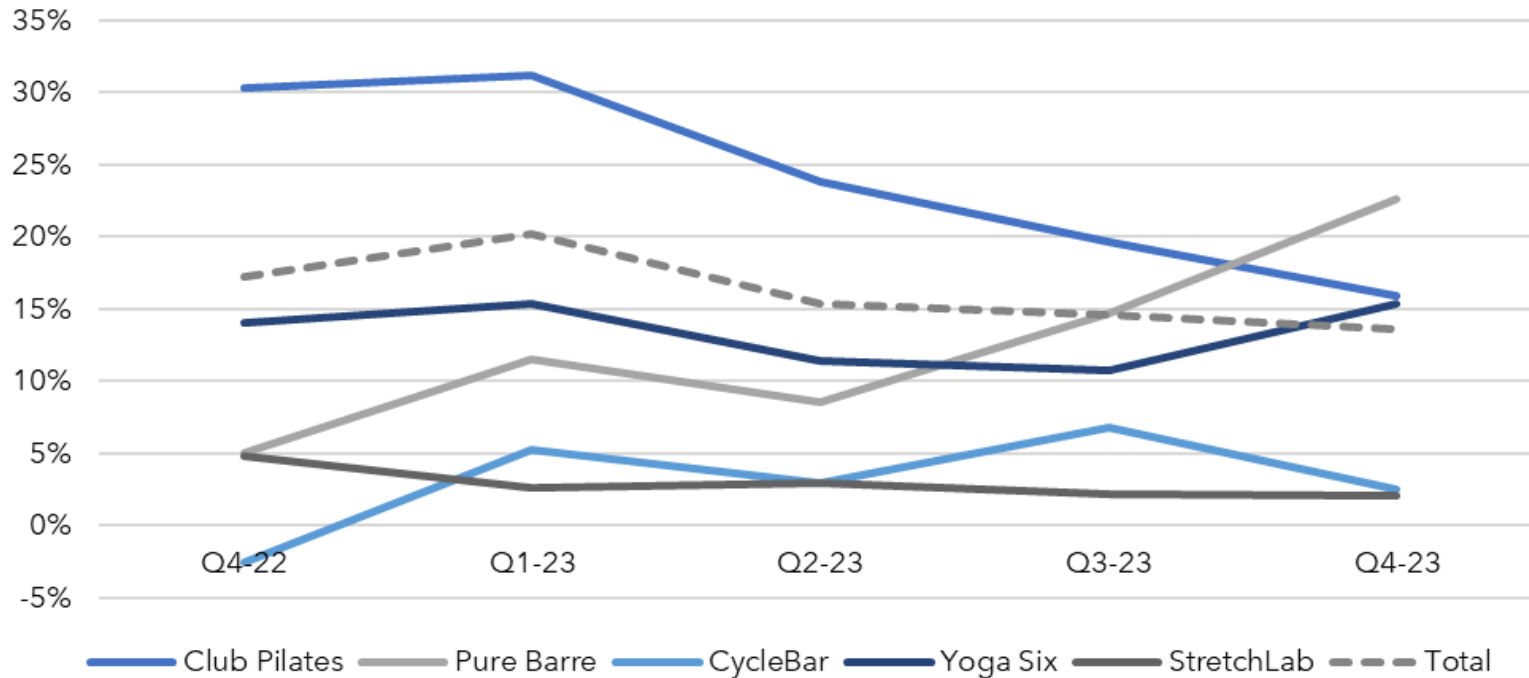
“Scaled” Brands: 2023 North American 6+ Month Run Rate Average Unit Volumes⁽¹⁾ (\$000's)



“Total” represents entire 10 brand portfolio

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. All metrics include Stride, but do not include Lindora.

“Scaled” Brands: 2023 North American Same Store Sales⁽¹⁾



“Total” represents entire 10 brand portfolio

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. All metrics include Stride, but do not include Lindora.

FY 2024 Guidance

(\$ in millions)	Low Range Guidance	High Range Guidance	2023	% Change vs 2023 at Midpoint
New Studio Openings (Global)	540	560	557	nm
System-wide Sales (North America)	\$1,705	\$1,715	\$1,033	22%
Revenue	\$340.0	\$350.0	\$318.7	8%
Adjusted EBITDA	\$136.0	\$140.0	\$105.3	31%

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.





Q&A

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