



# Q3 2024 Results

As of Sept. 30, 2024 | Reported on Nov. 7, 2024



# 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. 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. Specific forward looking statements made in this presentation include, among others our guiding principles of elevating patient care, strengthening clinic economics, fueling innovation in everything we do, and building people capability and culture; our belief that refranchising the vast majority of our corporate-owned clinics will generate capital, increase franchise royalty revenue, and reduce corporate costs; our focus on new patient acquisition through increasing awareness campaigns, focusing on the top of the lead generation funnel, implementing Goggle P-Max, engaging "switchers," and attracting new to chiropractic care; our expectations for 2024 system-wide sales, system-wide comp sales for all clinics open 13 months or more, and new franchised clinic openings, excluding the impact of refranchised clinics; our upside for future growth; our substantial market growth opportunity; and our belief that people will continue to seek more noninvasive holistic ways to manage their pain, and we'll be there to treat them. 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, but are not limited to, 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, and the current war in Ukraine, which has increased our costs and which could otherwise negatively impact our business; the potential for disruption to our operations and the unpredictable impact on our business of outbreaks of contagious diseases; 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, 2023 filed with the SEC on March 8, 2024 and subsequently-filed current and quarterly reports. 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.

# Sanjiv Razdan

*CEO, President and Director*





# Guiding Principles

- Elevate Patient Care
- Strengthen Clinic Economics
- Drive Innovation
- Build People Capability & Culture

**Increased Profitability and  
Shareholder Value**

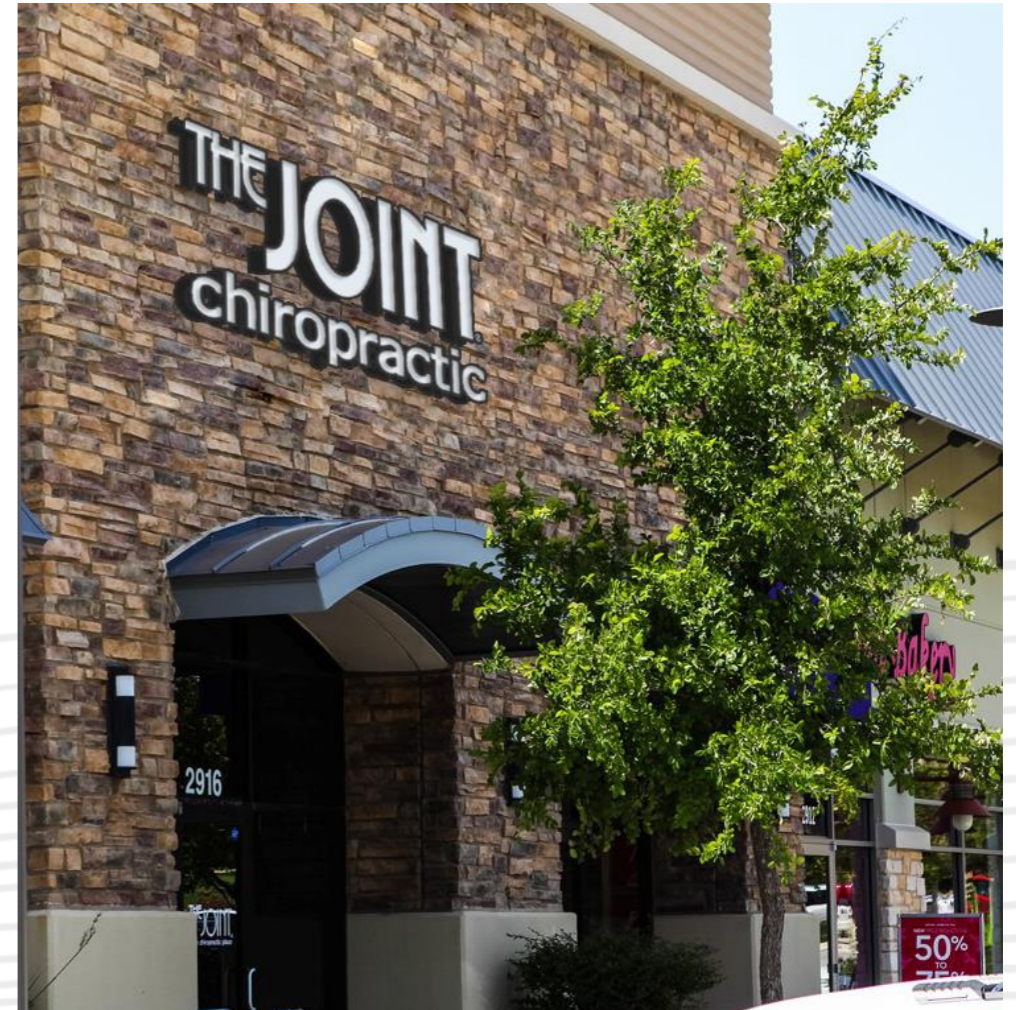
# Refranchising Vast Majority of Corporate Clinics

## Aggressively Marketing Clusters:

- Executing Letters of Intent (LOIs)
- Conducting meetings with bidders
- Starting due diligence

## Value Maximization:

- Generates capital
- Increases franchise royalty revenue
- Reduces corporate costs



# Improving New Patient Experience Increases Conversion Rates

## Initial Visit Bookings

**THE JOINT**  
chiropractic

Book Your First Visit

Tue Wed Thu Fri Sat Sun Mon  
OCT 31 NOV 1 NOV 2 NOV 3 NOV 4 NOV 5 NOV 6

2:30 PM 3:00 PM  
3:30 PM 4:00 PM  
4:30 PM 5:00 PM  
5:30 PM 6:00 PM  
6:30 PM

First name  
Ouchie

Last name  
McSore

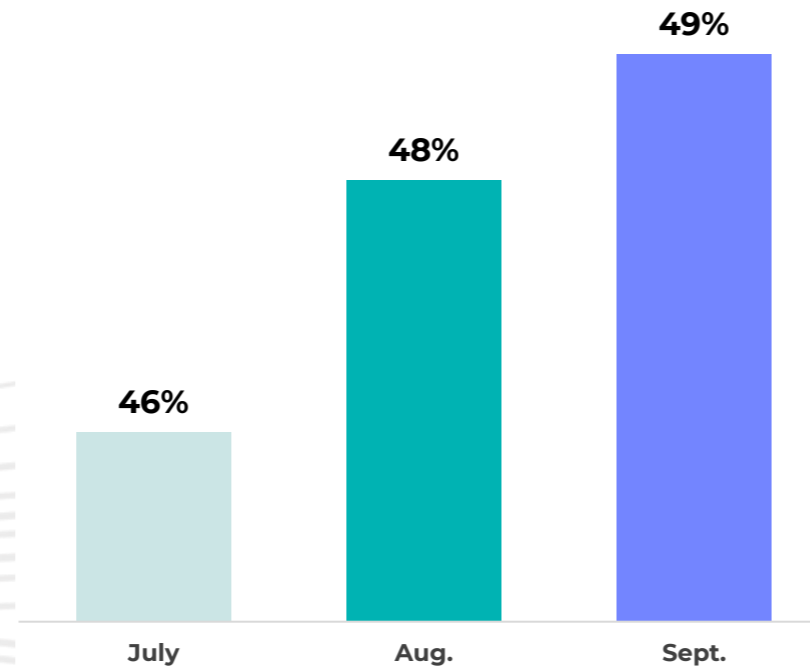
Email  
BackKraken@gmail.com

Phone  
5555555555

I consent to receiving SMS from The Joint

BOOK NOW >

### IVB Impact to Digital Lead Conversion Avg. per Clinic



## Enhanced Digital Intake Forms

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Patient Activity Assessment

Is the current condition making any of the following activities difficult to perform?

Work  Yes  No

Sleep  Yes  No

Sports/hobbies  Yes  No

Sitting  Yes  No

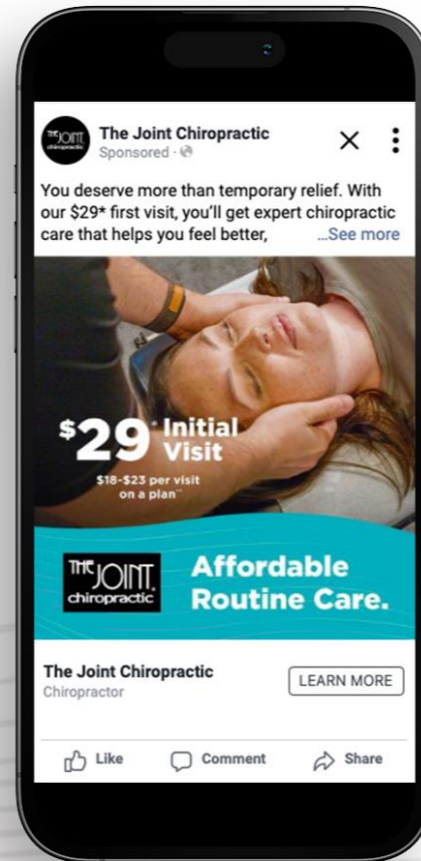
Standing  Yes  No

# Focused on New Patient Acquisition

Shifting spend to increase awareness and generate leads

Implementing Google P-Max

Attracting new to chiropractic care & engaging “switchers”



# Jake Singleton

*Chief Financial Officer*



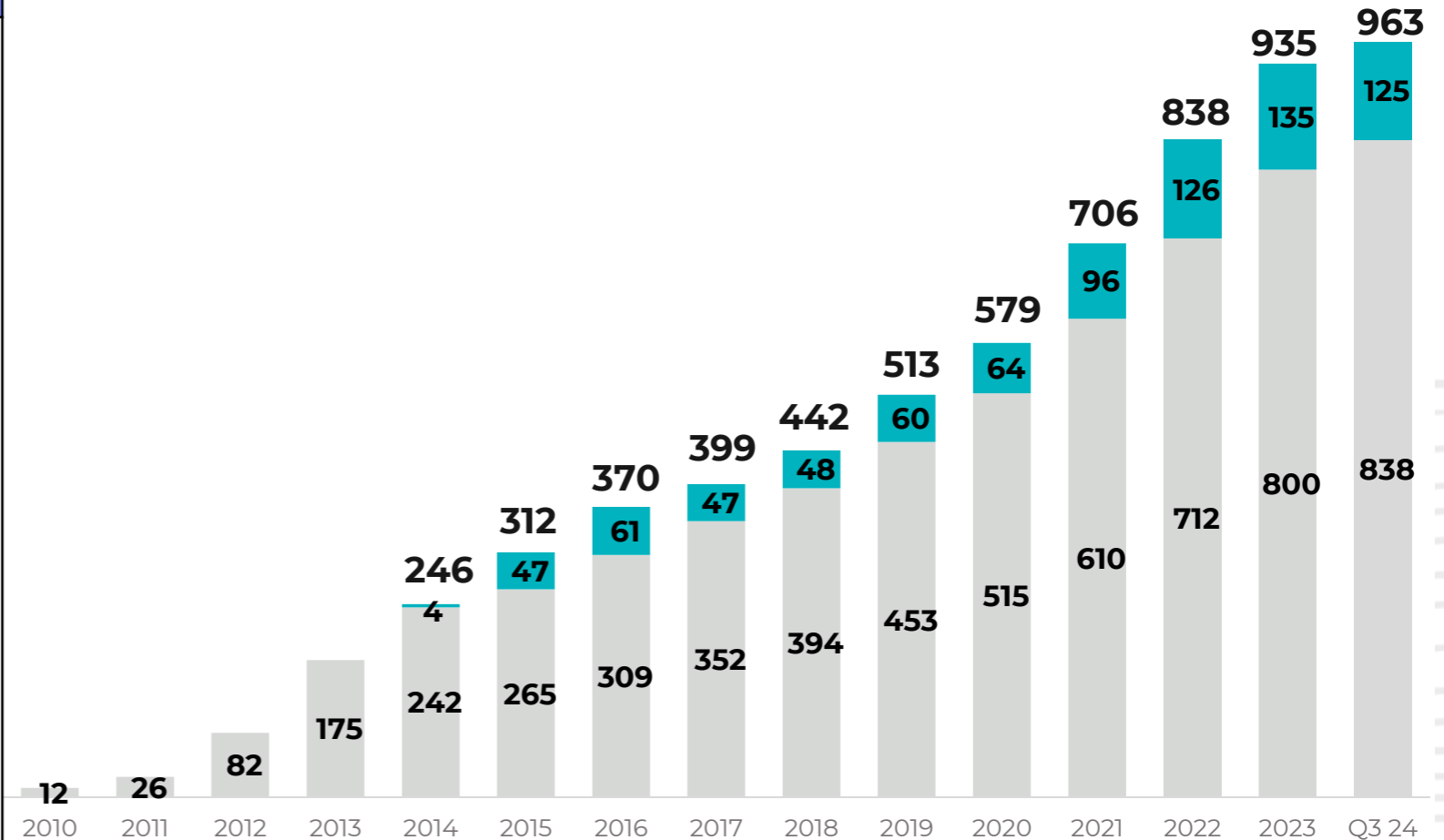


# Increasing Franchised Clinics to 87% Total Count

	Q3 24	Q2 24	Q3 23
Franchised Clinics Opened	14	9	24
Franchised Clinics Closed	6 <sup>1</sup>	1	2
Refranchised / (Acquired) Clinics	1	2	0
Corporate Clinics Opened	0	0	2
Corporate Clinics Closed	5 <sup>1</sup>	2	0

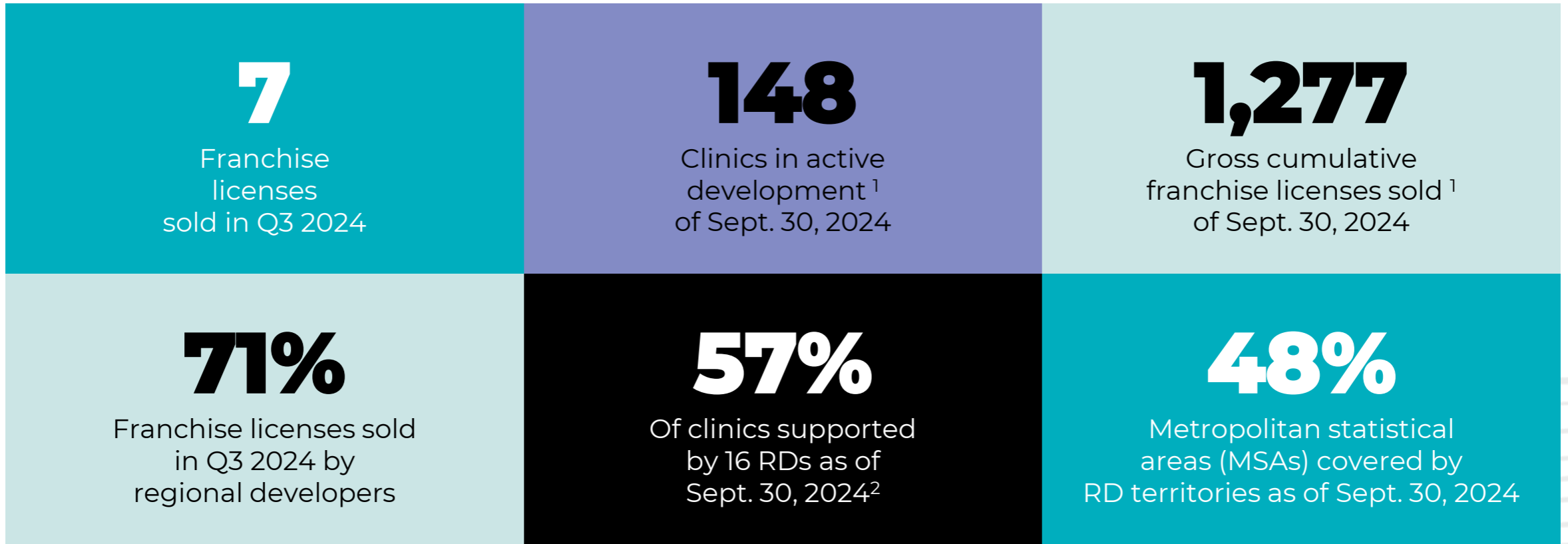
## TOTAL CLINICS OPEN

■ Franchised ■ Company-owned and managed



<sup>1</sup> During Q3 2024, 6 franchised clinics were closed, of which 3 are being relocated and will be reopened and 5 corporate clinics were closed of which 3 were on Airforce bases and non-traditional.

# Development Pipeline



<sup>1</sup> Of the 1,277 franchise licenses sold as of Sept. 30, 2024, 148 are in active development, 838 are currently operating and the balance represents terminated licenses or closed clinics.

# Q3 2024 Financial Results as of Sept. 30, 2024

\$ in M <sup>1</sup>	Q3 2024	Q3 2023	Differences	
<b>Revenue</b>	\$30.2	\$29.5	\$0.7	3%
• Corporate clinics	17.5	17.9	(0.3)	(2)%
• Franchise fees and royalties	12.7	11.6	1.0	9%
<b>Cost of revenue</b>	2.8	2.6	0.2	8%
<b>Sales and marketing</b>	4.8	4.3	0.5	11%
<b>Depreciation and amortization</b>	1.2	2.3	(1.1)	(47)%
<b>G&amp;A</b>	20.8	20.2	0.6	3%
<b>Loss on disposition or impairment <sup>2</sup></b>	3.8	0.9	2.9	NA
<b>Operating income / (loss)</b>	(3.2)	(0.9)	(2.3)	NA
<b>Other income / (expense)</b>	0.1	0.2	(0.1)	NA
<b>Net income / (loss)</b>	(3.2)	(0.7)	(2.5)	NA
<b>Adjusted EBITDA <sup>4,3</sup></b>	<b>2.4</b>	<b>2.9</b>	<b>(0.5)</b>	<b>(17)%</b>

<sup>1</sup> Due to rounding, numbers may not add up precisely to the totals. | <sup>2</sup> The loss on disposition or impairment, including those corporate clinics that were announced to be held for sale.

<sup>3</sup> Reconciliation of Adjusted EBITDA to GAAP earnings is included in the Appendix.



## Strong Liquidity

\$ in Ms	9/30/24	12/31/23
Unrestricted cash	\$20.7	\$18.2
Restricted cash	\$1.3	\$1.1
Available JP Morgan Chase LOC <sup>1</sup>	\$20.0	\$18.0

### Cash flow for the nine months end Sept. 30, 2024:

- \$5.3M from operations
- \$374k from the net proceeds of the sales of clinics
- \$(2.0)M repayment of JPMorgan Chase LOC in Q1 24
- \$(901)k for ongoing IT capex and small refreshes for corporate clinics

**<sup>1</sup>JPMorgan Chase LOC provides immediate access to \$20M through February 2027.**

# YTD 2024 Financial Results as of Sept. 30, 2024

\$ in M <sup>1</sup>	9 mo.s 9/30/24	9 mo.s 9/30/23	Differences	
<b>Revenue</b>	\$90.2	\$87.1	\$3.1	4%
• Corporate clinics	52.7	52.8	(0.1)	0%
• Franchise fees and royalties	37.4	34.3	3.2	9%
<b>Cost of revenue</b>	8.4	7.7	0.7	9%
<b>Sales and marketing</b>	14.1	13.2	0.9	7%
<b>Depreciation and amortization</b>	4.2	6.9	(2.7)	(40)%
<b>G&amp;A</b>	63.6	60.2	3.4	6%
<b>Loss on disposition or impairment <sup>2</sup></b>	5.6	1.1	4.5	NA
<b>Operating income / (loss)</b>	<b>(5.6)</b>	<b>(1.9)</b>	<b>(3.7)</b>	<b>NA</b>
<b>Other income <sup>3</sup></b>	(0.2)	3.2	(3.4)	NA
<b>Net income / (loss)</b>	(5.8)	1.3	(7.1)	NA
<b>Adjusted EBITDA <sup>4</sup></b>	<b>8.1</b>	<b>8.2</b>	<b>0.1</b>	<b>(1)%</b>

<sup>1</sup> Due to rounding, numbers may not add up precisely to the totals. | <sup>2</sup> The loss on disposition or impairment, including those corporate clinics that were announced to be held for sale. |

<sup>3</sup> Other income included the receipt of the employee retention credits of \$3.9 million in Q1 2023. | <sup>4</sup> Reconciliation of Adjusted EBITDA to GAAP earnings is included in the Appendix.

# Revising 2024 Guidance

\$ in M	2023 Actual	2024 Low Guidance	2024 High Guidance
System-wide sales <sup>1</sup>	\$488.0	\$525	\$535
System-wide comp sales for all clinics open 13 months or more <sup>2</sup>	4%	3%	4%
New franchised clinic openings excluding the impact of refranchised clinics	104	55	60

<sup>1</sup> System-wide sales include revenues at all clinics, whether operated or managed 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 revenues are the basis on which the company calculates and records royalty fees and are indicative of the financial health of the franchisee base. | <sup>2</sup> System-wide comp 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.

# Leading Chiropractic Care Franchise Concept

## Large & Growing Market

\$20.5B on chiropractic  
\$8.5B out-of-pocket  
annual spend  
in US<sup>1</sup>

## Attractive Asset-light Model

87% franchised  
clinics and  
implementing  
refranchising  
strategy

## Recurring Revenue Model

85% of 2023  
system-wide  
gross sales  
from monthly  
memberships

## Premier Nationwide Brand

41 state presence,  
successful  
marketing coops,  
and largest digital  
footprint

## Category Leader & Creator

963 clinics at 9/30/24,  
revolutionizing  
access to  
chiropractic care



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# Performance Metrics and Non-GAAP Measures

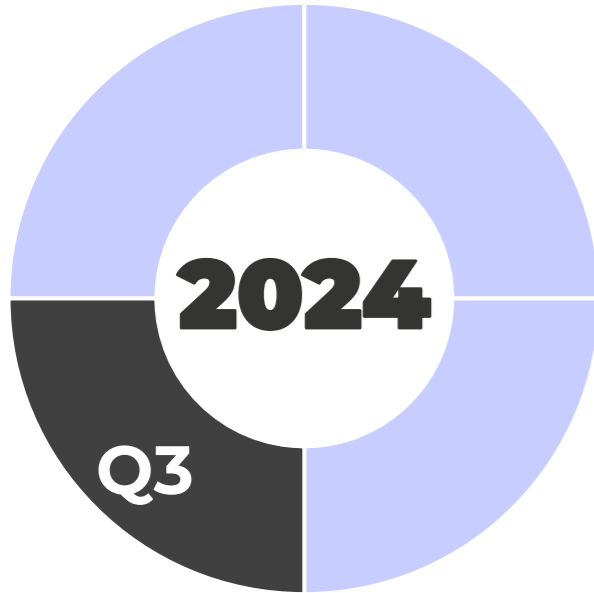
This presentation of commonly discussed performance metrics. System-wide sales include revenues at all clinics, whether operated by the company or by franchisees. While franchised sales are not recorded as revenues by the company, management believes the information is important in understanding the 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. System-wide comp sales include the revenues 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. Reconciliation of historical net income/(loss) to EBITDA and Adjusted EBITDA is presented in the table below. 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 (which includes contract termination costs associated with reacquired regional developer rights), net (gain)/loss on disposition or impairment, stock-based compensation expenses, costs related to restatement filings, restructuring costs, litigation expenses (consisting of legal and related fees for specific proceedings that arise outside of the ordinary course of our business) and other income related to 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 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.

# Q3 2024 Segment Results as of Sept. 30, 2024

\$ in 000s

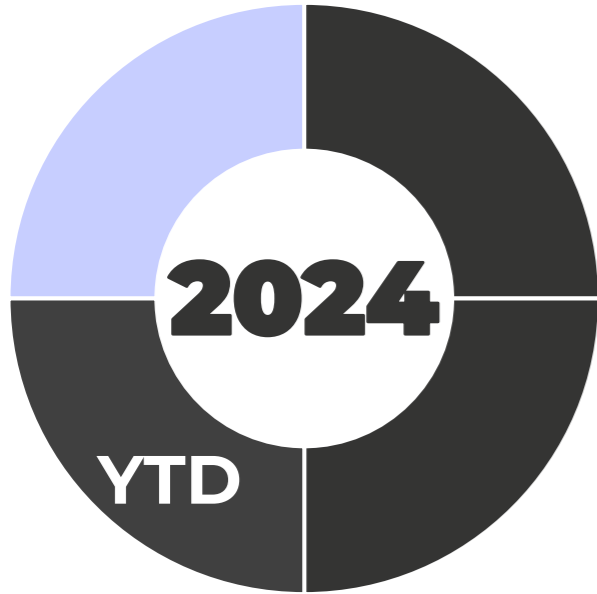


<b>Total Revenues</b>
<b>Total Operating Costs</b>
<b>Operating Income (Loss)</b>
<b>Other Income Expense, net</b>
<b>Income (Loss) Before Income Tax Expense</b>
<b>Total Income Taxes</b>
<b>Net Income (Loss)</b>
<b>Net Interest Expense</b>
<b>Income Taxes</b>
<b>Total Depreciation and Amortization Expense</b>
<b>EBITDA</b>
<b>Stock Based Compensation Exp</b>
<b>Loss on Disposition/Impairment</b>
<b>Acquisition Expenses</b>
<b>Restatement Costs</b>
<b>Restructuring Costs</b>
<b>Litigation Expenses</b>
<b>Other Expense, net</b>
<b>Adjusted EBITDA</b>

Corporate Clinics	Franchise Operations	Unallocated Corporate	The Joint Consolidated
17,544	12,654	-	<b>30,198</b>
20,267	7,065	6,052	33,384
(2,723)	5,589	(6,052)	(3,186)
(0)	-	84	83
(2,723)	5,589	(5,969)	(3,103)
-	-	63	63
(2,723)	5,589	(6,031)	<b>(3,165)</b>
0	-	(84)	(83)
-	-	63	63
923	239	77	1,239
(1,800)	5,829	(5,976)	<b>(1,947)</b>
-	-	430	430
3,802	-	4	3,805
-	-	-	-
-	-	-	-
100	0	53	153
-	-	(9)	(9)
-	-	-	-
2,102	5,829	(5,498)	<b>2,433</b>

# YTD 2024 Segment Results as of Sept. 30, 2024

\$ in 000s



<b>Total Revenues</b>
<b>Total Operating Costs</b>
<b>Operating Income (Loss)</b>
<b>Other Income Expense, net</b>
<b>Income (Loss) Before Income Tax Expense</b>
<b>Total Income Taxes</b>
<b>Net Income (Loss)</b>
<b>Net Interest Expense</b>
<b>Income Taxes</b>
<b>Total Depreciation and Amortization Expense</b>
<b>EBITDA</b>
<b>Stock Based Compensation Exp</b>
<b>Loss on Disposition/Impairment</b>
<b>Acquisition Expenses</b>
<b>Restatement Costs</b>
<b>Restructuring Costs</b>
<b>Litigation Expenses</b>
<b>Other Expense, net</b>
<b>Adjusted EBITDA</b>

Corporate Clinics	Franchise Operations	Unallocated Corporate	The Joint Consolidated
52,730	37,451	-	<b>90,181</b>
54,215	22,586	18,974	95,775
(1,485)	14,865	(18,974)	(5,594)
(2)	-	201	199
(1,486)	14,865	(18,774)	(5,395)
-	-	420	420
(1,486)	14,865	(19,194)	<b>(5,815)</b>
2	-	(201)	(199)
-	-	420	420
3,239	693	235	4,167
1,754	15,558	(18,739)	<b>(1,427)</b>
-	-	1,476	1,476
5,598	-	5	5,603
-	479	-	479
-	-	-	-
309	28	117	454
-	-	1,481	1,481
-	-	-	-
7,661	16,065	(15,660)	<b>8,066</b>

# GAAP – Non-GAAP Reconciliation

	Q1-23	Q2-23	Q3-23	Q4-23	FY23	Q1-24	Q2-24	Q3-24	FY24 YTD
Total Revenue	28,301	29,307	29,474	30,614	117,696	29,722	30,261	30,198	90,181
Total Cost of Revenue	2,475	2,596	2,604	2,872	10,547	2,716	2,827	2,823	8,366
<b>Gross Profit</b>	<b>\$ 25,826</b>	<b>\$ 26,712</b>	<b>\$ 26,870</b>	<b>\$ 27,742</b>	<b>\$ 107,150</b>	<b>\$ 27,006</b>	<b>\$ 27,434</b>	<b>\$ 27,375</b>	<b>\$ 81,815</b>
Sales & Marketing	4,160	4,708	4,301	3,373	16,542	3,886	5,402	4,762	14,050
Depreciation/Amortization Expense	2,215	2,329	2,349	1,689	8,582	1,404	1,524	1,239	4,167
Other Operating Expenses	20,104	20,049	21,118	22,828	84,099	20,626	24,006	24,559	69,192
Total Other Income (Expense)	3,821	(107)	(6)	3	3,712	36	80	83	199
Total Income Taxes	842	(161)	(188)	10,898	11,391	179	178	63	420
<b>Net Income (Loss)</b>	<b>\$ 2,326</b>	<b>\$ (320)</b>	<b>\$ (716)</b>	<b>\$ (11,042)</b>	<b>\$ (9,752)</b>	<b>\$ 947</b>	<b>\$ (3,596)</b>	<b>\$ (3,165)</b>	<b>\$ (5,815)</b>
Net Interest Expense	50	15	6	(3)	67	(36)	(80)	(83)	(199)
Income Taxes	842	(161)	(188)	10,898	11,391	179	178	63	420
Depreciation and Amortization Expense	2,215	2,329	2,349	1,689	8,582	1,404	1,524	1,239	4,167
<b>EBITDA</b>	<b>\$ 5,433</b>	<b>\$ 1,863</b>	<b>\$ 1,451</b>	<b>\$ 1,541</b>	<b>\$ 10,288</b>	<b>\$ 2,494</b>	<b>\$ (1,974)</b>	<b>\$ (1,947)</b>	<b>\$ (1,427)</b>
Stock Based Compensation	266	417	526	528	1,738	493	552	430	1,476
Loss on Disposition/Impairment	65	144	905	1,518	2,633	362	1,435	3,805	5,603
Acquisition Expenses	142	716	15	-	873	-	479	-	479
Restatement Costs	-	-	-	380	380	-	-	-	0
Restructuring Costs	-	-	-	73	73	157	144	153	454
Litigation Expenses	-	-	-	-	-	-	1,490	(9)	1,481
Other (Income)/Expense, net	(3,871)	92	-	-	(3,779)	-	-	-	0
<b>Adjusted EBITDA</b>	<b>\$ 2,035</b>	<b>\$ 3,232</b>	<b>\$ 2,897</b>	<b>\$ 4,041</b>	<b>\$ 12,206</b>	<b>\$ 3,507</b>	<b>\$ 2,126</b>	<b>\$ 2,433</b>	<b>\$ 8,066</b>