



# Q3 2021 Financial Results

As of September 30, 2021 | Reported on November 4, 2021

# Safe Harbor Statement

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. 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, the continuing impact of the COVID-19 outbreak on the economy and our operations (including temporary clinic closures, shortened business hours and reduced patient demand), our failure to develop or acquire company-owned or managed clinics as rapidly as we intend, our failure to profitably operate company-owned or managed clinics, our inability to identify and recruit enough qualified chiropractors and other personnel to staff our clinics, due in part to the nationwide labor shortage, 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, and the other factors described in "Risk Factors" in our Annual Report on Form 10-K as filed with the SEC for the year ended December 31, 2020, as updated or revised for any material changes described in any subsequently-filed Quarterly Reports on Form 10-Q or other SEC filings. We anticipate filing our Quarterly Report on Form 10-Q for the quarter ended September 30, 2021 on or around November 5, 2021. 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. 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, Massachusetts, 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.



# Revolutionizing Access to Chiropractic Care

As an essential healthcare service, The Joint Chiropractic's mission is to improve the quality of life through routine and affordable chiropractic care.

**BUILD  
BRAND**



**INCREASE  
AWARENESS**



**DELIVER EXCEPTIONAL  
PATIENT EXPERIENCE**



**OPEN  
NEW CLINICS**



# Continued Strength in Third Quarter

**37%**

Increase in  
system-wide sales  
Q3 2021 over Q3 2020

**27%**

Increase in  
comp sales<sup>1</sup> for all clinics  
>13 months in operation  
Q3 2021 over Q3 2020

**21%**

Increase in  
comp sales<sup>1</sup> for all clinics  
>48 months in operation  
Q3 2021 over Q3 2020

	Change from	
	Q3 2021	Q3 2020
Revenue	\$21.0M	Up 36%
Op. Income	\$1.3M	\$1.7M
Net Income	\$1.9M	\$1.6M
Adjusted EBITDA <sup>2</sup>	\$3.3M	Up 25%

Unrestricted cash \$19.5M at September 30, 2021,  
compared to \$20.6M Dec. 31, 2020



<sup>1</sup>Comparable 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.

<sup>2</sup> Reconciliation of Adjusted EBITDA to GAAP earnings is included in the Appendix.

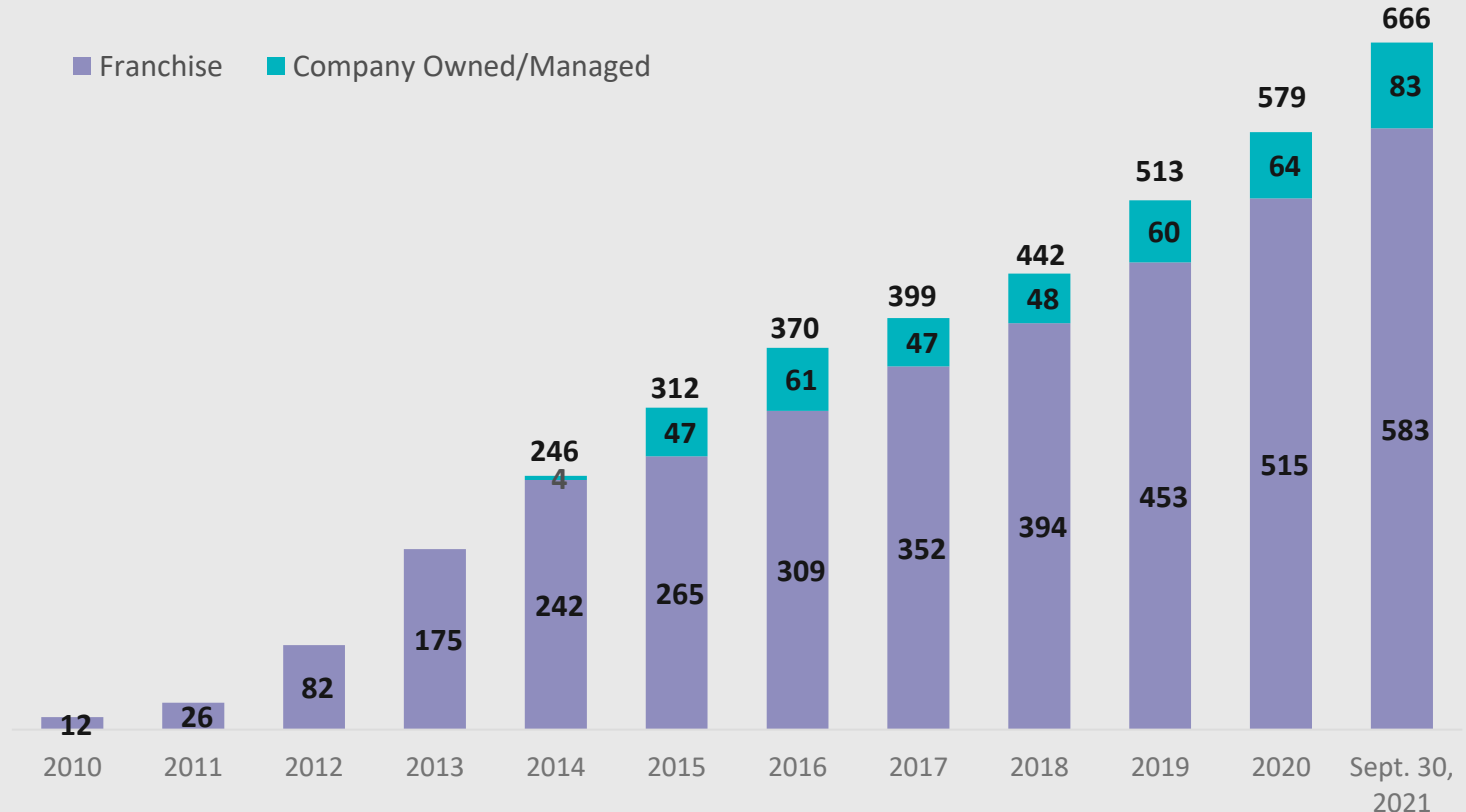
# 88 Clinics Opened YTD 2021

## Driving to 1,000 Clinics by the End of 2023

	Q3 2020	Q3 2021
Franchise Licenses Sold	30	44
Total New Franchised Clinics Opened	22	28
Greenfield Clinics Opened	1	5
Franchised Clinics Acquired	0	0
Clinics in Development	218	295

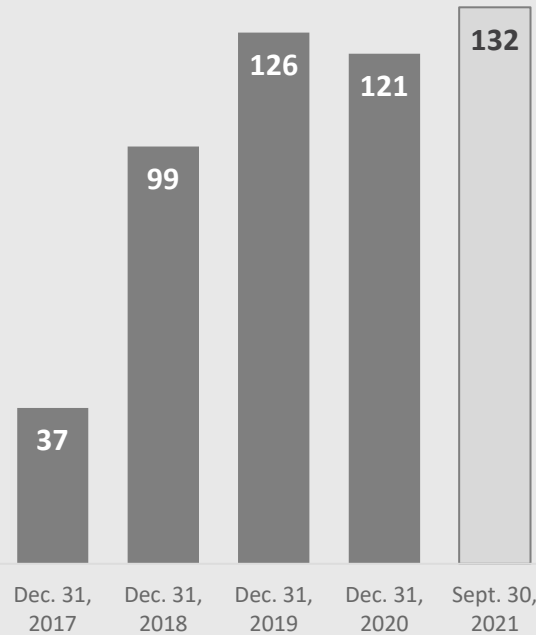
TOTAL CLINICS OPEN

■ Franchise ■ Company Owned/Managed

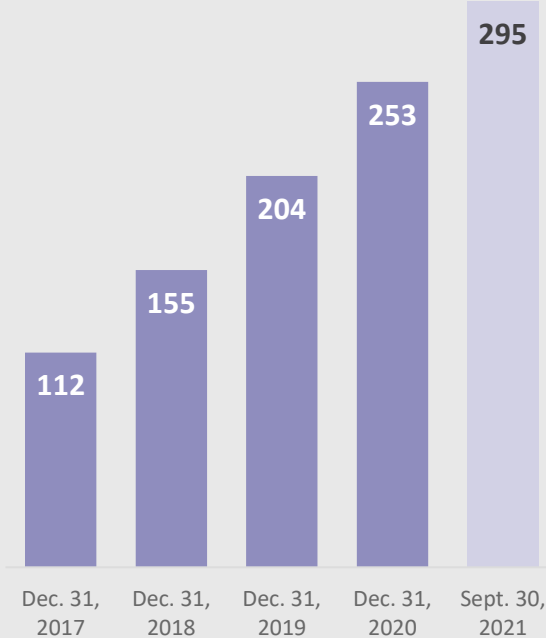


# 132 Franchise Licenses Sold in YTD 2021

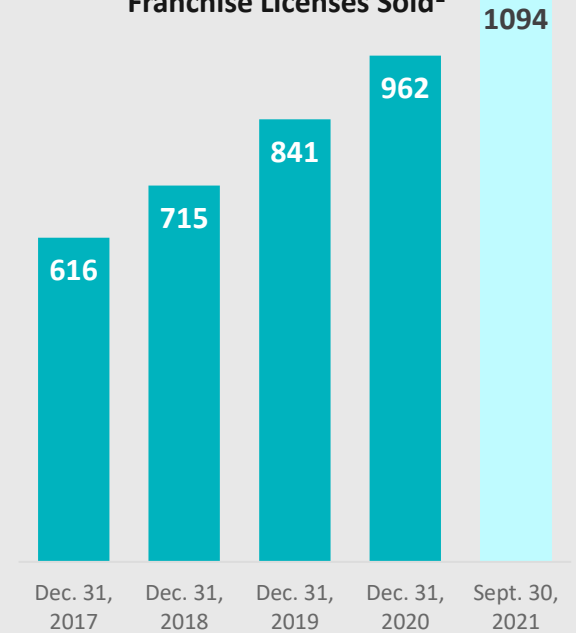
Franchise Licenses Sold Annually



Clinics in Active Development<sup>1</sup>



Gross Cumulative Franchise Licenses Sold<sup>1</sup>



- 82% sold by RDs in 2021
- 70% of clinics supported by 21 RDs at September 30, 2021
- RDs cover 59% of Metropolitan Statistical Areas (MSAs) at September 30, 2021



# Exciting Promotions

## Q3 Education Campaign

- Promoting the benefits of chiropractic care for kids
- During Back-to-School season
- Secured 230+ million total media impressions

## Q4 Holiday Promotions

- Annual Black Friday package sale
- Year-End membership promotion
- Direct marketing campaigns offer patients with time limited opportunities

**THE JOINT chiropractic**

### GROWING HEALTHY, HAPPY KIDS

Whether your child is just learning to walk, a college athlete, or anything in between, routine trips to the chiropractor can help. Check out the tips below to make sure your child stays active, healthy, and happy.

#### INFANTS & TODDLERS

**#DYK?**  
To avoid pain and discomfort it's recommended to limit your child's time in a car seat or swing to:

**2 hours**  
in a 24 hour period

#### LITTLE KIDS

**Bigger isn't always better.**  
Your child's backpack should never weigh more than

**10-15%**  
of their total body weight.

#### TWEENS

**Keep mobile devices eye level**  
to avoid tech neck. Looking down can put extra strain and pressure on the neck of up to:

**50-60 lbs**

#### TEENS

Routine chiropractic adjustments can reduce issues caused by sports injuries and growth spurts.

**Girls**  
can grow until **age 18**

**Boys**  
can grow until **age 21**

Learn more at [thejoint.com/parents](http://thejoint.com/parents)

# Successfully Launched New IT Platform in July 2021

## Thank You

To our franchises and clinic users for their enormous effort to make this launch successful.





# Q3 2021 Financial Results

<i>\$ in M<sup>1</sup></i>	Q3 2021	Q3 2020	Differences	
Revenue	\$21.0	\$15.4	\$5.6	36%
• Corporate clinics	11.6	8.4	3.2	38%
• Franchise fees	9.4	7.0	2.4	33%
Cost of revenue	2.3	1.7	0.6	34%
Sales and marketing	2.9	1.8	1.0	56%
Depreciation and amortization	1.7	0.7	0.9	133%
G&A	12.8	9.4	3.4	36%
Operating Income	1.3	1.7	(0.4)	(21)%
Tax Benefit	0.6	(0.1)	0.7	9X
Net Income/(Loss)	1.9	1.6	0.0	21%
Adj. EBITDA <sup>2</sup>	3.3	2.6	0.7	25%



<sup>1</sup> Due to rounding, numbers may not add up precisely to the totals.

<sup>2</sup> Reconciliation of Adjusted EBITDA to GAAP earnings is included in the Appendix.

# YTD Sept. 30, 2021 Financial Results

<i>\$ in M<sup>1</sup></i>	YTD Sept. 30, 2021	YTD Sept. 30, 2020		Differences
Revenue	\$58.8	\$41.7	\$17.1	41%
• Corporate clinics	32.5	22.6	10.0	44%
• Franchise fees	26.2	19.1	7.1	37%
Cost of revenue	6.1	4.6	1.5	34%
Sales and marketing	8.5	5.7	2.8	50%
Depreciation and amortization	4.3	2.1	2.2	107%
G&A	34.5	26.6	7.9	30%
Operating Income	5.3	2.7	2.6	97%
Tax Benefit	1.6	(0.1)	1.8	14X
Net Income/(Loss)	6.9	2.5	4.4	174%
Adj. EBITDA <sup>2</sup>	10.5	5.4	5.1	95%

*Unrestricted cash \$19.5M at Sept. 30, 2021, compared to \$20.6M at Dec. 31, 2020*

<sup>1</sup> Due to rounding, numbers may not add up precisely to the totals.

<sup>2</sup> Reconciliation of Adjusted EBITDA to GAAP earnings is included in the Appendix.



# Raising 2021 Guidance

<i>\$ in M</i>	2020 Actual	2021 Low Guidance	2021 High Guidance	Midpoint 2021 vs 2020
Revenues	\$58.7	\$80.0	\$81.0	Up 37%
Adjusted EBITDA <sup>1</sup>	\$9.1	\$13.0	\$14.0	Up 48%
New Franchised Clinic Openings	70	105	115	Up 57%
New Company-owned/Managed Clinics <sup>2</sup>	4	25	35	7.5X greater

<sup>1</sup> Reconciliation of Adjusted EBITDA to GAAP earnings is included in the appendix.

<sup>2</sup> Through a combination of both greenfields and buybacks.

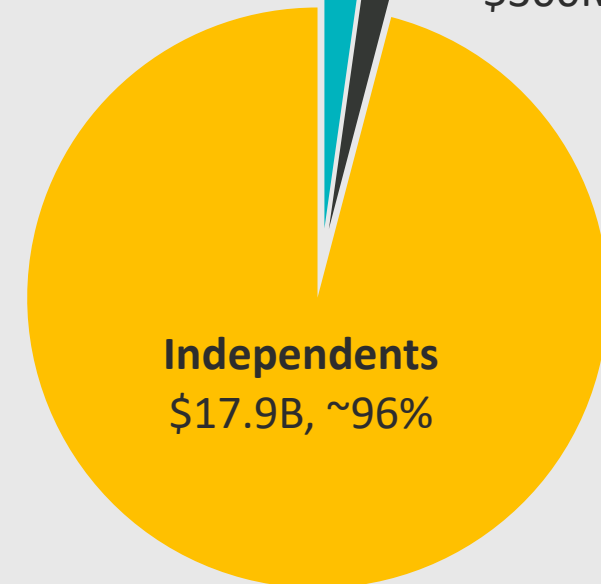


# Substantial Opportunity for Market Share Growth

- Annual spending on back pain: \$134B<sup>1</sup>
- Chiropractic care: \$17.9B<sup>2</sup>
- Total chains make up ~4% of chiropractic<sup>3</sup>
- By contrast, dentistry chains (DSOs) account for nearly 12%<sup>4</sup>

**The Joint Chiropractic**  
TTM \$340M, ~2%

**Other Chains<sup>3</sup>**  
\$300M, ~2%



# Resilient Business Model Drives Long-term Growth

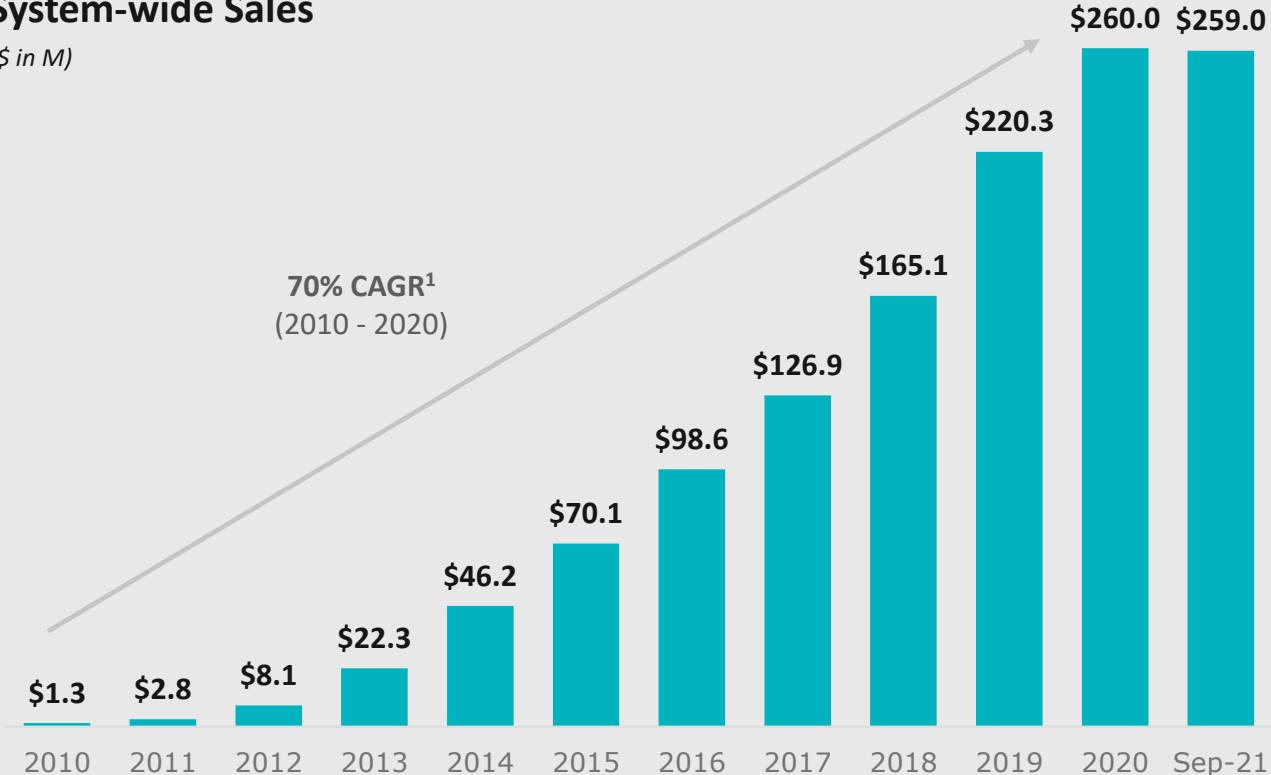
People will continue to seek more noninvasive, holistic ways to manage their pain.

We'll be there to treat them.

The Joint Corp. 10-yr. CAGR 70%<sup>1</sup> vs. Industry CAGR 5.4%<sup>2\*</sup>

System-wide Sales

(\$ in M)



<sup>1</sup> For the period ended Dec. 31, 2020 | <sup>2</sup> June 2021 Kentley Insights Chiropractic Care Market Research Report

# Non-GAAP Measure Definition

This presentation includes non-GAAP financial measures. System-wide sales include sales 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. Comp sales include the sales 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.

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 than GAAP measures alone. Reconciliations of net loss to EBITDA and Adjusted EBITDA are presented where applicable. 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, bargain purchase net gain, gain/(loss) on disposition or impairment, and stock-based compensation expenses.

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 frequently 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 2021 Segment Results

\$ in 000s

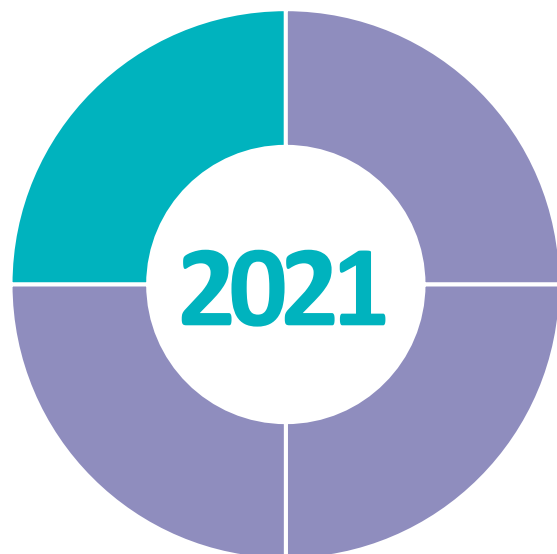


Total Revenues	
Total Operating Costs	
Operating Income (Loss)	
Other Income (Expense), net	
Loss Before Income Tax Expense	
Total Income Taxes	
Net Income (Loss)	
Net Interest	
Income Taxes	
Total Depreciation and Amortization Expense	
EBITDA	
Stock Based Compensation Exp	
Bargain Purchase Gain	
Loss on Disposition/Impairment	
Acquisition Expenses	
Adjusted EBITDA	

Corporate Clinics	Franchise Operations	Unallocated Corporate	The Joint Consolidated
\$ 11,634	\$ 9,351	\$ 7	\$ 20,992
(10,393)	(5,195)	(4,066)	(19,653)
1,241	4,157	(4,059)	1,339
(2)	-	(14)	(16)
1,239	4,157	(4,073)	1,323
-	-	(614)	(614)
1,239	4,157	(3,459)	1,937
2	-	14	16
-	-	(614)	(614)
1,538	165	(41)	1,662
2,779	4,322	(4,101)	3,001
-	-	297	297
-	-	-	-
0	-	(4)	(4)
-	-	3	3
2,780	4,322	(3,805)	3,297

# YTD Sept. 30, 2021 Segment Results

\$ in 000s



	Corporate Clinics	Franchise Operations	Unallocated Corporate	The Joint Consolidated
Total Revenues	\$ 32,534	\$ 26,214	\$ 10	\$ 58,758
Total Operating Costs	(28,119)	(14,327)	(10,968)	(53,413)
Operating Income (Loss)	4,416	11,887	(10,958)	5,345
Other Income (Expense), net	(7)	-	(47)	(54)
Income (Loss) Before Income Tax Expense	4,409	11,887	(11,004)	5,291
Total Income Taxes	-	-	(1,644)	(1,644)
Net Income (Loss)	4,409	11,887	(9,360)	6,936
Net Interest	7	-	47	54
Income Taxes	-	-	(1,644)	(1,644)
Total Depreciation and Amortization Expense	3,880	166	229	4,275
EBITDA	8,296	12,053	(10,728)	9,620
Stock Based Compensation Exp	-	-	827	827
Bargain Purchase Gain	-	-	-	-
(Gain) Loss on Disposition/Impairment	21	-	(4)	17
Acquisition Expenses	-	-	48	48
Adjusted EBITDA	8,316	12,053	(9,857)	10,513

# GAAP – Non-GAAP Reconciliation

\$ in 000s

	Quarter Ending 03/31/2020	Quarter Ending 06/30/2020	Quarter Ending 09/30/2020	Quarter Ending 12/31/2020		Quarter Ending 03/31/2021	Quarter Ending 06/30/2021	Quarter Ending 09/30/2021	
	Q1-20	Q2-20	Q3-20	Q4-20	FY20	Q1-21	Q2-21	Q3-21	FY21
Total Revenue	13,644	12,590	15,411	17,038	58,683	17,548	20,219	20,992	58,758
Total Cost of Revenue	1,486	1,368	1,712	1,941	6,507	1,765	2,039	2,300	6,104
<b>Gross Profit</b>	<b>\$ 12,158</b>	<b>\$ 11,222</b>	<b>\$ 13,698</b>	<b>\$ 15,097</b>	<b>\$ 52,176</b>	<b>\$ 15,783</b>	<b>\$ 18,180</b>	<b>\$ 18,691</b>	<b>\$ 52,654</b>
Sales & Marketing	2,055	1,784	1,846	2,120	7,804	2,489	3,133	2,882	8,504
Depreciation/Amortization Expense	654	693	714	673	2,734	1,170	1,443	1,662	4,275
Other Operating Expenses	8,695	8,487	9,433	9,527	36,142	10,186	11,611	12,812	34,609
Total Other Income (Expense)	(4)	(25)	(26)	(26)	(82)	13	25	(13)	25
Total Income Taxes	(66)	118	76	(7,882)	(7,755)	(364)	(666)	(614)	(1,644)
<b>Net Income (Loss)</b>	<b>\$ 815</b>	<b>\$ 116</b>	<b>\$ 1,604</b>	<b>\$ 10,633</b>	<b>\$ 13,167</b>	<b>\$ 2,315</b>	<b>\$ 2,684</b>	<b>\$ 1,937</b>	<b>\$ 6,936</b>
Net Interest	4	25	26	24	79	22	16	16	54
Income Taxes	(66)	118	76	(7,882)	(7,755)	(364)	(666)	(614)	(1,644)
Depreciation and Amortization Expense	654	693	714	673	2,734	1,170	1,443	1,662	4,275
<b>EBITDA</b>	<b>\$ 1,408</b>	<b>\$ 952</b>	<b>\$ 2,420</b>	<b>\$ 3,447</b>	<b>\$ 8,227</b>	<b>\$ 3,142</b>	<b>\$ 3,477</b>	<b>\$ 3,001</b>	<b>\$ 9,620</b>
Stock Based Compensation	250	216	212	207	886	246	284	297	827
Bargain Purchase Gain	-	-	-	-	-	-	-	-	-
(Gain) Loss on Disposition/Impairment	1	(55)	-	2	(51)	65	(44)	(4)	17
Acquisition Expenses	-	-	-	42	42	6	39	3	48
<b>Adjusted EBITDA</b>	<b>\$ 1,659</b>	<b>\$ 1,113</b>	<b>\$ 2,632</b>	<b>\$ 3,698</b>	<b>\$ 9,103</b>	<b>\$ 3,459</b>	<b>\$ 3,756</b>	<b>\$ 3,297</b>	<b>\$ 10,513</b>

# The Joint Corp. Contact Information



Peter D. Holt, President and CEO

[peter.holt@thejoint.com](mailto:peter.holt@thejoint.com)

The Joint Corp. | 16767 N. Perimeter Dr., Suite 110, Scottsdale, AZ 85260 | (480) 245-5960



Jake Singleton, CFO

[jake.singleton@thejoint.com](mailto:jake.singleton@thejoint.com)

The Joint Corp. | 16767 N. Perimeter Dr., Suite 110, Scottsdale, AZ 85260 | (480) 245-5960



Kirsten Chapman, LHA Investor Relations

[thejoint@lhai.com](mailto:thejoint@lhai.com)

LHA Investor Relations | One Market Street, Spear Tower, Suite 3600, San Francisco, CA 94105 | (415) 433-3777



[@thejointchiro](https://www.facebook.com/thejointchiro)



[@thejointchiro](https://twitter.com/thejointchiro)



[@thejointcorp](https://www.youtube.com/thejointcorp)