



Q2 2020 Financial Results

As of June 30, 2020 | Reported on August 6, 2020

Safe Harbor Statement

Certain statements contained in this presentation are "forward-looking statements." We have tried to identify these forward-looking statements by using words such as "may," "might," "will," "expect," "anticipate," "believe," "could," "intend," "plan," "estimate," "should," "if," "project," and similar expressions. All statements other than statements of historical facts contained in this presentation, including statements regarding our growth strategies, our vision, future operations, future financial position, future revenue, projected costs, prospects, plans, objectives of management and expected market growth and potential are forward-looking statements. We have based these forward-looking statements on our current expectations and projections about future events. However, these forward-looking statements are subject to risks, uncertainties, assumptions and other factors that may cause our actual results, performance or achievements to be materially different from our expectations and projections. Some of these risks, uncertainties and other factors are set forth in this presentation and in other documents that we file with the United States Securities and Exchange Commission (the "SEC"), including those described in "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2019 filed with the SEC March 6, 2020, as revised or updated for any material changes described in any subsequently-filed Quarterly Reports on Form 10-Q, including the one we anticipate filing with the SEC on August 7, 2020. These risk factors 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. Given these risks and uncertainties, readers are cautioned not to place undue reliance on our forward-looking statements. Projections and other forward-looking statements included in this presentation have been prepared based on assumptions, which we believe to be reasonable, but not in accordance with U.S. Generally Accepted Accounting Principals ("GAAP") or any guidelines of the SEC. Actual results may vary, perhaps materially. You are strongly cautioned not to place undue reliance on such projections and other forward-looking statements. All subsequent written and oral forward-looking statements attributable us or to persons acting on our behalf are expressly qualified in their entirety by these cautionary statements. Except as required by federal securities laws, we disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Any such forward-looking statements, whether made in this presentation or elsewhere, should be considered in the context of the various disclosures made by us.

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.



Our Mission is to Improve Quality of Life through Routine and Affordable Chiropractic Care

Live a Better You

**BUILD
BRAND**



**INCREASE
AWARENESS**



**ATTRACT
NEW PATIENTS**



**OPEN
NEW CLINICS**



Resilient Business Model

2%

Increase in
system-wide sales
Q2 2020 over Q2 2019

(6)%

Decrease in
comp sales¹ for all clinics
>13 months in operation
Q2 2020 over Q2 2019

(10)%

Decrease in
comp sales¹ for all clinics
>48 months in operation
Q2 2020 over Q2 2019

**Q2 2020 vs
Q2 2019**

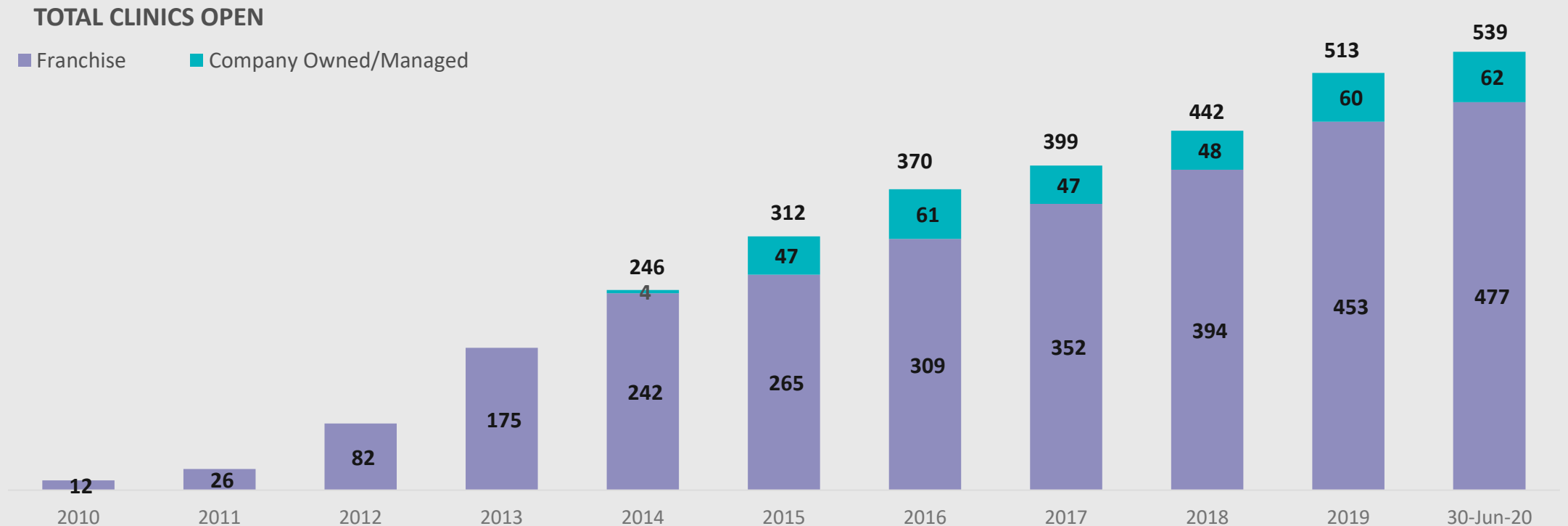
Revenue	\$12.6M <i>up 13%</i>
Net Income	\$116k <i>vs \$462k</i>
Adjusted EBITDA ²	\$1.1M, <i>vs \$1.1M</i>

*Unrestricted cash \$14.6M at June 30, 2020,
compared to \$8.5M at Dec. 31, 2019*

Continued Clinic Growth

Targeting 1,000 Clinics Opened by the end of 2023

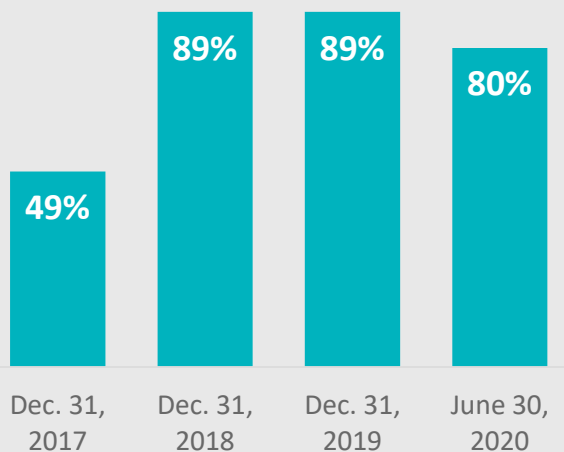
Opened greenfields in February, June and July, bringing the corporate portfolio count to 63 as of August 6, 2020



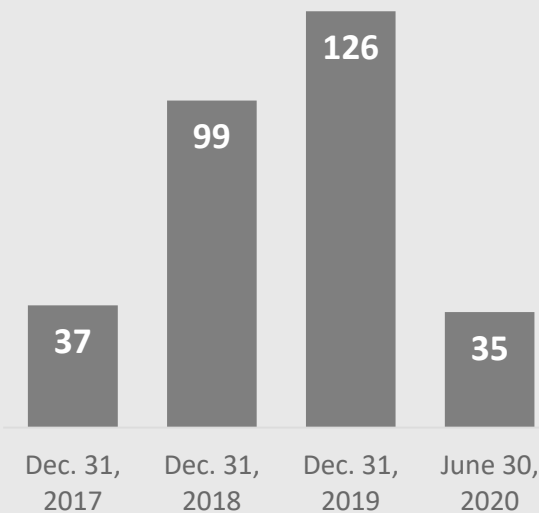
22 RDs Continue Driving Onward

Pipeline of 200+ Undeveloped Licenses & LOIs at June 30, 2020

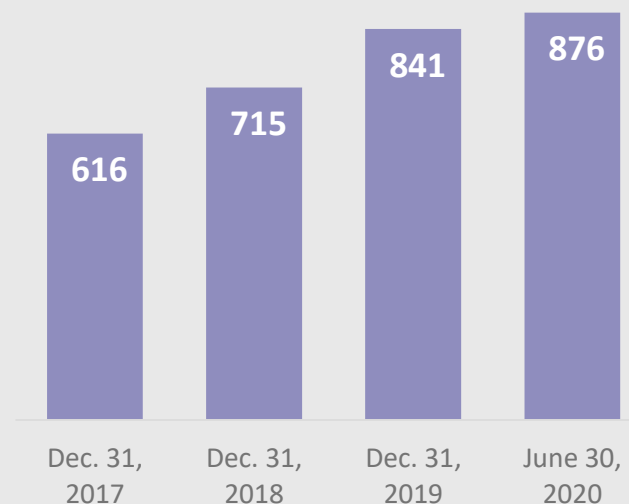
**% of Sales
by Regional Developers**



**Franchise Licenses
Sold Annually**



**Gross Cumulative
Franchise Licenses Sold¹**



- 79% of clinics supported by 22 RDs
- RDs cover 57% of Metropolitan Statistical Areas (MSAs) in the US



¹ Of the 876 franchise licenses sold as of June 30, 2020, 209 are in active development, 539 are currently operating and the balance represents terminated/closed licenses.

Chiropractic Care Is an Essential Healthcare Service



Increased frequency of messaging through video and blogs, emails and texts, clinic signage and PR

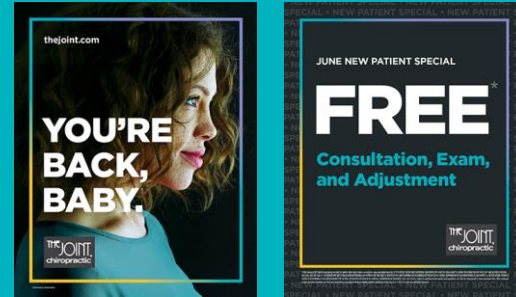
- Critical point of differentiation versus other retailer service concepts
- Service call for our doctors and staff: Now more than ever, we must be open to treat our patients
- Reassuring patients: Our clinics are open and taking the necessary safety precautions

Two Major Promotions: Record-Breaking Impact



Direct Marketing

Encouraged over 22% of frozen members to move to active status.



National Campaign

Welcomed new patients at no charge for their initial visit. Gave away over \$1.7M in care and converted those patients at record levels.

By end of the promotion, average members per clinic **surpassed our all-time record.**

Updated Patient Demographics

Median Age	37 Years
Generation Mix	
Gen Z	11%
Millennial	44%
Gen X	30%
Baby Boomer	15%
Gender	
Female	49%



¹ Patients who visited The Joint Chiropractic in 2019

Q2 2020 Financial Results

<i>\$ in M¹</i>	Q2 2020	Q2 2019	Differences	
Revenue	\$12.6	\$11.2	\$1.4	13%
• Corporate clinics	6.9	5.8	1.1	19%
• Franchise fees	5.7	5.4	0.3	6%
Cost of revenue	1.4	1.3	0.1	5%
Sales and marketing	1.8	1.8	0.0	1%
Depreciation and amortization	0.7	0.4	0.3	71%
G&A	8.5	7.2	1.3	18%
Net Income / (Loss)	0.1	0.5	(0.4)	(75)%
Adj. EBITDA ²	1.1	1.1	0.0	5%

\$14.6M unrestricted cash at June 30, 2020, compared to \$8.5M at December 31, 2019.



¹ Due to rounding, numbers may not add up precisely to the totals.

² Reconciliation of Adjusted EBITDA to GAAP earnings is included in the Appendix.

Year-to-Date June 30, 2020 Financial Results

<i>\$ in M¹</i>	H1 2020	H1 2019	Differences	
Revenue	\$26.2	\$21.8	\$4.4	20%
• Corporate clinics	14.1	11.4	2.7	24%
• Franchise fees	12.1	10.4	1.7	16%
Cost of revenue	2.8	2.5	0.3	14%
Sales and marketing	3.8	3.3	0.5	17%
Depreciation and amortization	1.3	0.8	0.5	75%
G&A	17.2	13.9	3.3	24%
Net Income / (Loss)	0.9	1.4	(0.5)	(34)%
Adj. EBITDA ²	2.8	2.6	0.2	5%



¹ Due to rounding, numbers may not add up precisely to the totals.

² Reconciliation of Adjusted EBITDA to GAAP earnings is included in the Appendix.

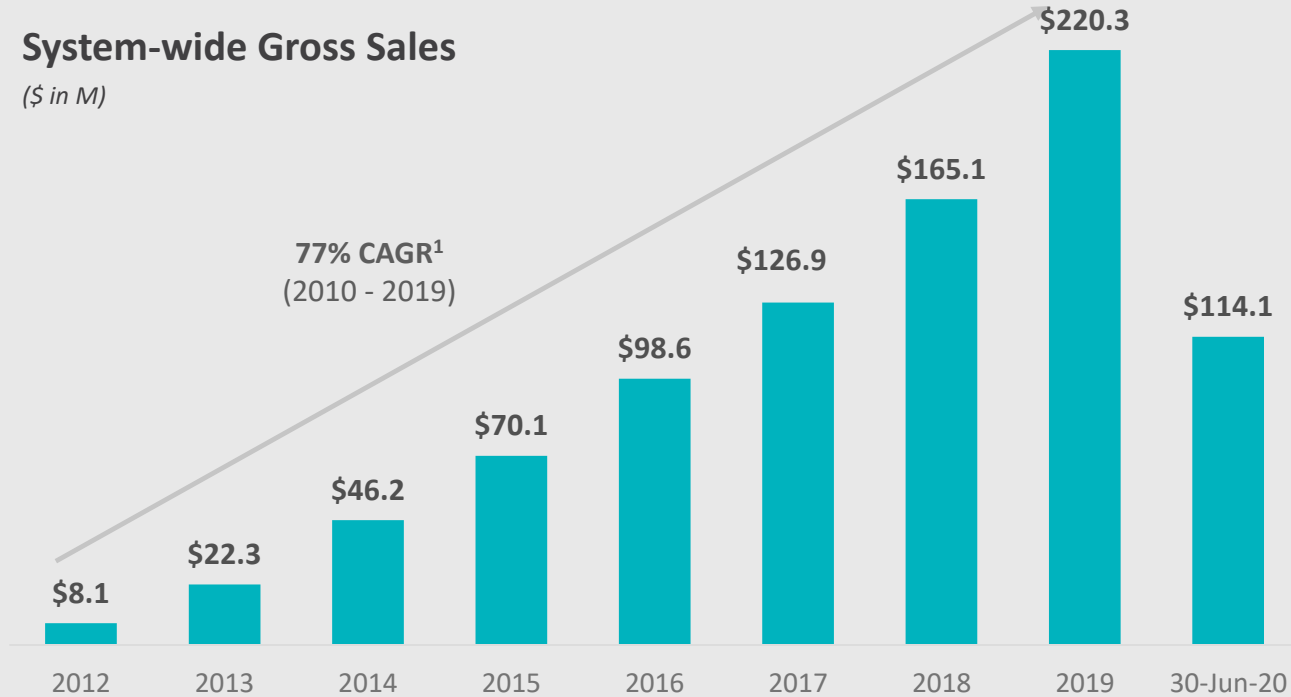
Resilient Business Model Drives Long-term Growth

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

We will be ready to treat them.

The Joint Corp. 9-yr. CAGR 77%¹ vs. Industry CAGR 1.2%^{2*}

System-wide Gross Sales
(\$ in M)



¹ For the period ended Dec. 31, 2019 | ² IBIS World Chiropractors Market Research Report; February 2019 * and 5-year CAGR

Non-GAAP Measure Definition

This presentation includes a presentation of EBITDA and Adjusted EBITDA, which are 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 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.

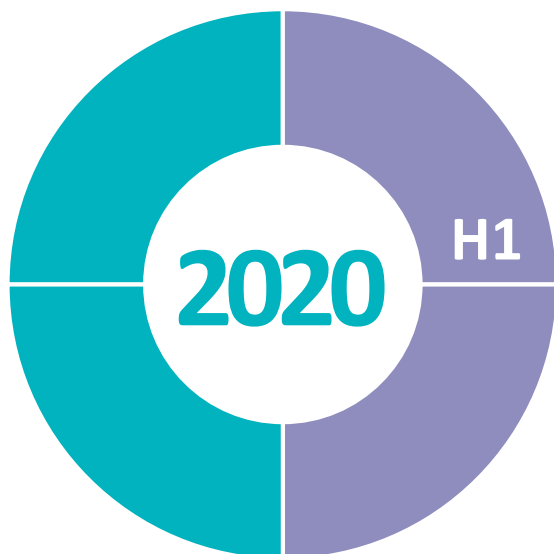
Q2 2020 Segment Results



Total Revenues	
Total Operating Costs	
Operating Income (Loss)	
Other Income (Expense), net	
Income (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	
(Gain) Loss on Disposition/Impairment	
Acquisition Expenses	
Adjusted EBITDA	

Corporate Clinics	Franchise Operations	Unallocated Corporate	The Joint Consolidated
\$ 6,857	\$ 5,733	\$ 0	\$ 12,590
(6,292)	(3,203)	(2,837)	(12,331)
565	2,530	(2,836)	259
(3)	2	(24)	(25)
562	2,531	(2,860)	233
-	-	118	118
562	2,531	(2,978)	116
3	(2)	24	25
-	-	118	118
614	0	79	693
1,180	2,530	(2,757)	952
-	-	216	216
-	-	-	-
(55)	-	-	(55)
-	-	-	-
1,125	2,530	(2,541)	1,113

YTD June 30, 2020 Segment Results



Total Revenues	\$ 14,151	\$ 12,083	\$ 1	\$ 26,234
Total Operating Costs	(12,802)	(6,709)	(5,712)	(25,222)
Operating Income (Loss)	1,349	5,374	(5,711)	1,012
Other Income (Expense), net	(4)	5	(30)	(30)
Income (Loss) Before Income Tax Expense	1,345	5,379	(5,741)	982
Total Income Taxes	-	-	52	52
Net Income (Loss)	1,345	5,379	(5,793)	931
Net Interest	4	(5)	30	30
Income Taxes	-	-	52	52
Total Depreciation and Amortization Expense	1,192	1	155	1,348
EBITDA	2,541	5,374	(5,556)	2,360
Stock Based Compensation Exp	1	5	461	466
Bargain Purchase Gain	-	-	-	-
(Gain) Loss on Disposition/Impairment	(53)	-	-	(53)
Acquisition Expenses	-	-	-	-
Adjusted EBITDA	2,488	5,379	(5,095)	2,773

Corporate Clinics	Franchise Operations	Unallocated Corporate	The Joint Consolidated
\$ 14,151	\$ 12,083	\$ 1	\$ 26,234
(12,802)	(6,709)	(5,712)	(25,222)
1,349	5,374	(5,711)	1,012
(4)	5	(30)	(30)
1,345	5,379	(5,741)	982
-	-	52	52
1,345	5,379	(5,793)	931
4	(5)	30	30
-	-	52	52
1,192	1	155	1,348
2,541	5,374	(5,556)	2,360
1	5	461	466
-	-	-	-
(53)	-	-	(53)
-	-	-	-
2,488	5,379	(5,095)	2,773

GAAP – Non-GAAP Reconciliation

	Q1-19	Q2-19	Q3-19	Q4-19	FY19	Q1-20	Q2-20	FY20
Total Revenue	10,679	11,170	12,726	13,875	48,451	13,644	12,590	26,234
Total Cost of Revenue	1,206	1,299	1,427	1,634	5,566	1,486	1,368	2,854
Gross Profit	\$ 9,473	\$ 9,871	\$ 11,300	\$ 12,241	\$ 42,885	\$ 12,158	\$ 11,222	\$ 23,380
Sales & Marketing	1,506	1,769	1,793	1,845	6,914	2,055	1,784	3,839
Depreciation/Amortization Expense	366	404	538	591	1,899	654	693	1,348
Other Operating Expenses	6,658	7,209	8,324	8,465	30,656	8,695	8,487	17,182
Total Other Income (Expense)	8	(15)	(20)	(16)	(43)	(4)	(25)	(30)
Total Income Taxes	(1)	10	7	33	49	(66)	118	52
Net Income (Loss)	\$ 953	\$ 462	\$ 617	\$ 1,292	\$ 3,324	\$ 815	\$ 116	\$ 931
Net Interest	12	15	17	18	62	4	25	30
Income Taxes	(1)	10	7	33	49	(66)	118	52
Depreciation and Amortization Expense	366	404	538	591	1,899	654	693	1,348
EBITDA	\$ 1,329	\$ 892	\$ 1,179	\$ 1,934	\$ 5,333	\$ 1,408	\$ 952	\$ 2,360
Stock Based Compensation	172	179	186	184	721	250	216	466
Bargain Purchase Gain	(19)	-	-	-	(19)	-	-	-
(Gain) Loss on Disposition/Impairment	105	(18)	30	(2)	114	1	(55)	(53)
Acquisition Expenses	(0)	3	33	11	47	-	-	-
Adjusted EBITDA	\$ 1,586	\$ 1,056	\$ 1,428	\$ 2,126	\$ 6,196	\$ 1,659	\$ 1,113	\$ 2,773

The Joint Corp. Contact Information



Peter D. Holt, President and CEO

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

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



Kirsten Chapman, LHA Investor Relations

thejoint@lhai.com

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



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