



# Q1 2022 Financial Results

As of March 31, 2022 | Reported on May 5, 2022

## 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. 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), inflation, exacerbated by COVID-19 and the current war in Ukraine, 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, our failure to remediate the current or 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, 2021 filed with the SEC on March 14, 2022 and subsequently-filed current and quarterly reports. 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.



# Three Enterprise Initiatives to Advance Growth

## Forging the Chiropractic Dream



## Harnessing the Power of Our Data



## Accelerating the Pace of Clinic Growth



# Building upon Foundation for Growth

**27%**

Increase in  
system-wide sales  
Q1 2022 over Q1 2021

**15%**

Increase in  
comp sales<sup>1</sup> for all clinics  
>13 months in operation  
Q1 2022 over Q1 2021

**11%**

Increase in  
comp sales<sup>1</sup> for all clinics  
>48 months in operation  
Q1 2022 over Q1 2021

	Q1 2022	Q1 2021
Revenue	\$22.4M	\$17.5M
Net (Loss)/Income	\$(206)K	\$2.3M
Adjusted EBITDA <sup>2</sup>	\$1.8M	\$3.5M

Unrestricted cash \$18.3M at March 31, 2022,  
compared to \$19.5M at December 31, 2021



<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.

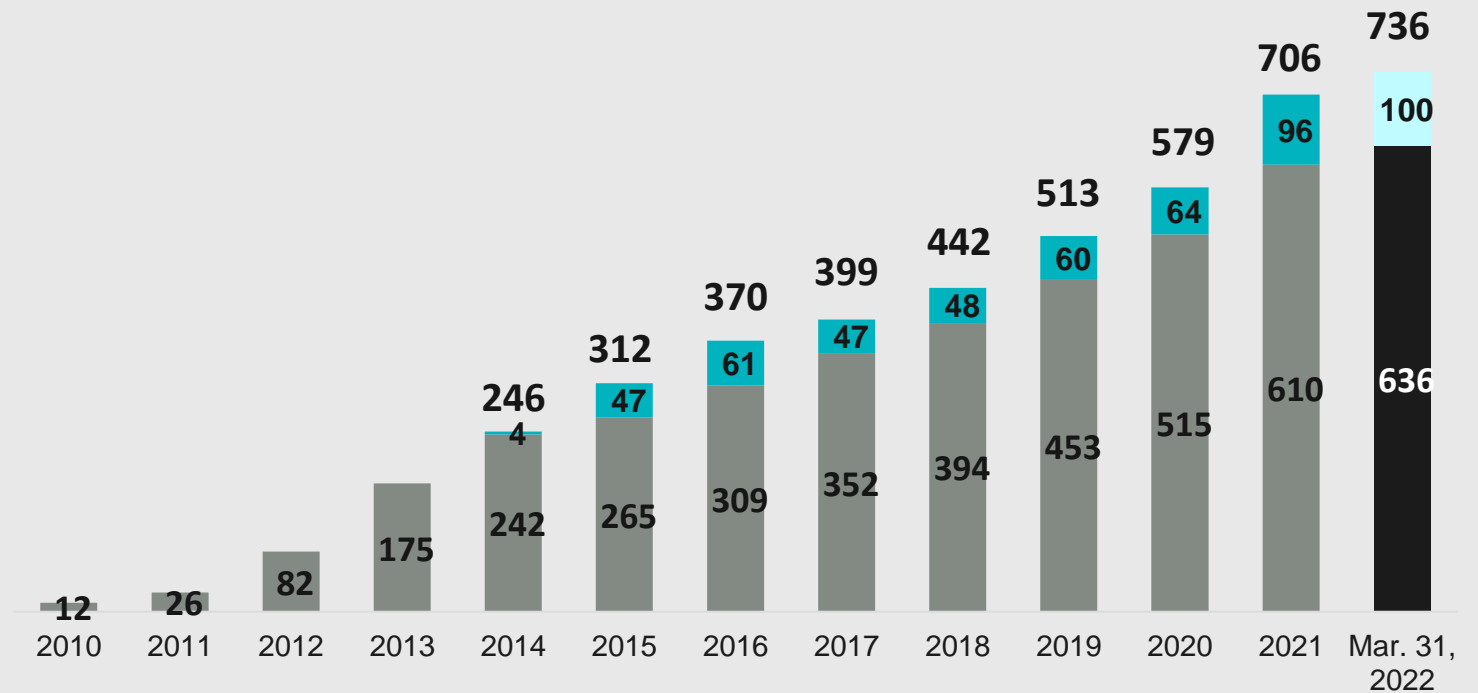
<sup>2</sup> Reconciliation of Adjusted EBITDA to GAAP earnings is included in the Appendix.

# 27 Franchises Opened in Q1 2022, Highest for Any First Quarter

	Q1 2021	Q1 2022
Franchise Licenses Sold	26	22
Total New Franchised Clinics Opened	12	27
Greenfield Clinics Opened	1	4
Franchised Clinics Acquired	0	0
Clinics in Development	260	278

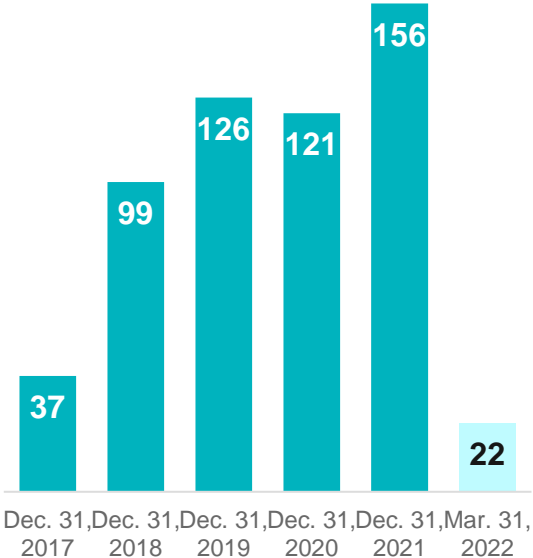
## TOTAL CLINICS OPEN

■ Franchise ■ Company Owned/Managed



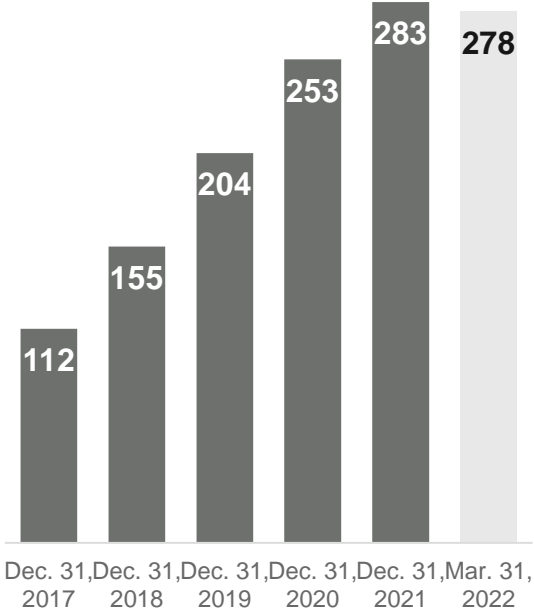
# Franchise Licenses Sold Are Significant Pipeline

Franchise Licenses Sold Annually



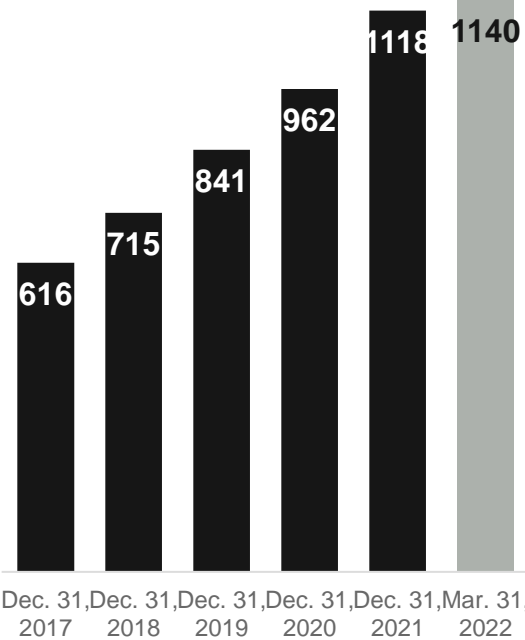
77% sold by RDs in Q1 2022

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



66% of clinics supported by 19 RDs as of April 1, 2022

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



RDs cover 55% of Metropolitan Statistical Areas (MSAs) as of April 1, 2022



<sup>1</sup> Of the 1,140 franchise licenses sold as of March 31, 2022, 278 are in active development, 737 are currently operating and the balance represents terminated/closed licenses.

# Investing in Brand Awareness

63+% of new patients influenced by online marketing in Q1 2022

Directing increased buying power to more sophisticated marketing programs

New video marketing and social media



# Enhancing Patient Experience and Efficiency through Improved Technology Infrastructure

## Initiatives

- Improvements to the user experience
- Enhanced promotional capabilities
- Advanced analytics
- Marketing automation
- Native mobile app
- Elevated risk control measures





# Q1 2022 Financial Results

<i>\$ in M<sup>1</sup></i>	Q1 2022	Q1 2021	Differences	
Revenue	\$22.4	\$17.6	\$4.9	28%
• Corporate clinics	12.6	9.5	3.1	33%
• Franchise fees	9.8	8.1	1.8	22%
Cost of revenue	2.3	1.8	0.5	31%
Sales and marketing	3.3	2.5	0.8	32%
Depreciation and amortization	1.6	1.2	0.4	39%
G&A	15.4	10.1	5.3	52%
Operating (Loss)/Income	(0.2)	2.0	(2.2)	(109)%
Tax Expense/(Benefit)	0.0	(0.4)	0.4	104%
Net (Loss)/Income	(0.2)	2.3	(2.5)	(109)%
Adj. EBITDA <sup>2</sup>	1.8	3.5	(1.7)	(48)%



<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.

# Updating 2022 Guidance

<i>\$ in M</i>	2021 Actual	2022 Low Guidance	2022 High Guidance
Revenues	\$80.9	\$98.0	\$102.0
Adjusted EBITDA <sup>1</sup>	\$12.6	\$12.0	\$14.0
New Franchised Clinic Openings	110	110	130
New Company-owned/Managed Clinics <sup>2</sup>	32	30	40



<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.

# Three Enterprise Initiatives to Advance Growth

## Forging the Chiropractic Dream



## Harnessing the Power of Our Data



## Accelerating the Pace of Clinic Growth



# Resilient Business Model Drives Long-term Growth

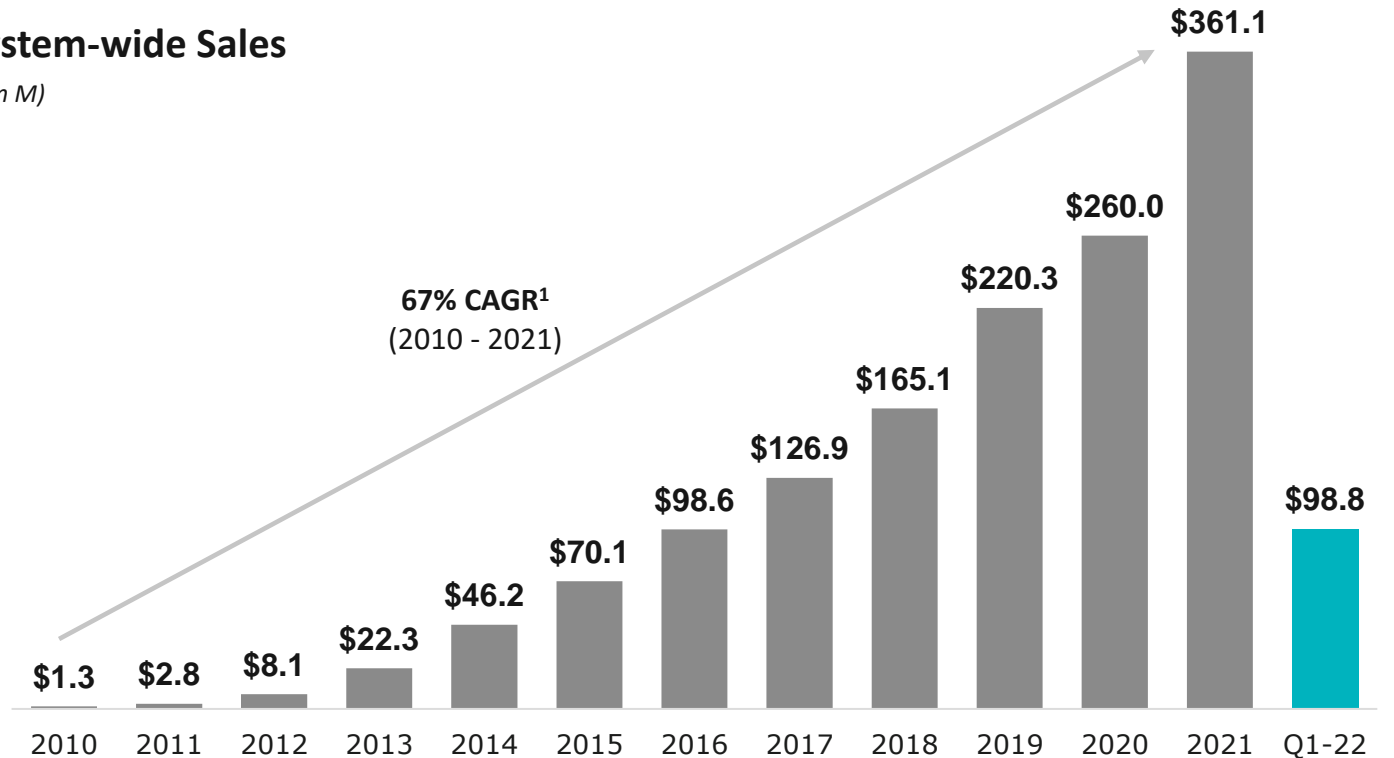
People will continue to seek more noninvasive, holistic ways to manage their pain.

**We'll be there to treat them.**

**The Joint Corp. 11-yr. CAGR 67%<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, 2021 | <sup>2</sup> June 2021 Kentley Insights Chiropractic Care Market Research Report

# Performance Metrics and Non-GAAP Measures

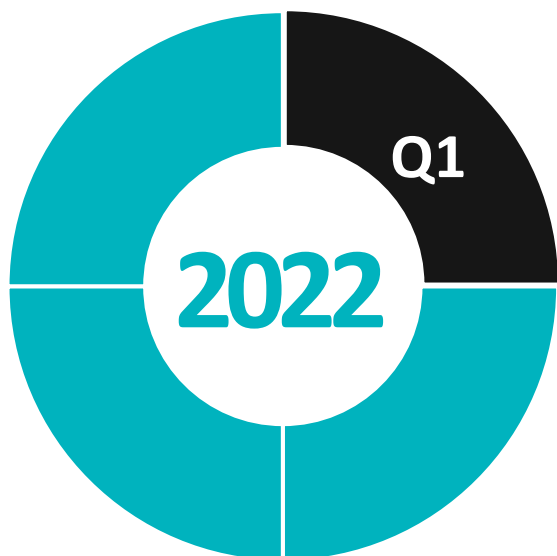
This presentation includes commonly discussed performance metrics. System-wide sales include sales at all clinics, whether operated by the company or by franchisees. While franchised sales are not recorded as revenues by the company, management believes the information is important in understanding the 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.

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 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.

# Q1 2022 Segment Results

\$ in 000s



Total Revenues	\$ 12,607
Total Operating Costs	(13,045)
Operating Income (Loss)	(438)
Other Income (Expense), net	(1)
Loss Before Income Tax Expense	(439)
Total Income Taxes	-
Net Income (Loss)	(439)
Net Interest	1
Income Taxes	-
Total Depreciation and Amortization Expense	1,376
EBITDA	938
Stock Based Compensation Exp	-
Bargain Purchase Gain	-
(Gain) Loss on Disposition/Impairment	7
Acquisition Expenses	-
Adjusted EBITDA	945

Corporate Clinics	Franchise Operations	Unallocated Corporate	The Joint Consolidated
\$ 12,607	\$ 9,831	\$ 0	\$ 22,439
(13,045)	(5,428)	(4,142)	(22,615)
(438)	4,403	(4,142)	(176)
(1)	-	(15)	(16)
(439)	4,403	(4,156)	(193)
-	-	13	13
(439)	4,403	(4,170)	(206)
1	-	15	16
-	-	13	13
1,376	173	79	1,629
938	4,577	(4,062)	1,453
-	-	324	324
-	-	-	-
7	-	-	7
-	-	(0)	(0)
945	4,577	(3,739)	1,783

# 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	Quarter Ending 12/31/2021		Quarter Ending 03/31/2022				
	Q1-20	Q2-20	Q3-20	Q4-20	FY20	Q1-21	Q2-21	Q3-21	Q4-21	FY21	Q1-22	Q2-22	Q3-22	Q4-22	FY22
Total Revenue	13,644	12,590	15,411	17,038	58,683	17,548	20,219	20,992	22,101	80,860	22,439	-	-	-	22,439
Total Cost of Revenue	1,486	1,368	1,712	1,941	6,507	1,765	2,039	2,300	2,410	8,514	2,313	-	-	-	2,313
<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>\$ 19,691</b>	<b>\$ 72,346</b>	<b>\$ 20,126</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 20,126</b>
Sales & Marketing	2,055	1,784	1,846	2,120	7,804	2,489	3,133	2,882	2,921	11,424	3,287	-	-	-	3,287
Depreciation/Amortization Expense	654	693	714	673	2,734	1,170	1,443	1,662	1,814	6,089	1,629	-	-	-	1,629
Other Operating Expenses	8,695	8,487	9,433	9,527	36,142	10,186	11,611	12,812	14,936	49,546	15,379	-	-	-	15,379
Total Other Income (Expense)	(4)	(25)	(26)	(26)	(82)	13	25	(13)	(29)	(4)	(23)	-	-	-	(23)
Total Income Taxes	(66)	118	76	(7,882)	(7,755)	(364)	(666)	(614)	351	(1,293)	13	-	-	-	13
<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>\$ (360)</b>	<b>\$ 6,576</b>	<b>\$ (206)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (206)</b>
Net Interest	4	25	26	24	79	22	16	16	16	70	16	-	-	-	16
Income Taxes	(66)	118	76	(7,882)	(7,755)	(364)	(666)	(614)	351	(1,293)	13	-	-	-	13
Depreciation and Amortization Expense	654	693	714	673	2,734	1,170	1,443	1,662	1,814	6,089	1,629	-	-	-	1,629
<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>\$ 1,821</b>	<b>\$ 11,441</b>	<b>\$ 1,453</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,453</b>
Stock Based Compensation	250	216	212	207	886	246	284	297	229	1,056	324	-	-	-	324
Bargain Purchase Gain	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(Gain) Loss on Disposition/Impairment	1	(55)	-	2	(51)	65	(44)	(4)	10	27	-	-	-	-	-
Acquisition Expenses	-	-	-	42	42	6	39	3	20	69	(0)	-	-	-	(0)
<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>\$ 2,080</b>	<b>\$ 12,593</b>	<b>\$ 1,783</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,783</b>

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