

Q1 2024 Financial Results

As of March 31, 2024 | Reported on May 2, 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 mission to improve quality of life through routine and affordable chiropractic care; our refranchising strategy; our implementation of new marketing programs and related strategic goals; and 2024 guidance for 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 belief that people will continue to seek more noninvasive, holistic ways to manage their pain and that we'll be there to treat them; our leading chiropractic care franchise concept. 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.



A man in a light blue shirt and dark pants is helping a young child wearing a green helmet ride a yellow and blue bicycle. They are in a field of tall, golden grass at sunset, with hills in the background. The man is leaning over the child, holding the handlebars. The child is looking down at the pedals.

Our mission is to **improve**
quality of life through **routine**
and **affordable** chiropractic care.

Overcoming Consumer Uncertainty

	Q1 2024	Q1 2023
9% Increase in system-wide sales ¹ Q1 2024 over Q1 2023	Revenue \$29.7M	\$28.3M
3% Increase in system-wide comp sales ² for all clinics >13 months in operation Q1 2024 over Q1 2023	Op. Income/(Loss) \$1.1M	\$(653)k
(3)% Decrease in system-wide comp sales ² for all clinics >48 months in operation Q1 2024 over Q1 2023	Other Income ³ \$35k	\$3.8M
	Net Income \$947k	\$2.3M
	Adjusted EBITDA ⁴ \$3.5M	\$2.0M
	Unrestricted cash \$18.7M at Mar. 31, 2024, compared to \$18.2M at Dec. 31, 2023	



1 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. | 2 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. | 3 Net income included the receipt of the employee retention credits of \$3.9 million in Q1 2023. | 4 Reconciliation of Adjusted EBITDA to GAAP earnings is included in the Appendix.

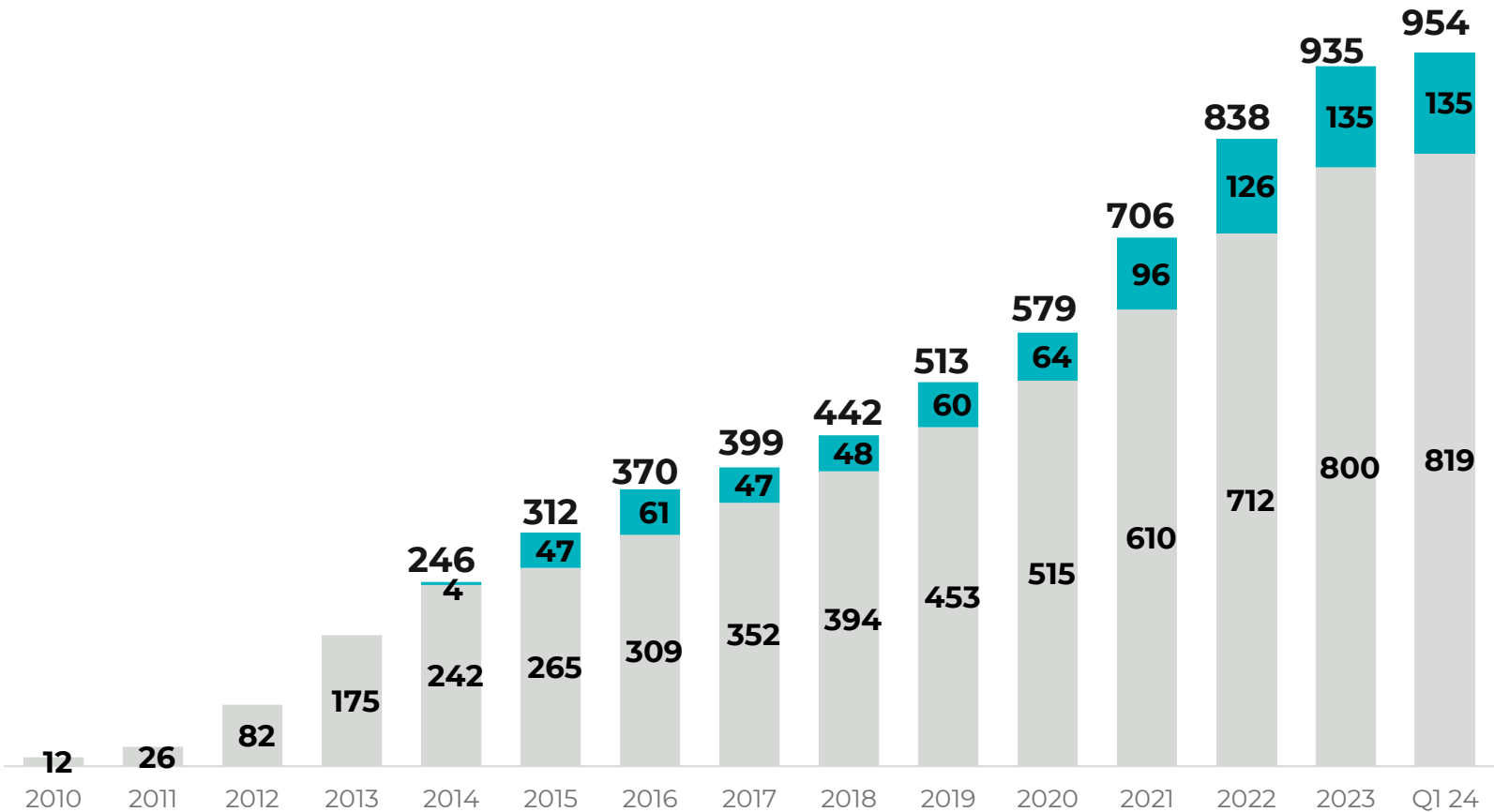
	Q1 24	Q1 23
Franchise Licenses Sold	15	17
Franchised Clinics Opened	23	29
Franchised Clinics Closed	4	1
Corporate Clinics Opened	0	4
Clinics in Development	163	217



23 Franchised Clinics Opened in Q1 2024

TOTAL CLINICS OPEN

Series1 Series2



Refranchising Strategy

Vast majority of corporate clinics:

- Quality assets of value
- Methodical clustering

Vetting potential franchisees:

- Engaging investment bank
- Negotiating potential block transactions

Value maximization:

- Generates capital
- Increases franchise revenue
- Reduces corporate costs



Q1 2024 Franchise License Sales Tripled Sequentially



¹ Of the 1,263 franchise licenses sold as of Mar. 31, 2024, 163 are in active development, 819 are currently operating and the balance represents terminated/closed licenses.

Implementing New Marketing Programs

Annual Patient Survey

- **64% Net Promotor Score**
- **92% rank The Joint experience the same or higher than prior**

Focused on Driving Awareness

- **Social media influencers, national and regional**
- **Stronger local store marketing tools**

Testing Digital Initiatives

- **Initial booking visit**

Chari Hawkins



Background: Track and Field Athlete based in California. She is a two-time olympian which is a great tie in as the Paris Olympics is approaching.

IG Following: 789K

Engagement Rate: 3.82%

Strategic Goals

- Reach 1M+ and drive engagement in the social space
- Build credibility through brand association with national athletes
- Showcase the role of chiropractic care in athlete routines and performance
- Drive brand consideration through compelling in-clinic and lifestyle content with a prominent figure

Q1 2024 Financial Results as of Mar. 31, 2024

\$ in M ¹	Q1 2024	Q1 2023	Differences	
Revenue	\$29.7	\$28.3	\$1.4	5%
• Corporate clinics	17.5	17.1	0.4	2%
• Franchise fees	12.2	11.2	1.0	9%
Cost of revenue	2.7	2.5	0.2	10%
Sales and marketing	3.9	4.2	(0.2)	(7)%
Depreciation and amortization	1.4	2.2	(0.8)	(37)%
G&A	20.3	20.0	0.3	2%
Loss on disposition or impairment ²	0.3	0.1	0.2	NA
Operating income / (loss)	1.1	(0.7)	1.8	NA
Other income ³	0.0	3.8	(3.8)	NA
Net income	0.9	2.3	(1.4)	(59)%
Adjusted EBITDA ⁴	3.5	2.0	1.5	72%



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

² Loss on disposition or impairment, including those corporate clinics that were announced to be held for sale.

³ Net income included the receipt of the employee retention credits of \$3.9 million in Q1 2023.

⁴ Reconciliation of Adjusted EBITDA to GAAP earnings is included in the Appendix.

Reiterating 2024 Guidance

\$ in M	2023 Actual	2024 Low Guidance	2024 High Guidance
System-wide sales ¹	\$488.0	\$530	\$545
System-wide comp sales for all clinics open 13 months or more ²	4%	Mid-single digits	
New franchised clinic openings excluding the impact of refranchised clinics	104	60	75



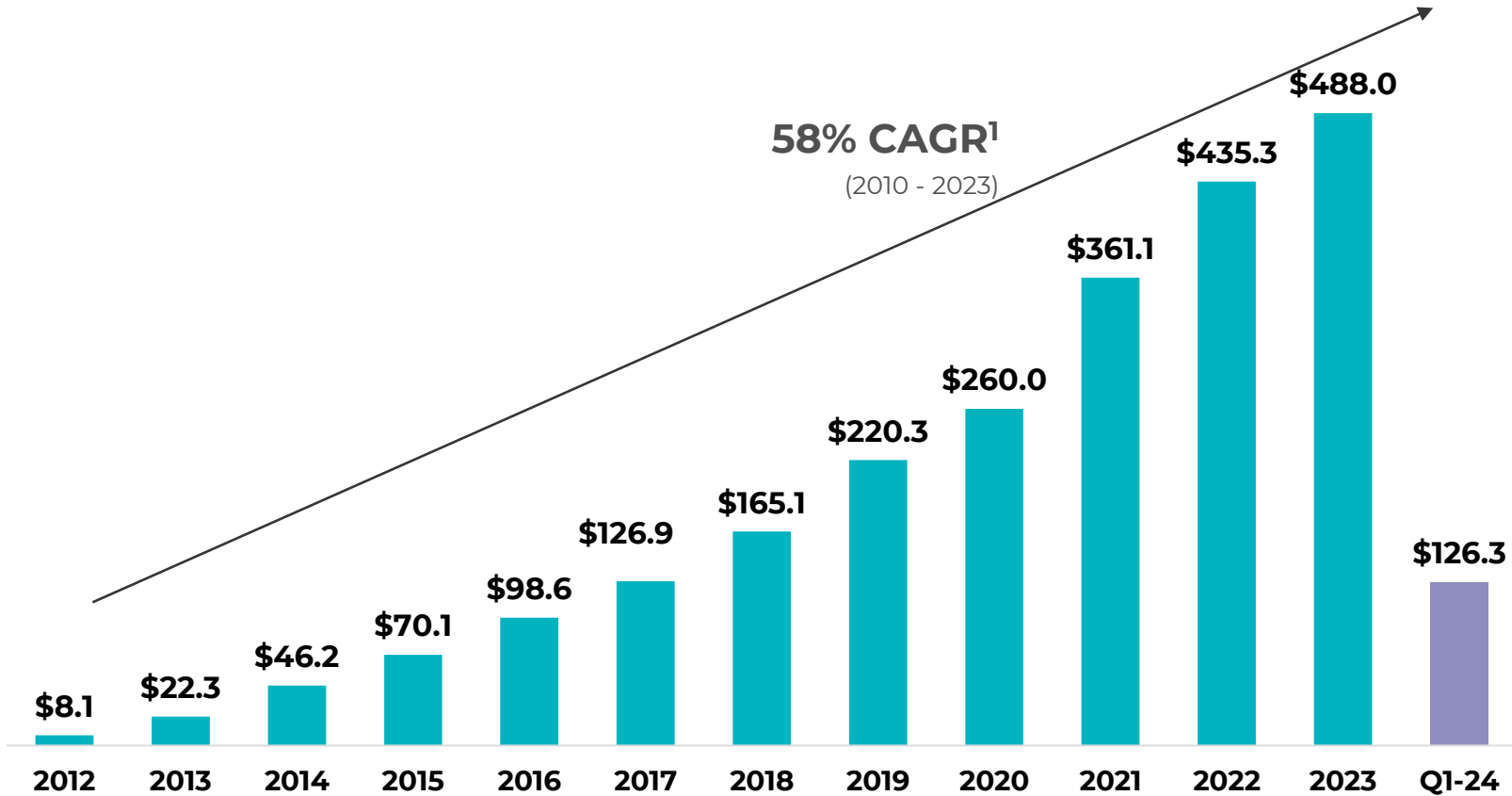
¹ System-wide sales include revenues at all clinics, whether operated or managed by the company or by franchisees. While franchised sales are not recorded as revenues by the company, management believes the information is important in understanding the company's financial performance, because these revenues are the basis on which the company calculates and records royalty fees and are indicative of the financial health of the franchisee base. | ² 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 Market Growth

The Joint Corp. 13-yr. CAGR 58% ¹ vs. Industry 5-yr. CAGR 5.1% ²

System-wide Sales

(\$ in M)



¹ For the period ended Dec. 31, 2023

² March 2023 Kentley Insights Chiropractic Care Market Research Report

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

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



Leading Chiropractic Care Franchise Concept

Large & Growing Market

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

Attractive Asset-light Model

86% 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

954 clinics at 3/31/24,
revolutionizing
access to chiropractic
care since 2010



¹ IBISWorld 2023 Chiropractors in the US Study, November 2023

Appendix

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.

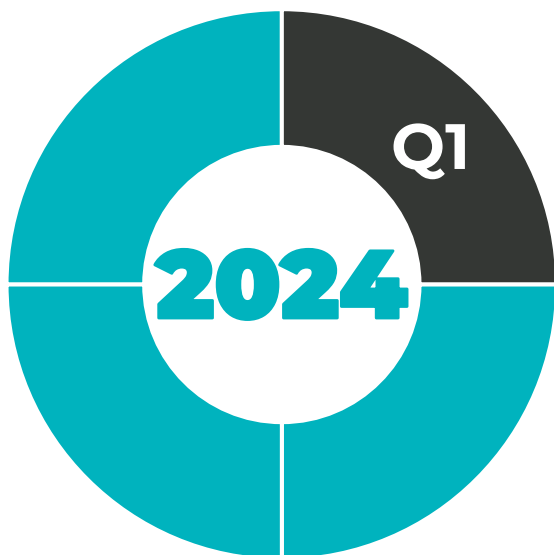
This presentation includes non-GAAP financial measures. EBITDA and Adjusted EBITDA are presented because they are important measures used by management to assess financial performance, as management believes they provide a more transparent view of the Company's underlying operating performance and operating 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 (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 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 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.

Information reconciling forward-looking Adjusted EBITDA to net income/(loss) is unavailable to the company without unreasonable effort. The company is not able to provide a quantitative reconciliation of adjusted EBITDA to net income/(loss) because certain items required for such reconciliation are uncertain, outside of the company's control, and/or cannot be reasonably predicted, including but not limited to [the provision for (benefit from) income taxes. Preparation of such reconciliation would require a forward-looking statement of income and statement of cash flows prepared in accordance with GAAP, and such forward-looking financial statements are unavailable to the company without unreasonable effort.

Q1 2024 Segment Results as of Mar. 31, 2024

\$ in 000s



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 Expense	
Income Taxes	
Total Depreciation and Amortization Expense	
EBITDA	
Stock Based Compensation Exp	
Loss on Disposition/Impairment	
Acquisition Expenses	
Restatement Costs	
Restructuring Costs	
Other Expense, net	
Adjusted EBITDA	

Corporate Clinics	Franchise Operations	Unallocated Corporate	The Joint Consolidated
\$ 17,538	\$ 12,185	\$ -	\$ 29,722
(16,051)	(6,847)	(5,735)	(28,632)
1,487	5,338	(5,735)	1,090
(1)	-	36	36
1,486	5,338	(5,698)	1,126
-	-	179	179
1,486	5,338	(5,877)	947
1	-	(36)	(36)
-	-	179	179
1,104	219	80	1,404
2,591	5,557	(5,654)	2,494
-	-	493	493
362	-	0	362
-	-	-	-
-	-	-	-
103	28	26	157
-	-	-	-
\$ 3,056	\$ 5,585	\$ (5,134)	\$ 3,507

GAAP – Non-GAAP Reconciliation

\$ in 000s

	Quarter Ending 03/31/2022	Quarter Ending 06/30/2022	Quarter Ending 09/30/2022	Quarter Ending 12/31/2022		Quarter Ending 03/31/2023	Quarter Ending 6/30/2023	Quarter Ending 9/30/2023	Quarter Ending 12/31/2023		Quarter Ending 3/31/2024
	Q1-22	Q2-22	Q3-22	Q4-22	FY22	Q1-23	Q2-23	Q3-23	Q4-23	FY23	Q1-24
Total Revenue	22,237	24,887	26,450	27,678	101,252	28,301	29,307	29,474	30,614	117,696	29,722
Total Cost of Revenue	2,111	2,257	2,337	2,466	9,171	2,475	2,596	2,604	2,872	10,547	2,716
Gross Profit	\$ 20,126	\$ 22,630	\$ 24,113	\$ 25,212	\$ 92,081	\$ 25,826	\$ 26,712	\$ 26,870	\$ 27,742	\$ 107,150	\$ 27,006
Sales & Marketing	3,287	3,840	3,539	3,296	13,963	4,160	4,708	4,301	3,373	16,542	3,886
Depreciation/Amortization Expense	1,337	1,462	1,780	2,068	6,647	2,215	2,329	2,349	1,689	8,582	1,404
Other Operating Expenses	15,540	18,659	18,061	18,383	70,644	20,104	20,049	21,118	22,828	84,099	20,626
Total Other Income (Expense)	(16)	(19)	(25)	(72)	(133)	3,821	(107)	(6)	3	3,712	36
Total Income Taxes	(59)	(478)	(24)	629	68	842	(161)	(188)	10,898	11,391	179
Net Income (Loss)	\$ 4	\$ (872)	\$ 731	\$ 763	\$ 627	\$ 2,326	\$ (320)	\$ (716)	\$ (11,042)	\$ (9,752)	\$ 947
Net Interest Expense	16	19	25	72	133	50	15	6	(3)	67	(36)
Income Taxes	(59)	(478)	(24)	629	68	842	(161)	(188)	10,898	11,391	179
Depreciation and Amortization Expense	1,337	1,462	1,780	2,068	6,647	2,215	2,329	2,349	1,689	8,582	1,404
EBITDA	\$ 1,298	\$ 131	\$ 2,512	\$ 3,533	\$ 7,475	\$ 5,433	\$ 1,863	\$ 1,451	\$ 1,541	\$ 10,288	\$ 2,494
Stock Based Compensation	324	340	306	304	1,274	266	417	526	528	1,738	493
Loss on Disposition/Impairment	7	89	264	50	410	65	144	905	1,518	2,633	362
Acquisition Expenses	155	2,074	47	81	2,356	142	716	15	-	873	-
Restatement Costs	-	-	-	-	-	-	-	-	380	380	-
Restructuring Costs	-	-	-	-	-	-	-	-	73	73	157
Other (Income)/Expense, net	-	-	-	-	-	(3,871)	92	-	-	(3,779)	-
Adjusted EBITDA	\$ 1,783	\$ 2,635	\$ 3,129	\$ 3,968	\$ 11,515	\$ 2,035	\$ 3,232	\$ 2,897	\$ 4,041	\$ 12,206	\$ 3,507

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

Contact Information



Peter D. Holt, President & 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 | 50 California Street, Suite 1500 | San Francisco, CA 94111 | (415) 433-3777



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