Q4 2019 Financial Results

As of December 31, 2019 | Reported On March 5, 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 as filed with the SEC for the year ended December 31, 2018, as updated for any material changes described in any subsequently-filed Quarterly Reports on Form 10-Q, and in our Annual Report on Form 10-K for the year ended December 31, 2019 expected to be filed with the SEC on or around March 6, 2020, as they may be revised or updated in our subsequent filings. These risk factors include, but are not limited to, 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, and uncertainties associated with the coronavirus (including its possible effects on patient demand). 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.

Accounting Adjustments Related to the Consolidation of the Operations of the PCs

In those states which require a licensed Doctor of Chiropractic to own the entity that offers chiropractic services, the Company enters into a management agreement with a professional corporation (PC) licensed in that state to provide chiropractic services. To increase transparency into operating results and to align with accounting rules, the Company will now consolidate the full operations of the PC. This will result in increases to our revenue and G&A expenses by an identical amount and would have no impact on our bottom line except in instances when the PC has sold treatment packages and wellness plans. Revenue from these packages and plans will now be deferred and will be recognized when patients use their visits. The Company has previously consolidated its clinic operations in Non-PC states such as Arizona and New Mexico, and the deferred revenue around packages and plans in those states was already reflected in its financial statements. Therefore, these adjustments are isolated to the managed clinics in PC states. These adjustments will have no impact on cash flow.

Business Structure

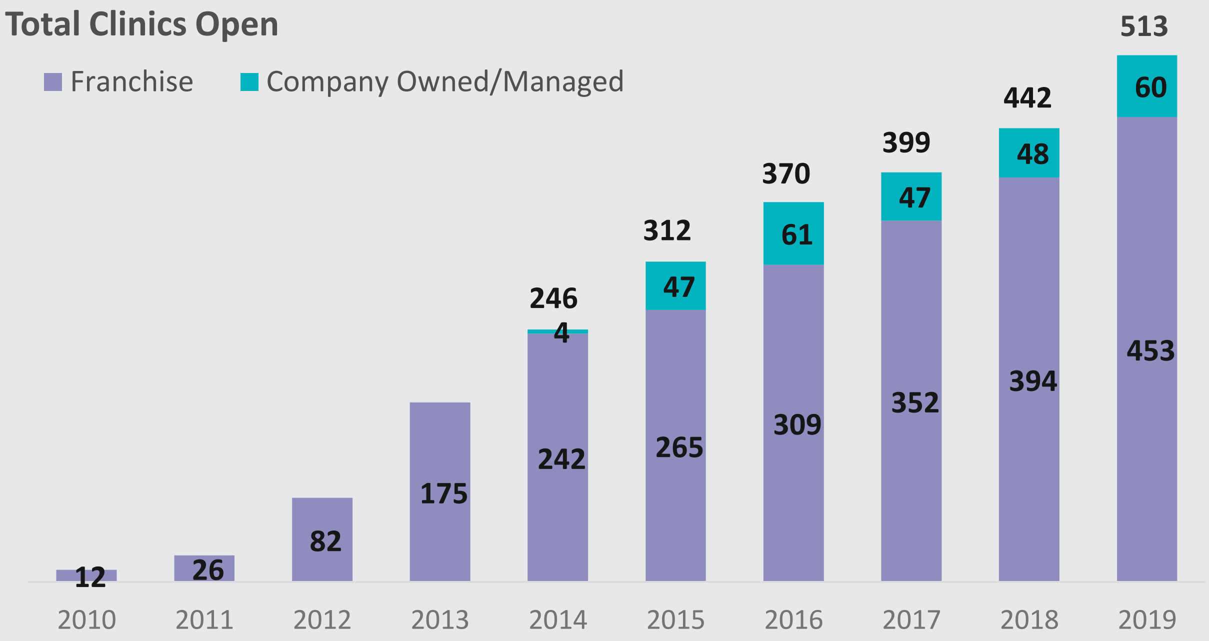
The Joint Corp. is a franchisor of clinics and an operator of clinics in certain states. In Arkansas, California, Colorado, District of Columbia, Florida, Illinois, Kansas, Kentucky, Maryland, Massachusetts, Michigan, Minnesota, New Jersey, New York, North Carolina, Oregon, Pennsylvania, Rhode Island, South Dakota, Tennessee, Washington, West Virginia and Wyoming, The Joint Corp. and its franchisees provide management services to affiliated professional chiropractic practices.

Accelerating Momentum

Targeting 1,000 clinics opened by the end of 2023

	2018	2019
Franchise Licenses Sold	99	126
Total New Franchised Clinics Opened	47	71
Greenfield Clinics Opened	0	5
Franchise Clinics Acquired	1	8

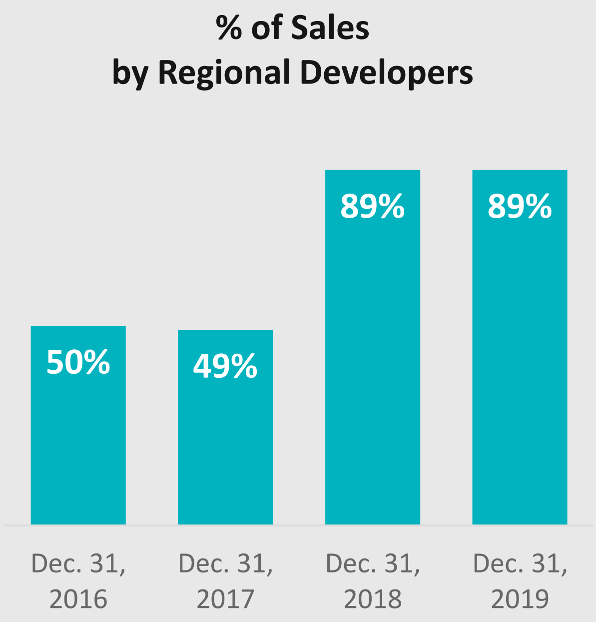
Opened another greenfield in February 2020, bringing the corporate portfolio count to 61 at March 5, 2020.

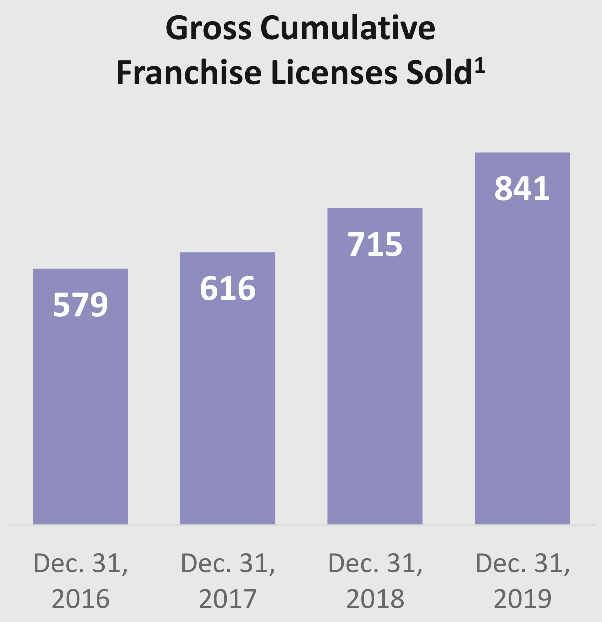


Continue to experience unusually low clinic closure rates of less than 1%

RDs Accelerate Franchise License Sales

Pipeline of 200+ Undeveloped Licenses & LOIs at December 31, 2019



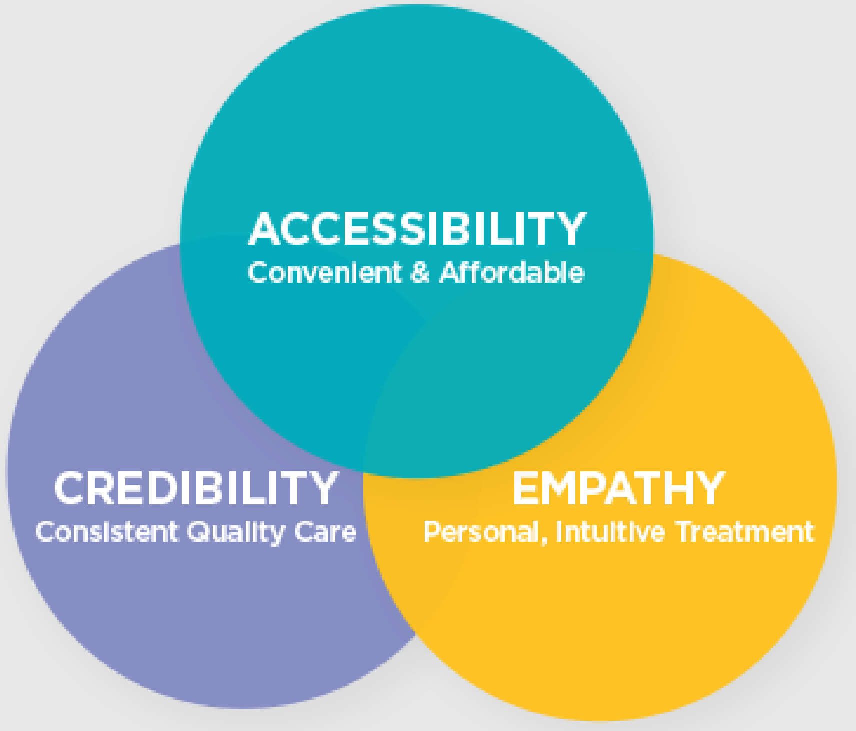


- 78% of clinics supported by RDs
- RDs cover 53% of Metropolitan Statistical Areas (MSAs) in the US

[1] Of the 841 franchise licenses sold as of December 31, 2019, 204 are in active development, 513 are currently operating and the balance represents terminated/closed licenses.

Our Mission

To improve quality of life through routine and affordable chiropractic care



LIVE A BETTER YOU

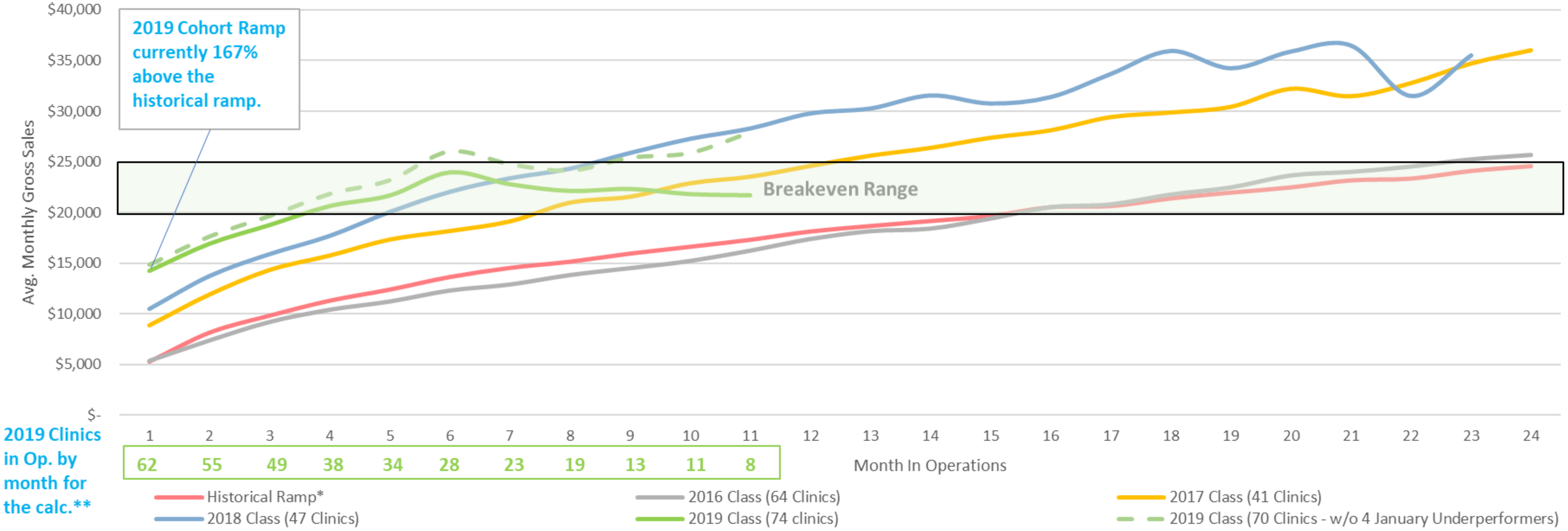
	Q4 2019 vs Q4 2018	2019 vs 2018
System-wide sales growth	34%	33%
Comp sales >13 months[1]	26%	25%
Comp sales >48 months[1]	19%	19%
Revenue	$13.9M *up 39%*	$48.5M *up 32%*
Net Income	$1.3M, *up $855K*	$3.3M, *up $3.2M*
Adjusted EBITDA[2]	$2.1M, *up $1.0M*	$6.2M, *up $3.3M*

Unrestricted cash $8.5M at Dec. 31, 2019, compared to $8.7M at Dec. 31, 2018

[1]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 closed. | [2] Reconciliation of Adjusted EBITDA to GAAP earnings is included in the Appendix.

Continuing Strong Time to Breakeven

- The chart below is dynamic as it monitors sales growth starting in the first full month of operations. For example, 74 clinics were opened in 2019, 12 of which were opened in December. Therefore, for the month of December 2019, 62 clinics were in full operation.
- In January 2019, 8 clinics were opened, 4 of which were opened by legacy franchisees in different geographies that chose not to fully utilize The Joint's new grand opening program. Those 4 clinics have underperformed since opening.



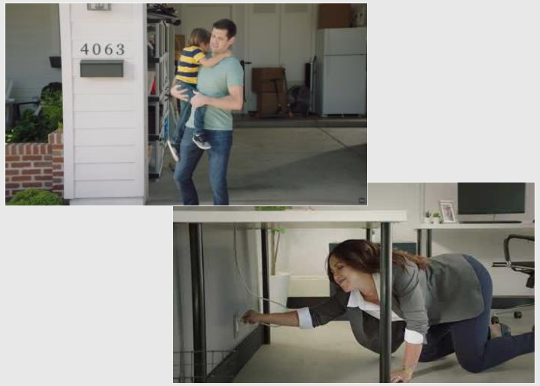
* Based on average historical gross sales growth rates from January 2013 through January 2020
** Number of clinics in operation by the number of months opened, partial months not included.

Increasing Investment in Awareness

Building a Positive, Authentic Brand

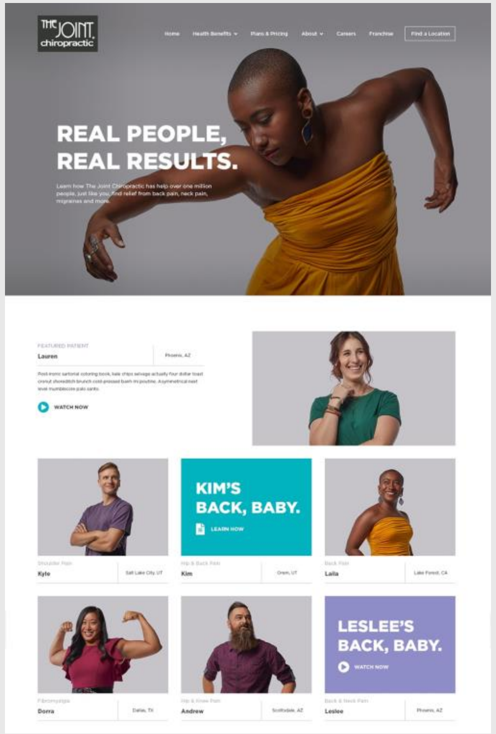
- Launched "You're back, baby."
- Sharing patients' real success stories
- Leveraging increased local market penetration
- Forming advertising coops
- Executing sophisticated media buys: TV, radio, outdoor and sports sponsorships

New Television spots focus on everyday drivers of pain

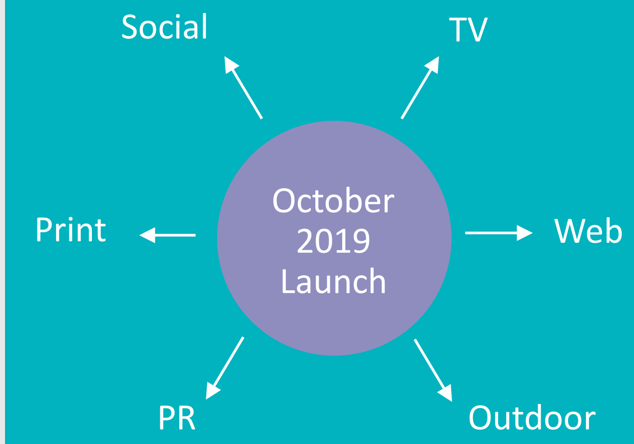


New campaign clings, tagline: You're Back, Baby[SM]

Testimonials from real patients of The Joint (thejoint.com/stories)



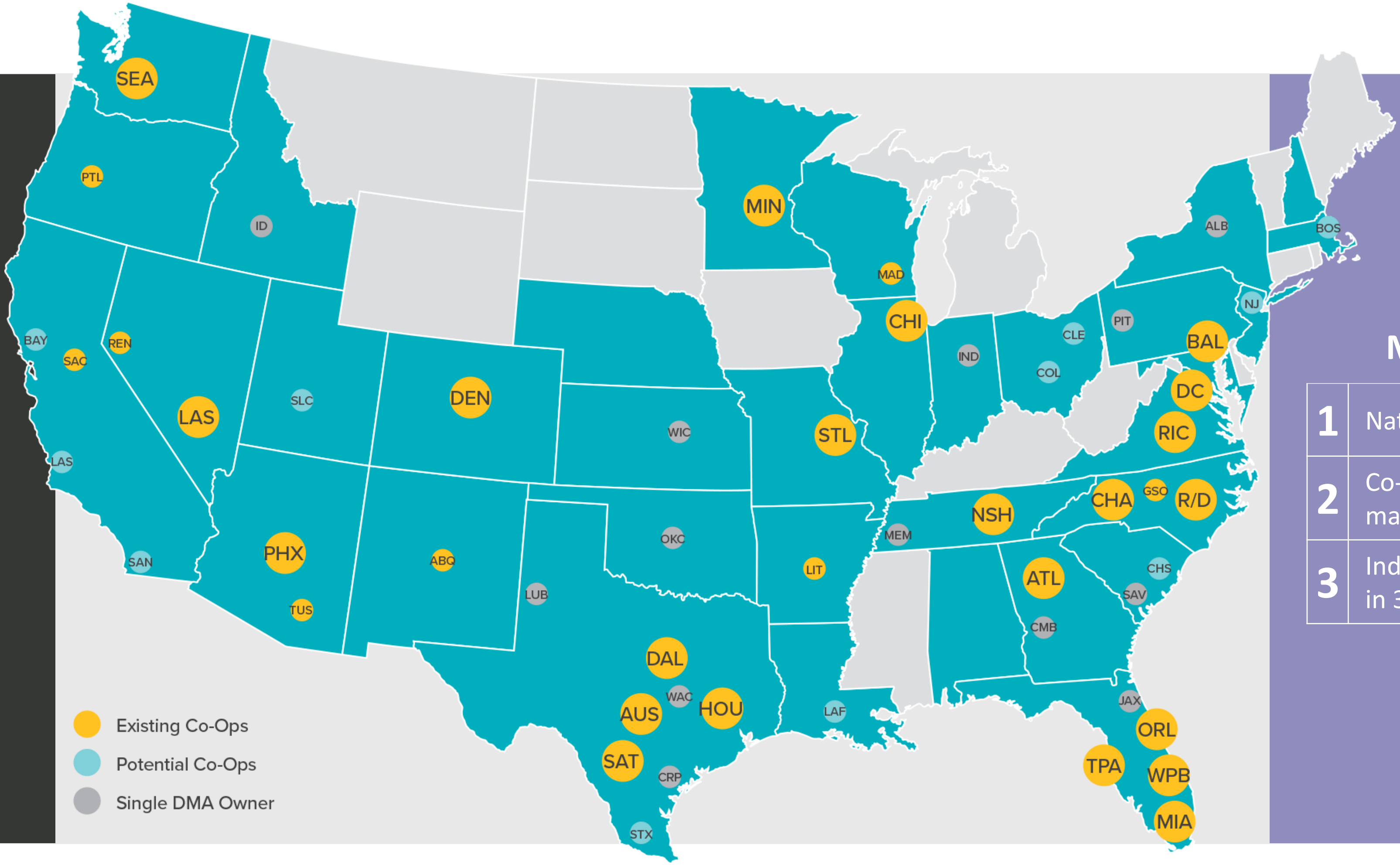
Multiple Campaign Channels



Marketing Co-Ops Growing in Strength & Sophistication

Co-Ops: Another driver for growing brand awareness

- Improves local franchisee organization and collaboration
- Increases media options and efficiencies
- Bridges gap between national and local clinic advertising



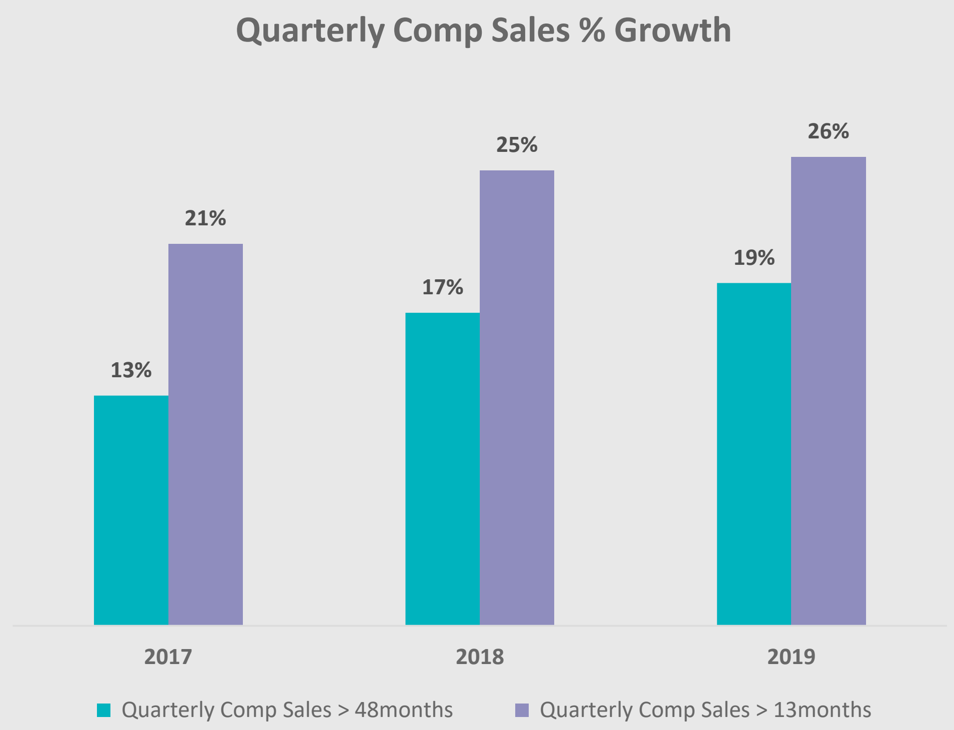
Marketing Activity Tiers

1	National Marketing Fund	$4.4M
2	Co-op advertising at a market-wide (DMA) level	$15M - $18M
3	Individual clinic advertising in 3-5 mile radius	

Implementing AXIS, New IT Platform

- Conducting internal testing
- Implementing robust training
- 2020 rollout

Exceptional System-wide Sales Growth



33%

Annual system-wide sales[1] 2019 over 2018

25%

Annual comp sales[2] for clinics >13 months in operation 2019 over 2018

19%

Annual comp sales[2] for clinics >48 months in operation 2019 over 2018

[1]System-wide sales include sales at all clinics, whether operated by the company or by franchisees

[2] 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 closed.

Q4 2019 Improvements

5th Consecutive Quarter of Net Income, 10th Consecutive Quarter of Positive Adjusted EBITDA

$ in M[1]	Q4 2019	Q4 2018	Increases	
Revenue	$13.9	$10.0	$3.9	39%
• Corporate clinics	7.6	5.2	2.4	45%
• Franchise fees	6.3	4.8	1.6	33%
Cost of revenue	1.6	1.2	0.4	36%
Sales and marketing	1.8	1.2	0.6	50%
Depreciation	0.6	0.4	0.2	58%
G&A	8.5	6.6	1.9	28%
Net Income / (Loss)	1.3	0.4	0.9	196%
Adj. EBITDA[2]	2.1	1.1	1.0	98%

[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.

2019 Improvements

2nd Full Year of Positive Adjusted EBITDA

$ in M[1]	2019	2018	Increases	
Revenue	$48.5	$36.7	$11.8	32%
• Corporate clinics	25.8	19.5	6.3	32%
• Franchise fees	22.6	17.1	5.5	32%
Cost of revenue	5.6	4.3	1.3	29%
Sales and marketing	6.9	4.8	2.1	43%
Depreciation	1.9	1.6	0.3	22%
G&A	30.5	25.2	5.3	21%
Net Income / (Loss)	3.3	0.1	3.2	2166%
Adj. EBITDA[2]	6.2	2.9	3.3	112%

Unrestricted cash was $8.5M at Dec. 31, 2019, compared to $8.7M at Dec. 31, 2018

[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.

2020 Guidance

$ in M	2019 Actual	Low Guidance	High Guidance
Revenues	$48.5	$61	$63
Adjusted EBITDA[1]	$6.2	$8.5	$9.5
New Franchised Clinics	71	80	90
New Company-owned/Managed Clinics[2]	13	16	20

[1]Reconciliation of Adjusted EBITDA to GAAP earnings is included in the appendix. | [2] Through a combination of both greenfields and buybacks.

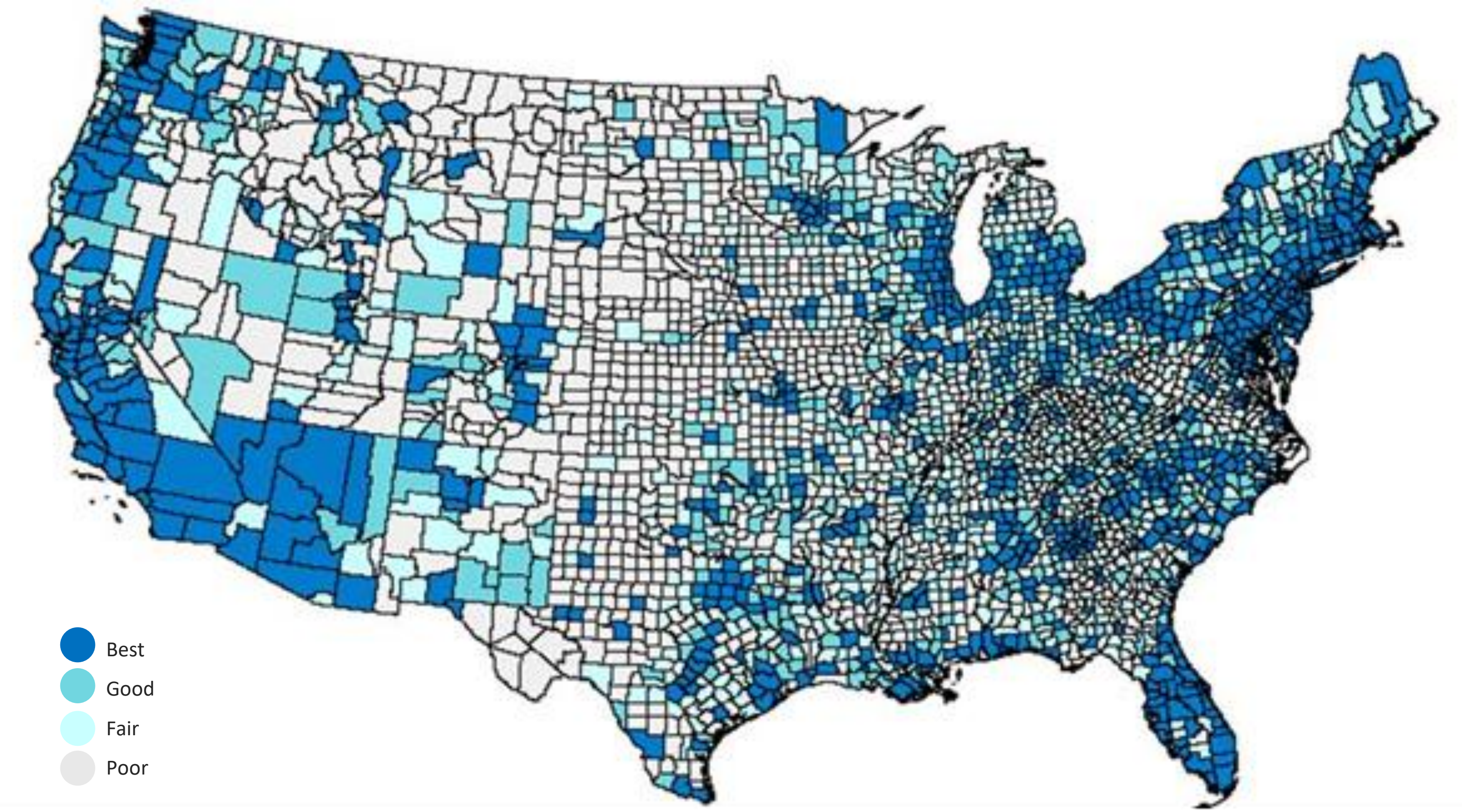
The Pain Epidemic Continues

130+ people in the US died every day in 2018 from an opioid overdose	Almost 40% of adults in the US are obese, 80+% are overweight	Nearly 1 in 10 Americans are diabetic or prediabetic	$635B estimated spent on pain in the US annually

Sources: 2018. https://wonder.cdc.gov. | Vivolo-Kantor, AM, Seth, P, Gladden, RM, et al. *Vital Signs: Trends in Emergency Department Visits for Suspected Opioid Overdoses--United States, July 2016-September 2017.* Centers for Disease Control and Prevention (CDC); 2011. https://www.ncbi.nlm.nih.gov/books/NBK92521/ | Gaskin DJ, Richard P. *The Economic Costs of Pain in the United States*. Institute of Medicine (US) Committee on Advancing Pain Research, Care, and Education.; 2018. https://www.cdc.gov/obesity/data/adult.html | Adult Obesity Facts. CDC.; 2018. https://www.cdc.gov/diabetes/data/statistics/statistics-report.html | National Diabetes Statistics Report. CDC

Market Opportunity: 1800+ Potential Clinics

Targeting 1,000 clinics opened by the end of 2023



The Joint Patient Base

With usable addresses in last 21 months

- All 50 States, DC, and Puerto Rico
- All Canadian Provinces and Territories
- 24 Countries on 6 Continents

1800+ similar points of distribution

- Analyze demographics and psychographics
- Model attributes
- Roll across country

Growth Strategy Delivers Continued Momentum

The Joint Corp. 9-yr. CAGR 77%[1] vs. Industry CAGR 1.2%[2]*

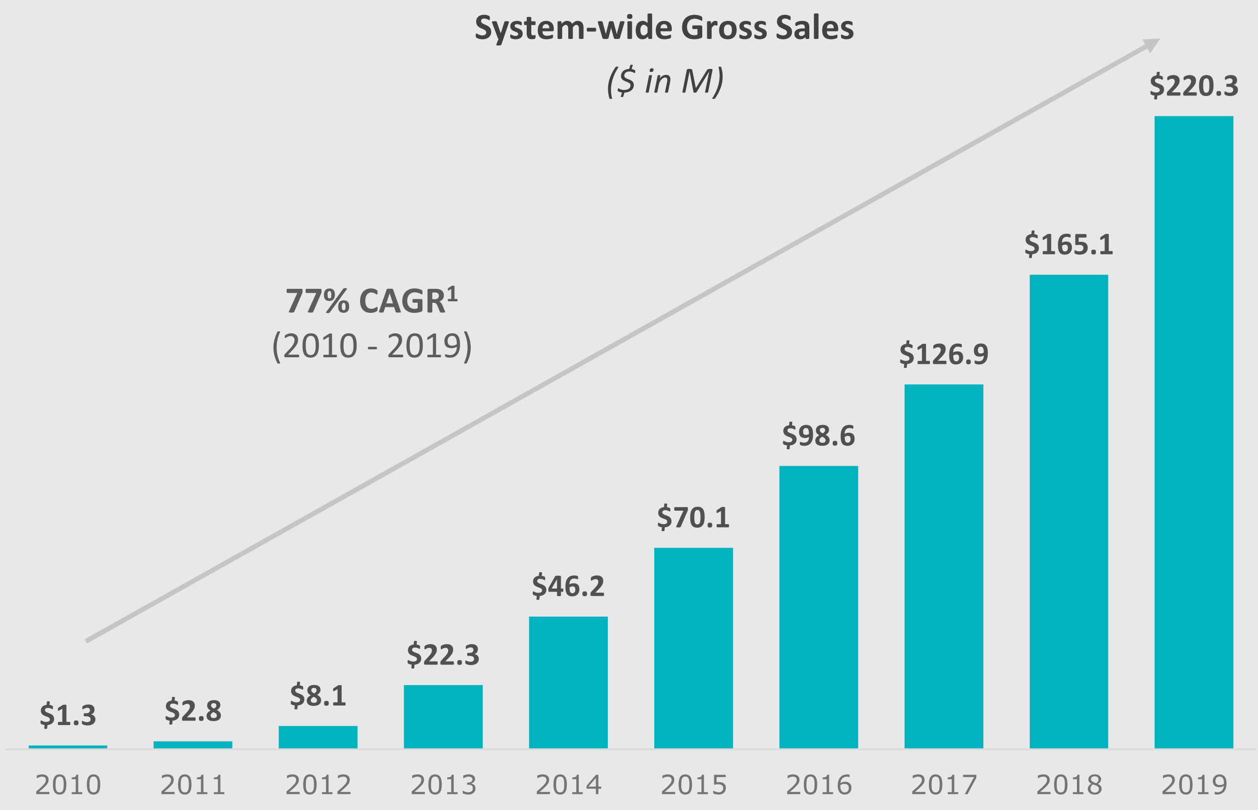
Building Nationwide Brand to Deliver Shareholder Value

Continue to focus on franchise sales

- Further leverage RD strategy

Accelerate the expansion of corporate clinic portfolio within clustered locations

- Build greenfield clinics
- Acquire franchised clinics opportunistically



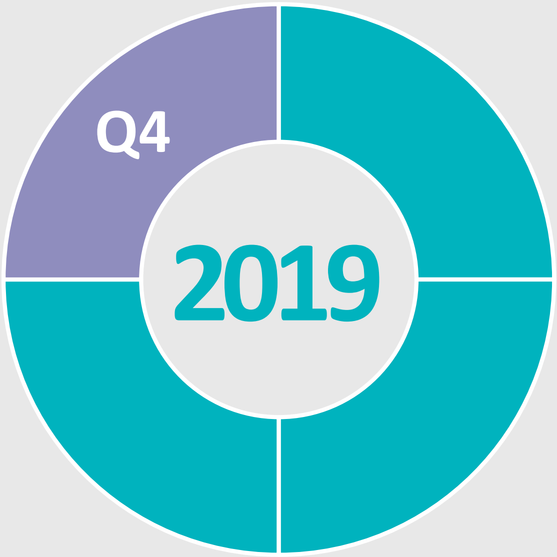
[1] For the period ended Dec. 31, 2019 | [2] IBIS World Chiropractors Market Research Report; February 2019 * and 5-year CAGR

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 than GAAP measures alone. Reconciliations of net loss to EBITDA and Adjusted EBITDA are presented where applicable. The Company defines EBITDA as net income before net interest, tax expense, depreciation, and amortization expenses. The Company defines Adjusted EBITDA as EBITDA before acquisition-related expenses, bargain purchase 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.

Q4 2019 Segment Results



	Corporate Clinics	Franchise Operations	Unallocated Corporate	The Joint Consolidated
Total Revenues	$ 7,562	$ 6,313	$ 0	$ 13,875
Total Operating Costs	(6,422)	(3,233)	(2,877)	(12,532)
Operating Income (Loss)	1,140	3,080	(2,877)	1,343
Other Income (Expense), net	-	4	(22)	(18)
Loss Before Income Tax Expense	1,140	3,084	(2,899)	1,325
Total Income Taxes	-	-	33	33
Net Income (Loss)	1,140	3,084	(2,932)	1,292
Net Interest	-	(4)	22	18
Income Taxes	-	-	33	33
Total Depreciation and Amortization Expense	552	0	39	591
EBITDA	1,692	3,080	(2,838)	1,934
Stock Based Compensation Exp	-	-	184	184
Bargain Purchase Gain	-	-	-	-
Loss on Disposition/Impairment	(2)	-	-	(2)
Acquisition Expenses	-	-	11	11
Adjusted EBITDA	1,689	3,080	(2,643)	2,126

Full Year 2019 Segment Results

	Corporate Clinics	Franchise Operations	Unallocated Corporate	The Joint Consolidated
Total Revenues	$ 25,808	$ 22,642	$ 0	$ 48,451
Total Operating Costs	(22,443)	(11,668)	(10,926)	(45,036)
Operating Income (Loss)	3,365	10,975	(10,925)	3,415
Other Income (Expense), net	22	21	(86)	(42)
Loss Before Income Tax Expense	3,387	10,996	(11,011)	3,372
Total Income Taxes	-	-	49	49
Net Income (Loss)	3,387	10,996	(11,060)	3,324
Net Interest	(3)	(21)	86	62
Income Taxes	-	-	49	49
Total Depreciation and Amortization Expense	1,708	1	191	1,899
EBITDA	5,092	10,976	(10,735)	5,333
Stock Based Compensation Exp	-	-	721	721
Bargain Purchase Gain	(19)	-	-	(19)
Loss on Disposition/Impairment	113	-	1	114
Acquisition Expenses	-	-	47	47
Adjusted EBITDA	5,186	10,976	(9,965)	6,196

GAAP – Non-GAAP Reconciliation

	Q1-18	Q2-18	Q3-18	Q4-18	FY18	Q1-19	Q2-19	Q3-19	Q4-19	FY19
Total Revenue	8,647	8,805	9,242	9,968	36,662	10,679	11,170	12,726	13,875	48,451
Total Cost of Revenue	972	1,052	1,085	1,202	4,310	1,206	1,299	1,427	1,634	5,566
Gross Profit	**$ 7,675**	**$ 7,753**	**$ 8,157**	**$ 8,767**	**$ 32,351**	**$ 9,473**	**$ 9,871**	**$ 11,300**	**$ 12,241**	**$ 42,885**
Sales & Marketing	1,102	1,294	1,195	1,229	4,820	1,506	1,769	1,793	1,845	6,914
Depreciation/Amortization Expense	387	405	389	375	1,556	366	404	538	591	1,899
Other Operating Expenses	6,269	6,119	6,820	6,625	25,833	6,658	7,209	8,324	8,465	30,656
Total Other Income (Expense)	(11)	19	(11)	(31)	(34)	8	(15)	(20)	(16)	(43)
Total Income Taxes	(63)	6	(50)	70	(38)	(1)	10	7	33	49
Net Income (Loss)	**$ (32)**	**$ (51)**	**$ (208)**	**$ 437**	**$ 147**	**$ 953**	**$ 462**	**$ 617**	**$ 1,292**	**$ 3,324**
Net Interest	11	$ 11	11	14	47	12	15	17	18	62
Income Taxes	(63)	$ 6	(50)	70	(38)	(1)	10	7	33	49
Depreciation and Amortization Expense	387	$ 405	389	375	1,556	366	404	538	591	1,899
EBITDA	**$ 303**	**$ 371**	**$ 142**	**$ 895**	**$ 1,712**	**$ 1,329**	**$ 892**	**$ 1,179**	**$ 1,934**	**$ 5,333**
Stock Based Compensation	208	$ 139	123	159	628	172	179	186	184	721
Bargain Purchase Gain	-	$ (30)	-	17	(13)	(19)	-	-	-	(19)
Loss on Disposition/Impairment	0	$ 251	343	-	595	105	(18)	30	(2)	114
Acquisition Expenses	-	$ 3	1	-	4	(0)	3	33	11	47
Adjusted EBITDA	**$ 511**	**$ 734**	**$ 609**	**$ 1,072**	**$ 2,926**	**$ 1,586**	**$ 1,056**	**$ 1,428**	**$ 2,126**	**$ 6,196**

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