



# XPONENTIAL<sup>TM</sup> FITNESS

## INVESTOR PRESENTATION

As of September 30, 2022 | Reported on November 10, 2022





## LEGAL DISCLAIMER

The information contained in this presentation is provided solely for the purpose of acquainting the readers with Xponential Fitness, Inc. (the “Company,” “Xponential” or “we”) and its business operations, strategies and financial performance. This presentation and any accompanying oral statements is not an offer to sell nor is it a solicitation of any offer to buy any securities and conveys no right, title or interest in the Company or the products of its business activities.

The information contained herein is confidential and strictly proprietary. By accepting this document, the recipient agrees not to reproduce its contents nor disclose or distribute same to any person or entity without the expressed prior consent of the Company. This presentation does not purport to be all-inclusive or to contain all of the information you or any prospective investor may desire.

### Cautionary Note Regarding Forward-Looking Statements

This presentation contains forward-looking statements that involve substantial risks and uncertainties. Any statements contained in this presentation that are not statements of historical facts may be deemed to be forward-looking statements. These forward-looking statements include, without limitation, statements relating to key strategies for growth; the projected number of studio opened; expansion of market share and international business operations; the rollout of XPASS; projected financial and performance information such as studio opening, system-wide sales, annual revenue, Adjusted EBITDA; the expected trend in fitness industry; and the anticipated advantages of the franchise model. Forward-looking statements involve risks and uncertainties that may cause actual results to differ materially from those contained in the forward-looking statements. These factors include, but are not limited to, the impact of COVID-19 pandemic on our business and franchisees; our relationships with master franchisees and franchisees; difficulties and challenges in opening studios by franchisees; the ability of franchisees to generate sufficient revenues; risks relating to expansion into international market; loss or reputation and brand awareness; material weakness in our internal control over financial reporting; and other risks as described in our SEC filings, including our Annual Report on Form 10-K for the full year ended December 31, 2021 filed on March 7, 2022 by Xponential with the SEC and other periodic reports filed with the SEC. Other unknown or unpredictable factors or underlying assumptions subsequently proving to be incorrect could cause actual results to differ materially from those in the forward-looking statements. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, level of activity, performance, or achievements. You should not place undue reliance on these forward-looking statements. All information provided in this press release is as of today’s date, unless otherwise stated, and Xponential undertakes no duty to update such information, except as required under applicable law.

### Market Data and Non-GAAP Financial Measures

This presentation includes statistical and other industry and market data that we obtained from industry publications and research, surveys, studies and other similar third-party sources, as well as our estimates based on such data and on our internal sources. Such data and estimates involve a number of assumptions and limitations, and you are cautioned not to give undue weight to such data and estimates. We believe that the information from these third-party sources is reliable; however, we have not independently verified them, we make no representation as to their accuracy or completeness and we do not undertake to update the data from such sources after the date of this presentation. Further, our business and the industry in which we operate is subject to a high degree of risk and uncertainty, which could cause results to differ materially from those expressed in the estimates made by the third-party sources and by us.

We use certain non-GAAP financial information in this presentation, such as EBITDA, Adjusted EBITDA and adjusted net income (loss), to evaluate our ongoing operations and for internal planning and forecasting purposes. We believe that non-GAAP financial information, when taken collectively with comparable GAAP financial measures, is helpful to investors because it provides consistency and comparability with past financial performance, and provides meaningful supplemental information regarding our performance by excluding certain items that may not be indicative of our business, results of operations or outlook. However, non-GAAP financial information is presented for supplemental informational purposes only, has limitations as an analytical tool, and should not be considered in isolation or as a substitute for financial information presented in accordance with GAAP. In addition, other companies, including companies in our industry, may calculate similarly titled non-GAAP measures differently or may use other measures to evaluate their performance, all of which could reduce the usefulness of our non-GAAP financial measure as tools for comparison. We seek to compensate such limitations by providing a detailed reconciliation for the non-GAAP financial measures to the most directly comparable financial measures stated in accordance with GAAP in this presentation. You are encouraged to review the related GAAP financial measures and the reconciliation of the non-GAAP financial measures to their most directly comparable GAAP financial measures and not rely on any single financial measure to evaluate our business.



Xponential is the Leading Global Franchisor in the  
\$20 Billion+ Boutique Fitness Industry

Our Mission is to Make Boutique Fitness  
Accessible to Everyone

10 Brands Across High-Growth Fitness Modalities in  
2,485 Locations



# What is Boutique Fitness?

- **Retail studio space**
- **Structured, class-based programming** in a specific fitness modality
- **Social, supportive community** of coaches and consumers
- **Affluent, engaged, loyal** consumer
- **Fastest growing segment of the \$97Bn** global health & fitness club industry<sup>(1)(2)</sup>
- **Xponential grew and gained share through COVID<sup>(3)</sup>**, while industry contracted (30% of U.S. boutique studios closed permanently)<sup>(1)</sup>

## Large and Growing U.S. Fitness Industry

~\$37Bn

2022E  
Total Market Size<sup>(4)</sup>

21+

Consecutive Years of U.S.  
Annual Growth Prior to  
COVID-19<sup>(5)</sup>

~\$22Bn

2022E  
Boutique Fitness  
Market Size<sup>(6)</sup>

+5.8%

'22E - '25E  
Boutique Fitness  
Market CAGR<sup>(6)</sup>

1) International Health, Racquet & Sports Association ("IHRSA") Research, publicly available "2020 IHRSA Global Report."

2) From 2015 to 2019.

3) From December 2019 to December 2021.

4) Per IBIS World report: *Gym, Health & Fitness Clubs in the U.S.* Published October 2021.

5) IHRSA Research. Represents the period from 1998 to 2019.

6) Third party study conducted by Frost & Sullivan.

# Experienced Management Team With a Successful Track Record in Fitness Franchising



**Anthony Geisler**

Founder & CEO

7 Years at Xponential  
20 Years of Industry Experience



**John Meloun**

CFO

4 Years at Xponential  
23 Years of Industry Experience



**Sarah Luna**

President

7 Years at Xponential  
14 Years of Industry Experience



**Ryan Junk**

COO

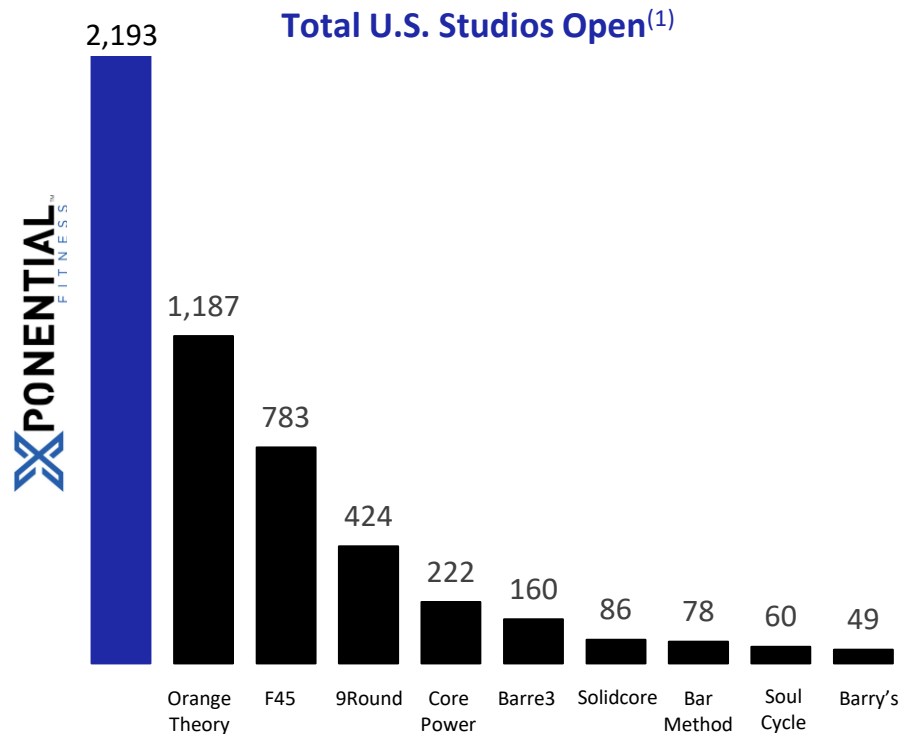
5 Years at Xponential  
27 Years of Industry Experience



 Franchised



# Xponential is the Largest Global Franchisor in \$20Bn+ Boutique Fitness Industry



## Xponential Highlights<sup>(2)</sup>

**2,400+**

Global Studios Open

+17% vs. 2021

**5,100+**

Global License Sold

+17% vs. 2021

**\$952M**

LTM System-Wide Sales<sup>(3)</sup>

+34% vs. 2021

**575K+**

Total Members

+29% vs. 2021

**\$223M**

LTM Revenue

+44% vs. 2021

**\$61M**

LTM Adj. EBITDA

+122% vs. 2021

1) Source: Company websites accessed on November 4, 2022. For F45, updated as of Q2 2022 earnings released on August 15, 2022.

2) All data as of September 30, 2022, unless noted.

3) System-wide sales represents gross sales by all studios. We receive approximately 7% and 2% of the sales by franchisees as royalty revenue and marketing fund revenue, respectively.

# Xponential's Boutique Offering at a Glance



## Studio Storefronts

- Convenient retail locations
- Avg size: 1,500-2,000 sqft
- Also inside of big box gyms



## Retail Operations

- Branded & third-party products
- Recurring revenue stream
- Create consumer brand experience outside of the studio



## Class Sessions

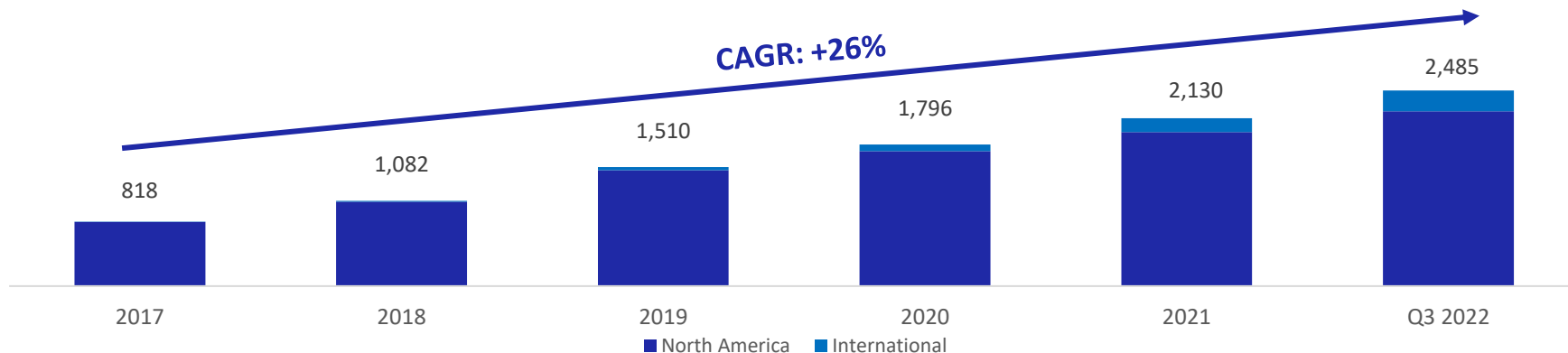
- Small class sizes
- Flexible location (indoor/outdoor/digital)
- Community driven

# Xponential's Evolution From One to Ten Brands in Key Boutique Fitness Verticals



Acquired	Mar 2015	Aug 2017	Sep 2017	Nov 2017	Dec 2017	Mar 2018	Jul 2018	Oct 2018	Dec 2018	Apr 2020	Mar 2021	Oct 2021
Open Studios <sup>(2)</sup>	781	Founded	272	248	94	34	160	629	17	Digital Launch	31	219

Global Studios <sup>(2)</sup>



1) Xponential's boutique fitness verticals include Pilates, indoor cycling, barre, stretching, rowing, dancing, boxing, running, functional training and yoga.

2) Data as per the third quarter ended September 30, 2022.



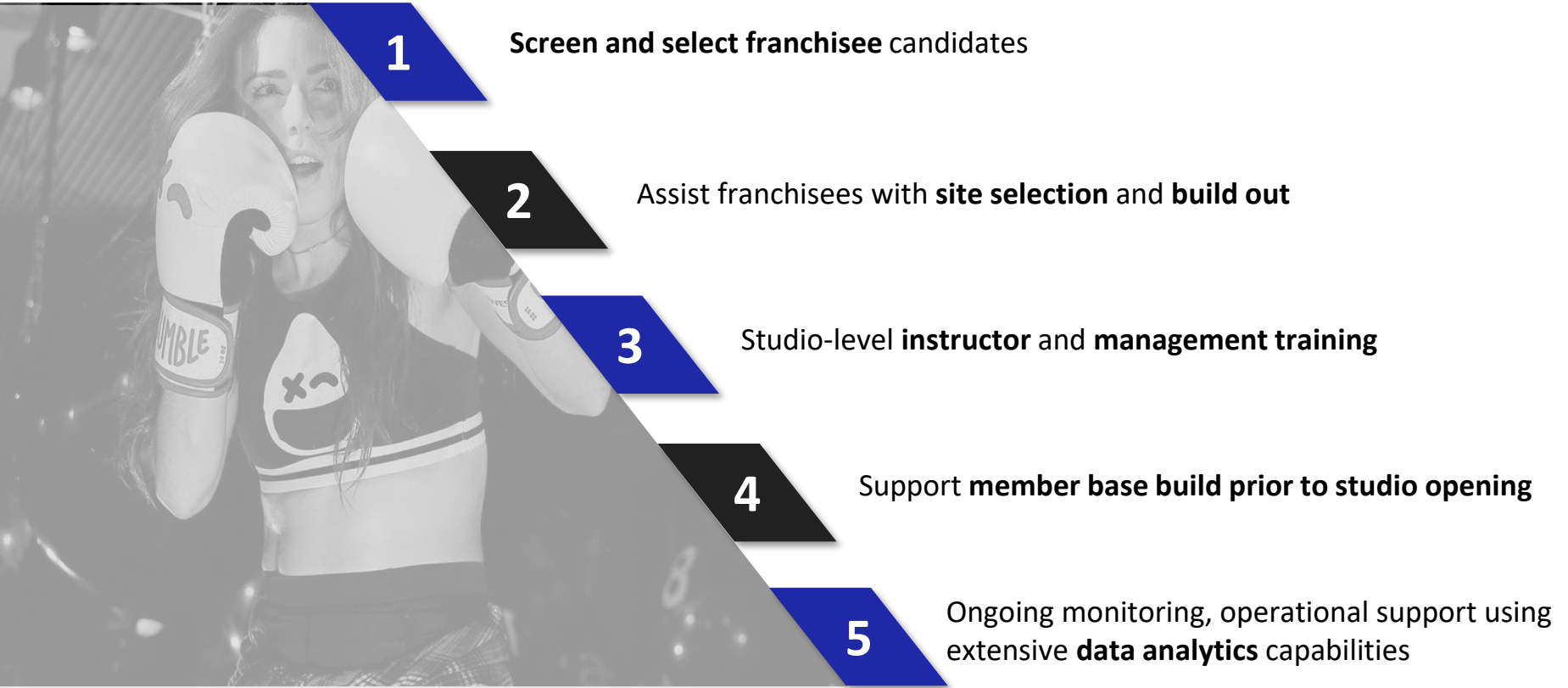


# Our Franchise Model

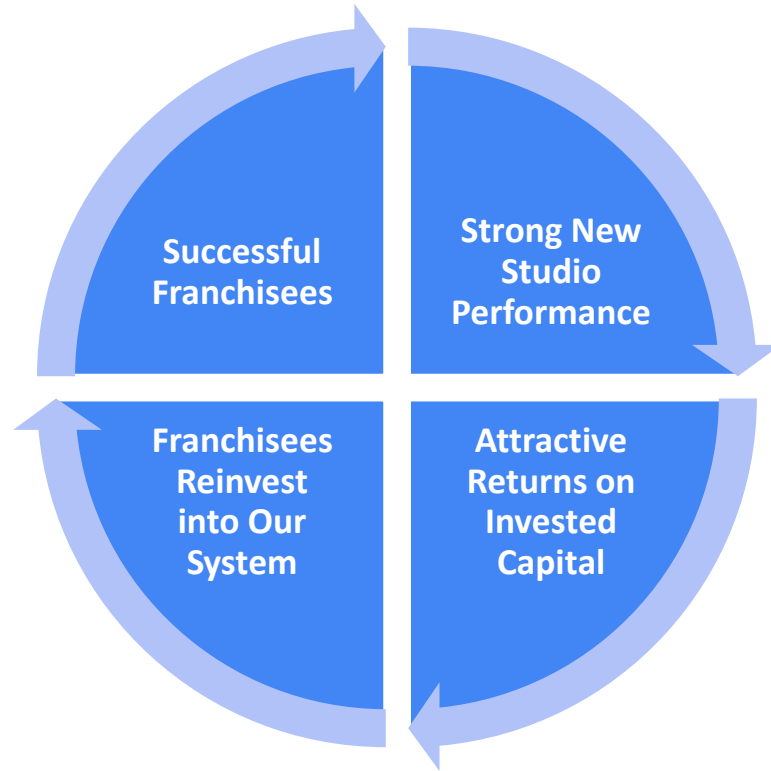
**X**PONENTIAL<sup>™</sup>  
FITNESS



# Proven Model to Rapidly Scale Franchised Boutique Fitness Concepts



# Platform Synergies for All Stakeholders



## Strong Value Proposition for All Parties

- **Franchisor:** recurring revenue, asset-light model with strong free cash flow conversion
- **Franchisee:** strong studio economics, multi-brand opportunity, adaptable operating model
- **Customer:** 10 unique brands, premium value and consistency, expert instruction

# Passionate, Growing and Loyal Consumer Base

## Typical Consumer:

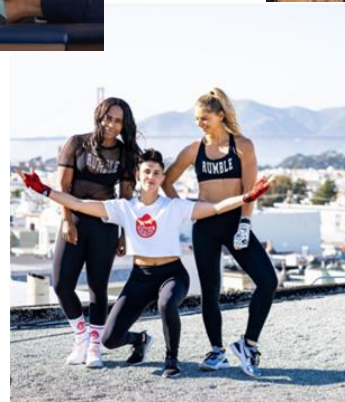
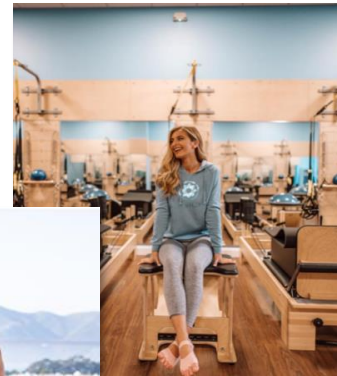
- Majority Female, 20 - 60 years old
- Bachelor's degree
- Household income ~\$130k annually

## Consumers can purchase:

- Recurring memberships, or walk-in classes
- 4x, 8x or unlimited classes/month memberships
- 8x membership: average price of \$12-\$25 per class<sup>(1)</sup>
- XPASS and XPLUS multi-brand access membership<sup>(2)</sup>

## Active membership base:

- 575K+ growing membership base
- ~90% of members on recurring memberships



1) Pricing is based on a minimum threshold that franchisees must charge to customers. Average excludes StretchLab which typically prices between \$31-\$75 per session for an 8x per month recurring membership.  
2) BFT offerings to be implemented on XPLUS.

# Compelling Studio-Level Franchisee Economics<sup>(1)</sup>

**~\$350k**

Initial Investment<sup>(2)</sup>

**25% - 30%**

Operating Margin

**~\$500k**

Average Annual Revenue in Year 2

**2.5**

Year Payback

**6 - 12**

Month Ramp to Base Maturity<sup>(3)</sup>

**~40%**

Cash-on-Cash Return

1) Represents designed studio-level economics of standalone studios as of Q3 2022; not inclusive or representative of studios within a LA Fitness and City Sports Club, or BFT.

2) Initial Investment is net of estimated tenant improvement benefit.

3) Base Maturity is achieved when a studio has annualized monthly revenue in the \$400K to \$600K range.



# Key Strategies for Growth

1

Grow Franchised Studio Base Across All Brands in North America

2

Grow Brands and Studio Base Internationally

3

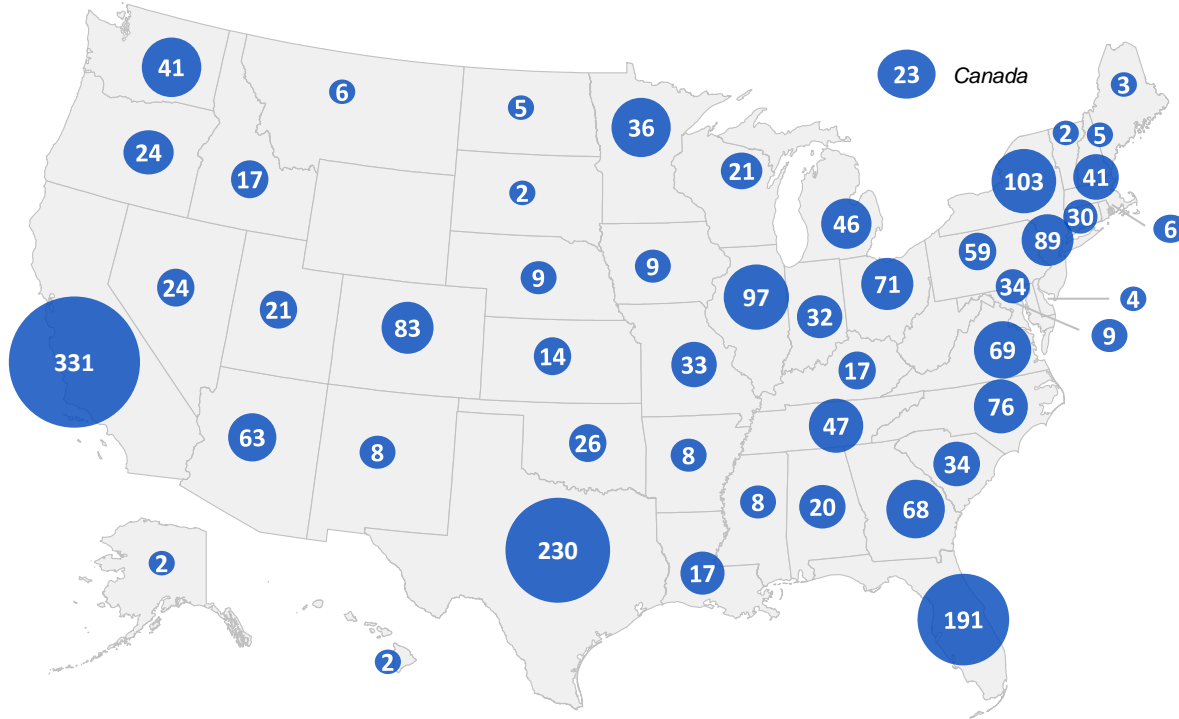
Drive System-Wide Same Store Sales and Grow Average Unit Volumes

4

Expand Operating Margins and Drive Free Cash Flow Conversion



## Grow Franchised Studio Base Across All Brands in North America



- **63%** of U.S. population lives within **10 miles** of an Xponential studio<sup>(2)</sup>
- Buxton estimates **potential for ~7,900 studios in US alone**<sup>(3)</sup>
- LA Fitness Agreement allows for Xponential studios in **500+ gym locations**
- Franchisees contractually committed to opening **1,919 new North American studios**

(1) Includes 48 U.S. states, the District of Columbia and Canada as of September 30, 2022.

(2) U.S. population excluding Alaska and Hawaii per Buxton Company, as of September 30, 2022.

(3) Buxton estimated potential for 6,900 Xponential studios in the US prior to the BFT acquisition. While no formal analysis has been conducted to assess the incremental gain of BFT, Buxton expects that the addition of BFT will add another ~1,000 independent studio opportunities to Xponential's US white space provided that Xponential and BFT continue to operate in a manner consistent with the rest of the portfolio brands.

# Grow Brands and Studio Base Internationally

## Large International Opportunity

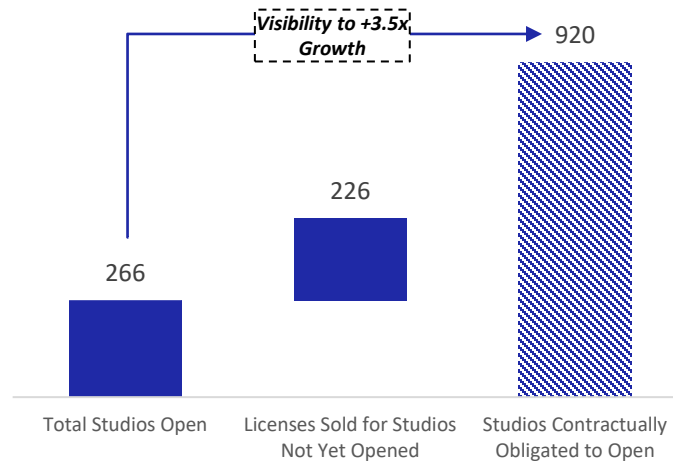
**\$97Bn**

Global Health and Fitness Club Industry in 2019<sup>(1)</sup>

**16**

Total Countries with Contracts in Place<sup>(2)</sup>

## Significant Embedded International Growth<sup>(3)</sup>



- Xponential partners with **experienced master franchisees** to deploy an asset light global expansion strategy
- Focused on partnering with **top-tier** master franchisors in **attractive international markets** with the largest opportunity
- **BFT acquisition** accelerating global growth trajectory



1) Source: IHRSA Research, "2020 IHRSA Global Report."  
 2) As of September 30, 2022. Includes the United States and Canada.  
 3) As of September 30, 2022.

## Drive System-Wide Same Store Sales and Grow Average Unit Volumes

**Acquire New Customers**



**Increase Membership Penetration**



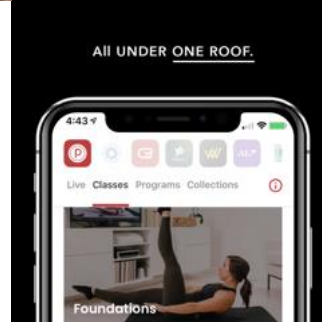
**Drive Increasing Spend from Consumers**



**Expand Additional Revenue Streams Within Our Franchised Studios**



**Utilize XPASS to Increase Retention and Generate Lead Flow**

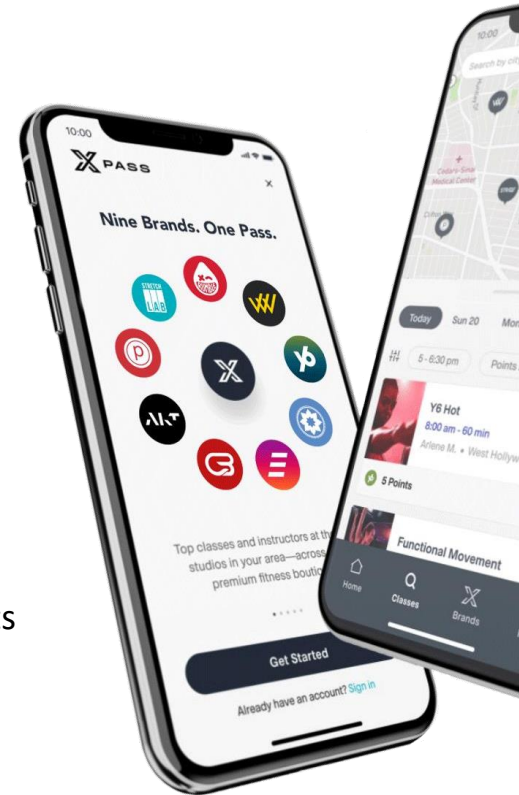


**Attract and Retain Consumers Through Our XPLUS Digital Platform**

## Drive System-Wide Same Store Sales and Grow Average Unit Volumes

### XPASS: Access to All Brands Under One Subscription

- Consumer gets frictionless access to all Xponential brands' class offerings on one platform, using a point system that prices classes based on inventory, etc.
- Different subscription levels that suit every consumer:
  - Most popular: \$99/month; 50 points; Up to 5 classes; Includes X+
  - Best value: \$199/month; 150 points; Up to 15 classes; Includes X+
  - Popular annual plan: \$999/year; 600 points; Up to 60 classes; Includes X+
- **Access to a new consumer base** that values flexibility across location and activity
- **Introduces consumers to new brands & verticals, increases retention and generates free lead flow** for franchisees
- **Generates incremental revenue** through dynamic pricing and filling open class spots
- **Attractive economics for franchisees & Xponential: ~70%/30% split**





## Drive System-Wide Same Store Sales and Grow Average Unit Volumes (Cont'd.)

# XPLUS



### XPLUS: Our Virtual, On-Demand Class Content Platform

- XPLUS **mobile / desktop application** available to consumers via individual or all access subscriptions (\$19/month and \$29/month)<sup>(1)</sup>
- **85,000+ total users** on the platform<sup>(2)</sup>
- Accommodates all schedules and geographies – **anytime, anywhere**
- Extensive selection of digital workouts in our content library
- **Drives retention and engagement** – consumers connected to our brands even when they can't make it into the studio
- **Xponential controls user experience** - 90%+ class bookings through proprietary mobile app<sup>(3)</sup>

1) BFT offering expected to be implemented on XPLUS.

2) As of September 30, 2022.

3) Last 90 days as of September 30, 2022.

## Expand Operating Margins and Drive Free Cash Flow Conversion

- **Continued growth** from installed base
- **Leverage centralized SG&A** across the portfolio
- New studio openings drive **increased high margin royalty revenue**
- International studios provide **high margin pass through**
- **High free cash flow conversion** driven **by limited ongoing capital requirements**
- Provide an **omni-channel offering** and introduce B2B partnerships through studios, XPLUS and XPASS



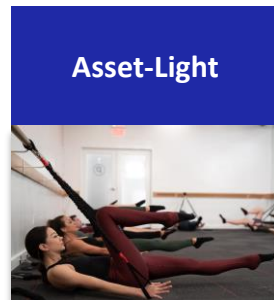
# Financial Overview

**X**PONENTIAL<sup>™</sup>  
FITNESS



# Highly Attractive Asset-Light Business Model

- Predictable, recurring revenue
- Fixed SG&A across growing, diversified platform supports long-term margin potential
- Proven franchisee selection process
- Proven ability to acquire and scale brands

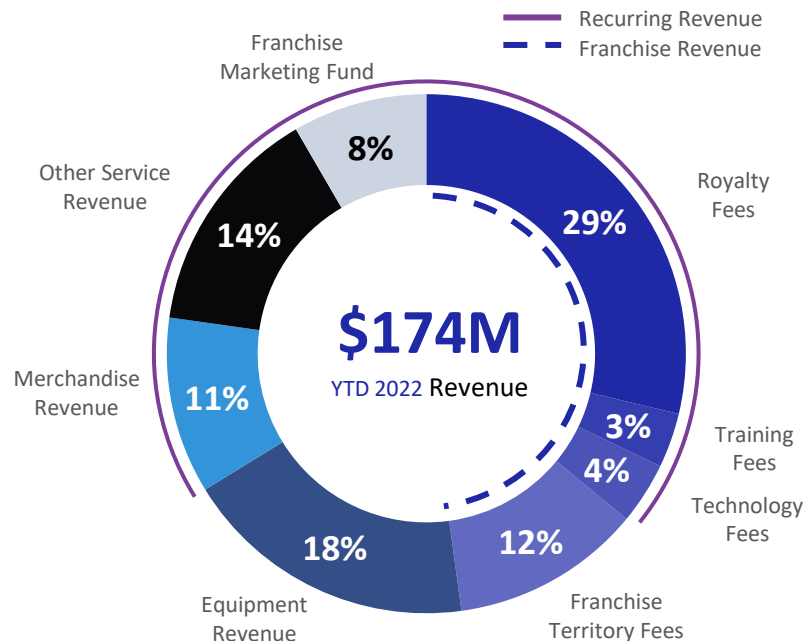


# Revenue Overview

## Revenue Overview

- **Franchise Revenue** – Franchise territory fees, ~7% royalty fees, technology fees, transfer fees and instructor training
- **Equipment Revenue** – Sales of equipment to franchisees and related rebates
- **Merchandise Revenue** – Branded and non-branded merchandise sales to franchisees and related rebates
- **Marketing Fund Revenue** – 2% of gross sales
- **Other Service Revenue** – Other rebates, company-owned studio revenue, XPASS and XPLUS revenue

## 70% Recurring Revenue in First 9 Months of 2022<sup>(1)</sup>



1)

Totals may not add to 100% due to rounding.





## Continued System-Wide Growth and Increased Member Engagement

	2021	2020	2019	2021 vs. 2020 % Change	2021 vs. 2019 % Change
Revenue	<b>\$155</b>	\$107	\$129	+45%	+20%
Adjusted EBITDA	<b>\$27</b>	\$10	\$16	+179%	+66%
New Franchised Studio Openings (Global)	<b>334</b>	286	428	+17%	-22%
System-Wide Sales (\$ million)	<b>\$710</b>	\$443	\$560	+60%	+27%
Same Store Sales <sup>(2)</sup> (%)	<b>41%</b>	-34%	9%	NA	NA
Q4 Run-Rate AUV <sup>(3)</sup> (thousands)	<b>\$446</b>	\$287	\$477	+56%	-6%
Total Members <sup>(4)</sup> (thousands)	<b>449</b>	300	348	+49%	+29%
Total Visits (million)	<b>29.7</b>	19.2	25.2	+54%	+18%

1) All metrics other than Revenue, Adjusted EBITDA and studio openings represent North America data.

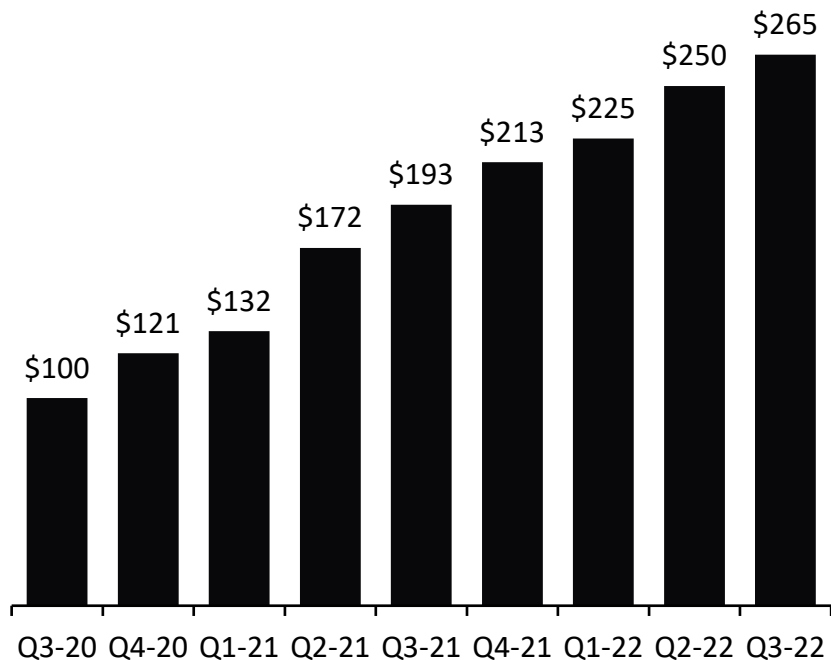
2) We calculate same store sales as the change in period-over-period sales for the North America same store base. We define the same store base to include only sales from studios in North America that have been open for at least 13 calendar months at measurement date.

3) Quarterly Run-Rate AUV ("average unit volume") is calculated by taking the average sales during the quarter for all studios that are at least 6 months old at the beginning of the respective quarter, and then multiplying that number by four.

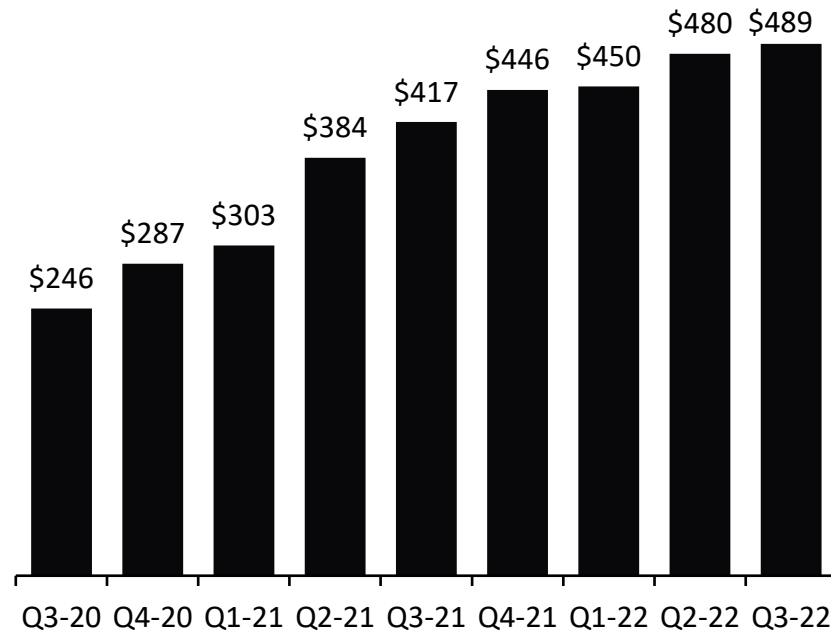
4) We define as members any individuals that have a monthly membership agreement with one of our studios.

# System-Wide Sales and AUV Momentum Across the Xponential Platform

## North America System-Wide Sales (\$M)



## North America Run-Rate AUVs (\$000s)

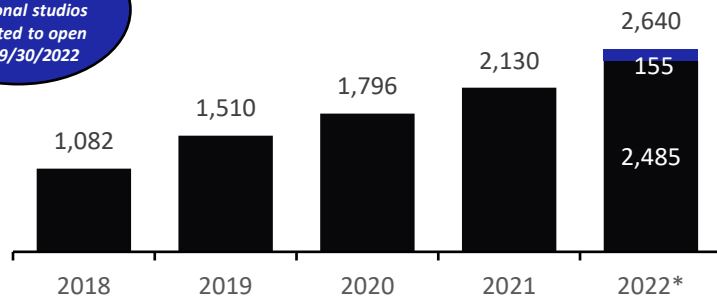


1) Quarterly Run-Rate AUV ("average unit volume") is calculated by taking the average sales during the quarter for all studios that are at least 6 months old at the beginning of the respective quarter, and then multiplying that number by four.

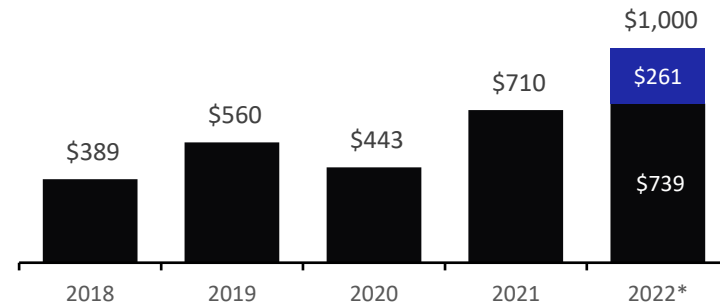
# Financial Summary

**+ 2,839**  
additional studios  
obligated to open  
as of 9/30/2022

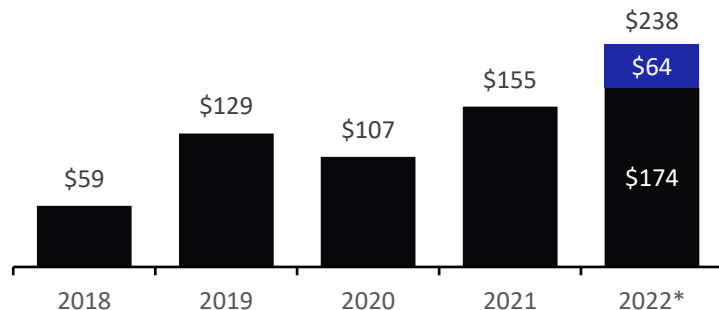
## Global Open Studios



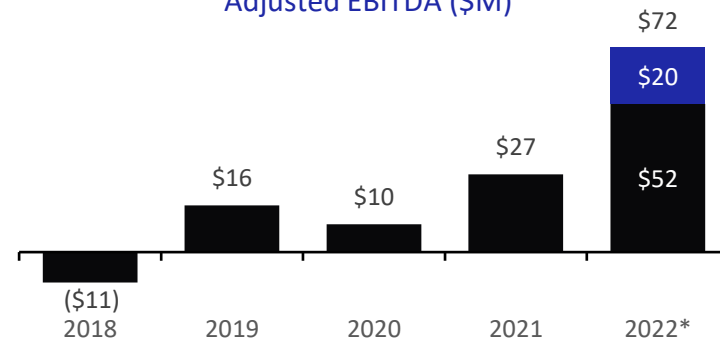
## North American System-Wide Sales (\$M)



## Revenue (\$M)



## Adjusted EBITDA (\$M)



Margin

NM

12.8%

9.2%

17.6%

30.3%

1) \* 2022 represents YTD 2022 actual results plus midpoint of guidance range for Q4 2022.

## Investment Highlights

- Proven and **experienced management** team
- **Diversified market leader** poised for **stability** and **scale**
- Passionate, **growing and loyal consumer base**
- **Established model that rapidly scales** boutique fitness concepts
- **Asset-light** franchise model and **predictable recurring revenue** streams support **strong free cash flow** conversion
- Highly **attractive** and predictable **studio-level economics**
- Large and **expanding franchisee base** with visible organic growth



# Appendix

**X**PONENTIAL<sup>™</sup>  
FITNESS





# Recent Developments – Expanding Xponential's B2B Efforts

## Digital Experiences



- 4 brands debuted on lululemon Studio, lululemon's smart home gym offering, in October 2022
- All 10 brands to debut in early 2023 on proprietary training bays in XPLUS signature spaces designed by Aktiv, leader in functional fitness facility design
- Collaborations expected to: expand consumer awareness, build omni-channel offering, provide attractive customer acquisition opportunities and drive incremental 4-wall revenue opportunities

## Product & Merchandise Partnerships



- Product and merchandise partnerships enhance members' studio experience
- Partnered with Celsius and C4, some of the fastest-growing energy drink brands in US
  - Cyclebar partnership with Celsius
  - Row House, Rumble partnership with C4 Energy
- Supplements-focused partnership across brands with bodybuilding.com

## Non-Traditional Locations

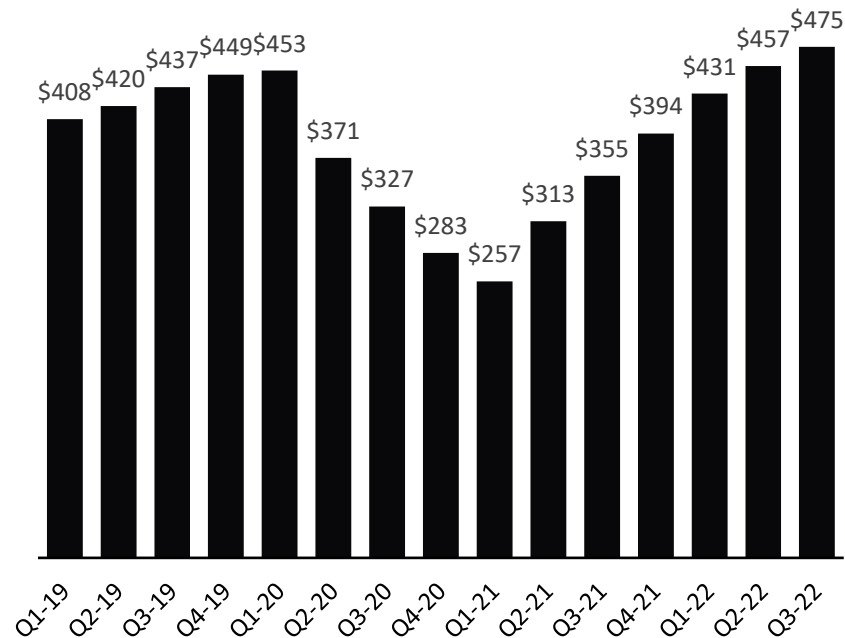


- Princess Cruises to develop 8+ Xponential brands onboard each of their 15-ship fleet
- 5-year exclusive license agreement with extensive co-branding opportunities
- In addition to in-studio classes, XPLUS will be made available across Princess staterooms
- Partnership expected to increase global brand awareness; increase lead generation to physical studios and XPLUS offering

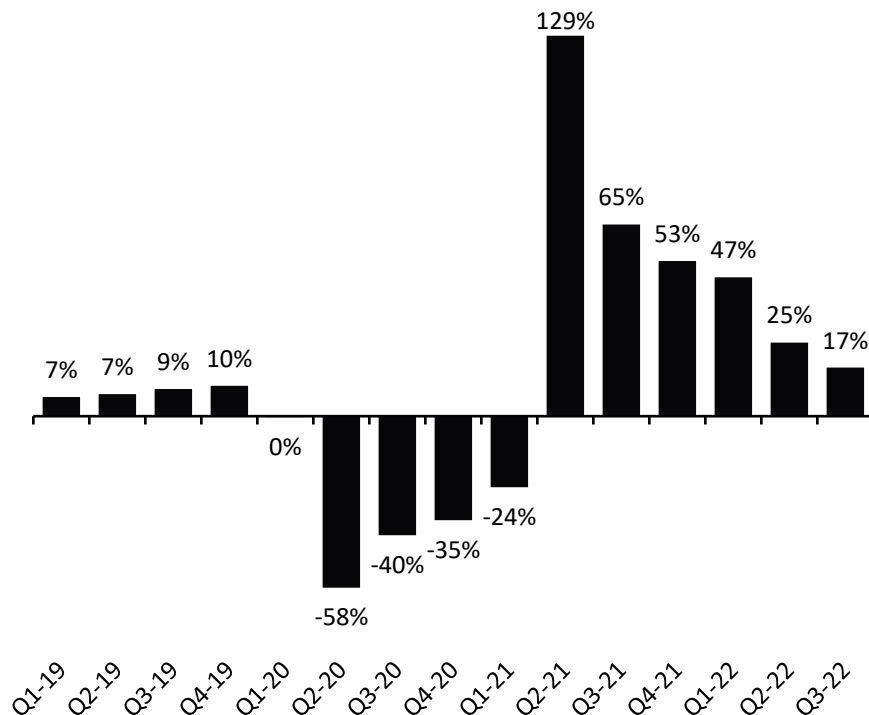


# Last 12 Month Average Unit Volumes (\$000s) and Same Store Sales (%)

## North America Last 12 Month AUVs



## North America Same Store Sales



1) Represents LTM AUVs and same store sales for North America-based studios open for 13+ months.

# FY 2022 Guidance – As of November 10, 2022

*Increased Revenue & Adj. EBITDA Ranges*

(\$ in millions)	Low Range Guidance	High Range Guidance	2021	% Change vs 2021 at Midpoint
<b>New Franchised Studio Openings</b> (Global)	<b>500</b>	<b>520</b>	334	<b>53%</b>
<b>System-wide Sales</b> (North America)	<b>\$995</b>	<b>\$1,005</b>	\$710	<b>41%</b>
<b>Revenue</b>	<b>\$235</b>	<b>\$240</b>	\$155	<b>53%</b>
Prior - Q2 2022	\$211	\$221		39%
Prior - Q1 2022	\$201	\$211		33%
<b>Adjusted EBITDA</b>	<b>\$70</b>	<b>\$74</b>	\$27	<b>164%</b>
Prior - Q2 2022	\$68	\$72		156%
Prior - Q1 2022	\$67	\$71		153%

## Q3 2022 Performance

Q3 2022  
*Top line  
 Performance  
 Driven by  
 Continued  
 Improvement in  
 System-wide Sales*

<i>(\$ in millions)</i>	Q3 2022	Q3 2021	% Change
Revenue	\$64	\$41	56%
Adjusted EBITDA	\$20	\$7	193%
New Studio Openings <i>(Global)</i>	128	80	60%
System-wide Sales <sup>(1)</sup> <i>(North America)</i>	\$265	\$193	37%
Same Store Sales <sup>(2)</sup> <i>(North America)</i>	17%	65%	NA
Q3 Run-Rate AUV <sup>(3)</sup> <i>(thousands; North America)</i>	\$489	\$417	17%

1) Represents system-wide sales for all studios in North America.

2) Same store sales calculated based on North America studios open for 13+ months.

3) Quarterly Run-Rate AUV ("average unit volume") is calculated by taking the average sales during the quarter for all studios that are at least 6 months old at the beginning of the respective quarter, and then multiplying that number by four.



# Our Long-Term Financial Growth Targets<sup>(1)</sup>

**500+**

Annual New Studio Openings

**Mid to High  
Single Digits**

Same Store Sales Growth

**Low to Mid Teens**

Revenue Growth

**20% – 25%**

Adj. EBITDA Growth

**40% - 45%**

Adj. EBITDA Margin



1) Represents three-to-five-year growth targets.

# Reconciliation of GAAP to Non-GAAP Measures: Adjusted Net Earnings (Loss) Per Share

<i>In \$ thousands, except shares and per share amounts</i>	<b>Q3 2022</b>	<b>Q3 2021</b>
Net income (loss)	(\$13,056)	(\$8,904)
Change in fair value of contingent consideration	\$16,290	\$2,880
TRA remeasurement	\$1,078	\$180
Impairment of brand assets	\$3,656	\$0
Adjusted net income (loss)	\$7,968	(\$5,844)
Adjusted net loss (income) attributable to noncontrolling interest	(\$3,612)	(\$3,281)
Adjusted net income (loss) attributable to Xponential Fitness, Inc.	\$4,356	(\$2,563)
Dividends on preferred shares	(\$1,777)	(\$1,216)
Deemed dividend	\$0	(\$3,172)
EPS numerator - Basic	\$2,579	(\$6,951)
Add: Adjusted net income (loss) attributable to noncontrolling interest	\$3,612	\$0
Add: Dividends on preferred shares	\$1,777	\$0
EPS numerator - Dilutive	\$7,968	(\$6,951)
Adjusted net earnings (loss) per share - Basic	\$0.10	(\$0.31)
Weighted average shares of Class A common stock outstanding - Basic	26,156,418	22,146,011
Adjusted net earnings (loss) per share - Dilutive	\$0.13	(\$0.31)
Weighted average shares of Class A common stock outstanding - Dilutive	63,073,251	22,146,011

Note: The above adjusted net earnings (loss) per share is computed by dividing the adjusted net income (loss) attributable to holders of Class A common stock by the weighted average shares of Class A common stock outstanding during the period. Total share count does not include potential future shares vested upon achieving certain earn-out thresholds. Net income, however, continues to take into account the non-cash contingent liability primarily due to Rumble.

## Reconciliation of GAAP to Non-GAAP Measures: Adjusted EBITDA

<i>In \$ thousands</i>	Q3 2022	Q3 2021
Net income (loss)	(\$13,056)	(\$8,904)
Interest expense, net	\$2,931	\$5,512
Income taxes	(\$308)	\$103
Depreciation and amortization	\$4,154	\$2,376
EBITDA	(\$6,279)	(\$913)
Equity-based compensation	\$4,243	\$3,530
Acquisition and transaction expenses (income)	\$16,290	\$2,880
Management fees and expenses	\$0	\$63
Litigation expenses	\$1,015	\$1,089
TRA remeasurement	\$1,078	\$180
Impairment of brand assets	\$3,656	\$0
Adjusted EBITDA	\$20,003	\$6,829
<i>Margin</i>	31%	17%

Note: We define Adjusted EBITDA as EBITDA (net income/loss before interest, taxes, depreciation and amortization), adjusted for the impact of certain non-cash and other items that we do not consider in our evaluation of ongoing operating performance. These items include equity-based compensation, acquisition and transaction expenses (including change in contingent consideration), management fees and expenses (that were discontinued after July 2021), litigation expenses (consisting of legal and related fees for specific proceedings that arise outside of the ordinary course of our business), employee retention credit (a credit for retaining employees throughout the COVID-19 pandemic), secondary public offering expenses for which we do not receive proceeds, expense related to the remeasurement of our TRA obligation and expense related to loss on impairment of our brand intangible assets and goodwill that we do not believe reflect our underlying business performance and affect comparability. EBITDA and Adjusted EBITDA are also frequently used by analysts, investors and other interested parties to evaluate companies in our industry. We believe that Adjusted EBITDA, viewed in addition to, and not in lieu of, our reported GAAP results, provides useful information to investors regarding our performance and overall results of operations because it eliminates the impact of other items that we believe reduce the comparability of our underlying core business performance from period to period and is therefore useful to our investors in comparing the core performance of our business from period to period.



## Net Loss to GAAP EPS Per Share

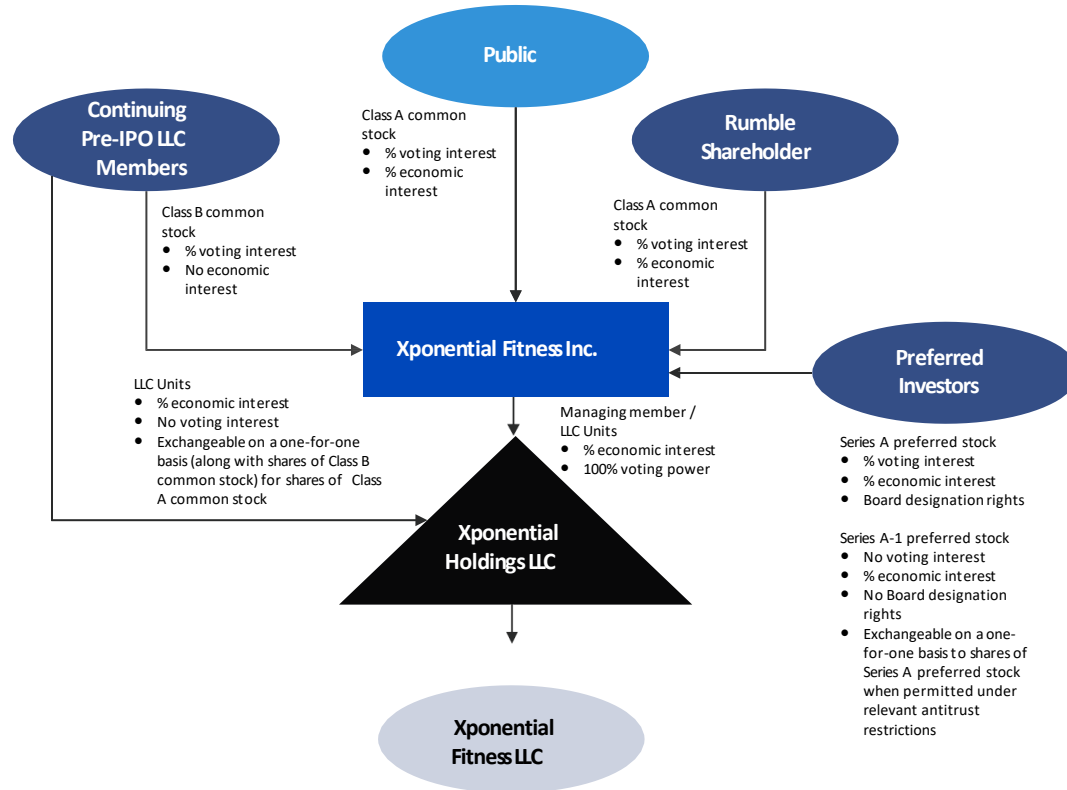
<i>In \$ thousands, except shares and per share amounts</i>		Q3 2022
Numerator:		
Net income (loss)		(\$13,056)
Less: net income (loss) attributable to noncontrolling interests		\$33,271
Less: dividends on preferred shares		(\$3,250)
Less: deemed contribution (dividend)		(\$57,096)
Net income (loss) attributable to XPO Inc. Numerator - basic		(\$40,131)
Add: net income (loss) attributable to non-controlling interests		\$0
Add: dividends on preferred shares		\$0
Less: deemed contributions (dividend)		\$0
Net income (loss) attributable to XPO Inc. Numerator - diluted		(\$40,131)
Denominator:		
Weighted average shares of Class A common stock outstanding - basic and diluted		26,156,418
Net earnings (loss) per share attributable to Class A common stock - basic and diluted		(\$1.53)

# Capital Structure Supports Continued Growth

- Franchised business model with highly predictable and recurring revenue streams and limited on-going capital requirements creates visibility into cash available to service debt obligations
- As business continues to grow, overall EBITDA and margin will continue to increase, significantly reducing our Net Leverage Ratio
- In conjunction with the IPO transaction, we also completed a \$200M convertible preferred transaction

<i>(\$ in millions)</i>	<u>As of 30-September-22</u>
Cash & Cash Equivalents	\$28
Total Debt	\$136
Net Debt	\$109
LTM Adj. EBITDA	\$61
Net Debt / LTM Adj. EBITDA	1.8x

# Up-C Structure Overview



## ✓ Purpose of the structure

- Preserves “flow-through” tax treatment for historic owners following the IPO
- Creates tax basis step-up when historic owners sell interest
  - ◆ Typical for historic owners to retain a portion of the value of the step-up via a tax receivable agreement

## ✓ Description of structure

- Historic owners typically hold their interest in the business through an LLC or other legal entity treated as a partnership for U.S. tax purposes (“OpCo LLC”)
- Newly created C-corporation (“PubCo”) raises IPO proceeds and uses proceeds to buy OpCo LLC units from OpCo LLC directly and/or from the historic owners
- Following the IPO, the historic owners continue to hold a direct interest in OpCo LLC
  - ◆ The OpCo LLC units are typically exchangeable on a one-for-one basis for PubCo shares
  - ◆ The historic owners also typically hold a non-economic voting interest in PubCo providing them with voting rights commensurate with their economic interest in OpCo LLC
- Public shareholders and LLC members have equal voting interests

# Board of Directors



**Mark Grabowski**  
*Chairman*

- Snapdragon Capital Partners
- TPG Growth
- L Catterton
- AEA Investors
- American Capital Strategies

- A.B., Dartmouth College
- M.B.A., University of Pennsylvania



**Anthony Geisler**  
*CEO, Director*

- Xponential Fitness
- Club Pilates (scaled & sold to TPG)
- LA Boxing (scaled & sold to UFC)

- B.A., University of Southern California



**Brenda Morris**  
*Lead Director*

- CSuite Financial Partners
- Boot Barn Holdings, Inc.
- Duluth Holdings Inc.
- Apex Parks Group
- Hot Topic, Inc.
- 5.11 Tactical

- B.A., Pacific Lutheran University
- M.B.A., Seattle University



**Jair Clarke**  
*Director*

- Microsoft Corporation
- The Walt Disney Company
- IBM
- Lockheed Martin

- B.A., University of Miami



**Chelsea A. Grayson**  
*Director*

- Wunderkind
- True Religion
- American Apparel Inc.
- Spark Networks
- Goodness Growth Holdings
- iHerb
- Lapmaster Group Holdings

- B.A., University of California, Los Angeles
- J.D., Loyola Law School

STRIDE

CLUB PILATES

STRETCH LAB

RUMBLE

YOGASIX

AKT

G CYCLE BAR

pure barre

ROW HOUSE

BFT



CONTACT:

Addo Investor Relations  
[investor@xponential.com](mailto:investor@xponential.com)

**Xponential**  
FITNESS