

One of the Leading Global Franchisors of Boutique Health & Wellness Brands

# XPONENTIAL™

INVESTOR PRESENTATION | As of March 31, 2024 | Reported on May 2, 2024



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This presentation contains forward-looking statements that are based on current expectations, estimates, forecasts and projections of future performance based on management’s judgment, beliefs, current trends, and anticipated financial performance. These forward-looking statements include, without limitation, statements relating to expected growth of our business; projected number of new studio openings; profitability; the expected impact of our movement away from Company-owned transition studios; anticipated industry trends; projected financial and performance information such as system-wide sales; projected annual revenue and Adjusted EBITDA; our competitive position in the boutique fitness industry; and ability to execute our business strategies and our strategic growth drivers. 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, our relationships with master franchisees, franchisees and international partners; difficulties and challenges in opening studios by franchisees; the ability of franchisees to generate sufficient revenues; risks relating to expansion into international markets; loss of reputation and brand awareness; general economic conditions and industry trends; and other risks as described in our SEC filings, including our Annual Report on Form 10-K for the full year ended December 31, 2023 filed 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 presentation 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.

In addition to our results determined in accordance with GAAP, we believe non-GAAP financial measures are useful in evaluating our operating performance. We use certain non-GAAP financial information in this presentation, such as EBITDA, Adjusted EBITDA and adjusted net income (loss), and adjusted net earnings (loss) per share, which exclude certain non-operating or non-recurring items, including but not limited to, equity-based compensation expenses, acquisition and transaction expenses, litigation expenses, employee retention credit, financial transaction fees and related expenses, tax receivable agreement remeasurement, impairment of goodwill and other assets that we believe are not representative of our core business or future operating performance, and charges incurred in connection with our restructuring plan, 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 measures 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. In addition, we are not able to provide a quantitative reconciliation of the estimated full-year Adjusted EBITDA for fiscal year ending December 31, 2024 without unreasonable efforts to the most directly comparable GAAP financial measure due to the high variability, complexity and low visibility with respect to certain items such as taxes, TRA remeasurements, and income and expense from changes in fair value of contingent consideration from acquisitions. We expect the variability of these items to have a potentially unpredictable and potentially significant impact on future GAAP financial results, and, as such, we also believe that any reconciliations provided would imply a degree of precision that would be confusing or misleading to investors.



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# Xponential is one of the Leading Global Franchisors in the \$20 Billion+ Boutique Fitness Industry.

Our Mission is to Make Boutique Fitness Accessible to Everyone.

10 Brands Across High-Growth Modalities in 3,000+ 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
- **Has grown more rapidly than the overall \$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

**~\$31Bn**

2023E  
Total Market Size<sup>(4)</sup>

**21+**

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

**~\$24Bn**

2023E  
Boutique Fitness  
Market Size<sup>(6)</sup>

**+5.3%**

'23E - '25E  
Boutique Fitness  
Market CAGR<sup>(6)</sup>

1) International Health, Racquet & Sports Association ("IHRSA") Research, "2022 IHRSA Global Report."

2) From 2015 to 2019.

3) From December 2019 to December 2021.

4) IBISWorld report, "Gym, Health & Fitness Clubs in the U.S.", published January 2023.

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



**Brenda Morris**

Interim CEO and Director

5 Years at Xponential  
41 Years of Industry Experience



**John Meloun**

CFO

6 Years at Xponential  
25 Years of Industry Experience



**Sarah Luna**

President

9 Years at Xponential  
16 Years of Industry Experience



EQUINOX



**Andrew Hagopian**

CLO

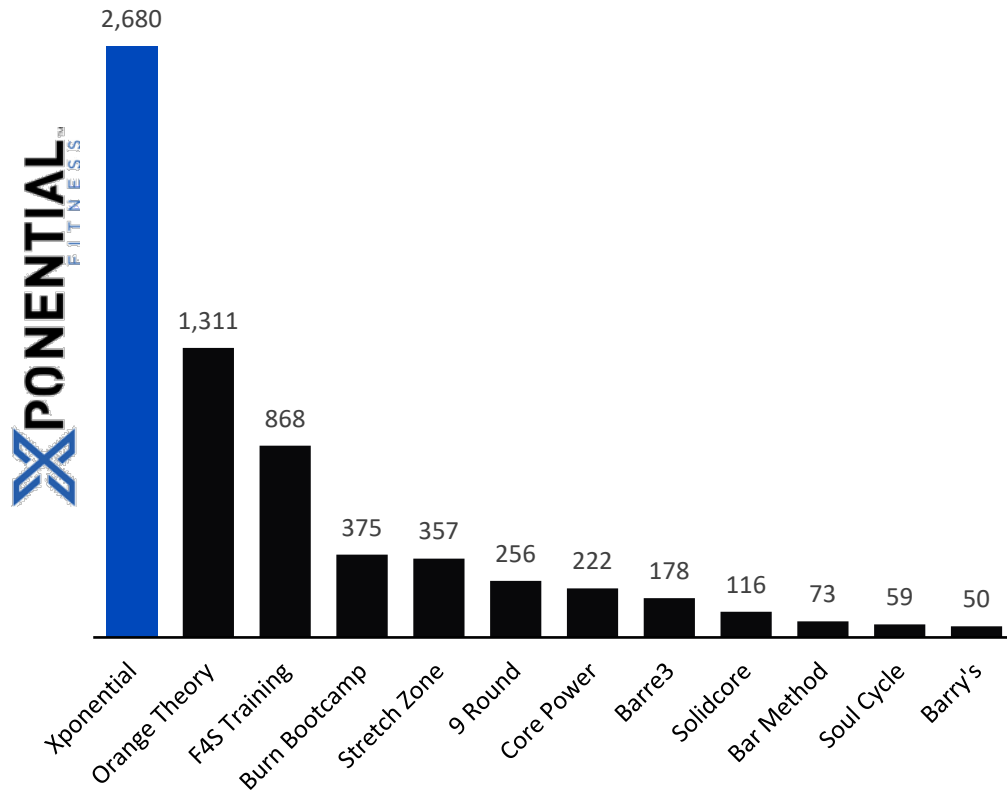
1 Year at Xponential  
18 Years of Industry Experience



 Franchised

# Xponential is one of the Largest Global Franchisors in \$20Bn+ Boutique Fitness Industry

## Total U.S. Studios Open<sup>(1)</sup>



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

**3,150+**

Global Studios Open  
+19% vs. 2022

**6,360+**

Global License Sold  
+18% vs. 2022

**\$1.5B+**

LTM System-Wide Sales<sup>(3)</sup>  
+42% vs. 2022

**780K+**

Total Members  
+33% vs. 2022

**\$327M**

LTM Revenue  
+34% vs. 2022

**\$112M**

LTM Adj. EBITDA  
+51% vs. 2022

1) Source for non-Xponential brands: Company websites accessed on April 28, 2024.

2) All data as of March 31, 2024.

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

4) See appendix for reconciliation to net loss, the most directly comparable GAAP financial measure.



# Xponential's Boutique Offering at a Glance



## Studio Storefronts

- Convenient retail locations
- Avg size: 1,500-2,500 sqft
- Also operating in other non-traditional locations



## Retail Operations











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



## Class Sessions

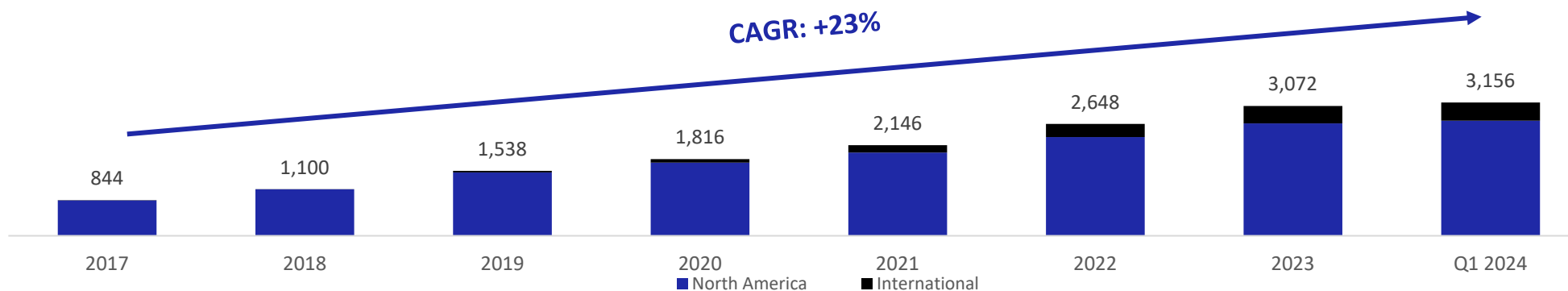
- Small class sizes
- Flexible location (indoor/outdoor/digital)
- Community driven

# Xponential's Evolution From One to Ten Brands in Key Boutique Fitness Verticals<sup>(1)</sup>

Acquired	Mar 2015 <sup>(2)</sup>	Sep 2017	Nov 2017	Dec 2017	Mar 2018	Jul 2018	Oct 2018	Mar 2021	Oct 2021	Jan 2024
 CLUB PILATES  CYCLEBAR  STRETCHLAB  ROWHOUSE  ALK+  YOGASIX  pure barre  RUMBLE  BFT  lindora										
Open Studios <sup>(3)</sup>	1,035	264	491	77	14	202	635	94	298	30
Licenses Sold <sup>(3)</sup>	1,737	564	990	327	122	635	791	388	739	56



## Global Studios



1) Xponential's health & wellness verticals include Pilates, indoor cycling, barre, stretching, rowing, dancing, boxing, functional training, yoga and metabolic health solutions. All data as of March 31, 2024. All KPI information is presented on an adjusted basis to include historical information of all brands owned as of today, and to exclude historical information of Stride given its divestiture by the Company in February 2024.

2) Acquired by Anthony Geisler prior to the formation of Xponential Fitness.

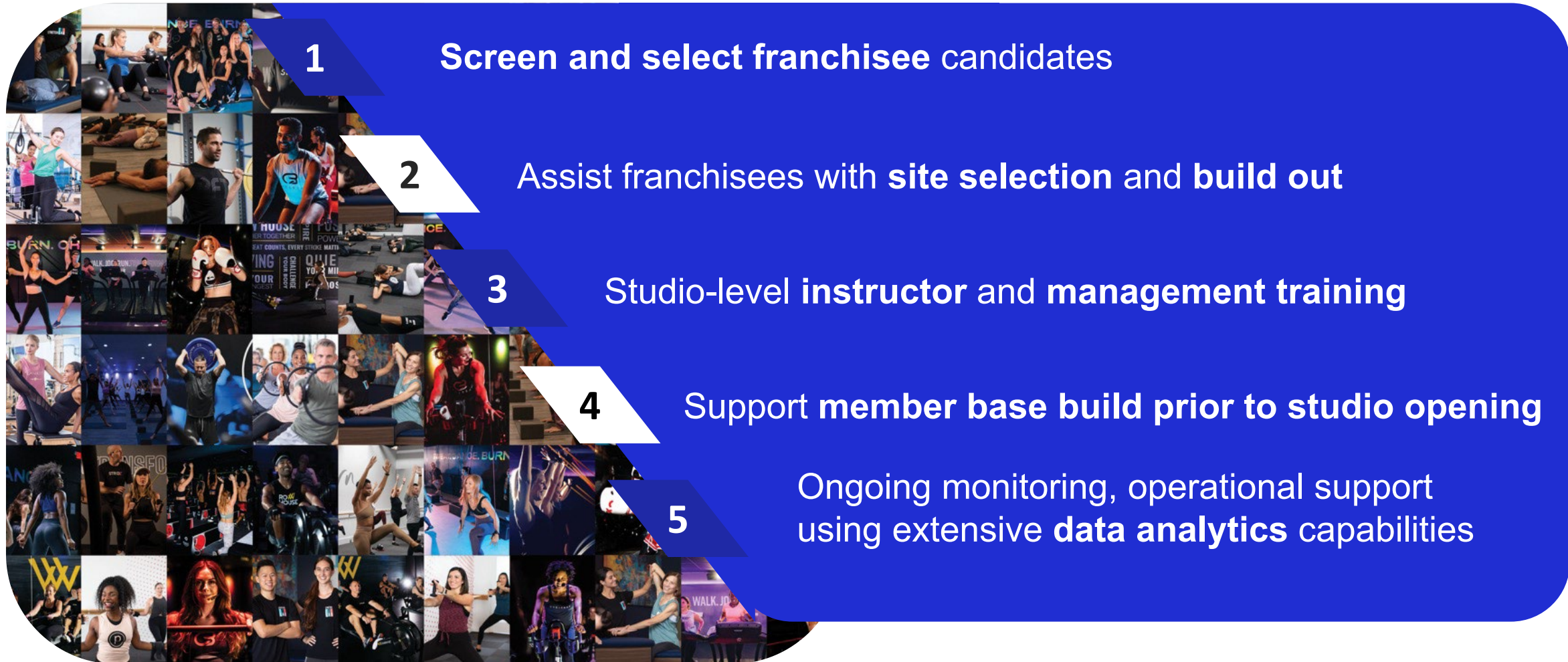
3) Does not include Princess Cruises. Licenses sales are presented gross of terminations.



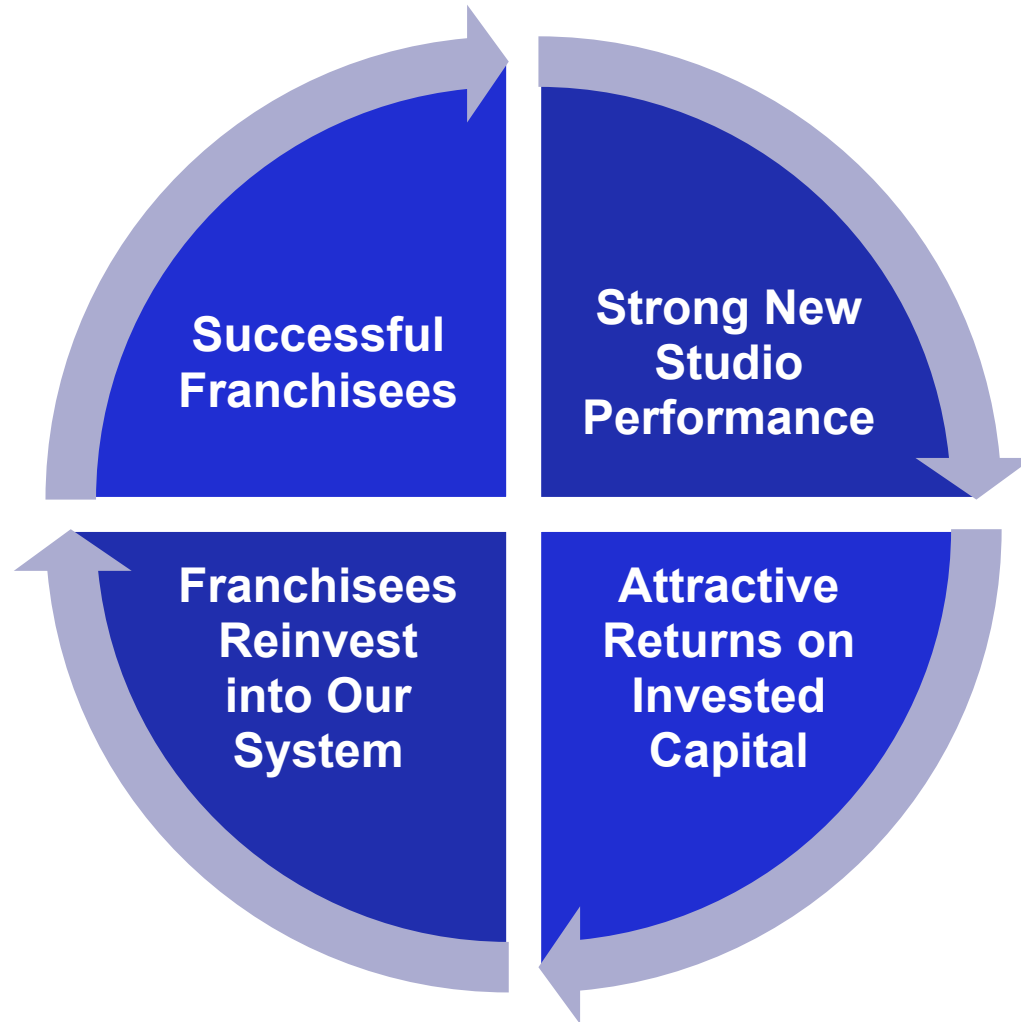
# Our Franchise Model



# 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:

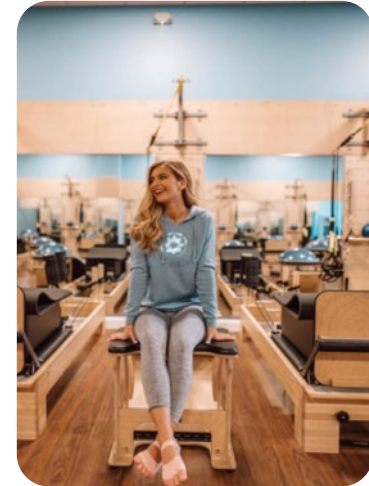
- Majority Female, 20 - 60 years old
- 5% Male in 2019, 11% today
- Bachelor's degree
- Household income of \$160K+ annually

## Consumers can purchase:

- Recurring memberships, or walk-in classes
- 4x, 8x or unlimited classes/month memberships
- 8x membership: average price of \$14-\$26 per class<sup>(1)</sup>
- XPASS and XPLUS multi-brand access membership

## Active membership base<sup>(2)</sup>:

- 780K+ growing membership base
- ~90% of members on recurring memberships
- Average spend of \$135/member/month



1) Pricing is based on a minimum threshold that franchisees must charge to customers. Average excludes StretchLab which typically prices between \$34-\$104 per session for an 8x per month recurring membership.  
2) Represents North American studios as of March 31, 2024.

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

**~\$380K**

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

**25%+**

Average Operating Margin

**\$500K+**

Average Annual Revenue in Year 2

**2.5**

Year Payback

**6 - 12**

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

**~35%**

Cash-on-Cash Return

1) Represents designed studio-level economics as of Q1 2024 (i.e., returns that studios are expected to produce, which may differ from actual results). Not inclusive or representative of studios within a LA Fitness or City Sports Club.

2) Initial Investment is net of estimated tenant improvement benefit. Reflects 2024 estimated build-out costs, weighed based on North America operating studios in traditional locations as of March 31, 2024.

3) Base Maturity is achieved when a studio has annualized monthly revenue of approximately \$400K.



# Key Strategies for Growth

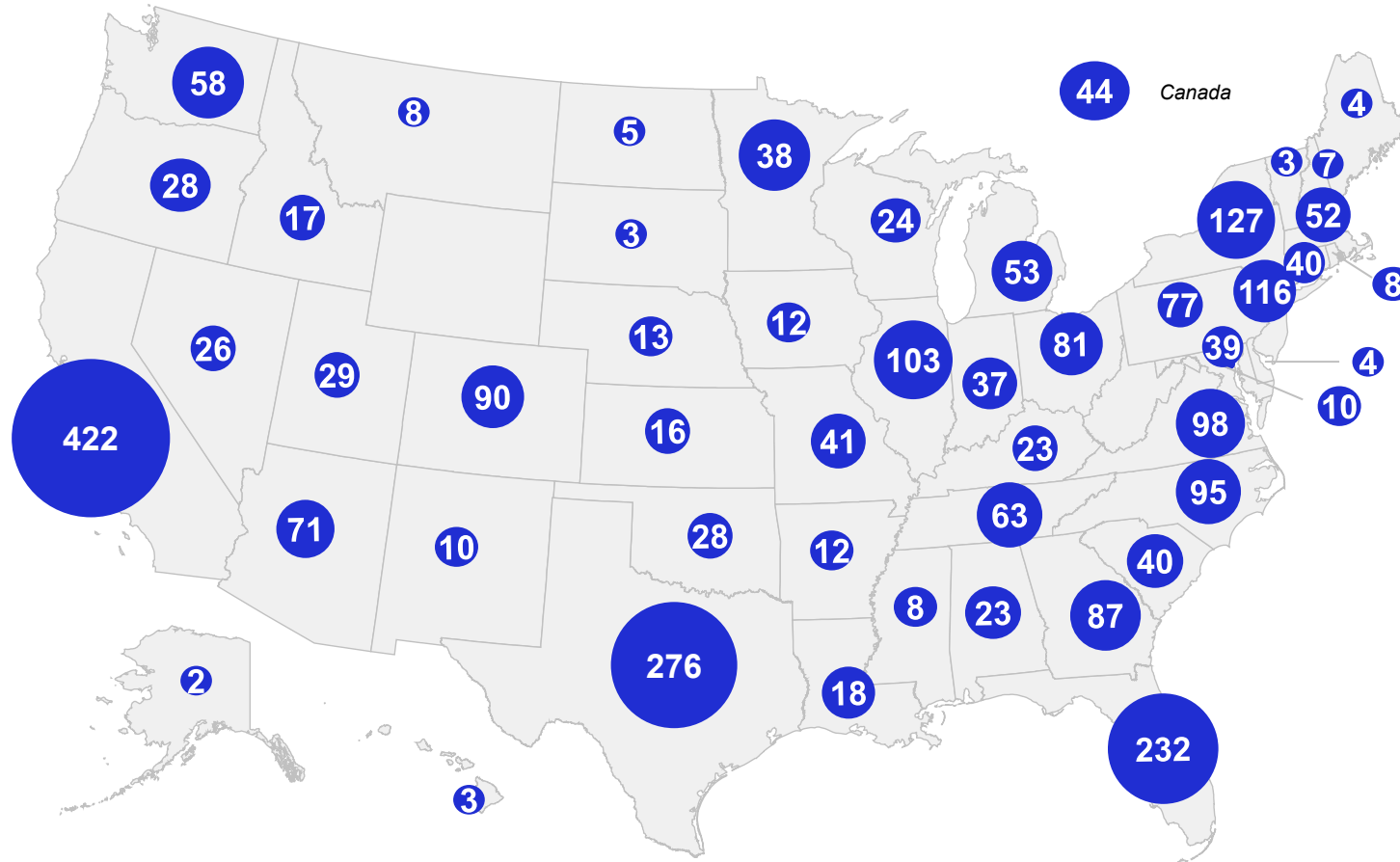
- 1** Grow Franchised Studio Base Across All Brands in North America
- 2** Grow Brands and Studio Base Internationally
- 3** Drive System-Wide Same Store Sales and Grow Average Unit Volumes
- 4** Expand Operating Margins and Drive Free Cash Flow Conversion



# 1

Key Strategies for Growth

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



**67%** of U.S. population lives within **10 miles** of an Xponential studio<sup>(1)</sup>

Buxton estimates **potential for ~8,400 studios in U.S. alone**<sup>(2)</sup>

Franchisees contractually committed to opening **1,900+ new North American studios**<sup>(3)</sup>

1) U.S. population excluding Alaska and Hawaii per Buxton Company, as of March 2024.  
2) Includes: Club Pilates, Lindora, Stretch Lab, Pure Barre, BFT, Rumble Yoga Six, Cycle Bar.  
3) As of March 31, 2024.

# 2

Key Strategies for Growth

## Grow Brands and Studio Base Internationally

Large International Opportunity

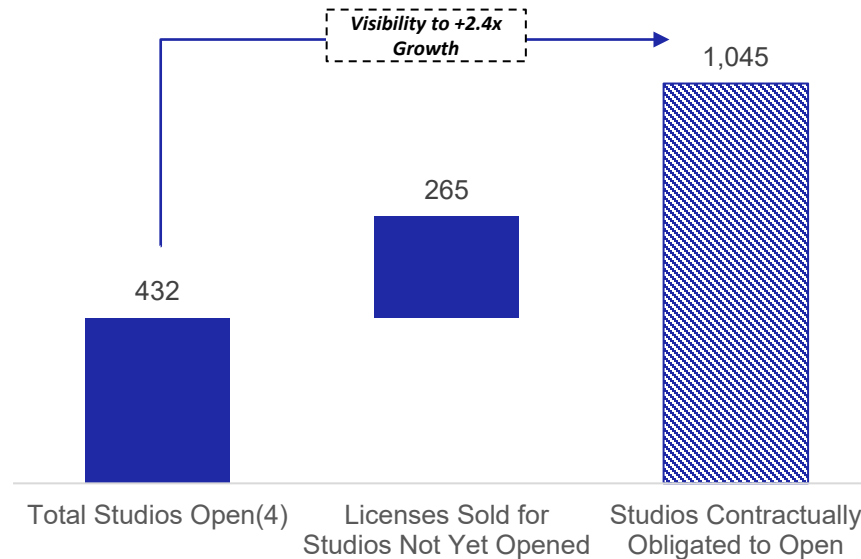
**\$97B**

Global Health and Fitness Club Industry in 2022<sup>(1)</sup>

**23**

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 **attractive international markets** with the largest opportunity

**Extensive white space** to continue international expansion



1) Source: IHRSA Research, "2022 IHRSA Global Report."  
 2) As of March 31, 2024. Includes the United States and Canada.  
 3) As of March 31, 2024.  
 4) Does not include units on Princess Cruise ships.



3

Key Strategies for Growth

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

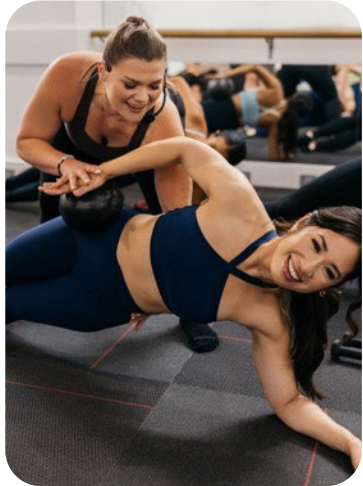
Acquire New Customers



Increase Membership Penetration



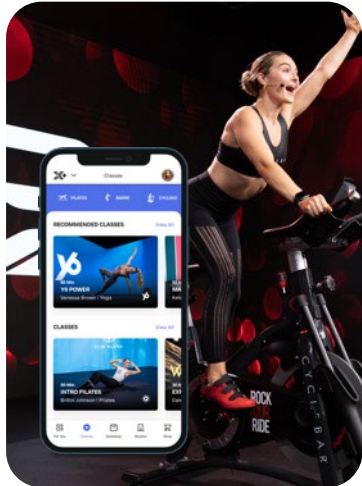
Drive Increasing Spend from Consumers



Expand Additional Revenue Streams Within Our Franchised Studios



Utilize XPASS to Increase Retention and Generate Lead Flow



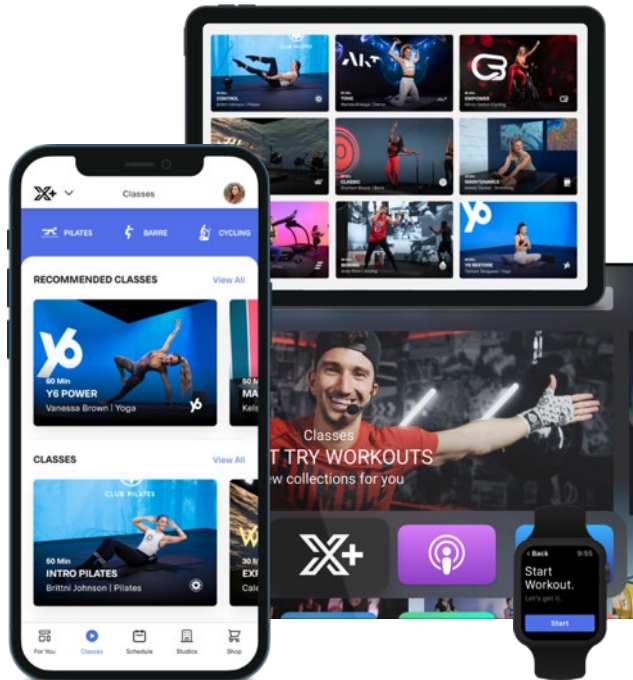
Attract and Retain Consumers Through Our XPLUS Digital Platform

### 3

Key Strategies for Growth

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

# XPONENTIAL+



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

- XPLUS **mobile / desktop application** available to consumers via individual or all access subscriptions (\$9 to \$29/month)
- 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>(1)</sup>

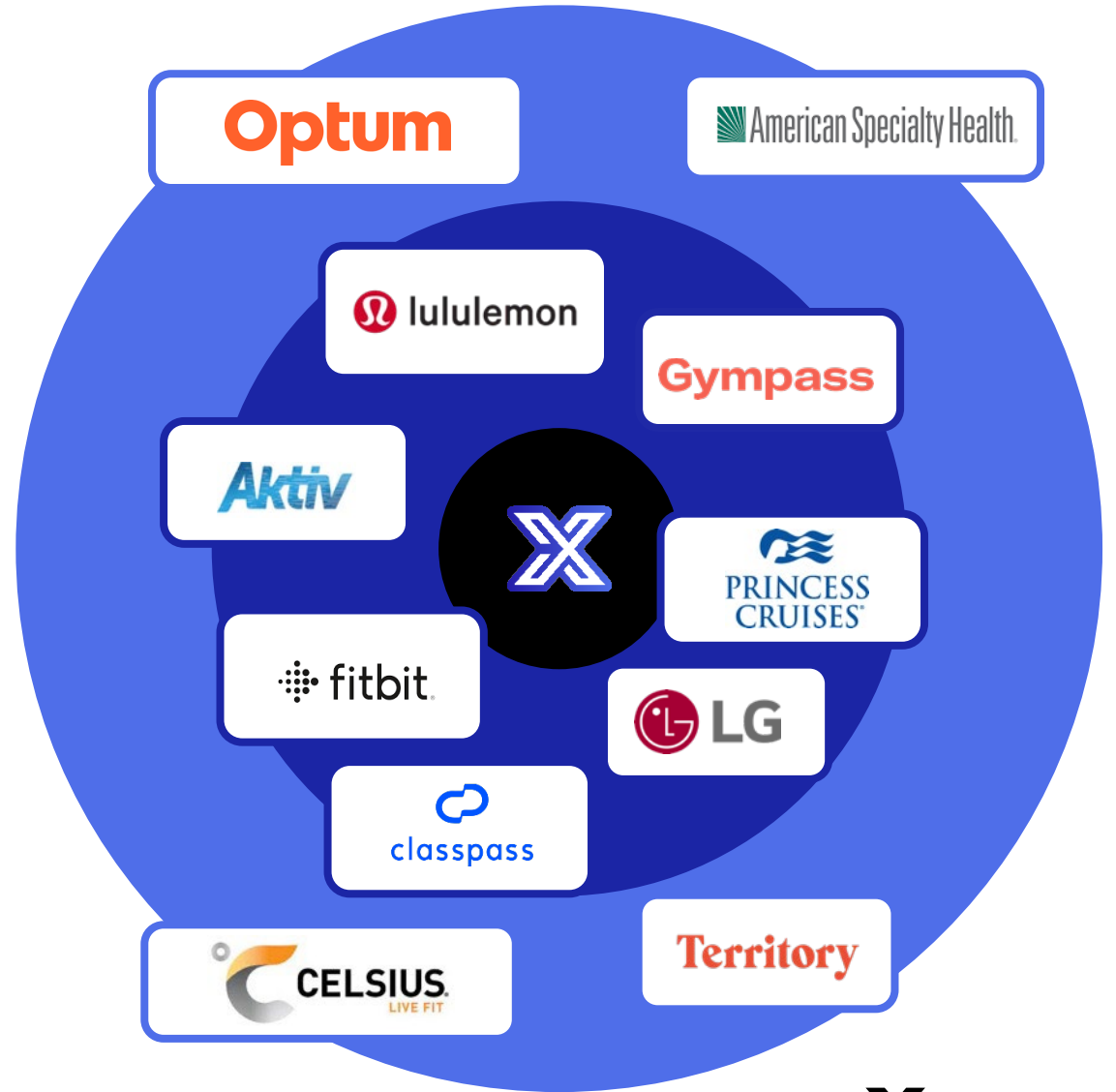
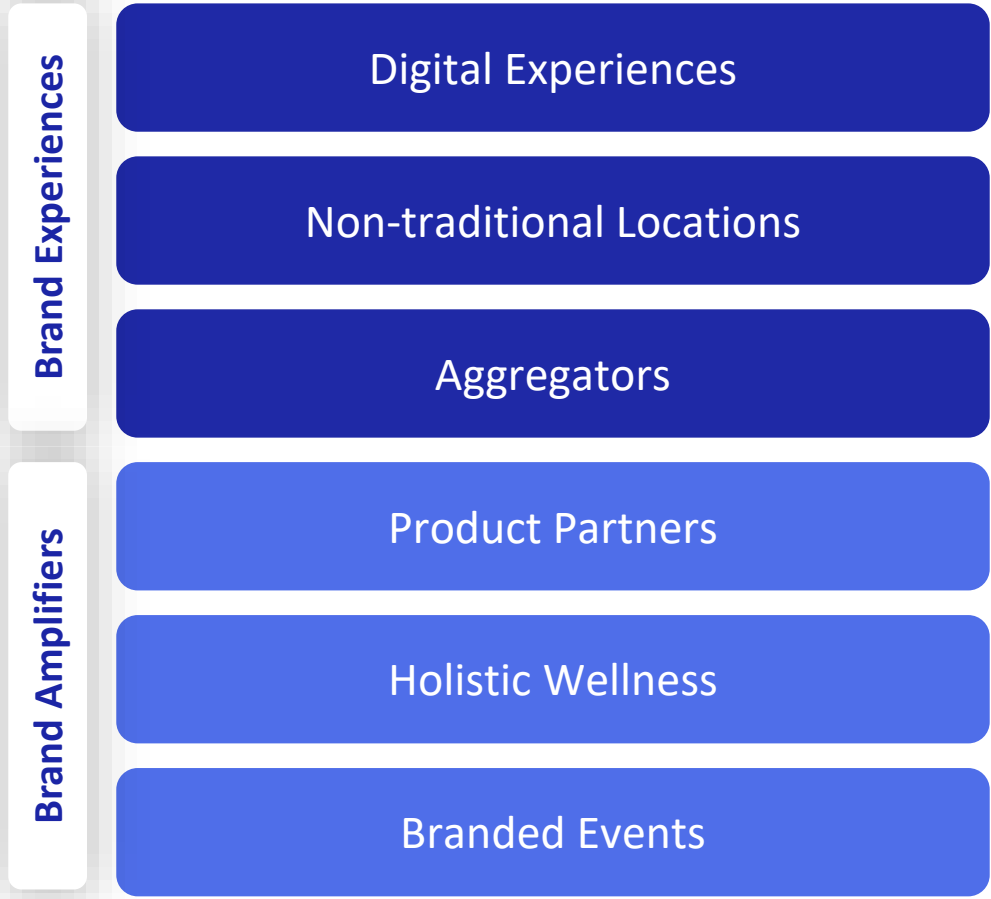
1) As of March 31, 2024.



# 3

Key Strategies for Growth

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



# 4

Key Strategies for Growth

## 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

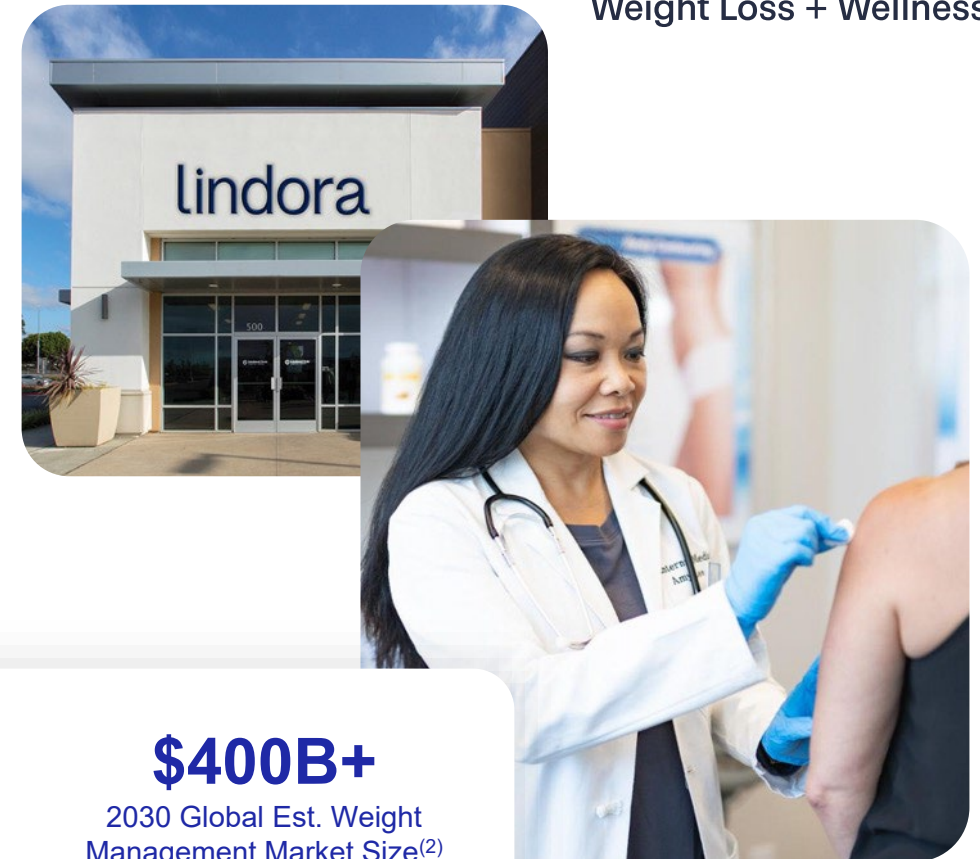
# Introducing Lindora

Further solidifies Xponential's expansion into health and wellness

## Overview:

- Leading provider of medically guided wellness & metabolic health solutions through:
  - Weight management programs, IV hydration, hormone replacement therapy and other services
- Complements Xponential's portfolio of brands
- 30 locations in Southern California; 1 test location in Washington<sup>(1)</sup>
  - Existing locations became Xponential franchisees
- Brand to be franchised nationally and globally
- Acquisition closed on January 2, 2024 for \$8.5 million in cash and a \$1.0 million earnout

**lindora**  
Weight Loss + Wellness



**\$900K+**

Average  
Unit Volumes

**1.5K–2.5K**

Average  
Clinic Sq. Ft.

**\$224B+**

2021 Global Est. Weight  
Management Market Size<sup>(2)</sup>

**\$400B+**

2030 Global Est. Weight  
Management Market Size<sup>(2)</sup>

1) As of March 31, 2024.

2) Facts and Factors (Feb. 2023). Weight Loss and Weight Management Market Size, Share, Growth Analysis Report By Diet (Meal, Supplement, and Beverage), By Service (Fitness Centers, Consulting Services, Slimming Centers, and Online Programs), and By Region – Global and Regional Industry Insights, Overview, Comprehensive Analysis, Trends, Statistical Research, Market Intelligence, Historical Data and Forecast 2022 -2030. (Report No. FAF-2223).

# Financial Overview



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# 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

Fitness Market Leader



High Growth Franchisor



Asset-Light



Significant Whitespace





# Revenue Overview

## Revenue Overview

**Franchise Revenue** – Franchise territory fees, ~7% royalty fees, technology fees, transfer fees and instructor training

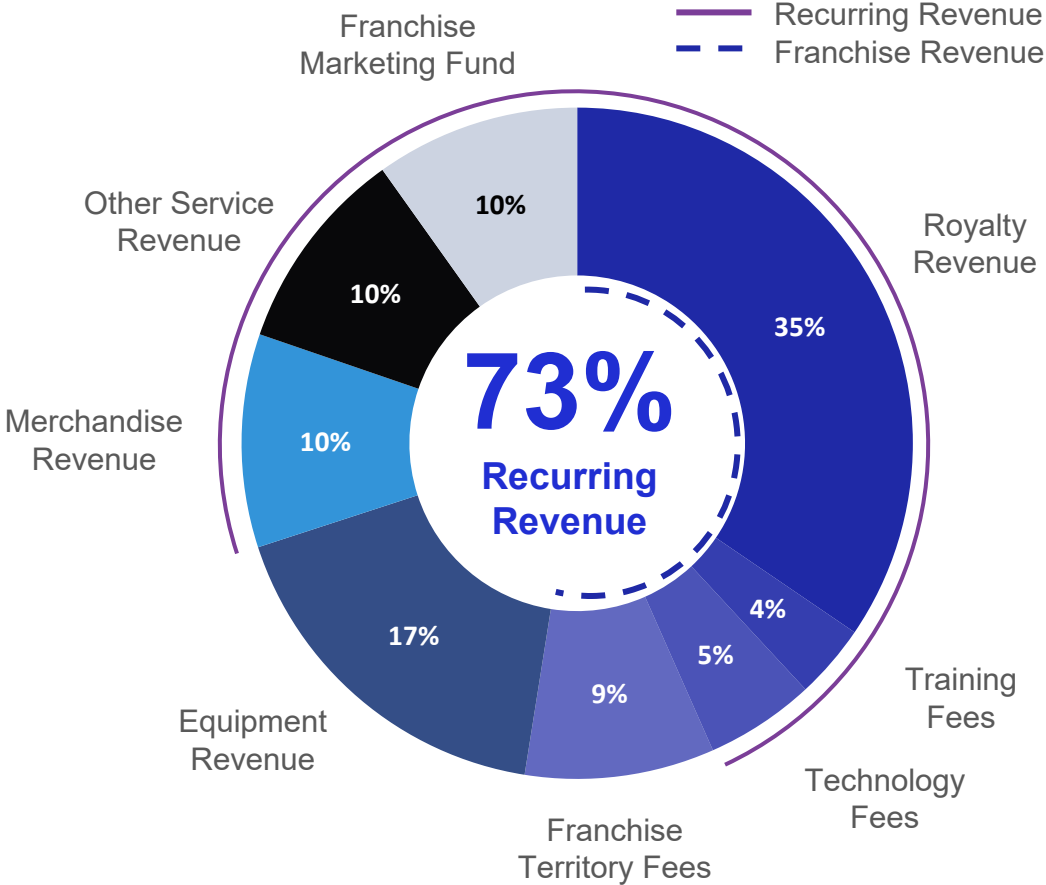
**Equipment Revenue** – Sales of equipment to franchisees and related rebates

**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

## 73% Recurring Revenue in First 3 Months of 2024<sup>(1)</sup>



1) Totals may not add to 100% due to rounding.

# Continued Growth and Increased Member Engagement

Metric	2021	2022	2023	2021 vs. 2022 % Change	2022 vs. 2023 % Change
Global Gross New Studio Openings <sup>(1)</sup>	329	505	<b>554</b>	+53%	+10%
Global Licenses Sold <sup>(2)</sup>	4,366	5,387	<b>6,192</b>	+23%	+15%
Q4 Run-Rate AUV <sup>(3)</sup> (\$000s)	\$454	\$526	<b>\$597</b>	+16%	+13%
Same Store Sales <sup>(4)</sup> (%)	38%	23%	<b>15%</b>	--	--
Total Members <sup>(5)</sup> (000s)	447	587	<b>713</b>	+31%	+22%
Total Visits <sup>(6)</sup> (M)	30.2	39.5	<b>51.7</b>	+31%	+31%

1) Note: Metrics are as of December 31 of year presented, unless noted otherwise.

2) Licenses sold are gross of terminated licenses.

3) Quarterly Run-Rate AUV ("average unit volume") is calculated by taking the average sales during the quarter for all traditional North America studio locations that are at least 6 months old at the beginning of the respective quarter, and where sales are not equal to zero, and then multiplying that number by four.

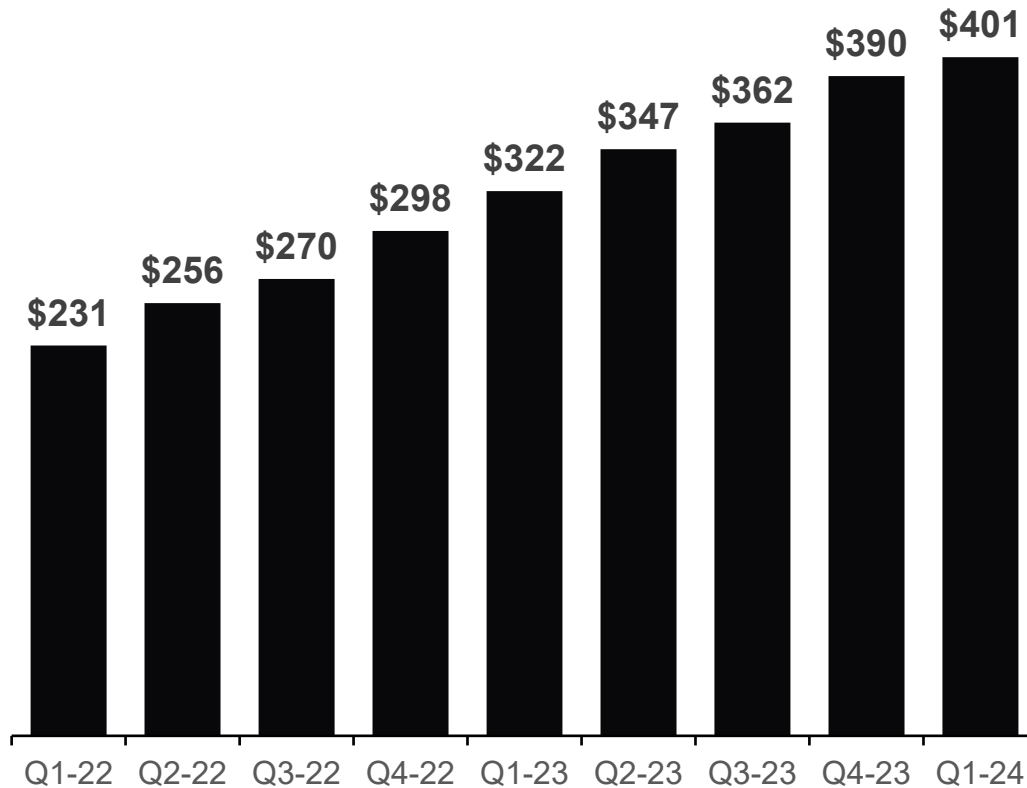
4) Change in period-over-period sales for the North America same store base. We define the same store base to include only sales from studios in North America that have been open for at least 13 consecutive calendar months at measurement date.

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

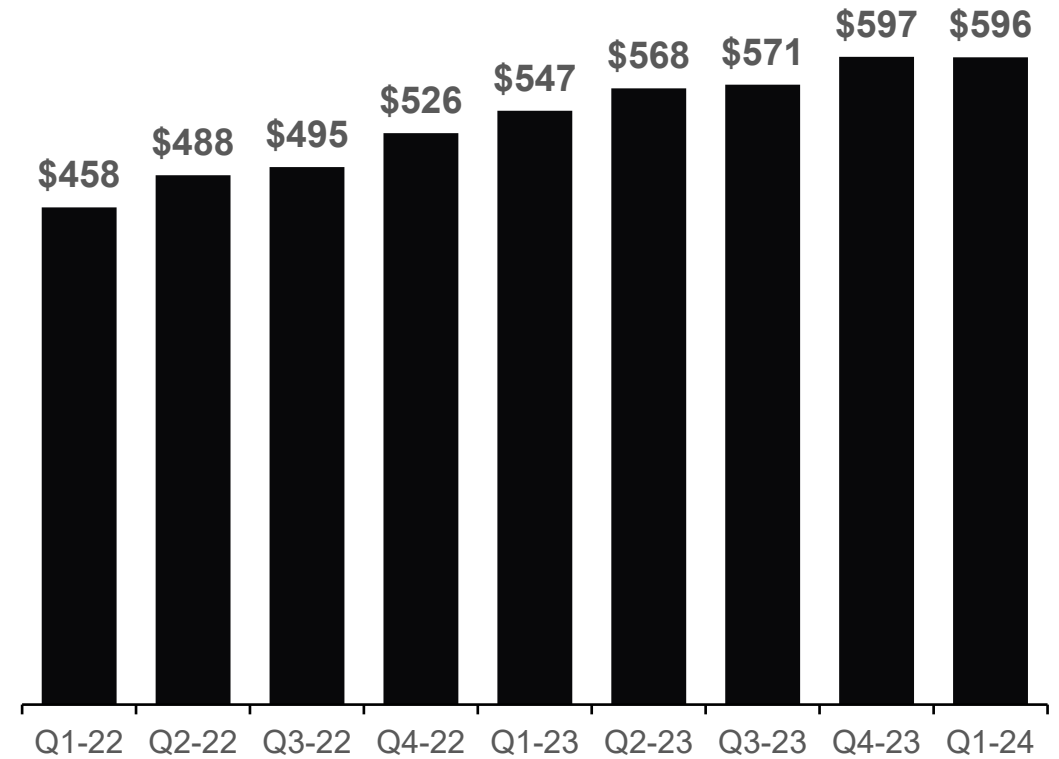
6) Includes in-studio and live-stream visits.

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

## North America System-Wide Sales<sup>(1)</sup> (\$M)



## North America Run-Rate AUVs<sup>(2)</sup> (\$000s)



All KPI information is presented on an adjusted basis to include historical information of Lindora prior to its acquisition by the Company in January 2024, and to exclude historical information of Stride prior to its divestiture by the Company in February 2024.

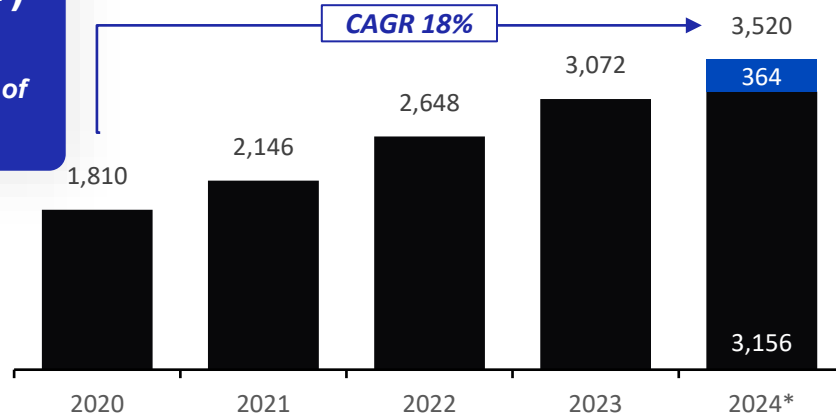
1) System-wide sales represents gross sales by all North America-based studios. We receive approximately 7% and 2% of the sales by franchisees as royalty revenue and marketing fund revenue, respectively.

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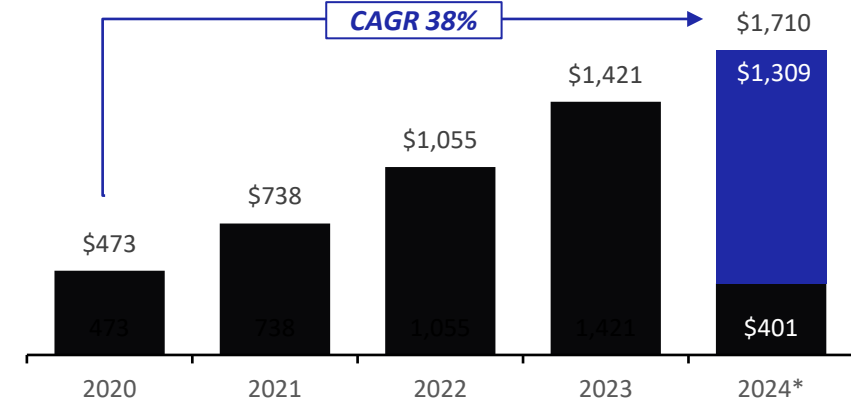
# Financial Summary

**2,900+(1)**  
additional studios  
obligated to open as of  
3/31/2024

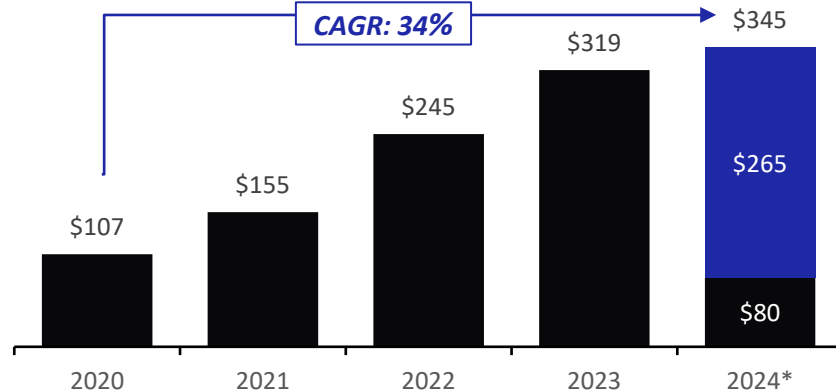
### Global Open Studios



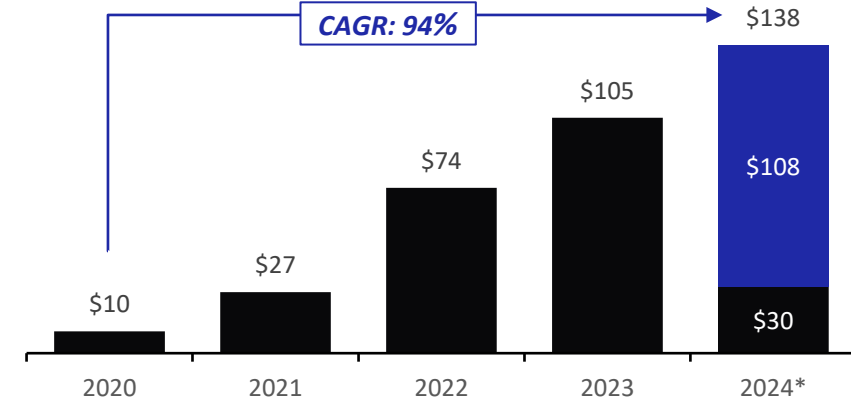
### North American System-Wide Sales (\$M)



### Revenue (\$M)



### Adj. EBITDA (\$M)<sup>(2)</sup>



\* 2024 represents midpoint of guidance range. 2024 global open studios net of 3% closures assumed in 2024.

Margin: **9.2%**   **17.6%**   **30.3%**   **33.1%**   **40.0%**

1) Represents (i) North American sold licenses, net of open studios and license terminations, (ii) international BFT licenses sold not yet opened and (iii) international licenses obligated to be sold and opened under MFA.  
2) See appendix for reconciliation to net loss, the most directly comparable GAAP financial measure.

# 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



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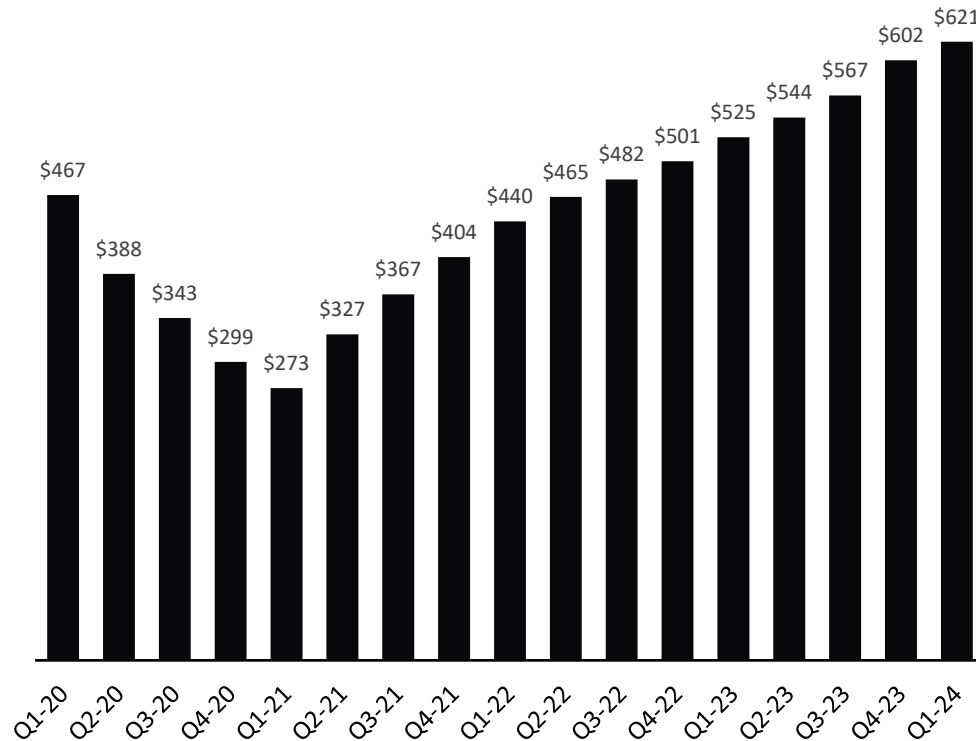


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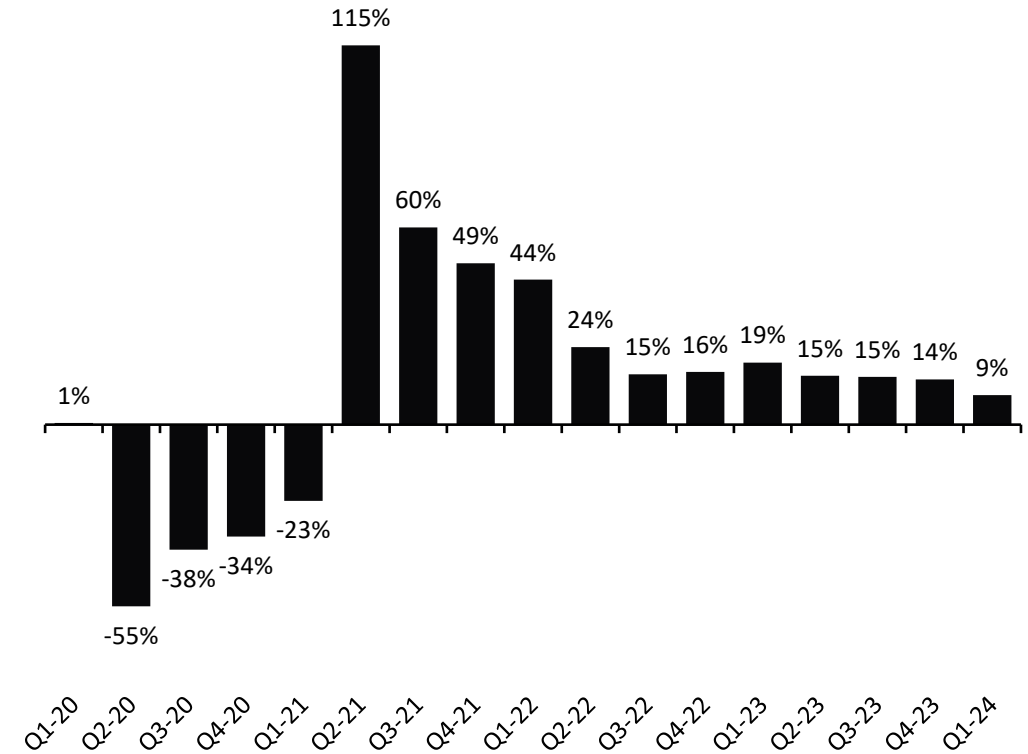


# Last 12 Month Average Unit Volumes (\$000s) and Same Store Sales (%)

## North America Last 12 Month AUVs<sup>(1)</sup>



## North America Same Store Sales<sup>(2)</sup>



KPIs fully "pro forma". I.e. all brands owned today are included with their full history, and Stride, which was divested in January 2024, is fully excluded.

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

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 consecutive calendar months at measurement date.

# FY 2024 Guidance – As of May 2, 2024

<i>(\$ in millions)</i>	Low Range Guidance	High Range Guidance	2023 <i>(as reported at time)</i>	% Change vs. 2023 <sup>(1)</sup>	2023 <i>(KPIs pro forma)<sup>(2)</sup></i>	% Change vs. 2023 <sup>(1)</sup>
<b>New Studio Openings (Global)</b>	<b>540</b>	<b>560</b>	557	nm	554	nm
<b>System-wide Sales (North America)</b>	<b>\$1,705</b>	<b>\$1,715</b>	\$1,400	<b>22%</b>	\$1,421	<b>20%</b>
<b>Revenue</b>	<b>\$340.0</b>	<b>\$350.0</b>	\$318.7	<b>8%</b>	\$318.7	<b>8%</b>
<b>Adjusted EBITDA</b>	<b>\$136.0</b>	<b>\$140.0</b>	\$105.3	<b>31%</b>	\$105.3	<b>31%</b>

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 and related employer payroll taxes, acquisition and transaction expenses (income) (including change in contingent consideration and transaction bonuses), litigation expenses (consisting of legal and related fees for specific proceedings that arise outside of the ordinary course of our business), fees for financial transactions, such as secondary public offering expenses for which we do not receive proceeds (including bonuses paid to executives related to completion of such transactions) and other contemplated corporate transactions, expense related to the remeasurement of our TRA obligation, expense related to loss on impairment or write down of goodwill and other assets, loss on brand divestiture and restructuring and related charges incurred in connection with our restructuring plan 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.

1) Change is based on the midpoint of 2024 guidance ranges vs. 2023.

2) KPI information (new studio openings and system-wide sales) is presented on an adjusted basis to include historical information of Lindora prior to its acquisition by the Company in January 2024, and to remove historical information of Stride prior to its divestiture by the Company in February 2024.

# Q1 2024 Performance

## Q1 2024

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

<i>(\$ in millions)</i>	Q1 2024	Q1 2023	% Change
Revenue	\$80	\$71	12%
Adjusted EBITDA	\$30	\$23	30%
Gross New Studio Openings <i>(Global)</i>	111	116	-4%
System-wide Sales <sup>(1)</sup> <i>(North America)</i>	\$401	\$322	25%
Same Store Sales <sup>(2)</sup> <i>(North America)</i>	9%	19%	N/A
Q1 Run-Rate AUV <sup>(3)</sup> <i>(thousands; North America)</i>	\$596	\$547	9%

# Our Next 3 Year Financial Growth Targets<sup>(1)</sup>

**500 to 600**  
Annual Global New Studio  
Openings

**Mid to High  
Single Digits**  
North American Same Store  
Sales Growth

**High Single Digits  
to Low Teens**  
Revenue Growth

**15% – 30%**  
Adj. EBITDA Growth

**40% – 45%**  
Adj. EBITDA Margin



1) \* Change is based on the midpoint of 2024 guidance ranges vs. 2023 actuals.



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

<i>In thousands, except per share amounts</i>	Q1 2024	Q1 2023
Net loss	(\$4,356)	(\$14,979)
Acquisition and transaction expenses	\$4,515	\$15,742
TRA remeasurement	\$609	\$554
Loss on brand divestiture	\$279	\$0
Restructuring and related charges	\$8,064	\$0
Adjusted net income	\$9,111	\$1,317
Adjusted net income attributable to noncontrolling interest	\$3,153	\$496
Adjusted net income attributable to Xponential Fitness, Inc.	\$5,958	\$821
Dividends on preferred shares	(\$1,218)	(\$1,290)
Earnings (loss) per share - basic numerator	\$4,740	(\$469)
Add: Adjusted net income (loss) attributable to noncontrolling interest	\$3,153	\$0
Add: Dividends on preferred shares	\$1,218	\$0
Earnings (loss) per share - diluted numerator	\$9,111	(\$469)
Adjusted net earnings (loss) per share - basic	\$0.15	(\$0.02)
Adjusted net earnings (loss) per share - diluted	\$0.16	(\$0.02)

Note: The above adjusted net income (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>	Q1 2024	Q1 2023
Net loss	(\$4,356)	(\$14,979)
Interest expense, net	\$11,182	\$7,341
Income tax benefit	(\$47)	(\$123)
Depreciation and amortization	\$4,436	\$4,197
EBITDA	\$11,215	(\$3,564)
Equity-based compensation	\$3,942	\$6,056
Employer payroll taxes related to equity-based compensation	\$313	\$474
Acquisition and transaction expenses	\$4,515	\$15,742
Litigation expenses	\$698	\$2,045
Financial transaction fees and related expenses	\$195	\$1,565
TRA remeasurement	\$609	\$554
Loss on brand divestiture	\$279	\$0
Restructuring and related charges	\$8,064	\$0
<b>Adjusted EBITDA</b>	<b>\$29,830</b>	<b>\$22,872</b>
<i>Margin</i>	<i>38%</i>	<i>32%</i>

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 and related employer payroll taxes, acquisition and transaction expenses (income) (including change in contingent consideration and transaction bonuses), litigation expenses (consisting of legal and related fees for specific proceedings that arise outside of the ordinary course of our business), fees for financial transactions, such as secondary public offering expenses for which we do not receive proceeds (including bonuses paid to executives related to completion of such transactions) and other contemplated corporate transactions, expense related to the remeasurement of our TRA obligation, expense related to loss on impairment or write down of goodwill and other assets, loss on brand divestiture and restructuring and related charges incurred in connection with our restructuring plan 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 Net Loss per Share

<i>In thousands, except per share amounts</i>	Q1 2024	Q1 2023
Numerator:		
Net loss	(\$4,356)	(\$14,979)
Less: net loss attributable to noncontrolling interests	\$4,939	\$24,588
Less: dividends on preferred shares	(\$1,863)	(\$2,069)
Less: deemed dividend	(\$8,106)	(\$62,660)
Add: deemed contribution from redemption of convertible preferred stock	\$0	\$12,679
Net loss attributable to XPO Inc. - basic and diluted	(\$9,386)	(\$42,441)
Denominator:		
Weighted average shares of Class A common stock outstanding - basic and diluted	31,125	30,754
Net loss per share attributable to Class A common stock - basic	(\$0.30)	(\$1.38)
Net loss per share attributable to Class A common stock - diluted	(\$0.30)	(\$1.38)

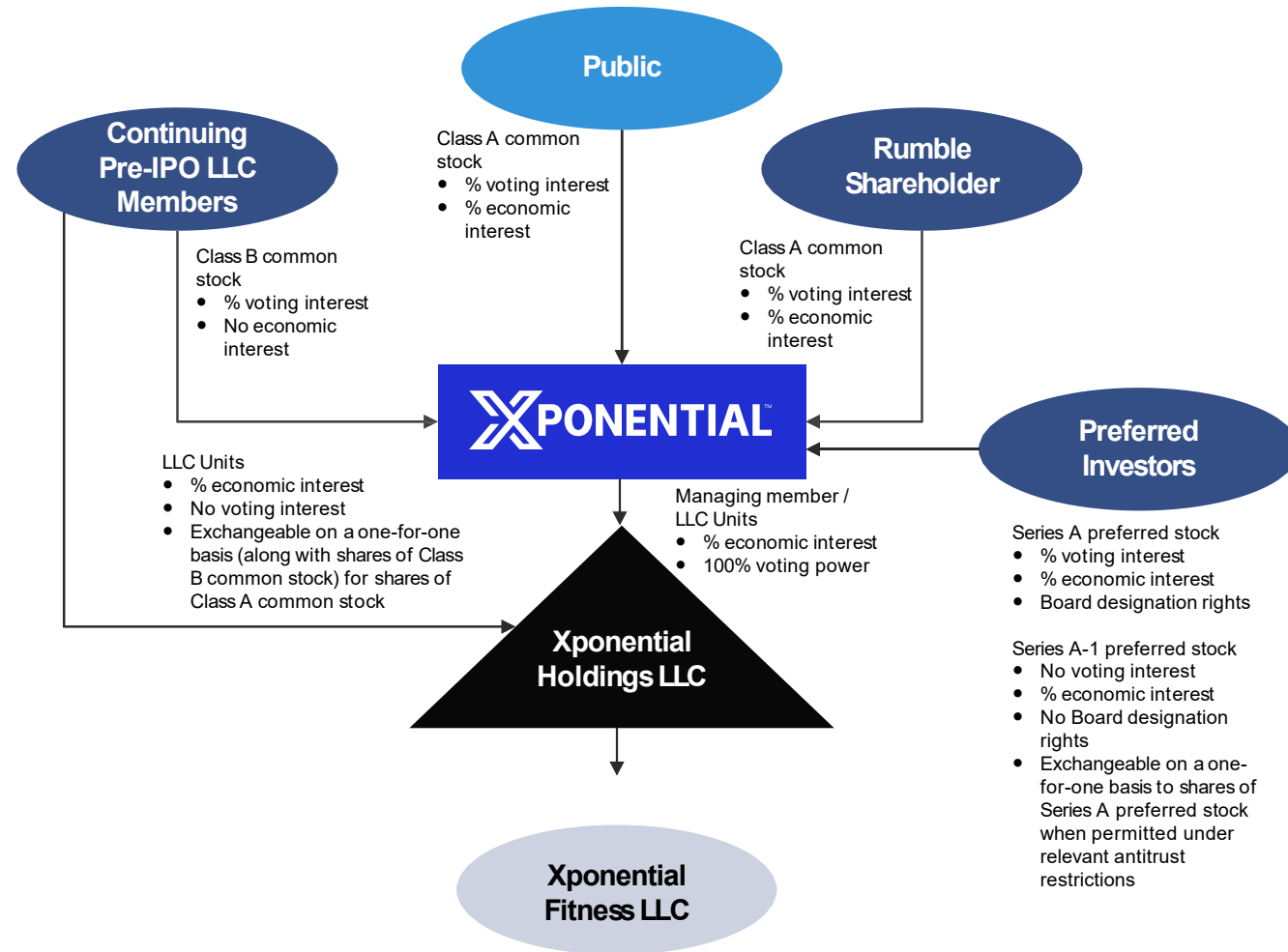
# Capital Structure Supports Continued Growth

- 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 January 2023, we borrowed \$130M in incremental term loans (“ITL”) to repurchase approximately 43% of our convertible preferred stock. Prior to the repurchase, these shares would have been convertible into 5.9M shares of Class A Common Stock
- In August 2023, Xponential borrowed \$65M in ITL primarily for purposes of an accelerated stock repurchase (“ASR”) and general working capital
- During the third and fourth quarter of 2023, a \$50M stock repurchase program was completed at an average price of \$19.24 and 2.6 million common A shares were repurchased
- During the first quarter of 2024, Xponential completed a 2-year extension on its term loan with its current lender to preserve optionality
- Actively evaluating opportunities to optimize balance sheet and lower cost of capital

<i>(\$ in millions)</i>	<b>March 31, 2024 As Reported</b>
Cash, Cash Equivalents and Restricted Cash	\$27
<hr/>	
Total Debt	\$331
<b>Net Debt</b>	<b>\$304</b>
LTM Adj. EBITDA <sup>(1)</sup>	\$112
<b>Net Debt / LTM Adj. EBITDA<sup>(1)</sup></b>	<b>2.7x</b>

1) See appendix for reconciliation to net loss, the most directly comparable GAAP financial measure.

# 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



**Brenda Morris**  
*Interim CEO, Director*

- CSuite Financial Partners
- Boot Barn
- Duluth Trading
- iHerb
- Ideal Image
- Apex Parks Group
- Torrid
- 5.11 Tactical
- B.A., Pacific Lutheran University
- M.B.A., Seattle University
- CPA-Inactive, CMA, CGMA



**Chelsea A. Grayson**  
*Lead Director*

- Wunderkind
- True Religion
- American Apparel
- Spark Networks
- Goodness Growth
- iHerb
- Lapmaster Group
- B.A., University of California, Los Angeles
- J.D., Loyola Law School



**Jair Clarke**  
*Director*

- Microsoft
- The Walt Disney Company
- IBM
- Lockheed Martin
- B.A., University of Miami



**Jeffrey Lawrence**  
*Director*

- Domino's Pizza
- DPC Dash
- FIGS
- ShiftKey
- Shake Shack
- B.B.A., Wayne State University
- M.B.A., University of Michigan



**Anthony Geisler**  
*Director*

- Xponential Fitness
- Club Pilates (scaled & sold to TPG)
- LA Boxing (scaled & sold to UFC)
- B.A., University of Southern California

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