# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION
# Washington, D.C. 20549

## FORM 8-K

### CURRENT REPORT

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event Reported): March 3, 2020

## The Joint Corp.

(Exact Name of Registrant as Specified in Charter)

| | | |
|---|---|---|
| Delaware | 001-36724 | 90-0544160 |
| (State or Other Jurisdiction of Incorporation) | (Commission File Number) | (I.R.S. Employer Identification Number) |

16767 N. Perimeter Drive, Suite 110
Scottsdale, AZ 85260
(Address of Principal Executive Offices)

Registrant's telephone number, including area code:
(480) 245-5960

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

[ ] Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
[ ] Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
[ ] Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
[ ] Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2). Emerging growth company [ ]

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. [ ]

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|---|---|---|
| Common Stock, $0.001 Par Value Per Share | JYNT | The NASDAQ Capital Market LLC |

**Item 2.02. Results of Operations and Financial Condition.**

On March 5, 2020, the Company issued a press release announcing its financial results for the fourth quarter and full year ended December 31, 2019. The press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

The information furnished in this Item 2.02 and Exhibit 99.1 shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall it be incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such a filing.

**Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

**(e) Compensatory Arrangements of Certain Officers**

On March 3, 2020, the Compensation Committee (the "Compensation Committee") of the Board of Directors (the "Board") of the Company voted to increase the annual base salary of Jake Singleton, the Company's Chief Financial Officer, to $225,000, retroactive to January 1, 2020.

On March 3, 2020, the Board, upon the recommendation of the Compensation Committee, approved an amendment (the "Amendment") to the Company's Amended and Restated 2014 Incentive Stock Plan (the "Plan"). The Amendment provides for "double trigger" vesting of grants made under the Plan on or after March 3, 2020 to the extent not otherwise provided in an award agreement or individual severance or employment agreement. Pursuant to the Amendment, if, in connection with a "change of control" (as defined in the Plan) involving a sale of assets of the Company or a merger or other corporate transaction, an acquirer of the Company assumes, continues or substitutes similar grants of the surviving corporation (or parent or subsidiary of the surviving corporation) on an economically-equivalent basis, and the applicable participant's employment terminates without "cause" or for "good reason" (each, as defined in the Amendment) within one year following the change of control, then upon such termination, the grants will automatically accelerate and become fully vested (based on pro-rated performance metrics through such date, if such grants are subject to performance conditions). If, in the change of control, the acquirer of the Company does not assume, continue or substitute similar grants, the grants will be subject to "single trigger" vesting and will vest immediately upon the change of control. If, in connection with a change of control not involving a sale of assets of the Company or a merger or other corporate transaction, an applicable participant's employment terminates without "cause" or for "good reason" within one year following the change of control, then upon such termination the grants will automatically accelerate and become fully vested. Prior to the effectiveness of the Amendment, all of the awards made under the Plan were subject to "single trigger" vesting upon a change of control, except as may have otherwise been specifically provided in an award agreement.

In connection with the Amendment, the Company approved new forms of incentive stock option agreement, nonstatutory stock option agreement and restricted stock award for awards under the Plan made on or after March 3, 2020. These forms set forth the material terms of awards under the Plan, including vesting terms, manner of exercise and payment, the treatment of unvested shares on termination of service, voting and dividend rights which commence on the grant date in the case of restricted shares, and change of control (which incorporate the terms of the Amendment).

The foregoing descriptions of the Amendment and new award agreements do not purport to be complete and are qualified in their entirety by reference to the full text of the Amendment and forms of incentive stock option agreement, nonstatutory stock option agreement, and restricted stock award, which will be filed as exhibits to the Company's annual report on Form 10-K for the year ended December 31, 2019 and to the Company's quarterly report on Form 10-Q for the quarter ending March 31, 2020.

**Item 7.01. Regulation FD Disclosure.**

The Company is posting an earnings presentation to its website at https://ir.thejoint.com/. A copy of the earnings presentation is being furnished herewith as Exhibit 99.2. The Company will use the earnings presentation during its earnings conference call on March 5, 2020 and also may use the earnings presentation from time to time in conversations with analysts, investors and others.

The information furnished in this Item 7.01 and Exhibit 99.2 shall not be deemed "filed" for purposes of Section 18 of the Exchange Act, or otherwise subject to the liabilities of that section, nor shall it be incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such a filing.

The information contained in Exhibit 99.2 is summary information that is intended to be considered in the context of the Company's filings with the SEC. The Company undertakes no duty or obligation to publicly update or revise the information contained in this report, although it may do so from time to time as its management believes is warranted. Any such updating may be made through the filing of other reports or documents with the SEC, through press releases or through other public disclosure.

**Item 9.01. Financial Statements and Exhibits.**

(d) **Exhibits**

| Exhibit Number | Description |
|---|---|
| 99.1 | Press Release dated March 5, 2020 |
| 99.2 | The Joint Corp. Earnings Presentation, March 2020 |

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

The Joint Corp.

Date: March 5, 2020

By: /s/ Peter D. Holt
Name: Peter D. Holt
Title: President and Chief Executive Officer

**EXHIBIT 99.1**

# The Joint Corp. Reports Fourth Quarter and Full Year 2019 Financial Results

*- Grows Annual System-Wide Sales 33% and Comp Sales 25%, Compared to 2018 -*
*- Increases Annual Net Income to $3.3 Million, Compared to $147,000 in 2018 -*
*- More than Doubles Adjusted EBITDA to $6.2 Million, Compared to $2.9 Million in 2018-*
*- Increases Franchise Licenses Sales to 126, Compared to 99 in 2018-*
*- Targets 1,000 Clinics by End of 2023 -*

SCOTTSDALE, Ariz., March 05, 2020 (GLOBE NEWSWIRE) -- The Joint Corp. (NASDAQ: JYNT), a national operator, manager and franchisor of chiropractic clinics, reported its financial results for the fourth quarter and full year ended December 31, 2019.

**Fourth Quarter Financial Highlights: 2018 Compared to 2019**

- Increased gross system-wide sales[1] 34%, to $62.5 million.
- Grew system-wide comp sales[2] 26%.
- Reported quarterly net income of $1.3 million, an improvement of $855,000.
- Nearly doubled Adjusted EBITDA to $2.1 million, compared to $1.1 million.

**Annual Financial Highlights: 2018 Compared to 2019**

- Increased annual system-wide sales[1] 33%, to $220.3 million.
- Grew system-wide comp sales[2] 25%.
- Posted annual net income of $3.3 million, compared to $147,000.
- Achieved positive Adjusted EBITDA for the tenth consecutive quarter and second full year since being public.
- More than doubled Adjusted EBITDA to $6.2 million, compared to $2.9 million.
- Increased cash generated by operating activities by $2.1 million to $7.5 million, which funded the corporate clinic portfolio expansion. Unrestricted cash was $8.5 million at December 31, 2019, compared to $8.7 million at December 31, 2018.

**2019 Operating Achievements**

- Performed 7.7 million patient visits, up from 6.0 million in 2018.
- Treated 585,000 new patients, up from 435,000 in 2018.
- Sold 126 franchise licenses in 2019, compared to 99 sold in 2018.
- Increased total clinic count to 513 as of December 31, 2019: up from 442 at December 31, 2018.
  - 453 franchised clinics at December 31, 2019: Opened 71 and closed 4 clinics.
  - 60 company-owned or managed clinics at December 31, 2019: Acquired 8 from franchisees, opened 5 greenfields and closed 1 clinic. In February, opened the first 2020 greenfield, increasing the Los Angeles region cluster and bringing the corporate portfolio to 61 as of today, March 5, 2020.

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[1] System-wide sales include sales at all clinics, whether operated by the Company or by franchisees. While franchised sales are not recorded as revenues by the Company, management believes the information is important in understanding the Company's financial performance, because these sales are the basis on which the Company calculates and records royalty fees and are indicative of the financial health of the franchisee base.
[2] Comp sales include the sales from both company-owned or managed clinics and franchised clinics that in each case have been open at least 13 full months and exclude any clinics that have closed.

"In 2019, we accelerated our business momentum and continued to deliver strong, sustainable growth and profitability," said Peter D. Holt, President and Chief Executive Officer of The Joint Corp. "We leveraged our regional developers to drive franchise sales and clinic openings as well as expanded our corporate clinic portfolio within clustered locations. We also continued to implement productivity initiatives to improve clinic profitability. As a result, we met or exceeded our plan, achieved positive Adjusted EBITDA for the second full consecutive year since being public, and built our strongest foundation for growth to date."

"In addition to macro factors driving adoption of chiropractic care, The Joint is revolutionizing access making it more available to people than ever before. To capture a greater share of the market opportunity, we will continue to execute our successful growth model as well as test new markets and non-traditional locations. While focused on our national and local ad campaigns that include more sophisticated digital programs, we remain committed to consumer education about the power and importance of chiropractic. Based on our success, we fully expect to reach our target to open our 1,000th clinic by the end of 2023."

**Fourth Quarter Financial Results: 2019 Compared to 2018**
Revenue was $13.9 million in the fourth quarter of 2019, compared to $10.0 million in the fourth quarter of 2018, with the increase due primarily to a greater number of and increased gross sales at franchised and company-owned or managed clinics.

Cost of revenue was $1.6 million, up 36% compared to the fourth quarter of 2018, reflecting the success of the RD program resulting in an increased number of franchised licenses sold and clinics opened, resulting in increased commissions and royalties.

Selling and marketing expenses were $1.8 million, or 13% of revenue, compared to $1.2 million, or 12% of revenue, in the fourth quarter of 2018, reflecting increased marketing expenses related to an increase in the number of company-owned or managed clinics. General and administrative expenses were $8.5 million, or 61% of revenue, compared to $6.6 million, or 66% of revenue, in the fourth quarter of 2018, reflecting improved leverage of the operating model.

Net income was $1.3 million, or $0.09 per diluted share, compared to a net income of $437,000, or $0.03 per diluted share, in the fourth quarter of 2018.

Adjusted EBITDA was $2.1 million, an improvement of $1.0 million, compared to Adjusted EBITDA of $1.1 million in the same quarter last year. The company defines Adjusted EBITDA, a non-GAAP measure, as EBITDA before acquisition-related expenses, bargain purchase gain, net (gain)/loss on disposition or impairment, and stock-based compensation expenses. The company defines EBITDA as net income/(loss) before net interest, tax expense, depreciation, and amortization expenses.

**Balance Sheet Liquidity**
Unrestricted cash was $8.5 million at December 31, 2019, compared to $8.7 million at December 31, 2018, reflecting increased cash flow from operations, which was more than offset by continued investment in corporate clinic expansion and the development of the new IT platform. In February, the company executed a $7.5 million senior secured credit facility with J.P. Morgan Chase Bank, including a $5.5 million development line of credit (LOC) and a $2.0 million revolving LOC, which has an uncommitted accordion feature for an additional $2.5 million.

**Full Year Financial Results: 2019 Compared to 2018**
Revenues were $48.5 million in 2019, compared to $36.7 million in 2018. Net income improved $3.2 million to $3.3 million in 2019, or to $0.23 per diluted share, compared to net income of $147,000, or $0.01 per diluted share in 2018. Adjusted EBITDA was $6.2 million, improving $3.3 million compared to Adjusted EBITDA of $2.9 million last year.

**2020 Guidance for Financial Results and Clinic Openings:**
Management expects the following:

- Revenue to increase to $61 million to $63 million, compared to $48.5 million dollars in 2019.
- Adjusted EBITDA to grow to $8.5 million to $9.5 million, compared to $6.2 million in 2019.
- Franchised clinic openings to range from 80 to 90, compared to 71 clinics in 2019.
- Company-owned or managed clinic expansion, through a combination of both greenfields and franchised clinic buybacks, to range from 16 to 20, up from 13 in 2019.

**Conference Call**
The Joint Corp. management will host a conference call at 5 p.m. ET on Thursday, March 5, 2020, to discuss the fourth quarter and year-end 2019 results. The conference call may be accessed by dialing 765-507-2604 or 844-464-3931 and referencing conference code 8090866. A live webcast of the conference call will also be available on the IR section of the company's website at https://ir.thejoint.com/events. An audio replay will be available two hours after the conclusion of the call through March 12, 2020. The replay can be accessed by dialing 404-537-3406 or 855-859-2056. The passcode for the replay is 8090866.

**Non-GAAP Financial Information**
This release includes a presentation of non-GAAP financial measures. System-wide sales include sales at all clinics, whether operated by the Company or by franchisees. While franchised sales are not recorded as revenues by the Company, management believes the information is important in understanding the Company's financial performance, because these sales are the basis on which the Company calculates and records royalty fees and are indicative of the financial health of the franchisee base. Comp sales include the sales from both company-owned or managed clinics and franchised clinics that in each case have been open at least 13 full months and exclude any clinics that have closed.

EBITDA and Adjusted EBITDA are presented because they are important measures used by management to assess financial performance, as management believes they provide a more transparent view of the company's underlying operating performance and operating trends. Reconciliation of net income (loss) to EBITDA and Adjusted EBITDA is presented in the table below. The company defines Adjusted EBITDA as EBITDA before acquisition-related expenses, bargain purchase gain, net (gain)/loss on disposition or impairment, and stock-based compensation expenses. The company defines EBITDA as net income/(loss) before net interest, tax expense, depreciation, and amortization 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 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.

**Forward-Looking Statements**
This press release contains statements about future events and expectations that constitute forward-looking statements. Forward-looking statements are based on our beliefs, assumptions and expectations of industry trends, our future financial and operating performance and our growth plans, taking into account the information currently available to us. These statements are not statements of historical fact. Forward-looking statements involve risks and uncertainties that may cause our actual results to differ materially from the expectations of future results we express or imply in any forward-looking statements, and you should not place undue reliance on such statements. Factors that could contribute to these differences include, but are not limited to, 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, uncertainties associated with the coronavirus (including its possible effects on patient demand), and the other factors 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. Words such as, "anticipates," "believes," "continues," "estimates," "expects," "goal," "objectives," "intends," "may," "opportunity," "plans," "potential," "near-term," "long-term," "projections," "assumptions," "projects," "guidance," "forecasts," "outlook," "target," "trends," "should," "could," "would," "will," and similar expressions are intended to identify such forward-looking statements. We qualify any forward-looking statements entirely by these cautionary factors. We assume no obligation to update or revise any forward-looking statements for any reason or to update the reasons actual results could differ materially from those anticipated in these forward-looking statements, even if new information becomes available in the future. Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance, unless expressed as such, and should only be viewed as historical data.

**About The Joint Corp. (NASDAQ: JYNT)**
The Joint Corp. (NASDAQ: JYNT) revolutionized access to chiropractic care when it introduced its retail healthcare business model in 2010. Today, the company is making quality care convenient and affordable, while eliminating the need for insurance, for millions of patients seeking pain relief and ongoing wellness. With more than 500 locations nationwide and over 7 million patient visits annually, The Joint is a key leader in the chiropractic industry. Named on Franchise Times “Top 200+ Franchises” and Entrepreneur’s “Franchise 500®” lists, The Joint Chiropractic is an innovative force, where healthcare meets retail. For more information, visit www.thejoint.com. To learn about franchise opportunities, visit www.thejointfranchise.com.

**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.

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**-Financial Tables Follow –**

**THE JOINT CORP. AND SUBSIDIARY AND AFFILIATES**
**CONSOLIDATED BALANCE SHEETS**

| | December 31, 2019 | December 31, 2018 (as adjusted) |
|---|---|---|
| **ASSETS** | | |
| Current assets: | | |
| Cash and cash equivalents | $ 8,455,989 | $ 8,716,874 |
| Restricted cash | 185,888 | 138,078 |
| Accounts receivable, net | 2,645,085 | 806,350 |
| Income taxes receivable | - | 268 |
| Notes receivable, net - current portion | 128,724 | 149,349 |
| Deferred franchise costs - current portion | 765,508 | 611,047 |
| Prepaid expenses and other current assets | 1,122,478 | 882,022 |
| Total current assets | 13,303,672 | 11,303,988 |
| Property and equipment, net | 6,581,588 | 3,658,007 |
| Operating lease right-of-use asset | 12,486,672 | - |
| Notes receivable, net of current portion | - | 128,723 |
| Deferred franchise costs, net of current portion | 3,627,225 | 2,878,163 |
| Intangible assets, net | 3,219,791 | 1,634,060 |
| Goodwill | 4,150,461 | 3,225,145 |
| Deposits and other assets | 336,258 | 599,627 |
| Total assets | $ 43,705,667 | $ 23,427,713 |
| **LIABILITIES AND STOCKHOLDERS' EQUITY** | | |
| Current liabilities: | | |
| Accounts payable | $ 1,525,838 | $ 1,253,274 |
| Accrued expenses | 216,814 | 266,322 |
| Co-op funds liability | 185,889 | 104,057 |

| | | |
|---|---|---|
| Payroll liabilities | 2,844,107 | 2,035,658 |
| Notes payable - current portion | - | 1,100,000 |
| Deferred rent - current portion | - | 136,550 |
| Operating lease liability - current portion | 2,313,109 | - |
| Finance lease liability - current portion | 24,253 | - |
| Deferred franchise and regional developer fee revenue - current portion | 2,740,954 | 2,370,241 |
| Deferred revenue from company clinics | 3,196,664 | 2,529,497 |
| Other current liabilities | 518,686 | 477,528 |
| Total current liabilities | 13,566,314 | 10,273,127 |
| Deferred rent, net of current portion | - | 721,730 |
| Operating lease liability - net of current portion | 11,901,040 | - |
| Finance lease liability - net of current portion | 34,398 | - |
| Deferred franchise and regional developer fee revenue, net of current portion | 12,366,322 | 11,239,221 |
| Deferred tax liability | 89,863 | 76,672 |
| Other liabilities | 27,230 | 389,362 |
| Total liabilities | 37,985,167 | 22,700,112 |
| Commitments and contingencies | | |
| Stockholders' equity: | | |
| Series A preferred stock, $0.001 par value; 50,000 shares authorized, 0 issued and outstanding, as of December 31, 2019 and December 31, 2018 | - | - |
| Common stock, $0.001 par value; 20,000,000 shares authorized, 13,898,694 shares issued and 13,882,932 shares outstanding as of December 31, 2019 and 13,757,200 shares issued and 13,742,530 outstanding as of December 31, 2018 | 13,899 | 13,757 |
| Additional paid-in capital | 39,454,937 | 38,189,251 |
| Treasury stock 15,762 shares as of December 31, 2019 and 14,670 shares as of December 31, 2018, at cost | (111,041) | (90,856) |
| Accumulated deficit | (33,637,395) | (37,384,651) |
| Total The Joint Corp. stockholders' equity | 5,720,400 | 727,501 |
| Non-controlling Interest | 100 | 100 |
| Total equity | 5,720,500 | 727,601 |
| Total liabilities and stockholders' equity | $ 43,705,667 | $ 23,427,713 |

**THE JOINT CORP. AND SUBSIDIARY AND AFFILIATES**
**CONSOLIDATED STATEMENTS OF OPERATIONS**

| | Three Months Ended December 31, | | Year Ended December 31, | |
|---|---|---|---|---|
| | 2019 | 2018 (as adjusted) | 2019 | 2018 (as adjusted) |
| Revenues: | | | | |
| Revenues from company-owned or managed clinics | $ 7,561,644 | $ 5,217,122 | $25,807,584 | $19,545,276 |
| Royalty fees | 3,819,554 | 2,857,196 | 13,557,170 | 10,141,036 |
| Franchise fees | 385,868 | 433,042 | 1,791,545 | 1,688,039 |
| Advertising fund revenue | 1,086,479 | 778,475 | 3,884,055 | 2,862,244 |
| Software fees | 609,068 | 342,500 | 1,865,779 | 1,290,135 |
| Regional developer fees | 209,234 | 178,295 | 803,849 | 599,370 |
| Other revenues | 203,322 | 161,591 | 740,918 | 535,560 |
| Total revenues | 13,875,169 | 9,968,221 | 48,450,900 | 36,661,660 |
| Cost of revenues: | | | | |
| Franchise cost of revenues | 1,525,381 | 1,100,818 | 5,159,778 | 3,956,530 |
| IT cost of revenues | 108,578 | 100,808 | 406,139 | 353,719 |
| Total cost of revenues | 1,633,959 | 1,201,626 | 5,565,917 | 4,310,249 |
| Selling and marketing expenses | 1,845,124 | 1,228,993 | 6,913,709 | 4,819,555 |
| Depreciation and amortization | 590,742 | 374,579 | 1,899,257 | 1,556,240 |

| | | | | |
|---|---|---|---|---|
| General and administrative expenses | 8,464,787 | 6,625,020 | 30,543,030 | 25,238,121 |
| Total selling, general and administrative expenses | 10,900,653 | 8,228,592 | 39,355,996 | 31,613,916 |
| Net (gain) loss on disposition or impairment | (2,423) | - | 114,352 | 594,934 |
| Income from operations | 1,342,980 | 538,003 | 3,414,635 | 142,561 |
| | | | | |
| Other income (expense): | | | | |
| Bargain purchase gain | - | (17,258) | 19,298 | 13,198 |
| Other (expense), net | (18,046) | (14,209) | (61,515) | (46,791) |
| Total other (expense) | (18,046) | (31,467) | (42,217) | (33,593) |
| | | | | |
| Income before income tax expense (benefit) | 1,324,934 | 506,536 | 3,372,418 | 108,968 |
| | | | | |
| Income tax expense (benefit) | 33,110 | 69,847 | 48,706 | (37,728) |
| | | | | |
| Net income and comprehensive income | $ 1,291,824 | $ 436,689 | $ 3,323,712 | $ 146,696 |
| | | | | |
| Less: income attributable to the non-controlling interest | $ - | $ - | $ - | $ - |
| | | | | |
| Net income attributable to The Joint Corp. stockholders | $ 1,291,824 | $ 436,689 | $ 3,323,712 | $ 146,696 |
| | | | | |
| Earnings per share: | | | | |
| Basic earnings per share | $ 0.09 | $ 0.03 | $ 0.24 | $ 0.01 |
| Diluted earnings per share | $ 0.09 | $ 0.03 | $ 0.23 | $ 0.01 |
| | | | | |
| Basic weighted average shares | 13,880,146 | 13,735,898 | 13,819,149 | 13,669,107 |
| Diluted weighted average shares | 14,538,338 | 14,096,890 | 14,467,567 | 14,031,717 |

**THE JOINT CORP. AND SUBSIDIARY AND AFFILIATES**
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

| | Year Ended December 31, | |
|---|---|---|
| | **2019** | **2018** |
| | | **(as adjusted)** |
| Net income | $ 3,323,712 | $ 146,696 |
| Adjustments to reconcile net income to net cash provided by operating activities | 2,602,799 | 2,461,436 |
| Changes in operating assets and liabilities | 1,595,438 | 2,844,136 |
| Net cash provided by operating activities | 7,521,949 | 5,452,268 |
| Net cash used in investing activities | (7,138,062) | (1,243,654) |
| Net cash (used in) provided by financing activities | (596,962) | 326,298 |
| Net (decrease) increase in cash | $ (213,075) | $ 4,534,912 |

**THE JOINT CORP. AND SUBSIDIARY AND AFFILIATES**
**RECONCILIATION FOR GAAP TO NON-GAAP**

| | Three Months Ended December 31, | | Year Ended December 31, | |
|---|---|---|---|---|
| **Non-GAAP Financial Data:** | **2019** | **2018** | **2019** | **2018** |
| | | **(as adjusted)** | | **(as adjusted)** |
| Net income | $ 1,291,824 | $ 436,689 | $ 3,323,712 | $ 146,696 |

| | | | | |
|---|---|---|---|---|
| Net interest | 18,046 | 14,209 | 61,515 | 46,791 |
| Depreciation and amortization expense | 590,742 | 374,579 | 1,899,257 | 1,556,240 |
| Tax expense (benefit) | 33,110 | 69,847 | 48,706 | (37,728) |
| EBITDA | $ 1,933,722 | $ 895,324 | $ 5,333,190 | $ 1,711,999 |
| Stock compensation expense | 183,906 | 159,025 | 720,651 | 628,430 |
| Acquisition related expenses | 11,145 | - | 47,386 | 3,950 |
| Bargain purchase gain | - | 17,258 | (19,298) | (13,198) |
| Net (gain) loss on disposition or impairment | (2,423) | - | 114,352 | 594,934 |
| Adjusted EBITDA | $ 2,126,350 | $ 1,071,607 | $ 6,196,281 | $ 2,926,115 |

EXHIBIT 99.2


# 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**

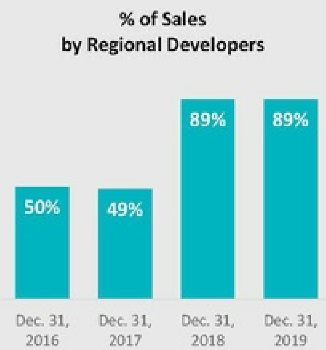
| | 2018 | 2019 |
|---|---|---|
| Franchise Licenses Sold | 99 | 126 |
| Total New Franchised Clinics Opened | 47 | 71 |
| Greenfield Clinics Opened | 0 | 5 |
| Franchise Clinics Acquired | 1 | 8 |

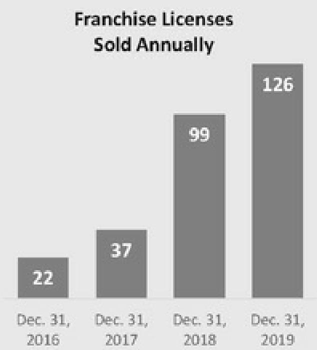
**Opened another greenfield in February 2020, bringing the corporate portfolio count to 61 at March 5, 2020.**


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

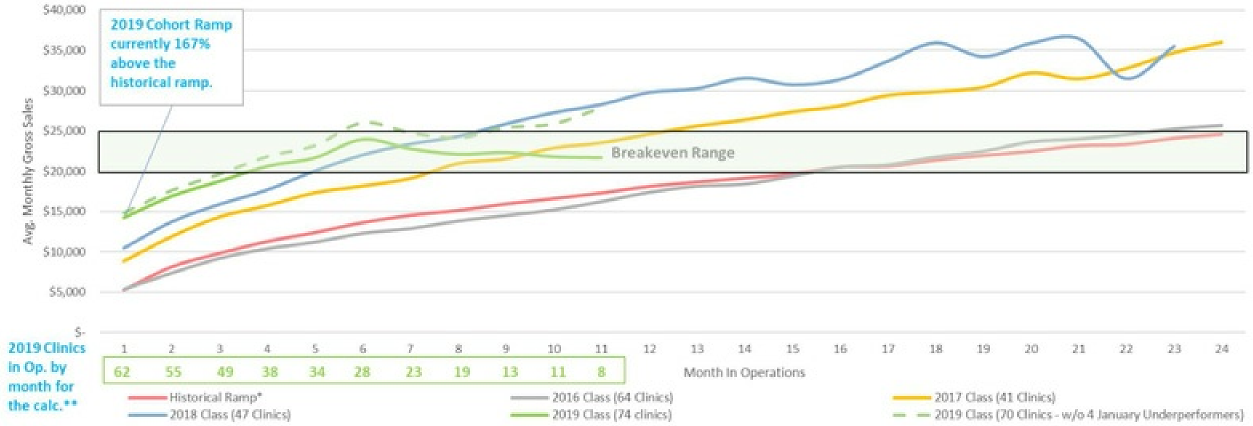
| | Q4 2019 vs Q4 2018 | 2019 vs 2018 |
|---|---|---|
| System-wide sales growth | 34% | 33% |
| Comp sales >13 months[1] | 26% | 25% |
| Comp sales >48 months[1] | 19% | 19% |
| Revenue | $13.9M *up 39%* | $48.5M *up 32%* |
| Net Income | $1.3M, *up $855K* | $3.3M, *up $3.2M* |
| Adjusted EBITDA[2]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

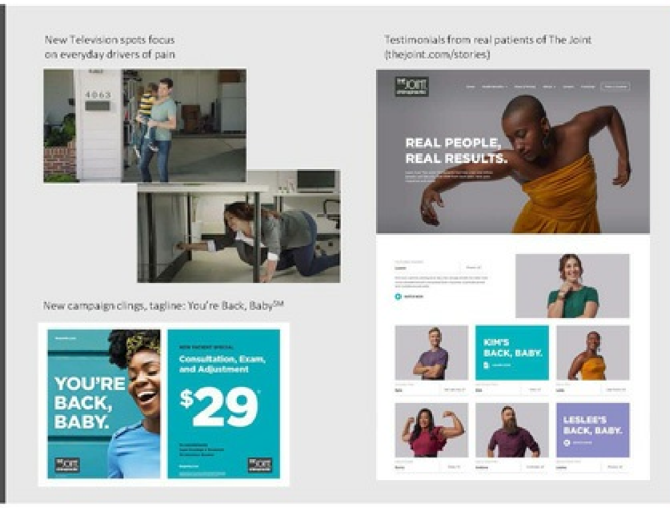



* Based on average historical gross sales growth rates from January 2013 through January 2020
** Number of clinics in operation by the number of months opened, partial months not included.

# 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




**Multiple Campaign Channels**

October 2019 Launch

Social

TV

Print

Web

PR

Outdoor

# Marketing Co-Ops Growing in Strength & Sophistication

**Co-Ops: Another driver for growing brand awareness**

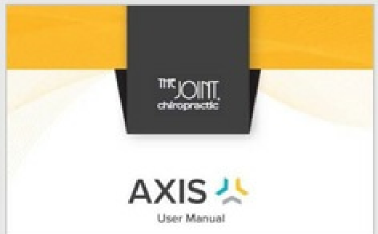
- Improves local franchisee organization and collaboration
- Increases media options and efficiencies
- Bridges gap between national and local clinic advertising


**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.

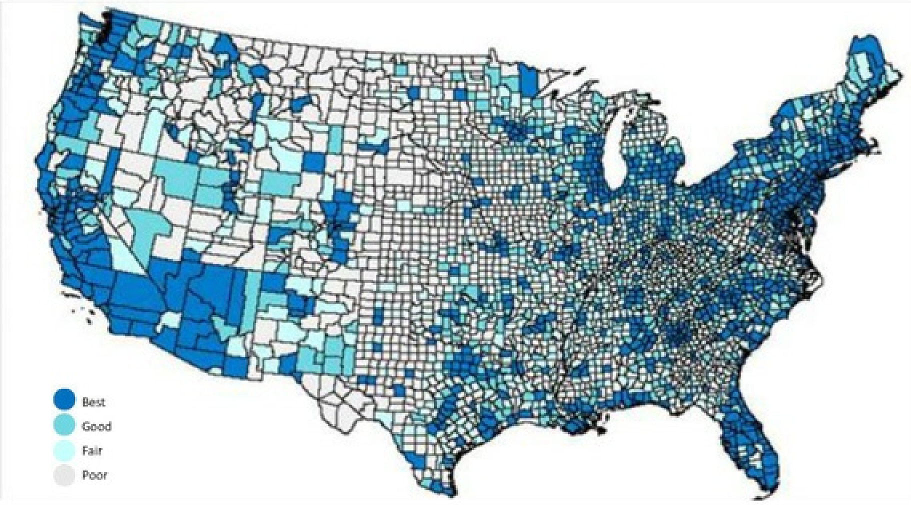
# The Pain Epidemic Continues

| | | | |
|---|---|---|---|
| 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 |

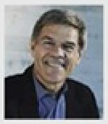
# Full Year 2019 Segment Results


| | 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** |

# The Joint Corp. Contact Information



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