

Medifast® Q3 2024  
**Earnings  
Supplement**



**MEDIFAST®**



**OPTAVIA®**



# Safe Harbor Statement

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This presentation contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements generally can be identified by use of phrases or terminology such as "intend," "anticipate," "expect" or other similar words or the negative of such terminology. Similarly, descriptions of Medifast's objectives, strategies, plans, goals, outlook or targets contained herein are also considered forward-looking statements. These statements are based on the current expectations of the management of Medifast and are subject to certain events, risks, uncertainties and other factors. Some of these factors include, among others, Medifast's inability to maintain and grow the network of independent OPTAVIA Coaches; Industry competition and new weight loss products, including weight loss medications, or services; Medifast's health or advertising related claims by our OPTAVIA customers; Medifast's inability to continue to develop new products; effectiveness of Medifast's advertising and marketing programs, including use of social media by OPTAVIA Coaches; the departure of one or more key personnel; Medifast's inability to protect against online security risks and cyberattacks; risks associated with Medifast's direct-to-consumer business model; disruptions in Medifast's supply chain; product liability claims; Medifast's planned growth into domestic markets including through its collaboration with LifeMD, Inc.; adverse publicity associated with Medifast's products; the impact of existing and future laws and regulations on Medifast's business; fluctuations of Medifast's common stock market price; increases in litigation; actions of activist investors; the consequences of other geopolitical events, overall economic and market conditions and the resulting impact on consumer sentiment and spending patterns; and Medifast's ability to prevent or detect a failure of internal control over financial reporting. Although Medifast believes that the expectations, statements and assumptions reflected in these forward-looking statements are reasonable, it cautions readers to always consider all of the risk factors and any other cautionary statements carefully in evaluating each forward-looking statement in this release, as well as those set forth in its Annual Report on Form 10-K for the fiscal year ended December 31, 2023, and other filings filed with the United States Securities and Exchange Commission, including its quarterly reports on Form 10-Q and current reports on Form 8-K. All of the forward-looking statements contained herein speak only as of the date of this presentation.



# Medifast® Q3 2024 Highlights

**Revenue at upper end of guidance range**  
**EPS positive and above guidance range**

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**Gross profit margin of 75.4% increased 20** basis points versus Q3 2023

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**Company-led customer acquisition marketing** expenditures of \$7M, \$2M less than expected

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**Operating margin** declined primarily from loss of leverage on fixed costs and costs of company-led customer acquisition initiatives

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**Debt-free**, with \$170 million of cash & investments as of September 30, 2024





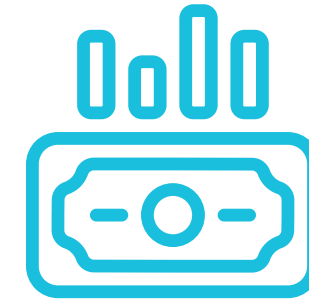


# Q3 2024

## By The Numbers



**\$140M**  
REVENUE



**\$2M GAAP**  
**\$4M Adjusted\***  
OPERATING INCOME



**\$0.10 GAAP**  
**\$0.35 Adjusted\***  
DILUTED EPS



**\$4,672**  
REVENUE PER ACTIVE  
EARNING COACH



**30,000**  
ACTIVE EARNING  
COACHES



**\$170M**  
CASH & CASH EQUIVALENTS  
AND INVESTMENTS

\* Non-GAAP measure. See reconciliation on page 14

# OPTAVIA® Programs For Each Customer Segment

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## GLP-1 Med Users

Seeking health & wellness improvement with meds

Reduce lean muscle loss and side effects from GLP-1 meds

12% of current customer base has used GLP-1 medications in the last 12 months\*

## GLP-1 Users Transitioning Off Meds

Seeking to maintain weight loss & improved health without meds

Transitioning off meds due to cost, side effects, or other reasons

Recent KFF poll shows 1/3 of GLP-1 users stop taking meds within 6 months & this number increases to over 1/2 within one year^

## Non-GLP-1 Med Users

Seeking to accomplish weight loss goals without meds

This group could be nearly 50% of US adults#



OPTAVIA Ascend™ Mini Meals\*



OPTAVIA Ascend™ Supplements\*



OPTAVIA Lean & Green Meals Recipes



OPTAVIA Fuelings



OPTAVIA ACTIVE

\* Medifast monthly customer satisfaction survey - Sept. 2024 results  
^ Rodriguez PJ, Zhang V, Gratzl S, Do D, Cartwright BG, Baker C, Gluckman TJ, Stucky N, Emanuel EJ. Discontinuation and reinitiation of GLP-1 Receptor Agonists among US adults with overweight or obesity, Grosicki GJ, Thomas JG, Dhurandhar NV, Lofton H, Heymsfield S, Jonnalagadda SS. GLP-1 RA Discontinuation is Higher in Individuals with Overweight and Obesity Without Type 2 Diabetes  
#CBS News, KFF Health Tracking Poll July 2023



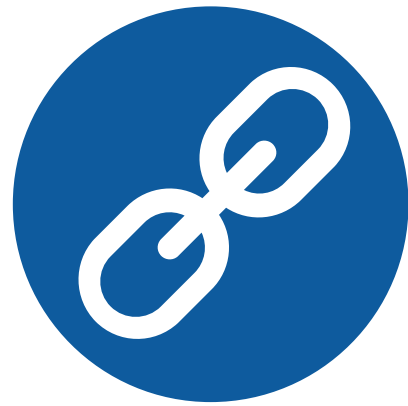


# ASCEND™





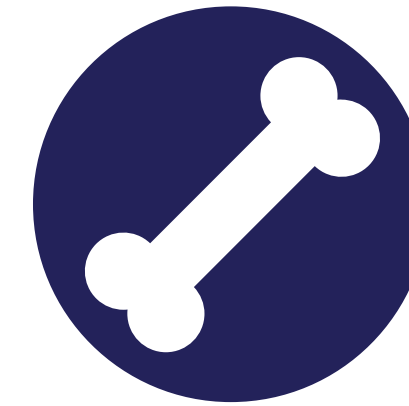
# OPTAVIA® ASCEND™: A New Nutritional Formula with Higher Protein to Support Satiety and Retain Lean Muscle



20 + grams of high-quality protein to help retain lean muscle mass



5 - 10 grams of fiber to promote digestive health



Calcium to support bone health & muscle function



No flavors, colors, or sweeteners from artificial sources



Interchangeable & versatile



Portion controlled for a low calorie diet

# New OPTAVIA® ASCEND™ Products & Supplements

## Featured in Plans Designed for GLP-1 Users & Those Seeking Weight Maintenance

### GLP-1 WEIGHT LOSS SUPPORT



### WEIGHT MAINTENANCE



Plan combines the effectiveness of GLP-1 meds to help customers maintain a balanced diet as they eat less while preserving lean muscle and supporting energy levels.



Personalized approach with balanced nutrition to promote lifelong healthy eating and lifestyle strategies to help the customer with long-term weight management.

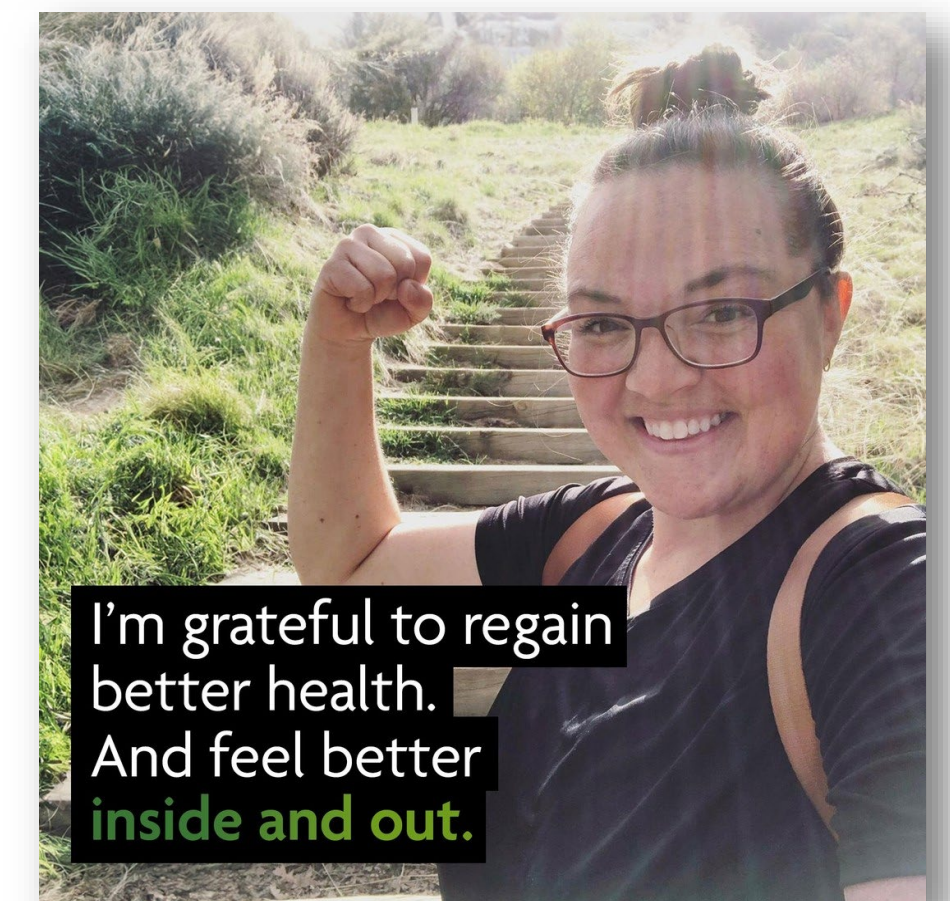


# Company-led Customer Acquisition Initiative

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## New Advertising Efforts

- Goal is to build brand awareness, highlight GLP-1 support solutions, and drive new customer acquisition
- Utilizing various platforms including social media, search, digital display, connected TV and radio
- Trialing and adjusting activities to maximize breakthrough
- Scaled back initial estimated spend in less effective areas
- Focusing on channels that yield the highest return on investment
- Taking a disciplined approach that prioritizes efficiency and value
- Piloting joint campaigns with LifeMD



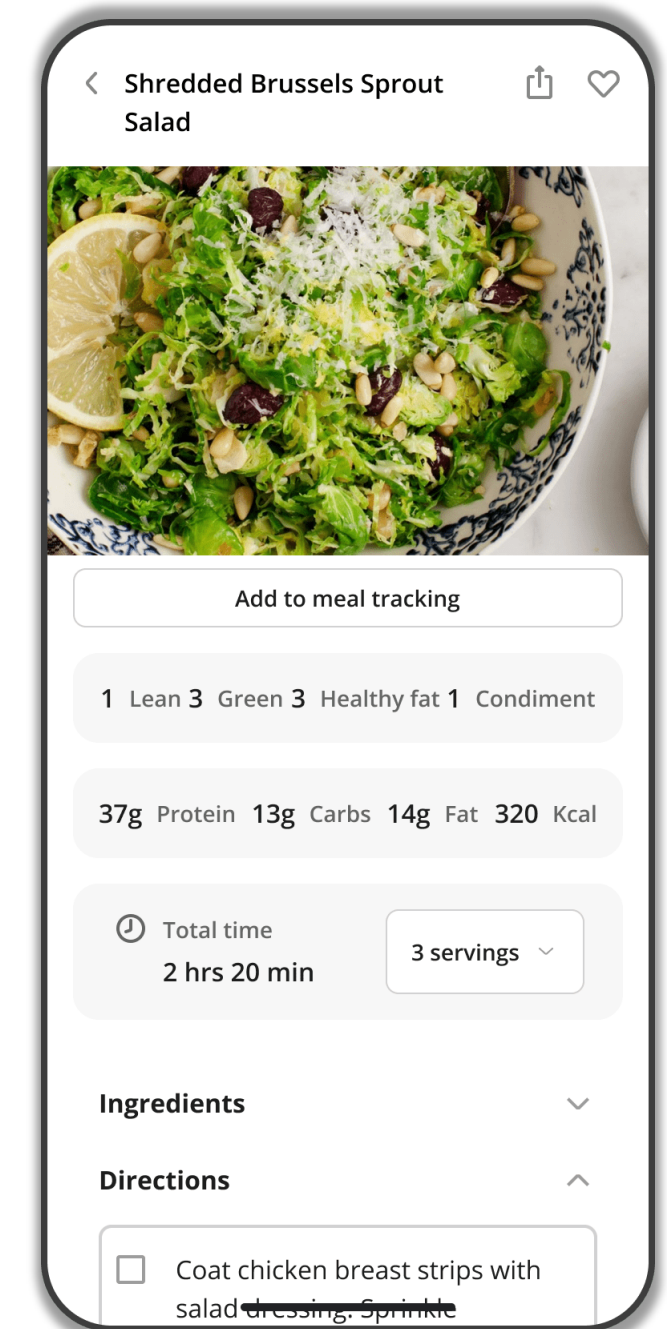
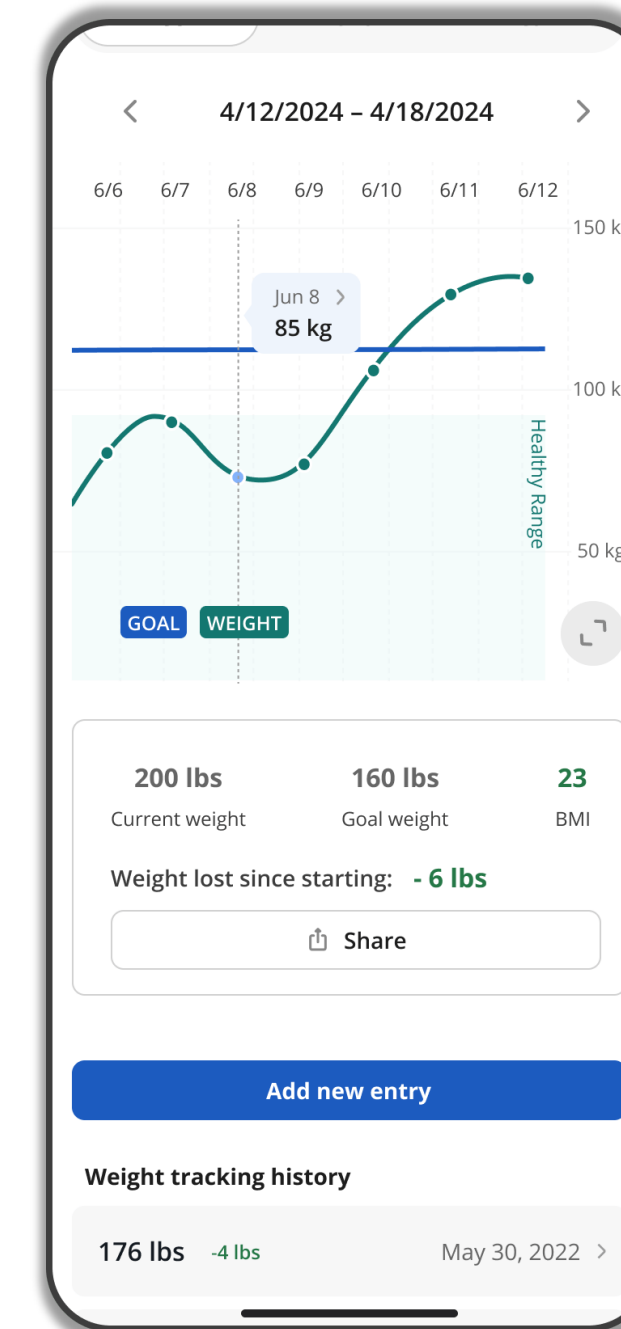


# Enhanced Customer Experience

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## Deliver a Highly Personalized Solution for All Customers:

- Creating digital ecosystems to better monitor customer progress
  - Enhancing the OPTAVIA app to include medically-supported weight loss tailored recipes, meal tracking, educational content and personalized gap-to-goal actions
    - Customers that are informed, engaged and tracking their health progress will see a stronger retention
  - Enhancing the Coach App to make it easy for the coaches to support their customers throughout their health journey
    - Enhanced interactions between coaches and customers will foster stronger retention
- Path-to-Purchase enhancements being optimized for a more tailored experience for the users' unique needs, including medically-supported weight loss + LifeMD





# LifeMD Collaboration

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## Holistic Offer

- Current joint offer includes OPTAVIA GLP-1 nutrition kit, a dedicated Coach, clinician support, app, and community
- New offering expected at beginning of 2025 featuring nutritional products developed especially for GLP-1 medication users as well as a vitamin & mineral and omega 3 supplement

## Collaborative marketing activities

- Co-developed public relations & marketing materials
- Piloting joint advertising program

## Customer Experience

- Streamlining the sign-up experience with focus on eliminating friction in the customer path to purchase
- Enhance connectivity of information between Coach and medical provider to facilitate better communication and personalization

## Real World Evidence

- The companies are collecting real-world customer data to better understand the impact of anti-obesity medications combined with OPTAVIA



# Fuel For The Future

## Description of the Area of Focus:

- Continue to drive efficiency across core operations through a mix of projects across all key functions

## Significant milestones accomplished so far:

- \$45M in savings for 2023, with an additional \$22M expected for FY 2024
- Major procurement wins across the entire business
- Smart efficiency plays within Supply Chain network
- Reduced distribution footprint to align resources with current demand, while maintaining sufficient capacity for future growth
- AI in the contact center – more automated interactions (chat, SMS, etc.)

## What's next?

- Continue to execute on roadmap across the business
- Look at next wave of opportunities – there are still significant opportunities for additional savings







## Q4 2024 Guidance



**\$100M - \$120M**  
**Q4 Revenue**



**(\$0.10) - (\$0.65)**  
**Q4 loss per share**

Excludes any gains or losses from changes  
in the market price of the Company's  
LifeMD common stock investment



# Non-GAAP Reconciliation

Tables Below Reconcile the Non-GAAP Financial Measures Included in this supplement

Three Months Ended September 30, 2024

	GAAP	Unrealized Loss on Investment in LifeMD Common Stock	LifeMD Prepaid Service Amortization	Non-GAAP
Cost of sales	\$34,489	\$ —	\$ —	\$34,489
Gross Profit	105,674	—	—	105,674
Selling, general, and administrative	103,568	—	(1,652)	101,916
Income from operations	2,106	—	1,652	3,758
Other income (expense)	(528)	1,984	—	1,456
Provision for income taxes	449	496	413	1,358
Net income	1,129	1,488	1,239	3,856
Diluted earnings per share <sup>(1)</sup>	0.10	0.14	0.11	0.35

Three Months Ended September 30, 2023

	GAAP	Unrealized Loss on Investment in LifeMD Common Stock	LifeMD Prepaid Service Amortization	Non-GAAP
Cost of sales	\$58,492	\$ —	\$ —	\$58,492
Gross Profit	177,377	—	—	177,377
Selling, general, and administrative	151,868	—	—	151,868
Income from operations	25,509	—	—	25,509
Other income	1,040	—	—	1,040
Provision for income taxes	3,418	—	—	3,418
Net income	23,131	—	—	23,131
Diluted earnings per share <sup>(1)</sup>	2.12	—	—	2.12

<sup>1</sup>The weighted-average diluted shares outstanding used in the calculation of these non-GAAP financial measures are the same as the weighted-average shares outstanding used in the calculation of the reported per share amounts.