

Medifast® Q4 2024
**Earnings
Supplement**



Safe Harbor Statement

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, 2024, 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® Q4 2024 Highlights

Revenue at upper end of guidance range

EPS positive and above guidance range

Gross profit margin of 74.1% increased 10 basis points versus Q4 2023

Customer acquisition marketing

- Company-led marketing expenditures of \$7M, as expected
 - Coach-led marketing expenditures are included in total coach compensation
-

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

Debt-free, with \$162 million of cash & investments as of December 31, 2024



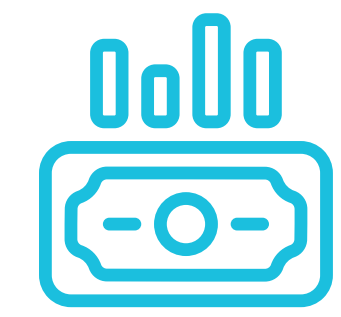


Q4 2024

By The Numbers



\$119M
REVENUE



\$1M GAAP
OPERATING INCOME



\$0.07 GAAP
\$0.10 Adjusted*
DILUTED EPS



\$4,391
REVENUE PER ACTIVE
EARNING COACH



27,100
ACTIVE EARNING
COACHES



\$162M
CASH & CASH EQUIVALENTS
AND INVESTMENTS

* Non-GAAP measure. See reconciliation on page 16

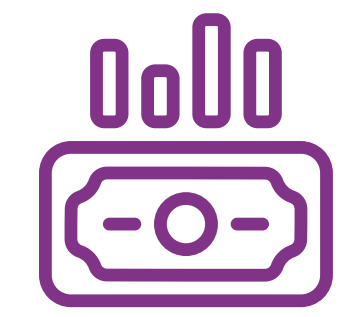


FY 2024

By The Numbers



\$602M
REVENUE



\$3M GAAP
\$23M Adjusted*
OPERATING INCOME



\$0.19 GAAP
\$1.84 Adjusted*
DILUTED EPS



73.8%
2024 GROSS PROFIT AS
A PERCENT OF SALES



\$21M
FUEL FOR THE FUTURE
SAVINGS (OPERATING
IMPROVEMENTS)



\$24M
OPERATING
CASH FLOW

* Non-GAAP measure. See reconciliation on page 17

Focus of Transformation Initiatives

1
Building **the health and wellness company of the future**, designed to thrive in a GLP-1 world

2
Expanding focus to help customers in critical life need-states, with or without medications

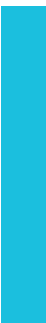
3
Offering integrated **lifestyle solutions that more uniquely reflect the needs of the consumer** than any other offering today

4
Providing personal coaching, a support-community, **tailored plans and personal solutions**, all which enhance customer engagement and retention

5
Utilizing strategic marketing and collaborative partnerships to create white space, drive brand awareness and power client acquisition

6
Establishing a company and field leadership structure that sets the pace for long-term growth

Meeting Multiple Consumer Need States



Those who don't want to use GLP-1 medications to support their weight loss

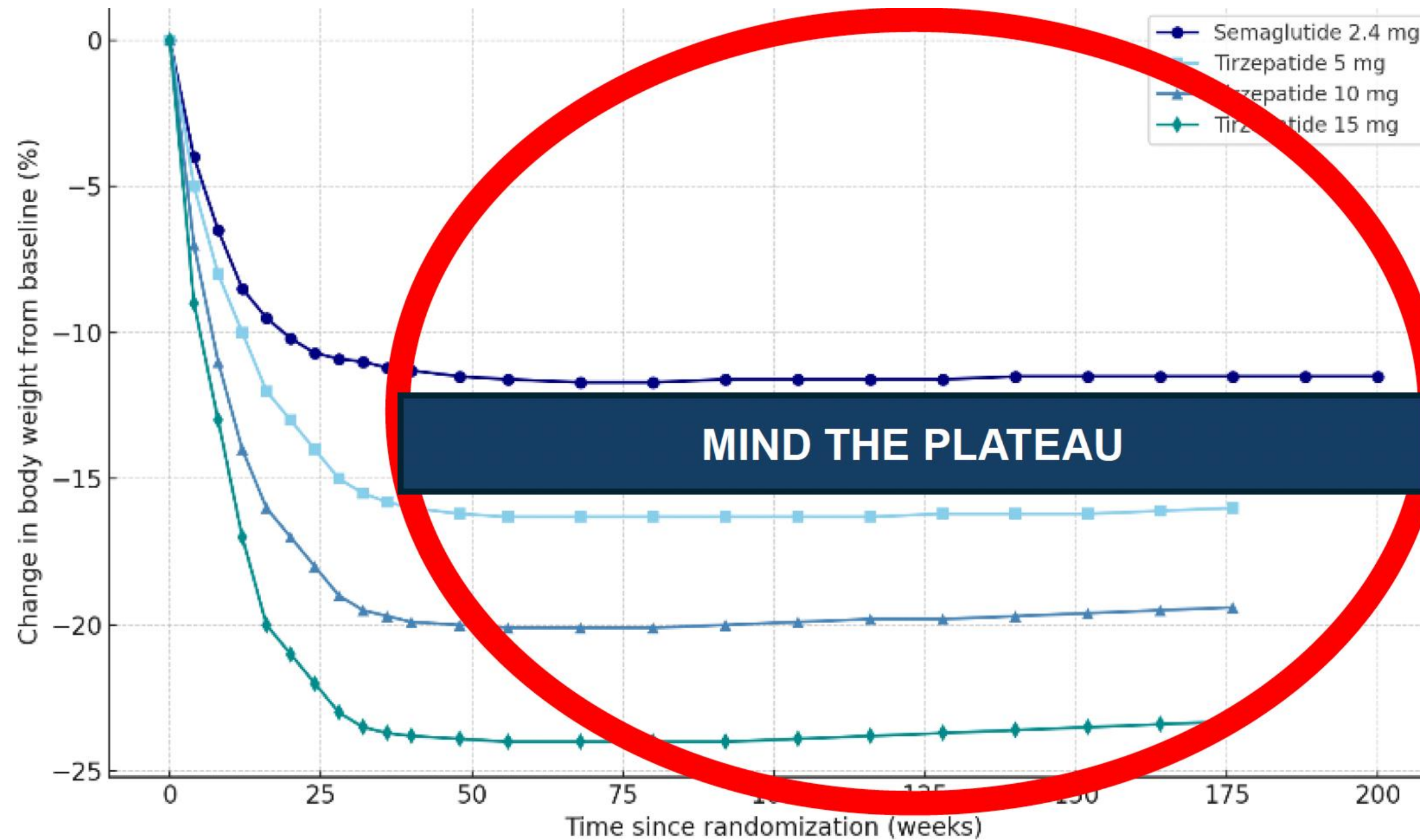


Those using GLP-1 medications as a core element of their weight loss program



Those seeking to maintain the weight loss they have achieved, regardless of whether they used GLP-1 medication to achieve it or achieved it without medication

Absent Nutrition & Lifestyle Modifications, GLP-1 Medications Alone Fall Short of Getting Most Patients to a Healthy Weight



12%

Plateau effect

Just one-in-ten (12%) reach a healthy weight*

Up to

74%

Patients transition

off GLP-1 medications in the first 12 months of use^

Data from long-term tirzepatide (176 weeks) and semaglutide (221 weeks) clinical trials showing changes in body weight from baseline (% change) over time (weeks). Figure recreated from original data to visualize both studies on the same line plot.

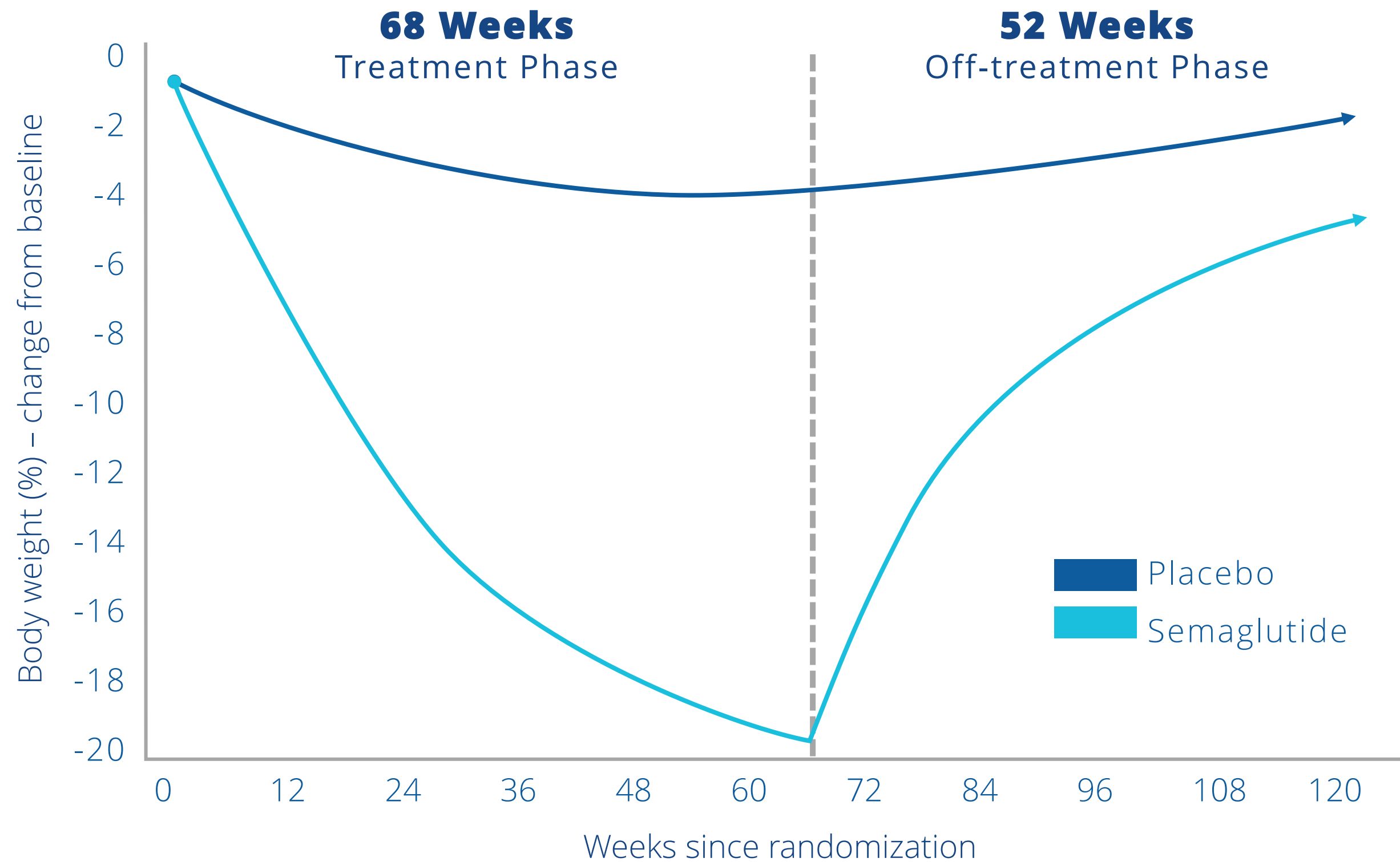
Jastreboff AM, le Roux CW, Stefanski A, et al. Tirzepatide for Obesity Treatment and Diabetes Prevention. *The New England journal of medicine*. Nov 13 2024;doi:10.1056/NEJMoa2410819

Ferdinand KC, Dunn J, Nicolay C, Sam F, Blue EK, Wang H. Weight-dependent and weight-independent effects of dulaglutide on blood pressure in patients with type 2 diabetes. *Cardiovasc Diabetol*. Mar 9 2023;22(1):49. doi:10.1186/s12933-023-01775-x

*Ryan DH, Lingvay I, Deanfield J, et al. Long-term weight loss effects of semaglutide in obesity without diabetes in the SELECT trial. *Nature Medicine*. 2024;30(7):2049-2057. doi:10.1038/s41591-024-02996-7

^ 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

Once GLP-1 Medications Are Stopped, Two-thirds of Lost Weight is Often Regained



Post-GLP-1 Medication

After medication withdrawal, **body weight regain** was observed

Participants **regained two-thirds** of prior weight loss

Ongoing management, including **nutrition and lifestyle behavior modification is key**

Source: Wilding JPH, et al; STEP 1 Study Group. Weight regain and cardiometabolic effects after withdrawal of semaglutide: The STEP 1 trial extension. Diabetes Obes Metab. 2022 Aug;24(8):1553-1564. doi: 10.1111/dom.14725.

Perhaps the Most Significant Challenge GLP-1 Patients Face Relates¹⁰ to Muscle Loss During Weight Loss



Weight lost from muscle
Up to 40%

GLP-1 medications can cause muscle loss equivalent to a decade's worth of naturally occurring muscle loss within just 12-18 months

Wilding JPH, Batterham RL, Calanna S, Davies M, Van Gaal LF, Lingvay I, McGowan BM, Rosenstock J, Tran MTD, Wadden TA, Wharton S, Yokote K, Zeuthen N, Kushner RF; STEP 1 Study Group. Once-Weekly Semaglutide in Adults with Overweight or Obesity. *N Engl J Med.* 2021 Mar 18;384(11):989-1002. doi: 10.1056/NEJMoa2032183.

Grosicki GJ, Dhurandhar NV, Unick JL, Arent SM, Thomas JG, Lofton H, Shepherd MC, Kiel J, Coleman C, Jonnalagadda SS. Sculpting Success: The Importance of Diet and Physical Activity to Support Skeletal Muscle Health during Weight Loss with New Generation Anti-Obesity Medications. *Curr Dev Nutr.* 2024 Oct 18;8(11):104486. doi: 10.1016/j.cdnut.2024.104486.



Weight lost from lean muscle mass of
13%

OPTAVIA's Optimal Weight 5 & 1 Plan is clinically proven for weight loss

Arterburn LM, Coleman CD, Kiel J, Kelley K, Mantilla L, Frye N, Sanoshy K, Cook CM. Randomized controlled trial assessing two commercial weight loss programs in adults with overweight or obesity. *Obes Sci Pract.* 2018 Dec 21;5(1):3-14. doi: 10.1002/osp4.312.

*Medical advice, treatment, prescriptions, and the overall practice of medicine must be provided by a licensed healthcare professional. OPTAVIA and its coaches do not engage in or provide any medical services.

Holistic Value Proposition of Plans Utilizing Ascend Products



Scientifically-Developed Food Choices

- Plans for GLP-1 med users and non-med users who want support managing their weight
- Helps fill fiber, vitamin, mineral gaps



Lower Food Volume Options

- **OPTAVIA ASCEND** is under 230 calories per serving
- ~20g+ of protein per eating occasion



Fills Nutrient Inadequacies

Dietary supplementation (Multivitamin & Minerals and Omega-3s)



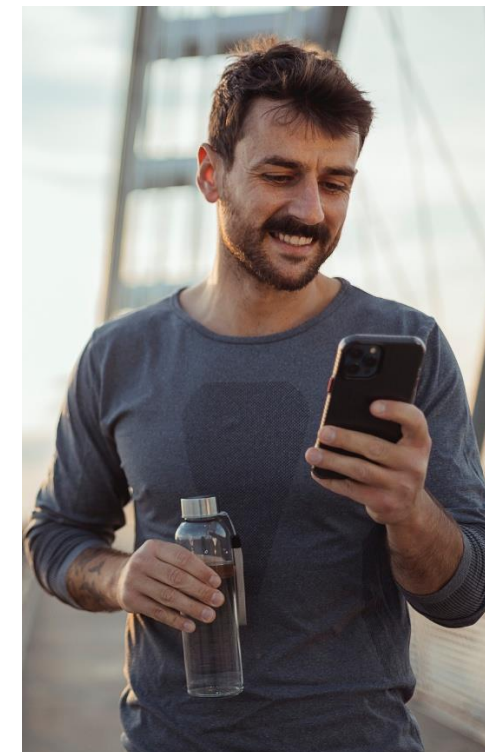
Community

Support from like-minded individuals facing similar challenges



Coaching

Dedicated coach providing personalized guidance, encouragement, & accountability



Customer Experience

App with recipes, meal tracking, educational content & personalized gap-to-go actions

Targeted Actions to Improve Coach Productivity

Opportunities	Tactics	
Elevate education and training within coach community	On-going education and related support infrastructure	Emphasis on optimizing coach performance and getting new coaches off to a strong start Self-guided training opportunities, including new podcasts with outside subject matter experts, and best practices shared by top performing coaches, to pair with live training events
Enhance customer and coach incentive structure to create faster / easier coach progression path	Comprehensive and targeted set of programs for coaches	Thoughtfully timed customer promotions to generate more incremental customers and coach prospects Targeted mix of recognition and coach programs to excite coaches into incremental action and drive faster progression to higher ranks
Focus on coach leader tools/insights	Deeper visibility & greater insight	Provide more robust data for coaches, particularly more senior coaches, to enable a greater focus on personalized customer service and better insight into how to best build a businesses

Continued Focus on Cost Optimization

2024 Accomplishments



Look Ahead To 2025

- Fuel For The Future actions taken included reducing distribution footprint, optimizing procurement efforts, and utilizing more automated customer interaction
- 2024 savings of \$21M
- The savings is both in Field and Business operations
- Savings has aided in keeping a strong balance sheet with \$162M in cash and zero debt as of Q4 2024

- Targeting \$15M to \$20M in additional savings in 2025 in total for the entire organization
- Initial cost efficiencies realized, focus shifts to strategic savings
- Ongoing innovation and collaboration to drive further efficiency

2025 Priorities

Accelerate customer acquisition

- Utilize company-led marketing and enhanced coach-driven efforts
 - Attract new customers and reactivate lapsed participants
-

Improve coach productivity

- Scale best practices of high-performing teams
 - Leverage new coach education resources
-

Advance clinical research

- Evaluate outcomes of OPTAVIA customers around GLP-1 medication use and lean muscle retention, as well as long-term weight maintenance outcomes
-

Expand product offerings

- Beyond OPTAVIA ASCEND, continue enhancing the introductory product offer
-

Evaluate entering new categories, including women's health

- Offer tailored solutions for different need states, broadening company's reach & impact





Q1 2025 Guidance



\$100M - \$120M
Q1 Revenue



(\$0.50) - \$0.00
Q1 earnings 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

	GAAP	Unrealized Loss on Investment in LifeMD Common Stock	Non-GAAP	
Three Months Ended December 31, 2024	Cost of sales	\$30,784	\$ —	\$30,784
	Gross Profit	88,219	—	88,219
	Selling, general, and administrative	87,510	—	87,510
	Income from operations	709	—	709
	Other income	566	355	921
	Provision for income taxes	475	89	564
	Net income	800	266	1,066
	Diluted earnings per share ⁽¹⁾	0.07	0.02	0.10

	GAAP	IT and Supply Chain Optimization	LifeMD Collaboration Costs	Non-GAAP	
Three Months Ended December 31, 2023	Cost of sales	\$49,646	\$ —	\$ —	\$49,646
	Gross Profit	141,369	—	—	141,369
	Selling, general, and administrative	132,693	(2,555)	(5,000)	125,138
	Income from operations	8,676	2,555	5,000	16,231
	Other income	1,126	—	—	1,126
	Provision for income taxes	3,766	583	1,141	5,490
	Net income	6,036	1,972	3,859	11,867
	Diluted earnings per share ⁽¹⁾	0.55	0.18	0.35	1.09

¹The 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.

Non-GAAP Reconciliation

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

	GAAP	Supply Chain Optimization and Restructuring of External Manufacturing Agreements	Unrealized Loss on Investment in LifeMD Common Stock	LifeMD Collaboration Costs	Non-GAAP
Year Ended December 31, 2024					
Cost of sales	\$157,840	\$(2,579)	\$ —	\$ —	\$155,261
Gross Profit	444,623	2,579	—	—	447,202
Selling, general, and administrative	441,745	(12,502)	—	(5,000)	424,243
Income from operations	2,878	15,081	—	5,000	22,959
Other income	909	—	4,089	—	4,998
Provision for income taxes	1,696	3,770	1,022	1,250	7,738
Net income	2,091	11,311	3,067	3,750	20,219
Diluted earnings per share ⁽¹⁾	0.19	1.03	0.28	0.34	1.84

	GAAP	IT and Supply Chain Optimization	LifeMD Collaboration Costs	Non-GAAP
Year Ended December 31, 2023				
Cost of sales	\$296,204	\$ —	\$ —	\$269,204
Gross Profit	775,850	—	—	775,850
Selling, general, and administrative	649,448	(2,555)	(5,000)	641,893
Income from operations	126,402	2,555	5,000	133,957
Other income	2,395	—	—	2,395
Provision for income taxes	29,382	583	1,141	31,106
Net income	99,415	1,972	3,859	105,246
Diluted earnings per share ⁽¹⁾	9.10	0.18	0.35	9.64

¹The 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.