

Medifast® Q1 2025 **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, 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® Q1 2025 Highlights

Revenue and EPS in upper end of guidance range

Gross profit margin of 72.8% was unchanged versus Q1 2024

Operating margin declined primarily from loss of leverage of fixed costs on lower volumes

Coach trends continued to improve

- Revenue per active earning coach (AEC) declined 1.4% Y/Y
 - New coaches grew double digit %s Y/Y, the highest in 3 years
 - New coach productivity exceeded same period last year
-

Debt-free, with \$165 million of cash & investments as of March 31, 2025





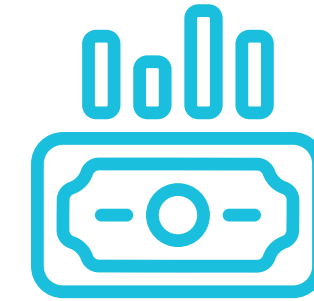
Q1 2025

By The Numbers



\$116M

REVENUE



(\$1.3M)

OPERATING LOSS



(\$0.07)

LOSS PER SHARE



\$4,556

REVENUE PER ACTIVE
EARNING COACH



25,400

ACTIVE EARNING
COACHES



\$165M

CASH & CASH EQUIVALENTS
AND INVESTMENTS

Focus of Transformation Initiatives

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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 various 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, and **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 customer acquisition

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

Meeting Multiple Consumer Need States

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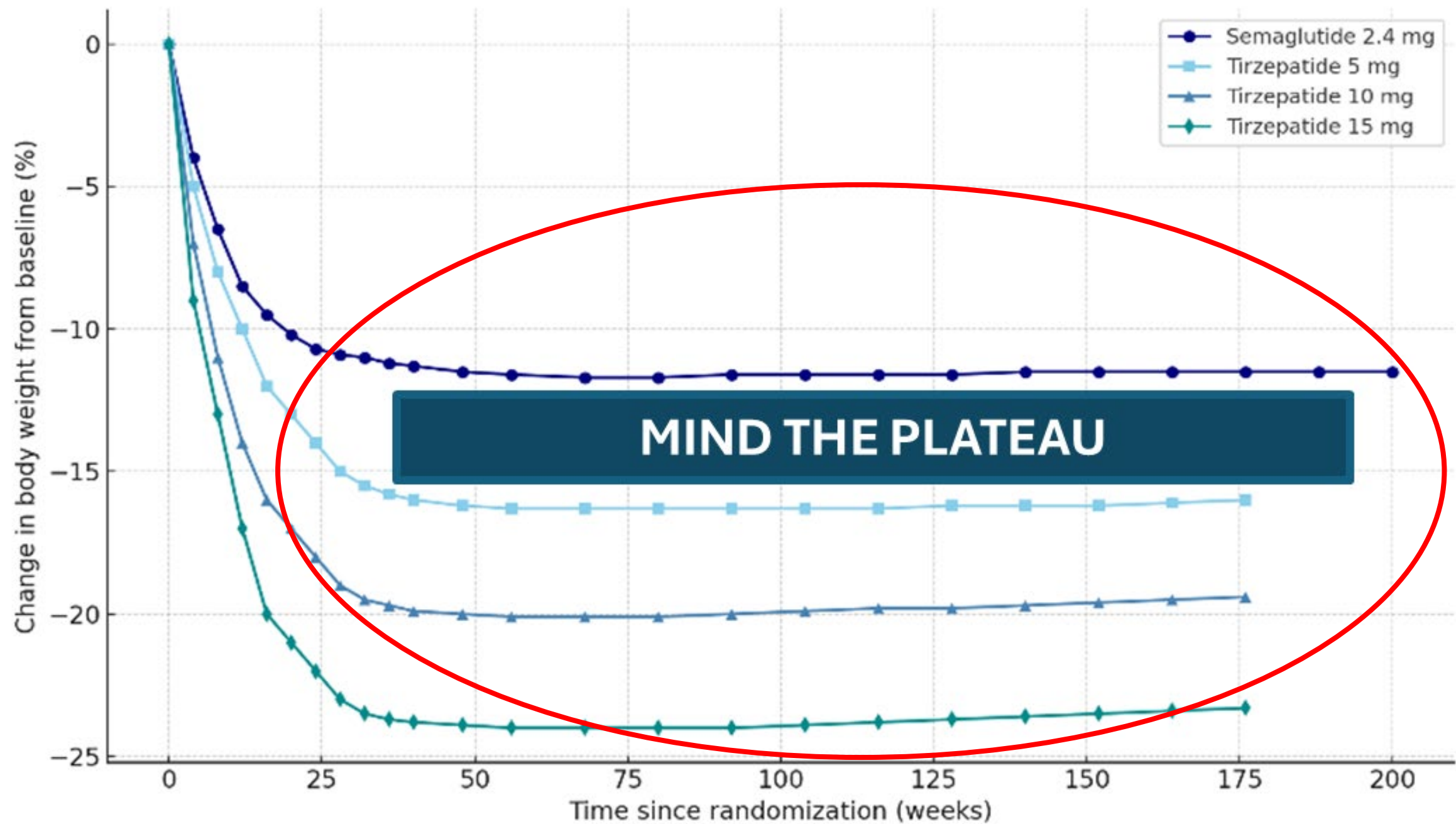


Those who don't want to use GLP-1 medications to support their weight loss

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

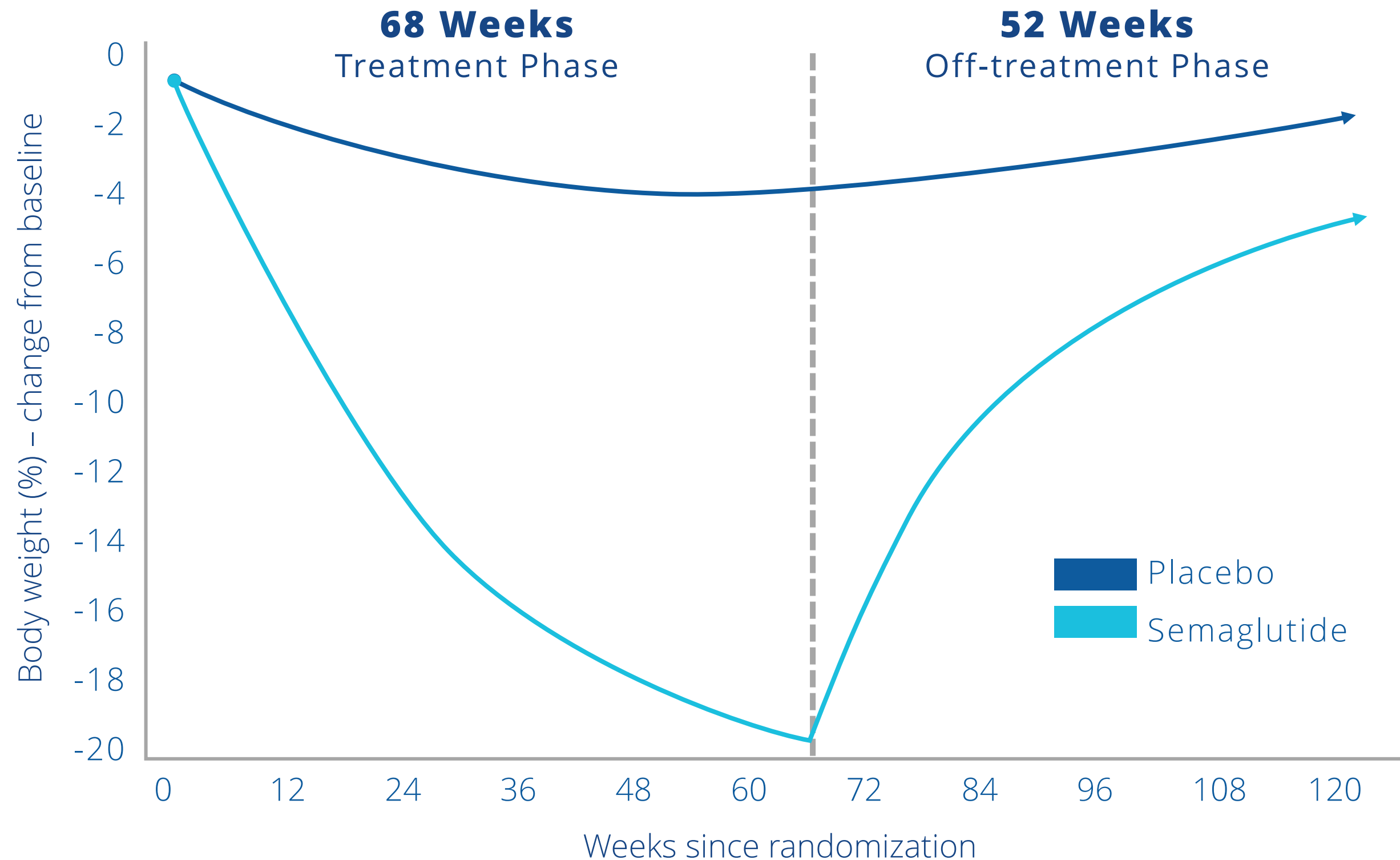
Ferdinand KC, Dunn J, Nicolay C, Sam F, Blue EK, Wang H. Weight-dependent and weight-independent effects of dulaglutide on blood pressure in patients with type 2 diabetes. *Cardiovasc Diabetol*. Mar 9 2023;22(1):49. doi:10.1186/s12933-023-01775-x

*Ryan DH, Lingway 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

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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.

Holistic Value Proposition of Plans Utilizing Ascend Products ¹⁰



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



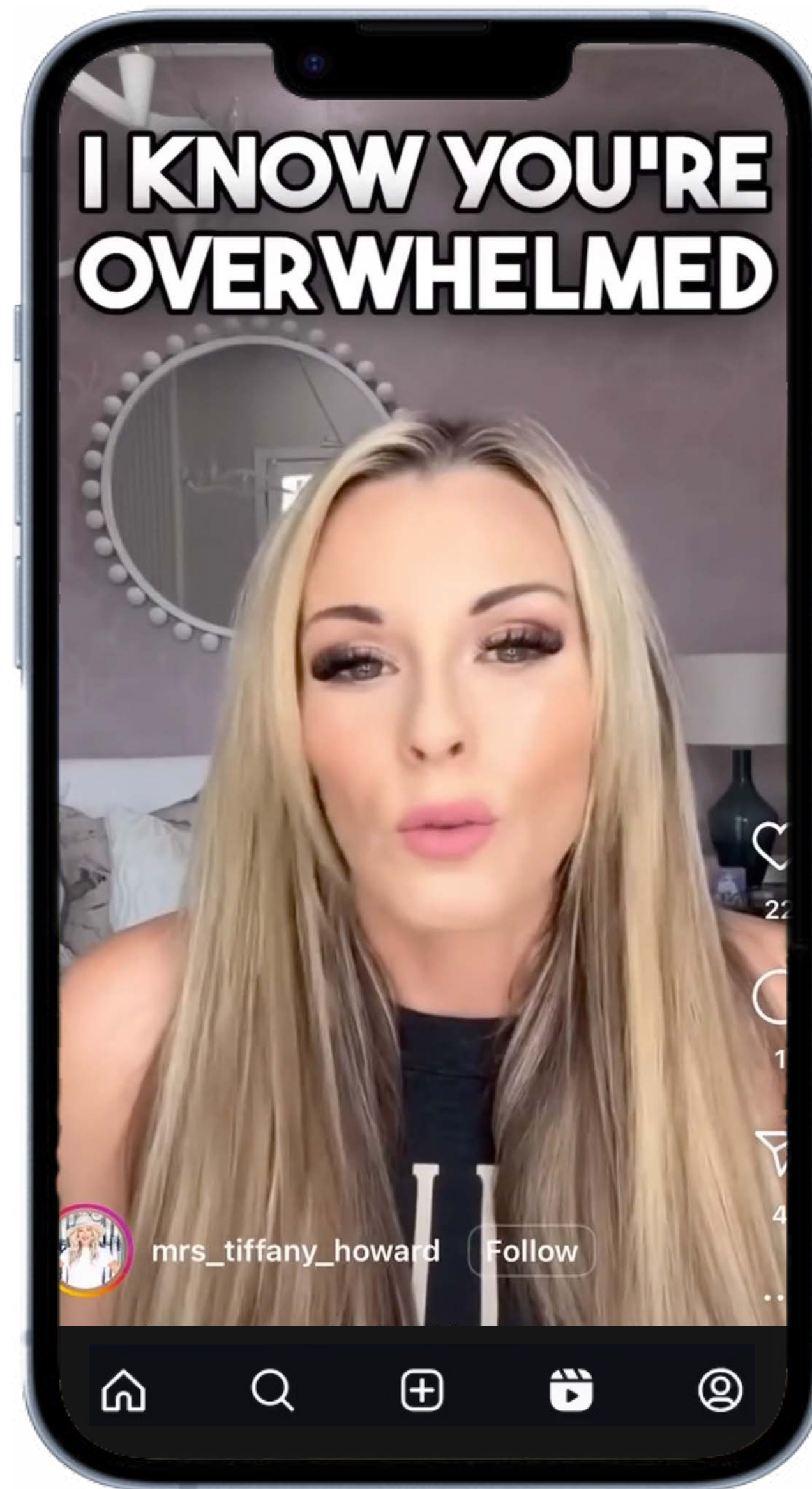
Customer Experience

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

OPTAVIA® Coaches Set Medifast® Apart




OPTAVIA champions people who are navigating weight loss at different moments in life, providing unparalleled coaching support along with community, nutrition and healthy habits.

The holistic approach empowers people to master their weight loss journey through each stage of life – and gives them the freedom to do it on their terms.



Targeted Actions to Improve Coach Productivity

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Opportunities	Tactics		Results
Elevate coach education and training for new GLP-1 environment	On-going education and related support infrastructure	Self-guided training, including new podcasts with outside subject matter experts, and best practices shared by top performing coaches, to pair with live training events	 Almost 50% of coaches have had at least 1 customer on GLP-1 medications
Enhance customer and coach incentive structure	Comprehensive and targeted set of programs for coaches	Emphasis on optimizing coach performance, getting new coaches off to a strong start, and creating clearer progression path Targeted mix of recognition and incentive programs to excite coaches into incremental action & drive faster progression to higher ranks	 New coaches are exhibiting higher Y/Y new client productivity rates # of new coaches up meaningfully Y/Y in 1Q 2025 for first time in 3 years
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	
Increase customer value-add	Build out larger portfolio of products	Allows more tailored solutions for different need states Broadens reach & impact in areas that resonate with coach & customer base	 OPTAVIA ACTIVE OPTAVIA ASCEND Exploring other areas

Coach Programs to Help Reignite Growth

Introduction of OPTAVIA EDGE Program

Field-wide recognition and duplication system designed to drive coach productivity, increase customer acquisition and coach sponsorship, and improve leadership development

Clear tiered structure

4 achievement levels with progressive business-building behaviors & rewards

Behavior-based design

Focuses on leading indicators of success, not just outcomes or ranking

Scalable Systems

Built with marketing, training, & tracking tools, easily adoptable by both new & experienced coaches

Field Centric Activation

Developed with top field leaders, reflects real-world best practices

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EDGE

ENGAGE – DUPLICATE – GROW – ELEVATE



 **MEDIFAST**  **OPTAVIA**

Continued Focus on Cost Optimization

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

Improve coach productivity

- Roll out of EDGE coach leadership development program
- 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

Strengthen product offerings

- Offer tailored solutions for different need states, broadening the company's reach & impact
- Continue enhancing the introductory product offer
- Evaluate new categories

Maintain Financial Discipline

- Deliver \$15-\$20 million in savings in 2025





Q2 2025 Guidance



\$85M - \$105M
Q2 Revenue



(\$0.55) - \$0.00
Q2 earnings per share
Excludes any gains or losses from changes
in the market price of the Company's
LifeMD common stock investment