MEDIFAST® OPTAVIA®

INVESTOR PRESENTATIONS

Aug-Oct 2021







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AGENDA

1 | Medifast At A Glance

2 | **OPTA**VIA Transition And Performance Highlights

3 | Summary

Howards' Video

MEDIFAST AT A GLANCE

Leaders
in offering personal Coaching service to people for whom diets have failed

Company behind one of the **fastest-growing** wellness communities[1]

OPTAVIA®

100%
Products shipped directly to clients

59.2K
Active Earning Coaches
About **90%** of Coaches started as Clients

MEDIFAST®

Differentiated
direct-to-consumer sales model

Over 40 Years
of scientifically developed products

18
Peer reviewed publications in last 10 years

2 M
Lives Impacted

~90%
Revenue from subscription-based meal-plan orders

1 Medifast was ranked second on *FORTUNE's 100 Fastest-Growing Companies list in 2020.*

OUR COMPETITIVE ADVANTAGE VS. DIRECT SELLING MODEL

OPTAVIA COACH MODEL	DIRECT SELLING MODEL
Client-centric **one price** direct-to-consumer model; about 90% of revenue from clients	Distributor-centric **tiered price** wholesale/retail model; revenue mix leans to distributor entities
Coaches Coach support clients, **do not** hold inventory, or manage cash	Distributors Sell Wholesale and Retail Selling, hold inventory and manage cash
Health and Wellness Community holistic health and wellness program, Coaches come from client base	Selling and Recruiting Network product sales, heavy distributor recruiting with high attrition
Unified Training System in the Field	Diverse Training Systems

OUR COMPETITIVE ADVANTAGE VS. DIET INDUSTRY

OPTAVIA COACH MODEL	DIET COMPANIES MODEL
Holistic Wellness Heathy Weight Is A Catalyst To Greater Change	**Weight Loss** Short-term Unsustainable Results
Personalized Coach Support Empathetic Coaching - The Coached Becomes The Coach	**Limited Support** Books, Bots, Back-end Support
Lifelong Habit Development Lifelong Habits Supported by Proprietary Integrated System	**Seasonal, Fad-driven Consumption** Diet seasonality driven by diet fads
Health and Wellness Community 2 Million Lives Impacted	**Repeat Dieters** Failed Dieters Trying Again

Large Addressable Market

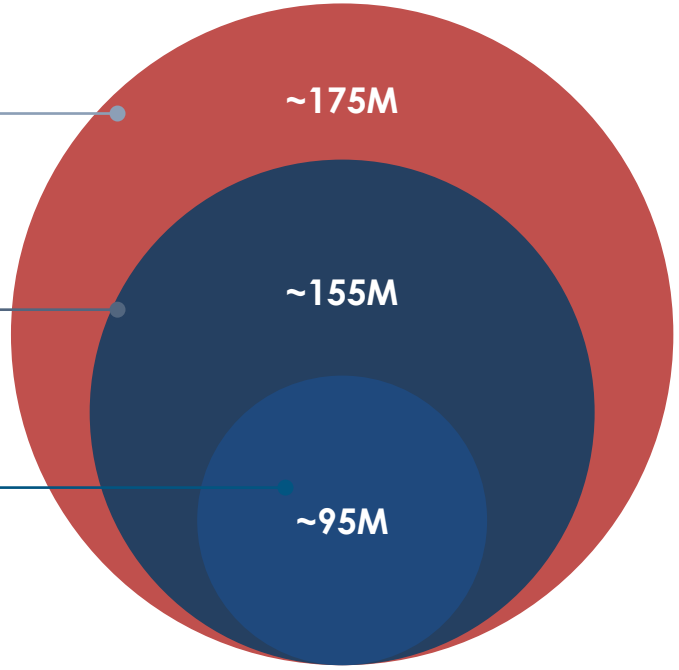
Key audiences

Total US addressable client pool

People looking to lose weight and willing to consider dieting

People looking to lose the most weight

People looking to lose the most weight and willing to consider paid meal plans



70%

US pop. overweight or obese, growing 2% p.a.

75%

US adults who want to lose weight, open to dieting

65%

Overweight/obese, consider paid meal plans effective[1]

1 People considering dieting through meal plans as somewhat effective, effective or highly effective

Source: Consumer and OPTAVIA Client surveys February 2020, NCHS, team analysis

Health & Wellness Is In Sharp Focus

63%

Of all U.S. adults have adopted new, positive health habits since the start of the COVID-19 pandemic

96%

Of people making positive health changes during the pandemic report they plan to continue embracing healthy habits in 2021.

74%

Of Americans who report that they need support to maintain healthy habits as the pandemic continues

61%

Of all U.S. adults are looking to prioritize healthy eating habits over work-life balance in 2021

*SOURCE: Medifast, Inc.
https://ir.medifastinc.com/2020-12-17-New-OPTAVIA-Survey-Uncovers-Profound-Shift-in-Health-Wellness-Priorities-For-2021

Key Investment Highlights

- One of the fastest growing health and wellness companies in the United States, with differentiated, clinically-proven programs and scientifically-developed products
- Large and growing market opportunity addressing a global need
- Scalable coach-based approach that drives both effectiveness and growth
- Consistent and sustainable business model
- Significant free cash flow supports growth investment and attractive capital allocation strategy
- Experienced leadership team with track record of success, and clear strategy for continued long-term growth

Key Financial Metrics

$1,271M

Q2 2021 TTM Revenue

$197M

Q2 2021 TTM Income from Operations

46%

2017–2020 Revenue CAGR

50%

2017–2020 Income from Operations CAGR

Attractive Financial Model

~77%

Q2 2021 TTM SG&A is Variable

~1.4%

Q2 2021 TTM CapEx as % of Revenue

$147M

Q2 2021 TTM Operating Cash Flow

$76M

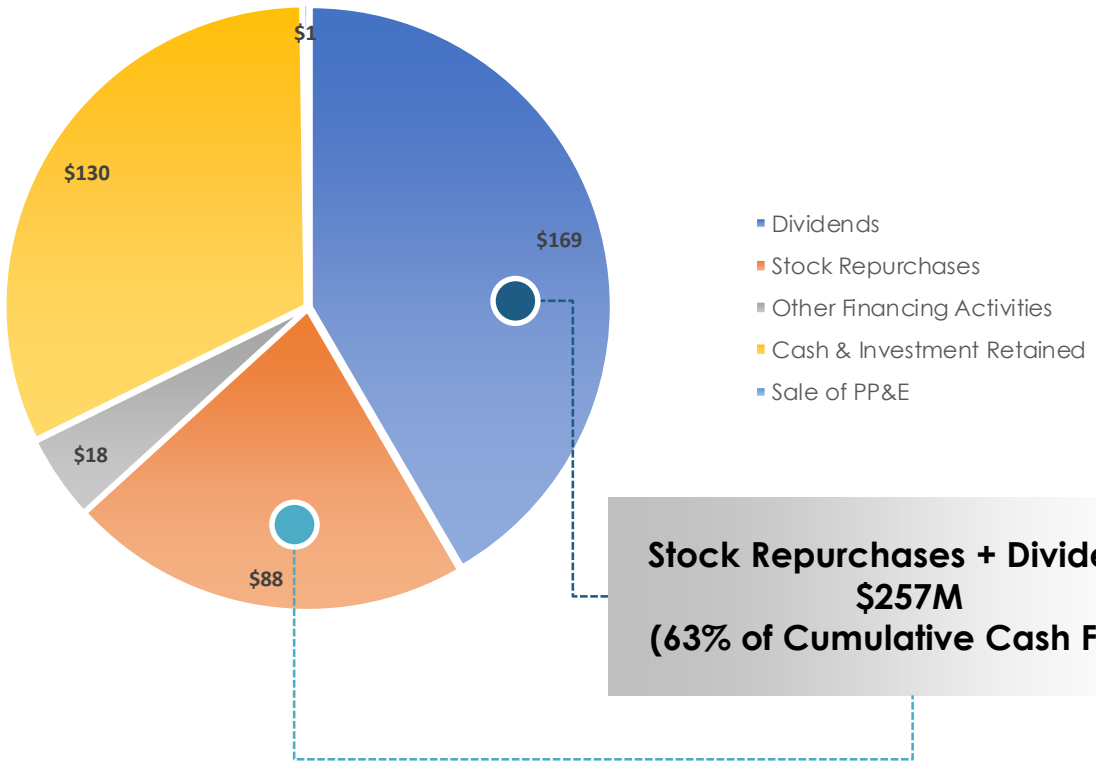
Q2 2021 TTM Return to Stockholders

[1]Represents sum of share repurchased and dividend paid over the last twelve months

Strong Free Cash Flow Facilitates Attractive Return of Capital to Stockholders

($ M)

2016 – Q2 2021



Stock Repurchases + Dividends
$257M
(63% of Cumulative Cash Flow)

CASH & INVESTMENT

$197M

DEBT-FREE

QUARTERLY DIVIDEND

$1.42

- Financial capacity to handle any CapEx requirements
- Strong free cash flow generation
- Active share repurchase program
- Increase in quarterly dividend: ($0.25 in 2016 to $1.42 in Q1 2021)

Effective and Diverse Management Team



DAN CHARD

Chairman and Chief Executive Officer

- 25+ years of marketing and consumer products experience
- Serves on the Board of the Direct Selling Association
- Joined in October 2016



JAMES MALONEY

Chief Financial Officer

- 25+ years of diverse management experience in finance, accounting and business operations
- Deep CPG, technology and supply chain experience
- Joined in July 2020



NICHOLAS JOHNSON

President, Coach & Client Experience

- 10+ years of sales, marketing, and client relations experience, overseeing sales and marketing for 27 countries
- Leads Coach & Client Experience and Technology teams
- Joined in January 2018



TONY TYREE

Chief Marketing Officer

- 25+ years of global integrated marketing, brand strategy, product and platform innovation and portfolio revitalization
- Joined in September 2018



LAUREN WALKER

EVP, Supply Chain Operations

- 25+ years of manufacturing, supply chain and project management experience at industry-leading businesses
- Joined in September 2020



JASON GROVES

EVP, General Counsel & Corporate Secretary

- 20+ years of collaborating across functions on legal matters
- Joined in November 2011



CLAUDIA GRENINGER

EVP, Human Resources

- 20+ years as a collaborative leader in the human resources arena specializing in talent management, compensation planning, performance management and employee engagement
- Joined in October 2019

OPTAVIA TRANSITION AND PERFORMANCE HIGHLIGHTS

The OPTAVIA Model

People are More Successful in their Transformation Journey when they…

1. Have a Support System
   (Coach and Community)
2. Learn and incorporate Healthy Habits into Their Lives
   (Habits of Health System)

Talking with your independent OPTAVIA Coach more often may help Clients lose twice as much weight

Virtuous Circle for Growth



*Based on the results of a 16-week clinical study, those who participated in at least 75% of their 23 assigned OPTAVIA Coaching calls lost 15.2 lbs. compared to 6.7 lbs. for those participating in fewer calls. Arterburn, L.M., et al., Randomized controlled trial assessing two commercial weight loss programs in adults with overweight or obesity. Obes Sci Pract, 2019. 5(1): p. 3-14

Key Strategic Focuses For Sustainable Long-Term Growth



Drive Product & Program Innovation
Expand lifetime value through new and compelling products and programs



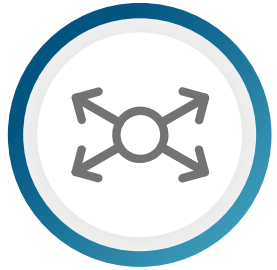
Enhance Coach & Client Experience
Develop culture that drives attraction, engagement and loyalty



Optimize Operational Effectiveness
Drive scale through enhanced organization, systems, processes and partnerships



Utilize Deeper Data & Insights
Data-driven decision making, with deep insights informing strategic and tactical initiatives.



Expand Segments & Geographies
Systematic approach to international markets and product adjacencies

Strong and Sustainable Customer Loyalty

~30x

Client spend on OPTAVIA products vs CPG benchmarks*

~76%

Customer Repurchase Rates**

~47%

OPTAVIA customers who have bought products four or more times**

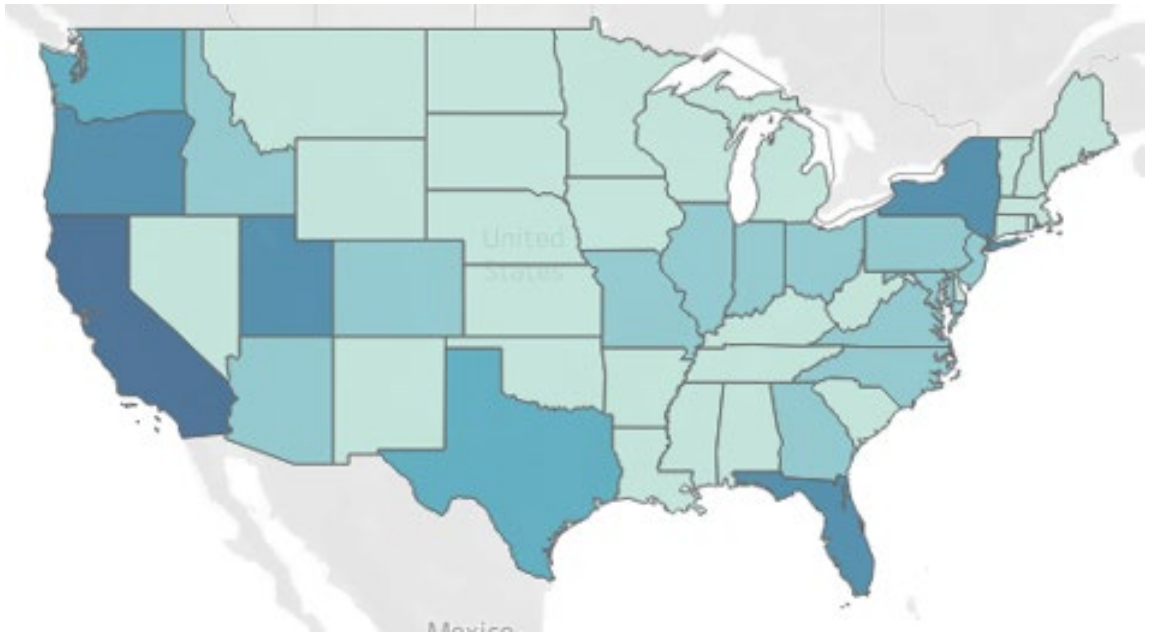
*Nielsen panel data analysis benchmarking **OPTA**VIA against leading H&W brands

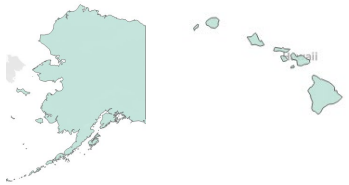
** Nielsen analysis of Client purchases, January 2017 to Q2 2021

Growing Active Earning Coach Community



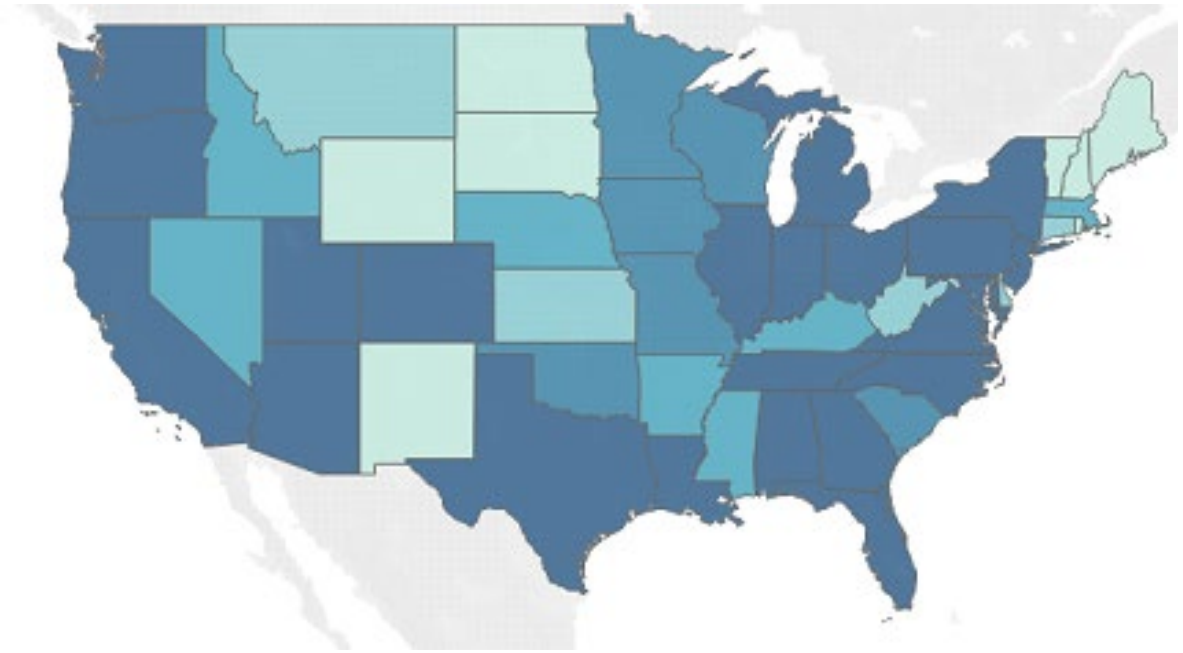
Fiscal Q4 2016

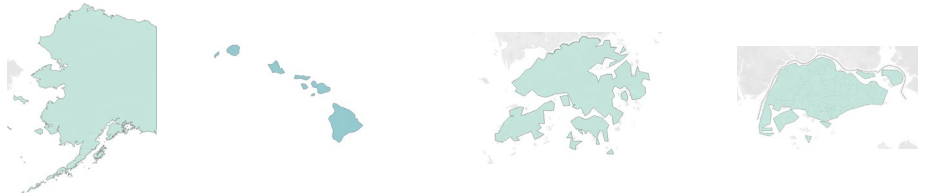




Alaska Hawaii

Fiscal Q2 2021





Alaska Hawaii Hong Kong Singapore

Note: Reviewed Q2 for changes in states increasing to next coach-count bracket

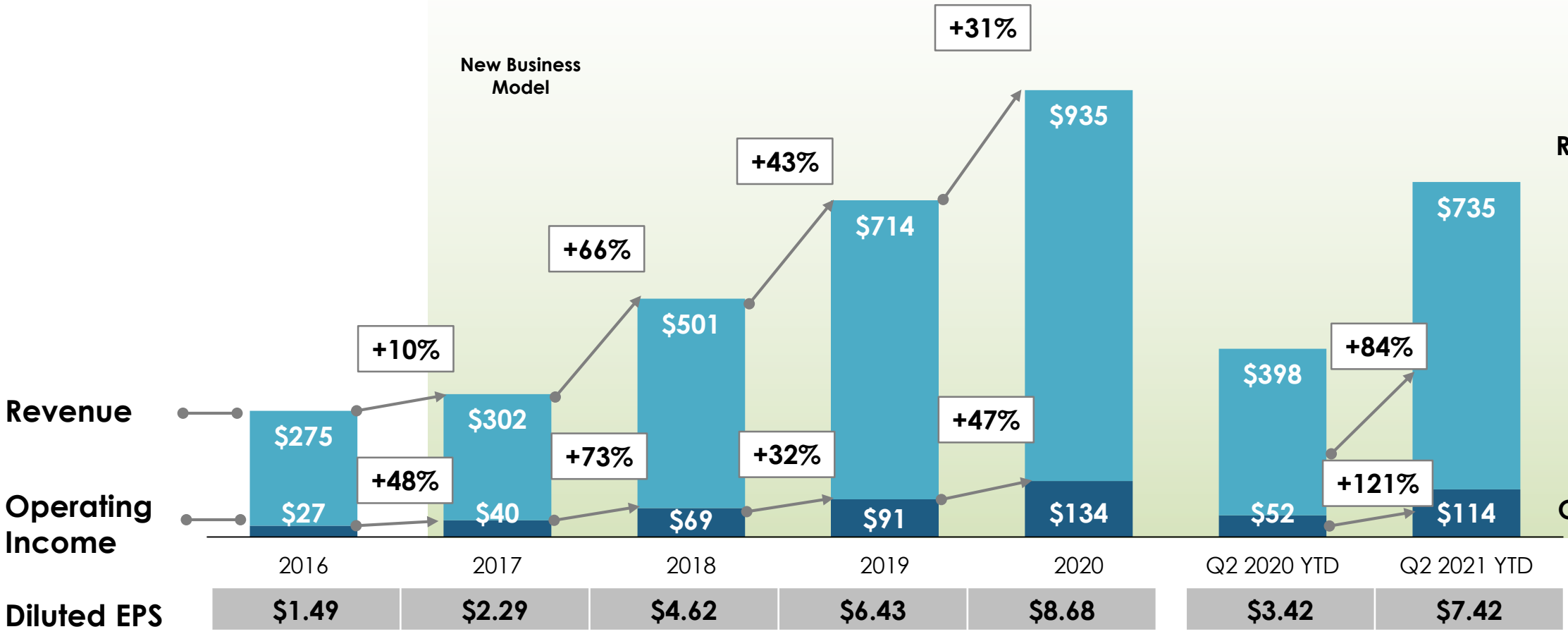


A Resilient Business Model

- Efficient **direct-to-consumer** business
- Consistent patterns create **strong forward visibility**
- High percentage of clients on continuity shipments (**~90% of revenue**)
- **High lifetime value**
- **Variable cost model**

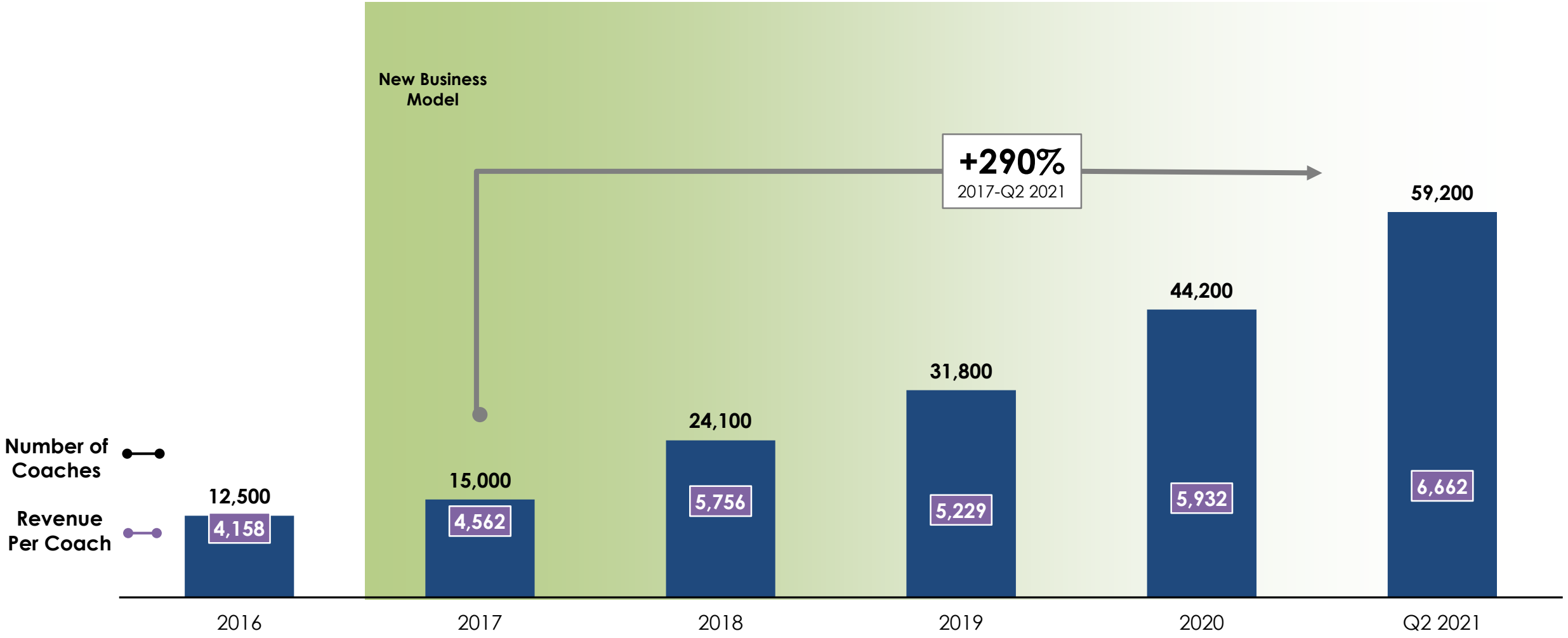
OPTAVIA Driving Long-Term Sustainable Growth

($ Millions, Except Per Share Data)



MEDIFAST OPTAVIA

Active Earning Coaches and Productivity Will Support Sustained Growth



Attractive Financial Model
Volume Driven Cost

	FISCAL 2016	FISCAL 2017	FISCAL 2018	FISCAL 2019	FISCAL 2020
% of Revenue					
Volume Driven Operating Expenses	63.7%	64.9%	70.0%	71.5%	72.2%
Non-Volume Driven Operating Expenses	26.6%	22.1%	16.3%	15.8%	13.4%

$1.2M
Revenue Per Fixed Headcount 2016 (1)

$3.0M
Revenue Per Fixed Headcount 2020 (1)

$26.9M /9.8%
Operating Margin 2016

$134.2M /14.4%
Operating Margin 2020

(1) Fixed headcount are employees engaged in marketing, administrative and corporate support functions.

SUMMARY

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Thank You