



INVESTOR PRESENTATIONS

Q4 2021



Safe Harbor Statement

Certain information included in this presentation may constitute “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, Section 21E of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995. These forward-looking statements generally can be identified by use of phrases or terminology such as “intend,” “anticipate,” “expects” or other similar words or the negative of such terminology. Similarly, descriptions of Medifast's objectives, strategies, plans, goals 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, risks associated with Medifast's direct-to-consumer business model, the impact of rapid growth on Medifast's systems, disruptions in Medifast's supply chain, Medifast's inability to continue to develop new services and products, effectiveness of Medifast's advertising and marketing programs, including use of social media by independent **OPTAVIA** Coaches, Medifast's inability to maintain and grow the network of independent **OPTAVIA** Coaches, the departure of one or more key personnel, Medifast's inability to protect against online security risks, to protect its brand, to protect against product liability claims, Medifast's planned growth into domestic and international markets, adverse publicity associated with Medifast's products, Medifast's inability to continue declaring dividends, fluctuations of Medifast's common stock market price, the impact of the COVID-19 pandemic on Medifast's results, the severity, length and ultimate impact of COVID-19 pandemic on people and economies, increases in competition, litigation, consequences of other geopolitical events, natural disasters, acts of war, or climate change, activist investors, regulatory changes, market conditions and resulting impact on consumer spending, and 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 presentation, as well as those set forth in its Annual Report on Form 10-K for the fiscal year ended December 31, 2020 and other filings filed with the United States Securities and Exchange Commission, including its current reports on Form 8-K. All of the forward-looking statements contained herein speak only as of the date of this presentation.

AGENDA

- 1 | Medifast At A Glance
- 2 | **OPTAVIA** 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 communities¹



100%

Products shipped directly to clients



61K

Active Earning Coaches

About **90%** of Coaches started as Clients



Differentiated
direct-to-consumer sales model

Over 40 Years

of scientifically developed products

18

Peer reviewed publications in last 10 years

2M

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

OUR COMPETITIVE ADVANTAGE VS. DIET INDUSTRY

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

Large Addressable Market

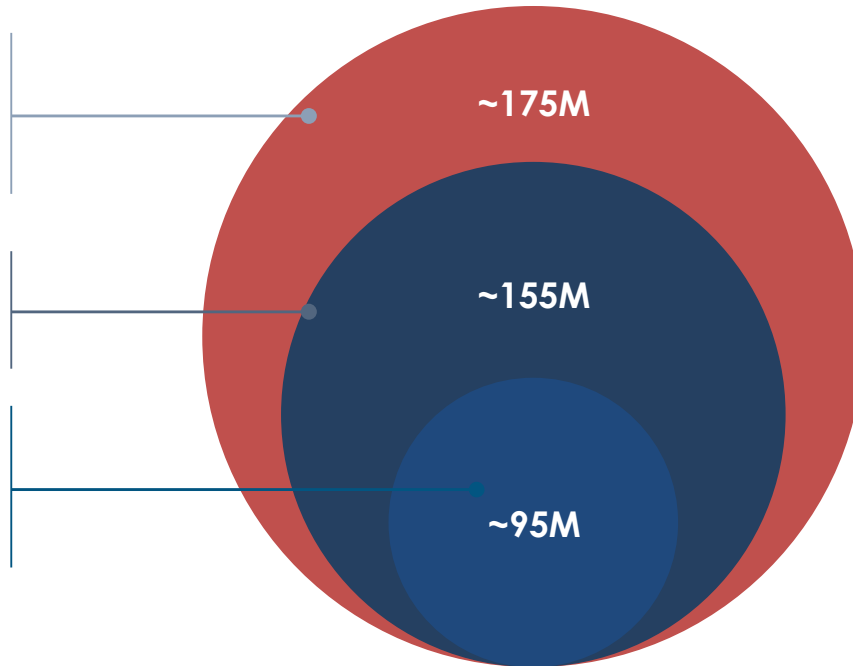
Key audiences

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

Total US addressable client pool



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 effective¹

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

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

\$1,413^M

**Q3 2021 TTM
Revenue**

\$207^M

**Q3 2021 TTM
Income from
Operations**

46%

**2017–2020
Revenue CAGR**

50%

**2017–2020
Income from
Operations
CAGR**

Attractive Financial Model

~77%

Q3 2021 TTM
SG&A is Variable

~1.7%

Q3 2021 TTM CapEx
as % of
Revenue

\$122^M

Q3 2021 TTM
Operating Cash Flow

\$106^M

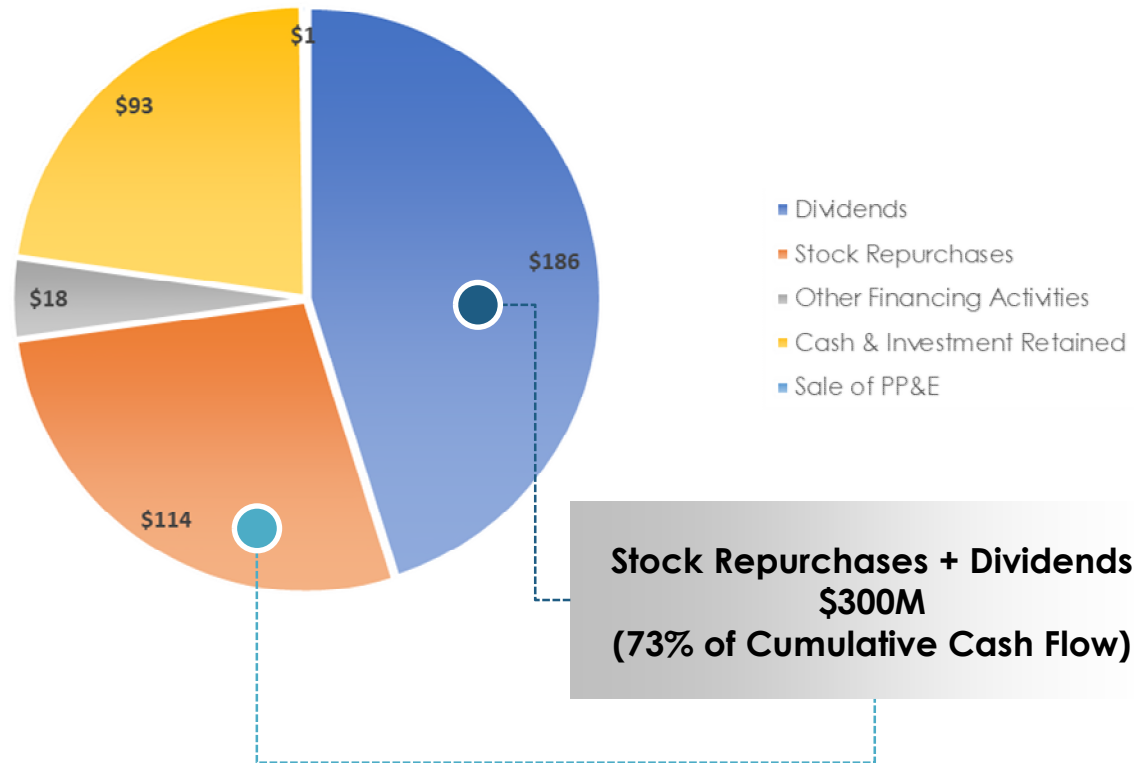
Q3 2021 TTM
Return to
Stockholders

¹Represents 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 – Q3 2021



CASH & INVESTMENT

\$160M

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



Key Strategic Focuses For Sustainable Long-Term Growth



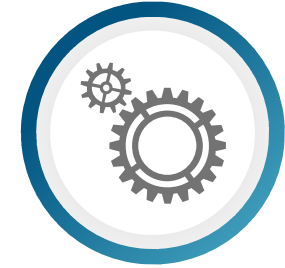
Drive Product & Program Innovation

Expand lifetime value through new and compelling products and programs



Enhance Coach & Client Experience

Develop culture that drives attraction, engagement and loyalty



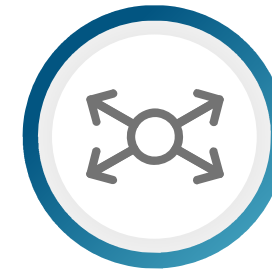
Optimize Operational Effectiveness

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*

~77%

Customer Repurchase
Rates**

~49%

OPTAVIA customers
have bought products
four or more times**

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

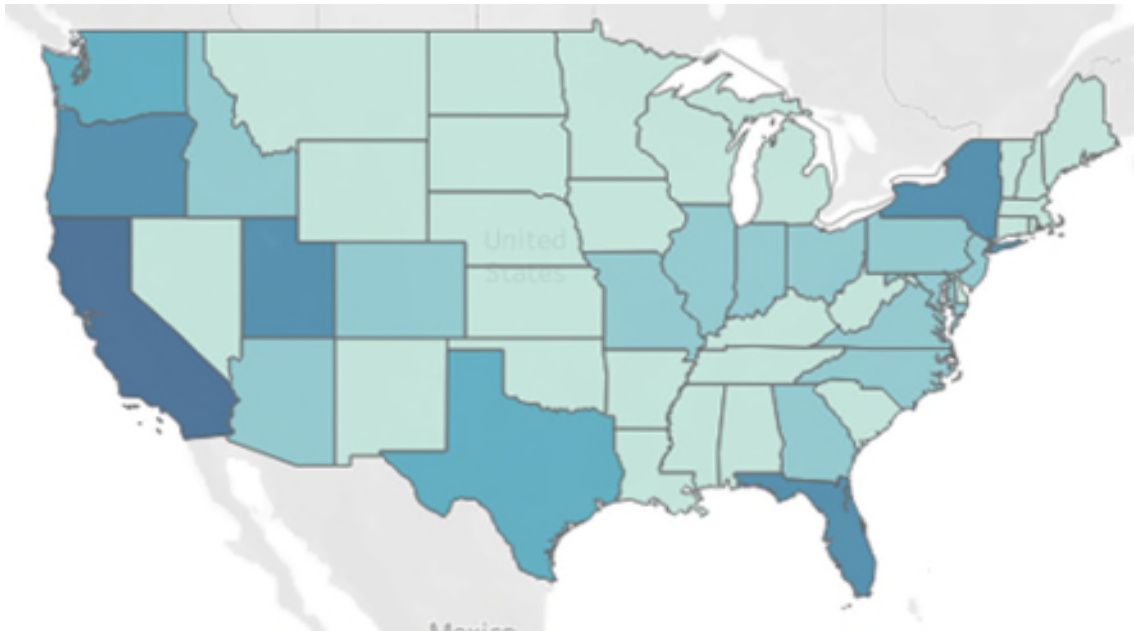
** Nielsen analysis of Client purchases, January 2017 to Q3 2021

Growing Active Earning Coach Community

Active Earning Coaches



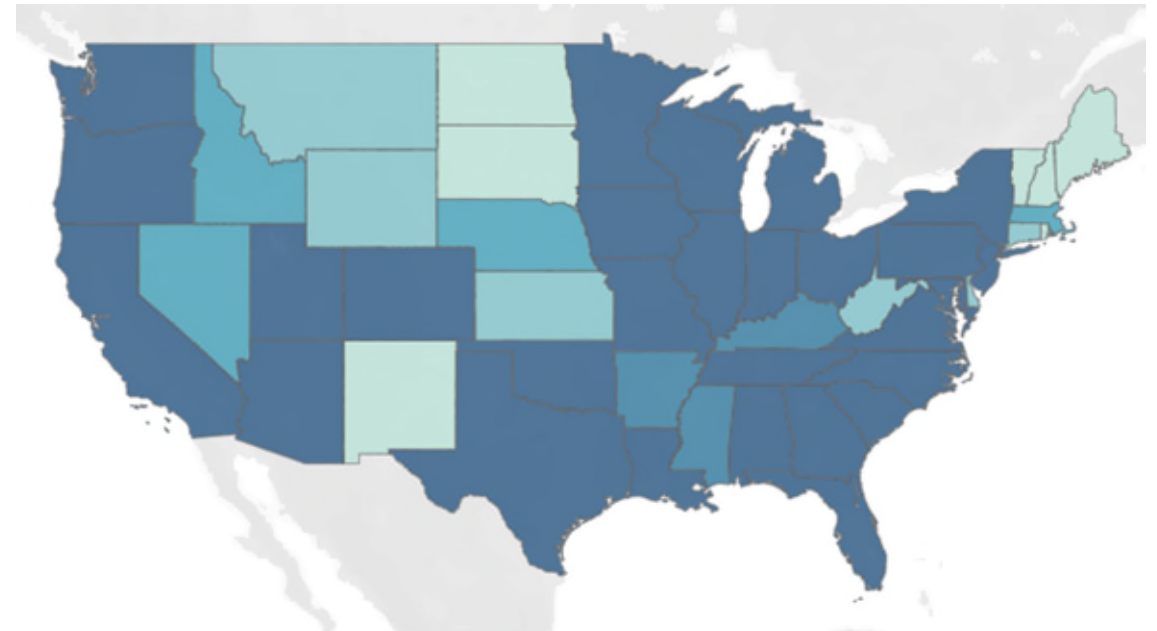
Fiscal Q4 2016



Alaska

Hawaii

Fiscal Q3 2021



Alaska



Hawaii



Hong Kong



Singapore



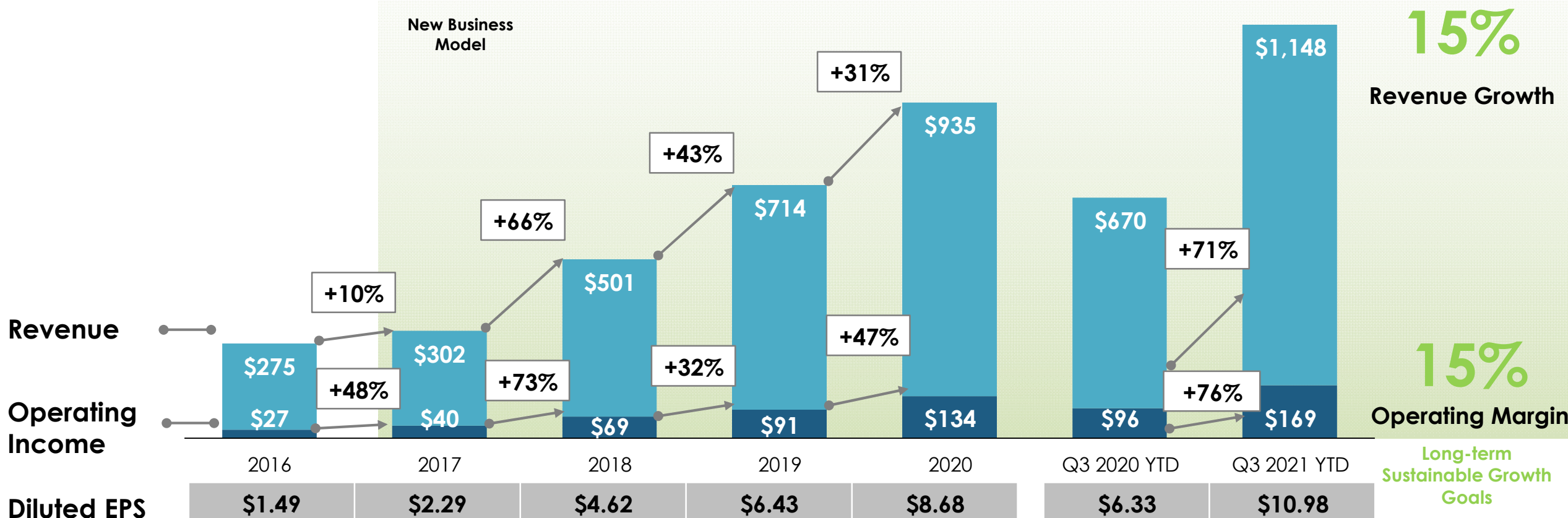
OPTAVIA®

A Resilient Business Model

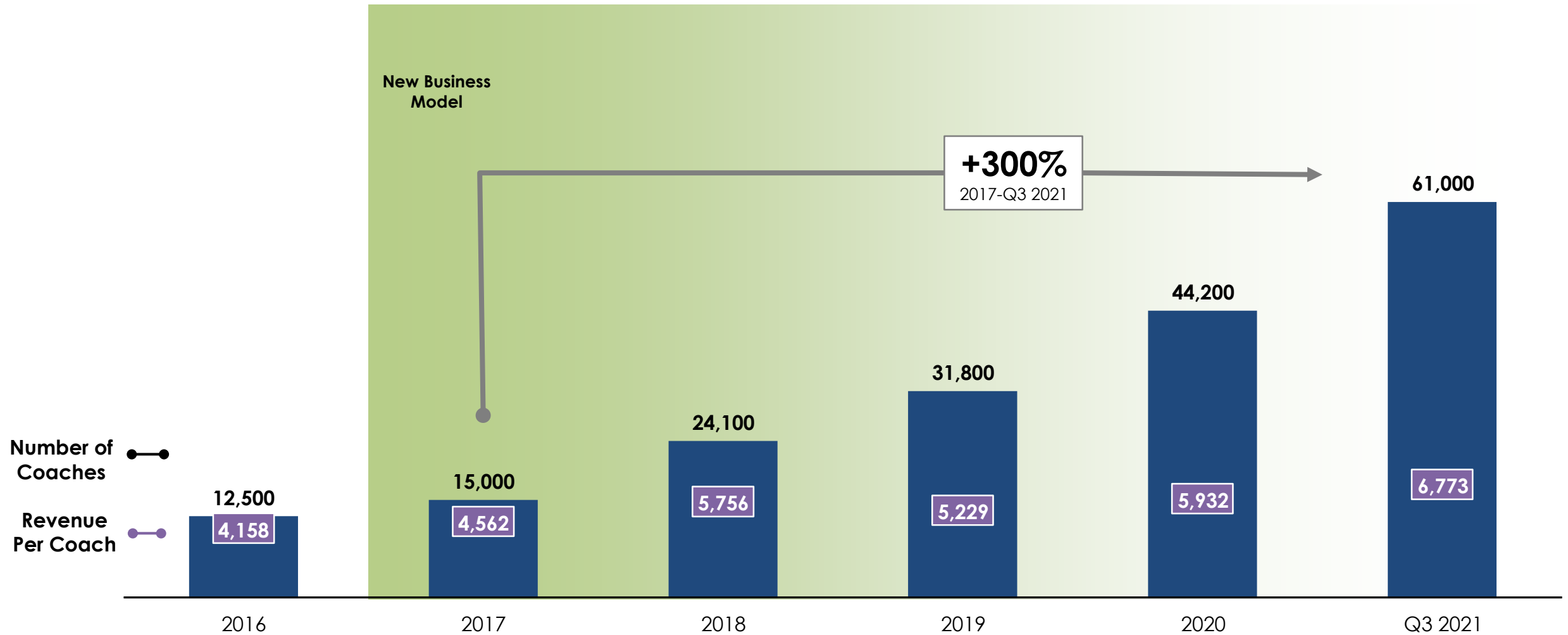
- Efficient **direct-to-consumer** business
- Consistent patterns create **strong forward visibility**
- High percentage of clients on continuity shipments (**~90% of revenue**)
- **High lifetime value**
- **Variable cost model**

OPTAVIA Driving Long-Term Sustainable Growth

(\$ Millions, Except Per Share Data)



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

SUMMARY



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

Thank You