



Medifast® Q1 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, 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® Q1 2024 Highlights

## Revenue and EPS within guidance range

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**Gross margin of 72.8% increased 220** basis points versus Q1 2023, aided by Fuel for the Future savings

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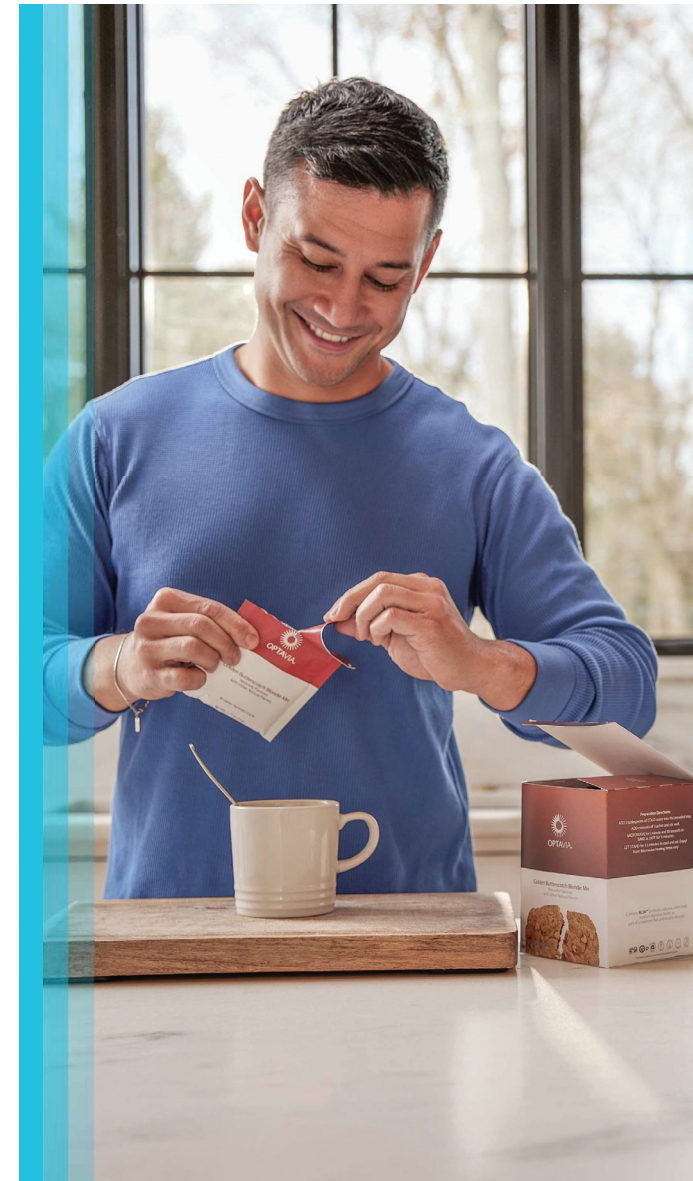
**Began new company-led advertising initiative** (\$2.5M) with significant ramp up expected in second half of the year

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**Operating margin declined primarily** from loss of leverage on fixed costs. Investments in marketing and other activities around the medically-supported weight loss market were also factors

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**Debt-free**, with \$156 million of cash & investments



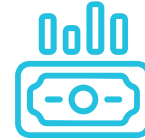


# Q1 2024

By The Numbers



**\$175M**  
REVENUE



**\$8M GAAP**  
**\$9M Adjusted\***  
OPERATING INCOME



**\$0.76 GAAP**  
**\$0.66 Adjusted\***  
DILUTED EPS



**\$4,623**  
REVENUE PER ACTIVE  
EARNING COACH



**37,800**  
ACTIVE EARNING  
COACHES



**\$156M**  
CASH & CASH EQUIVALENTS  
AND INVESTMENTS

\* Non-GAAP measure. See reconciliation on page 13

# Our Performance Metrics Have Changed as We Target a New Client Base

## LEGACY MODEL

Structured Weight Loss Market:  
**\$8B\***



## TRANSFORMED MODEL

Structured Weight Loss Market:  
**\$8B\*** and U.S. GLP-1 support market  
could grow to **\$50B or more by 2030\*\***

Customers attracted through one channel:  
**Coach-led**



Customers attracted through three channels:  
**Coach-led**  
**Company-led**  
**LifeMD collaboration**

Higher average monthly customer \$ per  
order, with shorter customer retention period



Anticipated reduction in average monthly  
customer \$ per order offset by longer  
customer retention period

\*The U.S. Weight Loss and Diet Control Market (A Market Research Analysis), 17th Edition, 3/23, Marketdata LLC

\*\* BCG market research, 2/24, commissioned by Medifast

# 5 Core Components of our New Offer

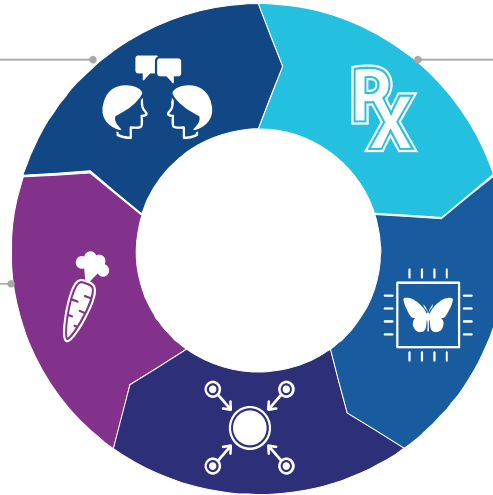
Medifast's unique offer brings together nutrition, healthy habits, access to clinical care, and robust coach and community support to build a sustainable, healthy lifestyle

## Coaching

Coach who understands the journey to a healthier lifestyle, helps educate, and facilitates accountability

## Nutrition

Losing weight the right way, helping to maintain lean muscle mass and instilling healthy nutritional habits



## Clinical Care

Access to LifeMD doctors and experts who can provide medications and medical opinions.

## Digital Experience

Ability to track progress and chart a clear path to goals

## Support System

Community and tools that provide support throughout the journey of weight loss and healthier living

# Customer Acquisition a Top Priority

## Two new acquisition channels

- Significant company-led marketing started in Q1 and ramping up throughout the year. Expected to spend \$30M in 2024 to drive customer acquisition, elevate brand awareness, and foster engagement
- Strategic collaboration with LifeMD provides their patients a lifestyle modification solution

## Existing Coach led acquisition efforts are bolstered by a stronger offer

- Access to medications through LifeMD relationship
- OPTAVIA ACTIVE products launched late 2023 to provide key nutritional support for medication users and aid in retention of lean muscle mass as they lose weight
- Additional products tailored to GLP-1 medication users expected by end of 2024

## Holistic GLP-1 support offer expected in May

- LifeMD subscription – special discounts for longer commitments
- New GLP-1 Nutrition Support Kit
- Personalized support through a dedicated Coach and like-minded community
- Simple roadmap for habit creation
- As low as \$282 a month for a 6-month commitment

## Enhanced customer experience is projected to roll out in Q3

- Increased integration and functionality with LifeMD around sign-up, billing, and payments



# Today | \$13.0B TAM for GLP-1 Support

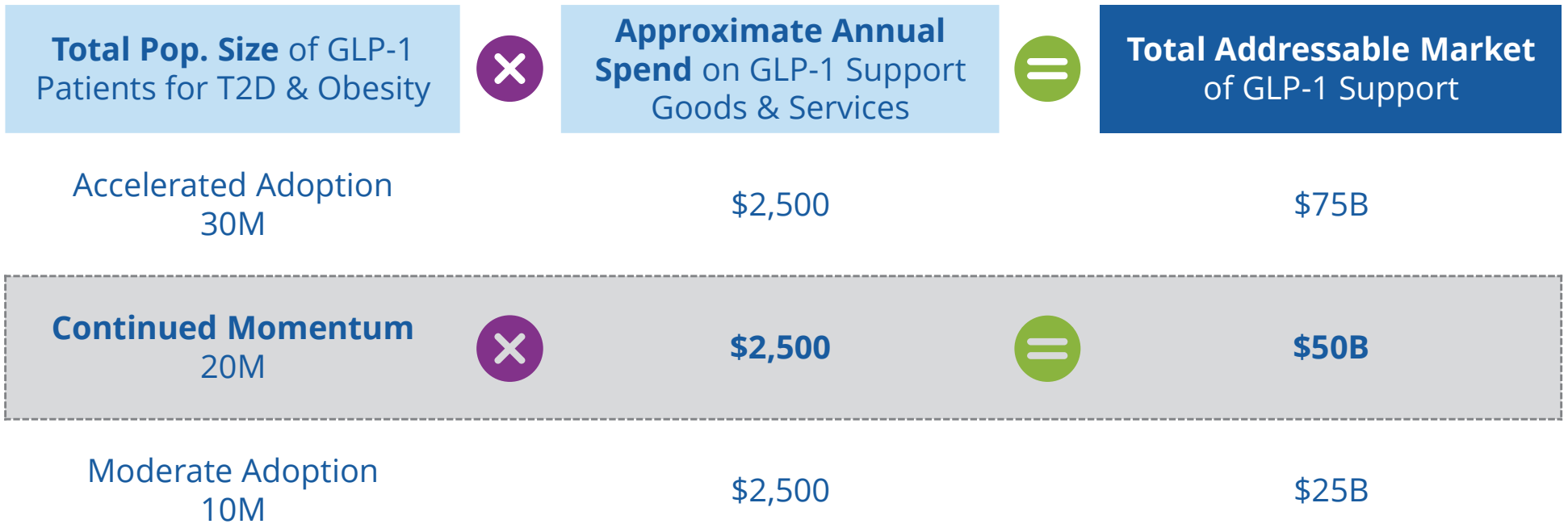


Source: BCG market research, 2/24 commissioned by Medifast

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# Future | ~\$50B TAM by 2030 assuming sustained GLP-1 adoption and stable spending



Source: BCG market research, 2/24, commissioned by Medifast  
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# 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
- Major procurement wins across the entire business
- Smart efficiency plays within Supply Chain network
- Automation in contact center underway

## What's next?

- Continue to execute on roadmap across the business
- Look at next wave of opportunities

## Significant milestones for 2024:

- Major procurement efforts with raw materials, tech
- Rebalancing volume across network to optimize costs
- AI in the contact center – more automated interactions (chat, SMS, etc.)



# Medifast's Expected 2024 Timeline

## Q1

Debuted access to clinician services through LifeMD to the field

Launched pilot company advertising

## Q2

Rolling out enhanced holistic GLP-1 solution to customers

Brand refresh & new ad campaign to be launched

## Q3/Q4

Integrating & improving customer experience

New products specifically formulated for use with medications





# Q2 2024 Guidance

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**\$150M-170M**  
Q2 REVENUE



**\$0.05-0.40**  
Q2 EPS, excluding  
LifeMD collaboration  
costs and unrealized  
impact of investment  
in LifeMD common  
stock

# Non-GAAP Reconciliation

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

	GAAP	Unrealized Gain on Investment in LifeMD Common Stock	LifeMD Prepaid Services Amortization	Non-GAAP
<b>Three Months Ended March 31, 2024</b>				
Selling, general, and administrative	\$119,352	\$ —	\$(1,327)	\$118,025
Income from operations	7,940	—	1,327	9,267
Other income (expense)	3,645	(2,841)	—	804
Provision for income taxes	3,269	(710)	332	2,891
Net income	8,316	(2,130)	995	7,181
Diluted earnings per share <sup>1</sup>	0.76	(0.19)	0.09	0.66

	GAAP	Unrealized Gain on Investment in LifeMD Common Stock	LifeMD Prepaid Services Amortization	Non-GAAP
<b>Three Months Ended March 31, 2023</b>				
Selling, general, and administrative	\$192,879	\$ —	\$ —	\$192,879
Income from operations	53,511	—	—	53,511
Other income (expense)	(182)	—	—	(182)
Provision for income taxes	13,361	—	—	13,361
Net income	39,968	—	—	39,968
Diluted earnings per share <sup>1</sup>	3.67	—	—	3.67

<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.

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