

Herbalife[®]

Q2 2023 Earnings Presentation

August 2, 2023



Forward-Looking Statements

This presentation contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements other than statements of historical fact are "forward-looking statements" for purposes of federal and state securities laws, including any projections of earnings, revenue or other financial items; any statements of the plans, strategies and objectives of management, including for future operations, capital expenditures, or share repurchases; any statements concerning proposed new products, services, or developments; any statements regarding future economic conditions or performance; any statements of belief or expectation; and any statements of assumptions underlying any of the foregoing or other future events. Forward-looking statements may include, among others, the words "may," "will," "estimate," "intend," "continue," "believe," "expect," "anticipate" or any other similar words.

Although we believe that the expectations reflected in any of our forward-looking statements are reasonable, actual results or outcomes could differ materially from those projected or assumed in any of our forward-looking statements. Our future financial condition and results of operations, as well as any forward-looking statements, are subject to change and to inherent risks and uncertainties, many of which are beyond our control. Important factors that could cause our actual results, performance and achievements, or industry results to differ materially from estimates or projections contained in or implied by our forward-looking statements include the following: the potential impacts of current global economic conditions, including inflation, on us; our Members, customers, and supply chain; and the world economy; our ability to attract and retain Members; our relationship with, and our ability to influence the actions of, our Members; our noncompliance with, or improper action by our employees or Members in violation of, applicable U.S. and foreign laws, rules, and regulations; adverse publicity associated with our Company or the direct-selling industry, including our ability to comfort the marketplace and regulators regarding our compliance with applicable laws; changing consumer preferences and demands and evolving industry standards, including with respect to climate change, sustainability, and other environmental, social, and governance, or ESG, matters; the competitive nature of our business and industry; legal and regulatory matters, including regulatory actions concerning, or legal challenges to, our products or network marketing program and product liability claims; the Consent Order entered into with the FTC, the effects thereof and any failure to comply therewith; risks associated with operating internationally and in China; our ability to execute our growth and other strategic initiatives, including implementation of our Transformation Program and increased penetration of our existing markets; any material disruption to our business caused by natural disasters, other catastrophic events, acts of war or terrorism, including the war in Ukraine, cybersecurity incidents, pandemics such as the COVID-19 pandemic, and/or other acts by third parties; our ability to adequately source ingredients, packaging materials, and other raw materials and manufacture and distribute our products; our reliance on our information technology infrastructure; noncompliance by us or our Members with any privacy laws, rules, or regulations or any security breach involving the misappropriation, loss, or other unauthorized use or disclosure of confidential information; contractual limitations on our ability to expand or change our direct-selling business model; the sufficiency of our trademarks and other intellectual property; product concentration; our reliance upon, or the loss or departure of any member of, our senior management team; restrictions imposed by covenants in the agreements governing our indebtedness; risks related to our convertible notes; changes in, and uncertainties relating to, the application of transfer pricing, income tax, customs duties, value added taxes, and other tax laws, treaties, and regulations, or their interpretation; our incorporation under the laws of the Cayman Islands; and share price volatility related to, among other things, speculative trading and certain traders shorting our common shares.

Additional factors and uncertainties that could cause actual results or outcomes to differ materially from our forward-looking statements are set forth in the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2023, filed with the Securities and Exchange Commission on August 2, 2023, including under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations" and in our Condensed Consolidated Financial Statements and the related Notes, and in Part I, Item 1A, Risk Factors, of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2022 filed with the Securities and Exchange Commission on February 14, 2023. In addition, historical, current, and forward-looking sustainability-related statements may be based on standards for measuring progress that are still developing, internal controls and processes that continue to evolve, and assumptions that are subject to change in the future.

Forward-looking statements made in this presentation speak only as of the date hereof. We do not undertake any obligation to update or release any revisions to any forward-looking statement or to report any events or circumstances after the date of this presentation or to reflect the occurrence of unanticipated events, except as required by law.

Non-GAAP Measures

This presentation includes non-GAAP financial measures, including adjusted SG&A, adjusted EBITDA, adjusted net income and adjusted diluted EPS, as well as net sales, EBITDA, net income and diluted EPS presented on a constant currency basis. We believe that these non-GAAP measures and presentation, which are defined and discussed in greater detail and reconciled elsewhere in this presentation, provide additional useful information to management and investors for assessing our financial performance, as well as other business trends. These non-GAAP measures and presentation do, however, have certain limitations and should not be considered as an alternative to or in isolation from information calculated in accordance with GAAP. Refer to the Appendix.

Q2 2023

Strategic Update

Michael Johnson
Chairman & CEO



HERBALIFE V

A Plant-Based Lifestyle Re-imagined

Protein Shake
Chocolate

Protein Shake
Classic

Greens
Booster

Digestive
Support*

Immune
Support*



USDA Organic | Vegan/Plant-based | Non-GMO Project Verified | Kosher

*These statements have not been evaluated by the Food and Drug Administration. This product is not intended to diagnose, treat, cure or prevent any disease.



Q2 2023

Business & Financial Update

Alex Amezquita
CFO



Q2 2023 Key Financial Highlights

1. Herbalife reports Q2 2023 net sales of ~\$1.3B, down 5.7% YoY; down 4.2% YoY on constant currency basis¹
 - YoY reported net sales trends improved for 2 sequential quarters
2. Q2 gross profit margin of 77.0% negatively impacted by ~90 bps FX headwind YoY; sequentially improving from Q1 2023
3. Q2 adjusted EBITDA² of ~\$170M includes ~\$17M FX headwind – adjusted EBITDA margin 12.9%; both sequentially improving from Q1 2023
4. Q2 adjusted diluted EPS² of \$0.74 includes \$0.12 FX headwind
5. At current rates, FX expected to be modest tailwind in Q4 2023
6. Transformation Program annual cost savings now expected to reach at least \$90M (up from more than \$70M) in 2024 and beyond, with more than \$45M anticipated to be realized in 2023 (up from ~\$35M)
 - Pre-tax expenses of ~\$10M recognized in SG&A in Q2 and excluded from adjusted results
 - Expect to incur total program pre-tax expenses of at least \$75M (up from at least \$60M); \$62M incurred to date

(1) Non-GAAP Measure. Refer to Appendix for discussion of why we believe adjusting for the effects of foreign exchange is useful.

(2) Non-GAAP Measure. Refer to Appendix for further details and reconciliation to most directly comparable GAAP measure.

Q2 2023 Results – Financial Highlights

2nd Consecutive Quarter of Improved YoY Reported Net Sales Trends

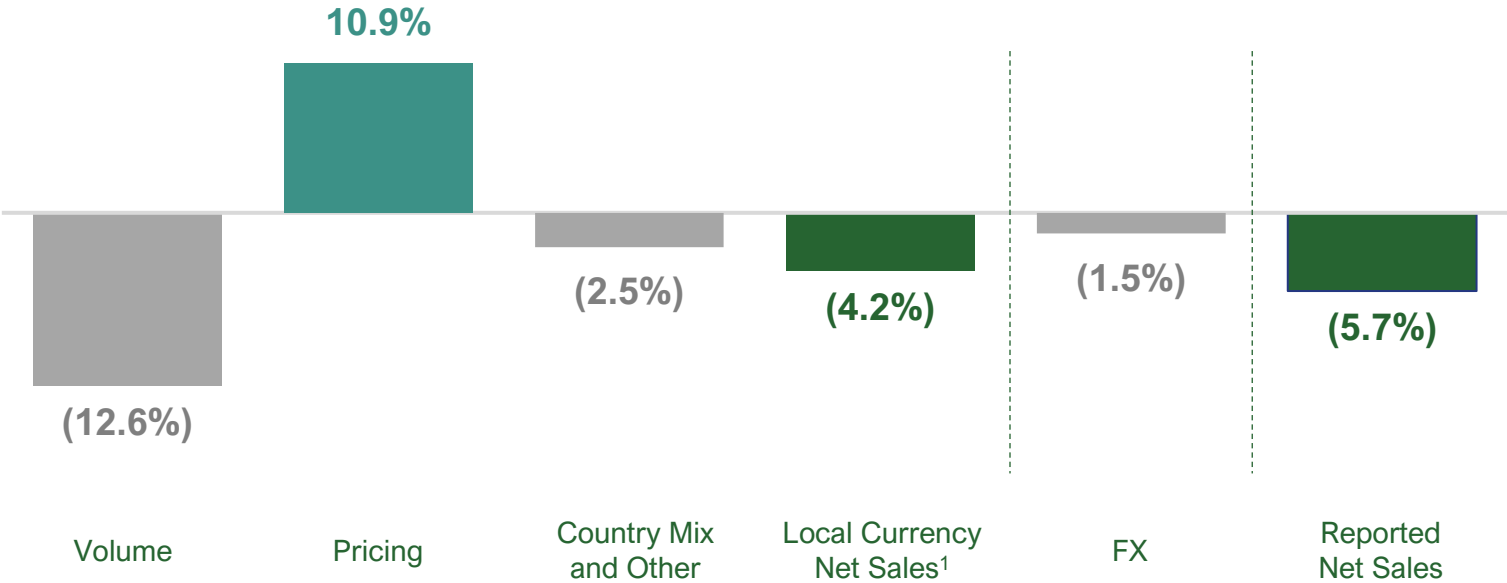
Net Sales	Adjusted EBITDA ¹	Adjusted Diluted EPS ¹
<p>(5.7%) vs Q2 2022</p> <hr/> <p>~150 bps Currency headwind vs Q2 2022</p> <hr/> <ul style="list-style-type: none"> ▪ Volume points down 12.6% vs Q2 2022 	<p>~\$170M Q2 2023</p> <hr/> <p>12.9% Q2 2023 Adj EBITDA¹ Margin</p> <hr/> <ul style="list-style-type: none"> ▪ Lower net sales, higher input costs and FX headwinds, partially offset by continued cost savings initiatives 	<p>\$0.74 Q2 2023</p> <hr/> <p>Operating Cash Flows</p> <hr/> <p>~\$136M Q2 2023</p> <hr/> <ul style="list-style-type: none"> ▪ Cash on hand up ~\$72M from Mar 31 '23

(1) Non-GAAP Measure. Refer to Appendix for further details and reconciliation to most directly comparable GAAP measure.



Net Sales

Q2 Drivers of Net Sales Change
 (% Change vs Prior Year)

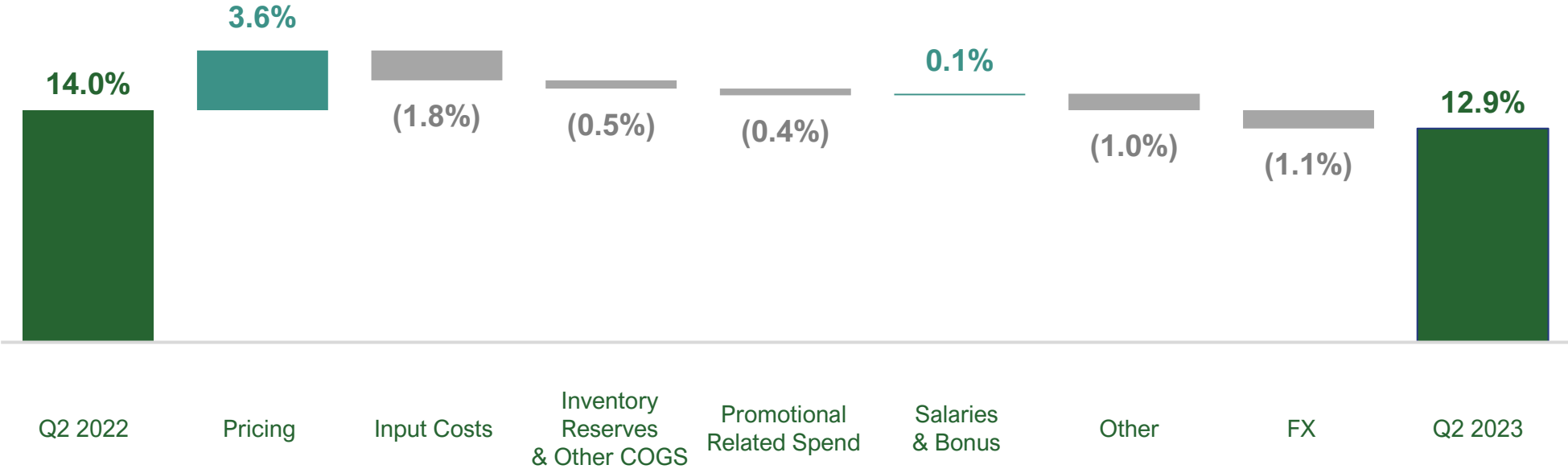


(1) Non-GAAP Measure. Refer to Appendix for discussion of why we believe adjusting for the effects of foreign exchange is useful.



Adjusted EDITDA¹ Margin Bridge

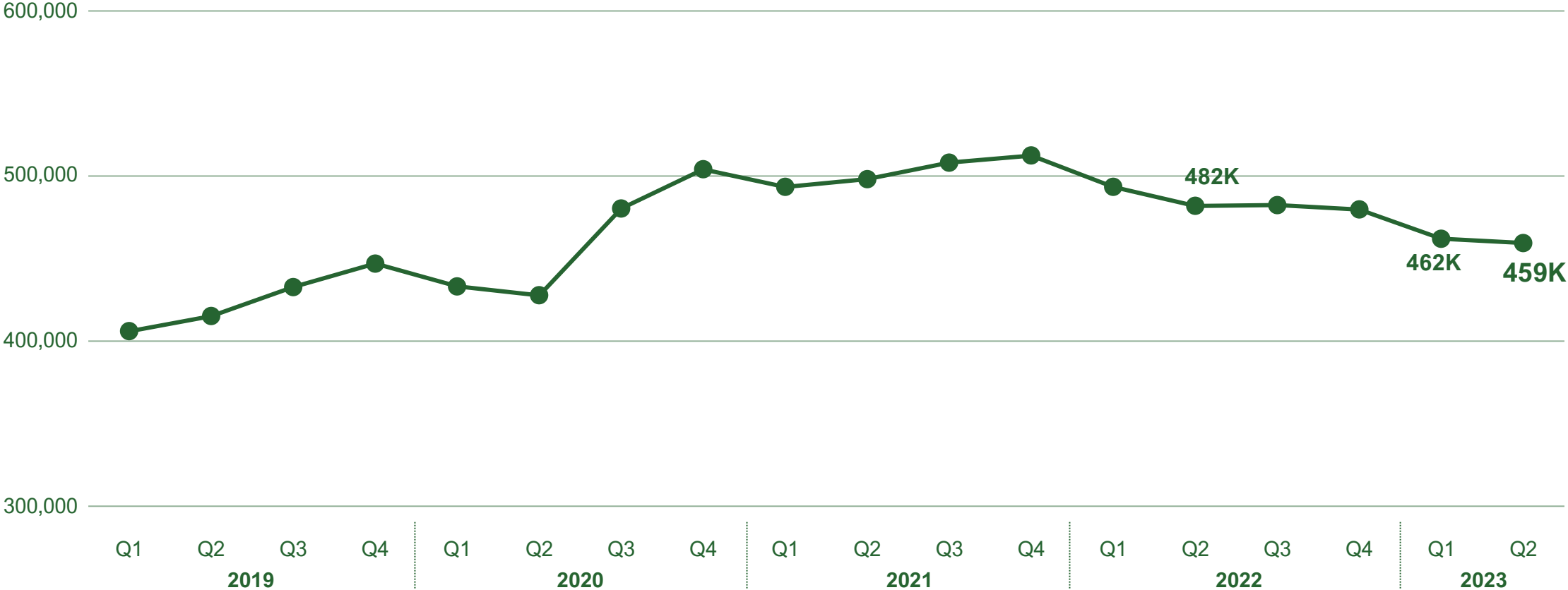
Q2 Drivers of Adjusted EBITDA¹ Margin Change
(% Change vs Prior Year)



(1) Non-GAAP Measure. Refer to Appendix for further details and reconciliation to most directly comparable GAAP measure.

Average Active Sales Leaders Relatively Flat vs Q1 2023, Above 2019 Levels

Average Active Sales Leaders¹

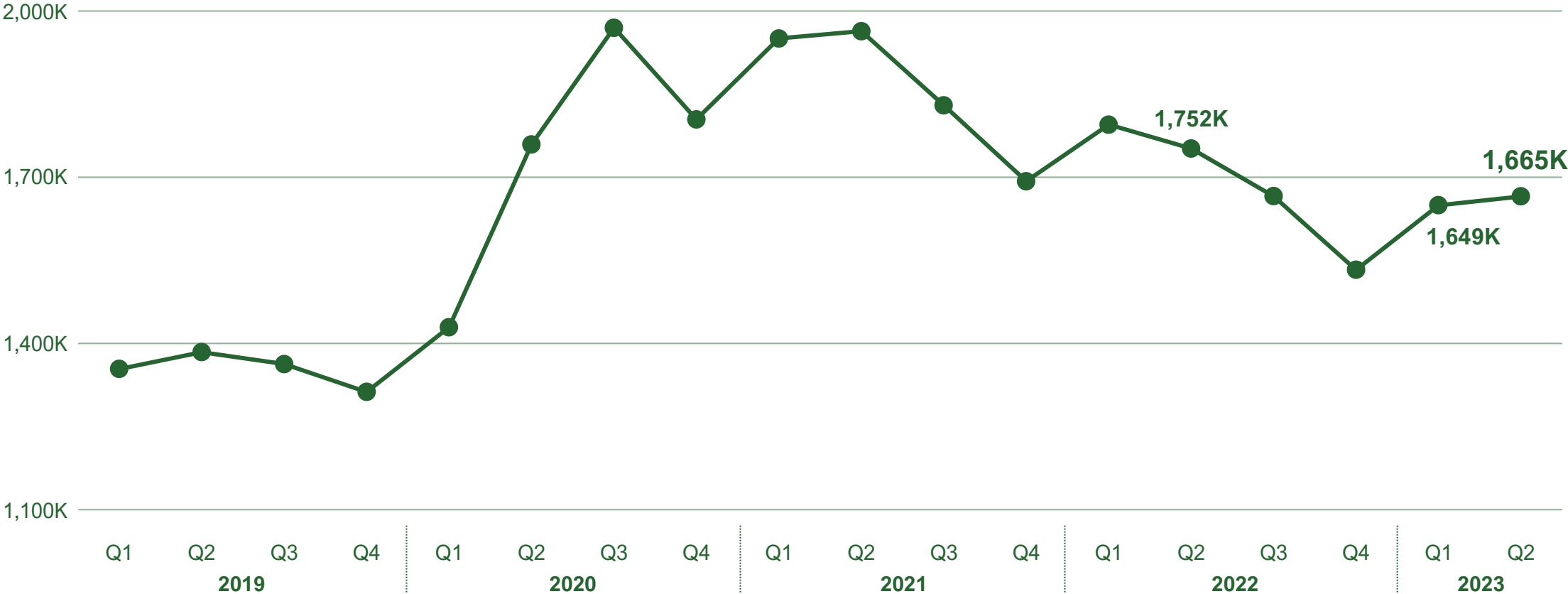


(1) Average Active Sales Leaders represents the weighted monthly average count of Sales Leaders with activity from their own purchases or those of their non-Sales Leader downline and Preferred Members/Customers



Active Preferred Customers and Non-Sales Leaders Relatively Flat vs Q1 2023

Total Active Preferred Members/Customers¹ and Non-Sales Leaders Distributors/Members²



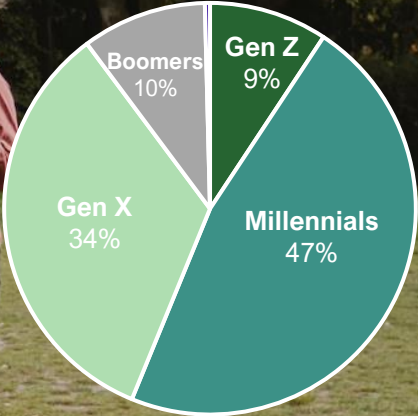
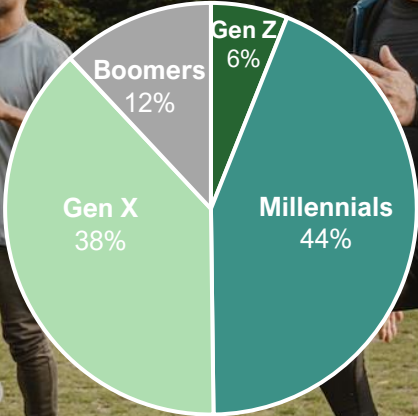
(1) Active Preferred Members/Customers represent the distinct number of Preferred Members/Customers who purchased in any month of the reported quarter or year
 (2) Active Non-Sales Leaders Distributors/Members represent the distinct number of Distributors below Sales Leader level who purchased in any month of the reported quarter or year.
 "Members" is applicable in countries which do not have separate Distributor and Preferred Customer programs.



Younger Generations Active with Business

Average Active Sales Leaders¹

Active Preferred Customers and Non-Sales Leaders²



~50% Millennials and Gen Z

(1) Average Active Sales Leaders represents the weighted monthly average count of Sales Leaders with activity from their own purchases or those of their non-Sales Leader downline and Preferred Members/Customers

(2) Active Preferred Members/Customers represent the distinct number of Preferred Members/Customers who purchased in any month of the reported quarter or year. Active Non-Sales Leaders Distributors/Members represent the distinct number of Distributors below Sales Leader level who purchased in any month of the reported quarter or year. "Members" is applicable in countries which do not have separate Distributor and Preferred Customer programs.

Note: Data as of the quarter ended Jun 30 '23



Regional Scorecard

\$ million	Reported Net Sales			Local Currency Net Sales ¹
	Q2 2023	Q2 2022	YoY % Change	YoY % Change
Asia Pacific	425.8	450.7	(6%)	(1%)
North America	303.6	343.5	(12%)	(11%)
EMEA	289.6	289.0	+0%	+2%
Latin America ²	207.0	205.8	+1%	(4%)
China	88.0	103.7	(15%)	(10%)
Worldwide Total	1,314.0	1,392.7	(5.7%)	(4.2%)

(1) Non-GAAP Measure. Refer to Appendix for discussion of why we believe adjusting for the effects of foreign exchange is useful.

(2) During Q3 2022, the Company combined its Mexico and South and Central America regions into one geographic region now named Latin America. Historical information has been reclassified to conform with the current period geographic presentation.

Capital Structure Update

- ~\$527 million of cash on hand at Jun 30 '23, up ~\$72M from Mar 31 '23
- \$330M revolving credit facility remains fully undrawn at Jun 30 '23
- Gross leverage ratio of ~3.7x at Jun 30 '23; compliant with all debt covenants as of Jun 30' 23
- Effective Jul 1 '23, benchmark rate for Senior Secured Credit Facility set to SOFR, Secured Overnight Financing Rate, LIBOR no longer referenced
- Capex to remain elevated in 2023 – 2025 as a result of Herbalife One digital technology platform
 - Capex of ~\$69M during six months ended Jun 30 '23, including Herbalife One
 - Expect ~\$150M to \$200M of total capex, including Herbalife One, for FY 2023
- Long-term capital allocation strategy unchanged
 - Debt service, with targeted gross leverage ratio of 3.0x
 - Internal investments
 - External investments
 - Return cash to shareholders

Q & A

Appendix

Supplemental Information

Non-GAAP Financial Measures

Adjusted SG&A, Adjusted EBITDA, Adjusted Net Income and Adjusted Diluted EPS

In addition to its reported results calculated in accordance with GAAP, the Company has included in this presentation adjusted SG&A, adjusted EBITDA, adjusted net income and adjusted diluted EPS, performance measures that the Securities and Exchange Commission defines as “non-GAAP financial measures.” Adjusted SG&A, adjusted EBITDA, adjusted net income and adjusted diluted EPS exclude the impact of certain unusual or non-recurring items such as net expenses related to COVID-19 pandemic, expenses related to Transformation Program, expenses related to digital technology program and charges related to the Russia-Ukraine conflict, as further detailed in the reconciliations included herein. Adjusted EBITDA margin represents adjusted EBITDA divided by net sales.

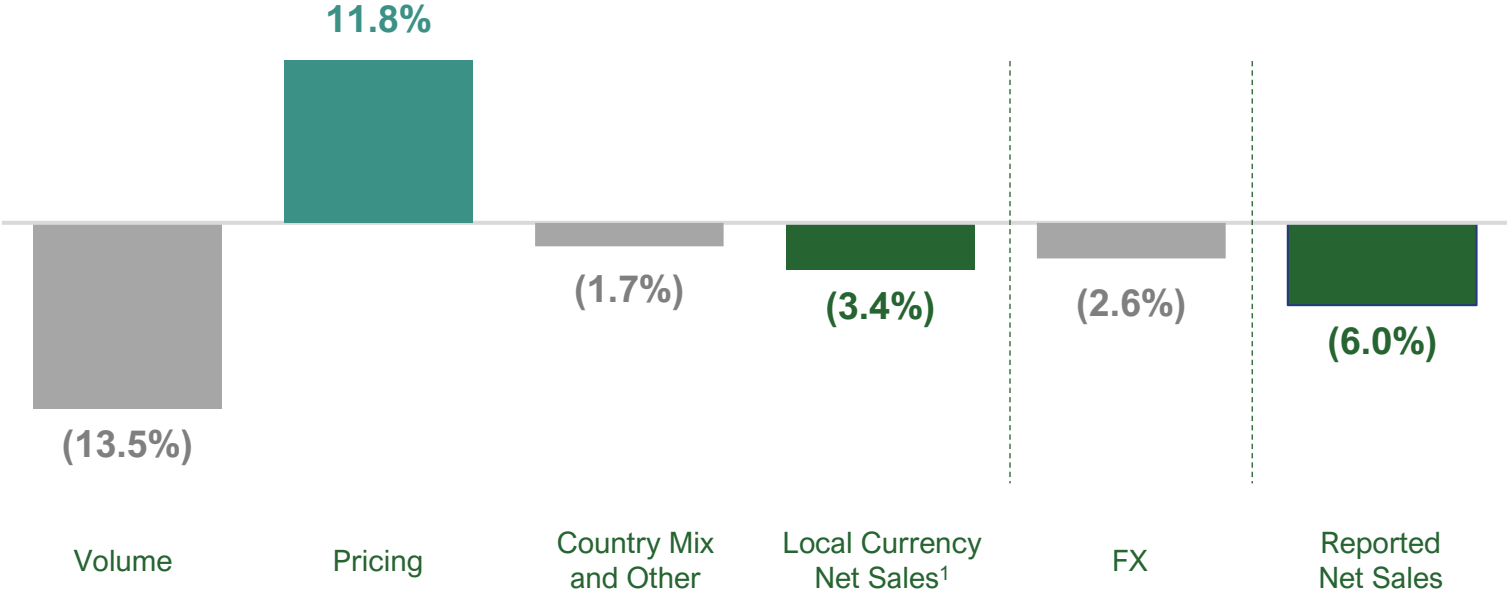
Management believes that such non-GAAP financial measures, when read in conjunction with the Company’s reported results, calculated in accordance with GAAP, can provide useful supplemental information for investors because they facilitate a period to period comparative assessment of the Company’s operating performance relative to its performance based on reported results under GAAP, while isolating the effects of some items that vary from period to period without any correlation to core operating performance and eliminate certain charges that management believes do not reflect the Company’s operations and underlying operational performance. The Company’s definition and calculation as set forth in the reconciliations of adjusted SG&A, adjusted EBITDA, adjusted net income and adjusted diluted EPS included herein, may not be comparable to similarly titled measures used by other companies because other companies may not calculate them in the same manner as the Company does and should not be viewed in isolation from nor as alternatives to selling, general, and administrative expenses, net income or diluted EPS calculated in accordance with GAAP.

Currency Fluctuation

Our international operations have provided and will continue to provide a significant portion of our total net sales. As a result, total net sales will continue to be affected by fluctuations in the U.S. dollar against foreign currencies. In order to provide a framework for assessing how our underlying businesses performed excluding the effect of foreign currency fluctuations, in addition to comparing the percent change in net sales from one period to another in U.S. dollars, we also compare the percent change in net sales from one period to another period using “net sales in local currency.” Net sales in local currency is not a measure presented in accordance with U.S. GAAP. Net sales in local currency removes from net sales in U.S. dollars the impact of changes in exchange rates between the U.S. dollar and the local currencies of our foreign subsidiaries, by translating the current period net sales into U.S. dollars using the same foreign currency exchange rates that were used to translate the net sales for the previous comparable period. We believe presenting net sales in local currency is useful to investors because it allows a meaningful comparison of net sales of our foreign operations from period to period. However, net sales in local currency should not be considered in isolation or as an alternative to net sales in U.S. dollar measures that reflect current period exchange rates, or to other financial measures calculated and presented in accordance with U.S. GAAP. In addition to its reported results calculated in accordance with U.S. GAAP, the Company has included herein net sales, EBITDA, net income and diluted EPS adjusted for FX translation, which are considered “non-GAAP financial measures”. Management believes that such non-GAAP financial measures, when read in conjunction with the Company’s reported results, can provide useful supplemental information for investors when analyzing period to period comparisons of the Company’s results.

Net Sales

YTD Drivers of Net Sales Change (% Change vs Prior Year)

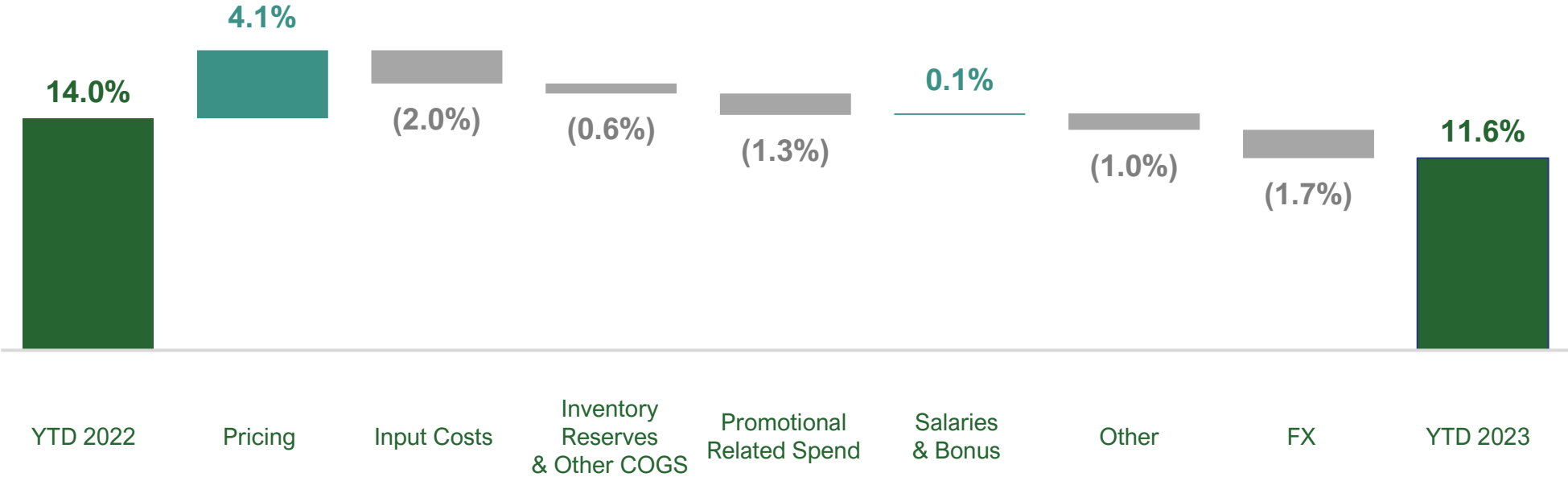


(1) Non-GAAP Measure. Refer to Appendix for discussion of why we believe adjusting for the effects of foreign exchange is useful.



Adjusted EDITDA¹ Margin Bridge

YTD Drivers of Adjusted EBITDA¹ Margin Change
(% Change vs Prior Year)



(1) Non-GAAP Measure. Refer to Appendix for further details and reconciliation to most directly comparable GAAP measure.

Regional Scorecard

\$ million	Reported Net Sales			Local Currency Net Sales ¹
	YTD 2023	YTD 2022	YoY % Change	YoY % Change
Asia Pacific	839.4	858.4	(2%)	+3%
North America	600.8	669.7	(10%)	(10%)
EMEA	557.7	584.0	(5%)	(0%)
Latin America ²	412.5	407.1	+1%	(2%)
China	155.7	209.3	(26%)	(20%)
Worldwide Total	2,566.1	2,728.5	(6.0%)	(3.4%)

(1) Non-GAAP Measure. Refer to Appendix for discussion of why we believe adjusting for the effects of foreign exchange is useful.

(2) During Q3 2022, the Company combined its Mexico and South and Central America regions into one geographic region now named Latin America. Historical information has been reclassified to conform with the current period geographic presentation.

Reconciliation of SG&A to Adjusted SG&A

	THREE MONTHS ENDED JUNE 30		SIX MONTHS ENDED JUNE 30	
	2023	2022	2023	2022
\$ million				
Net sales	1,314.0	1,392.7	2,566.1	2,728.5
Selling, general, and administrative expenses (SG&A)	460.5	470.0	936.4	924.9
<i>SG&A as a percentage of net sales</i>	35.0%	33.7%	36.5%	33.9%
Net expenses related to COVID-19 pandemic	—	(0.9)	—	(2.2)
Expenses related to Transformation Program	(10.1)	(3.2)	(37.4)	(4.8)
Digital technology program costs	(7.0)	—	(10.5)	—
Russia-Ukraine conflict charges	—	(5.4)	—	(5.4)
Adjusted SG&A	443.4	460.5	888.5	912.5
<i>Adjusted SG&A as a percentage of net sales</i>	33.7%	33.1%	34.6%	33.4%
China independent service providers service fees included in SG&A	(44.5)	(52.2)	(78.2)	(106.4)
Adjusted SG&A excluding China service fees	398.9	408.3	810.3	806.1
<i>Adjusted SG&A excluding China service fees as a percentage of net sales</i>	30.4%	29.3%	31.6%	29.5%

Reconciliation of Net Income to Adjusted EBITDA

	THREE MONTHS ENDED JUNE 30		SIX MONTHS ENDED JUNE 30	
	2023	2022	2023	2022
\$ million				
Net income	59.9	86.5	89.2	184.7
Interest expense, net	38.4	31.7	77.8	61.4
Income taxes	25.1	37.6	26.9	62.8
Depreciation and amortization	29.1	29.4	56.7	58.6
EBITDA	152.5	185.2	250.6	367.5
Net expenses related to COVID-19 pandemic	—	1.6	—	3.3
Expenses related to Transformation Program	10.1	3.2	37.4	4.8
Digital technology program costs	7.0	—	10.5	—
Russia-Ukraine conflict charges	—	5.4	—	5.4
Adjusted EBITDA	169.6	195.4	298.5	381.0

Reconciliation of Net Income to Adjusted Net Income

\$ million	THREE MONTHS ENDED JUNE 30		SIX MONTHS ENDED JUNE 30	
	2023	2022	2023	2022
Net income	59.9	86.5	89.2	184.7
Net expenses related to COVID-19 pandemic	—	1.6	—	3.3
Expenses related to Transformation Program	10.1	3.2	37.4	4.8
Digital technology program costs	7.0	—	10.5	—
Russia-Ukraine conflict charges	—	5.4	—	5.4
Income tax adjustments for above items (details below)	(3.0)	(1.9)	(9.2)	(2.4)
Adjusted Net Income	74.0	94.8	127.9	195.8

Income tax adjustments:

Net expenses related to COVID-19 pandemic	—	(0.4)	—	(0.7)
Expenses related to Transformation Program	(2.5)	(0.3)	(8.5)	(0.5)
Digital technology program costs	(0.5)	—	(0.7)	—
Russia-Ukraine conflict charges	—	(1.2)	—	(1.2)
Total income tax adjustments	(3.0)	(1.9)	(9.2)	(2.4)

Reconciliation of Diluted EPS to Adjusted Diluted EPS

	THREE MONTHS ENDED JUNE 30		SIX MONTHS ENDED JUNE 30	
	2023	2022	2023	2022
\$ per share				
Diluted earnings per share	0.60	0.88	0.89	1.84
Net expenses related to COVID-19 pandemic	—	0.02	—	0.03
Expenses related to Transformation Program	0.10	0.03	0.37	0.05
Digital technology program costs	0.07	—	0.11	—
Russia-Ukraine conflict charges	—	0.05	—	0.05
Income tax adjustments for above items (details below)	(0.03)	(0.02)	(0.09)	(0.02)
Adjusted Diluted Earnings Per Share¹	0.74	0.96	1.28	1.96

Income tax adjustments:

Net expenses related to COVID-19 pandemic	—	—	—	(0.01)
Expenses related to Transformation Program	(0.02)	—	(0.09)	—
Digital technology program costs	(0.01)	—	(0.01)	—
Russia-Ukraine conflict charges	—	(0.01)	—	(0.01)
Total income tax adjustments¹	(0.03)	(0.02)	(0.09)	(0.02)

(1) Amounts may not total due to rounding

FX Translation Impact

\$ million, except EPS	Net Sales	EBITDA	Net Income	Diluted EPS ¹
Q2 2023 as Reported	1,314.0	152.5	59.9	0.60
Non-GAAP adjustments ²	—	17.1	14.1	0.14
Q2 2023 Adjusted	1,314.0	169.6	74.0	0.74
FX rate adjustments ³	18.8	16.9	12.3	0.12
Q2 2023 FX Adjusted	1,332.8	186.5	86.3	0.87
YTD 2023 as Reported	2,566.1	250.6	89.2	0.89
Non-GAAP adjustments ²	—	47.9	38.7	0.39
YTD 2023 Adjusted	2,566.1	298.5	127.9	1.28
FX rate adjustments ³	66.6	53.5	44.1	0.44
YTD 2023 FX Adjusted	2,632.7	352.0	172.0	1.72

(1) Amounts may not total due to rounding

(2) Includes items referenced in "Reconciliation of Net Income to Adjusted EBITDA" and "Reconciliation of Net Income to Adjusted Net Income" included herein

(3) Q2 2023 and YTD 2023 adjusted using U.S. Dollar at Q2 2022 and YTD 2022 average FX rates, respectively, plus impact of net sales hedges and adjusted for Venezuela

