

Herbalife Ltd.
Contribution Margin for certain Markets
(Dollars in Millions)

	<u>Three Months Ended</u>	<u>Six Months Ended</u>
	<u>June 30,</u>	<u>June 30,</u>
	<u>2021</u>	<u>2021</u>
Contribution Margin: ⁽¹⁾		
United States	\$ 168.7	\$ 314.0
Mexico	48.7	98.8
China ⁽²⁾	157.5	305.1
Others	368.4	738.7
Total Contribution Margin	\$ 743.3	\$ 1,456.6
Selling, general and administrative expense ⁽²⁾	\$ 505.9	\$ 1,012.6
Other operating income ⁽³⁾	(0.5)	(16.4)
Interest expense, net	36.8	74.3
Other expense, net ⁽⁴⁾	24.6	24.6
Income before income taxes	176.5	361.5
Income taxes	32.3	69.9
Net Income	\$ 144.2	\$ 291.6

(1) Contribution Margin consists of net sales less cost of sales and royalty overrides. For China, contribution margin does not include service fees to China independent service providers. We present Contribution Margin for certain markets because management believes it provides additional information in evaluating our operating results in those markets. Contribution Margin should not be considered in isolation from or as a substitute for net income, cash flows from operating activities and other consolidated income or cash flow statement data prepared in accordance with accounting principles generally accepted in the United States. Contribution Margin, as presented, may not be comparable to similarly titled measures reported by other companies.

(2) Service fees to China independent service providers totaling \$98.2 million and \$193.2 million for the three and six months ended June 30, 2021, respectively, are included in selling, general and administrative expenses.

(3) Other Operating Income for the three months ended March 31, 2021 relates to certain China government grant income.

(4) Other Expense, net relates to loss on extinguishment of the 2026 Notes.