

Herbalife[®]

Q1 2023 Earnings Presentation

May 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 March 31, 2023, filed with the Securities and Exchange Commission on May 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 EBITDA and Adjusted Diluted EPS, as well as net sales 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 for historical periods elsewhere in this presentation, provide additional useful information to management and investors for assessing our financial performance and liquidity 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.

Q1 2023

Strategic Update

Michael O. Johnson

Chairman & CEO



Q1 2023

Business & Financial Update

Alex Amezquita

CFO



Key Financial Highlights

1. Herbalife reports Q1 2023 reported net sales down 6.3% YoY; down 2.6% YoY on constant currency basis¹
 - YoY reported net sales trends improved from Q4 2022 YoY trends
2. Q1 gross profit margin of 76.2% negatively impacted by ~150 bps FX headwind YoY
 - Pricing actions over past 12 months have outpaced cost of manufacturing headwinds
 - Timing of FX movements disproportionately impacted Q1 results; anticipate gross profit margin expansion in balance of year
3. Q1 adjusted EBITDA² of \$129M negatively impacted by \$37M of currency, as well as timing of distributor event spending and gross margin headwinds
4. Q1 adjusted diluted EPS² of \$0.54 negatively impacted by \$0.32 of currency YoY
5. Significant progress with Transformation Program; actions to date result in ~\$35M of savings in 2023; on track to exceed \$70M of total program run rate savings in 2024 and beyond
6. Amended Senior Secured Credit Facility to increase gross leverage ratio covenant, which provides greater financial flexibility to make investments in key initiatives

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.

Q1 2023 Results – Financial Highlights

YoY Reported
Net Sales Trends
Improved in Q1

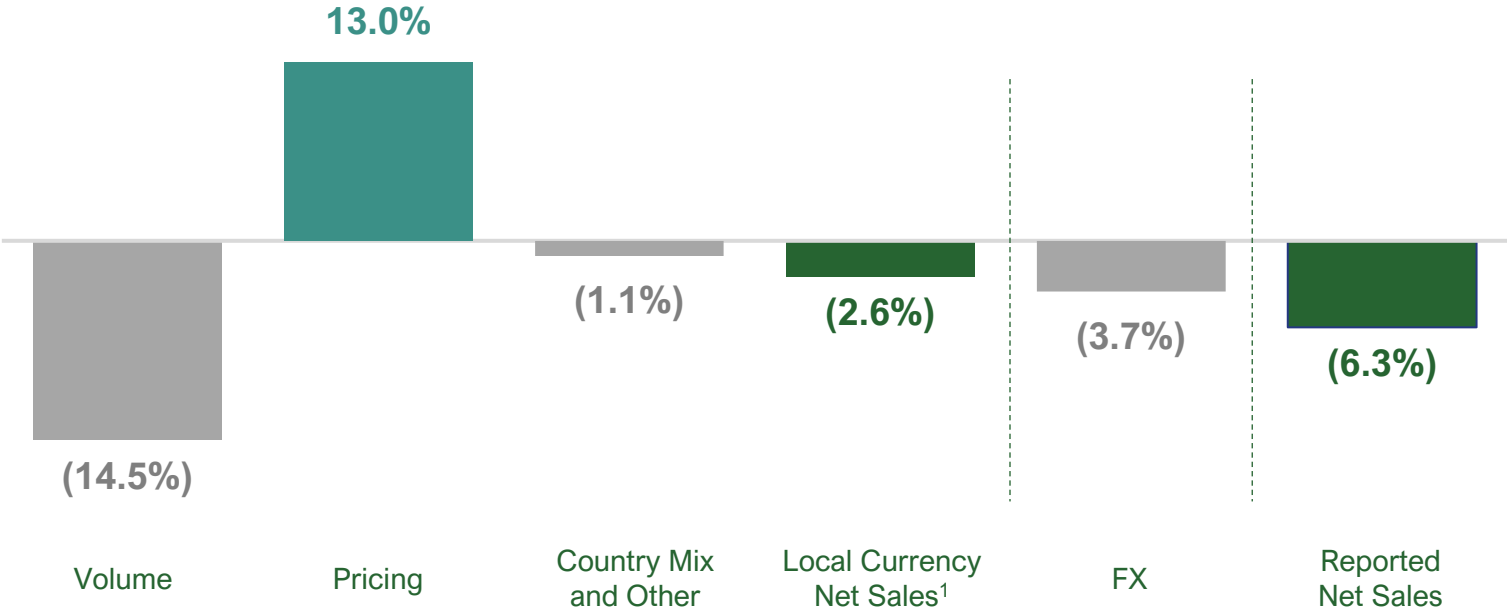
Net Sales	Adjusted EBITDA ¹	Adjusted Diluted EPS ¹
<p>(6.3%) vs Q1 2022</p> <hr/> <p>370 bps Currency headwind vs Q1 2022</p> <hr/> <ul style="list-style-type: none"> ▪ Volume points down 14.5% versus Q1 2022 	<p>\$129M Q1 2023</p> <hr/> <p>10.3% Q1 2023 Adj EBITDA¹ Margin</p> <hr/> <ul style="list-style-type: none"> ▪ Reduced sales and FX headwinds, partially offset by continued expense management initiatives 	<p>\$0.54 Q1 2023</p> <hr/> <p>~\$67M Q1 2023 Debt Paydown</p> <hr/> <ul style="list-style-type: none"> ▪ Adjusted diluted EPS¹ negatively impacted by YoY currency headwind of ~\$0.32 ▪ At Mar 31 '23, gross leverage ratio of ~3.6x

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



Net Sales

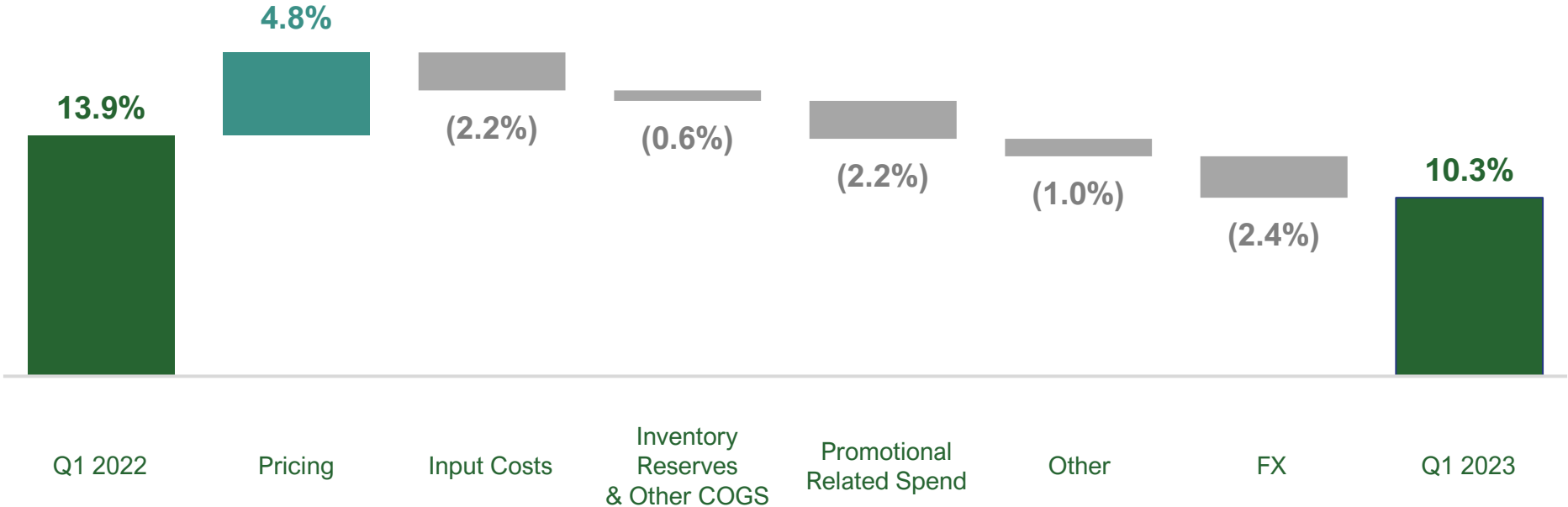
Q1 Drivers of Net Sales Change (% Change vs Prior Year)



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

Q1 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.

Active Sales Leaders Remain Above 2019 Levels

Active Sales Leaders



New Distributors and Preferred Customers Slightly Below Q1 2022

New Distributors and Preferred Customers



Q1 Regional Scorecard

\$ million	Reported Net Sales			Local Currency Net Sales ¹
	Q1 2023	Q1 2022	YoY % Change	YoY % Change
Asia Pacific	413.6	407.7	+1%	+9%
North America	297.2	326.2	(9%)	(9%)
EMEA	268.1	295.0	(9%)	(3%)
Latin America ²	205.5	201.3	+2%	+0%
China	67.7	105.6	(36%)	(31%)
Worldwide Total	1,252.1	1,335.8	(6.3%)	(2.6%)

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.

Transformation Program Update

- Initiated in 2021 to strategically optimize global processes for future growth
- Significant progress in Q1; actions to date result in ~\$35M of savings in 2023; on track to exceed \$70M of total program run rate savings in 2024 and beyond
- Total program to date one-time pre-tax expenses of ~\$52M recognized through Mar 31 '23; \$27M in Q1 2023
- Expect total program pre-tax expenses of at least \$60M, inclusive of amounts recognized to date
- One-time expenses excluded from adjusted EBITDA¹ and adjusted diluted EPS¹

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

Capital Structure Update

- Strategically paid down debt by ~\$67M during Q1 2023, including all amounts outstanding under 2018 Revolving Credit Facility
- \$454 million of cash on hand at Mar 31 '23
- Compliant with all debt covenants as of Mar 31' 23
- Gross leverage ratio of ~3.6x at Mar 31 '23
- In April, amended Senior Secured Credit Facility, which among other things:
 - Increased gross leverage ratio covenant from 3.75 to 4.50 through Dec 31 '23, stepping down to 4.25 as of Mar 31' 24 and 4.00 thereafter
 - Provides greater financial flexibility to make investments in key initiatives
- 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 EBITDA and Adjusted Diluted EPS

In addition to its reported results calculated in accordance with GAAP, the Company has included in this presentation adjusted EBITDA and adjusted diluted EPS, performance measures that the Securities and Exchange Commission defines as “non-GAAP financial measures.” Adjusted EBITDA 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 and expenses related to digital technology program, as further detailed in the reconciliations included herein.

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 EBITDA 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 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.

Reconciliation of Reported Net Income to Adjusted EBITDA

\$ million	THREE MONTHS ENDED MARCH 31	
	2023	2022
Net income, as reported	29.3	98.2
Interest expense, net	39.4	29.7
Income taxes	1.8	25.2
Depreciation and amortization	27.6	29.2
EBITDA	98.1	182.3
Net expenses related to COVID-19 pandemic	—	1.7
Expenses related to Transformation Program	27.3	1.6
Digital technology program costs	3.5	—
Adjusted EBITDA	128.9	185.6

Reconciliation of Reported Diluted EPS to Adjusted Diluted EPS

	THREE MONTHS ENDED MARCH 31	
	2023	2022
\$ per share		
Diluted earnings per share, as reported	0.29	0.96
Net expenses related to COVID-19 pandemic	—	0.02
Expenses related to Transformation Program	0.27	0.02
Digital technology program costs	0.03	—
Income tax adjustments for above items	(0.06)	(0.01)
Adjusted Diluted Earnings Per Share¹	0.54	0.99

¹ Amounts may not total due to rounding

