



EARNINGS PRESENTATION

Q4 2022

LIFE
TION

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. Additionally, many of these risks and uncertainties are, and may continue to be, amplified by the COVID-19 pandemic. 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 the COVID-19 pandemic and 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, 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-K for the fiscal year ended December 31, 2022, filed with the Securities and Exchange Commission on February 14, 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 included therein and in Part I, Item 1A, Risk Factors, of the Company's Annual Report on Form 10-K for the fiscal quarter and 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 thereof. 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 financial information presented on a non-GAAP last twelve-month basis, which reflects unaudited trailing four quarter financial information. 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.

Q4 2022

STRATEGIC UPDATE

MICHAEL O. JOHNSON
Chairman and CEO



Q4 2022

BUSINESS & FINANCIAL UPDATE

ALEX AMEZQUITA
CFO



KEY TAKEAWAYS

- 1. Herbalife Nutrition reports Q4 net sales down 10.4% compared to Q4 2021. Local currency net sales down 4.2% year-over-year.**
- 2. Expense management contributed to Q4 Adjusted¹ EBITDA of \$131 million, approximately flat with prior year. Adjusted¹ EPS of \$0.53 compared to \$0.57 in Q4 2021.**
- 3. Well defined strategic plan to improve distributor metrics with action items underway including several near-term promotions**
- 4. In addition to topline initiatives, focus on controlling expenses to manage margins and maximize profitability.**
- 5. Completed convertible debt transaction to secure the balance sheet and reduce capital markets risk. Working capital strategy aimed at optimizing cash generation to be used to reduce overall debt levels.**
- 6. The Company is not providing FY 2023 guidance as we observe traction of recently launched initiatives, in addition to the dynamic macroeconomic backdrop.**

¹ Non-GAAP Measure. Please see appendix for reconciliation to nearest comparable GAAP measure

Q4 2022 RESULTS – FINANCIAL HIGHLIGHTS

Q4 2022 Adjusted EBITDA
approximately flat
with prior year

Net Sales	Adjusted ¹ EBITDA	Adjusted ¹ EPS
<p>(10.4%) vs Q4 2021</p> <hr/> <p>620bps Currency headwind vs Q4 2021</p> <hr/> <ul style="list-style-type: none"> ▪ Volume points down 14.2% versus Q4 2021 	<p>\$131M Q4 2022</p> <hr/> <p>11.1% Q4 2022 Adj¹ EBITDA Margin</p> <hr/> <ul style="list-style-type: none"> ▪ Execution of expense management initiatives elevates adjusted¹ EBITDA to flat, despite sales reduction 	<p>\$0.53 Q4 2022</p> <hr/> <p>~\$60M Q4 Debt Paydown</p> <hr/> <ul style="list-style-type: none"> ▪ Adj¹ EPS was negatively impacted by a y/y currency headwind of approximately \$0.25 ▪ At end of Q4, leverage ratio of 3.5x gross debt to adj¹ EBITDA

¹ Non-GAAP Measure. Please see appendix for reconciliation to nearest comparable GAAP measure

FY 2022 RESULTS – FINANCIAL HIGHLIGHTS

FY 2022 Adjusted EBITDA margin decreased 170bps compared to FY 2021

(10.3%)

vs FY 2021

490bps

Currency headwind
vs FY 2021

- Volume points down 10.1% versus FY 2021

Net Sales

Adjusted¹ EBITDA

Adjusted¹ EPS

\$694M

FY 2022

13.3%

FY 2022 Adj¹
EBITDA Margin

- Expense management initiatives contributed to adjusted¹ EBITDA for FY 2022

\$3.40

FY 2022

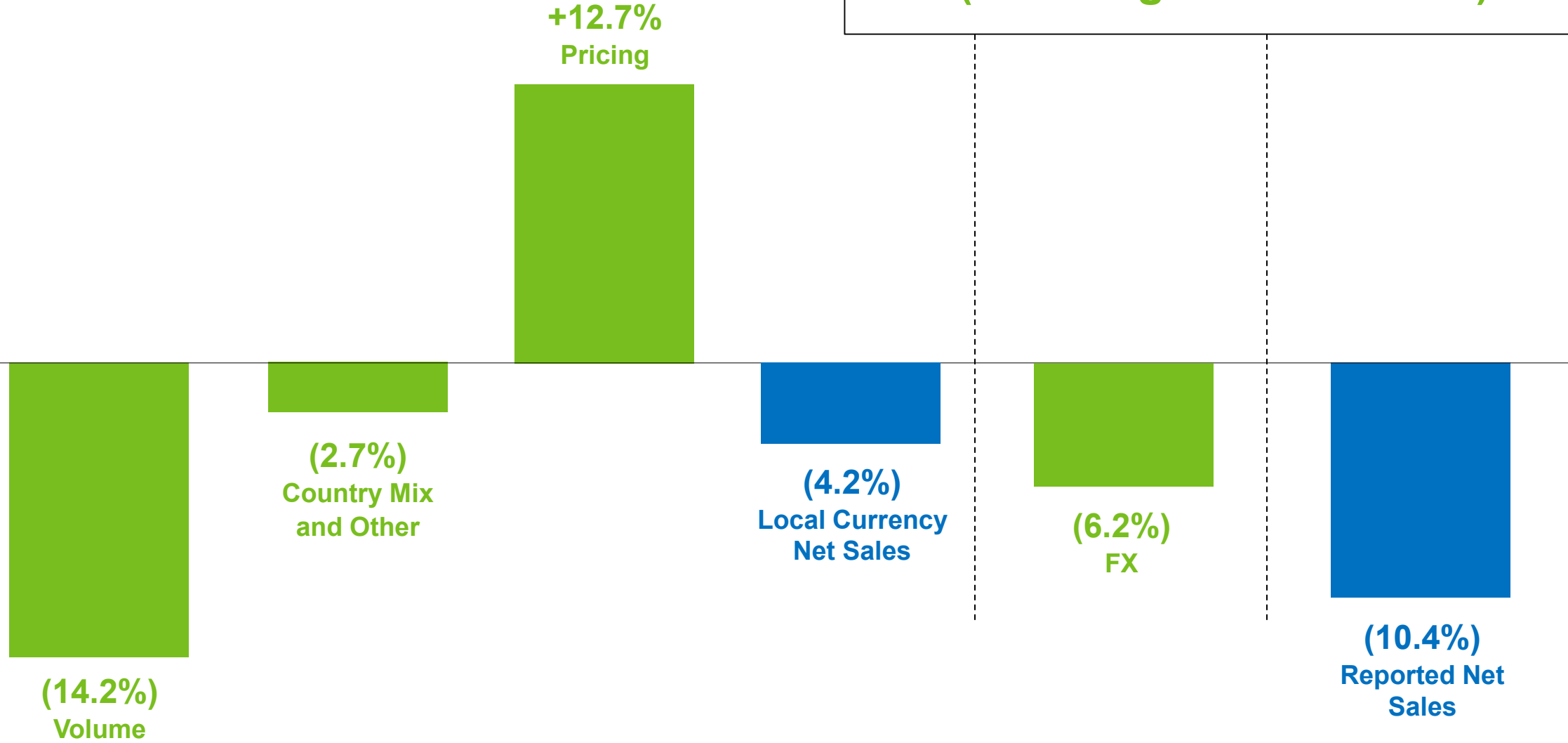
~\$352M

FY Operating
Cash Flow

- Adj¹ EPS was negatively impacted by a y/y currency headwind of approximately \$0.60

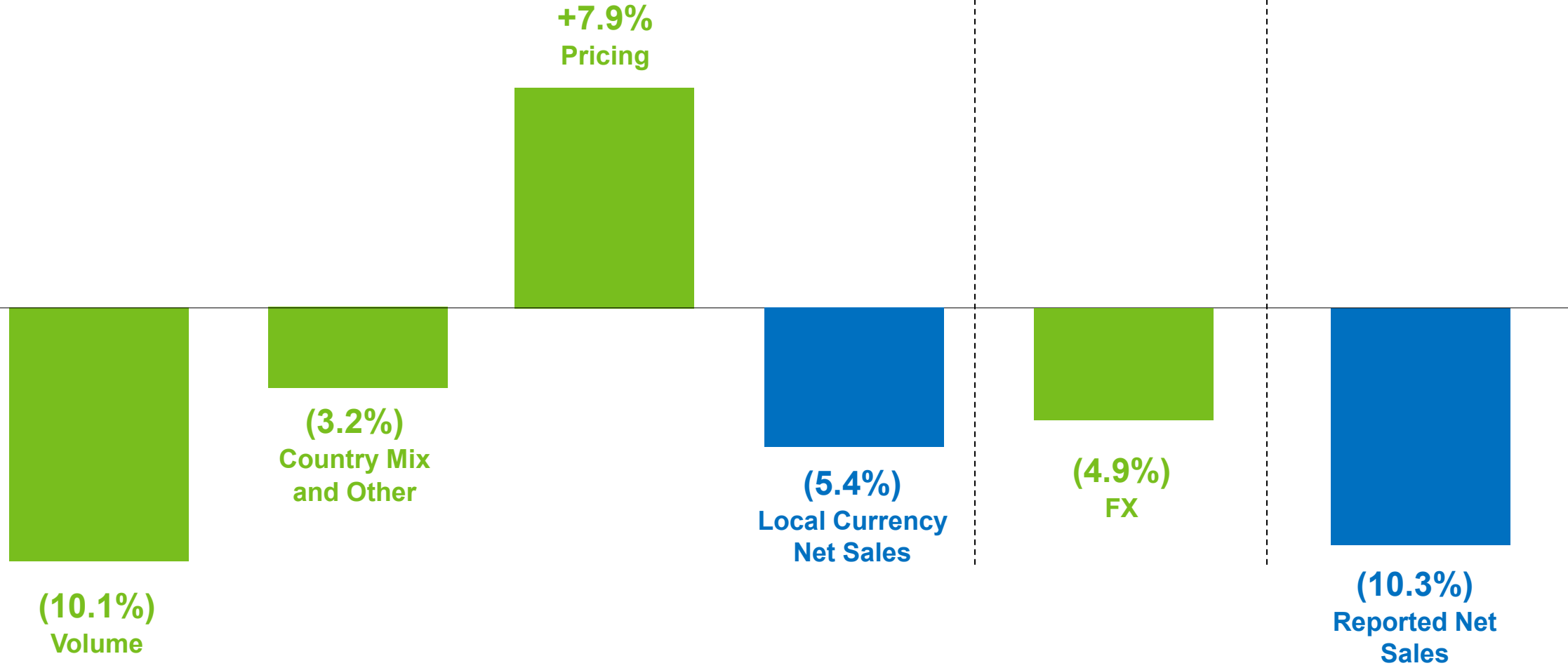
NET SALES BRIDGE

Q4 Drivers of Net Sales Change
(% Change vs Prior Year)



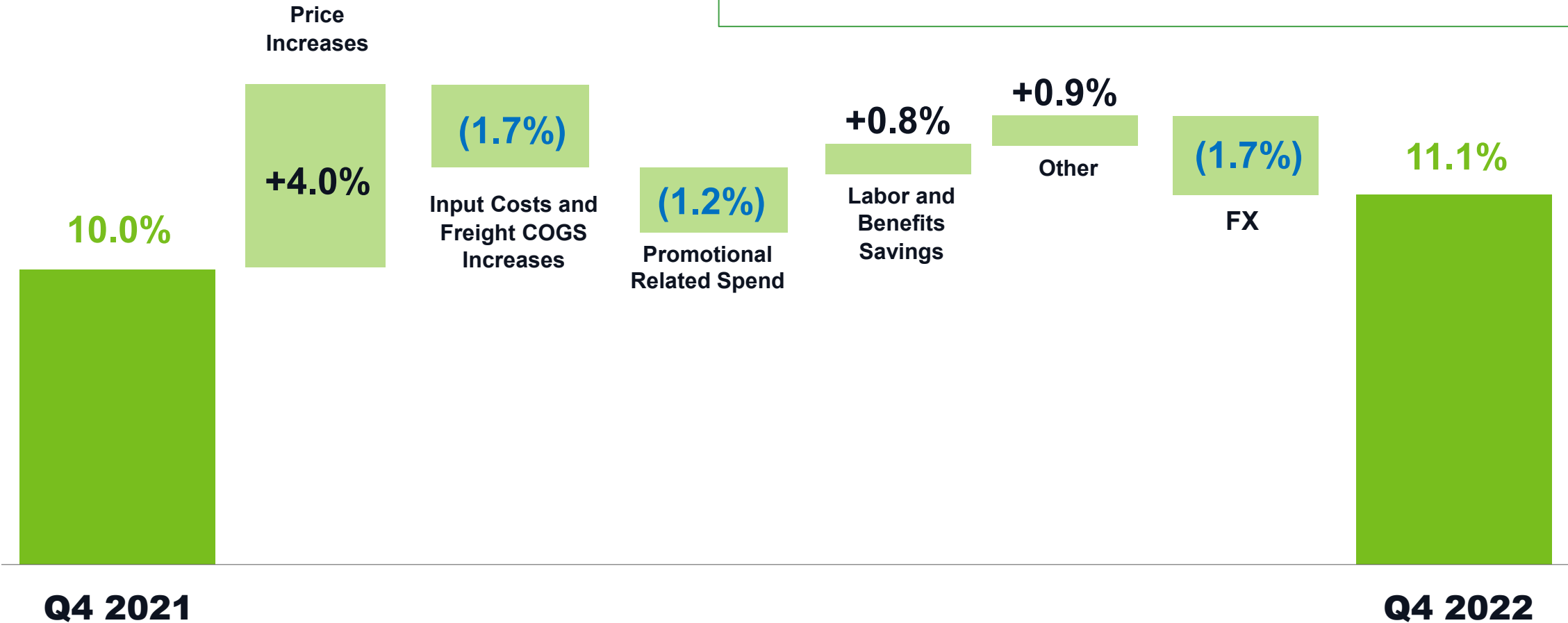
NET SALES BRIDGE

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



ADJUSTED¹ EDITDA MARGIN BRIDGE

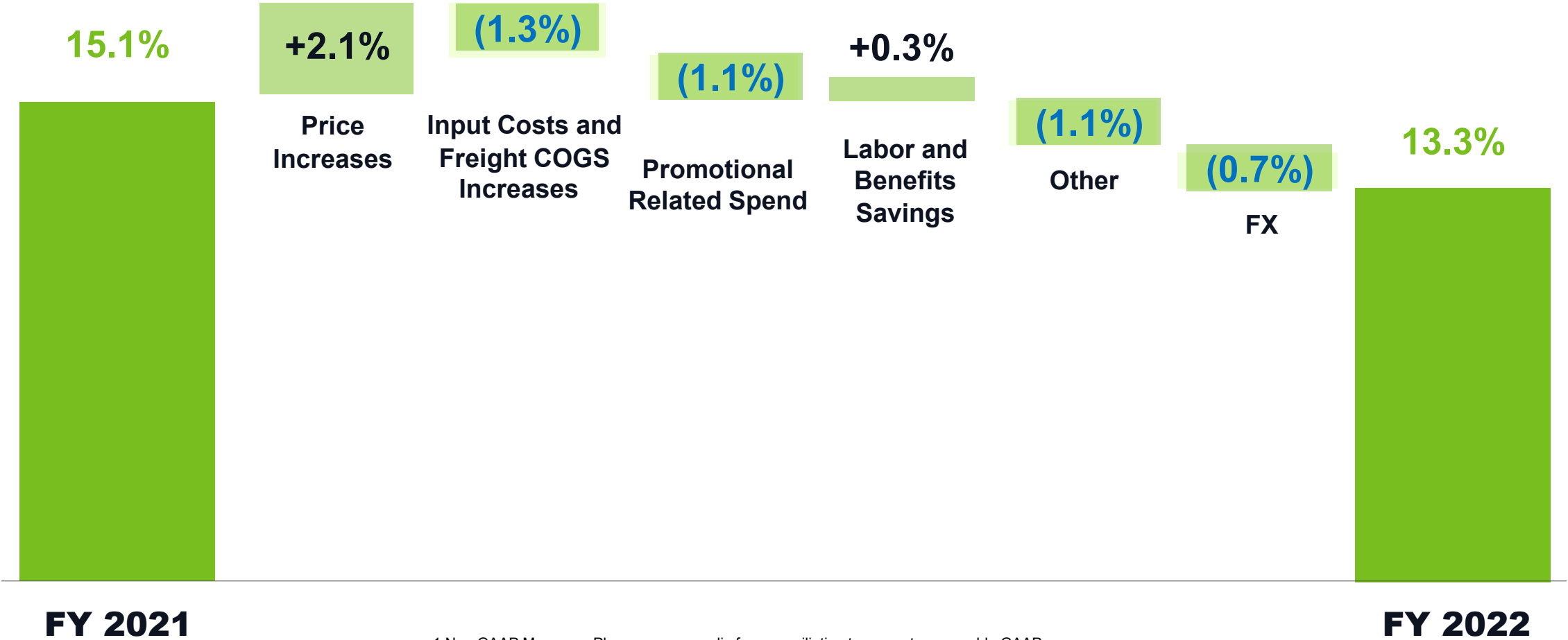
Q4 Drivers of Adjusted¹ EBITDA Margin Change (% Change vs Prior Year)



¹ Non-GAAP Measure. Please see appendix for reconciliation to nearest comparable GAAP measure

ADJUSTED¹ EDITDA MARGIN BRIDGE

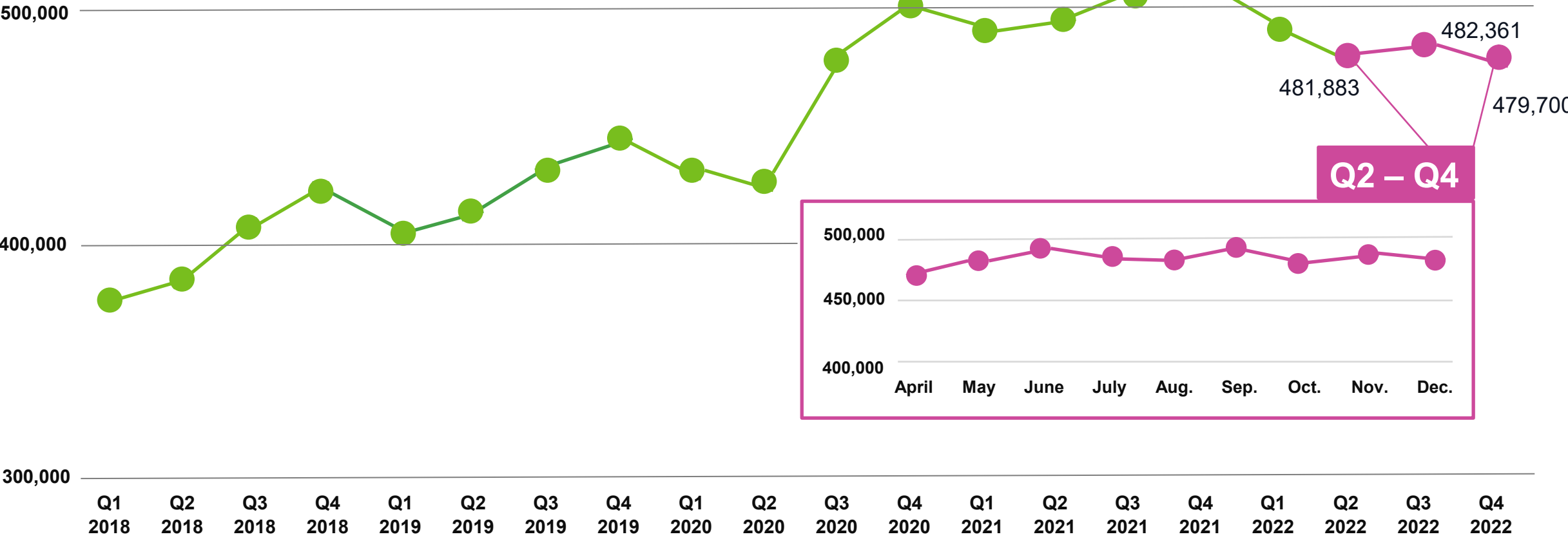
FY Drivers of Adjusted¹ EBITDA Margin Change (% Change vs Prior Year)



¹ Non-GAAP Measure. Please see appendix for reconciliation to nearest comparable GAAP measure

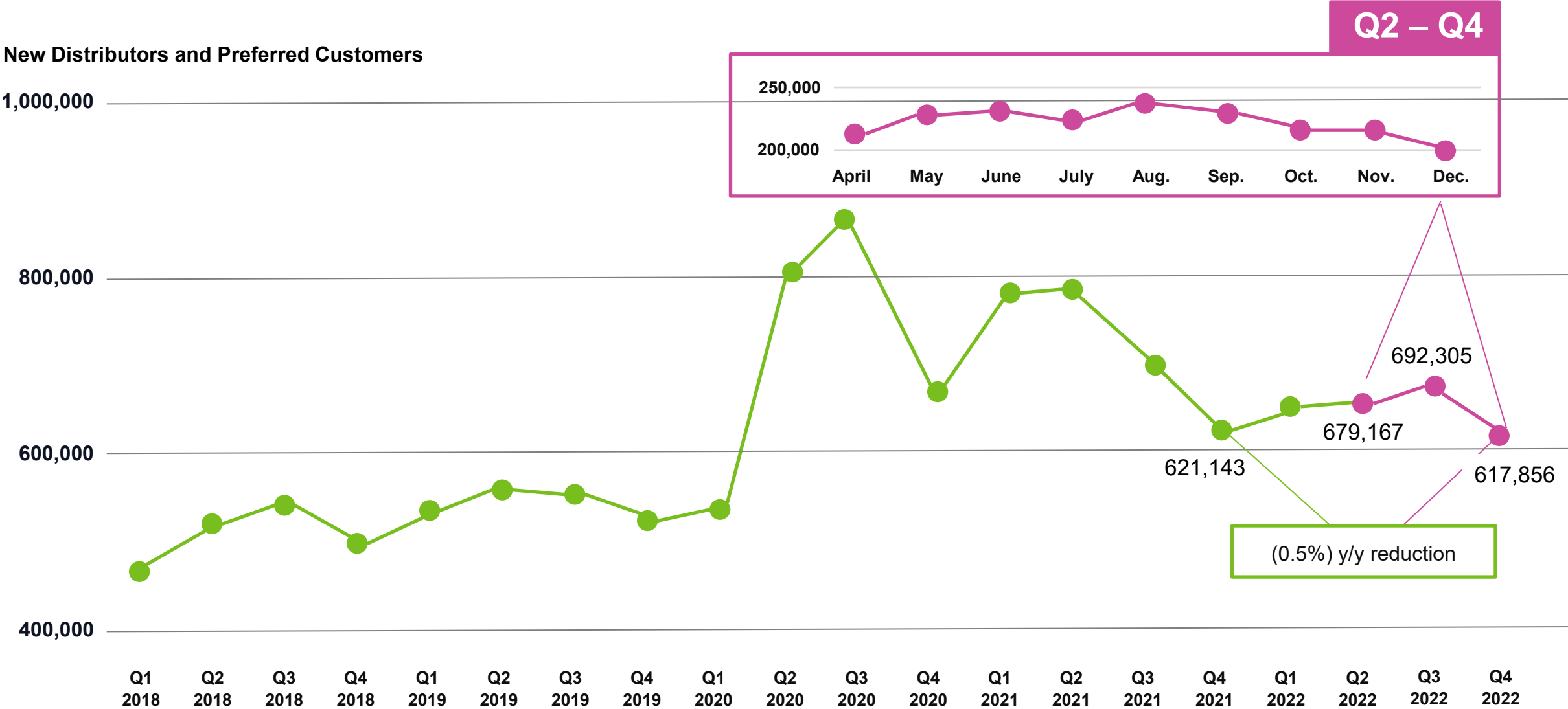
ACTIVE SALES LEADERS HAVE SHOWN RELATIVE STABILITY COMPARED TO Q2 AND Q3 LEVELS

Active Sales Leaders



NEW DS & PCs DOWN 0.5% COMPARED TO PRIOR YEAR LEVELS

New Distributors and Preferred Customers



Q4 REGIONAL SCORECARD

	Net Sales <hr/> YoY%	Local Currency Net Sales <hr/> YoY%
APAC	0%	+9%
NAM	(9%)	(9%)
EMEA	(15%)	(3%)
LATAM	(3%)	(3%)
China	(45%)	(39%)

MARGIN INITIATIVES

- Transformation Program is expected to deliver annual savings of at least \$70 million, with approximately half of these savings being realized in 2023 and the remainder largely being realized in 2024 and thereafter
- Anticipate total pre-tax expenses of at least \$60 million to realize these run-rate savings

CASH FLOW OPTIMIZATION

- Strategy to optimize cash flow
- Working Capital efficiencies such as inventory reduction planned in first half of 2023
- Flexibility in CAPEX spending as needed

CAPITAL ALLOCATION KEY MESSAGES**Long-Term Capital Allocation Strategy Unchanged****Capital Allocation Strategy:**

- 1) Debt Service
- 2) Internal Investments
- 3) External Investments
- 4) Return Cash to Shareholders

- Gross Leverage was 3.47x at the end of fourth quarter, above our target of 3.0x
- Issued a \$277 million convertible due in 2028, using proceeds to repurchase \$287 million of convertible notes due in 2024 at a 5% discount
- Remaining \$263 million of convertible notes due in 2024 expected to be paid off in cash
- Strategically reduced debt by approximately \$60 million during the fourth quarter
- \$508 million of cash on hand at the end of 2022

Q&A

APPENDIX

REPORTED NEW INCOME TO ADJUSTED EBITDA BRIDGE

The following is a reconciliation of net income, presented and reported in accordance with U.S. generally accepted accounting principles, to EBITDA and adjusted EBITDA.

Q4 2022 EARNINGS PRESENTATION

	THREE MONTHS ENDED		TWELVE MONTHS ENDED	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
	(in millions)			
Net income, as reported	\$ 54.4	\$ 38.2	\$ 321.3	\$ 447.2
Interest Expense, net	37.3	36.7	133.2	148.7
Income Taxes	10.0	9.4	103.5	113.6
Depreciation and amortization	28.2	27.5	115.4	107.6
EBITDA	129.9	111.8	673.4	817.1
Net expenses related to COVID-19 pandemic	0.6	2.0	4.4	13.8
Expenses related to transformation program	4.4	5.3	12.1	12.9
Russia-Ukraine conflict charges	-	-	5.5	-
(Gain) Loss on extinguishment of debt	(12.8)	-	(12.8)	24.6
Non-income tax items, net	-	-	-	(7.4)
Digital technology program costs	8.6	-	11.9	-
Expenses related to regulatory inquiries and legal accruals	-	12.5	-	12.5
Adjusted EBITDA	\$ 130.7	\$ 131.6	\$ 694.5	\$ 873.5

REPORTED NEW INCOME TO CREDIT AGREEMENT ADJUSTED EBITDA BRIDGE

Q4 2022 EARNINGS PRESENTATION

TWELVE MONTHS

ENDING DECEMBER 2022

Net income	\$ 321.3
Interest expense, net	133.2
Taxes	103.5
Depreciation & Amortization	115.4
EBITDA	\$ 673.4
Interest income	6.1
EBITDA, including interest income	\$ 679.5
Gain on extinguishment of debt	(12.8)
Inventory write-down	38.4
Share-based compensation	44.4
Net expenses related to COVID-19 pandemic	4.5
Expenses related to transformation program	12.1
Russian-Ukraine conflict charges	5.5
Digital technology program costs	11.9
Other expenses	(0.0)
Credit Agreement Adjusted EBITDA	783.5
	\$

1 Other expenses include certain non-cash items such as bad debt expense, unrealized foreign currency gains and losses, and other gains and losses

REPORTED EPS TO ADJUSTED EPS BRIDGE

The following is a reconciliation of net income, presented and reported in accordance with U.S. generally accepted accounting principles, to EBITDA and adjusted EBITDA.

	THREE MONTHS ENDED		TWELVE MONTHS ENDED	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
	(in millions)			
Diluted earnings per share, as reported	\$ 0.55	\$ 0.37	\$ 3.23	\$ 4.13
Non-cash interest expense and amortization of non-cash issuance costs	-	0.06	-	0.22
Debt issuance costs related to the senior secured credit facility amendment	-	-	-	0.02
Net expenses related to COVID-19 pandemic	0.01	0.02	0.04	0.13
Expenses related to transformation program	0.04	0.05	0.12	0.12
Russian-Ukraine conflict charges	-	-	0.06	-
(Gain) Loss on extinguishment of debt	\$ (0.13)	\$ -	\$ (0.13)	\$ 0.23
Non-income tax items, net	-	-	-	(0.07)
Digital technology program costs	0.09	-	0.12	-
Expenses related to regulatory inquiries and legal accruals	-	0.12	-	0.12
Income tax adjustments for above items	(0.03)	(0.05)	(0.04)	(0.10)
Adjusted diluted earnings per share	\$ 0.53	\$ 0.57	\$ 3.40	\$ 4.79