

Herbalife Ltd.
Reconciliation of Net Income to Adjusted EBITDA



| \$ million | 2019 | 2020 | 2021 | 2022 | 2023 | Q4 2022 | Q4 2023 |
|---|--------------------------|--------------------------|--------------|--------------|--------------|--------------|--------------|
| Net sales | 4,877.1 | 5,541.8 | 5,802.8 | 5,204.4 | 5,062.4 | 1,180.8 | 1,215.0 |
| Net income | 311.0 | 372.6 | 447.2 | 321.3 | 142.2 | 54.4 | 10.2 |
| Interest expense, net | 132.4 | 124.2 | 148.7 | 133.2 | 154.4 | 37.3 | 38.1 |
| Income taxes | 140.4 | 143.8 | 113.6 | 103.5 | 60.8 | 10.0 | 7.5 |
| Depreciation and amortization | 97.7 | 100.3 | 107.6 | 115.4 | 113.3 | 28.2 | 28.2 |
| EBITDA | 681.5 | 740.9 | 817.1 | 673.4 | 470.7 | 129.9 | 84.0 |
| Amortization of SaaS implementation costs | - | - | - | - | 6.0 | - | 3.1 |
| Expenses related to regulatory inquiries and legal accruals | 75.5 | 85.9 | 12.5 | - | - | - | - |
| Contingent value rights revaluation | (15.7) | - | - | - | - | - | - |
| Income related to finalization of insurance recoveries | (6.0) | - | - | - | - | - | - |
| Mexico VAT assessment | 19.0 | - | - | - | - | - | - |
| Net expenses related to COVID-19 pandemic | - | 21.2 | 13.8 | 4.4 | - | 0.6 | - |
| Non-income tax items, net | - | - | (7.4) | - | - | - | - |
| (Gain) loss on extinguishment of debt | - | - | 24.6 | (12.8) | (1.0) | (12.8) | - |
| Expenses related to Transformation Program | - | - | 12.9 | 12.1 | 54.2 | 4.4 | 12.2 |
| Digital technology program costs | - | - | - | 11.9 | 32.1 | 8.6 | 9.5 |
| Russia-Ukraine conflict charges | - | - | - | 5.5 | - | - | - |
| Korea tax settlement | - | - | - | - | 8.6 | - | - |
| Adjusted EBITDA | 754.3¹ | 848.0¹ | 873.5 | 694.5 | 570.6 | 130.7 | 108.8 |
| Adjusted EBITDA Margin | 15.5% | 15.3% | 15.1% | 13.3% | 11.3% | 11.1% | 9.0% |

EBITDA represents net income plus net interest expense, income taxes and depreciation and amortization. Adjusted EBITDA represents EBITDA plus certain items detailed above. We present adjusted EBITDA because management believes it provides useful information in evaluating our operating trends. Adjusted EBITDA 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 or as a measure of profitability or liquidity. Adjusted EBITDA, as presented, may not be comparable to similarly titled measures reported by other companies.

(1) Historical amounts have been adjusted to reflect current period presentation