



INVESTOR PRESENTATION

MARCH 2021



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AGENDA

- 1 | Medifast At A Glance
- 2 | **OPTAVIA** Transition And Performance Highlights
- 3 | Summary

[Howards' Video](#)

MEDIFAST AT A GLANCE



Leaders

in offering personal Coaching service to people for whom diets have failed

Company behind one of the **fastest-growing** wellness communities¹



100%

Products shipped directly to clients



44.2K
Coaches

Nearly **90%** of Coaches started as Clients



Differentiated
direct-to-consumer sales model

Nearly 40 Years
of scientifically developed products

17
Peer reviewed publications in last 10 years

Almost 2 M
Lives Impacted



~92%

Revenue from subscription-based meal-plan orders

¹ Medifast was ranked second on FORTUNE's 100 Fastest-Growing Companies list in 2020.

OUR COMPETITIVE ADVANTAGE VS. DIRECT SELLING MODEL

OPTAVIA COACH MODEL	DIRECT SELLING MODEL
<p>Client-centric one price direct-to-consumer model; about 90% of revenue from clients</p>	<p>Distributor-centric tiered price wholesale/retail model; revenue mix leans to distributor entities</p>
<p>Coaches Coach support clients, do not hold inventory, or manage cash</p>	<p>Distributors Sell Wholesale and Retail Selling, hold inventory and manage cash</p>
<p>Health and Wellness Community holistic health and wellness program, Coaches come from client base</p>	<p>Selling and Recruiting Network product sales, heavy distributor recruiting with high attrition</p>
<p>Unified Training System in the Field</p>	<p>Diverse Training Systems</p>

OUR COMPETITIVE ADVANTAGE VS. DIET INDUSTRY

OPTAVIA COACH MODEL	DIET COMPANIES MODEL
<p>Holistic Wellness Heathy Weight Is A Catalyst To Greater Change</p>	<p>Weight Loss Short-term Unsustainable Results</p>
<p>Personalized Coach Support Empathetic Coaching - The Coached Becomes The Coach</p>	<p>Limited Support Books, Bots, Back-end Support</p>
<p>Lifelong Habit Development Lifelong Habits Supported by Proprietary Integrated System</p>	<p>Seasonal, Fad-driven Consumption Diet seasonality driven by diet fads</p>
<p>Health and Wellness Community Almost 2 Million Lives Impacted</p>	<p>Repeat Dieters Failed Dieters Trying Again</p>

Large Addressable Market

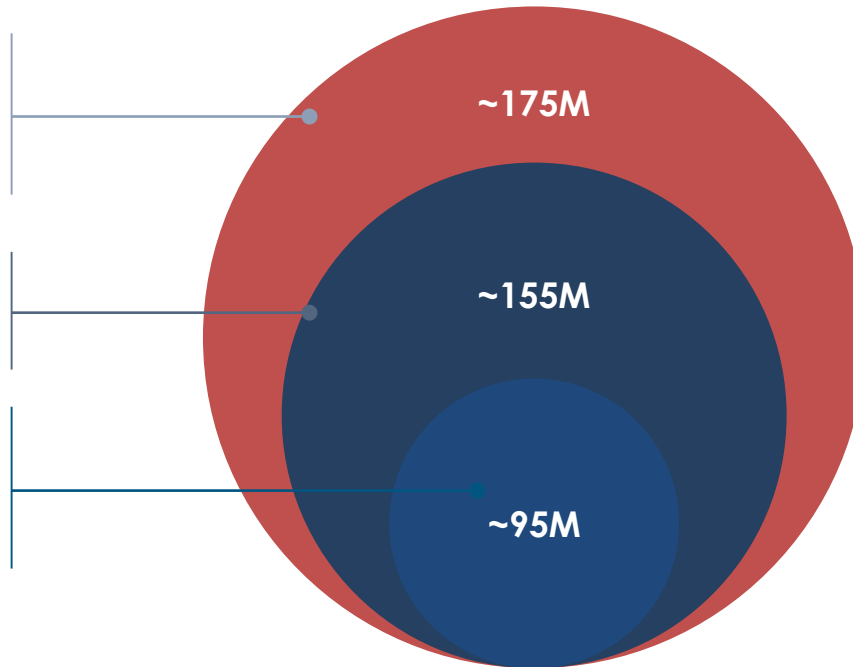
Key audiences

People looking to lose weight and willing to consider dieting

People looking to lose the most weight

People looking to lose the most weight and willing to consider paid meal plans

Total US addressable client pool



70%

US pop. overweight or obese, growing 2% p.a.

75%

US adults who want to lose weight, open to dieting

65%

Overweight/obese, consider paid meal plans effective¹

¹ People considering dieting through meal plans as somewhat effective, effective or highly effective

Health & Wellness Is In Sharp Focus

63%

Of all U.S. adults have adopted new, positive health habits since the start of the COVID-19 pandemic

96%

Of people making positive health changes during the pandemic report they plan to continue embracing healthy habits in 2021.

74%

Of Americans who report that they need support to maintain healthy habits as the pandemic continues

61%

Of all U.S. adults are looking to prioritize healthy eating habits over work-life balance in 2021

*SOURCE: Medifast, Inc.

<https://ir.medifastinc.com/2020-12-17-New-OPTAVIA-Survey-Uncovers-Profound-Shift-in-Health-Wellness-Priorities-For-2021>

Key Investment Highlights



One of the fastest growing health and wellness companies in the United States, with differentiated, clinically-proven programs and scientifically-developed products



Large and growing market opportunity addressing a global need



Scalable coach-based approach that drives both effectiveness and growth



Consistent and sustainable business model



Significant free cash flow supports growth investment and attractive capital allocation strategy



Experienced leadership team with track record of success, and clear strategy for continued long-term growth

Key Financial Metrics

\$935^M

**2020
Revenue**

\$134^M

**2020
Income from
Operations**

33%

**2017–2020
Revenue CAGR**

36%

**2017–2020
Income from
Operations
CAGR**

Attractive Financial Model

74%

2020 SG&A is
Variable

~0.6%

2020
CapEx as % of
Revenue

\$145^M

2020
Operating Cash Flow

\$58^M

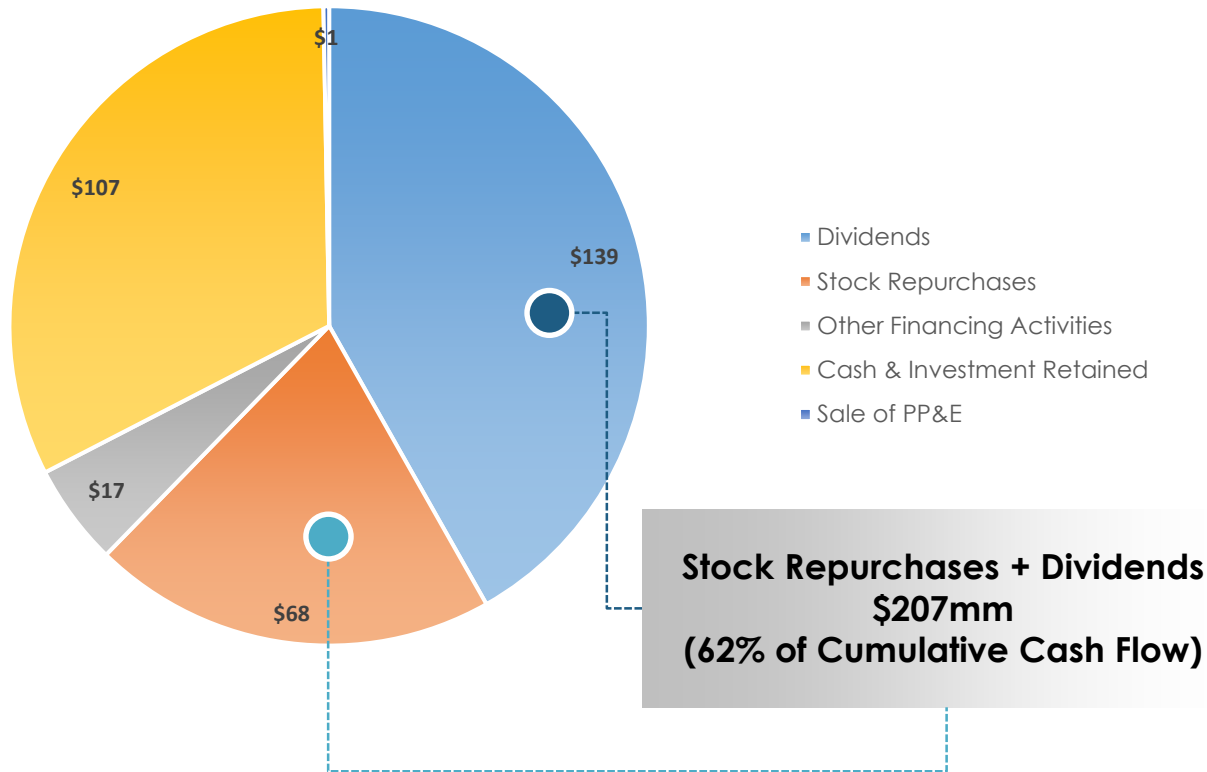
2020
Return to
Shareholders¹

¹Represents sum of share repurchased and dividend paid over the last twelve months

Strong Free Cash Flow Facilitates Attractive Return of Capital to Shareholders

(\$ M)

2016 – 2020



CASH & INVESTMENT

\$174M

DEBT-FREE

QUARTERLY DIVIDEND

\$1.13

- Financial capacity to handle any CapEx requirements
- Strong free cash flow generation
- Active share repurchase program
- Raised quarterly dividend every year since initiation in 2015 (\$0.25 in 2016 to \$1.13 in 2020)

Effective and Diverse Management Team



DAN CHARD

Chairman and Chief Executive Officer

- 25+ years of marketing and consumer products experience
- Serves on the Board of the Direct Selling Association
- Joined in October 2016



BILL BAKER

EVP, Technology

- 20+ years of digital and technology leadership creating capacity and efficiencies to support and promote growth
- Joined in August 2016



JAMES MALONEY

Chief Financial Officer

- 25+ years of diverse management experience in finance, accounting and business operations
- Deep CPG, technology and supply chain experience
- Joined in July 2020



LAUREN WALKER

EVP, Supply Chain Operations

- 25+ years of manufacturing, supply chain and project management experience at industry-leading businesses
- Joined in September 2020



NICHOLAS JOHNSON

President, Coach & Client Experience

- 10+ years of sales, marketing, and client relations experience
- Previously served as VP of Sales and Marketing of Nu Skin, overseeing sales and marketing for 27 countries
- Joined in January 2018



JASON GROVES

EVP, General Counsel & Corporate Secretary

- 20+ years of collaborating across functions on legal matters
- Joined in November 2011



TONY TYREE

Chief Marketing Officer

- 25+ years of global integrated marketing, brand strategy, product and platform innovation and portfolio revitalization
- Joined in September 2018



CLAUDIA GRENINGER

EVP, Human Resources

- 20+ years as a collaborative leader in the human resources arena specializing in talent management, compensation planning, performance management and employee engagement
- Joined in October 2019



OPTAVIA TRANSITION AND PERFORMANCE HIGHLIGHTS



The OPTAVIA Model

People are More Successful in their Transformation Journey when they...

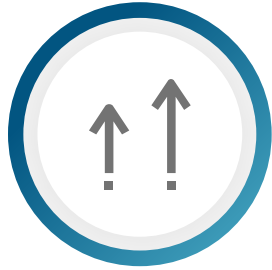
- 1 Have a Support System
(Coach and Community)
- 2 Learn and incorporate Healthy Habits into Their Lives
(Habits of Health System)

Talking with your independent OPTAVIA Coach more often may help Clients lose twice as much weight

Virtuous Circle for Growth



Key Strategic Focuses For Sustainable Long-Term Growth



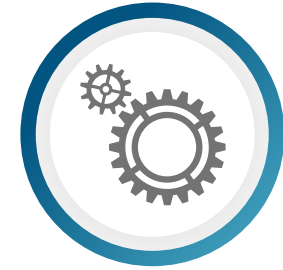
Drive Product & Program Innovation

Expand lifetime value through new and compelling products and programs



Enhance Coach & Client Experience

Develop culture that drives attraction, engagement and loyalty



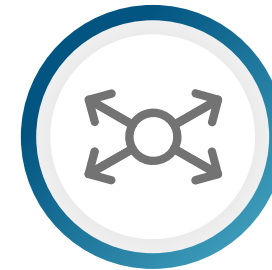
Optimize Operational Effectiveness

Drive scale through enhanced organization, systems, processes and partnerships



Utilize Deeper Data & Insights

Data-driven decision making, with deep insights informing strategic and tactical initiatives.



Expand Segments & Geographies

Systematic approach to international markets and product adjacencies

Strong and Sustainable Customer Loyalty

2.5x

OPTAVIA repeat rates vs industry benchmark*

30x

Client spend on OPTAVIA products vs CPG benchmarks*

76%

Customer Repurchase Rates**

47%

OPTAVIA customers who have bought products four or more times**

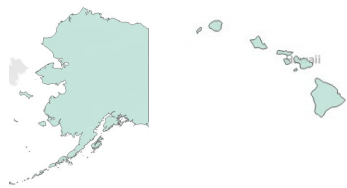
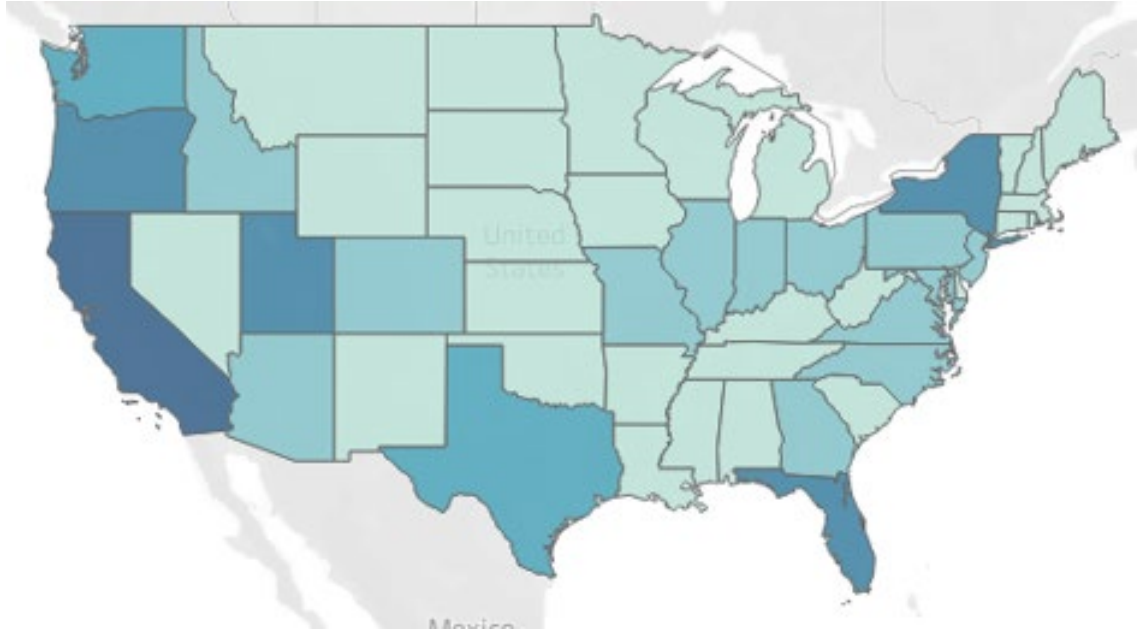
*Nielsen panel data analysis benchmarking OPTAVIA against leading H&W brands

** Nielsen analysis of Client purchases, January 2017 to September 2020

Growing Active Earning Coach Community

Active Earning Coaches
0 1,000

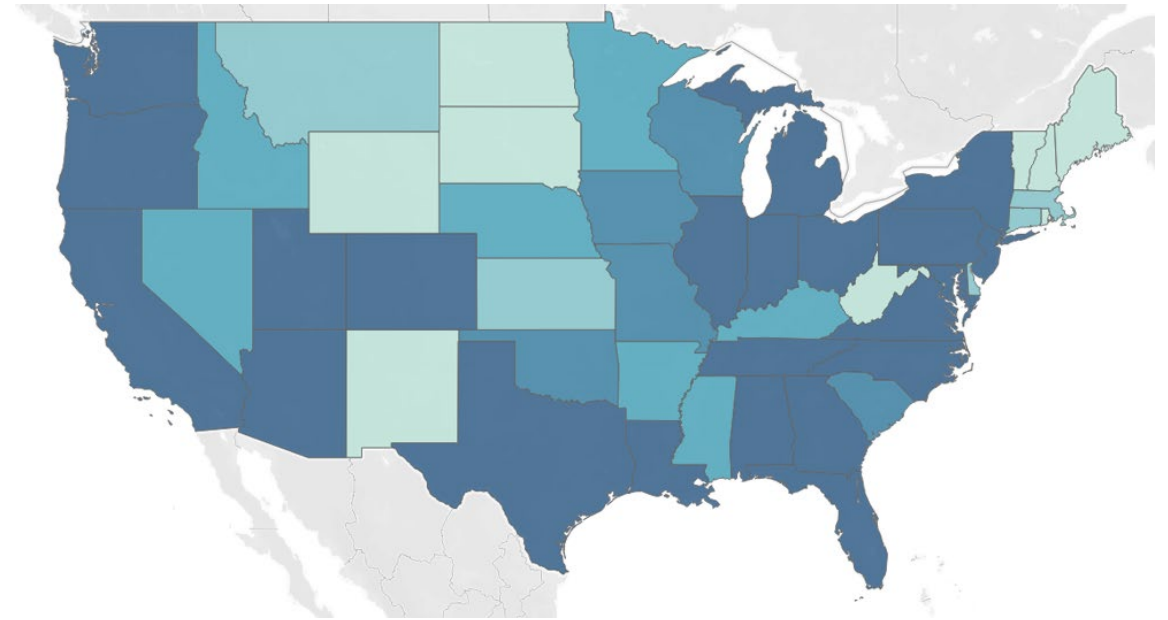
Q4 2016



Alaska

Hawaii

Q4 2020



Alaska



Hawaii



Hong Kong



Singapore



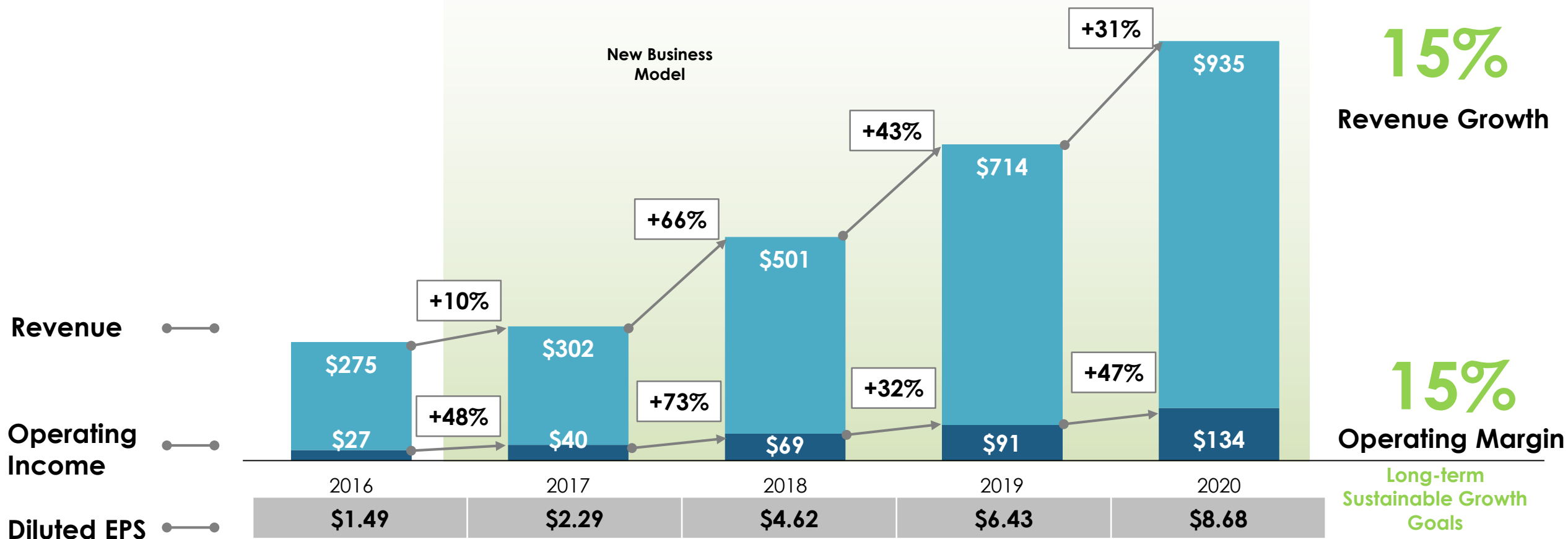
OPTAVIA®

A Resilient Business Model

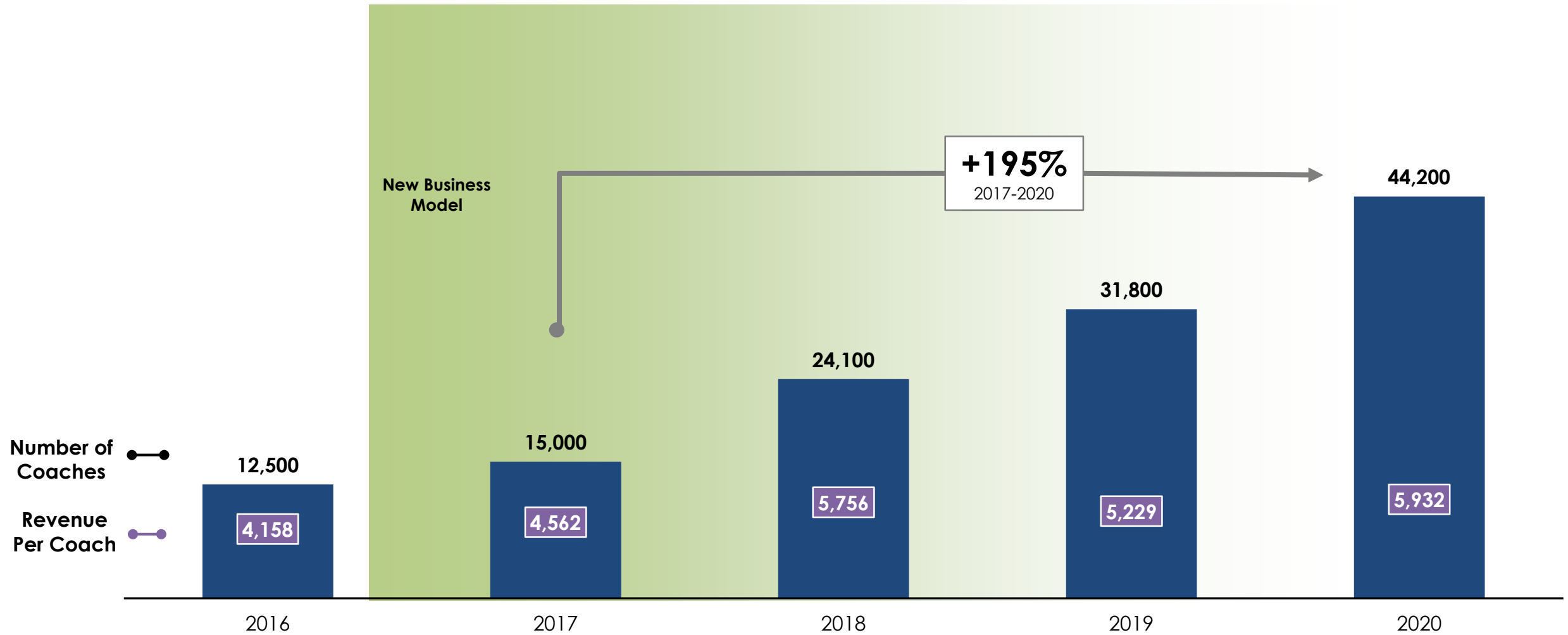
- Efficient **direct-to-consumer** business
- Consistent patterns create **strong forward visibility**
- High percentage of clients on continuity shipments (**~92% of revenue**)
- **High lifetime value**
- **Variable cost model**

OPTAVIA Driving Long-Term Sustainable Growth

(\$ Millions, Except Per Share Data)



Active Earning Coaches and Productivity Will Support Sustained Growth



Attractive Financial Model

Variable Cost

	FISCAL 2016	FISCAL 2017	FISCAL 2018	FISCAL 2019	FISCAL 2020
% of Revenue					
Variable Operating Expenses	58.8%	60.1%	64.0%	66.1%	67.6%
Fixed Operating Expenses	31.4%	26.8%	22.2%	21.2%	18.0%

\$1.2M

Revenue Per Fixed
Headcount 2016 (1)

\$3.0M

Revenue Per Fixed
Headcount 2020 (1)

\$26.9M
/9.8%

Operating Margin
2016

\$134.2M
/14.4%

Operating Margin
2020

SUMMARY



Key Investment Highlights



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Thank You