



Herbalife Nutrition

2021 CAGNY Presentation

Appendix

February 2021



Disclaimer

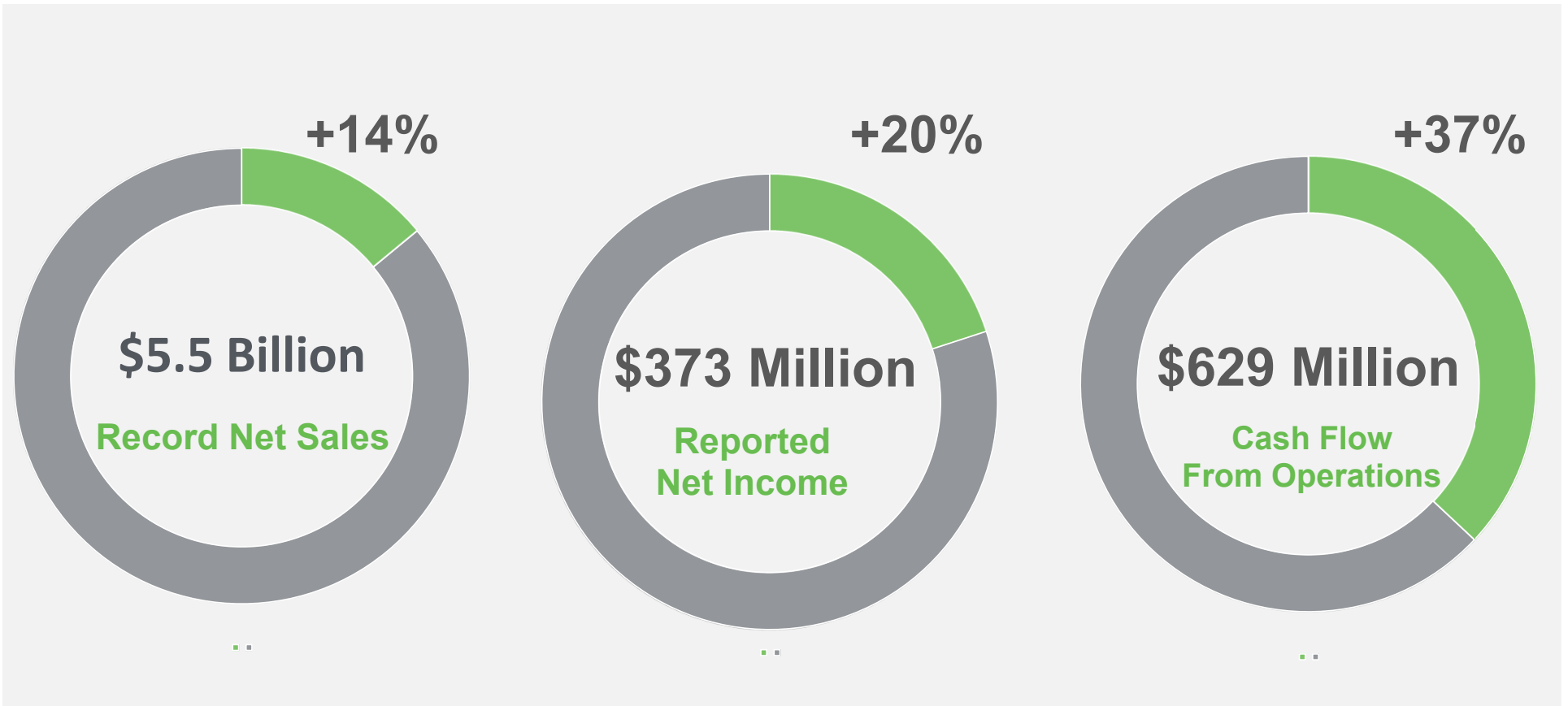
This presentation contains “forward-looking statements” within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements could include but are not limited to statements that identify uncertainties or trends or discuss the possible future effects of uncertainties or trends and statements regarding our future operations, financial condition and prospects. Although we believe that the expectations reflected in any of our forward-looking statements are reasonable, actual results 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, such as those disclosed or incorporated by reference in our filings with the Securities and Exchange Commission. Important factors that could cause our actual results, performance and achievements, or industry results to differ materially from estimates or projections contained in our forward-looking statements include, among others, our ability to continue performing at the levels we have this past year and the following:

- Our relationship with, and our ability to influence the actions of, our Members;
- Improper action by our employees or Members in violation of applicable law;
- Adverse publicity associated with our products or network marketing organization, including our ability to comfort the marketplace and regulators regarding our compliance with applicable laws;
- Changing consumer preferences and demands;
- The competitive nature of our business;
- Regulatory matters governing our products, including potential governmental or regulatory actions concerning the safety or efficacy of our products and network marketing program, including the direct selling markets in which we operate;
- Legal challenges to our network marketing program;
- The Consent Order entered into with the FTC, the effects thereof and any failure to comply therewith;
- Risks associated with operating internationally and the effect of economic factors, including foreign exchange, inflation, disruptions or conflicts with our third-party importers, pricing and currency devaluation risks, especially in countries such as Venezuela;
- Uncertainties relating to interpretation and enforcement of legislation in China governing direct selling and anti-pyramiding;
- Our inability to obtain or maintain the necessary licenses for our direct selling business in China and elsewhere;
- Adverse changes in the Chinese economy;
- Our dependence on increased penetration of existing markets;
- Any material disruption to our business caused by natural disasters, other catastrophic events, acts of war or terrorism, viral outbreaks and other similar epidemics or cybersecurity incidents;
- Noncompliance by us or our Members with any privacy laws or any security breach by us or a third party involving the misappropriation, loss, or other unauthorized use or disclosure of confidential information;
- Contractual limitations on our ability to expand our business;
- Our reliance on our information technology infrastructure and outside manufacturers;
- The sufficiency of our trademarks and other intellectual property rights;
- Product concentration;
- Our reliance upon, or the loss or departure of any member of, our senior management team which could negatively impact our Member relations and operating results;
- U.S. and foreign laws and regulations applicable to our operations;
- Uncertainties relating to the United Kingdom’s vote to exit from the European Union;
- Restrictions imposed by covenants in our existing indebtedness;
- Risks related to the convertible notes;
- Uncertainties relating to the application of transfer pricing, duties, value added taxes and other tax regulations and changes thereto;
- Changes in tax laws, treaties or regulations, or their interpretation;
- Taxation relating to our Members;
- Product liability claims;
- Our incorporation under the laws of the Cayman Islands;
- Whether we will purchase any of our shares in the open markets or otherwise; and
- Share price volatility related to, among other things, speculative trading and certain traders shorting our common shares.

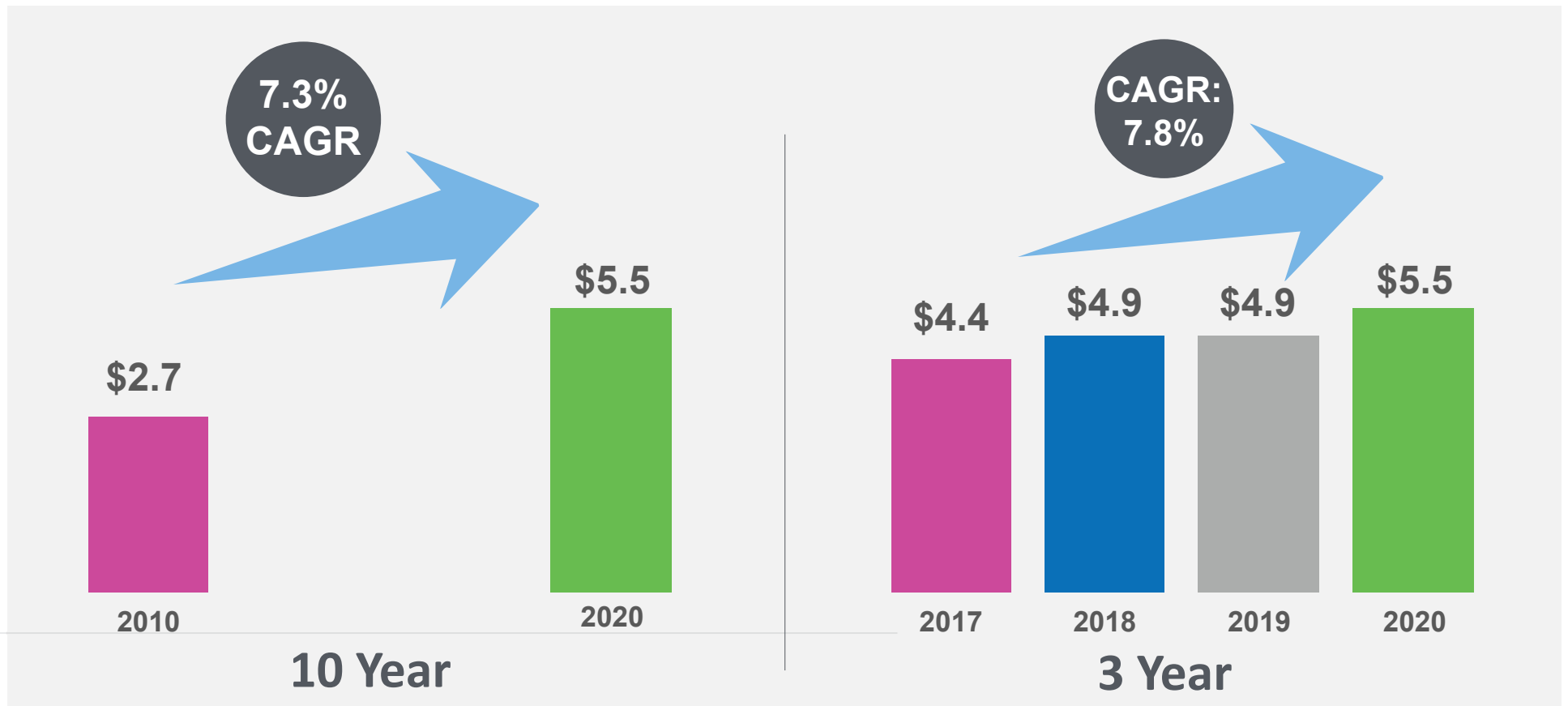
We do not undertake any obligation to update or release any revisions to any forward-looking statement or to report any events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.



Full Year 2020 Performance



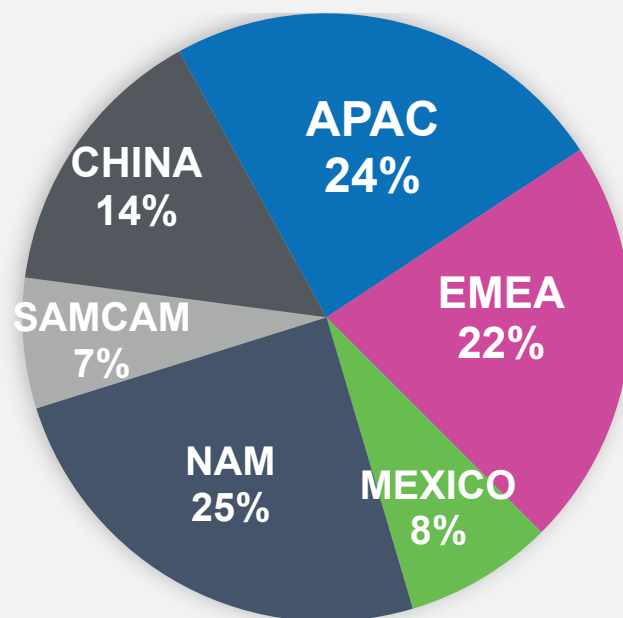
Historical Net Sales



Note: In Billions
Source: Herbalife Nutrition Internal Sales Data



Geographic Diversity



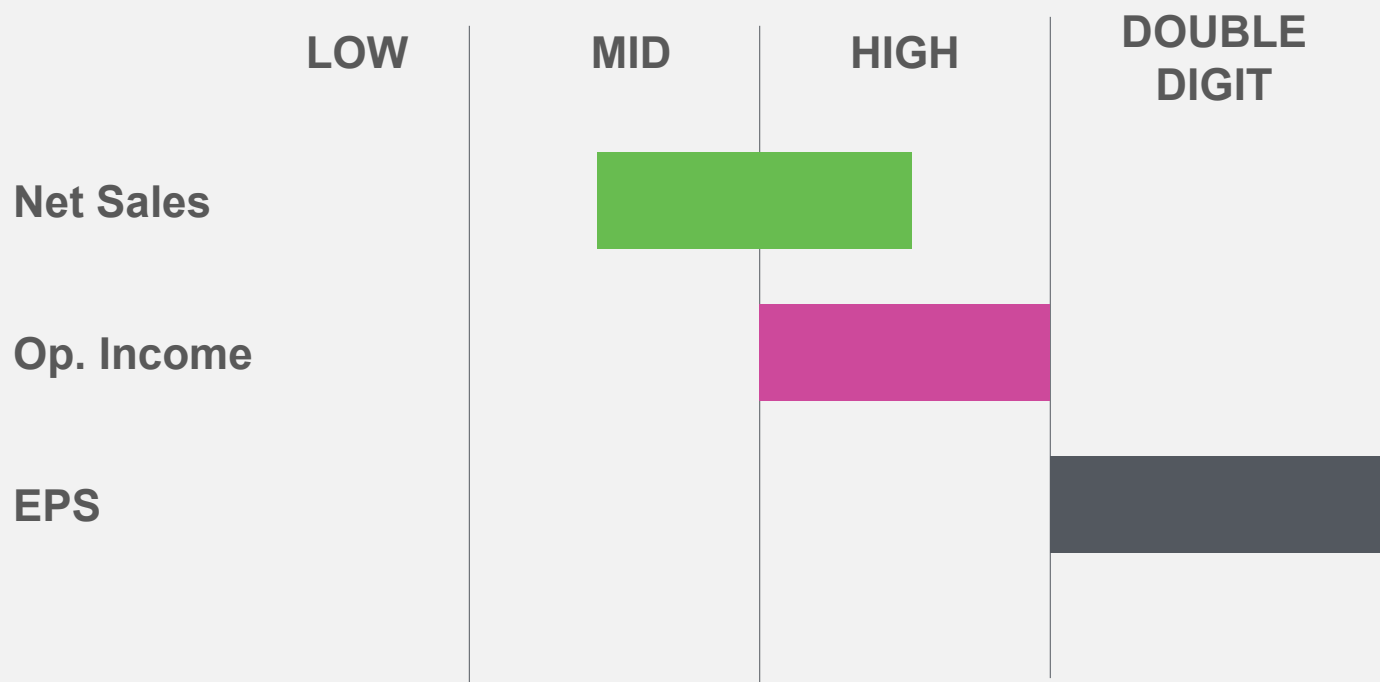
■ APAC ■ EMEA ■ MEXICO ■ NAM ■ SAMCAM ■ CHINA

Net Sales as of FY 2020
Source: Internal Herbalife Nutrition Data
Established market definition: <https://www.msci.com/market-classification>



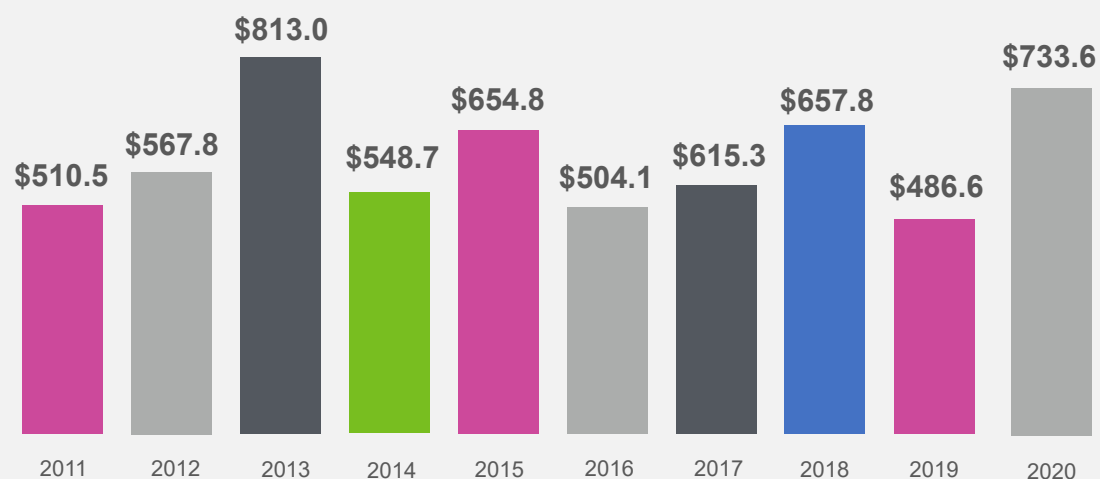
HLF Growth Algorithm

Single Digit



Powerful Cash Flow Generation

10-Year Adjusted¹ Operating Cash Flow
(in millions)



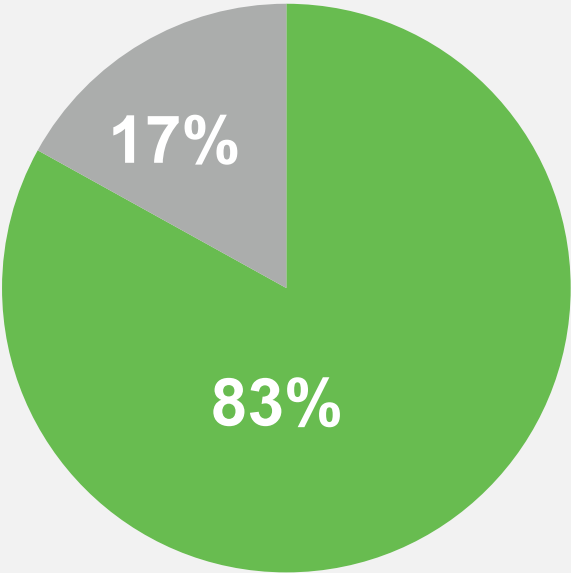
(2011-2020) 10-Year Cumulative
Adjusted¹ Operating Cash Flow:

\$6,092 million

1. Non-GAAP Financial Measure. See the appendix of this presentation for a definition thereof and a reconciliation thereof to the most comparable GAAP measure.
Source: Internal Herbalife Nutrition Data



From 2011–2020: 83% of Uses of Cash returned value to shareholders



- Shareholder Returns*
\$5,644.0MM
- Capital Expenditures
\$1,152.5MM

10-year cumulative uses of cash (2011–2020) \$6,807.7MM

Source: Internal Herbalife Nutrition Data, adjusted for the effect of 01/07/21 stock repurchase
*Shareholder returns include share repurchases: \$5,269.9MM which includes 1/7/21 repurchase and dividends: \$374.1MM



Efficient Capital Structure

Leverage Profile¹

- Cash: \$595.4MM
- Debt: \$2,578.4MM
- Net Debt²: \$1,983.0MM
- FY 2020 EBITDA (Rep.): \$740.9MM
- FY 2020 Bank Adj.³ EBITDA: \$958.4MM
- Net Debt / Bank Adj.³ EBITDA: 2.1x
- Gross Debt / Bank Adj.³ EBITDA: 2.7x

Target leverage ratio of approximately
3x Gross Debt / EBITDA

Note: As of Q4 2020, adjusted for the effect of 01/07/21 stock repurchase

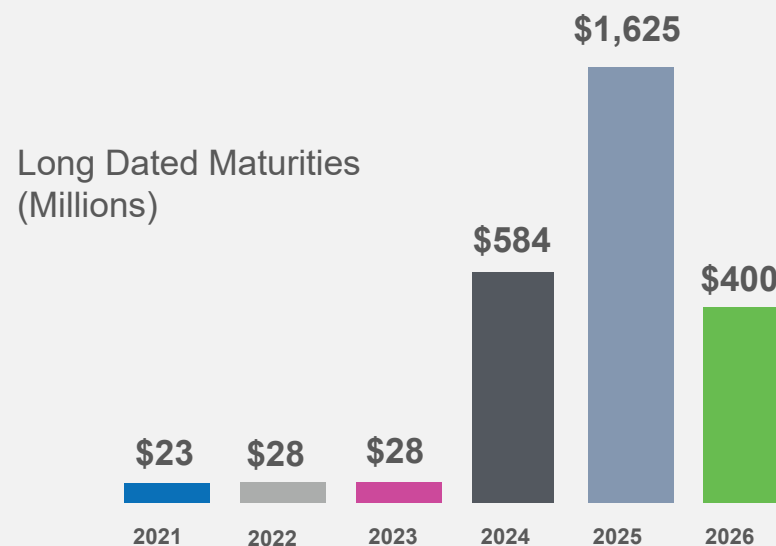
¹12/31/20 reported figures, adjusted for the effect of 01/07/21 stock repurchase

²Non-GAAP Financial Measure. Calculated by total debt less cash.

³Non-GAAP Financial Measure. See the appendix of this presentation for a definition thereof and a reconciliation thereof to the most comparable GAAP measure.

Source: Internal Herbalife Nutrition Data

Current \$1.5 Billion, 3-Year Share Repurchase Program



Herbalife Ltd.

Non-GAAP Reconciliation: Reported Net Income to Adjusted Operating Cash Flow (Levered)

(Dollars in Millions)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Reported Net Income	\$ 372.6	\$ 311.0	\$ 296.6	\$ 213.9	\$ 260.0	\$ 339.1	\$ 308.7	\$ 527.5	\$ 464.0	\$ 415.0
Expenses related to regulatory inquiries ⁽¹⁾	85.4	34.1	9.4	9.0	10.8	14.2	9.4	-	-	-
FTC Consent Order implementation	-	-	-	11.7	7.1	-	-	-	-	-
Expenses incurred responding to attacks on the Company's business model	-	-	-	3.8	9.1	13.8	16.6	24.5	-	-
Income related to finalization of insurance recoveries	-	(5.9)	-	-	-	-	-	-	-	-
Regulatory Settlements	-	-	-	-	133.0	-	-	-	-	-
Net expenses related to COVID-19 pandemic	19.2	-	-	-	-	-	-	-	-	-
Debt issuance costs related to the senior secured credit facility amendment	0.4	0.9	-	-	-	-	-	-	-	-
Expenses incurred for the recovery of re-audit expenses	-	-	-	-	2.6	1.3	0.4	15.6	-	-
Arbitration award related to the re-audit	-	-	-	-	(25.8)	-	-	-	-	-
Manufacturing Equipment Recovery	-	-	-	-	-	(2.0)	-	-	-	-
Legal Settlement Reserve	-	-	-	-	-	(1.2)	10.9	-	-	-
Adjusted Net Income (Cash Impact)	\$ 477.6	\$ 340.1	\$ 306.0	\$ 238.4	\$ 396.8	\$ 365.2	\$ 346.0	\$ 567.6	\$ 464.0	\$ 415.0
Adjustments to reconcile net income to net cash provided by operating activities:										
Depreciation and amortization	100.3	97.7	100.4	99.8	98.3	98.0	93.2	84.7	74.4	71.9
Excess tax benefits from share-based payment arrangements	-	-	-	-	-	-	(10.4)	(15.6)	(29.7)	(26.2)
Share-based compensation expenses	51.0	38.6	35.5	42.1	40.2	44.9	45.7	29.5	27.9	24.1
Non-cash interest expense	26.7	43.7	63.8	60.2	55.7	56.2	43.5	2.6	1.8	1.9
Deferred income taxes	2.0	15.4	(8.1)	97.8	(36.4)	(38.2)	(84.8)	(24.9)	(7.8)	(21.3)
Inventory write-downs	20.6	19.1	17.4	20.7	15.8	25.3	24.5	29.8	11.4	-
Foreign exchange transaction loss	9.9	2.1	8.0	2.4	3.7	26.6	(6.2)	5.8	2.1	9.4
Foreign exchange loss and other changes relating to Venezuela	-	-	-	-	-	-	227.8	15.1	-	-
Loss on extinguishment of debt	-	-	48.5	-	-	-	-	-	-	-
Other	5.3	(7.9)	7.1	1.9	(11.7)	10.8	6.1	0.6	0.7	2.2
Changes in operating assets and liabilities:										
Receivables	(5.8)	(14.4)	2.8	(22.2)	-	(6.2)	6.0	9.2	(28.2)	(9.7)
Inventories	(76.6)	(68.6)	(83.3)	37.9	(71.6)	(30.5)	(99.4)	(54.8)	(93.6)	(84.9)
Prepaid expenses and other current assets	(11.9)	28.3	(5.1)	38.3	0.8	19.8	(34.9)	(9.4)	0.2	3.2
Accounts payable	5.5	0.1	21.7	(5.0)	(1.3)	6.0	(5.2)	10.8	17.0	15.4
Royalty overrides	61.2	11.5	22.8	6.0	20.9	21.6	6.7	28.8	41.9	44.0
Other current liabilities	77.6	(5.5)	106.8	(17.1)	12.4	73.5	21.1	134.8	85.2	75.8
Other	(9.8)	(13.6)	13.5	14.1	(19.5)	(18.2)	(31.0)	(1.6)	0.5	(10.3)
Adjusted Net Cash Provided by Operating Activities	\$ 733.6	\$ 486.6	\$ 657.8	\$ 615.3	\$ 504.1	\$ 654.8	\$ 548.7	\$ 813.0	\$ 567.8	\$ 510.5
Cash Interest	\$ 97.5	\$ 88.7	\$ 97.8	\$ 86.1	\$ 37.7	\$ 38.8	\$ 35.7	\$ 16.0	\$ 8.7	\$ 0.6