



Herbalife Reports First Quarter 2026 Net Sales Growth and Adjusted EBITDA¹ Above Guidance; Raises Full-Year 2026 Constant Currency² Net Sales and Adjusted EBITDA¹ Guidance Midpoints

Q1 Results in Line with Preliminary Results Announced on April 14

LOS ANGELES, May 6, 2026 – [Herbalife Ltd.](#) (NYSE: HLF) today reported financial results for the first quarter ended March 31, 2026:

Highlights

First Quarter 2026

- Net sales of \$1.3 billion exceeds guidance
 - Up 7.8% vs. Q1 '25
 - Up 5.4% year-over-year on constant currency basis²; exceeds guidance
- Net income attributable to Herbalife of \$61.9 million; adjusted net income¹ of \$69.0 million
- Adjusted EBITDA¹ of \$175.7 million exceeds guidance
 - Adjusted EBITDA¹ at constant currency² of \$180.3 million exceeds guidance
- Diluted EPS of \$0.57; adjusted diluted EPS¹ of \$0.64
- Net cash provided by operating activities of \$113.8 million; capital expenditures of \$10.9 million
- Reduced total leverage ratio to 2.7x and net leverage ratio¹ to 2.1x at March 31

“We delivered strong Q1 results that exceeded guidance and we successfully completed our debt refinancing. At the same time, we took further strategic actions to build on Herbalife’s deep-rooted strength in personalization, enhance speed to market capabilities, and position us for long-term growth and value creation.”

- Stephan Gratziani, CEO

Recent Developments

- Completed \$1.45 billion senior secured debt refinancing on April 29
- Acquired substantially all of the assets of Bioniq’s core personalized nutrition business on April 30

Outlook

- Second quarter 2026 guidance provided
- Full-year 2026 guidance revised: net sales and adjusted EBITDA¹ ranges narrowed and constant currency² midpoints increased, capital expenditures reaffirmed

¹ Non-GAAP measure. Refer to Schedule A – “Reconciliation of Non-GAAP Financial Measures” for a detailed reconciliation of these measures to the most directly comparable U.S. GAAP measure for historical periods, as applicable, and a discussion of why the Company believes these non-GAAP measures are useful and certain information regarding non-GAAP guidance.

² Non-GAAP measure. Refer to Schedule A – “Reconciliation of Non-GAAP Financial Measures” for a discussion of why the Company believes adjusting for the effects of foreign exchange is useful.

Management Commentary

Herbalife reported first quarter 2026 net sales of \$1.3 billion, up 7.8% year-over-year, including 240 basis points of foreign currency (“FX”) tailwinds. On a constant currency basis², net sales increased 5.4% year-over-year for the quarter.

Gross profit margin was 77.9% in the first quarter, compared to 78.3% in the prior year period. On a year-over-year and approximate basis, the change primarily reflects 50 basis points of input cost inflation, mainly due to lower absorption rates, 30 basis points of unfavorable sales mix, 20 basis points of other unfavorable cost changes and 50 basis points of FX headwinds. These impacts were partially offset by 70 basis points of pricing benefits and 40 basis points from lower inventory write-downs.

For the quarter, net income attributable to Herbalife was \$61.9 million, with net income margin of 4.7%, and adjusted net income¹ of \$69.0 million. Adjusted EBITDA¹ of \$175.7 million includes approximately \$5 million of FX headwinds year-over-year, with adjusted EBITDA¹ margin of 13.3%, down 20 basis points versus the first quarter of 2025. Diluted EPS was \$0.57, with adjusted diluted EPS¹ of \$0.64, which includes a \$0.03 year-over-year FX headwind.

Net cash provided by operating activities was \$113.8 million for the quarter ended March 31, 2026. Capital expenditures were \$10.9 million and capitalized software as a service (“SaaS”) implementation costs were \$10.0 million in the first quarter.

As of March 31, 2026, the Company’s revolving credit facility was undrawn. Total leverage ratio declined to 2.7x from 2.8x, and net leverage ratio¹ declined to 2.1x from 2.3x, each compared to December 31, 2025.

In late March, the Company held Herbalife Honors, its annual global leadership development and recognition event, in Vienna, Austria. At the event, the Company announced strategic initiatives, including the planned acquisition of certain assets from Bioniq, a UK-based personalized supplements company, as well as the rollout of new packaging across the Company’s global product portfolio. The packaging redesign is guided by a clear strategy to bring science and nutrition to the forefront of the design and is being introduced through a multi-year rollout that began in March 2026. The redesign features a significantly refreshed, more modern and colorful look, new packaging formats, and enhanced category labeling—ensuring that the science, nutrition, and benefits inside the product are clearly reflected on the outside, making it easier for distributors and customers to identify products aligned to specific health and nutrition goals.

In April, the Company launched its first 2026 Extravaganza events. In India, the Company hosted three consecutive Extravaganza events across Delhi and Bengaluru, with approximately 46,200 attendees, reflecting strong distributor engagement and continued demand for in-person training and business development opportunities.

Recent Developments

Senior Secured Debt Refinancing

On April 29, the Company completed a \$1.45 billion senior secured debt refinancing, which included:

- a \$425 million senior secured revolving credit facility due April 2031 (“2026 Revolving Credit Facility”);
- a \$225 million senior secured Term Loan A due April 2031; and
- \$800 million aggregate principal amount of 7.750% senior secured notes due May 2033

Proceeds from the transactions, together with borrowings under the 2026 Revolving Credit Facility and available cash, were used to repay the \$365 million outstanding principal balance on the 2024 Term Loan B and to fully redeem the \$800 million outstanding principal balance on the 12.250% senior secured notes due 2029 (“2029 Secured Notes”), plus accrued and unpaid interest, and to pay related fees and expenses.

The 2029 Secured Notes were redeemed at 106.125% of principal. No early termination penalties were incurred in connection with the refinancing, other than the call premium reflected in the redemption price of the 2029 Secured Notes. Upon completion of the refinancing transactions, \$200 million was outstanding under the 2026 Revolving Credit Facility as of April 29, 2026.

The transaction is expected to result in approximately \$45 million in annual cash interest savings, based on the total senior secured debt outstanding immediately before and after the refinancing and current applicable interest rates.

“We delivered net sales growth and adjusted EBITDA¹ above our guidance for the quarter,” said Chief Financial Officer John DeSimone. “We were also pleased to complete our \$1.45 billion senior secured debt refinancing in April, achieving our pricing objectives, meaningfully reducing interest expense, extending our maturity profile, and further strengthening our balance sheet and financial flexibility.”

Bioniq Asset Acquisition

On April 30, the Company acquired substantially all of the assets of Bioniq’s core personalized nutrition business, as contemplated by the agreement announced on March 26, 2026, for \$55 million in total base consideration, payable over five years, of which \$10 million was paid subsequent to closing. The agreement also provides for up to \$95 million in contingent payments based on certain future Bioniq product sales performance.

As part of the transaction, Herbalife also obtained a call option to acquire Bioniq LAB, a separate platform focused on small molecules and peptides. The option expires on December 31, 2031, and provides Herbalife with strategic flexibility to evaluate potential longer-term opportunities in this area in a disciplined and capital-efficient manner.

Bioniq’s personalized nutritional supplements will be offered through Herbalife independent distributors to customers across 11 European countries beginning in late June, followed by the United States in July and additional markets later in 2026.

Bioniq complements Herbalife’s prior acquisitions of Pro2col and Link BioSciences and will enable Herbalife to offer a broader range of personalized nutritional supplements across multiple delivery formats. Combining Bioniq’s offering with Herbalife’s global manufacturing expertise will better enable the Company to expand personalized nutrition at scale and speed.

“Personalization has long been foundational to Herbalife’s business, and our history is defined by innovation, a forward-looking mindset and a willingness to evolve alongside consumer needs,” said Chief Executive Officer Stephan Gratziani. “Our recent acquisitions of Pro2col, Link BioSciences, Pruvit and Bioniq expand our personalization ecosystem, enabling an enhanced and differentiated experience for both customers and distributors and accelerating our evolution into the world’s premier health and wellness company, community and platform.”

First Quarter 2026 Key Metrics

Regional Net Sales and FX Impact

\$ million	Reported Net Sales		YoY Growth (Decline)	
	Q1 '26	Q1 '25	including FX	excluding FX ²
North America	247.6	254.4	(2.7)%	(2.8)%
Latin America	242.0	206.7	17.1%	6.8%
EMEA	274.8	273.3	0.5%	(6.5)%
Asia Pacific	495.8	422.5	17.3%	20.8%
China	57.0	64.8	(12.0)%	(16.2)%
Worldwide	1,317.2	1,221.7	7.8%	5.4%

Outlook

Second Quarter 2026 Guidance

\$ million	Net Sales	Adjusted EBITDA ¹	CapEx
Reported	+1.5% to +5.5% YoY	150 – 170	15 – 25
<i>Constant Currency^(a)</i>	+1.0% to +5.0% YoY	150 – 170	
Q2 '25 Actuals	1,259.1	173.6 13.8% margin	22.8

Full-Year 2026 Guidance – REVISED

\$ million	Net Sales	Adjusted EBITDA ¹	CapEx
Reported	+1.5% to +5.5% YoY	675 – 705	50 – 80
<i>Previous Guidance (Feb 18 '26)</i>	+1.0% to +6.0% YoY	670 – 710	50 – 80
<i>Constant Currency^(a)</i>	+1.0% to +5.0% YoY	675 – 705	
<i>Previous Guidance (Feb 18 '26)</i>	+0.0% to +5.0% YoY	665 – 705	
FY '25 Actuals	5,037.5	657.6 13.1% margin	80.4

(a) Non-GAAP Measure. Represents projections using U.S. dollars at Q2 '25 and FY '25 average FX rates, respectively, and adjusting for other FX related impacts. Refer to Schedule A – “Reconciliation of Non-GAAP Financial Measures” for a discussion of why the Company believes adjusting for the effects of foreign exchange is useful and non-GAAP guidance.

Guidance Assumptions

- Net sales and adjusted EBITDA¹ use the average daily exchange rates for the first two weeks of April 2026 to translate local currency projections

Additional FY 2026 Expectations

- Capitalized SaaS implementation costs of \$35 million to \$55 million (reduced from \$40 million to \$60 million), which are not included in capital expenditures
- Depreciation and amortization, and amortization of SaaS implementation costs, of \$140 million to \$150 million
- Adjusted effective tax rate of approximately 30%

Earnings Webcast and Conference Call

Herbalife's senior management team will host an audio webcast and conference call to discuss its first quarter 2026 financial results on Wednesday, May 6, 2026, at 5:30 p.m. ET (2:30 p.m. PT).

The audio webcast will be available at the following link: <https://edge.media-server.com/mmc/p/udjduiru>

Participants joining via the conference call may obtain the dial-in information and personal PIN to access the call by registering at the following link:

<https://register-conf.media-server.com/register/B1e923418ddce542868d28ccd0723ec5e3>

Senior management also plans to reference slides during the webcast and call, which will be available under the Investor Relations section of Herbalife's website at <https://ir.herbalife.com>, where financial and other information is posted from time to time. The webcast will also be available at the same website, along with a replay of the webcast following the completion of the event and for three months thereafter.

About Herbalife Ltd.

Herbalife (NYSE: HLF) is a premier health and wellness company, community and platform that has been changing people's lives with great nutrition products and a business opportunity for its independent distributors since 1980. The Company offers science-backed products to consumers in more than 90 markets through entrepreneurial distributors who provide one-on-one coaching and a supportive community that inspires their customers to embrace a healthier, more active lifestyle to live their best life.

For more information, visit <https://ir.herbalife.com>.

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Forward-Looking Statements

This release 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, unfavorable foreign exchange rate fluctuations, and tariffs or retaliatory tariffs, 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 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 Federal Trade Commission, or 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 (such as restructuring efforts, increased market penetration in existing markets, and personalized product and related technology initiatives);
- the effectiveness and acceptance of new technology-driven initiatives;
- any material disruption to our business caused by natural disasters, other catastrophic events, acts of war or terrorism, including the wars in Ukraine and the Middle East, 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, and our ability to successfully develop, deploy, and integrate artificial intelligence into our business;
- noncompliance by us or our Members with any privacy, artificial intelligence and data protection 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;
- our ability to integrate and capitalize on acquisition transactions;
- 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 filings with the Securities and Exchange Commission, including the Annual Report on Form 10-K for the fiscal year ended December 31, 2025, filed with the Securities and Exchange Commission on February 18, 2026, including under the headings "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and in our Consolidated Financial Statements and the related Notes included therein. 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 release 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 hereof or to reflect the occurrence of unanticipated events, except as required by law.

Results of Operations

Herbalife Ltd. and Subsidiaries
Condensed Consolidated Statements of Income
(in millions, except per share amounts)

	Three Months Ended March 31,	
	2026	2025
	(unaudited)	
Net sales	\$ 1,317.2	\$ 1,221.7
Cost of sales	291.1	265.2
Gross profit	1,026.1	956.5
Selling expenses ⁽¹⁾	461.8	433.4
General and administrative expenses ⁽¹⁾	431.4	400.3
Other operating income ⁽²⁾	(5.5)	-
Operating income	138.4	122.8
Interest expense, net	46.8	52.0
Income before income taxes	91.6	70.8
Income taxes	30.4	20.4
Net income	61.2	50.4
Net loss attributable to noncontrolling interest	(0.7)	-
Net income attributable to Herbalife	<u>\$ 61.9</u>	<u>\$ 50.4</u>
Earnings per share attributable to Herbalife:		
Basic	<u>\$ 0.60</u>	<u>\$ 0.50</u>
Diluted	<u>\$ 0.57</u>	<u>\$ 0.49</u>
Weighted-average shares outstanding:		
Basic	103.8	101.5
Diluted	108.4	102.2

(1) Prior period amounts were reclassified to conform to current period presentation. Refer to Schedule B – “Reclassifications” for additional details.

(2) Other operating income for the three months ended March 31, 2026 relates to certain China government grant income

Herbalife Ltd. and Subsidiaries
Condensed Consolidated Balance Sheets
(in millions)

	<u>March 31,</u> <u>2026</u>	<u>December 31,</u> <u>2025</u>
	(unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 451.2	\$ 353.1
Receivables, net	106.0	91.9
Inventories	494.6	511.7
Prepaid expenses and other current assets	200.3	188.0
Total current assets	<u>1,252.1</u>	<u>1,144.7</u>
Property, plant and equipment, net	429.3	447.7
Operating lease right-of-use assets	169.0	168.3
Marketing-related intangibles and other intangible assets, net	314.6	315.1
Goodwill	99.1	100.5
Deferred income tax assets	463.7	464.3
Other assets	147.4	145.3
Total assets	<u>\$ 2,875.2</u>	<u>\$ 2,785.9</u>
LIABILITIES AND SHAREHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable	\$ 88.1	\$ 99.8
Member compensation liabilities ⁽¹⁾	361.1	402.4
Current portion of long-term debt	9.2	20.9
Other current liabilities ⁽¹⁾	563.7	489.8
Total current liabilities	<u>1,022.1</u>	<u>1,012.9</u>
Non-current liabilities:		
Long-term debt, net of current portion	1,981.9	1,971.7
Non-current operating lease liabilities	155.2	155.7
Other non-current liabilities	150.2	155.0
Total liabilities	<u>3,309.4</u>	<u>3,295.3</u>
Commitments and contingencies		
Shareholders' deficit:		
Common shares	0.1	0.1
Paid-in capital in excess of par value	334.0	316.0
Accumulated other comprehensive loss	(257.8)	(251.5)
Accumulated deficit	(517.8)	(579.7)
Total Herbalife shareholders' deficit	<u>(441.5)</u>	<u>(515.1)</u>
Noncontrolling interest	7.3	5.7
Total shareholders' deficit	<u>(434.2)</u>	<u>(509.4)</u>
Total liabilities and shareholders' deficit	<u>\$ 2,875.2</u>	<u>\$ 2,785.9</u>

(1) Prior period amounts were reclassified to conform to current period presentation. Refer to Schedule B – “Reclassifications” for additional details.

Herbalife Ltd. and Subsidiaries
Condensed Consolidated Statements of Cash Flows
(in millions)

	Three Months Ended March 31,	
	<u>2026</u>	<u>2025</u>
	(unaudited)	
Cash flows from operating activities:		
Net income	\$ 61.2	\$ 50.4
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	29.4	30.7
Share-based compensation expenses	10.6	11.6
Non-cash interest expense	4.2	4.1
Deferred income taxes	0.3	(13.1)
Inventory write-downs	5.9	11.4
Foreign exchange transaction (gain) loss	(0.4)	1.4
Other	(1.5)	(1.4)
Changes in operating assets and liabilities:		
Receivables	(14.3)	(20.0)
Inventories	4.2	(16.7)
Prepaid expenses and other current assets	(6.4)	(2.3)
Accounts payable	(12.1)	11.5
Member compensation liabilities ⁽¹⁾	(36.9)	(33.5)
Other current liabilities ⁽¹⁾	81.3	(25.7)
Other	(11.7)	(8.2)
Net cash provided by operating activities	<u>113.8</u>	<u>0.2</u>
Cash flows from investing activities:		
Purchases of property, plant and equipment	(10.9)	(18.3)
Other	(0.3)	(0.5)
Net cash used in investing activities	<u>(11.2)</u>	<u>(18.8)</u>
Cash flows from financing activities:		
Borrowings from senior secured credit facility and other debt	67.0	65.0
Principal payments on senior secured credit facility and other debt	(72.2)	(70.3)
Repayment of senior notes	-	(65.0)
Share repurchases	(0.7)	(2.2)
Other	7.9	0.3
Net cash provided by (used in) financing activities	<u>2.0</u>	<u>(72.2)</u>
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	(6.9)	3.7
Net change in cash, cash equivalents, and restricted cash	<u>97.7</u>	<u>(87.1)</u>
Cash, cash equivalents, and restricted cash, beginning of period	375.3	438.1
Cash, cash equivalents, and restricted cash, end of period	<u>\$ 473.0</u>	<u>\$ 351.0</u>

(1) Prior period amounts were reclassified to conform to current period presentation. Refer to Schedule B – “Reclassifications” for additional details.

Supplemental Information

SCHEDULE A: RECONCILIATION OF NON-GAAP FINANCIAL MEASURES (unaudited)

Adjusted Net Income, Adjusted Diluted EPS, Adjusted EBITDA, Credit Agreement EBITDA and Net Debt

In addition to its reported results calculated in accordance with U.S. GAAP, the Company has included in this release adjusted net income, adjusted diluted EPS, adjusted EBITDA and credit agreement EBITDA, performance measures that the Securities and Exchange Commission defines as “non-GAAP financial measures.” Adjusted net income, adjusted diluted EPS, adjusted EBITDA and credit agreement EBITDA are calculated as net income attributable to Herbalife excluding the impact of certain unusual or non-recurring items such as expenses related to restructuring initiatives, expenses related to the digital technology program, gains or losses from sale of property, gains or losses from extinguishment of debt and certain tax expenses and benefits, as further detailed in the reconciliations below. In addition, during the fourth quarter of 2024, the Company recognized \$147.3 million of non-cash net deferred income tax benefits related to changes the Company initiated to its corporate entity structure, including intra-entity transfers of intellectual property to one of its European subsidiaries, which was excluded from adjusted net income and adjusted diluted EPS. A portion of these non-cash net deferred income tax benefits will reduce cash taxes paid and result in net deferred tax expense recognized in future periods. Beginning in the first quarter of 2025 and in future periods, the related net deferred tax effects will be excluded from adjusted net income and adjusted diluted EPS. Adjusted EBITDA margin represents adjusted EBITDA divided by net sales. Credit agreement EBITDA represents EBITDA adjusted for items permitted under the Company’s senior secured credit facilities.

Management believes that such non-GAAP performance measures, when read in conjunction with the Company’s reported results, calculated in accordance with U.S. 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 U.S. 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.

Net debt is calculated as the aggregate outstanding principal amount of total debt less cash and cash equivalents. Management believes net debt is useful, when read in conjunction with the Company’s reported balance sheet, because it provides investors with information regarding the Company’s leverage profile, including its debt obligations that could not be repaid with cash and cash equivalents on hand. This measure is not meant, however, to imply that the Company intends to use all available cash to pay down debt.

The Company’s definitions and calculations as set forth in the tables below of adjusted net income, adjusted diluted EPS, adjusted EBITDA, credit agreement EBITDA and net debt 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 attributable to Herbalife, diluted EPS or total debt, as applicable, calculated in accordance with U.S. GAAP.

The Company does not provide a reconciliation of forward-looking adjusted EBITDA or constant currency adjusted EBITDA guidance to net income attributable to Herbalife, the comparable U.S. GAAP measure, because, due to the unpredictable or unknown nature of certain significant items, such as income tax expenses or benefits, loss contingencies, and any gains or losses in connection with refinancing transactions, the Company cannot reconcile these non-GAAP projections without unreasonable efforts. The Company expects the variability of these items, which are necessary for a presentation of the reconciliation, could have a significant impact on the Company’s reported U.S. GAAP financial results.

Currency Fluctuation

The Company’s international operations have provided and will continue to provide a significant portion of its 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 the Company’s 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, the Company also compares 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 the Company's 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. The Company believes presenting net sales in local currency is useful to investors because it allows a meaningful comparison of net sales of its foreign operations from period to period. In addition, the Company presents adjusted EBITDA on a constant currency basis, which is a non-GAAP financial measure, and is calculated by translating the current period adjusted EBITDA into U.S. dollars using the same foreign currency exchange rates that were used to translate such measure for the previous comparable period and adjusting for other FX related impacts. However, net sales in local currency and adjusted EBITDA on a constant currency basis should not be considered in isolation or as an alternative to net sales and adjusted EBITDA, respectively, in U.S. dollar measures that reflect current period exchange rates, or to net sales and net income attributable to Herbalife calculated and presented in accordance with U.S. GAAP.

The following is a reconciliation of net income attributable to Herbalife to adjusted net income:

\$ million	Three Months Ended March 31,	
	2026	2025
Net income attributable to Herbalife	\$ 61.9	\$ 50.4
Expenses related to Technology Realignment Program ⁽¹⁾	2.4	-
Expenses related to Restructuring Program ⁽¹⁾	-	3.3
Digital technology program costs ⁽¹⁾	-	2.4
Income tax adjustments for above items ⁽¹⁾	(0.7)	(1.3)
Deferred income tax effects, net, related to corporate entity reorganization ⁽²⁾	5.4	5.1
Adjusted net income	<u>\$ 69.0</u>	<u>\$ 59.9</u>

The following is a reconciliation of diluted earnings per share to adjusted diluted earnings per share:

\$ per share	Three Months Ended March 31,	
	2026	2025
Diluted earnings per share	\$ 0.57	\$ 0.49
Expenses related to Technology Realignment Program ⁽¹⁾	0.02	-
Expenses related to Restructuring Program ⁽¹⁾	-	0.03
Digital technology program costs ⁽¹⁾	-	0.02
Income tax adjustments for above items ⁽¹⁾	(0.01)	(0.01)
Deferred income tax effects, net, related to corporate entity reorganization ⁽²⁾	0.05	0.05
Adjusted diluted earnings per share ⁽³⁾	<u>\$ 0.64</u>	<u>\$ 0.59</u>

(1) Based on interim income tax reporting rules, these expense items are not considered discrete items. The tax effect of the adjustments between our U.S. GAAP and non-GAAP results takes into account the tax treatment and related tax rate(s) that apply to each adjustment in the applicable tax jurisdiction(s).

Excludes tax (benefit)/expense as follows:

\$ million	Three Months Ended March 31,	
	2026	2025
Expenses related to Technology Realignment Program	\$ (0.7)	\$ -
Expenses related to Restructuring Program	-	(0.9)
Digital technology program costs	-	(0.4)
Total income tax adjustments	<u>\$ (0.7)</u>	<u>\$ (1.3)</u>

\$ per share	Three Months Ended March 31,	
	2026	2025
Expenses related to Technology Realignment Program	\$ (0.01)	\$ -
Expenses related to Restructuring Program	-	(0.01)
Digital technology program costs	-	-
Total income tax adjustments	<u>\$ (0.01)</u>	<u>\$ (0.01)</u>

(2) Non-cash net deferred tax effects related to an income tax benefit previously recognized due to changes to corporate entity structure in the fourth quarter of 2024. Refer to Supplemental Information included herein for further details.

(3) Amounts may not total due to rounding

The following are reconciliations of net income attributable to Herbalife to EBITDA, adjusted EBITDA and Credit Agreement EBITDA, as well as Credit Agreement total leverage ratio and net leverage ratio for the respective periods:

\$ million	Three Months Ended					TTM	Year Ended
	Mar 31 '25	Jun 30 '25	Sep 30 '25	Dec 31 '25	Mar 31 '26	Mar 31 '26	Dec 31 '25
Net sales	\$ 1,221.7	\$ 1,259.1	\$ 1,273.7	\$ 1,283.0	\$ 1,317.2	\$ 5,133.0	\$ 5,037.5
Net income attributable to Herbalife	\$ 50.4	\$ 49.3	\$ 43.2	\$ 85.4	\$ 61.9	\$ 239.8	\$ 228.3
Interest expense, net	52.0	53.6	51.0	49.3	46.8	200.7	205.9
Income taxes	20.4	29.8	31.7	(34.6)	30.4	57.3	47.3
Depreciation and amortization	30.7	30.5	30.7	29.3	29.4	119.9	121.2
EBITDA	153.5	163.2	156.6	129.4	168.5	617.7	602.7
Amortization of SaaS implementation costs	5.7	5.7	5.0	4.9	4.8	20.4	21.3
Expenses related to Technology Realignment Program	-	3.6	0.6	4.9	2.4	11.5	9.1
Expenses related to Restructuring Program	3.3	0.7	0.8	2.2	-	3.7	7.0
Expenses related to Transformation Program	-	-	-	-	-	-	-
Digital technology program costs	2.4	0.4	-	3.4	-	3.8	6.2
Transition charge related to Sep '25 India Goods and Services Tax amendments	-	-	-	11.3	-	11.3	11.3
Adjusted EBITDA	164.9	173.6	163.0	156.1	175.7	668.4	657.6
Interest income	2.6	1.8	2.0	2.1	2.7	8.6	8.5
Inventory write-downs	11.4	3.5	6.5	4.5	5.9	20.4	25.9
Share-based compensation expenses	11.6	10.4	11.2	10.9	10.6	43.1	44.1
Other expenses (income) ⁽¹⁾	1.5	3.1	1.5	(0.2)	(0.9)	3.5	5.9
Credit Agreement EBITDA	\$ 192.0	\$ 192.4	\$ 184.2	\$ 173.4	\$ 194.0	\$ 744.0	\$ 742.0
Credit Agreement total debt ⁽²⁾						\$ 2,044.6	\$ 2,050.0
Less: cash and cash equivalents ⁽³⁾						(451.2)	(353.1)
Net debt						\$ 1,593.4	\$ 1,696.9
Credit Agreement total leverage ratio ⁽⁴⁾						2.7x	2.8x
Net leverage ratio ⁽⁵⁾						2.1x	2.3x
Net income margin	4.1%	3.9%	3.4%	6.7%	4.7%	4.7%	4.5%
Adjusted EBITDA margin	13.5%	13.8%	12.8%	12.2%	13.3%	13.0%	13.1%

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

(2) Represents the aggregate outstanding principal amount of total debt as of the respective period end

(3) Represents cash and cash equivalents as of the respective period end

(4) Represents the ratio of Credit Agreement total debt to the trailing twelve months of Credit Agreement EBITDA for the respective period as calculated pursuant to the Credit Agreement

(5) Represents the ratio of net debt to the trailing twelve months of Credit Agreement EBITDA for the respective period

SCHEDULE B: RECLASSIFICATIONS

Effective in the fourth quarter of 2025, the Company retrospectively separated selling expenses from selling, general, and administrative expenses in the consolidated statements of income and combined those selling expenses with royalty overrides in the consolidated statements of income to simplify its financial statement presentation. Specifically, the Company's Member compensation payments recognized as operating expenses, previously reported as royalty overrides, have been combined with the service fees to China's independent service providers which were previously reported as selling expense within selling, general, and administrative expenses, and the two categories of expense are now collectively being presented in selling expenses within the condensed consolidated statements of income. As a result, \$31.6 million related to service fees to China independent service providers previously presented as selling, general, and administrative expenses and all amounts previously presented as royalty overrides were collectively reclassified to selling expenses within the condensed consolidated statements of income for the three months ended March 31, 2025.

As a result of the above, the Member compensation previously reported as royalty overrides within the operating activities in the condensed consolidated statements of cash flows is now presented as Member compensation liabilities. In addition, \$0.8 million of cash outflows related to service fees to China independent service providers were reclassified from other current liabilities to Member compensation liabilities within the Company's cash flows from operating activities in the condensed consolidated statements of cash flows for the three months ended March 31, 2025.

These reclassifications did not impact the amounts of the prior period total assets, total liabilities, operating income, net income attributable to Herbalife, and net cash provided by (used in) operating activities, investing activities and financing activities, and did not impact the Company's condensed consolidated statements of comprehensive income and condensed consolidated statements of changes in shareholders' deficit.