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WW International, Inc. (WW)

Q3 2026 Earnings Call

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MANAGEMENT DISCUSSION SECTION

Operator: Good day, and welcome to the Weight Watchers Third Quarter 2026 Earnings Conference Call. All participants will be in listen-only mode. [Operator Instructions] After today's presentation, there will be an opportunity to ask questions. [Operator Instructions] Please note this event is being recorded.

I would now like to turn the conference over to [ph] Ryan Wheeler (00:00:40), Director of Investor Relations. Please go ahead.

Unverified Participant

Thank you for joining us today for Weight Watchers third quarter 2026 earnings conference call. Earlier this morning, we released the Shareholder Letter and press release with our third quarter 2026 results, which are available on the company's corporate website located at corporate.ww.com. The purpose of this call is to provide investors with some further details regarding the company's financial results as well as to provide a general update on the company's progress. Reconciliations of non-GAAP measures disclosed on this conference call to the most directly comparable GAAP financial measures are available as part of the Shareholder Letter and press release.

Before we begin, let me remind everyone that this call will contain forward-looking statements. Investors should be aware that any forward-looking statements are subject to various risks and uncertainties that could cause actual results to differ materially from those discussed here today. These risk factors are explained in detail in the company's latest Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, the earnings press release, the Shareholder Letter and as updated by the company's other filings with the Securities and Exchange Commission. Please refer to these filings for a more detailed discussion of forward-looking statements and the risks and uncertainties of such statements.

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All forward-looking statements are made as of today, and except as required by law, the company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Joining today's call are Stephen Bye, President and Chief Executive Officer; Felicia DellaFortuna, Chief Financial Officer; and Jon Volkmann, Chief Operations Officer. Stephen, I'll turn the call over to you.

Stephen J. Bye

President, Chief Executive Officer and Director, WW International, Inc.

Thank you, [ph] Ryan (00:02:34). Good morning, everyone. Since this is my first earnings call as CEO, I want to share with you why I decided to join the Weight Watchers team. It's very simple. I came here because I believe this company can win in a large and growing market. I spent most my career in subscription and service businesses, and I know how important it is to earn and maintain members' trust, delivering value day after day and month after month. This is an incredible brand with a remarkable history, and few companies have had such a positive and meaningful impact on so many people's lives.

Since joining Weight Watchers, I've made it my priority to spend time listening to our members, attending workshops, talking to our coaches, our registered dietitians, our clinicians and my colleagues. What has stood out for me is that we have an incredible team that cares deeply about our members and what we do every day. The weight loss journey is very personal and the support people need changes significantly along the way.

The weight loss industry is also evolving at an unprecedented pace. Today, access to GLP-1 medication is becoming increasingly commoditized and new options are coming. With expanding market access, these medications are becoming more affordable and widely available to more people, including seniors through the Medicare's GLP-1 Bridge Program.

As barrier to entry for GLP-1 prescriptions continues to decrease, a critical gap is emerging in the market, the acute need for ongoing guidance, including nutritional and behavioral support. We see the total addressable market growing, in part, driven by the accessibility of GLP-1 medications. Whether you're on or off medication, people still need the support we provide. They still need to develop foundational habits that sustain healthy weight loss over a lifetime. That is why Weight Watchers has three unique offerings, Core, Core+ and Med+, designed to support members wherever they are in their journey. And the results prove the value of our holistic approach. Weight Watchers' Med+ members, who are prescribed GLP-1 medication and also regularly engaged in our GLP-1 Success Program lost 29% more body weight on average at 12 months than those who did not engage with our structured behavioral support program.

The benefits are long-term, too. Med+ members who engage with our behavioral support are able to achieve more than 20% weight loss on average after three years. Our science-backed behavioral support and human connection truly sets us apart. Our integrated platform is built to support members wherever they are on their journey, regardless of where they obtain their medication. Whether a member accesses clinicians trained to support people with obesity through our Med+ offering or receive a prescription from their own healthcare provider or through an online pharmacy, our GLP-1 Success Program provides the essential behavioral and community support they need.

As anyone who's been on a weight loss journey can tell you, losing weight is not a straight line. Our members' needs change over time. No matter where they are on their path, we provide the support they need through our platform, our digital tools and with both in-person and virtual workshops. We'll continue to bring together the best of science-backed behavioral support, clinical care and human connection to support our members.

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The third quarter's results are evidence of the unique approach we take at Weight Watchers. Our members are responding to our high-value offerings. We increased clinical revenue 48% year-over-year, the largest year-over-year increase of any quarter in 2026. We achieved a fourth straight quarter of sequential Core+ subscriber growth. And overall, we generated positive operating cash flow of $32 million.

While we are laser-focused on this strategic evolution, we'll continue to be highly disciplined in our operations. The topline progress in our high-value tiers, combined with careful expense management and disciplined marketing allocations, generated $51.7 million of adjusted EBITDA in the third quarter, representing a strong 33.8% margin.

And with that, I'll turn it over to Felicia to discuss the financial results for the third quarter.

Felicia DellaFortuna

Chief Financial Officer, WW International, Inc.

Good morning, and thank you, Stephen. Our third quarter results demonstrate continued progress in our higher value offerings. Core+ and Med+ now generate roughly half of our revenue. Core+ subscribers grew sequentially for a fourth consecutive quarter, a milestone we have not achieved for 20 years, one we had to blow the dust off old filing cabinets to confirm. This higher value behavioral tier showed 16% growth in subscribers year-over-year.

In addition, clinical subscription revenue has grown more than 30% year-over-year in every quarter this year, including 48% in the third quarter. Alongside this progress, we delivered $51.7 million of adjusted EBITDA, $15.1 million of positive net income and $32.3 million of operating cash flow. I am proud of this team's ongoing work and the continued progress made since our financial reorganization in June 2025.

Now, turning to subscribers. We ended the quarter with approximately 2.3 million total subscribers. Behavioral subscribers were approximately 2.1 million, down 26% year-over-year, with the decline concentrated in our Core tier. Within behavioral, our Core+ tier continues to gain share, ending the quarter with 546,000 subscribers and now representing nearly a quarter of our total subscribers, up from 16% a year ago.

Importantly, the number of Core+ members enrolled in our GLP-1 Success Program has more than doubled since January, reinforcing the growing relevance of our structured behavioral approach as weight loss medications become more widely used.

Clinical ended the quarter with 174,000 subscribers, up 40% year-over-year and down from 197,000 at the end of June. As we expected in August, the sequential decline largely reflects the one-year mark of our transition off compounded semaglutide, with the 12-month plans introduced during that transition coming up for renewal in Q3 2026. Alongside that, the recalibration of our marketing spend across the portfolio also contributed.

The deliberate recalibration of marketing spend across our portfolio has also supported two growing offerings, Core+ and Med+, with the differentiated ways to serve members using GLP-1 medications. Monthly subscription revenue per average subscriber, or ARPU, increased 14% year-over-year to $21, reflecting the continued shift in our subscriber mix toward higher-value offerings. Within behavioral, Core+ generates approximately twice the ARPU of Core and clinical ARPU was $68, roughly 5 times the value of Core.

Turning to revenue. Third quarter revenue was $152.9 million, down 11% from $172.1 million a year ago. Behavioral subscription revenue declined 22% to $113.9 million, primarily reflecting the smaller Core subscriber

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base, partially offset by the growing contribution from Core+. Clinical subscription revenue increased 48% to $38 million and represented approximately 25% of total revenue compared with 15% a year ago.

We continue to make progress on gross margin. Adjusted gross margin improved to 74.6%, our highest level of 2026. Importantly, this performance comes even as clinical, which has a higher cost of service, grew as a share of total revenue. Continued workflow automation and more efficient delivery of our services have contributed to our strong margin profile.

Marketing expense was $33.1 million, or 21.6% of revenue, compared with $48.4 million, or 28.1% of revenue a year ago. Our investment to date in 2026 reflects deliberate timing and allocation across the portfolio. During Q1, our peak season marketing investment was more heavily concentrated in our Med+ offering to support the Wegovy pill launch as well as included increased brand awareness to educate consumers of our Med+ offering.

Q2 and Q3 included a more balanced allocation across our portfolio as we managed offerings with different maturities and margin profiles. Product development expense was $5.2 million or 3.4% of revenue compared with 4.4% a year ago. And adjusted selling, general and administrative expense was approximately $25 million or 16.4% of revenue down from 17.8%, reflecting continued cost discipline.

We generated positive net income of $15.1 million, our first two consecutive quarters of positive net income since emergence. Adjusted EBITDA increased 21% to $51.7 million and adjusted EBITDA margin improved to 33.8% compared with 24.9% in Q3 2025. This performance reflects the operating improvements we have made and this was deliberate timing and allocation of marketing investments.

Net income also benefited from lower depreciation and amortization and lower interest expense following our second quarter debt reduction.

Now, turning to liquidity. We ended September with $126.4 million of cash and cash equivalents, up approximately $25 million from the end of June. We generated $32.3 million of operating cash flow during the quarter after $11.4 million in interest payments on our term loans and invested approximately $7 million in capitalized software and website development.

Following our financial reorganization in June 2025, we have reduced total debt by more than 70% from approximately $1.6 billion to $423.6 million. This stronger financial position supports continued strategic investment in the business while maintaining financial flexibility.

Turning to our full year outlook. We are narrowing our 2026 guidance ranges. We now expect revenue of $625 million to $630 million compared with our previous range of $620 million to $635 million, and adjusted EBITDA of $110 million to $115 million compared with our previous range of $105 million to $115 million. We expect clinical subscription revenues to represent approximately 25% of full year revenue compared with approximately 16% in 2025. Our outlook continues to incorporate moderate sequential clinical subscriber declines in Q4 at a lower level relative to Q3, as Q4 does not include a comparable group of 12-month plans coming up for renewal.

Looking beyond the fourth quarter, we see a meaningful opportunity to grow awareness of our Med+ offering. Our concentrated clinical investment in Q1 2026 raised awareness, but those gains did not carry through the year as we had anticipated. We are building a more diversified marketing approach that provides us additional ways to reach prospective members.

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We continue to expect year-over-year growth in Core+ subscribers. We now expect full year adjusted gross margin to be approximately 74% compared to the prior expectation of above 72%, representing a modest decline relative to 2025, driven by the change in revenue mix, partially offset by increased workflow automation and more efficient delivery of services.

We continue to expect 2026 marketing expenses as a percentage of revenue to increase modestly compared to 2025. We expect to increase spend modestly in Q4 compared to Q3 as we prepare for peak season, but keep second half investment below first half levels while continuing to allocate our spend across the portfolio of product offerings. With that cadence, we expect second half adjusted EBITDA in 2026 to be higher than the second half of 2025. We also continue to expect positive operating cash flow for full year 2026, including projected interest costs of approximately $45 million to $50 million.

Our third quarter results continue to demonstrate the earnings power of a more disciplined operating model and our members' growing interest in higher value offerings. As Core+ and Med+ offerings become a larger share of our business, we see a company being built with a much stronger and more robust financial foundation.

With that, handing back to Stephen for some closing comments.

Stephen J. Bye

President, Chief Executive Officer and Director, WW International, Inc.

Thanks, Felicia, for the update. Let me close by saying we have an incredibly strong team and a foundation to build upon, but we have more to do. I'll be very clear. I believe this business is not living up to its potential. My focus is on serving every one of our members across Core, Core+, and Med+. We'll strengthen their experience, improve our products and applications, and demonstrate the unique value of Weight Watchers and the support that differentiates us in this market while also delivering a return on investment for our shareholders. I came here to return this business to sustainable, profitable growth, which we are well-positioned to achieve in 2027.

Now handing back to the operator for Q&A.

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QUESTION AND ANSWER SECTION

Operator: We will now begin the question-and-answer session. [Operator Instructions] The first question today comes from Alex Fuhrman with Lucid Capital Markets. Please go ahead.

Alex Joseph Fuhrman
Analyst, Lucid Capital Markets LLC

Q

Hey, guys. Thanks very much for taking my question. Stephen, nice to meet you on the call here. Wanted to ask about the – what appears to now be a pretty sustained turnaround in Core+, now getting back to four quarters of growth. That's now a pretty meaningful share of your membership. Can you give us a little bit more color on what's driving that and how sustainable it is? Is this basically you are doing a better job converting your stickier behavioral members to the higher price offering, or is this more about new members coming into the funnel, getting them to that $20 a month offering instead of the $10 one?

And then, sorry to keep tacking them on here, but all on this topic of Core+, I think, Felicia, you mentioned there was pretty significant growth within Core+ of people using the GLP-1 companion offering. Is it fair to say that a good chunk of this growth in Core+ is people that are taking GLP-1s somewhere other than the Weight Watchers' platform?

Stephen J. Bye
President, Chief Executive Officer and Director, WW International, Inc.

A

Yeah. So, Alex, again, nice to meet you. Thank you for the question. Let me start, and then the specifics, I'll hand it back to Felicia. But, look, I think at the under – underneath all of this is we have an incredible brand, and our proposition and our point of differentiation is around support. I think that's demonstrated through Core+, but also through Med+ as well. And I really think we have the platform that supports our members wherever they are in their journey, whether it's on the behavioral side, whether it's clinical care, nutrition, it's the support that we offer through our virtual and in-person workshops that I think really sets us apart both on Core+, but also on Med+. And so on the specific trends underneath that, I'll hand it over to Felicia and she can comment more about that.

Felicia DellaFortuna
Chief Financial Officer, WW International, Inc.

A

And we do appreciate the question, Alex. We are very excited about the consecutive quarter-over-quarter growth that we are showing in Core+, and I would say it's all of the above. And so the adoption of GLP-1 Success Program has more than doubled since the start of the year. And so that has been an important driver.

As we've previously discussed, we are adopting new ways to engage with our community. And so 40% more Core+ members participate in our virtual experiences as well. And so that has been an important part. And we are very excited about the overall subscriber growth this quarter, showing approximately 16%, and having that accelerate as we've moved through this year.

I would also add that the member migration has continued to also be a positive with Core+, with approximately 20% of the members or percentage of signups coming from Core members as well.

Alex Joseph Fuhrman
Analyst, Lucid Capital Markets LLC

Q

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Okay. That's really helpful. Thank you, both, for that. And then I get asked about gross margin as well. Intuitively, I would think that there's going to be some gross margin pressure over time as the clinical offering continues to grow as a share of your total revenues. Obviously, with today's news, you're taking the gross margin target up a little bit for the year. Is that due to the growth in Core+? Is it likely that that could be an offset in terms of gross margin to the growth in clinical? Just trying to understand how we should think about that over the next few years.

Felicia DellaFortuna
Chief Financial Officer, WW International, Inc.
A

We're excited about all of the work that Jon Volkmann and his team have done in allowing for the execution of costs to be more efficient without foregoing on any of the services that we provide to our members. And so, as we mentioned, we do anticipate that being approximately 74%. Last year was also at approximately 74%. So holding it fairly flat year-over-year has been a very exciting part of our trajectory. And that has been with our two offerings, Core+ and Med+, significantly increasing as a percentage of total. And so with Med+ going from approximately 15% of our revenue in 2025 to us now expecting it to be at approximately 25% of our revenue in 2026, I think that's an important factor in the fact that we have been able to maintain on the margins. And then also, as it relates to the expansion of our Core+ offering, that went from approximately 18% of our subscriber count to almost 25% of our subscriber count this quarter as well.

Stephen J. Bye
President, Chief Executive Officer and Director, WW International, Inc.
A

Yeah. And Alex, I'll just add to Felicia's comment. As we look forward, it's really about operating discipline. And as we look at how we scale the business, and as I said in my opening remarks, it's really about profitable growth. That's what we're focused on. And so we are looking at how to grow this business profitably as well as scaling it up, but maintaining the operating discipline that the team has in place today and looking at where we can take technology and apply that even more as we scale the business as we go forward. So...

Alex Joseph Fuhrman
Analyst, Lucid Capital Markets LLC
Q

That's great. Well, thank you. Thank you, both, for those thorough answers. Appreciate it.

Operator: The next question comes from Nathan Feather with Morgan Stanley. Please go ahead.

Nathan Feather
Analyst, Morgan Stanley & Co. LLC
Q

Hey, everyone. Thanks for the question. And nice to meet you, Stephen. First, on the clinic side, you did see [indiscernible] (00:22:41) sequential declines there. I can't decompose how much of that was the lapping of the one-year compounded plans versus kind of underlying change. And then just given the results you've seen this year, should we now expect clinic will have a more similar seasonality to the behavioral business with the 1Q peak and then some slow attrition as you go through the remainder of the year?

Felicia DellaFortuna
Chief Financial Officer, WW International, Inc.
A

I would say just to answer the second part of your question first. I mean, it's hard to tell whether the seasonality of clinic at this point is going to look similar to the behavioral business because we did have the Wegovy pill launch in Q1 of 2026.

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With that being said, as we think about the declines from Q2 to Q3, I would say a couple of factors contributed, as we anticipated. The most material of the factors is that Q3 2026 is a higher churn quarter, as we are lapping the introduction of the 12-month long-term commitment plans that we introduced in Q3 of 2025, as we had rolled off our compounded semaglutide offering at that point. We had also noted that this – and Q3 is anticipated and will be our lowest marketing spend for the year. However, we do anticipate still to show a modest increase year-over-year in marketing as a percentage of total revenue.

The other thing that I would note is that we did recalibrate across the portfolio and we plan to continue to calibrate our marketing across the portfolio because we do have multiple touchpoints with GLP-1. And so whether a member is getting their meds with or without us, we do want to make sure that we are taking advantage of the larger TAM of the GLP-1 market across both our Med+ and our Core+ offerings.

Jon Volkmann
Chief Operations Officer, WW International, Inc.
A

Yeah. And as we look ahead, we're going to be continuing to focus on refining our initial clinical intake and using the patient's medical history, their personal goals and insurance profile to better match them with the right clinical pathway from day one. And we've stated in the past that we support members not only with cash pay, but also through the insurance process, and that's a competitive advantage for us. But it is one that comes with some complexity, and we're going to be working to provide members with better cost transparency for medication earlier in the process.

And even looking beyond the medication, we're going to be looking at ways to improve front-end guidance to help members choose the commitment duration that best fits their specific clinical timeline and goals. And then through all of that, looking to connect touchpoints across clinicians, registered dieticians and behavioral tools to really help support members seamlessly at every stage, from titration to long-term maintenance.

Stephen J. Bye
President, Chief Executive Officer and Director, WW International, Inc.
A

Yeah. And Nathan, thanks for the question and good to meet you as well. I think, as Jon said, it's really about looking at the pain points in every customer journey. So whether you're a Core customer, a Core+ or Med+ customer, it's really about addressing those friction points, and that's what we're looking at, and how do we enhance the member experience throughout the journey. So we're looking at how do we lower churn, how do we maintain longer lifetime value for our customers, and that's a focus of the business going forward as well.

But I also want to emphasize a point that both Felicia and Jon touched on, which is Med+ is one way that we support customers with GLP-1 support, but we also have GLP-1 support on Core+. And so, as access to GLP-1 medications becomes more commoditized and prescription – access to prescriptions is not really a barrier, we are really focused on how do we support customers irrespective of which journey they're on and where they get the medication from. So I really look at the support as the underlying differentiator that supports customers on Med+ as well as on the Core+ business as well.

Nathan Feather
Analyst, Morgan Stanley & Co. LLC
Q

All right. Great. That is very helpful. And then, Stephen, as you've come in and been able to kind of take a look [ph] under the hood of (00:26:38) the business, where do you see the biggest opportunities to, whether it's drive growth, improve costs, and kind of how should we think about your early priorities, especially as we head into peak season over the next few months?

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Stephen J. Bye
President, Chief Executive Officer and Director, WW International, Inc.

A

Yeah. No, I appreciate the question, Nathan. I think, look, as I come in, I mean, one thing that's struck me, and I made this point in my opening remarks, I made it a priority to spend time with our members, our coaches and the team. And look, it's just incredible to me, the passion our team has to support our members. People deeply care about our mission, our objective, what we're trying to do. And that's staggering. And also, the feedback from our members has just been phenomenal. I mean, we touched almost 1.5 million members through our virtual and in-person workshops over the last eight weeks. And so it's amazing to me sort of how deeply we impact people's lives and the positive impact we have.

So that's the first thing I take away in the weeks that I've been here. But what's really important for us is the support we provide. And that's what really sets us apart in the industry and I think it really puts us in a very strong position, given our brand, what we stand for and sort of the opportunity. But what's exciting, and this goes to Felicia's earlier comment about the TAM, the TAM for us is getting bigger. GLP-1s is just fueling that addressable market for us. And that's what I see.

And as I said, irrespective of where you get your medication from, whether it's coming – we support you through Med+ or whether you're getting it from somewhere else, we've got a program for those people. The data proves that it works. And again, I cited that in my prepared remarks that people lose more weight when they combine support together with the medication, and we can also help them keep it off over a period of time as well, which is fantastic.

So I'm thrilled to be here. I think we have an incredible brand, a team that cares very deeply about what we're doing. And look, what I'm here to do is bring focus. Let's execute against that and have operating discipline and fiscal discipline as we go forward.

Nathan Feather
Analyst, Morgan Stanley & Co. LLC

Q

Great. Thank you very much.

Operator: The next question comes from Owen Rickert from Northland Capital Markets. Please go ahead.

Owen Rickert
Analyst, Northland Capital Markets

Q

Hey, guys. Thanks a ton for taking my questions. And nice to meet you, Stephen. First from me, EBITDA was pretty impressive. It beat us by quite a bit this quarter. I guess, how much of that beat was timing, maybe that lower marketing pulled forward versus durable structural improvement?

Felicia DellaFortuna
Chief Financial Officer, WW International, Inc.

A

Sure. So, overall, we have been making changes to our execution of costs across cost of sales as well as product and tech, and adjusted selling, general and administrative expenses. And you are seeing that come through the Q3 2026 numbers. And that is also why we feel confident narrowing our adjusted EBITDA range in terms of guidance towards the high end of our previously disclosed guidance. I would say, though, as we gear up for the upcoming 2027 peak season, not dissimilar to previous years, there will be a step-up in marketing spend from Q3 to Q4. And that is one of the reasons for the guidance that we're providing on the full year.

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Owen Rickert
Analyst, Northland Capital Markets

Q

Got it. Got it. Super helpful. And then second for me, there were some partnership announcements recently, Google Health, Sam's Club, LillyDirect. Anything to call out on how those might be performing? I know it's super early, but any color there would be helpful.

Stephen J. Bye
President, Chief Executive Officer and Director, WW International, Inc.

A

Yeah. Thanks, Owen, for the question. Also, good to meet you. Look, it's a little too early for us to comment specifically about any one of those partnerships, but I do want to sort of emphasize the importance of those partnerships and additional partnerships that we're exploring. Because as we look at how do we meet our members and where they are, we want to meet them where they are through the channel that's most effective and also gets into how we look at our marketing investment and how do we optimize that in order to make sure that it's efficient, but also effective in terms of the return on investment we're putting in there. Our partners are important, but it is too early today to call out specific metrics. But as we go forward, we'll be updating that as we make more progress there.

Owen Rickert
Analyst, Northland Capital Markets

Q

Got it. Thanks a ton.

Operator: The next question comes from Justin Ages with CJS Securities. Please go ahead.

Justin Ages
Analyst, CJS Securities, Inc.

Q

Hi. Morning, all, and nice to meet you, Stephen. My first question, you've had a couple nice quarters now of solid free cash flow. So, first, can you just remind us of the cash sweep? And then, where do you see your priorities in using that cash? Obviously, beyond marketing expenses, will you look to pay down debt first?

Felicia DellaFortuna
Chief Financial Officer, WW International, Inc.

A

Yeah. So, just as a reminder, the cash sweep is calculated on the last 10 days of the first quarter and then it is paid on the anniversary of the financial reorganization, which would be at the end of June of that quarter. And so, overall, what you can see is we've been very deliberate in terms of our timing as well as our allocation of capital and managing both the debt and the return to growth for Weight Watchers, and we will continue to do so. You saw us last quarter be opportunistic as it related to the debt. And so, as we work through and continue to work through 2027 planning and things like that, if we do see an opportunity to further pay down the debt or to invest, those will be areas that we will continuously evaluate.

Justin Ages
Analyst, CJS Securities, Inc.

Q

Thank you for that, Felicia. And then, you've invested quite a bit in the new app. Just wanted to know what the feedback you're getting there is, if that's contributing to more sticky subscribers as well as a comment on some of the past strategic initiatives, like the menopause initiative, and then how that's helping drive subscribers.

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Stephen J. Bye
President, Chief Executive Officer and Director, WW International, Inc.

A

Yeah. So I think, look, [ph] it's nice meeting you (00:32:59), Justin, and I'll start and then sort of hand it to the team on sort of the specifics as it relates to kind of the products. But, look, what we're really focused on is how do we enhance the quality and the depth of support we're providing for each customer wherever they are in their journey. And so think of it as how do we bring more value to our membership and that's the one thing I've, frankly, really enjoyed over the last several weeks, is talking to members about how meaningful our products are and what we're doing to enhance that experience. And that's really a focus for us.

So we're looking at how do we enhance the product, the application, how do we add new features, new capabilities in order to make that a much better experience and maintain that relationship over the lifetime. So – and we're also looking at how do we take some of that in-person experience that you get from the community and the support and bring that into a virtual environment as well. So we're going to continue to invest in the product and the capabilities and take advantage of the technology we have today as well as emerging technology to make that a much stickier experience as we go forward. But it's really driven from our membership and what they're looking for and how – and what they expect from us, and making sure that whatever we do is consistent with the brand promise that we have and the 60 years of tradition that we have behind the brand. So, as it specifically relates to the products, I'll hand it back to Felicia. So...

Felicia DellaFortuna
Chief Financial Officer, WW International, Inc.

A

So, just as Stephen mentioned, in terms of taking the in-person experiences and bringing them virtually, the other thing that we did this past year is up-leveled our structured behavioral support. And there are two programs that are included in our Core+ offering, the GLP-1 Success program that we discussed and also our menopause offering. And so both have been fantastic in being part of the growth of our Core+ subscriber count.

Stephen J. Bye
President, Chief Executive Officer and Director, WW International, Inc.

A

Yeah. And one other thing I'll add, Justin, I think, which is also very interesting as we look forward into 2027, is the Medicare Bridge program. And so we also brought that in as well in terms of being able to support that for seniors as they go forward. So I don't know, Jon, if you want to touch on that program and what we're doing there as well.

Jon Volkmann
Chief Operations Officer, WW International, Inc.

A

Yeah, yeah. We're really excited about the launch of the Medicare Bridge program. Obviously, this opens up coverage for a substantial population of folks who we feel that we're uniquely well-equipped to serve through both our clinical and behavioral infrastructure. And we can support these members through our Med+ program, where we navigate prior authorizations, secure coverage and prescribe to them directly, and we were ready to support upon day one of that program through Med+. But we can also serve them through our Core+ tier via our GLP-1 Success program if they receive a prescription through an outside physician.

And across the category, there's been clear interest in the Medicare Bridge program amongst seniors. And a lot of the industry data is indicating that the overwhelming majority, the vast majority of interest is coming from individuals who are completely new to GLP-1s. And this really confirms that the program is expanding the overall marketplace.

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So looking ahead, our focus is going to be on expanding awareness among eligible seniors so that they know that Weight Watchers is their go-to partner for both weight health support as well as coverage of clinical care.

Justin Ages

Analyst, CJS Securities, Inc.

Q

That's great. I appreciate the thorough answer. Thank you.

Operator: This concludes our question-and-answer session. I would like to turn the conference back over to Stephen Bye for any closing remarks.

Stephen J. Bye

President, Chief Executive Officer and Director, WW International, Inc.

Yeah. Look, this is my first earnings call and I really appreciate the interest in Weight Watchers and the business. I just want to reiterate, this business is an incredible business with an amazing brand, with people that care deeply about the products and the services we offer and the support we offer to our members. And so I'm thrilled to be here. I'm excited about the future of the business. The team is very focused on what we need to achieve in terms of returning this business back to profitability in 2027, and I look forward to providing updates as we go forward in upcoming earnings calls and other events that we have.

So thank you very much for your interest in the company and look forward to engaging with the investor base as we go forward.

Operator: The conference has now concluded. Thank you for attending today's presentation. You may now disconnect.

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