WeightWatchers

Second Quarter 2024 Results

Supplemental Investor Materials

August 1, 2024

Forward-looking Statements

This presentation includes “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, including, in particular, any guidance and any statements about the Company’s plans, strategies, objectives, initiatives, roadmap and prospects. The Company generally uses the words “may,” “will,” “could,” “expect,” “anticipate,” “believe,” “estimate,” “plan,” “intend,” “aim” and similar expressions in this presentation to identify forward-looking statements. The Company bases these forward-looking statements on its current views with respect to future events and financial performance. Actual results could differ materially from those projected in these forward-looking statements. These forward-looking statements are subject to risks, uncertainties and assumptions, including, among other things: competition from other weight management and health and wellness industry participants or the development of more effective or more favorably perceived weight management methods; the Company's failure to continue to retain and grow its subscriber base; the Company’s ability to be a leader in the rapidly evolving and increasingly competitive clinical weight management and weight loss market; the Company's ability to continue to develop new, innovative services and products and enhance its existing services and products or the failure of its services, products or brands to continue to appeal to the market, or its ability to successfully expand into new channels of distribution or respond to consumer trends or sentiment; the ability to successfully implement strategic initiatives; the Company’s ability to evolve its community offerings to meet the evolving tastes and preferences of its members; the effectiveness and efficiency of the Company's advertising and marketing programs, including the strength of the Company's social media presence; the impact on the Company's reputation of actions taken by its franchisees, licensees, suppliers, affiliated provider entities, PCs’ healthcare professionals, and other partners, including as a result of its acquisition of Weekend Health, Inc., doing business as Sequence (“Sequence”) (the “Acquisition”); the recognition of asset impairment charges; the loss of key personnel, strategic partners or consultants or failure to effectively manage and motivate the Company's workforce; the Company’s ability to successfully make acquisitions or enter into collaborations or joint ventures, including its ability to successfully integrate, operate or realize the anticipated benefits of such businesses, including with respect to Sequence; uncertainties related to a downturn in general economic conditions or consumer confidence, including as a result of the existing inflationary environment, rising interest rates, the potential impact of political and social unrest and increased volatility in the credit and capital markets; the seasonal nature of the Company's business; the Company's failure to maintain effective internal control over financial reporting; the impact of events that impede accessing resources or discourage or impede people from gathering with others; the early termination by the Company of leases; the inability to renew certain of the Company's licenses, or the inability to do so on terms that are favorable to the Company; the impact of the Company's substantial amount of debt, debt service obligations and debt covenants, and its exposure to variable rate indebtedness; the ability to generate sufficient cash to service the Company's debt and satisfy its other liquidity requirements; uncertainties regarding the satisfactory operation of the Company's technology or systems; the impact of data security breaches and other malicious acts or privacy concerns, including the costs of compliance with evolving privacy laws and regulations; the Company’s ability to successfully integrate and use artificial intelligence in its business; the Company's ability to enforce its intellectual property rights both domestically and internationally, as well as the impact of its involvement in any claims related to intellectual property rights; risks and uncertainties associated with the Company's international operations, including regulatory, economic, political, social, intellectual property, and foreign currency risks, which risks may be exacerbated as a result of war and terrorism; the outcomes of litigation or regulatory actions; the impact of existing and future laws and regulations; risks related to the Acquisition, including risks that the Acquisition may not achieve its intended results; risks related to the Company's exposure to extensive and complex healthcare laws and regulations as a result of the Acquisition; and other risks and uncertainties, including those detailed from time to time in the Company's periodic reports filed with the United States Securities and Exchange Commission (the “SEC”) (which are available on the SEC’s EDGAR database at www.sec.gov and via the Company’s website at corporate.ww.com). You should not put undue reliance on any forward-looking statements. You should understand that many important factors, including those discussed herein, could cause the Company’s results to differ materially from those expressed or suggested in any forward-looking statement. Except as required by law, the Company does not undertake any obligation to update or revise these forward-looking statements to reflect new information or events or circumstances that occur after the date of this presentation or to reflect the occurrence of unanticipated events or otherwise. Readers are advised to review the Company’s filings with the SEC (which are available on the SEC’s EDGAR database at www.sec.gov and via the Company’s website at corporate.ww.com).

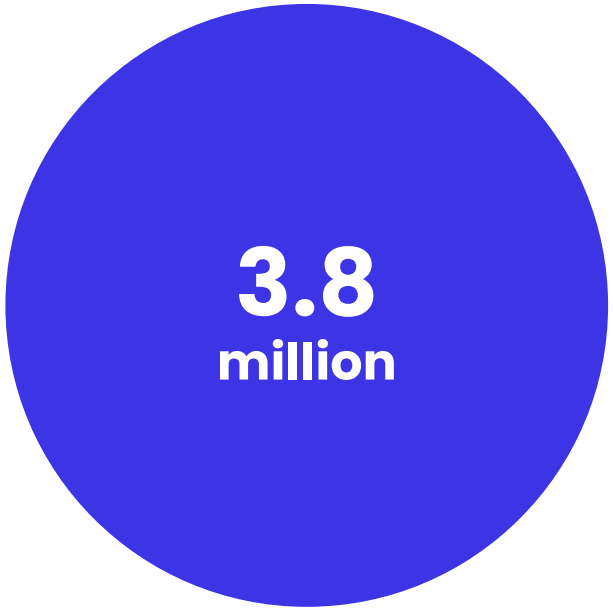
Non-GAAP Financial Measures

This presentation includes certain financial results not presented in accordance with accounting principles generally accepted in the United States (“GAAP”) including, but not limited to, gross profit, gross margin, operating income, operating income margin and selling, general and administrative expenses, all as adjusted. In addition, it includes certain financial results on a constant currency basis in addition to GAAP results. Constant currency information compares results between periods as if exchange rates had remained constant period-over-period. In this presentation, the Company calculates constant currency by calculating current-year results using prior-year foreign currency exchange rates. See Appendix for reconciliations. Management believes these non-GAAP financial measures provide useful supplemental information for its and investors' evaluation of the Company's business performance and are useful for period-over-period comparisons of the performance of the Company's business. While management believes that these non-GAAP financial measures are useful in evaluating the Company's business, this information should be considered as supplemental in nature and should not be considered in isolation or as a substitute for the related financial information prepared in accordance with GAAP. In addition, these non-GAAP financial measures may not be the same as similarly titled measures reported by other companies.

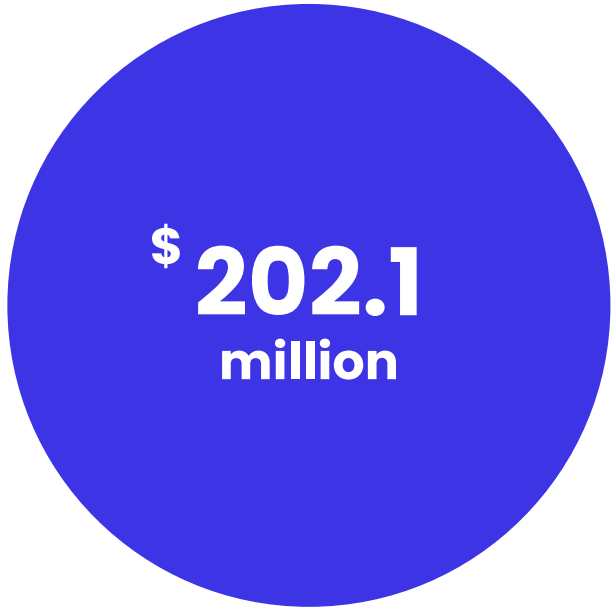
Trademarks

The following terms used in this presentation are our trademarks: Digital 360® , Points® ,Weight Watchers®, and the Weight Watchers logo.

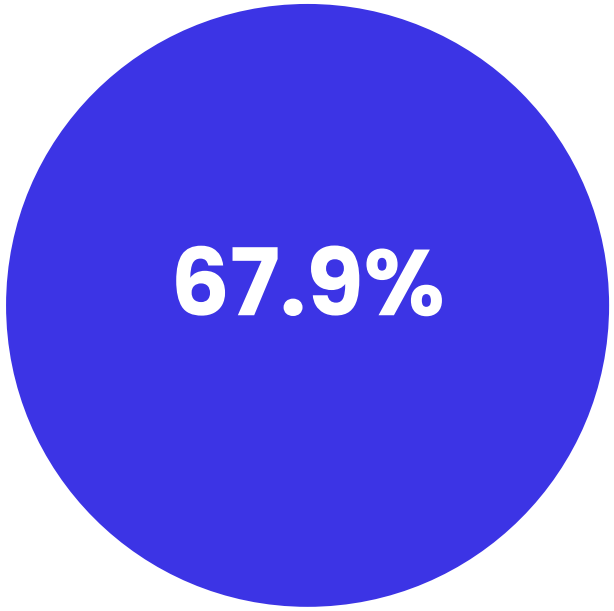
Q2 2024 Summary



End of Period Subscribers



Revenue



Record Gross Margin

Clinical growth - 120% YOY growth in Clinical subscribers

Cost discipline - demonstrated by record gross margin

Company reset - $100 million of annual run-rate cost savings; $20 million in 2H24

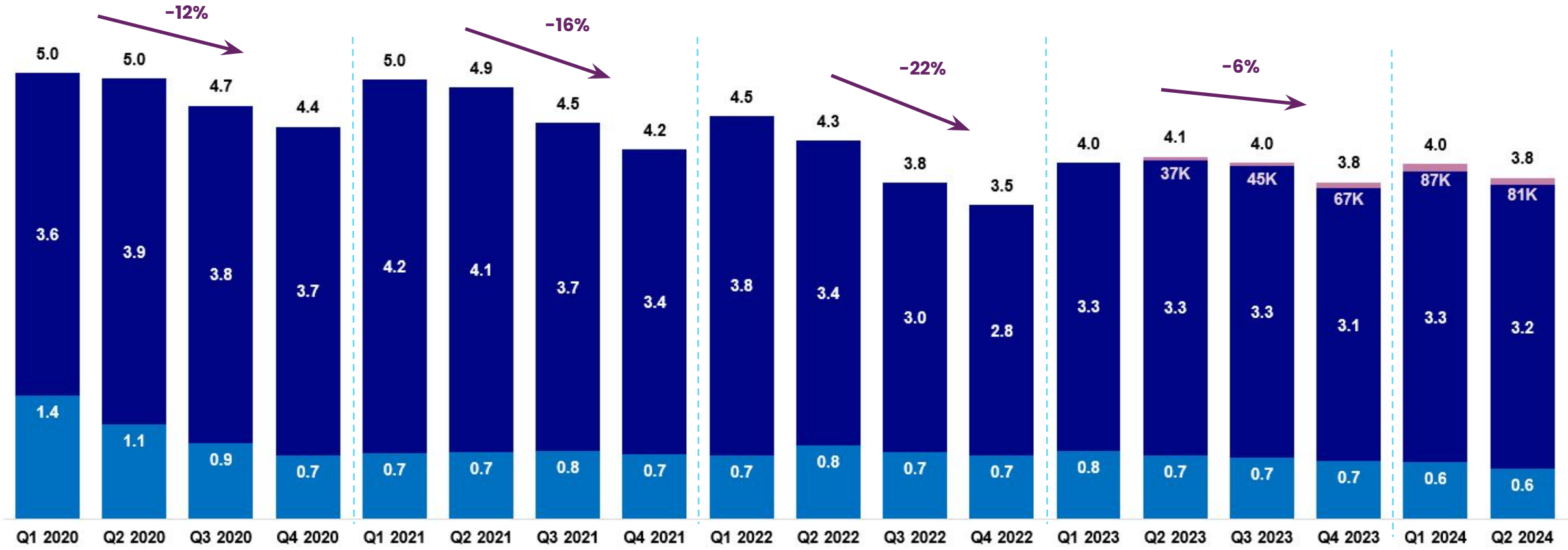
Historical Subscriber Seasonality

End of Period **Digital** Subscribers

End of Period **Workshops + Digital** Subscribers

End of Period **Clinical** Subscribers

(in Millions, except as otherwise noted)



Note: Former Digital 360 members were transitioned from the Digital business to the Workshops + Digital business during Q2 2022 and Q3 2022. For additional information on the impact of this transition, see the Company's Quarterly Report on Form 10-Q for the second quarter of fiscal 2022.

Capital Structure

Flexible, covenant-lite debt structure

$945M Outstanding on Term Loan[1] - Due April 2028

Variable Interest Rate: 1 month Term SOFR + Credit Spread Adjustment of 11.448 bps (50 bps floor) +350 bps[1]

Covenant-lite structure; first-lien, secured term loan; flexibility to prepay term loan

$500M notional amount of interest rate swaps fixed a portion of the variable interest rate. The two $250M swaps were entered into in 2018 and 2019 and had fixed rates of 3.1513% and 1.9645%, respectively. Both swaps terminated on March 31, 2024. As of August 1, 2024, the Company had no active swaps in place.

$500M Notes[1] - April 2029 Maturity

Fixed Interest Rate: 4.500%

First-lien, secured notes

Revolving Credit Facility - Undrawn[1] - April 2026 Maturity

Variable Interest Rate: 1 month Term SOFR + Credit Spread Adjustment of 11.448 bps +275 bps[1]

Consolidated First Lien Leverage Ratio impacts full access to the $175M revolving credit facility (guaranteed minimum access of $61.25M). For full access as of each fiscal quarter end, the Company must be in compliance with a Consolidated First Lien Leverage Ratio of 5.25x until the end of Q1 2025 and 5.00x thereafter.

The Company was not in compliance with the Consolidated First Lien Leverage Ratio as of June 29, 2024, and as a result, is limited to borrowing no more than 35%, or $61.25M, of the amount of the aggregate commitments under the Revolving Credit Facility as of each fiscal quarter end until the Company complies with the applicable ratio.

[1] As of June 29, 2024. Debt reflects par principal of loans and notes.

Transformation Strategy

WeightWatchers



Empower people to live healthier, longer.



Build a worldwide community connected by healthy habits.



Provide specialized weight care and community that grows in intensity based on personalized need.

Strategy

Expanded Care

From behavior change to full spectrum care through **Weight Health Membership**

Expanded Access

Grow the B2B2C channel

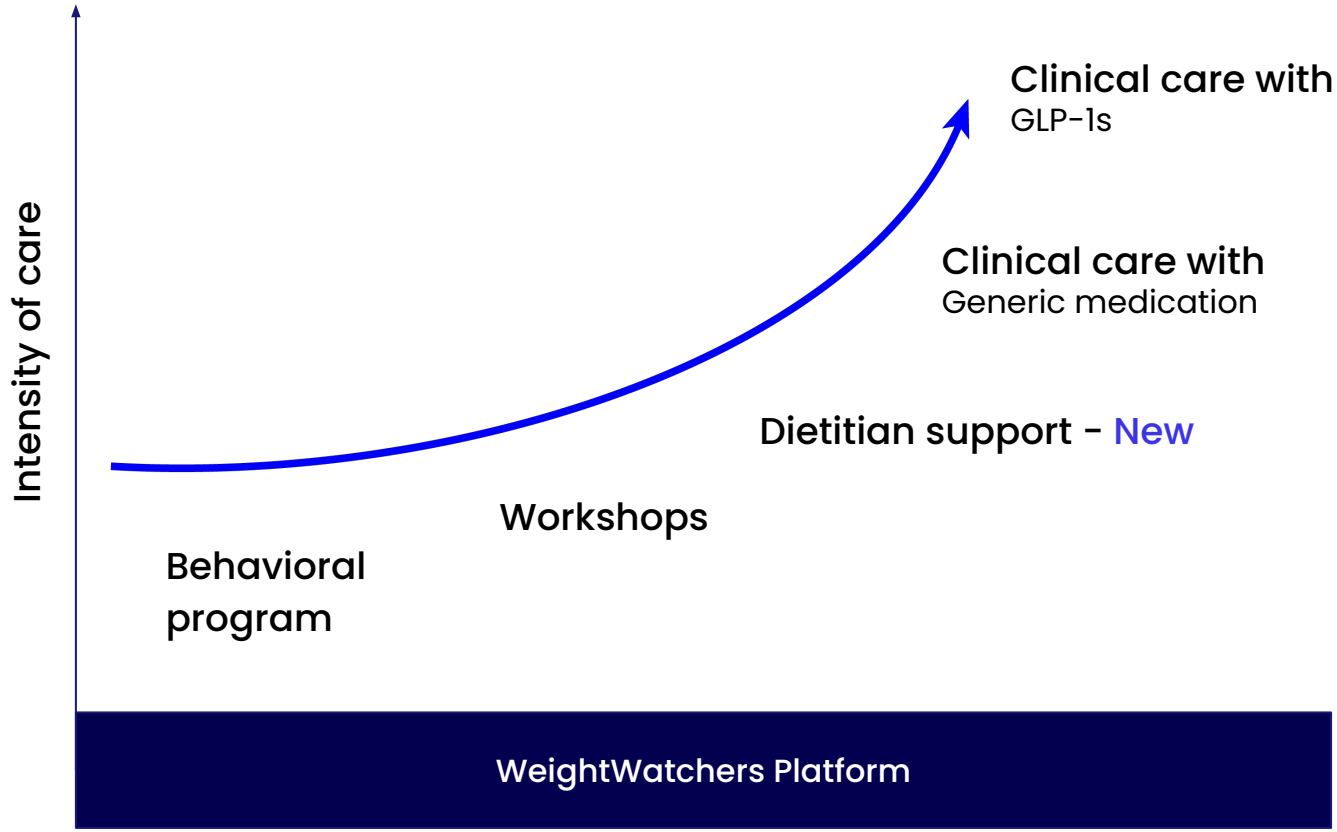
Expanded Payment Options

Enable insurance billable services and more payment options

The full-spectrum weight health platform

Populations we serve

- Healthy weight
- Overweight
- Obesity
- Pre-diabetes
- Diabetes
- Hypertension
- Hyperlipidemia

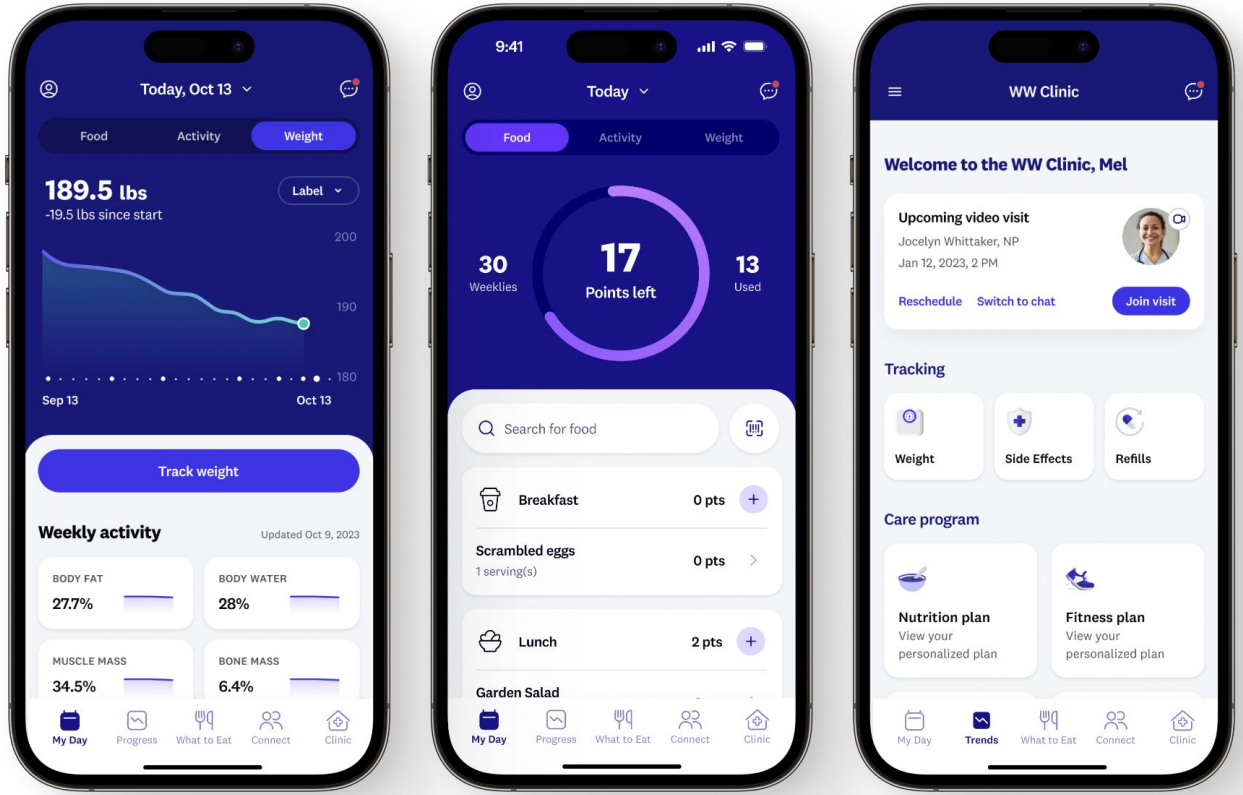


Reimagined design

Intuitive and unified user experience

Access to all our weight health management tools

Driving improved login rates, lifts in tracking, and longer sessions

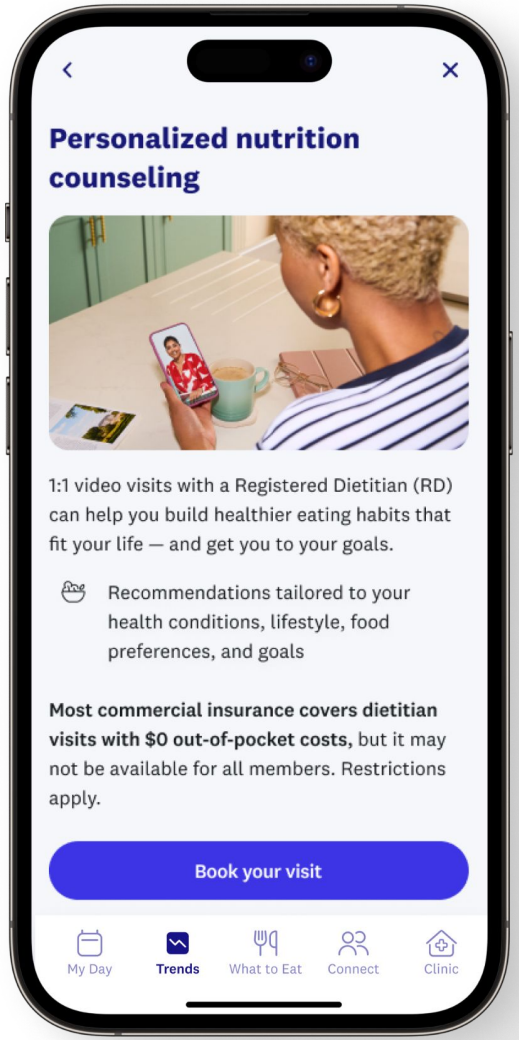


Expanding Care

Expanding Payment Options

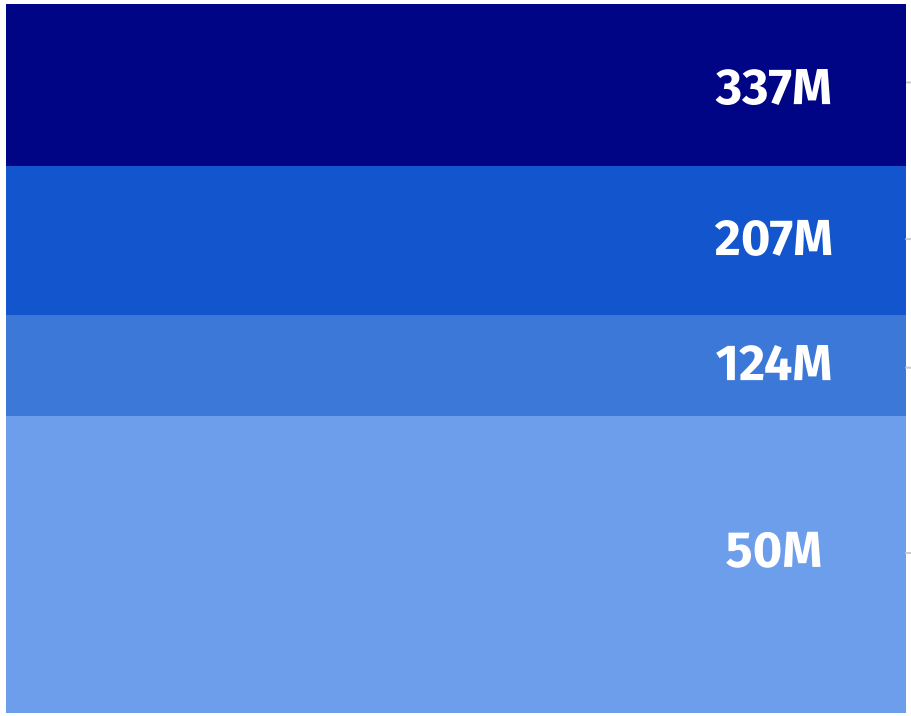
Clinical services for U.S. members

Offering insurance-covered Registered Dietitian counseling to eligible members



Expanding Access

An exceptionally large target market and revenue opportunity for WeightWatchers



Total US population[1]

18-64 population[1]

With commercial insurance[2]
Total US Population Aged 18-64 with commercial insurance

With obesity or overweight w/ comorbidity[3]
Total US Population Aged 18-64 with commercial insurance and who are obese or overweight and have a comorbidity

[1] Source: U.S. Census Bureau as of July 29, 2024
[2] Source: U.S. Census Bureau, Table HIC-4_ACS, "Health Insurance Coverage Status and Type of Coverage by State-All Persons: 2008 to 2022," in American Community Survey, September 2023.
[3] Source: Goldman Sachs Investment Research's Obesity Model

Expanding Access

Weight Watchers not only has the leading brand, 60 years of science backed evidence, and a full suite of integrated services, but it is **proven to provide positive health benefits to employees and positive cost benefits to employers** when becoming a fully covered benefit.

Weight Loss

5-7% w/Behavioral[1]
19.4% w/Clinic[2]
63% Sustained at 2 years[3]

Diabetes[4]

5.7% average weight loss
0.75 HbA1C decrease
9.8% reduction in diabetes distress

ROI
(validated by third party actuarial firm)

Behavior change	+Step Care	W/Clinic
1.5x	**2.6x**	**3.9x**
$120 savings	$398 savings	$3,375 savings
Per person per year	Per person per year	Per person per year

[1]A. Johnston CA et al. A Randomized Controlled Trial of a Community based Behavioral Counseling Program. The American Journal of Medicine, Vol 126, No 12, December 2013. Funded by WW International, Inc. 1A and 1B. DF Tate, et al, 12 month randomized multicountry trial comparing weight loss between the WW program to a Do It Yourself approach where resource guides were provided. 2022. JAMA Network Open. Funded by WW International, Inc.
[2]Ard JD, Hong YR, Foster GD et al. Twelve-month analysis of real-world evidence from a commercial telehealth obesity treatment provider. Under Review. 2024.
[3] Ahern AL, Wheeler GM, Aveyeard P, et al. Extended and standard duration weight-loss programme referrals for adults in primary care (WRAP): A randomised controlled trial. Lancet. 2017; 389: 2214-2225.
[4]Apolzan JW, LaRose JG, Anton SD, Beyl RA, Greenway FL, Wickham III EP, Lanoye A, Harris MN, Martin CK, Bullard T, Foster GD. A scalable, virtual weight management program tailored for adults with type 2 diabetes: effects on glycemic control. Nutrition & Diabetes. 2023 Apr 6;13(1):3.

Appendix

Non-GAAP Reconciliation

Q2 2024 Gross Profit, Selling, General and Administrative Expenses, and Operating Income

(in thousands, except percentages)

	Q2 2024						Q2 2023			Q2 2024 Variance			
												2024 Constant Currency	
	GAAP	Adjustment	Adjusted	Currency Adjustment	Constant Currency	Adjusted Constant Currency	GAAP	Adjustment	Adjusted	2024 vs 2023	2024 Adjusted vs 2023 Adjusted	2024 vs 2023	2024 Adjusted vs 2023 Adjusted
Gross Profit	$ 137,294	$ (102) (1)	$ 137,192	$ 505	$ 137,799	$ 137,697	$ 143,180	$ 659 (4)	$ 143,839	(4.1%)	(4.6%)	(3.8%)	(4.3%)
Gross Margin	*67.9%*		*67.9%*		*68.0%*	*67.9%*	*63.1%*		*63.4%*				
Selling, General and Administrative Expenses	$ 47,665	$ (2,081) (2)	$ 45,584	$ 69	$ 47,734	$ 45,653	$ 65,744	$ (6,877) (5)	$ 58,867	(27.5%)	(22.6%)	(27.4%)	(22.4%)
Operating Income	$ 35,933	$ 1,979 (3)	$ 37,912	$ 282	$ 36,215	$ 38,193	$ 26,317	$ 7,536 (6)	$ 33,853	36.5%	12.0%	37.6%	12.8%
Operating Income Margin	*17.8%*		*18.8%*		*17.9%*	*18.8%*	*11.6%*		*14.9%*				

Note: Totals may not sum due to rounding.

(1) Excludes the impact of the reversal of $102 of charges associated with the Company's previously disclosed 2023 restructuring plan.

(2) Excludes the net impact of $2,012 of charges associated with the Company's previously disclosed 2023 restructuring plan and $69 of charges associated with the Company's previously disclosed 2022 restructuring plan.

(3) Excludes (a) the impact of the reversal of $102 of charges associated with the Company's previously disclosed 2023 restructuring plan recorded to cost of subscription revenues and (b) the net impact of $2,012 of charges associated with the Company's previously disclosed 2023 restructuring plan and $69 of charges associated with the Company's previously disclosed 2022 restructuring plan recorded to selling, general and administrative expenses, respectively.

(4) Excludes the net impact of $532 of charges associated with the Company's previously disclosed 2023 restructuring plan, $40 of charges associated with the Company's previously disclosed 2022 restructuring plan, $103 of charges associated with the Company's previously disclosed 2021 organizational restructuring plan and the reversal of $16 of charges associated with the Company's previously disclosed 2020 organizational restructuring plan.

(5) Excludes the net impact of $1,252 of charges associated with the Company's previously disclosed 2023 restructuring plan, $778 of charges associated with the Company's previously disclosed 2022 restructuring plan and the reversal of $39 of charges associated with the Company's previously disclosed 2021 organizational restructuring plan, and the impact of $4,886 of acquisition transaction costs.

(6) Excludes (i) the net impact of (a) $532 of charges and $1,252 of charges associated with the Company's previously disclosed 2023 restructuring plan recorded to cost of subscription revenues and selling, general and administrative expenses, respectively, (b) $40 of charges and $778 of charges associated with the Company's previously disclosed 2022 restructuring plan recorded to cost of subscription revenues and selling, general and administrative expenses, respectively, (c) $103 of charges and the reversal of $39 of charges associated with the Company's previously disclosed 2021 organizational restructuring plan recorded to cost of subscription revenues and selling, general and administrative expenses, respectively, and (d) the reversal of $16 of charges associated with the Company's previously disclosed 2020 organizational restructuring plan recorded to cost of subscription revenues, and (ii) the impact of $4,886 of acquisition transaction costs recorded to selling, general and administrative expenses.