



## INVESTOR PRESENTATION

DECEMBER 2017

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# FORWARD LOOKING STATEMENTS



## Safe Harbor Statement

This presentation contains forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Words and expressions reflecting optimism, satisfaction or disappointment with current prospects, as well as words such as “believe,” “hopes,” “intends,” “estimates,” “expects,” “projects,” “plans,” “look forward to,” “anticipates” and variations thereof, identify forward-looking statements, but their absence does not mean that a statement is not forward-looking. These forward-looking statements are not guarantees of performance and actual results could differ materially from those contained in such statements. These forward-looking statements are based on our current expectations and beliefs concerning future events affecting us and involve known and unknown risks and uncertainties that may cause our actual results or outcomes to be materially different from those anticipated and discussed herein. These risks and uncertainties are discussed in greater detail in our Annual Report on Form 10-K and Quarterly Report on Form 10-Q under the caption “Risk Factors” and in other documents filed by us from time to time with the Securities and Exchange Commission. We caution you not to place undue reliance on the forward-looking statements contained in this presentation. All forward-looking statements are based on information currently available to us as of today, and we undertake no obligation to revise or update these forward-looking statements to reflect events or circumstances after the date of this document, except as required by law.

## Health Claims Disclaimer

Statements made in this presentation and appendixes have not been evaluated by the Food and Drug Administration. LifeVantage products are not intended to treat, cure, prevent or mitigate any disease. The statements in this presentation are for investors’ educational purposes only.



A woman and a young child are walking along a beach, holding hands. Both are wearing wetsuits. The woman is carrying a surfboard under her arm. The background shows the ocean and a rocky island in the distance. The entire image has a blue color overlay.

## THE COMPANY: LifeVantage (NASDAQ: LFTN)

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LifeVantage is a pioneer in Nutrigenomics - a new science dedicated to cracking the human aging code.

We agree with leading researchers that extending human life is inevitable. However, we believe that in order to truly enjoy extreme longevity, we need to biohack both our physical and financial health. That is why we have combined our pioneering nutrigenomics efforts with a powerful entrepreneurial vehicle.

Our products are sold exclusively through that entrepreneurial vehicle - our network of independent distributors.

# LifeVantage Factsheet



<b>NASDAQ Ticker</b>	<b>LFVN</b>	<b>Share price<sup>1</sup></b>	<b>\$5.69</b>
<b>Shares outstanding<sup>1</sup></b>	14.2 million	<b>Float<sup>1</sup></b>	13.5 million
<b>Market Capitalization<sup>1</sup></b>	\$80.8 million	<b>Enterprise Value<sup>1</sup></b>	\$75.4 million
<b>Average Daily Volume<sup>1</sup></b>	43,013	<b>Fiscal 2017 Revenue</b>	\$199.5 million
<b>Cash at Sept 30, 2017</b>	\$12.3 million	<b>Fiscal 2017 Adjusted EBITDA<sup>2</sup></b>	\$13.1 million
<b>Debt at Sept 30, 2017</b>	\$6.9 million	<b>Fiscal 2017 Adjusted EPS<sup>2</sup></b>	\$0.27

(1) As of December 5, 2017

(2) A reconciliation of non-GAAP measures is included in the appendix to this presentation  
Fiscal year ends June 30



I N D U S T R Y

# TRENDS

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AUGUST 25, 2017

## FOX NEWS

“Nutrigenomics...is changing everything. Where we once thought we were powerless is now an area over which we have at least some control. The ability to use nutrition to affect our genes means that we're no longer at the mercy of our DNA. “



SEPTEMBER 12, 2017

## THE TODAY SHOW

“The latest trend in nutrition isn't a fad diet or newly discovered supplement; it's your DNA.”



PROJECTED MARKET

# NUTRIGENOMICS

“Nutrigenomics market is  
expected to reach

**\$17,313,500,000**

by 2023.”

MARKET RESEARCH  
FUTURE





L I F E V A N T A G E

# ADDITIONAL TRENDS

Market trends relating to specific LifeVantage products.

## ANTI-AGING

Nrf2, NRF1,  
TrueScience Skin Care

2015: \$140.3 bn

2021: \$216 bn

## SKIN CARE

TrueScience

2015: \$121 bn

2021: \$154 bn

## NOOTROPICS (BRAIN HEALTH)

Axio, NRF1

2015: \$2.3 bn

2021: \$11.6 bn

## WEIGHT LOSS

PhysIQ

2015: \$158 bn

2021: \$241 bn



# TRENDS

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## The rise of the health activated individual

- ◆ Rapid democratization of genomic and other personalized health data is giving rise to a new wave of health-conscious individuals
- ◆ More than ever, education and understanding of one's own health is becoming widespread
- ◆ Individuals will research, measure and manage their overall health much like their personal finances
- ◆ Millennials have become a major driving force, empowered by ready access to genomic testing, health tools and a social network environment filled with influencers, all with a desire to hack the code to a healthier lifestyle

## Biohacking

LifeVantage is a biohacking company. Using nutrigenomics to hack the human body for increased health.

- ◆ These trends have led to the emergence of **“Biohacking”**
  - ◆ The art of hacking your biology using nature's built-in mechanisms to stack the cards in your favor and become the best version of yourself
  - ◆ Bio-hacking is using science and personalized results to take control of and upgrade your body, your mind and your life
- ◆ Our mission is to “Bio-Hack the Aging Code” through the relentless pursuit of science-based, nutrigenomic products with the intent of helping our customers live longer, healthier lives



# Premium Products



## Patented

Several patents, including our initial patent "Compositions And Methods For Alleviating Inflammation And Oxidative Stress In A Mammal"

## Science-backed

Protandim Studies conducted at the following institutions:

The Ohio State University  
University of Colorado Denver  
Colorado State University

LSU  
Virginia Commonwealth University  
Texas Tech University

## Peer-reviewed Published Research

Research published in the following medical journals:

Free Radical Biology & Medicine  
Enzyme Research  
Circulation  
American Journal of Physiology—Lung Cellular and Molecular Physiology





# HOW WE GO TO MARKET





# DIRECT SELLING CHANNEL

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**A large global sales channel ideally suited for our products**

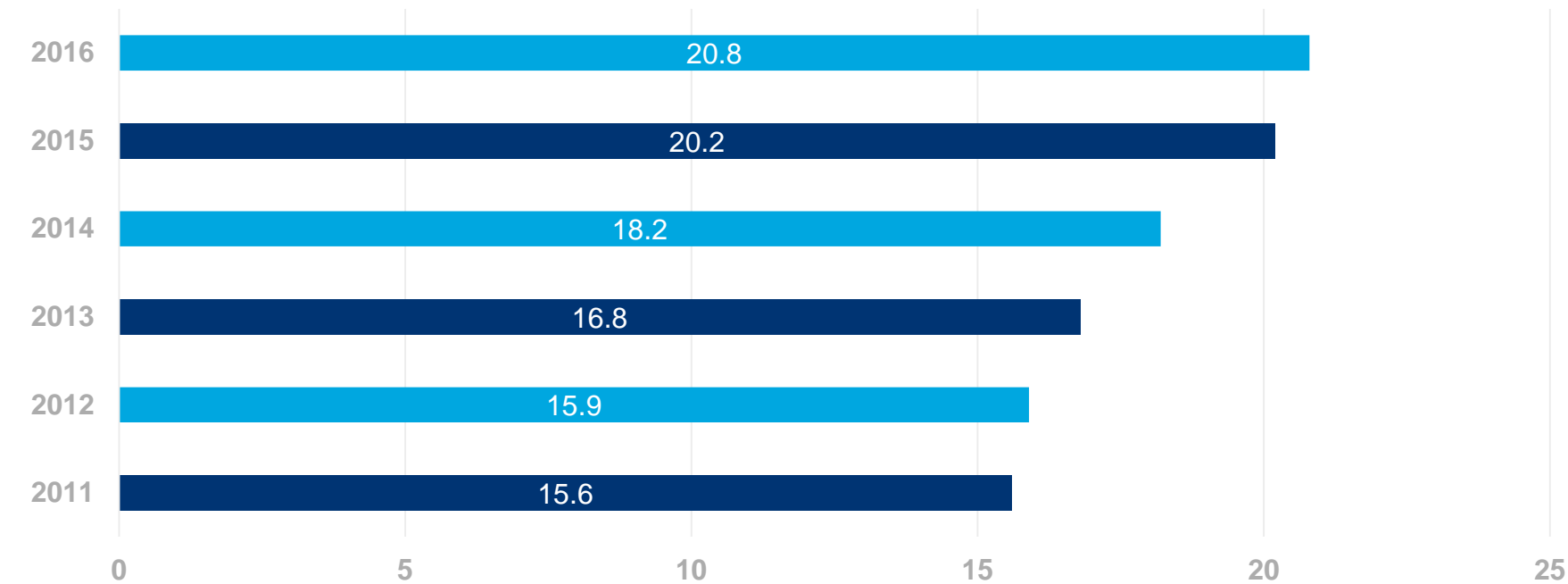
- ◆ Global sales of \$183 billion in 2016
- ◆ CAGR of 5% since 2013
- ◆ More than 107 million direct sellers worldwide



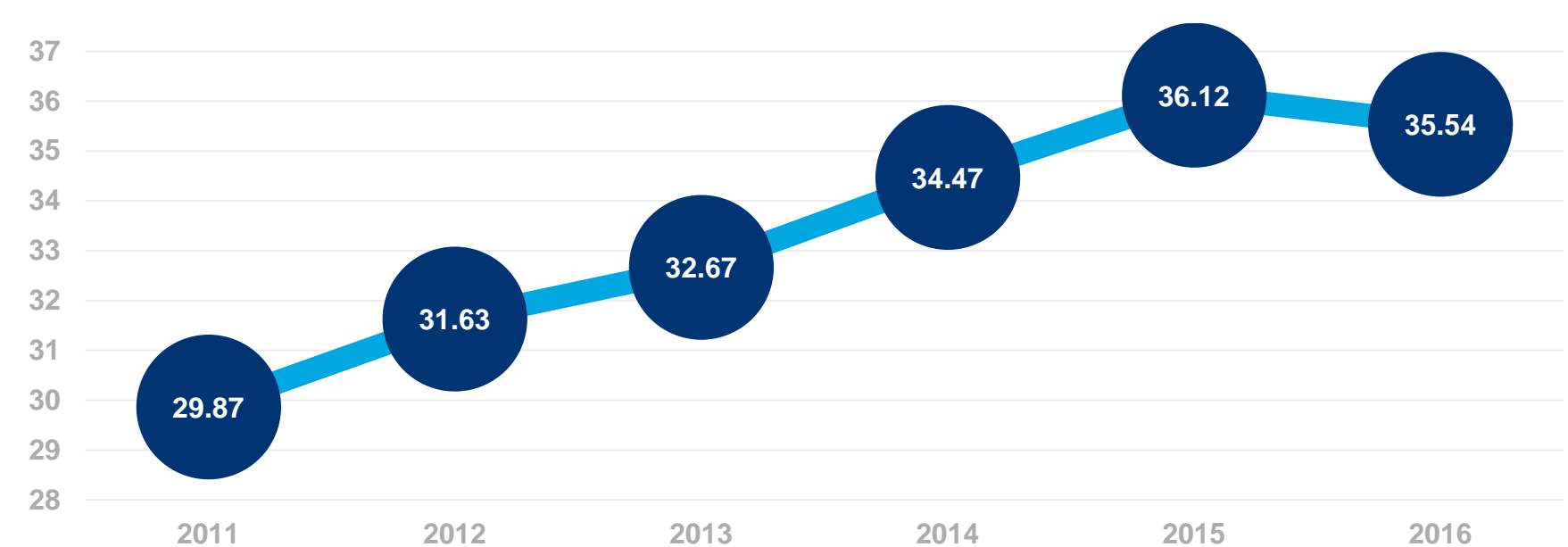


# DIRECT SELLING (US)

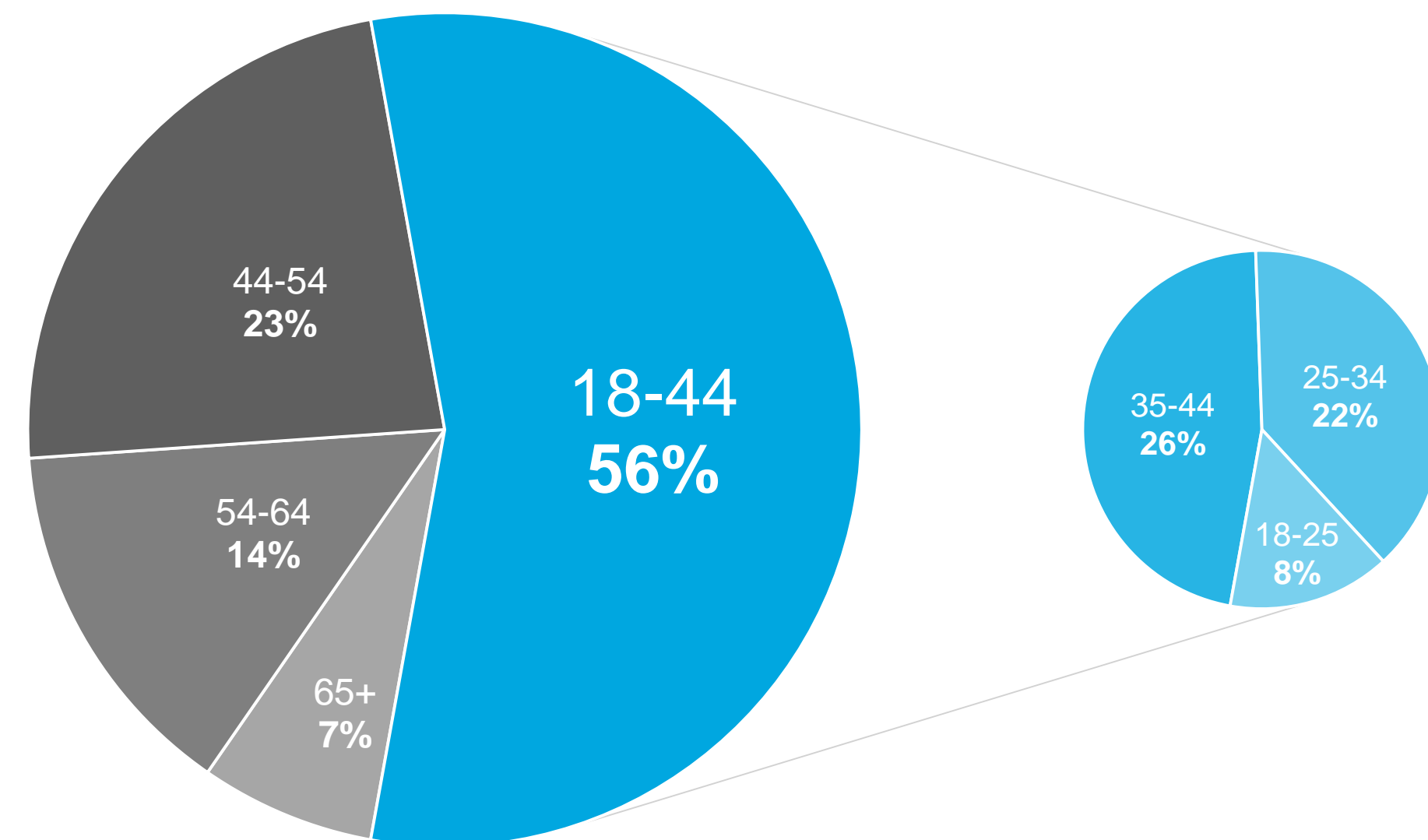
**PEOPLE INVOLVED IN DIRECT SELLING**  
*(in millions)*



**US RETAIL SALES**  
*(in billions)*



**PEOPLE INVOLVED BY AGE**





L I F E V A N T A G E

# ROOM FOR GROWTH

Direct selling regional sales and top 3 product categories.

## North America: \$37.8 billion

- Wellness: 34%
- Cosmetics & Personal Care: 17%
- Household Goods & Durables: 14%

## Western Europe: \$29.5 billion

- Wellness: 34%
- Cosmetics & Personal Care: 16%
- Home Improvement: 13%

## South & Central America: \$25.2 billion

- Cosmetics & Personal Care: 62%
- Wellness: 21%
- Clothing & Accessories: 8%

## Asia-Pacific: \$84.1 billion

- Wellness: 41%
- Cosmetics & Personal Care: 29%
- Household Goods & Durables: 13%



 Current LifeVantage Market

LifeVantage

Source: Direct Selling News, 2015 data





# WHAT IS GOING TO DRIVE GROWTH?

# GROWTH OPPORTUNITIES

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## Geographical

Greater China expansion utilizing  
an e-commerce model  
Opening of Germany

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## Expanding Our Distributor base

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## New Products

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## Tools and Technologies



# CROSS BORDER E-COMMERCE PROGRAM INTO MAINLAND CHINA

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Entering Mainland China through an innovative e-commerce and social influencer model

- ◆ Business model is not multi-level marketing
- ◆ Utilizing third party social influencers in China
- ◆ Products already approved for e-commerce
- ◆ Training and commercial pilot kicked off in November 2017



# EXPANDING DISTRIBUTOR BASE

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## RED CARPET PROGRAM

- ♦ Recently deployed an enhanced effort to attract new experienced leaders to LifeVantage through a program focused on creating relationships with developed leaders with access to our corporate leadership team, while providing activity based incentives as they build their business
- ♦ Incentivize experienced sales leaders to attract and retain accomplished salespeople to drive our business

Enhancing the demographics and skillset of our distributor base

- ♦ Focused on enhancing distributor base by attracting a second wave of leaders who are technology adept and social commerce savvy
- ♦ History of success with similar programs, which have demonstrated significant return on investment





# NEW PRODUCT INTRODUCTIONS IN 2018

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## Vitality Stacks

- ◆ Reconfigured product strategy from single products to a regimen that creates integrated product systems
  - ◆ Combining several of our powerful nutrigenomic products into a single solution that will become the basis of our bio-hacking protocol
    - ◆ Vitality Stack
    - ◆ Beauty Stack
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## Flagship Product Sent to Key Growth Markets

- ◆ Recent launch of Protandim in Mexico and Thailand
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## New Product Launches

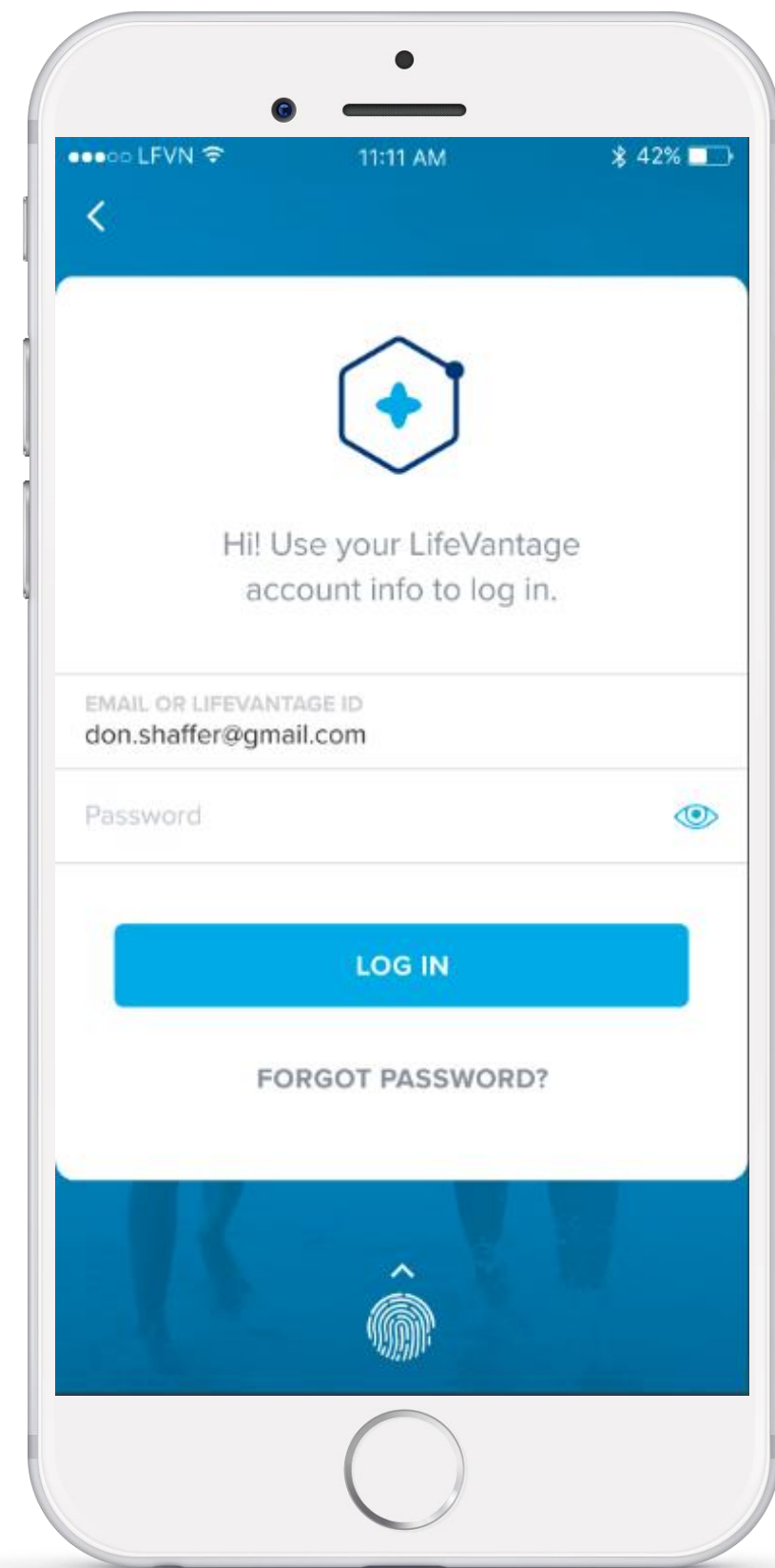
- ◆ Omega+
  - ◆ Protein Flavor Enhancers
  - ◆ TruScience Hand Cream
-



L I F E V A N T A G E

# Tools and Technology

ADDITIONAL EFFORTS TO DRIVE LONG TERM GROWTH



## TOOLS

Utilizing artificial intelligence and machine learning to assist our distributor base in selling and empowering them with digital technology with the Lifevantage App.



F I N A N C I A L

# OVERVIEW

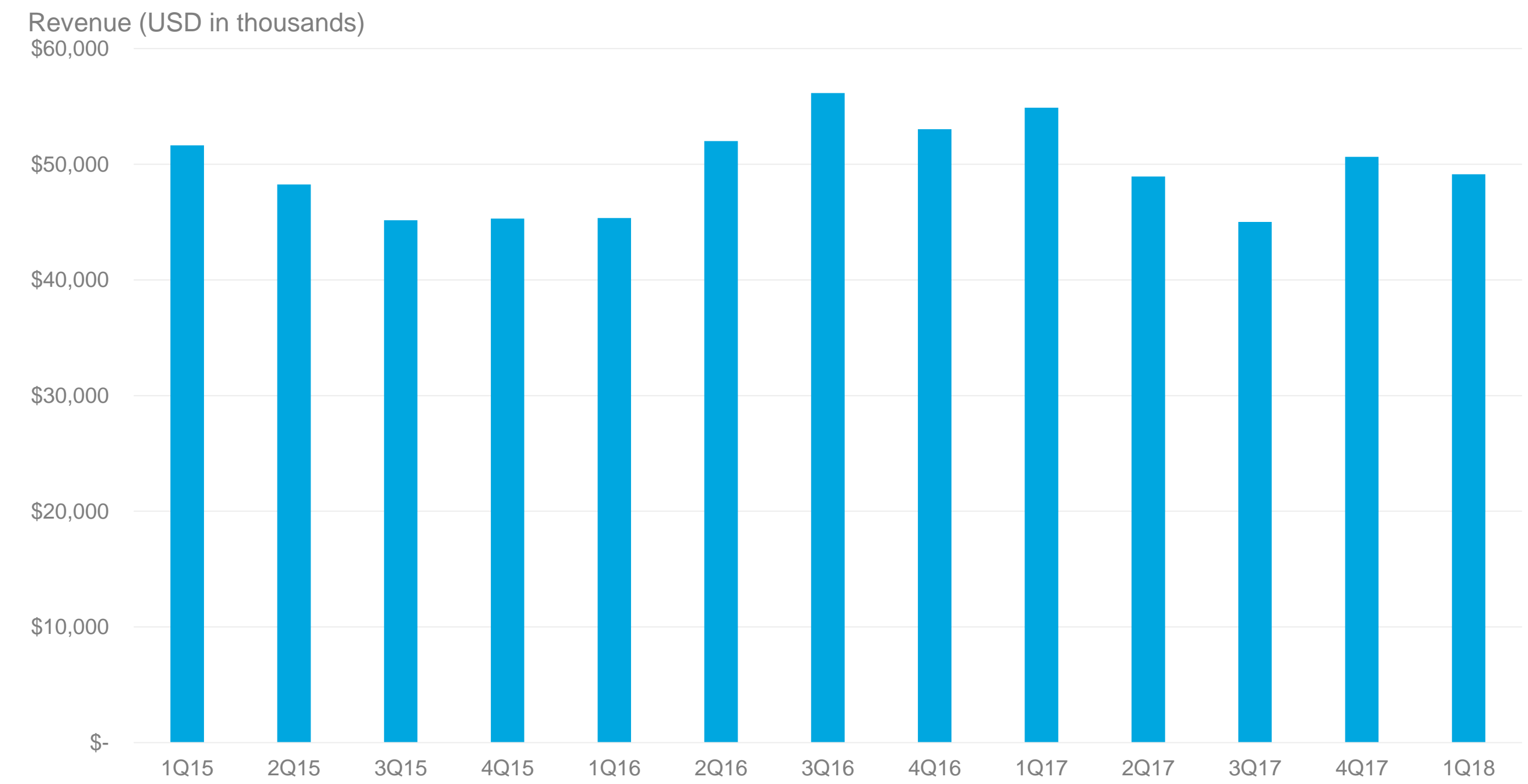
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L I F E V A N T A G E

# SALES HISTORY



## May 2015 New CEO

- Began to implement growth initiatives

## September 2016 Disruption

- Review of cross boarder sales resulted in policy and procedure adjustments that interrupted sales momentum

## March 2017 Management Enhancements

- New CFO
- New COO

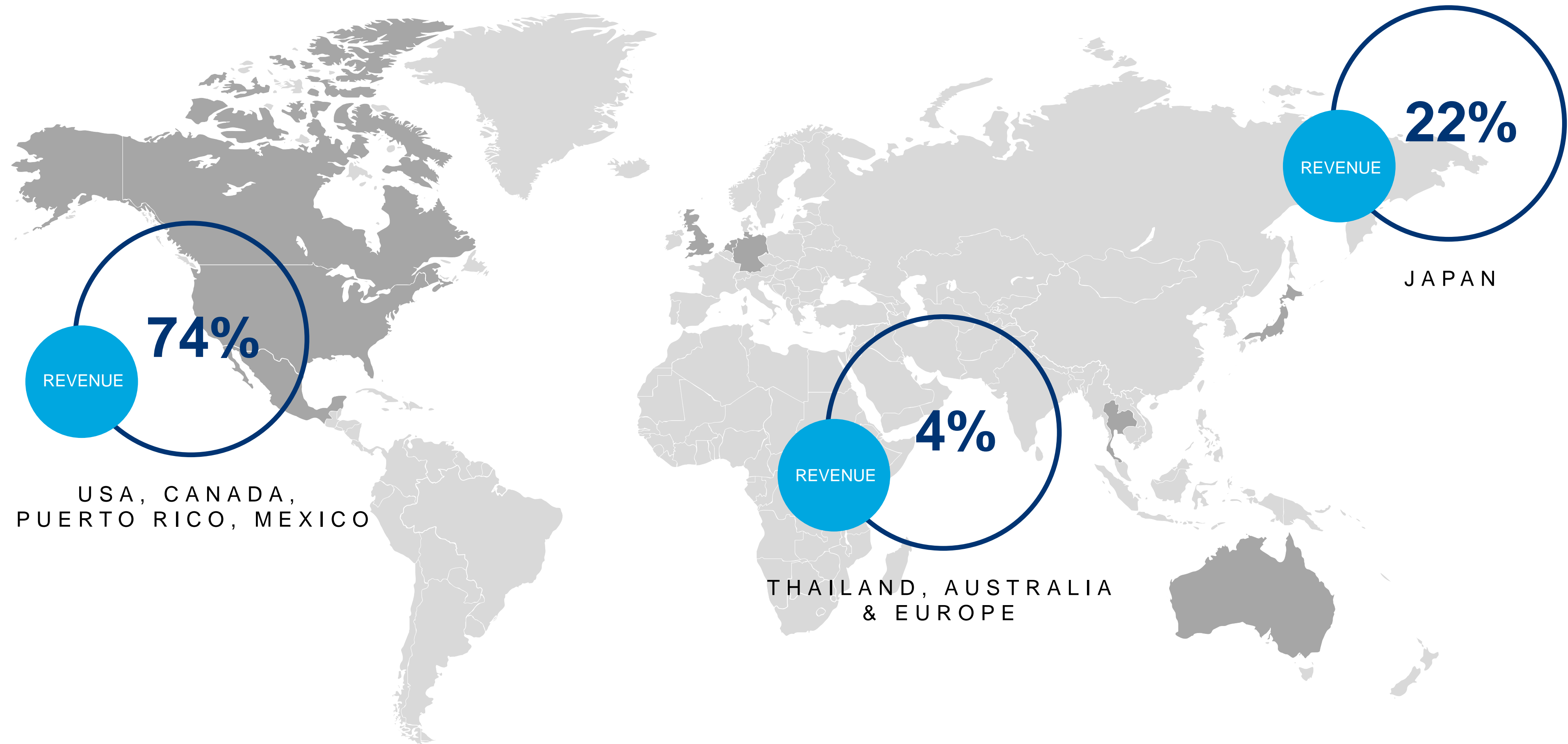




L I F E V A N T A G E

# GLOBAL REACH

Distribution of sales by sales area.





# PROGRESS ON 2018 INITIATIVES

- Initiated commercial testing and training of a new ecommerce business model utilizing independent in-market social influencers that has been developed for entry into Mainland China
- Introduced the tools and training to support and integrate key messaging around our biohacking and nutrigenomics stories across our field sales force
- Launched several products: Omega+, Vitality Stack, Beauty Stack, TruScience Hand Cream and Protein Flavor Enhancers
  - Stacks, including future introductions, will become the primary protocol to support our biohacking culture
- Launched beta test of the LifeVantage App technology platform
- Accelerated deployment of the Red Carpet program to attract new and experienced direct sales leaders to LifeVantage
- Began process of upgrading corporate ERP system, deploying Microsoft Dynamics 365





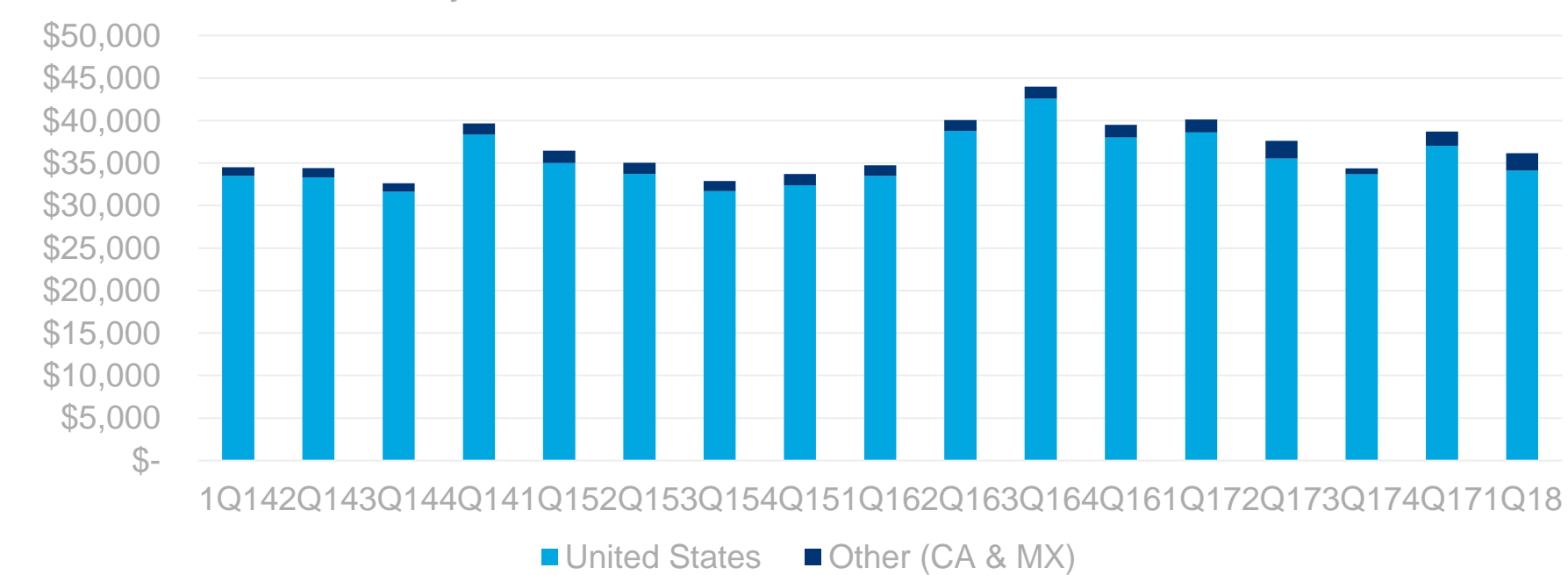
# AMERICAS MARKET



## 74% OF SALES

- Launched Protandim NRF2 in Mexico
- Successful Canada Leadership Academy in Vancouver and Elite Academy events in Orlando

Americas Sales History





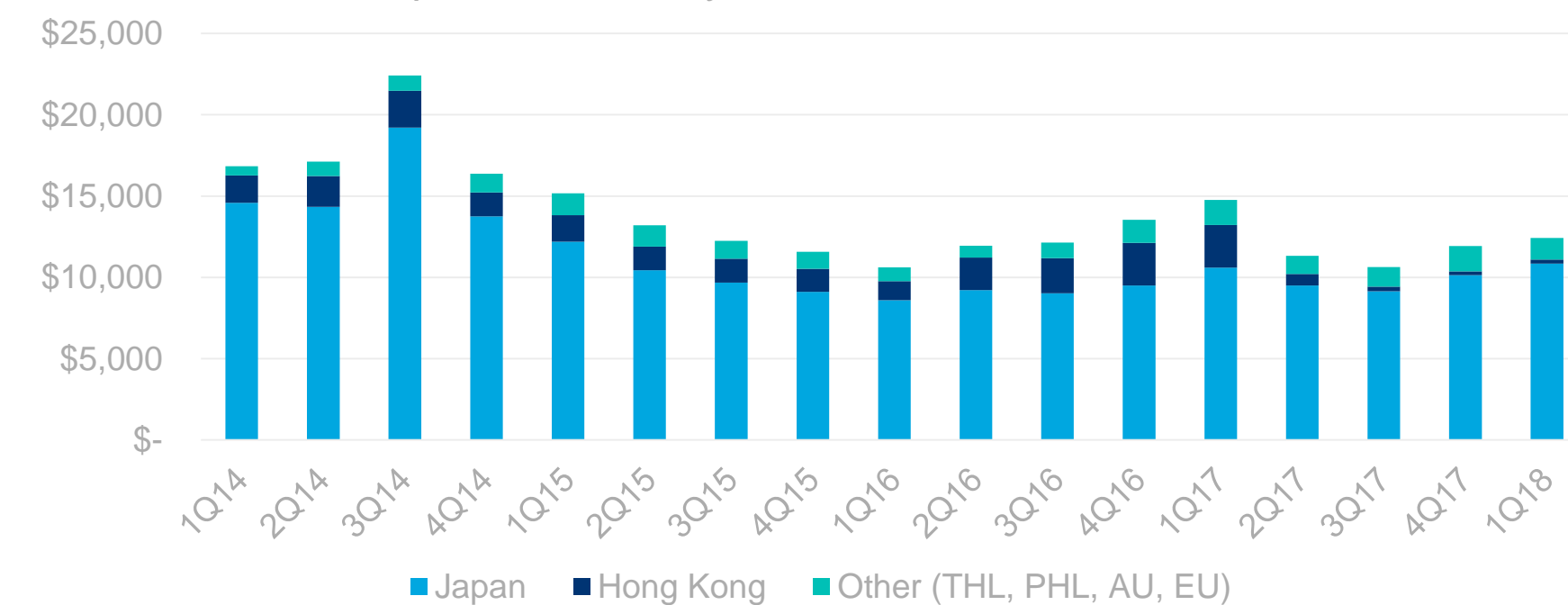
# ASIA PACIFIC & EUROPE MARKETS

## 26% OF SALES

- Japan has turned
  - 7.0% YOY growth during Q1:2018
- Launched Germany on September 1<sup>st</sup>
- Introduced NRF2 in Thailand
- Targeting China and Taiwan launches during fiscal 2018
- Successful Leadership Academy in Japan, Australia, and Europe



Asia/Pacific & Europe Sales History







L I F E V A N T A G E

# BUSINESS MODEL

	Long-term			
(as % of revenue)	FY 2015	FY 2016	FY 2017	Target
Gross Margin <sup>1</sup>	84.2%	83.6%	83.2%	84.0%
Commissions and Incentives	47.8%	49.9%	48.5%	48.0%
SG&A <sup>2</sup>	29.4%	26.3%	30.4%	24.0%
Operating Margin <sup>2</sup>	7.0%	7.3%	4.4%	12.0%
Adjusted EBITDA Margin <sup>2</sup>	9.2%	9.5%	6.6%	14.5%

**Robust gross margin and highly variable cost structure produces strong incremental margins approaching 36%**

A reconciliation of non-GAAP items is included at the appendix of this presentation

<sup>1</sup> Non-GAAP adjustments to FY 2015 gross margin to exclude recall insurance recovery

<sup>2</sup> Non-GAAP adjustments to FY 2015 to 2017 SG&A, operating margin and adjusted EBITDA to exclude expenses associated with the Audit Committee review, class action expenses, non-recurring legal expenses, reverse split fees and recruiting, severance and management transition fees



# INVESTMENT SUMMARY



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Well positioned with on-trend scientific products in a growing, global sales channel

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Highly efficient business model with strong cash flow and high incremental margins

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Continuous focus on product innovation and international market opportunities position us for growth

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Demonstrated ability to drive accelerated revenue growth





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# APPENDIX

# Recent Operating Results Comparison



## LIFEVANTAGE CORPORATION AND SUBSIDIARIES CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

(In thousands, except per share data)

	Most Recent Quarter	Previous Sequential Quarter	Sequential Change	Prior Year Period	Year over Year Change
	Q1 of Fiscal 2018	Q4 of Fiscal 2017	%	Q1 of Fiscal 2017	%
<b>Revenue, net</b>	<b>\$ 49,127</b>	<b>\$ 50,641</b>	(3.0%)	<b>\$ 54,894</b>	(10.5%)
Cost of sales	8,739	8,891		8,832	
<b>Gross profit</b>	<b>40,388</b>	<b>41,750</b>	(3.3%)	<b>46,062</b>	(12.3%)
Commissions and incentives	23,409	23,984		26,296	
Selling, general and administrative	15,581	16,226		17,780	
Total operating expenses	38,990	40,210		44,076	
<b>Operating income</b>	<b>1,398</b>	<b>1,540</b>	(9.2%)	<b>1,986</b>	(29.6%)
Interest expense	(162)	(164)		(137)	
Other income (expense), net	22	(616)		(171)	
Total other income (expense)	(140)	(780)		(308)	
Income before income taxes	1,258	760		1,678	
Income tax expense	(441)	(676)		(498)	
<b>Net income</b>	<b>817</b>	<b>84</b>	nmf	<b>1,180</b>	(30.8%)
EPS (Net income per share, basic)	\$ 0.06	\$ 0.01	nmf	\$ 0.09	(33.3%)
EPS (Net income per share, diluted)	\$ 0.06	\$ 0.01	nmf	\$ 0.08	(25.0%)
Weighted average shares, basic	13,963	13,952		13,820	
Weighted average shares, diluted	14,080	14,085		14,466	
<b>Non-GAAP Items</b>					
<b>Adjusted EBITDA*</b>	<b>2,662</b>	<b>3,259</b>	(18.3%)	<b>4,348</b>	(38.8%)
<b>Adjusted Net Income*</b>	<b>1,006</b>	<b>525</b>	91.6%	<b>1,891</b>	(46.8%)
<b>Adjusted EPS (Net income per share, diluted)*</b>	<b>\$ 0.07</b>	<b>\$ 0.04</b>	75.0%	<b>\$ 0.13</b>	(46.2%)

\* A reconciliation of non-GAAP items, including Adjusted EBITDA, Adjusted Net Income and Adjusted Earnings per Diluted Share, is included at the appendix of this presentation



# Historical Income Statements



## LIFEVANTAGE CORPORATION AND SUBSIDIARIES

### CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

(In thousands, except per share data)

	Fiscal Year			Fiscal 2017	Fiscal 2018
	2015	2016	2017	Q1 17	Q1 18
	(as revised)	(as revised)			
<b>Revenue, net</b>	<b>\$ 190,336</b>	<b>\$ 206,540</b>	<b>\$ 199,489</b>	<b>\$ 54,894</b>	<b>\$ 49,127</b>
Cost of sales	28,010	33,932	33,456	8,832	8,739
<b>Gross profit</b>	<b>162,326</b>	<b>172,608</b>	<b>166,033</b>	<b>46,062</b>	<b>40,388</b>
Commissions and incentives	91,074	103,120	96,662	26,296	23,409
Selling, general and administrative	57,353	56,074	64,922	17,780	15,581
Total operating expenses	148,427	159,194	161,584	44,076	38,990
<b>Operating income</b>	<b>13,899</b>	<b>13,414</b>	<b>4,449</b>	<b>1,986</b>	<b>1,398</b>
Interest expense	(3,087)	(3,321)	(570)	(137)	(162)
Other income (expense), net	(159)	(1,409)	(969)	(171)	22
Total other income (expense)	(3,246)	(4,730)	(1,539)	(308)	(140)
Income before income taxes	10,653	8,684	2,910	1,678	1,258
Income tax expense	(3,528)	(2,578)	(1,302)	(498)	(441)
<b>Net income</b>	<b>7,125</b>	<b>6,106</b>	<b>1,608</b>	<b>1,180</b>	<b>817</b>
EPS (Net income per share, basic)	\$ 0.51	\$ 0.44	\$ 0.12	\$ 0.09	\$ 0.06
EPS (Net income per share, diluted)	\$ 0.50	\$ 0.42	\$ 0.11	\$ 0.08	\$ 0.06
Weighted average shares, basic	13,899	13,730	13,881	13,820	13,963
Weighted average shares, diluted	14,150	14,531	14,118	14,466	14,080
<b>Non-GAAP Items</b>					
<b>Adjusted EBITDA*</b>	<b>17,436</b>	<b>19,650</b>	<b>13,087</b>	<b>4,348</b>	<b>3,259</b>
<b>Adjusted Net Income*</b>	<b>6,755</b>	<b>9,235</b>	<b>3,933</b>	<b>1,891</b>	<b>525</b>
<b>Adjusted EPS (Net income per share, diluted)*</b>	<b>\$ 0.48</b>	<b>\$ 0.64</b>	<b>\$ 0.27</b>	<b>\$ 0.13</b>	<b>\$ 0.04</b>

\* A reconciliation of non-GAAP items, including Adjusted EBITDA, Adjusted Net Income and Adjusted Earnings per Diluted Share, is included at the appendix of this presentation

# Historical Balance Sheet and Cash Flows



## LIFEVANTAGE CORPORATION AND SUBSIDIARIES SUMMARIZED BALANCE SHEET AND CASH FLOW METRICS

(Unaudited, in thousands, except per share data)

	Fiscal Year ended June 30,			Quarter ended September 30,	
	2015	2016	2017	2016	2017
Cash and Cash Equivalents	\$ 13,905	\$ 7,883	\$ 11,458	\$ 10,225	\$ 12,288
Current Portion of Long-term Debt	11,141	2,000	2,000	2,000	2,000
Long-term Debt, Net of Discount	9,631	7,409	5,440	6,916	4,948
Total Debt	20,771	9,409	7,440	8,916	6,948
<b>Net Cash</b> (Cash and equivalents less total Debt)	<b>(6,866)</b>	<b>(1,526)</b>	<b>4,018</b>	<b>1,309</b>	<b>5,340</b>
<b>Net Cash per share, diluted</b>	<b>\$ (0.49)</b>	<b>\$ (0.10)</b>	<b>\$ 0.28</b>	<b>\$ 0.09</b>	<b>\$ 0.38</b>
Total Assets	41,163	50,857	45,249	49,796	44,793
Total Stockholders' Equity	1,806	10,650	14,528	14,082	15,772
<b>Book Value per share, diluted</b>	<b>\$ 0.13</b>	<b>\$ 0.73</b>	<b>\$ 1.03</b>	<b>\$ 0.97</b>	<b>\$ 1.12</b>
Net Cash Provided by Operating Activities	13,221	6,036	6,597	2,880	2,503
Capital Expenditures	1,159	562	1,055	94	1,176
Free Cash Flow	12,062	5,474	5,542	2,786	1,327
<b>Free Cash Flow per share, diluted</b>	<b>\$ 0.85</b>	<b>\$ 0.38</b>	<b>\$ 0.39</b>	<b>\$ 0.19</b>	<b>\$ 0.09</b>



# Non-GAAP Reconciliations



## LIFEVANTAGE CORPORATION AND SUBSIDIARIES

Adjusted Net Income

(Unaudited, in thousands, except per share data)

	Fiscal Year			Fiscal 2017	Fiscal 2017	Fiscal 2018
	2015	2016	2017	Q1	Q4	Q1
Period ended	6/30/15	6/30/16	6/30/17	9/30/16	6/30/17	9/30/17
GAAP Net income	\$7,126	\$6,106	\$1,608	\$1,180	\$84	\$817
Adjustments:	—	—	—	—	—	—
Recall related expenses	(2,000)	—	—	—	—	—
Executive team recruiting and transition expenses	880	928	744	—	203	44
Audit committee independent review expenses	—	—	2,742	1,011	—	—
Class-action lawsuit expenses	—	—	170	—	84	196
Executive Team Severance Expenses, Net	565	632	39	—	—	—
Reverse Split Fees	—	159	—	—	—	—
Write-Off of Deferred Debt Offering Costs	—	1,544	—	—	—	—
Write-off of intangible assets	—	—	350	—	350	—
Jenkon Write-Off	—	1,186	—	—	—	—
Other nonrecurring legal and accounting expenses	—	—	160	—	160	51
Tax impact of adjustments	184	(1,320)	(1,881)	(300)	(356)	(102)
Total adjustments, net of tax	(371)	9,235	2,324	711	441	210
<b>Non-GAAP Net Income:</b>	<b>6,755</b>	<b>9,235</b>	<b>3,933</b>	<b>1,891</b>	<b>525</b>	<b>1,006</b>
Diluted earnings per share, as reported	0.50	0.42	0.11	0.08	0.01	0.06
Total adjustments, net of tax	(0.02)	0.22	0.16	0.05	0.03	0.01
<b>Diluted earnings per share, as adjusted</b>	<b>0.48</b>	<b>0.64</b>	<b>0.27</b>	<b>0.13</b>	<b>0.04</b>	<b>0.07</b>

# Non-GAAP Reconciliations



## LIFEVANTAGE CORPORATION AND SUBSIDIARIES

EBITDA and Adjusted EBITDA

(Unaudited, in thousands)

	Fiscal Year			Fiscal 2017	Fiscal 2017	Fiscal 2018
	2015	2016	2017	Q1	Q4	Q1
Period ended	6/30/15	6/30/16	6/30/17	9/30/16	6/30/17	9/30/17
GAAP Net income	\$7,126	\$6,106	\$1,608	\$1,180	\$84	\$817
Interest Expense	3,087	3,321	570	137	164	162
Provision for income taxes	3,527	2,578	1,302	498	676	441
Depreciation and amortization	2,285	1,895	1,643	412	418	350
<b>Non-GAAP EBITDA:</b>	<b>16,025</b>	<b>13,900</b>	<b>5,123</b>	<b>2,227</b>	<b>1,342</b>	<b>1,770</b>
Adjustments:						
Stock compensation expense	1,806	2,621	2,647	939	855	623
Other (income) expense, net	159	1,409	969	171	616	(22)
Other adjustments	(554)	1,720	4,348	1,011	446	291
Total adjustments	1,411	5,750	7,964	2,121	1,917	892
<b>Non-GAAP Adjusted EBITDA</b>	<b>17,436</b>	<b>19,650</b>	<b>13,087</b>	<b>4,348</b>	<b>3,259</b>	<b>2,662</b>