



## INVESTOR PRESENTATION

AUGUST 2018

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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 appendices 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 sandy beach. Both are wearing black wetsuits. The woman is carrying a long, light-colored surfboard under her arm. They are holding hands and looking towards the ocean. The background shows gentle waves and a clear sky. The entire image has a blue color overlay.

## THE COMPANY: LifeVantage (NASDAQ: LFVN)

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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>\$9.80</b>
<b>Shares outstanding<sup>1</sup></b>	14.1 million	<b>Float<sup>1</sup></b>	13.0 million
<b>Market Capitalization<sup>1</sup></b>	\$138.1 million	<b>Enterprise Value<sup>1</sup></b>	\$126.8 million
<b>Average Daily Volume<sup>1</sup></b>	151,442	<b>Fiscal 2018 Revenue</b>	\$203.2 million
<b>Cash at June 30, 2018</b>	\$16.7 million	<b>Fiscal 2018 Adjusted EBITDA<sup>2</sup></b>	\$14.9 million
<b>Debt at June 30, 2018</b>	\$5.4 million	<b>Fiscal 2018 Adjusted EPS<sup>2</sup></b>	\$0.51

(1) As of August 13, 2018

(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**

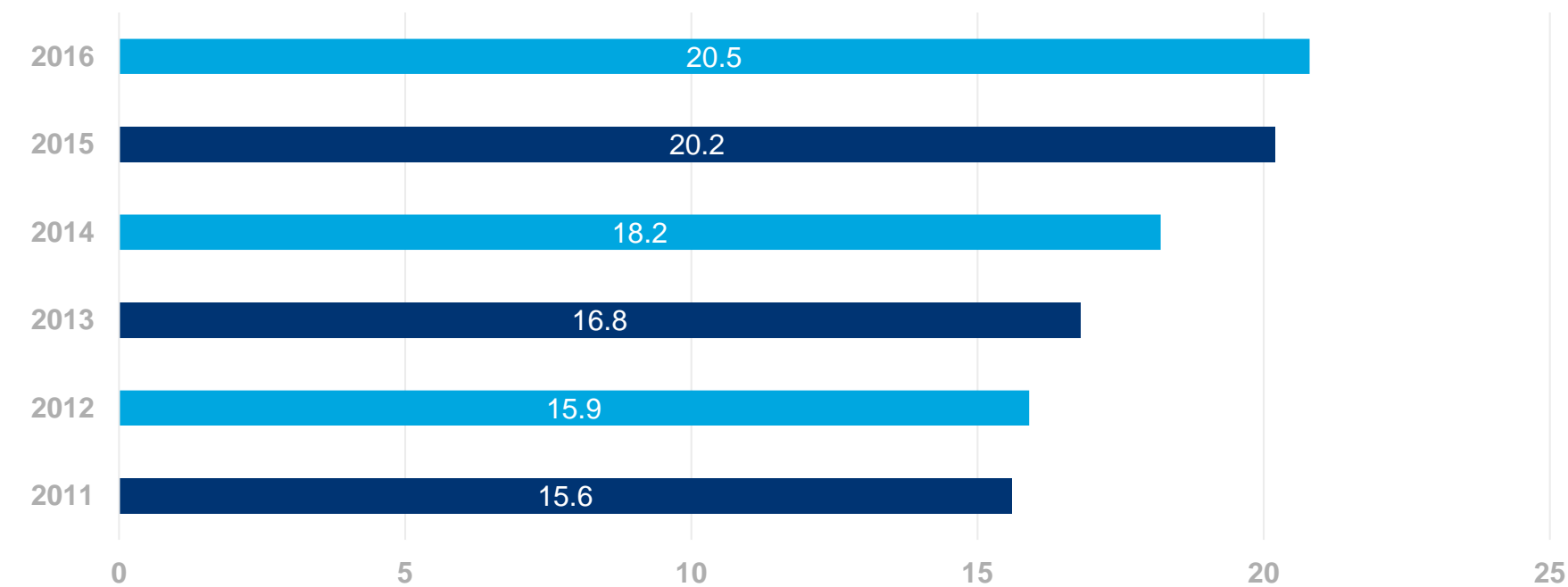
- ◆ Global sales of \$190 billion in 2017
- ◆ CAGR of 4% since 2014
- ◆ More than 117 million direct sellers worldwide



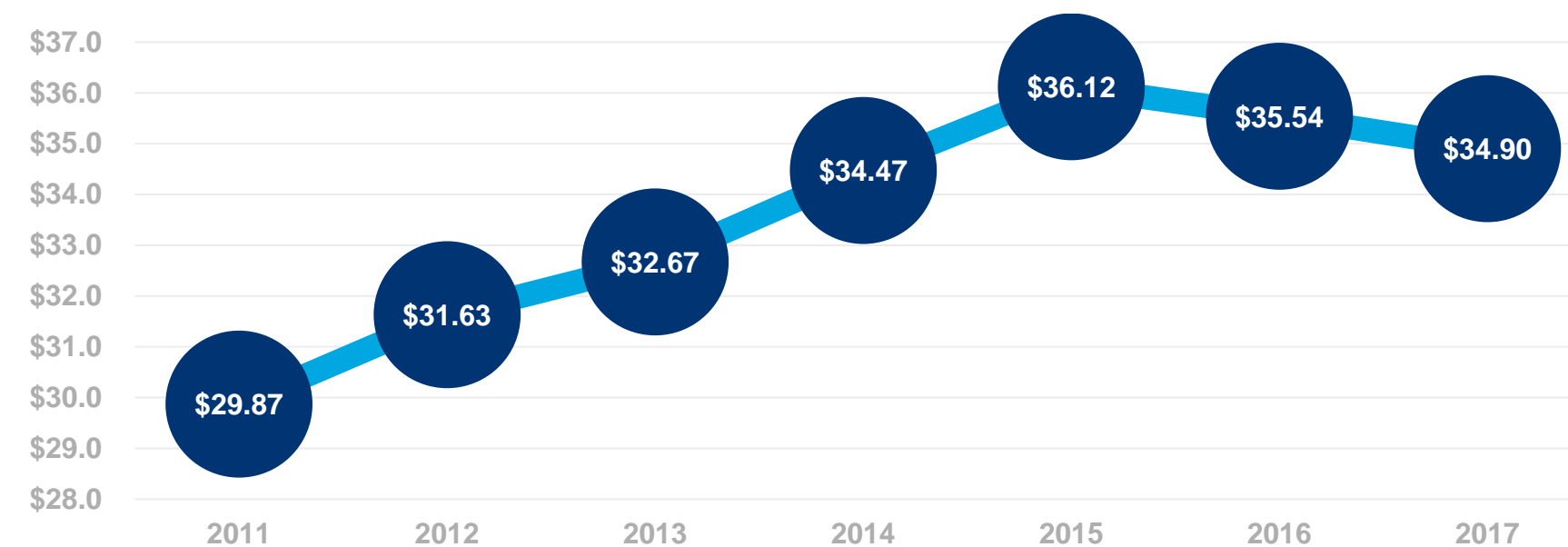


# DIRECT SELLING (US)

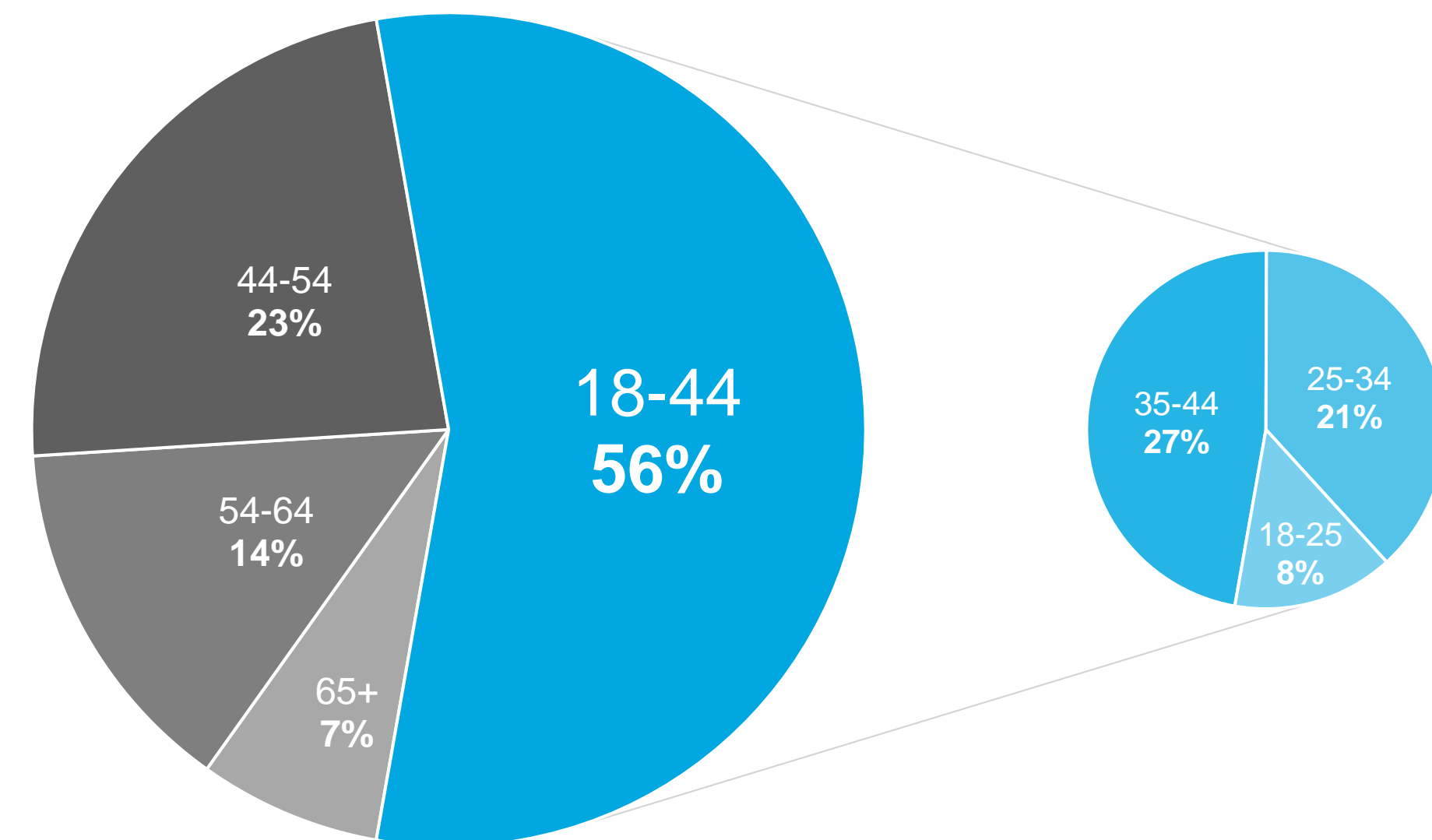
**PEOPLE INVOLVED IN DIRECT SELLING**  
(in millions)



**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: \$36.9 billion

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

## Europe: \$38.5 billion

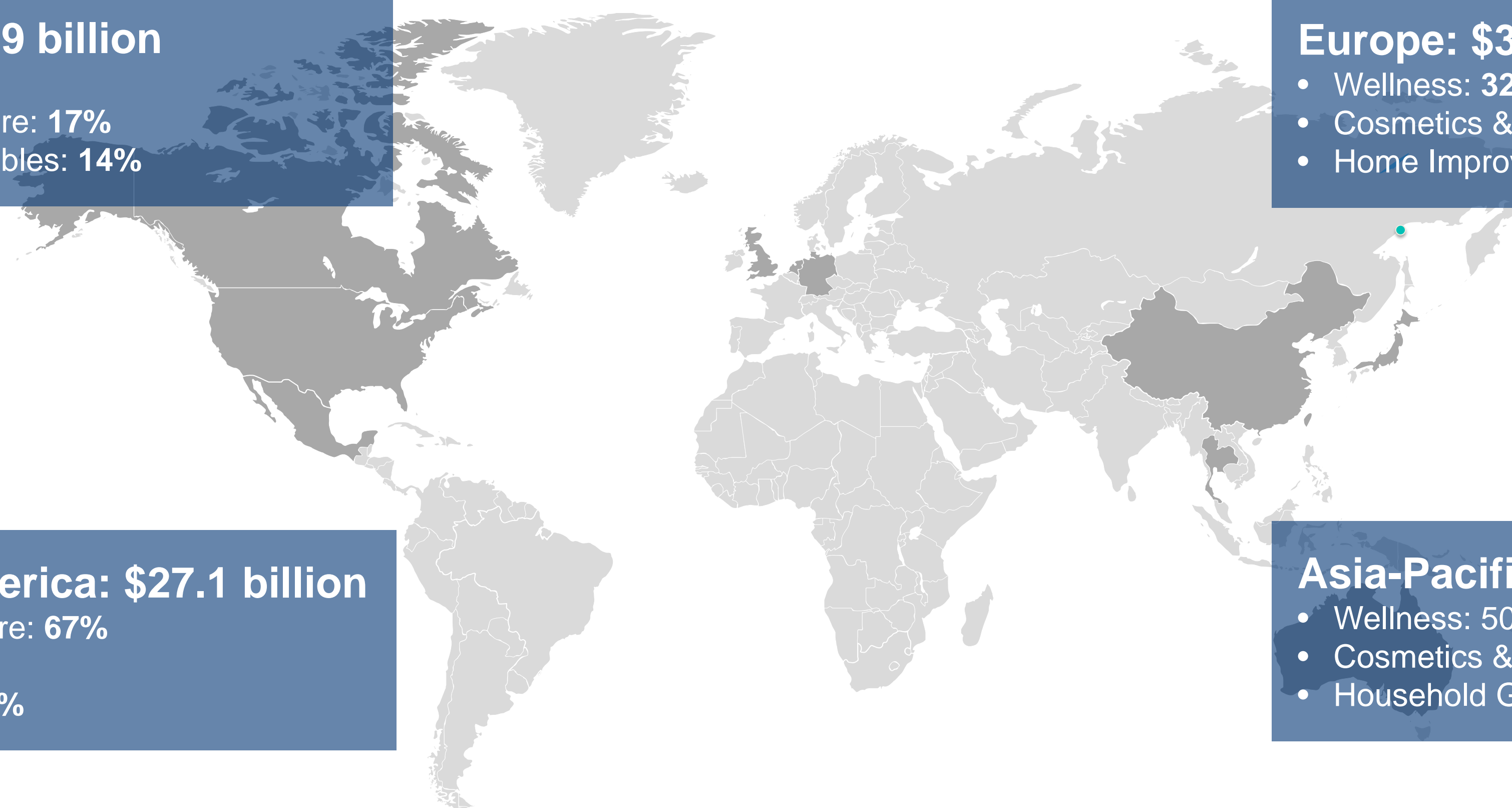
- Wellness: 32%
- Cosmetics & Personal Care: 26%
- Home Improvement: 12%

## South & Central America: \$27.1 billion

- Cosmetics & Personal Care: 67%
- Wellness: 14%
- Clothing & Accessories: 6%

## Asia-Pacific: \$85.4 billion

- Wellness: 50%
- Cosmetics & Personal Care: 23%
- Household Goods & Durables: 11%



 Current LifeVantage Market

Source: Direct Selling News, 2017 data



# WHAT IS GOING TO DRIVE GROWTH?



# GROWTH OPPORTUNITIES

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## Geographical

Greater China expansion utilizing an e-commerce model in Mainland China

February 2018

Opened Taiwan June 2018

Opened Germany September 2017

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## Expanding Our Distributor Base

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## Launched Global Customer Expansion

April 2018

Austria

Belgium

France

Ireland

Italy

New Zealand

Dominican Republic

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

- ◆ Formally launched on February 1, 2018
- ◆ Business model is not multi-level marketing
- ◆ Utilizing third party social influencers in China
- ◆ Products already approved for e-commerce



# 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 FY2018

## 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
- ◆ Introduced Vitality Stack Packets, providing convenient single-day serving size for on-the-go customers

## Flagship Product Sent to Key Growth Markets

- ◆ Launched Protandim in Mexico and Thailand

## New Product Launches

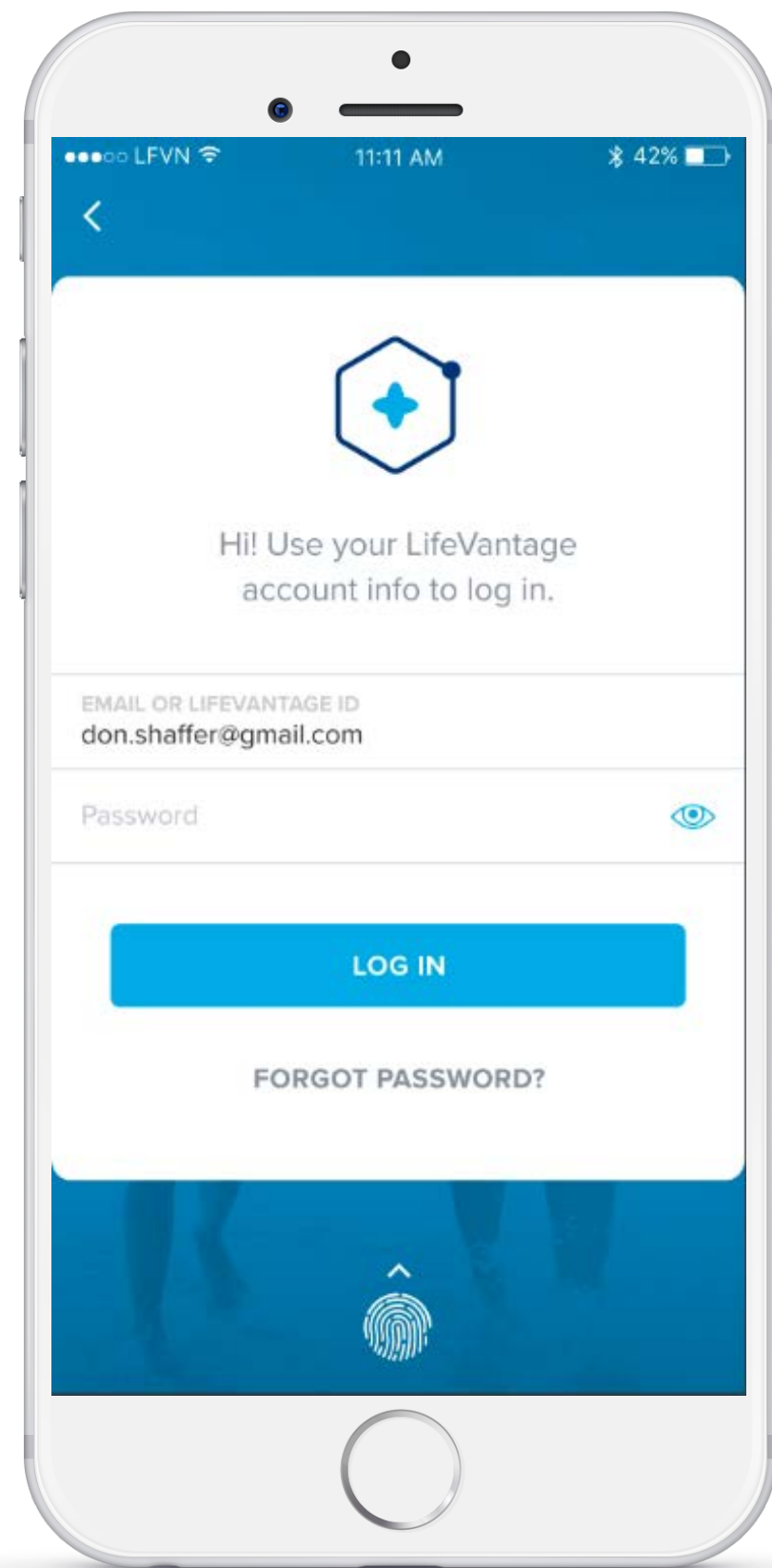
- ◆ FY2018 -- Omega+, Protein Flavor Enhancers, TruScience Hand Cream
- ◆ FY2019 – New category launch planned in October





# Tools and Technology

ADDITIONAL EFFORTS TO DRIVE LONG TERM GROWTH



## TOOLS

Utilizing 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

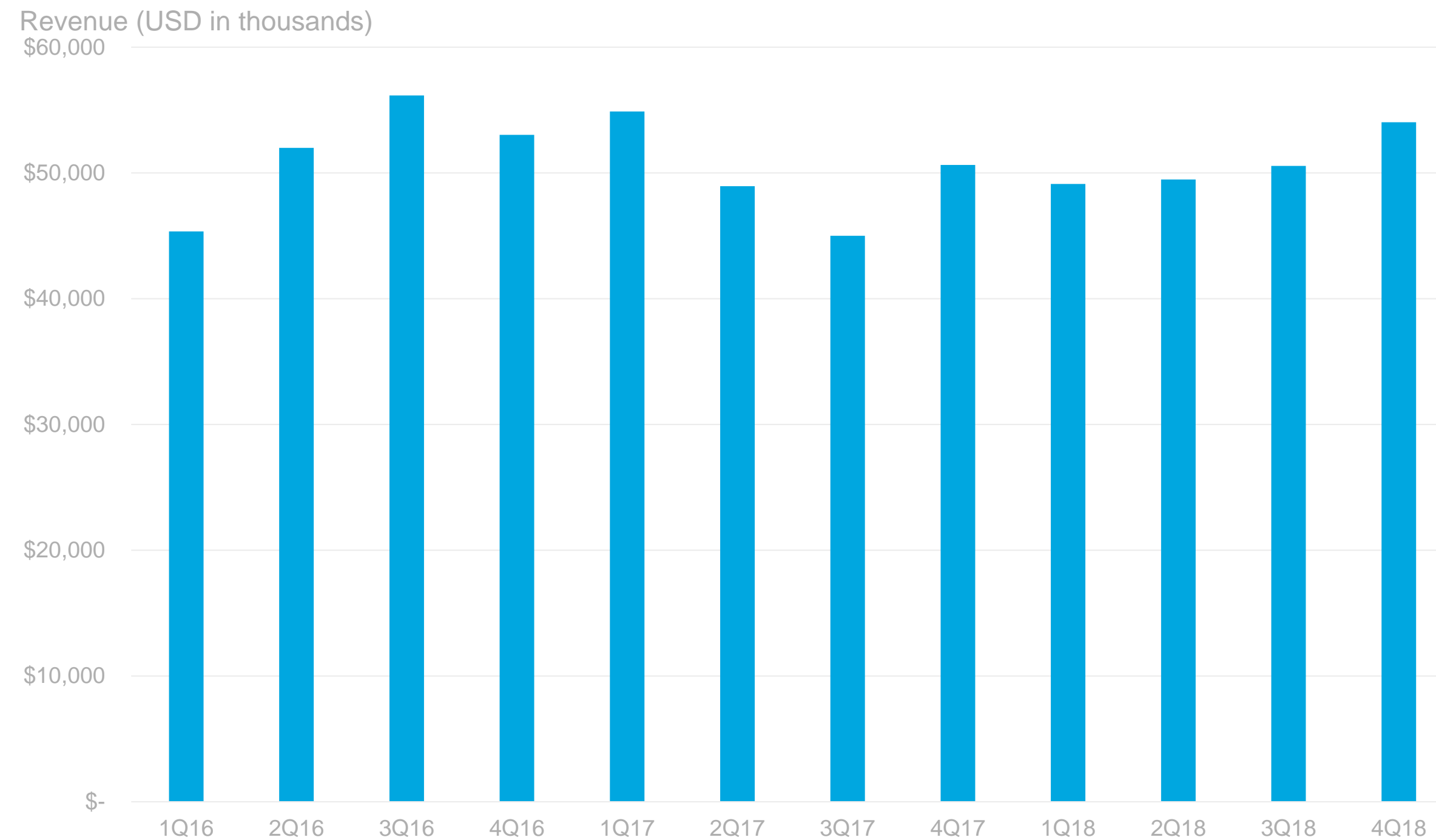
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L I F E V A N T A G E

# SALES HISTORY



## May 2015 New CEO

- Began to implement growth initiatives

## September 2016 Disruption

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

## March 2017 Management Enhancements

- Recruited experienced CFO and COO

## Fiscal 2018 Initiatives

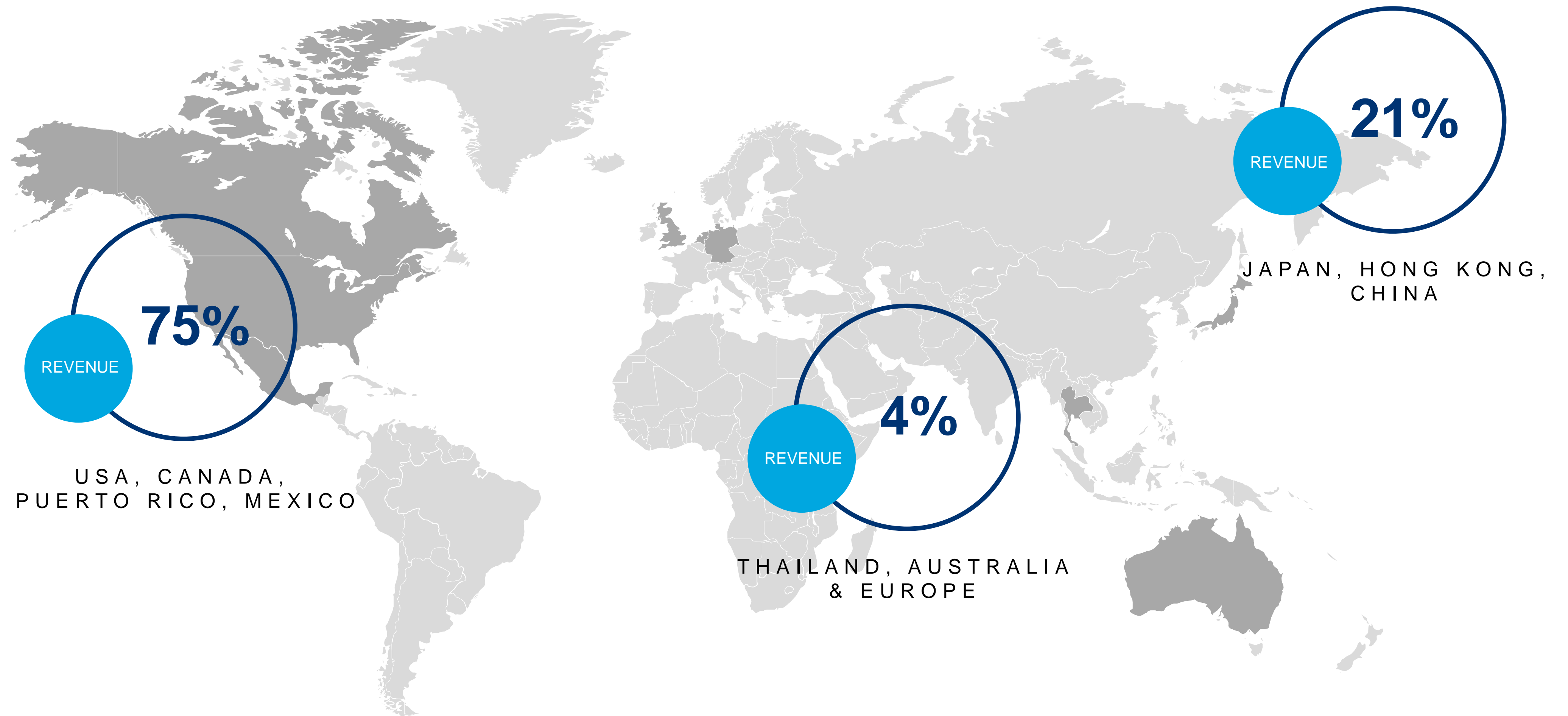
- Implemented key initiatives focused on increasing average order size, geographical expansion and distributor and customer acquisition
- Sequential and year-over-year sales growth accelerates



L I F E V A N T A G E

# GLOBAL REACH

Distribution of sales by sales area.





# PROGRESS ON 2018 INITIATIVES

- Formally launched in China on February 1, 2018 utilizing a new ecommerce business model leveraging independent in-market social influencers that has been specifically 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, Protein Flavor Enhancers and Vitality Stack Packets
  - Stacks, including future introductions, have become the primary protocol to support our biohacking culture
- Completed roll-out of the LifeVantage Digital technology platform in May 2018
- Accelerated deployment of the Red Carpet program to attract new and experienced direct sales leaders to LifeVantage
- Completed implementation of upgraded ERP system, deploying Microsoft Dynamics 365
- Launched the Global Customer Acquisition Program in early Q4, further supporting geographical expansion
- Rolled out new Auto-Assigned Customer Program whereby we can directly acquire new customers, leveraging our marketing and public relations investments
  - New customers can now shop for and order product directly on LifeVantage.com and be assigned a distributor after the first order





L I F E V A N T A G E

# LAUNCHED 2019 INITIATIVES

- Continue geographical expansion, building the Greater China region with the recent launch of Taiwan
- Further expand successful Red Carpet program to attract new and experienced direct sales leaders to LifeVantage
  - Utilize PaceSetter program to further build engagement and advancement
- Build upon the LifeVantage Digital technology platform with incremental functionality and enhancements
- Continue to develop new innovative products and stacks
  - Launching a promising new product category at Global Convention in October
- Strengthen current markets with further improvements to active member counts, retention and average order size
- Optimize the benefits, branding and publicity associated with LifeVantage's jersey front sponsorship of the Real Salt Lake Major League Soccer club
  - Leverage Auto-Assigned Customer Program
- Develop an IT Roadmap, evaluating core distributor and customer facing systems

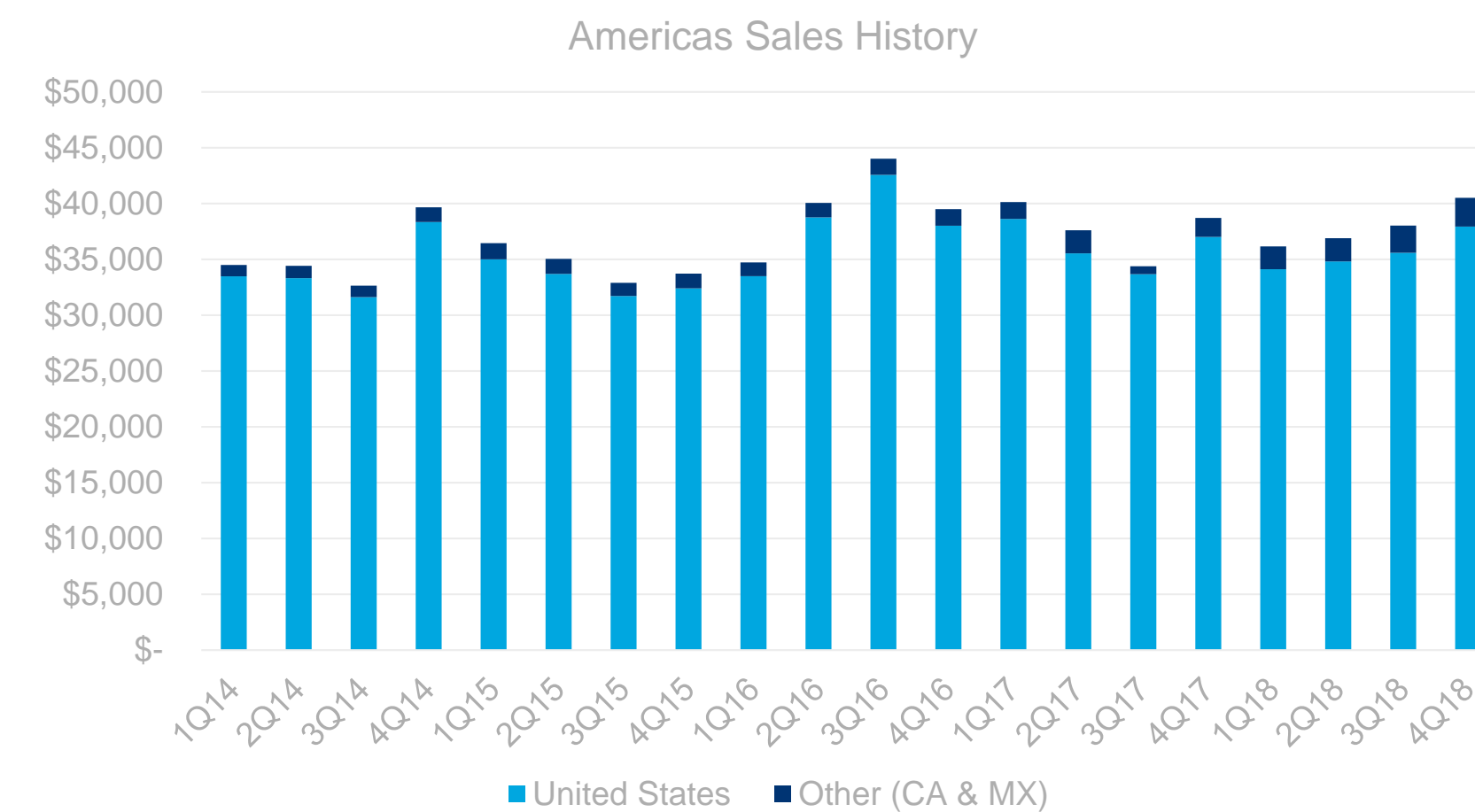


# AMERICAS MARKET



## 75% OF SALES

- Launched Protandim NRF2 in Mexico
- Successful Leadership Events
  - Elite Academy event in Denver
  - Canada Leadership Academy in Vancouver
  - Elite Academy event in Orlando
  - Elite Academy event in Indianapolis





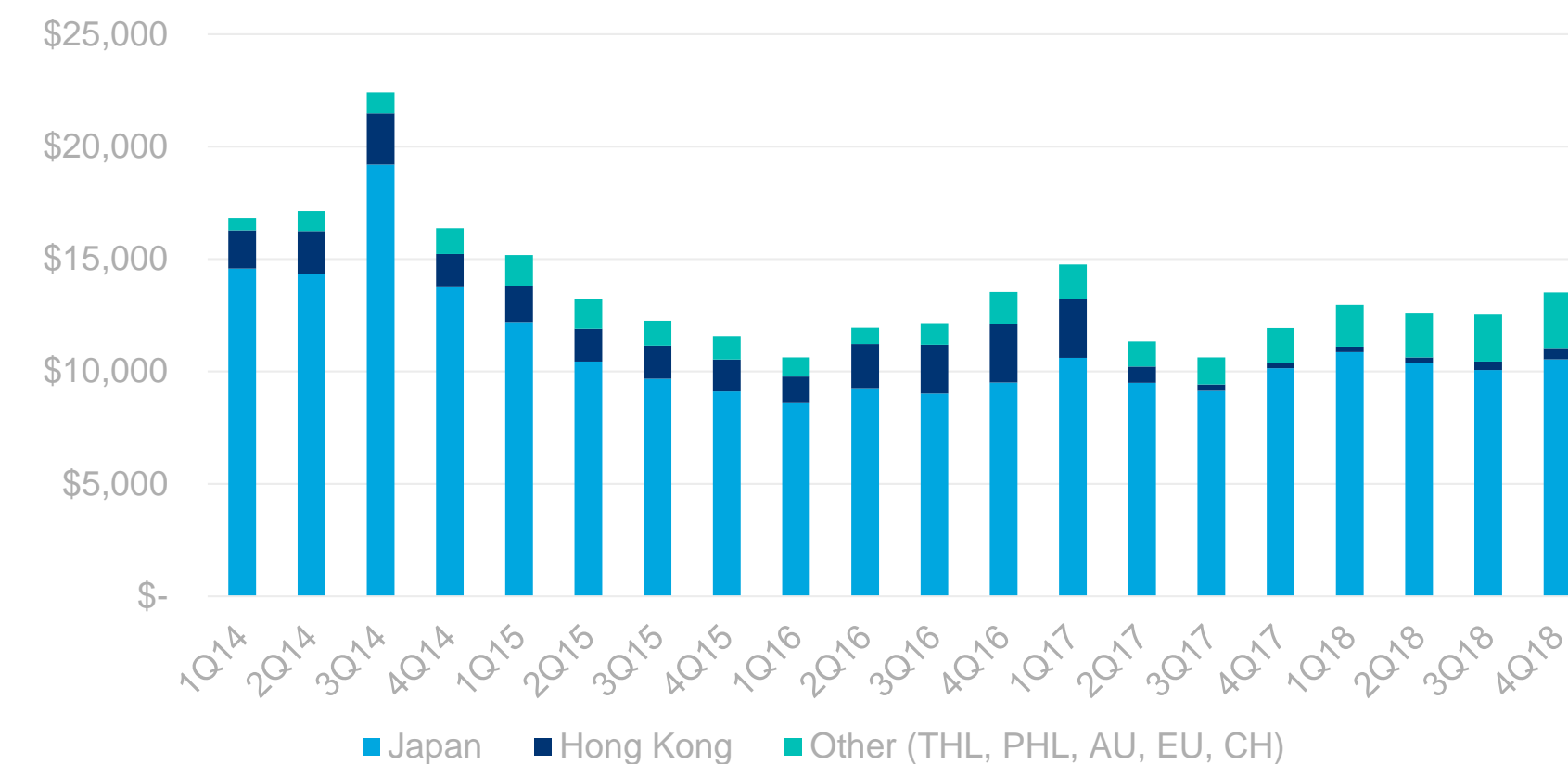
# ASIA PACIFIC & EUROPE MARKETS

## 25% OF SALES

- Japan has turned
  - 6% growth during Fiscal 2018
- Launched China in February 2018
- Launched Germany in September 2018
- Introduced NRF2 in Thailand
- Launched Taiwan in June 2018
- Successful Leadership Events
  - Elite Academy event in Japan
  - European Leadership Academy event in Netherlands



Asia/Pacific & Europe Sales History





L I F E V A N T A G E

# BUSINESS MODEL

(as % of revenue)	FY 2016	FY 2017	FY 2018	Long-term Target
Gross Margin <sup>1</sup>	83.6%	83.2%	82.4%	84.0%
Commissions and Incentives	49.9%	48.5%	48.3%	48.0%
SG&A <sup>2</sup>	26.3%	30.6%	29.0%	24.0%
Operating Margin <sup>3</sup>	7.3%	4.2%	5.1%	12.0%
Adjusted EBITDA Margin <sup>3</sup>	9.5%	6.6%	7.3%	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 2018 gross margin to exclude the benefit related to a change in estimate for the accrual of import duties. A full reconciliation of FY2018 adjusted earnings are included at the end of this presentation

<sup>2</sup> Non-GAAP adjustments to FY 2016 to FY2018 SG&A to exclude expenses associated with the audit committee review, class action expenses, non-recurring legal expenses, reverse split fees, insurance reimbursement and recruiting, severance and management transition fees. A full reconciliation of FY2016 to FY2018 adjusted earnings are included at the end of this presentation

<sup>3</sup> Non-GAAP adjustments to FY 2016 to FY2018 include the adjustments noted above. A full reconciliation of FY2016 to FY2018 adjusted earnings are included at the end of this presentation



# 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	Prior Year Period	Year over Year Change %
	Q4 of Fiscal 2018	Q4 of Fiscal 2017	
<b>Revenue, net</b>	<b>\$ 54,033</b>	<b>\$ 50,641</b>	6.7%
Cost of sales	8,071	8,891	
<b>Gross profit</b>	<b>45,962</b>	<b>41,750</b>	10.1%
Commissions and incentives	27,069	23,984	
Selling, general and administrative	14,594	16,226	
Total operating expenses	41,663	40,210	
<b>Operating income</b>	<b>4,299</b>	<b>1,540</b>	179.2%
Interest expense	(99)	(164)	
Other income (expense), net	(199)	(616)	
Total other income (expense)	(298)	(780)	
Income before income taxes	4,001	760	
Income tax expense	(1,009)	(676)	
<b>Net income</b>	<b>2,992</b>	<b>84</b>	3461.9%
EPS (Net income per share, basic)	\$ 0.21	\$ 0.01	2000.0%
EPS (Net income per share, diluted)	\$ 0.21	\$ 0.01	2000.0%
Weighted average shares, basic	14,046	13,952	
Weighted average shares, diluted	14,147	14,085	
<b>Non-GAAP Items</b>			
<b>Adjusted EBITDA*</b>	<b>5,175</b>	<b>3,259</b>	58.8%
<b>Adjusted Net Income*</b>	<b>2,807</b>	<b>525</b>	434.7%
<b>Adjusted EPS (Net income per share, diluted)*</b>	<b>\$ 0.20</b>	<b>\$ 0.04</b>	400.0%

\* 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)

Fiscal Year ended June 30,

(In thousands, except per share data)

	2016	2017	2018
	(as revised)		
<b>Revenue, net</b>	<b>\$ 206,540</b>	<b>\$ 199,489</b>	<b>\$ 203,204</b>
Cost of sales	33,932	33,456	34,848
<b>Gross profit</b>	<b>172,608</b>	<b>166,033</b>	<b>168,356</b>
Commissions and incentives	103,120	96,662	98,193
Selling, general and administrative	56,074	64,922	59,840
Total operating expenses	159,194	161,584	158,033
<b>Operating income</b>	<b>13,414</b>	<b>4,449</b>	<b>10,323</b>
Interest expense	(3,321)	(570)	(456)
Other income (expense), net	(1,409)	(969)	(319)
Total other income (expense)	(4,730)	(1,539)	(775)
Income before income taxes	8,684	2,910	9,548
Income tax expense	(2,578)	(1,302)	(3,787)
<b>Net income</b>	<b>6,106</b>	<b>1,608</b>	<b>5,761</b>
EPS (Net income per share, basic)	\$ 0.44	\$ 0.12	\$ 0.41
EPS (Net income per share, diluted)	\$ 0.42	\$ 0.11	\$ 0.41
Weighted average shares, basic	13,730	13,881	13,992
Weighted average shares, diluted	14,531	14,118	14,136
<b>Non-GAAP Items</b>			
<b>Adjusted EBITDA*</b>	<b>19,650</b>	<b>13,087</b>	<b>14,910</b>
<b>Adjusted Net Income*</b>	<b>9,235</b>	<b>3,932</b>	<b>7,194</b>
<b>Adjusted EPS (Net income per share, diluted)*</b>	<b>\$ 0.64</b>	<b>\$ 0.27</b>	<b>\$ 0.51</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)

Cash and Cash Equivalents  
 Current Portion of Long-term Debt  
 Long-term Debt, Net of Discount  
 Total Debt  
**Net Cash** (Cash and equivalents less total Debt)  
**Net Cash per share, diluted**

Total Assets  
 Total Stockholders' Equity  
**Book Value per share, diluted**

As of June 30,

	2016	2017	2018
Cash and Cash Equivalents	\$ 7,883	\$ 11,458	\$ 16,652
Current Portion of Long-term Debt	2,000	2,000	2,000
Long-term Debt, Net of Discount	7,409	5,440	3,412
Total Debt	9,409	7,440	5,412
<b>Net Cash</b> (Cash and equivalents less total Debt)	<b>(1,526)</b>	<b>4,018</b>	<b>11,240</b>
<b>Net Cash per share, diluted</b>	<b>\$ (0.11)</b>	<b>\$ 0.28</b>	<b>\$ 0.80</b>
Total Assets	50,855	45,249	51,142
Total Stockholders' Equity	10,649	14,527	21,947
<b>Book Value per share, diluted</b>	<b>\$ 0.73</b>	<b>\$ 1.03</b>	<b>\$ 1.55</b>

Fiscal Year ended June 30,

(Unaudited, in thousands, except per share data)

Net Cash Provided by Operating Activities  
 Capital Expenditures  
 Free Cash Flow  
**Free Cash Flow per share, diluted**

	2016	2017	2018
Net Cash Provided by Operating Activities	\$ 6,036	\$ 6,597	\$ 13,256
Capital Expenditures	562	1,055	4,649
Free Cash Flow	5,474	5,542	8,607
<b>Free Cash Flow per share, diluted</b>	<b>\$ 0.38</b>	<b>\$ 0.39</b>	<b>\$ 0.61</b>

# Non-GAAP Reconciliations



## LIFEVANTAGE CORPORATION AND SUBSIDIARIES

Adjusted Net Income

(Unaudited, in thousands, except per share data)

	Fiscal Year			Fiscal 2017	Fiscal 2018
	2016	2017	2018	Q4	Q4
Period ended	6/30/16	6/30/17	6/30/17	6/30/17	6/30/18
GAAP Net income	\$6,106	\$1,608	\$5,761	\$84	\$2,992
Adjustments:					
Recall related expenses	—	—	—	—	—
Executive team recruiting and transition expenses	928	744	207	203	—
Audit committee independent review expenses	—	2,742	—	—	—
Class-action lawsuit expenses	—	170	659	84	317
Executive Team Severance Expenses, Net	632	39	374	—	314
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	51	160	—
Insurance reimbursement	—	—	(425)	—	(425)
Change in estimate of accrued import liabilities	—	—	(863)	—	(863)
Tax impact of adjustments	(1,320)	(1,881)	(42)	(356)	166
Tax expense impact of revaluation of deferred tax assets	—	—	1,472	—	306
Total adjustments, net of tax	3,129	2,324	1,433	441	(185)
<b>Non-GAAP Net Income:</b>	<b>9,235</b>	<b>3,932</b>	<b>7,194</b>	<b>525</b>	<b>2,807</b>
Diluted earnings per share, as reported	0.42	0.11	0.41	0.01	0.21
Total adjustments, net of tax	0.22	0.16	0.10	0.03	(0.01)
<b>Diluted earnings per share, as adjusted</b>	<b>0.64</b>	<b>0.27</b>	<b>0.51</b>	<b>0.04</b>	<b>0.20</b>

# Non-GAAP Reconciliations



## LIFEVANTAGE CORPORATION AND SUBSIDIARIES

EBITDA and Adjusted EBITDA

(Unaudited, in thousands)

	Fiscal Year			Fiscal	Fiscal
	2016	2017	2018	2017	2018
Period ended	6/30/16	6/30/17	6/30/18	Q4	Q4
				6/30/17	6/30/18
GAAP Net income	\$6,106	\$1,608	\$5,761	\$84	\$2,992
Interest Expense	3,321	570	456	164	99
Provision for income taxes	2,578	1,302	3,787	676	1,009
Depreciation and amortization	1,895	1,643	1,325	417	383
<b>Non-GAAP EBITDA:</b>	<b>13,900</b>	<b>5,123</b>	<b>11,329</b>	<b>1,341</b>	<b>4,483</b>
Adjustments:					
Stock compensation expense	2,621	2,647	3,196	855	1,087
Other (income) expense, net	1,409	969	319	616	199
Other adjustments	1,720	4,348	66	447	(594)
Total adjustments	5,750	7,964	3,581	1,918	692
<b>Non-GAAP Adjusted EBITDA</b>	<b>19,650</b>	<b>13,087</b>	<b>14,910</b>	<b>3,259</b>	<b>5,175</b>