



## INVESTOR PRESENTATION

SEPTEMBER 2019

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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 child in wetsuits walking on a beach, holding hands, with the woman carrying a surfboard. The scene is overlaid with a blue tint.

## THE COMPANY:

LifeVantage (NASDAQ: LFDV)

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We believe the secret to unlocking your potential is found in your DNA. LifeVantage is dedicated to helping you master it.

We are 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, and we have already made strides to achieve it. 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 subscription-based entrepreneurial vehicle.

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

<https://vimeo.com/329678223/9587c980d1>

# LIFEVANTAGE FACT SHEET



<b>NASDAQ Ticker</b>	LFVN	<b>Share price<sup>1</sup></b>	\$12.16
<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>	\$172.1 million	<b>Enterprise Value<sup>1</sup></b>	\$154.8 million
<b>Average Daily Volume<sup>1</sup></b>	77,235	<b>Fiscal 2019 Revenue</b>	\$226.0 million
<b>Cash at June 30, 2019</b>	\$18.8 million	<b>Fiscal 2019 Adjusted EBITDA<sup>2</sup></b>	\$18.2 million
<b>Debt at June 30, 2019</b>	\$1.5 million	<b>Fiscal 2019 Adjusted EPS<sup>2</sup></b>	\$0.59

(1) As of September 4, 2019.

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

## INDUSTRY TRENDS

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# 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 optimize 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 “Biohack the Aging Code” through the relentless pursuit of science-based, nutrigenomic products with the intent of helping our customers live longer, healthier lives



# BIOHACKING 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

LSU

University of Colorado Denver

Virginia Commonwealth University

Colorado State 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





PROTANDIM NRF2/NRF1



VITALITY STACK



OMEGA+



PROBIO



AXIO



PHYSIQ WEIGHT MANAGEMENT



TRUESCIENCE SKIN CARE



TRUESCIENCE HAIR CARE



PETANDIM FOR DOGS



LifeVantage.

PROTANDIM®

\* NRF2 SYNERGIZER™

**BACKED BY 28 CLINICAL STUDIES AND COUNTING. INCLUDING:**

In a study conducted by the National Institute of Aging and published in the journal “Aging Cell”, Protandim Nrf2 Synergizer was

*“proven to significantly increase the lifespan of male mice, with a 7% increase in median survival. This is the only nutritional supplement tested that has been proven to increase the median survival in mice, thus delaying the aging process.”*

In a human clinical study published in “Free Radical Biology and Medicine”, vol 40, issue 2, Protandim Nrf2 Synergizer was also proven to reduce oxidative stress by an average of 40% in only 30 days.

# INDUSTRY TRENDS

## NUTRIGENOMICS

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### **NUTRIGENOMICS**

The scientific study of the interaction of nutrition and human genes. Especially with regard to the prevention or treatment of disease.

“The Nutrigenomics market is  
expected to reach

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

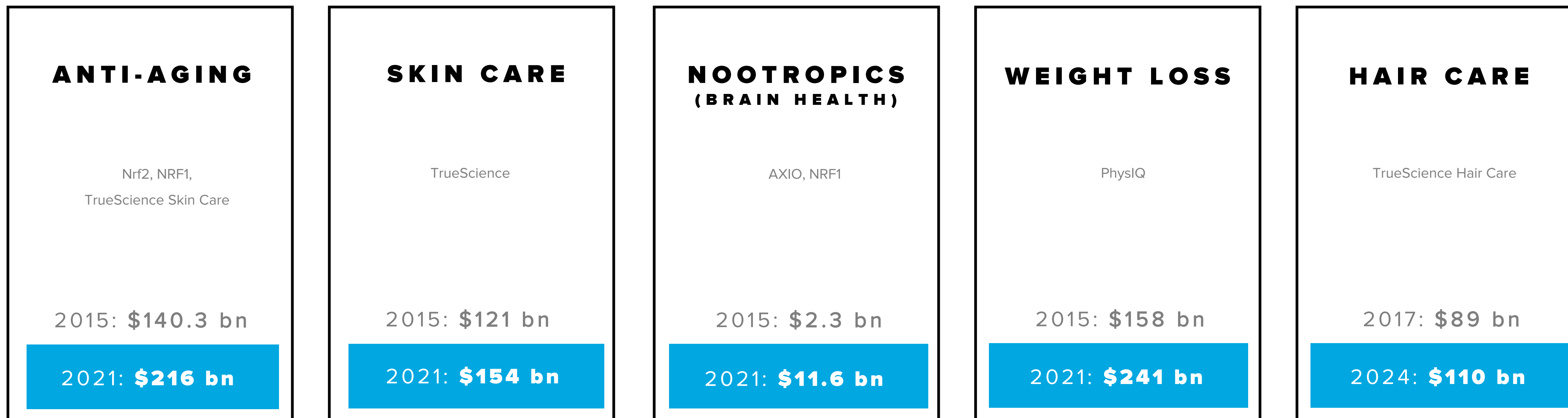
by 2023.”





# INDUSTRY TRENDS

## ADDITIONAL TRENDS RELATING TO LIFEVANTAGE PRODUCTS





# 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 \$193 billion in 2018
- ◆ More than 118 million direct sellers worldwide
- ◆ Global trend towards entrepreneurship
  - ◆ 8% aged 18-24
  - ◆ 20% aged 25-34
  - ◆ 26% aged 35-44
  - ◆ 24% aged 45-54
  - ◆ 22% aged 55+



# INDUSTRY TRENDS

## DIRECT SELLING IN THE U.S.

### PEOPLE INVOLVED IN DIRECT SELLING

#### Direct Sellers

6.2 million direct sellers build a business full time (30 or more hours/week) or part-time (fewer than 30 hours/week) and sell products/services to consumers and may sponsor people to join their team

Full-time

**1.0**  
million

Part-time

**5.2**  
million

#### Customers

More than 36.6 Million (Excludes those who have not signed an agreement with a direct selling company)

Discount Buyers

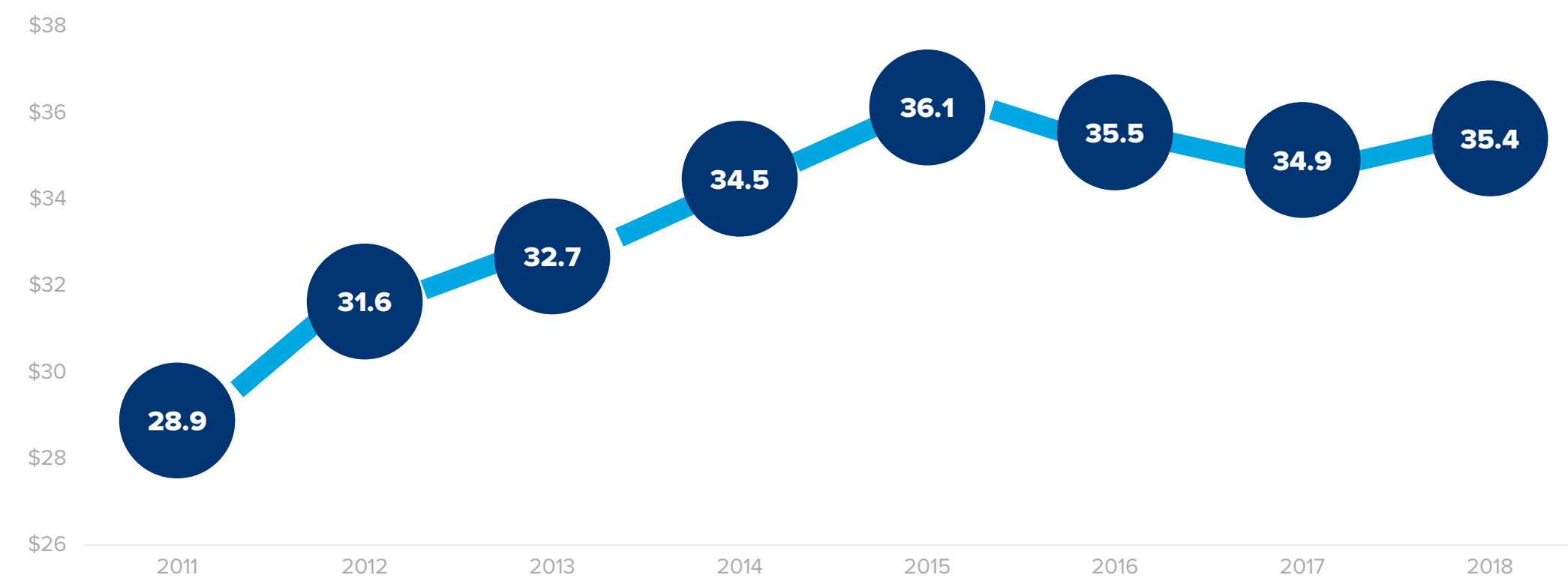
**10.4**  
million

Preferred Customers

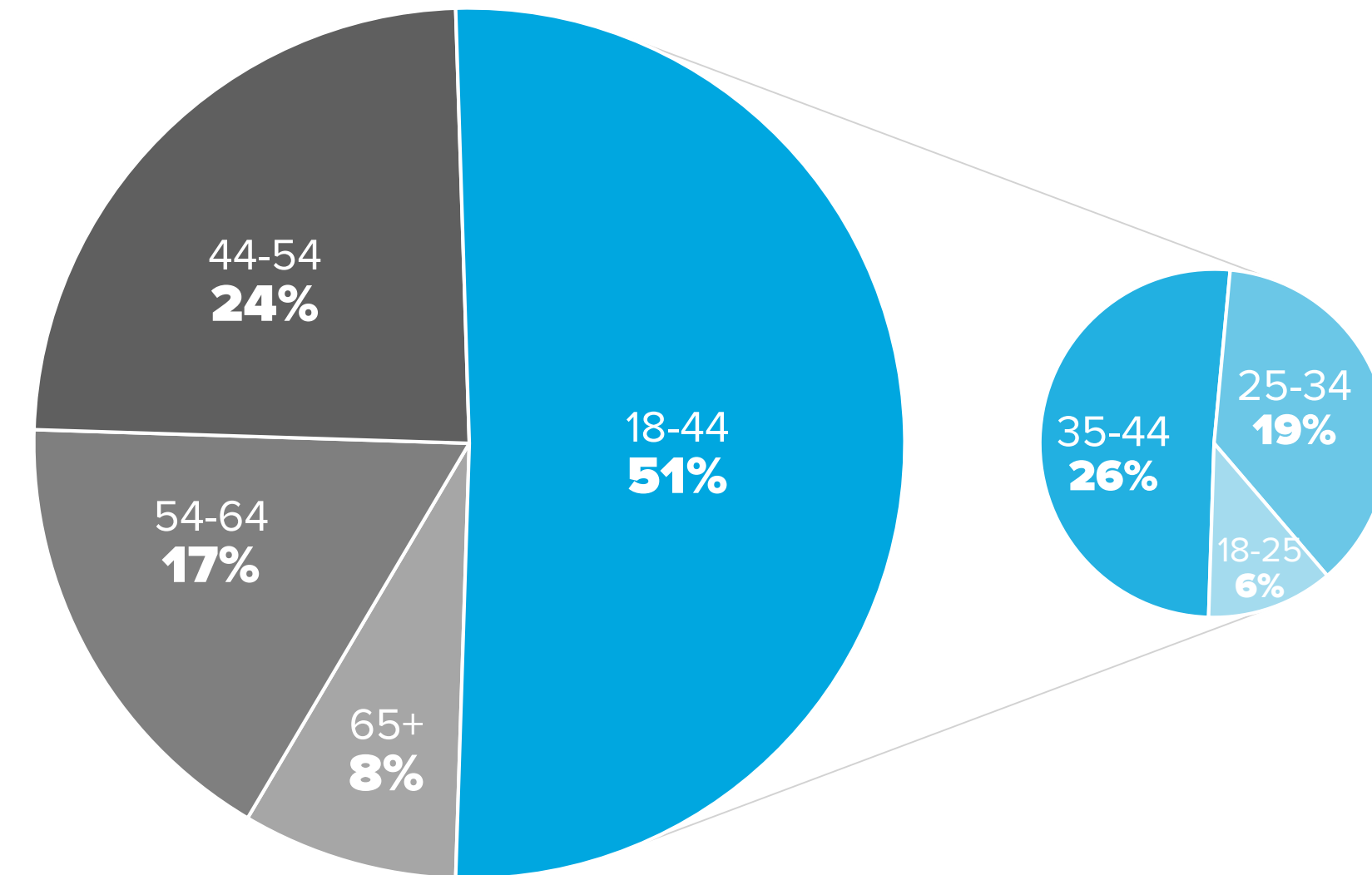
**26.2**  
million

### US RETAIL SALES

(in billions)



### PEOPLE INVOLVED BY AGE





# ROOM FOR GROWTH

## REGIONAL SALES AND TOP 3 PRODUCT CATEGORIES

**North America: \$37.3 billion**

- Wellness: 35%
- Cosmetics & Personal Care: 17%
- Household Goods & Durables: 13%

**Europe: \$39.6 billion**

- Wellness: 33%
- Cosmetics & Personal Care: 26%
- Household Goods & Durables: 14%

**South & Central America: \$25.1 billion**

- Cosmetics & Personal Care: 62%
- Wellness: 13%
- Household Goods & Durables: 10%

**Asia-Pacific: \$89.2 billion**

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



 Current LifeVantage Market

Source: World Federation of Direct Selling Associations 2018 Data

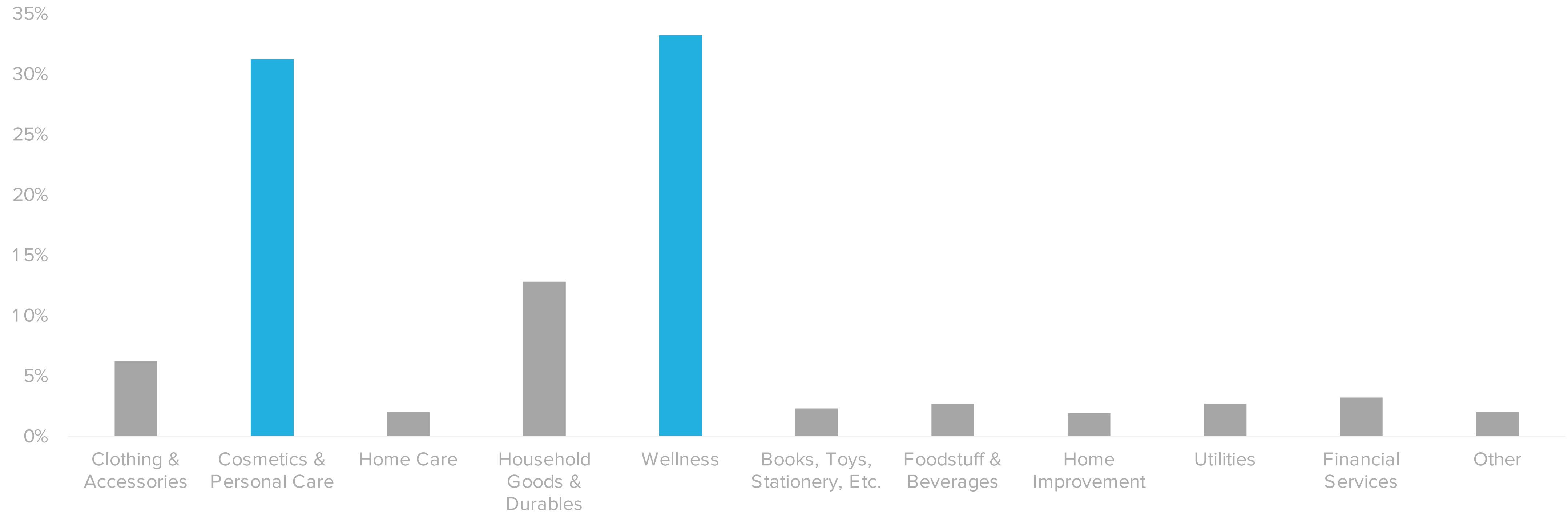




# ADDRESSING KEY CATEGORIES

LIFEVANTAGE PRODUCTS ADDRESS THE TWO LARGEST CATEGORIES OF DIRECT SELLING GLOBALLY

Global Sales by Product Category

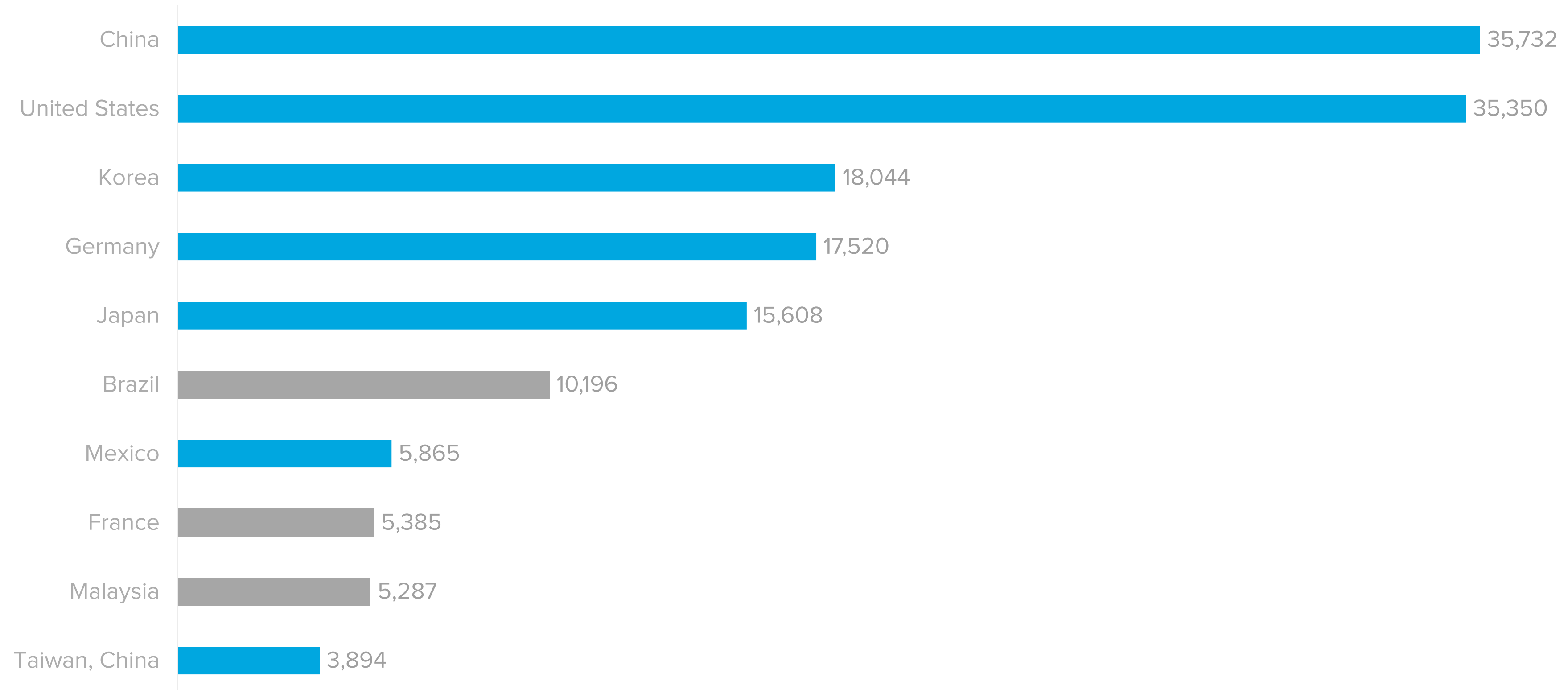


# ADDRESSING GLOBAL MARKETS

LIFEVANTAGE OPERATES IN 7 OF THE 10 LARGEST DIRECT SELLING MARKETS GLOBALLY



Top 10 Direct Selling Markets Globally





# WHAT IS GOING TO DRIVE GROWTH?

# GROWTH OPPORTUNITIES

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## **GEOGRAPHICAL**

Greater China expansion utilizing an e-commerce model

Opened Taiwan June 2018

Opened Austria September 2018

Opened Spain March 2019

Opened Ireland May 2019

Opened Belgium June 2019

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## **EXPANDING DISTRIBUTOR BASE**

While most companies are scrambling for customers to talk about and recommend their products, we have over 70,000 created both organically and through our “Red Carpet” program

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## **FOCUS ON DRIVING SUBSCRIPTION PLATFORM**

80% of current revenue derived from subscriptions

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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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Enhancing the demographics and skillset of our distributor base

## 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
- ◆ 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

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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

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

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## FLAGSHIP PRODUCTS TO KEY GROWTH MARKETS

Launched Protandims in Mexico, Thailand, and Australia

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## NEW PRODUCT LAUNCHES

FY2018 – Omega+, TruScience Hand Cream

FY2019 – TrueScience Hair Care System® in October 2018

FY2019 – PhysIQ System® Update in February 2019

FY2020 – Addition to flagship Protandim product line (planned)

# truescience®

## Hair Care System

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Launched on October 30, 2018

- ◆ Engineered with Nrf2 ingredients
- ◆ Backed by independent market research
- ◆ Scores very well on popular app Think Dirty – targeting ingredient conscious consumers focused on on clean and safe personal care products

\$89 billion global industry, growing to \$110 billion by 2024<sup>1</sup>



<sup>1</sup> Zion Market Research



# PHYSIQ™

SMART WEIGHT MANAGEMENT

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Launched on February 8, 2019

We do weight management differently – with less fad and more science to give you a better way to feel great.\*

By working with your body's natural systems, PhysIQ balances your digestive system, supports your metabolism to burn fat, and provides protein and amino acids to help build lean muscle and keep you feeling full.\*

Used as part of a healthy diet and exercise program, it can help you optimize your health in a way nature intended. It's a hard-working weight management system that helps you achieve your fitness goals.\*

\* These statements have not been evaluated by the Food and Drug Administration. These products are not intended to diagnose, treat, cure, or prevent any disease.

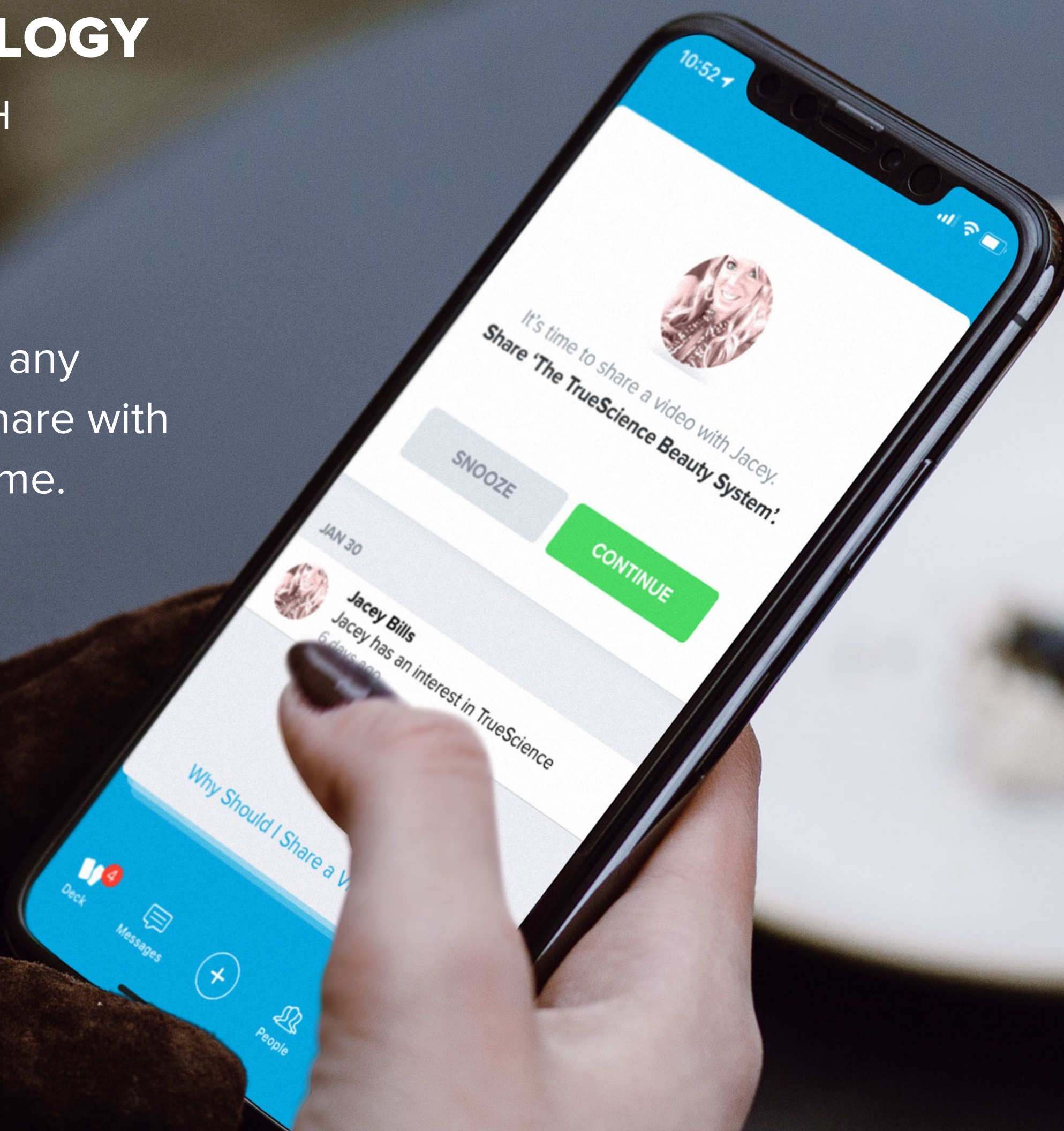


## TOOLS AND TECHNOLOGY

TO DRIVE LONG-TERM GROWTH

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Using machine learning to tell any Distributor the right thing to share with the right person, at the right time.



## **FINANCIAL OVERVIEW**

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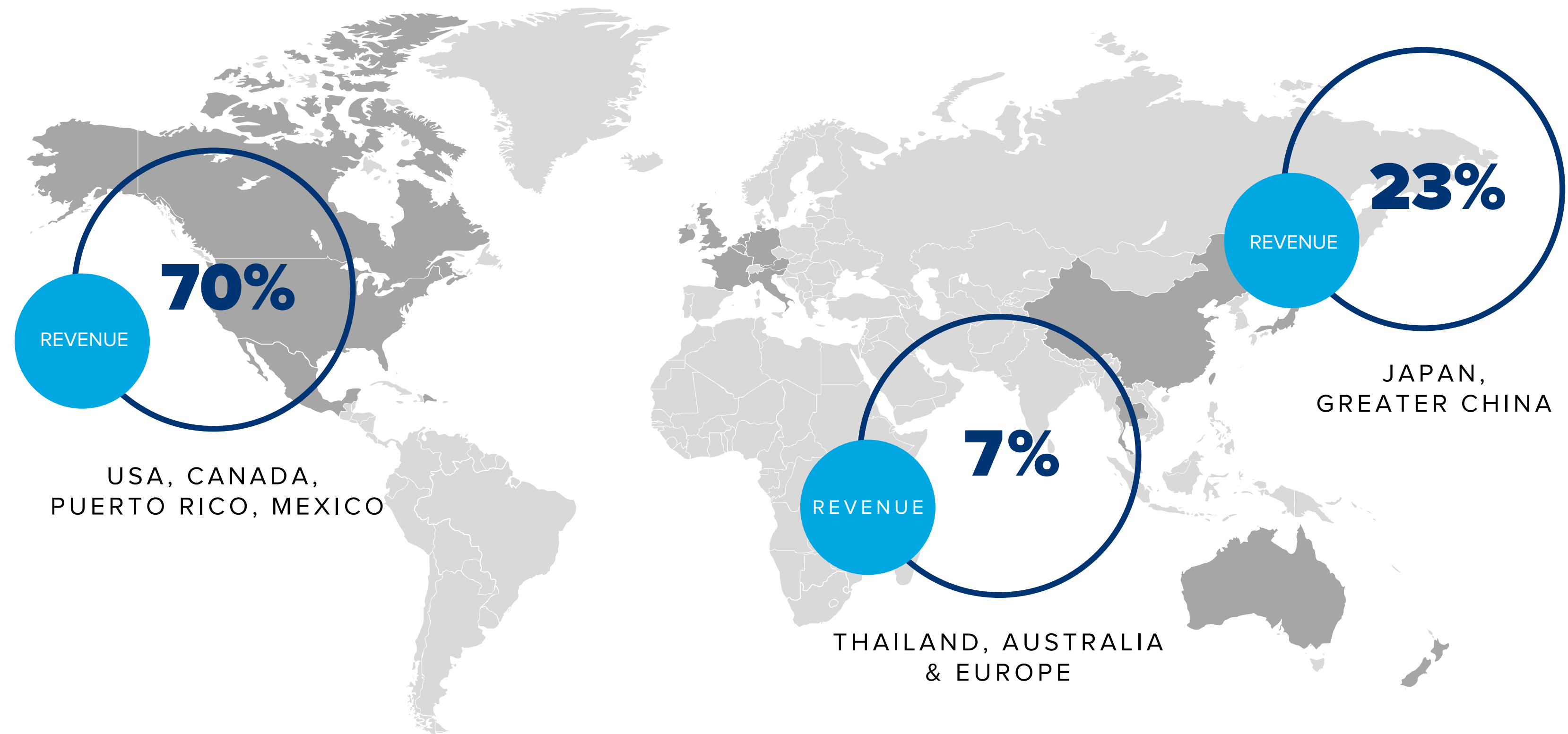
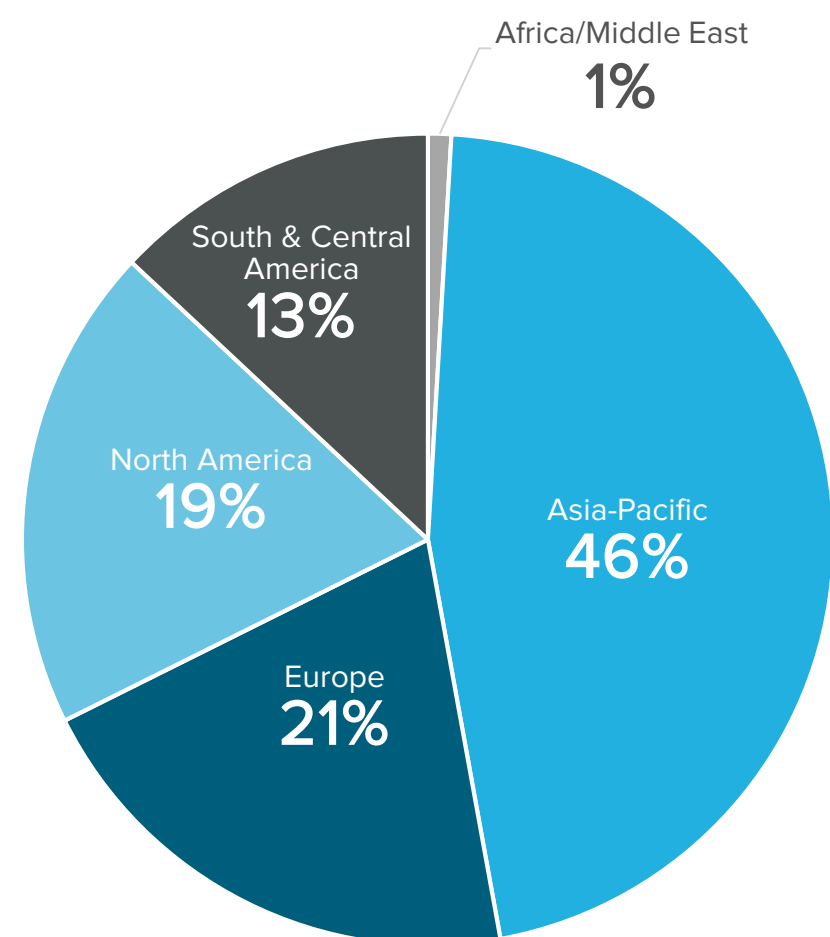




# GLOBAL REACH

AT LIFEVANTAGE PERCENTAGE OF SALES BY AREA

**\$193 BILLION  
INDUSTRY**

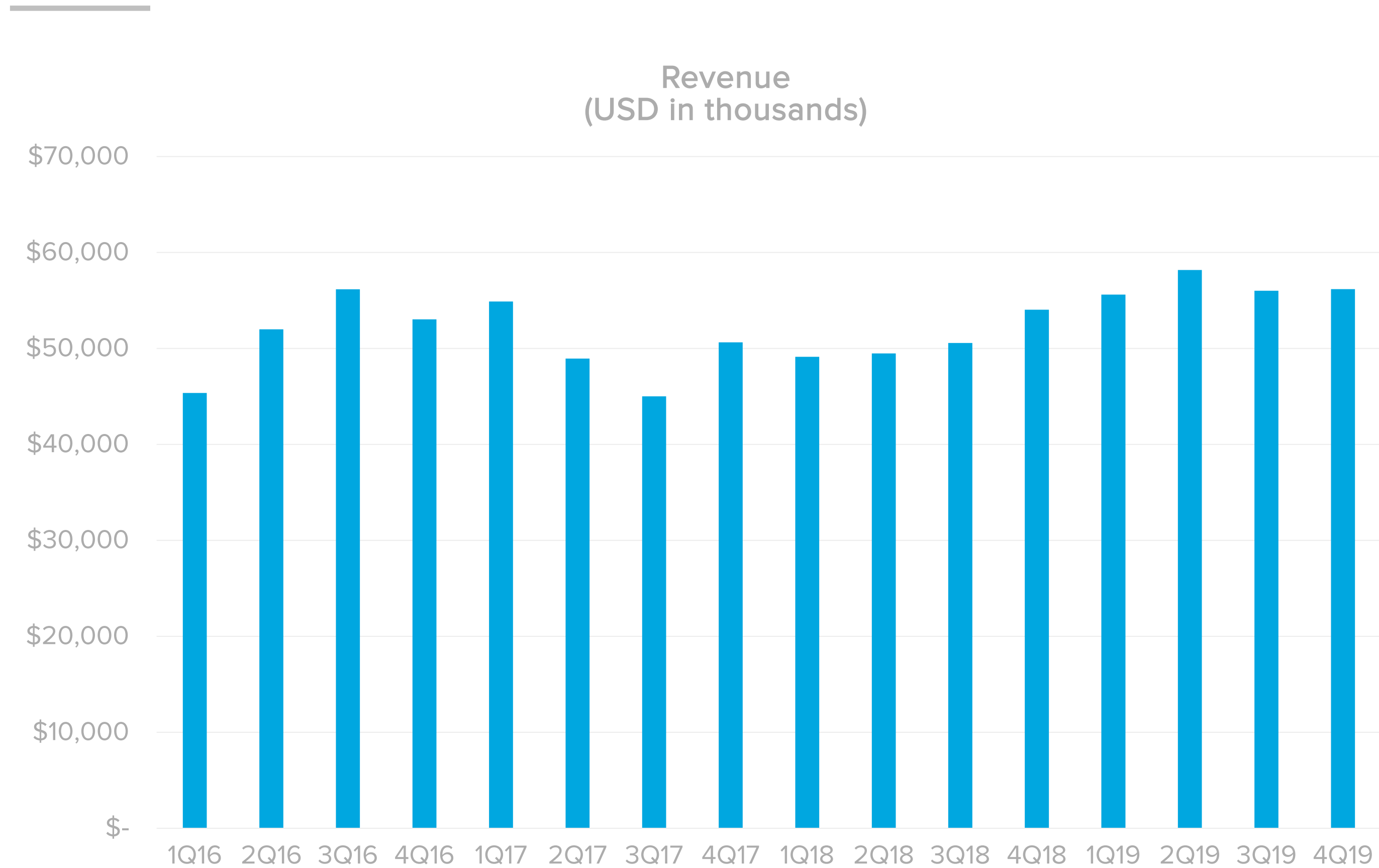


Source: World Federation of Direct Selling Associations 2018 Data



# SALES HISTORY

## LIFEVANTAGE



### 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 and 2019 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

### Continuing and Expanding Initiatives in Fiscal 2020



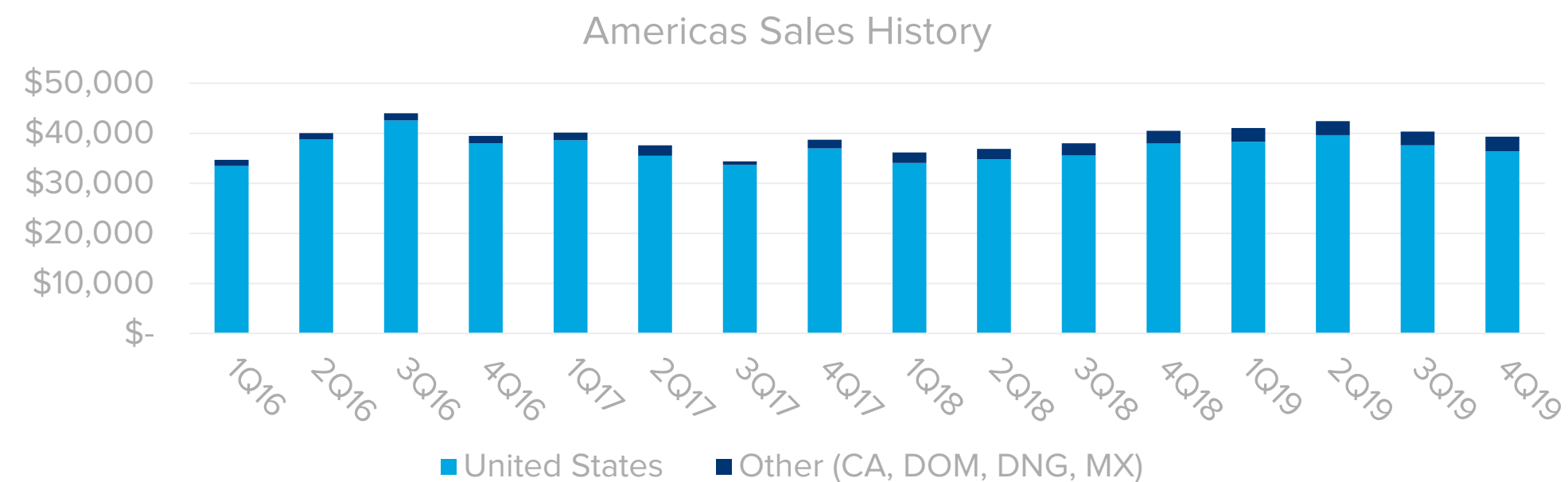
# AMERICAS MARKET

LIFEVANTAGE



## 70% OF SALES

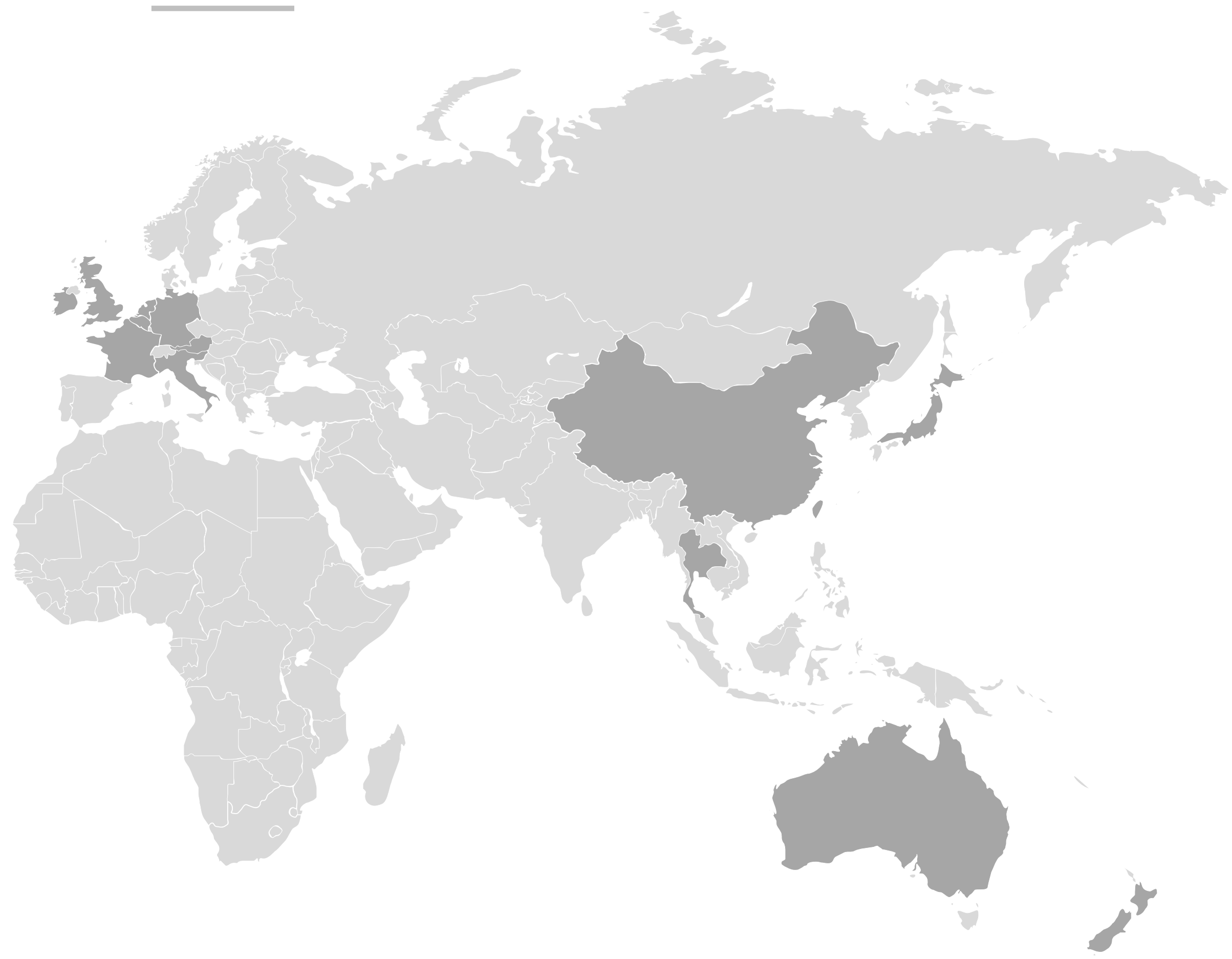
- Launched Protandim Nrf2, Omega+, ProBio in Mexico
- Successful Leadership Events
  - Elite Academy in Charleston
  - Global Convention event in Salt Lake City
  - Elite Academy in Anaheim
  - Elite Academy in Denver
  - Canada Leadership Academy in Vancouver
  - Elite Academy in Orlando
  - Elite Academy in Indianapolis
  - Elite Academy in Kansas City





# ASIA PACIFIC AND EUROPE MARKETS

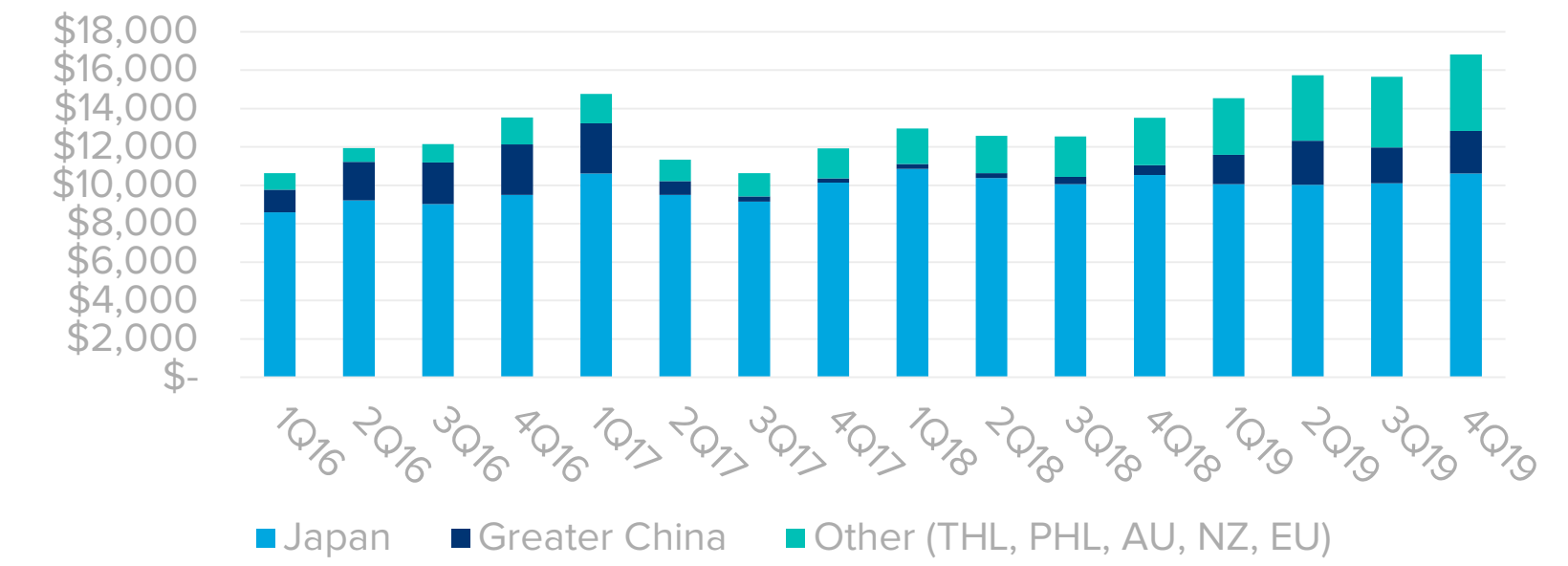
LIFEVANTAGE



## 30% OF SALES

- Product expansion into Australia, Thailand, EU and Taiwan
- Country Launches
  - Germany in September 2017
  - China in February 2018
  - Taiwan in June 2018
  - Austria in September 2018
  - Ireland in May 2019
  - Belgium in June 2019
- Successful Leadership Events
  - Elite Academy event in Japan
  - European Leadership Academy event in Netherlands

Asia/Pacific & Europe Sales History





# FISCAL 2020 INITIATIVES

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- **Subscriptions—Become Masters of Biohacking Subscriptions**
  - 60% of members process a subscription order in their first 90 days
  - Launching innovative new addition to the flagship Protandim product line
  - Developing free shipping program
  - Adapting products to regional markets
- **Influencers—Attract and Create Biohacking Influencers**
  - Expand Red Carpet program, driving favorable ROI
  - Expand geographical footprint with 2 new markets, focused on Asia
  - Refine cadence of member events to get closer to members and increase attendance
- **Simplify—Make it as Easy to Build a Business at LifeVantage as it is to order an Uber**
  - Introducing daily pay into compensation plan to further incentivize independent distributors
  - Increase penetration of the LV App
  - Update and enhance international compensation plan
- **Foundation—Build a Foundation for Future Growth**
  - Develop internal talent
  - Enhance cyber security
  - Upgrade member-facing systems to improve convenience, remove friction and improve efficiencies





# BUSINESS MODEL

## LIFEVANTAGE

(as % of revenue)	FY 2017	FY 2018	FY 2019	Long-term Target
Gross Margin <sup>1</sup>	83.2%	82.4%	83.2%	84.0%
Commissions and Incentives	48.5%	48.3%	48.1%	48.0%
SG&A <sup>2</sup>	30.4%	29.0%	30.3%	24.0%
Operating Margin <sup>3</sup>	4.2%	5.1%	4.8%	12.0%
Adjusted EBITDA Margin <sup>3</sup>	6.6%	7.3%	8.1%	14.5%

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 2017 to FY2019 SG&A to exclude expenses associated with the audit committee review, class action expenses, non-recurring legal expenses, insurance reimbursement and recruiting, severance and management transition fees. A full reconciliation of FY2017 to FY2019 adjusted earnings are included at the end of this presentation

<sup>3</sup> Non-GAAP adjustments to FY 2017 to FY2019 include the adjustments noted above. A full reconciliation of FY2017 to FY2019 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, subscription based 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

### CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

(In thousands, except per share data)

	Most Recent Quarter	Prior Year Period	Year over Year Change	Previous Sequential Quarter	Sequential Change
	Q4 of Fiscal 2019	Q4 of Fiscal 2018	%	Q3 of Fiscal 2019	%
<b>Revenue, net</b>	\$ 56,170	\$ 54,033	4.0%	\$ 56,012	0.3%
Cost of sales	9,710	8,071		9,270	
<b>Gross profit</b>	<b>46,460</b>	<b>45,962</b>	1.1%	<b>46,742</b>	(0.6%)
Commissions and incentives	25,454	27,069		27,205	
Selling, general and administrative	15,337	14,594		17,296	
Total operating expenses	40,791	41,663		44,501	
<b>Operating income</b>	<b>5,669</b>	<b>4,299</b>	31.9%	<b>2,241</b>	153.0%
Interest expense	(41)	(99)		(72)	
Other income (expense), net	(130)	(199)		(11)	
Total other income (expense)	(171)	(298)		(83)	
Income before income taxes	5,498	4,001		2,158	
Income tax (expense) benefit	(1,591)	(1,009)		(376)	
<b>Net income</b>	<b>3,907</b>	<b>2,992</b>	30.6%	<b>1,782</b>	119.2%
EPS (Net income per share, basic)	\$ 0.28	\$ 0.21	31.4%	\$ 0.13	122.6%
EPS (Net income per share, diluted)	\$ 0.26	\$ 0.21	22.9%	\$ 0.12	123.0%
Weighted average shares, basic	14,138	14,046		14,165	
Weighted average shares, diluted	15,117	14,147		15,286	
<b>Non-GAAP Items</b>					
<b>Adjusted EBITDA*</b>	<b>7,691</b>	<b>5,175</b>	48.6%	<b>4,028</b>	90.9%
<b>Adjusted Net Income*</b>	<b>3,975</b>	<b>2,807</b>	41.6%	<b>1,969</b>	101.9%
<b>Adjusted EPS (Net income per share, diluted)*</b>	<b>\$ 0.26</b>	<b>\$ 0.20</b>	30.0%	<b>\$ 0.13</b>	100.0%

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



# HISTORICAL INCOME STATEMENTS

## LIFEVANTAGE

### CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

Fiscal Year ended June 30,

(In thousands, except per share data)

	2017	2018	2019
<b>Revenue, net</b>	<b>\$ 199,489</b>	<b>\$ 203,204</b>	<b>\$ 225,958</b>
Cost of sales	33,456	34,848	37,973
<b>Gross profit</b>	<b>166,033</b>	<b>168,356</b>	<b>187,985</b>
Commissions and incentives	96,662	98,193	108,620
Selling, general and administrative	64,922	59,840	69,551
Total operating expenses	161,584	158,033	178,171
<b>Operating income</b>	<b>4,449</b>	<b>10,323</b>	<b>9,814</b>
Interest expense	(570)	(456)	(323)
Other expense, net	(969)	(319)	(261)
Total other expense	(1,539)	(775)	(584)
Income before income taxes	2,910	9,548	9,230
Income tax expense	(1,302)	(3,787)	(1,801)
<b>Net income</b>	<b>1,608</b>	<b>5,761</b>	<b>7,429</b>
EPS (Net income per share, basic)	\$ 0.12	\$ 0.41	\$ 0.53
EPS (Net income per share, diluted)	\$ 0.11	\$ 0.41	\$ 0.50
Weighted average shares, basic	13,881	13,992	14,055
Weighted average shares, diluted	14,118	14,136	14,980
<b>Non-GAAP Items</b>			
Adjusted EBITDA*	13,087	14,910	18,249
Adjusted Net Income*	3,932	7,194	8,889
Adjusted EPS (Net income per share, diluted)*	\$ 0.27	\$ 0.51	\$ 0.59

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



# HISTORICAL BALANCE SHEET AND CASH FLOWS

## LIFEVANTAGE

### SUMMARIZED BALANCE SHEET AND CASH FLOW METRICS

	As of June 30,		
	2017	2018	2019
(Unaudited, in thousands, except per share data)			
Cash and Cash Equivalents	\$ 11,458	\$ 16,652	\$ 18,824
Current Portion of Long-term Debt	2,000	2,000	1,454
Long-term Debt, Net of Discount	5,440	3,412	-
Total Debt	7,440	5,412	1,454
<b>Net Cash (Cash and equivalents less total Debt)</b>	<b>4,018</b>	<b>11,240</b>	<b>17,370</b>
<b>Net Cash per share, diluted</b>	<b>\$ 0.28</b>	<b>\$ 0.80</b>	<b>\$ 1.16</b>
Total Assets	45,249	51,142	55,273
Total Stockholders' Equity	14,527	21,947	27,199
<b>Book Value per share, diluted</b>	<b>\$ 1.03</b>	<b>\$ 1.55</b>	<b>\$ 1.82</b>
	Fiscal Year ended June 30,		
	2017	2018	2019
(Unaudited, in thousands, except per share data)			
Net Cash Provided by Operating Activities	\$ 6,597	\$ 13,256	\$ 17,789
Capital Expenditures	1,055	4,649	2,506
Free Cash Flow	5,542	8,607	15,283
<b>Free Cash Flow per share, diluted</b>	<b>\$ 0.39</b>	<b>\$ 0.61</b>	<b>\$ 1.02</b>



# NON-GAAP RECONCILIATIONS

## LIFEVANTAGE

### Adjusted Net Income

(Unaudited, in thousands, except per share data)

	Fiscal Year ended June 30,			Three Months ended June 30,	
	2017	2018	2019	2018	2019
GAAP net income	\$1,608	\$5,761	\$7,429	\$2,992	\$3,907
Adjustments:					
Executive team recruiting and transition expenses	744	207	—	—	—
Audit committee independent review expenses	2,742	—	—	—	—
Class-action lawsuit expenses	170	659	564	317	37
Executive team severance expenses, net	39	374	(79)	314	—
Write-off of intangible assets	350	—	—	—	—
Other nonrecurring legal and accounting expenses	160	51	530	—	58
Insurance reimbursement	—	(425)	—	(425)	—
Change in estimate of accrued import liabilities	—	(863)	—	(863)	—
Tax impact of adjustments	(1,881)	(42)	445	166	(27)
Tax expense impact of revaluation of deferred tax assets	—	1,472	—	306	—
Total adjustments, net of tax	2,324	1,433	1,460	(185)	68
<b>Non-GAAP net income:</b>	<b>3,932</b>	<b>7,194</b>	<b>8,889</b>	<b>2,807</b>	<b>3,975</b>
Diluted earnings per share, as reported	0.11	0.41	0.50	0.21	0.26
Total adjustments, net of tax	0.16	0.10	0.10	(0.01)	0.00
<b>Diluted earnings per share, as adjusted*</b>	<b>0.27</b>	<b>0.51</b>	<b>0.59</b>	<b>0.20</b>	<b>0.26</b>

\* May not add due to rounding

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



# NON-GAAP RECONCILIATIONS

## LIFEVANTAGE

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### EBITDA and Adjusted EBITDA

(Unaudited, in thousands)

	Fiscal Year			Three Months ended June 30,	
	2017	2018	2019	2018	2019
GAAP net income	\$1,608	\$5,761	\$7,429	\$2,992	\$3,907
Interest expense	570	456	323	99	41
Provision for income taxes	1,302	3,787	1,801	1,009	1,591
Depreciation and amortization	1,643	1,325	1,895	383	539
<b>Non-GAAP EBITDA:</b>	<b>5,123</b>	<b>11,329</b>	<b>11,448</b>	<b>4,483</b>	<b>6,078</b>
Adjustments:					
Stock compensation expense	2,647	3,196	5,525	1,087	1,388
Other expense, net	969	319	261	199	130
Other adjustments	4,348	66	1,015	(594)	95
Total adjustments	7,964	3,581	6,801	692	1,613
<b>Non-GAAP Adjusted EBITDA:</b>	<b>13,087</b>	<b>14,910</b>	<b>18,249</b>	<b>5,175</b>	<b>7,691</b>

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