

Oct 28, 2025

\*Undefined

**BODI**

NCM

Rating

**Outperform**

Initiation

Current Price

**\$5.08**

Target Price

**\$12.00**

Market Capitalization

**35.87m**

Shares Outstanding

**4.34m**

Float

**3.00m**

Institutional Holdings

**34.82%**

12-Month Low/High

**\$3.38/\$8.71**

Average 90-Day Volume

**14350**

Fiscal Year End

**2025-12-31**

## The Beachbody Company

### Strong Brands To Flex Toward Growth

**Initiating with an Outperform rating.** After years of revenue declines, we believe that the company is on the cusp of a swing toward revenue growth, offering a breakout opportunity for a stock that has been range-bound. We are initiating coverage with an Outperform rating and a \$12 price target.

**Well-recognized brands with growth potential.** The company has established brands in workout videos, such as *Insanity* and *P90x*, and nutritional supplements, including Shakeology, Beachbar, and Beachbody Performance. Such strong brands are expected to support the company's revenue growth initiatives as it expands distribution of its products into mass merchants.

**A standout player in the nutrition/wellness industry.** The current GLP-1 phenomenon addresses weight loss, but there is a need to address the adverse effects of muscle loss, nutrition, and overall wellness. Beachbody serves this need with guided exercise and strength-based training, as well as protein-based nutritional regimens.

**Capable balance sheet.** The company has the financial flexibility to invest in its growth initiatives. As of June 30, the company had \$25.6 million in cash and cash equivalents and \$25.0 million outstanding under its asset-based lending facility.

**Break out potential.** Near current levels, the BODI shares trade at 2.3 times Enterprise Value to our estimated 2026 adj. EBITDA of \$16.2 million, a substantial discount to its peer set trading at an average of 7.2 times. Our price target of \$12 is based on a target multiple of 5.3 times EV to 2026 adj. EBITDA, which is more in line with its peer group. Key catalysts toward higher stock valuations are expected to be demonstration of moderating revenue trends, improved profitability and the prospect of revenue and cash flow upside surprise potential.

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### Revenues (\$ MIL)

| Period | 2024A | 2025E  | 2026E  |
|--------|-------|--------|--------|
| Q1     | 120.0 | 72.4A  |        |
| Q2     | 110.2 | 63.9A  |        |
| Q3     | 102.2 | 54.0E  |        |
| Q4     | 86.4  | 53.0E  |        |
|        | 418.8 | 243.3E | 209.5E |

### EPS (\$)

| Period | 2024A   | 2025E   | 2026E   |
|--------|---------|---------|---------|
| Q1     | (2.10)  | (0.84)A |         |
| Q2     | (1.59)  | (0.85)A |         |
| Q3     | (1.75)  | (0.69)E |         |
| Q4     | (5.04)  | (0.63)E |         |
|        | (10.51) | (3.00)E | (0.40)E |

## Investment Appraisal

The Beachbody company provides fitness content, nutritional products, and subscription-based wellness solutions. It has been at the forefront of evolving trends in fitness, wellness, and nutrition in the United States for the past 25+ years. For instance, most fitness videos in the 1980s and 1990s were low-impact, follow-along videos popularized by such personality-driven programs as Richard Simmons' *Sweatin' to the Oldies*. Beachbody pushed fitness videos to the next level with intense in-home workout videos, with popular programs like *Insanity* and *P90X*. These videos were high intensity workout programs, no equipment needed, designed to transform the body within a short 60-90 days. The company built on the success of its videos to launch nutrition and supplement products in 2009. One of its most successful nutritional products is *Shakeology*, a meal replacement shake designed to support healthy weight management and energy.

While the company demonstrated extraordinary revenue growth in the early 2000s, more recently, revenues have significantly declined. This was due to a pivot in the company's sales strategy from a multi-level network, (much like Mary Kay), to a more traditional direct to consumer and/or mass merchandise model. We believe that a shift to a traditional sales model and the introduction of its popular products to these sales channels, plus integrated sales approaches that combine videos with nutrition products, will lead to revenue growth in 2027. In addition, the streamlined sales approach is expected to improve cash flow and profitability.

Revenues are expected to stabilize by the second half of 2026 as the company introduces new products to mass merchants, including Shakeology in late Q1, and as it cycles through the shift from its unprofitable multi-level network sales strategy. We anticipate moderating revenue trends throughout 2026 with a swing toward revenue growth in the first quarter of 2027. Our favorable revenue outlook is supported by the company's planned launch of its P90X supplement line and new exercise program, expected in Q2 or Q3 of 2026. Based on the full year impact of Shakeology and P90X, we expect strong revenue growth of 19.8% in 2027. Importantly, given that the company has completed the hard work of streamlining its business, the company is expected to meaningfully swing toward cash flow growth. We estimate full year 2027 adj. EBITDA to increase 33.3% to \$21.6 million, an increase from our \$16.2 million full year 2026 estimate. Our revenue and cash flow estimates may prove to be conservative should Shakeology and P90X sales perform better than expected.

Importantly, the company has the financial flexibility to invest in its growth initiatives. As of June 30, the company had \$25.6 million in cash and cash equivalents and \$25.0 million outstanding under its asset-based lending facility. The company recently refinanced its debt. The new facility extends maturities to 2028, introduces repayment flexibility, and provides access to roughly \$20 million of total borrowing capacity when including the uncommitted accordion. Together with clearly defined liquidity covenants, the ABL offers a more manageable and transparent framework to fund operations and support digital growth initiatives, positioning the company with greater financial control and reduced structural risk.

The BODI shares have been somewhat range-bound despite significant declines in revenue over the past several years. We believe that the shares offer breakout potential as the company transitions toward revenue and cash flow growth. Notably, near current levels, the BODI shares trade at a substantial discount to its peer set, which offers significant upside appreciation potential, detailed later in this report. Catalysts toward higher stock valuations are expected to be moderation in revenue trends, improved prospects that revenues will swing toward growth, and the prospect for positive upside revenue and cash flow surprises.

## Investment Highlights

**Favorable growth outlook.** We anticipate that the company will swing toward revenue and cash flow growth in 2027 as it executes on its strategy to develop and expand sales channels for its popular videos and nutritional products. Notably, cash flow should improve following the company's exit from its unprofitable multi-layer network sales strategy.

**Large target market.** Roughly 70% of adults in the United States are overweight or obese, with roughly 40% of the population being obese. The pervasiveness of this issue underscores the breadth of the addressable market for scalable, results-based health interventions.

**The company's products serve two very large, high growth industry segments.** Its fitness videos target the global fitness industry, which is a part of a \$112.0 billion market and is expected to grow at a 9% Compound Annual Growth Rate (CAGR) to \$203.0 billion by 2030. More specifically, the company's video and digital streaming products target the \$16.4 billion global digital fitness industry, which is expected to grow at a 26.7% CAGR to \$106.4 billion by 2030. Finally, the company's nutritional products focus on the \$193.0 billion global nutritional product market, which is expected to grow at an 8.9% CAGR to \$413.0 billion by 2033.

**Strong brand recognition.** BODi owns several billion-dollar franchises such as P90X, Insanity, and Shakeology, which continue to carry strong name recognition and consumer trust. These brands provide a durable platform for future product relaunches, retail expansion, and subscription engagement.

**Capable balance sheet.** The company's refinancing into a revolving ABL structure has lowered cash interest outflows and extended debt maturities to 2028. With \$25.6 million in cash and additional borrowing capacity available, we believe BODi retains sufficient liquidity to fund its transition back to growth.

**Compelling stock valuation.** Near current levels, the BODI shares trade at a substantial 65% discount to its peer set multiples, currently trading at an average 2.6 times Enterprise Value to estimated 2026 adj. EBITDA.

**Attractive appreciation potential.** Our price target of \$12 offers significant upside appreciation potential and is based on the shares achieving 80% of its peer group multiple.

## Investment Risks

**Business Model Transition (The "Pivot").** The company recently transitioned from a Multi-Level Marketing (MLM) network to a single-level affiliate model. If the company is unable to successfully migrate to a single-level affiliate model at scale, revenue generation could be negatively impacted.

**Product Portfolio Concentration.** The company's revenue is highly concentrated in two key product lines: the digital subscription platform (BODi) and the Shakeology nutritional shake. A significant decline in consumer interest in either product, due to competition, shifting trends, or negative publicity, could negatively impact financial performance.

**Fitness and Wellness Alternatives.** The company operates in a highly competitive and fragmented sector. It faces significant pressure from low-cost digital fitness apps, specialized nutrition services, and the growing popularity of GLP-1 weight loss drugs. These drugs represent a paradigm shift in weight management, potentially reducing consumers' perceived need for fitness and nutrition programs.

**Inherited Liabilities from the Former MLM Structure.** The company remains exposed to ongoing litigation, including class-action suits alleging misclassification of Partners as independent contractors. Adverse rulings could result in significant financial penalties, back-pay awards, and operational restrictions, creating a recurring overhang from its previous business practices.

## Fitness Industry Overview

The at-home fitness market originated with low-impact, follow-along programs that gained popularity through the 1980s and 1990s, such as aerobics tapes and televised routines targeting general wellness, rather than high-intensity performance. The early 2000s marked a decisive inflection point with the rise of *P90X* and *Insanity*, which redefined the category by introducing high-intensity regimens supported by motivational coaching and community engagement. These programs shifted consumer perception of at-home workout programs, demonstrating that at-home exercise could rival gym-based outcomes.

Advances in broadband connectivity, smartphone adoption, and streaming technology throughout the 2010s expanded the delivery capabilities of direct-to-consumer fitness content to interactive digital platforms. Additionally, subscription-based streaming, wearable integration, and connected equipment created a feedback-rich environment capable of tracking performance, personalizing workouts, and fostering community interaction. The pandemic served as a major accelerant for the at-home fitness industry, as consumers rapidly migrated to virtual-based fitness. Following the end of the pandemic, many users utilized a hybrid approach to exercise by supplementing in-person gym visits with at-home exercise. In our view, digital fitness content provides users with a convenient way to get gym-quality results from the comfort of their own home.

Following the pandemic, the fitness industry has undergone a noticeable shift from aesthetic transformation to holistic wellness, which was largely driven by advances in health science and technology. Additionally, improved awareness of chronic disease prevention, aging demographics, and post-pandemic health priorities has redefined how consumers view fitness, with many consumers viewing exercise as a means to improve mobility, metabolic health, and longevity rather than appearance alone. At the same time, there is a growing focus on recovery, mindfulness, and mental health, which is reflective of consumer demand for sustainable, stress-reducing routines that balance physical and psychological needs. Furthermore, the integration of wearables and biometric tracking has further accelerated this transition to a more holistic view of health by providing users with real-time data on performance, recovery, and sleep, enabling a personalized, evidence-based approach. Collectively, these trends have repositioned fitness from a lifestyle choice to a core component of preventive healthcare and stress management. However, despite broad awareness, there is a persistent health crisis in the United States, Obesity.

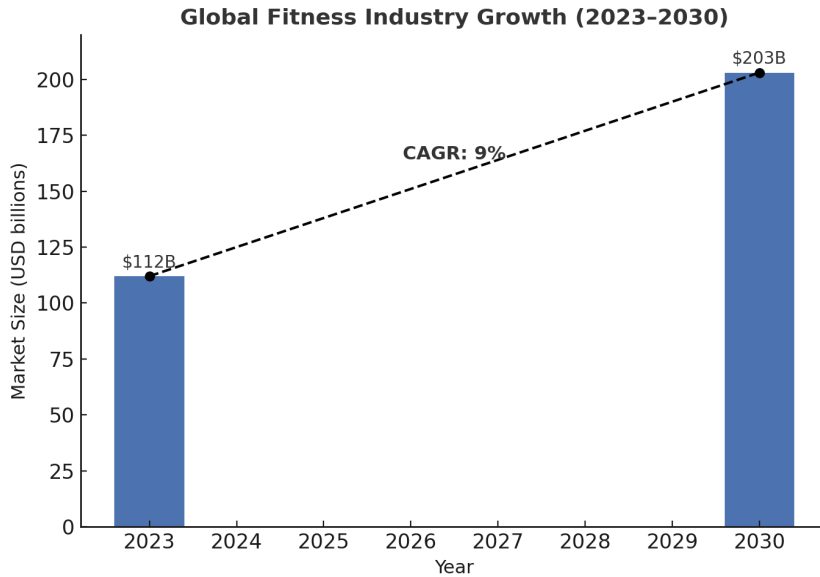
Importantly, roughly 70% of adults in the United States are overweight or obese, with roughly 40% of the population being obese. The pervasiveness of this issue underscores the breadth of the addressable market for scalable, results-based health interventions. In our view, fitness has transitioned from a discretionary pursuit into a cornerstone of preventive healthcare, supported by digital accessibility and outcome accountability. Furthermore, the health crisis is evident from the proliferation of GLP-1 weight-loss medications such as Ozempic and Wegovy, which are attempting to solve this issue by curbing eating habits. While these therapies promote rapid fat loss, they also risk reductions in lean muscle mass, underscoring the importance of resistance training and protein-supported recovery in maintaining metabolic function. As such, fitness participation is increasingly viewed as complementary to medical weight-loss regimens, positioning structured strength training as a critical component of sustainable health improvement. The GLP-1 phenomenon is likely to serve as a net tailwind for engagement in guided exercise and strength-based programming.

Notably, we anticipate the fitness industry as a whole, including both gyms with a physical location and digital fitness content, will benefit from increased focus on health and fitness. According to Fortune Business Insights, the health club and gym segment, representing facilities with physical locations, was valued at \$112 billion in 2023 and is projected to reach \$203 billion in 2030, growing at a compound annual growth rate (CAGR) of 9%, as illustrated in Figure #1 Global In-person Fitness Industry. The increase is expected to be driven by the inclusion of fitness as an important element in preventive health. Furthermore, heightened awareness of chronic disease prevention, aging demographics, and post-pandemic health consciousness should spur growth.

Moreover, the digital fitness industry, comprising virtual training, connected hardware, and subscription-based platforms, is expected to scale rapidly. According to Grand View Research, the digital fitness industry is anticipated to grow at a CAGR of 26.7% from \$16.4 billion in 2022 to more than \$106 billion by 2030, as illustrated in Figure #2 Global Digital Fitness Industry. The strong industry growth rate expectations are reflective of users' increased utilization of technology, personalization through

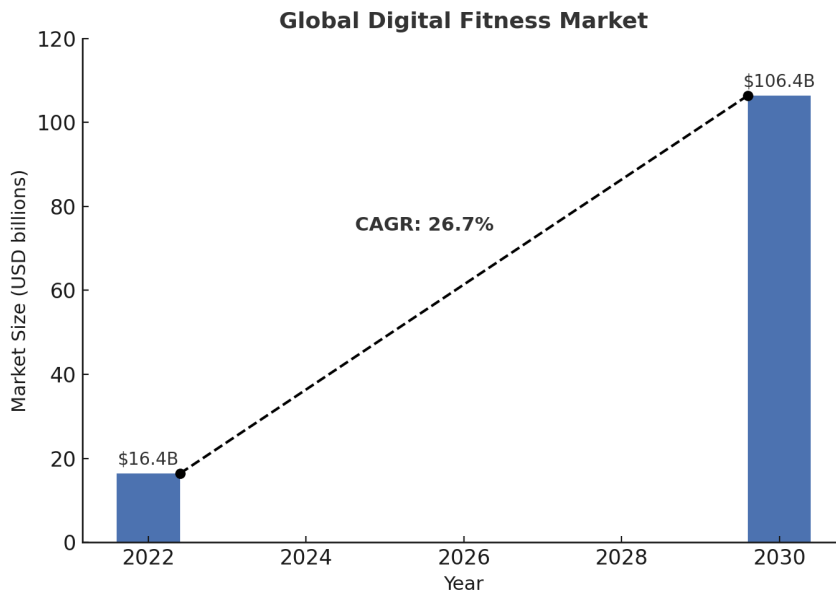
wearables and AI-driven coaching, and the rising popularity of hybrid fitness models that integrate at-home convenience with in-person experiences.

**Figure #1 Global In-Person Fitness Industry**



Source: Fortune Business Insights

**Figure #2 Global Digital Fitness Industry**



Source: Grand View Research

## Nutritional Product Industry Overview

Historically, the nutritional product industry was largely geared towards aesthetics and exercise performance. However, over the past several years, nutritional products have become a key element in helping consumers manage their health. Instead of focusing only on building muscle or improving athletic performance, consumers are using supplements to support energy, digestion, immunity, and combat aging. Moreover, the industry's focus has largely shifted from driving short-term results to long-term health goals, with many viewing nutrition as a way to stay strong and feel good, rather than aesthetics alone.

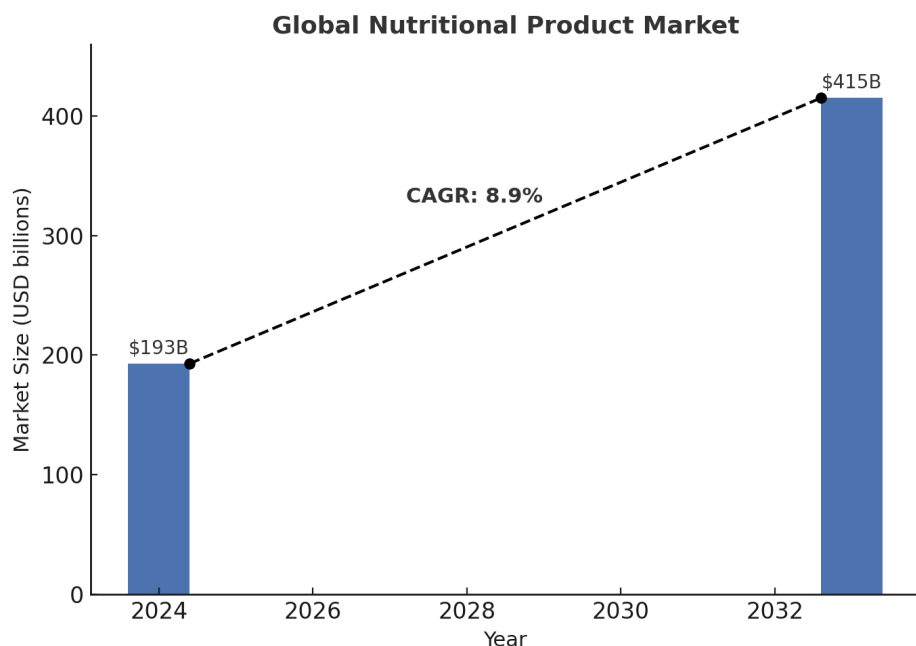
Notably, the industry's shift towards long-term health goals was largely accelerated following the COVID-19 pandemic, and coincided with increased demand for Ingredient transparency. Importantly, Consumers increasingly prefer recognizable, simple whole-food formulations, with greens, fruits, and probiotics among the most popular choices. This trend toward clean-label, minimally processed nutrition has helped build trust with consumers and positioned food-based supplements as a premium option to meet daily health needs. Additionally, the market's transition toward recognizable, minimally processed inputs has elevated food-based supplementation as a healthier, more natural delivery vehicle than highly processed supplements for essential nutrients.

Furthermore, to ensure consumers are getting quality products, many companies in the industry are providing evidence-based assurances of product efficacy and safety, with clinical validation and third-party testing. Importantly, clinical validation involves controlled studies and peer-reviewed research that demonstrate measurable health benefits, distinguishing science-backed formulations from those driven by marketing claims. Moreover, third-party testing provides additional verification through independent laboratories that confirm ingredient accuracy, potency, and purity while screening for contaminants such as heavy metals and pesticides. Collectively, these practices have elevated industry standards and positioned scientifically validated, independently verified products as the benchmark for quality in the nutritional product market.

Notably, the rise of GLP-1 medications such as Ozempic, Wegovy, and Mounjaro has transformed the weight management landscape. At first glance, these drugs, which suppress appetite and promote rapid weight loss, might appear to reduce the need for exercise or dietary discipline. However, the opposite is true. GLP-1 users often experience simultaneous fat and muscle loss, which can slow metabolism, weaken strength, and reduce long-term weight stability. As a result, maintaining muscle mass through resistance exercise and a nutrient-dense, protein-dense diet has become even more important.

The popularity of these medications is driving consumer awareness around the role of nutrition in supporting metabolic health, recovery, and overall function during weight loss. As such, many companies in the nutritional product industry are responding by formulating products rich in protein, fiber, electrolytes, and essential micronutrients to help preserve lean mass and sustain energy levels. The convergence of pharmaceutical, exercise, and nutritional strategies underscores how GLP-1 adoption is not replacing healthy lifestyle habits, but reinforcing them as key components of medication based weight management.

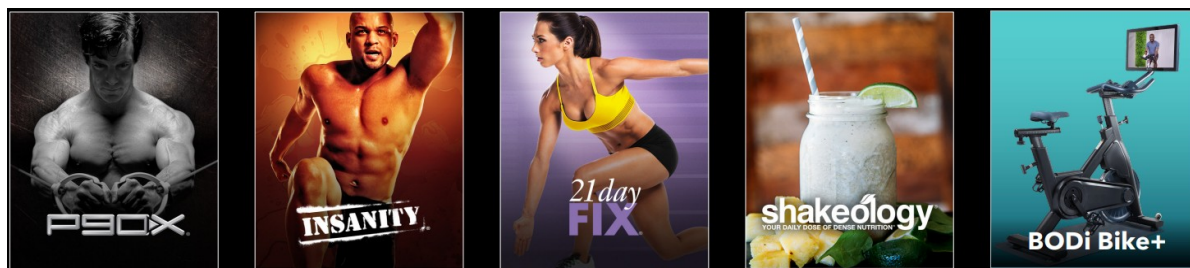
According to Grand View Research, the global nutritional product market was valued at about \$193 billion in 2024 and is expected to reach \$415 billion by 2033, reflecting a CAGR of roughly 8.9%, as illustrated in Figure #3 Global Nutritional Product Market. Notably, as previously mentioned in this report, the industry is benefiting from a broader target demographic, more health-conscious consumers, a large overweight and obese population in the U.S, and integration of supplements with pharmaceuticals.

**Figure #3 Global Nutritional Product Market**

Source: Grand View Research

### Company Overview

The Beachbody Company, Inc. (NYSE: BODI) is a digital health and wellness enterprise that provides fitness content, nutritional products, and subscription-based wellness solutions. Founded in 1998 by Carl Daikeler and Jon Congdon in Santa Monica, California, the company has evolved from a direct-response marketing pioneer into a multi-product wellness platform with a portfolio of nationally recognized brands, illustrated in Figure #4 BODi Brands. BODI went public in June 2021 through a merger with a special purpose acquisition company (SPAC) and is headquartered in El Segundo, California.

**Figure #4 BODi Brands**

Source: company presentation

The company is in the midst of a defined three-stage business transformation designed to reverse several years of revenue contraction and profit compression associated with its legacy multi-level marketing (MLM) distribution model. Stage 1 focused on substantial cost removal and restructuring, with the company exiting its MLM network and reducing headcount by more than

one-third. Stage 2, currently underway, centers on revenue stabilization through a shift to a single-level affiliate model, broader direct-to-consumer digital engagement, and the repositioning of core franchises ahead of new distribution partnerships. Stage 3 will focus on a return to revenue growth, which we believe will begin in 2027, supported by new product launches, digital subscription expansion, expanded retail distribution channels, with operating leverage expected to drive adj. EBITDA expansion.

### A Brief History

The company's earliest success stemmed from high-intensity, transformation-focused fitness programs marketed through late-night infomercials and social proof-based advertising. In 2000, Beachbody released P90X, a 90-day high-intensity training program that combined workout content with nutrition and recovery plans. Its use of dramatic before-and-after customer transformations helped reposition at-home fitness from low-intensity toning routines to a results-oriented, performance-driven category targeting both men and women. P90X became a cultural phenomenon and one of the top-selling at-home fitness franchises in history.

Capitalizing on its expanding audience, the company entered the nutritional products category in 2009 with the launch of Shakeology, a premium, whole-food-based meal replacement shake designed to support healthy weight management. Unlike typical protein powders or calorie-restricted diet shakes, Shakeology emphasized both macronutrient balance and superfood-derived functional benefits. The brand has since exceeded one billion servings sold and helped establish the company's entry into broader nutritional wellness, driving portfolio expansion into performance supplements, energy hydration products, and snack-based offerings.

In 2015, the company transitioned from DVD-based physical content distribution to digital streaming via its launch of Beachbody On Demand (BOD). This platform enabled scalable access to the company's full content catalog and accelerated the transition from one-time product sales to a recurring subscription revenue model. In 2023, the platform was rebranded as BODi, incorporating an expanded mix of fitness, wellness, and mindfulness content, supported by multiple subscription tiers.

In June 2021, the company acquired Myx Fitness, a connected fitness hardware manufacturer focused on smart stationary bikes and metric tracking. While this acquisition briefly supported the expansion of a connected fitness ecosystem, management exited hardware sales in Q1 2025 due to an unfavorable cost structure and a limited competitive advantage. Digital streaming content from the Myx ecosystem remains integrated within the broader BODi offering.

As shown in Figure #5 Billion Dollar Franchises, four of the company's legacy programs, including P90X, Insanity, Shakeology, and 21 Day Fix, have each generated over \$1 billion in lifetime revenue. We believe the continued relevance of these franchises provides a strategic foundation for the company's revitalized go-to-market strategy as it repositions its offerings through digital platforms and future retail partnerships.

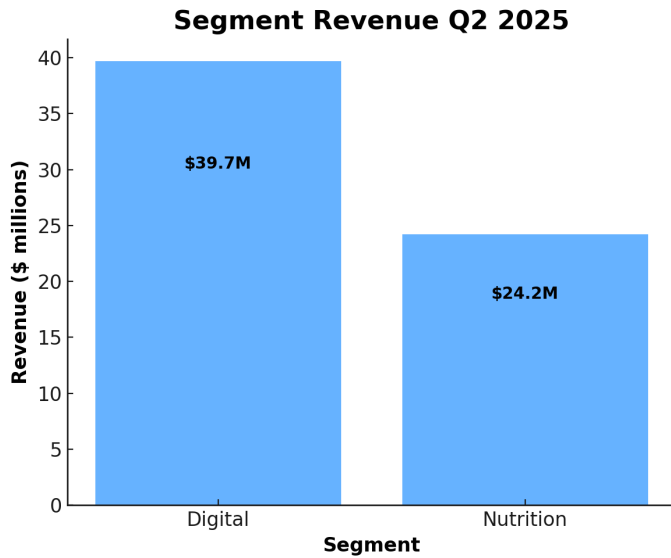
**Figure #5 Billion Dollar Franchises**

| OUR KEY PIVOTS                                                                     | YEAR LAUNCHED | YEARS TO \$100M (cum) | YEARS TO \$1B (cum) |
|------------------------------------------------------------------------------------|---------------|-----------------------|---------------------|
|  | 2000          | 5                     | 17                  |
|  | 2009          | 3                     | 7                   |
|  | 2016          | 1                     | 6                   |
|  | 2023          | 1                     | 5                   |

## Business Segments

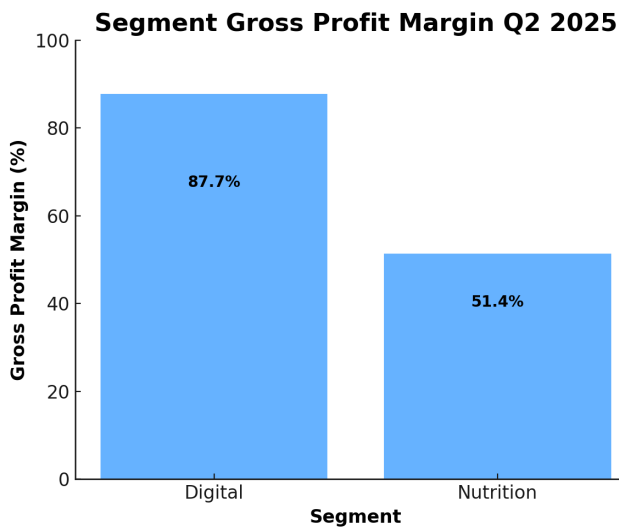
BODi operates two primary business segments: Digital Content and Nutritional Products. As shown in Figure #6 Segment Revenue, both segments contribute meaningfully to topline performance, with Digital Content providing higher absolute revenue with its recurring subscription-based cash flow with favorable retention. Figure #7 Segment Gross Profit Margin illustrates the profitability by segment.

**Figure #6 Segment Revenue**



Source: company filings

**Figure #7 Segment Gross Profit Margin**

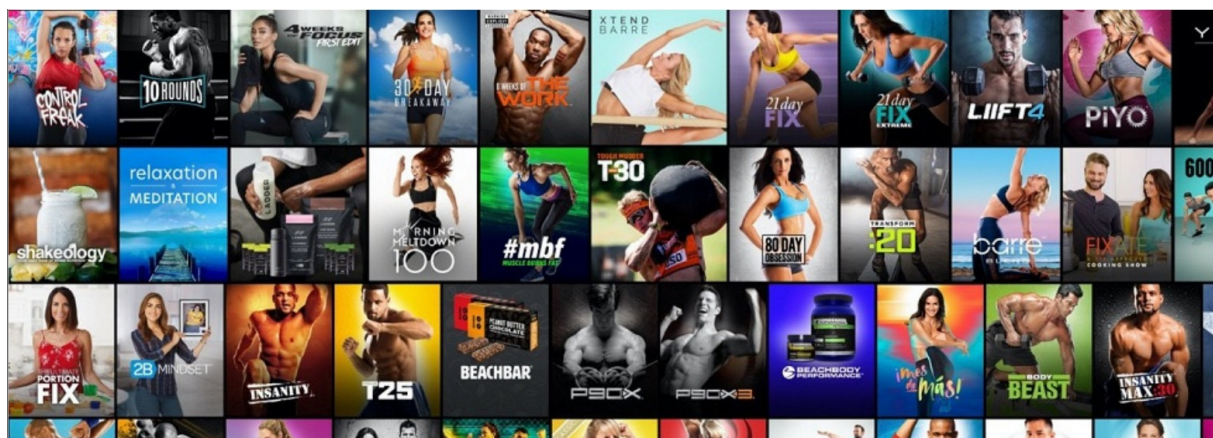


Source: company filings

### Digital Content

The company launched its digital content strategy with Beachbody On Demand in 2015 in response to declining DVD consumption and rising streaming adoption. The platform was rebranded to BODi in 2023, with expanded program diversity encompassing strength training, mobility, HIIT, functional fitness, mindfulness, and recovery. BODi currently offers approximately 140 complete programs and roughly 10,900 videos, accessible via web, mobile apps, and streaming devices, highlighted in Figure #8 Premium Fitness Content.

**Figure #8 Premium Fitness Content**



Source: company presentation

BODi utilizes a tiered subscription model, including a free tier with limited access, trainer-specific monthly plans priced at \$9.99, and a full platform subscription priced at \$19 per month or \$179 annually. Additionally, the company offers users the ability to make a one-time purchase of select programs on the BODi app, typically priced between \$60 - \$80. Management reports approximately 940,000 subscribers as of Q2 2025, with streaming volumes of approximately 18 million and a retention rate of roughly 96.7%.

The majority of content is produced in-house using the company's 19,000 square foot studio in Van Nuys, California, which it continues to lease after divesting ownership in 2024. The company plans to launch a new P90X program in 2026, the first release in the franchise since 2013, alongside a coordinated supplement launch and expanded retail distribution.

### Nutritional Products

The Nutritional Products segment originated with the launch of Shakeology in 2009 and has become the company's flagship proprietary brand with more than one billion servings sold. The portfolio has since expanded to include Beachbody Performance (pre-workout, hydration, and recovery blends), BEACHBARs, specialized nutritional boosters (such as collagen and greens supplements), and newly introduced comprehensive wellness kits, illustrated in Figure #9 Nutrition Products.

**Figure #9 Nutrition Products**

Source: company presentation

In December 2024, the company launched Belle Vitale, a bundled hormone health program retailing at \$299, which includes a nutrition plan, Pilates workouts, and daily supplements targeting metabolism, blood sugar, and stress. We believe this vertically integrated offering aligns with rising consumer demand for holistic health solutions tied to both physical and digital engagement. In addition to selling nutritional products, the Nutrition segment also includes workout equipment such as Pilates equipment, resistance bands, jump ropes, medicine balls and yoga mats.

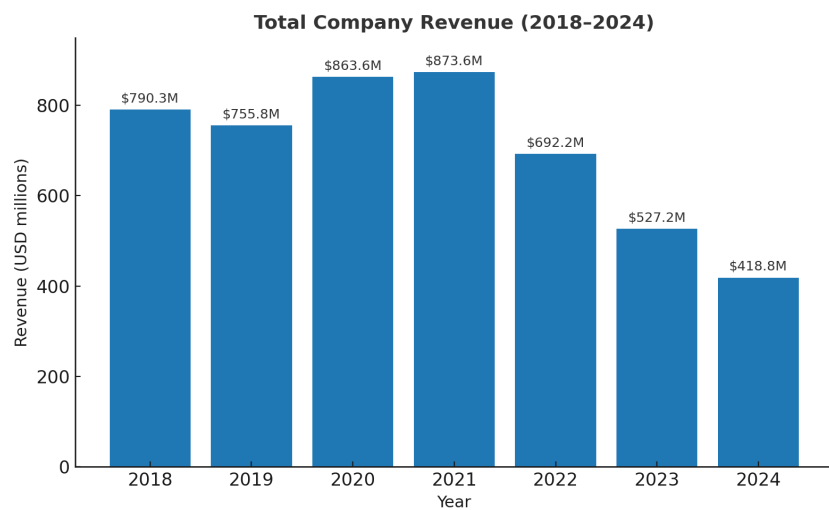
#### Nutritional Product Manufacturing and Distribution

The company employs a fully outsourced manufacturing model using qualified contract manufacturers that adhere to strict quality assurance standards and undergo regular third-party audits. This approach enables scalable cost efficiency while preserving product consistency and brand standards. To mitigate supply chain risk, the company maintains multiple alternative partners and sufficient inventory reserves.

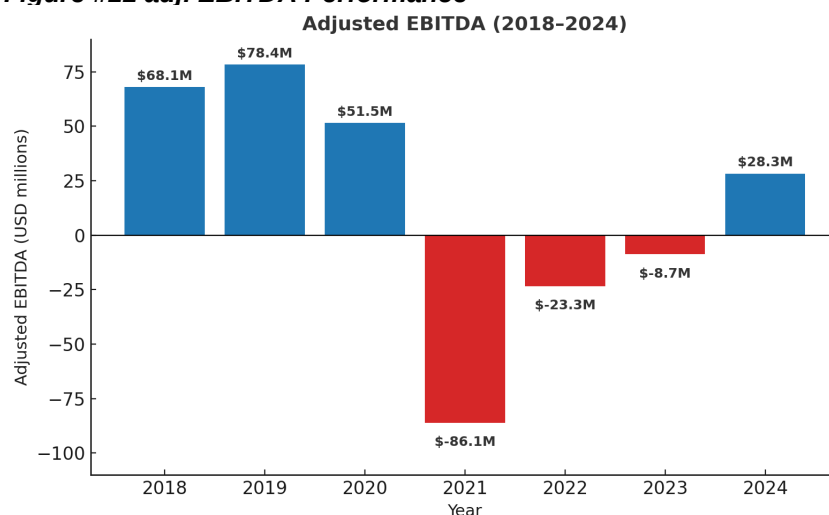
Distribution is outsourced to third-party logistics providers across geographically distributed warehouses, enabling cost-efficient fulfillment. Today, nutritional products are sold via proprietary websites, Amazon, and through its single-level affiliate program. The company plans to begin limited retail distribution beginning with Shakeology in late Q1 2026, followed by P90X and Insanity-branded supplements as part of coordinated product relaunches. We believe the strength of the company's legacy brand equity will support retail expansion and subscription upsell conversion within bundled offerings.

#### Streamlined Business Model

Historically, customer acquisition was largely driven by a multi-level marketing (MLM) model that incentivized recruitment-based selling and generated high partner commission and bonus expenses. The company also operated a preferred customer pricing program, which offered broad-based discounts that pressured margins. Despite a temporary 14% revenue lift in 2020 during the COVID-19 pandemic-driven surge in at-home fitness demand, the MLM model led to bloated overhead, rising customer acquisition costs, and negative adj. EBITDA from 2021 through 2023. Figure #10 Revenue Performance illustrates the COVID-related rise in revenue, while Figure #11 adj. EBITDA Performance highlights the dip in profitability due to bloated costs.

**Figure #10 Revenue Performance**

Source: Company filings

**Figure #11 adj. EBITDA Performance**

Source: Company filings

In September 2024, management announced a formal pivot from MLM to a single-level affiliate model, fully phasing out the partner and preferred customer programs as of January 1, 2025. The strategic realignment reduced fee-related costs by \$9.9 million and \$14.3 million in 2024 from the discontinued Partner and preferred customer programs, respectively. This shift also allowed the company to eliminate network marketing support functions and reallocate spend toward direct-to-consumer channels, resulting in a 33% workforce reduction in 2024 and an additional 22% reduction announced for 2025. Notably, the company has reduced its breakeven revenue from roughly \$900 million in 2021 to approximately \$200 million in 2025. Management expects restructuring initiatives to be substantially complete by the end of Q3 2025.

While the transition pressured revenue in the first half of 2025 as legacy distributor cohorts churned, the company has delivered seven consecutive quarters of positive adj. EBITDA as of Q2 2025. Both the Digital Content and Nutritional Products segments

were profitable in Q2 2025, supported by favorable cross-selling dynamics and improved cost discipline. We believe the company's focus on operational efficiency and digital-first distribution creates a scalable foundation for sustainable and profitable revenue growth.

## Recent Results

The company reported Q2'25 revenue of \$63.9 million, a decrease of 11.6% sequentially and 42% year over year. The decrease was largely driven by the company's transition from a multi-level marketing (MLM) structure to an omnichannel distribution model at the start of the year, which lowered the company's cost structure and resulted in softer top-line results in the Digital and Nutrition segments.

Gross margin in Q2'25 was 72.3%, a 300-basis-point improvement over the prior-year period, driven by enhanced digital production efficiency and improved operating leverage. Total operating expenses were \$85.9 million, a decrease of approximately 20% over the prior year period. Notably, the combination of higher gross profit margin and lower operating costs largely offset the impact of reduced revenue. Adjusted EBITDA was \$4.6 million in Q2'25, compared to \$4.9 million in the prior-year period, reflecting an adj. EBITDA margin of 7.2%, an improvement of roughly 270 basis points. A comparison of year-over-year results is illustrated in Figure #12 Q2 Results.

**Figure #12 Q2 Results**

| <b>Total Consolidated</b><br>(In millions except per share data) | <b>Q2'25</b><br><b>June</b> | <b>Q2'24</b><br><b>June</b> | <b>%</b><br><b>Change</b> |
|------------------------------------------------------------------|-----------------------------|-----------------------------|---------------------------|
| <b>Total Revenues</b>                                            | <b>63.941</b>               | <b>110.183</b>              | <b>-41.97%</b>            |
| % Change                                                         | -42.0%                      | -18.4%                      |                           |
| % of Fiscal Full Year Revenues                                   | 26.3%                       | 26.3%                       |                           |
| <b>Cost of Revenues</b>                                          | <b>17.703</b>               | <b>33.807</b>               | <b>-47.64%</b>            |
| % Change                                                         | -47.6%                      | -35.2%                      |                           |
| % of Revenues                                                    | 27.7%                       | 30.7%                       |                           |
| <b>Gross Profit</b>                                              | <b>46.238</b>               | <b>76.376</b>               | <b>-39.46%</b>            |
| % Change                                                         | -39.5%                      | -7.7%                       |                           |
| % of Revenues                                                    | 72.3%                       | 69.3%                       |                           |
| <b>Operating Expenses</b>                                        |                             |                             |                           |
| <b>Selling and marketing</b>                                     | <b>25.528</b>               | <b>56.308</b>               | <b>-54.66%</b>            |
| % Change                                                         | -54.7%                      | -26.4%                      |                           |
| % of Revenues                                                    | 39.9%                       | 51.1%                       |                           |
| <b>Enterprise technology and development</b>                     | <b>10.611</b>               | <b>17.162</b>               | <b>-38.17%</b>            |
| Growth                                                           | -38.2%                      | -8.0%                       |                           |
| % of Revenues                                                    | 16.6%                       | 15.6%                       |                           |
| <b>General and administrative</b>                                | <b>11.571</b>               | <b>12.388</b>               | <b>-6.60%</b>             |
| % Change                                                         | -6.6%                       | 4.2%                        |                           |
| % of Revenues                                                    | 18.1%                       | 11.2%                       |                           |
| Stock based compensation                                         | 2.015                       | 4.739                       |                           |
| Depreciation and amortization                                    | 2.022                       | 5.411                       |                           |
| Amortization of content assets                                   | 2.289                       | 4.112                       |                           |
| <b>Adjusted EBITDA</b>                                           | <b>4.632</b>                | <b>4.928</b>                | <b>-6.01%</b>             |
| % Change                                                         | -6.0%                       | -203.2%                     |                           |
| Margin                                                           | 7.2%                        | 4.5%                        | 61.97%                    |

Source: Company filings

The company's Nutrition segment, which sold the majority of its goods through the MLM channel, has been hard hit by the transition. For Q2'25, the company reported Nutrition revenue of \$24.2 million, a decrease of \$25.9 million, or 51.8%, from the prior-year period, and \$4.5 million, or 15.6%, sequentially. Gross margin declined from 60.8% in Q2'24 to 51.4% in Q2'25, largely due to increased promotional activity and the discontinuation of MLM-related fees that were paid to the company. A comparison of year-over-year operating results is illustrated in Figure #13 Q2 Nutrition.

Figure #13 Q2 Nutrition

| Total Consolidated<br>(In millions except per share data) | Q2'25<br>June | Q2'24<br>June | %<br>Change    |
|-----------------------------------------------------------|---------------|---------------|----------------|
| <b>Nutrition and other</b>                                |               |               |                |
| <b>Revenue</b>                                            | <b>24.172</b> | <b>50.101</b> | <b>-51.75%</b> |
| % Change                                                  | -51.8%        | -22.5%        |                |
| % of Total Revenues                                       | 37.8%         | 45.5%         |                |
| % of Full Year                                            | 25.8%         | 26.7%         |                |
| <b>Cost of Revenue</b>                                    | <b>11.740</b> | <b>19.624</b> | <b>-40.18%</b> |
| % Change                                                  | -40.2%        | -27.9%        |                |
| % of Segment Revenue                                      | 48.6%         | 39.2%         |                |
| <b>Segment Gross Margin</b>                               | <b>12.432</b> | <b>30.477</b> | <b>-59.21%</b> |
| % Change                                                  | -59.2%        | -18.6%        |                |
| Segment Contribution Margin                               | 51.4%         | 60.8%         |                |

Source: Company filings

The company's Digital segment remained relatively resilient in Q2'25, generating revenue of \$39.7 million, down 7.5% sequentially and 32.5% year over year. While the business model transition is expected to weigh on near-term revenue generation, it has enabled the company to meaningfully improve its cost structure. Digital gross margin expanded to 87.7%, up 720 basis points from 80.5% last year, reflecting improved content delivery efficiency and reduced fixed operating expenses. A comparison of year-over-year operating results is illustrated in Figure #14 Q2 Digital.

Figure #14 Q2 Digital

| Total Consolidated<br>(In millions except per share data) | Q2'25<br>June | Q2'24<br>June | %<br>Change    |
|-----------------------------------------------------------|---------------|---------------|----------------|
| <b>Digital</b>                                            |               |               |                |
| <b>Revenue</b>                                            | <b>39.693</b> | <b>58.771</b> | <b>-32.46%</b> |
| % Change                                                  | -32.5%        | -9.9%         |                |
| % of Total Revenues                                       | 62.1%         | 53.3%         |                |
| % of Full Year                                            | 26.7%         | 26.2%         |                |
| <b>Cost of Revenue</b>                                    | <b>4.893</b>  | <b>11.476</b> | <b>-57.36%</b> |
| % Change                                                  | -57.4%        | -29.8%        |                |
| % of Segment Revenue                                      | 12.3%         | 19.5%         |                |
| <b>Segment Gross Margin</b>                               | <b>34.800</b> | <b>47.295</b> | <b>-26.42%</b> |
| % Change                                                  | -26.4%        | -3.2%         |                |
| Segment Contribution Margin                               | 87.7%         | 80.5%         |                |

Source: Company filings

The company's Connected Fitness segment reported \$0.08 million in revenue and a negative segment contribution of approximately \$1.0 million, as illustrated in Figure #15 Q2 Connected Fitness. In Q1 2025, the company announced that it would no longer be selling connected fitness equipment, smart stationary bikes, due to an unfavorable cost structure and a limited competitive advantage. However, it will continue delivering its connected fitness content through the BODi streaming platform. Furthermore, we anticipate the company will discontinue separate reporting of Connected Fitness and integrate its operating results into the Digital segment going forward.

**Figure #15 Q2 Connected Fitness**

| Total Consolidated<br>(In millions except per share data) | Q2'25<br>June  | Q2'24<br>June  | %<br>Change    |
|-----------------------------------------------------------|----------------|----------------|----------------|
| <b>Connected fitness</b>                                  |                |                |                |
| <b>Revenue</b>                                            | <b>0.076</b>   | <b>1.311</b>   | <b>-94.20%</b> |
| % Change                                                  | -94.2%         | -74.3%         |                |
| % of Total Revenues                                       | 0.1%           | 1.2%           |                |
| % of Full Year                                            | 7.8%           | 19.8%          |                |
| <b>Cost of Revenue</b>                                    | <b>1.070</b>   | <b>2.710</b>   | <b>-60.52%</b> |
| % Change                                                  | -60.5%         | -68.7%         |                |
| % of Segment Revenue                                      | 1407.9%        | 206.7%         |                |
| <b>Segment Gross Margin</b>                               | <b>(0.994)</b> | <b>(1.399)</b> | <b>-28.95%</b> |
| % Change                                                  | -28.9%         | -60.7%         |                |
| Segment Contribution Margin                               | -1307.9%       | -106.7%        |                |

Source: Company filings

## Outlook

We are forecasting Q3'25 revenue of \$54.1 million and adj. EBITDA of \$2.6 million, reflecting a decrease of % sequentially and % over the prior year period. We anticipate that both Digital and Nutrition revenue will remain under pressure as the company cycles through the impact of the business model transition. Gross margins are expected to benefit from the discontinuation of connected fitness hardware sales and the removal of the segment's direct operating costs, as well as improved operating leverage in the Digital segment. Importantly, our Q3 forecast is near the midpoint of company issued guidance of \$51 million to \$58 million in revenue and \$2 million to \$6 million in adj. EBITDA.

In Q4, we anticipate revenue trends will start to moderate sequentially, while continuing to face difficult year-over-year comparisons. Gross margins in Fitness and Nutrition are projected to be roughly flat with Q3, while total company gross margin is expected to be down modestly from Q3, largely due to Nutrition accounting for a greater amount of revenue in our Q4 forecast. Moreover, our forecast reflects gross margins that are in line with management's long-term outlook of 86% to 89% for Digital, 46% to 52% for Nutrition, and 70% to 75% for the company as a whole. For full year 2025, we are forecasting revenue of \$243.3 million, adj. EBITDA of \$13.8 million and gross margin of 72.4%, as illustrated in Figure #16 2025 Forecast.

**Figure #16 2025 Forecast**

| Total Consolidated                           | Q3 25E        | Q4 25E        | 2025           |
|----------------------------------------------|---------------|---------------|----------------|
| (In millions except per share data)          | Sept          | Dec           |                |
| <b>Digital</b>                               |               |               |                |
| <b>Revenue</b>                               | <b>34.000</b> | <b>32.000</b> | <b>148.604</b> |
| % Change                                     | -36.7%        | -36.5%        | -33.8%         |
| % of Total Revenues                          | 63.0%         | 60.4%         | 61.1%          |
| % of Full Year                               | 22.9%         | 21.5%         |                |
| <b>Cost of Revenue</b>                       | <b>4.250</b>  | <b>4.000</b>  | <b>19.354</b>  |
| % Change                                     | -59.3%        | -43.6%        | -53.8%         |
| % of Segment Revenue                         | 12.5%         | 12.5%         | 13.0%          |
| <b>Segment Gross Profit</b>                  | <b>29.750</b> | <b>28.000</b> | <b>129.250</b> |
| % Change                                     | -31.2%        | -35.3%        | -29.2%         |
| Segment Contribution Margin                  | 87.5%         | 87.5%         | 87.0%          |
| <b>Nutrition and other</b>                   |               |               |                |
| <b>Revenue</b>                               | <b>20.000</b> | <b>21.000</b> | <b>93.825</b>  |
| % Change                                     | -57.8%        | -39.7%        | -50.0%         |
| % of Total Revenues                          | 37.0%         | 39.6%         | 38.6%          |
| % of Full Year                               | 21.3%         | 22.4%         |                |
| <b>Cost of Revenue</b>                       | <b>10.000</b> | <b>10.400</b> | <b>45.591</b>  |
| % Change                                     | -49.1%        | -37.4%        | -41.7%         |
| % of Segment Revenue                         | 50.0%         | 49.5%         | 195.0%         |
| <b>Segment Gross Profit</b>                  | <b>10.000</b> | <b>10.600</b> | <b>48.234</b>  |
| % Change                                     | -64.0%        | -41.7%        | -56.0%         |
| Segment Contribution Margin                  | 50.0%         | 50.5%         | 51.4%          |
| <b>Total Revenues</b>                        | <b>54.000</b> | <b>53.000</b> | <b>243.304</b> |
| % Change                                     | -47.2%        | -38.6%        | -41.9%         |
| % of Fiscal Full Year Revenues               | 22.2%         | 21.8%         |                |
| <b>Cost of Revenues</b>                      | <b>14.250</b> | <b>14.400</b> | <b>67.167</b>  |
| % Change                                     | -57.3%        | -43.5%        | -48.9%         |
| % of Revenues                                | 26.4%         | 27.2%         | 27.6%          |
| <b>Gross Profit</b>                          | <b>39.750</b> | <b>38.600</b> | <b>176.137</b> |
| % Change                                     | -42.2%        | -36.6%        |                |
| % of Revenues                                | 73.6%         | 72.8%         | 72.4%          |
| <b>Operating Expenses</b>                    |               |               |                |
| <b>Selling and marketing</b>                 | <b>21.350</b> | <b>20.300</b> | <b>98.148</b>  |
| % Change                                     | -53.2%        | -47.9%        | -51.0%         |
| % of Revenues                                | 39.5%         | 38.3%         | 40.3%          |
| <b>Enterprise technology and development</b> | <b>10.600</b> | <b>10.400</b> | <b>44.207</b>  |
| Growth                                       | -45.3%        | -53.0%        | -42.1%         |
| % of Revenues                                | 19.6%         | 19.6%         | 18.2%          |
| <b>General and administrative</b>            | <b>11.250</b> | <b>11.000</b> | <b>45.478</b>  |
| % Change                                     | -4.3%         | -4.8%         | -7.5%          |
| % of Revenues                                | 20.8%         | 20.8%         | 18.7%          |
| Stock based compensation                     | 2.000         | 2.000         | 7.741          |
| Depreciation and amortization                | 2.000         | 2.000         | 8.910          |
| Amortization of content assets               | 2.000         | 2.000         | 9.018          |
| <b>Adjusted EBITDA</b>                       | <b>2.550</b>  | <b>2.900</b>  | <b>13.795</b>  |
| % Change                                     | -74.8%        | -66.7%        | -51.3%         |
| Margin                                       | 4.7%          | 5.5%          | 5.7%           |

Source: Noble estimates

Notably, we view 2026 as a pivot year for the company, as it plans to pursue a retail distribution strategy for its brands with mass market appeal. Shakeology will be the first product in retail locations, with a limited rollout expected for late Q1 2026, followed by limited rollouts for P90X and Insanity branded supplements. Importantly, the P90X supplements line and new exercise program are expected to be released in Q2 or Q3 of 2026, with the Insanity supplement line expected later in the year. Given that the company has never sold its products in retail locations, we believe the distribution strategy will have a modest impact on operating results towards the back half of 2026. Furthermore, as the retail strategy gains traction, we are anticipating a slight reduction in the Nutrition segment's gross margin as sales to retail locations are generally at wholesale prices. In our view, the retail distribution strategy and new content releases should support improved revenue trends in the back half of the year, as the company laps post-MLM transition operating results.

For full year 2026, we are forecasting revenue of \$209.5 million and adj. EBITDA of \$16.2 million, as illustrated in Figure #17 2026 & 2027 Forecasts. Importantly, while we are forecasting revenue to decline 14% year-over-year, we expect adjusted EBITDA to increase 17.4%, reflecting a full year of improved operating leverage and cost structure following the business model transition. We believe the limited retail distribution strategy in 2026 should position the company to expand retail distribution and generate profitable top-line growth. For FY 2027, we are forecasting revenue of \$251.0 million and adj. EBITDA

of \$21.6 million, up 20% and 33%, respectively, over our 2026 estimates. Notably, the strong growth in our 2027 forecast is reflective of our expanded retail distribution assumption and increased digital subscribers. Moreover, we are anticipating that the influx of lower margin revenue from its retail distribution strategy will shift gross margin towards the low end of its long-term target range of 70% to 75%.

**Figure #17 2026 & 2027 Forecast**

| Total Consolidated                           | 2026E          | 2027E          |
|----------------------------------------------|----------------|----------------|
| (In millions except per share data)          |                |                |
| <b>Digital</b>                               |                |                |
| <b>Revenue</b>                               | <b>124.000</b> | <b>138.000</b> |
| % Change                                     | -16.6%         | 11.3%          |
| % of Total Revenues                          | 59.2%          | 55.0%          |
| % of Full Year                               |                |                |
| <b>Cost of Revenue</b>                       | <b>15.100</b>  | <b>16.100</b>  |
| % Change                                     | -22.0%         | 6.6%           |
| % of Segment Revenue                         | 12.2%          | 11.7%          |
| <b>Segment Gross Profit</b>                  | <b>108.900</b> | <b>121.900</b> |
| % Change                                     | -15.7%         | 11.9%          |
| Segment Contribution Margin                  | 87.8%          | 88.3%          |
| <b>Nutrition and other</b>                   |                |                |
| <b>Revenue</b>                               | <b>85.500</b>  | <b>113.000</b> |
| % Change                                     | -8.9%          | 32.2%          |
| % of Total Revenues                          | 40.8%          | 45.0%          |
| % of Full Year                               |                |                |
| <b>Cost of Revenue</b>                       | <b>43.100</b>  | <b>58.050</b>  |
| % Change                                     | -5.5%          | 34.7%          |
| % of Segment Revenue                         | 201.7%         | 205.5%         |
| <b>Segment Gross Profit</b>                  | <b>42.400</b>  | <b>54.950</b>  |
| % Change                                     | -12.1%         | 29.6%          |
| Segment Contribution Margin                  | 49.6%          | 48.6%          |
| <b>Total Revenues</b>                        | <b>209.500</b> | <b>251.000</b> |
| % Change                                     | -13.9%         | 19.8%          |
| % of Fiscal Full Year Revenues               |                |                |
| <b>Cost of Revenues</b>                      | <b>58.200</b>  | <b>74.150</b>  |
| % Change                                     | -13.4%         | 27.4%          |
| % of Revenues                                |                |                |
| <b>Gross Profit</b>                          | <b>151.300</b> | <b>176.850</b> |
| % Change                                     | -14.1%         | 16.9%          |
| % of Revenues                                | 72.2%          | 70.5%          |
| <b>Operating Expenses</b>                    |                |                |
| <b>Selling and marketing</b>                 | <b>77.200</b>  | <b>92.050</b>  |
| % Change                                     | -21.3%         | 19.2%          |
| % of Revenues                                | 36.8%          | 36.7%          |
| <b>Enterprise technology and development</b> | <b>40.800</b>  | <b>44.000</b>  |
| Growth                                       | -7.7%          | 7.8%           |
| % of Revenues                                | 19.5%          | 17.5%          |
| <b>General and administrative</b>            | <b>41.100</b>  | <b>43.200</b>  |
| % Change                                     | -9.6%          | 5.1%           |
| % of Revenues                                | 19.6%          | 17.2%          |
| Stock based compensation                     | 8.000          | 8.000          |
| Depreciation and amortization                | 8.000          | 8.000          |
| Amortization of content assets               | 8.000          | 8.000          |
| <b>Adjusted EBITDA</b>                       | <b>16.200</b>  | <b>21.600</b>  |
| % Change                                     | 17.4%          | 33.3%          |
| Margin                                       | 7.7%           | 8.6%           |

Source: Noble estimates

## Financial Overview

As of June 30, 2025, the company had \$25.6 million in cash and cash equivalents and \$25.0 million outstanding under its asset-based lending facility. Figure #18 Balance Sheet provides a snapshot of the company's financial position.

**Figure #18 Balance Sheet**

| (\$ in thousands)                                         | 30-Jun-25      | 31-Dec-24      |
|-----------------------------------------------------------|----------------|----------------|
| <b>Assets</b>                                             |                |                |
| Cash and cash equivalents (includes \$0.1M restricted)    | 25,561         | 20,187         |
| Restricted short-term investments                         | 4,250          | 4,250          |
| Inventory                                                 | 11,406         | 16,303         |
| Prepaid expenses                                          | 4,687          | 9,034          |
| Other current assets                                      | 11,391         | 28,911         |
| <u>Total current assets</u>                               | <u>57,295</u>  | <u>78,685</u>  |
| Property and equipment, net                               | 10,606         | 12,749         |
| Content assets, net                                       | 8,451          | 12,179         |
| Goodwill                                                  | 65,166         | 65,166         |
| Right-of-use assets, net                                  | 2,540          | 3,063          |
| Other assets                                              | 1,836          | 2,714          |
| <b>Total assets</b>                                       | <b>145,894</b> | <b>174,556</b> |
| <b>Liabilities</b>                                        |                |                |
| Accounts payable                                          | 4,970          | 9,534          |
| Accrued expenses                                          | 20,602         | 24,982         |
| Deferred revenue                                          | 66,640         | 77,273         |
| Current portion of lease liabilities                      | 1,361          | 1,338          |
| Current portion of Term Loan                              | -              | 9,500          |
| Other current liabilities                                 | 2,561          | 5,011          |
| <u>Total current liabilities</u>                          | <u>96,134</u>  | <u>127,638</u> |
| Term Loan (long-term)                                     | 23,300         | 9,668          |
| Long-term lease liabilities, net                          | 1,369          | 1,973          |
| Deferred tax liabilities                                  | -              | 1              |
| Other liabilities                                         | 4,933          | 7,106          |
| <b>Total liabilities</b>                                  | <b>125,736</b> | <b>146,386</b> |
| <b>Stockholders' Equity</b>                               |                |                |
| Common stock (Class A, X shares outstanding: 4.3M / 2.7M) | 2              | 2              |
| Additional paid-in capital                                | 675,386        | 671,735        |
| Accumulated deficit                                       | (655,166)      | (643,518)      |
| Accumulated other comprehensive loss                      | (64)           | (49)           |
| Total stockholders' equity                                | 20,158         | 28,170         |
| <b>Total liabilities and stockholders' equity</b>         | <b>145,894</b> | <b>174,556</b> |

Source: company filings

## Asset-Based Lending Facility

In May 2025, the company entered into a \$35.0 million asset-based lending facility (ABL Facility) with Tiger Finance, LLC, which includes a \$10.0 million uncommitted accordion (a discretionary feature that would allow lenders to increase the facility size if requested, but does not obligate them to do so). The agreement matures on May 13, 2028, with the potential for two one-year extensions. Borrowings are secured by a first lien on substantially all company assets and are determined by a borrowing base tied to collateral advance rates. At inception, the company drew \$25.0 million, leaving approximately \$10.0 million of committed availability and an additional \$10.0 million available through the uncommitted accordion. The facility bears interest at one-month SOFR plus 9.0% (with a 3.5% floor), stepping down to SOFR plus 7.75% after May 2026 if the fixed charge coverage ratio exceeds 1.10x. For the initial period through the latest quarter-end, the cash interest rate was 13.6% and the effective rate was 15.4%. Interest expense under the facility totaled \$0.5 million during the second quarter.

## Covenant Structure

The ABL agreement contains customary representations and restrictive covenants, including limits on indebtedness, liens, restricted payments, asset sales, and affiliate transactions. Financial covenants require the company to exceed quarterly billings and digital subscription targets, maintain annual capital expenditures below \$10 million (with some flexibility based on cost savings), and preserve minimum liquidity above \$12 million (rising to \$13.2 million during cure periods).

## Capital Structure and Strategic Outlook

Proceeds from the ABL were used to retire the company's prior term loan with Blue Torch Finance, which carried an effective interest rate of 28% in early 2025. The refinancing significantly lowered borrowing costs, extended maturities to 2028, and simplified the capital structure, though covenants remain tight and liquidity thresholds critical.

In our view, the ABL represents a meaningful reset of the company's capital structure. While the stated interest rate is modestly higher than the prior term loan, total cash interest outflows have declined due to the smaller balance, revolving structure, and elimination of costly PIK and amendment-related fees. The facility extends maturities to 2028, introduces repayment flexibility, and provides access to roughly \$20 million of total borrowing capacity when including the uncommitted accordion. Together with clearly defined liquidity covenants, the ABL offers a more manageable and transparent framework to fund operations and support digital growth initiatives, positioning the company with greater financial control and reduced structural risk relative to its legacy Blue Torch arrangement.

## Management Overview

**Mr. Carl Daikeler** has served as the Chairman and Chief Executive Officer of the Beachbody Company since co-founding the company in 1998. Prior to Beachbody, Mr. Daikeler served as Vice President of New Business Development at Guthy-Renker, assisting with new products for infomercials, and was previously the President and Co-Founder of TelAmerica Media. Mr. Daikeler also oversees the Beachbody Foundation, a non-profit organization contributing to a number of foundations such as the International Justice Mission, Hope of the Valley, NAACP, the Lakota Tribe, Upward Bound House, Go Campaign, and Save-A-Warrior (SAW). Mr. Daikeler holds a Bachelor of Arts from Ithaca College.

**Mr. Brad Ramberg** has served as the Interim CFO and Executive Vice President of Strategic Initiatives at the firm since September 2014. Mr. Ramberg previously served as Chief Financial Officer of Beachbody from November 2006 to September 2014. Prior to joining Beachbody, Mr. Ramberg served as Chief Financial Officer of Idealab from 1999 to 2006 and as Chief Financial Officer of Citysearch from 1996 to 1999. Mr. Ramberg holds a bachelor's degree in economics from Brown University and also holds an MBA from Harvard Business School.

**Mr. Mark Goldston** has served as Executive Chairman of the firm since June 2023. Mr. Goldston is the chairman, chief executive officer, and founder of The Goldston Group, a venture capital and strategic advisory firm. Mr. Goldston also serves as general partner of Athletic Propulsion Labs, a luxury performance athletic footwear company, and as co-founder and general partner of Javergo Partners, a strategic advisory firm. Mr. Goldston has also served as a board member, strategic advisor, and investor of TuneGO, and as chairman and chief executive officer of United Online and its predecessor company, NetZero. Mr. Goldston holds a B.S. in business administration from The Ohio State University and an MBA from the Kellogg School of Management at Northwestern University.

**Mr. Michael Neimand** has served as the president of the firm since 2016, responsible for the company's direct selling activities and international expansion efforts. Mr. Neimand joined Beachbody in 2006 and held various positions, including Executive Vice President. Prior to Beachbody, Mr. Neimand served as Vice President of Sales and Initiatives at Herbalife from 1995 to 2006, and also worked at BAE Systems, a global defense, security, and aerospace company. Mr. Neimand holds a Bachelor of Arts from the University of California, Los Angeles.

## Board Overview

**Ms. Mary Conlin** has served as a board member of the firm since June 2021. Ms. Conlin previously served as Director and Head of Marketing & Corporate Communications for Pixar Animation Studios from 2001 to 2007. Ms. Conlin's earlier career includes roles as Director of International Distribution and Director of Worldwide Promotions for the theatrical division at Warner Bros. Pictures and board of directors for Daily Journal Corp. Ms. Conlin holds a Bachelor of Arts from Princeton University and a Master of Business Administration from Harvard University.

**Ms. Kristin Frank** has served as a board member of the firm since November 2021. Ms. Frank is currently the Chief Executive Officer of AdPredictive, a customer intelligence platform, and also serves on the boards of directors of Brightcove, Inc. and Gaia, Inc. Ms. Frank previously spent more than 20 years at Viacom (now Paramount Global), serving several executive roles including Chief Operating Officer of the division overseeing revenue, strategy, and operations for MTV and Executive Vice President and Head of Digital for the Music and Entertainment Division, in which she developed scaled digital, product, and content businesses for MTV, Comedy Central, VH1, CMT, LOGO, and MTV2. Ms. Frank holds a Bachelor of Business Administration in Finance from the University of Iowa.

**Mr. Michael Heller** has served as a board member of the firm since November 2012. Mr. Heller has served since 1994 at Cozen O'Connor, an international law firm, holding various leadership positions, currently as the Executive Chairman and Chief Executive Officer. Mr. Heller also serves as a member of the Board of Directors of Franklin Square Holdings, L.P., a business development company, and Hanover Fire and Casualty Co., a property and casualty insurance carrier. Mr. Heller also sits on several nonprofit boards, including Thomas Jefferson University Hospital, Villanova Law School, CEO's vs Cancer, Greater Philadelphia Chamber of Commerce, and Philadelphia Alliance for Capital and Technologies. Mr. Heller holds a Bachelor of Arts from The Pennsylvania State University and a Juris Doctor from Villanova University.

**Ms. Ann Lundy** has served as a board member of the firm since 2023 and chairs the Audit Committee. Ms. Lundy previously served as Senior Vice President, Corporate Finance and Internal Audit of Activision Blizzard, and led the integration of the company's merger with Microsoft. Prior to Beachbody, Ms. Lundy was an executive consultant in finance, accounting, and project management services, and before that served as Senior Vice President and Chief Accounting Officer of MH Sub I, LLC, an online media and e-commerce company. Prior to that, Ms. Lundy served in various leadership positions at Mattel, Inc., including as Senior Vice President, Finance & Strategy, Global Development, and Product Supply. Ms. Lundy holds a Bachelor of Science in Accounting from Oakland University and is a certified public accountant.

**Mr. Kevin Mayer** has served as a board member of the firm since June 2021. Mr. Mayer is the Co-Chief Executive Officer and founder of Candle Media, a next-generation media company, and co-founder and managing partner of Smash Capital, a consumer venture capital firm. Mr. Mayer previously served as Chief Executive Officer of TikTok and Chief Operating Officer of ByteDance in 2020. Mr. Mayer's earlier career includes over 15 years at The Walt Disney Company, where he held roles such as Chief Strategy Officer and Chairman of Direct-to-Consumer & International, overseeing the launch of Disney+. Mr. Mayer also serves on the boards of directors of Tinititi and the Forest Road Company, and as an advisory board member of Salesforce. Mr. Mayer holds a Bachelor of Science in Mechanical Engineering from MIT, a Master of Science in Electrical Engineering from San Diego State University, and an MBA from Harvard University.

**Mr. John Salter** has served as a board member of the firm since December 2018. Mr. Salter is a co-founder and partner of the Raine Group, a global merchant bank, leading the firm's digital media and gaming practice. Mr. Salter also served as the Global Head of Digital Media at UBS Investment Bank. Mr. Salter currently serves as a member of several boards of directors, including Zumba Fitness, a global dance fitness company; Huuuge Games, a video game developer for mobile devices and PCs; and Play Games 24x7, a leading Indian gaming company. Mr. Salter holds a Bachelor of Arts from Stanford University.

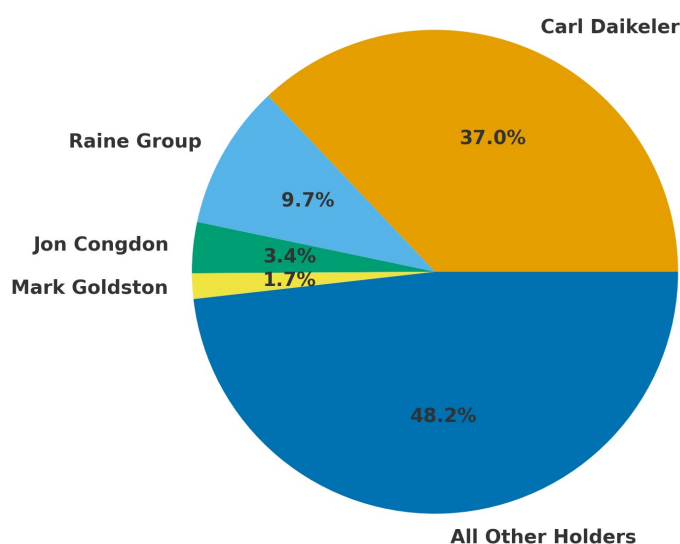
**Mr. Ben Van de Bunt** has served as a board member of the firm since March 2019. Mr. Van de Bunt is an entrepreneur and co-owner of several companies, including Silver Creek, Paramount Equity, LoanPal, FHR, Inspire Energy, Nestidd, Omni Energy, Good Finch, and Rosewood Homes. Previously, Mr. Van de Bunt was Chief Executive Officer and President of Guthy-Renker from 1993 to 2013. Mr. Van de Bunt holds a Bachelor of Arts from the University of California, Los Angeles, and a Juris Doctor from Harvard Law School.

## Stock Overview and Valuation

The company operates with a dual-class share structure that maintains founder control. As of April 4, 2025, the company had approximately 7.0 million total shares outstanding, consisting of 4.27 million Class A shares and 2.73 million Class X shares. Both classes hold equal economic rights, though voting rights differ: Class A carries 1 vote per share and Class X carries 10 per share. Founder and CEO Carl Daikeler beneficially owns 2.59 million shares, including 2.58 million Class X shares, giving him 81.7% of total voting power. This structure makes BODi a controlled company under NYSE rules. Executive Chairman Mark Goldston holds 119,416 Class A shares, all through vested stock options, aligning his incentives directly with share performance. Raine Group, a key institutional investor, owns 675,398 Class A shares (15.8% of Class A outstanding, but just 2.1% of total voting power), while co-founder Jon Congdon holds 238,093 shares (5.6% of Class A). Collectively, all directors and executive officers own 2.92 million Class A shares and all Class X shares, representing 82.3% combined voting control. Figure #19 BODI Ownership illustrates the top equity holders based on economic interest of the combined shares of Class A and Class X.

**Figure #19 BODI Ownership**

**BODI Ownership Breakdown (Class A + Class X Combined)**



Source: Company filings

The BODI shares are down approximately 24% over the past year (Figure #20 BODI 1-Year Stock Performance), which we believe reflects investor caution around the company's sharp 2025 revenue contraction amid its transition away from a multi-level marketing model. The stock faced additional pressure in April as broader market sentiment weakened on tariff-related concerns, but has failed to fully participate in the subsequent recovery. In our view, sentiment remains subdued as investors await tangible evidence that the company's revised distribution strategy can return the business to top-line growth. We believe the stock may be poised for re-rating as BODi executes on its new go-to-market model, with potential revenue inflection anticipated in 2027 through expanded retail partnerships, refreshed subscription offerings, and a slate of new workout program launches. Importantly, management has already reduced the company's breakeven point materially, enabling positive free cash flow generation through year-to-date 2025 and positioning the company for its first full year of positive free cash flow since 2020.

**Figure #20 BODI 1-Year Stock Performance****5.08** USD

-1.62 (-24.14%) ↓ past year

Oct 27, 4:00 PM EDT • Disclaimer



Source: Google Finance

The company's peer group, comprised of businesses in the fitness subscription, nutritional wellness, and performance-oriented consumer health categories (including PTON, PLNT, XPOF, SMPL, BRBR, HLF, MED, and NATR) currently trades at an average multiple of approximately 7.2x EV/2026 adj. EBITDA, as illustrated in Figure #21 BODI Comparables. By contrast, BODI trades at just 2.3x our 2026 adj. EBITDA estimate, reflecting a meaningful discount to peers despite its established billion-dollar franchises, improving cost structure, and early signs of operating leverage emerging under the streamlined business model. We are initiating coverage with an Outperform rating and a \$12 price target, which reflects a target multiple of 5.3 times EV/2026 EBITDA, more closely aligned with peers. Importantly, our target multiple assumes moderate expansion toward industry averages and leaves room for further expansion should the Shakeology retail rollout and/or the P90X-branded product extensions perform better than expected.

**Figure #21 BODI Comparables**

| Company                                      | Share Price | Shares Out (M) | Ent. Value (\$M) | Revenue |       |       |       | EV/   | Adj. EBITDA |       |       |       |
|----------------------------------------------|-------------|----------------|------------------|---------|-------|-------|-------|-------|-------------|-------|-------|-------|
|                                              |             |                |                  | 2024    | 2025E | 2026E | 2027E |       | 2024        | 2025E | 2026E | 2027E |
| THE BEACHBODY COMPANY, INC. (XNAS:BODI)      | \$5.08      | 7.07           | \$37             | 0.1x    | 0.2x  | 0.2x  | 0.1x  | 1.3x  | 2.8x        | 2.3x  | 1.7x  |       |
| HERBALIFE LTD. (XNYS:HLF)                    | \$8.19      | 103.11         | \$2,869          | 0.6x    | 0.6x  | 0.5x  | 0.5x  | 4.5x  | 4.4x        | 4.2x  | 3.8x  |       |
| THE SIMPLY GOOD FOODS COMPANY (XNAS:SMPL)    | \$20.31     | 99.73          | \$2,232          | 1.7x    | 1.5x  | 1.5x  | 1.4x  | 8.3x  | 8.0x        | 7.8x  | 7.5x  |       |
| MEDIFAST, INC. (XNYS:MED)                    | \$12.73     | 10.99          | -\$10            | 0.0x    | 0.0x  | 0.0x  | N/A   | -0.3x | 8.8x        | 1.0x  | N/A   |       |
| NATURE'S SUNSHINE PRODUCTS, INC. (XNAS:NATR) | \$13.76     | 17.64          | \$177            | 0.4x    | 0.4x  | 0.4x  | N/A   | 4.4x  | 4.0x        | 3.7x  | N/A   |       |
| BELLRING BRANDS, INC. (XNYS:BRBR)            | \$31.87     | 125.98         | \$4,983          | 2.5x    | 2.2x  | 2.0x  | 1.8x  | 11.3x | 10.3x       | 10.0x | 9.0x  |       |
| PELOTON INTERACTIVE, INC. (XNAS:PTON)        | \$7.72      | 407.76         | \$4,085          | 1.6x    | 1.7x  | 1.6x  | 1.6x  | 10.1x | 9.3x        | 8.6x  | 8.3x  |       |
| XPONENTIAL FITNESS, INC. (XNYS:XPOF)         | \$6.95      | 48.84          | \$706            | 2.2x    | 2.3x  | 2.2x  | 2.0x  | 6.1x  | 6.5x        | 5.7x  | 4.5x  |       |
| PLANET FITNESS, INC. (XNYS:PLNT)             | \$96.31     | 84.23          | \$9,939          | 8.4x    | 7.6x  | 7.0x  | 6.3x  | 20.4x | 18.4x       | 16.4x | 14.7x |       |
| <b>Mean</b>                                  |             |                |                  | 2.2x    | 2.0x  | 1.9x  | 2.3x  | 8.1x  | 8.7x        | 7.2x  | 8.0x  |       |
| <b>Median</b>                                |             |                |                  | 1.7x    | 1.6x  | 1.6x  | 1.7x  | 7.2x  | 8.4x        | 6.8x  | 7.9x  |       |

Source: Noble estimates and Eikon

In our view, the shares offer a compelling risk/reward profile. BODI trades at a steep discount to peers despite its established brands, improving free cash flow profile, and repositioning toward scalable, higher-margin recurring revenue streams. As revenue stabilizes and adj. EBITDA begins to scale against a leaner cost structure, we expect multiple expansion toward peer levels, with potential upside if execution exceeds expectations or if renewed brand monetization drives accelerated adoption in retail and digital channels.



Risks to achieving our price target include potential setbacks in scaling the company's new single-level affiliate model, continued revenue dependence on a narrow product portfolio, competitive pressures from emerging fitness and nutrition alternatives, including GLP-1 therapies, and residual legal or financial liabilities stemming from the company's former multi-level marketing structure, and others.

## Company Profile

BODi (NYSE: BODI) is a leading provider of digital fitness content and nutritional wellness products, built around a portfolio of highly recognized franchises including P90X, Insanity, and Shakeology (each of which has generated over \$1 billion in lifetime sales). Founded in 1998 and taken public through a SPAC merger in 2021, the company operates a subscription-based streaming platform offering more than 10,000 on-demand workouts, complemented by a premium line of performance nutrition and wellness supplements. Following a strategic pivot away from its legacy multi-level marketing model, BODi has transitioned to a leaner, direct-to-consumer and affiliate-driven structure designed to improve profitability and reaccelerate growth. The company's digital-first ecosystem is supported by strong engagement metrics (96% Q2'25 retention) and expanding distribution plans, including a forthcoming retail rollout of flagship brands. Headquartered in El Segundo, California, BODi is positioned to leverage its brand equity, recurring subscription base, and scalable product platform to drive long-term growth in the fitness and wellness markets.

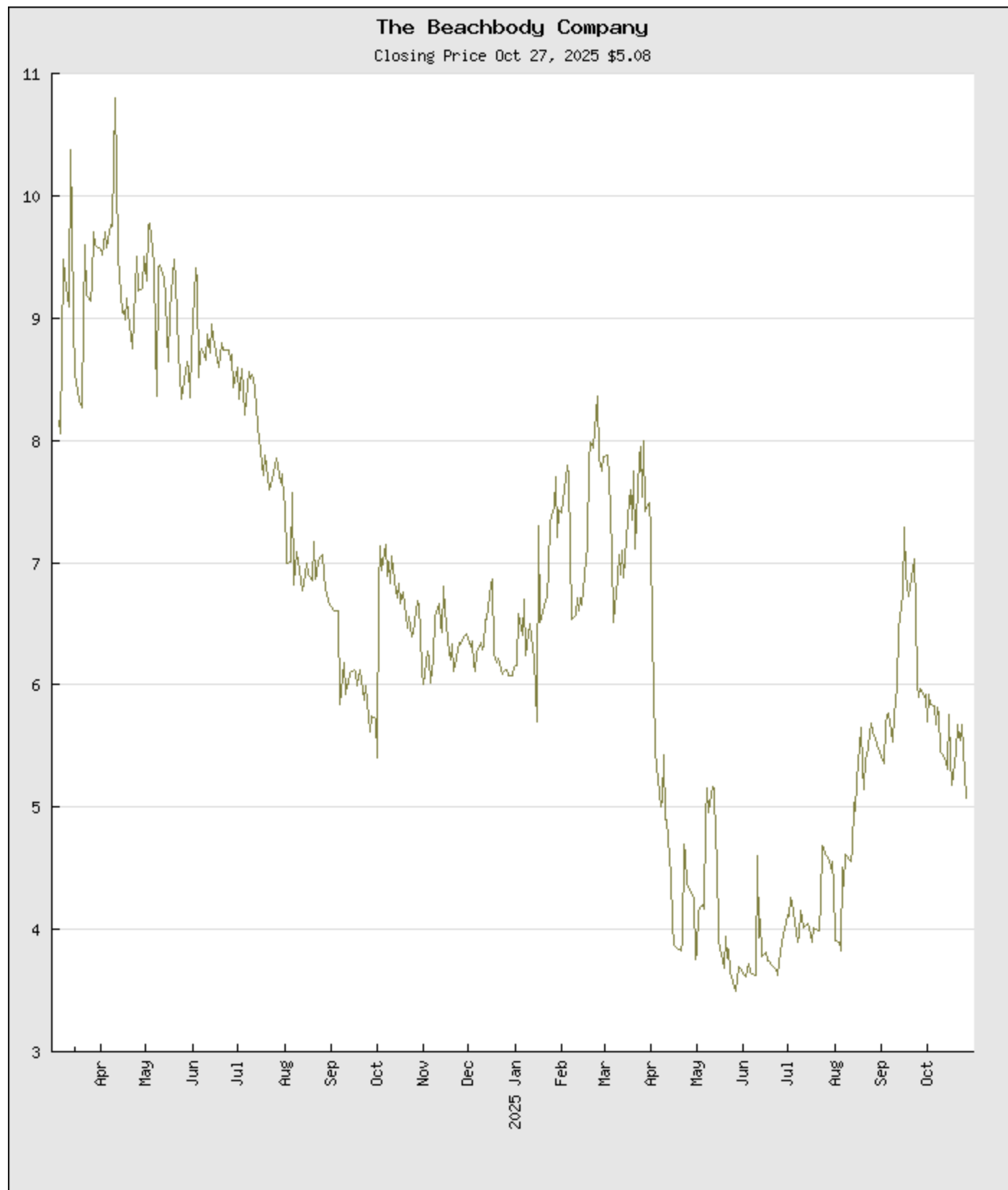
## Fundamental Assessment — 3.5/5.0

In our assessment, we gave the company 3.5 checks out of 5.0, which implies an above-average fundamental profile. This evaluation incorporates an analysis of corporate governance and management, market opportunity, competitive positioning, operating leverage, and financial leverage. The company scored particularly well on its corporate governance and management assessment, reflecting the long tenure of senior leadership and their ability to adapt the business to a changing market environment. In addition, the company was assigned high marks for its operating leverage, which has been improved significantly post-MLM transition. Additionally, the financial position assessment was above average, supported by ample liquidity and flexibility to fund growth initiatives. Furthermore, we view the company's market opportunity as above average. Importantly, the market opportunity is multifaceted, while digital content is impacted by post-pandemic consumer behavior trending toward in-person gyms, Nutrition has a favorable outlook with retail distribution on the horizon, and there is a large overweight population in the U.S. Moreover, our competitive position assessment is slightly below average. The company operates in a highly competitive industry and is utilizing a new customer acquisition strategy and entering into the retail marketplace, both of which are new developments.

## Valuation Summary

The company's peer group, comprised of businesses in the fitness subscription, nutritional wellness, and performance-oriented consumer health categories (including PTON, PLNT, XPOF, SMPL, BRBR, HLF, MED, and NATR), currently trades at an average multiple of approximately 7.2x EV/2026 adj. EBITDA. By contrast, BODI trades at just 2.3x our 2026 adj. EBITDA estimate, reflecting a meaningful discount to peers despite its established billion-dollar franchises, improving cost structure, and early signs of operating leverage emerging under the streamlined business model. We are initiating coverage with an Outperform rating and a \$12 price target, reflecting a 5.3x EV/2026 EBITDA multiple, which is more closely aligned with peers. Importantly, our target multiple assumes only moderate expansion toward industry averages. We believe that there is upside from potential overperformance from the Shakeology retail rollout or P90X-branded product extensions, both of which could accelerate growth in 2026 beyond our current expectations.

Risks to achieving our price target include potential setbacks in scaling the company's new single-level affiliate model, continued revenue dependence on a narrow product portfolio, competitive pressures from emerging fitness and nutrition alternatives, including GLP-1 therapies, and residual legal or financial liabilities stemming from the company's former multi-level marketing structure, and others.



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The fundamental assessment rating system is designed to provide insights on the company's fundamentals both on a macro level, which incorporates a company's market opportunity and competitive position, and on a micro/company specific level. The micro/company specific attributes include operating & financial leverage, and corporate governance/management. The number of check marks that a company receives is designed to provide a quick reference and easy determination of the company's fundamentals based upon the following five attributes of the company (weighting reflects the importance of each attribute in the overall scoring of company's fundamental analysis):

| Attribute                       | Weighting |
|---------------------------------|-----------|
| Corporate Governance/Management | 20%       |
| Market Opportunity Analysis     | 20%       |
| Competitive Position            | 20%       |
| Operating Leverage              | 20%       |
| Financial Leverage              | 20%       |

For each attribute, the analysts score the company from a low of zero to a high of ten based upon the analysis described below. The final rating and resulting check marks is a result of dividing the overall score (out of 100%) by ten.

| Rating        | Score     | Checks                |
|---------------|-----------|-----------------------|
| Superior      | 9.1 to 10 | Five Checks           |
| Superior      | 8.1 to 9  | Four & A Half Checks  |
| Above Average | 7.1 to 8  | Four Checks           |
| Above Average | 6.1 to 7  | Three & A Half Checks |
| Average       | 5.1 to 6  | Three Checks          |
| Average       | 4 to 5    | Two & A Half Checks   |
| Below Average | 3 to 3.9  | Two Checks            |
| Below Average | 2 to 2.9  | One & A Half Checks   |
| Low Quality   | 0 to 1.9  | One Check             |

While these are the attributes currently used for the analyst's fundamental analysis, the attributes and weighting may be reviewed, updated with additional attributes, and/or changed in the future based on discussions with the analysts and recommendations from the Director of Research.

Following is the description of each attribute in the fundamental analysis.

### Corporate Governance/Management

We believe that a review of corporate governance and assessment of the senior management are important tools to determine investment merit. Good corporate governance aligns management with the interests of stakeholders. As such, analysts are to rank the company on the basis of good corporate governance principles that may include rules and procedures, board composition and staggered term limits, rights and responsibilities, corporate objectives, monitoring of actions and policies, and accountability. In addition, analysts will assess issues with controlling shareholders and whether decisions have been made in the past that were in the interests of all shareholders. In addition, management will be assessed based on industry experience, expertise, and/or track record.

High ranking example: Board and management that is aligned with the interests of shareholders with incentives based on stock price appreciation and with an experienced management team known for exceptional shareholder returns.

Low ranking example: Concentrated ownership without independent directors that do not necessarily align with all shareholders' interests.

### The Market Opportunity Analysis

In this review, the analyst assesses the company's macro environment as a measure of understanding the industry. Factors considered include the size and growth potential of the industry under various economic conditions, the emerging demands in the market, technological benefits/disruptions, competition, geographical opportunities, and customer demands/needs, and an assessment of supply and distribution channels. In addition, the analyst will review legal and regulatory trends, as well as potential shifts in consumer or social behavior and natural environment changes.

High rank example: A company in an industry that is growing revenues well above GDP rates (which are on average 2% plus) and/or may have unmet or underserved needs in a rapidly growing market opportunity.

Low rank example: A mature industry that is in secular decline and likely to grow below GDP rates.

### Competitive Position

The evaluation of the company's competitive position is another macro environment attribute designed to measure the relevance, market share, position and value proposition, and sustainable differentiations of the company and its products/services within its industry. Ease of entry into the industry and the ability of other well-funded players to potentially enter the market would be determined. As such, the assessment would consider the company's strengths and advantages of its products/services against weaknesses and limitations. This may include the company's current brand awareness, pricing and cost structure, current market strategies and geographic penetration that may affect demand for its products/services. In addition, the company's competitors would be evaluated.

High rank example: An analyst would consider the company's product to be superior to its competitors and that should allow the company to gain market share.

Low rank example: A company with a "me-too" product that does not have any significant technology advantages in an industry that has low barriers to entry.

### Operating Leverage

Simplistically, operating leverage is determined by the operating income relative to changes in revenue. The analyst will calculate the impact on sensitivity on gross margins and variable costs to determine operating leverage. The analyst will take into account the ability of the company to cut fixed and variable costs in a challenged revenue environment and technological changes that may impact operating expenses. In addition, the analyst is to assess corporate strategies that include capital investment, which may be required for sustainable revenue growth, marketing expenses, and the company's ability to attract and retain talent and/or employees. The analyst should focus on the revenue opportunity and determine the price elasticity of demand for the company's products or services. In other words, the analyst is to rank the company based on improved operating margins going forward on an absolute and relative basis.

High rank example: A company that has improving margins for the foreseeable future, with significant price elasticity.

Low rank example: A company that is in a challenged revenue environment with a fixed cost structure and limited ability to cut costs, indicating an outlook for declining margins.

### Financial Leverage

A strict definition of financial leverage is total debt divided by total shareholder's equity. Financial leverage analysis is to determine the company's ability to improve shareholder value by means of utilizing its balance sheet to grow organically or to acquire assets. Analysts may look at the company's debt to cash flow leverage ratio, interest coverage ratios, or debt to equity ratios. In addition, the interest rate environment and the outlook for interest rates are a factor in determining the company's ability to manage financial leverage. Finally, the analyst is expected to determine the ability to service the debt given the industry and/or company profile, such as cyclical, barriers to entry, history of bankruptcy, consistency in revenue and profit growth, or predictability in sales and profits and large cash reserves. The analyst is expected to take into account capital intensity of the company and the anticipated of capital allocation decisions.

High rank example: A company with predictable and growing revenue and cash flow with modest debt levels. This may indicate that the company could improve shareholder value through growth investments, including acquisitions, using debt financing.

Low rank example: A company in a cyclical industry in a late stage economic cycle that has above average debt leverage and is in an industry that has a history of financial challenges, including bankruptcies.

### ANALYST CREDENTIALS, PROFESSIONAL DESIGNATIONS, AND EXPERIENCE

Director of Research. Senior Equity Analyst specializing in Media & Entertainment. 34 years of experience as an analyst. Member of the National Cable Television Society Foundation and the National Association of Broadcasters. BS in Management Science, Computer Science Certificate and MBA specializing in Finance from St. Louis University.

Named WSJ 'Best on the Street' Analyst six times.

FINRA licenses 7, 24, 66, 86, 87.

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| NOBLE RATINGS DEFINITIONS                                            | % OF SECURITIES COVERED | % IB CLIENTS |
|----------------------------------------------------------------------|-------------------------|--------------|
| Outperform: potential return is >15% above the current price         | 85%                     | 15%          |
| Market Perform: potential return is -15% to 15% of the current price | 15%                     | 5%           |
| Underperform: potential return is >15% below the current price       | 0%                      | 0%           |

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