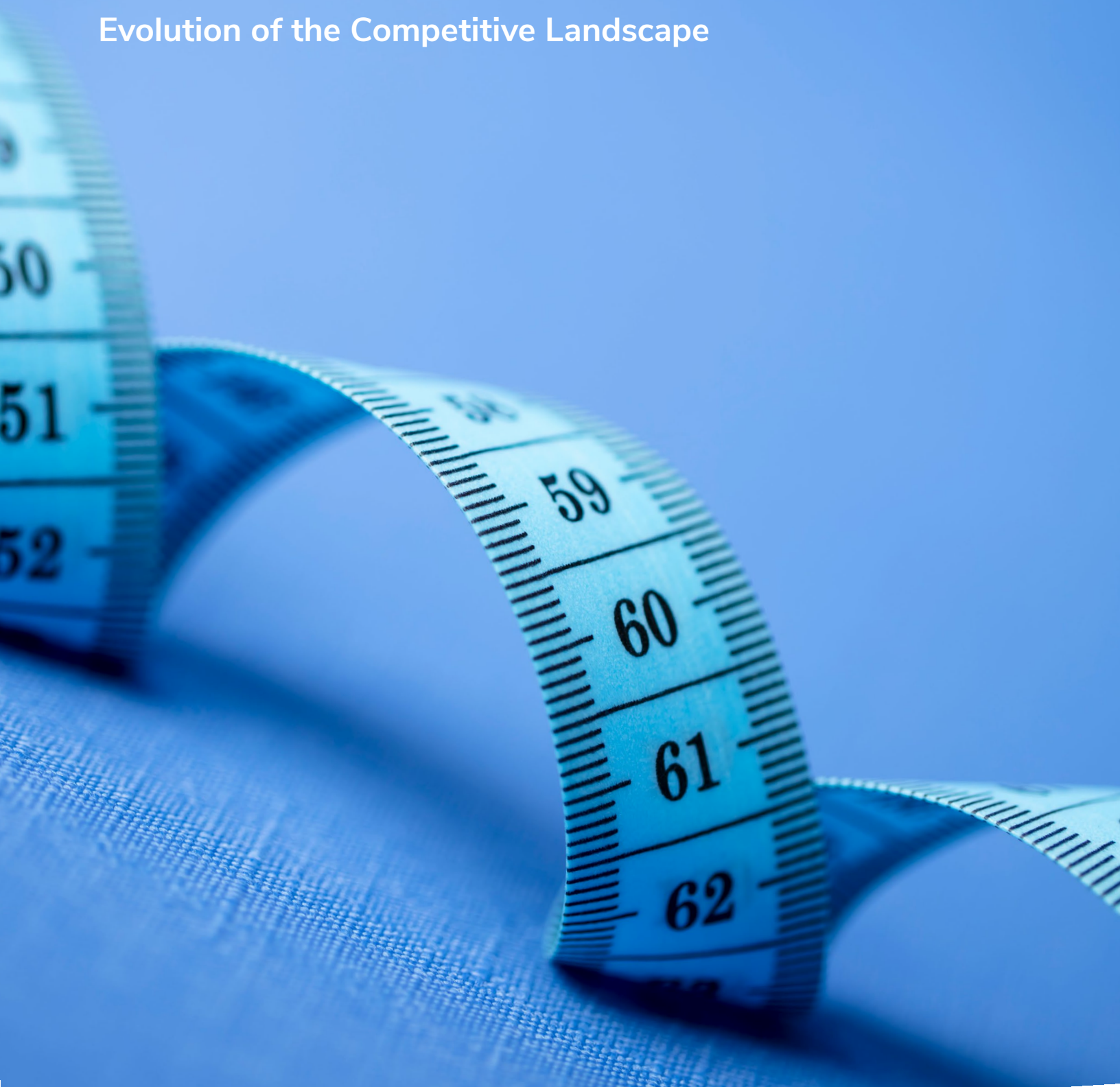




Medical Weight Loss:

Evolution of the Competitive Landscape



Medical Weight Loss: Evolution of the Competitive Landscape

Innovative pharmaceutical weight loss treatments and changing post-pandemic consumer preferences have spurred a boom in the medically supervised weight loss industry.

Tenured Market Participants Poised to Benefit from Glucagon-like-peptide-1 (“GLP-1”) Demand

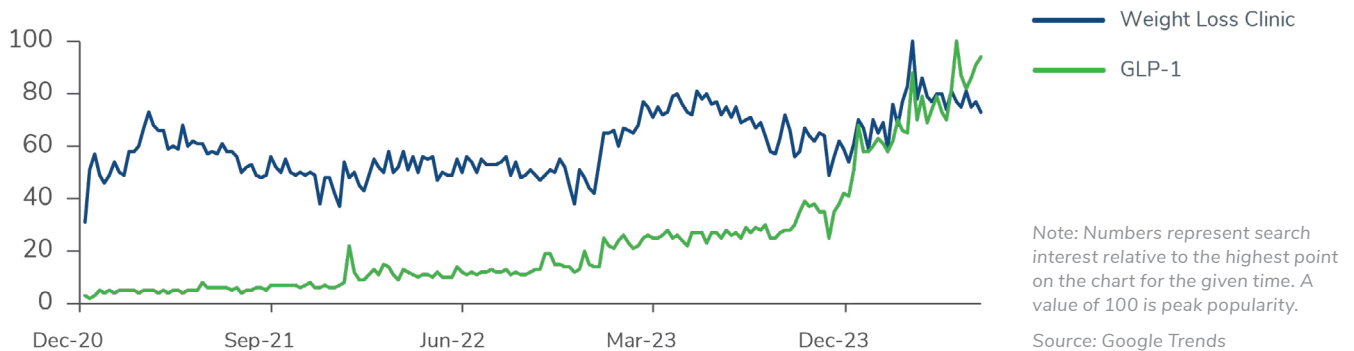
As demand for GLP-1s and related drugs continues to surge, with total global demand expected to reach over \$100 billion by 2030, medically supervised weight loss providers with a long operational history are best positioned to capture market growth. Utilizing clinically proven weight loss programs, the largest of these providers have decades of patient success stories before GLP-1s came along.

Changing Consumer Preferences for Care Delivery

During the COVID-19 pandemic, consumer demand and investment in telehealth services hit all-time highs, peaking at approximately \$25 billion of M&A activity in 2020–2021. Much of this demand was born of necessity, and as Americans settle into a post-pandemic world, preferences for health care delivery have returned closer to pre-pandemic norms. The resulting effects on the medical weight loss industry show the importance of providing a flexible care delivery model, providing both in-person and virtual services.

Interest in GLP-1s drives demand for weight loss clinics

Google search trends for the term “GLP-1” and “weight loss clinics”



Consumer preference for virtual healthcare services has shifted since the COVID-19 pandemic

U.S. telehealth visits by quarter (visits in millions)



GLP-1s Driving Demand

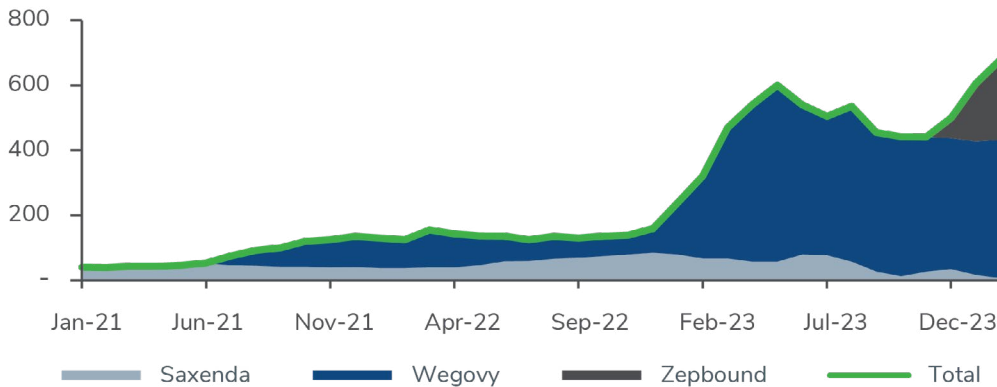
The Introduction of GLP-1s for Use in Chronic Weight Management

GLP-1s, also known as GLP-1 receptor agonists, help regulate blood sugar, slow digestion and decrease appetite. While GLP-1s have been used as diabetes drugs since 2005, it was 2021 when Novo Nordisk introduced Wegovy (semaglutide), which was approved specifically for weight loss. In 2023, Eli Lilly's Zepbound, using the active ingredient tirzepatide, followed as the second weight loss-specific GLP-1 to be approved.

Weekly injectables Wegovy (semaglutide) and Zepbound (tirzepatide), as well as their identical type 2 diabetes-approved siblings Ozempic (semaglutide) and Mounjaro (tirzepatide), have experienced a meteoric rise to the top of global pharmaceutical sales rankings. Driven by obesity epidemics across the world and tremendous efficacy in clinical studies, GLP-1s have changed how the medical community perceives and treats weight loss.

The number of Americans taking GLP-1s for weight loss continues its dramatic run

Prescriptions of GLP-1s for chronic weight management (prescriptions in thousands)



Source: IQVIA, Goldman Sachs GIR

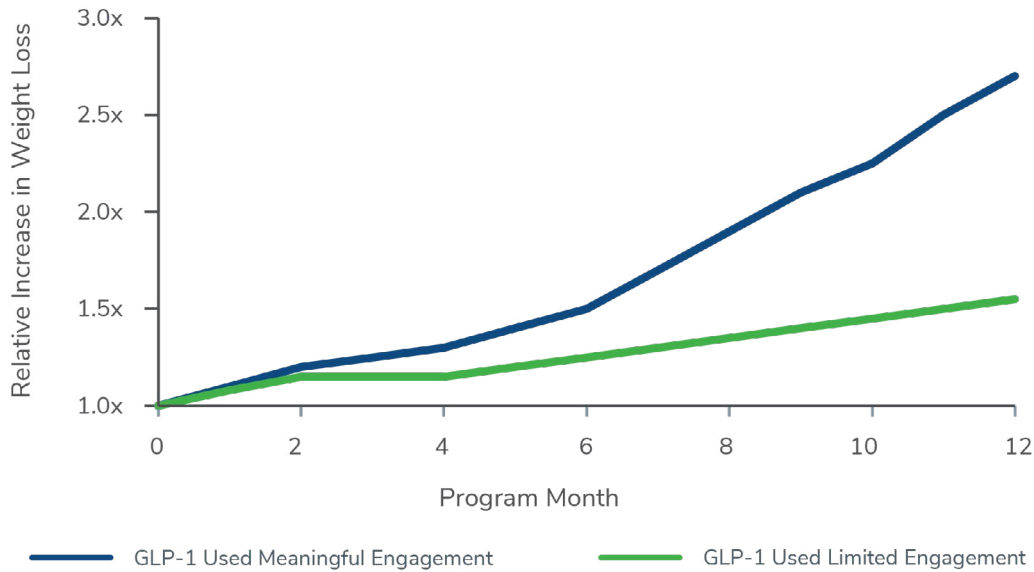
GLP-1s Most Effective When Used in Combination with Weight Loss Programs

While GLP-1s have resulted in substantial initial success in treating obesity, behavioral change remains key in meaningful and sustainable weight loss. Patients who use GLP-1s along with other tools, such as improved diet, exercise and lifestyle, typically see the most impactful weight loss.

While pairing GLP-1s with behavioral change-focused weight loss programs often achieves optimal results, these programs are also best suited to help patients manage GLP-1-related symptoms. Common side effects of GLP-1s include gastrointestinal issues, such as nausea, vomiting, diarrhea, constipation, bloating and abdominal discomfort. By engaging regularly with a medical provider or trained weight loss coach, patients can mitigate gastrointestinal side effects through diet and lifestyle adjustments, modification of medication or dosage and/or implementation of supplements and herbal remedies.

Using GLP-1s along with a comprehensive weight loss program results in the greatest success

Relative weight loss during weight loss program enrollment



Note: Analysis based on Express Scripts' data on members who used Wegovy and/or Saxenda and enrolled in Omada weight loss program

Source: Omada / Express Scripts

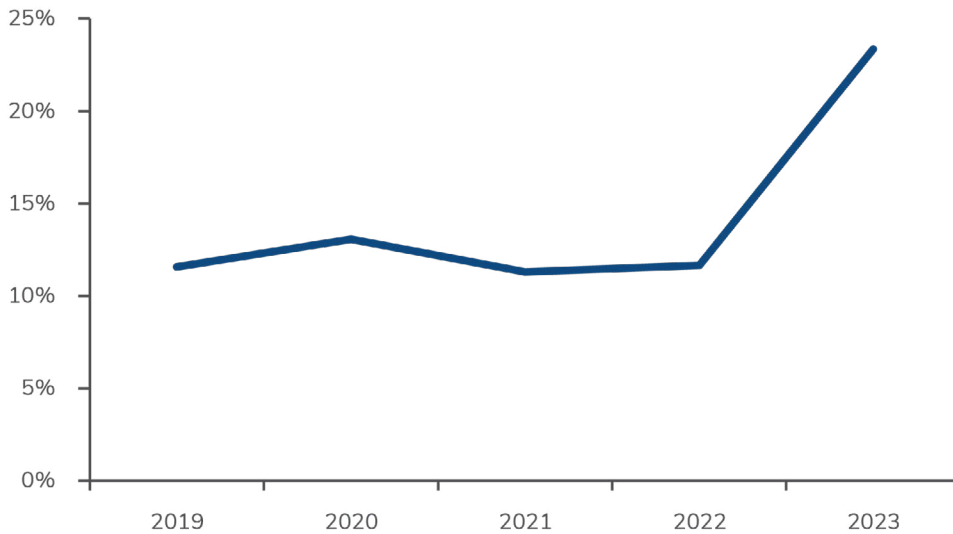
An additional and indirect side effect of GLP-1 usage is muscle density decrease in patients. Although studies conflict on whether GLP-1s result in higher muscle loss than general weight loss, some studies show that while taking GLP-1s, 40%–60% of total weight lost is lean mass rather than fat mass. While a reduced appetite may result in a caloric deficit and subsequent weight loss, without a protein-focused diet consisting of whole/natural foods, patients will typically lose substantial muscle density. Medically supervised weight loss programs are best suited to tailor nutrition and diet plans that fit individual lifestyles while optimizing sustainable and healthy weight loss.

GLP-1s Driving Demand for Medically Supervised Weight Loss Clinics

Although many brick-and-mortar medical weight loss clinics have existed for decades, the unprecedented demand for GLP-1s over the past several years has sparked a dramatic uptick in revenue and patient traffic for both small weight loss clinic operators and national providers. While even small and newly established weight loss clinics have been successful in capturing share of the increasing market for GLP-1s and related weight loss services, the large established providers with long histories of proven weight loss programs are best prepared to capture and retain market share. The largest brick-and-mortar weight loss businesses have an average tenure of 30 years. These providers have fine-tuned weight loss programs and products over decades and have carefully built and maintained reputations in an industry previously known for shady fads and too-good-to-be-true methods.

U.S. weight loss market size reached new highs in 2023, driven by substantial growth in medical weight loss programs, doubling its share of the overall market

U.S. medical weight loss program market size as a percentage of the U.S. weight loss market size



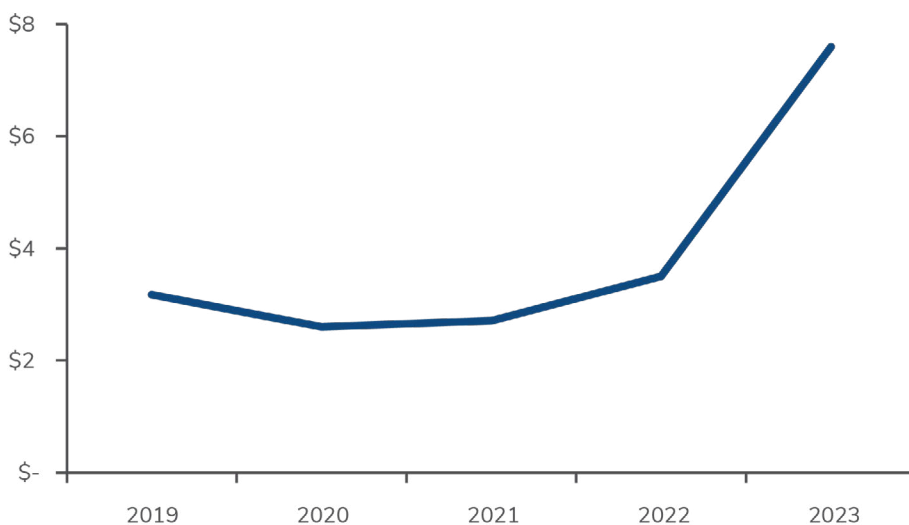
Source: Marketdata Enterprises

Early Signals of a U.S. Obesity Rate Trend Reversal

While the U.S. obesity rate is a multifaceted metric driven by a wide range of factors, following the rapid rise in GLP-1 usage, it is unlikely a coincidence that obesity rates dropped in 2023 for the first time in a decade. Although it may take years to fully understand how history will view GLP-1s as a treatment for weight management, it is already evident that they have had a significant impact on the way we view, treat, regulate and provide insurance coverage for obesity and its related diseases.

Consumer demand for GLP-1s and proven weight loss programs has resulted in substantial revenue growth

Average revenue by U.S. medical weight loss business (\$ in millions)



Source: U.S. Census Bureau, Marketdata Enterprises, Kroll estimates

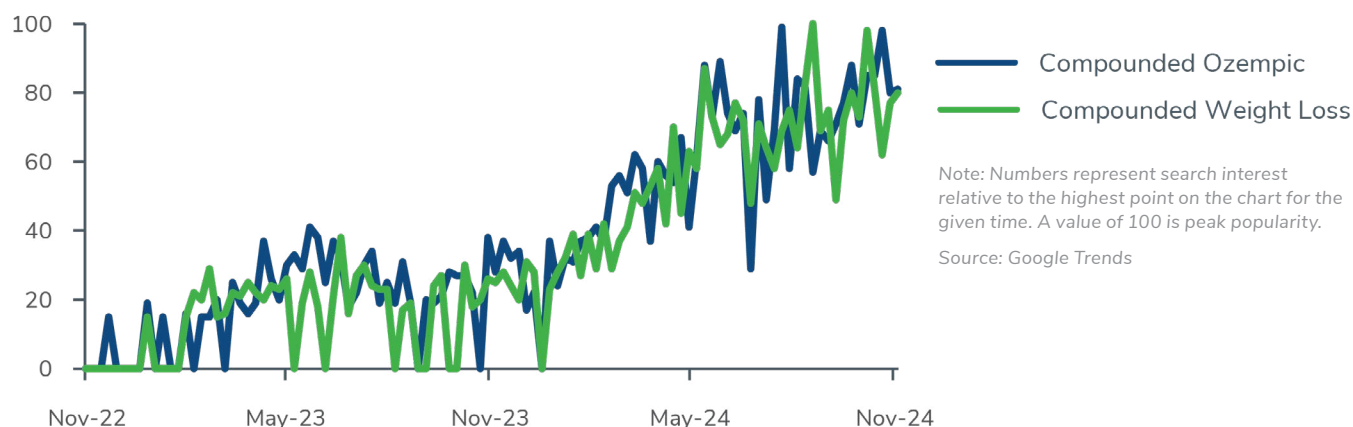
The Rise of Compounded GLP-1s

Compounded Drugs Help Fill Massive Demand for GLP-1 Medication

With large and increasing global demand for Eli Lilly’s and Novo Nordisk’s patented GLP-1 medications, the Food and Drug Administration (“FDA”) has listed these drugs on their shortage list for most of the past three years. When a drug enters an FDA shortage, certain federal restrictions are lifted, enabling compounding pharmacies to create copies of the drugs long before they go off patent. As a result, and until manufacturing capacity of these two pharmaceutical behemoths can sufficiently meet demand, compounding pharmacies can produce identical versions of the GLP-1s using the same active ingredients of semaglutide and tirzepatide.

Compounded GLP-1s fulfilling demand for weight loss drugs

Google search trends for the term “compounded Ozempic” and “compounded weight loss”



Modern compounding pharmacies were first introduced in the 19th century, and in the 1930s and 1940s nearly 60% of all medications were compounded. The primary use case today is to fill gaps in commercial availability or to create customized medications for specific patient needs, such as creating specialized dosages or altering ingredients to account for allergies. There are two distinct categories of compounding pharmacies. 503A pharmacies compound medications for individual patients, “made-to-order,” and are regulated by state pharmacy boards. 503B pharmacies compound medications in large batches and are regulated by the FDA. Most compounding pharmacies are not subject to the same safety and quality standards as FDA-approved production facilities; therefore, they have received significant backlash from pharmaceutical companies and regulators. However, there are very few reports of hospitalizations or adverse effects from compounded GLP-1s caused by bad ingredients or incorrectly manufactured formulas. Of the reports received from the FDA on adverse events caused by compounded GLP-1s, the primary driver has been overdoses due to injectable dosing errors. This is largely caused by patients who lack experience in self-injecting. This risk can be significantly mitigated by distributing medication in injector pens and eliminating the need for patients to draw a specific dosage from a vial. While some critics of compounding pharmacies argue that these medications are riskier than name-brand drugs, compounded medications often play a crucial role regarding affordability or customization of name-brand pharmaceuticals.

Utilizing compounding pharmacies has proven to be a profitable strategy for many medically supervised weight loss companies. By offering compounded weight loss medications, weight loss companies can expand their patient demographic and offer a fully self-pay model, serving patients with no insurance or insurance which does not cover GLP-1s. For many weight loss companies, especially brick-and-mortar clinics, which have not historically utilized an insurance model, these pharmacies have enabled them to compete and continue serving patients.

The Pharmaceutical Industry’s Fight Against Compounding Pharmacies

As Eli Lilly and Novo Nordisk ramp up manufacturing capacity and increase supply of their GLP-1s, a bitter legal battle has emerged between the major players in the weight loss industry. With compounded GLP-1s significantly undercutting the price of name-brand GLP-1s by up to 80%, Eli Lilly and Novo Nordisk filed numerous lawsuits in 2023 and 2024 against medical spas, weight loss companies and compounding pharmacies, attempting to bar the production and distribution of “copycat” medication. While semaglutide remains on the FDA shortage list despite recent reports from the company stating the drug as “available,” Eli Lilly petitioned the FDA over the summer to remove tirzepatide. On October 2, 2024, the FDA announced tirzepatide as “available” and removed it from the shortage list.

Shortly after the FDA decision, one of the largest compounding pharmacy trade groups, Outsourcing Facilities Association, sued the FDA. Without determining the number of weight loss patients currently being served by compounding pharmacies, the trade group insisted that the FDA did not do its diligence on whether Eli Lilly could sufficiently meet demand. The FDA responded by saying it would reevaluate its decision. On December 19, 2024, the FDA affirmed its decision, providing a grace period of two to three months, varying by 503A and 503B compounding pharmacies, to sell their remaining inventory.

The legal process has left many weight loss industry participants in limbo. It is unclear how long compounding pharmacies will now be allowed to produce semaglutide, and once off the shortage list for good, how much the name-brand drugs will cost.

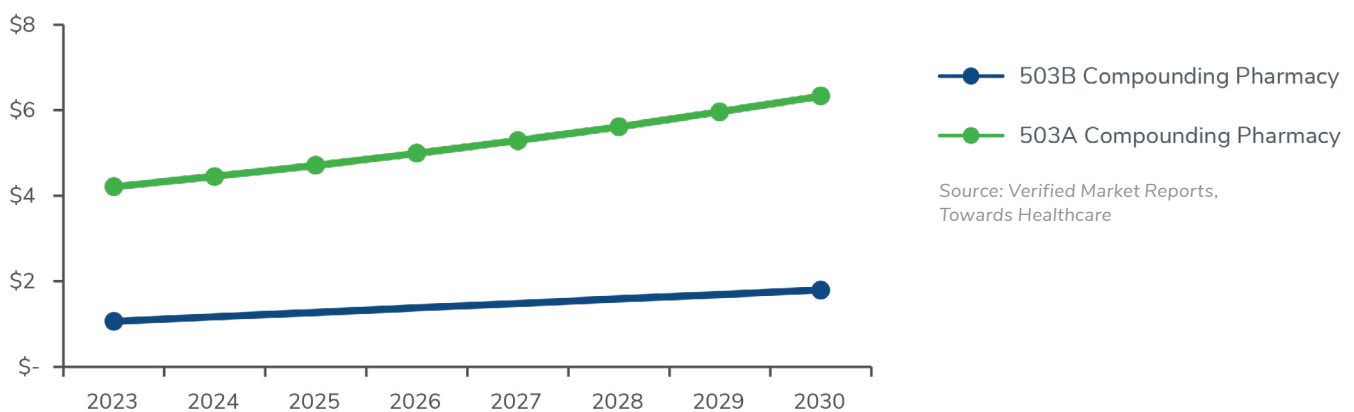
Medically Supervised Weight Loss Companies Fill Important Role in Distributing GLP-1s

Many primary care physicians are reluctant to prescribe compounded or name-brand GLP-1s, given their lack of specialization in obesity medicine, high drug cost, potential drug side effects and administrative paperwork involved to get insurance approval. However, medically supervised weight loss companies have the expertise to prescribe and source compounded GLP-1s from reputable compounding pharmacies. Long before GLP-1s burst onto the scene, certain weight loss companies had decades of experience working with compounding pharmacies, sourcing and prescribing legacy prescription appetite suppressants and other weight loss medications.

While there are certainly risks associated with using a compounded medication versus a name-brand or true generic, this risk can be minimized by utilizing a weight loss program that has done its due diligence on its compounding pharmacy partners and has extensive experience sourcing, prescribing and managing medication.

Growth of compounded medication market is a boost for medically supervised weight loss companies

U.S. compounding pharmacy market size by pharmacy type (\$ in billions)



Program Delivery Models

History and Evolution of Medically Supervised Weight Loss Programs

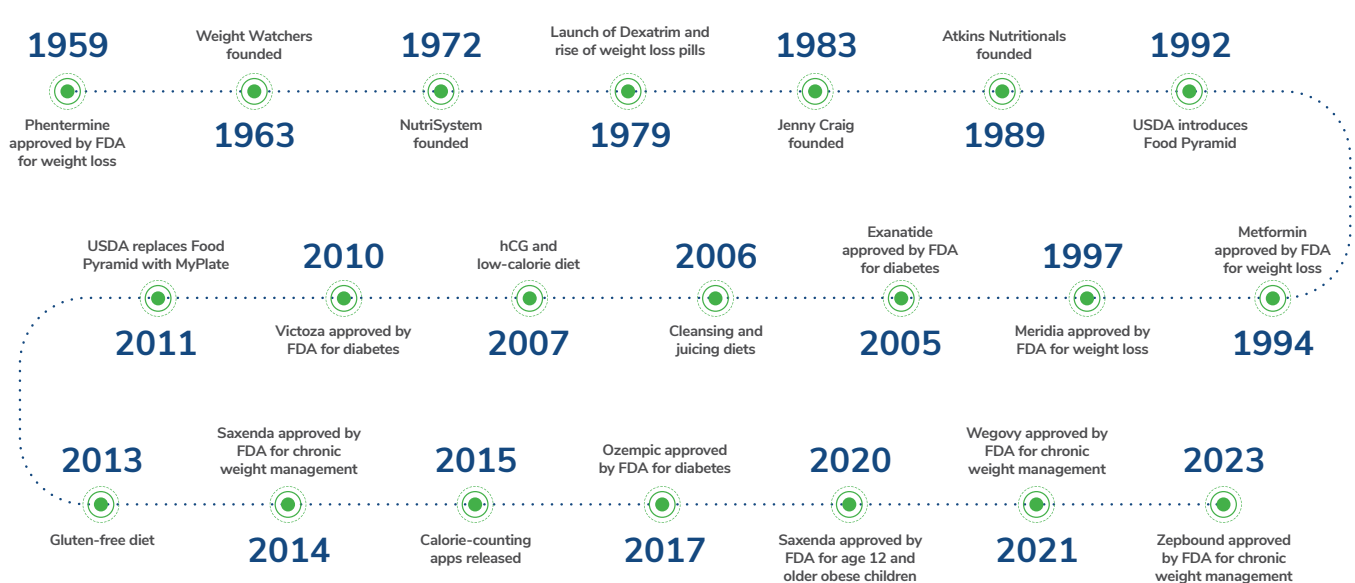
The success of GLP-1s and the staggering marketing spend of large digital health and weight loss companies have thrust medically supervised weight loss into the public eye. However, it should be noted that medically supervised weight loss has existed for many years. In the 1950s, the FDA approved a central nervous system stimulant called phentermine, which was the original prescription appetite suppressant and is still used widely today.

Over the decades that followed, a handful of new medications for weight loss were approved by the FDA, with a subset eventually having approval withdrawn. Along with novel medications, weight loss clinics and diet programs quickly popped up around the country, including household names such as Weight Watchers, NutriSystem and Jenny Craig. While many large weight loss chains were focused on helping patients with diet and exercise, the ballooning obesity problem spurred some to use a more medical lens. Recognizing that obesity was a multifaceted problem, medically supervised weight loss clinics looked to implement better diet and exercise while also addressing hormone imbalances, lifestyle roadblocks, pre-existing conditions and genetic predisposition. The result was a more tailored approach to weight loss, monitored by a medical provider and using all the tools available in their tool belt.

In the 1990s, three more weight loss medications emerged: fen-phen, Meridia and metformin. While metformin is still used today, fen-phen and Meridia were quickly linked to valvular heart disease and an increased risk of heart attack and stroke. In 2005, the first GLP-1 agonist, exenatide, was approved to treat type 2 diabetes. While weight loss was initially listed as a side effect, the potential for GLP-1s as treatment for obesity was quickly realized. What followed was a flurry of new GLP-1 injections and tablets over the next 20 years, approved for treatment of both weight loss and diabetes. Today, there are nearly 40 new GLP-1s in development across the pharmaceutical industry. While Eli Lilly and Novo Nordisk have a large lead, the significant investment in novel treatments raises the question of how long their monopolies will last, what it means for accessibility of GLP-1s going forward and whether newly approved drugs will also remain in shortage for the near-future.

The weight loss industry has changed and evolved throughout its long history

Timeline of major weight loss developments



Companies that weathered the storm of the “Wild West” era of weight loss beginning in the late 1990s learned how to evolve and survive in the industry that was always promoting the next big thing. These lessons would prove invaluable when the industry underwent significant change over the past decade, driven by the popularity of telehealth and GLP-1s as well as the COVID-19 pandemic.

Advantages of In-Person Medical Weight Loss Clinics

While the disadvantages of in-person medical weight loss clinics center around the accessibility to physical locations and the inconvenience of weekly visits, the efficacy and safety of the programs are typically unmatched. In-person programs can be incredibly thorough with their screening and monitoring of patients, including initial genetic and hormonal testing as well as weekly monitoring of vitals, weight and body fat percentage. These tests enable programs to best tailor weight loss plans, monitor existing health conditions and ensure patients are losing fat, not muscle. In-person programs also provide an opportunity for coaches and providers to educate patients on medication dosages and administration, or to administer the injections for patients during weekly check-ins.

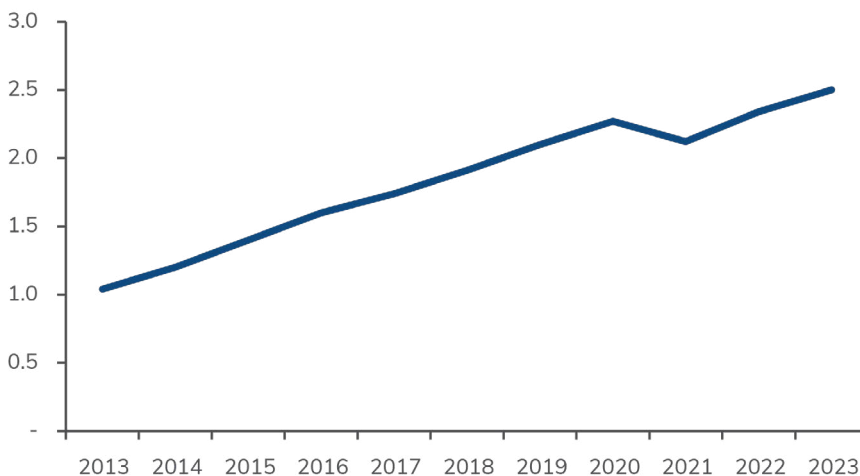
While safety is the most critical component of any weight loss program, long-term efficacy is a close second. Clinical studies have shown that patients regain weight after stopping usage of GLP-1s, because food cravings return when GLP-1 use stops. In-person clinics look to change behavior and instill healthy habits. GLP-1s are a tool and not the foundation of most of these programs. Armed with decades of experience helping patients lose weight without the GLP-1s, these programs offer a chance for patients to wean off and potentially stop using GLP-1s. Behavioral change is still commonly viewed as the best long-term sustainable and cost-effective weight loss solution for patients.

Introduction to the Digital Age of Weight Loss

Historically dominated by in-person medically supervised weight loss clinics, small group counseling and diet programs, the weight loss industry landscape has undergone significant change in the past 10 years. Founded in 2008 and launching its app in 2016, Noom was one of the first 100% virtual platforms to successfully enter the weight loss space. The company uses an algorithm to develop tailored weight loss plans using responses from an initial user survey. Users are then paired with a weight loss coach. While users were not evaluated by medical professionals or prescribed prescription medication (Noom now offers name-brand and compounded GLP-1s through its platform), Noom was successful at offering an individualized weight loss program with coaching support, all through a digital platform.

Telehealth pharmacies have changed the way American patients are prescribed medication

Telehealth or virtual prescriptions by year (prescriptions in billions)



Note: Analysis based on Surescripts data

Source: Statista

Noom's success paved the way for many to follow. Fueled by the COVID-19 pandemic and the explosion of telemedicine, digital health companies popped up by the dozens from 2020 to 2024. The subsequent massive popularity of GLP-1s used for weight loss ushered in an all-new kind of digital health company: telehealth pharmacies.

Ro Pharmacy (previously Roman) and Hims & Hers (previously Hims) were both founded in 2017 as men's health companies providing generic medication for hair loss and sexual health. To get prescribed medication without leaving their home, clients submitted pictures or spoke to a medical professional virtually. This model offered an attractive alternative for conditions that were typically sensitive or embarrassing to see an in-person provider or pharmacist for. Backed by major venture capital firms, Ro and Hims & Hers had seemingly infinite marketing budgets, quickly gaining millions of users. The two companies, as well as others that sprung up alongside them, expanded their offerings beyond men's health. Now covering sexual health, weight loss, hair loss and mental health, their product offerings include sexual performance mints, GLP-1 injections and antidepressant pills. While these telehealth pharmacies have revolutionized the health care and weight loss industries and certainly expanded access to prescription medications, they are not immune to criticism. Some have criticized the companies for making prescriptions too easy to obtain and using minimal health screenings. For certain medications, patients never have to speak with a provider. While Ro and Hims & Hers do offer weight loss coaching and support, the foundation of their programs are GLP-1s and patients are not required to enroll in a program.

Despite these criticisms, digital health pharmacies have been tremendously successful in establishing themselves as a pivotal cog in the health care ecosystem.

Some Digital Health Companies Taking a Different Approach to Medically Supervised Weight Loss

Led by Hims & Hers and Ro Pharmacy, telehealth pharmacies have made a big splash in weight loss and broader health and wellness. While many new entrants have followed their lead, other digital weight loss companies have followed a different strategy. A growing number of medically supervised weight loss businesses are attempting to take the traditional weight loss model from brick-and-mortar clinics and provide it 100% virtually to patients. While telehealth pharmacies have received criticism for lack of a structured program outside of providing GLP-1s, companies such as Calibrate, Omada, Found and Form Health provide a comprehensive tailored solution utilizing clinicians, weekly or biweekly coaching, diet and exercise resources and prescription weight loss medication.



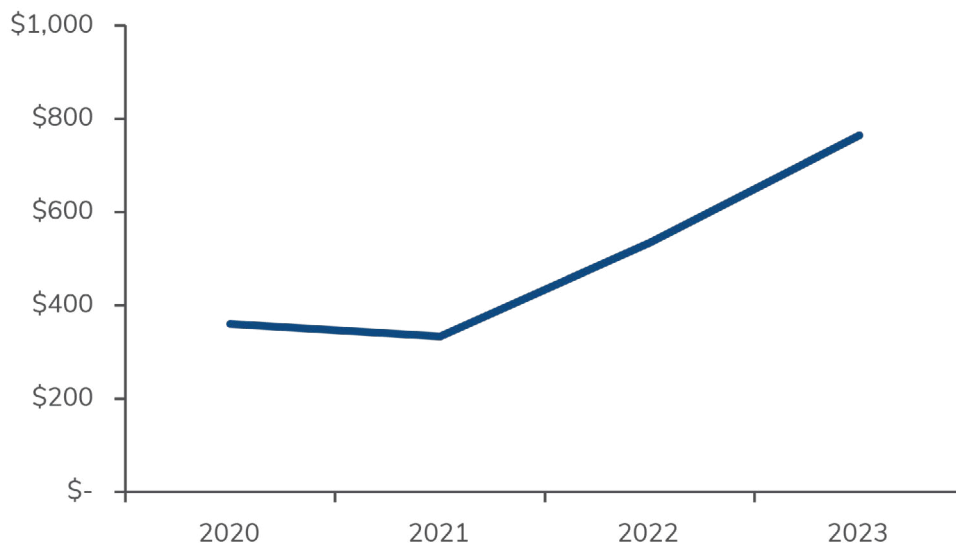
These virtual programs provide an alternative to patients who prefer an online program but prioritize behavioral change and sustained long-term weight loss. Although consumer use of telehealth has dipped significantly since the COVID-19 pandemic, many consumers still prefer digital medicine due to its accessibility and convenience.

Highly Competitive Digital Health Sector Creates Challenges for Customer Acquisition

The broad weight loss industry has experienced tremendous growth due to the success of GLP-1s and the continuing obesity epidemic. However, the dramatic growth has led to equivalent growth in market entrants, creating a highly competitive environment, especially in the digital health subsector. This competition has spurred massive spending in advertising and marketing, pushing the cost of acquiring customers higher for most players.

Highly competitive digital health space has spurred Hims & Hers to spend big on marketing

Hims & Hers customer acquisition cost for net new customers (\$ in actuals)



Source: Hims & Hers 10Ks

In-Person Medically Supervised Clinics' Successful Patient Acquisition Model

For companies operating with slim or no profit margins, adjustments in their business model will have to be made as venture capital or private equity-supplied war chests run dry. A potential and often overlooked option for 100% virtual businesses is to diversify into brick-and-mortar facilities.

The brick-and-mortar weight loss sector has not experienced the same scale of investment as seen in digital weight loss, yet these in-person clinics have been quietly thriving for decades. A key advantage is how these clinics acquire and retain customers. While successful patient acquisition through digital advertising channels is still key to growth for brick-and-mortar clinics, word-of-mouth referrals tend to be just as important and much cheaper. By building a local-first brand and fostering a culture of community through in-person community events; local-only forums and social media groups; geographically focused advertising; and encouraging patients to share in their journey with family and friends, in-person clinics can generate outsized numbers of new customers through organic referrals. Instead of spending huge amounts of ad dollars competing for national search engine optimization, these businesses can focus spend on markets with physical clinics, most effectively utilizing marketing budgets and keeping customer acquisition cost low.

Payment Models: Insurance vs. Self-pay

Medical Weight Loss Has Traditionally Been a Self-Pay Industry

Historically, medically supervised weight loss programs were administered in brick-and-mortar clinics and paid for out-of-pocket by patients. In 2013, the American Medical Association defined obesity as a disease and in 2014 it was included in the Affordable Care Act, requiring insurance companies to cover obesity screening and counseling programs. Despite the ruling, patients and weight loss companies continue to battle insurance companies for coverage of weight loss programs and weight loss medication.

As a result of slow adoption and pushback from many of the major insurance payors, most brick-and-mortar weight loss clinics retained the self-pay model. These businesses typically lacked the sophistication to implement an insurance-covered program, the scale necessary to negotiate and work with payors, or a client base covered by insurance or insurance that covered weight loss drugs. Additionally, until the introduction of the GLP-1s, monthly out-of-pocket costs for weight loss programs, even including prescription medication, rarely exceeded \$200 to \$300 per month. At this price point, brick-and-mortar weight loss programs were still accessible to a large enough demographic to sustain steady and consistent growth across the industry.

With the introduction and subsequent explosion of demand for GLP-1 medication, self-pay weight loss programs utilizing the name-brand drugs were no longer sustainable. At over \$1,000 per month for Wegovy/Ozempic and Zepbound/Mounjaro, paying out of pocket was out of the question for most Americans. Even considering drug discount programs or Eli Lilly's new direct pharmacy, LillyDirect, costs typically remain over \$500 per month for self-pay.

Self-Pay Medical Weight Loss Businesses Lean on Compounded GLP-1s to Keep Programs Accessible

With branded GLP-1s out of reach for most self-pay patients due to cost, medical weight loss businesses have largely relied on compounding pharmacies to fulfill their GLP-1 demand and retain the self-pay payment model. Not only do compounded versions of the GLP-1s help keep monthly costs lower for patients, but they also benefit weight loss businesses that can charge a markup on the drugs, providing a further boost to profitability while keeping costs low to patients. While there is likely a lengthy battle ahead both between insurance payors and the pharmaceutical industry for coverage of the drugs, and compounding pharmacies and the pharmaceutical industry on compounded versions, many weight loss businesses are adapting to offer various payment models to provide insulation against the uncertainty ahead. Moreover, there is a political aspect to this battle regarding accessibility and cost of the drugs. If large numbers of the voting public can no longer afford GLP-1s because the compounding pharmacies cannot manufacture them, politicians in Washington, D.C., may get involved.

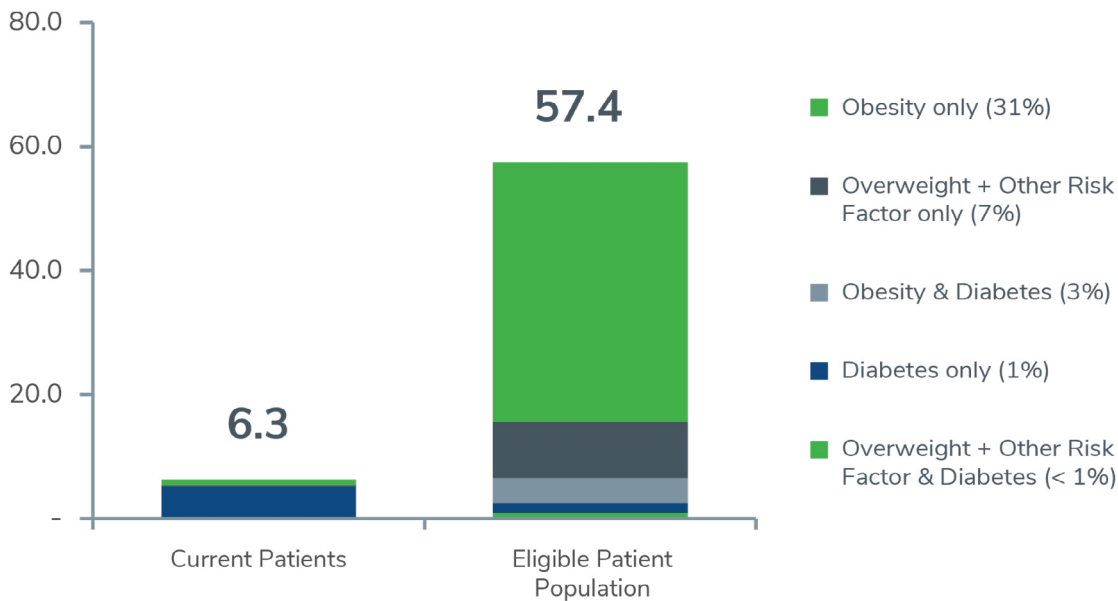
Alternative Payment Models Vital to Adapting to the Changing Industry Landscape

While a flexible care delivery model is crucial to the profitability and scalability of weight loss businesses, providing a wide range of payment models is just as important. While self-pay medical weight loss programs with compounded GLP-1s are critically important for Americans who lack insurance or cannot obtain coverage for name-brand GLP-1s, there is a large demographic that is eligible for commercial coverage. Aetna, Cigna and UnitedHealthcare currently cover either one or both of Wegovy and Zepbound. These payors alone represent coverage to approximately 70 million Americans. Expected changes to Medicare and Medicaid coverage would also provide additional access to 7 million Americans. While there has been strong momentum in insurance coverage of weight loss medication and programs, there are many payors either dropping coverage or tightening requirements to qualify, such as increasing body mass index thresholds. Given the relative short customer lifespan for commercial insurance companies, specifically job-based health insurance, many insurance payors will never reap the long-term cost savings associated with the significant cost of GLP-1s.

Aside from traditional insurance models, many larger employers self-fund employee health care coverage and offer various weight management programs. The increased focus on preventive care and cutting health care costs due to obesity-associated comorbidities has driven many employers to provide coverage of the GLP-1s. This trend is expected to continue as employers quantify long-term cost savings with coverage of the drugs.

The number of Americans eligible for coverage of GLP-1 medication continues to rise

Current GLP-1 patient population compared with the estimated eligible patient population with private health insurance in 2023 (patients in millions)



Source: Mercer

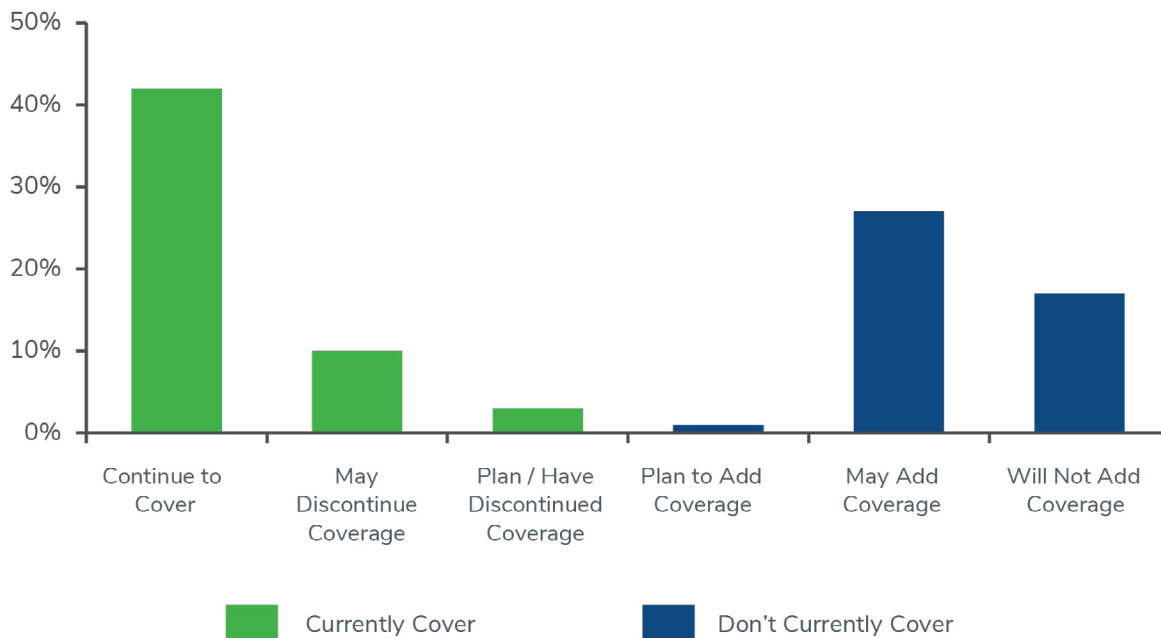
Hybrid Payment Models and Insurance Adoption by Medical Weight Loss Programs

While there is currently uncertainty in connection with compounding pharmacies and insurance coverage of GLP-1s, change is not new to the weight loss industry. Over the past 75 years, as the weight loss industry has evolved, participants have adapted to a variety of changes and continue to do so. To address the current uncertainty, many weight loss businesses have already implemented new payment models. Both Ro and Hims & Hers offer name brand GLP-1s and compounded GLP-1s through insurance or self-pay programs. Medi-Weightloss, one of the first brick-and-mortar weight loss clinics to offer insurance coverage and one of the largest in the nation, provides self-pay, partially insured and fully insured programs, including GLP-1 medications. Calibrate, a virtual comprehensive medical weight loss company, offers a bundled weight loss and medication program, which provides a dedicated team to help navigate insurance coverage.

Whether a brick-and-mortar clinic, telehealth pharmacy, virtual weight loss company or a combination of the three, providing flexibility to patients will be key in the coming years. While weight loss success and quality patient care will remain atop the list of key differentiators, expertise in navigating the payment and regulatory environment will prove to be hugely important in surviving and thriving in an industry known for constant evolution.

Employers are increasingly open to providing coverage of GLP-1 medication and weight loss coverage

Percentage of U.S. employers that cover GLP-1s and plan to continue coverage



Source: Mercer

Competitive Landscape

The medical weight loss competitive landscape remains highly fragmented, with a handful of public and private equity-backed platforms and multi-regional privately-owned businesses

Brick-and-mortar Medically-supervised Weight Loss Companies

Company	Ownership	HQ Location	# of States	# of Locations	Care Delivery Model	Payment Model
Achieve Weight Loss	Privately Held	Jackson, TN	6	15	In-person	Self-pay
Health Management Group	Privately Held	Akron, OH	28	NA	In-person	Self-pay
HMR	Ten Oaks Group	Sioux Falls, SD	NA	~90	Hybrid	Self-pay
JumpstartMD	Privately Held	Burlingame, CA	1	13	In-person	Both
Lindora	Xponential Fitness, Inc. (NYSE: XPOF)	Irvine, CA	2	31	Hybrid	Both
Medi-Weightloss	Audax Private Equity	Tampa, FL	25	106+	Hybrid	Both
Metabolic Research Center	Privately Held	Tampa, FL	21	97	Hybrid	Self-pay
Medical Weight Loss Clinic	Privately Held	Southfield, MI	2	27	Hybrid	Self-pay
Nuviva	Privately Held	Boca Raton, FL	1	10	Hybrid	Self-pay
Options Medical Weightloss	Thurston Group	St Petersburg, FL	9	40	In-person	Self-pay
Red Mountain Weight Loss	Privately Held	Scottsdale, AZ	4	34	Hybrid	Self-pay
Rivas Weight Loss	Privately Held	Towson, MD	2	13	Hybrid	Self-pay

Telehealth Pharmacy

Company	Ownership	HQ Location	# of States	# of Locations	Care Delivery Model	Payment Model
Hims & Hers Health	Hims & Hers Health, Inc. (NYSE:HIMS)	San Francisco, CA	US and UK	NA	Virtual	Self-pay
Ro	VC Consortium	New York, NY	US	NA	Virtual	Both

Virtual-only Medically-supervised Weight Loss Companies

Company	Ownership	HQ Location	# of States	# of Locations	Care Delivery Model	Payment Model
Calibrate	Madryn Asset Management	New York, NY	NA	NA	Virtual	Both
Form Health	VC Consortium	Boston, MA	NA	NA	Virtual	Both
Found	VC Consortium	Austin, TX	NA	NA	Virtual	Both
Noom	VC Consortium	New York, NY	NA	NA	Virtual	Self-pay
Omada	VC Consortium	San Francisco, CA	NA	NA	Virtual	Both
Optavia LLC	Medifast, Inc. (NYSE:MED)	Baltimore, MD	NA	NA	Virtual	Self-pay

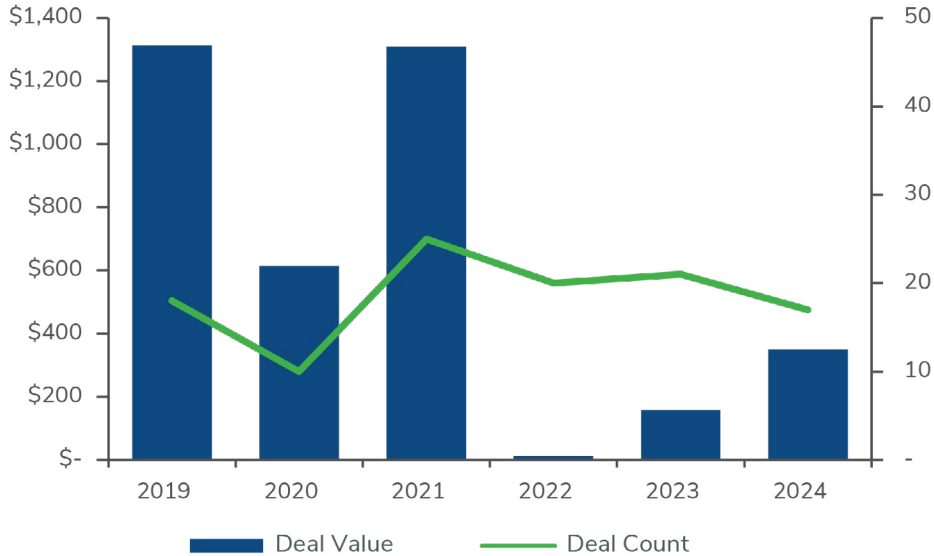
Legacy Medically-supervised Weight Loss Companies

Company	Ownership	HQ Location	# of States	# of Locations	Care Delivery Model	Payment Model
Nutrisystem	Kainos Capital	Fort Washington, PA	NA	NA	Virtual	Self-pay
Weight Watchers	Public: (NasdaqGS:WW)	New York, NY	49	1,041	Hybrid	Self-pay

Weight Loss Transaction Activity

Weight loss deal value and platform investments remain low for U.S. buyouts and corporate M&A

U.S. deal value (in \$ millions) and deal count

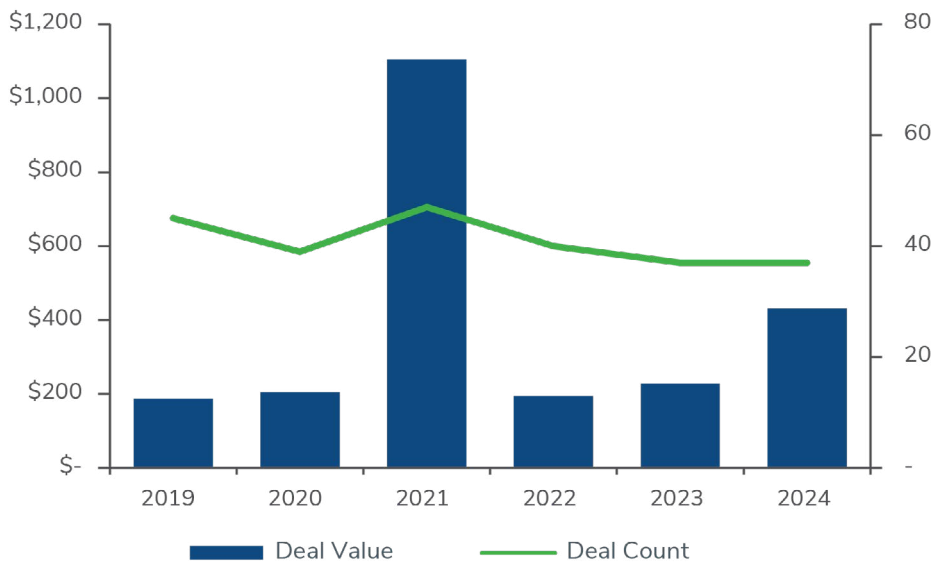


Excludes \$14B sale of Livongo to Teladoc Health in 2020

* Through December 11, 2024 / Source: Pitchbook

Venture capital investment in weight loss has been primarily unaffected by the surge in GLP-1 drug demand

U.S. deal value (in \$ millions) and deal count



Note: Includes all VC Stage investments

* Through December 11, 2024 / Source: Pitchbook

Deal activity remains in the infancy for medical weight loss M&A

Illustrative transactions by year

Target	Acquirer	Investment Year
Calibrate	Madryn Asset Management	2023
Lindora	Xponential Fitness	2023
Weekend Health	Weight Watchers	2023
Medi-Weightloss	Audax Private Equity	2022
HMR	Ten Oaks Group	2022
Options Medical Weight Loss	Thurston Group	2021
Nutrisystem	Kainos Capital	2020
Quick Weight Loss Centers	Sentinel Capital Partners	2016

Venture Capital has increased investment in recent years, primarily in app-based and virtual providers

Illustrative transactions by year

Target	Acquirer	Investment Year
Lark	Columbus Venture Partners	2024
Nourish	Index Ventures	2023
Ro Pharmacy	ShawSpring Partners	2022
Weekend Health	DCM Ventures	2022
Form	Sound Ventures	2021
Found	WestCap Partners	2021
Noom	Silver Lake	2021
Omada	Fidelity	2021

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