

11-Aug-2025

# WW International, Inc. (WW)

Q2 2025 Earnings Call

## CORPORATE PARTICIPANTS

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*President, Chief Executive Officer & Director, WW International, Inc.*

**Felicia DellaFortuna**

*Chief Financial Officer, WW International, Inc.*

**Jonathan Volkmann**

*Chief Operations Officer, WW International, Inc.*

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## OTHER PARTICIPANTS

**Nathan Feather**

*Analyst, Morgan Stanley & Co. LLC*

**Alex Joseph Fuhrman**

*Analyst, Lucid Capital Markets LLC*

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## MANAGEMENT DISCUSSION SECTION

**Operator:** Good day and welcome to the WeightWatchers Second Quarter 2025 Earnings Conference Call. All participants will be in a listen-only mode. [Operator Instructions] After today's presentation, there will be an opportunity to ask questions. [Operator Instructions] Please note this event is being recorded.

I would now like to turn the conference over to David Helderman, Director of Investor Relations. Please go ahead.

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**David Helderman**

*Director-Investor Relations, WW International, Inc.*

Thank you for joining us today for the WeightWatchers second quarter earnings conference call. Earlier this morning, we released the shareholder letter and press release with our second quarter 2025 results, which are available on the company's corporate website located at [corporate.ww.com](http://corporate.ww.com).

The purpose of this call is to provide investors with some further details regarding the company's financial results, as well as to provide a general update on the company's progress. Reconciliations of non-GAAP measures disclosed on this conference call to the most directly comparable GAAP financial measures are also available as part of the shareholder letter and press release.

Before we begin, let me remind everyone that this call will contain forward-looking statements. Investors should be aware that any forward-looking statements are subject to various risks and uncertainties that could cause actual results to differ materially from those discussed here today. These risk factors are explained in detail in the company's latest Annual Report on Form 10-K, quarterly report on Form 10-Q, the earnings release, the shareholder letter, and as updated by the company's other filings with the Securities and Exchange Commission.

Please refer to these filings for a more detailed discussion of forward-looking statements and the risks and uncertainties of such statements. All forward-looking statements are made as of today, and except as required by

law, the company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Joining today's call are Tara Comonte, President and Chief Executive Officer; and Felicia DellaFortuna, Chief Financial Officer. Jon Volkmann, Chief Operations Officer will also join for the Q&A.

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## Tara M. Comonte

*President, Chief Executive Officer & Director, WW International, Inc.*

Thanks, David. The second quarter of 2025 marked a pivotal moment for WeightWatchers. Our strategic reorganizations have put us on stronger financial footing, enabling renewed investment and innovation for long-term profitable growth. We reduced our debt by more than 70%, freeing up approximately \$50 million of cash annually from lower interest expense and are now relisted on Nasdaq under the ticker, WW. We are fully committed to the work ahead and deeply grateful to our members, team, shareholders and lenders for their support over recent months.

Today, we're excited to talk about what's next for WeightWatchers. We've been serving members on their weight-loss journeys for over six decades. Our brand is known and trusted the world over. Our behavioral lifestyle program has been proven and recognized as the best weight-loss program by experts for years. Our global community of coaches and members is second to none and the latest innovation in our field, GLP-1 weight-loss medications, are intended to be clinically prescribed with exactly the type of lifestyle change and support that we've spent years building.

While others offer fragmented solutions, only WeightWatchers integrates medication access with behavior change, coaching and community, all proven to drive superior and sustainable outcomes. And yet, the landscape in which we operate has fundamentally changed over recent years, and with it, our path forward. In times of great change, established brands must innovate, adapt and lead.

WeightWatchers is no stranger to innovation, having navigated periods of significant change before emerging each time with greater clarity and strength. In recent years, however, high leverage and interest costs have constrained our ability to invest and evolve with the notable exception of our Sequence acquisition in 2023. With our balance sheet now reset, we are in a position to move forward with focus, flexibility and a huge ambition.

Moving forward, the most important task at hand is returning this business to profitable growth. We have confidence in achieving that and are investing in the strategic framework to make it a reality. It won't be immediate and we have a lot of work to do over the coming quarters and years, but I'm energized by the opportunity ahead.

We have an experienced and driven team that we continue to strengthen. In the second quarter, we made meaningful progress across our medical product, community experience, operations and marketing teams, adding new leaders to take us through this next chapter. While our strategic reorganization was a major milestone, we do face near-term headwinds, including residual noise from the bankruptcy process, which was acute in the second quarter.

In addition, following the 22nd of May FDA deadline prohibiting outsourcing facilities from compounding semaglutide, we've been working to transition impacted Clinical members to alternative medications, albeit these are generally at higher price points and as other telehealth players are continuing to offer compounded GLP-1s under the guise of a personalization exemption. As we've worked diligently to offset these headwinds, our immediate focus is executing on our 2025 strategic plan, while setting the foundation for the longer-term transformation required to reignite sustainable growth in the years ahead.

We're focused on a plan to restore WeightWatchers' leadership in the category we created and expand our role in long-term weight health. We'll continue to share more detail around our longer-term strategy over the coming quarters, but our path forward is anchored by four core pillars: build a unified and engaging member experience; grow emerging and adjacent revenue streams; revitalize our brand and reclaim market leadership; and drive operational excellence and efficiency. These pillars are interconnected and mutually reinforcing. They reflect the enduring strength that have defined WeightWatchers at its best, while requiring us to modernize, differentiate and extend our reach in a fast-changing landscape.

Starting with building a unified and engaging member experience, our focus must be on strengthening our foundation while also building for the future, and that begins with the member experience. We're clear on what our member experience needs to become: seamless, personalized and connected, not only across digital, virtual and in-person settings, but across the full WeightWatchers ecosystem.

This will require both incremental and foundational improvements to our technology and product infrastructure, much of which was built for a different era. While it will take time, it's essential to unlocking the full value of everything WeightWatchers uniquely delivers across behavior change, nutritional guidance, clinical expertise and community connection.

Data will be a key enabler of our future experience. With one of the largest proprietary datasets in weight management, we have a powerful foundation to build smarter, more personalized tools designed to truly meet members where they are and respond to their evolving needs, goals and health conditions over time. Behavior change in service of long-term health remains core to our model. Since its launch in 1997, our Science-backed Points program has helped millions build sustainable habits, and we're focused on evolving it to reflect the latest in nutritional science and technology.

Looking ahead, we see meaningful opportunity to further enhance this experience by leveraging AI and machine learning technologies, integrating data from wearables, and creating more timely, personalized insights to support members in their daily choices.

Equally important is human connection. Community has always been a core part of the WeightWatchers experience and one of the most powerful drivers of sustained behavior change and better health outcomes. As how people seek connection continues to evolve, we're expanding our virtual formats and programming to offer more scalable and dynamic support.

To help lead this work, we're thrilled to welcome Julie Rice to our team as Chief Experience Officer. A lifelong WeightWatchers' member and former board member, Julie's work building SoulCycle completely redefines the power of community. She will lead our global workshop business and brand efforts, working across teams to reimagine how community, coaching and connection show up throughout the member journey and bring the WeightWatchers experience to life in new and meaningful ways.

As part of this new chapter, Peoplehood, the community-driven wellness support platform Julie most recently cofounded, will wind down its current operations and WeightWatchers will integrate its curriculum, technology and learnings to evolve key parts of its business and product.

The sum of all this improved member experience work is extensive and won't happen overnight. However, these collective efforts form the cornerstone of our transformation, simplifying and redefining the WeightWatchers member experience, deepening engagement and driving better outcomes.

Shifting to our focus to growing our emerging and adjacent revenue streams. Access to clinical care represents one of the most important opportunities for long-term growth at WeightWatchers, and is one where we've already started to show the power of our WeightWatchers clinic offering. We combine access to clinical care with our trusted behavioral program to deliver a differentiated, science-backed solution in an increasingly competitive space. While scaling this opportunity will take continued investment and focus to fully realize, we believe our integrated approach positions us to lead in a rapidly evolving, weight health landscape.

To help lead this next phase, we recently appointed Dr. Kim Boyd as Chief Medical Officer, who comes to us with deep experience across metabolic health, women's health and obesity care, as well as leadership experience from a host of innovative healthcare organizations. We're also pleased with how our registered dietician offering is scaling, which launched to our US behavioral members in late 2024 and is a natural fit for our holistic weight care model, and importantly demonstrates our ability to expand revenue streams and ARPU, including through insurance billing.

Another area of future focus is our GLP-1 companion program. We're beginning to shape the next phase of this program, with the goal of expanding features and support around behavior change, adherence and long-term weight health. These GLP-1 medication that are intended and FDA approved to be prescribed with exactly this type of lifestyle change and support. And in fact, early data shows that we see 11% more weight loss for members who combine weight loss medication, including GLP-1 with our behavioral program after just four weeks.

As we expand our Clinical offering, we do so with the highest regard for member safety, building on our longstanding position as the brand millions trust for healthy, sustainable and safe weight management. Our agreements with Eli Lilly's, LillyDirect via Gifthealth; and Novo Nordisk's dispensing pharmacy CenterWell, reinforce this commitment. These integrations are designed to provide WeightWatchers clinic members with seamless access to FDA-approved medications through at-home delivery and fulfillment, and also creates opportunities for future collaboration, including real-world research and strategies to improve long-term outcomes.

These trusted relationships reflect our commitment to clinical integrity and to operating in full compliance with FDA guidance, federal and state law, as well as respecting third-party intellectual property rights. As such, WeightWatchers clinic providers ceased prescribing compounded semaglutide on May the 22nd.

Our pharmacy integrations and wide formulary of medication, including branded GLP-1s and oral medications included in our Clinical subscription price, are helping support members through this transition, which will continue through August. We also ran targeted savings offers in June to help new patients transition to FDA approved medication. While we anticipate near-term headwinds, particularly as others are continuing to offer compounded GLP-1s, we remain confident in the long-term outlook for our clinic business.

Our proprietary AI enabled software facilitates medication insurance coverage for members at scale, giving us a distinct competitive advantage as much of the market is limited to cash pay models or struggles with the complexity of facilitating insurance coverage. And as highlighted in our shareholder letter, our holistic care model that leverages the power of behavioral science and community connection, shows stronger results at 6 and 12 months, with WeightWatchers Clinic compared to many of our key competitors.

Looking ahead in the obesity market landscape, we see strong tailwinds from ongoing clinical innovation, improving medication supply, increasing price competition, and a growing body of evidence underscoring the positive health and economic value of these obesity medications.

We're also expanding into adjacent areas of weight health through our upcoming menopause program, a curated, science-backed member experience that blends behavior change tools, tailored community support and expert clinical care, including hormonal treatment, where appropriate, into a single integrated offering for women in this life-stage who represent a significant segment of our demographic.

Internationally, we see strong potential to grow our impact in our member base. Obesity is a global health crisis and WeightWatchers has operated in major markets outside of the US for more than 50 years. While we've taken a limited approach to international investment and expansion in recent years, we're excited to better leverage our trusted brands and global footprint moving forward. As one recent example our made partnership launch with a UK-based telehealth checkup now brings our GLP-1 Companion Program to all their members, expanding our relevance and reach in one of our largest global markets.

We also continue to see long-term growth opportunities in the B2B channel. Employers and payers are facing increasing pressure to offer obesity solutions, but they need models that drive outcomes and manage cost. WeightWatchers is well-positioned to meet that demand through our proven behavioral approach, new pricing model and expanded digital care delivery. Although this channel experienced some slowdown during our Chapter 11 process, we're regaining momentum and onboarding clients both directly and through our growing channel partners and health plan relationships.

Recent highlights include our collaboration with United Healthcare, both as part of their hub vendor network, and as one of two solutions for their total weight support program, as well as the recent Florida Department of Health Agreement that gives residents in select counties full access to our behavioral program.

Finally, as we look to expand revenue opportunities, we're renewing our focus on licensing and building on decades of brand equity and consumer trust with new agency partnerships now in place in North America and the UK. This will take time, but we see licensing as a high-margin and long-term growth lever, one that can help extend the brand's reach in new and exciting ways.

Shifting gears, talk briefly about our work ahead to revitalize our brands. WeightWatchers remains a trusted name, but in today's fast-changing and increasingly competitive landscape, awareness alone is not enough. Our priority is to close the gap between familiarity and relevance, helping a new generation of members engage with WeightWatchers and benefit from our holistic care model. In order to do this, we must reassert our leadership as the trusted authority in comprehensive weight health, with breakthrough created and clear and consistent messaging.

Over time, strengthening everything from how we approach customer segmentation, measurement and pricing to conversion and life cycle management, can pave the way for stronger performance from our valuable marketing dollars and deliver greater impact across the acquisition funnel.

Content will be a strategic lever for growth, spanning SEO-optimized wellness articles, recipes, fitness resources and expert advice, all delivered by the trusted voices of our community. Our coaches, clinicians and member ambassadors are uniquely positioned to bring this content to life, serving as authentic advocates to drive word-of-mouth engagement and help build deeper, more connected audiences. This organic, targeted approach, supplemented with other top-of-funnel initiatives, is designed to support both acquisition and retention, while reducing long-term reliance on paid media.

And finally, beyond everything I've outlined, we're also deeply focused on driving operational excellence across the organization, working smarter, reducing complexity and making full use of best-in-class technology and automation. We've substantially completed the execution of our previously committed \$100 million in run rate cost savings and continued to further optimize our cost base, including the recent downsizing of our new corporate headquarters and expanding our adoption of AI solutions across global member support and internal operations.

We're also integrating our Clinical and Behavioral operations, transitioning to shared infrastructure, tools and cross-training of our teams for seamless support and resource efficiency.

Ongoing efforts across all areas of the business will assist in the redeployment of capital to address some of the investment needs I've mentioned today. This work, along with continued focus on optimizing high-impact areas like marketing, reflects our commitment to building a stronger and more scalable foundation for long-term profitable growth. With a stronger foundation and a clear strategic direction, we're well-positioned to lead within the expanding weight health ecosystem. Realizing this opportunity will require focused investment, disciplined execution and sustained effort. We believe this work is both necessary and achievable, and it will set the stage for a return to meaningful, sustainable growth over time.

And with that, I'll turn it over to Felicia.

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## Felicia DellaFortuna

*Chief Financial Officer, WW International, Inc.*

Thanks, Tara. We're pleased to have completed our reorganization so swiftly. This is a big step for the company, reducing our debt from \$1.6 billion to \$465 million, setting us on the path to rebuild for a healthy and sustainable future. As a result of the transaction, our lenders and noteholders received 91% of new common equity of the reorganized company and pre-organization existing shareholders received 9%. We now have 10 million shares outstanding.

Shifting to quarter two, as we shared in our shareholder letter and earnings release, our reported results for the quarter are split between a predecessor and a successor period, and include a shift to a calendar, fiscal end moving forward. The predecessor and successor structure is directly as a result of our emergence from Chapter 11 on June 24th, 2025, together with our adoption of fresh start accounting. As combined revenue is in line with pro forma accounting, we believe that the key top-line performance metrics for the successor period, June 25 through June 30, when combined with the predecessor period, March 30 through June 24, provide meaningful comparatives other periods and are useful in identifying current business trends.

Accordingly, we will speak today to the combined results for these top-line metrics for the three months ended June 30th, 2025. We will talk to all other cost and profitability metrics as it relates to both periods.

Monthly subscription revenues per average subscriber or ARPU increased 12% year-over-year in the second quarter, marking the third consecutive quarter of ARPU expansion. Growth was driven by a continued mix shift towards Clinical subscribers who generate nearly five times the ARPU of Behavioral subscribers. Total end-of-period subscribers declined 17% year-over-year in quarter two, ending at \$3.2 million. Behavioral member acquisition remains challenged, further impacted in the quarter by extensive bankruptcy-related media coverage that affected consumer sentiment.

In addition, while Clinical subscribers grew year-over-year by 56%, we did experience a sequential quarter-over-quarter decline in subscribers as we started the transition of our clinical members away from compounded semaglutide to FDA-approved medications, in-line with FDA compliance requirements.

Revenues of \$189 million declined 6% versus the prior year due to the ongoing acquisition challenges in the Behavioral business, which declined 13% year-over-year, partially offset by 55% growth in Clinical revenue, with the vast majority due to compounded semaglutide subscription. Additionally, FX provided a \$2-million benefit, and given our change in fiscal calendar reporting, this year's fiscal quarter contains two extra days compared to last year, providing a timing benefit of \$4 million.

Turning to our profitability metrics, adjusted gross margin in the predecessor period was 74.9%. We continue to exercise strict cost discipline across the execution of our revenue lines as we evolve toward a more variable cost structure. Beginning this quarter, we've also updated our methodology to attribute direct revenue-related costs, mostly related to technology at a more granular level in the presentation of our financial statements. This change is expected to result in a modest increase to adjusted gross margin, moving forward with a corresponding increase to operating expense, better reflecting the scalability of our revenue model.

Adjusted EBITDA margin, which excludes stock-based compensation was 34% in the predecessor period versus the second quarter of 2024, up more than 900 basis points year-over-year. This improvement reflects disciplined cost management across the business, together with lower marketing spend during the financial reorganization process. We are also now reporting three categories of operating expenses: marketing, product development and selling, general and administrative, or SG&A, on a GAAP and non-GAAP basis.

Marketing expense as a percentage of revenue in the predecessor period was 18%, reflecting an intentional reduction in spend during the financial reorganization, to prioritize more efficient spend opportunities aligned with our post-emergence roadmap. As a reminder, due to the nature of our subscription selling model, there is typically a lag between marketing investment and its associated impact on revenue.

We are introducing a new expense line on our income statement product development. These expenses primarily consist of personnel related costs for engineering, design and data as well as related teams. They also include other product development costs, such as software licenses. These expenses were previously reported within SG&A. Adjusted SG&A in the predecessor period was 16%, reflecting continued cost discipline and the flow-through of the previously actioned \$100 million in savings.

We ended the second quarter with \$152 million in cash and cash equivalents, down from \$236 million at the end of Q1, in line with expectations. The decline primarily reflects approximately \$45 million in transaction-related costs associated with the reorganization, of which approximately half is recorded as restricted cash, approximately \$30 million in interest payments on legacy debt, and a final \$16 million anniversary payment in the second quarter related to the Sequence acquisition. As a reminder, our cash needs are typically higher in the first half of the year, reflecting elevated marketing spend in our quarter-one peak season.

Shifting to our outlook, with our financial reorganization complete, 2025 has been a pivotal year as we reset our balance sheet, giving us the financial foundation to now focus on the stabilization of our business and investment in key initiatives targeted to deliver a return to long-term profitable growth. We are at the beginning of this next chapter. Behavioral pressures persist and the evolving compounding landscape, not least the inconsistency of approach to mass personalization, have compounded semaglutide by select others in our field, is impacting our Clinical business.

In addition, residual noise from bankruptcy-related headlines affected consumer sentiment and acquisition, and we are working to rectify this with second-half marketing activity. Given the nature of our subscription model,

these headwinds will influence not only the remainder of this year, but also our starting position heading into 2026.

At the same time, we believe that the long-term opportunity is significant. We have added new talent across the company to help lead this transformation. Our integrated model, which combines behavioral support with clinical care, is increasingly differentiated. This next phase will take time. However, we are committed to the work ahead, laying the foundation for WeightWatchers to return to long-term growth and reaffirm our leadership in sustainable weight health.

Turning to our 2025 guidance, for fiscal 2025, we expect total combined revenues of \$685 million to \$700 million, adjusted EBITDA of \$140 million to \$150 million. Although the reorganization and our completion of fresh start accounting will impact our financial statements, we don't expect a material impact on our adjusted EBITDA, which will be our primary non-GAAP earnings measure moving forward. However, depreciation and amortization will reflect the fair value of our post-emergence balance sheet and is expected to result in amortization of approximately \$50 million in the second half of 2025, with the majority recorded in SG&A.

In summary, while we face revenue headwinds from lower subscriber levels entering 2025, this will also be the case entering 2026, a challenging acquisition environment within Behavioral and a complex Clinical landscape. Our focus is still clear: gradually stabilize the business while taking decisive action through operational improvements, cost action and disciplined investment to build a foundation for future and sustainable growth.

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## Tara M. Comonte

*President, Chief Executive Officer & Director, WW International, Inc.*

Thanks, Felicia. The need for sustainable, effective weight health solutions has never been greater, and we believe WeightWatchers is uniquely positioned to meet that need. With a stronger financial foundation and renewed ability to invest, we are focused on disciplined execution and meaningful innovation. There's important work ahead and we are confident in our strategy and in the strength of our integrated model to deliver long-term impact. On behalf of the entire leadership team, I'd like to thank our teams around the world for their commitment and hard work and to our members for their continued trust and support.

And with that, I'll turn it over to the operator for Q&A.

## QUESTION AND ANSWER SECTION

**Operator:** We will now begin the question-and-answer session. [Operator Instructions] At this time, we will pause momentarily to assemble our roster. The first question today comes from Nathan Feather with Morgan Stanley. Please go ahead.

**Nathan Feather**

*Analyst, Morgan Stanley & Co. LLC*

Q

Hey, everyone. Thanks for taking the question and congrats on completing the restructuring. A few quick questions on Clinic. First, can you provide a bit more color on how material the shut-off of compounding was on Clinic subs in 2Q? And then thinking about the shape of that over the remainder of the year, have you returned to growth since the May cut-off either, you know, kind of adjusting that out, or is that expected to be a more durable headwind, especially any subscribers that may be on longer-term plans that turn off? Thank you.

**Tara M. Comonte**

*President, Chief Executive Officer & Director, WW International, Inc.*

A

Hey, Nathan, it's Tara. Thanks for the question. I'll let Jon talk through the transition, [indiscernible] (00:30:25) just talk to the back half. But I think it is worth just reemphasizing a couple of things that we said in the prepared remarks around how complex this clinical landscape is right now, particularly with the inconsistency of adherence and application to FDA compliance, as it relates to compounded semaglutide.

So, just to reinforce WeightWatchers position, which is – has always been consistent, which is to stand by the highest levels of clinical integrity and to make sure that we are in full compliance with FDA regulations. And so, to your point, as such, we stopped prescribing compounded semaglutide on the 22nd of May, and have been transitioning those members.

However, others in our field continue to prescribe at scale under the guise of a personalization exception, and that is making for a challenging landscape for the business, not least in terms of confusion in the consumer landscape, but also as it relates to the price differential between these compounded meds and the branded cash-pay alternatives. But, Jon, maybe you want to just jump in to how the transition has been going?

**Jonathan Volkmann**

*Chief Operations Officer, WW International, Inc.*

A

Yeah. Absolutely. Jon Volkmann here. So, to provide some additional context on the transition away from compounded semaglutide. So, as previously stated, this offering was extremely attractive to a segment of the market and was a significant driver of our subscriber growth from Q3 of 2024, to Q1 of this year. And the exercise of transitioning these members is a challenging one, primarily because cash pay prices for branded GLP-1s, while decreasing overall, are still significantly higher than the compounded alternatives, which are still being aggressively marketed by our competitors.

The transition is ongoing and will extend through August, as a portion of our members receive 90-day refills in May. We're currently transitioning these members to a variety of clinical solutions, including oral anti-obesity medications, branded cash-pay GLP-1s and insurance-covered GLP-1s.

Important to note that our ability to facilitate insurance coverage has been a key lever in the transition and has allowed for a portion of these members to transition to branded therapy at a likely lower out-of-pocket cost. Though it is important to note that, that members who initially sought out compounded medications as a cohort are less likely to have insurance coverage than our average member. And therefore, we will – you know, while we will successfully retain a portion of this group, our operating assumption is that the majority of them will roll off the platform.

However, despite, you know, the near-term headwinds that we will face, we do remain confident in our long-term clinical growth strategy, which we feel is built on a foundation of sustainable and differentiated advantages. So, in addition to our comprehensive clinical care and support, our insurance navigation technology is a key differentiator which really provides a best-in-class experience that makes branded medications accessible and affordable to those with coverage.

We've also added strategic partnerships with Lilly and Novo Nordisk to ensure that our members have [ph] streamlined (00:33:48) access to the most affordable cash-pay options for branded medications. And all of this has resulted in positive momentum for our core branded business on both a year-over-year and sequential quarterly basis, and our oral AOM offering is on a similar trajectory.

And from a Clinical results standpoint, our outcomes are truly superior, and the combination of our holistic approach and world class medication access has driven real-world results. Our members have achieved 19.4% weight loss at 12 months compared to the next highest competitor at 15.8%.

So, looking ahead, you know, we really feel, from a broader market standpoint that that obesity care is still in its early stages with significant runway for growth. And we see powerful future tailwinds from a robust pipeline of clinical innovation, including oral GLP-1s, which we expect to come to market soon. And as the body of evidence grows around the benefits of these medications, we anticipate a corresponding expansion in insurance coverage, which plays directly to our strength.

So, I think from a holistic standpoint, just to reiterate, while we are navigating short-term headwinds in the back-half of this year from the compounding transition, we remain confident in our long-term success and the growth of our clinical weight-care offering.

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**Nathan Feather**

*Analyst, Morgan Stanley & Co. LLC*

Q

Great. That's helpful. And I guess just a clarifying point on that, of the compounding members that you had in 1Q, any way to help quantify what portion of those had already rolled off in kind of the 2Q number versus your expected in 3Q? And then I guess just given a little bit more broadly on the space, given the legal uncertainty we've seen in compounded medication, have those peers who are still primarily offering compounded medication, are you seeing them significantly alter their marketing spend or any other kind of commentary you can give on how that marketing landscape is evolved would be helpful. Thank you.

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**Felicia DellaFortuna**

*Chief Financial Officer, WW International, Inc.*

A

I can take the first part of your question and then pass to Jon on your second. So, just to help quantify, as Jon had mentioned, the vast majority of our subscriber growth from Q4, 2024 to Q1, 2025 was from compounding semaglutide. So, the vast majority of that member growth was associated with compounding. And as Jon had noted, we do anticipate the continued roll-off to exist through August. And so, you start to see the sequential decline in our numbers from Q2 – or Q2 relative to Q1. And we do anticipate a decline in Q3 relative to Q2.

**Jonathan Volkmann**

*Chief Operations Officer, WW International, Inc.*

A

And then from a marketing spend standpoint, we are seeing our competition who remain involved in compounded medications and micro-dosing to be extremely aggressive from a marketing standpoint.

**Nathan Feather**

*Analyst, Morgan Stanley & Co. LLC*

A

Okay. Great. That's helpful. And then one more just on a different note, you know, you talked about the B2B opportunity for some time, you know that's been a continued goal for the company to continue to push into that space. What have been the primary factors that have limited the adoption so far? Interested to know how you're addressing those, and now that you've kind of come out of restructuring, is it possible that you can scale up some [ph] some of the price (00:37:11) sales teams or any way to kind of further insight that adoption? Thank you.

**Tara M. Comonte**

*President, Chief Executive Officer & Director, WW International, Inc.*

A

Yeah, hey Nathan, this is Tara. Listen, we still believe the B2B channel is a really important part of this market and an important part of our future growth. Even more so in a world of GLP-1 medications, where employers are, and payers are facing a lot of pressure to offer these solutions, but they need a model that can drive outcome while also managing cost. So, it's actually a really interesting next chapter in this part of the market, and we've – what we said in the prepared remarks, you know, the business was impacted somewhat by the headlines around the Chapter 11 process in the second quarter.

But we're really seeing momentum start to pick up again and we're excited about the opportunity here for our model, particularly one where there will be, over the long-term growing coverage of GLP-1 medication and with it a requirement to provide behavior change programming, which obviously we've been building for many years and increasingly focused on that behavior change in partnership with GLP-1 medications, with things like our GLP-1 Companion program.

So, longer sales channel – or longer sales cycle, obviously, than the B2C business, but it allows us to really leverage our existing infrastructure, our existing product innovation today and moving forward, and to tap into a different market with relatively low cost of acquisition that we believe will be increasingly important over time.

**Nathan Feather**

*Analyst, Morgan Stanley & Co. LLC*

A

Great. I'll pass it along. Thanks for the help.

**Tara M. Comonte**

*President, Chief Executive Officer & Director, WW International, Inc.*

A

You're welcome.

**Operator:** The next question comes from Alex Fuhrman with Lucid Capital Markets. Please go ahead.

**Alex Joseph Fuhrman**

*Analyst, Lucid Capital Markets LLC*

Q

Hey, guys. Thanks very much for taking my question and congratulations on completing your successful reorganization. Wanted to ask about something you guys have talked about for a little while, kind of transforming

into a broader women's health company, really leveraging your brand ethos and your large membership file. Can you talk a little bit more about what we could see from you over the next couple of years along those lines? I think you've said there's potentially an offering for menopause coming, down the line. Can you give us a little bit more sense of how you're trying to position the brand over the next few years?

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**Tara M. Comonte**

*President, Chief Executive Officer & Director, WW International, Inc.*

A

Hi, Alex. It's Tara. Yeah, happy to. And thanks for the question. Look, I think our general view is that the opportunity for WeightWatchers is to really continue to evolve our leadership within the entire field of weight health and to increasingly meet members where they are on those weight health journeys for the long term. And that means creating programs and solutions that can be curated for different stages of life or different needs. And certainly an expansion into women's health, and particularly the perimenopause or menopausal stage of a woman's life is a very natural adjacency for us, not least with one of the top symptoms, and one of the top complaints at that stage in life being around weight.

So, yes, we have we have a lot of exciting ambition around our expansion into women's health, with a women's health program coming later in the year that is consistent with our weight care programs will offer a comprehensive program that incorporates behavioral supports and programming, nutritional support and clinical – a clinical program where appropriate, and again, leveraging a lot of the infrastructure and the expertise that we've built over many years, but curating it for this segment of the population.

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**Alex Joseph Fuhrman**

*Analyst, Lucid Capital Markets LLC*

Q

Okay. That that's really helpful. Thank you very much, Tara.

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**Tara M. Comonte**

*President, Chief Executive Officer & Director, WW International, Inc.*

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Of course.

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**Operator:** This concludes our question-and-answer session. I would like to turn the conference back over to Tara Comonte, CEO for any closing remarks.

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**Tara M. Comonte**

*President, Chief Executive Officer & Director, WW International, Inc.*

Thank you all for joining us today. We're excited to be the other side of our financial reorganization. Thank you again to our teams around the world and to our members, our shareholders, our lenders for their support throughout the process. And we are extremely excited about the next chapter for WeightWatchers and the opportunity that lies ahead. So, thank you, and we'll talk to you all soon.

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**Operator:** The conference has now concluded. Thank you for attending today's presentation. You may now disconnect.

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