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Herbalife Ltd. (HLF-US)

Personal Products

- We reiterate our Buy rating on HLF and view any weakness in reaction to today's headlines as a buying opportunity.
- The implementation of FTC adopted mandates created a stronger operating model.
- Future growth will be driven by new product introductions and ongoing global expansion.
- HLF has a strong balance sheet and strong cash flow.

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Company Note
Herbalife Ltd. (HLF-US)
Personal Products

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Research Action:

Reiterate rating

Rating: Buy

Prior Rating: Buy

Price 06/02/2017: \$73.92

52 Week High / \$74.32

Low: \$47.62

Key Data: (TTM as of Mar-17)

Excess Cash per Share: \$18.76

Annual Dividend: \$0.00

Dividend Yield: 0.00%

Ave. Volume (30 Day): 1.3M

Shares Outstanding: 93.3M

Float: 66.3M

Equity MV: \$6,895.8M

Sales TTM: \$4,470.9M

Beta: 1.30

EBITDAR: \$516.9M

NOPAT: \$271.5M

Total Invested Capital: \$2,618.0M

Return on Capital: 13.41%

Cost of Capital: 6.23%

Economic Profit: \$145.4M

Market Value Added: \$6,712.3M

Current Operations Value: \$4,361.0M

Future Growth Value: \$4,969.4M

- **We reiterate our Buy rating on HLF and view any weakness in reaction to today's headlines as a buying opportunity.** We maintain our 3% Y/Y sales growth rate and expect a ramp up to 8% growth over time. The adoption of FTC mandated sales tracking and reporting requirements will be a near-term issue as integration and adoption takes place however creates a better operating process over time. Consequently, over time positive growth rates will resume driving and increasing Return on Capital along with increasing Economic Profit and greater shareholder value creation.
- **The implementation of FTC adopted mandates created a stronger operating model.** The FTC ruled that Herbalife must now prove that 80% of its sales come from outside of its distributor network. Those distributors are now mandated to provide receipts for their sales to show that they have legitimate end users. The newly required FTC reporting rate of end-users provides a clear benchmark to delineate between end-users and distributors demonstrating the validity of the direct selling/MTM business model. Currently, HLF is tracking a greater than 90% which is more positive than expected.
- **Future growth will be driven by new product introductions and ongoing global expansion.** HLF continues to develop and launch new products. In 2016, HLF launched over 460 new products and product lines extensions across all markets worldwide. New products include new flavors of teas, aloe drinks and Formula 1 shakes as well as new products in more targeted areas of nutrition, immunity, digestion, heart health and weight loss. In October 2016, HLF announced the introduction *Herbalife SKIN® Clearify* for the treatment of acne, blemishes, blackheads and whiteheads. Skincare represents a significant opportunity for HLF well beyond nutritional shakes and supplements. HLF recently formed a joint venture with a leading Chinese manufacturer and distributor of herbal extracts and pharmaceutical products. In February 2017, HLF formed a joint venture with Tasly Holding Group, based in Tianjin, China, a leading manufacturer of Traditional Chinese Medicine (TCM) and health products.

Please refer to our initiation report from April 24, 2017 for more detailed analysis.

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Herbalife Ltd. (HLF-US)

Personal Products

- **HLF has a strong balance sheet and strong cash flow.** HLF currently has over \$1.5 billion in excess cash, or \$18.76 per share. We believe their current balance sheet will provide them more than enough financial resources to grow the company and to repurchase the recently announced \$1.5 billion worth of stock over the next three years

Investment Thesis

HLF is one of the world's leading and largest direct sellers of nutrition, weight management and personal care products through a membership distribution network in over 90 countries. HLF settled with the FTC and has emerged a stronger company that can now focus on growth and forward-looking opportunities. We believe HLF can resume its positive trend growth rate of over 8% a year through the introduction of new products and ongoing growth global expansion. HLF has a significant level of excess cash and cash flow to fund the three-year commitment to repurchase \$1.5 billion worth of shares. We also view the incredibly large short position as an additional upside catalyst to the share price.

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Company Report – Research Update

Herbalife Ltd. (HLF-US)

Personal Products

Financial Data

Report Basis Reported Period Ending	LTM 03/31/2012	LTM 03/31/2013	LTM 03/31/2014	LTM 03/31/2015	LTM 03/31/2016	LTM 03/31/2017	LTM 03/31/2018	NTM 03/31/2018	5 Yr Average	3 Yr Average	Current Trend
Net Sales Revenue	\$3,623.6	\$4,231.8	\$4,964.3	\$4,801.4	\$4,483.2	\$4,470.9	\$4,704.6	\$4,704.6	\$4,590.3	\$4,585.2	\$4,587.7
Sales Growth	24.49%	16.78%	17.31%	-3.28%	-6.63%	-0.27%	5.23%	5.23%	4.78%	-3.39%	2.48%
Sales Growth Trend	22.78%	19.87%	17.10%	4.95%	-5.29%	-2.82%	3.03%	3.03%	6.76%	-1.05%	0.11%
Operating Cash Flow (EBITDAR)	\$748.9	\$1,096.3	\$660.4	\$726.3	\$797.6	\$516.9	\$697.5	\$697.5	\$759.5	\$680.3	\$607.2
EBITDAR Margin	20.67%	25.91%	13.30%	15.13%	17.79%	11.56%	14.83%	14.83%	16.74%	14.83%	13.19%
EBITDAR Growth	33.98%	46.39%	-39.76%	9.98%	9.82%	-35.19%	34.94%	34.94%	-1.75%	-5.13%	-0.13%
Net Operating Profit Before Tax (NOPBT)	\$627.8	\$967.1	\$517.8	\$571.5	\$640.6	\$364.6	\$538.6	\$538.6	\$612.3	\$525.6	\$451.6
NOPBT Margin	17.33%	22.85%	10.43%	11.90%	14.29%	8.16%	11.45%	11.45%	13.53%	11.45%	9.80%
NOPBT Growth	40.91%	54.04%	-46.45%	10.36%	12.10%	-43.08%	47.72%	47.72%	-2.61%	-6.87%	2.32%
Cash Operating Income Tax	\$168.7	\$254.1	\$140.2	\$150.2	\$199.5	\$93.1	\$148.9	\$148.9	\$167.4	\$147.6	\$121.0
Economic Tax Effective Rate	26.88%	26.27%	27.07%	26.28%	31.14%	25.53%	27.65%	27.65%	27.26%	27.65%	26.59%
Net Operating Profit After Tax (NOPAT)	\$459.1	\$713.0	\$377.7	\$421.3	\$441.2	\$271.5	\$389.7	\$389.7	\$444.9	\$378.0	\$330.6
NOPAT Margin	12.67%	16.85%	7.61%	8.77%	9.84%	6.07%	8.28%	8.28%	9.83%	8.23%	7.18%
NOPAT Growth	38.61%	55.31%	-47.03%	11.55%	4.72%	-38.45%	43.52%	43.52%	-2.78%	-7.39%	2.53%
Cash & Equivalents	\$305.9	\$722.5	\$1,261.9	\$730.5	\$774.2	\$1,782.9	\$1,836.8	\$1,836.8	\$1,054.4	\$1,095.9	\$1,809.9
Total Assets	\$1,532.4	\$2,089.3	\$2,856.6	\$2,388.9	\$2,386.3	\$3,560.3	\$3,668.0	\$3,668.0	\$2,656.3	\$2,778.5	\$3,614.2
Non - Interest Bearing Liabilities (NIBLs)	\$636.9	\$704.3	\$891.3	\$801.2	\$819.7	\$898.3	\$925.5	\$925.5	\$823.0	\$839.7	\$911.9
Net Assets	\$895.5	\$1,385.0	\$1,965.3	\$1,587.7	\$1,566.6	\$2,662.0	\$2,742.5	\$2,742.5	\$1,833.3	\$1,938.8	\$2,702.3
Economic Asset Adjustments	\$126.2	\$502.0	\$165.0	\$70.1	\$56.3	(\$44.0)	(\$45.4)	(\$45.4)	\$149.9	\$27.4	(\$44.7)
Net Operating Assets	\$1,021.7	\$1,887.0	\$2,130.3	\$1,657.8	\$1,622.9	\$2,618.0	\$2,697.2	\$2,697.2	\$1,983.2	\$1,966.2	\$2,657.6
Debt & Debt Equivalents	\$381.7	\$1,153.7	\$2,021.2	\$1,979.4	\$1,584.7	\$2,434.5	\$2,508.1	\$2,508.1	\$1,834.7	\$1,999.5	\$2,471.3
Equity & Equivalents	\$604.8	\$342.9	\$42.1	(\$301.2)	\$64.9	\$267.4	\$275.5	\$275.5	\$83.2	\$10.4	\$271.4
Total Capital - Financing Sources	\$986.4	\$1,496.6	\$2,063.3	\$1,678.2	\$1,649.6	\$2,701.9	\$2,783.6	\$2,783.6	\$1,917.9	\$2,009.9	\$2,742.8
Capital Adjustments	(\$23.6)	\$323.7	(\$7.9)	(\$96.5)	(\$125.6)	(\$175.7)	(\$181.0)	(\$181.0)	(\$16.4)	(\$132.6)	(\$178.4)
Net Capital Financing Sources	\$962.8	\$1,820.3	\$2,055.4	\$1,581.7	\$1,524.0	\$2,526.2	\$2,602.6	\$2,602.6	\$1,901.5	\$1,877.3	\$2,564.4
Net Working Capital	\$220.0	\$540.5	\$184.9	\$268.4	\$226.6	\$106.2	\$109.5	\$109.5	\$265.3	\$200.4	\$107.9
Cost of Net Working Capital	\$13.5	\$23.8	\$16.1	\$13.2	\$15.2	\$10.4	\$10.7	\$10.7	\$15.7	\$12.9	\$10.5
% of Revenue	0.37%	0.56%	0.32%	0.28%	0.34%	0.23%	0.23%	0.23%	0.35%	0.28%	0.23%
Operational Capital	\$571.2	\$965.5	\$704.2	\$791.7	\$747.0	\$611.2	\$629.7	\$629.7	\$763.9	\$716.6	\$620.5
Cost of Operational Capital	\$38.1	\$48.1	\$37.0	\$43.7	\$47.3	\$42.3	\$43.6	\$43.6	\$43.7	\$44.4	\$42.9
% of Revenue	1.05%	1.14%	0.75%	0.91%	1.05%	0.95%	0.93%	0.93%	0.96%	0.97%	0.94%
Productive Capital	\$988.3	\$1,382.1	\$1,120.4	\$1,198.6	\$1,151.1	\$1,014.8	\$1,045.5	\$1,045.5	\$1,173.4	\$1,121.5	\$1,030.2
Cost of Productive Capital	\$68.1	\$74.2	\$55.5	\$67.7	\$72.2	\$67.4	\$69.5	\$69.5	\$67.4	\$69.1	\$68.5
% of Revenue	1.88%	1.75%	1.12%	1.41%	1.61%	1.51%	1.48%	1.48%	1.48%	1.51%	1.49%
Total Operating Capital	\$897.1	\$1,376.1	\$1,116.6	\$1,167.4	\$1,072.8	\$1,058.6	\$1,090.7	\$1,090.7	\$1,158.3	\$1,099.6	\$1,074.6
Cost of Total Operating Capital	\$63.9	\$71.2	\$55.3	\$66.7	\$68.8	\$66.4	\$68.4	\$68.4	\$65.7	\$67.3	\$67.4
% of Revenue	1.76%	1.68%	1.11%	1.39%	1.54%	1.48%	1.45%	1.45%	1.44%	1.47%	1.47%
Non - Operating Capital	\$124.7	\$510.9	\$1,013.7	\$490.4	\$550.0	\$1,559.4	\$1,606.5	\$1,606.5	\$824.9	\$866.6	\$1,582.9
Cost of Non - Operating Capital	\$8.7	\$19.9	\$33.8	\$43.9	\$32.0	\$65.7	\$67.7	\$67.7	\$39.1	\$47.2	\$66.7
% of Revenue	0.24%	0.47%	0.68%	0.92%	0.71%	1.47%	1.44%	1.44%	0.85%	1.03%	1.45%
Total Capital	\$1,021.7	\$1,887.0	\$2,130.3	\$1,657.8	\$1,622.9	\$2,618.0	\$2,697.2	\$2,697.2	\$1,983.2	\$1,966.2	\$2,657.6
Cost of Total Capital	\$72.6	\$91.1	\$89.0	\$110.7	\$100.8	\$132.0	\$136.0	\$136.0	\$104.7	\$114.5	\$134.0
% of Revenue	2.00%	2.15%	1.79%	2.30%	2.25%	2.95%	2.89%	2.89%	2.29%	2.50%	2.92%
Cost of Capital (WACC)	7.23%	6.26%	4.43%	5.84%	6.15%	6.23%	6.23%	6.23%	5.78%	6.07%	6.23%
Capital Structure											
Debt & Debt Equivalents	\$381.7	\$1,153.7	\$2,021.2	\$1,979.4	\$1,584.7	\$2,434.5	\$2,508.1	\$2,508.1	\$1,834.7	\$1,999.5	\$2,471.3
Debt & Debt Equivalents % of Market Value	4.55%	23.01%	25.83%	33.44%	21.74%	31.03%	31.03%	31.03%	27.07%	28.49%	31.03%
Preferred Equity	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Preferred Equity % of Market Value	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Market Value of Common Equity	\$8,002.0	\$3,860.6	\$5,802.6	\$3,939.4	\$5,705.0	\$5,409.9	\$5,573.6	\$5,573.6	\$4,943.5	\$5,018.1	\$5,491.7
Common Equity % of Market Value	95.45%	76.99%	74.17%	66.56%	78.26%	68.97%	68.97%	68.97%	72.93%	71.51%	68.97%
Total Economic Market Value (MV)	\$8,383.6	\$5,014.3	\$7,823.8	\$5,918.7	\$7,289.7	\$7,844.3	\$8,081.7	\$8,081.7	\$6,778.2	\$7,017.6	\$7,963.0
Total %	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Excess Cash	\$124.7	\$510.9	\$1,013.7	\$490.4	\$550.0	\$1,559.4	\$1,606.5	\$1,606.5	\$824.9	\$866.6	\$1,582.9
Economic Enterprise Value	\$8,259.0	\$4,503.4	\$6,810.1	\$5,428.3	\$6,739.6	\$6,285.0	\$6,475.2	\$6,475.2	\$5,953.3	\$6,151.0	\$6,380.1
Average Capital	\$948.5	\$1,391.5	\$1,937.9	\$1,818.5	\$1,552.8	\$2,025.1	\$2,564.4	\$2,564.4	\$1,745.2	\$1,798.8	\$2,294.7
Capital Δ	\$28.6	\$857.5	\$235.1	(\$473.7)	(\$57.7)	\$1,002.2	\$76.4	\$76.4	\$312.7	\$156.9	\$539.3

Source: Company Data, Financial statements and Tigress Research

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Company Report – Research Update

Herbalife Ltd. (HLF-US)

Personal Products

Report Basis	LTM	LTM	LTM	LTM	LTM	LTM	NTM	5 Yr	3 Yr	Current
Reported Period Ending	03/31/2012	03/31/2013	03/31/2014	03/31/2015	03/31/2016	03/31/2017	03/31/2018	Average	Average	Trend
Return on Market Value (NOPAT / MV)	5.48%	14.22%	4.83%	7.12%	6.05%	3.46%	3.57%	7.14%	5.54%	3.51%
Return on Enterprise Value (NOPAT / EV)	5.56%	15.83%	5.55%	7.76%	6.55%	4.32%	4.45%	8.00%	6.21%	4.39%
Return on Capital (NOPAT / Average Capital)	48.40%	51.24%	19.49%	23.17%	28.41%	13.41%	13.81%	27.14%	21.66%	13.61%
Cost of Capital (WACC)	7.23%	6.26%	4.43%	5.84%	6.15%	6.23%	6.23%	5.78%	6.07%	6.23%
Economic Return Spread	41.18%	44.98%	15.06%	17.32%	22.26%	7.18%	7.40%	21.36%	15.59%	7.29%
Capital Charge	\$68.5	\$87.2	\$85.9	\$106.2	\$95.4	\$126.1	\$129.9	\$100.2	\$109.3	\$128.0
Economic Profit (EP)	\$390.5	\$625.9	\$291.8	\$315.0	\$345.7	\$145.4	\$149.8	\$344.8	\$268.7	\$147.6
Economic Profit Improvement (EPI)	\$132.6	\$235.3	(\$334.1)	\$23.3	\$30.7	(\$200.3)	\$4.4	(\$49.0)	(\$48.8)	(\$97.9)
EP Growth	51.41%	60.25%	-53.38%	7.98%	9.74%	-57.93%	3.03%	-6.67%	-13.40%	-27.45%
Economic Profit Margin on Sales	10.78%	14.79%	5.88%	6.56%	7.71%	3.25%	3.19%	7.64%	5.84%	3.22%
Economic Profit Per Share	\$3.32	\$5.57	\$2.84	\$3.65	\$4.19	\$1.75	\$1.81	\$3.60	\$3.20	\$1.78
GAAP Earnings Per Share	\$3.69	\$4.46	\$4.78	\$3.74	\$4.31	\$3.00	\$4.70	\$4.06	\$3.68	\$3.85
Excess Cash Per Share	\$1.07	\$4.91	\$10.63	\$5.96	\$6.64	\$18.76	\$19.33	\$9.38	\$10.46	\$19.05
Performance Drivers										
Sales Growth	24.49%	16.78%	17.31%	-3.28%	-6.63%	-0.27%	5.23%	4.78%	-3.39%	2.48%
Sales Growth Trend (ROC Sales Growth)	22.78%	19.87%	17.10%	4.95%	-5.29%	-2.82%	3.03%	6.76%	-1.05%	0.11%
EBITDAR Margin	20.67%	25.91%	13.30%	15.13%	17.79%	11.56%	14.83%	16.74%	14.83%	13.19%
EBITDAR Growth	33.98%	46.39%	-39.76%	9.98%	9.82%	-35.19%	34.94%	-1.75%	-5.13%	-0.13%
NOPBT Margin	17.33%	22.85%	10.43%	11.90%	14.29%	8.16%	11.45%	13.53%	11.45%	9.80%
NOPBT Growth	40.91%	54.04%	-46.45%	10.36%	12.10%	-43.08%	47.72%	-2.61%	-6.87%	2.32%
NOPAT Margin	12.67%	16.85%	7.61%	8.77%	9.84%	6.07%	8.28%	9.83%	8.23%	7.18%
NOPAT Growth	38.61%	55.31%	-47.03%	11.55%	4.72%	-38.45%	43.52%	-2.78%	-7.39%	2.53%
Economic Profit Margin on Sales (EP / Sales)	10.78%	14.79%	5.88%	6.56%	7.71%	3.25%	3.19%	7.64%	5.84%	3.22%
Economic Profit Growth	51.41%	60.25%	-53.38%	7.98%	9.74%	-57.93%	3.03%	-6.67%	-13.40%	-27.45%
Economic Return Spread (ROC-WACC)	41.18%	44.98%	15.06%	17.32%	22.26%	7.18%	7.59%	21.36%	15.59%	7.39%
Economic Return Ratio (ROC / WACC)	669.73%	818.07%	439.61%	396.51%	462.25%	215.35%	221.86%	466.36%	358.04%	218.61%
Economic Profit Momentum (ΔEP/Capital)	13.77%	12.93%	-16.26%	1.47%	2.01%	-7.93%	0.17%	-1.55%	-1.48%	-3.88%
Economic Profit Momentum Margin (ΔEP/Sales)	3.66%	5.56%	-6.73%	0.48%	0.68%	-4.48%	0.09%	-0.90%	-1.10%	-2.19%
Capital Growth	3.06%	89.07%	12.92%	-23.05%	-3.65%	65.76%	3.03%	28.21%	13.02%	34.40%
Capital Turns	3.76X	2.32X	2.42X	3.04X	2.94X	1.77X	1.81X	2.50X	2.58X	1.79X
EVC Acceleration Margin	4.56%	6.49%	-7.90%	0.47%	0.64%	-4.47%	0.10%	-1.04%	-1.06%	-2.14%
EVC Acceleration Spread	15.12%	24.81%	-24.01%	1.20%	1.69%	-12.90%	0.22%	-1.91%	-2.79%	-5.44%
Risk Factors										
Free Cash Flow (NOPAT - Δ Capital)	\$430.5	(\$144.5)	\$142.6	\$895.0	\$498.9	(\$730.7)	\$313.3	\$132.3	\$221.1	(\$208.7)
Free Cash Flow Rate (FCF / Capital)	44.71%	-7.94%	6.94%	56.58%	32.74%	-28.92%	12.04%	11.88%	20.13%	-8.44%
Free Cash Flow Yield (FCF / MV)	5.14%	-2.88%	1.82%	15.12%	6.84%	-9.31%	3.88%	2.32%	4.22%	-2.72%
Total Debt / Total Capital	39.64%	63.38%	98.33%	125.14%	103.98%	96.37%	96.37%	97.44%	108.50%	96.37%
Total Debt / EBITDAR	50.96%	105.23%	306.05%	272.53%	198.67%	470.95%	359.57%	270.69%	314.05%	415.26%
Excess Cash	\$124.7	\$510.9	\$1,013.7	\$490.4	\$550.0	\$1,559.4	\$0.0	\$824.9	\$866.6	\$779.7
Financial Leverage (Total Debt - Excess Cash) /	3.07%	12.82%	12.88%	25.16%	14.19%	11.16%	31.03%	15.24%	16.84%	21.10%
Pension Leverage (Net Pension Liability / MV)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Equity Risk Index (S&P 500 = 1.00)	1.21	1.24	1.22	1.22	1.19	1.20	1.20	1.21	1.20	1.20
Stock Price Volatility	5.48	7.58	7.78	7.32	6.49	4.50	4.50	6.73	6.10	4.50
Sales Index (NL Sales)	8.20	8.35	8.51	8.48	8.41	8.41	8.46	8.43	8.43	8.43
Market Value Index (NL Market Value)	9.03	8.52	8.96	8.69	8.89	8.97	9.00	8.81	8.85	8.98
Size Index (NL Sales: MV)	8.61	8.44	8.74	8.58	8.65	8.69	8.73	8.62	8.64	8.71
Beta	1.32	1.36	1.32	1.32	1.28	1.30	1.30	1.32	1.30	1.30
TFP Adjusted Beta	1.21	1.24	1.22	1.22	1.19	1.20	1.20	1.21	1.20	1.20
Stock Price Volatility	5.48	7.58	7.78	7.32	6.49	4.50	4.50	6.73	6.10	4.50
Valuation Measures										
Total Economic Market Value (MV)	\$8,383.6	\$5,014.3	\$7,823.8	\$5,918.7	\$7,289.7	\$7,844.3	\$8,081.7	\$6,778.2	\$7,017.6	\$7,963.0
Economic Enterprise Value	\$8,259.0	\$4,503.4	\$6,810.1	\$5,428.3	\$6,739.6	\$6,285.0	\$6,475.2	\$5,953.3	\$6,151.0	\$6,380.1
Equity Market Value	\$8,002.0	\$3,860.6	\$5,802.6	\$3,939.4	\$5,705.0	\$5,409.9	\$5,573.6	\$4,943.5	\$5,018.1	\$5,491.7
Total Capital	\$1,021.7	\$1,887.0	\$2,130.3	\$1,657.8	\$1,622.9	\$2,618.0	\$2,697.2	\$1,983.2	\$1,966.2	\$2,657.6
Market Value Created MVC (MV - Capital)	\$7,361.9	\$3,127.3	\$5,693.4	\$4,261.0	\$5,666.8	\$5,226.4	\$5,384.5	\$4,795.0	\$5,051.4	\$5,305.4
MVC Margin (MVC / Sales)	203.16%	73.90%	114.69%	88.74%	126.40%	116.90%	114.45%	104.46%	110.17%	115.64%
MVC Spread (MVC / Capital)	720.53%	165.73%	267.25%	257.03%	349.19%	199.63%	199.63%	241.78%	256.91%	199.63%
Current EVC Value (EP / WACC)	\$5,403.9	\$9,992.3	\$6,581.2	\$5,392.2	\$5,625.1	\$2,335.9	\$2,406.6	\$5,962.4	\$4,426.0	\$2,371.2
Current Operations Value COV	\$6,352.3	\$11,383.8	\$8,519.0	\$7,210.7	\$7,177.9	\$4,361.0	\$4,971.0	\$7,707.5	\$6,224.8	\$4,666.0
Current Operations Value Per Share	\$54.04	\$101.32	\$83.02	\$83.55	\$86.90	\$52.54	\$53.24	\$82.54	\$74.13	\$52.91
Future Growth Value (MVC - EVA Value)	\$2,031.3	(\$6,369.5)	(\$695.3)	(\$1,292.0)	\$111.7	\$3,483.4	\$3,110.7	(\$929.4)	\$792.8	\$3,297.1
Future Growth Value Reliance (FGV / MV)	24.23%	-127.03%	-8.89%	-21.83%	1.53%	44.41%	38.49%	-13.71%	11.30%	41.40%
Share Price	\$68.82	\$37.45	\$57.27	\$42.76	\$61.56	\$58.14	\$58.14	\$51.44	\$54.15	\$58.14
Dividend Yield	1.31%	3.20%	2.10%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total Shareholder Return (TTM)	70.48%	-42.38%	55.02%	-25.34%	43.97%	-5.56%	0.00%	-11.53%	5.28%	7.36%
MV to IC Ratio	8.21X	2.66X	3.67X	3.57X	4.49X	3.00X	3.00X	3.42X	3.57X	3.00X
EV / EBITDAR Multiple	11.03X	4.11X	10.31X	7.47X	8.45X	12.16X	9.28X	7.84X	9.04X	10.51X
EV / NOPBIT Multiple	13.15X	4.66X	13.15X	9.50X	10.52X	17.24X	12.02X	9.72X	11.70X	14.13X
EV / NOPAT Multiple	17.99X	6.32X	18.03X	12.89X	15.28X	23.15X	16.22X	13.38X	16.27X	19.30X
EV / EP Multiple	21.15X	7.20X	23.34X	17.23X	19.49X	43.21X	43.21X	17.27X	22.89X	43.21X
Future Growth Value (% of MV)	24.23%	-127.03%	-8.89%	-21.83%	1.53%	44.41%	38.49%	-13.71%	11.30%	41.40%
Current Operations Value (% of MV)	75.77%	227.03%	108.89%	121.83%	98.47%	55.59%	61.51%	113.71%	88.70%	58.60%
Market Value (COV + FGV %)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Basic Shares Outstanding	117.5	112.4	102.6	86.3	82.6	83.0	93.4	93.4	84.0	88.2

Source: Company Data, Financial statements and Tigress Research

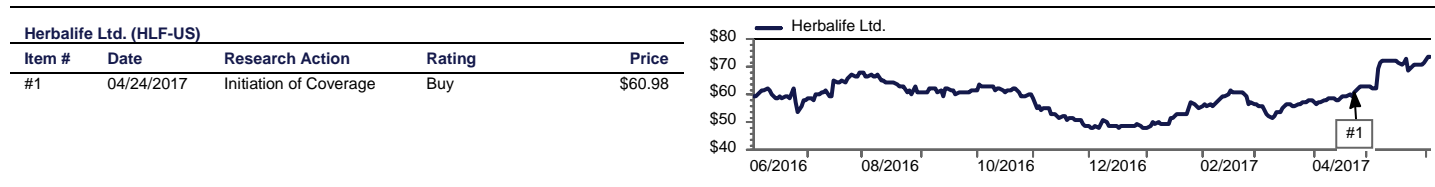
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Herbalife Ltd. (HLF-US)
Personal Products
Ratings History

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We make key adjustments to reported financial data eliminating GAAP-based accounting distortions and measuring all companies on a cash operating basis.

Our proprietary research framework is a multi-factor model that scores and ranks companies based on their risk-adjusted ability to create Economic Profit relative to their current market value focusing on three key components:

Business Performance: Measuring economic profitability, growth and operating efficiency.

Risk: Measuring business sustainability, volatility, strength and consistency.

Valuation: Linking business performance to market value. Measuring value created relative to capital employed and enterprise multiples of economic profit and cash flow.

We score and rank 24 key measurements of performance, risk and value into relative market and industry investment recommendations.

For more information on our research methodology, please review the *Tigress Investment Research Guide to Company Valuation and Analysis*.

Glossary of Key Terms and Measures

Excess Cash per Share:	Excess Cash per Share is the amount of excess cash divided by basic shares outstanding. Excess Cash consists of all cash and short-term securities less operating cash needed to run the business. Operating Cash is 5% of TTM net sales revenue.
EBITDAR:	Earnings Before Interest, Taxes, Depreciation, Amortization, and Restructuring and Rent Costs. This is especially important when comparing companies that use a significant amount of leased assets like restaurants and retailers.
NOPAT:	Net Operating Profit after Tax. Represents a company's after-tax cash operating profit excluding financing costs.
Total Invested Capital:	Total Invested Capital the total cash investment that shareholders and debt holders have made during the life of company.
Return on Capital:	Return on Capital equals NOPAT divided by Total Invested Capital. It is a key measure of operating efficiency. ROC quantifies how well a company generates cash flow relative to the capital invested in its business.
Cost of Capital:	Is the proportionately weighted cost of each category of capital – common equity, preferred equity and debt.
Economic Profit:	Economic Profit is the net operating income after tax less the opportunity cost of the total capital invested. It is the most important driver of shareholder value.
Current Operations Value:	Current Operations Value is the portion of market value based on the discounted present value of the current earnings stream assuming it remains constant forever.
Future Growth Value:	Future Growth Value is the portion of market value based on un-earned Economic Profit

For more information on the key terms and measures, please review the *Tigress Investment Research Guide to Company Valuation and Analysis*.

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		#	%	#	%	
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		Total	122	100%	67	100%

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