

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported):
July 26, 2016

USANA HEALTH SCIENCES, INC.

(Exact name of registrant as specified in its charter)

Utah
(State or other jurisdiction of incorporation)

001-35024
(Commission File No.)

87-0500306
(IRS Employer Identification
Number)

3838 West Parkway Boulevard
Salt Lake City, Utah 84120
(Address of principal executive offices, Zip Code)
Registrant's telephone number, including area code: (801) 954-7100

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02 Results of Operations and Financial Condition.

On July 26, 2016, USANA Health Sciences, Inc. issued a press release announcing its financial results for the second quarter and six months ended July 2, 2016. The release also announced that the Company will post a document titled “Management Commentary, Results and Outlook” on the Company’s website and that executives of the company would hold a conference call with investors, to be broadcast over the World Wide Web and by telephone and provided access information, date and time for the conference call. The Company noted that the call will consist of brief remarks by the Company’s management team, before moving directly into questions and answers. A copy of the press release, and the Management Commentary, Results and Outlook, are furnished herewith as Exhibits to this Current Report on Form 8-K and are incorporated herein by reference. These documents will be posted on the Company’s corporate website, www.usanahealthsciences.com.

The information in this Current Report is being furnished and shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section. The information in this Current Report shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, as amended. The furnishing of the information in this Current Report is not intended to, and does not, constitute a representation that such furnishing is required by Regulation FD or that the information this Current Report contains is material investor information that is not otherwise publicly available.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit 99.1 Press release issued by USANA Health Sciences, Inc. dated July 26, 2016 (furnished herewith).

Exhibit 99.2 Management Commentary, Results and Outlook provided by USANA Health Sciences, Inc. dated July 26, 2016 (furnished herewith).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

USANA HEALTH SCIENCES, INC.

By: /s/ Paul A. Jones

Paul A. Jones, Chief Financial Officer

Date: July 26, 2016

USANA Health Sciences Reports Record Second Quarter Financial Results

- ***Second quarter net sales increased by 10.8% to a record \$258.5 million, up 16.2% on a constant currency basis***
- ***Second quarter EPS increased by 7.8% to a record \$2.07***
- ***Number of active Associates increased by 15.9% to 460,000***
- ***Company increases 2016 EPS Outlook***

SALT LAKE CITY--(BUSINESS WIRE)--July 26, 2016--USANA Health Sciences, Inc. (NYSE: USNA) today announced financial results for its fiscal second quarter ended July 2, 2016.

Net sales for the second quarter of 2016 increased to \$258.5 million, up 10.8%, compared with \$233.2 million in the prior-year period. The increase in net sales was driven by 15.9% growth in the number of active Associates and 6.6% growth in the number of Preferred Customers. Total customer growth during the quarter reflects sustained momentum in our worldwide business. The continued strength of the U.S. dollar, compared to the year-ago period, negatively impacted net sales by \$12.4 million during the quarter. On a constant currency basis, net sales increased by 16.2%.

Net earnings for the second quarter of 2016 increased to \$25.8 million, compared with \$25.4 million during the prior-year period. Higher net sales and a lower effective tax rate were largely offset by lower gross margins and higher operating expenses during the quarter. The 270 basis point decrease in the effective tax rate is due in part to the Company's early adoption of ASU 2016-09 (Topic 718) - Improvements to Employee Share-Based Payment Accounting. As a result of adopting this standard, on a year-over-year basis, the Company recognized (i) modestly higher equity compensation expense, (ii) a higher diluted share count, and (iii) a lower effective tax rate for the current-year quarter. While the adoption of this pronouncement increased net earnings by approximately \$541,000, the resulting higher diluted share count partially offset this increase and earnings per share benefited by \$0.02.

Earnings per diluted share for the second quarter increased by 7.8% to a record \$2.07, compared with \$1.92 in the prior year period. This increase in earnings per share was primarily the result of a lower number of diluted shares outstanding due to the Company's share repurchases over the last 12 months. Weighted average diluted shares outstanding were 12.5 million as of the end of the second quarter of 2016, compared with 13.2 million in the prior-year period.

The Company continues to have a healthy balance sheet with \$112.4 million in cash and cash equivalents and no debt at the end of the second quarter. As of July 2, 2016, there was \$35.4 million remaining under the current share repurchase authorization.

"USANA generated solid results during the second quarter, which were in line with our expectations," said Dave Wentz, USANA's co-CEO. "Our results reflect the momentum in our business and the demand for our high-quality products from our customers. We are excited about the product announcements we will make next month at our International Convention and believe these announcements will continue this momentum."

Regional Results

Net sales in the Asia Pacific region increased 15.1% to \$194.2 million, despite a negative \$9.5 million impact from a stronger U.S. dollar. Within Asia Pacific, net sales:

- Increased by 17.4% in Greater China (23.3% on a constant currency basis);
- Increased by 11.1% in the Southeast Asia Pacific region (16.2% on a constant currency basis); and
- Increased by 8.8% in the North Asia region (13.7% on a constant currency basis).

Sales growth in Greater China was driven by 26.0% active Associate growth in Mainland China, while sales growth in Southeast Asia Pacific was due to strong Associate growth in several markets, led by Australia and Malaysia. Sales growth in North Asia resulted from 27.3% Associate growth in South Korea. The total number of active Associates in the Asia Pacific region increased by 20.1% year-over-year.

Net sales in the Americas/Europe region were essentially flat at \$64.3 million compared to the prior year period. On a constant currency basis, however, net sales in this region increased by 4.2% year-over-year. Mexico, Canada and France all generated double-digit local currency sales growth during the quarter. This growth was partially offset by a 5.8% year-over-year decline in net sales in the U.S.

“The execution of our 2016 initiatives, which include customer growth strategies and significant product launches, is helping drive our momentum,” continued Wentz. “During the quarter, we held our Asia Pacific Convention in Singapore and initiated the launch of our “MySmart™ Foods” products. Next month, we will hold our International Convention in Salt Lake City, where we will make another significant product announcement to an expected record breaking number of attendees. Science-based products have always been at the core of USANA’s business, and we believe that our 2016 product introductions will build on this core legacy and keep USANA at the forefront of nutritional supplementation.”

Outlook

The Company reiterated its consolidated net sales outlook and updated its earnings per share outlook for 2016 as follows:

- Consolidated net sales between \$1.02 billion and \$1.05 billion, which is unchanged; and
- Earnings per share between \$7.90 and \$8.20, compared to prior guidance of \$7.60 to \$8.15.

“Our results for the quarter reflect the strength of our business around the world and the success of the initiatives we are executing,” commented Paul Jones, Chief Financial Officer. “Our balance sheet remains strong and we remain positioned to return value to shareholders. In light of the product introductions we have planned for the third quarter and the continued momentum in our business, we expect our results to accelerate through the second half of the year. Consequently, we are increasing our earnings per share guidance.”

Conference Call

The Company has posted the “Management Commentary, Results and Outlook” document on the Company’s website (www.usanahealthsciences.com) under the “Investor Relations” section of the site. USANA will hold a conference call and webcast to discuss today’s announcement with investors on Wednesday, July 27, 2016 at 11:00 a.m. Eastern Time. **Investors may listen to the call by accessing USANA’s website at <http://www.usanahealthsciences.com>.** The call will consist of brief opening remarks by the Company’s management team, before moving directly into questions and answers.

About USANA

USANA develops and manufactures high-quality nutritional supplements, healthy foods and personal care products that are sold directly to Associates and Preferred Customers throughout the United States, Canada, Australia, New Zealand, Hong Kong, China, Japan, Taiwan, South Korea, Singapore, Mexico, Malaysia, the Philippines, the Netherlands, the United Kingdom, Thailand, France, Belgium, Colombia and Indonesia. More information on USANA can be found at <http://www.usanahealthsciences.com>.

Safe Harbor

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act. Our actual results could differ materially from those projected in these forward-looking statements, which involve a number of risks and uncertainties, including global economic conditions generally, reliance upon our network of independent Associates, the governmental regulation of our products, manufacturing and marketing risks, adverse publicity risks, and risks associated with our international expansion. The contents of this release should be considered in conjunction with the risk factors, warnings, and cautionary statements that are contained in our most recent filings with the Securities and Exchange Commission.

USANA Health Sciences, Inc.
Consolidated Statements of Earnings
(In thousands, except per share data)
(Unaudited)

	Quarter Ended		Six Months Ended	
	4-Jul-15	2-Jul-16	4-Jul-15	2-Jul-16
Net sales	\$ 233,244	\$ 258,514	\$ 452,622	\$ 498,963
Cost of sales	40,089	45,970	78,453	88,890
Gross profit	193,155	212,544	374,169	410,073
Operating expenses				
Associate incentives	101,877	115,331	203,230	222,725
Selling, general and administrative	52,505	59,764	102,380	116,395
Earnings from operations	38,773	37,449	68,559	70,953
Other income (expense)	(86)	219	82	(277)
Earnings before income taxes	38,687	37,668	68,641	70,676
Income taxes	13,271	11,906	23,545	22,615
NET EARNINGS	\$ 25,416	\$ 25,762	\$ 45,096	\$ 48,061
Earnings per share - diluted	\$ 1.92	\$ 2.07	\$ 3.43	\$ 3.84
Weighted average shares outstanding - diluted	13,225	12,458	13,155	12,525

USANA Health Sciences, Inc.
Consolidated Balance Sheets
(In thousands)
(Unaudited)

	As of	As of
	2-Jan-16	2-Jul-16
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 143,210	\$ 112,398
Inventories	66,119	71,332
Prepaid expenses and other current assets	34,935	38,131
Total current assets	244,264	221,861
Property and equipment, net	87,982	94,729
Goodwill	17,432	17,159
Intangible assets, net	38,269	36,576
Deferred income taxes	9,844	15,892
Other assets	25,446	23,445
Total assets	\$ 423,237	\$ 409,662
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable	\$ 10,043	\$ 10,076
Other current liabilities	121,369	117,902
Total current liabilities	131,412	127,978
Other long-term liabilities	1,151	1,515
Deferred income taxes	9,822	6,244
Stockholders' equity	280,852	273,925
Total liabilities and stockholders' equity	\$ 423,237	\$ 409,662

USANA Health Sciences, Inc.

Sales by Region

(unaudited)

(in thousands)

	Quarter Ended				Change from		Currency impact on sales	% change excluding currency impact
	4-Jul-15		2-Jul-16		prior year			
Asia Pacific								
Greater China	\$ 112,333	48.2%	\$ 131,840	51.0%	\$ 19,507	17.4%	\$ (6,639)	23.3%
Southeast Asia Pacific	46,033	19.7%	51,123	19.8%	5,090	11.1%	(2,369)	16.2%
North Asia	10,346	4.4%	11,261	4.3%	915	8.8%	(507)	13.7%
Asia Pacific Total	168,712	72.3%	194,224	75.1%	25,512	15.1%	(9,515)	20.8%
Americas and Europe	64,532	27.7%	64,290	24.9%	(242)	(0.4%)	(2,932)	4.2%
	\$ 233,244	100.0%	\$ 258,514	100.0%	\$ 25,270	10.8%	\$ (12,447)	16.2%

Active Associates by Region ⁽¹⁾

(unaudited)

	As of			
	4-Jul-15		2-Jul-16	
Asia Pacific				
Greater China	216,000	54.4%	267,000	58.0%
Southeast Asia Pacific	79,000	19.9%	88,000	19.1%
North Asia	13,000	3.3%	15,000	3.3%
Asia Pacific Total	308,000	77.6%	370,000	80.4%
Americas and Europe	89,000	22.4%	90,000	19.6%
	397,000	100.0%	460,000	100.0%

(1) Associates are independent distributors of our products who also purchase our products for their personal use. We only count as active those Associates who have purchased from us any time during the most recent three-month period, either for personal use or resale.

Active Preferred Customers by Region ⁽²⁾

(unaudited)

	As of			
	4-Jul-15		2-Jul-16	
Asia Pacific				
Greater China	4,000	4.4%	5,000	5.2%
Southeast Asia Pacific	12,000	13.2%	14,000	14.4%
North Asia	9,000	9.9%	10,000	10.3%
Asia Pacific Total	25,000	27.5%	29,000	29.9%
Americas and Europe	66,000	72.5%	68,000	70.1%
	91,000	100.0%	97,000	100.0%

(2) Preferred Customers purchase our products strictly for their personal use and are not permitted to resell or to distribute the products. We only count as active those Preferred Customers who have purchased from us any time during the most recent three-month period.

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Investor Relations

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Public Relations

**USANA Health Sciences, Inc.****Q2 2016 Management Commentary, Results and Outlook**

- *Second quarter net sales increased by 10.8% to a record \$258.5 million, up 16.2% on a constant currency basis*
- *Second quarter EPS increased by 7.8% to a record \$2.07*
- *Number of active Associates increased by 15.9% to 460,000*
- *Company Increases 2016 EPS Outlook*

July 26, 2016**Overview**

USANA's solid results for the second quarter of 2016 were in-line with management's expectations. The results reflect the momentum in our business and the demand for our high-quality products from our customers. For the quarter, we generated record topline and earnings-per-share results. We also ended the quarter with a record number of active Associates and Preferred Customers.

During the quarter, we continued to execute our personalization strategy by introducing new, personalized products to our customers around the world with the goal of improving their overall health and nutrition. In April, we introduced our new "MySmartTMFoods" products to thousands of Associates and customers at our Asia Pacific Convention in Singapore. MySmartTMFoods are science-based, healthy nutrition shakes, bars, boosters and flavor optimizers that provide our customers with customized healthy food options. Since our convention, we have launched these products in several markets and will continue to introduce them in additional markets throughout the remainder of 2016.

Our MySmart™ Foods launch will be followed by what we anticipate will be an even more significant product launch to a record breaking number of attendees next month at our recently sold out international convention in Salt Lake City. These new products, like all of USANA's products, are based on the leading science and represent the next phase of our personalization strategy. This strategy continues to differentiate USANA products in the market. Science-based products have always been at the core of our business and we believe that these new products will build on this legacy and keep USANA at the forefront of nutritional supplementation.

We also continued to execute our strategy in China during the quarter and completed the construction of our new manufacturing facility. Our team in China continues to work through the permitting process for this facility with the Chinese government. This process includes obtaining approximately a dozen different permits and has proven to be more extensive and time consuming than we originally anticipated. Consequently, we now believe that the permitting process will be complete in the next three-to-five months and anticipate shifting full production for China to this facility shortly thereafter. To ensure we are prepared for a smooth transition, we did not offer any sales incentives or promotions in China during the quarter and do not plan on offering any such incentives until our new facility is operating at full production. Nevertheless, we generated solid sales and customer growth in China again during the quarter and remain confident that China will continue to drive our overall growth during the second half of the year. While we did not offer incentives in China, we continued to offer promotions in other regions during the quarter, which contributed to our financial performance.

During the quarter, we also received approval from the Ministry of Commerce in China to expand BabyCare's direct selling activities in eight additional provinces/municipalities within China. The provinces/municipalities are Liaoning Province, Shandong Province, Shanxi Province, Sichuan Province, Guangdong Province, Dalian City, Qingdao City, and Shenzhen City. We are pleased to have received these licenses and will continue to work with the Chinese government to obtain additional municipal and provincial licenses.

Q2 2016 Results

Net sales for the second quarter of 2016 increased to \$258.5 million, up 10.8%, compared with \$233.2 million in the prior-year period. The continued strength of the U.S. dollar, compared to the year-ago period, negatively impacted net sales by \$12.4 million during the quarter. On a constant currency basis, net sales increased by 16.2%.

Sales growth was driven by 15.9% growth in the number of active Associates and 6.6% growth in the number of Preferred Customers. Total customer growth during the quarter reflects sustained momentum in our world-wide business. Our Asia Pacific region generated the majority of our Associate growth, where the number of Associates increased 20.1% year-over-year. While Greater China led the region again with 23.6% Associate growth, our Southeast Asia Pacific and North Asia regions each generated double-digit Associate growth. The number of active Associates and Preferred Customers in our North America and Europe region also increased modestly during the quarter.

Net earnings for the second quarter of 2016 increased to \$25.8 million, compared with \$25.4 million during the prior-year period. Higher net sales and a lower effective tax rate were largely offset by lower gross margins and higher operating expenses during the quarter. The 270 basis point decrease in our effective tax rate was due, in part, to the Company's early adoption of ASU 2016-09 (Topic 718) - Improvements to Employee Share-Based Payment Accounting. As a result of adopting this standard, on a year-over-year basis, the Company recognized (i) modestly higher equity compensation expense, (ii) a higher diluted share count, and (iii) a lower effective tax rate for the current-year quarter. While the adoption of this pronouncement increased net earnings by approximately \$541,000, the resulting higher diluted share count partially offset this increase and earnings per share benefitted by \$0.02. As we reported last quarter, excess tax benefits are now recognized on the income statement under this new standard, where previously it was recorded within equity on the balance sheet. We continue to believe that this standard will increase the level of volatility reported in our net earnings.

Earnings per diluted share for the second quarter increased by 7.8% to a record \$2.07, compared with \$1.92 in the prior year period. This increase in earnings per share was primarily the result of a lower number of diluted shares outstanding due to the Company's share repurchases over the last 12 months. A stronger U.S. dollar negatively impacted earnings per share by an estimated \$0.31 during the current year quarter. Excluding the estimated currency impact, earnings per share would have increased an estimated 24% year-over-year.

Weighted average diluted shares outstanding were 12.5 million as of the end of the second quarter of 2016, compared with 13.2 million in the prior-year period. The Company did not repurchase any of its shares during the quarter and there was \$35.4 million remaining under the current share repurchase authorization at the end of the second quarter.

The Company continues to have a healthy balance sheet with \$112.4 million in cash and cash equivalents and no debt at the end of the second quarter. Inventories at quarter end increased from year end 2015 by \$5.2 million to \$71.3 million as the Company has built inventory in preparation for the facility transition in China, the launch of the MySmartTMFoods products and the significant product announcement and launch planned in August of this year.

Regional and Financial Results

Asia Pacific Region | Q2 2016 Net Sales of \$194.2 million; 75.1% of Consolidated Net Sales

Net sales in Asia Pacific increased 15.1% year-over-year. The number of active Associates in the region increased 20.1% year-over-year and 6.3% sequentially. This performance was the result of double-digit growth in our active Associates in each of the Greater China, Southeast Asia Pacific, and North Asia regions. Net sales in Asia Pacific as a whole were negatively impacted by \$9.5 million due to a stronger U.S. dollar. Excluding the impact of currency, net sales in Asia Pacific would have increased approximately 20.8% for the quarter.

Greater China. Net sales in Greater China increased 17.4% year-over-year, but increased 23.3% on a constant currency basis. Currency fluctuations reduced net sales by \$6.6 million in this region. Mainland China continued to drive our growth here, where local currency sales increased 29.2% year-over year and the number of active Associates increased 26.0%.

Southeast Asia Pacific. Net sales in the Southeast Asia Pacific region increased 11.1% year-over-year, but increased 16.2% on a constant currency basis. A stronger U.S. dollar negatively impacted net sales by \$2.4 million in this region. During the quarter, we saw solid local currency sales growth in most of the markets within this region, with Malaysia and Australia leading the way.

North Asia. Net sales in North Asia increased 8.8% year-over-year, but increased 13.7% on a constant currency basis. Sales growth was driven by 15.4% Associate growth in the region. South Korea continued to drive our growth in this region, where the number of Associates increased 27.3% and local currency sales increased 15.2% year-over-year.

Americas and Europe Region | Q2 2016 Net Sales of \$64.3 million; 24.9% of Consolidated Net Sales

In the Americas and Europe region, net sales decreased modestly, but increased 4.2% on a constant currency basis. In absolute terms, a stronger U.S. dollar had the effect of reducing net sales in the region by \$2.9 million. Canada, Mexico and France all generated double-digit local currency sales growth compared to the prior year period. This growth was partially offset by a 5.8% year-over-year decline in net sales in the U.S.

Quarterly Income Statement Discussion

Gross margins declined 60 basis points year-over-year, due in large part to unfavorable changes in currency exchange rates. This impact was partially offset by a favorable change in our market sales mix, modest price increases introduced during the first quarter and a decreased level of costs related to inventory scrap.

Associate incentives expense for the quarter increased 90 basis points year-over-year to 44.6% of net sales. Associate Incentives expense, as a percentage of net sales, has increased but has been fairly consistent the last several quarters and is in line with our current expectations.

Selling, general and administrative expense was 23.1% of net sales, an increase of 60 basis points compared to the prior year period. The increase in selling, general and administrative expense, on an absolute basis, was due to (i) increased equity compensation expense, which in part can be attributed to the Company's early adoption of the previously mentioned accounting standard, (ii) higher expenses related to our growth in China, and (iii) our investments in infrastructure and product innovation.

The effective tax rate declined 270 basis points year-over-year, due in part to the Company's early adoption of the previously mentioned accounting standard.

Outlook

We are reiterating our outlook for net sales and both increasing and narrowing our earnings per share outlook for 2016 as follows:

- Consolidated net sales between \$1.02 billion and \$1.05 billion, which is unchanged; and
- Earnings per share between \$7.90 and \$8.20, compared to prior guidance of \$7.60 to \$8.15.

Our outlook reflects the ongoing strength of our business around the world and the success of the initiatives we are executing. In light of the product introductions we have planned for the third quarter and the continued momentum in our business, we expect our results to accelerate through the second-half of the year and have increased our earnings per share guidance. Our outlook continues to include the strategic investments we communicated at the beginning of the year, albeit at a slightly reduced expense level. These investments are essential to our current and long term growth objectives and include:

- Investment to support new product offerings and launches;
- Increased research and development investment to drive future product and technology innovation;
- Investment in information technology systems and infrastructure to support our growing customer base and to further improve the experience of doing business with USANA around the world; and
- Continued investment in Mainland China to support and train a growing Associate base, shift production to a new manufacturing facility, and enhance other infrastructure and operations throughout this key market.

We remain confident in the strength of our business and the growth strategies we are executing. We expect to deliver another year of record results in 2016.

Dave Wentz

Co-CEO

Kevin Guest

Co-CEO

Paul Jones

Chief Financial Officer

Forward-Looking Statements

This document contains forward-looking statements regarding future events or the future financial performance of our company. Those statements involve risks and uncertainties that could cause actual results to differ perhaps materially from results projected in such forward-looking statements. Examples of these statements include those regarding our strategies and outlook for 2016. We caution you that these statements should be considered in conjunction with disclosures, including specific risk factors and financial data contained in our most recent filings with the SEC.

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