

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):  
February 6, 2024

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 No.)

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))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.001 per value per share	USNA	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

**Item 2.02 Results of Operations and Financial Condition.**

On February 6, 2024, USANA Health Sciences, Inc. (the “Company” or “USANA”) issued a press release announcing its financial results for the fourth quarter and fiscal year ended December 30, 2023. The release also announced that the Company will post a document titled “Management Commentary” on the Company’s website and that executives of the Company will 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, are furnished herewith as Exhibits 99.1 and 99.2 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.usana.com](http://www.usana.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, including the exhibits, 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 7.01 Regulation FD Disclosure.**

The information disclosed above under Item 2.02, as well as the exhibits attached under Item 9.01 below are incorporated herein by reference.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits

Exhibit No.	Description
99.1	Press release issued by USANA Health Sciences, Inc. dated February 6, 2024 (furnished herewith).
99.2	Management Commentary provided by USANA Health Sciences, Inc. dated February 6, 2024 (furnished herewith).
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

## 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/ G. Douglas Hekking

G. Douglas Hekking, Chief Financial Officer

Date: February 6, 2024

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## Exhibit Index

Exhibit No.	Description
<a href="#">99.1</a>	<a href="#">Press release issued by USANA Health Sciences, Inc. dated February 6, 2024 (furnished herewith).</a>
<a href="#">99.2</a>	<a href="#">Management Commentary provided by USANA Health Sciences, Inc. dated February 6, 2024 (furnished herewith).</a>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

USANA Health Sciences Reports Fourth Quarter and Fiscal Year 2023 Results

SALT LAKE CITY--(BUSINESS WIRE)--February 6, 2024--USANA Health Sciences, Inc. (NYSE: USNA) today announced financial results for its fiscal fourth quarter and fiscal year ended December 30, 2023.

Key Financial Results & Guidance

- Fourth quarter net sales were \$221 million versus \$228 million during Q4 2022 and \$213 million during Q3 2023.
- Fourth quarter diluted EPS was \$0.87 as compared with \$0.66 during Q4 2022.
- Fiscal year 2023 net sales were \$921 million as compared with \$999 million during fiscal year 2022.
- Fiscal year 2023 diluted EPS totaled \$3.30 versus \$3.59 during fiscal year 2022.
- Company provides initial fiscal year 2024 net sales and diluted EPS guidance of \$850 million to \$920 million and \$2.40 to \$3.00, respectively.

Q4 2023 Financial Performance

Consolidated Results		
Net Sales	\$221 million	<ul style="list-style-type: none"><li>• -3% vs. Q4 2022</li><li>• No meaningful FX impact</li><li>• +4% sequentially</li></ul>
Diluted EPS	\$0.87	<ul style="list-style-type: none"><li>• +32% vs. Q4 2022</li><li>• +47% sequentially</li></ul>
Active Customers	483,000	<ul style="list-style-type: none"><li>• -1% vs. Q4 2022</li><li>• +4% sequentially</li></ul>

“USANA delivered solid fourth quarter operating results, which exceeded our expectations,” said Jim Brown, President and Chief Executive Officer. “Our sales strengthened, in part, in response to a global incentive offering that was particularly effective in our Greater China region where it helped generate double-digit sequential growth in Active Customer counts. This boost helped to offset the seasonal slowdown we typically experience during the final month of the quarter and helped us finish the year strong.”

Fiscal Year 2023 Financial Performance

Consolidated Results		
Net Sales	\$921 million	<ul style="list-style-type: none"><li>-8% vs. prior year</li><li>-5% constant currency vs. prior year</li><li>-\$28 million YOY FX impact, or -3%</li></ul>
Diluted EPS	\$3.30	<ul style="list-style-type: none"><li>-8% vs. prior year</li></ul>

Mr. Brown continued, “Both net sales and diluted EPS for fiscal 2023 exceeded our guidance ranges. Although 2023 was a challenging year, we made meaningful progress on several strategic initiatives that will support future growth in customers and net sales. For instance, we commenced operations in India, USANA’s 25th global market, near the end of the fourth quarter and this market opening is a significant milestone for our company. Although we are just getting started in India and expect a slow, steady and sustained growth trajectory, we are very optimistic about the long-term growth opportunity this important market provides.”

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**Q4 2023 Regional Results:**

Asia Pacific Region		
Net Sales	\$177 million	<ul style="list-style-type: none"> <li>• -3% vs. Q4 2022</li> <li>• No meaningful FX impact</li> <li>• +4% sequentially</li> <li>• 80% of consolidated net sales</li> </ul>
Active Customers	383,000	<ul style="list-style-type: none"> <li>• Flat vs. Q4 2022</li> <li>• +6% sequentially</li> </ul>
Asia Pacific Sub-Regions		
Greater China		
Net Sales	\$116 million	<ul style="list-style-type: none"> <li>• -2% vs. Q4 2022</li> <li>• -1% constant currency vs. Q4 2022</li> <li>• +9% sequentially</li> </ul>
Active Customers	255,000	<ul style="list-style-type: none"> <li>• +5% vs. Q4 2022</li> <li>• +11% sequentially</li> </ul>
North Asia		
Net Sales	\$22 million	<ul style="list-style-type: none"> <li>• -10% vs. Q4 2022</li> <li>• -12% constant currency vs. Q4 2022</li> <li>• -9% sequentially</li> </ul>
Active Customers	48,000	<ul style="list-style-type: none"> <li>• -9% vs. Q4 2022</li> <li>• -2% sequentially</li> </ul>
Southeast Asia Pacific		
Net Sales	\$39 million	<ul style="list-style-type: none"> <li>• -4% vs. Q4 2022</li> <li>• -3% constant currency vs. Q4 2022</li> <li>• Flat sequentially</li> </ul>
Active Customers	80,000	<ul style="list-style-type: none"> <li>• -8% vs. Q4 2022</li> <li>• -4% sequentially</li> </ul>
Americas and Europe Region		
Net Sales	\$44 million	<ul style="list-style-type: none"> <li>• -1% vs. Q4 2022</li> <li>• -3% constant currency vs. Q4 2022</li> <li>• +1% sequentially</li> <li>• 20% of consolidated net sales</li> </ul>
Active Customers	100,000	<ul style="list-style-type: none"> <li>• -6% vs. Q4 2022</li> <li>• -2% sequentially</li> </ul>

**Balance Sheet and Share Repurchase Activity**

The Company generated \$26 million in operating cash flow during the fourth quarter and ended the year with \$330 million in cash and cash equivalents. The Company did not repurchase any shares during the quarter. As of December 30, 2023, the Company had approximately \$71 million remaining under the current share repurchase authorization.

Fiscal Year 2024 Outlook

Mr. Brown continued, “Growth in Active Customers across all regions remains our top priority, and to this end we will continue to execute several key initiatives including: 1) Increased engagement with Associate leaders to further support expansion of their businesses; 2) Enhanced, market-specific incentive offerings that reward growth; 3) Expansion of our presence in India; 4) Product innovation and development and; 5) Pursuit of additional acquisition opportunities.

The Company is introducing net sales and earnings per share outlook for fiscal year 2024, as detailed in the table below:

Fiscal Year 2024 Outlook	
	Range
Consolidated Net Sales	\$850 - \$920 million
Diluted EPS	\$2.40 - \$3.00

“We are pleased with our fourth quarter results, which contributed to our strong finish to the year,” said Doug Hekking, Chief Financial Officer. “That said, we encountered challenging economic conditions in many of our markets during 2023, and we anticipate that 2024 will continue to be challenging.”

Mr. Hekking added, “Our initial outlook for fiscal 2024 reflects year-over-year net sales performance between flat and down 7% on a constant currency basis. In making this YOY comparison, it is important to note that 2023 benefited from approximately \$25 million of incremental net sales in the first quarter, which is not expected to re-occur in the current year. We also anticipate that unfavorable currency exchange rates will have a modest negative impact on net sales in fiscal 2024.

“Our 2024 fiscal outlook assumes an operating margin of 8% to 9%, which reflects increased investments in India and our previously acquired businesses. We project an effective tax rate between 38% and 40% for the year and a diluted share count of approximately 19.3 million.”

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## Management Commentary Document and Conference Call

For further information on the USANA's operating results, please see the Management Commentary document, which has been posted on the Company's website (<http://ir.usana.com>) under the Investor Relations section. USANA's management team will hold a conference call and webcast to discuss today's announcement with investors on Wednesday, February 7, 2024 at 11:00 AM Eastern Time. **Investors may listen to the call by accessing USANA's website at <http://ir.usana.com>** The call will consist of brief opening remarks by the Company's management team, followed by a questions and answers session.

## Non-GAAP Financial Measures

The Company prepares its financial statements using U.S. generally accepted accounting principles ("GAAP"). Constant currency net sales, earnings, EPS and other currency-related financial information (collectively, "Financial Results") are non-GAAP financial measures that remove the impact of fluctuations in foreign-currency exchange rates ("FX") and help facilitate period-to-period comparisons of the Company's Financial Results that we believe provide investors an additional perspective on trends and underlying business results. Constant currency Financial Results are calculated by translating the current period's Financial Results at the same average exchange rates in effect during the applicable prior-year period and then comparing this amount to the prior-year period's Financial Results.

## About USANA

USANA develops and manufactures high-quality nutritional supplements, functional 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, Indonesia, Germany, Spain, Romania, Italy, and India. More information on USANA can be found at [www.usana.com](http://www.usana.com).

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## 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, including continued inflationary pressure around the world and negative impact on our operating costs, consumer demand and consumer behavior in general; reliance upon our network of independent Associates; risk associated with governmental regulation of our products, manufacturing and direct selling business model in the United States, China and other key markets; potential negative effects of deteriorating foreign and/or trade relations between or among the United States, China and other key markets; potential negative effects from geopolitical relations and conflicts around the world, including the Russia-Ukraine conflict and the conflict in Israel; compliance with data privacy and security laws and regulations in our markets around the world; potential negative effects of material breaches of our information technology systems to the extent we experience a material breach; material failures of our information technology systems; adverse publicity risks globally; risks associated with commencing operations in India and future international expansion and operations; uncertainty relating to the fluctuation in U.S. and other international currencies; and the potential for a resurgence of COVID-19, or another pandemic, in any of our markets in the future and any related impact on consumer health, domestic and world economies, including any negative impact on discretionary spending, consumer demand, and consumer behavior in general. 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. The forward-looking statements in this press release set forth our beliefs as of the date hereof. We do not undertake any obligation to update any forward-looking statement after the date hereof or to conform such statements to actual results or changes in the Company's expectations, except as required by law.

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

	Quarter Ended		Twelve Months Ended	
	30-Dec-23	31-Dec-22	30-Dec-23	31-Dec-22
Net sales	\$ 221,083	\$ 227,960	\$ 921,010	\$ 998,601
Cost of sales	42,319	46,430	176,693	193,890
<b>Gross profit</b>	178,764	181,530	744,317	804,711
Operating expenses:				
Associate incentives	95,881	97,879	394,257	434,793
Selling, general and administrative	58,664	61,100	256,989	262,304
<b>Earnings from operations</b>	24,219	22,551	93,071	107,614
Other income, net	2,392	251	9,382	1,007
<b>Earnings before income taxes</b>	26,611	22,802	102,453	108,621
Income taxes	9,845	10,007	38,665	39,271
<b>NET EARNINGS</b>	<u>\$ 16,766</u>	<u>\$ 12,795</u>	<u>\$ 63,788</u>	<u>\$ 69,350</u>
Earnings per share - diluted	\$ 0.87	\$ 0.66	\$ 3.30	\$ 3.59
Weighted average shares outstanding - diluted	19,253	19,263	19,345	19,310

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

	<b>As of</b> <b>30-Dec-23</b>	<b>As of</b> <b>31-Dec-22</b>
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents	\$ 330,420	\$ 288,420
Inventories	61,454	67,089
Prepaid expenses and other current assets	25,872	28,873
<b>Total current assets</b>	<b>417,746</b>	<b>384,382</b>
Property and equipment, net	99,814	97,773
Goodwill	17,102	17,368
Intangible assets, net	29,919	32,432
Deferred tax assets	13,284	9,799
Other assets*	54,892	54,795
<b>Total assets</b>	<b>\$ 632,757</b>	<b>\$ 596,549</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current Liabilities		
Accounts payable	\$ 10,070	\$ 11,049
Line of credit - short term	786	-
Other current liabilities	107,989	132,784
<b>Total current liabilities</b>	<b>118,845</b>	<b>143,833</b>
Deferred tax liabilities	4,552	4,071
Other long-term liabilities	12,158	14,173
Stockholders' equity	497,202	434,472
<b>Total liabilities and stockholders' equity</b>	<b>\$ 632,757</b>	<b>\$ 596,549</b>

*\*Includes noncurrent inventories of \$3,128 and \$3,479 as of 30-Dec-23 and 31-Dec-22, respectively. Total inventories were \$64,582 and \$70,568 as of 30-Dec-23 and 31-Dec-22, respectively.*

**USANA Health Sciences, Inc.**  
**Sales by Region**  
(In thousands)  
(Unaudited)

Quarter Ended										
December 30, 2023			December 31, 2022			Change from prior year		Currency impact on sales	% change excluding currency impact	
Asia Pacific										
Greater China	\$	115,921	52.4%	\$	118,290	51.9%	\$ (2,369)	(2.0%)	\$ (1,352)	(0.9%)
Southeast Asia Pacific		39,116	17.7%		40,598	17.8%	(1,482)	(3.7%)	(146)	(3.3%)
North Asia		22,065	10.0%		24,543	10.8%	(2,478)	(10.1%)	569	(12.4%)
Asia Pacific Total		177,102	80.1%		183,431	80.5%	(6,329)	(3.5%)	(929)	(2.9%)
Americas and Europe										
		43,981	19.9%		44,529	19.5%	(548)	(1.2%)	678	(2.8%)
	\$	221,083	100.0%	\$	227,960	100.0%	\$ (6,877)	(3.0%)	\$ (251)	(2.9%)

**Active Associates by Region<sup>(1)</sup>**  
(Unaudited)

		As of			
		December 30, 2023		December 31, 2022	
Asia Pacific					
Greater China		70,000	35.0%	74,000	34.1%
Southeast Asia Pacific		52,000	26.0%	62,000	28.6%
North Asia		32,000	16.0%	34,000	15.6%
Asia Pacific Total		154,000	77.0%	170,000	78.3%
Americas and Europe		46,000	23.0%	47,000	21.7%
		200,000	100.0%	217,000	100.0%

**Active Preferred Customers by Region <sup>(2)</sup>**

(Unaudited)

	As of			
	December 30, 2023		December 31, 2022	
Asia Pacific				
Greater China	185,000	65.4%	170,000	62.3%
Southeast Asia Pacific	28,000	9.9%	25,000	9.1%
North Asia	16,000	5.6%	19,000	7.0%
Asia Pacific Total	229,000	80.9%	214,000	78.4%
Americas and Europe	54,000	19.1%	59,000	21.6%
	283,000	100.0%	273,000	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.

(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. China utilizes a Preferred Customer program that has been implemented specifically for that market.

**Contacts**

Investor contact:

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USANA Health Sciences, Inc.

February 6, 2024

*Q4 2023 Management Commentary*

**Key Financial Results & Guidance**

- Fourth quarter net sales were \$221 million versus \$228 million during Q4 2022 and \$213 million during Q3 2023.
- Fourth quarter diluted EPS was \$0.87 as compared with \$0.66 during Q4 2022.
- Fiscal year 2023 net sales were \$921 million as compared with \$999 million during fiscal year 2022.
- Fiscal year 2023 diluted EPS totaled \$3.30 versus \$3.59 during fiscal year 2022.
- Fiscal year 2023 operating cash flow totaled \$71 million.
- Company provides initial fiscal year 2024 net sales and diluted EPS guidance of \$850 million to \$920 million and \$2.40 to \$3.00, respectively.

**Overview**

USANA delivered solid fourth quarter operating results, which exceeded our expectations as our sales force responded positively to a global incentive offering, which was particularly effective in our Greater China region where it helped generate double-digit sequential growth in Active Customer counts. This boost helped to offset the seasonal slowdown we typically experience during the final month of the quarter, resulting in net sales and diluted EPS for fiscal 2023 above our most recent guidance range.

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The challenging full-year economic environment in many of our key markets, and its related impact on consumer purchasing behavior, made it difficult to generate top line momentum in fiscal 2023. Notwithstanding these external challenges, we made meaningful progress on several strategic initiatives that will support future growth in customers and net sales. For instance, we commenced operations in India, USANA's 25th global market, near the end of the fourth quarter and this market opening is a significant milestone for our company. Although we are just getting started in India and expect a slow, steady and sustained growth trajectory, we are very optimistic about the long-term opportunity this important market provides.

#### Q4 2023 Financial Performance

Consolidated Results		
<b>Net Sales</b>	\$221 million	<ul style="list-style-type: none"> <li>• -3% vs. Q4 2022</li> <li>• No meaningful FX impact</li> <li>• +4% sequentially</li> </ul>
<b>Diluted EPS</b>	\$0.87	<ul style="list-style-type: none"> <li>• +32% vs. Q4 2022</li> <li>• +47% sequentially</li> </ul>
<b>Active Customers</b>	483,000	<ul style="list-style-type: none"> <li>• -1% vs. Q4 2022</li> <li>• +4% sequentially</li> </ul>

#### Fiscal Year 2023 Financial Performance

Consolidated Results		
<b>Net Sales</b>	\$921 million	<ul style="list-style-type: none"> <li>• -8% vs. prior year</li> <li>• -5% constant currency vs. prior year</li> <li>• -\$28 million YOY FX impact, or -3%</li> </ul>
<b>Diluted EPS</b>	\$3.30	<ul style="list-style-type: none"> <li>• -8% vs. prior year</li> </ul>

#### Balance Sheet and Share Repurchase Activity

We generated \$71 million in operating cash flow during fiscal 2023, ended the year with \$330 million in cash and cash equivalents, and we are essentially debt-free. We did not repurchase any shares during the quarter and, as of December 30, 2023, we had approximately \$71 million remaining under the current share repurchase authorization.

As of December 30, 2023, total inventories were \$65 million (includes \$3.1 million of noncurrent inventories), a reduction of \$6 million (or 8%) from the year-end balance in fiscal 2022. We believe our in-house manufacturing capabilities provide us with better control of inventory levels and help to mitigate supply chain risks while providing a meaningful contribution to delivering the highest quality nutritional products.



#### **Quarterly Income Statement Discussion**

Gross margin increased 130 basis points from the prior year to 80.9% of net sales. This increase is attributable to market mix, improved inventory management and production efficiencies, modest price increases, and reduced freight costs.

Associate Incentives increased 50 basis points from the prior year to 43.4% of net sales. The increase primarily reflects changes in market mix and a global promotion offered during the fourth quarter of 2023.

Selling, General and Administrative expenses decreased 30 basis points from the prior year to 26.5% of net sales. On an absolute basis, SG&A expenses decreased \$2.4 million compared to the fourth quarter of 2022. Lower SG&A costs can be attributed to the timing of expenses, including the capitalization of certain costs to support getting our India market open. The decrease in SG&A costs was offset, in part, by the loss of leverage on lower year-over-year sales.

The effective tax rate decreased to 37.0% during the current-year quarter compared to the 43.9% reported in the fourth quarter of 2022. For fiscal year 2023, the effective tax rate was 37.7% as compared to 36.2% for fiscal 2022. The increase in the full-year effective tax for fiscal 2023 can primarily be attributed to an unfavorable foreign currency impact on withholding tax accruals as well as a change in market mix of pre-tax income.

**Q4 2023 Regional Results:**

<b>Asia Pacific Region</b>		
<b>Net Sales</b>	\$177 million	<ul style="list-style-type: none"> <li>• -3% vs. Q4 2022</li> <li>• No meaningful FX impact</li> <li>• +4% sequentially</li> <li>• 80% of consolidated net sales</li> </ul>
<b>Active Customers</b>	383,000	<ul style="list-style-type: none"> <li>• Flat vs. Q4 2022</li> <li>• +6% sequentially</li> </ul>
<b>Asia Pacific Sub-Regions</b>		
<b>Greater China</b>		
<b>Net Sales</b>	\$116 million	<ul style="list-style-type: none"> <li>• -2% vs. Q4 2022</li> <li>• -1% constant currency vs. Q4 2022</li> <li>• +9% sequentially</li> </ul>
<b>Active Customers</b>	255,000	<ul style="list-style-type: none"> <li>• +5% vs. Q4 2022</li> <li>• +11% sequentially</li> </ul>
<b>North Asia</b>		
<b>Net Sales</b>	\$22 million	<ul style="list-style-type: none"> <li>• -10% vs. Q4 2022</li> <li>• -12% constant currency vs. Q4 2022</li> <li>• -9% sequentially</li> </ul>
<b>Active Customers</b>	48,000	<ul style="list-style-type: none"> <li>• -9% vs. Q4 2022</li> <li>• -2% sequentially</li> </ul>
<b>Southeast Asia Pacific</b>		
<b>Net Sales</b>	\$39 million	<ul style="list-style-type: none"> <li>• -4% vs. Q4 2022</li> <li>• -3% constant currency vs. Q4 2022</li> <li>• Flat sequentially</li> </ul>
<b>Active Customers</b>	80,000	<ul style="list-style-type: none"> <li>• -8% vs. Q4 2022</li> <li>• -4% sequentially</li> </ul>

Greater China: Net sales in mainland China decreased 2% on a year-over-year basis while local currency sales declined 1% year-over-year. Active Customers in mainland China increased 5% year-over-year. Sequentially, regional performance was driven by our mainland China market, where net sales increased 11% on a reported basis and 10% in local currency. The number of Active Customers increased 12% quarter-over-quarter. The sequential improvement in our China market was driven by a positive response from our sales leaders to an incentive offering during the quarter.

North Asia: Net sales and local currency sales in South Korea declined 10% and 13% year-over-year, respectively, while Active Customers declined 8%. On a sequential basis, both net sales and local currency sales declined 9%, while Active Customers declined 2%. The year-over-year and sequential declines reflect continued challenges in the local economy that reduced levels of consumer spending.

Southeast Asia Pacific: Net sales and local currency sales in Malaysia increased 5% and 7% year-over-year, respectively, while Active Customers grew 16%. These results reflect a positive response from promotional activity offered during the quarter. Sequentially, net sales and local currency sales declined 6% and 5%, respectively, while Active Customers were flat. The quarter-over-quarter sales declines reflect a relative decrease in promotional activity compared to the third quarter.

In the Philippines, net sales and local currency sales declined 22% and 23% year-over-year, while Active Customers were 30% lower. The economic environment in this market remains challenging.

Americas and Europe Region		
Net Sales	\$44 million	<ul style="list-style-type: none"><li>-1% vs. Q4 2022</li><li>-3% constant currency vs. Q4 2022</li><li>+1% sequentially</li><li>20% of consolidated net sales</li></ul>
Active Customers	100,000	<ul style="list-style-type: none"><li>-6% vs. Q4 2022</li><li>-2% sequentially</li></ul>

Americas and Europe Region: Net sales and Active Customers in the United States declined 3% and 7%, respectively, on a year-over-year basis. Sequentially, net sales increased 1% in the United States while Active Customers declined 2%. Both net sales and local currency sales in Canada decreased 5% from the prior year while Active Customers declined 6%. The economic environment in this market remains challenging. Sequentially, net sales and local currency sales in Canada increased 5% and 7%, respectively, while Active Customer growth was flat. The sequential sales increase in both the United States and Canada reflect a modest increase in promotional activity when compared to the third quarter of 2023.

### Fiscal Year 2024 Outlook

The Company is introducing net sales and earnings per share outlook for fiscal year 2024, as detailed in the table below:

Fiscal Year 2024 Outlook	
	Range
Consolidated Net Sales	\$850 - \$920 million
Diluted EPS	\$2.40 - \$3.00

Our outlook for the year reflects:

- Operating margin in the range of 8% to 9%
- Annualized diluted share count of 19.3 million
- Approximately \$25 million of net sales benefit to the first quarter of 2023 that are not expected to re-occur in the current year.
- An unfavorable modest currency exchange rate impact on net sales.
- Increased spending in India and our previously acquired businesses that are expected to negatively impact our operating margin in the near-term as we continue to invest in areas that we believe will drive future growth.
- Annual effective tax rate of approximately 38% to 40%, which is higher than historic levels and reflects the geographic mix of taxable income, including the aforementioned investments in India and previously acquired businesses.

As we begin the year, we are offering a market-specific incentive in China as part of our global incentive calendar for 2024 to support our business there and to help offset the meaningful seasonality of the Lunar New Year holiday. We are encouraged by the initial response to this incentive and we look forward to providing an update when reporting first quarter results.

## **2024 Operating Strategy**

We expect the external environment in several of our key markets to remain challenging with high inflation and other underlying economic factors that will continue to negatively impact consumer purchasing behavior. While these external factors are out of our control, we remain confident in the strength of USANA's underlying business and optimistic in both our short and long-term growth potential. Accordingly, we are focused on executing our global growth strategy, in particular, the growth of our Active Customer base across all of our regions.

We will continue to execute several key initiatives to generate growth, including: 1) Increased engagement with Associate leaders to further support expansion of their businesses; 2) Enhanced, market-specific incentive offerings that reward growth; 3) Expansion of our presence in India; 4) Product innovation and development, and; 5) Pursuit of additional acquisition opportunities.

### **Increasing engagement with our Associate leaders**

Fiscal 2023 was a year of re-engaging with our Associate leaders worldwide in-person, and in 2024 we plan to build and expand upon this initiative. We have several in-person events scheduled this year, highlighted by our Asia Pacific Convention in Malaysia, China National Sales meeting, and the Americas & Europe Convention that will be held in Las Vegas.

Growth in Active Associates is key to expanding our customer base as we recognize that our business model relies upon our independent distributors to market and sell our products. Therefore, we will focus on Active Associate growth in particular in 2024. A significant portion of our efforts will be devoted to training and education to ensure our Associates have a deep understanding of USANA's product portfolio and what differentiates our best-in-class nutritional products.

Additionally, we plan to make further enhancements to our digital tools to help drive efficiencies for our Associates as well as provide them with the necessary onboarding, training, communication and marketing resources essential for growing and managing their businesses.

**Enhancing incentive opportunities for our sales force**

Our overall incentive activity in 2023 was modest compared to the prior several years as we transitioned away from large global offerings to more market or region-specific incentives staggered throughout the year. Our promotional strategy in 2024 remains the same, although overall promotional spend is expected to increase modestly year-over-year to be in line with historic averages. Additionally, we will continue to carefully build out our Affiliate program in additional markets in 2024. This program offers a compelling opportunity for sellers, customers and social influencers to earn income in a simple and straightforward manner.

**Building and expanding our presence in India**

Having officially launched operations in 2023, our focus in 2024 is centered on establishing our brand presence in the market and working closely with our sales leaders to build and grow their teams and customer base. We will also continue to work closely with our local manufacturing team to ensure products and operational processes are running efficiently and providing the best overall customer experience. With this market being a truly organic opening, we anticipate the sales contribution from this market in 2024 to be modest, but to grow consistently over time.

**Product development**

Over the past few quarters our team has been executing on driving operational process improvements to increase efficiencies across USANA globally, particularly in our product development. These efficiencies will result in increased collaboration with our sales &marketing and research & development teams to improve product development initiatives, product innovation and faster time-to-market for new products.

**Pursuing additional acquisition opportunities**

Our efficient and low capital intensity business model generates strong cash flow, thus providing us the flexibility to invest in our core direct selling business and pursue additional acquisitions. We will continue to evaluate acquisition opportunities within the broader health and wellness space that are additive to the company's global growth strategy. Specifically, we look to identify opportunities that provide: 1) products and/or services centered on health and wellness; 2) vertical integration; 3) product and category expansion; 4) channel expansion; and 5) growth of USANA's core competencies.

In closing, USANA remains very well positioned for long-term success in the global health & wellness market due to our best-in-class nutritional products, strong balance sheet, flexible operating model and scalable platform. We are confident that successful execution of our core strategies will expand our business and drive sustainable long-term growth in net sales and earnings along with value for our stakeholders.

**Jim Brown**

President and CEO

**Douglas Hekking**

CFO

#### Safe Harbor

This Management Commentary 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, including continued inflationary pressure around the world and negative impact on our operating costs, consumer demand and consumer behavior in general; reliance upon our network of independent Associates; risk associated with governmental regulation of our products, manufacturing and direct selling business model in the United States, China and other key markets; potential negative effects of deteriorating foreign and/or trade relations between or among the United States, China and other key markets; potential negative effects from geopolitical relations and conflicts around the world, including the Russia-Ukraine conflict and the conflict in Israel; compliance with data privacy and security laws and regulations in our markets around the world; potential negative effects of material breaches of our information technology systems to the extent we experience a material breach; material failures of our information technology systems; adverse publicity risks globally; risks associated with commencing operations in India and future international expansion and operations; uncertainty relating to the fluctuation in U.S. and other international currencies; and the potential for a resurgence of COVID-19, or another pandemic, in any of our markets in the future and any related impact on consumer health, domestic and world economies, including any negative impact on discretionary spending, consumer demand, and consumer behavior in general. The contents of this Management Commentary 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. The forward-looking statements in this Management Commentary set forth our beliefs as of the date hereof. We do not undertake any obligation to update any forward-looking statement after the date hereof or to conform such statements to actual results or changes in the Company's expectations, except as required by law.



#### Non-GAAP Financial Measures

The Company prepares its financial statements using U.S. generally accepted accounting principles (“U.S. GAAP” or “GAAP”). Constant currency net sales, earnings, EPS and other currency-related financial information (collectively, “Financial Results”) are non-GAAP financial measures that remove the impact of fluctuations in foreign-currency exchange rates (“FX”) and help facilitate period-to-period comparisons of the Company’s Financial Results that we believe provide investors an additional perspective on trends and underlying business results. Constant currency Financial Results are calculated by translating the current period’s Financial Results at the same average exchange rates in effect during the applicable prior-year period and then comparing this amount to the prior-year period’s Financial Results.

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