



USANA®

Hiya Health | Acquisition Overview

NYSE: USNA

December 2024

Disclaimer

Forward-Looking Statements.

This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act, including but not limited to statements that: Hiya is fast growing; the Hiya acquisition will be accretive to USANA's 2025 adjusted EBITDA, experience net sales growth approaching 30% year-over-year in fiscal 2025, allow USANA to reach a broader audience, generate long-term growth, deliver value for USANA stakeholders, scale the Hiya brand, bring better health to children across the country and the world, enhance USANA's geographic sales mix and income tax efficiency in the near and long-term, take advantage of synergies, create efficiencies, accelerate growth and profitability, expand and diversify USANA's revenue mix, grow overall customer base, and strengthen USANA's overall financial profile; Mr. Litt and Mr. Gillman will continue to lead Hiya through its next phase of growth; Hiya will have a clear pathway and growth strategy to become the #1 children's wellness platform through new product introductions, channel expansion, and geographic expansion; and other forward-looking statements. These forward-looking statements are based on current plans, expectations, estimates, forecasts, and projections as well as the beliefs and assumptions of management. Words such as "expect," "vision," "envision," "evolving," "drive," "anticipate," "intend," "maintain," "should," "believe," "continue," "plan," "goal," "opportunity," "estimate," "predict," "may," "will," "could," and "would," and variations of these terms or the negative of these terms and similar expressions are intended to identify these forward-looking statements. Our actual results could differ materially from those projected in these forward-looking statements, which involve a number of risks and uncertainties, many of which involve factors or circumstances that are beyond our control, including: risks that the acquisition disrupts each company's current plans and operations; the diversion of the attention of the management teams of USANA and Hiya from ongoing business operations; the ability of to retain key personnel of Hiya; the ability to realize the benefits of the acquisition, including efficiencies and cost synergies; the ability to successfully integrate Hiya's business with USANA's business, at all or in a timely manner; the amount of the costs, fees, expenses and charges related to the acquisition; 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 that our Associate compensation plan, or changes that we make to the compensation plan, will not produce desired results, benefit our business or, in some cases, could harm our business; 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.

Industry and Market Data.

Certain information contained in this presentation relates to or is based on studies, publications, surveys and other data obtained from third-party sources and the Company's own internal estimates and research. While the Company believes such third-party sources to be reliable as of the date of this presentation, it has not independently verified, and makes no representation as to the adequacy, fairness, accuracy or completeness of, any information obtained from third-party sources. In addition, all of the market data included in this presentation involves a number of assumptions and limitations, and there can be no guarantee as to the accuracy or reliability of such assumptions. Finally, while the Company believes its research is reliable, such research has not been verified by any independent source.

Non-GAAP Financial Measures.

The Company prepares its financial statements using U.S. generally accepted accounting principles ("GAAP") and investors should not directly compare with or infer relationship from any of the Company's operating results presented in accordance with GAAP to the LTM adjusted EBITDA of Hiya. Adjusted EBITDA is a Non-GAAP financial measure of earnings before interest, taxes, depreciation, and amortization that excludes certain adjustments as indicated in the reconciliation from net income provided herein. We believe that this non-GAAP financial information of Hiya may be helpful to investors as an indication of future cash flow generation. Non-GAAP financial measures have limitations in their usefulness to investors because they have no standardized meaning prescribed by GAAP and are not prepared under any comprehensive set of accounting rules or principles. In addition, other companies, including companies in our industry, may calculate similarly titled non-GAAP financial measures differently or may use other measures to evaluate their performance, all of which could reduce the usefulness of non-GAAP financial information as a tool for comparison. As a result, the non-GAAP financial information of Hiya is presented for supplemental informational purposes only and should not be considered in isolation from, or as a substitute for financial information presented in accordance with GAAP.

USANA Management Team



JIM BROWN

Chief
Executive Officer



DOUG HEKKING

Chief
Financial Officer



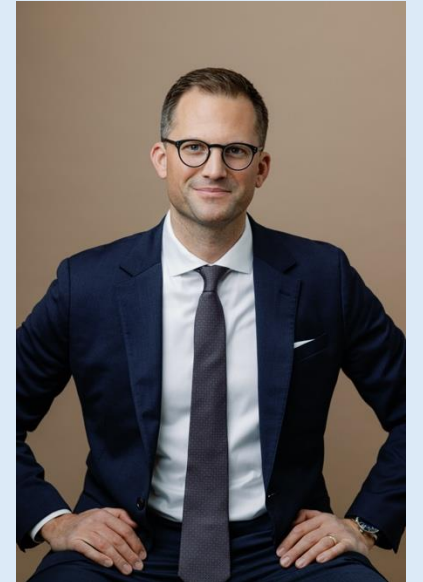
WALTER NOOT

Chief
Operating Officer



JOSH FOUKAS

Chief
Legal Officer



BRENT NEIDIG

Chief
Commercial Officer

Hiya Is a Compelling Strategic Fit

1 Accelerates USANA's Vision of Creating the Healthiest Family on Earth

2 Increases Sales and Profitability

3 Hiya's Direct-to-Consumer Model Adds a Diversified Layer of Growth

4 Strengthens USANA's Financial Profile

5 Expands USANA's Business in the United States

Hiya Accelerates USANA's Vision



Aligned
Company
Visions

Creating the Healthiest
Family on Earth



High-Quality,
Premium
Products

Commitment to Innovative,
Premium Nutrition and Wellness
Products



Health-Focused
Customer Base

Increases Active
Customer Base



Children's
Wellness
Category

Immediate Impact In The
Children's Nutrition Market

The Hiya Management Team

Experienced, driven, disciplined, creative

DARREN LITT



CEO,
Co-Founder

Successful entrepreneur
Previously founded
MarketerHire and GoLive!
Mobile

2024 Ernst & Young
Entrepreneur of the Year
award.

BS, UC Berkeley
JD, UCLA Law School

ADAM GILLMAN



President, COO,
Co-Founder

Oversees, directs and
manages the day-to-day
operations

Previously was the CMO of
GoLive! Mobile

BS, USC School of Business

CORINNE CROCKETT



Chief Marketing Officer

Leads all aspects of marketing

Led Marketing teams at
high-growth startups for 15
years, including Outer, Thrive
and Match.com

BA, UCLA

MBA, UC Berkeley Haas School
of Business

JOE BARGER



Chief Revenue Officer

Focuses on customer
retention, data and net
LTV optimization

Previously ran Business
Intelligence and Operations at
PrettyLitter

BA, Michigan State, Eli Broad
School of Business

BONNIE HICK



Chief Financial Officer

Oversees financial planning
and accounting

Previously worked as a
fractional consulting CFO and
eight years at KPMG as an
auditor

BA, Master of Professional
Accounting, University of Texas
CPA issued in 2011

Hiya is Reimagining Children's Health and Wellness



FOUNDED in 2020 with the vision of bringing “better-for-you” to children’s health and wellness products.

HIYA’S next-generation products deliver clean, honest ingredients that discerning parents demand, combined with great taste and high engagement that kids love!

Hiya’s “Kidsperience” removes the traditional barriers to better nutrition by making healthy habits fun and interactive for kids.

Leading The Way in Children's Health and Wellness

81%

of consumers that say it's important to them to purchase clean-label products⁽¹⁾

72%

of consumers looking to reduce sugar intake or avoid it entirely⁽¹⁾

65%

of consumers that purchase better-for-you products⁽¹⁾

Incumbent Brands

Food & Beverage

Hygiene & Personal Care

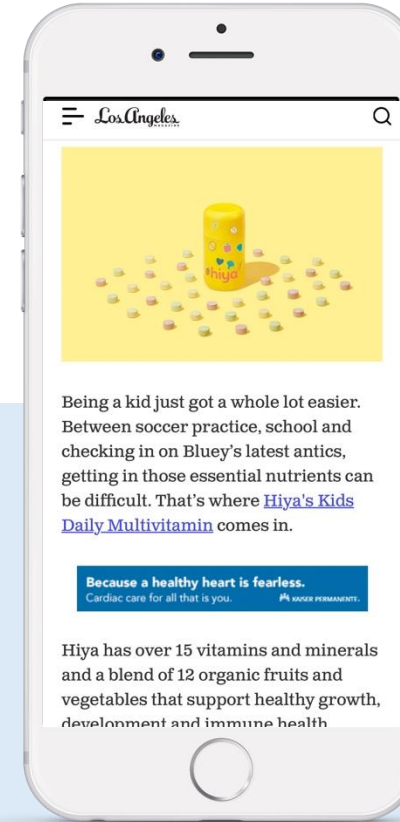
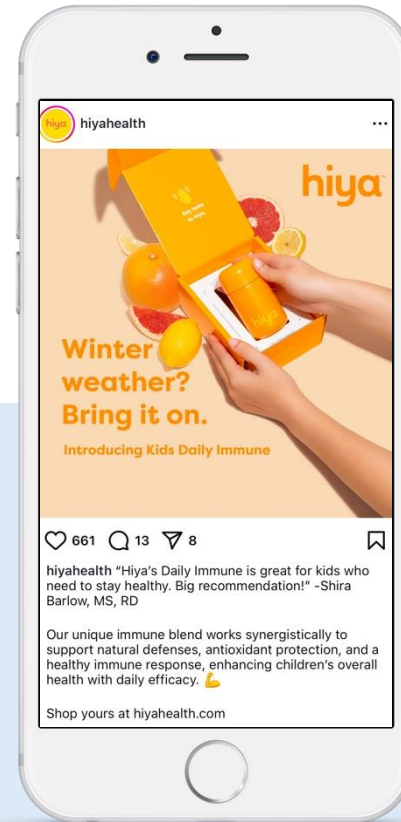
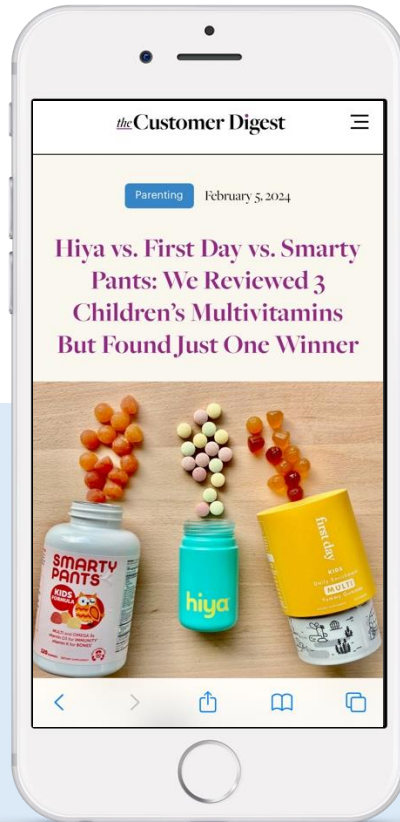
Children's Wellness

Better-for-You Brands



Diversified Marketing

Influencers
Collaborations
Podcasts
Instagram
Google
Facebook



Tik Tok
Meta
Advertorial
Branded Ads
Direct Mail
Display Ads



The Hiya Subscription Model



PREDICTABLE REVENUE

Subscriptions provide a steady, predictable income stream, making it easier to manage cash flow and plan for growth



STRONG CUSTOMER RELATIONSHIPS

The ongoing nature of subscriptions fosters stronger relationships with customers by making it easier for them to receive products regularly, which leads to higher retention rates and loyalty



COST EFFICIENCIES

Hiya's subscription business model focuses on retaining existing subscribers, which lowers expenses on acquiring new customers



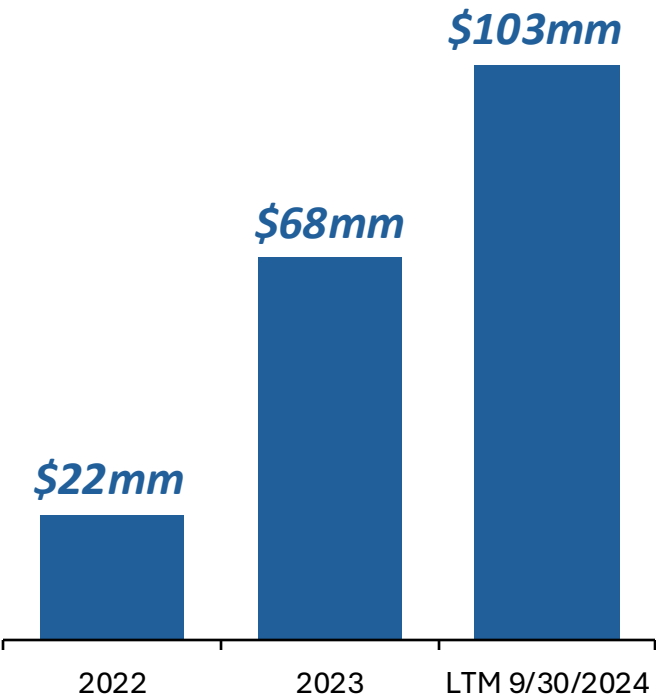
OPERATIONAL BENEFITS

Hiya's subscription model provide rich data on customer preferences and behaviors, which enables personalized offerings, efficient marketing and data-driven innovation insights

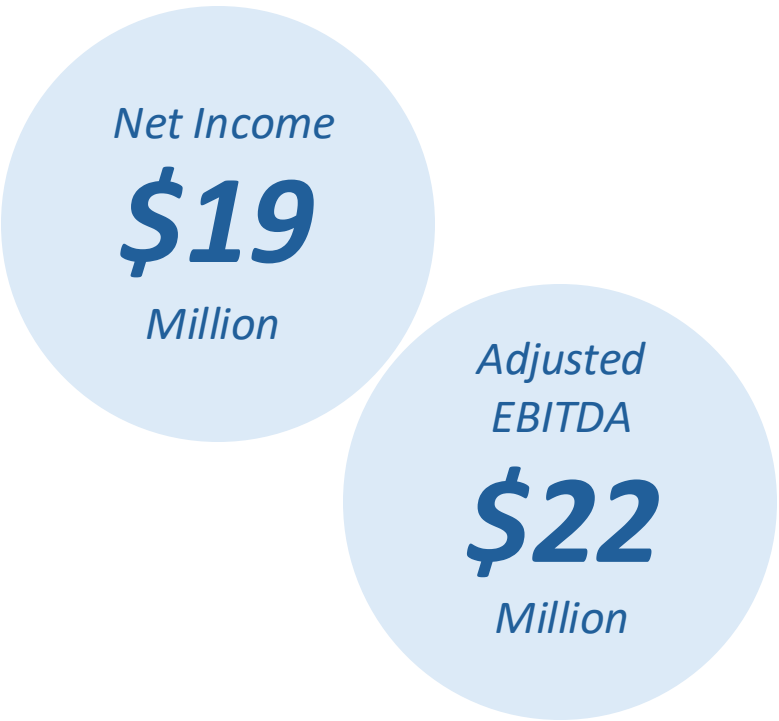
Rapid Growth With Strong Financials

Hiya's Subscription Model Features Attractive Margins and Cash Flow Generations

Net Sales



Net Income / Adjusted EBITDA ⁽¹⁾



Customers ⁽²⁾



Future Hiya Growth Initiatives



Immediate and Long-Term Upside

Hiya Immediately
Positions USANA as a
Leader In The Attractive,
Growing Children's Health
and Wellness Category

Long-Term Tailwinds In Children's Health & Wellness

\$9.9B

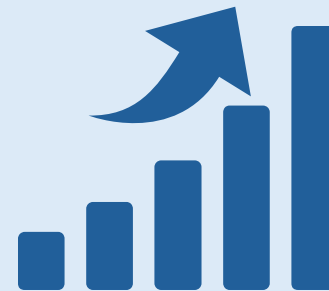
Annual Sales⁽¹⁾

Large Category

7.0%

Sales CAGR⁽²⁾

Healthy Long-Term Trends



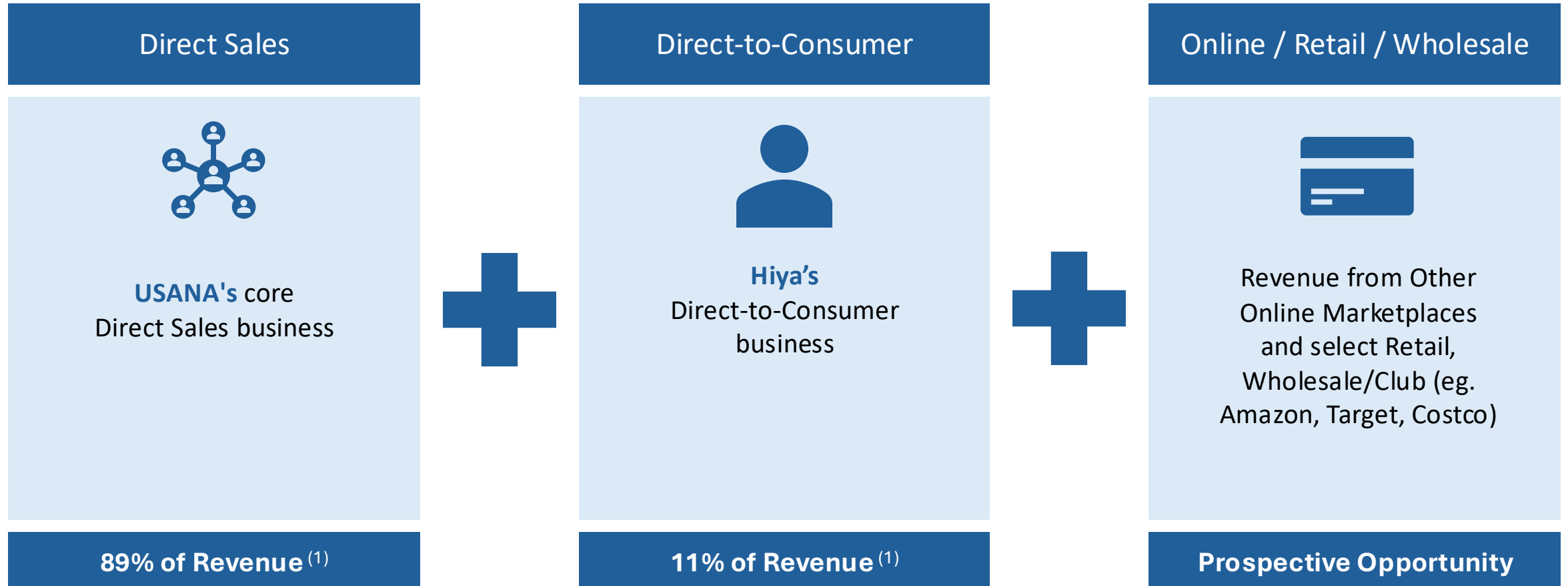
8.1%

DTC Sales CAGR⁽²⁾

Growing Faster than other VMS
Distribution Channels

Strengthens Revenue and Expands Customer Base

Estimated Pro Forma Revenue by Sales Channel



Transaction Overview

Structure and Consideration

- Transaction enterprise value of \$260mm¹
- Of the \$260mm enterprise value, USANA paid the sellers \$205mm cash at closing for a 78.8% ownership interest with the sellers rolling \$55mm of equity representing a 21.2% ownership interest
- Put/Call features in the transaction structure provide for the potential acquisition of remaining rollover equity
- Funded the \$205mm acquisition, related transaction costs and initial working capital needs through \$200mm of cash reserves and a draw of \$23mm on its credit facility
- Hiya's co-founders and management team will remain in place

Income Statement

- Combined Net Sales in excess of \$960mm for the LTM 9/30/2024 period (unaudited)
- Accretive to FY2025 Adjusted EBITDA
- Presented numbers do not reflect potential synergies although longer-term benefits are expected given overlap in business activities

Transaction Exemplifies USANA's Approach To Disciplined Capital Allocation



Strong Cash Generation

Enables Continued Reinvestment in Organic Growth Initiatives



Attractive Margins

Strengthens USANA's Financial Profile



DTC Subscription Model

Large and Growing Subscriber Base



Reduced Effective Tax Rate

Opportunity to Reduce USANA's Effective Tax Rate with Improved Domestic Profitability



Financially Accretive

Immediately Accretive to Adjusted EBITDA



Balance Sheet Strength

Leverage: 0.2x Net Debt/Adjusted EBITDA⁽¹⁾



USANA[®]



hiya[™]

Non-GAAP Reconciliation



(Unaudited)

	Last Twelve Months (\$000's)
	30-Sep-24
Net income	\$ 19,416
<u>Definitional Adjustments:</u>	
Interest expense	143
Depreciation and amortization	38
Income tax expense	80
EBITDA before Adjustments	19,677
<u>Adjustments to EBITDA:</u>	
Transaction expenses and other non-recurring items	760
Non-operational costs	566
Normalizations	321
Timing adjustments	212
Management compensation	142
Adjusted EBITDA	\$ 21,678