

# FEEL THE POWER

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Investor Presentation | November 2023



# SAFE HARBOR STATEMENTS

## Cautionary Note Regarding Forward-Looking Statements

This presentation contains forward-looking statements regarding the Company's future business expectations, which are subject to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements may include, but are not limited to, statements relating to our objectives, plans, strategies and financial results, including expected improvement in gross profit and gross margin. All statements (other than statements of historical fact) that address activities, events or developments that we intend, expect, project, believe or anticipate will or may occur in the future are forward-looking statements. These statements are often characterized by terminology such as "believe," "hope," "may," "anticipate," "should," "intend," "plan," "will," "expect," "estimate," "project," "positioned," "strategy" and similar expressions, and are based on assumptions and assessments made in light of our experience and perception of historical trends, current conditions, expected future developments and other factors we believe to be appropriate. Forward-looking statements are not guarantees of future performance and are subject to risks and uncertainties, including the following: adverse impacts of the global COVID-19 pandemic; laws and regulations regarding direct selling may prohibit or restrict our ability to sell our products in some markets or require us to make changes to our business model in some markets; extensive government regulations to which the Company's products, business practices and manufacturing activities are subject; legal challenges to the Company's direct selling program or to the classification of its independent distributors; impact of anti-bribery laws, including the U.S. Foreign Corrupt Practices Act; the Company's ability to attract and retain independent distributors; the loss of one or more key independent distributors who have a significant sales network; the Company's joint venture for operations in China with Fosun Industrial Co., Ltd.; registration of products for sale in foreign markets, or difficulty or increased cost of importing products into foreign markets; cybersecurity threats and exposure to data loss; the storage, processing, and use of data, some of which contain personal information, are subject to complex and evolving privacy and data protection laws and regulations; reliance on information technology infrastructure; the effect of fluctuating foreign exchange rates; liabilities and obligations arising from improper activity by the Company's independent distributors; failure of the Company's independent distributors to comply with advertising laws; changes to the Company's independent distributor compensation plans; geopolitical issues and conflicts; negative consequences resulting from difficult economic conditions, including the availability of liquidity or the willingness of the Company's customers to purchase products; risks associated with the manufacturing of the Company's products; uncertainties relating to the application of transfer pricing, duties, value-added taxes, and other tax regulations, and changes thereto; changes in tax laws, treaties or regulations, or their interpretation; actions on trade relations by the U.S. and foreign governments; product liability claims; the sufficiency of trademarks and other intellectual property rights; and our cannabidiol (CBD) product line is subject to varying, rapidly changing laws, regulations, and rules.

These and other risks and uncertainties that could cause actual results to differ from predicted results are more fully detailed under the caption "Risk Factors" in our reports filed with the Securities and Exchange Commission, including our Annual Report on Form 10-K and Quarterly Reports filed on Form 10-Q.

All forward-looking statements speak only as of the date of this presentation and are expressly qualified in their entirety by the cautionary statements included in or incorporated by reference into this presentation. Except as is required by law, the Company expressly disclaims any obligation to publicly release any revisions to forward-looking statements to reflect events after the date of this presentation.

## Non-GAAP Financial Measures

We have included information which has not been prepared in accordance with generally accepted accounting principles (GAAP), such as information concerning non-GAAP net income and Adjusted EBITDA. We utilize the non-GAAP measures of non-GAAP net income and Adjusted EBITDA in the evaluation of our operations and believe that these measures are useful indicators of our ability to fund our business. These non-GAAP financial measures should not be considered as an alternative to, or more meaningful than, U.S. GAAP net income (loss) as an indicator of our operating performance. Other companies may use the same or similarly named measures, but exclude different items, which may not provide investors with a comparable view of Nature's Sunshine Products' performance in relation to other companies. We have included a reconciliation of Net Income to Adjusted EBITDA, the most comparable GAAP measure. We have also included a reconciliation of GAAP net income to Non-GAAP net income and Non-GAAP Adjusted EPS, in the appendix. We believe presenting the impact of foreign currency fluctuations is useful to investors because it allows a more meaningful comparison of net sales of our foreign operations from period to period. Net sales excluding the impact of foreign currency fluctuations should not be considered in isolation or as an alternative to net sales in U.S. dollar measures that reflect current period exchange rates, or to other financial measures calculated and presented in accordance with U.S. GAAP.



# NATURE'S SUNSHINE FEEL THE POWER...

**Global natural health and wellness** company operating in 40 markets with 50+ years of experience as herbal experts

**Robust product portfolio** of 800+ products across six different categories

**Fully integrated model** – in-house R&D, procurement, testing and manufacturing capabilities ensure the highest product quality and sustainability

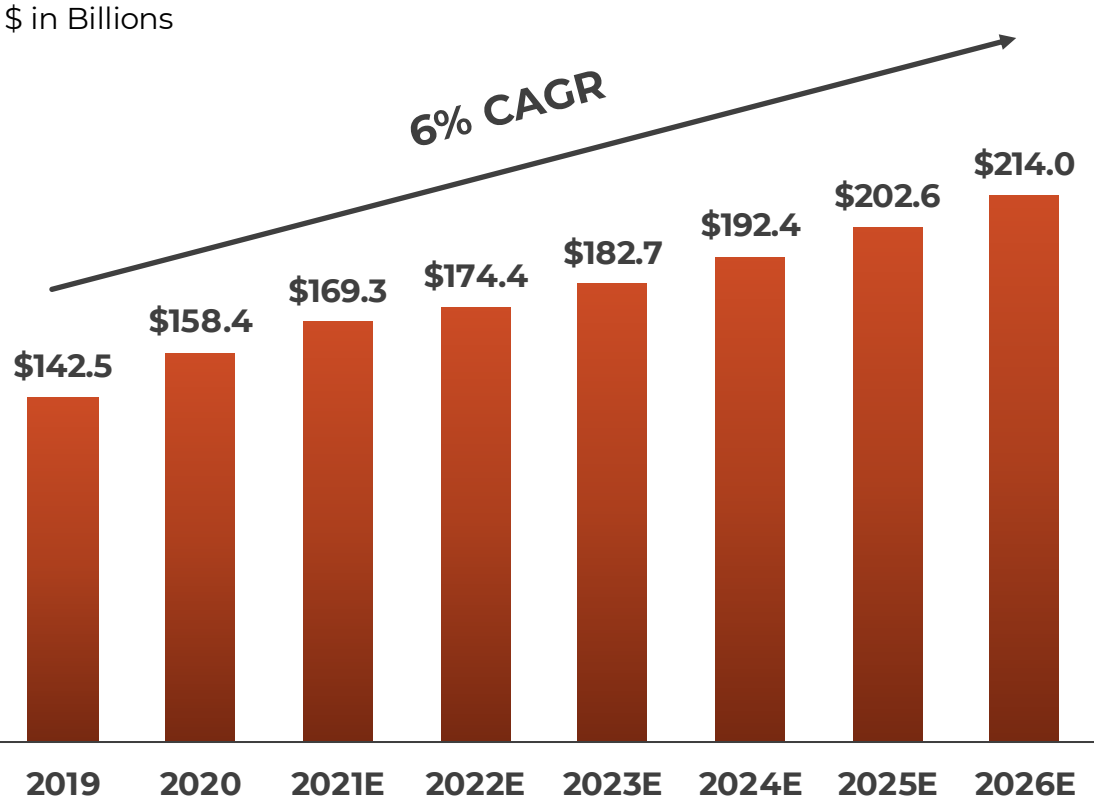
**Advanced digital tools and selling techniques**, and a passionate, well-trained international salesforce

**Tremendous growth opportunity** in digital channels

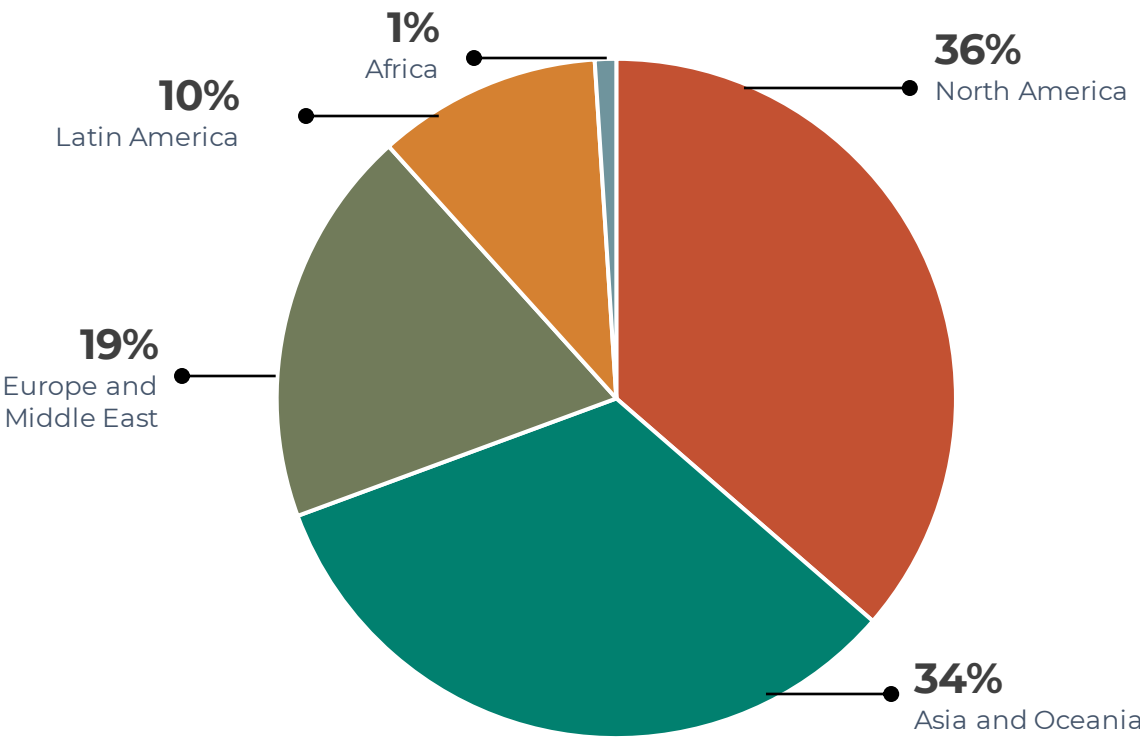


# WE ARE COMPETING IN A LARGE & STEADILY GROWING MARKET GLOBALLY...

Global Supplement<sup>1</sup> Industry Sales<sup>2</sup>



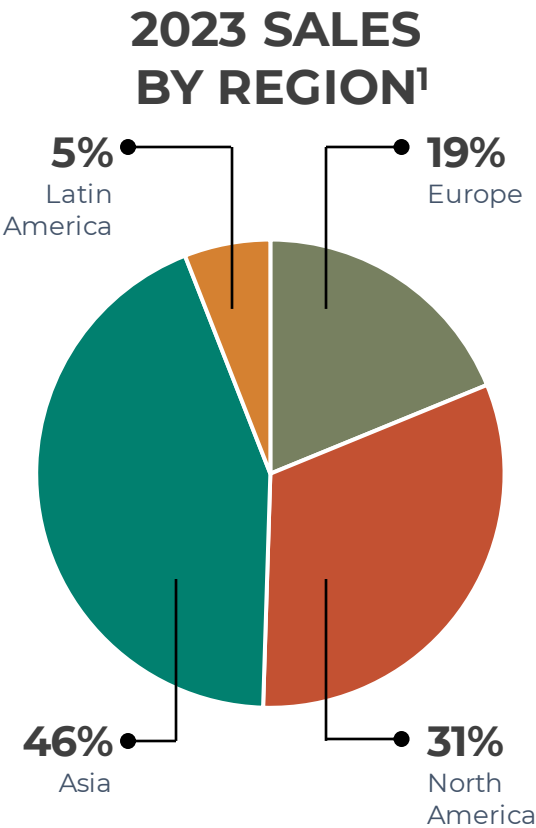
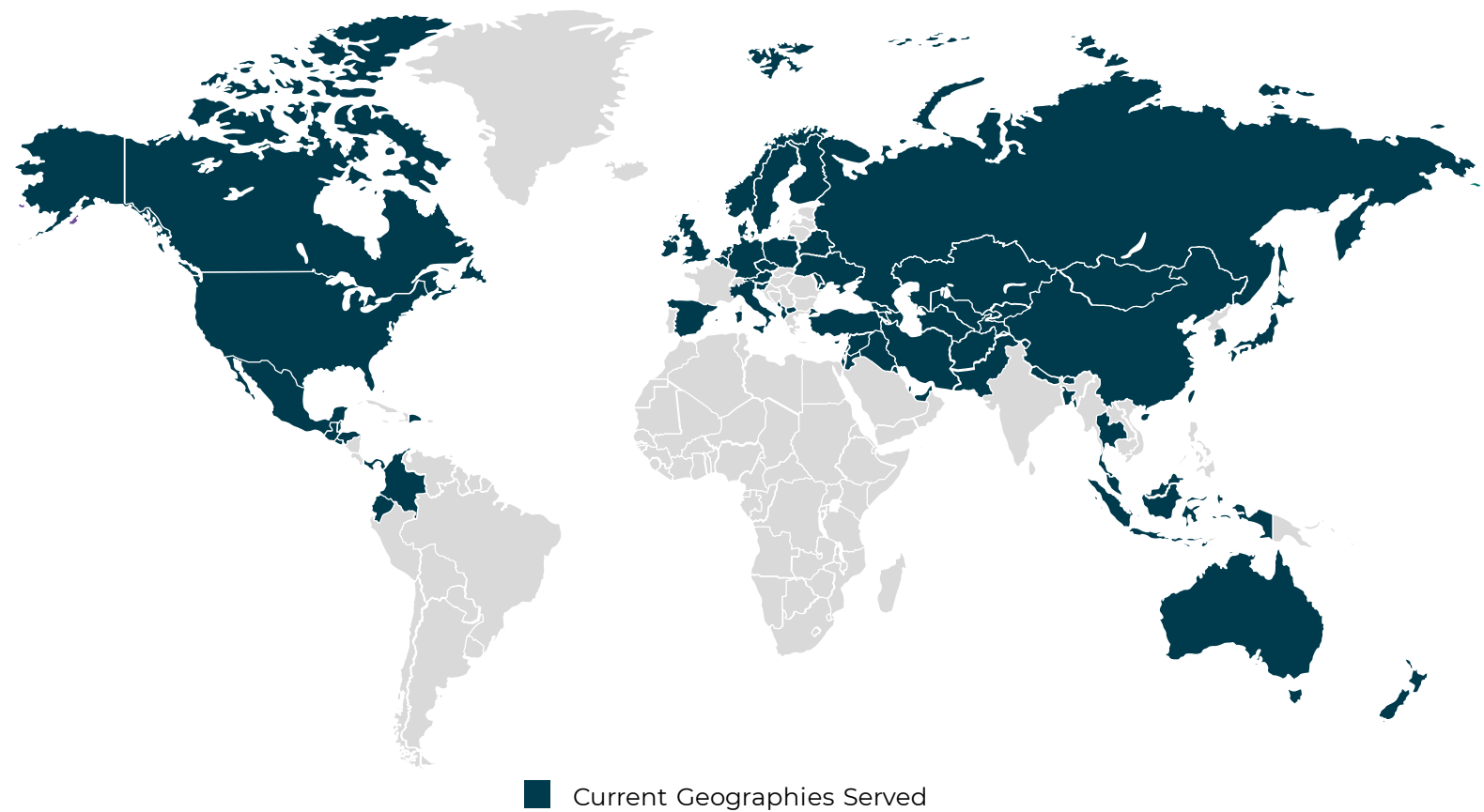
Global Supplement Sales by Region, 2023<sup>2,3</sup>



<sup>1</sup>Supplements include vitamins, herbs & botanicals, sports nutrition, meal supplements, minerals and specialty/other.  
<sup>2</sup> 2023 NBJ Supplement Business Report.  
<sup>3</sup> May not foot due to rounding.

# GLOBAL PRESENCE

Serving 40 Markets Globally



<sup>1</sup>TTM September 30, 2023, may not foot due to rounding.

# ATTRACTIVE END CUSTOMER PROFILE

We provide effective, high-quality natural solutions to ensure health and longevity

**Customers are attracted to our decades long experience of developing products that are pure, potent, and proven**

## Highly Specialized & Robust Product Offering





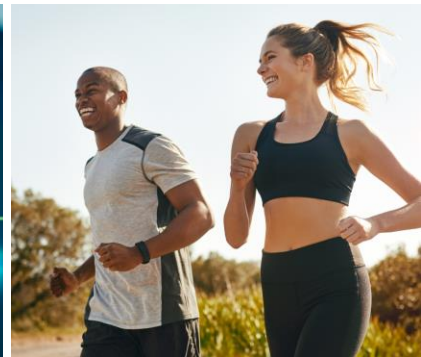

- Created in nature and rooted in science
- Premium quality ingredients
- Differentiated sourcing and manufacturing capabilities

## Trusted Brand to the Avid Consumer

- Our customers care deeply about discovering premium solutions for their health and wellness needs
- Our product offering and capabilities attract a knowledgeable customer base that is drawn to our high level of sophistication and differentiation



# OUR DIVERSE PRODUCT PORTFOLIO

					
Digestive	General Health	Cardiovascular	Immune	Sports / Energy	Weight Management
Regulate intestinal and digestive functions in support of the human digestive system	Blood sugar support, bone health, cellular health, cognitive function, joint health, mood, sexual health, sleep, sports & energy, and vision	Combine a variety of superior heart health ingredients to give the cardiovascular system optimum support	Support and strengthen the human immune system	Supports optimal muscle growth, exercise recovery and physical endurance	Healthy meal replacements and products that increase caloric burn rate
% of 2023 Sales <sup>1</sup>					
22%	20%	18%	8%	8%	4%

<sup>1</sup>May not foot due to rounding, represents YTD sales as of Sept. 30th.



# OUR IN-HOUSE MANUFACTURING DRIVES HIGHEST-QUALITY PRODUCTS



Highest quality raw ingredients for bioavailability



600+ tests to ensure each formula does exactly what's intended



Strict compliance with FDA standards



**NSP Labs:** state-of-the-art, 270,000 sq. ft. manufacturing facility in Spanish Fork, UT



**Hughes Center for Research & Innovation:** 5,400 sq. ft. office, lab and clinical space in Lehi, UT



## CERTIFICATIONS

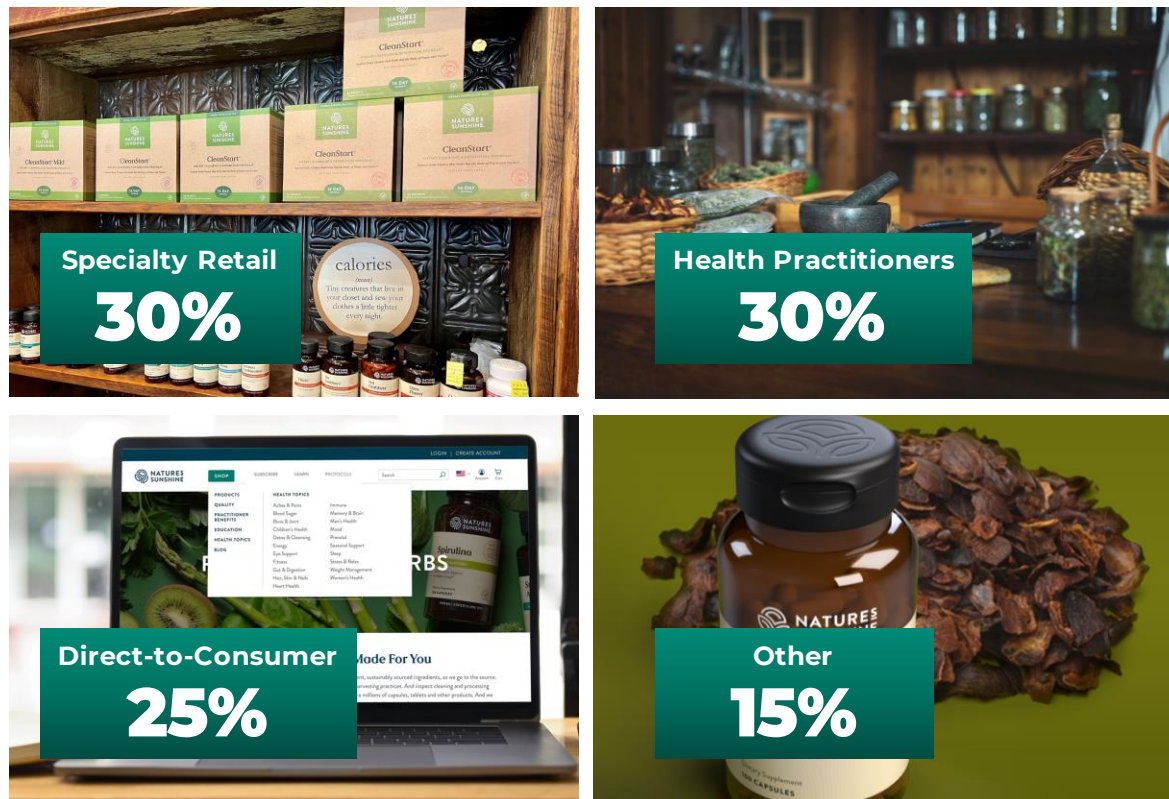




# WE SELL THROUGH AN OMNI-CHANNEL PLATFORM

Our diverse, omni-channel platform is a significant competitive advantage

## Estimated 2023 North America Revenue Distribution<sup>1</sup>



## Differentiated Seller with Omnichannel Platform

### Digital (Direct-to-Consumer)

- Company-owned websites
- Amazon

### Health Professionals

- Nutritionists, herbalists, chiropractors, and herbal healers

### Specialty Retail

- Nutrition focused omni-channel retailers

### Other Distributors

- A mix of traditional direct selling specialists

<sup>1</sup>Company estimates, subject to a broad range.

# OUR THREE GLOBAL GROWTH STRATEGIES



## DIGITAL **FIRST**

Drive sustainable, profitable sales growth through digital channels



## FIELD **ENERGY**

Recruit and develop a new generation of distributors that are young, passionate and dedicated to sharing the healing power of nature



## BRAND **POWER**

Drive customer acquisition and reactivation with best-in-class products, innovation and branding that resonates with consumers



# **1 DIGITAL FIRST**

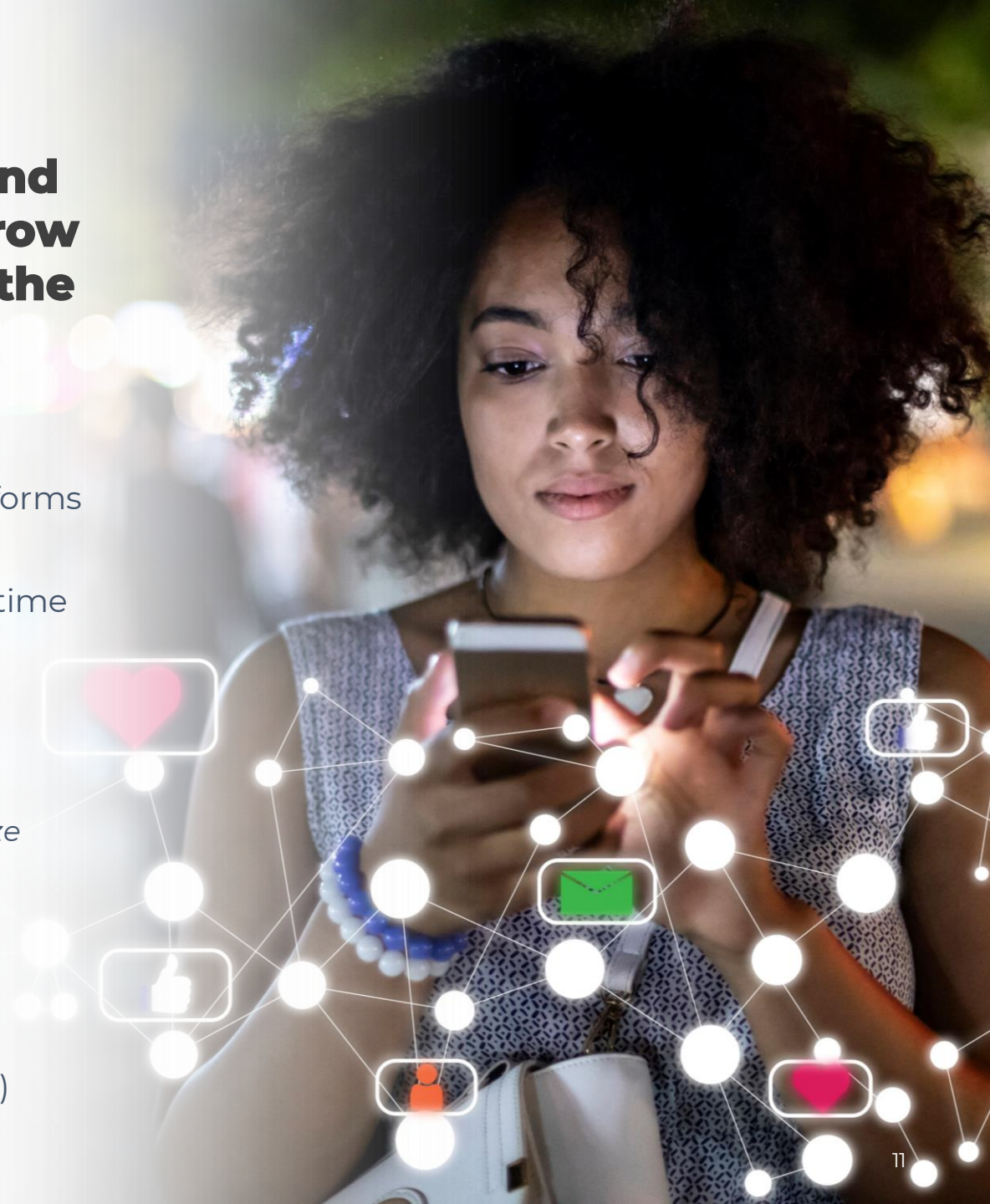
**Increase customer engagement, loyalty, and affinity with Digital tools in all markets. Grow North America Digital sales to be 50%+ of the business**

## **How?**

- Build a profitable, high-growth Digital business utilizing our own website, digital/social marketing, CRM, and seller platforms
- Develop digital toolkit and community
- Leverage data and analytics to drive customer acquisition, life-time value, and customer satisfaction

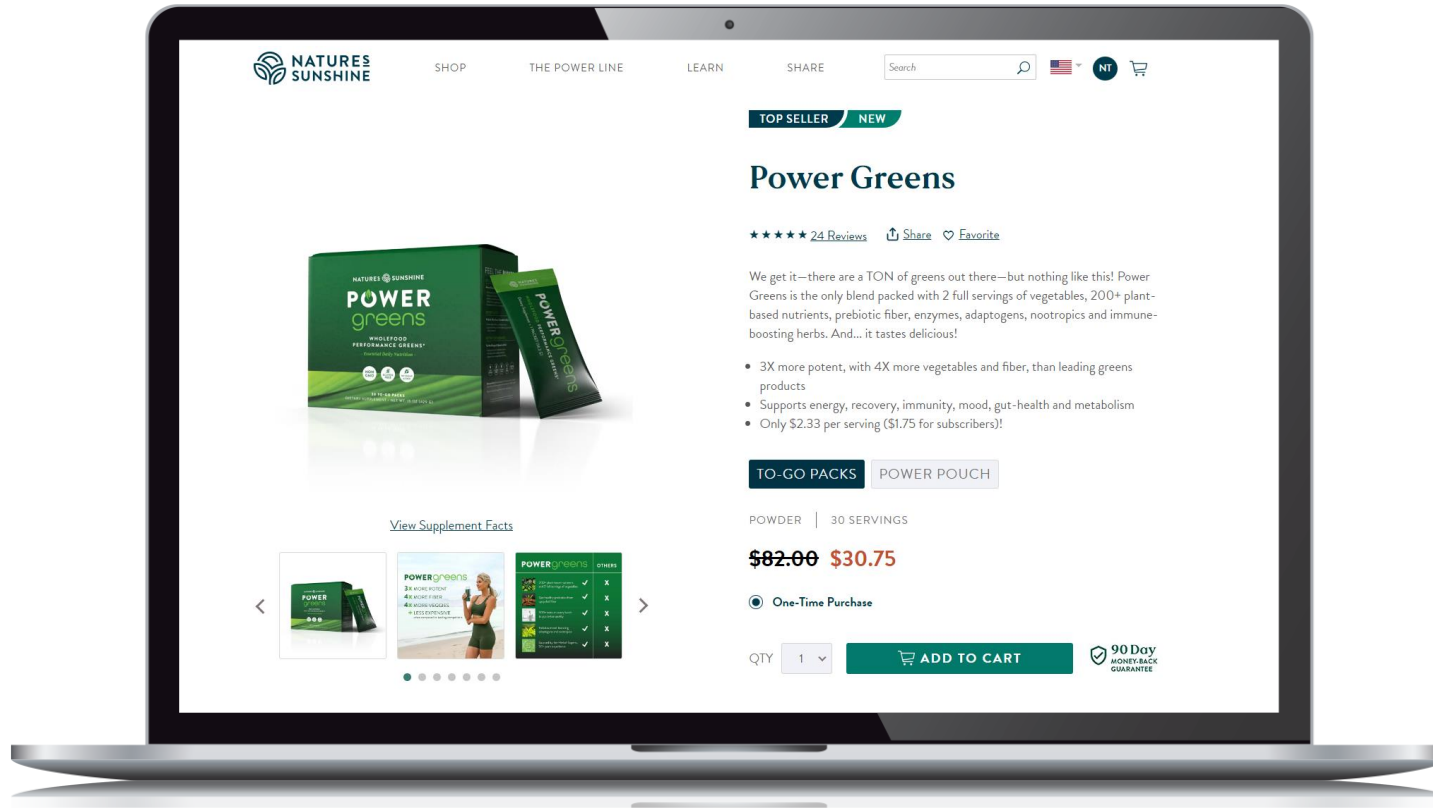
## **Our Approach**

- We are managing for both growth and profitability
  - ✓ *Proactively managing marketing spend and trends to maximize return on investment*
  - ✓ *Digital is our most profitable channel*
- Building digital marketing campaigns that drive customer acquisition and reactivation
- Leveraging subscription program to drive retention and yield recurring revenue stream (60% of digital sales are subscription)





# DIGITAL FIRST IN ACTION – SUBSCRIPTION PROGRAM



## Our Subscribe & Thrive program provides a win-win

### Great for Customers

- Ease of use; no need for reminders
- Real cost savings
- Personalization
- Improved health through consistent use

### Great for Business

- Predictable, recurring revenue stream
- Repeat orders up 50%+
- Significant increase in life-time value
- Subscribe & Thrive represents 25%+ of orders in North America and 50%+ of orders in Japan



## **2** FIELD ENERGY

### **Managing the details to ensure a magical consumer experience**

#### **How?**

- Developing tools and systems to encourage repeat purchases
- Leveraging digital capabilities to increase reach and efficiency of selling and training campaigns
- Focusing on key demographic opportunities with targeted, superior product offerings

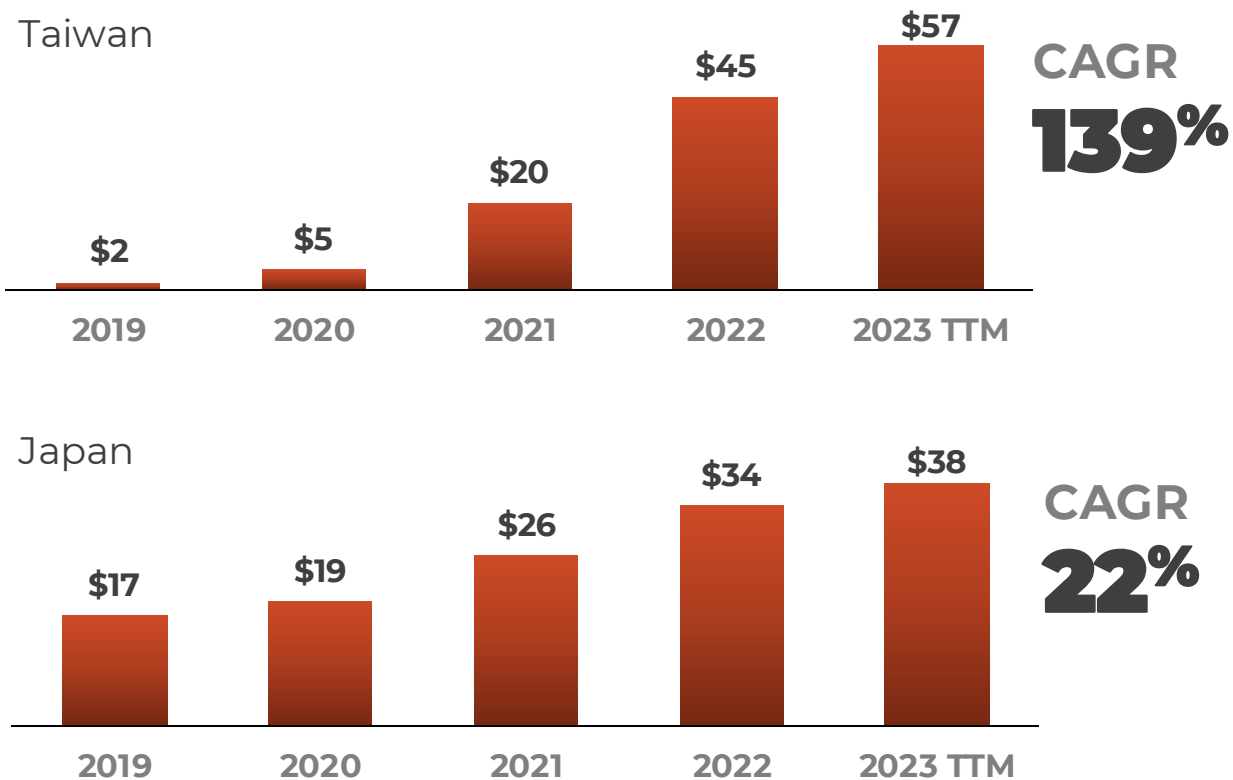
#### **Our Approach**

- Emphasis on field fundamentals and analytics
- Recruited, empowered, strong, passionate leadership
- Validated focused approach in Taiwan and Japan
- Revitalized selling toolkit



## 2 FIELD ENERGY IN ACTION – STRONG GROWTH IN ASIA

### Asia Revenue<sup>1</sup> Growth



- Results in Taiwan and Japan over the last five years demonstrate the power of our Field Energy framework, tools, and processes
  - ✓ Attracting young, passionate consumers
  - ✓ Focusing on key demographic opportunities
  - ✓ Leveraging a superior and focused product portfolio
  - ✓ Strong adoption of Subscribe & Thrive
  - ✓ Utilizing digital tools, training, and key events to drive results
- Strong growth driven by passionate leadership and a structured pattern for new customer acquisition
- Provides a framework for expansion in SE Asia
- Leveraging Digital and other live-streaming tools to increase reach, improve productivity, and capture the market opportunity in China

<sup>1</sup>In constant currency rates, \$millions.





## BRAND POWER

### **Capturing the imagination of distributors & customers with best-in-class product innovation and “rockstar” branding**

#### **How?**

- Revolutionizing our product lineup with foundational nutritional products designed to provide superior results that you can feel AND that taste great
- Leveraging our products through full-funnel digital, social, and influencer channels
- Revitalizing our brand with new packaging & advertising

#### **Our Approach**

- Expanding Power Line (Power Greens, Power Beets, Power Meal, and personalized Power Packs)
- Introducing new packaging, company positioning, labels and color schemes
- Implementing the “Feel Nature’s Power” Ad Campaign



# 3

## BRAND POWER IN ACTION – POWER LINE LAUNCH

### Product Strategy

- Foundational nutritional products that everyone needs everyday
  - ✓ *Power Greens*
  - ✓ *Power Beets*
  - ✓ *Power Meal*
  - ✓ *Personalized Power Packs*
- Products designed and manufactured to be superior to competitive products on the market
- Launched with full-funnel digital and social marketing campaigns to drive customer acquisition, reactivation, and brand awareness
- Consumers can “Feel the Difference” of our products
- Launched in North America in 2023. Full European launch planned for early 2024





# 3

## BRAND POWER IN ACTION – POWER LINE CAMPAIGN



# MANAGEMENT TEAM



**Terrence Moorehead**  
CEO

25+ years of experience in the retail consumer products industry, including several leadership positions at Avon products

Previously CEO of Carlisle Etcetera and Dana Beauty

Significant expertise in DTC and business transformation



**Shane Jones**  
CFO

25+ years of leadership experience in retail, consumer products, and eCommerce industry

Previously served as CFO at four different private equity owned, direct-to-consumer companies

Served in various senior leadership roles at Amazon.com, Limited Brands, and Yum! Brands



**Sarah Crockett**  
CMO

20+ years of experience in senior marketing positions with a track record in building lifestyle and digital brands

Previously served as CMO at Dickies, Backcountry.com and Burton Snowboards

Served in various senior leadership roles at REI, Vans, Lucky Brand and Von Dutch



**Martin Gonzalez**  
EVP, Global Supply Chain

Served most recently as VP of Operations at Bowery Farming

30+ years of experience in operations with Unilever, Molson Coors/SABMiller and Sara Lee



**Bryant Yates**  
EVP/President, Europe

Served in various leadership capacities with Nature's Sunshine since 1999

Opened Nature's Sunshine's markets in Eastern Europe and led significant international expansion



**Dan Norman**  
EVP/President, Asia Pacific

Extensive experience in the network marketing industry and deep IT background

Previously opened businesses in more than two dozen countries across the globe



**Kevin Herbert**  
EVP/President, North America

25+ years of experience in senior leadership positions for companies like Samsung, Borden and Procter & Gamble.

Led Crossmark's Natural Specialty channel to significant year over year growth.



# CAPITAL ALLOCATION PLAN

**Strong cash flow will allow us to continue to invest in our growth strategies.**

**We're well-positioned to drive shareholder value.**

## Capital Allocation Plan

\$2.2M in shares repurchased at an average cost of \$12.35 per share in 2023 – \$21.8M remaining as of Sept. 30, 2023

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Investment in process improvement and supply chain

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Ongoing investment in organic growth opportunities

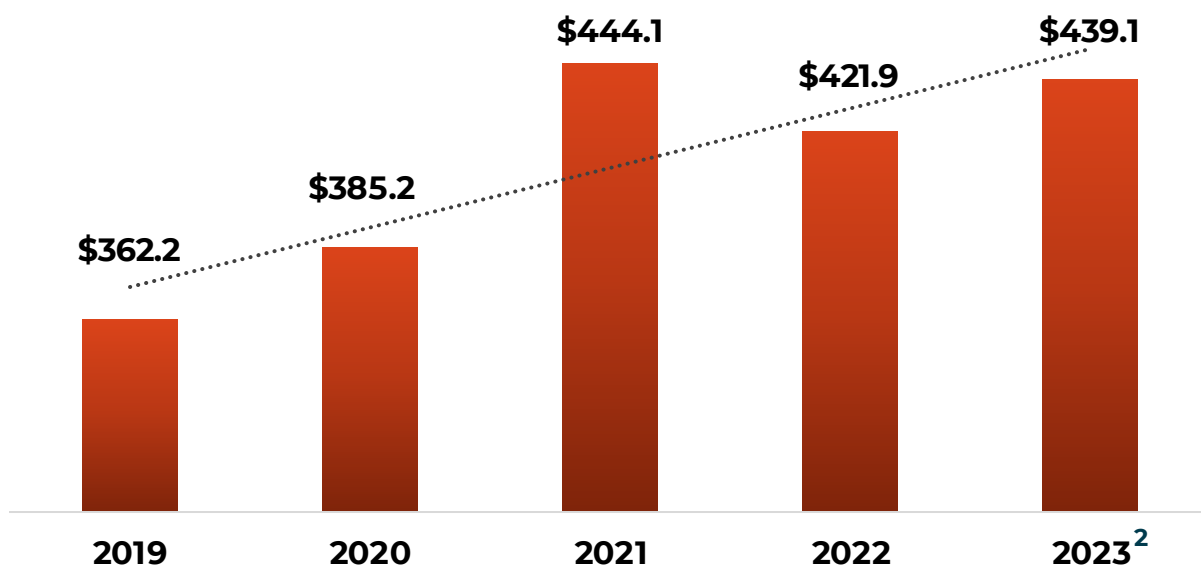
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Strategic M&A

# HISTORICAL FINANCIAL PERFORMANCE

## Revenue

\$ in Millions

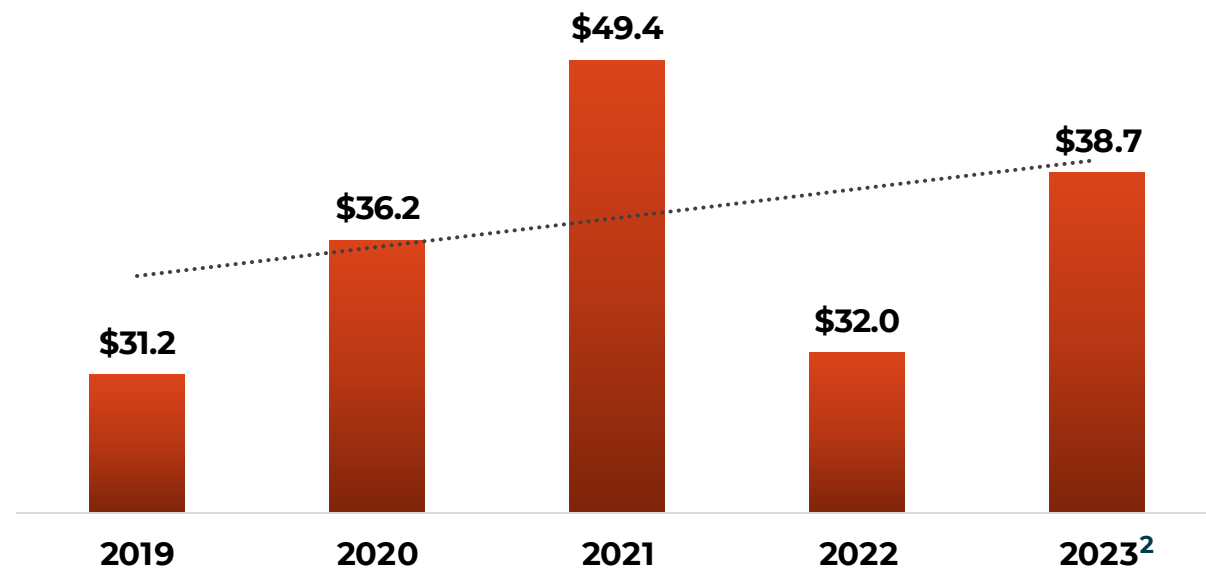


### Revenue Accelerant Opportunities

- Expansion into Digital channels
- Stronger regional-focused sales teams
- International market growth
- New products

## Adj. EBITDA<sup>1</sup>

\$ in Millions



### Margin Drivers

- Raw material optimization
- Drive manufacturing efficiencies, removing waste
- Logistics and transportation efficiencies
- SG&A cost efficiencies

<sup>1</sup>See appendix for a reconciliation of this non-GAAP term. <sup>2</sup>TTM September 30, 2023



# 2023 FINANCIAL OUTLOOK

## Full Year Guidance

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**\$443M - \$451M**

Net Sales Guidance

**\$37M - \$40M**

Adj. EBITDA Guidance

# WHY NATURE'S SUNSHINE?

Expansive product platform, grounded in science and manufactured and tested in-house

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Enormous market opportunity with a product platform addressing global consumer trends in health and wellness

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Brand repositioning better serves today's more informed consumer

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Three meaningful, global growth opportunities to further scale our brands

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Well-positioned financially – significant cash position, healthy EBITDA generation, low debt







## CONTACT US

Investor Relations Contact

**Cody Slach**  
**Senior Managing Director,**  
**Gateway Group, Inc.**



(949) 574-3860



[NATR@gateway-grp.com](mailto:NATR@gateway-grp.com)



# APPENDIX





# KEY STATS<sup>1</sup>

## Trading data @ (11/8/23)

### Stock Price

**\$17.47**

> **\$7.93/\$19.20**  
52 week low/high

> **78.3k**  
Avg. daily Vol. (3 mo.)

> **19.1M**  
Shares outstanding

> **58%**  
Public float, est.

> **76%**  
Institutional/strategic owner holdings

## Valuation Measures @ (11/8/23)

### Enterprise Value

**\$257.4M**

> **\$333.2M**  
Market cap

> **0.6x**  
EV/TTM revenue

> **6.6x**  
EV/TTM Adj. EBITDA<sup>3</sup>

## Financial highlights (TTM Q3-23)

### Adjusted EBITDA<sup>3</sup>

**\$38.7M**

> **\$439.1M**  
Total revenue

> **72.2%**  
Gross margin

> **\$11.7M**  
Non-GAAP  
net income<sup>3</sup>

> **\$76.0M**  
Cash &  
equivalents<sup>2</sup>

> **\$0.2M**  
Total debt<sup>2</sup>

> **\$239.9M**  
Total assets<sup>2</sup>

> **\$87.9M**  
Total  
liabilities<sup>2</sup>

> **\$152.0M**  
Total equity<sup>2</sup>

<sup>1</sup> Source: Capital IQ

<sup>2</sup> As of September 30, 2023.

<sup>3</sup> See appendix for a reconciliation of this non-GAAP term.

# RECENT AWARDS

Company Honored with Four American Business Awards®<sup>1</sup>

## Gold Awards

Website Achievement – Health Products and Services  
Achievement in Management – Health Products and Services

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## Silver Awards

Brand Renovation of the Year  
Achievement in Organization Recovery

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## Bronze Awards

Most Valuable Corporate (Pandemic) Response: COVID-19  
Front-Line Workers Manufacturing Immunity Vitamins  
Customer Service Team of the Year



<sup>1</sup> Awarded Stevie® Awards at the 19<sup>th</sup> Annual American Business Awards® in April 2021



# BOARD OF DIRECTORS



**Richard Moss**  
**Chairman**

- Senior finance executive with extensive experience in corporate finance, tax, risk management, and strategy in consumer product and healthcare related businesses
- Most recently was CFO of Hanesbrands (NYSE: HBI) and CFO for Chattem



**Tess Roering**  
**Independent Director**

- Former Chief Commercial Officer and Chief Marketing Officer of CorePower Yoga
- Previously held director and vice president level positions at Gap Inc (NYSE:GPS), Visa International (NYSE:V), Hotwire.com, and Addis



**Rob Straus**  
**Independent Director**

- Portfolio manager at Wynnefield Capital since 2015
- Over 20 years of experience in the investment banking industry



**Rong Yang**  
**Independent Director**

- Currently serves as CEO of Fosun Pharma USA Inc.
- Held various senior positions with Bayer US LLC for nearly 20 years, including Vice President of Finance and Strategy Americas, Vice President of Business Insight US, and Head of Specialty Sales with Bayer US



**Curtis Kopf**  
**Independent Director**

- Currently serves as Chief Experience Officer at REI
- Over 20 years of senior management experience in customer and digital experience



**J. Christopher Teets**  
**Independent Director**

- Partner at Red Mountain Capital Partners
- Former vice president at Goldman Sachs (NYSE:GS)



**Heidi Wissmiller**  
**Independent Director**

- Over 25 years of senior management experience for notable companies in the consumer products and direct marketing space
- Most recently served in multiple C-suite positions for Rodan + Fields, including chief growth officer and chief operating officer of global field sales and operations

# ADJUSTED EBITDA RECONCILIATION

	Reconciliation of Net Income to Adjusted EBITDA				
	2019	2020	2021	2022	Q3 '23 TTM
Net Income (loss)	\$ 6,929	\$ 22,958	\$ 30,207	\$ 550	\$ 9,156
Adjustments:					
Depreciation and amortization	10,599	10,743	11,162	11,025	11,676
Share based compensation expense	2,120	3,787	3,731	2,901	4,757
Other (income) loss, net*	483	(1,339)	2,848	1,043	(1,494)
Provision (benefit) for income taxes	8,713	(137)	1,615	14,665	9,561
Other adjustments <sup>(1)</sup>	2,375	173	(143)	1,846	5,067
Adjusted EBITDA	<u>\$ 31,219</u>	<u>\$ 36,185</u>	<u>\$ 49,420</u>	<u>\$ 32,030</u>	<u>\$ 38,723</u>
<sup>(1)</sup> Other Adjustments:					
Inventory reserve related to Russia/Ukraine war	\$ -	\$ -	\$ -	\$ 1,000	\$ (1,300)
Charge related to Japan loss	-	-	-	-	5,847
Restructuring related expenses	2,375	808	369	587	200
Loss on disposal of equipment	-	-	-	1,069	1,069
Vat Refund	-	(635)	(777)	(810)	(749)
Capital allocation and other unusual expenses	-	-	265	-	-
Total adjustments	<u>\$ 2,375</u>	<u>\$ 173</u>	<u>\$ (143)</u>	<u>\$ 1,846</u>	<u>\$ 5,067</u>

\*Other (income) loss, net is primarily comprised of foreign exchange losses, interest income, and interest expense.



# NON-GAAP NET INCOME RECONCILIATION

	<u>Q3 '23 TTM</u>
Net Income (loss)	\$ 9,156
Adjustments:	
Charges related to Japan loss	5,847
Inventory reserve related to Russia/Ukraine war	(1,300)
Loss on disposal of equipment	1,069
Restructuring related expenses	200
VAT refund	(749)
Tax impact of adjustments	(1,454)
Total adjustments	<u>3,613</u>
Non-GAAP net income	<u>\$ 12,769</u>
Reported income (loss) attributable to common shareholders	\$ 8,068
Total adjustments	3,613
Non-GAAP net income attributable to common shareholders	<u>\$ 11,681</u>

