

USANA HEALTH SCIENCES INC
Form 10-Q
August 08, 2018
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2018

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number: 001-35024

USANA HEALTH SCIENCES, INC.

(Exact name of registrant as specified in its charter)

Utah
(State or other jurisdiction
of incorporation or organization)

87-0500306
(I.R.S. Employer
Identification No.)

3838 West Parkway Blvd., Salt Lake City, Utah 84120

(Address of principal executive offices, Zip Code)

(801) 954-7100

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of large accelerated filer, accelerated filer, smaller reporting company, and emerging growth company in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a smaller reporting company)

Emerging growth company

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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.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The number of shares outstanding of the registrant's common stock as of August 3, 2018 was 24,254,846

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USANA HEALTH SCIENCES, INC.

FORM 10-Q

For the Quarterly Period Ended June 30, 2018

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(in thousands, except par value)

(unaudited)

	As of December 30, 2017	As of June 30, 2018
ASSETS		
Current assets		
Cash and cash equivalents	\$ 247,131	\$ 256,326
Securities held-to-maturity, net		42,433
Inventories	62,918	74,123
Prepaid expenses and other current assets	30,110	31,777
Total current assets	340,159	404,659
Property and equipment, net	102,847	96,845
Goodwill	17,417	17,224
Intangible assets, net	35,154	33,811
Deferred tax assets	2,859	3,609
Other assets	20,833	19,136
	\$ 519,269	\$ 575,284
LIABILITIES AND STOCKHOLDERS EQUITY		
Current liabilities		
Accounts payable	\$ 11,787	\$ 12,379
Other current liabilities	129,396	124,371
Total current liabilities	141,183	136,750
Deferred tax liabilities	13,730	8,125
Other long-term liabilities	1,146	1,128
Stockholders equity		
Common stock, \$0.001 par value; Authorized 50,000 shares, issued and outstanding 24,024 as of December 30, 2017 and 24,220 as of June 30, 2018	24	24

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Additional paid-in capital	76,542	83,542
Retained earnings	288,070	349,579
Accumulated other comprehensive income (loss)	(1,426)	(3,864)
Total stockholders' equity	363,210	429,281
	\$ 519,269	\$ 575,284

The accompanying notes are an integral part of these statements.

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USANA HEALTH SCIENCES, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(in thousands, except per share data)

(unaudited)

	Quarter Ended		Six Months Ended	
	July 1, 2017	June 30, 2018	July 1, 2017	June 30, 2018
Net sales	\$ 257,063	\$ 301,460	\$ 512,386	\$ 593,458
Cost of sales	43,902	49,991	86,556	99,366
Gross profit	213,161	251,469	425,830	494,092
Operating expenses:				
Associate incentives	118,404	132,790	234,185	262,152
Selling, general and administrative	62,389	67,537	126,390	137,669
Total operating expenses				