

# Q1 2018 Financial Highlights

April 26, 2018



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**Important information regarding forward-looking statements:** This presentation contains forward-looking statements within the meaning of federal and state securities laws that represent the company's current expectations and beliefs. All statements other than statements of historical fact are "forward-looking statements" and include, but are not limited to, statements of management's expectations regarding the company's performance, sales force and customer base, growth, initiatives and areas of focus, acquisitions, strategy and new product introductions; projections regarding revenue, earnings per share, foreign currency fluctuations, tax rates, and other financial items; statements of belief; and statements of assumptions underlying any of the foregoing. In some cases, you can identify these statements by forward-looking words such as "believe," "expect," "outlook," "project," "anticipate," "estimate," "intend," "plan," "likely," "will," "would," "could," "may," "might," the negative of these words and other similar words.

The forward-looking statements and related assumptions involve risks and uncertainties that could cause actual results and outcomes to differ materially from any forward-looking statements or views expressed herein. These risks and uncertainties include, but are not limited to, the following:

- adverse publicity related to the company's business, products, industry or any legal actions or complaints by the company's sales force or others;
- risk that direct selling laws and regulations in any of our markets, including the United States and Mainland China, may be modified, interpreted or enforced in a manner that results in negative changes to our business model or negatively impacts our revenue, sales force or business, including through the interruption of sales activities, loss of licenses, imposition of fines, or any other adverse actions or events;
- any failure of current or planned initiatives or products to generate interest among the company's sales force and customers and generate sponsoring and selling activities on a sustained basis;
- risk of foreign currency fluctuations and the currency translation impact on the company's business associated with these fluctuations;
- uncertainties regarding the future financial performance of the company's recent acquisitions;
- risks related to accurately predicting, delivering or maintaining sufficient quantities of products to support our planned initiatives or launch strategies, and increased risk of inventory write-offs if the company over-forecasts demand for a product or changes its planned initiatives or launch strategies;
- regulatory risks associated with the company's products, which could require the company to modify its claims or inhibit the company's ability to import or continue selling a product in a market if it is determined to be a medical device or if it is unable to register the product in a timely manner under applicable regulatory requirements;
- unpredictable economic conditions and events globally;
- uncertainties related to interpretation of, and forthcoming regulations under, the recently enacted U.S. tax reform legislation; the company's future tax-planning initiatives; any prospective or retrospective increases in duties on the company's products imported into the company's markets outside of the United States; and any adverse results of tax audits or unfavorable changes to tax laws in the company's various markets; and
- continued competitive pressures in the company's markets.

The company's financial performance and the forward-looking statements contained herein are further qualified by a detailed discussion of associated risks set forth in the documents filed by the company with the Securities and Exchange Commission. The forward-looking statements set forth the company's beliefs as of the date that such information was first provided and the company assumes no duty to update the forward-looking statements contained in this presentation to reflect any change except as required by law.

# Q1 Takeaways

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Strong revenue growth



Strong customer and sales leader improvement

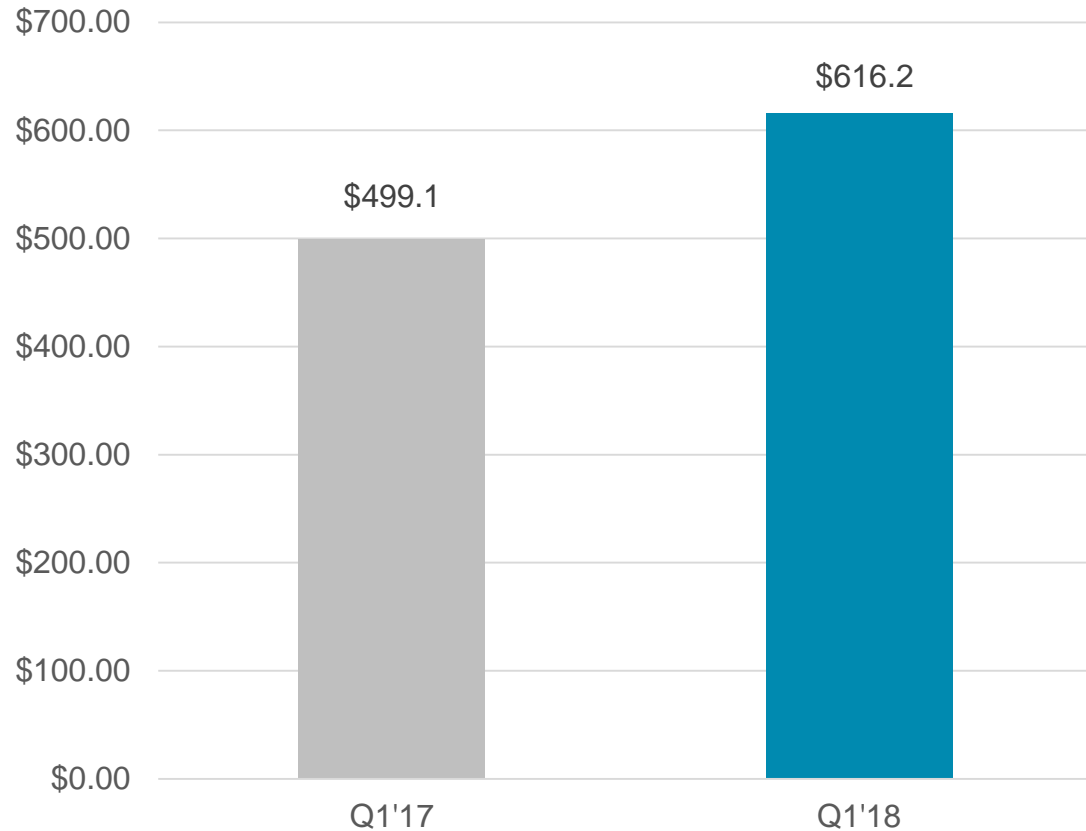


Growth strategy execution

(Platforms, Products, Programs)

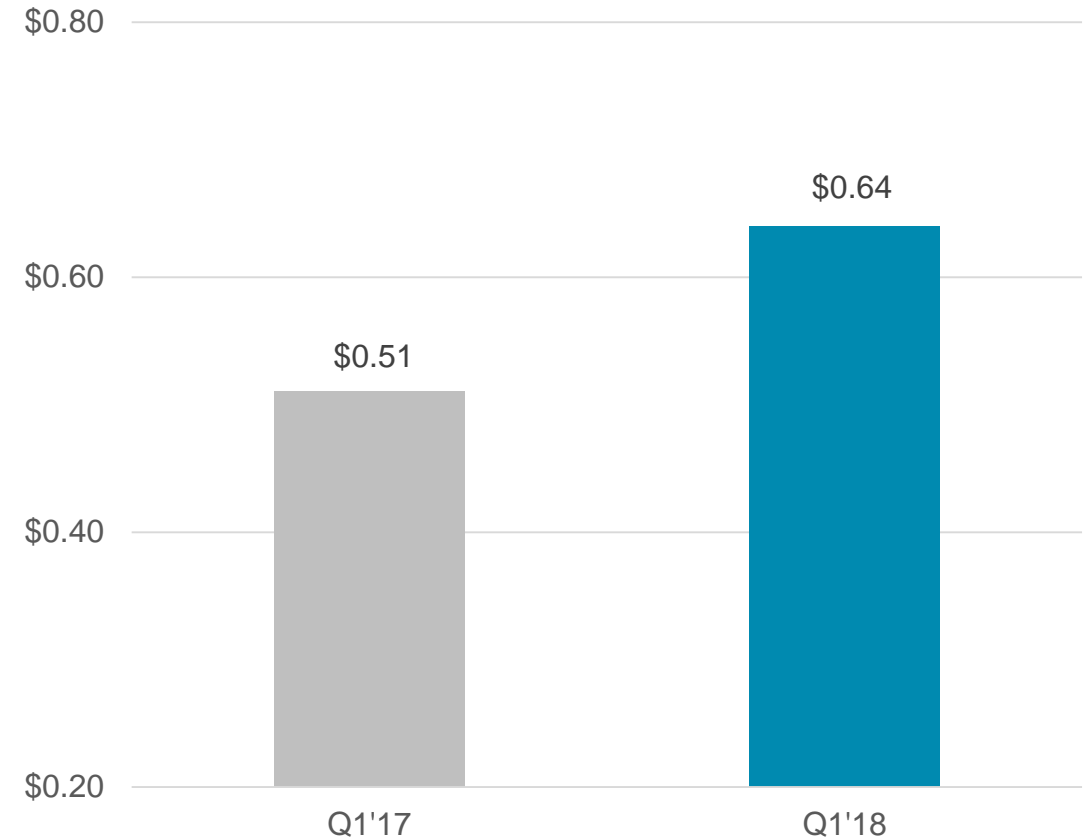
# Q1 Results

## Revenue (M)



\$616.2 million, up \$24%, positively impacted by ageLOC LumiSpa and a 7% by foreign currency benefit.

## EPS



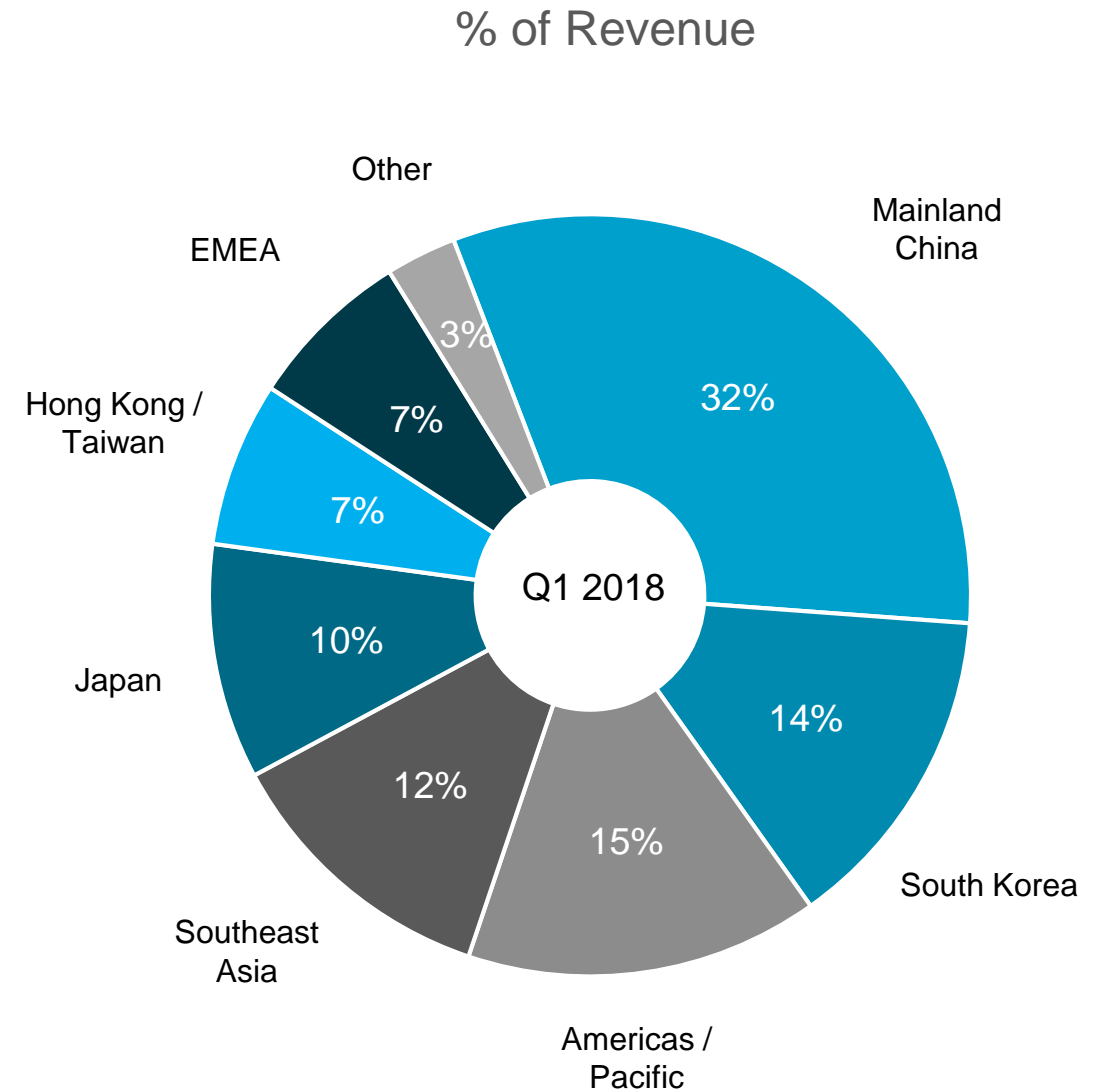
\$0.64 which includes a \$0.12 charge associated with the settlement of a convertible note and \$0.03 charge related to purchase accounting, compared to EPS of \$0.51 in Q1 2017.

# Q1 Revenue Results

## Highlights

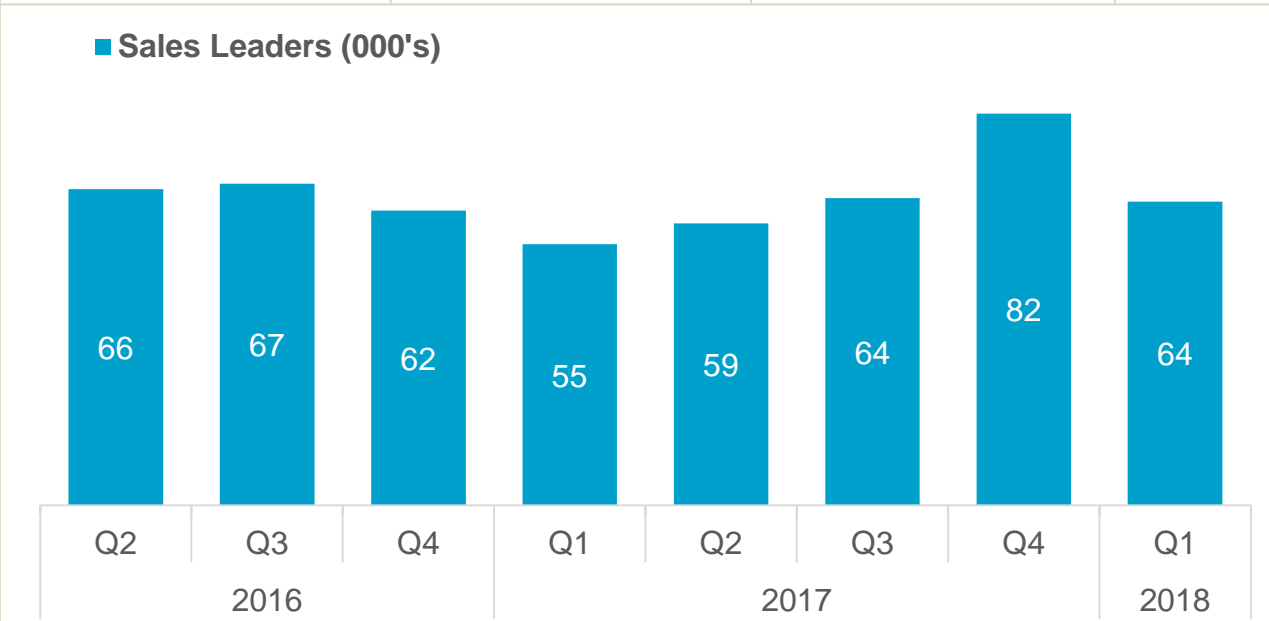
- 24% YOY revenue growth
- Strong customer and sales leader growth
- ageLOC LumiSpa launch
- Execution of growth strategy (Platforms, Products & Programs)

Market	Revenue (M)	% Change
Mainland China	\$197.5	32%
South Korea	\$88.9	8%
Americas/Pacific	\$92.3	29%
Southeast Asia	\$70.9	12%
Japan	\$63.2	3%
Hong Kong/Taiwan	\$41	14%
EMEA	\$45	32%
Other	\$17.4	1,631%
<b>Total</b>	<b>\$616.2</b>	<b>24%</b>



# Sales Force Performance

Market	Q1 2018		Q1 2017		YOY % Change	
	Customers	Sales Leaders	Customers	Sales Leaders	Customers	Sales Leaders
Mainland China	200,000	27,000	176,000	19,100	14%	41%
Korea	179,000	7,300	189,000	8,000	(5%)	(9%)
Americas/Pacific	246,000	8,200	191,000	6,900	29%	19%
S.E. Asia	118,000	6,600	98,000	6,200	20%	6%
Japan	129,000	6,200	132,000	6,400	(2%)	(3%)
HK/Taiwan	72,000	3,900	70,000	3,900	3%	--
EMEA	142,000	4,300	124,000	4,100	15%	2%
<b>Total</b>	<b>1,086,000</b>	<b>63,500</b>	<b>980,000</b>	<b>54,600</b>	<b>11%</b>	<b>16%</b>



# Mainland China

## Q1 Highlights

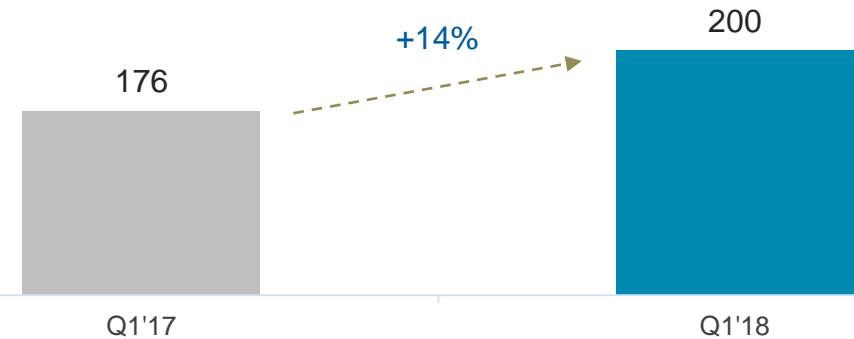
Continued momentum from Q4'17

YOY sales leader and customer growth

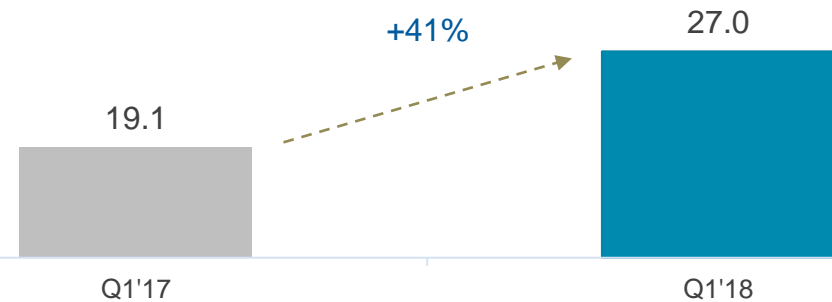
Good response to sales promotions

Q2 ageLOC LumiSpa launch

Mainland China Customers (000's)



Mainland China Sales Leaders (000's)



# Americas / Pacific

## Q1 Highlights

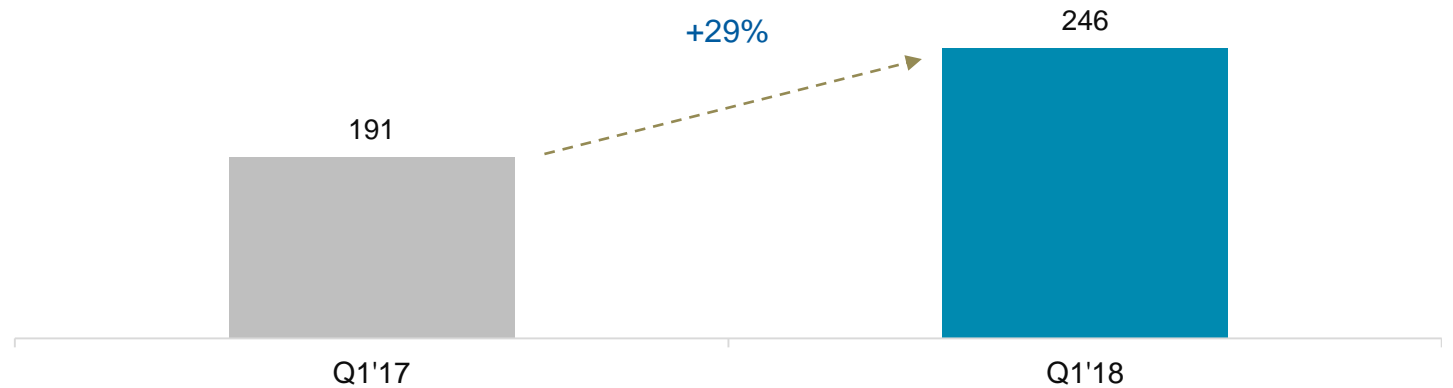
Social sharing continues to drive growth

Strong growth in Latin America and Australia

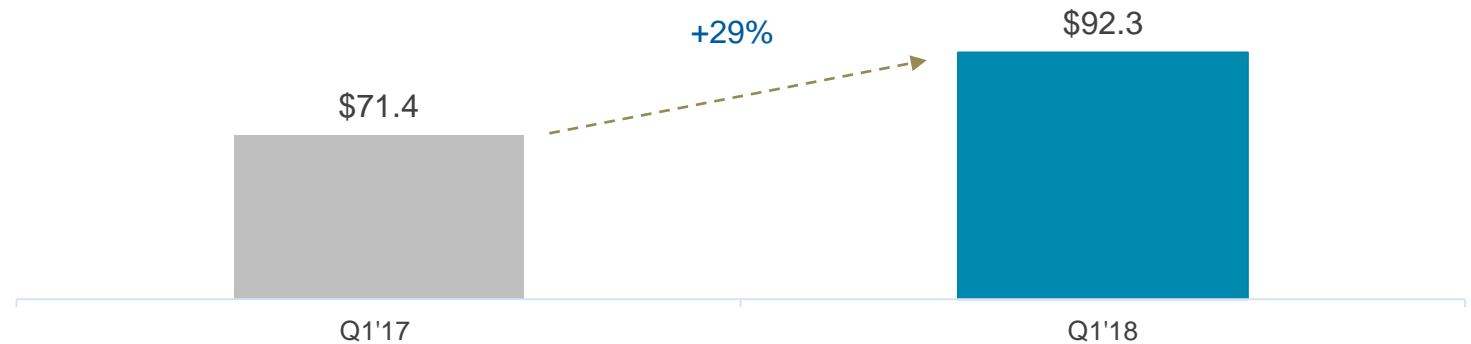
Positive growth strategy execution

ageLOC LumiSpa launch

Americas Customers (000's)



YOY Revenue (000's)





# EMEA

## Q1 Highlights

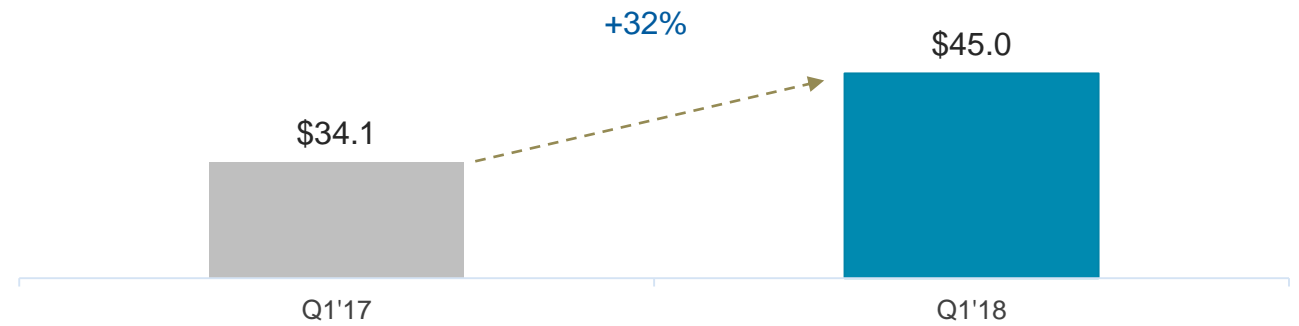
Solid YOY revenue growth

Expansion of social sharing

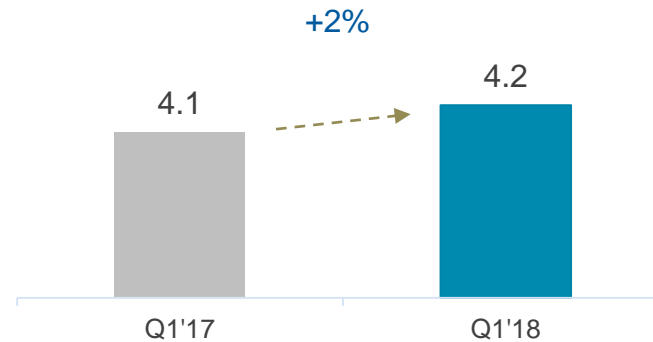
Successful product initiatives

ageLOC LumiSpa launch and Powerlips introduction

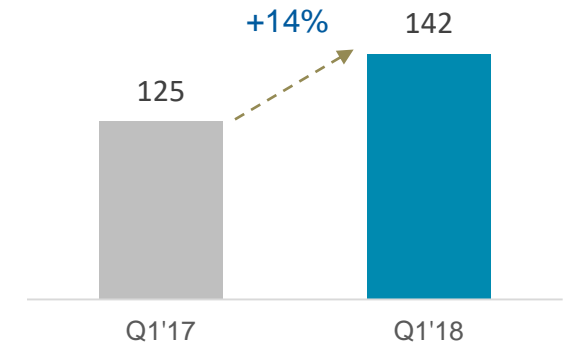
### EMEA Revenue (000's)



### EMEA Sales Leaders (000's)



### EMEA Customers (000's)



# SEA

## Q1 Highlights

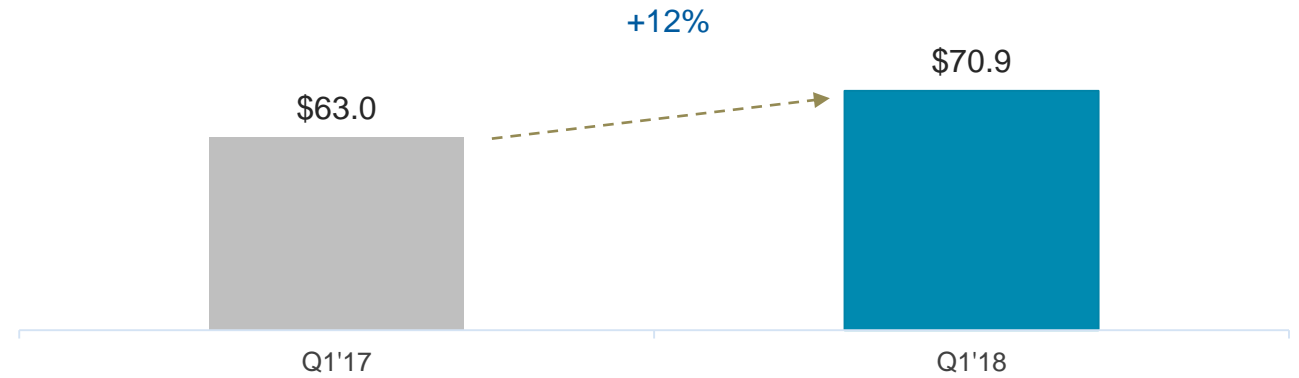
Strong growth in Indonesia, Vietnam and Philippines

Successful social sharing initiatives

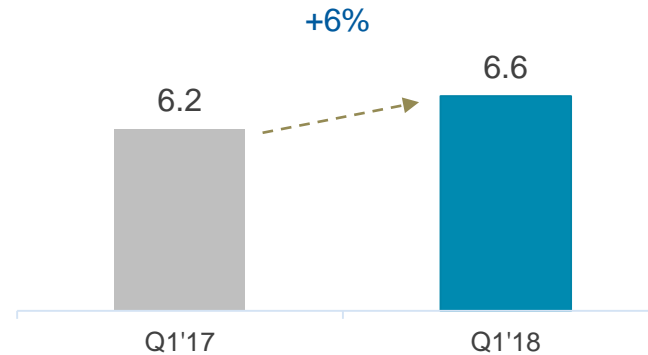
YOY revenue growth

ageLOC LumiSpa launch

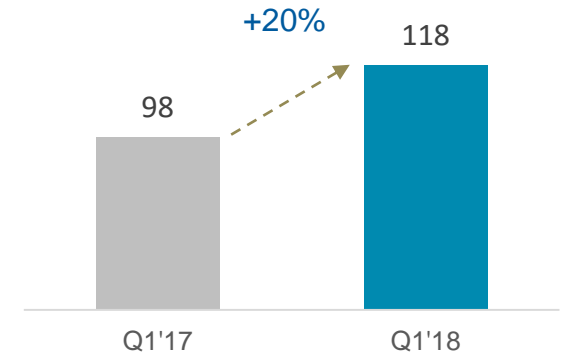
### SEA Revenue (000's)



### SEA Sales Leaders (000's)

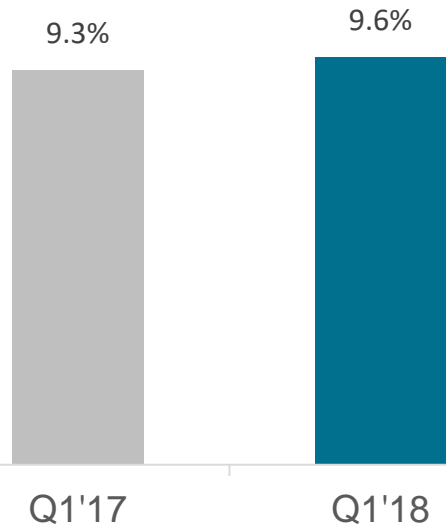


### SEA Customers (000's)

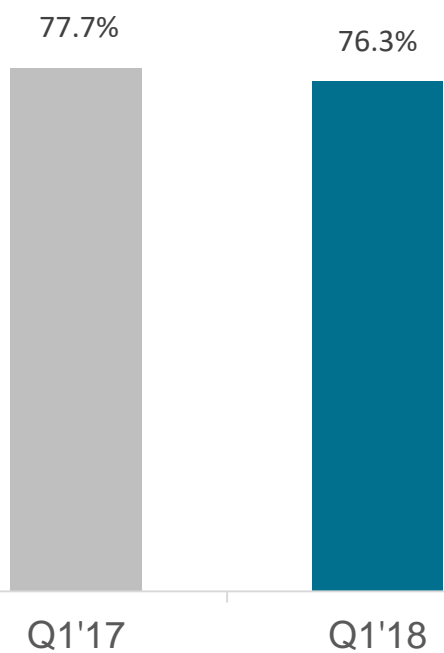


# Operational Performance

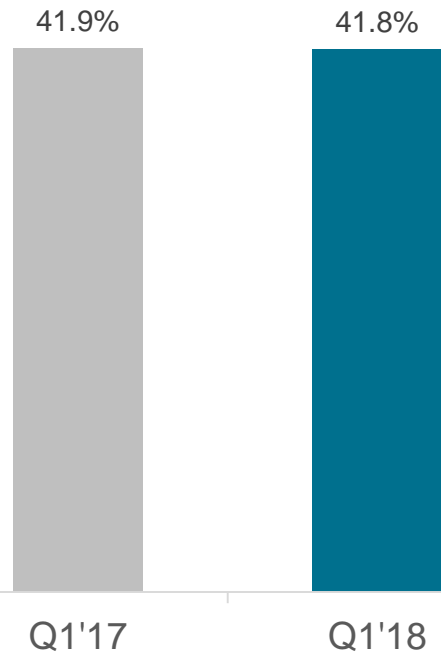
**Operating Margin**



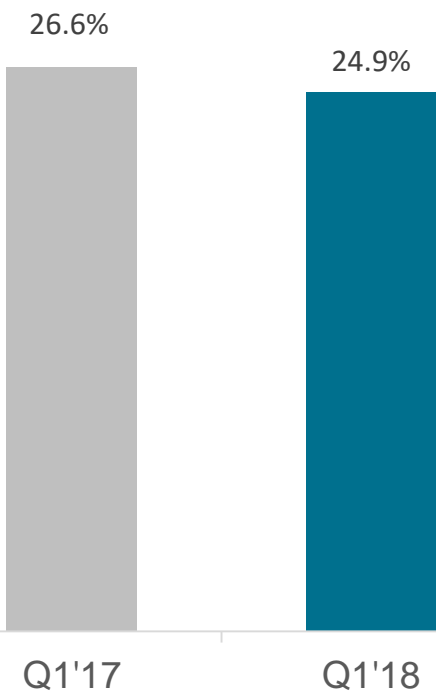
**Gross Margin**



**Selling Expense**

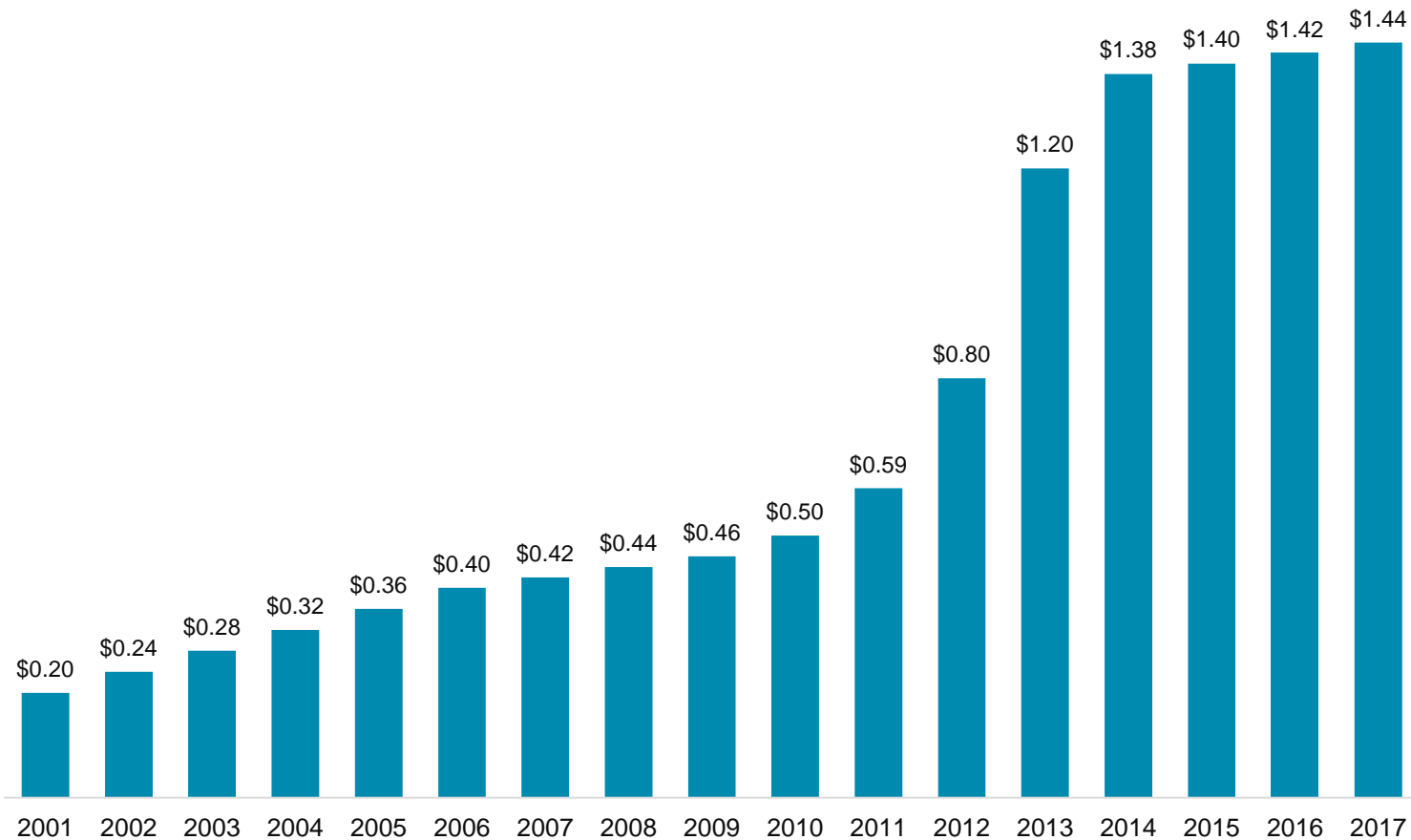


**G&A Expense**



# Shareholder Value

## Annual Dividend



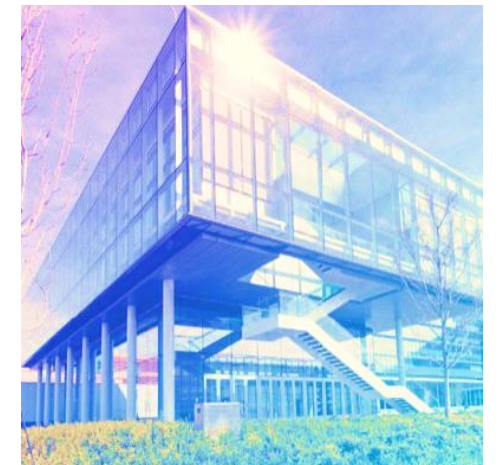
## Cash Usage

### Q1 Dividend Payment

- \$19.8 million

### Q1 Stock Repurchases

- \$17.4 million
- \$110.6 million remaining in authorization



# Q2 Outlook

Q2 Revenue:	\$630 to \$650 million (15-18% growth) and includes an approx. 5% favorable foreign currency impact
Q2 EPS:	\$0.86 to \$0.91 which includes an estimated \$0.05 purchase accounting charge
Full-Year Revenue:	\$2.51 billion to \$2.56 billion (10-12% growth) includes an approx. 3% favorable foreign currency impact
Full-Year EPS:	\$3.45 to \$3.65 which includes a \$0.12 early conversion charge and an estimated \$0.16 purchase accounting charge

