

# CONNECT WITH NATURE

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Investor Presentation | December 2021



NATURE'S  
SUNSHINE



# 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 the Company's objectives, plans, strategies and financial results. All statements (other than statements of historical fact) that address activities, events or developments that the Company intends, expects, projects, believes or anticipates 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 by management in light of their experience and their perception of historical trends, current conditions, expected future developments and other factors they 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, Adjusted EBITDA and net sales excluding the impact of foreign currency fluctuations. 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, 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 holds the answers, we  
bottle them.

Our mission is to make the healing  
power of nature accessible to everyone.



## FEEL THE POWER...



**Nature's Sunshine changed the world** ~50 years ago as the first company to put herbs into easy-to-take capsules



**We sell 700+ products** across six different categories around the world



Sophisticated in-house R&D capabilities via owned **Hughes Center for Research & Innovation**



We manufacture most of our products, **ensuring optimal quality and safety**



We are executing a brand pivot supported by important **consumer lifestyle changes**

# WE ARE ADDRESSING A CONSUMER THAT HAS CHANGED



## The consumer is in control



Brands are treated as celebrities



Experience as important as product



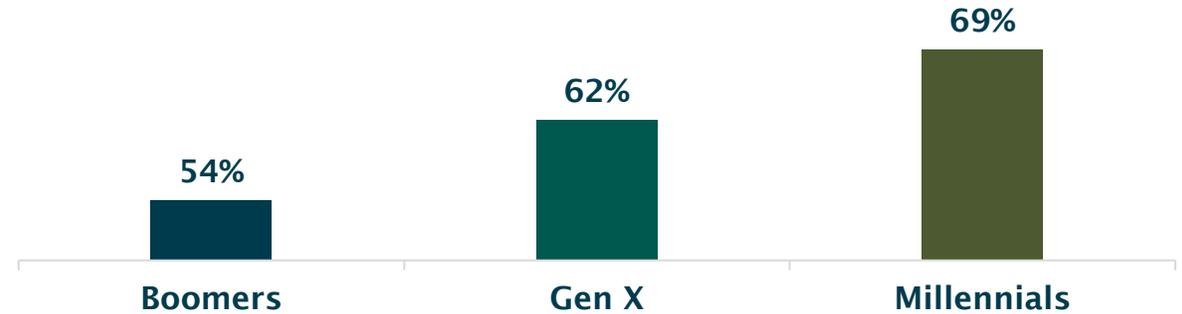
Digital first



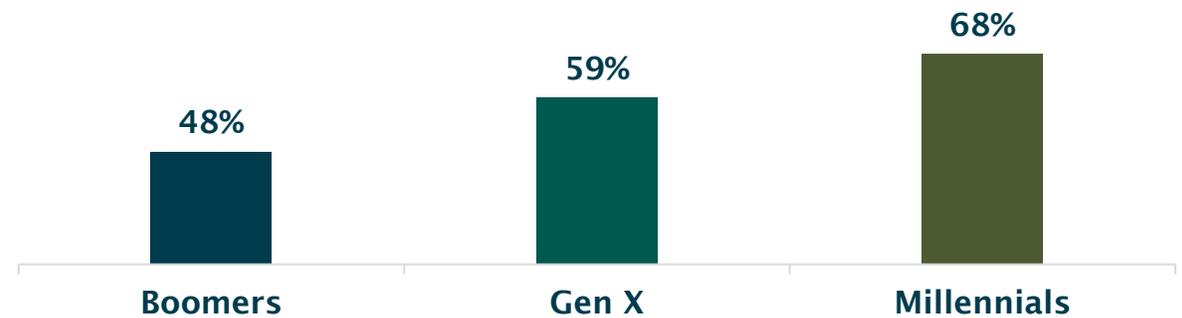
Engaging more thoroughly in their health

## Higher Engagement

### Think About Their Health Daily<sup>1</sup>



### Always Looking For Ways to be Better



<sup>1</sup> Company estimates

# OUR RESPONSE TO TODAY'S CONSUMER DEFINES OUR VISION



## Vision

SHARE THE HEALING  
POWER OF NATURE,  
WITH EVERYONE.

### How?



**Offer** specialty, time-tested products, proven by health practitioners



**Create lifestyle** branding and storytelling



**Leverage** websites, e-commerce and digital marketing to drive customer loyalty

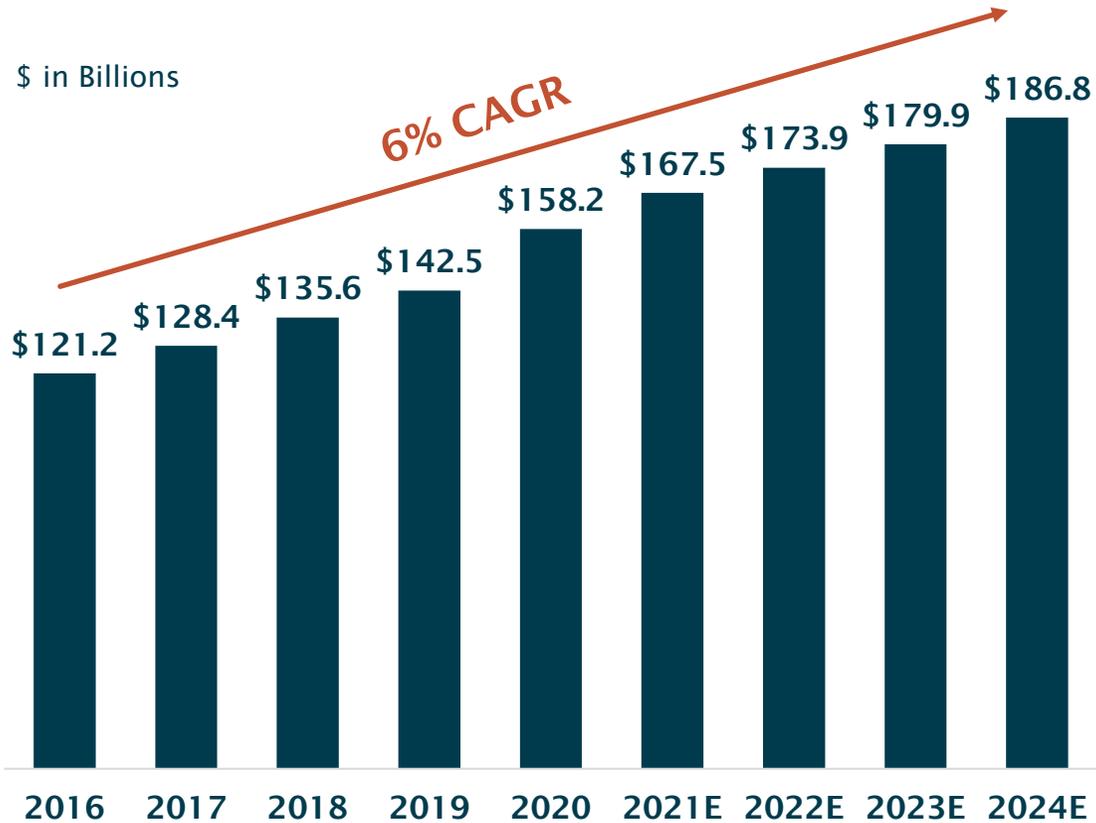


**Deliver customized experiences** to encourage trial and repeat purchases

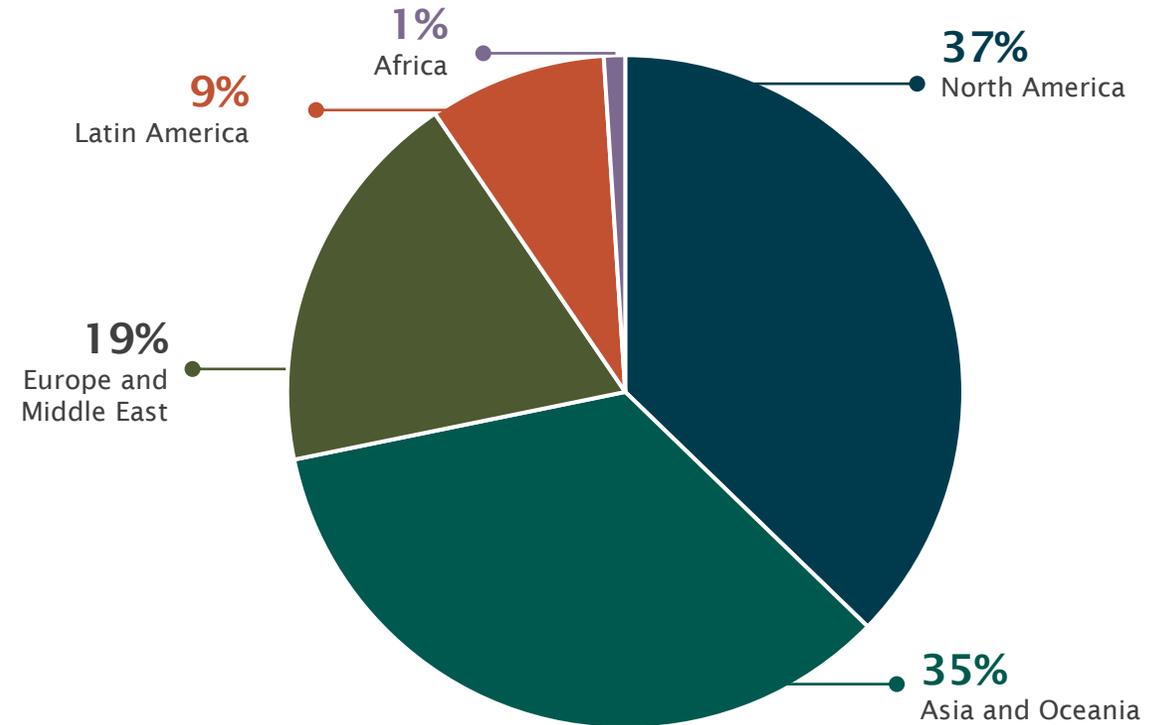
# WE ARE ATTACKING A LARGE & STEADILY GROWING MARKET GLOBALLY...



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



## Global Supplement Sales by Region, 2020<sup>2,3</sup>



<sup>1</sup> Supplements include vitamins, herbs & botanicals, sports nutrition, meal supplements, minerals and specialty/other

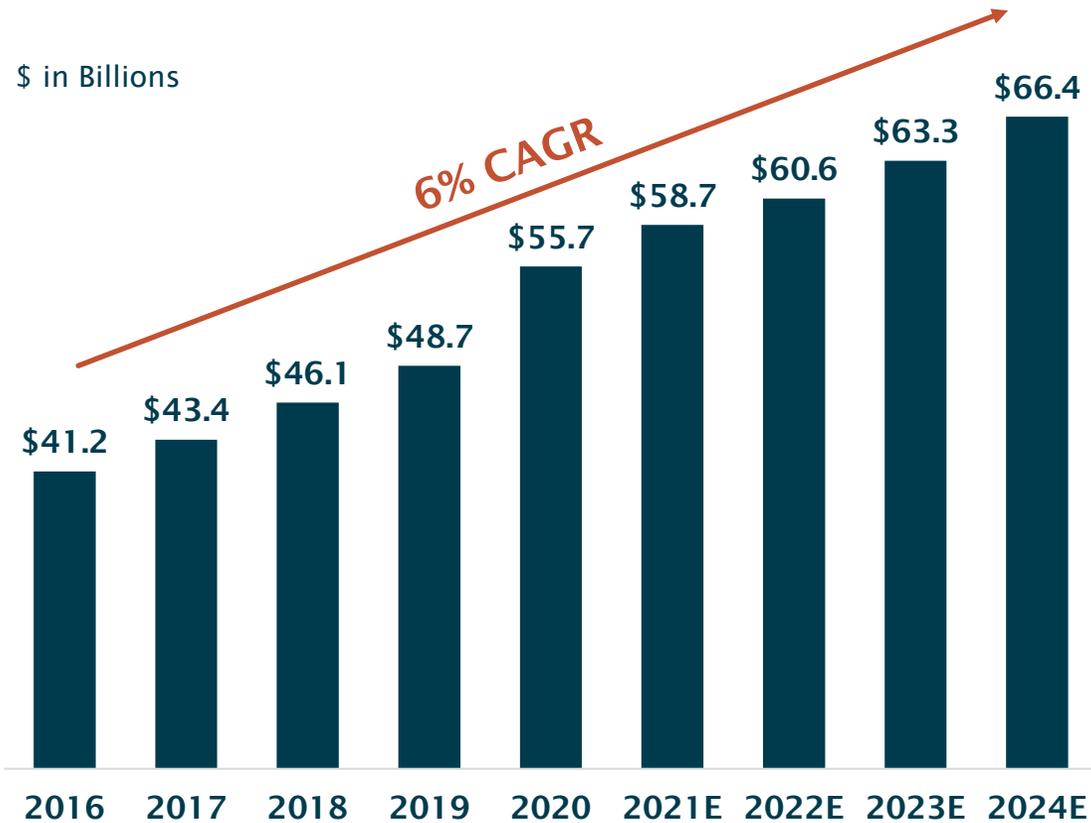
<sup>2</sup> 2021 NBJ Supplement Business Report.

<sup>3</sup> May not foot due to rounding.

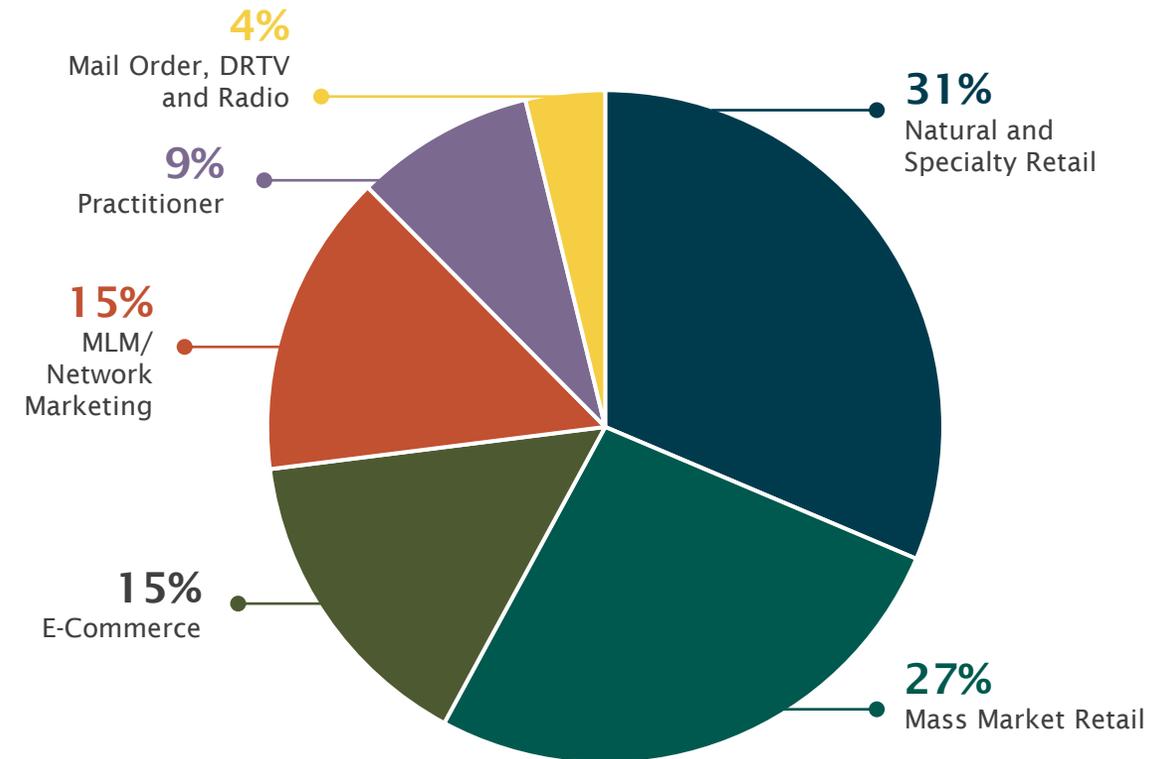
# ...AND EQUALLY STRONG IN THE U.S.



## U.S. Supplement Industry Sales<sup>1</sup>



## U.S. Supplement Sales by Channel, 2020E<sup>1,2</sup>



<sup>1</sup> 2021 NBJ Supplement Business Report.

<sup>2</sup> May not foot due to rounding.

# OUR IN-HOUSE MANUFACTURING DRIVES OPERATIONAL EXCELLENCE



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



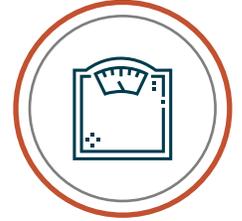
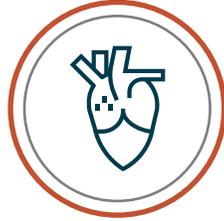
**Hughes Center for Research & Innovation:** 5,400 sq. ft. office, lab and clinical space in Lehi, UT



## CERTIFICATIONS



# DIVERSE PRODUCT PORTFOLIO



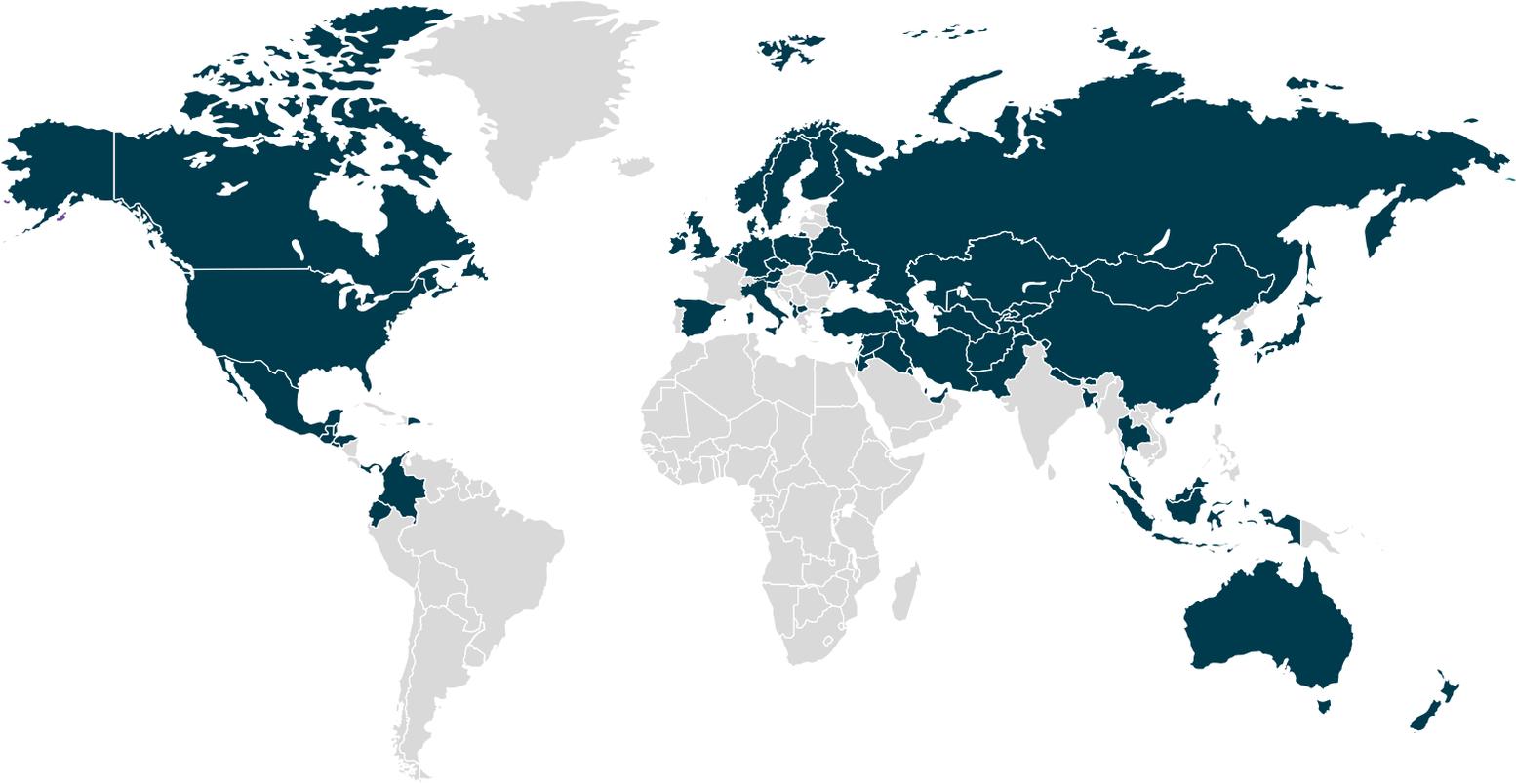
General Health	Digestive	Cardiovascular	Personal Care	Immune	Weight Management
<p>Blood sugar support, bone health, cellular health, cognitive function, joint health, mood, sexual health, sleep, sports &amp; energy, and vision</p>	<p>Regulate intestinal and digestive functions in support of the human digestive system</p>	<p>Combine a variety of superior heart health ingredients to give the cardiovascular system optimum support</p>	<p>Oils and lotions, aloe vera gel, herbal shampoo, herbal skin treatment, toothpaste and skin cleanser</p>	<p>Support and strengthen the human immune system</p>	<p>Healthy meal replacements and products that increase caloric burn rate</p>
<b>% of 2020 Sales<sup>1</sup></b>					
<b>36%</b>	<b>25%</b>	<b>18%</b>	<b>6%</b>	<b>9%</b>	<b>7%</b>

<sup>1</sup>May not foot due to rounding.

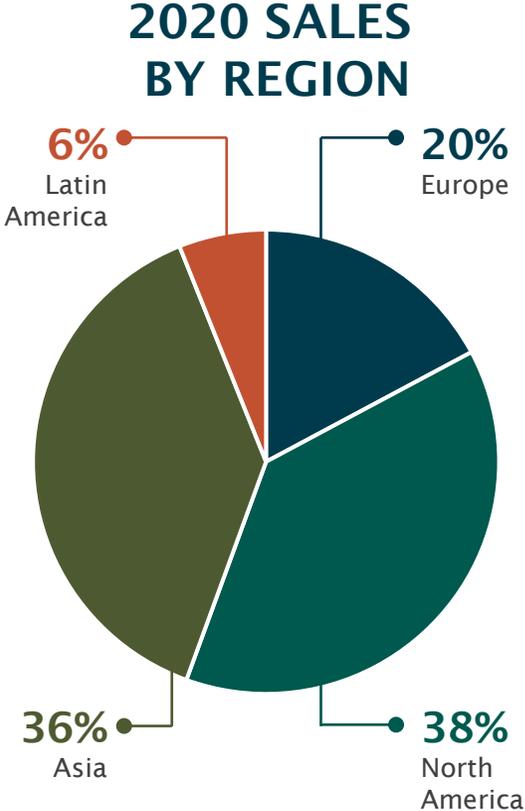
# GLOBAL PRESENCE



## Serving 40 Markets Globally

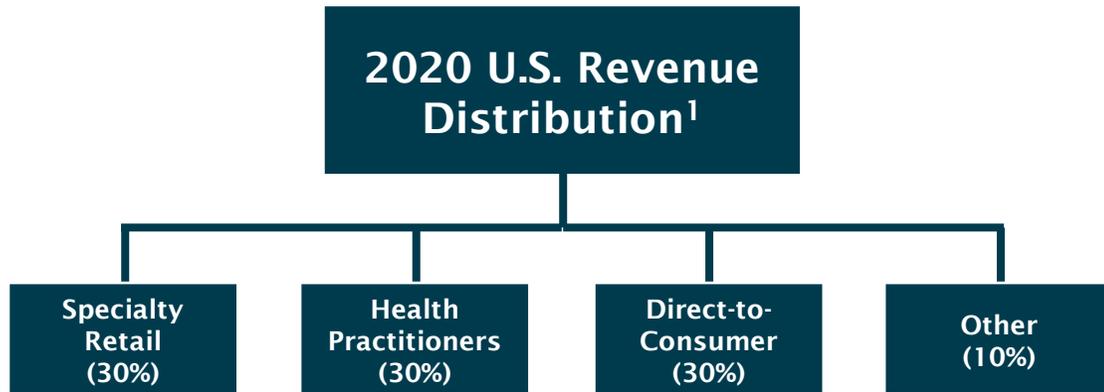


■ Current Geographies Served





## Our U.S. Sales Force is Comprised Primarily of Specialty Retailers & Health Practitioners



### Differentiated Seller with Omnichannel Platform

#### Specialty Retail

- Nutrition focused omnichannel retailers

#### Health Practitioners

- Nutritionists, herbalists, chiropractors and herbal healers

#### Direct-to-Consumer

- Amazon
- Company-owned websites

#### Other Distributors

- Leveraging a mix of brick-and-mortar and online marketing and selling strategies

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

# ATTRACTIVE END CUSTOMER PROFILE



## We are a Premium Vitamin Brand

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

### Highly Specialized & Robust Product Offering

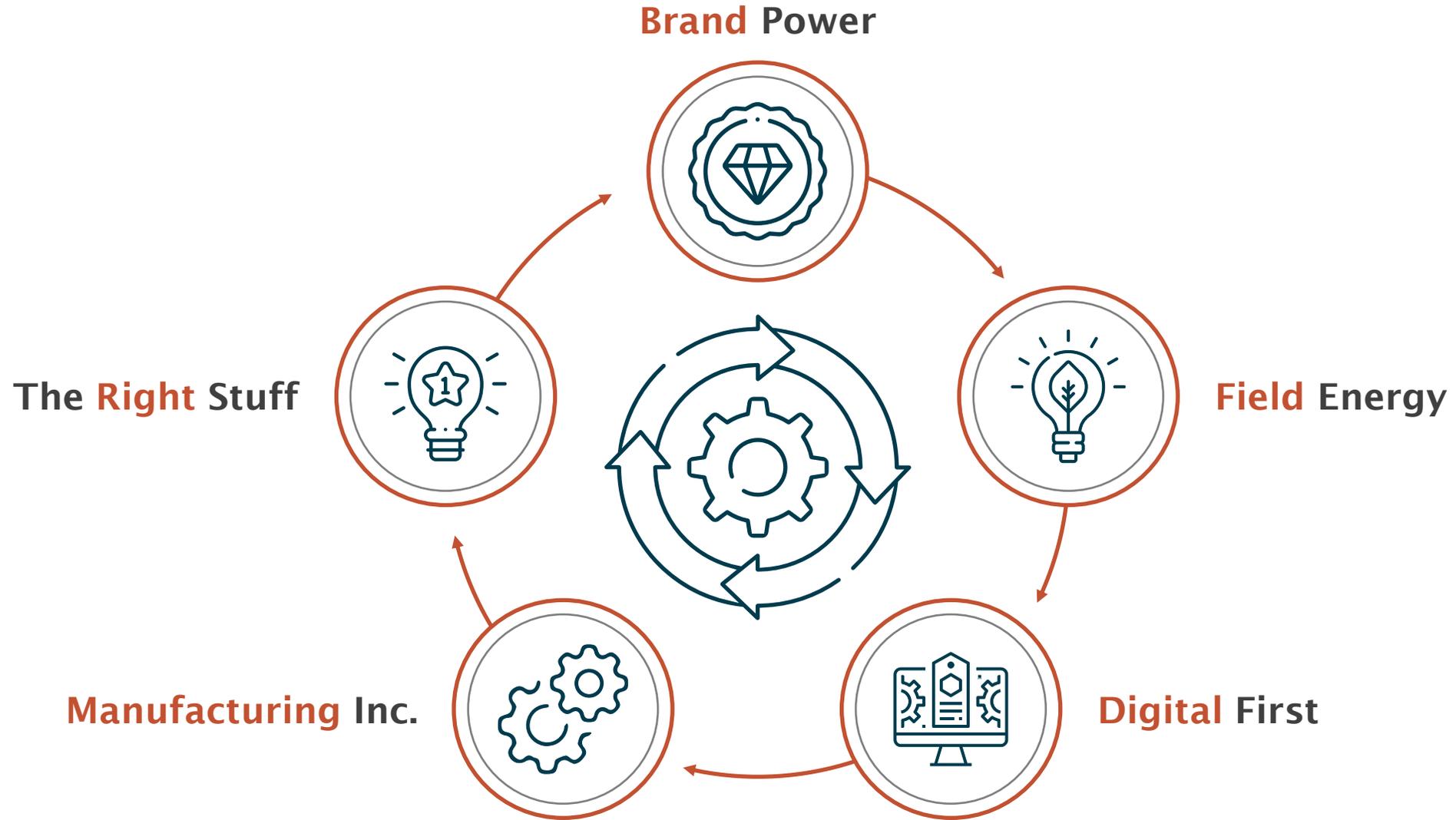
- Created in nature and rooted in science
- Premium quality ingredients
- Differentiated sourcing and manufacturing capabilities

### Trusted Brand to the Avid Customer

- 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 FIVE GLOBAL GROWTH STRATEGIES



# # 1 — BRAND POWER

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## Capturing the imagination of distributors & clients with “rockstar” branding

### How?

- Revitalizing our brand with new packaging & advertising
- Restructuring our existing product portfolio to drive growth
- Revolutionizing our product lineup

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### Key actions

- New packaging, company positioning, labels & color schemes
- “Become a Force of Nature” Ad Campaign
- qemp CBD launch in 2020, relief cream & qemp ZERO (zero THC)
- L’amara skin care line and AIVIA™ launch in 2021





## New Packaging – Label

New look, same great quality products

Transparency

Vegetarian capsules  
where possible

Embossed icon  
on cap



Non-GMO, organic,  
vegan, other icons  
where possible

Herbal experts since 1972

# BRAND POWER IN ACTION



## New Branding – Macro Botanicals & Macro Science Photography



# BRAND POWER IN ACTION



## qemp – Not Another CBD Product



Proprietary whole spectrum CBD oil that delivers targeted bio cannabinoids triggering specific receptors in the body



Addresses a ~\$4.7B market expected to grow to \$12.4B by 2023 (38% CAGR)<sup>1</sup>



Uniquely backed by our science and R&D prowess



Traceability and improved sourcing bring compounds that deliver better performance, quality and transparency than any other CBD company



Combining our CBD oil with whole herbs and essential oils in a way only we can deliver

# BRAND POWER IN ACTION



## L'amara Skin Care



Skin care line launched in 2021 in Asian and North American Markets

A revolutionary and proprietary, clean and natural formula with powerful botanicals from the land (fermented tea) and the sea (algae)

Global skin care is a \$100 billion market, expected to grow at 5%+ annually<sup>1</sup>



<sup>1</sup> Nutrition Business Journal

# BRAND POWER IN ACTION

**AIVIA**  
ACTIVE NUTRITION



## AIVIA™ Active Nutrition



New product line consisting of premium dietary, nutritional and herbal supplements

Lineup includes sports nutrition and weight management products

Global sports nutrition and specialty supplements sales is a \$58 billion market, expected to grow at 6% annually<sup>1</sup>

Growing active nutrition market, driven by consumer trends:

Dieting is out → Lifestyle is in.

Rigid programs are out → Flexibility is in.

Sugar is evil → Clean & natural are heavenly.

Working out is leaving the gym... → ...and going home

<sup>1</sup> Nutrition Business Journal

## #2 — FIELD ENERGY

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### Managing the details to create a magical consumer experience

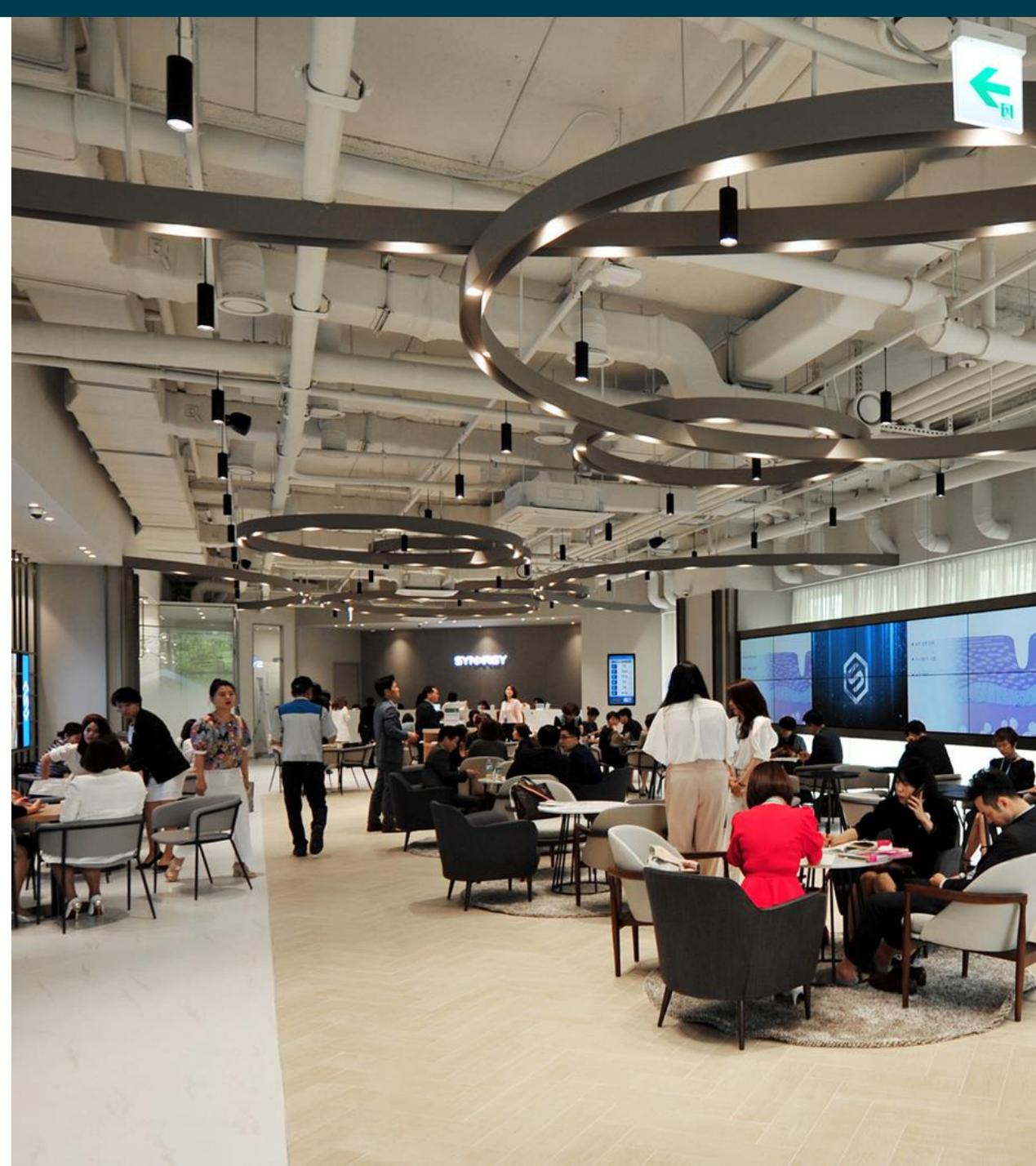
#### How?

- Greater focus on the “source of sales”
- Developing tools and systems to encourage repeat purchases
- Improving omnichannel capabilities

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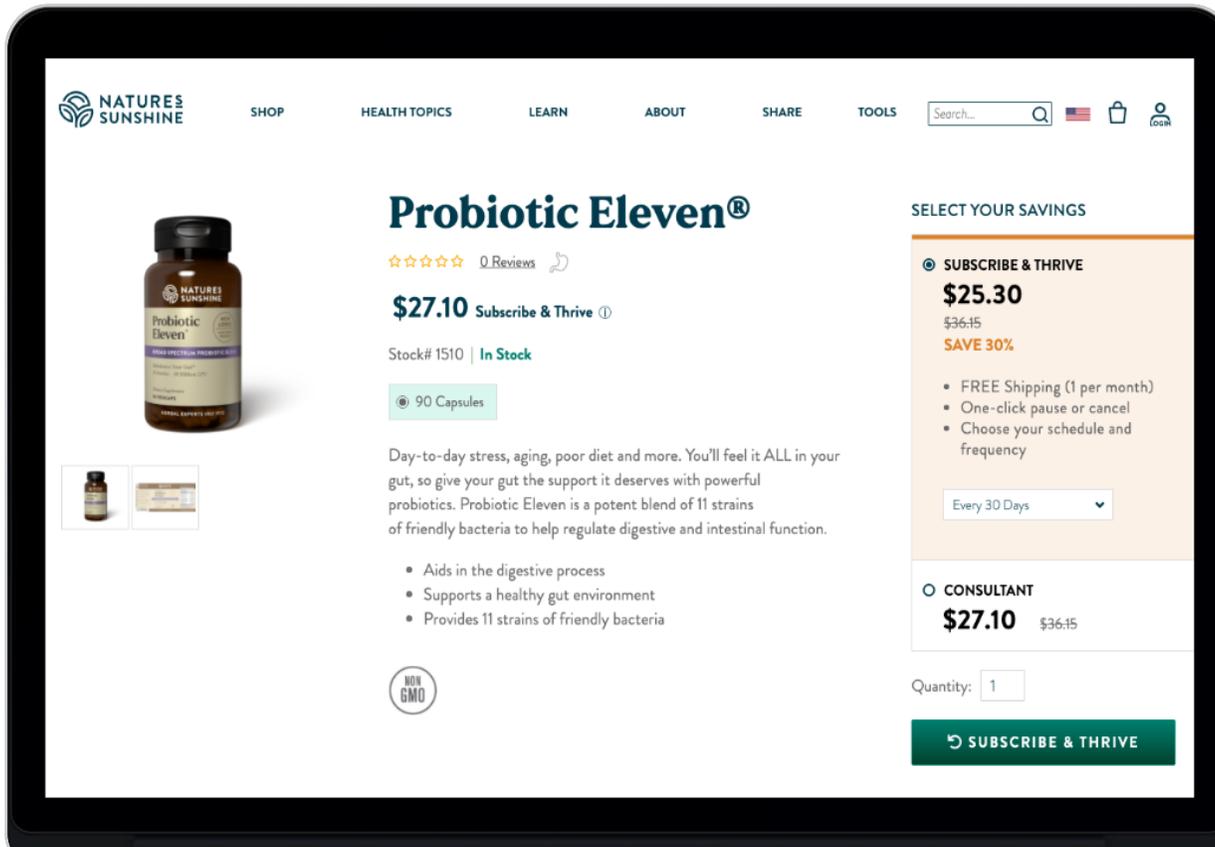
#### Key actions

- Field Fundamentals/Analytics
- New selling toolkit
- Groundbreaking new business model for North America launched September 1<sup>st</sup>, 2020





## “Subscribe & Thrive” – Launched in North America/LATAM in September 2020



## Recently introduced Subscription Program drives repeat orders

### Immediate Signs of Success

- Launched September 2020
- Repeat orders up 60%<sup>1</sup>
- One-third of orders now have a “Subscribe & Thrive” element<sup>1</sup>

### Great for Customers

- Ease of use; no need for reminders
- Real cost savings
- Personalization

### Great for Distributors

- Quick Pay
- Single, streamlined compensation plan

<sup>1</sup> Company estimates

## #3 — DIGITAL FIRST

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**Move from transactional to personal relationships through an exceptional user experience that drives loyalty & affinity**

### How?

- Building next-gen digital capabilities
- Developing digital toolkit and community
- Leveraging data to customize support

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### Key actions

- Distributor benefits
  - Augmented our websites to allow personal URLs for partners
  - Added email and social media campaign functionality to allow for greater connectedness
  - Provide key data on new and existing customers to cull better insights
- Consumer benefits
  - Contextual search features
  - Personalization program addresses individual health needs and goals
  - Affiliate marketing opportunities



# DIGITAL FIRST IN ACTION



## Shop for Products by



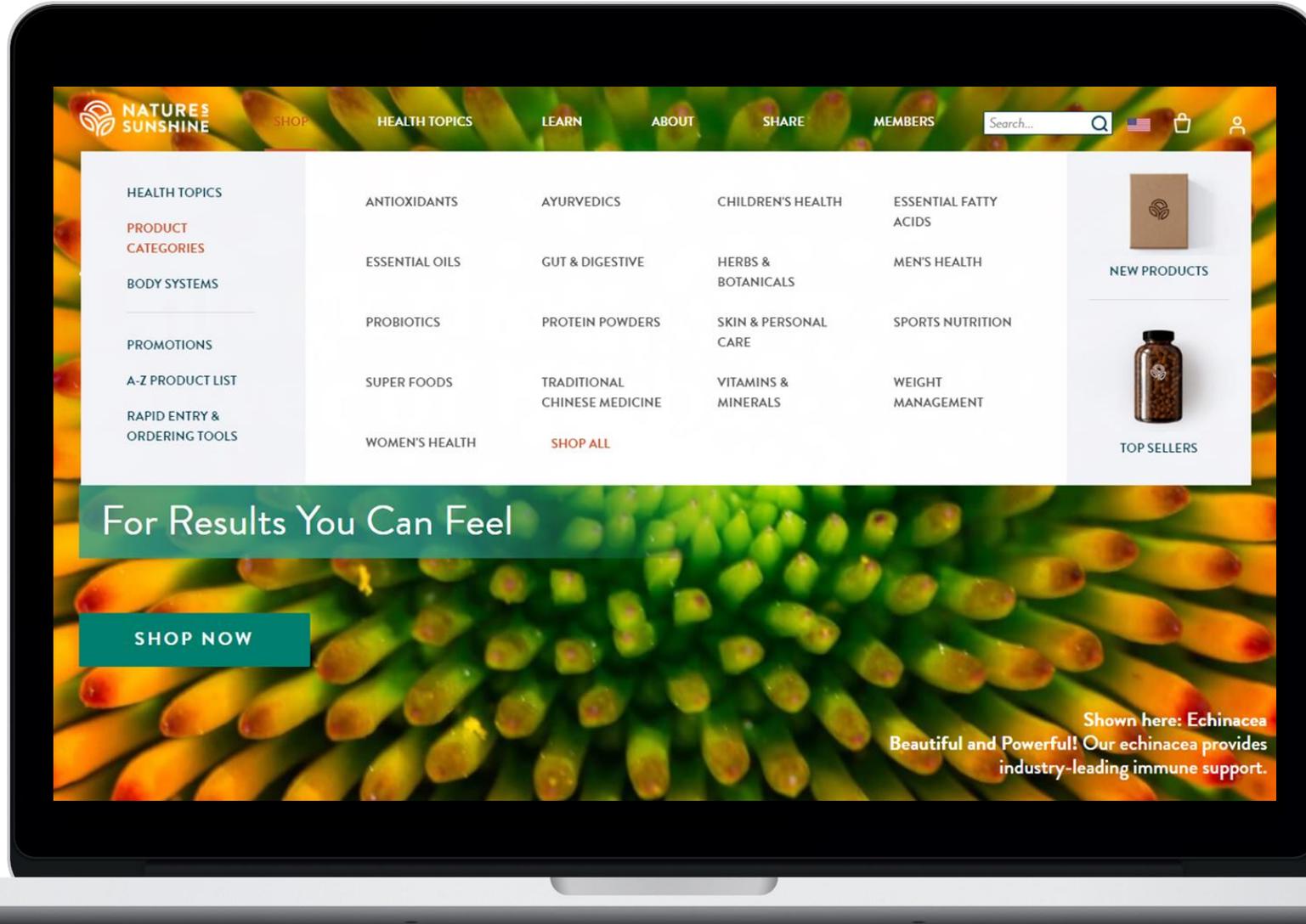
Health Topic



Product Category



Body Systems



# DIGITAL FIRST IN ACTION



# PERSONALIZATION PACKS



Customized Solutions Providing Convenient Services Based on **YOUR** Needs

## Personalization Packs



We have the in-house capabilities & expertise to offer **highly personalized health solutions**

## #4 — MANUFACTURING, INC.

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### Unleash the top-tier manufacturing capabilities we already possess

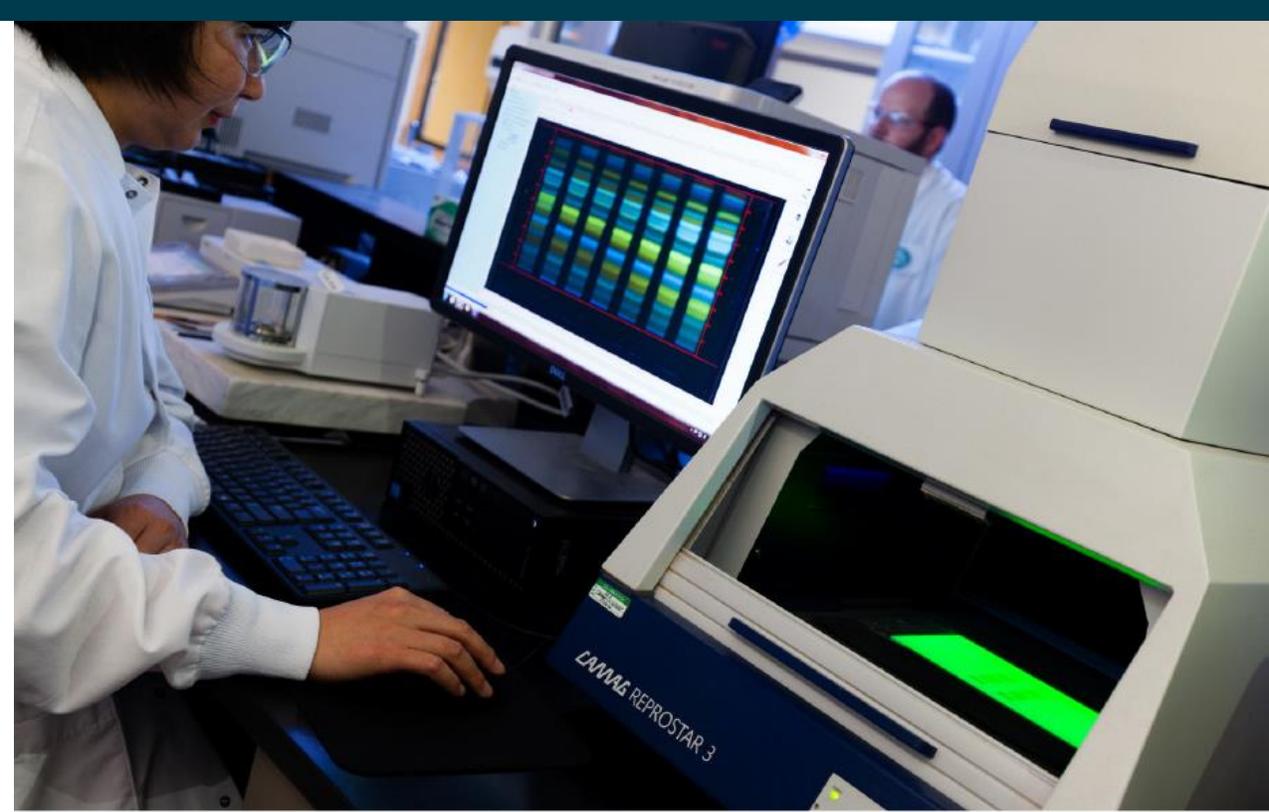
#### How?

- Continuing to focus on our competitive advantage – producing the best products through small-batch processing, world-class quality processes, and our extensive botanical supplier network
- Leveraging business intelligence to improve supply chain visibility and enhance decision-making
- Upgrading our manufacturing capabilities to support strategic initiatives
- Using our significant production capacity for further profitable expansion

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#### Key actions

- Plan to upgrade small batch manufacturing capabilities with new state-of-the-art high-speed equipment in 2022
- Obtained USDA Organic and ISO 9001 certifications, updated Kosher certification



THE GOAL IS  
TO REDEFINE  
EXCELLENCE IN  
SERVICE, QUALITY  
AND PRODUCTION.

## #5 — THE RIGHT STUFF

### Create a high-performance team fully aligned and focused on winning

#### How?

- Building a high-performance-oriented global organization
- Streamlining business processes to improve overall cost and efficiency
- Enhancing leadership training and development programs

#### Key actions

- Launched new operating business units organized by region
- Allows us to be more responsive and closer to our customer
- Successes
  - Driving top-line growth, operating income increased 83% in Q3'21 compared to Q3'20
  - Key focus on profitability and cash flow
    - Improved working capital
    - Q3'21 TTM Adjusted EBITDA of \$45.3M, an increase of 25% compared to \$36.2M in 2020



# 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



**Joseph Baty**  
**CFO**

Previously EVP and CFO at Schiff Nutrition International

Named CFO of the Year in the large public company category by Utah Business Magazine in 2012



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

Extensive experience in the network marketing industry and deep background in information technology

Previously opened businesses in more than two dozen countries across Asia, Europe and Latin America.



**Eddie Silcock**  
**EVP, President of North America**

Served as chief sales officer for Perfectly Posh and VP of global sales at Young Living Essential Oils

22 years of experience in several senior leadership roles with Avon Products



**Bryant Yates**  
**EVP, President of 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



**Tracee Comstock**  
**VP, Human Resources**

Served as VP of Human Resources at Younique, LLC, a leading online peer-to-peer social selling platform in makeup and skincare products.

Served in senior human resources positions at Young Living Essential Oils, Weave and Sun Edison.

# CAPITAL ALLOCATION PLAN



**Significant cash flow  
has enabled the  
investment and growth  
of the business to date**

**Well-positioned to  
return a portion of this  
cash to shareholders**

## Capital Allocation Plan Launched March 10, 2021

**Special cash dividend of \$1.00 per share paid to shareholders in April 2021**

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**\$15M share repurchase program; \$6M in shares repurchased\***

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**Ongoing investment in organic growth opportunities**

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**Strategic M&A**

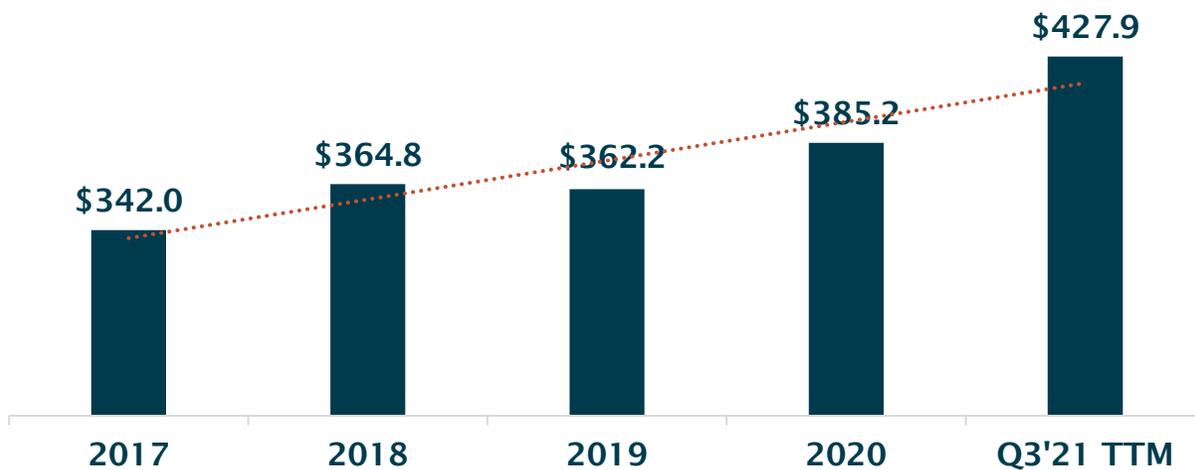
\*In the nine months ended September 30, 2021, the Company repurchased 350,000 shares at a total cost of \$6.0 million or \$17.14 per share



# HISTORICAL FINANCIAL PERFORMANCE

## Revenue

\$ in Millions

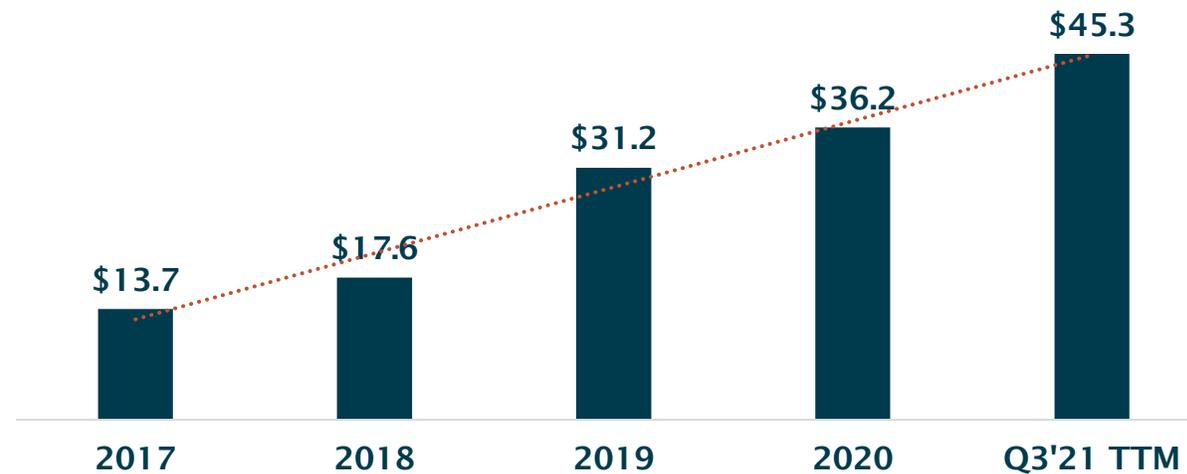


### Revenue Accelerant Opportunities

- Stronger regional-focused sales teams
- International market growth (China, Eastern Europe)
- Increased productivity of customers & distributors
- New products

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

\$ in Millions



### Margin Drivers

- Drive surplus manufacturing efficiencies
- Improved manufacturing costs
- Continue SG&A cost efficiencies

<sup>1</sup> See appendix for a reconciliation of this non-GAAP term.

# WHY NATURE'S SUNSHINE?



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



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



Brand repositioning better serves today's more informed consumer



Five meaningful, global growth opportunities to further scale our brands



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





# CONTACT US

Investor Relations Contact

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Senior Managing Director,  
Gateway Investor Relations

 (949) 574-3860

 [NATR@gatewayir.com](mailto:NATR@gatewayir.com)

# APPENDIX



# KEY STATS<sup>1</sup>



## Trading data @ (11/04/21)

### Stock Price

**\$15.83**

> **\$9.86/\$21.50**  
52 week low/high

> **80.6k**  
Avg. daily Vol. (3 mo.)

> **19.8M**  
Shares outstanding

> **69%**  
Public float, est.

> **71%**  
Institutional/strategic owner holdings

## Valuation Measures @ (11/04/21)

### Enterprise Value

**\$240.2M**

> **\$313.0M**  
Market cap

> **0.6x**  
EV/TTM Q3-21 revenue

> **5.3x**  
EV/TTM Q3-21 Adj. EBITDA<sup>3</sup>

## Financial highlights (TTM Q3-21)

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

**\$45.3M**

**Represents 38% YOY Growth**

> **\$427.9M**  
Total revenue

> **74.0%**  
Gross margin

> **\$21.2M**  
Non-GAAP net income<sup>3</sup>

> **\$75.5M**  
Cash & equivalents<sup>2</sup>

> **\$2.7M**  
Total debt<sup>2 4</sup>

> **\$239.8M**  
Total assets<sup>2</sup>

> **\$92.1M**  
Total liabilities<sup>2</sup>

> **\$147.6M**  
Total equity<sup>2</sup>

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

<sup>2</sup> As of the third quarter ended September 30, 2021.

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

<sup>4</sup> Excludes \$21.0M of lease liabilities.

# RECENT AWARDS

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## Company Honored with Six 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



**J. Christopher Teets**  
Chairman

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



**Mary Beth Springer**  
Independent Director

- Previously served as an executive VP and general manager at The Clorox Company (NYSE: CLX)
- Independent board member for Central Garden & Pet (NASDAQ: CENT)



**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.



**Shirley Wu**  
Independent Director

- Currently serves as Deputy CFO of Fosun Pharma (HKSE: 2196)
- Former partner in the audit function for KPMG Huazhen LLP Shanghai Branch



**Rob Straus**  
Independent Director

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



**Robert Mercer**  
Independent Director

- Director & secretary at the Joseph James Morelli Legacy Foundation
- Previously served as vice president of dealer operations and general counsel and secretary for Mazda North America



**Richard Moss**  
Independent Director

- 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 Chatterm

# ADJUSTED EBITDA RECONCILIATION



	RECONCILIATION OF NET INCOME TO ADJUSTED EBITDA				
	2017	2018	2019	2020	Q3' 21 TTM
Net Income (loss)	\$ (13,817)	\$ (1,202)	\$ 6,929	\$ 22,958	\$ 23,054
Adjustments:					
Depreciation and amortization	8,634	9,806	10,599	10,743	11,185
Share-based compensation expense	2,218	2,170	2,120	3,787	4,603
Other (income) loss, net*	(1,835)	2,151	483	(1,339)	721
Provision (benefit) for income taxes	17,039	4,402	8,713	(137)	5,601
Other adjustments (1)	1,483	252	2,375	173	164
Adjusted EBITDA	<u>\$ 13,722</u>	<u>\$ 17,579</u>	<u>\$ 31,219</u>	<u>\$ 36,185</u>	<u>\$ 45,328</u>
(1) Other Adjustments					
Capital allocation and other unusual expenses	-	-	-	-	265
CEO transition	-	2,518	-	-	-
Restructuring related expenses	1,483	1,525	2,375	808	676
Gain on sale of properties	-	(3,791)	-	-	-
VAT Refund	-	-	-	(635)	(777)
Total adjustments	<u>\$ 1,483</u>	<u>\$ 252</u>	<u>\$ 2,375</u>	<u>\$ 173</u>	<u>\$ 164</u>

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

# NON-GAAP NET INCOME RECONCILIATION



## NON-GAAP NET INCOME RECONCILIATION

	Q3'21 TTM
Net Income	\$ 23,054
Adjustments:	
Restructuring, Capital Allocation and other unusual expense	941
VAT refund	(777)
Tax impact of adjustments	(243)
Total adjustments	(79)
Non-GAAP net income	\$ 22,975
Reported income attributable to common shareholders	\$ 21,280
Total adjustments	(79)
Non-GAAP net income attributable to common shareholders	\$ 21,201