UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

☑ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2025**

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: **001-12421**

NU SKIN ENTERPRISES, INC.

(Exact name of registrant as specified in its charter)

Delaware	**87-0565309**
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

75 West Center Street
Provo, Utah 84601
(Address of principal executive offices, including zip code)
(801) 345-1000
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, $.001 par value	NUS	New York Stock Exchange

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 every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit 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 ☐
	Emerging growth company ☐

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 ☑

As of April 30, 2025, 49,412,994 shares of the registrant's Class A common stock, $.001 par value per share, were outstanding.

NU SKIN ENTERPRISES, INC.

QUARTERLY REPORT ON FORM 10-Q – FIRST QUARTER 2025

TABLE OF CONTENTS

			Page
Part I.	**Financial Information**		
	Item 1.	Financial Statements (Unaudited):	
		Consolidated Balance Sheets	1
		Consolidated Statements of Income	2
		Consolidated Statements of Comprehensive Income	3
		Consolidated Statements of Stockholders' Equity	4
		Consolidated Statements of Cash Flows	5
		Notes to Consolidated Financial Statements	6
	Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	18
	Item 3.	Quantitative and Qualitative Disclosures about Market Risk	26
	Item 4.	Controls and Procedures	26
Part II.	**Other Information**		
	Item 1.	Legal Proceedings	27
	Item 1A.	Risk Factors	27
	Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds	27
	Item 3.	Defaults Upon Senior Securities	28
	Item 4.	Mine Safety Disclosures	28
	Item 5.	Other Information	28
	Item 6.	Exhibits	29
	Signature		30

In this Quarterly Report on Form 10-Q, references to "dollars" and "$" are to United States ("U.S.") dollars.

Nu Skin, Pharmanex, and ageLOC are our trademarks. The italicized product names used in this Quarterly Report on Form 10-Q are product names and also, in certain cases, our trademarks.

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

NU SKIN ENTERPRISES, INC.
Consolidated Balance Sheets (Unaudited)
(U.S. dollars in thousands)

	March 31, 2025	December 31, 2024
ASSETS		
Current assets:		
Cash and cash equivalents	$ 203,770	$ 186,883
Current investments	9,781	11,111
Accounts receivable, net	56,576	50,784
Inventories, net	188,776	190,242
Prepaid expenses and other	65,954	72,643
Current assets held for sale	—	26,936
Total current assets	524,857	538,599
Property and equipment, net	380,067	379,595
Operating lease right-of-use assets	79,389	72,605
Goodwill	83,625	83,625
Other intangible assets, net	47,554	74,278
Other assets	275,919	298,008
Long-term assets held for sale	—	22,204
Total assets	$ 1,391,411	$ 1,468,914
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 33,590	$ 34,880
Accrued expenses	206,710	217,808
Current portion of long-term debt	20,000	30,000
Current liabilities held for sale	—	13,919
Total current liabilities	260,300	296,607
Operating lease liabilities	61,949	58,439
Long-term debt	218,757	363,613
Other liabilities	96,436	97,475
Long-term liabilities held for sale	—	1,325
Total liabilities	637,442	817,459
Commitments and contingencies (Notes 6 and 12)		
Stockholders' equity:		
Class A common stock – 500 million shares authorized, $0.001 par value, 90.6 million shares issued	91	91
Additional paid-in capital	623,477	627,787
Treasury stock, at cost – 41.2 million and 40.8 million shares	(1,562,211)	(1,563,614)
Accumulated other comprehensive loss	(123,850)	(124,758)
Retained earnings	1,816,462	1,711,949
Total stockholders' equity	753,969	651,455
Total liabilities and stockholders' equity	$ 1,391,411	$ 1,468,914

The accompanying notes are an integral part of these consolidated financial statements.

NU SKIN ENTERPRISES, INC.
Consolidated Statements of Income (Unaudited)
(U.S. dollars in thousands, except per share amounts)

	Three Months Ended March 31,	
	2025	2024
Revenue	$ 364,490	$ 417,306
Cost of sales	117,529	123,242
Gross profit	246,961	294,064
Operating expenses:		
Selling expenses	118,546	153,542
General and administrative expenses	113,204	124,566
Restructuring and impairment expenses	25,114	7,134
Total operating expenses	256,864	285,242
Operating income (loss)	(9,903)	8,822
Interest expense	3,283	7,325
Gain on sale of business	176,162	—
Other expense, net	(28,375)	(396)
Income before provision for income taxes	134,601	1,101
Provision for income taxes	27,086	1,634
Net income (loss)	$ 107,515	$ (533)
Net income (loss) per share (Note 7):		
Basic	$ 2.16	$ (0.01)
Diluted	$ 2.14	$ (0.01)
Weighted-average common shares outstanding (000s):		
Basic	49,764	49,538
Diluted	50,328	49,538

The accompanying notes are an integral part of these consolidated financial statements.

NU SKIN ENTERPRISES, INC.
Consolidated Statements of Comprehensive Income (Unaudited)
(U.S. dollars in thousands)

	Three Months Ended March 31,	
	2025	**2024**
Net income (loss)	$ 107,515	$ (533)
Other comprehensive income (loss), net of tax:		
Foreign currency translation adjustment, net of taxes of \$0 and \$0 for the three months ended March 31, 2025 and 2024, respectively	2,443	(10,104)
Net unrealized gains/(losses) on cash flow hedges, net of taxes of \$(32) and \$(435) for the three months ended March 31, 2025 and 2024, respectively	119	1,574
Reclassification adjustment for realized losses/(gains) in current earnings, net of taxes of \$456 and \$572 for the three months ended March 31, 2025 and 2024, respectively	(1,654)	(2,071)
	908	(10,601)
Comprehensive (loss) income	$ 108,423	$ (11,134)

The accompanying notes are an integral part of these consolidated financial statements.

NU SKIN ENTERPRISES, INC.
Consolidated Statements of Stockholders' Equity (Unaudited)
(U.S. dollars in thousands)

	For the Three Months Ended March 31, 2025					
	Class A Common Stock	Additional Paid-in Capital	Treasury Stock	Accumulated Other Comprehensive Loss	Retained Earnings	Total
Balance at January 1, 2025	$ 91	$ 627,787	$ (1,563,614)	$ (124,758)	$ 1,711,949	$ 651,455
Net income	—	—	—	—	107,515	107,515
Other comprehensive income, net of tax	—	—	—	908	—	908
Repurchase of Class A common stock (Note 7)	—	—	(5,012)	—	—	(5,012)
Exercise of employee stock options (0.3 million shares)/vesting of stock awards	—	(7,577)	6,415	—	—	(1,162)
Stock-based compensation	—	3,267	—	—	—	3,267
Cash dividends	—	—	—	—	(3,002)	(3,002)
Balance at March 31, 2025	$ 91	$ 623,477	$ (1,562,211)	$ (123,850)	$ 1,816,462	$ 753,969

	For the Three Months Ended March 31, 2024					
	Class A Common Stock	Additional Paid-in Capital	Treasury Stock	Accumulated Other Comprehensive Loss	Retained Earnings	Total
Balance at January 1, 2024	$ 91	$ 621,853	$ (1,570,440)	$ (100,006)	$ 1,870,470	$ 821,968
Net loss	—	—	—	—	(533)	(533)
Other comprehensive loss, net of tax	—	—	—	(10,601)	—	(10,601)
Exercise of employee stock options (0.2 million shares)/vesting of stock awards	—	(7,389)	5,498	—	—	(1,891)
Stock-based compensation	—	4,242	—	—	—	4,242
Cash dividends	—	—	—	—	(2,979)	(2,979)
Balance at March 31, 2024	$ 91	$ 618,706	$ (1,564,942)	$ (110,607)	$ 1,866,958	$ 810,206

The accompanying notes are an integral part of these consolidated financial statements.

NU SKIN ENTERPRISES, INC.
Consolidated Statements of Cash Flows (Unaudited)
(U.S. dollars in thousands)

	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
Cash flows from operating activities:		
Net income (loss)	$ 107,515	$ (533)
Adjustments to reconcile net income (loss) to cash flows from operating activities:		
Gain on sale of business	(176,162)	—
Impairment of goodwill, fixed assets and other intangibles	25,114	—
Unrealized losses on equity investments	28,077	—
Depreciation and amortization	14,206	18,437
Non-cash lease expense	6,438	7,987
Stock-based compensation	9,308	4,242
Inventory write-down	3,085	2,003
Foreign currency losses	931	1,639
Loss on disposal of assets	58	218
Deferred taxes	631	1,348
Changes in operating assets and liabilities:		
Accounts receivable, net	(5,878)	7,447
Inventories, net	(32)	6,999
Prepaid expenses and other	9,612	(13,352)
Other assets	1,796	(4,295)
Accounts payable	(1,439)	(10,575)
Accrued expenses	(21,016)	(4,227)
Other liabilities	(1,855)	(14,020)
Net cash provided by operating activities	389	3,318
Cash flows from investing activities:		
Purchases of property and equipment	(13,584)	(12,281)
Proceeds on investment sales	1,403	3,019
Proceeds from sale of business, net	193,725	—
Net cash provided by (used in) investing activities	181,544	(9,262)
Cash flows from financing activities:		
Exercise of employee stock options and taxes paid related to the net shares settlement of stock awards	(1,162)	(1,891)
Payment of cash dividends	(3,002)	(2,979)
Repurchase of shares of common stock	(5,012)	—
Finance lease principal payments	(621)	(785)
Contingent consideration payments	—	(6,300)
Payments of debt	(155,000)	(20,000)
Other, net	(1,498)	—
Net cash used in financing activities	(166,295)	(31,955)
Effect of exchange rate changes on cash	1,249	(5,626)
Net increase (decrease) in cash and cash equivalents	16,887	(43,525)
Cash and cash equivalents, beginning of period	186,883	256,057
Cash and cash equivalents, end of period	$ 203,770	$ 212,532

The accompanying notes are an integral part of these consolidated financial statements.

NU SKIN ENTERPRISES, INC.
Notes to Consolidated Financial Statements

1. The Company

Nu Skin Enterprises, Inc. (the "Company") is a holding company, with Nu Skin being the primary operating unit. Nu Skin develops and distributes premium-quality, innovative beauty and wellness products that are sold worldwide primarily under the Nu Skin, Pharmanex and ageLOC brands. The Company reports revenue from nine segments, consisting of its seven geographic Nu Skin segments—Americas, which includes Canada, Latin America and the United States; Mainland China; Southeast Asia/Pacific, which includes Indonesia, Malaysia, the Philippines, Singapore, Thailand, Vietnam, Australia, New Zealand, and other markets; Japan; Europe and Africa, which includes markets in Europe as well as South Africa; South Korea; and Hong Kong/Taiwan, which also includes Macau—and two Rhyz segments—Manufacturing, which includes manufacturing and packaging subsidiaries it has acquired; and Rhyz Other, which includes other investments by its Rhyz business arm (the Company's subsidiaries operating within each segment are collectively referred to as the "Subsidiaries").

2. Summary of Significant Accounting Policies

The accompanying unaudited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP") for interim financial information and with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by US GAAP for complete financial statements. The unaudited consolidated financial statements include the accounts of the Company and its Subsidiaries. All intercompany accounts and transactions are eliminated in consolidation. In the opinion of management, the accompanying unaudited consolidated financial statements contain all adjustments, consisting of normal recurring adjustments, considered necessary for a fair statement of the Company's financial information as of March 31, 2025, and for the three- month periods ended March 31, 2025 and 2024. The results of operations of any interim period are not necessarily indicative of the results of operations to be expected for the fiscal year. The consolidated balance sheet as of December 31, 2024 has been prepared using information from the audited financial statements at that date. For further information, refer to the consolidated financial statements and accompanying footnotes included in the Company's Annual Report on Form 10-K for the year ended December 31, 2024.

Accounting Pronouncements

In November 2023, the FASB issued ASU 2023-07, *Segment Reporting (Topic 280):Improvements to Reportable Segment Disclosures,* expanding segment disclosure requirements. The amendments require enhanced disclosure for certain segment items and required disclosure on how management uses reported measures to assess segment performance. The amendments do not change how segments are determined, aggregated, or how thresholds are applied to determine reportable segments. The Company adopted ASU 2023-07 beginning with its 2024 annual reporting, through retrospective application.

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. The guidance requires disclosure of disaggregated income taxes paid, prescribes standardized categories for the components of the effective tax rate reconciliation, and modifies other income tax-related disclosures. ASU 2023-09 is effective for the Company's annual periods beginning January 1, 2025, with early adoption permitted. The Company is currently evaluating the potential effect that the updated standard will have on its financial statement disclosures.

In November 2024, the FASB issued ASU 2024-03, Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures (Topic 220). This standard requires disclosure of specific information about costs and expenses. ASU 2024-03 is effective for fiscal years beginning after December 15, 2026 and interim reporting periods beginning after December 15, 2027. The Company is currently evaluating the potential effect that the updated standard will have on its financial statement disclosures.

Inventory

Inventories consist of the following (U.S. dollars in thousands):

	March 31, 2025	December 31, 2024
Raw materials	$ 111,819	$ 121,929
Finished goods	76,957	68,313
Total Inventory, net	$ 188,776	$ 190,242

Reserves of inventories consist of the following (U.S. dollars in thousands):

	Three Months Ended March 31,	
	2025	2024
Beginning balance	$ 84,006	$ 83,378
Additions	3,085	2,003
Write-offs	(7,682)	(4,862)
Ending Balance	$ 79,409	$ 80,519

Revenue Recognition

Contract Liabilities – Customer Loyalty Programs

Contract liabilities, recorded as deferred revenue within the accrued expenses line in the consolidated balance sheets, include loyalty point program deferrals with certain customers which are accounted for as a reduction in the transaction price and are generally recognized as points are redeemed for additional products.

The balance of deferred revenue related to contract liabilities as of March 31, 2025 and December 31, 2024 was $7.5 million and $7.8 million, respectively. The contract liabilities impact to revenue for the three-month periods ended March 31, 2025, and 2024 was an increase of $0.3 million and $0.7 million, respectively.

3. Held for Sale

Assets and liabilities to be disposed of by sale are classified as "held for sale" if their carrying amounts are principally expected to be recovered through a sale transaction rather than through continuing use. The classification occurs when the disposal group is available for immediate sale and the sale is probable. These criteria are generally met when an agreement to sell exists, or management has committed to a plan to sell the assets within one year. Disposal groups are measured at the lower of carrying amount or fair value less costs to sell, and long-lived assets included within the disposal group are not depreciated or amortized. The fair value of a disposal group, less any costs to sell, is assessed each reporting period it remains classified as held for sale and any remeasurement to the lower of carrying value or fair value less costs to sell is reported as an adjustment to the carrying value of the disposal group. When the net realizable value of a disposal group increases during a period, a gain can be recognized to the extent that it does not increase the value of the disposal group beyond its original carrying value when the disposal group was reclassified as held for sale.

On January 2, 2025, the Company completed the sale of its Mavely entity to Clout.io Holdings, Inc. for $230 million in cash and shares of the purchaser's common stock, subject to certain adjustments as set forth in the purchase agreement, including post-closing determination of net working capital and other elements of the purchase price. Following the completion of certain payments to other equity holders in Mavely and the payment of certain transaction expenses, the Company received net proceeds of $193.7 million and equity interest with an estimated fair value of $6.1 million. Approximately $4.4 million of additional payments are expected to be received following the finalization of net working capital The estimated fair value was based on observable price changes and is classified as a level 3 fair value measurement and is accounted for under the measurement alternative described in ASC 321-10-35-2 for equity securities that lack readily determinable fair values. In the first quarter of 2025, the Company recorded a gain on sale of $176.2 million.

During the first quarter of 2025, the Company recorded $5.2 million of stock-based compensation expense related to profit interest units issued to the Mavely founders. This expense should have been recorded in the fourth quarter of 2024 when the performance conditions became probable of vesting. The impact of the adjustment to correct this item was immaterial to the current and prior period financial statements.

As of December 31, 2024, the Mavely disposal group, consisting of $26.9 million of current assets, $22.2 million of long-term assets, $13.9 million of current liabilities and $1.3 million of long-term liabilities within the Company's Rhyz Other segment, was classified as "Current assets held for sale", "Long-term assets held for sale", "Current liabilities held for sale" and "Long-term liabilities held for sale" in the Consolidated Balance Sheet. The Company determined that as of December 31, 2024, the disposal group met the criteria for classification as held for sale but did not meet the criteria for classification as discontinued operations. The Company recognized income (loss) before provision for income taxes for the Mavely disposal group of $0 and $(1.6) million for the three months ended March 31, 2025 and 2024, respectively.

The total assets and liabilities of the Mavely disposal group that have met the classification of held for sale in the Company's Consolidated Balance sheet are as follows (U.S. dollars in thousands):

	December 31, 2024
Assets	
Current assets	
Accounts receivable, net	$ 26,455
Prepaid expenses and other	481
Total current assets held for sale	26,936
Property and equipment, net	1,668
Goodwill	12,602
Other intangible assets, net (1)	7,934
Total long-term assets held for sale	$ 22,204
Liabilities	
Current liabilities	
Accounts payable	$ 208
Accrued expenses	13,711
Total current liabilities held for sale	13,919
Other liabilities	1,325
Total long-term liabilities held for sale	1,325

(1) Net of accumulated amortization of $8.4 million as of December 31, 2024.

4. Goodwill and Intangibles

Goodwill

The Company's reporting units for goodwill are its operating segments, which are also its reportable segments, with the exception of Rhyz Other. The Rhyz Other segment is made up of two reporting units, which had goodwill of $4.7 million and $0.0 as of March 31, 2025 and December 31, 2024.

The following table presents goodwill allocated to the Company's reportable segments for the periods ended March 31, 2025 and December 31, 2024 (U.S. dollars in thousands):

	March 31, 2025	December 31, 2024
Nu Skin		
Americas	$ —	$ —
Southeast Asia/Pacific	—	—
Mainland China	—	—
Japan	—	—
South Korea	—	—
Europe & Africa	—	—
Hong Kong/Taiwan	—	—
Rhyz		
Manufacturing	78,875	78,875
Rhyz Other	4,750	4,750
Total	$ 83,625	$ 83,625

Accumulated impairment charges as of March 31, 2025 and December 31, 2024 were $9.4 million for the Americas segment, $18.5 million for the Southeast Asia/Pacific segment, $32.2 million for the Mainland China segment, $16.0 million for the Japan segment, $29.3 million for the South Korea segment, $2.9 million for the Europe & Africa segment, $6.6 million for the Hong Kong/Taiwan segment, $0 for the Manufacturing segment and $19.6 million for the Rhyz Other segment. There were no impairment charges recorded in the three months ended March 31, 2025 and 2024.

Intangibles

The Company reviews long-lived assets for impairment when performance expectations, events or change in circumstances indicate that the assets' carrying value may not be recoverable. The evaluation is performed at the lowest level of identifiable cash flows by comparing the carrying value of the asset group to the net undiscounted cash flows. If the evaluation indicates that the carrying amount of the assets may not be recoverable, any potential impairment is measured based upon the fair value of the related asset group.

During the first quarter of 2025, the Company decided to make a strategic shift in how it operates the BeautyBio asset group. These strategy changes included exiting certain sales channels which reduced the forecasted revenues for BeautyBio. The Company concluded these actions were an interim impairment triggering event. As a result, the Company performed an interim impairment test of the asset group and assessed the recoverability of the related asset group by comparing the carrying value of the asset group to the net undiscounted cash flow expected to be generated. The recoverability test indicated that the asset group was impaired. The Company concluded the asset group's carrying value exceeded its estimated fair value, which was determined utilizing the discounted projected future cash flows, which resulted in an impairment charge. The estimated fair value was based on expected future cash flows using level 3 inputs and utilized management estimates related to revenue growth rates, profitability margins and discount rates. As a result, during the three months ended March 31, 2025 the Company recorded an impairment charge of $25.1 million on the BeautyBio asset group, which is part of its Rhyz Other segment within restructuring and impairment expenses on the consolidated statement of income. The BeautyBio asset group has a remaining carrying value of $2.3 million with a remaining weighted-average amortization period of approximately 7 years.

5. Debt

Credit Agreement

On June 14, 2022, the Company entered into an Amended and Restated Credit Agreement (the "Credit Agreement") with several financial institutions as lenders and Bank of America, N.A., as administrative agent, which amended and restated the 2018 Credit Agreement. The Credit Agreement provides for a $400 million term loan facility and a $500 million revolving credit facility, each with a term of five years. Both facilities bear interest at the SOFR, plus a margin based on the Company's consolidated leverage ratio. Commitment fees payable under the Credit Agreement are also based on the consolidated leverage ratio as defined in the Credit Agreement and range from 0.175% to 0.30% on the unused portion of the total lender commitments then in effect. The term loan facility amortizes in quarterly installments in amounts resulting in an annual amortization of 2.5% during the first year and 5.0% during the second, third, fourth and fifth years after the closing date of the Credit Agreement, with the remainder payable at final maturity. The Credit Agreement is guaranteed by certain of the Company's domestic subsidiaries and collateralized by assets of such subsidiaries, including a pledge of 65% of the capital stock of certain foreign subsidiaries. The Credit Agreement requires the Company to maintain a consolidated leverage ratio not exceeding 2.75 to 1.00 and a consolidated interest coverage ratio of no less than 3.00 to 1.00. As of March 31, 2025, the Company was in compliance with all covenants under the Credit Agreement. In January 2025, the Company made a $115.0 million payment on the term loan facility using a portion of the proceeds from the Mavely sale.

The following table summarizes the Company's debt facilities as of March 31, 2025 and December 31, 2024:

Facility or Arrangement	Original Principal Amount	Balance as of March 31, 2025(1)(2)	Balance as of December 31, 2024(1)(2)	Interest Rate	Repayment Terms
Credit Agreement term loan facility	$400.0 million	$240.0 million	$360.0 million	Variable 30 day: 6.67%	21% of the principal amount is payable in increasing quarterly installments over a five-year period that began on September 30, 2022, with the remainder payable at the end of the five-year term.
Credit Agreement revolving credit facility		$0	$35.0 million		Revolving line of credit expires June 14, 2027.

(1) As of March 31, 2025 and December 31, 2024, the current portion of the Company's debt (i.e., becoming due in the next 12 months) included $20.0 million and $20.0 million, respectively, of the balance of its term loan under the Credit Agreement and $0 and $10.0 million, respectively, of the balance under the revolving line of credit.

(2) The carrying value of the debt reflects the amounts stated in the above table, less debt issuance costs of $1.2 million and $1.4 million as of March 31, 2025 and December 31, 2024, respectively, related to the Credit Agreement, which are not reflected in this table.

6. Leases

As of March 31, 2025, the weighted average remaining lease term was 6.6 and 4.5 years for operating and finance leases, respectively. As of March 31, 2025, the weighted average discount rate was 3.8% and 6.6% for operating and finance leases, respectively.

The components of lease expense were as follows (U.S. dollars in thousands):

	Three Months Ended March 31,	
	2025	**2024**
Operating lease expense		
Operating lease cost	$ 5,916	$ 6,066
Variable lease cost	961	1,776
Finance lease expense		
Amortization of right-of-use assets	530	758
Interest on lease liabilities	168	109
Total lease expense	$ 7,575	$ 8,709

Supplemental cash flow information related to leases was as follows (U.S. dollars in thousands):

	Three Months Ended March 31,	
	2025	**2024**
Operating cash outflow from operating leases	$ 5,744	$ 6,371
Operating cash outflow from finance leases	$ 166	$ 111
Financing cash outflow from finance leases	$ 621	$ 785
Right-of-use assets obtained in exchange for operating lease obligations	$ 11,496	$ 13,034
Right-of-use assets obtained in exchange for finance lease obligations	$ 277	$ 5

Maturities of lease liabilities were as follows (U.S. dollars in thousands):

Year Ending December 31	**Operating Leases**	**Finance Leases**
2025	$ 22,455	$ 2,662
2026	17,788	2,536
2027	11,984	2,484
2028	8,814	2,376
2029	7,475	1,355
Thereafter	22,514	—
Total	91,030	11,413
Less: Finance charges	9,084	1,554
Total principal liability	$ 81,946	$ 9,859

7. Capital Stock

Net income per share

Net income per share is computed based on the weighted-average number of common shares outstanding during the periods presented. Additionally, diluted earnings per share data gives effect to all potentially dilutive common shares that were outstanding during the periods presented. For the three-month periods ended March 31, 2025 and 2024, the only dilutive common shares outstanding relate to the Company's outstanding stock awards and options. For the three-month periods ended March 31, 2025 and 2024, 2.4 million and 1.8 million, respectively, of stock awards and options were excluded from the calculation of diluted earnings per share because they were anti-dilutive.

Dividends

In February 2025, the Company's board of directors declared a quarterly cash dividend of $0.06 per share. This quarterly cash dividend of $3.0 million was paid on March 5, 2025 to stockholders of record on February 24, 2025. In May 2025, the board of directors declared a quarterly cash dividend of $0.06 per share to be paid on June 11, 2025 to stockholders of record on May 30, 2025.

Repurchase of common stock

During the three-month period ended March 31, 2025, the Company repurchased 0.6 million share of its Class A common stock under its stock repurchase plans for $5.0 million and repurchased no shares during the three-month period ended March 31, 2024. As of March 31, 2025, $157.4 million was available for repurchases under the Company's stock repurchase plan.

8. Fair Value and Equity Investments

Fair Value

The carrying value of financial instruments including cash and cash equivalents, accounts receivable and accounts payable approximates fair values due to the short-term nature of these instruments. The carrying value of debt approximates fair value due to the variable 30-day interest rate. Fair value estimates are made at a specific point in time, based on relevant market information.

The FASB Codification defines fair value as the price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. On a quarterly basis, the Company measures at fair value certain financial assets, including cash equivalents. Accounting standards specify a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect data obtained from independent sources, while unobservable inputs reflect the Company's market assumptions. These two types of inputs have created the following fair-value hierarchy:

- Level 1 – quoted prices in active markets for identical assets or liabilities;
- Level 2 – inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and
- Level 3 – unobservable inputs based on the Company's own assumptions.

Accounting standards permit companies, at their option, to measure certain financial instruments and other eligible items at fair value. The Company has elected not to apply the fair value option to existing eligible items beyond what is required by US GAAP.

The following tables present the fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis (U.S. dollars in thousands):

	Fair Value at March 31, 2025			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Cash equivalents and current investments	$ 25,336	$ —	$ —	$ 25,336
Derivative financial instruments asset	—	2,749	—	2,749
Life insurance contracts	—	—	42,474	42,474
Total	$ 25,336	$ 2,749	$ 42,474	$ 70,559

	Fair Value at December 31, 2024			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Cash equivalents and current investments	$ 23,914	$ —	$ —	$ 23,914
Derivative financial instruments asset	—	4,708	—	4,708
Life insurance contracts	—	—	44,091	44,091
Contingent consideration	—	—	—	—
Total	$ 23,914	$ 4,708	$ 44,091	$ 72,713

The following table provides a summary of changes in fair value of the Company's Level 3 life insurance contracts (U.S. dollars in thousands):

	2025	2024
Beginning balance at January 1	$ 44,091	$ 45,041
Actual return on plan assets	(1,617)	3,373
Ending balance at March 31	$ 42,474	$ 48,414

Life insurance contracts: Accounting Standards Codification ("ASC") 820 preserves practicability exceptions to fair value measurements provided by other applicable provisions of U.S. GAAP. The guidance in ASC 715-30-35-60 allows a reporting entity, as a practical expedient, to use cash surrender value or conversion value as an expedient for fair value when it is present. Accordingly, the Company determines the fair value of its life insurance contracts as the cash-surrender value of life insurance policies held in its Rabbi Trust.

The following table provides a summary of changes in fair value of the Company's Level 3 contingent consideration (U.S. dollars in thousands):

	2025	2024
Beginning balance at January 1	$ —	$ (6,300)
Payments	—	6,300
Ending balance at March 31	$ —	$ —

Contingent consideration: Contingent consideration represents the obligations incurred in connection with acquisitions. The estimate of fair value of the contingent consideration obligations requires subjective assumptions to be made regarding the future business results, discount rates, discount periods and probabilities assigned to various potential business result scenarios and was determined using probability assessments with respect to the likelihood of reaching various targets or of achieving certain milestones. The fair value measurement is based on significant inputs unobservable in the market and thus represents a Level 3 measurement. Changes in current expectations of progress could change the probability of achieving the targets within the measurement periods and result in an increase or decrease in the fair value of the contingent consideration obligation.

Equity Investments

The Company maintains equity investments in companies which are accounted for under the measurement alternative described in ASC 321-10-35-2 for equity securities that lack readily determinable fair values. The carrying amount of equity securities held by the Company without readily determinable fair values was $0 and $28.1 million as of March 31, 2025 and December 31, 2024, respectively. During the three months ended September 30, 2021, the Company recognized $18.1 million upward fair value adjustments, based on the valuation of additional equity issued by the investee which was deemed to be an observable transaction of a similar investment under ASC 321. During the three months ended March 31, 2025, based on significant deterioration of the business prospects of the investment, the Company recorded a $28.1 million impairment of the investment. The third quarter of 2021 gain and first quarter of 2025 charge were recorded within Other income (expense), net on the Consolidated Statement of Income. The first quarter of 2025 estimated fair value was determined using a market-based method with level 3 inputs, including revenue and earnings multiples.

9. Income Taxes

Provision for income taxes for the first quarter of 2025 was $27.1 million, compared to $1.6 million for the prior-year period. The effective tax rates for the first quarter 2025 was 20.1% of pre-tax income compared to 148.4% in the prior-year period.

The Company accounts for income taxes in accordance with ASC Topic 740 "Income Taxes." These standards establish financial accounting and reporting standards for the effects of income taxes that result from an enterprise's activities during the current and preceding years. The Company takes an asset and liability approach for financial accounting and reporting of income taxes. The Company pays income taxes in many foreign jurisdictions based on the profits realized in those jurisdictions, which can be significantly impacted by terms of intercompany transactions between the Company and its foreign affiliates. Deferred tax assets and liabilities are created in this process. The Company has netted these deferred tax assets and deferred tax liabilities by jurisdiction. Valuation allowances are established when necessary to reduce deferred tax assets to the amounts expected to be ultimately realized. The Company had net deferred tax assets of $175.5 million and $173.9 million as of March 31, 2025 and December 31, 2024, respectively.

The Company evaluates its indefinite reinvestment assertions with respect to foreign earnings for each quarter. For all foreign earnings, the Company accrues the applicable foreign income taxes. For the earnings that have been indefinitely reinvested, the Company does not accrue foreign withholding taxes. Undistributed earnings that the Company has indefinitely reinvested, for which no foreign withholding taxes have been provided, aggregate to $60.0 million as of December 31, 2024. If the amount designated as indefinitely reinvested as of December 31, 2024 were repatriated to the United States, the amount of incremental taxes would be approximately $6.0 million. The Company intends to utilize the indefinitely reinvested offshore earnings to fund foreign investments, specifically capital expenditures.

The Company files income tax returns in the U.S. federal jurisdiction, and in various state and foreign jurisdictions. In 2009, the Company entered into a voluntary program with the IRS called Compliance Assurance Process ("CAP"). The objective of CAP is to contemporaneously work with the IRS to achieve federal tax compliance and resolve all or most of the issues prior to filing of the tax return. As of December 31, 2024, tax years through 2020, 2022 and 2023 have been audited and are effectively closed to further examination. For tax year 2021, the Company was in the Bridge phase of the CAP program, pursuant to which the IRS will not accept disclosures, will not conduct reviews and will not provide letters of assurance for the Bridge years. There are limited circumstances that tax years in the Bridge phase will be opened for examination. For tax years 2024 and 2025, the Company has been accepted in the IRS's Bridge Plus program. The Company may elect to continue participating in CAP for future tax years; the Company may withdraw from the program at any time. With a few exceptions, the Company is no longer subject to state and local income tax examination by tax authorities for the years before 2021. Foreign jurisdictions have varying lengths of statutes of limitations for income tax examinations. Some statutes are as short as three years and in certain markets may be as long as ten years. The Company is currently under examination in certain foreign jurisdictions; however, the outcomes of those reviews are not yet determinable. The Company's unrecognized tax benefits relate to multiple jurisdictions. Due to potential increases in unrecognized tax benefits from the multiple jurisdictions in which the Company operates, as well as the expiration of various statutes of limitations, it is reasonably possible that the Company's gross unrecognized tax benefits, net of foreign currency adjustments, may decrease in the next 12 months by approximately $4.0 to $5.0 million.

In 2021, as part of the Organization for Economic Co-operation and Development's ("OECD") Inclusive Framework, 140 member countries agreed to the implementation of the Pillar Two Global Minimum Tax ("Pillar Two") of 15%. The OECD continues to release additional guidance, including administrative guidance on how Pillar Two rules should be interpreted and applied by jurisdictions as they adopt Pillar Two. A number of countries have utilized the administrative guidance as a starting point for legislation that went into effect January 1, 2024. Based on current enacted legislation, the Company anticipates the impact of Pillar Two to be immaterial for 2025.

10. Derivatives and Hedging Activities

Risk Management Objective of Using Derivatives

The Company is exposed to certain risks arising from both its business operations and economic conditions. The Company principally manages its exposures to a wide variety of business and operational risks through management of its core business activities. The Company manages economic risks, including interest rate, liquidity, and credit risk primarily by managing the amount, sources, and duration of its assets and liabilities and the use of derivative financial instruments. Specifically, the Company enters into derivative financial instruments to manage exposures that arise from business activities that result in the receipt or payment of future known and uncertain cash amounts, the value of which are determined by interest rates. The Company's derivative financial instruments are used to manage differences in the amount, timing, and duration of the Company's known or expected cash receipts and its known or expected cash payments principally related to the Company's borrowings.

Cash Flow Hedges of Interest Rate Risk

The Company's objectives in using interest rate derivatives are to add stability to interest expense and to manage its exposure to interest rate movements. To accomplish this objective, the Company primarily uses interest rate swaps as part of its interest rate risk management strategy. Interest rate swaps designated as cash flow hedges involve the receipt of variable-rate amounts from a counterparty in exchange for the Company making fixed-rate payments over the life of the agreements without exchange of the underlying notional amount. During 2025, such derivatives were used to hedge the variable cash flows associated with existing variable-rate debt.

For derivatives designated and that qualify as cash flow hedges of interest rate risk, the gain or loss on the derivative is recorded in Accumulated Other Comprehensive Income and subsequently reclassified into interest expense/income in the same period(s) during which the hedged transaction affects earnings. Amounts reported in accumulated other comprehensive income related to derivatives will be reclassified to interest expense/income as interest payments are made/received on the Company's variable-rate debt. During the next twelve months, the Company estimates that an additional $2.7 million will be reclassified as a reduction to interest expense.

As of March 31, 2025 and December 31, 2024, the Company had four outstanding interest rate derivatives that were designated as cash flow hedges of interest rate risk with a total notional amount of $200 million.

Fair Values of Derivative Instruments on the Balance Sheet

The table below presents the fair value of the Company's derivative financial instruments as well as their classification on the Balance Sheet:

Derivatives in Cash flow Hedging Relationships:	Balance Sheet Location	Fair Values of Derivative Instruments March 31, 2025	December 31, 2024
Interest Rate Swap - Asset	Prepaid expenses and other	$ 2,749	$ 4,708

Effect of Cash Flow Hedge Accounting on Accumulated Other Comprehensive Loss

The tables below present the effect of cash flow hedge accounting on Accumulated Other Comprehensive Loss.

Derivatives in Cash flow Hedging Relationships:	Amount of Gain Recognized in Other Comprehensive Loss on Derivatives Three Months Ended March 31, 2025	2024
Interest Rate Swaps	$ 151	$ 2,009

Derivatives in Cash flow Hedging Relationships:	Income Statement Location	Amount of Gain Reclassified from Accumulated Other Comprehensive Loss into Income Three Months Ended March 31, 2025	2024
Interest Rate Swaps	Interest expense	$ 2,110	$ 2,643

11. Segment Information

The Company reports revenue from nine segments, consisting of its seven geographic Nu Skin segments—Americas, Southeast Asia/Pacific, Mainland China, Japan, Europe & Africa, South Korea, and Hong Kong/Taiwan—and two Rhyz segments—Manufacturing and Rhyz Other. The Nu Skin Other category includes miscellaneous corporate revenue and related adjustments. The Rhyz Other segment includes two operating segments that are aggregated into one reporting segment and includes other investments by our Rhyz business arm. The Chief Executive Officer is the chief operating decision maker ("CODM"). These segments reflect the way the CODM evaluates the Company's business performance and allocates resources. Reported revenue includes only the revenue generated by sales to external customers.

Profitability by segment as determined under US GAAP is driven primarily by the Company's transfer pricing policies. Segment contribution, which is the Company's segment profitability metric presented in the table below, excludes certain intercompany charges, specifically royalties, license fees, transfer pricing, discrete charges and other miscellaneous items. These charges have been included in Corporate and other expenses. Corporate and other expenses also include costs related to the Company's executive and administrative offices, information technology, research and development, and marketing and supply chain functions not recorded at the segment level.

The accounting policies of the segments are the same as those described in Note 2, "Summary of Significant Accounting Policies." The Company evaluates the performance of its segments based on segment contribution. Each segment records direct expenses related to its employees and its operations.

Summarized financial information for the Company's reportable segments is shown in the following tables. Asset information is not reviewed or included with the Company's internal management reporting. Therefore, the Company has not disclosed asset information for each reportable segment.

	Three Months Ended March 31, 2025									
	Nu Skin							Rhyz		
	Americas	Southeast Asia/ Pacific	Mainland China	Japan	Europe & Africa	South Korea	Hong Kong/ Taiwan	Manufacturing [1]	Rhyz Other	Total Segments
Revenue	$ 69,058	$ 52,172	$ 47,775	$ 42,765	$ 33,021	$ 32,515	$ 28,447	$ 55,290	$ 2,918	$ 363,961
Cost of sales	17,766	12,999	8,988	8,755	8,374	6,441	5,052	44,975	1,289	114,639
Other segment items [2]	35,545	27,023	28,235	22,156	19,985	15,321	13,705	8,536	4,009	174,515
Segment contribution	$ 15,747	$ 12,150	$ 10,552	$ 11,854	$ 4,662	$ 10,753	$ 9,690	$ 1,779	$ (2,380)	$ 74,807

	Three Months Ended March 31, 2024									
	Nu Skin							Rhyz		
	Americas	Southeast Asia/ Pacific	Mainland China	Japan	Europe & Africa	South Korea	Hong Kong/ Taiwan	Manufacturing [1]	Rhyz Other	Total Segments
Revenue	$ 75,031	$ 60,065	$ 61,067	$ 44,236	$ 42,273	$ 40,963	$ 30,466	$ 50,302	$ 12,231	$ 416,634
Cost of sales	19,346	15,173	10,582	8,707	12,120	8,197	5,645	38,841	2,621	121,232
Other segment items [2]	40,709	33,808	38,232	23,523	26,877	20,583	17,454	9,494	15,552	226,232
Segment contribution	$ 14,976	$ 11,084	$ 12,253	$ 12,006	$ 3,276	$ 12,183	$ 7,367	$ 1,967	$ (5,942)	$ 69,170

(1) The Manufacturing segment had $8.9 million and $8.6 million of intersegment revenue for the three months ended March 31, 2025 and 2024, respectively. Intersegment revenue is eliminated in the consolidated financial statements and in the table above.

(2) Other segment items primarily include selling expenses and general and administrative expenses.

	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
Total Segment Revenue	$ 363,961	$ 416,634
Core Nu Skin Adjustments	529	672
Total Revenue	$ 364,490	$ 417,306

	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
Total Segment Contribution	$ 74,807	$ 69,170
Corporate and Other	(84,710)	(60,348)
Operating income (loss)	(9,903)	8,822
Interest expense	3,283	7,325
Gain on sale of business	176,162	—
Other expense, net	(28,375)	(396)
Income before provision for income taxes	$ 134,601	$ 1,101

Depreciation and Amortization

(U.S. dollars in thousands)	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
Nu Skin		
Americas	$ 50	$ 105
Southeast Asia/Pacific	190	249
Mainland China	2,068	2,774
Japan	57	81
Europe & Africa	264	273
South Korea	174	245
Hong Kong/Taiwan	377	579
Total Nu Skin	3,180	4,306
Rhyz		
Manufacturing	3,334	3,335
Rhyz Other	912	1,886
Total Rhyz	4,246	5,221
Corporate and other	6,780	8,910
Total	$ 14,206	$ 18,437

Capital Expenditures

(U.S. dollars in thousands)	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
Nu Skin		
Americas	$ 13	$ 21
Southeast Asia/Pacific	—	9
Mainland China	478	2,689
Japan	—	—
Europe & Africa	6	165
South Korea	—	22
Hong Kong/Taiwan	68	198
Total Nu Skin	565	3,104
Rhyz		
Manufacturing	5,674	1,349
Rhyz Other	16	635
Total Rhyz	5,690	1,984
Corporate and other	7,329	7,193
Total	$ 13,584	$ 12,281

12. Commitments and Contingencies

The Company is subject to government regulations pertaining to product formulation, labeling and packaging, product claims and advertising, and the Company's direct selling system. The Company is also subject to the jurisdiction of numerous foreign tax and customs authorities. Any assertions or determination that either the Company or the Company's sales force is not in compliance with existing statutes, laws, rules or regulations could have a material adverse effect on the Company's operations. In addition, in any country or jurisdiction, the adoption of new statutes, laws, rules or regulations or changes in the interpretation of existing statutes, laws, rules or regulations could have a material adverse effect on the Company and its operations. No assurance can be given that the Company's compliance with applicable statutes, laws, rules and regulations will not be challenged by foreign authorities or that such challenges will not have a material adverse effect on the Company's financial position, results of operations or cash flows. The Company and its Subsidiaries are defendants in litigation, investigations and other proceedings involving various matters. Management believes that the ultimate liability arising from such claims and contingencies, if any, is not likely to have a material adverse effect on the Company's consolidated financial condition, results of operations or cash flows.

The Company is subject to regular audits by federal, state and foreign tax authorities. These audits may result in additional tax liabilities. The Company believes it has appropriately provided for income taxes for all years. Several factors drive the calculation of its tax reserves. Some of these factors include: (i) the expiration of various statutes of limitations; (ii) changes in tax law and regulations; (iii) issuance of tax rulings; and (iv) settlements with tax authorities. Changes in any of these factors may result in adjustments to the Company's reserves, which would impact its reported financial results.

13. Restructuring

In the fourth quarter of 2023, the Company adopted a strategic plan ("2023 Plan") to focus resources on the Company's global priorities and optimize future growth and profitability. The global program includes workforce reductions and fixed asset impairments associated with our consolidation of technology assets. Total charges under the program included approximately $27.9 million in cash charges of severance, approximately $1.0 million in other cash charges and approximately $38.8 million in non-cash charges, including approximately $36.6 million in fixed asset impairments. The Company has incurred all expected charges under the 2023 Plan, and anticipates making the remaining payments in the first half of 2025.

- During the fourth quarter of 2023, the Company incurred charges to be settled in cash of $10.0 million in severance charges. During the fourth quarter of 2023, the Company made cash payments of $0.3 million, leaving an ending restructuring accrual of $9.7 million.
- During the first quarter of 2024, the Company incurred charges to be settled in cash of $4.1 million in severance charges and $2.0 million in other associated cost, and non-cash charges of $1.0 million in write-down of assets. During the first quarter of 2024, the Company made cash payments of $7.0 million, leaving an ending restructuring accrual of $8.8 million.
- During the second quarter of 2024, the Company incurred charges to be settled in cash of $1.0 million in severance charges and $0.1 million in other cash charges. In the second quarter of 2024, the Company incurred non-cash charges of $7.2 million, consisting of $6.4 million in fixed asset impairments and $0.8 million in other asset write-downs. During the second quarter of 2024, the Company made cash payments of $2.8 million, leaving an ending restructuring accrual of $7.1 million.
- During the third quarter of 2024, the Company incurred no additional charges and made cash payments of $3.9 leaving an ending restructuring accrual of $3.2 million.
- During the fourth quarter of 2024, the Company incurred charges to be settled in cash of $12.8 million in severance charges and $(1.1) million in other cash charges. In the fourth quarter of 2024, the Company incurred non-cash charges of $30.2 million of fixed asset impairments and $0.4 million of other non-cash charges. During the fourth quarter of 2024, the Company made cash payments of $8.7 million, leaving an ending restructuring accrual of $6.2 million.
- During the first quarter of 2025, the Company incurred no further charges, made cash payments of $4.7 million leaving an ending restructuring accrual of $1.5 million.

Restructuring expense by segment – 2023 Plan

	Three Months Ended				
(U.S. dollars in thousands)	December 31, 2024	June 30, 2024	March 31, 2024	December 31, 2023	Total
Nu Skin					
Americas	$ 159	$ 267	$ 3,145	$ 598	$ 4,169
Southeast Asia/Pacific	1,589	190	307	862	2,948
Mainland China	3,449	(162)	1,017	2,910	7,214
Japan	1	—	24	—	25
Europe & Africa	1,152	414	677	554	2,797
South Korea	1,646	(134)	134	—	1,646
Hong Kong/Taiwan	294	(147)	357	432	936
Total Nu Skin	8,290	428	5,661	5,356	19,735
Rhyz					
Manufacturing	—	—	—	—	—
Rhyz Other	1,040	40	—	—	1,080
Total Rhyz	1,040	40	—	—	1,080
Corporate and other	32,887	7,896	1,473	4,647	46,903
Total	$ 42,217	$ 8,364	$ 7,134	$ 10,003	$ 67,718

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This Quarterly Report on Form 10-Q (this "Quarterly Report") contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, that represent our current expectations and beliefs. All statements other than statements of historical fact are "forward-looking statements" for purposes of federal and state securities laws and include, but are not limited to, statements of management's expectations regarding our performance, initiatives, strategies, product introductions and offerings, growth of our Rhyz business, acquisitions, and the integration of acquired companies, growth, opportunities and risks; statements of projections regarding future sales, expenses, operating results, taxes and duties, capital expenditures, sources and uses of cash, foreign-currency fluctuations or devaluations, repatriation of undistributed earnings, and other financial items; statements of management's expectations and beliefs regarding our markets and global economic conditions; statements regarding the payment of future dividends and stock repurchases; statements regarding the outcome of litigation, audits, investigations or other regulatory actions; statements regarding government policies and regulations relating to our industry, including government policies and regulations in or related to the United States and Mainland China; statements regarding tariffs and trade policies; accounting estimates and assumptions; 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," "optimistic," "project," "anticipate," "determine," "estimate," "intend," "plan," "goal," "objective," "targets," "become," "likely," "will," "would," "could," "may," "might," the negative of these words and other similar words. We undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by law. We caution and advise readers that these statements are based on assumptions that may not be realized and involve risks and uncertainties that could cause actual results to differ materially from the expectations and beliefs contained herein. For a summary of these risks, see the risk factors included in our Annual Report on Form 10-K for the 2024 fiscal year and in any of our subsequent Securities and Exchange Commission filings, including this Quarterly Report.

The following Management's Discussion and Analysis should be read in conjunction with our consolidated financial statements and related notes and Management's Discussion and Analysis included in our Annual Report on Form 10-K for the 2024 fiscal year, and our other reports filed with the Securities and Exchange Commission through the date of this Quarterly Report.

Overview

Revenue for the three-month period ended March 31, 2025 decreased 12.7% to $364.5 million, compared to $417.3 million in the prior-year period. Our revenue in the first quarter of 2025 was negatively impacted 3.0% from foreign-currency fluctuations. Our Customers, Paid Affiliates and Sales Leaders declined 11%, 15% and 20%, respectively, on a year-over-year basis.

The declines for the three-month period ended March 31, 2025 were largely driven by the continued macroeconomic challenges we've been facing in our markets, which have negatively impacted consumer spending and customer acquisition. In addition, while we continue to make progress on our long-term vision, we have experienced headwinds from the transformation process. Our priorities for 2025 focus on business model optimization, driven by the continued rollout of enhancements to our sales performance plan, the introduction of our next connected device the *Prysm iO* and business expansion into India. We are currently anticipating nominal revenue from our fourth quarter India market pre-opening, as we are preparing for the formal launch in mid-2026.

Earnings per share for the first quarter of 2025 increased to $2.14, compared to $(0.01) in the prior-year period. The increase in earnings per share for the quarter is primarily driven by the sale of our Mavely business, which generated a pre-tax gain of approximately $176.2 million, partially offset by the associated taxes, an intangible impairment of $25.1 million in our Rhyz Other segment, a non-cash loss on investment of $28.1 million and the decline in revenue.

Segment Results

We report our business in nine segments to reflect our current management approach. These segments consist of our seven geographic Nu Skin segments—Americas, Mainland China, Southeast Asia/Pacific, Japan, Europe & Africa, South Korea and Hong Kong/Taiwan—and our two Rhyz segments—Manufacturing and Rhyz Other. The Nu Skin Other category includes miscellaneous corporate revenue and related adjustments.

The following table sets forth revenue for the three-month periods ended March 31, 2025 and 2024 for each of our reportable segments (U.S. dollars in thousands):

	Three Months Ended March 31, 2025	2024	Change	Constant-Currency Change(1)
Nu Skin				
Americas	$ 69,058	$ 75,031	(8.0)%	(1.3)%
Southeast Asia/Pacific	52,172	60,065	(13.1)%	(12.0)%
Mainland China	47,775	61,067	(21.8)%	(20.6)%
Japan	42,765	44,236	(3.3)%	(0.8)%
Europe & Africa	33,021	42,273	(21.9)%	(19.5)%
South Korea	32,515	40,963	(20.6)%	(13.3)%
Hong Kong/Taiwan	28,447	30,466	(6.6)%	(4.0)%
Other	529	672	(21.3)%	(21.3)%
Total Nu Skin	306,282	354,773	(13.7)%	(10.2)%
Rhyz				
Manufacturing	55,290	50,302	9.9%	9.9%
Rhyz Other	2,918	12,231	(76.1)%	(76.1)%
Total Rhyz	58,208	62,533	(6.9)%	(6.9)%
Total	$ 364,490	$ 417,306	(12.7)%	(9.7)%

(1) Constant-currency revenue change is a non-GAAP financial measure. See "Non-GAAP Financial Measures," below.

The tables below set forth summarized financial information for each of our reportable segments for the three-month periods ended March 31, 2025 and 2024 (U.S. dollars in thousands). Segment contribution excludes certain intercompany charges, specifically royalties, license fees, transfer pricing and other miscellaneous items. We use segment contribution to measure the portion of profitability that the segment managers have the ability to control for their respective segments. For additional information regarding our segments and the calculation of segment contribution, see Note 11 to the consolidated financial statements contained in this report.

	Three Months Ended March 31, 2025									
	Nu Skin							Rhyz		
	Americas	Southeast Asia / Pacific	Mainland China	Japan	Europe & Africa	South Korea	Hong Kong / Taiwan	Manufacturing	Rhyz Other	Total Segments
Revenue	$ 69,058	$ 52,172	$ 47,775	$ 42,765	$ 33,021	$ 32,515	$ 28,447	$ 55,290	$ 2,918	$ 363,961
Cost of sales	17,766	12,999	8,988	8,755	8,374	6,441	5,052	44,975	1,289	114,639
Other segment items	35,545	27,023	28,235	22,156	19,985	15,321	13,705	8,536	4,009	174,515
Segment contribution	$ 15,747	$ 12,150	$ 10,552	$ 11,854	$ 4,662	$ 10,753	$ 9,690	$ 1,779	$ (2,380)	$ 74,807
Segment contribution as a percentage of revenue	*22.8%*	*23.3%*	*22.1%*	*27.7%*	*14.1%*	*33.1%*	*34.1%*	*3.2%*	*(81.6)%*	*20.6%*

	Three Months Ended March 31, 2024									
	Nu Skin							Rhyz		
	Americas	Southeast Asia / Pacific	Mainland China	Japan	Europe & Africa	South Korea	Hong Kong / Taiwan	Manufacturing	Rhyz Other	Total Segments
Revenue	$ 75,031	$ 60,065	$ 61,067	$ 44,236	$ 42,273	$ 40,963	$ 30,466	$ 50,302	$ 12,231	$ 416,634
Cost of sales	19,346	15,173	10,582	8,707	12,120	8,197	5,645	38,841	2,621	121,232
Other segment items	40,709	33,808	38,232	23,523	26,877	20,583	17,454	9,494	15,552	226,232
Segment contribution	$ 14,976	$ 11,084	$ 12,253	$ 12,006	$ 3,276	$ 12,183	$ 7,367	$ 1,967	$ (5,942)	$ 69,170
Segment contribution as a percentage of revenue	*20.0%*	*18.5%*	*20.1%*	*27.1%*	*7.7%*	*29.7%*	*24.2%*	*3.9%*	*(48.6)%*	*16.6%*

The following table provides information concerning the number of Customers, Paid Affiliates and Sales Leaders in our core Nu Skin business for the three-month periods ended March 31, 2025 and 2024.

- "Customers" are persons who have purchased directly from the Company during the three months ended as of the date indicated. Our Customer numbers include members of our sales force who made such a purchase, including Paid Affiliates and those who qualify as Sales Leaders, but they do not include consumers who purchase directly from members of our sales force.

- "Paid Affiliates" are any Brand Affiliates, as well as members of our sales force in Mainland China, who earned sales compensation during the three-month period. In all of our markets besides Mainland China, we refer to members of our independent sales force as "Brand Affiliates" because their primary role is to promote our brand and products through their personal social networks.

- "Sales Leaders" are the three-month average of our monthly Brand Affiliates, as well as sales employees and independent marketers in Mainland China, who achieved certain qualification requirements as of the end of each month of the quarter.

	Three Months Ended March 31,		
	2025	**2024**	**Change**
Customers			
Americas	227,514	199,399	14%
Southeast Asia/Pacific	74,584	93,411	(20)%
Mainland China	122,474	162,239	(25)%
Japan	107,742	108,808	(1)%
Europe & Africa	130,154	163,481	(20)%
South Korea	71,721	100,230	(28)%
Hong Kong/Taiwan	42,523	47,693	(11)%
Total Customers	776,712	875,261	(11)%
Paid Affiliates			
Americas	26,936	29,081	(7)%
Southeast Asia/Pacific	22,296	29,778	(25)%
Mainland China	19,859	24,405	(19)%
Japan	21,073	21,679	(3)%
Europe & Africa	15,184	18,313	(17)%
South Korea	16,548	20,594	(20)%
Hong Kong/Taiwan	9,622	10,321	(7)%
Total Paid Affiliates	131,518	154,171	(15)%
Sales Leaders			
Americas	6,174	6,616	(7)%
Southeast Asia/Pacific	4,542	5,570	(18)%
Mainland China	6,214	9,600	(35)%
Japan	6,210	6,385	(3)%
Europe & Africa	2,839	3,715	(24)%
South Korea	2,850	4,122	(31)%
Hong Kong/Taiwan	2,207	2,601	(15)%
Total Sales Leaders	31,036	38,609	(20)%

The following is a narrative discussion of our results in each segment, which supplements the tables above.

Americas. The results in our Americas segment reflect a continued decline in our North America markets, while our Latin America markets grew year-over-year. We also introduced enhancements to the sales performance plan in North America starting in November 2024, which has caused disruption as our sales force adapts to the enhancements. In addition, our reported revenue reflects a negative impact from unfavorable foreign currency fluctuations of 6.7% for the first quarter of 2025.

In the second quarter of 2024, we launched our developing market strategy in Argentina, with a revised operating model with a focused product portfolio and modified business model that has enabled us to reach a broader demographic. During early 2025, we continued to roll out this strategy in additional Latin America markets. For the first quarter of 2025, our Latin America markets revenue increased from $8.9 million to $21.8 million, a 144% increase; in addition, Latin America Customers increased 133%, Paid Affiliates increased 40%, and Sales Leaders increased 62%.

The year-over-year increase in segment contribution primarily reflects increased profitability in Latin America, partially offset by the overall decline in revenue.

Southeast Asia/Pacific. The decline in revenue, Customers, Paid Affiliates and Sales Leaders for the first quarter of 2025 is partially attributable to slowing momentum from the general macroeconomic factors in the markets. We continued to see stabilization in many of our markets, but our Indonesia market remained challenging.

The year-over-year increase in segment contribution is primarily attributable to a 2.3 percentage point decrease in selling expenses as a percentage of revenue and a 2.1 percentage point decrease in general and administrative expenses as a percentage of revenue attributable to cost savings efforts during 2025 all partially offset by the decline in revenue.

Mainland China. Our Mainland China market continued to be challenged during the first quarter of 2025, with ongoing macroeconomic factors, the associated decrease in consumer spending and a negative sentiment towards U.S. brands leading to declines in revenue.

The year-over-year decrease in segment contribution for the first quarter of 2025 primarily reflects lower revenue and a 1.5 percentage point decrease in gross margin attributable to pressure from fixed cost in cost of sales on depressed revenue, partially offset by a 3.0 percentage point decrease in selling expense as a percent of revenue.

Japan. The 3.3% decline in revenue is primarily attributable to a 2.5% negative impact from unfavorable foreign-currency fluctuations as well as consumer inflationary pressures which depressed spending. On a local currency basis, revenue decreased 0.8%.

The year-over-year decline in segment contribution reflects the decreased revenue, partially offset by a 1.4 percentage point decline in selling expenses.

Europe & Africa. The reduction in revenue, Customers, Paid Affiliates and Sales Leaders reflects the softening of momentum, as well as the macroeconomic factors that have led to a decline in the purchasing power of our customers. We introduced enhancements to the sales performance plan in Europe & Africa starting in March 2025.

The year-over-year increase in segment contribution reflects the cost-saving efforts in the segment which benefited gross margin through automation and other initiatives, which resulted in a 3.3 percentage point increase in gross margin. In addition, selling expenses as a percent of revenue decreased 3.3 percentage points primarily from higher sales force events cost in the first quarter of 2024, partially offset by the decline in revenue.

South Korea. Our South Korea market was challenged by difficult macroeconomic trends, including inflationary pressures, political instability, and our associated price increases which negatively impacted our revenue, Customers, Paid Affiliates and Sales Leaders for the quarter ended March 31, 2025. During the fourth quarter of 2024, we introduced our enhancements to the sales performance plan in South Korea.

The year-over-year decline in segment contribution primarily reflects the decline in revenue partially offset by a 3.0 percentage point decrease in general and administrative expenses from our cost saving efforts.

Hong Kong/Taiwan. The declines in our Hong Kong/Taiwan segment for the first quarter of 2025 are attributable to macroeconomic issues, which are resulting in less purchasing power for our consumers.

The increase in segment contribution was primarily driven by a 3.8 percentage point decrease in selling expenses and a 5.3 percentage point decrease in general and administrative expense from our recent cost saving efforts, partially offset by the decline in revenue.

Manufacturing. Our Manufacturing segment revenue increased 9.9% for the first quarter of 2025, primarily driven by our Elevate Manufacturing entity.

The decrease in segment contribution for the first quarter of 2025 is primarily from the revenue mix amongst our manufacturing entities as well as product mix, which resulted in less profitability for the periods presented.

Rhyz Other. The decrease in revenue of our Rhyz Other segment is primarily driven by the January 2, 2025 sale of Mavely, Mavely recognized $7.0 million of revenue in the first quarter of 2024. In addition, our BeautyBio entity remains challenging, with a 72% decline in revenue as we look to change the strategy to minimize future losses and position the brand for growth.

The increase in segment contribution is primarily from the sale of Mavely, which operated at a loss during the first quarter of 2024, as well as our cost saving efforts at BeautyBio, which had smaller losses for the first quarter of 2025.

Consolidated Results

Revenue

Revenue for the three-month period ended March 31, 2025 decreased 12.7% to $364.5 million, compared to $417.3 million in the prior-year period. For a discussion and analysis of this decrease in revenue, see “Overview” and “Segment Results,” above.

Gross profit

Gross profit as a percentage of revenue was 67.8% for the first quarter of 2025 compared to 70.5% for the prior-year period. The gross margin of our core Nu Skin business decreased 0.2 percentage points to 76.7%. Our gross margin was also impacted by the gross margin of our owned manufacturing entities, which as previously disclosed, is significantly lower than the gross margin of our core Nu Skin business. With the year-over-year growth within our Manufacturing segment, their revenue represented a higher proportion of our overall consolidated revenue for the quarter.

We continue to monitor macroeconomic trends and uncertainties related to international trade relations and trade policy, including those related to tariffs. Incremental tariffs did not have a significant impact on our financial results for the first quarter of 2025 but could adversely impact our results in the future. While we remain focused on mitigating the impact of the tariffs, we currently estimate up to $5 million of incremental cost pressure for the remainder of 2025. We continue to monitor and plan to take proactive measures to minimize the potential impact.

Selling expenses

Selling expenses as a percentage of revenue was 32.5% for the first quarter of 2025, compared to 36.8% for the prior-year period. Selling expenses for our core Nu Skin business as a percentage of revenue decreased 3.0 percentage points to 38.7% for the first quarter of 2025. Selling expenses for our core Nu Skin business are driven by the specific performance of our individual Sales Leaders. Given the size of our sales force and the various components of our compensation and incentive programs, selling expenses as a percentage of revenue typically approximates 40% and fluctuates plus or minus approximately 100 basis points from period to period. Our first quarter of 2025 core Nu Skin selling expenses decrease is partially attributable to the sequential decline in revenue and Sales Leaders, which resulted in a decline in those qualifying for increased sales compensation. In addition, approximately 0.7 percentage points of the decline in selling expenses as a percentage of revenue are attributable to the January 2, 2025 sale of Mavely.

General and administrative expenses

General and administrative expenses decreased to $113.2 million in the first quarter of 2025, compared to $124.6 million in the prior-year period. The $11.4 million decline is primarily from a $5.6 million contraction in labor expenses, $2.4 million from Mavely and a decrease in promotional expenses in connection with our prior year product launches. General and administrative expenses as a percentage of revenue increased to 31.1% for the first quarter of 2025 from 29.9% for the prior-year period.

Restructuring and impairment expenses

2023 restructuring plan. In the fourth quarter of 2023, we adopted a strategic plan to focus resources on our global priorities and optimize future growth and profitability. The global program includes workforce reductions and fixed asset impairments associated with our consolidation of technology assets. Total charges under the program included approximately $27.9 million in cash charges of severance, approximately $1.0 million in other cash charges and approximately $38.8 million in non-cash charges, including approximately $36.6 million in fixed asset impairments. We have incurred all expected charges under the 2023 plan and anticipate making the remaining payments in the first half of 2025. During the fourth quarter of 2023, we incurred charges to be settled in cash of $10.0 million in severance charges. During the first quarter of 2024, we incurred charges to be settled in cash of $4.1 million in severance charges and $2.0 million in other associated cost, and non-cash charges of $1.0 million in write-down of assets. During the second quarter of 2024, we incurred charges to be settled in cash of $1.0 million in severance charges and $0.1 million in other cash charges, and non-cash charges of $6.4 million in fixed asset impairments and $0.8 million in other write-downs. In the fourth quarter of 2024, we incurred charges to be settled in cash of $12.8 million in severance charges and $(1.1) million in other cash charges, and non-cash charges of $30.2 million of fixed asset impairments and $0.4 million of other non-cash charges. During the first quarter of 2025, we incurred no further charges.

Intangibles and fixed asset impairment. During the three months ended March 31, 2025, we determined that the continued operating losses, further decline in forecasted revenue and an overall change in strategy associated with our BeautyBio asset groups were an interim triggering event that required us to perform an interim impairment analysis on our BeautyBio asset groups. We assessed the recoverability of the related asset groups comparing the carrying value to the undiscounted cash flows expected to be generated. The recoverability test indicated the asset groups were impaired. We concluded that the carrying value of the asset groups exceeded the estimated fair value which resulted in an impairment charge of $25.1 million in our Rhyz Other segment during the three months ended March 31, 2025.

Interest expense

Interest expense decreased to $3.3 million in the first quarter of 2025, compared to $7.3 million in the prior-year period. The decrease in interest expense was primarily due to the debt payments made in the first quarter of 2025 using a portion of the proceeds from the Mavely sale. Our interest rate swap arrangements that we entered into in 2020 have a maturity date of July 31, 2025, at which time our effective interest rate will increase.

Gain on sale of business

In January 2025, we completed the sale of our Mavely entity for $230 million in cash and shares of the purchaser's common stock, subject to certain adjustments as set forth in the purchase agreement, including post-closing determination of net working capital and other elements of purchase price. Following the completion of certain payments to other equity holders in Mavely, we received $193.7 million of cash and equity interest with an estimated fair value of $6.1 million. Approximately $4.4 million of additional payments are expected to be received following the finalization of net working capital. In the first quarter of 2025, we recorded a pre-tax gain on disposition of $176.2 million.

Other expense, net

Other expense, net for the first quarter of 2025 was $28.4 million compared to $0.4 million for the first quarter of 2024. The increase in other expense for the first quarter of 2025 is primarily from a $28.1 million unrealized loss on investment. See Note 8 to the consolidated financial statements contained in this report for more information on the unrealized equity investment and the associated loss.

Provision for income taxes

Provision for income taxes for the first quarter of 2025 was $27.1 million, compared to $1.6 million for the prior-year period. The effective tax rate was 20.1% of income before provision for income taxes during the first quarter of 2025 compared to 148.4% in the prior-year period. Our first quarter of 2025 effective tax rate benefited from the sale of Mavely, while our first quarter of 2024 tax rate was negatively impacted by the decline in profitability for the quarter as well as the vesting of our employee stock awards.

Net income (loss)

As a result of the foregoing factors, net income for the first quarter of 2025 was $107.5 million compared to $(0.5) million in the prior-year period.

Liquidity and Capital Resources

Historically, our principal uses of cash have included operating expenses (particularly selling expenses) and working capital (principally inventory purchases), as well as capital expenditures, stock repurchases, dividends, and debt repayment. We have at times incurred long-term debt, or drawn on our revolving line of credit, to fund strategic transactions, stock repurchases, capital investments and short-term operating needs. We typically generate positive cash flow from operations due to favorable margins and have generally relied on cash from operations to fund operating activities. In the first three months of 2025, we generated $0.4 million in cash from operations, compared to $3.3 million during the prior-year period. The decrease in cash flow from operations primarily reflects cash payments made in the first quarter of 2025 related to expenses accrued as of year-end, which included restructuring and other accrued expenses. Cash and cash equivalents, including current investments, as of March 31, 2025 and December 31, 2024 were $213.6 million and $198.0 million, respectively, with the increase being driven by the proceeds from the sale of Mavely, partially offset by $155.0 million in debt payments.

Working capital. As of March 31, 2025, working capital was $264.6 million, compared to $242.0 million as of December 31, 2024. Our increase in working capital is primarily attributable to proceeds from the sale of Mavely, partially offset by $115.0 million payment on our term loan. In addition, in the first quarter we paid $30.0 million towards our revolving credit facility.

Capital expenditures. Capital expenditures for the three months ended March 31, 2025 were $13.6 million. We expect that our capital expenditures in 2025 will be primarily related to:

- Rhyz plant expansion to increase capacity and capabilities;
- purchases and expenditures for computer systems and equipment, software, and application development; and
- the expansion and upgrade of facilities in our various markets.

We estimate that capital expenditures for the uses listed above will total approximately $45–65 million for 2025.

Credit Agreement. On June 14, 2022, we entered into an Amended and Restated Credit Agreement (the "Credit Agreement") with various financial institutions as lenders and Bank of America, N.A., as administrative agent. The Credit Agreement provides for a $400.0 million term loan facility and a $500.0 million revolving credit facility, each with a term of five years. We used the proceeds of the term loan and the draw on the revolving facility to pay off the previous credit agreement. Both facilities bear interest at the SOFR, plus a margin based on our consolidated leverage ratio. The term loan facility amortizes in quarterly installments in amounts resulting in an annual amortization of 2.5% during the first year and 5.0% during the subsequent years after the closing date of the Credit Agreement, with the remainder payable at final maturity. As of March 31, 2025 and December 31, 2024, we had $0 and $35.0 million of outstanding borrowings under our revolving credit facility, and $240.0 million and $360.0 million on our term loan facility. The carrying value of the debt also reflects debt issuance costs of $1.2 million and $1.4 million as of March 31, 2025 and December 31, 2024, respectively, related to the Credit Agreement. The Credit Agreement requires us to maintain a consolidated leverage ratio not exceeding 2.75 to 1.00 and a consolidated interest coverage ratio of no less than 3.00 to 1.00. As of March 31, 2025, we were in compliance with all debt covenants under the Credit Agreement.

Derivative Instruments. As of March 31, 2025, we had four interest rate swaps, with a total notional principal amount of $200 million and a maturity date of July 31, 2025. We entered into these interest rate swap arrangements during the third quarter of 2020 to hedge the variable cash flows associated with our variable-rate debt under the Credit Agreement.

Stock repurchase plan. In 2018, our board of directors approved a stock repurchase plan authorizing us to repurchase up to $500.0 million of our outstanding shares of Class A common stock on the open market or in private transactions. During the first quarter of 2025, we repurchased 0.6 million shares of our Class A common stock under the plan for $5.0 million. As of March 31, 2025, $157.4 million was available for repurchases under the plan. Our stock repurchases are used primarily to offset dilution from our equity incentive plans and for strategic initiatives.

Dividends. In February 2025, our board of directors a declared quarterly cash dividend of $0.06 per share. The quarterly cash dividend of $3.0 million was paid on March 5, 2025 to stockholders of record on February 24, 2025. In May 2025, our board of directors declared a quarterly cash dividend of $0.06 per share to be paid on June 11, 2025 to stockholders of record on May 30, 2025. Currently, we anticipate that our board of directors will continue to declare quarterly cash dividends and that the cash flows from operations will be sufficient to fund our future dividend payments. However, the continued declaration of dividends is subject to the discretion of our board of directors and will depend upon various factors, including our net earnings, financial condition, cash requirements, future prospects and other relevant factors.

Cash from foreign subsidiaries. As of March 31, 2025 and December 31, 2024, we held $213.6 million and $198.0 million, respectively, in cash and cash equivalents, including current investments. These amounts include $175.6 million and $154.1 million as of March 31, 2025 and December 31, 2024, respectively, held in our operations outside of the U.S. Substantially all of our non-U.S. cash and cash equivalents are readily convertible into U.S. dollars or other currencies, subject to procedural or other requirements in certain markets, as well as an indefinite-reinvestment designation, as described below.

We typically fund the cash requirements of our operations in the U.S. through intercompany dividends, intercompany loans and intercompany charges for products, use of intangible property, and corporate services. However, some markets impose government-approval or other requirements for the repatriation of dividends. For example, in Mainland China, we are unable to repatriate cash from current operations in the form of dividends until we file the necessary statutory financial statements for the relevant period. As of March 31, 2025, we had $30.9 million in cash denominated in Chinese RMB. We also have experienced delays in repatriating cash from Argentina. As of March 31, 2025 and December 31, 2024, we had $24.0 million and $22.4 million, respectively, in intercompany receivables with our Argentina subsidiary. We also have intercompany loan arrangements in some of our markets, including Mainland China, that allow us to access available cash, subject to certain limits in Mainland China and other jurisdictions. We also have drawn on our revolving line of credit to address cash needs until we can repatriate cash from Mainland China or other markets, and we may continue to do so. Except for $60.0 million of earnings in Mainland China that we designated as indefinitely reinvested during the second quarter of 2018, we currently plan to repatriate undistributed earnings from our non-U.S. operations as necessary, considering the cash needs of our non-U.S. operations and the cash needs of our U.S. operations for dividends, stock repurchases, capital investments, debt repayment and strategic transactions. Repatriation of non-U.S. earnings is subject to withholding taxes in certain foreign jurisdictions. Accordingly, we have accrued the necessary withholding taxes related to the non-U.S. earnings.

We currently believe that existing cash balances, future cash flows from operations and existing lines of credit will be adequate to fund our cash needs on both a short- and long-term basis. The majority of our historical expenses have been variable in nature, and as such, a potential reduction in the level of revenue would reduce our cash flow needs. In the event that our current cash balances, future cash flow from operations and current lines of credit are not sufficient to meet our obligations or strategic needs, we would consider raising additional funds in the debt or equity markets or restructuring our current debt obligations. Additionally, we would consider realigning our strategic plans, including a reduction in capital spending, stock repurchases or dividend payments.

Contingent Liabilities

Please refer to Note 12 to the consolidated financial statements contained in this Quarterly Report for information regarding our contingent liabilities.

Critical Accounting Policies and Estimates

There were no significant changes in our critical accounting policies or estimates during the first quarter of 2025.

Seasonality and Cyclicality

In addition to general economic factors, we are impacted by seasonal factors and trends such as major cultural events and vacation patterns. For example, most Asian markets celebrate their respective local New Year in the first quarter, which generally has a negative impact on that quarter. We believe that direct selling is also generally negatively impacted during the third quarter, when many individuals, including our sales force, traditionally take vacations.

Prior to making a product generally available for purchase in a market, we often do one or more introductory offerings of the product, such as a preview of the product to our Sales Leaders or other product introduction or promotion. These offerings sometimes generate significant activity and a high level of purchasing, which can result in a higher-than-normal increase in revenue, Sales Leaders, Paid Affiliates and/or Customers during the quarter and can skew year-over-year and sequential comparisons.

Non-GAAP Financial Measures

Constant-currency revenue change is a non-GAAP financial measure that removes the impact of fluctuations in foreign-currency exchange rates, thereby facilitating period-to-period comparisons of the Company’s performance. It is calculated by translating the current period’s revenue at the same average exchange rates in effect during the applicable prior-year period and then comparing that amount to the prior-year period’s revenue. We believe that constant-currency revenue change is useful to investors, lenders and analysts because such information enables them to gauge the impact of foreign-currency fluctuations on our revenue from period to period.

Available Information

Our website address is www.nuskin.com. We make available, free of charge on our Investor Relations website, ir.nuskin.com, our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 as soon as reasonably practicable after we electronically file such material with, or furnish it to, the Securities and Exchange Commission.

We also use our Investor Relations website, ir.nuskin.com, as a channel of distribution of additional Company information that may be deemed material. Accordingly, investors should monitor this channel, in addition to following our press releases, Securities and Exchange Commission filings and public conference calls and webcasts. The contents of our website shall not be deemed to be incorporated herein by reference.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Currency Risk and Exchange Rate Information

A majority of our revenue and many of our expenses are recognized outside of the United States, except for inventory purchases, a significant portion of which are primarily transacted in U.S. dollars from vendors in the United States. The local currency of each of our Subsidiaries' primary markets is considered the functional currency with the exception of our Asia product-distribution subsidiary in Singapore and, as discussed below, our subsidiary in Argentina. All revenue and expenses are translated at weighted-average exchange rates for the periods reported. Therefore, our reported revenue and earnings will be positively impacted by a weakening of the U.S. dollar and will be negatively impacted by a strengthening of the U.S. dollar. These impacts may be significant because a large portion of our business is derived from outside of the United States. Given the uncertainty of exchange rate fluctuations, it is difficult to predict the effect of these fluctuations on our future business, product pricing and results of operations or financial condition.

In the second quarter of 2018, published inflation indices indicated that the three-year cumulative inflation in Argentina exceeded 100 percent, and as of July 1, 2018, we elected to adopt highly inflationary accounting for our subsidiary in Argentina. Under highly inflationary accounting, the functional currency for our subsidiary in Argentina became the U.S. dollar, and the income statement and balance sheet for this subsidiary have been measured in U.S. dollars using both current and historical rates of exchange. The effect of changes in exchange rates on peso-denominated monetary assets and liabilities has been reflected in earnings in Other income (expense), net and was not material. As of March 31, 2025, our subsidiary in Argentina had a small net peso monetary position. Net sales of our subsidiary in Argentina were less than 4% of our consolidated net sales for the three-month periods ended March 31, 2025 and 2024.

We may seek to reduce our exposure to fluctuations in foreign currency exchange rates through the use of foreign currency exchange contracts and through intercompany loans of foreign currency. We do not use derivative financial instruments for trading or speculative purposes. We regularly monitor our foreign currency risks and periodically take measures to reduce the impact of foreign exchange fluctuations on our operating results. As of March 31, 2025 and 2024, we did not hold material non-designated mark-to-market forward derivative contracts to hedge foreign denominated intercompany positions or third party foreign debt. As of March 31, 2025, and 2024 we did not hold any material forward contracts designated as foreign currency cash flow hedges. We continue to evaluate our foreign currency hedging policy.

For additional information about our market risk see Note 10 to the consolidated financial statements contained in this Quarterly Report.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

As of the end of the period covered by this Quarterly Report, under the supervision and with the participation of our management, including our Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), we evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as such term is defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")). Based on that evaluation, our CEO and our CFO concluded that our disclosure controls and procedures were effective as of March 31, 2025.

Changes in Internal Controls Over Financial Reporting.

We made no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) during the fiscal quarter ended March 31, 2025 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

From time to time, we are involved in legal proceedings arising in the ordinary course of business.

ITEM 1A. RISK FACTORS

The information presented below supplements and should be read in conjunction with the detailed discussion of risks associated with our business in our recent SEC filings, including our Annual Report on Form 10-K for the 2024 fiscal year and subsequent reports.

Changes to tariff and import/export regulations, and trade disputes between the United States and other jurisdictions have had a negative effect on global economic conditions and could negatively affect our business, financial results and financial condition.

The United States and other foreign jurisdictions have changed customs regulations or tariff rates that are applied to our imports or exports, and they could make further changes at any time. Tariff changes are difficult to predict and may cause us material short-term or long-term cost fluctuations. The new political administration in the United States has implemented new tariffs, some of which have been paused but may continue in the future, and has expressed an intention to continue using tariffs more robustly in pursuing government policy. When increases are made to U.S. duty rates or tariffs, retaliatory action by other countries has occurred and could continue occurring. Any increases could impact the price of our products and cause a decline in the demand for our products, as well as cause disruptions in our supply chain. We rely on the use of Free Trade Agreements, where available, that may experience alterations, suspensions or cancellations, which could increase our customs expenses or otherwise harm our business. Although we may take actions in response to tariffs, such as shifting our sourcing and production to alternate locations, there is no assurance that such actions would be successful in mitigating the additional tariffs.

In addition to duties and tariffs, any actions taken by the United States or by foreign countries to further implement trade policy changes, including limiting foreign investment or trade, banning imports from particular countries, increasing regulatory requirements, other actions that impact our ability to obtain necessary licenses or approvals, or any other restrictions on international trade, could negatively impact our business. These actions are unpredictable, and any of them could also have a material adverse effect on global economic conditions and the stability of global financial markets, significantly reduce global trade, or restrict our access to suppliers or customers, any of which would have a material adverse effect on our business, financial condition and results of operations.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Purchases of Equity Securities by the Issuer

Period	(a) Total Number of Shares Purchased	(b) Average Price Paid per Share	(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	(d) Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (in millions)[(1)]
January 1 - 31, 2025	—	$ —	—	$ 162.4
February 1 - 28, 2025	—	—	—	$ 162.4
March 1 - 31, 2025	621,099	8.07	621,099	$ 157.4
Total	621,099	$ 8.07	621,099	

(1) In August 2018, we announced that our board of directors approved a stock repurchase plan. Under this plan, our board of directors authorized the repurchase of up to $500 million of our outstanding Class A common stock on the open market or in privately negotiated transactions.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not Applicable.

ITEM 5. OTHER INFORMATION

Trading Plans

On February 18, 2025, Emma Battle and Edwina Woodbury, members of our Board of Directors, each adopted a trading plan intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) to sell 40% of the shares of Class A common stock underlying their 11,330 restricted stock units that will vest on May 29, 2025. The sales are scheduled to occur on the vesting date of May 29, 2025 or the next possible business day.

Other

Effective April 7, 2025, the Compensation and Human Capital Committee of our Board of Directors approved increasing the base salary of Justin Keisel, our Executive Vice President and President of Global Sales, to $465,000.

ITEM 6. EXHIBITS

Exhibits Regulation S-K Number	Description
2.1	Unit Purchase Agreement, dated as of January 2, 2025, by and among Mavely Seller LLC, Mavely LLC, Clout.io Holdings, Inc. and Mavrck LLC (incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K filed January 3, 2025).
31.1	Certification by Ryan S. Napierski, Chief Executive Officer, pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification by James D. Thomas, Chief Financial Officer, pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification by Ryan S. Napierski, Chief Executive Officer, pursuant to Section 1350, Chapter 63 of Title 18, United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification by James D. Thomas, Chief Financial Officer, pursuant to Section 1350, Chapter 63 of Title 18, United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document)
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

May 8, 2025

NU SKIN ENTERPRISES, INC.

By: /s/ James D. Thomas

James D. Thomas
Chief Financial Officer
(Duly Authorized Officer and Principal Financial Officer)

EXHIBIT 31.1

SECTION 302 CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Ryan S. Napierski, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Nu Skin Enterprises, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 8, 2025

/s/ Ryan S. Napierski
Ryan S. Napierski
Chief Executive Officer

EXHIBIT 31.2

SECTION 302 CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, James D. Thomas, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Nu Skin Enterprises, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 8, 2025

/s/ James D. Thomas

James D. Thomas
Chief Financial Officer

EXHIBIT 32.1

SECTION 906 CERTIFICATION OF CHIEF EXECUTIVE OFFICER

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of Nu Skin Enterprises, Inc. (the "Company") on Form 10-Q for the period ended March 31, 2025 (the "Report"), I, Ryan S. Napierski, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 8, 2025

/s/ Ryan S. Napierski
Ryan S. Napierski
Chief Executive Officer

EXHIBIT 32.2

SECTION 906 CERTIFICATION OF CHIEF FINANCIAL OFFICER

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of Nu Skin Enterprises, Inc. (the "Company") on Form 10-Q for the period ended March 31, 2025 (the "Report"), I, James D. Thomas, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 8, 2025	/s/ James D. Thomas
	James D. Thomas
	Chief Financial Officer