

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **September 10, 2020**



NATURE'S SUNSHINE PRODUCTS, INC.

(Exact name of registrant specified in its charter)

Utah
(State or other jurisdiction of
incorporation)

001-34483
(Commission File Number)

87-0327982
(I.R.S. Employer Identification No.)

2901 West Bluegrass Blvd., Suite 100, Lehi, Utah
(Address of principal executive offices)

84043
(Zip Code)

Registrant's telephone, including area code: **(801) 341-7900**

N/A
(Former name and former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions *see* General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Title of each Class	Trading Symbol	Name of each exchange on which registered
Common Stock, no par value	NATR	Nasdaq Capital Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§203.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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.

☐

Item 7.01 Regulation FD Disclosure.

On September 10, 2020, Nature's Sunshine Products, Inc. (the "Company") was invited to present at the 9th Annual Gateway Conference, held virtually on September 9-10, 2020.

Terrence Moorehead (CEO) and Joseph Baty (CFO) presented for the Company on Thursday, September 10th at 7:30 a.m. Pacific time, with one-on-one meetings to be held throughout the conference. The presentation was webcast live and available for replay at <https://www.webcaster4.com/Webcast/Page/2492/37123>. A copy of the Company's presentation is included with this filing.

The furnishing of the attached presentation is not an admission as to the materiality of any information therein. The information contained in the slides is summary information that is intended to be considered in the context of more complete information included in the Company's filings with the U.S. Securities and Exchange Commission (the "SEC") and other public announcements that the Company has made and may make from time to time by press release or otherwise. The Company undertakes no duty or obligation to update or revise the information contained in this report, although it may do so from time to time as its management believes is appropriate. Any such updating may be made through the filing of other reports or documents with the SEC, through press releases or through other public disclosures. For important information about forward looking statements, see the slide titled "Safe Harbor Statements" in Exhibit 99.1 attached hereto.

The information in this Item 7.01 of this Current Report on Form 8-K and Exhibit 99.1 attached hereto shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section or Sections 11 and 12(a)(2) of the Securities Act of 1933, as amended. The information contained in this Item 7.01 and in the presentation attached as Exhibit 99.1 to this Current Report shall not be incorporated by reference into any filing with the SEC made by the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

Item 9.01 Financial Statements and Exhibits.

Item No.	Exhibit
99.1	Nature's Sunshine Products, Inc. Investor Presentation

SIGNATURES

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 hereunto duly authorized.

NATURE'S SUNSHINE PRODUCTS, INC.

Dated: September 10, 2020

By: /s/ Nathan G. Brower
Nathan G. Brower, Executive Vice President, General Counsel and Secretary

CONNECT WITH NATURE

Investor Presentation | September 2020





SAFE HARBOR STATEMENTS

Cautionary Note Regarding Forward-Looking Statements

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

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

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

Non-GAAP Financial Measures

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



Nature holds the answers, we
bottle them.

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



FEEL THE POWER...



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



We sell 600+ products across seven different categories around the world



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



We manufacture most of our products in the U.S., ensuring optimal quality and safety



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

WE ARE ADDRESSING A CONSUMER THAT HAS CHANGED



The consumer is in control



Brands are treated
as celebrities



Experience as
important as product



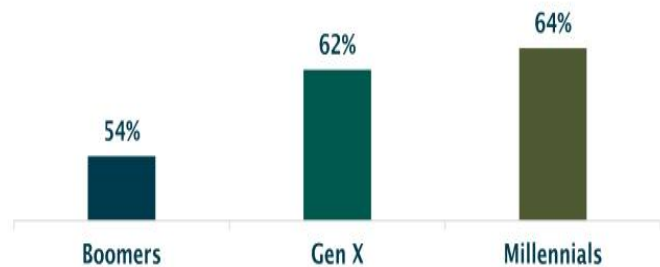
Digital first



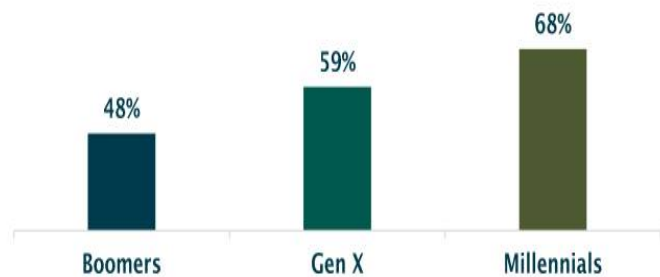
Engaging more thoroughly
in their health

Higher Engagement

Think About Their Health Daily



Always Looking For Ways to be Better



OUR RESPONSE TO TODAY'S CONSUMER DEFINES OUR VISION



Vision

SHARE THE HEALING
POWER OF NATURE,
WITH EVERYONE.

How?



Offer specialty products, customization and personal service



Create lifestyle branding and storytelling



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

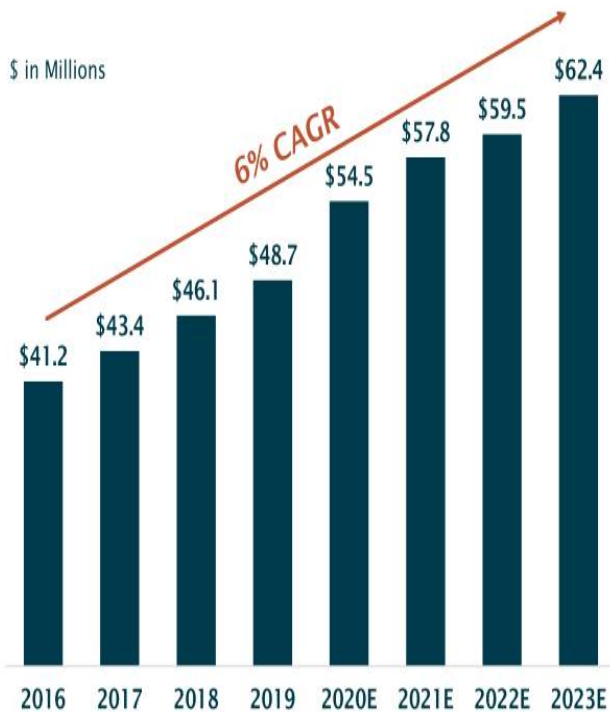


Deliver customized experiences to encourage trial and repeat purchases

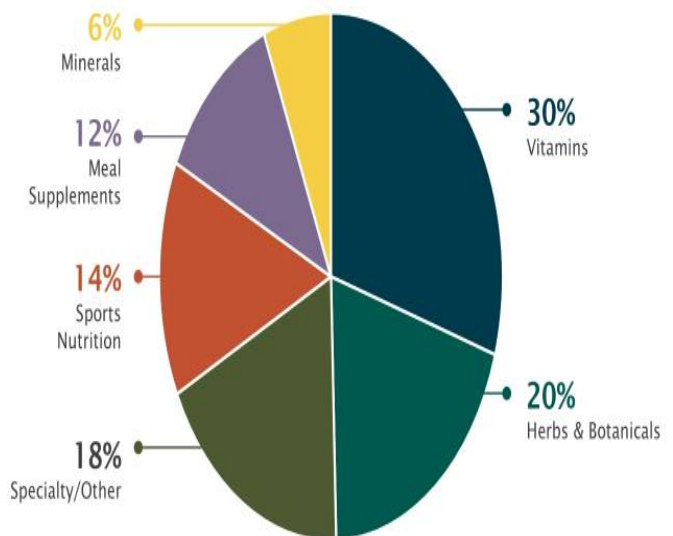


WE ARE ATTACKING A LARGE & STEADILY GROWING MARKET

U.S. Supplement Industry Sales¹



U.S. Supplements by Category¹



Asia & Europe Markets Represent
~\$60B & ~\$25B Markets, Respectively²

¹ 2020 NBJ Supplement Business Report.

² Oct 2019 NBJ Volume XXIV, No. 9.



OUR U.S.-BASED MANUFACTURING DRIVES OPERATIONAL EXCELLENCE



Highest quality raw ingredients for bioavailability



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



Strict compliance with FDA standards



NSP Labs: state-of-the-art, 285,000 sq. ft. manufacturing facility in Spanish Fork, UT



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



CERTIFICATIONS





DIVERSE PRODUCT PORTFOLIO



General Health	Digestive	Cardiovascular	Personal Care	Immune	Weight Management
Blood sugar support, bone health, cellular health, cognitive function, joint health, mood, sexual health, sleep, sports & energy, and vision	Regulate intestinal and digestive functions in support of the human digestive system	Combine a variety of superior heart health ingredients to give the cardiovascular system optimum support	Oils and lotions, aloe vera gel, herbal shampoo, herbal skin treatment, toothpaste and skin cleanser	Support and strengthen the human immune system	Healthy meal replacements and products that increase caloric burn rate

% of 2019 Sales¹

35%

23%

21%

8%

7%

7%

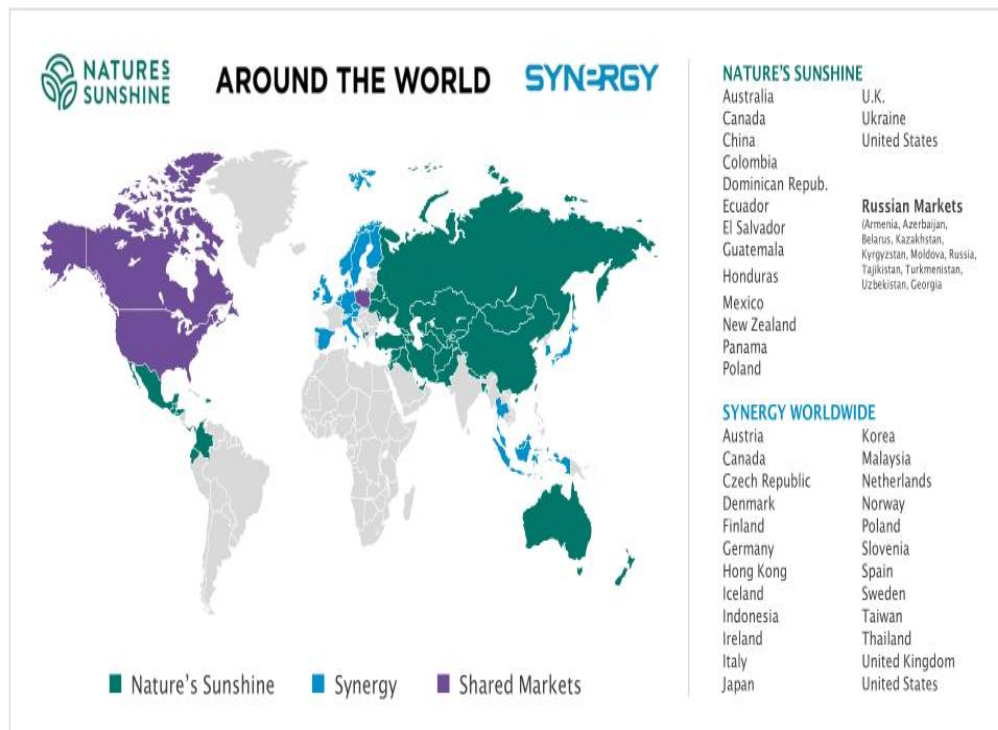
¹May not foot due to rounding.

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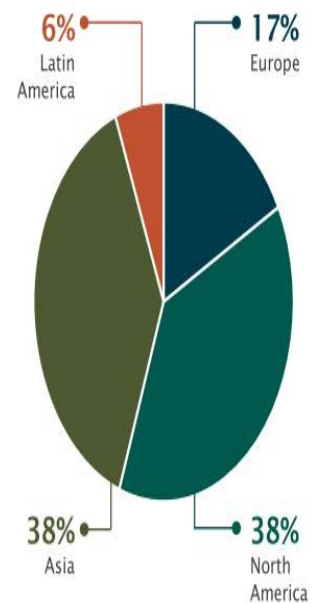


GLOBAL MARKETS SERVED

Retailers, Practitioners, Business Builders & E-Commerce



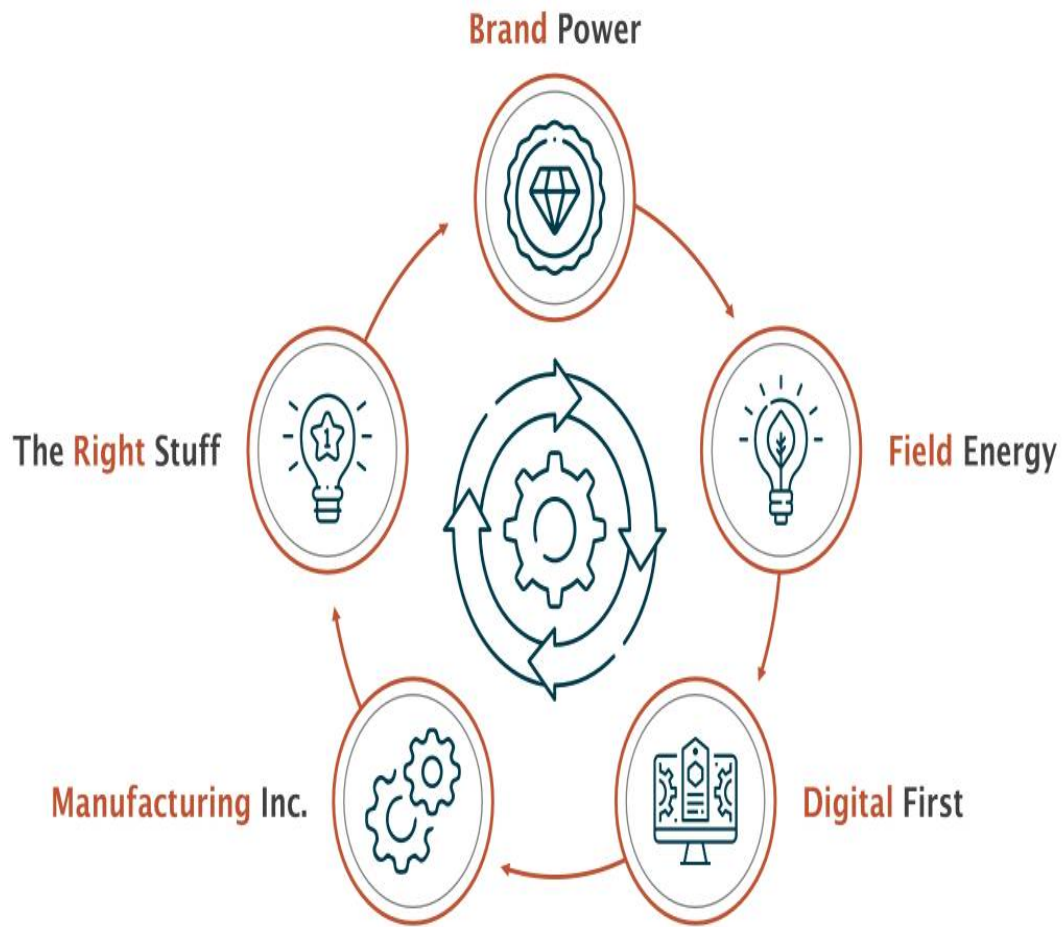
SALES BY REGION¹



¹May not foot due to rounding.



OUR FIVE GLOBAL GROWTH STRATEGIES



#1 — BRAND POWER

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

How?

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

Early actions

- New packaging, company positioning, labels & color schemes
- “Become a Force of Nature” Ad Campaign
- qemp CBD launch in 2020, relief cream & qemp ZERO (zero THC)



BRAND POWER IN ACTION



New Packaging - Label

New look, same great quality products



BRAND POWER IN ACTION



New Branding - Macro Botanicals & Macro Science Photography



BRAND POWER IN ACTION



qemp – Not Another CBD Product



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



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



Uniquely backed by our science and R&D prowess



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



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

#2 – FIELD ENERGY

Managing the details to create a magical consumer experience

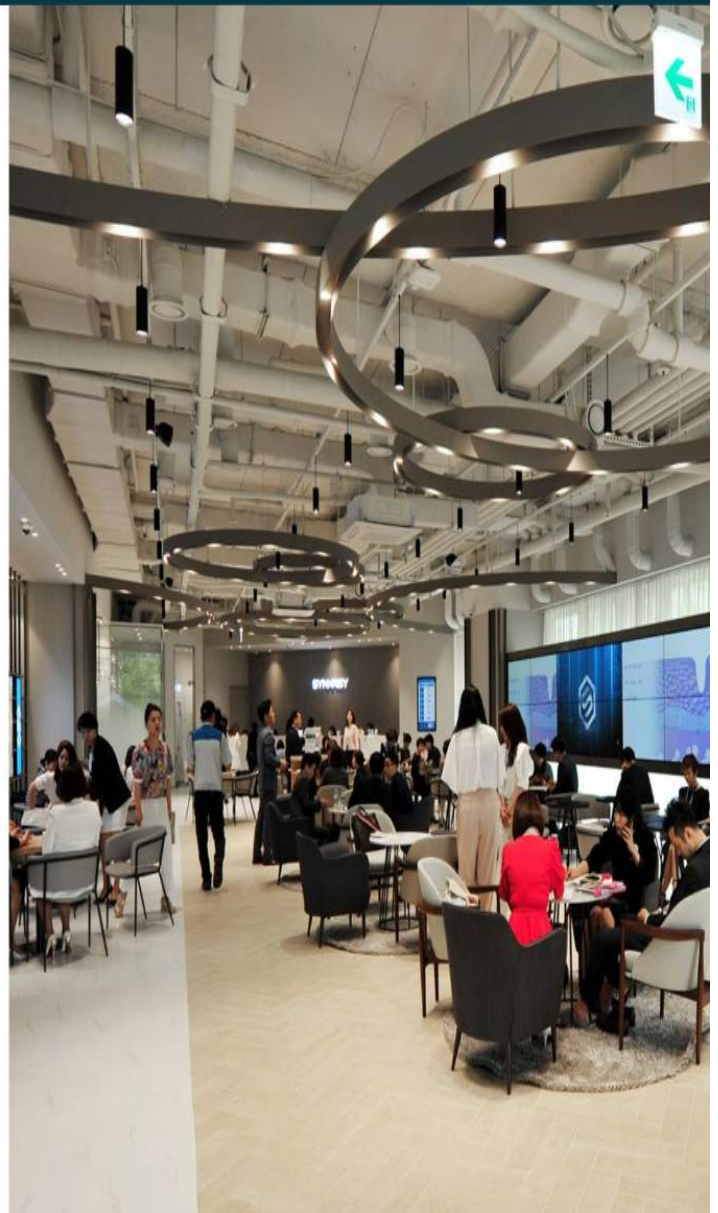
How?

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

Early actions

- Field Fundamentals/Analytics
- Groundbreaking new business model for North America launched September 1st

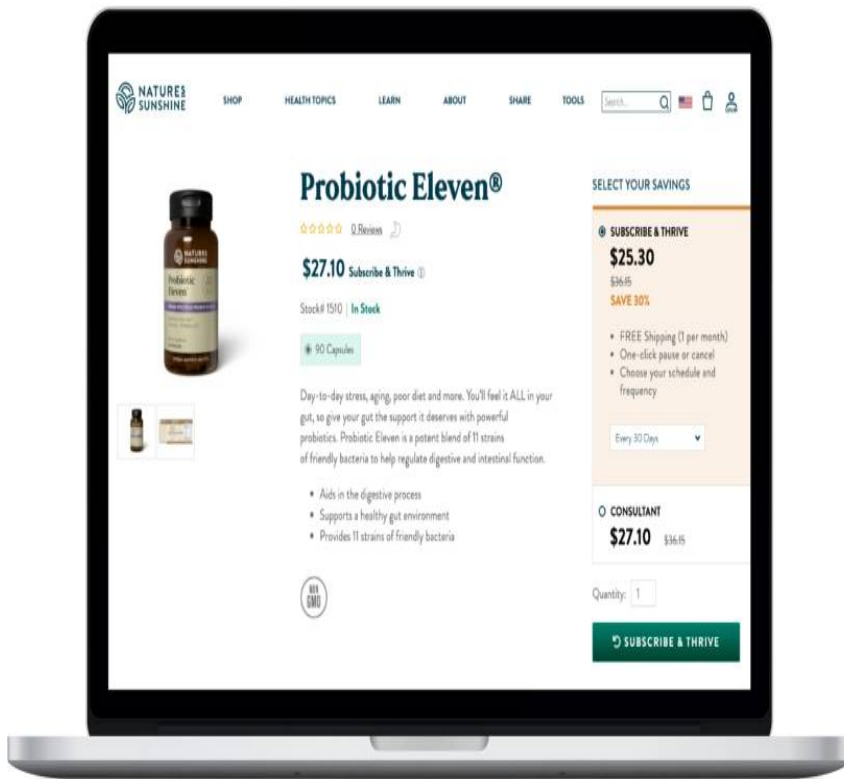
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FIELD ENERGY IN ACTION

“Subscribe & Thrive” Business Model – North America/LATAM



Offering new suite of business tools, updated services & new customer-focused rewards

Integrates new consumer-facing programs promoting:

- Subscriptions
- Community
- Memberships
- Sharing & Referrals
- Personalization

Introduces dynamic distributor programs:

- New sales kits
- Customer-driven rewards
- Quick pay
- Single, contemporized compensation plan

#3 – DIGITAL FIRST

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

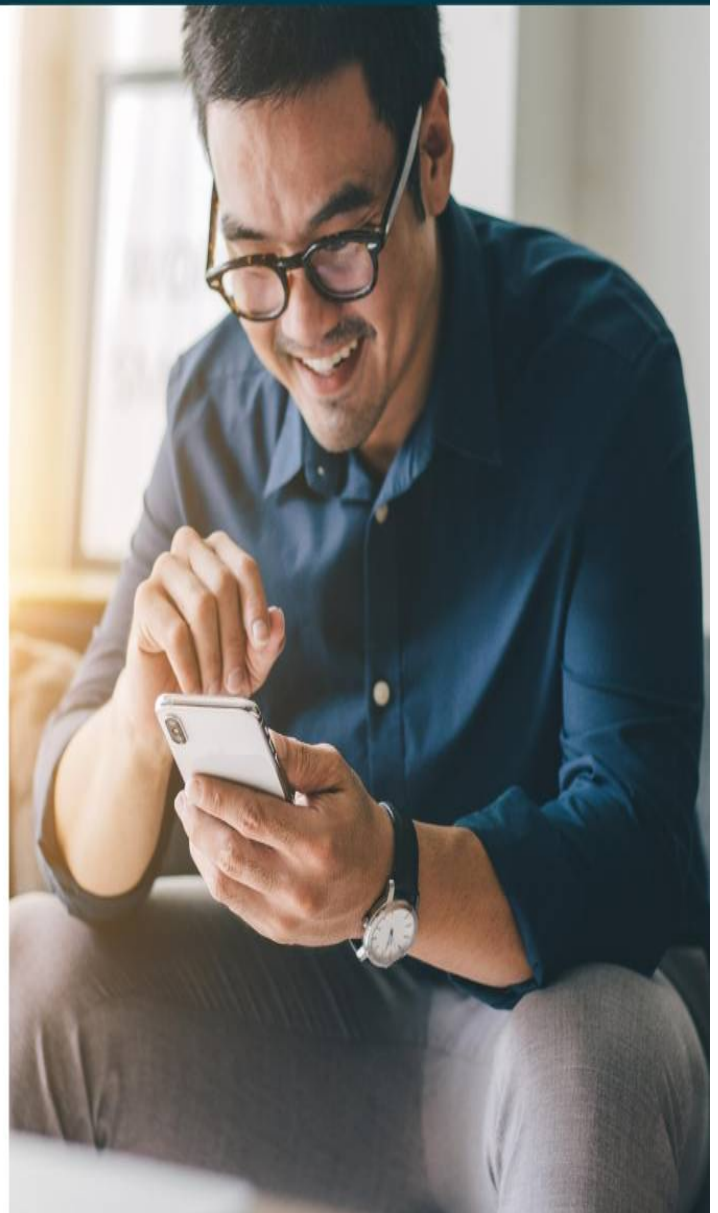
How?

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

Early actions

- Distributor benefits
 - Augmented our websites to allow personal URLs for partners
 - Added email and social media campaign functionality to allow for greater connectedness
 - Providing key data on new and existing customers to allow for better insights
- Consumer benefits
 - Contextual search features
 - Affiliate marketing opportunities

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DIGITAL FIRST IN ACTION



Shop for
Products by



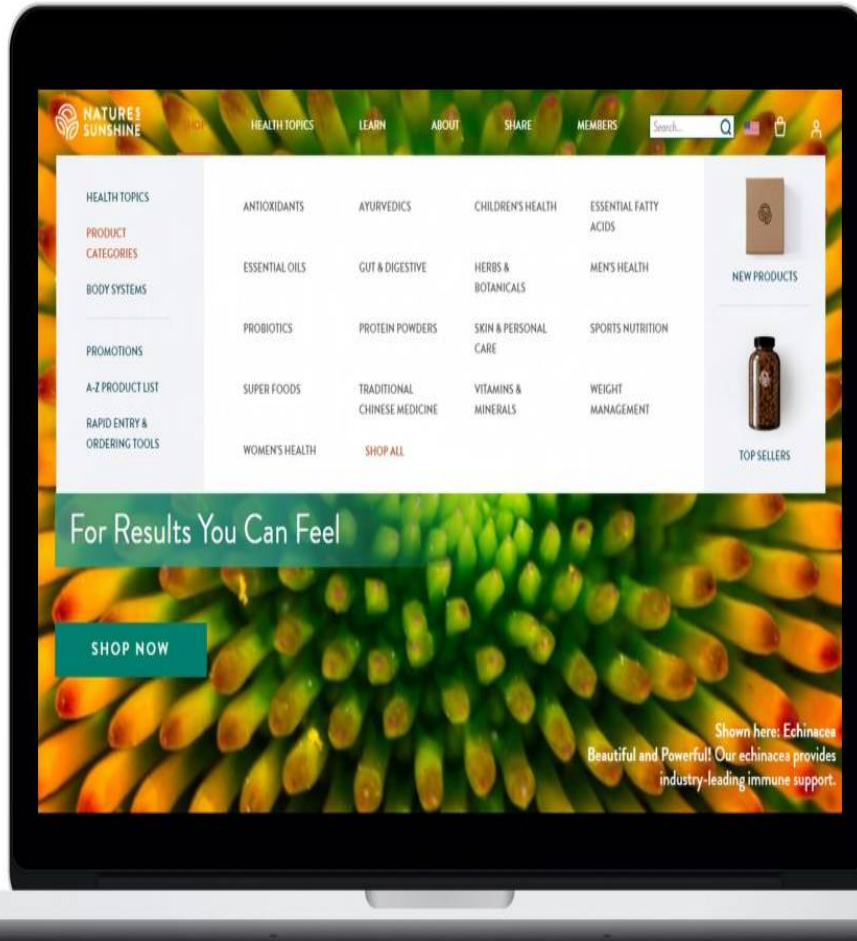
Health Topic



Product Category



Body Systems



DIGITAL FIRST IN ACTION



#4 — MANUFACTURING, INC.

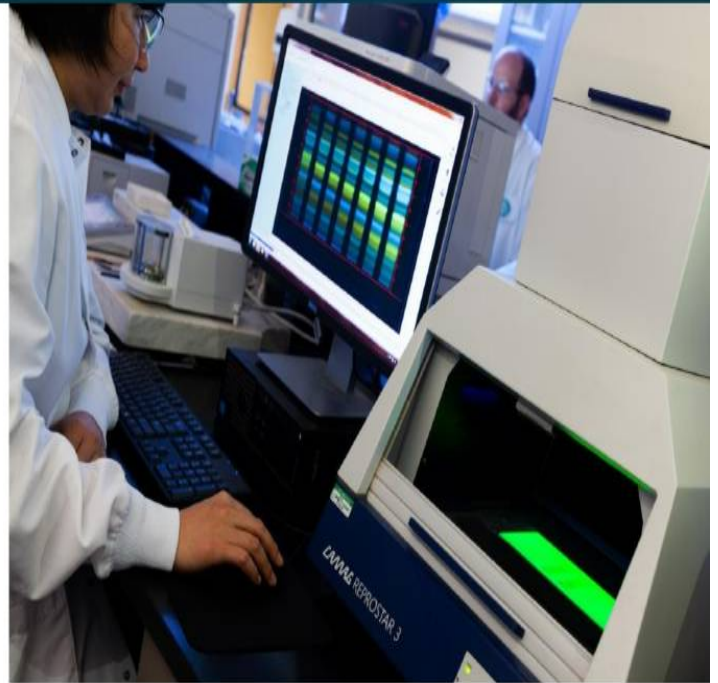
Unleash the top-tier manufacturing capabilities we already possess

How?

- Leveraging our strengths to streamline processes
- Upgrading our manufacturing facilities for safe and secure production
- Using our significant production capacity for further profitable expansion

Early actions

- Recently obtained USDA Organic and ISO 9001 certifications
- Updated Kosher certification
- Build contract manufacturing capabilities



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

#5 — THE RIGHT STUFF

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

How?

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

Early actions

- Launched new operating business units organized by region
- Allows us to be more responsive and closer to our customer
- Early success
 - 39% Q2-20 vs. Q2-19 revenue growth in China
 - 3% Q2 revenue growth in the U.S. and Europe
 - Annualized cost savings of \$10M for 2019

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MANAGEMENT TEAM



Terrence Moorehead
CEO

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

Previously CEO of Carlisle Etcetera and Dana Beauty

Significant Expertise in DTC and business transformation



Joseph Baty
CFO

Previously EVP and CFO at Schiff Nutrition International

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



Dan Norman
EVP, President of Asia Pacific

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

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



MANAGEMENT TEAM (CONT.)



Eddie Silcock

EVP, President of North America

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

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



Bryant Yates

EVP, President of Europe

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

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



Tracee Comstock

VP, Human Resources

From Sep 2016 to Nov 2017, served as VP of Human Resources at Younique, LLC, a leading online peer-to-peer social selling platform in makeup and skincare products.

From May 2013 to Sep 2016, held senior human resources positions at Young Living Essential Oils, Weave and Sun Edison.

Also served as president and member of the board of directors of Salt Lake SHRM, a human resources organization in Utah.



KEY STATS¹

Trading data @ (8/28/20)

Stock Price

\$11.13

> **\$5.50/\$11.72**
52 week low/high

> **38.11k**
Avg. daily Vol. (3 mo.)

> **19.5M**
Shares outstanding

> **45%**
Public float, est.

> **78%**
Institutional/strategic owner holdings

Valuation Measures @ (8/28/20)

Enterprise Value

\$176.4M

> **\$217.2M**
Market cap

> **0.5x**
EV/TTM 2020 revenue

> **4.9x**
EV/TTM 2020 Adj. EBITDA^{2,3}

Financial highlights (TTM Q2-20)

Adjusted EBITDA³

\$35.2M

> **\$363.4M**
Total revenue

> **\$6.9M**
Total debt^{2,4}

> **74.0%**
Gross margin

> **\$226.9M**
Total assets²

> **\$10.7M**
Non-GAAP
net income³

> **\$87.7M**
Total
liabilities²

> **\$70.3M**
Cash &
equivalents²

> **\$139.2M**
Total equity²

¹ Source: Capital IQ

² As of the second quarter ended June 30, 2020.

³ See appendix for a reconciliation of this non-GAAP term.

⁴ Excludes \$22.0M of lease liabilities.



HISTORICAL FINANCIAL PERFORMANCE

Revenue

\$ in Millions



Revenue Accelerant Opportunities

- Increase productivity of managers & distributors
- New products, including qemp
- Stronger regional-focused sales teams
- International market growth (China, Eastern Europe)

Adj. EBITDA¹

\$ in Millions

- Adj. EBITDA margin expansion from 5.3% in '16 to 9.7% TTM
- Adj. EBITDA has doubled in two short years ('18 to TTM)



Margin Drivers

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

¹ See appendix for a reconciliation of this non-GAAP term.

WHY NATURE'S SUNSHINE?



Expansive product platform, grounded in science, manufactured and tested in the USA



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



Brand repositioning better serves today's more informed consumer

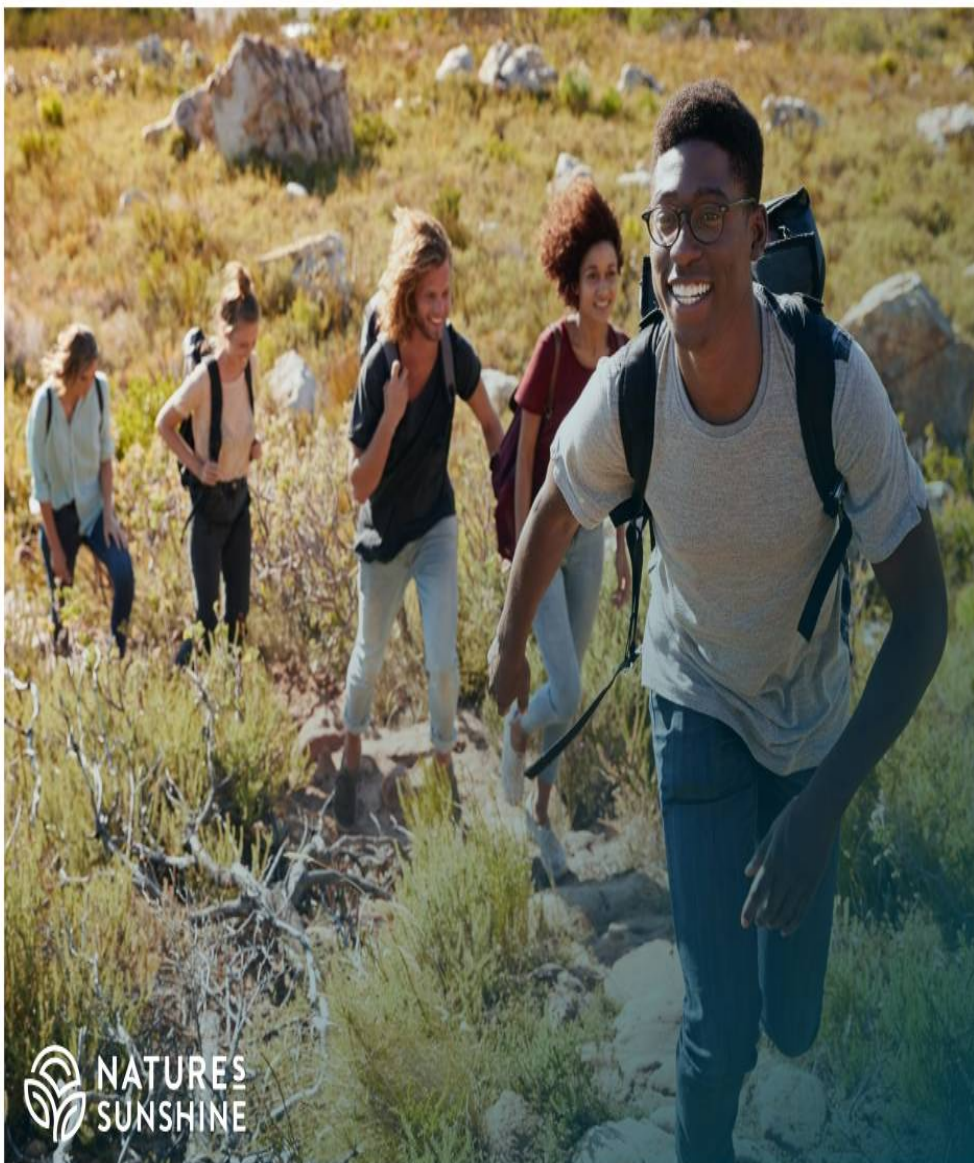


Five meaningful, global growth opportunities to further scale our brands



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





CONTACT US

Investor Relations Contact

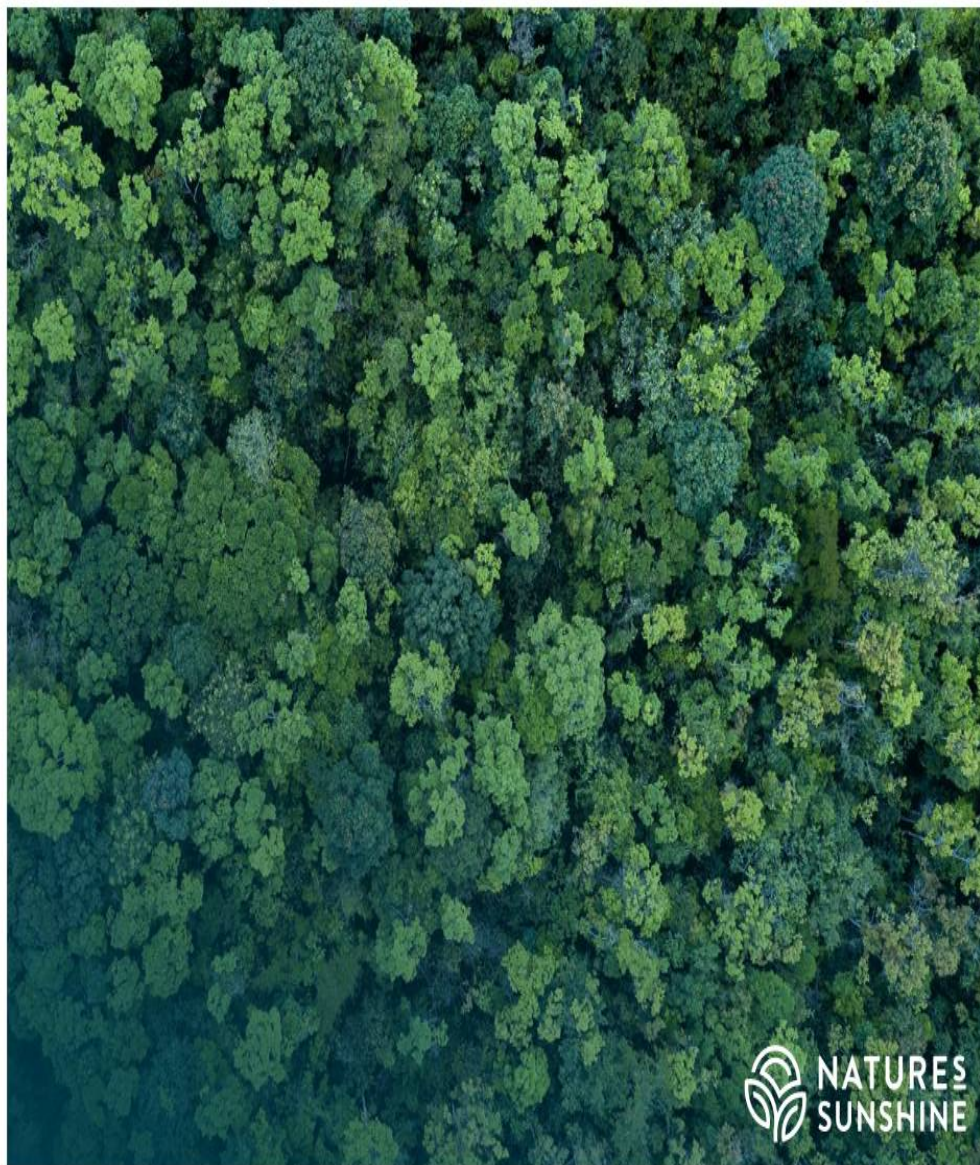
Cody Slach

Senior Managing Director,
Gateway Investor Relations

 (949) 574-3860

 NATR@gatewayir.com

APPENDIX





BOARD OF DIRECTORS



J. Christopher Teets

Chairman

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



Rob Straus

Independent Director

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



Mary Beth Springer

Lead Independent Director

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



Robert Mercer

Independent Director

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



Lily Zou

Independent Director

- Currently serves as CEO of Fosun Pharma (HKSE: 2196)
- Former executive director of business development and licensing for Sandoz, a Novartis division (NYSE: NVS) focusing on biosimilars and generics



Richard Moss

Independent Director

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



Jeffrey Watkins

Independent Director

- CCO at Prescott Group Capital Management
- Served as a portfolio manager at Capital Advisors for 18 years



Heidi Wissmiller

Independent Director

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

ADJUSTED EBITDA RECONCILIATION



RECONCILIATION OF NET INCOME TO ADJUSTED EBITDA					
	2016	2017	2018	2019	2020 TTM
Net Income	\$ 675	\$(13,795)	\$ (1,202)	\$ 6,929	\$ 11,710
Adjustments:					
Depreciation and amortization	4,808	8,634	9,806	10,599	10,681
Share-based compensation expense	3,217	2,218	2,170	2,120	2,399
Other (income) loss, net*	773	(1,835)	2,151	483	1,642
Provision for income taxes	8,591	17,017	4,402	8,713	9,019
Other adjustments (1)			252	2,375	(214)
Adjusted EBITDA	<u>\$ 18,064</u>	<u>\$ 12,239</u>	<u>\$ 17,579</u>	<u>\$ 31,219</u>	<u>\$ 35,237</u>
(1) Other Adjustments					
CEO transition			\$ 2,518		
Restructuring related expenses			1,525	2,375	421
Gain on sale of properties			(3,791)		(635)
Total adjustments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 252</u>	<u>\$ 2,375</u>	<u>\$ (214)</u>

NON-GAAP NET INCOME RECONCILIATION



NON-GAAP NET INCOME RECONCILIATION	
	TTM Q2 2020
Net Income	\$ 11,710
Adjustments:	
Restructuring related expense	421
VAT refund	(635)
Tax impact of adjustments	(128)
Total adjustments	(342)
Non-GAAP net income	\$ 11,368
Reported income attributable to common shareholders	\$ 11,035
Total adjustments	(342)
Non-GAAP net income attributable to common shareholders	\$ 10,693

