

USANA HEALTH SCIENCES INC

Form 10-Q

November 06, 2008

**Table of Contents**

## **UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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***FORM 10-Q***

(Mark One)

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

For the quarterly period ended September 27, 2008

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: 0-21116

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**USANA HEALTH SCIENCES, INC.**

(Exact name of registrant as specified in its charter)

**Utah**

(State or other jurisdiction  
of incorporation or organization)

**87-0500306**

(I.R.S. Employer  
Identification No.)

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

(Address of principal executive offices, Zip Code)

**(801) 954-7100**

(Registrant's telephone number, including area code)

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

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

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Large accelerated filer ☐

Accelerated filer ☒

Non-accelerated filer ☐

Smaller reporting company ☐

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

The number of shares outstanding of the registrant's common stock as of October 31, 2008 was 15,446,733.

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[Table of Contents](#)

**USANA HEALTH SCIENCES, INC.**

**FORM 10-Q**



For the Quarterly Period Ended September 27, 2008

# INDEX

	Page
<b><u>PART I. FINANCIAL INFORMATION</u></b>	
<u>Item 1</u>	
<u>Financial Statements</u>	
<u>Consolidated Balance Sheets</u>	3
<u>Consolidated Statements of Earnings – Quarter Ended</u>	4
<u>Consolidated Statements of Earnings – Nine Months Ended</u>	5
<u>Consolidated Statements of Stockholders' Equity and Comprehensive Income</u>	6
<u>Consolidated Statements of Cash Flows</u>	7
<u>Notes to Consolidated Financial Statements</u>	8-16
<u>Item 2</u>	
<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	17-26
<u>Item 3</u>	
<u>Quantitative and Qualitative Disclosures About Market Risk</u>	26-27
<u>Item 4</u>	
<u>Controls and Procedures</u>	27
<b><u>PART II. OTHER INFORMATION</u></b>	
<u>Item 1</u>	
<u>Legal Proceedings</u>	28
<u>Item 2</u>	
<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	28
<u>Item 6</u>	
<u>Exhibits</u>	29-30
<u>Signatures</u>	31



Table of Contents

**PART I. FINANCIAL INFORMATION**

**Item 1. Financial Statements**

**USANA HEALTH SCIENCES, INC. AND SUBSIDIARIES**

**CONSOLIDATED BALANCE SHEETS**



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(in thousands)

	December 29, 2007 (1)	September 27, 2008 (unaudited)
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 12,865	\$ 13,699
Inventories	19,439	22,011
Prepaid expenses and other current assets	11,639	11,090
Deferred income taxes	2,049	2,980
Total current assets	45,992	49,780
Property and equipment, net	52,061	59,392
Assets held for sale	607	607
Goodwill	5,690	5,690
Other assets	4,778	5,673
	\$ 109,128	\$ 121,142
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities		
Accounts payable	\$ 8,111	\$ 9,384
Other current liabilities	32,074	34,875
Total current liabilities	40,185	44,259
Line of credit	28,000	30,650
Other long-term liabilities	2,305	2,836
Stockholders' equity		
Common stock, \$0.001 par value; authorized 50,000 shares, issued and outstanding 16,198 as of December 29, 2007 and 15,647 as of September 27, 2008	16	16
Additional paid-in capital	7,525	9,612
Retained earnings	30,108	33,361
Accumulated other comprehensive income	989	408
Total stockholders' equity	38,638	43,397
	\$ 109,128	\$ 121,142

(1) Derived from audited financial statements.

The accompanying notes are an integral part of these statements.

Table of Contents

**USANA HEALTH SCIENCES, INC. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF EARNINGS**

(in thousands, except per share data)

(unaudited)

	Quarter Ended	
	September 29, 2007	September 27, 2008
Net sales	\$ 106,181	\$ 107,176
Cost of sales	21,960	22,228
Gross profit	84,221	84,948
Operating expenses:		
Associate incentives	43,021	44,573
Selling, general and administrative	23,053	26,787
Research and development	864	834