STONEGATE CAPITAL PARTNERS

RESEARCH UPDATE

NU SKIN ENTERPRISES INC. (NYSE: NUS)

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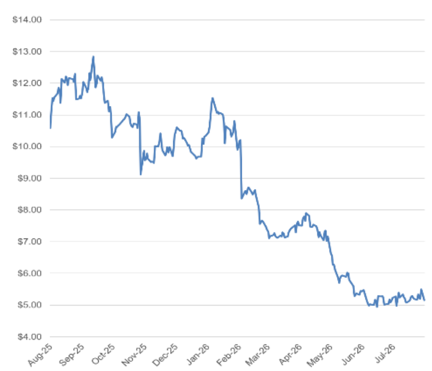
Market Statistics in USD	
Price	$ 5.15
52 week Range	$4.89 - $14.62
Daily Vol (3-mo. average)	707,366
Market Cap (M)	$ 250.7
Enterprise Value (M)	$ 323.0
Shares Outstanding: (M)	48.7
Float (M)	47.4
Public Ownership	20.9%
Institutional Ownership	75.7%

Financial Summary in USD	
Cash (M)	$ 189.6
Cash/Share	$ 3.89
Debt (M)	$ 263.7
Equity (M)	$ 542.7
Equity/Share	$ 11.14

Valuation in USD	
Valuation Range	$11.61 - $13.94
2027E Price Target	$ 12.77

FYE: Dec	2025	2026E	2027E
(all figures in M, expect per share information)			
Rev	$1,485.2	$1,316.9	$1,474.3
Chng%	-14%	-11%	12%
Net Income	$ 160.2	$ (231.6)	$ 57.2
Adj. NI	$ 64.1	$ 40.2	$ 57.2
Adj. EPS	$ 1.28	$ 0.82	$ 1.16
EV/Revenue	0.4x	0.2x	0.2x
P/E	7.5x	6.3x	4.4x



COMPANY DESCRIPTION

Nu Skin Enterprises, Inc. (NYSE: NUS) is a global direct selling leader in beauty and wellness, delivering personal care, nutrition, and smart device systems. NUS operates in the direct selling channel across nearly 50 international markets, primarily utilizing person-to-person marketing to promote and sell products, including through the use of social and digital platforms. The Company integrates product innovation, bio-device R&D, and digital platforms through its Rhyz ecosystem.

Company Updates

NUS reported revenue, adj NI, and adj EPS of $320.1M, $10.0M, and $0.20, respectively. This compares to our estimates of $345.2M, $10.3M, and $0.20, respectively. GAAP EPS was $(5.14), primarily reflecting a $78.9M non-cash goodwill impairment, which was largely a GAAP accounting item, and a $167.5M deferred-tax valuation allowance, both excluded from adjusted results. Core Nu Skin gross margin improved 20 bps y/y to 77.7%, while consolidated gross margin declined 60 bps to 68.2% and adjusted operating margin fell 190 bps to 6.1%. Nu Skin and Rhyz revenue declined 15.5% and 25.0% y/y, respectively. Management reduced FY26 revenue guidance to $1.28B-$1.35B from $1.35B-$1.50B and adjusted EPS to $0.70-$0.90 from $0.80-$1.20. India also moved to 1H27 from year-end 2026 as NUS refines local sourcing, logistics, technology integration, and the affiliate model. We believe the revised outlook reflects a lower near-term setup, with Prysm iO adoption, sales-force productivity, and cost actions remaining the primary 2027 drivers.

Strategic Initiatives: Prysm iO remains central to NUS' longer-term growth strategy, although early adoption is refining commercialization. More than 39,000 devices have been placed and 2.5M scans completed, with 50,000-60,000 devices targeted by year-end. We increasingly view Prysm iO as a field-productivity initiative rather than a traditional product launch, as sales leaders use the platform as a wellness-consultation tool and learn to sell wellness alongside Nu Skin's established beauty offering. This creates an opportunity to improve leader productivity, deepen customer engagement, and broaden monetization across the sales network. At its global event in Japan, NUS plans to introduce AI-enabled applications providing personalized assessments, product recommendations, and 90-day wellness plans, which should support conversion and customer lifetime value as leader familiarity improves.

KPIs: Nu Skin ended 2Q with 660,037 customers, 120,291 paid affiliates, and 26,998 sales leaders, down 14%, 8%, and 9% y/y, respectively. Sales-leader trends improved from a 13% y/y decline in 1Q, while the absolute count was essentially unchanged q/q. Mainland China sales leaders increased 2% y/y. Recruiting and leadership development remain below levels management believes are necessary for sustainable growth. NUS is addressing this through Prysm iO training, compensation-framework changes, and a leadership-achievement roadmap focused on development, recognition, and incentives.

Balance Sheet and Liquidity: NUS ended 2Q with $189.6M of cash and $213.7M of total debt, generated $10.6M of operating cash flow, and paid $2.9M of dividends. No shares were repurchased, leaving $137.3M under the authorization. Management expects $5M-$10M of cash transition costs through year-end related to its East-West operating model, with greater efficiency benefits expected in 2027.

Guidance: NUS expects 3Q26 revenue of $310M-$340M and adjusted EPS of $0.10-$0.20. FY26 guidance now calls for revenue of $1.28B-$1.35B and adjusted EPS of $0.70-$0.90. Prysm iO adoption, the Japan event, seasonal 4Q promotions, and cost optimization should shape 2H results, with sales-leader activity and customer conversion remaining key indicators to monitor.

Valuation: We use a Price to Adj. EPS comparison when valuing NUS. Currently NUS is trading at a forward Price to Adj. EPS of 4.4x compared to comps at an average of 21.0x. We are using our 2027E Adj. EPS, and an P/E range of 10.0x to 12.0x with a midpoint of 11.0x which moves NUS closer to comp companies. This arrives at a valuation range of $11.61 to $13.94 with a price target of $12.77.

Valuation Summary

We use a Price to Adj. EPS comparison when valuing NUS. NUS currently trades at 4.4x 2027E Adj. EPS versus the peer-group average of 21.0x, representing an approximately 79% discount. While we believe fair value for comps tends to be closer to the 15x to 20x range, we also think that this discount is too steep even when accounting for any size or liquidity adjustments. We note that recent Adj. Net Income margins for NUS have been challenged and may explain a portion of the discount.

Comparative Analysis
(all figures in M, except per share information)

					LTM Gross	Adj. Net Income Margin					EV/Revenue (2, 3)			Price/Adj. EPS (2, 3)		
Company Name	Symbol	Price (1)	Mrkt Cap	EV	Margin	2023	2024	2025	2026E	2027E	2025	2026E	2027E	2025	2026E	2027E
Amway (Malaysia) Holdings	AMWAY	$ 1.11	$ 182.9	$ 145.4	21.8%	6.77%	6.89%	2.94%	2.77%	2.94%	0.54x	0.51x	0.50x	17.9x	23.2x	21.5x
BellRing Brands, Inc.	BRBR	$ 11.38	$ 1,323.2	$ 2,445.9	28.6%	8.81%	11.08%	10.61%	5.11%	6.76%	1.81x	1.03x	1.02x	18.2x	11.0x	8.5x
e.l.f. Beauty, Inc.	ELF	$ 95.24	$ 5,619.9	$ 6,205.0	74.4%	10.03%	5.50%	12.08%	11.02%	10.16%	3.46x	3.22x	2.97x	42.1x	27.3x	26.4x
Edgewell Personal Care Co	EPC	$ 27.99	$ 1,290.0	$ 2,172.1	41.0%	4.29%	4.58%	4.94%	4.91%	4.78%	0.92x	1.09x	1.07x	N/A	13.3x	13.8x
The Honest Company, Inc.	HNST	$ 5.23	$ 561.1	$ 464.7	42.1%	-6.71%	1.06%	3.49%	4.42%	3.92%	0.63x	1.44x	1.38x	N/A	46.3x	59.3x
Interparfums, Inc.	IPAR	$119.49	$ 3,826.8	$ 4,000.6	58.9%	9.17%	9.03%	11.32%	10.42%	10.41%	2.01x	2.68x	2.49x	16.2x	24.6x	22.8x
LifeVantage Corporation	LFVN	$ 6.68	$ 84.3	$ 82.0	78.1%	1.29%	3.03%	4.63%	3.05%	nm	0.36x	0.46x	0.48x	9.7x	15.7x	15.4x
Medifast, Inc.	MED	$ 12.09	$ 125.0	$ (17.2)	69.2%	7.51%	1.69%	nm	-4.45%	nm	nm	-0.06x	-0.06x	N/A	N/A	N/A
Nature's Sunshine Products	NATR	$ 15.77	$ 277.5	$ 216.4	73.2%	3.21%	2.49%	4.44%	3.96%	4.29%	0.63x	0.44x	0.42x	19.9x	14.6x	12.8x
SkinHealth Systems Inc.	SKIN	$ 0.64	$ 83.3	$ 244.3	66.4%	-16.00%	-10.27%	4.37%	1.65%	3.54%	1.13x	0.85x	0.81x	N/A	N/A	N/A
USANA Health Sciences, Inc	USNA	$ 14.34	$ 264.8	$ 140.9	77.4%	6.95%	6.18%	3.51%	1.54%	3.43%	0.29x	0.15x	0.15x	33.8x	18.9x	8.1x
				Average	**57.4%**	**3.21%**	**3.75%**	**6.23%**	**4.04%**	**5.58%**	**1.2x**	**1.1x**	**1.0x**	**22.5x**	**21.7x**	**21.0x**
				Median	**66.4%**	**6.77%**	**4.58%**	**4.53%**	**3.96%**	**4.29%**	**0.8x**	**0.9x**	**0.8x**	**18.2x**	**18.9x**	**15.4x**
Nu Skin Enterprises, Inc.	NUS	$ 5.15	$ 250.7	$ 323.0	69.2%	0.44%	-8.46%	4.31%	3.05%	3.88%	0.4x	0.2x	0.2x	7.5x	6.3x	4.4x

(1) Previous day's closing price
(2) Estimates are from Capital IQ
(3) Forward estimates as of calendar year
Source: Company reports, CapitalIQ, Stonegate Capital Partners

Looking forward, core Nu Skin gross-margin improvement, the East-West operating structure, and broader cost-optimization efforts provide a path toward improved profitability even as the top-line recovery remains gradual. Prysm iO adoption and improving sales-force productivity should provide additional operating leverage, while India's formal launch in 1H27 adds a longer-term growth opportunity. As Adj. Net Income margins improve, we believe the valuation discount to peers should narrow.

Currently NUS is trading at a forward Price to Adj. EPS of 4.4x compared to comps at an average of 21.0x. We are using our 2027E Adj. EPS, and a P/E range of 10.0x to 12.0x with a midpoint of 11.0x when valuing NUS, which is in line with the Company's historical multiple and also moves NUS closer to comps. We expect to move this multiple range higher as NUS executes its current strategies, coming more in line with comps. This arrives at a valuation range of $11.61 to $13.94 with a price target of $12.77.

P/E			
2027 E	**10.00x**	**11.00x**	**12.00x**
Earnings	1.16	1.16	1.16
Price	**$ 11.61**	**$ 12.77**	**$ 13.94**

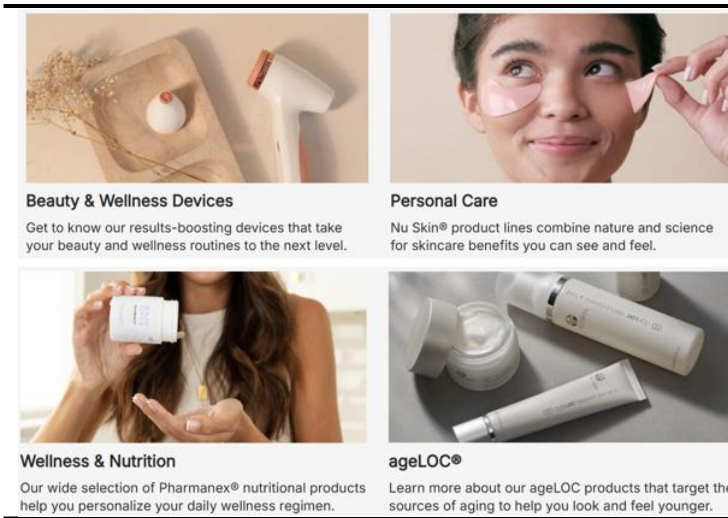
Lastly, we note the sizable valuation discount on an EV/Revenue basis. While we do not typically use EV/Revenue when valuing companies, NUS trades at 0.2x 2027E revenue versus the peer-group average of 1.0x. We believe this discount provides additional valuation support if NUS can improve profitability and execute on its current strategic initiatives.

Business Overview

Nu Skin Enterprises, Inc. (NYSE: NUS) is a global direct-selling leader in beauty and wellness, delivering personal care, nutrition, and smart device systems. Operating in nearly 50 international markets through a network of independent Brand Affiliates, the Company integrates product innovation, bio-device R&D, and digital platforms through its Rhyz ecosystem.

Founded in 1984 in Provo, Utah, Nu Skin built its legacy on natural ingredients, science-backed skincare. It expanded into Canada and Asia in the early 1990s, IPO'd in 1996, and added dietary supplements via its 1998 Pharmanex acquisition. The launch of the ageLOC anti-aging line in 2008 marked a major inflection point—followed by successive connected device launches (LumiSpa iO, WellSpa iO, RenuSpa iO)—cementing its reputation in beautytech.

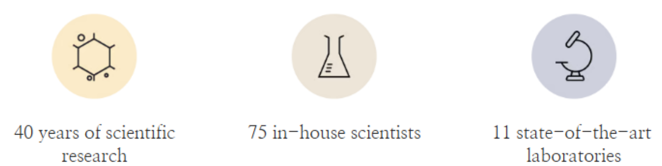
Exhibit 1: Business Overview



Source: Company Reports

NUS operates through three primary brands a beauty brand, Nu Skin; a wellness brand, Pharmanex; and an anti-aging brand, ageLOC. In addition to the core Nu Skin business, the Company also explores new areas of synergistic and adjacent growth through its business arm known as Rhyz Inc. Rhyz is the Company's strategic investment arm and reports through two segments, Manufacturing and Rhyz Other. In January of 2025, the Company sold Mavely, a business under the Rhyz arm, for ~$250.0M which was ~3.6x FY24 revenues, illustrating the potential that Rhyz Businesses have. Of note, the Company has an extensive history of research and development leading to a constantly evolving product pipeline.

Exhibit 2: Innovation Drivers



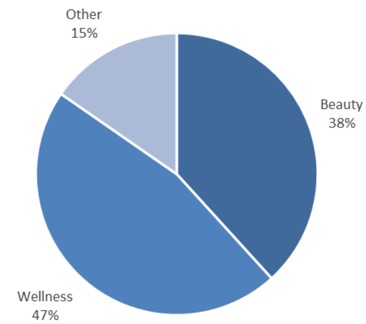
Source: Company Reports

Nu Skin operates in nearly 50 geographies broken into 7 segments at its Core Nu Skin level. With about 19% of Core Nu Skin FY24 revenues generated in the Americas segment, and an additional 11% of revenue generated in the Rhyz segment, NUS derives ~30% of consolidated revenue from the western hemisphere. With such a large global footprint, the Company's international operations are constantly monitored for impacts from currency and regulation changes. We view this diversification as a net positive, giving NUS a significant reach. Further information on the nuances of these geographies can be found under the Geographic Overview section.

The Company's distribution channel is composed of two primary groups: its consumer group, made up of individuals who buy the Company's products primarily for personal or family consumption and share products with friends and family; and its sales network made up of individuals who personally buy, use and resell products, and who attract new consumers, and recruit, train and develop new sellers. Individuals in the sales network are classified as either Brand Affiliates or Sales Leaders. Brand Affiliates are individuals who also purchase products for personal consumption as well as for resale to customers. Brand Affiliates can generate compensation for sales made to their customers, and are typically under the guidance of a Sales Leader. Sales Leaders are 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. These individuals have completed the qualification process and are actively building a sales network that may be comprised of both Brand Affiliates and their own customers. With Brand Affiliates working under Sales Leaders the Company is designed in a multi-level sales structure. This multi-level structure where Sales Leaders can disseminate information efficiently and personally allows the Company to maintain a person-to-person relationship all the way to end consumers when new products are introduced.

Product Overview

Exhibit 3: FY25 Revenue by Category



Source: Company Financials

- **Beauty Products:** Beauty products for NUS fall under the Nu Skin brand. The Company's strategy for its beauty products category is to leverage its distribution channel to strengthen Nu Skin's position as an innovative leader in the premium beauty markets. The products in this category include innovative skin care devices, cosmetics, and other personal-care products. Nu Skin is continuously improving and evolving its product-formulations to develop and incorporate innovative and proven-ingredients, with many of the products developed using ingredients that are scientifically proven to provide visible results.

- **Wellness Products:** Wellness products for NUS fall under the Pharmanex brand. The Company's strategy for its wellness category is to continue to introduce innovative, substantiated nutritional supplements, based on research and development and quality manufacturing. Direct selling has proven to be an effective method of marketing the high-quality wellness products because the sales force can personally educate consumers on the quality and benefits of wellness products, differentiating them from competitors' offerings.

- **Rhyz:** The Rhyz businesses primarily consist of consumer, technology, and manufacturing companies. In 2025, the Rhyz companies generated $223.6 million, or 15% of the Company's 2025 reported revenue, excluding sales to the core Nu Skin business. Rhyz remains a key component of the business, enabling NUS to reduce cost of goods, improve lead times, diversify revenue mix, and create synergies for its owned brands. In January 2025, NUS sold one of its businesses under the Rhyz umbrella, which accounted for $69.6 million of 2024 reported revenue, showing the ability to monetize portions of this incubator should the opportunity arise.

Sales Channel Overview

Nu Skin maintains a global philosophy of person-to-person marketing believing that the direct selling distribution is an effective vehicle to distribute products. This is through the rapid outreach to potential customers through the existing social networks of the Company's sellers, personalized product demonstrations and offerings, and after-sales servicing from sellers. The Company breaks its sales channel down between its consumer group and its sales network. The consumer group is made up of individuals who buy NUS products primarily for personal or family consumption either through Brand Affiliates or directly from the Company. This group does not have the authority to build a Nu Skin business by reselling products or by recruiting others, and therefore they do not earn any sales compensation.

The sales network is made up of individuals who personally buy, use and resell products, and who also acquire new consumers, and attract, train and develop new sellers. Brand Affiliates both purchase products for personal use as well as for resale to other customers. These individuals are eligible to receive certain compensation under the Company's global sales compensation plan by selling product to customers and by developing other Brand Affiliates who sell products to consumers, but they are not eligible for other compensation unless they elect to qualify as a Sales Leader. The two ways that Brand Affiliates make money is through retail markups and sales compensation earned under the global sales compensation plan. Importantly there are no requirements to purchase products to become a Brand Affiliate, and no commissions are paid on any purchase of a business portfolio.

Sales Leaders are Brand Affiliates who are qualified and have elected to pursue the business opportunity of attracting consumers and building a sales network. Where all Brand Affiliates receive compensation for sales to their own consumer group, Sales Leaders also receive compensation for sales to their own consumer group as well as sales to other Sales Leaders. There is no requirement to recruit or sponsor other Brand Affiliates, and there is no compensation for recruiting or sponsoring.

These sales channels are a breakout for Nu Skin's geographies outside of Mainland China. More information on how Mainland China differs from the Company's other geographies can be found in the Geographic Overview section of this report.

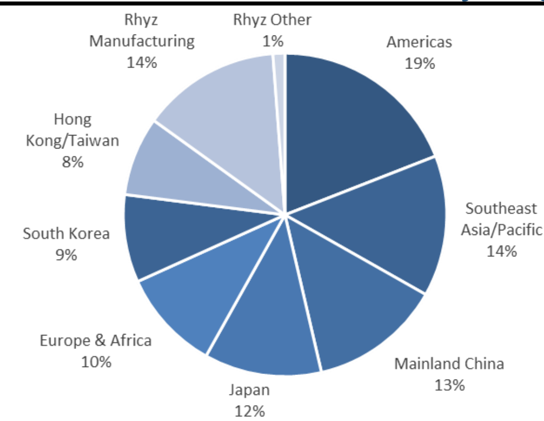
Geographic Overview

As noted above, the Company operates across nearly 50 geographies. NUS breaks out its Core Nu Skin business into 7 geographic segments, listed below:

- Americas
- Southeast Asia/Pacific
- Mainland China
- Japan
- Europe and Africa
- South Korea
- Hong Kong/Taiwan

In addition to these 7 geographic segments that NUS uses to characterize its Core Nu Skin business, the Company also consolidates Rhyz segments into Rhyz Manufacturing and Rhyz Other. It is noted that the Rhyz segments are US based.

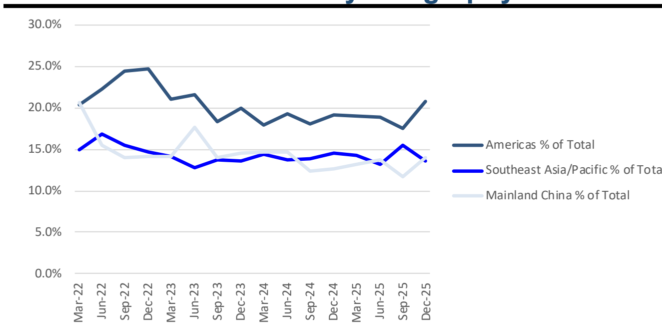
Exhibit 4: FY25 Revenue Contribution by Geography



Source: Company Financials

NUS historically generates approximately 20% of its consolidated revenues from the Core Nu Skin Americas segment, making this segment its largest revenue generator. While there are nuances between all of the Company's segments such as product mix and pricing, different engagement tools, and compensation structures, all geographies with the exception of Mainland China tend to operate following similar structures described in the Sales Channel Overview. The Company remains geographically diversified, with no geography accounting for more than 20% of consolidated revenues.

Exhibit 5: Quarterly Revenue as a Percentage of Consolidated Revenue by Geography



Source: Company Financials

Due to restrictions on direct selling and multi-level commissions in Mainland China, the Company has implemented a business model for that market that is different from the business model used in other markets. In Mainland China, NUS utilizes sales employees to sell products through retail stores, website and digital platforms; independent direct sellers, who can sell away from stores where the Company has a direct selling license and a service center and can also sell through the website and digital platform; and independent marketers, who are licensed business owners authorized to sell products at their own approved premises or through NUS stores, website and digital platforms. These three types of sellers in the Company's Mainland China sales force are also compensated differently from how the Company compensates its sales force in the rest of the world with Mainland China sales employees receiving both monthly bonuses based on product sales among other metrics as well as a salary or service fee that is reviewed and adjusted on a quarterly basis based on performance.

Growth Drivers

Nu Skin Enterprises Inc. is strategically positioned to achieve significant growth through multiple avenues and market opportunities:

1. **Strategic Restructuring & Cost Discipline:** Nu Skin's aggressive restructuring efforts in 2024 have improved operational efficiency, as evidenced by lower general & administrative costs. The Company is now implementing an East-West operating model designed to improve operating efficiency and generate cost savings beginning in 2H26, with a larger benefit expected in 2027. Core Nu Skin gross margin improved 20 bps y/y to 77.7% in 2Q26, although consolidated gross margin declined 60 bps to 68.2% due to revenue mix.

2. **Expansion in High-Growth and Emerging Markets:** The Company is tapping into underpenetrated regions. Management has identified India as a critical entry point, with pre-launch activities underway in late 2025 and the formal market launch now planned for 1H27 as NUS refines local sourcing, logistics, technology integration, regulatory readiness, and the affiliate model.

3. **Product Innovation: Connecting Beauty & Wellness:** Nu Skin continues evolving beyond cosmetics. Prysm iO is now in the early stages of its global rollout, with more than 39,000 devices placed and approximately 2.5M scans completed; management expects 50,000-60,000 devices placed by year-end. Early usage is also refining commercialization, with many sales leaders using Prysm iO as a wellness-consultation tool rather than primarily an in-home placement device. NUS plans to introduce AI-enabled Prysm iO applications at its September global event in Japan, providing personalized wellness assessments, product recommendations, and 90-day wellness plans. Devices such as the RenuSpa iO microcurrent system and MYND360 cognitive wellness line reflect the firm's pivot toward connected beauty-health platforms.

4. **Rhyz Platform: Incubation, M&A and Capital Deployment:** Rhyz, Nu Skin's internal venture arm launched in 2018, supported by beauty-tech initiatives. While Nu Skin sold its Mavely affiliate-marketing platform for $250M in early 2025, the sale highlights strategic capital recycling and successful business incubation. The Company is now winding down the separate BeautyBio business, reducing its relevance as a current growth driver within Rhyz.

5. **Balanced Balance Sheet & Capital Return:** Nu Skin has methodically reduced debt (now at decade-low levels), facilitated by disciplined Capex and the Mavely sale.

6. **FX Mitigation & Geographic Diversification:** NUS' diversification across ~50 markets limits geographic concentration, although FX remains an earnings variable; 2Q26 revenue included an approximately 1% or $4.0M FX headwind.

Nu Skin's strategic pivot - combining cost optimization, sharper compensation structures, expansion into high-growth regions, and an emphasis on wellness-connected devices - offers a multi-pronged framework that should support the longer-term setup, although the FY26 guidance reduction and India delay push more of the expected growth opportunity into 2027.

Market Overview

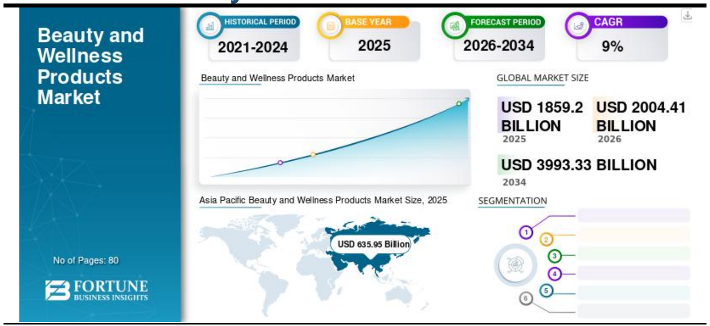
Nu Skin Enterprises operates within the expansive global beauty and wellness industry, leveraging a global direct-selling model with market-specific sales structures across diverse geographic regions. Importantly, Nu Skin operates at the nexus of three rapidly growing sectors—beauty & personal care products, beauty/wellness devices, and beauty tech. Leading players span personal care, anti-aging devices, nutritional supplements, and connected wellness platforms.

Nu Skin's Segments Markets

Beauty & Personal Care Products: The global personal care products market was valued at approximately $401.6 billion in 2025 and is projected to reach $425.5 billion in 2026 and $734.0 billion by 2034, representing a CAGR of approximately 7.1% from 2026 to 2034.

Beauty & Wellness Products Market:: The broader beauty and wellness products market was valued at approximately $1.86 trillion in 2025 and is projected to reach $2.00 trillion in 2026 and approximately $3.99 trillion by 2034, representing a 9.0% CAGR.

Exhibit 6: Beauty and Wellness Product Market



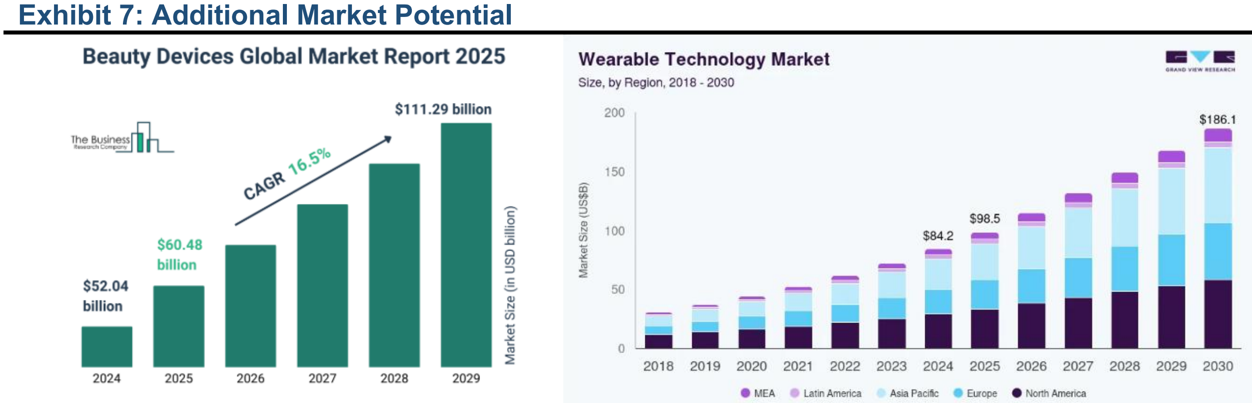
Source: Fortune Business Insights

Beauty & Skincare Devices: The global beauty devices market was approximately $60.2 billion in 2025 and is expected to reach approximately $70.0 billion in 2026 and $129.1 billion by 2030, representing a 16.5% CAGR over the forecast period.

Beauty Tech / Wearables: The global beauty tech market is projected to reach approximately $87.1 billion in 2026 and $172.9 billion by 2030, representing a 17.9% CAGR. Separately, the broader wearable technology market is projected to increase from approximately $103.1 billion in 2026 to $229.9 billion by 2033 at a 12.1% CAGR.

These overlapping growth drivers—consumer trends toward personalization, at-home regimes, clean and functional beauty, smart devices, and wellness integration—provide multiple avenues for disruption and platform convergence.

Exhibit 7: Additional Market Potential



Source: GrandView Research & The Business Research Company

Market Opportunities and Strategic Positioning

Nu Skin is strategically positioned to capitalize on global trends favoring wellness and personalized beauty technology. The global beauty and wellness device market continues to expand robustly, driven by increasing consumer health consciousness and demand for at-home beauty solutions. Prysm iO is now in the early stages of its global rollout, with management increasingly positioning the platform as a wellness-assessment and consultation tool designed to improve customer engagement, conversion, and lifetime value.

Additionally, the Company's planned market entry into India remains a significant strategic initiative, with the formal launch now expected in 1H27. Management is using the additional runway to refine local sourcing, logistics, technology integration, regulatory readiness, and the affiliate model ahead of the full market opening.

Operationally, Nu Skin has strategically prioritized margin improvements through restructuring initiatives and cost optimization, successfully enhancing operating efficiencies amid challenging market conditions. The sustained emphasis on affiliate incentives, targeted promotional activities, and digital transformation efforts further strengthens its competitive positioning and ability to adapt to evolving consumer expectations across diverse international markets.

We believe Nu Skin is participating in several large and growing markets, including beauty and wellness products, projected to reach approximately $3.99T by 2034; beauty devices, projected to reach approximately $129.1B by 2030; and beauty tech, projected to reach approximately $172.9B by 2030. Its combined strengths in connected-device innovation, wellness integration, and science-backed personalization, delivered through a community-driven sales model, position the company to capitalize on long-term consumer trends in health, self-care, and technology-enabled beauty.

In conclusion, despite short-term challenges stemming from macroeconomic and regulatory pressures in key markets, Nu Skin's strategic initiatives focused on product innovation, market diversification, and operational efficiency position the company favorably to capitalize on emerging global opportunities in the beauty and wellness sectors.

Risks

As with any investment, there are certain risks associated with Nu Skin's operations as well as with the surrounding economic and regulatory environments common to the personal care products industry.

- Direct selling laws and regulations vary globally, are subject to interpretation or change, and may prohibit or severely restrict direct selling and cause revenues and profitability to decline. If the business practices or policies or the actions of the sales force are deemed to be in violation of applicable local regulations, then the company could be sanctioned which could significantly harm the business.

- Compensation for the Company's sales force could be impacted by regulations such as limits on the amount of compensation that the Company may provide. This would limit the Company's ability to attract and retain its sales force.

- The Company operates in markets that are intensely competitive and fast moving. The emergence and increased adoption of artificial intelligence is a prime example of this. Furthermore, NUS completes with both large and small direct selling companies, affiliate marketing companies, and employees in the gig economy, illustrating the breadth of competition.

- The Company is subject to financial risks as a result of our international operations, including exposure to foreign-currency fluctuations, currency controls and inflation in foreign markets, all of which could impact the Company's financial position and results of operations. To illustrate this, 70% of FY24 sales occurred in markets outside of the United States

BALANCE SHEET

Nu Skin Enterprises, Inc.
Consolidated Balance Sheets ($M)
Fiscal Year End: December

ASSETS	FY 2022	FY 2023	FY 2024	Q1 Mar-25	Q2 Jun-25	Q3 Sep-25	Q4 Dec-25	FY 2025	Q1 Mar-26	Q2 Jun-26
Cash and Cash Equivalents	264.7	256.1	186.9	203.8	264.2	251.8	238.6	238.6	198.7	189.6
Current Investments	13.8	11.8	11.1	9.8	1.2	1.2	1.2	1.2	1.8	1.7
Accounts Receivable	47.4	58.7	50.8	56.6	59.7	48.9	39.5	39.5	45.0	48.9
Inventories, net	346.2	280.0	190.2	188.8	180.4	178.5	178.6	178.6	178.6	191.5
Prepaid expenses and other	87.8	81.1	72.6	66.0	66.1	67.7	89.7	89.7	98.9	76.4
Current Assets Held for Sale	-	14.3	26.9	-	-	-	-	-	-	-
Total Current Assets	**759.9**	**701.9**	**538.6**	**524.9**	**571.6**	**548.1**	**547.7**	**547.7**	**522.9**	**508.1**
Property and Equipment, net	444.8	433.0	379.6	380.1	374.2	375.3	377.2	377.2	381.6	379.6
Operating Lease Right-of-use Assets	98.7	90.1	72.6	79.4	77.7	79.9	74.0	74.0	70.4	65.4
Goodwill	206.4	218.2	83.6	83.6	83.6	83.6	83.6	83.6	83.6	4.8
Other Intangible Asset, Net	66.7	95.3	74.3	47.6	45.9	44.2	42.6	42.6	39.3	37.9
Other Assets	244.4	247.6	298.0	275.9	290.6	293.2	280.2	280.2	279.0	125.8
Long-term Assets Held for Sale	-	22.7	22.2	-	-	-	-	-	-	-
Total Assets	**1,821.0**	**1,808.6**	**1,468.9**	**1,391.4**	**1,443.7**	**1,424.4**	**1,405.3**	**1,405.3**	**1,376.8**	**1,121.5**
LIABILITIES AND SHAREHOLDERS' EQUITY										
Accounts Payable	54.0	43.1	34.9	33.6	28.7	28.5	26.2	26.2	28.8	37.7
Accrued Expenses	280.3	253.7	217.8	206.7	220.2	205.9	217.6	217.6	208.2	198.6
Current Portion of Long-term Debt	25.0	25.0	30.0	20.0	35.0	20.0	20.0	20.0	20.0	20.0
Current Liabilities Held for Sale	-	7.1	13.9	-	-	-		-	-	-
Total Current Liabilities	**359.2**	**328.9**	**296.6**	**260.3**	**283.9**	**254.4**	**263.7**	**263.7**	**257.0**	**256.3**
Operating Lease Liabilities	76.5	70.9	58.4	61.9	61.8	62.4	57.6	57.6	54.0	50.1
Long-term Debt	377.5	478.0	363.6	218.8	213.9	209.0	204.2	204.2	203.6	193.7
Other Liabilities	110.4	106.6	97.5	96.4	96.3	98.7	74.5	74.5	68.1	78.7
Long-term Liabilities Held for Sale	-	2.2	1.3	-	-	-		-	-	-
Total Liabilities	**923.7**	**986.7**	**817.5**	**637.4**	**655.9**	**624.6**	**600.1**	**600.1**	**582.7**	**578.8**
Common Stock - Par Value	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Additional Paid in Capital	613.3	621.9	627.8	623.5	627.5	633.2	636.0	636.0	613.9	612.4
Treasury Stock - Common	(1,569.1)	(1,570.4)	(1,563.6)	(1,562.2)	(1,560.4)	(1,565.3)	(1,575.1)	(1,575.1)	(1,560.8)	(1,558.2)
Accumulated Other Comprehensive Income (L	(86.5)	(100.0)	(124.8)	(123.9)	(114.1)	(116.9)	(116.1)	(116.1)	(118.4)	(118.2)
Retained Earnings	1,939.5	1,870.5	1,711.9	1,816.5	1,834.6	1,848.7	1,860.3	1,860.3	1,859.3	1,606.6
Total Consolidated Equity	**897.3**	**822.0**	**651.5**	**754.0**	**787.8**	**799.8**	**805.2**	**805.2**	**794.1**	**542.7**
Total Liabilities and Shareholders' Equity	**1,821.0**	**1,808.6**	**1,468.9**	**1,391.4**	**1,443.7**	**1,424.4**	**1,405.3**	**1,405.3**	**1,376.8**	**1,121.5**
Liquidity										
Current Ratio	2.1x	2.1x	1.8x	2.0x	2.0x	2.2x	2.1x	2.1x	2.0x	2.0x
Working Capital	400.63	373.00	241.99	264.56	287.65	293.71	283.96	283.96	265.89	251.80

Source: Company Reports, Stonegate Capital Partners

INCOME STATEMENT

Nu Skin Enterprises, Inc.
Consolidated Statements of Income (in $M, except per share amounts)
Fiscal Year End: December

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	Q1 Mar-25	Q2 Jun-25	Q3 Sep-25	Q4 Dec-25	FY 2025	Q1 Mar-26	Q2 Jun-26	Q3 E Sep-26	Q4 E Dec-26	FY 2026E	Q1 E Mar-27	Q2 E Jun-27	Q3 E Sep-27	Q4 E Dec-27	FY 2027E
Revenue	$2,247.0	$2,207.8	$2,279.1	$2,679.0	$2,420.4	$2,581.9	$2,695.7	$2,225.7	$1,969.1	$1,732.1	$ 364.5	$ 386.1	$ 364.2	$ 370.3	$1,485.2	$ 320.6	$ 320.1	$ 328.7	$ 347.5	$1,316.9	$ 343.7	$ 369.5	$ 376.0	$ 385.1	$1,474.3
Total Revenues	**2,247.0**	**2,207.8**	**2,279.1**	**2,679.0**	**2,420.4**	**2,581.9**	**2,695.7**	**2,225.7**	**1,969.1**	**1,732.1**	**364.5**	**386.1**	**364.2**	**370.3**	**1,485.2**	**320.6**	**320.1**	**328.7**	**347.5**	**1,316.9**	**343.7**	**369.5**	**376.0**	**385.1**	**1,474.3**
Operating Expenses:																									
Cost of Sales	489.5	500.5	502.1	634.1	581.4	658.0	675.2	630.9	611.9	550.2	117.5	120.4	107.5	108.3	453.8	106.1	101.8	101.9	104.0	413.8	104.8	107.3	107.7	109.4	429.3
Gross Profit	**1,757.5**	**1,707.3**	**1,777.0**	**2,044.9**	**1,839.0**	**1,923.9**	**2,020.4**	**1,594.7**	**1,357.3**	**1,181.9**	**247.0**	**265.7**	**256.7**	**262.0**	**1,031.4**	**214.5**	**218.3**	**226.9**	**243.5**	**903.2**	**238.9**	**262.2**	**268.3**	**275.7**	**1,045.0**
Selling Expenses	951.4	922.1	938.0	1,071.0	955.6	1,019.5	1,080.2	879.6	742.4	652.0	118.5	128.2	130.3	131.3	508.4	110.1	107.9	113.4	120.2	451.5	121.6	130.4	131.8	135.7	519.5
G&A	561.5	554.2	564.5	662.3	616.0	646.8	654.4	555.8	546.9	479.0	113.2	106.7	104.8	107.4	432.1	98.5	90.8	100.3	106.0	395.6	99.7	107.2	109.0	111.7	427.5
Restructuring and Impairment	-	-	-	70.7	-	-	51.9	48.5	19.8	202.4	25.1	-	-	-	25.1	1.8	78.9	-	-	80.7	-	-	-	-	-
Total Operating Expenses	1,512.8	1,476.2	1,502.5	1,804.0	1,571.6	1,666.3	1,786.5	1,483.9	1,309.0	1,333.4	256.9	235.0	235.1	238.7	965.6	210.4	277.6	213.6	226.2	927.9	221.2	237.5	240.9	247.4	947.0
Operating Income	**244.7**	**231.1**	**274.5**	**240.9**	**267.4**	**257.6**	**234.0**	**110.8**	**48.3**	**(151.6)**	**(9.9)**	**30.8**	**21.6**	**23.2**	**65.8**	**4.0**	**(59.3)**	**13.2**	**17.3**	**(24.7)**	**17.6**	**24.6**	**27.4**	**28.3**	**98.0**
Interest Gain/(Expense)	-	-	-	-	-	-	-	-	(25.6)	(26.4)	(3.3)	(2.5)	(4.1)	(4.0)	(13.9)	(4.3)	(3.3)	(3.1)	(3.0)	(13.7)	(3.5)	(3.5)	(3.5)	(3.5)	(14.2)
Gain on Sale of Business	-	-	-	-	-	-	-	-	-	-	176.2	-	-	-	176.2	-	-	-	-	-	-	-	-	-	-
Other Gain/(Expense)	(32.7)	(18.3)	(8.9)	(21.2)	(12.3)	(1.3)	(1.5)	(21.9)	3.9	2.9	(28.4)	(0.8)	(1.5)	(1.1)	(31.8)	2.8	(0.5)	(0.5)	(0.5)	1.2	(0.5)	(0.5)	(0.5)	(0.5)	(2.1)
Profit Before Taxes	**212.0**	**212.8**	**265.6**	**219.7**	**255.2**	**256.2**	**232.5**	**89.0**	**26.6**	**(175.1)**	**134.6**	**27.4**	**16.0**	**18.2**	**196.2**	**2.6**	**(63.2)**	**9.5**	**13.8**	**(37.2)**	**13.6**	**20.6**	**23.3**	**24.3**	**81.7**
Provision for Income Tax	78.9	69.8	136.1	97.8	81.6	64.9	85.2	(15.8)	18.0	(28.5)	27.1	6.3	(1.1)	3.7	36.0	0.8	186.6	2.9	4.2	194.4	4.1	6.2	7.0	7.3	24.5
Net Income	**133.0**	**143.1**	**129.4**	**121.9**	**173.6**	**191.4**	**147.3**	**104.8**	**8.6**	**(146.6)**	**107.5**	**21.1**	**17.1**	**14.5**	**160.2**	**1.8**	**(249.8)**	**6.7**	**9.7**	**(231.6)**	**9.5**	**14.4**	**16.3**	**17.0**	**57.2**
Net Income Adjustments	-	-	47.7	76.8	-	-	65.5	41.6	83.5	188.4	(96.1)	-	-	-	(96.1)	5.0	259.8	3.5	3.5	271.8	-	-	-	-	-
Adj. Net Income	**133.0**	**143.1**	**177.2**	**198.7**	**173.6**	**191.4**	**212.7**	**146.3**	**92.0**	**41.8**	**11.4**	**21.1**	**17.1**	**14.5**	**64.1**	**6.8**	**10.0**	**10.2**	**13.2**	**40.2**	**9.5**	**14.4**	**16.3**	**17.0**	**57.2**
Basic EPS	**$ 2.29**	**$ 2.58**	**$ 2.45**	**$ 2.21**	**$ 3.13**	**$ 3.66**	**$ 2.93**	**$ 2.10**	**$ 0.17**	**$ (2.95)**	**$ 2.16**	**$ 0.43**	**$ 0.35**	**$ 0.30**	**$ 3.25**	**$ 0.04**	**$ (5.14)**	**$ 0.14**	**$ 0.20**	**$ (4.72)**	**$ 0.19**	**$ 0.29**	**$ 0.33**	**$ 0.34**	**$ 1.16**
Diluted EPS	**$ 2.25**	**$ 2.55**	**$ 2.36**	**$ 2.16**	**$ 3.10**	**$ 3.63**	**$ 2.86**	**$ 2.07**	**$ 0.17**	**$ (2.95)**	**$ 2.14**	**$ 0.43**	**$ 0.34**	**$ 0.29**	**$ 3.20**	**$ 0.04**	**$ (5.14)**	**$ 0.14**	**$ 0.20**	**$ (4.71)**	**$ 0.19**	**$ 0.29**	**$ 0.33**	**$ 0.34**	**$ 1.16**
Adj. EPS	**$ 2.25**	**$ 2.55**	**$ 3.23**	**$ 3.52**	**$ 3.10**	**$ 3.63**	**$ 4.14**	**$ 2.90**	**$ 1.85**	**$ 0.84**	**$ 0.23**	**$ 0.43**	**$ 0.34**	**$ 0.29**	**$ 1.28**	**$ 0.14**	**$ 0.20**	**$ 0.21**	**$ 0.27**	**$ 0.82**	**$ 0.19**	**$ 0.29**	**$ 0.33**	**$ 0.34**	**$ 1.16**
WTD Shares Out - Basic	58.0	55.4	52.8	55.2	55.5	52.3	50.2	50.0	49.7	49.7	49.8	49.4	49.4	48.6	49.3	49.8	48.6	48.8	49.1	49.1	49.3	49.3	49.3	49.3	49.3
WTD Shares Out - Diluted	59.1	56.1	54.9	56.5	55.9	52.8	51.4	50.5	49.9	49.7	50.3	49.5	50.3	49.9	50.0	50.3	48.6	48.8	49.1	49.2	49.3	49.3	49.3	49.3	49.3
Margin Analysis																									
Gross Margin	78.2%	77.3%	78.0%	76.3%	76.0%	74.5%	75.0%	71.7%	68.9%	68.2%	67.8%	68.8%	70.5%	70.7%	69.4%	66.9%	68.2%	69.0%	70.1%	68.6%	69.5%	71.0%	71.4%	71.6%	70.9%
Operating Margin	10.9%	10.5%	12.0%	9.0%	11.0%	10.0%	8.7%	5.0%	2.5%	-8.8%	-2.7%	8.0%	5.9%	6.3%	4.4%	1.3%	-18.5%	4.0%	5.0%	-1.9%	5.1%	6.7%	7.3%	7.4%	6.6%
Pre-Tax Margin	9.4%	9.6%	11.7%	8.2%	10.5%	9.9%	8.6%	4.0%	1.3%	-10.1%	36.9%	7.1%	4.4%	4.9%	13.2%	0.8%	-19.7%	2.9%	4.0%	-2.8%	3.9%	5.6%	6.2%	6.3%	5.5%
Net Income Margin	5.9%	6.5%	5.7%	4.5%	7.2%	7.4%	5.5%	4.7%	0.4%	-8.5%	29.5%	5.5%	4.7%	3.9%	10.8%	0.6%	-78.0%	2.0%	2.8%	-17.6%	2.8%	3.9%	4.3%	4.4%	3.9%
Adj. Net Income Margin	5.9%	6.5%	7.8%	7.4%	7.2%	7.4%	7.9%	6.6%	4.7%	2.4%	3.1%	5.5%	4.7%	3.9%	4.3%	2.1%	3.1%	3.1%	3.8%	3.0%	2.8%	3.9%	4.3%	4.4%	3.9%
Tax Rate	37.2%	32.8%	51.3%	44.5%	32.0%	25.3%	36.6%	-17.8%	67.7%	16.3%	20.1%	23.0%	-6.8%	20.3%	18.3%	29.4%	-295.4%	30.0%	30.0%	-522.6%	30.0%	30.0%	30.0%	30.0%	30.0%
Growth Rate Y/Y																									
Total Revenue	-12.5%	-1.7%	3.2%	17.5%	-9.7%	6.7%	4.4%	-17.4%	-11.5%	-12.0%	-12.7%	-12.1%	-15.3%	-16.9%	-14.3%	-12.0%	-17.1%	-9.7%	-6.2%	-11.3%	7.2%	15.4%	14.4%	10.8%	12.0%
Total cost of revenues	-13.0%	-2.4%	1.8%	20.1%	-12.9%	6.0%	7.2%	-16.9%	-11.8%	1.9%	-9.9%	-45.7%	-17.0%	-28.1%	-27.6%	-18.1%	18.2%	-9.1%	-5.3%	-3.9%	5.1%	-14.4%	12.7%	9.4%	2.1%
Operating Income	-30.5%	-5.6%	18.8%	-12.2%	11.0%	-3.7%	-9.2%	-52.6%	-56.5%	-414.0%	-212.3%	-124.5%	18.7%	-143.8%	-143.4%	-140.7%	-292.7%	-38.9%	-25.4%	-137.6%	338.0%	-141.5%	107.4%	63.4%	-496.4%
Pre-Tax Income	-29.0%	0.4%	24.8%	-17.3%	16.2%	0.4%	-9.3%	-61.7%	-70.1%	-758.6%	12125.3%	-120.8%	20.3%	-131.5%	-212.1%	-98.1%	-330.5%	-40.4%	-23.9%	-119.0%	421.7%	-132.5%	144.8%	75.4%	-319.7%
Net Income	-29.7%	7.5%	-9.5%	-5.8%	42.4%	10.3%	-23.0%	-28.9%	-91.8%	-1805.6%	NM	-117.9%	105.7%	-140.1%	-209.3%	NM	-1282.8%	-60.9%	-33.2%	-244.6%	417.0%	-105.8%	144.8%	75.4%	-124.7%
Adj. Net Income	-29.7%	7.5%	23.8%	12.2%	-12.7%	10.3%	11.2%	-31.2%	-37.1%	-54.6%	168.1%	103.5%	105.7%	-23.2%	53.3%	-39.9%	-52.9%	-40.4%	-9.0%	-37.3%	38.8%	44.6%	60.6%	28.8%	42.5%

Source: Company Reports, Stonegate Capital Partners estimates

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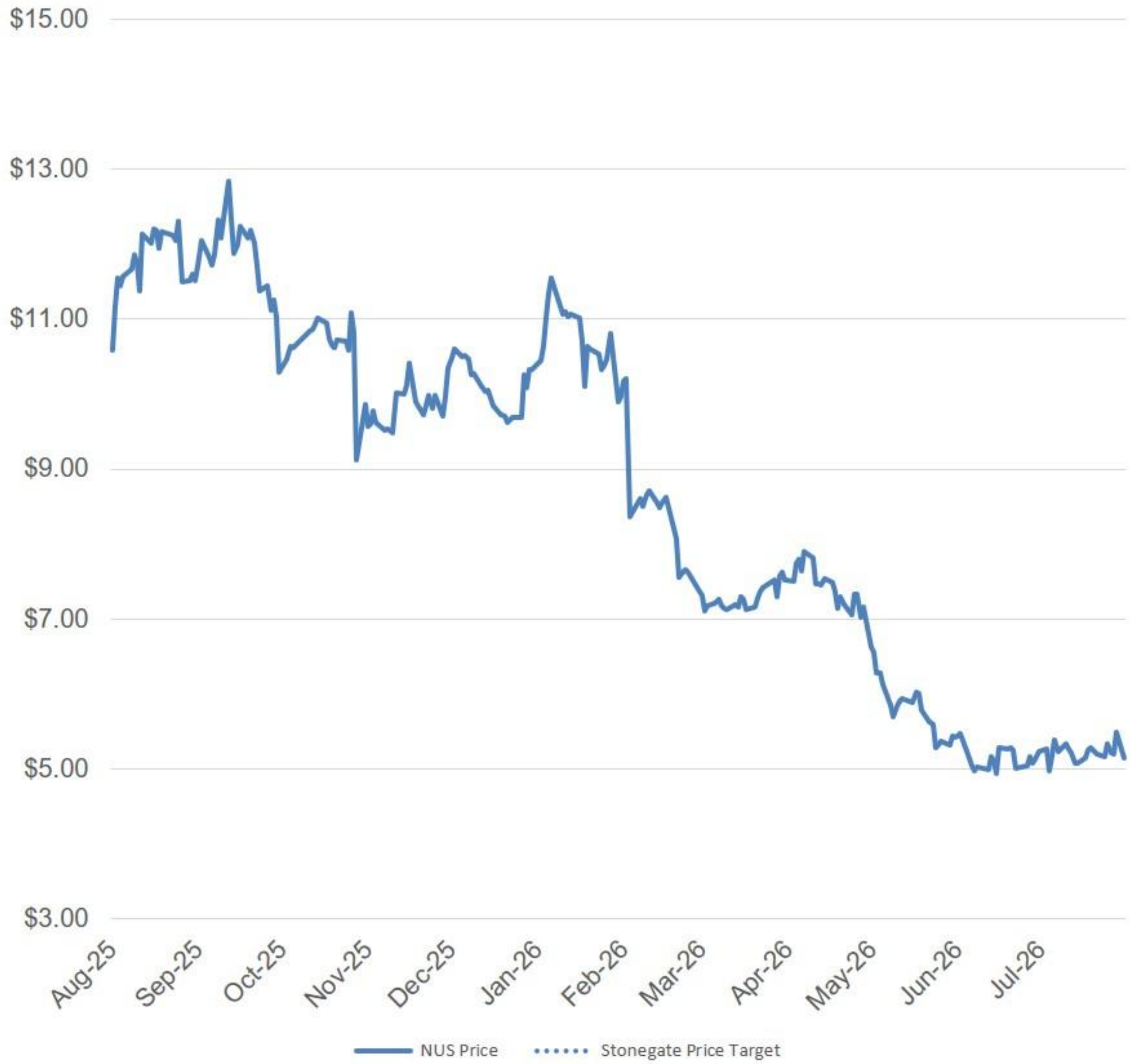
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Feb-26
Mar-26
Apr-26
May-26
Jun-26
Jul-26
NUS Price
Stonegate Price Target