RESEARCH UPDATE

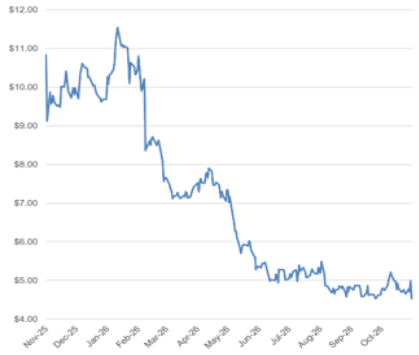
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Market Statistics in USD	
Price	$ 4.10
52 week Range	$4.09 - $11.67
Daily Vol (3-mo. average)	536,756
Market Cap (M)	$ 199.6
Enterprise Value (M)	$ 285.4
Shares Outstanding: (M)	48.7
Float (M)	47.3

Financial Summary in USD	
Cash (M)	$ 164.9
Cash/Share	$ 3.39
Debt (M)	$ 252.4
Equity (M)	$ 547.5
Equity/Share	$ 11.24

Valuation in USD	
Valuation Range	$11.35 - $13.62
2027E Price Target	$ 12.48

FYE: Dec	2025	2026E	2027E
(all figures in M, expect per share information)			
Rev	$1,485.2	$1,275.6	$1,404.4
Chng%	-14%	-14%	10%
Net Income	$ 160.2	$ (245.6)	$ 55.8
Adj. NI	$ 64.1	$ 29.6	$ 55.8
Adj. EPS	$ 1.28	$ 0.60	$ 1.13
EV/Revenue	0.4x	0.2x	0.2x
P/E	7.5x	6.8x	3.6x



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.

NU SKIN ENTERPRISES INC. (NYSE: NUS)

Company Updates

NUS' recovery requires better conversion of sales into earnings and cash. Manufacturing's rebound cushioned revenue but generated less segment profit, while working capital absorbed cash. Prysm iO conversion gains support recurring supplement demand, although affiliates are still adapting to wellness selling. We believe customer retention and channel productivity remain the clearest measures of progress. Convention expenses and inventory write-offs also weighed on margins, distinguishing quarterly pressures from the broader challenge of restoring operating leverage.

Quarterly Results: NUS reported revenue, adj NI, and adj EPS of $311.0M, $4.7M, and $0.10, respectively. This compares to our estimates of $328.7M, $10.2M, and $0.21, respectively. Revenue fell 14.6% y/y as core Nu Skin declined 19.2%, partially offset by 13.2% Rhyz growth. Manufacturing sales rose 19.3% as delayed orders normalized, but unfavorable mix drove segment contribution down 48% to $1.3M, limiting earnings support. Consolidated gross margin fell 550 bps to 65.0%, while inventory write-offs primarily drove core margin down 110 bps to 76.6%. Adjusted operating margin declined to 3.7% from 5.9%, including $5.4M of incremental convention costs, or approximately 174 bps of revenue. G&A fell $10.9M, partly reflecting lower performance-based compensation that could reverse as results improve. Adjusted results excluded $6.3M of severance and professional fees and related tax effects. An adjusted tax rate of 42.7%, versus a 6.8% benefit, added to EPS pressure.

Strategic Initiatives: Prysm's commercial opportunity increasingly depends on repeatable consultations rather than device placements. Management reported scan-to-purchase conversion more than doubled to 10% after the app update, while LifePak sales increased nearly 3% y/y YTD. Approximately 41,000 devices have generated 4.5M cumulative scans. Scans include repeat users and existing subscribers, so conversion does not directly measure customer acquisition. Management disclosed switching costs as Americas leaders adapted to wellness selling. We view better conversion as progress within that transition, rather than evidence of a broader channel recovery.

KPIs: Sales leaders averaged 26,995, essentially unchanged q/q, while customers fell 7.7% sequentially to 609,469. Paid affiliates declined 10% y/y to 116,449. Stable leadership has yet to translate into customer stabilization. Management's emphasis on selling skills and sustained incentives should better align channel activity with acquisition and retention.

Balance Sheet and Liquidity: YTD operating cash outflow of $1.4M and CapEx of $30.7M imply approximately $32.1M of negative FCF. Inventory purchases, lower receivable collections, and accrued-expense payments weighed on cash generation. Cash ended at $164.9M against $203.7M of debt. Working-capital normalization matters alongside earnings improvement.

Guidance: FY26 revenue guidance declined to $1.26B-$1.29B from $1.28B-$1.35B, with adjusted EPS reduced to $0.55-$0.65 from $0.70-$0.90. 4Q guidance calls for revenue of $310M-$340M and adjusted EPS of $0.11-$0.21, excluding approximately $5M of cash transition costs. Management expects East-West efficiencies over time, with India anticipated in 1H27 and women's-health innovations beginning in mid-2027.

Valuation: We use a Price to Adj. EPS comparison when valuing NUS. Currently NUS is trading at a forward Price to Adj. EPS of 3.9x compared to comps at an average of 20.2x. 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 $11.35 to $13.62 with a price target of $12.48.

Valuation Summary

We use a Price to Adj. EPS comparison when valuing NUS. NUS currently trades at 3.9x 2027E Adj. EPS versus the peer-group average of 20.2x, representing an approximately 81% 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)

Company Name	Symbol	Price [1]	Mrkt Cap	EV	LTM Gross Margin	Adj. Net Income Margin					EV/Revenue [2, 3]			Price/Adj. EPS [2, 3]		
						2023	2024	2025	2026E	2027E	2025	2026E	2027E	2025	2026E	2027E
Amway (Malaysia) Holdings	AMWAY	$ 0.98	$ 161.6	$ 117.8	22.2%	6.77%	6.89%	2.94%	2.77%	2.94%	0.54x	0.41x	0.40x	17.9x	20.4x	18.9x
BellRing Brands, Inc.	BRBR	$ 9.16	$ 1,065.1	$ 2,187.8	28.6%	8.81%	11.08%	10.61%	5.00%	6.57%	1.81x	0.92x	0.92x	18.2x	9.1x	7.1x
e.l.f. Beauty, Inc.	ELF	$116.14	$ 6,869.4	$ 7,438.9	71.8%	10.03%	5.50%	12.08%	12.32%	9.70%	3.46x	3.72x	3.47x	42.1x	28.7x	33.8x
Edgewell Personal Care Co	EPC	$ 27.99	$ 1,290.0	$ 2,172.1	41.0%	4.29%	4.58%	4.94%	4.87%	4.72%	0.92x	1.09x	1.07x	N/A	13.3x	13.7x
The Honest Company, Inc.	HNST	$ 4.67	$ 501.0	$ 399.4	43.5%	-6.71%	1.06%	3.49%	4.14%	3.98%	0.63x	1.24x	1.19x	N/A	50.3x	56.1x
Interparfums, Inc.	IPAR	$135.55	$ 4,341.3	$ 4,537.3	60.4%	9.17%	9.03%	11.32%	10.51%	10.43%	2.01x	3.05x	2.84x	16.2x	27.7x	26.1x
LifeVantage Corporation	LFVN	$ 5.22	$ 65.4	$ 60.3	77.6%	1.29%	3.03%	4.63%	2.81%	nm	0.36x	0.36x	0.36x	9.7x	14.0x	12.6x
Medifast, Inc.	MED	$ 12.81	$ 133.3	$ (18.6)	69.2%	7.51%	1.69%	nm	-3.33%	nm	nm	-0.06x	-0.07x	N/A	N/A	N/A
Nature's Sunshine Products	NATR	$ 10.87	$ 188.4	$ 120.0	73.1%	3.21%	2.49%	4.44%	3.00%	3.53%	0.63x	0.26x	0.25x	19.9x	13.9x	10.2x
SkinHealth Systems Inc.	SKIN	$ 15.71	$ 102.2	$ 265.2	67.2%	-16.00%	-10.27%	4.37%	2.81%	5.78%	1.13x	0.93x	0.90x	N/A	N/A	N/A
USANA Health Sciences, Inc	USNA	$ 13.63	$ 251.8	$ 116.3	77.3%	6.95%	6.18%	3.51%	1.13%	3.11%	0.29x	0.13x	0.12x	33.8x	24.8x	7.7x
				Average	57.4%	3.21%	3.75%	6.23%	4.18%	5.64%	1.2x	1.1x	1.0x	22.5x	22.5x	20.7x
				Median	67.2%	6.77%	4.58%	4.53%	3.00%	4.72%	0.8x	0.9x	0.9x	18.2x	20.4x	13.7x
Nu Skin Enterprises, Inc.	NUS	$ 4.10	$ 199.6	$ 285.4	67.8%	0.44%	-8.46%	4.31%	2.32%	3.97%	0.4x	0.2x	0.2x	7.5x	6.8x	3.6x

(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. 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 3.9x compared to comps at an average of 20.2x. 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 $11.35 to $13.62 with a price target of $12.48.

P/E			
2027 E	**10.00x**	**11.00x**	**12.00x**
Earnings	1.13	1.13	1.13
Price	**$ 11.35**	**$ 12.48**	**$ 13.62**

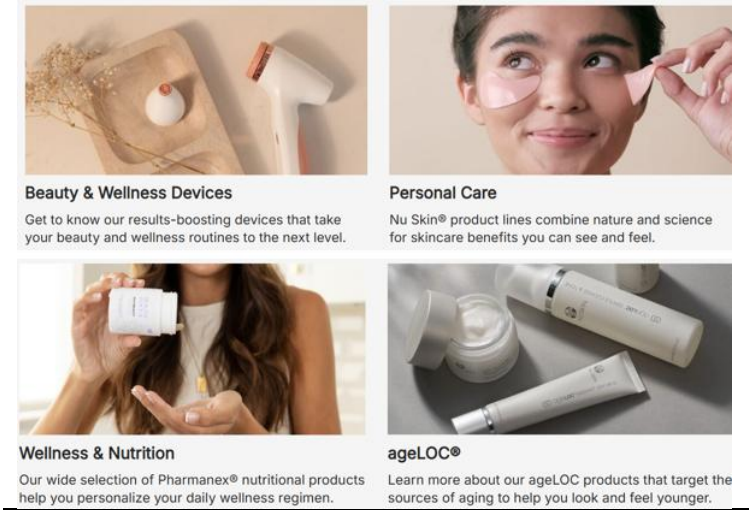
Lastly, we note the sizable valuation discount on an EV/Revenue basis. While we do not typically use EV/Revenue when valuing companies, NUS trades at 0.2x 2027E revenue versus the peer-group average of 1.0x. We believe this discount provides additional valuation support if NUS can improve profitability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

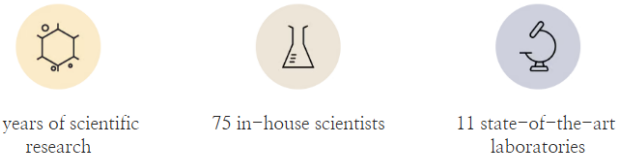
Exhibit 1: Business Overview



Source: Company Reports

Its principal brands include Nu Skin for beauty, Pharmanex for wellness, and ageLOC for anti-aging products spanning both categories. 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, in an announced cash-and-equity transaction valued at approximately $250.0M, or approximately 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

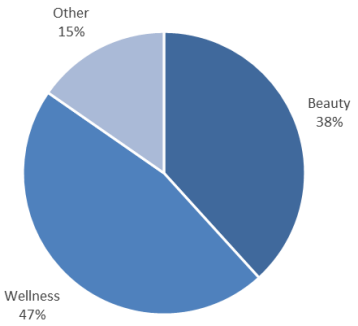
Nu Skin operates in nearly 50 geographies broken into seven segments at its core Nu Skin level. In FY25, the Americas segment represented approximately 19.1% of consolidated revenue, while Rhyz represented 15.1%. These segment shares should be distinguished from revenue by customer location. With such 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 includes consumers who purchase directly from Brand Affiliates or the Company, Basic Brand Affiliates, and Sales Leaders and Qualifiers. Basic Brand Affiliates can purchase products for personal consumption or resale and may earn compensation on qualifying product sales. The Company includes these individuals within its consumer group, while Sales Leaders and Qualifiers constitute its sales network. Customers can also purchase directly through the Company's platform using attributed affiliate links, which management described as the predominant transaction method today. 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 allows Sales Leaders to disseminate information efficiently and personally, helping the Company maintain a person-to-person relationship with end consumers when new products are introduced.

Product Overview

- **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.

Exhibit 3: FY25 Revenue by Category



Source: Company Financials

- **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 channel 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 includes individuals who purchase through Brand Affiliates or directly from the Company, as well as Basic Brand Affiliates who primarily purchase for personal consumption. Consumers who have not elected to become Brand Affiliates do not have the authority to build a Nu Skin business by reselling products or recruiting others and do not earn sales compensation.

The sales network consists of Sales Leaders and Qualifiers who are actively attracting consumers and building a sales network. 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 are 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. Brand Affiliates are eligible to receive compensation for product sales to their own consumer groups. Sales Leaders can also receive compensation for qualifying product sales to other Sales Leaders and their consumer groups under the sales compensation plan. 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.

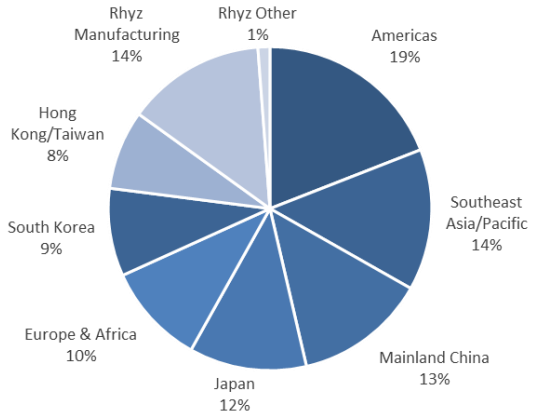
Geographic Overview

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.

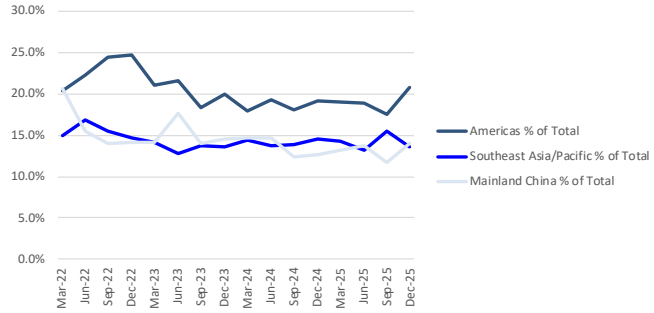
Exhibit 4: FY25 Revenue Contribution by Geography



Source: Company Financials

The Americas remains NUS' largest core Nu Skin geographic segment, representing 17.1% of consolidated revenue in 3Q26. Manufacturing was the largest individual reporting segment during the quarter, generating $56.8M compared with $53.1M in the Americas. 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 each core geographic segment accounting for less than 20% of consolidated revenue in 3Q26.

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 restructuring efforts in 2024 helped lower general and administrative costs. The Company is now implementing an East-West operating model designed to improve operating efficiency and generate cost savings over time, with approximately $5M of remaining cash transition costs expected in 4Q26. Core Nu Skin gross margin declined 110 bps y/y to 76.6% in 3Q26, primarily from higher inventory write-offs, while consolidated gross margin fell 550 bps to 65.0%, reflecting manufacturing mix and margin pressure. Reported G&A declined $10.9M, although part of the labor savings reflected lower performance-based compensation.

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 approximately 41,000 devices placed and 4.5M cumulative scans completed through 3Q26. 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. The Company launched app version 2.0 in late August, with management reporting scan-to-purchase conversion more than doubled to 10%. LifePak sales increased nearly 3% y/y YTD, providing an early indicator of supplement demand despite broader revenue declines. Management also previewed women's-health innovations at its September Japan event, with rollout expected to begin in mid-2027. Devices such as the RenuSpa iO microcurrent system and products such as the MYND360 cognitive wellness line broaden the Company's beauty and wellness offering.

4. **Rhyz Platform: Incubation, M&A and Capital Deployment:** Rhyz, Nu Skin's internal venture arm launched in 2018, supports investment across consumer, technology, and manufacturing businesses. While Nu Skin sold its Mavely affiliate-marketing platform in an announced $250M cash-and-equity transaction in early 2025, the sale highlights strategic capital recycling and business incubation. The Company wound down the separate BeautyBio business, reducing its relevance as a current growth driver within Rhyz. Manufacturing revenue rebounded 19.3% y/y in 3Q26 as orders normalized, although unfavorable mix reduced segment contribution by 48%, limiting the earnings benefit.

5. **Balanced Balance Sheet & Capital Return:** Nu Skin has reduced reported debt to $203.7M as of 3Q26. However, YTD operating cash outflow of $1.4M and CapEx of $30.7M imply approximately $32.1M of negative FCF. Working-capital normalization and improved cash generation remain important alongside debt reduction.

6. **FX Mitigation & Geographic Diversification:** NUS' diversification across approximately 50 markets limits geographic concentration, although FX remains an earnings variable. 3Q26 revenue included a $3.9M, or approximately 1.1%, 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

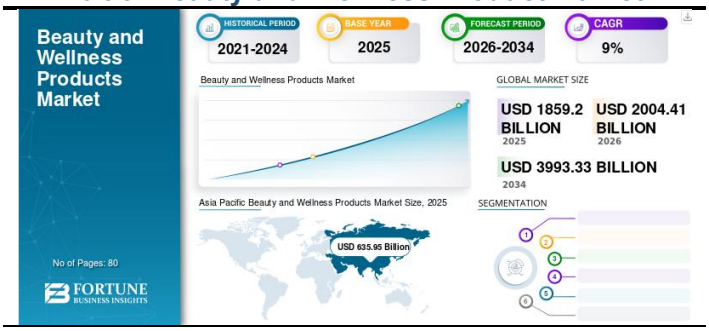
Nu Skin Enterprises operates within the expansive global beauty and wellness industry, leveraging a global direct-selling model with market-specific sales structures across diverse geographic regions. Importantly, Nu Skin operates at the nexus of three rapidly growing sectors—beauty & personal care products, 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



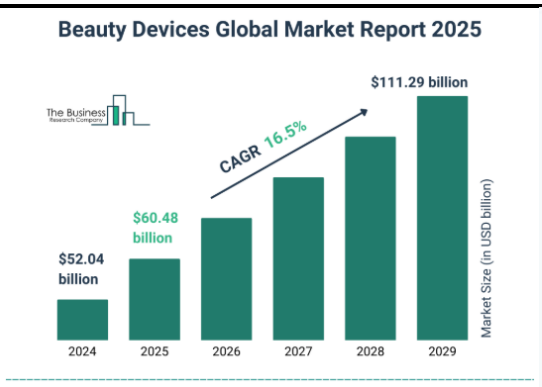
Source: Fortune Business Insights

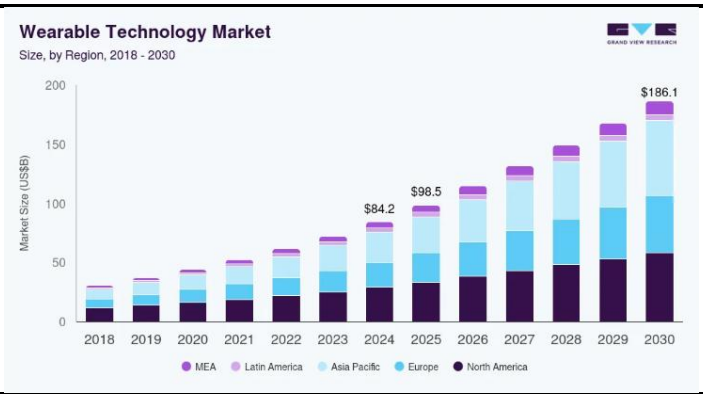
Beauty & Skincare Devices: The global beauty devices market was approximately $60.2 billion in 2025 and is expected to reach approximately $70.0 billion in 2026 and $129.1 billion by 2030, representing a 16.5% CAGR over the forecast period.

Beauty Tech / Wearables: The global beauty tech market is projected to reach approximately $87.1 billion in 2026 and $172.9 billion by 2030, with the source reporting a 17.9% CAGR for 2025-2030. 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. The wearable market provides adjacent-market context and includes categories outside Nu Skin's current product offering.

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. The market estimates overlap and should not be added together as a single addressable market.

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 prioritized margin improvements through restructuring initiatives and cost optimization, with the East-West operating model intended to improve sourcing, speed to market, and fixed-cost efficiency over time. Management is emphasizing sustained affiliate incentives, selling skills, leadership development, and digital tools to improve customer acquisition and retention. These efforts remain important as customer declines continue despite sequential stability in sales leaders.

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 competes 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	Q3 Sep-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	164.9
Current Investments	13.8	11.8	11.1	9.8	1.2	1.2	1.2	1.2	1.8	1.7	1.7
Accounts Receivable	47.4	58.7	50.8	56.6	59.7	48.9	39.5	39.5	45.0	48.9	51.4
Inventories, net	346.2	280.0	190.2	188.8	180.4	178.5	178.6	178.6	178.6	191.5	191.7
Prepaid expenses and other	87.8	81.1	72.6	66.0	66.1	67.7	89.7	89.7	98.9	76.4	69.7
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**	**479.4**
Property and Equipment, net	444.8	433.0	379.6	380.1	374.2	375.3	377.2	377.2	381.6	379.6	382.9
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	63.7
Goodwill	206.4	218.2	83.6	83.6	83.6	83.6	83.6	83.6	83.6	4.8	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	36.4
Other Assets	244.4	247.6	298.0	275.9	290.6	293.2	280.2	280.2	279.0	125.8	120.9
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**	**1,088.1**
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	26.2
Accrued Expenses	280.3	253.7	217.8	206.7	220.2	205.9	217.6	217.6	208.2	198.6	189.0
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	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**	**235.2**
Operating Lease Liabilities	76.5	70.9	58.4	61.9	61.8	62.4	57.6	57.6	54.0	50.1	48.7
Long-term Debt	377.5	478.0	363.6	218.8	213.9	209.0	204.2	204.2	203.6	193.7	183.7
Other Liabilities	110.4	106.6	97.5	96.4	96.3	98.7	74.5	74.5	68.1	78.7	73.0
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**	**540.6**
Common Stock - Par Value	0.1	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	615.1
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)	(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)	(112.4)
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	1,602.9
Total Consolidated Equity	**897.3**	**822.0**	**651.5**	**754.0**	**787.8**	**799.8**	**805.2**	**805.2**	**794.1**	**542.7**	**547.5**
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**	**1,088.1**
Liquidity											
Current Ratio	2.1x	2.1x	1.8x	2.0x	2.0x	2.2x	2.1x	2.1x	2.0x	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	244.23

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 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	$ 311.0	$ 323.9	$1,275.6	$ 328.7	$ 347.5	$ 359.0	$ 369.2	$1,404.4
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**	**311.0**	**323.9**	**1,275.6**	**328.7**	**347.5**	**359.0**	**369.2**	**1,404.4**
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	108.8	103.0	419.8	103.6	104.2	108.6	108.9	425.3
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**	**202.2**	**220.9**	**855.9**	**225.2**	**243.2**	**250.4**	**260.3**	**979.1**
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	103.2	114.5	435.7	115.2	122.1	124.8	130.4	492.6
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	93.9	98.8	382.1	95.3	97.3	98.7	101.5	392.9
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	197.1	213.3	898.5	210.5	219.4	223.6	231.9	885.4
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)**	**5.1**	**7.6**	**(42.6)**	**14.6**	**23.8**	**26.8**	**28.4**	**93.7**
Interest Gain/(Expense)	-	-	-	-	-	-	-	-	(25.6)	(26.4)	(3.3)	(2.5)	(4.1)	(4.0)	(13.9)	(4.3)	(3.3)	(3.5)	(3.5)	(14.6)	(3.8)	(3.8)	(3.8)	(3.8)	(15.1)
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)	0.3	0.3	2.9	0.3	0.3	0.3	0.3	1.2
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)**	**1.9**	**4.4**	**(54.3)**	**11.2**	**20.3**	**23.3**	**24.9**	**79.7**
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	2.6	1.3	191.3	3.3	6.1	7.0	7.5	23.9
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)**	**(0.7)**	**3.1**	**(245.6)**	**7.8**	**14.2**	**16.3**	**17.4**	**55.8**
Net Income Adjustments	-	-	47.7	76.8	-	-	65.5	41.6	83.5	188.4	(96.1)	-	-	-	(96.1)	5.0	259.8	5.4	5.0	275.2	-	-	-	-	-
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**	**4.7**	**8.1**	**29.6**	**7.8**	**14.2**	**16.3**	**17.4**	**55.8**
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)**	**$ (0.02)**	**$ 0.06**	**$ (5.01)**	**$ 0.16**	**$ 0.29**	**$ 0.33**	**$ 0.35**	**$ 1.13**
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)**	**$ (0.02)**	**$ 0.06**	**$ (5.00)**	**$ 0.16**	**$ 0.29**	**$ 0.33**	**$ 0.35**	**$ 1.13**
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**	**$ 0.10**	**$ 0.16**	**$ 0.60**	**$ 0.16**	**$ 0.29**	**$ 0.33**	**$ 0.35**	**$ 1.13**
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	48.7	48.9	49.0	49.2	49.2	49.2	49.2	49.2
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	48.7	48.9	49.1	49.2	49.2	49.2	49.2	49.2
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%	65.0%	68.2%	67.1%	68.5%	70.0%	69.8%	70.5%	69.7%
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%	1.6%	2.3%	-3.3%	4.5%	6.9%	7.5%	7.7%	6.7%
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%	0.6%	1.4%	-4.3%	3.4%	5.9%	6.5%	6.7%	5.7%
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%	-0.2%	0.9%	-19.3%	2.4%	4.1%	4.6%	4.7%	4.0%
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%	1.5%	2.5%	2.3%	2.4%	4.1%	4.6%	4.7%	4.0%
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%	139.3%	30.0%	-352.4%	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%	-14.6%	-12.5%	-14.1%	2.5%	8.5%	15.4%	14.0%	10.1%
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%	-16.2%	-10.6%	-7.0%	0.1%	-21.0%	13.4%	8.7%	-1.5%
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%	-76.5%	-67.4%	-164.8%	263.6%	-140.1%	427.5%	274.0%	-319.8%
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%	-88.2%	-75.9%	-127.7%	329.1%	-132.2%	1137.2%	467.2%	-246.8%
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%	-104.3%	-78.8%	-253.3%	325.2%	-105.7%	-2302.4%	467.2%	-122.7%
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%	-72.5%	-44.3%	-53.9%	14.2%	43.0%	247.8%	115.8%	88.8%

Source: Company Reports, Stonegate Capital Partners estimates

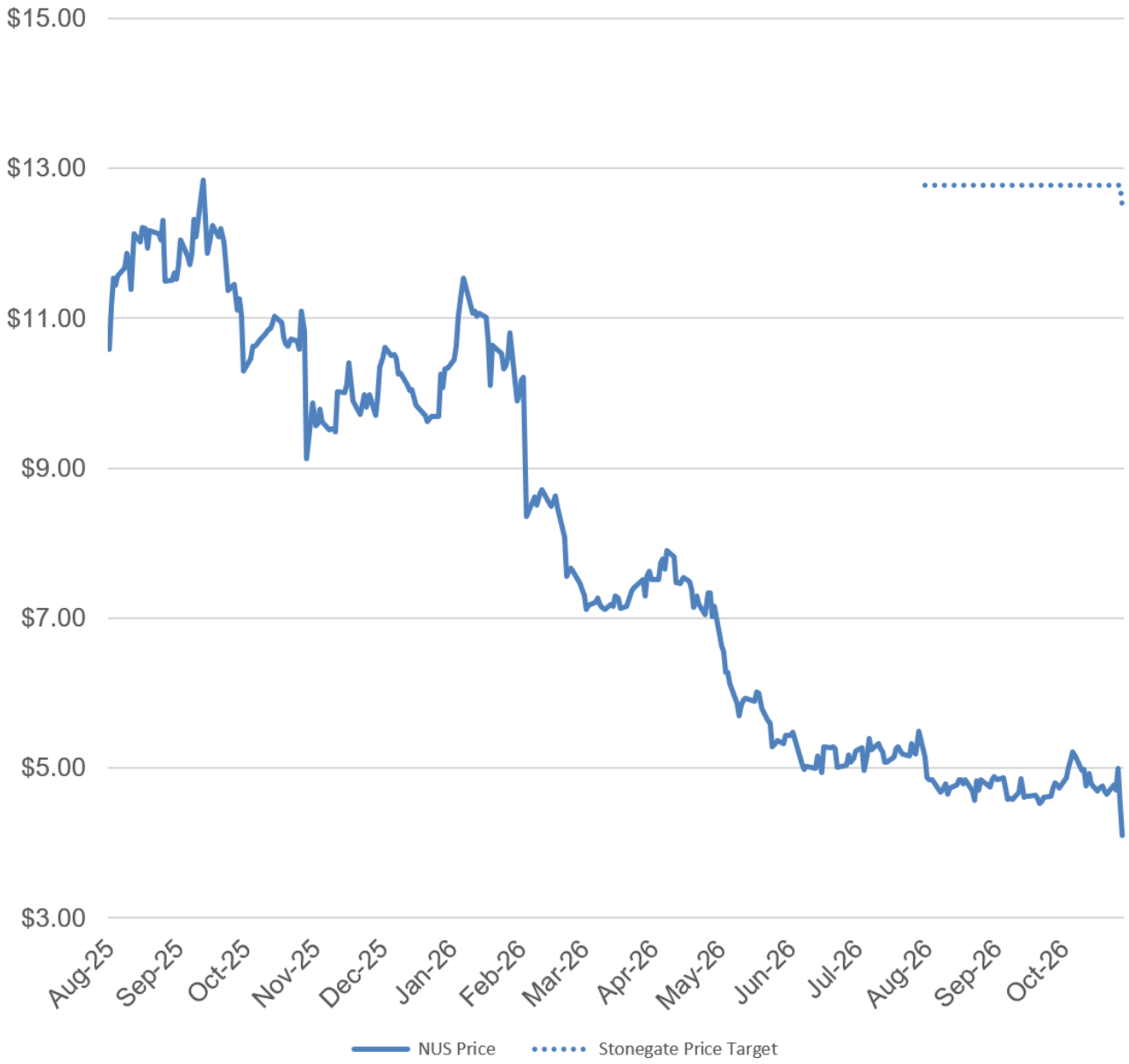
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