

USANA HEALTH SCIENCES INC
Form 10-Q
May 12, 2009
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended April 4, 2009

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

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 has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). 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 definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

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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 May 1, 2009 was 15,350,933.

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USANA HEALTH SCIENCES, INC.

FORM 10-Q

For the Quarterly Period Ended April 4, 2009

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Table of Contents**PART I. FINANCIAL INFORMATION****Item 1. Financial Statements****USANA HEALTH SCIENCES, INC. AND SUBSIDIARIES****CONSOLIDATED BALANCE SHEETS**

(in thousands)

	As of January 3, 2009 (1)	As of April 4, 2009 (unaudited)
ASSETS		
Current assets		
Cash and cash equivalents	\$ 13,281	\$ 9,747
Inventories	23,879	27,397
Prepaid expenses and other current assets	12,657	9,525
Deferred income taxes	2,857	2,637
Total current assets	52,674	49,306
Property and equipment, net	56,762	56,359
Assets held for sale	607	607
Goodwill	5,690	5,690
Other assets	6,839	7,794
	\$ 122,572	\$ 119,756
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 6,879	\$ 7,640
Other current liabilities	47,655	35,848
Total current liabilities	54,534	43,488
Line of credit	34,990	33,900
Other long-term liabilities	1,212	1,618
Stockholders' equity		
Common stock, \$0.001 par value;		
Authorized 50,000 shares, issued and outstanding 15,350 as of January 3, 2009 and 15,350 as of April 4, 2009	15	15
Additional paid-in capital	8,089	10,603
Retained earnings	24,107	30,753
Accumulated other comprehensive income (loss)	(375)	(621)
Total stockholders' equity	31,836	40,750

CONSOLIDATED BALANCE SHEETS

\$	122,572	\$	119,756
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(1) Derived from audited financial statements.

The accompanying notes are an integral part of these statements.

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USANA HEALTH SCIENCES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF EARNINGS

(in thousands, except per share data)

(unaudited)

	Quarter Ended	
	March 29, 2008 (as restated)	April 4, 2009
Net sales	\$ 101,570	\$ 97,299
Cost of sales	21,502	19,846
Gross profit	80,068	77,453
Operating expenses:		
Associate incentives	41,364	41,890
Selling, general and administrative	27,036	25,330
Total operating expenses	68,400	67,220
Earnings from continuing operations	11,668	10,233
Other income (expense):		
Interest income	98	18
Interest expense	(239)	(289)
Other, net	70	181
Other expense, net	(71)	(90)
Earnings from continuing operations before income taxes	11,597	10,143
Income taxes	4,304	3,497
Net earnings	7,293	6,646
Earnings per common share		
Basic		
Net earnings	\$ 0.45	\$ 0.43
Diluted		
Net earnings	\$ 0.44	\$ 0.43

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Weighted average common shares outstanding		
Basic	16,363	15,350
Diluted	16,459	15,382

The accompanying notes are an integral part of these statements.

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USANA HEALTH SCIENCES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF STOCKHOLDERS EQUITY AND COMPREHENSIVE INCOME

Quarters Ended March 29, 2008 and April 4, 2009

(in thousands)

(unaudited)

	Shares	Common Stock Value	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
For the Quarter Ended March 29, 2008						
Balance at December 29, 2007 (as restated)	16,198	\$ 16	\$ 5,636	\$ 26,308	\$ 989	\$ 32,949
Comprehensive income						
Net earnings for the quarter				7,293		7,293
Foreign currency translation adjustment, net of tax benefit of \$200					586	586
Comprehensive income						7,879
Equity-based compensation expense			1,488			1,488
Common stock issued under equity award plans, including tax benefit of \$1,113	194		1,443			1,443
Balance at March 29, 2008 (as restated)	16,392	\$ 16	\$ 8,567	\$ 33,601	\$ 1,575	\$ 43,759
For the Quarter Ended April 4, 2009						
Balance at January 3, 2009	15,350	15	8,089	24,107	(375)	31,836
Comprehensive income						
Net earnings for the quarter				6,646		6,646
Foreign currency translation adjustment, net of tax benefit of \$28					(246)	(246)
Comprehensive income						6,400
Equity-based compensation expense			2,514			2,514
Balance at April 4, 2009	15,350	\$ 15	\$ 10,603	\$ 30,753	\$ (621)	\$ 40,750

The accompanying notes are an integral part of these statements.

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USANA HEALTH SCIENCES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)

(unaudited)

	Quarter Ended	
	March 29, 2008	April 4, 2009
Cash flows from operating activities	(as restated)	