



# USANA Health Sciences, Inc. 2020 Income Disclosure Statement

## WHAT IS USANA?

USANA, founded in 1992, is a direct selling company that develops, manufactures, and sells high-quality, science-based nutritional supplements, healthy foods, and personal care products. USANA operates in the United States and 23 other countries around the world.

## HOW CAN I BE A PART OF USANA?

You can participate in USANA as a Preferred Customer or an Associate. Only Associates are permitted to sell USANA products and earn compensation.

### **PREFERRED CUSTOMERS.**

As a Preferred Customer, you can purchase USANA products at a discount for your personal or household use.

**ASSOCIATES.** In addition to the benefits one would receive as a Preferred Customer, an Associate has the additional benefits of being able to:

- Sell USANA products to customers to make a retail profit;
- Sponsor Preferred Customers and earn compensation from the sale of USANA products to Preferred Customers in your sales organization; and
- Sponsor other Associates and earn compensation from the sale of USANA products by other Associates in your sales organization.

## WHAT ELSE DO I NEED TO KNOW ABOUT BEING AN ASSOCIATE?

The cost to become an Associate is very low. There are no required product purchases to be an Associate, but you must purchase a Welcome Kit for \$9.95, which contains helpful business information. On average, Associates spent \$34 per year on non-commissionable products.

- People become Associates for various reasons. Some Associates join and sell our products part time to friends and family to earn some extra money. Only a small percentage of our Associates sell USANA products full time.
- Associates do not earn compensation for recruiting or sponsoring other Associates or Preferred Customers—they only earn compensation when products are sold.
- **Just like any sales business, earning compensation takes considerable dedication, time, and effort. As such, the compensation earned by our Associates varies significantly.**

## HOW MUCH COULD I EARN IF I SELL USANA PRODUCTS (RETAIL)?

As a USANA business owner, you set your own selling prices. USANA's published retail prices suggest a 10% markup over the "Preferred Price" received by Associates and Preferred Customers. Associates (and Preferred Customers) receive an additional 10% discount off the Preferred Price for products purchased through our Auto Order program. With this additional discount, Associates can purchase product for up to 20% below published retail prices.

## HOW MUCH COULD I EARN FROM PARTICIPATING IN THE USANA BUSINESS OPPORTUNITY?

In the United States in 2020, there were a total of 37,783 active\* USANA Associates.

2020 Net Profit	Percent of U.S. Associates
Less than \$0	34.0%
\$0 to \$250	17.5%
\$251 to \$500	9.2%
\$501 to \$1,000	11.2%
\$1,001 to \$2,000	10.3%
\$2,001 to \$5,000	10.3%
\$5,001 to \$20,000	6.4%
\$20,001 to \$50,000	0.8%
\$50,001 to \$100,000	0.2%
\$100,001 to \$200,000	0.1%
\$200,001+	0.1%

\*Includes all Associates who made at least one purchase in 2020.

How is net profit calculated?

- The first \$164 in Associate spending each month is deemed personal consumption and is determined from purchases of Preferred Customers who bought in six or more distinct months from January through December 2020.
- Retail Profit = Products Purchased for Resale\* 10%.
- Net Profit = Commissions & Bonuses + Retail Profit + Refunds - Non-Commissionable Purchases - Shipping & Taxes for non-personal consumption purposes.