

USANA HEALTH SCIENCES INC

Form 10-Q

August 08, 2005

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 July 2, 2005

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 is an accelerated filer (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 July 29, 2005 was 18,833,182.

USANA HEALTH SCIENCES, INC.

FORM 10-Q

For the Quarterly Period Ended July 2, 2005

INDEX

PART I. FINANCIAL INFORMATION

<u>Item 1</u>	<u>Financial Statements</u>
	<u>Consolidated Balance Sheets</u>
	<u>Consolidated Statements of Earnings - Quarter Ended</u>
	<u>Consolidated Statements of Earnings - Six Months Ended</u>
	<u>Consolidated Statement of Stockholders' Equity and Comprehensive Income</u>
	<u>Consolidated Statements of Cash Flows</u>
	<u>Notes to Consolidated Financial Statements</u>
<u>Item 2</u>	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>
<u>Item 3</u>	<u>Quantitative and Qualitative Disclosures About Market Risk</u>
<u>Item 4</u>	<u>Controls and Procedures</u>

PART II. OTHER INFORMATION

<u>Item 2</u>	<u>Unregistered Sales of Equity Securities and Use of Proceeds.</u>
<u>Item 4</u>	<u>Submission of Matters to a Vote of Security Holders.</u>
<u>Item 6</u>	<u>Exhibits.</u>

Signatures

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

USANA HEALTH SCIENCES, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(in thousands)

	January 1, 2005	July 2, 2005 (unaudited)
ASSETS		
Current assets		
Cash and cash equivalents	\$ 15,067	\$ 20,428
Inventories, net	17,722	22,044
Prepaid expenses and other current assets	5,808	5,180
Deferred income taxes	2,226	2,431
Total current assets	40,823	50,083
Property and equipment, net	23,194	23,233
Goodwill	5,690	5,690
Other assets	1,957	2,812
	\$ 71,664	\$ 81,818
LIABILITIES AND STOCKHOLDERS EQUITY		
Current liabilities		
Accounts payable	\$ 5,106	\$ 4,814
Other current liabilities	17,644	20,706
Total current liabilities	22,750	25,520
Long-term liabilities	1,071	1,495
Stockholders' equity		
Common stock, \$0.001 par value; authorized 50,000 shares, issued and outstanding 18,953 as of January 1, 2005 and 18,816 as of July 2, 2005	19	19
Additional paid-in capital	11,853	12,135
Retained earnings	34,496	41,914
Accumulated other comprehensive income	1,475	735
Total stockholders' equity	47,843	54,803
	\$ 71,664	\$ 81,818

The accompanying notes are an integral part of these statements.

USANA HEALTH SCIENCES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF EARNINGS

(in thousands, except per share data)

(unaudited)

	Quarter Ended	
	July 3, 2004	July 2, 2005
Net sales	\$ 67,246	\$ 82,015
Cost of sales	16,195	19,499
Gross profit	51,051	62,516
Operating expenses:		
Associate incentives	25,556	31,911
Selling, general and administrative	13,656	15,168
Research and development	607	689
Total operating expenses	39,819	47,768
Earnings from operations	11,232	14,748
Other income (expense):		
Interest income	36	93
Interest expense		(3)
Other, net	(37)	(157)