

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**FORM 8-K**

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported): May 11, 2021

**MANNATECH, INCORPORATED**

(Exact Name of Registrant as Specified in its Charter)

**Texas**  
(State or other jurisdiction of incorporation)

**000-24657**  
(Commission File Number)

**75-2508900**  
(IRS Employer Identification No.)

**1410 Lakeside Parkway, Suite 200**  
**Flower Mound, Texas 75028**

(Address of Principal Executive Offices, including Zip Code)

Registrant's Telephone Number, including Area Code: **(972) 471-7400**

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities Registered Pursuant to Section 12(b) of the Act:

| Title of each class                        | Trading Symbol(s) | Name of each exchange on which registered |
|--|-------------------|---|
| Common Stock, par value \$0.0001 per share | MTEX              | The Nasdaq Stock Market LLC               |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging Growth Company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 2.02 Results of Operations and Financial Condition.**

On May 11, 2021, Mannatech, Incorporated issued a press release announcing financial and operating results for the third quarter ended March 31, 2021. A copy of the press release is attached as Exhibit 99.1 to this Current Report on Form 8-K.

**Item 9.01 Financial Statements and Exhibits**

(d) *Exhibits.*

**Exhibit Number Description**

[99.1](#)\* Press Release, dated May 11, 2021, titled "Mannatech Reports First Quarter 2021 Financial Results."

\*Furnished herewith.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: May 11, 2021

**MANNATECH, INCORPORATED**

By: /s/ David Johnson

David Johnson

Chief Financial Officer



## Mannatech Reports First Quarter End 2021 Financial Results

(FLOWER MOUND, Texas) May 11, 2021 - [Mannatech, Incorporated](#) (NASDAQ: [MTEX](#)), a global health and wellness company committed to transforming lives to make a better world, today announced financial results for its first quarter of 2021.

### **First Quarter End Results**

First quarter net sales for 2021 were \$38.3 million, an increase of \$1.7 million, or 4.7%, as compared to \$36.6 million in the first quarter of 2020. Income from operations increased to \$2.8 million for the first quarter of 2021, from \$2.0 million in the same period in 2020.

Net income was \$2.2 million, or \$1.04 per diluted share, for the first quarter of 2021, as compared to net income of \$2.8 million, or \$1.15 per diluted share, for the first quarter of 2020.

Gross profit as a percentage of sales increased to 81.2% for the three months ended March 31, 2021, as compared to 80.9% for the same period in 2020.

Commission and incentives as a percentage of net sales remained constant at 40.7% for each of the three months ended March 31, 2021 and 2020.

For the three months ended March 31, 2021, overall selling and administrative expenses increased by \$0.2 million to \$7.1 million, as compared to \$6.9 million for the same period in 2020. The increase in selling and administrative expenses was due to a \$0.3 million increase in payroll costs, a \$0.1 million increase in marketing costs, which was partially offset by a \$0.1 million decrease in stock-based compensation and a \$0.1 million decrease in contract labor costs.

For the three months ended March 31, 2021, other operating costs decreased by \$0.2 million, or 4.4%, to \$5.1 million, as compared to \$5.3 million for the same period in 2020. The decrease in operating costs was primarily due to a \$0.3 million decrease in travel and entertainment and a \$0.1 million decrease in office expenses, which was partially offset by a \$0.2 million increase in consulting fees.

For the three months ended March 31, 2021, provision for taxes was \$0.3 million, or an effective rate of 13.3%. For the three months ended March 31, 2020, taxes were a \$0.9 million benefit. The effective tax rate for the three months ended March 31, 2020 was different from the federal statutory rate due primarily to the \$1.2 million benefit recorded in connection with the carryback of U.S. net operating losses as allowed by the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"), enacted March 27, 2020.

The approximate number of new and continuing independent associate and preferred customer positions held by individuals in Mannatech's network and associated with purchases of products as of March 31, 2021 and 2020 were approximately 187,000 and 166,000, respectively. Recruitment increased 4.6% in the first quarter of 2021 as compared to the first quarter of 2020. The number of new independent associate and preferred customer positions in the company's network for the first quarter of 2021 was approximately 19,538 as compared to 18,687 in 2020.

### **Non-GAAP Measures**

In addition to results presented in accordance with GAAP, this press release and related tables include certain non-GAAP financial measures, including a presentation of constant dollar measures. We disclose operating results that have been adjusted to exclude the impact of changes due to the translation of foreign currencies into U.S. dollars, including changes in: Net Sales, Gross Profit, and Income from Operations. We believe that these non-GAAP financial measures provide useful information to investors because they are an indicator of the strength and performance of ongoing business operations. The constant currency figures are financial measures used by management to provide investors an additional perspective on trends. Although we believe the non-GAAP financial measures enhance investors' understanding of our business and performance, these non-GAAP

financial measures should not be considered an exclusive alternative to accompanying GAAP financial measures. Please see the accompanying table entitled "Non-GAAP Financial Measures" for a reconciliation of these non-GAAP financial measures.

### **Safe Harbor statement**

This release contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, Section 21E of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995. These forward-looking statements generally can be identified by use of phrases or terminology such as “may,” “will,” “should,” “hope,” “could,” “would,” “expects,” “plans,” “intends,” “anticipates,” “believes,” “estimates,” “approximates,” “predicts,” “projects,” “potential,” and “continues” or other similar words or the negative of such terminology. Similarly, descriptions of Mannatech’s objectives, strategies, plans, goals or targets contained herein are also considered forward-looking statements. Mannatech believes this release should be read in conjunction with all of its filings with the United States Securities and Exchange Commission and cautions its readers that these forward-looking statements are subject to certain events, risks, uncertainties, and other factors. Some of these factors include, among others, the impact of COVID-19 on Mannatech’s business, the availability and effectiveness of vaccines on a widespread basis, the impact of any mutations of the COVID-19 virus, Mannatech’s inability to attract and retain associates and preferred customers, increases in competition, litigation, regulatory changes, and its planned growth into new international markets. Although Mannatech believes that the expectations, statements, and assumptions reflected in these forward-looking statements are reasonable, it cautions readers to always consider all of the risk factors and any other cautionary statements carefully in evaluating each forward-looking statement in this release, as well as those set forth in its latest Annual Report on Form 10-K, and other filings filed with the United States Securities and Exchange Commission, including its current reports on Form 8-K. All of the forward-looking statements contained herein speak only as of the date of this release.

Individuals interested in Mannatech's products or in exploring its business opportunity can learn more at [Mannatech.com](http://Mannatech.com)

### **Contact Information:**

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**MANNATECH, INCORPORATED AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
*(in thousands, except share information)*

|  | <b>March 31, 2021</b><br><b>(unaudited)</b> | <b>December 31, 2020</b> |
|--|---|--------------------------|
| <b>ASSETS</b>  |   |                          |
| Cash and cash equivalents  | \$ 23,576                                   | \$ 22,207                |
| Restricted cash  | 944   | 944                      |
| Accounts receivable, net of allowance of \$872 and \$817 in 2021 and 2020, respectively  | 225   | 186                      |
| Income tax receivable  | 536   | 1,008                    |
| Inventories, net   | 13,625                                      | 12,827                   |
| Prepaid expenses and other current assets  | 3,645                                       | 2,962                    |
| Deferred commissions   | 2,220                                       | 2,343                    |
| <b>Total current assets</b>  | <b>44,771</b>                               | <b>42,477</b>            |
| Property and equipment, net  | 3,949                                       | 4,494                    |
| Construction in progress   | 976   | 864                      |
| Long-term restricted cash  | 3,126                                       | 4,346                    |
| Other assets   | 10,866                                      | 11,977                   |
| Long-term deferred tax assets, net   | 1,053                                       | 1,178                    |
| <b>Total assets</b>  | <b>\$ 64,741</b>                            | <b>\$ 65,336</b>         |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>  |   |                          |
| Current portion of finance leases  | \$ 89                                       | \$ 76                    |
| Accounts payable   | 4,836                                       | 4,797                    |
| Accrued expenses   | 7,369                                       | 8,691                    |
| Commissions and incentives payable   | 11,804                                      | 10,998                   |
| Taxes payable  | 1,251                                       | 1,400                    |
| Current notes payable  | 755   | 553                      |
| Deferred revenue   | 5,788                                       | 5,472                    |
| <b>Total current liabilities</b>   | <b>31,892</b>                               | <b>31,987</b>            |
| Finance leases, excluding current portion  | 111   | 129                      |
| Deferred tax liabilities   | 3   | 3                        |
| Long-term notes payable  | —   | —                        |
| Other long-term liabilities  | 6,392                                       | 7,245                    |
| <b>Total liabilities</b>   | <b>38,398</b>                               | <b>39,364</b>            |
| Commitments and contingencies  |   |                          |
| <b>Shareholders' equity:</b>   |   |                          |
| Preferred stock, \$0.01 par value, 1,000,000 shares authorized, no shares issued or outstanding  | —   | —                        |
| Common stock, \$0.0001 par value, 99,000,000 shares authorized, 2,742,857 shares issued and 2,063,280 shares outstanding as of March 31, 2021 and 2,742,857 shares issued and 2,071,081 shares outstanding as of December 31, 2020 | —   | —                        |
| Additional paid-in capital   | 33,757                                      | 33,795                   |
| Retained earnings  | 4,074                                       | 2,213                    |
| Accumulated other comprehensive income   | 3,794                                       | 5,150                    |
| Treasury stock, at average cost, 679,577 shares as of March 31, 2021 and 671,776 shares as of December 31, 2020  | (15,282)                                    | (15,186)                 |
| <b>Total shareholders' equity</b>  | <b>26,343</b>                               | <b>25,972</b>            |
| <b>Total liabilities and shareholders' equity</b>  | <b>\$ 64,741</b>                            | <b>\$ 65,336</b>         |

**MANNATECH, INCORPORATED AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
*(in thousands, except per share information)*

|  | <b>Three Months Ended</b> |                  |
|--|---------------------------|------------------|
|  | <b>March 31,</b>          |                  |
|  | <b>2021</b>               | <b>2020</b>      |
| <b>Net sales</b>                                   | <b>\$ 38,319</b>          | <b>\$ 36,605</b> |
| Cost of sales                                      | 7,222                     | 7,008            |
| <b>Gross profit</b>                                | <b>31,097</b>             | <b>29,597</b>    |
| Operating expenses:                                |                           |                  |
| Commissions and incentives                         | 15,598                    | 14,889           |
| Selling and administrative expenses                | 7,111                     | 6,855            |
| Depreciation and amortization expense              | 510                       | 520              |
| Other operating costs                              | 5,089                     | 5,322            |
| Total operating expenses                           | 28,308                    | 27,586           |
| <b>Income from operations</b>                      | <b>2,789</b>              | <b>2,011</b>     |
| Interest income, net                               | 22                        | 50               |
| Other expense, net                                 | (282)                     | (208)            |
| <b>Income before income taxes</b>                  | <b>2,529</b>              | <b>1,853</b>     |
| Income tax (provision) benefit                     | (335)                     | 934              |
| <b>Net income</b>                                  | <b>\$ 2,194</b>           | <b>\$ 2,787</b>  |
| <b>Earnings per common share:</b>                  |                           |                  |
| Basic  | <b>\$ 1.06</b>            | <b>\$ 1.17</b>   |
| Diluted  | <b>\$ 1.04</b>            | <b>\$ 1.15</b>   |
| <b>Weighted-average common shares outstanding:</b> |                           |                  |
| Basic  | <b>2,071</b>              | <b>2,391</b>     |
| Diluted  | <b>2,116</b>              | <b>2,415</b>     |

**Non-GAAP Financial Measures (Sales, Gross Profit and Income from Operations in Constant Dollars)**

To supplement our financial results presented in accordance with generally accepted accounting principles in the United States (“GAAP”), we disclose operating results that have been adjusted to exclude the impact of changes due to the translation of foreign currencies into U.S. dollars, including changes in: Net Sales, Gross Profit, and Income from Operations. We refer to these adjusted financial measures as constant dollar items, which are non-GAAP financial measures. We believe these measures provide investors an additional perspective on trends. To exclude the impact of changes due to the translation of foreign currencies into U.S. dollars, we calculate current year results and prior year results at a constant exchange rate, which is the prior year’s rate. Currency impact is determined as the difference between actual growth rates and constant currency growth rates.

The table below reconciles first quarter 2021 constant dollar net sales, gross profit and income from operations to GAAP net sales, gross profit and income from operations.

|                         | <b>March 31, 2021</b>         |                                      | <b>March 31, 2020</b>         |        | <b>Constant \$ Change</b> |                |
|-------------------------|-------------------------------|--------------------------------------|-------------------------------|--------|---------------------------|----------------|
|                         | <b>GAAP Measure: Total \$</b> | <b>Non-GAAP Measure: Constant \$</b> | <b>GAAP Measure: Total \$</b> |        | <b>Dollar</b>             | <b>Percent</b> |
| Net Sales               | \$ 38.3                       | \$ 36.8                              | \$ 36.6                       | \$ 0.2 | 0.5 %                     |                |
| Product                 | 35.9                          | 34.6                                 | 35.9                          | (1.3)  | (3.6)%                    |                |
| Pack and associate fees | 2.2                           | 2.1                                  | 0.5                           | 1.6    | 320.0 %                   |                |
| Other                   | 0.2                           | 0.2                                  | 0.2                           | —      | — %                       |                |
| Gross profit            | 31.1                          | 29.9                                 | 29.6                          | 0.3    | 1.0 %                     |                |
| Income from operations  | 2.8                           | 2.4                                  | 2.0                           | 0.4    | 20.0 %                    |                |