

Mannatech Reports Financial Results for Second Quarter 2025

2025-08-12

FLOWER MOUND, Texas--(BUSINESS WIRE)-- **Mannatech, Incorporated** (NASDAQ: **MTEX**), ("Mannatech" or "Company"), global health and wellness company committed to transforming lives to make a better world, today announced financial results for its second quarter of 2025.

Second Quarter Results

- Net sales for the quarter ended June 30, 2025 were \$25.7 million, as compared to \$27.7 million for the same period in 2024, a decrease of \$2.1 million, or 7.4%. On a Constant dollar basis (see Non-GAAP Measures, below) our net sales decreased \$1.8 million, or 6.5%, and unfavorable foreign exchange caused a \$0.2 million decrease in GAAP net sales as compared to the same period in 2024. The decline in revenues was principally due to slowing demand in certain regions we operate within due to weakened economic conditions, relative to the prior year.
- Gross profit as a percentage of net sales decreased to 73.6% for the three months ended June 30, 2025, as compared to 77.1% for the same period in 2024, some of the increase in costs were related to increased freight costs related to back ordered items and running sales promotions on products thereby reducing our gross profit margin.
- Commission expenses for the three months ended June 30, 2025 decreased by 14.4%, or \$1.6 million, to \$9.5 million, as compared to \$11.1 million for the same period in 2024. Commissions are earned from sales. Commission expenses in dollar terms decreased during the three months ended June 30, 2025 primarily due to a decline in our sales. For the three months ended June 30, 2025, commissions as a percentage of net sales decreased to 37.0% from 40.0% for the same period in 2024.

- For the three months ended June 30, 2025, selling and administrative expenses decreased by \$0.1 million, or 0.8%, to \$10.8 million, as compared to \$10.9 million for the same period in 2024. The decrease in selling and administrative expenses was the result of a \$0.4 million reduction in payroll costs, which was offset by a \$0.2 million increase in marketing costs and a \$0.1 million increase in office expenses. Selling and administrative expenses, as a percentage of net sales, for the three months ended June 30, 2025 increased to 42.0% from 39.1% for the same period in 2024.
- Loss from operations was \$1.4 million for the three months ended June 30, 2025 as compared to \$1.1 million in the same period last year.
- Income tax expense was less than \$0.1 million for the three months ended June 30, 2025 as compared to income tax expense of \$0.5 million in the same period last year.
- Net loss was \$4.3 million for the three months ended June 30, 2025, or \$2.27 per diluted share, as compared to \$0.6 million, or \$0.33 per diluted share for the three months ended June 30, 2024.
- As of June 30, 2025, the Company's cash and cash equivalents decreased 51.5%, or \$5.9 million, to \$5.5 million from \$11.4 million as of December 31, 2024.
- 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 its packs or products as of June 30, 2025 was approximately 125,000, as compared to 142,000 in the same period of 2024. Recruiting new associates and preferred customers decreased 22.7% in the second quarter of 2025 as compared to the second quarter of 2024.

Management's Statement

Changes in current trade policies, including with respect to tariffs, could affect our cost structure and profitability. While we take steps to mitigate or avoid these increased costs and disruptions, our ability to do so may be limited by operational and supply chain constraints and uncertainties, especially in the short term.

Non-GAAP Financial 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. The company discloses 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.

The Company believes 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 with an additional perspective on trends. Although management believes the non-GAAP financial measures enhance investors' understanding of their 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, Mannatech's inability to attract and retain associates and members, 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.

^ Mannatech operates in China under a cross-border e-commerce platform that is separate from its network marketing model.

Individuals interested in Mannatech's products or in exploring its business opportunity can learn more at Mannatech.com.

	ASSETS	June 30, 2025	2024
Cash and cash equivalents		\$ 5,525	\$ 11,396
Restricted cash		550	550
Accounts receivable, net of allowance of \$939 and \$935		409	19
Income tax receivable		734	737
Inventories, net		12,587	10,405
Prepaid expenses and other current assets		1,890	1,755
Deferred commissions		730	1,259
Total current assets		22,425	26,121
Property and equipment, net		2,947	2,858
Operating lease right-of-use assets		2,059	2,094
Other assets		2,961	2,644
Deferred tax assets, net		1,780	1,770
Long-term restricted cash		610	569
Total assets		\$ 32,782	\$ 36,056
	LIABILITIES AND SHAREHOLDERS' EQUITY		
Commissions and incentives payable		\$ 6,427	\$ 8,642
Accrued expenses		3,828	3,832
Deferred revenue		2,046	3,027
Accounts payable		5,402	2,070
Current portion of operating lease liabilities		1,085	1,178
Taxes payable		1,147	1,788
Current notes payable		—	84
Current portion of finance lease liabilities		284	275
Total current liabilities		20,219	20,896
Long-term notes payable		2,900	2,900
Operating lease liabilities, excluding current portion		1,562	1,576
Other long-term liabilities		1,600	1,390
Finance lease liabilities, excluding current portion		537	680
Total liabilities		26,818	27,442
Shareholders' equity:			
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 1,900,930 shares outstanding as of June 30, 2025 and 2,742,857 shares issued and 1,884,814 shares outstanding as of December 31, 2024		—	—
Additional paid-in capital		33,074	33,027
(Accumulated deficit) retained earnings		(4,653)	1,189
Accumulated other comprehensive loss		(2,895)	(5,666)
Treasury stock, at average cost, 841,927 shares as of June 30, 2025 and 858,043 shares as of December 31, 2024		(19,562)	(19,936)
Total shareholders' equity		5,964	8,614
Total liabilities and shareholders' equity		\$ 32,782	\$ 36,056

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Net sales	\$ 25,679	\$ 27,740	\$ 52,242	\$ 57,133
Cost of sales	6,778	6,363	13,605	12,658
Gross profit	18,901	21,377	38,637	44,475
Operating expenses:				
Commissions and incentives	9,567	11,660	20,120	23,345
Selling and administrative expenses	10,777	10,860	20,793	21,452
Total operating expenses	20,344	22,520	40,913	44,797
Loss from operations	(1,443)	(1,143)	(2,276)	(322)
Interest expense, net	(102)	(105)	(175)	(87)
Other (expense) income, net	(2,744)	1,120	(3,162)	1,990
(Loss) income before income taxes	(4,289)	(128)	(5,613)	1,581
Income tax expense	(23)	(496)	(229)	(1,025)
Net (loss) income	\$ (4,312)	\$ (624)	\$ (5,842)	\$ 556
(Loss) income per common share:				
Basic	\$ (2.27)	\$ (0.33)	\$ (3.07)	\$ 0.30
Diluted	\$ (2.27)	\$ (0.33)	\$ (3.07)	\$ 0.30

Weighted-average common shares outstanding:				
Basic	1,901	1,885	1,901	1,885
Diluted	1,901	1,885	1,901	1,885

Net sales by region for the three and six months ended June 30, 2025 and 2024 were as follows (in millions, except percentages):

Region	Three Months Ended June 30,				Six Months Ended June 30,			
	2025		2024		2025		2024	
Americas	\$ 8.3	32.3%	\$ 9.5	34.3%	\$ 17.2	33.0%	\$ 19.7	34.5%
Asia/Pacific	15.3	59.5%	15.9	57.4%	30.7	58.8%	33.0	57.8%
EMEA	2.1	8.2%	2.3	8.3%	4.3	8.2%	4.4	7.7%
Total net sales	\$ 25.7	100.0%	\$ 27.7	100.0%	\$ 52.2	100.0%	\$ 57.1	100.0%

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

To supplement its financial results presented in accordance with generally accepted accounting principles in the United States ("GAAP"), Mannatech discloses 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. It refers to these adjusted financial measures as Constant dollar items, which are non-GAAP financial measures. The company believes these measures provide investors with an additional perspective on trends. To exclude the impact of changes due to the translation of foreign currencies into U.S. dollars, it calculates 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 the actual GAAP results and the recalculated results for the current year at the Constant dollar rates.

The tables below reconcile second quarter 2025 and year-to-date Constant dollar net sales, gross profit and income from operations to GAAP net sales, gross profit and income from operations. (in millions, except percentages):

Three-month period ended	June 30, 2025			June 30, 2024	Constant \$ Change	
	GAAP Measure: Total \$	Translation Adjustment	Non-GAAP Measure: Constant \$		Dollar	Percent
Net sales	\$ 25.7	\$ 0.2	\$ 25.9	\$ 27.7	\$ (1.8)	(6.5)%
Gross profit	\$ 18.9	\$ 0.2	\$ 19.1	\$ 21.4	\$ (2.3)	(10.7)%
Loss from operations	\$ (1.4)	\$ —	\$ (1.4)	\$ (1.1)	\$ (0.3)	27.3%

Six-month period ended	June 30, 2025			June 30, 2024		Constant \$ Change	
	GAAP Measure: Total \$	Translation Adjustment	Non-GAAP Measure: Constant \$	GAAP Measure: Total \$		Dollar	Percent
Net sales	\$ 52.2	\$ 1.5	\$ 53.7	\$ 57.1	\$ (3.4)		(6.0)%
Gross profit	\$ 38.6	\$ 1.2	\$ 39.8	\$ 44.5	\$ (4.7)		(10.6)%
Loss from operations	\$ (2.3)	\$ 0.3	\$ (2.0)	\$ (0.3)	\$ (1.7)		566.7%

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Source: Mannatech, Incorporated