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

Form 10-Q

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

FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2024

☐ **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: 001-35647

LIFEVANTAGE CORPORATION
(Exact name of Registrant as specified in its charter)

Delaware	**90-0224471**
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

3300 Triumph Blvd, Suite 700, Lehi, UT 84043
(Address of principal executive offices, including zip code)

(801) 432-9000
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Common Stock, par value $0.0001	**LFVN**	**The Nasdaq Stock Market LLC**
Title of each class	Trading Symbol(s)	Name of each exchange on which registered

---

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 every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company," in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
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. ☐

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 issuer's common stock, par value $0.0001 per share, as of October 28, 2024 was 12,525,229.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This quarterly report on Form 10-Q, in particular “Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and the information incorporated by reference herein contains “forward-looking statements” (as such term is defined in Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended). These statements, which involve risks and uncertainties, reflect our current expectations, intentions, or strategies regarding our possible future results of operations, performance, and achievements. Forward-looking statements include, without limitation: statements regarding future products or product development; statements regarding future selling, general and administrative costs and research and development spending; statements regarding the future performance of our network marketing efforts; statements regarding our expectations regarding ongoing litigation; statements regarding international growth; and statements regarding future financial performance, results of operations, capital expenditures and sufficiency of capital resources to fund our operating requirements. These forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and applicable rules of the Securities and Exchange Commission and common law.

These forward-looking statements may be identified in this report and the information incorporated by reference by words such as “anticipate,” “believe,” “could,” “estimate,” “expect,” “intend,” “plan,” “predict,” “project,” “should” and similar terms and expressions, including references to assumptions and strategies. These statements reflect our current beliefs and are based on information currently available to us. Accordingly, these statements are subject to certain risks, uncertainties, and contingencies, which could cause our actual results, performance, or achievements to differ materially from those expressed in, or implied by, such statements.

The following factors are among those that may cause actual results to differ materially from our forward-looking statements:

- Inability to properly manage, motivate and retain our independent consultants (which we previously referred to as “distributors ” in our prior filings) or to attract new customers and independent consultants on an ongoing basis;
- Non-compliance by our independent consultants with applicable legal requirements or our policies and procedures;
- Changes to our independent consultant compensation plans;
- Dependence upon a few products for revenue;
- Dependence on third parties to manufacture our products;
- Sourcing and pricing of high quality materials for our products;
- Disruptions to the transportation channels used to distribute our products;
- Risk of being subject to a product recall;
- Product liability claims against us;
- Competition in the dietary supplement and personal care markets;
- Unfavorable publicity on our business or products;
- Actions by activist stockholders;
- Loss of or inability to attract key personnel;
- Risk of being held responsible for certain taxes or assessments and other obligations relating to the activity of our independent consultants;
- Risk related to Global Not For Resale program;
- Inability to comply with evolving laws, regulations, standards, policies, and contractual obligations related to data privacy and security, including cybersecurity;
- Inability to manage existing markets, open new international markets or expand our operations;
- Inability of new products and technological innovations to gain customer or independent consultant or market acceptance;

- Inability to execute our product launch process due to increased pressure on our supply chain, information systems and management;
- Inability to appropriately manage our inventory;
- Disruptions in our information technology ("IT") systems, including as a result of cybersecurity incidents;
- Inability to comply with financial covenants imposed by our credit facility and the impact of debt service obligations and restrictive debt covenants;
- International trade or foreign exchange restrictions, increased tariffs, foreign currency exchange fluctuations;
- Inability to raise additional capital or complete desired acquisitions;
- Strict government regulations on our business;
- Regulations governing the production or marketing of our products;
- Risk of investigatory and enforcement action;
- Risk of our direct selling program being found non-compliant with current or newly adopted laws or regulations in various markets;
- Laws and regulations prohibiting or severely restricting direct selling;
- International regulatory and business risks, including failure to comply with anti-corruption laws;
- Inability to protect our intellectual property rights;
- Third party intellectual property infringement claims;
- Volatility of the market price of our common stock;
- Risk of substantial sales of shares negatively impacting the market price of our common stock;
- Inability of share repurchase program enhancing long-term stockholder value;
- Risk of additional shares issued diluting voting power of current outstanding common stock or causing decline in stock price;
- Potential delisting of our common stock due to non-compliance with Nasdaq's continued listing requirements;
- Risks related to being a smaller reporting company;
- Limitations for disputes, mergers, tender offers, or proxy contests under Delaware law;
- Expense and time consuming legal proceedings;
- Ineffectiveness of internal controls over financial reporting;
- Challenges to tax positions or transfer pricing policies or change in laws;
- Economic, political, foreign exchange and other risks associated with international operations, including consumer discretionary spending habits;
- Unfavorable global economic conditions;
- Securities class action litigation; and
- Securities or industry analysts ceasing coverage or publishing inaccurate or unfavorable research.

When considering these forward-looking statements, you should keep in mind the cautionary statements in this report and the documents incorporated by reference. Except as required by law, we have no obligation and do not undertake to update or revise any such forward-looking statements to reflect events or circumstances after the date of this report.

LIFEVANTAGE CORPORATION

INDEX

PART I. Financial Information

Item 1. Financial Statements

LIFEVANTAGE CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

(In thousands, except per share data)	September 30, 2024	June 30, 2024
ASSETS		
Current assets		
Cash and cash equivalents	$ 14,596	$ 16,886
Accounts receivable	2,968	2,949
Income tax receivable	886	313
Inventory, net	16,914	15,055
Prepaid expenses and other	3,451	2,443
Total current assets	38,815	37,646
Property and equipment, net	7,477	7,813
Right-of-use assets	9,409	9,569
Intangible assets, net	290	323
Deferred income tax asset	4,784	4,268
Other long-term assets	685	680
TOTAL ASSETS	$ 61,460	$ 60,299
LIABILITIES AND STOCKHOLDERS’ EQUITY		
Current liabilities		
Accounts payable	$ 5,270	$ 5,853
Commissions payable	6,530	6,569
Income tax payable	47	202
Lease liabilities	1,897	1,811
Other accrued expenses	8,328	7,874
Total current liabilities	22,072	22,309
Long-term lease liabilities	11,466	11,801
Other long-term liabilities	225	198
Total liabilities	33,763	34,308
Commitments and contingencies - Note 7		
Stockholders’ equity		
Preferred stock — par value $0.0001 per share, 5,000 shares authorized, no shares issued or outstanding	—	—
Common stock — par value $0.0001 per share, 40,000 shares authorized and 12,484 and 12,510 issued and outstanding as of September 30, 2024 and June 30, 2024, respectively	1	1
Additional paid-in capital	137,347	136,644
Accumulated deficit	(108,526)	(108,738)
Accumulated other comprehensive loss	(1,125)	(1,916)
Total stockholders’ equity	27,697	25,991
TOTAL LIABILITIES AND STOCKHOLDERS’ EQUITY	$ 61,460	$ 60,299

The accompanying notes are an integral part of these condensed consolidated financial statements.

LIFEVANTAGE CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
(Unaudited)

(In thousands, except per share data)	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023
Revenue, net	$ 47,214	$ 51,364
Cost of sales	9,491	10,180
Gross profit	37,723	41,184
Operating expenses:		
Commissions and incentives	20,305	22,473
Selling, general and administrative	14,848	17,962
Total operating expenses	35,153	40,435
Operating income	2,570	749
Other income (expense):		
Interest income, net	59	168
Other expense, net	(51)	(88)
Total other income	8	80
Income before income taxes	2,578	829
Income tax expense	(752)	(200)
Net income	$ 1,826	$ 629
Net income per share:		
Basic	$ 0.15	$ 0.05
Diluted	$ 0.14	$ 0.05
Weighted-average shares outstanding:		
Basic	12,162	12,537
Diluted	12,824	13,109
Other comprehensive income (loss), net of tax:		
Foreign currency translation adjustment	$ 791	$ (294)
Other comprehensive income (loss), net of tax	791	(294)
Comprehensive income	$ 2,617	$ 335

The accompanying notes are an integral part of these condensed consolidated financial statements.

LIFEVANTAGE CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
(Unaudited)

(In thousands, except per share data)	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total
Balances, June 30, 2024	**12,510**	**$ 1**	**$ 136,644**	**$ (108,738)**	**$ (1,916)**	**$ 25,991**
Stock-based compensation	—	—	917	—	—	917
Common stock issued under equity award plans	140	—	—	—	—	—
Shares canceled or surrendered as payment of tax withholding and other	(48)	—	(347)	—	—	(347)
Repurchase of company stock	(140)	—	—	(1,114)	—	(1,114)
Common stock issued under employee stock purchase plan	22	—	133	—	—	133
Cash dividends	—	—	—	(500)	—	(500)
Currency translation adjustment	—	—	—	—	791	791
Net income	—	—	—	1,826	—	1,826
Balances, September 30, 2024	**12,484**	**$ 1**	**$ 137,347**	**$ (108,526)**	**$ (1,125)**	**$ 27,697**

The accompanying notes are an integral part of these condensed consolidated financial statements.

LIFEVANTAGE CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY (CONTINUED)
(Unaudited)

(In thousands, except per share data)	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total
Balances, June 30, 2023	**12,622**	**$ 1**	**$ 134,314**	**$ (98,305)**	**$ (1,361)**	**$ 34,649**
Stock-based compensation	—	—	978	—	—	978
Common stock issued under equity award plans	281	—	—	—	—	—
Shares canceled or surrendered as payment of tax withholding and other	(90)	—	(465)	—	—	(465)
Repurchase of company stock	(145)	—	—	(795)	—	(795)
Common stock issued under employee stock purchase plan	39	—	126	—	—	126
Cash dividends	—	—	—	(5,534)	—	(5,534)
Currency translation adjustment	—	—	—	—	(294)	(294)
Net income	—	—	—	629	—	629
Balances, September 30, 2023	**12,707**	**$ 1**	**$ 134,953**	**$ (104,005)**	**$ (1,655)**	**$ 29,294**

The accompanying notes are an integral part of these condensed consolidated financial statements.

LIFEVANTAGE CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

(In thousands)	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023
Cash Flows from Operating Activities:		
Net income	$ 1,826	$ 629
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	797	918
Stock-based compensation	917	978
Non-cash operating lease expense	353	216
Gain on disposal of assets	(4)	—
Amortization of debt discount	8	—
Deferred income tax	(515)	(1,703)
Changes in operating assets and liabilities:		
Accounts receivable	81	(922)
Income tax receivable	(573)	92
Inventory, net	(1,503)	180
Prepaid expenses and other	(987)	(395)
Other long-term assets	33	83
Accounts payable	(617)	3,140
Income tax payable	(155)	1,522
Other accrued expenses	205	98
Lease liabilities	(449)	(243)
Other long-term liabilities	—	172
Net Cash (Used in) Provided by Operating Activities	**(583)**	**4,765**
Cash Flows from Investing Activities:		
Proceeds from sale of property and equipment	4	—
Purchase of property and equipment	(349)	(1,133)
Net Cash Used in Investing Activities	**(345)**	**(1,133)**
Cash Flows from Financing Activities:		
Repurchase of company stock	(1,114)	(795)
Payment of cash dividends	(500)	(5,534)
Shares canceled or surrendered as payment of tax withholding and other	(347)	(465)
Proceeds from common stock issued under employee stock purchase plan	133	126
Net Cash Used in Financing Activities	**(1,828)**	**(6,668)**
Foreign Currency Effect on Cash	**466**	**(164)**
Decrease in Cash and Cash Equivalents:	**(2,290)**	**(3,200)**
Cash and Cash Equivalents — beginning of period	16,886	21,605
Cash and Cash Equivalents — end of period	**$ 14,596**	**$ 18,405**
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest	$ 8	$ —
Cash paid for income taxes	$ 1,999	$ 168

The accompanying notes are an integral part of these condensed consolidated financial statements.

These unaudited condensed consolidated financial statements and notes should be read in conjunction with the audited financial statements and notes of LifeVantage Corporation (“LifeVantage" or the “Company”) as of and for the year ended June 30, 2024 included in the annual report on Form 10-K filed with the Securities and Exchange Commission (“SEC”) on August 28, 2024.

Note 1 — Organization and Basis of Presentation

LifeVantage is a company focused on nutrigenomics, the study of how nutrition and naturally occurring compounds affect human genes to support good health. The Company is dedicated to helping people achieve their health, wellness and financial goals. The Company provides quality, scientifically-validated products to customers and independent consultants as well as a financially rewarding commission-based direct sales opportunity to its independent consultants. LifeVantage sells its products in the United States, Mexico, Japan, Australia, Hong Kong, Canada, Thailand, the United Kingdom, the Netherlands, Germany, Taiwan, Austria, Spain, Ireland, Belgium, New Zealand, Singapore, and the Philippines.

The Company engages in the identification, research, development, formulation and sale of advanced nutrigenomic activators, dietary supplements, nootropics, pre- and pro-biotics, weight management, and skin and hair care products. The Company's line of scientifically validated dietary supplements includes its flagship Protandim® family of products, LifeVantage® Omega+, ProBio, IC Bright®, Rise AM, Reset PM, D3+, Daily Wellness, and PhysIQ Fat Burn and Prebiotic dietary supplements. TrueScience® is the Company's line of skin and hair care products and Liquid Collagen. The Company also markets and sells Petandim®, its companion pet supplement formulated to combat oxidative stress in dogs; and AXIO®, its nootropic energy drink mixes.

The condensed consolidated financial statements included herein have been prepared by the Company’s management, without audit, pursuant to the rules and regulations of the SEC. In the opinion of the Company’s management, these interim financial statements include all adjustments that are considered necessary for a fair presentation of its financial position as of September 30, 2024, and the results of operations for the three months ended September 30, 2024 and 2023, and the cash flows for the three months ended September 30, 2024 and 2023. Interim results are not necessarily indicative of results for a full year or for any future period.

The condensed consolidated financial statements and notes included herein are presented as required by Form 10-Q, and do not contain certain information included in the Company’s audited financial statements and notes for the fiscal year ended June 30, 2024, pursuant to the rules and regulations of the SEC. For further information, refer to the financial statements and notes thereto as of and for the year ended June 30, 2024, and included in the annual report on Form 10-K on file with the SEC.

Note 2 — Summary of Significant Accounting Policies

Consolidation

The condensed consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All significant intercompany accounts and transactions are eliminated in consolidation.

Use of Estimates

The Company prepares the condensed consolidated financial statements and related disclosures in conformity with accounting principles generally accepted in the United States of America ("GAAP"). In preparing these statements, the Company is required to use estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ materially from those estimates and assumptions. On an ongoing basis, the Company reviews its estimates, including, but not limited to, those related to inventory valuation and obsolescence, sales returns, income taxes and tax valuation reserves, transfer pricing methodology and positions, impairment of assets, share-based compensation, and loss contingencies.

Foreign Currency Translation

A portion of the Company’s business operations occurs outside the United States. The local currency of each of the Company’s subsidiaries is generally its functional currency. All assets and liabilities are translated into U.S. dollars at exchange rates existing at the balance sheet dates, revenue and expenses are translated at weighted-average exchange rates and stockholders’ equity is recorded at historical exchange rates. The resulting foreign currency translation adjustments are recorded as a separate component of stockholders’ equity in the condensed consolidated balance sheets and as a component of comprehensive income. Transaction gains and losses are included in other expense, net in the condensed consolidated statements of operations and comprehensive income. For the three months ended September 30, 2024 and 2023, net foreign currency losses of approximately $40,000 and $0.1 million, respectively, are recorded in other expense, net.

Cash and Cash Equivalents

The Company considers only its monetary liquid assets with original maturities of three months or less as cash and cash equivalents.

Concentration of Credit Risk

Accounting guidance for financial instruments requires disclosure of significant concentrations of credit risk regardless of the degree of such risk. Financial instruments with significant credit risk include cash and investments. At September 30, 2024, the Company had $10.6 million in cash accounts at one financial institution and $4.0 million in accounts at other financial institutions. At June 30, 2024, the Company had $12.6 million in cash accounts at one financial institution and $4.3 million in accounts at other financial institutions. As of September 30, 2024 and June 30, 2024, and during the periods then ended, the Company's cash balances exceeded federally insured limits.

Accounts Receivable

The Company's accounts receivable as of September 30, 2024 and June 30, 2024 consist primarily of credit card receivables. Based on the Company's verification process for customer credit cards and historical information available, management has determined that an allowance for doubtful accounts on credit card sales related to its customer sales as of September 30, 2024 and June 30, 2024 is not necessary. No bad debt expense was recorded during the three months ended September 30, 2024 and 2023.

Inventory

As of September 30, 2024 and June 30, 2024, inventory consisted of (in thousands):

	September 30, 2024		June 30, 2024	
Finished goods	$ 14,167	83.8 %	$ 11,841	78.7 %
Raw materials	2,747	16.2 %	3,214	21.3 %
Total inventory	$ 16,914	100.0 %	$ 15,055	100.0 %

Inventories are carried at the lower of cost or net realizable value, using the first-in, first-out method, which includes a reduction in inventory values of $1.0 million and $1.3 million at September 30, 2024 and June 30, 2024, respectively, related to obsolete and slow-moving inventory.

Fair Value of Financial Instruments

The Company accounts for assets and liabilities using a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's market assumptions. These two types of inputs have created the fair-value hierarchy below. This hierarchy requires the Company to minimize the use of unobservable inputs and to use observable market data, if available, when determining fair value.

- Level 1—Quoted prices for identical instruments in active markets;
- Level 2—Quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets; and
- Level 3—Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

Our financial instruments, consisting primarily of cash and cash equivalents, accounts receivable, and accounts payable, approximate fair value due to their short-term nature.

Revenue Recognition

Revenue is recognized when control of the promised goods or services are transferred to the customer, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods or services. Sales, value-added, and other taxes the Company collects concurrent with revenue-producing activities are excluded from revenue.

The Company generates the majority of its revenue through product sales to customers. These products include the Protandim® line of dietary supplements, LifeVantage® Omega+, ProBio, IC Bright®, Rise AM, Reset PM, D3+, Daily Wellness, and PhysIQ Fat Burn and Prebiotic dietary supplements, TrueScience® skin and hair care products and Liquid Collagen, Petandim®, and AXIO® nootropic energy drink mixes. The Company ships most of its product directly to the consumer and receives substantially all payment for product sales in the form of credit card receipts. Revenue from direct product sales to customers is recognized upon shipment, which is when passage of title and risk of loss occurs. For items sold in packs and bundles, the Company determines the standalone selling price at contract inception for each distinct good, and then allocates the transaction price on a relative standalone selling price basis. Any discounts are accounted for as a direct reduction to the transaction price. Shipping and handling revenue is recognized upon shipment when the performance obligation is completed.

Contract liabilities, recorded as deferred revenue, include loyalty program credit deferrals with certain customers which are accounted for as a reduction in the transaction price and are generally recognized as credits which are redeemed for additional products at a later date. The Company also records deferred revenue when cash payments are received or due in advance of performance, including amounts which are refundable. In addition, the Company pre-sells tickets to its events. When cash payments are received in advance of events, the cash received is recorded to deferred revenue until the event is held, at which time the Company has performed its obligations under the contract and the revenue is recognized.

Deferred revenue is included in accrued expenses in the consolidated balance sheets. The balance of deferred revenue related to contract liabilities was $1.1 million and $0.9 million as of September 30, 2024 and June 30, 2024, respectively. The contract liabilities impact to revenue for the three months ended September 30, 2024 and 2023 was a decrease of $0.2 million and $0.2 million, respectively.

Estimated returns are recorded when a product is shipped. Subject to some exceptions based on local regulations, the Company’s return policy is to provide a full refund for a product returned within 30 days. After 30 days of purchase, only unopened product that is in a resalable and restockable condition may be returned within twelve months of purchase and shall receive a 100% refund, less a 10% handling and restocking fee and any shipping and handling costs. The Company establishes a refund liability reserve, and an asset reserve for its right to recover products, based on historical experience. The returns asset reserve and returns liability reserve are evaluated on a quarterly basis. As of September 30, 2024 and June 30, 2024, the returns liability reserve, net was $0.1 million and $0.1 million, respectively.

Shipping and Handling

Shipping and handling costs associated with inbound freight and freight out to customers and independent consultants are included in cost of sales. Shipping and handling fees charged to customers and independent consultants are included in revenue.

Research and Development Costs

The Company expenses all costs related to research and development activities, as incurred. Research and development expenses for the three months ended September 30, 2024 and 2023 were $0.3 million and $0.2 million, respectively.

Leases

The Company accounts for leases in accordance with Accounting Standards Codification ("ASC") 842. The Company reviews all contracts and determines if the arrangement is or contains a lease, at inception. Operating leases are included in right-of-use (“ROU”) assets, current lease liabilities and long-term lease liabilities on the condensed consolidated balance sheets. The Company does not have any finance leases.

Operating lease ROU assets represent the Company’s right to use an underlying asset for the lease term and lease liabilities represent the Company’s obligation to make lease payments arising from the lease. ROU assets and lease liabilities are recognized at the lease commencement date based on the estimated present value of lease payments over the lease term. The Company uses its estimated incremental borrowing rate based on the information available at commencement date in determining the present value of future payments. The operating lease ROU asset also includes any upfront lease payments made and excludes lease incentives and initial direct costs incurred. The Company’s lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. Lease expense for minimum lease payments is recognized on a straight-line basis over the lease term. Leases with a term of 12 months or less are not recorded on the balance sheet. The Company’s lease agreements do not contain any residual value guarantees.

Stock-Based Compensation

The Company recognizes stock-based compensation by measuring the cost of services to be rendered based on the grant date fair value of the equity award. The Company recognizes stock-based compensation, net of any estimated forfeitures, over the period an employee is required to provide service in exchange for the award, generally referred to as the requisite service period. The Company estimates forfeitures based on historical information and other management assumptions.

The Black-Scholes option pricing model is used to estimate the fair value of stock options and options under the Company's 2019 Employee Stock Purchase Plan. The determination of the fair value of options is affected by the Company's stock price and a number of assumptions, including expected volatility, expected life, risk-free interest rate and expected dividends. The Company uses historical data for estimating the expected volatility and expected life of stock options required in the Black-Scholes model. The risk-free interest rate assumption is based on observed interest rates appropriate for the expected terms of the stock options.

The fair value of restricted stock grants, including performance restricted stock units that include non-market based performance conditions, is based on the closing market price of the Company's stock on the date of grant less the Company's expected dividend yield. The Company recognizes compensation costs for awards with performance conditions when it concludes it is probable that the performance conditions will be achieved. The Company reassesses the probability of vesting at each balance sheet date and adjusts compensation costs accordingly.

Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carry-forwards. Deferred tax assets and liabilities are measured using statutory tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled, updated as needed for changes in corporate tax rates. The effect on deferred tax assets and liabilities from a change in tax rates is recognized in income in the period that includes the effective date of the change. The Company recognizes tax liabilities or benefits from an uncertain position only if it is more likely than not that the position will be sustained upon examination by taxing authorities based on the technical merits of the issue. The amount recognized would be the largest liability or benefit that the Company believes has greater than a 50% likelihood of being realized upon settlement.

For the three months ended September 30, 2024 and 2023, the Company recognized income tax expense of $0.8 million and $0.2 million, respectively, which is reflective of the Company’s current estimated federal, state and foreign effective tax rate. Realization of deferred tax assets is dependent upon future earnings in specific tax jurisdictions, the timing and amount of which are uncertain.

Income Per Share

Basic income per common share is computed by dividing the net income by the weighted-average number of common shares outstanding during the period, less unvested restricted stock awards. Diluted income per common share is computed by dividing net income by the weighted-average common shares and potentially dilutive common share equivalents using the treasury stock method.

For the three months ended September 30, 2024 and 2023, the effects of approximately 0.3 million and 0.3 million common shares, respectively, issuable upon exercise of options and non-vested shares of restricted stock are not included in computations as their effect was anti-dilutive.

The following is a reconciliation of net income per share and the weighted-average common shares outstanding for purposes of computing basic and diluted net income per share (in thousands, except per share amounts):

	Three Months Ended September 30,	
	2024	2023
Numerator:		
Net income	$ 1,826	$ 629
Denominator:		
Basic weighted-average common shares outstanding	12,162	12,537
Effect of dilutive securities:		
Stock awards and options	662	572
Diluted weighted-average common shares outstanding	12,824	13,109
Net income per share, basic	$ 0.15	$ 0.05
Net income per share, diluted	$ 0.14	$ 0.05

Segment Information and Disaggregated Revenue

The Company operates in a single operating segment by selling products directly to customers and through an international network of independent consultants that operates in an integrated manner from market to market. Commissions and incentives expenses are the Company’s largest expense comprised of the commissions paid to its independent consultants. The Company manages its business primarily by managing its international network of independent consultants. The Company disaggregates revenue in two geographic regions: the Americas region and the Asia/Pacific & Europe region.

The following table presents the Company's revenue disaggregated by these two geographic regions (in thousands):

	Three Months Ended September 30, 2024	2023
Americas	$ 36,892	$ 38,514
Asia/Pacific & Europe	10,322	12,850
Total revenue	$ 47,214	$ 51,364

Additional information as to the Company’s revenue from operations in the most significant geographical areas is set forth below (in thousands):

	Three Months Ended September 30, 2024	2023
United States	$ 35,268	$ 36,896
Japan	$ 5,983	$ 7,515

The following table presents the Company's long-lived assets for its most significant geographic markets (in thousands):

	September 30, 2024	June 30, 2024
United States	$ 19,151	$ 19,216
Japan	$ 2,048	$ 1,925

New Accounting Pronouncements

In November 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures (ASU 2023-07), expanding segment disclosure requirements. The amendments require enhanced disclosure for certain segment items and required disclosure on how management uses reported measures to assess segment performance. The amendments do not change how segments are determined, aggregated, or how thresholds are applied to determine reportable segments. ASU 2023-07 is effective for the Company’s annual periods beginning July 1, 2024, and for interim periods beginning July 1, 2025, with early adoption permitted. The Company is currently evaluating the potential effect that the updated standard will have on its financial statement disclosures.

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures ("ASU 2023-09"). The guidance requires disclosure of disaggregated income taxes paid, prescribes standardized categories for the components of the effective tax rate reconciliation, and modifies other income tax-related disclosures. ASU 2023-09 is effective for the Company’s annual periods beginning July 1, 2025, with early adoption permitted. The Company is currently evaluating the potential effect that the updated standard will have on its financial statement disclosures.

Other recently issued accounting pronouncements did not or are not believed by management to have a material impact on the Company's present or future financial statements.

Note 3 — Leases

The Company has operating leases for current corporate offices and certain equipment. These leases have remaining terms of approximately one to seven years. As of September 30, 2024, the weighted average remaining lease term and weighted average discount rate for operating leases was 6.62 years and 3.46%, respectively. As of June 30, 2024, the weighted average remaining lease term and weighted average discount rate for operating leases was 6.90 years and 3.46%, respectively.

For the three months ended September 30, 2024 and 2023, operating lease expense was $0.5 million and $0.6 million, respectively.

The components of lease expense for the three months ended September 30, 2024 and 2023, were as follows:

	Three Months Ended September 30,	
	2024	2023
Operating lease expense		
Operating lease cost	$ 470	$ 530
Variable lease cost	41	48
Short-term lease costs	5	12
Total lease expense	$ 516	$ 590

Supplemental cash flow information related to operating leases was as follows (in thousands):

	Three Months Ended September 30,	
	2024	2023
Operating cash outflows from operating leases	$ 530	$ 557
Right-of-use assets obtained in exchange for lease obligations	$ —	$ 1,502

Maturity of lease liabilities at September 30, 2024 are as follows (in thousands):

Year ended June 30,	Amount
2025 (remaining nine months ending June 30, 2025)	$ 1,631
2026	2,210
2027	2,202
2028	2,076
2029	1,772
Thereafter	4,622
Total	14,513
Less: imputed interest	(1,150)
Present value of lease liabilities	$ 13,363

Note 4 — Long-Term Debt

On April 12, 2024, the Company entered into a Loan Agreement (the “Loan Agreement”) with Bank of America, N.A., as Lender (the “Lender”). In connection with the Loan Agreement and on the same date, the Company, Lifeline Nutraceuticals Corporation, as Guarantor (the “Guarantor”), and the Lender also entered into a Continuing and Unconditional Guaranty (the “Continuing and Unconditional Guaranty”) and a Security and Pledge Agreement (the “Security and Pledge Agreement”). The Loan Agreement provides for a revolving line of credit in an aggregate principal amount not to exceed $5.0 million (the “Line of Credit” and collectively with the Loan Agreement, Continuing and Unconditional Guaranty and the Security and Pledge Agreement the “2024 Credit Facility”).

In the event the Company borrows under the Line of Credit, interest will be payable commencing on the last day of each month following such borrowing until payment in full of all principal outstanding under the Line of Credit, with all unpaid principal and interest due on April 12, 2027 (the “Expiration Date”). The Line of Credit will bear interest at a rate per year equal to the sum of (i) the greater of the Term Secured Overnight Financing Rate Daily Floating Rate (as defined in the Loan Agreement) or 0.00%, plus (ii) 2.00%. Amounts under the Line of Credit may be repaid and re-borrowed from time to time until the Expiration Date. As of September 30, 2024, the effective interest rate is 6.96%.

The Company’s obligations under the Loan Agreement are secured by a security interest in substantially all of the assets of the Company and the Guarantor, and by a pledge of the membership interests of the Company's subsidiaries, as further provided for in the Security and Pledge Agreement. Pursuant to the Continuing and Unconditional Guaranty, the Guarantor guarantees and promises to pay promptly to the Lender all indebtedness of the Company when due.

The Loan Agreement contains customary covenants, both affirmative and negative, that, among other things, restrict the Company’s ability to deal with the Company's assets outside of the ordinary course, incur additional indebtedness, grant liens on the Company's assets, make certain investments, purchase or otherwise acquire all or substantially all the assets or equity interests of other companies, and enter into consolidations, mergers or other combinations. The Loan Agreement requires that the Company maintain specified financial ratios and satisfy certain financial condition tests.

The Loan Agreement contains certain customary events of default, including, among other things, failure of the Company to make required payments under the Loan Agreement, certain breaches of representations made by the Company or the Guarantor, insolvency or bankruptcy of the Company or the Guarantor, failure to have an enforceable first lien or security interest in any property given as security for the Loan Agreement, or failure of the Company to comply with covenants set forth in the Loan Agreement. If an event of default occurs under the Loan Agreement, the obligation of the Lender to make any additional credit available to the Company may be terminated and the amounts outstanding may become immediately due and payable in the discretion of the Lender, provided that in the event of insolvency or bankruptcy of the Company or the Guarantor, all debts outstanding under the Loan Agreement will automatically become due and payable. Upon the occurrence of any default or after maturity, all amounts outstanding under the Loan Agreement will, at the option of the Lender, bear interest at a rate which is 2.00% higher than the rate of interest otherwise provided under the Loan Agreement.

As of September 30, 2024, the Company was in compliance with its financial covenants under the 2024 Credit Facility. As of September 30, 2024, there was no balance outstanding on the 2024 Credit Facility.

Note 5 — Stockholders' Equity

During the three months ended September 30, 2024 and 2023, the Company issued 0.1 million and 0.3 million shares of common stock, respectively, under equity award plans. During the three months ended September 30, 2024 and 2023, the Company issued zero shares of common stock upon the exercise of stock options. During the three months ended September 30, 2024 and 2023, 48,000 and 0.1 million shares of restricted stock, respectively, were canceled or surrendered as payment of tax withholding upon vesting.

On February 17, 2022, the Company's board of directors (the "Board of Directors") approved an amendment to its then-existing share repurchase program to increase the authorized share repurchase amount from $35.0 million to $60.0 million. On June 12, 2023, the Board of Directors approved an amendment to extend the duration of the repurchase program period to December 31, 2026. During the three months ended September 30, 2024, the Company purchased 0.1 million shares of common stock at an aggregate price of $1.1 million under this repurchase program. During the three months ended September 30, 2023, the Company purchased 0.1 million shares of common stock at an aggregate price of $0.8 million under this repurchase program. At September 30, 2024, there is $19.3 million remaining under this repurchase program.

On August 30, 2023, the Board of Directors approved a stockholder rights agreement (the "Rights Plan") and declared a dividend of one right for each outstanding share of common stock to stockholders of record on September 11, 2023. Each right entitled holders to purchase one newly issued share of preferred stock at an exercise price of $20 per right, subject to adjustment. Initially, the rights were not exercisable and traded with shares of the Company's common stock.

In general, the rights would have become exercisable following a public announcement that a person acquires 12% (or, in the case of passive investors, 20%) or more of the outstanding shares of the Company's common stock. If a person became an acquiring person, each holder of rights (except the acquiring person) would have had the right to purchase, for the purchase price, a number of shares of the Company's common stock at a 50% discount to the then-current trading price. Rather than allowing the rights to be exercised in those circumstances, the Board of Directors could exchange each right, other than the rights owned by the acquiring person, for a share of the Company's common stock. The agreement provided for exceptions and additional terms for other certain situations and circumstances.

The Rights Plan was intended to protect the interests of LifeVantage and its stockholders by reducing the likelihood that any entity, person or group gains control of the Company through open-market accumulation or other means without payment of an adequate control premium and expired on August 28, 2024. There was no impact to the Company's Consolidated Financial Statements.

The Company's Certificate of Incorporation authorizes the issuance of preferred stock. However, as of September 30, 2024, none have been issued nor have any rights or preferences been assigned to the preferred stock by the Company's Board of Directors.

Dividends

In August 2024, the Board of Directors declared a quarterly cash dividend of $0.04 per share of common stock to be paid on September 17, 2024 to stockholders of record on September 9, 2024. Cash dividends for the three months ended September 30, 2024 totaled $0.5 million. Cash dividends for the three months ended September 30, 2023 totaled $5.5 million, or $0.435 per share.

The declaration of dividends is subject to the discretion of the Board of Directors and will depend upon various factors, including the Company's earnings, financial condition, restrictions imposed by any indebtedness that may be outstanding, cash requirements, future prospects and other factors deemed relevant by the Board of Directors.

Note 6 — Stock-Based Compensation

Long-Term Incentive Plans

Equity-Settled Plans

The Company adopted, and the stockholders approved, the 2017 Long-Term Incentive Plan (the “2017 Plan”), effective February 16, 2017, to provide incentives to eligible employees, directors and consultants. The initial share pool approved was 650,000 shares. On November 9, 2023, the stockholders approved amendments to the 2017 Plan to increase the number of shares of the Company's common stock that are available for issuance under the 2017 Plan by 1,138,000 shares. As of September 30, 2024, a maximum of 5.1 million shares of the Company's common stock can be issued under the 2017 Plan in connection with the grant of awards which is calculated as the sum of (i) 4,630,000 shares and (ii) up to 475,000 shares previously reserved for issuance under the Company's 2010 Long Term Incentive Plan, including shares returned upon cancellation, termination or forfeiture of awards that were previously granted under that plan. Outstanding stock options awarded under the 2017 Plan have exercise prices of $4.44 per share, and vest over a three-year vesting period. Awards expire in accordance with the terms of each award and, upon expiration of the award, the shares subject to the award are added back to the 2017 Plan. The contractual term of stock options granted is generally ten years. As of September 30, 2024, under the 2017 Plan, there were stock option awards outstanding, net of awards expired, for an aggregate of 0.1 million shares of the Company's common stock.

Employee Stock Purchase Plan

General. The Company's 2019 Employee Stock Purchase Plan ("ESPP") was adopted by the Board of Directors in September 2018 and the Company's stockholders approved it in November 2018. The ESPP is intended to qualify under Section 423 of the Internal Revenue Code.

Share Reserve. The Company has reserved 0.4 million shares of its common stock for issuance under the ESPP. As of September 30, 2024, approximately 47,000 shares were available for issuance. The number of shares reserved under the ESPP will automatically be adjusted in the event of a stock split, stock dividend or a reverse stock split (including an adjustment to the per-purchase period share limit).

Purchase Price. Employees may purchase each share of common stock under the ESPP at a price equal to 85% of the lower of the fair market values of the stock as of the beginning or the end of the six-month offering periods. An employee's contributions to the ESPP are limited to 15% of their regular hourly or salary compensation, and up to a maximum of 3,000 shares may be purchased during any offering period. A participant shall not be granted an option under the ESPP if such option would permit the participant's rights to purchase stock to accrue at a rate exceeding $25,000 grant date fair market value of stock for each calendar year in which such option is outstanding at any time.

Offering Periods. Unless otherwise determined by the compensation committee, the ESPP will be operated through a series of successive six-month offering periods, which will begin each year on March 1 and September 1.

During the three months ended September 30, 2024 and 2023, approximately 22,000 and 39,000 shares of common stock were issued under the ESPP, respectively.

Stock-Based Compensation

For the three months ended September 30, 2024 and 2023, compensation of $0.9 million and $1.0 million, respectively, was reflected as an increase to additional paid-in capital, all of which was employee related.

Note 7 — Commitments and Contingencies

Contingencies

The Company accounts for contingent liabilities in accordance with ASC 450, Contingencies. This guidance requires management to assess potential contingent liabilities that may exist as of the date of the financial statements to determine the probability and amount of loss that may have occurred, which inherently involves an exercise of judgment. If the assessment of a contingency indicates that it is probable that a material loss has been incurred and the amount of the liability can be estimated, then the estimated liability would be accrued in the Company’s financial statements. If the assessment indicates that a potential material loss contingency is not probable but is reasonably possible, or is probable but cannot be estimated, then the nature of the contingent liability, and an estimate of the range of possible losses, if determinable and material, would be disclosed. For loss contingencies considered remote, no accrual or disclosures are generally made. Management has assessed potential contingent liabilities as of September 30, 2024, and based on the assessment, there are no probable loss contingencies requiring accrual or disclosures within its financial statements.

Legal Accruals

In addition to commitments and obligations in the ordinary course of business, from time to time, the Company is subject to various claims, pending and potential legal actions, investigations relating to governmental laws and regulations and other matters arising out of the normal conduct of its business. Management assesses contingencies to determine the degree of probability and range of possible loss for potential accrual in the consolidated financial statements. An estimated loss contingency is accrued in the consolidated financial statements if it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. Because evaluating legal claims and litigation results are inherently unpredictable and unfavorable results could occur, assessing contingencies is highly subjective and requires judgments about future events. When evaluating contingencies, management may be unable to provide a meaningful estimate due to a number of factors, including the procedural status of the matter in question, the presence of complex or novel legal theories, and/or the ongoing discovery and development of information important to the matters. In addition, damage amounts claimed or asserted against the Company may be unsupported, exaggerated or unrelated to possible outcomes, and as such are not meaningful indicators of a potential liability. Management regularly reviews contingencies to determine the adequacy of financial statement accruals and related disclosures. The amount of ultimate loss may differ from these estimates. It is possible that cash flows or results of operations could be materially affected in any particular period by the unfavorable publicity or resolution of one or more of these contingencies. Whether any losses finally determined in any claim, action, investigation or proceeding or publicity related to such could reasonably have a material effect on the Company's business, financial condition, results of operations or cash flows will depend on a number of variables, including: the timing and amount of such losses; the structure and type of any remedies; the significance of the impact of any such losses, damages or remedies may have on the consolidated financial statements; and the unique facts and circumstances of the particular matter that may give rise to additional factors.

Other Matters. In addition to the matters described above, the Company also may become involved in other litigation and regulatory matters incidental to its business and the matters disclosed in this quarterly report on Form 10-Q, including, but not limited to, product liability claims, regulatory actions, employment matters and commercial disputes. The Company intends to defend itself in any such matters and does not currently believe that the outcome of any such matters will have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

Overview

LifeVantage Corporation (the “Company,” “we,” “us,” or “our”) is a company focused on nutrigenomics, the study of how nutrition and naturally occurring compounds affect human genes to support good health. We are dedicated to helping people achieve their health, wellness and financial goals. We provide quality, scientifically-validated products to customers and independent consultants as well as a financially rewarding commission-based direct sales opportunity to our independent consultants. We engage in the identification, research, development, formulation and sale of advanced nutrigenomic activators, dietary supplements, nootropics, pre- and pro-biotics, weight management, and skin and hair care products. We currently sell our products to customers and independent consultants in two geographic regions that we have classified as the Americas region and the Asia/Pacific & Europe region.

The success and growth of our business is primarily based on the effectiveness of our independent consultants to attract and retain customers in order to sell our products and our ability to attract and retain independent consultants. When we are successful in attracting and retaining independent consultants and customers, it is largely because of:

- Our products, including our flagship Protandim® family of scientifically validated dietary supplements, LifeVantage® Omega+, ProBio, IC Bright®, Rise AM, Reset PM, Daily Wellness, D3+, and PhysIQ Fat Burn and Prebiotic dietary supplements, our line of TrueScience® skin and hair care products and Liquid Collagen, Petandim®, our companion pet supplement formulated to combat oxidative stress in dogs, and AXIO®, our nootropic energy drink mixes;
- Our sales compensation plan and other sales initiatives and incentives; and
- Our delivery of superior customer service.

As a result, it is vital to our success that we leverage our product development resources to develop and introduce compelling and innovative products and provide opportunities for our independent consultants to sell these products in a variety of markets. We sell our products in the United States, Mexico, Japan, Australia, Hong Kong, Canada, Thailand, the United Kingdom, the Netherlands, Germany, Taiwan, Austria, Spain, Ireland, Belgium, New Zealand, Singapore, and the Philippines. In addition, we sell our products in a number of countries for personal consumption only. Entering a new market requires a considerable amount of time, resources and continued support. If we are unable to properly support an existing or new market, our revenue growth may be negatively impacted.

Our Products

Our products are the Protandim® line of scientifically validated dietary supplements, LifeVantage® Omega+, ProBio, IC Bright®, Rise AM, Reset PM, D3+, Daily Wellness, and PhysIQ Fat Burn and Prebiotic dietary supplements, TrueScience®, our line of skin and hair care products and Liquid Collagen, Petandim®, our companion pet supplement formulated to combat oxidative stress in dogs, and AXIO®, our nootropic energy drink mixes. The Protandim® product line includes Protandim® NRF1 Synergizer®, Protandim® Nrf2 Synergizer®, and Protandim® NAD Synergizer®. The Protandim® NRF1 Synergizer® is formulated to increase cellular energy and performance by boosting mitochondria production to improve cellular repair and slow cellular aging. The Protandim® Nrf2 Synergizer® contains a proprietary blend of ingredients and has been shown to combat oxidative stress and enhance energy production by increasing the body's natural antioxidant protection at the genetic level, inducing the production of naturally occurring protective antioxidant enzymes, including superoxide dismutase, catalase, and glutathione synthase. The Protandim® NAD Synergizer® was specifically formulated to target cell signaling pathways involved in the synthesis and recycling of a specific molecule called NAD (nicotinamide adenine dinucleotide), and it has been shown to double sirtuin activity, supporting increased health, focus, energy, mental clarity, and mood. Use of the three Protandim® products together, marketed as the Protandim® Tri-Synergizer®, has been shown to produce synergistic benefits greater than using the single products on their own. LifeVantage® Omega+ is a dietary supplement that combines DHA and EPA Omega-3 fatty acids, omega-7 fatty acids, and vitamin D3 to support cognitive health, cardiovascular health, skin health, and the immune system. LifeVantage® ProBio is a dietary supplement designed to support optimal digestion and immune system function. LifeVantage® Daily Wellness is a dietary supplement designed to support immune health. IC Bright® is a dietary supplement to help support eye and brain health, reduce eye fatigue and strain, support cognitive functions, and may help support normal sleep patterns. PhysIQ Fat Burn is a dietary supplement designed to support weight management, and PhysIQ Prebiotic is a dietary supplement designed to support a healthy digestive tract. Our Nrf2 enhanced TrueScience® line of anti-aging skin and hair care products includes TrueScience® TrueClean Refining Cleanser, TrueScience® TrueRenew Daily Firming Complex, TrueScience® TrueLift Illuminating Eye Cream, TrueScience® TrueHydrate Brightening Moisturizer, TrueScience® TrueTone Perfecting Lotion, TrueScience® TrueProtect Daily Mineral Sunstick SPF 30, TrueScience® Perfecting Lotion, TrueScience® Hand Cream, TrueScience® Invigorating Shampoo, TrueScience® Nourishing Conditioner, TrueScience® Scalp Serum, and TrueScience® Liquid Collagen. TrueScience® Liquid Collagen activates, replenishes, and maintains collagen to support firmness and elasticity from within. Petandim® is a supplement specially formulated to combat oxidative stress in dogs through Nrf2 activation. AXIO® is our line of our nootropic energy drink mixes formulated to promote alertness and support mental performance. We believe our significant number of customers who regularly and repeatedly purchase our products is a strong indicator of the health benefits of our products.

We sell our products both individually and in stacks. A stack consists of multiple products bundled together that are designed to achieve a specific result. In fiscal year 2024, our stack strategy evolved with a focus on the brand message of Activation with three stacks that tell the unique LifeVantage Activation story from an inside-out approach. This builds upon the synergistic benefits that were demonstrated in fiscal year 2023 with our Healthy Glow Essentials stack. The Inside-Out Activation Duo features Nrf2 Synergizer® and TrueScience® TrueRenew Daily Firming Complex. This duo activates antioxidants for good health on the inside and a cleaner, kinder retinol alternative for skin that looks and feels healthy and youthful on the outside. The LifeVantage Activation Essentials Stack contains Nrf2 Synergizer® TrueScience® Liquid Collagen, and TrueScience® TrueRenew Daily Firming Complex. Finally our Healthy Glow + Activated Skin Care Collection contains Nrf2 Synergizer®, TrueScience® Liquid Collagen, and the full Activated Skin Care Collection. We continue to offer other popular packs such as the Vitality Stack (Protandim® NRF1 Synergizer®, Protandim® Nrf2 Synergizer®, LifeVantage® Omega+ and LifeVantage® ProBio), the Ultimate Stack (Vitality Stack + Protandim® NAD Synergizer® and PhysIQ Prebiotic), and the Protandim® Tri-Synergizer™ (Protandim® NRF1 Synergizer®, Protandim® Nrf2 Synergizer®, and Protandim® NAD Synergizer®).

We currently have additional products in development. Any delays or difficulties in introducing compelling products or attractive initiatives or tools into our markets may have a negative impact on our revenue and our ability to attract new independent consultants and customers.

Compensation Plan for our Independent Consultants

On March 1, 2023, we launched a new compensation plan for our Independent Consultants in the United States, Japan, Australia, and New Zealand markets. We refer to this compensation plan as our Evolve Compensation Plan. On February 1, 2024, we launched the Evolve Compensation Plan in the Canada, Mexico, and Europe markets.

Accounts

Because we primarily utilize a direct selling model for the distribution of a majority of our products, the success and growth of our business depends in large part on the effectiveness of our independent consultants to attract and retain customers to purchase our products and our ability to attract new and retain existing independent consultants. Changes in our product sales typically are the result of variations in product sales volume relating to fluctuations in the number of active independent consultants and customers purchasing our products. The number of active independent consultants and customers is, therefore, used by management as a key non-financial measure.

The following tables summarize the changes in our active accounts base by geographic region. These numbers have been rounded to the nearest thousand as of the dates indicated. For purposes of this report, we define "Active Accounts" as only those independent consultants and customers who have purchased from us at any time during the most recent three-month period, either for personal use or for resale.

	As of September 30,					
	2024		2023		Change from Prior Year	Percent Change
Active Independent Consultants						
Americas	31,000	66.0 %	32,000	61.5 %	(1,000)	(3.1)%
Asia/Pacific & Europe	16,000	34.0 %	20,000	38.5 %	(4,000)	(20.0)%
Total Active Independent Consultants	47,000	100.0 %	52,000	100.0 %	(5,000)	(9.6)%
Active Customers						
Americas	61,000	80.3 %	66,000	77.6 %	(5,000)	(7.6)%
Asia/Pacific & Europe	15,000	19.7 %	19,000	22.4 %	(4,000)	(21.1)%
Total Active Customers	76,000	100.0 %	85,000	100.0 %	(9,000)	(10.6)%
Active Accounts						
Americas	92,000	74.8 %	98,000	71.5 %	(6,000)	(6.1)%
Asia/Pacific & Europe	31,000	25.2 %	39,000	28.5 %	(8,000)	(20.5)%
Total Active Accounts	123,000	100.0 %	137,000	100.0 %	(14,000)	(10.2)%

Results of Operations

Three Months Ended September 30, 2024 and 2023

Revenue. We generated net revenue of $47.2 million and $51.4 million during the three months ended September 30, 2024 and 2023, respectively. Foreign currency fluctuations negatively impacted our revenue by $0.2 million, or 0.4%, during the three months ended September 30, 2024.

Americas. The following table sets forth revenue for the three months ended September 30, 2024 and 2023 for the Americas region (in thousands):

	Three Months Ended September 30,		
	2024	2023	% Change
United States	$ 35,268	$ 36,896	(4.4)%
Other	1,624	1,618	0.4 %
Americas Total	$ 36,892	$ 38,514	(4.2)%

Revenue in the Americas region for the three months ended September 30, 2024 decreased $1.6 million, or 4.2%, from the prior year period. Total Active Accounts decreased 6.1% in the region compared to the prior year period. The average revenue per account increased due to changes in our product sales mix and increased shipping charges. Revenue related to our TrueScience® Liquid Collagen product, including the product when sold as part of a bundle, declined slightly to approximately $9.7 million for the three months ended September 30, 2024 compared to approximately $10.0 million in the prior year period.

Asia/Pacific & Europe. The following table sets forth revenue for the three months ended September 30, 2024 and 2023 for the Asia/Pacific & Europe region and its principal markets (in thousands):

	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023	% Change
Japan	$ 5,983	$ 7,515	(20.4)%
Australia & New Zealand	1,661	2,338	(29.0)%
Greater China	678	427	58.8 %
Other	2,000	2,570	(22.2)%
Asia/Pacific & Europe Total	$ 10,322	$ 12,850	(19.7)%

Revenue in the Asia/Pacific & Europe region decreased $2.5 million, or 19.7%, for the three months ended September 30, 2024, as compared to the prior year period. Total Active Accounts in the region decreased 20.5% compared to the prior year period. Decreases in total Active Accounts, along with negative impacts from foreign currency exchange rate fluctuations, have contributed to the overall decrease in revenue within the Asia/Pacific & Europe region.

Overall, revenue in the Asia/Pacific & Europe region was negatively impacted by foreign currency exchange rate fluctuations in the amount of approximately $0.1 million, or 1.0%, during the three months ended September 30, 2024, as compared to the prior year period, mainly due to currency fluctuations in Japan. Revenue in Japan was negatively impacted by foreign exchange rate fluctuations in the amount of approximately $0.2 million, or 2.3%, during the three months ended September 30, 2024, as compared to the prior year period. Negative foreign exchange rate fluctuations in Japan were partially offset by gains in other markets. On a constant currency basis, revenue in Japan decreased 18.2% for the three months ended September 30, 2024, as compared to the prior year period. The decrease in revenue on a constant currency basis in Japan during three months ended September 30, 2024 was due to a 13.8% decrease in our Active Accounts in that region. The decrease was coupled with a decrease in the average revenue per account, primarily from a decrease in TrueScience® Liquid Collagen related revenue. Revenue related to TrueScience® Liquid Collagen was approximately $0.6 million for the three months ended September 30, 2024 compared to $1.1 million in the prior year period.

Globally, our sales and marketing efforts continue to be directed toward strengthening our core business through our fiscal year initiatives and building our worldwide sales. In October 2023, we relaunched our TrueScience® Skin Care line with entirely new branding premium packaging, and improved formulas. Rebranded as the TrueScience® Activated Skin Care Collection, this line includes TrueClean Refining Cleanser, TrueRenew Daily Firming Complex, TrueLift Illuminating Eye Cream, and TrueHydrate Brightening Moisturizer. This was a global launch in all markets. In the United States, we also launched TrueScience® TrueProtect Daily Mineral Sunstick, a broad-spectrum, 30 SPF mineral sunscreen that addresses the appearance of sun-induced hyperpigmentation and wrinkles as it protects against future damage. In October 2024, we launched our MindBody GLP-1 System™ in the United States. This is a dual-product solution designed to balance hunger hormones, build healthier habits, and help individuals reach and maintain their ideal weight. We will continue the refinement and expansion of our product offerings internationally during fiscal year 2025 and beyond. We expect this expansion will continue to drive revenue growth globally through increased average order size and increased ability to attract and retain new independent consultants and customers with a compelling product lineup.

Cost of Sales. Cost of sales were $9.5 million and $10.2 million for the three months ended September 30, 2024 and 2023, respectively, resulting in gross profit percentages of 79.9% and 80.2%, respectively. The increase in cost of sales as a percentage of revenue is primarily due to a shift in product mix, changes in raw material and manufacturing related costs, shipping to customer expenses, and warehouse fulfillment expenses during the three months ended September 30, 2024.

Commissions and Incentives. Commissions and incentives expenses during the three months ended September 30, 2024 were $20.3 million, or 43.0%, of revenue as compared to $22.5 million, or 43.8%, of revenue for the three months ended September 30, 2023. The decrease in commissions and incentives expenses as a percentage of revenue compared to the prior year period is due to changes in sales mix and the timing and magnitude of our various promotional and incentive programs.

Commissions and incentives expenses, as a percentage of revenue, may fluctuate in future periods based on our ability to hold incentive trips and events and the timing and magnitude of compensation, incentive and promotional programs.

Selling, General and Administrative. Selling, general and administrative expenses during the three months ended September 30, 2024 were $14.8 million, or 31.4%, of revenue as compared to $18.0 million, or 35.0%, of revenue for the three months ended September 30, 2023. The decrease in selling, general and administrative expenses as a percentage of revenue during the three months ended September 30, 2024 compared to the prior year period is primarily due to decreased proxy contest related expenses and the termination of our endorsement agreement with Real Salt Lake in December 2023.

Total Other Income. During the three months ended September 30, 2024 we recognized total net other income of $8,000 as compared to $0.1 million for the three months ended September 30, 2023. Total net other income for the three months ended September 30, 2024 and 2023 consisted primarily of interest income, offset by foreign currency gains and losses.

Income Tax Expense. We recognized income tax expense of $0.8 million for the three months ended September 30, 2024, as compared to $0.2 million for the three months ended September 30, 2023. The effective tax rate for the three months ended September 30, 2024 was 29.2% compared to 24.1% for the three months ended September 30, 2023.

The change in the effective tax rate for the three months ended September 30, 2024 compared to the prior year period was primarily due to changes in taxable income and the impact of discrete items.

We expect that our effective tax rate will fluctuate slightly during the remainder of fiscal 2025 as the impact of discrete items and other permanent differences are recognized during the year; however, our tax rate can be impacted by various book to tax differences and fluctuations in our stock price that occur during the year which are difficult to forecast.

Liquidity and Capital Resources

Liquidity

Our primary liquidity and capital resource requirements are to finance the cost of our planned operating expenses and working capital (principally inventory purchases), fund capital expenditures, and service our debt, which includes any outstanding balances under our credit facility. We have generally relied on cash flow from operations to fund operating activities and we have, at times, incurred long-term debt in order to fund stock repurchases and strategic transactions.

As of September 30, 2024, our available liquidity was $14.6 million, which consisted of available cash and cash equivalents. This represents a decrease of $2.3 million from the $16.9 million in cash and cash equivalents as of June 30, 2024.

During the three months ended September 30, 2024, our net cash used by operating activities was $0.6 million as compared to net cash provided by operating activities of $4.8 million during the three months ended September 30, 2023.

During the three months ended September 30, 2024, our net cash used in investing activities was $0.3 million, as a result of the purchase of fixed assets. During the three months ended September 30, 2023, our net cash used in investing activities was $1.1 million, as a result of the purchase of fixed assets.

Cash used in financing activities during the three months ended September 30, 2024 was $1.8 million as a result of our payment of cash dividends, repurchases of common stock, and shares purchased as payment of tax withholding upon vesting of equity awards, partially offset by proceeds from stock issued under our employee stock purchase plan. Cash used in financing activities during the three months ended September 30, 2023 was $6.7 million as a result of our payment of cash dividends, which consisted of a special one-time dividend, the repurchase of common stock, and shares purchased as payment of tax withholding upon vesting of equity awards, partially offset by proceeds from stock issued under our employee stock purchase plan and stock option exercises.

At September 30, 2024 and June 30, 2024, the total amount of our foreign subsidiary cash was $7.2 million and $7.3 million, respectively. The federal tax reform legislation that was passed into law during December 2017 enacted a 100% dividend deduction for greater than 10% owned foreign corporations. Therefore, in the future, if needed, we expect to be able to repatriate cash from foreign subsidiaries without paying additional U.S. taxes.

At September 30, 2024, we had working capital (current assets minus current liabilities) of $16.7 million, compared to working capital of $15.3 million at June 30, 2024. We believe that our cash and cash equivalents balances and our ongoing cash flow from operations will be sufficient to satisfy our cash requirements for at least the next 12 months. The majority of our historical expenses have been variable in nature and as such, a potential reduction in the level of revenue would reduce our cash flow needs. In the event that our current cash balances and future cash flow from operations are not sufficient to meet our obligations or strategic needs, we would consider raising additional funds, which may not be available on terms that are acceptable to us, or at all. Our 2024 Credit Facility (as defined below), provides for a revolving line of credit in an aggregate principal amount not to exceed $5.0 million. We would also consider realigning our strategic plans including a reduction in capital spending and expenses.

Capital Resources

Shelf Registration Statement

On March 31, 2023, we filed a shelf registration statement on Form S-3 (the "2023 Shelf Registration") with the Securities and Exchange Commission ("SEC") that was declared effective on April 6, 2023, which permits us to offer up to $75 million of common stock, preferred stock, debt securities and warrants in one or more offerings and in any combination, including in units from time to time. Our 2023 Shelf Registration is intended to provide us with additional flexibility to access capital markets for general corporate purposes, which may include, among other purposes, working capital, capital expenditures, other corporate expenses and acquisitions of assets, licenses, products, technologies or businesses.

2024 Credit Facility

On April 12, 2024, we entered into a Loan Agreement (the "Loan Agreement") with Bank of America, N.A., as Lender (the "Lender"). In connection with the Loan Agreement and on the same date, we, Lifeline Nutraceuticals Corporation, as Guarantor (the "Guarantor"), and the Lender also entered into a Continuing and Unconditional Guaranty (the "Continuing and Unconditional Guaranty") and a Security and Pledge Agreement (the "Security and Pledge Agreement"). The Loan Agreement provides for a revolving line of credit in an aggregate principal amount not to exceed $5.0 million (the "Line of Credit" and collectively with the Loan Agreement, the Continuing and Unconditional Guaranty and the Security and Pledge Agreement, the "2024 Credit Facility").

In the event we borrow under the Line of Credit, interest will be payable commencing on the last day of each month following such borrowing until payment in full of all principal outstanding under the Line of Credit, with all unpaid principal and interest due on April 12, 2027 (the "Expiration Date"). The Line of Credit will bear interest at a rate per year equal to the sum of (i) the greater of the Term Secured Overnight Financing Rate Daily Floating Rate (as defined in the Loan Agreement) or 0.00%, plus (ii) 2.00%. Amounts under the Line of Credit may be repaid and re-borrowed from time to time until the Expiration Date.

Our obligations under the Loan Agreement are secured by a security interest in substantially all of the assets of the Company and the Guarantor, as further provided for in the Security and Pledge Agreement. Pursuant to the Continuing and Unconditional Guaranty, the Guarantor guarantees and promises to pay promptly to the Lender all indebtedness of the Company when due.

The Loan Agreement contains customary covenants, including affirmative and negative covenants that in certain circumstances restrict our ability to incur additional indebtedness, make certain investments, purchase or otherwise acquire all or substantially all the assets or equity interests of other companies, or transfer any part of the business or any assets of the Company or the Guarantor. The Loan Agreement requires us to maintain specified financial ratios and satisfy certain financial condition tests.

The Loan Agreement contains certain customary events of default, including, among other things, our failure to make required payments under the Loan Agreement, certain breaches of representations made by us or the Guarantor, insolvency or bankruptcy of the Company or the Guarantor, failure to have an enforceable first lien or security interest in any property given as security for the Loan Agreement, or our failure to comply with covenants set forth in the Loan Agreement. If an event of default occurs under the Loan Agreement, the obligation of the Lender to make any additional credit available to us may be terminated and the amounts outstanding may become immediately due and payable in the discretion of the Lender, provided that in the event of insolvency or bankruptcy of the Company or the Guarantor, all debts outstanding under the Loan Agreement will automatically become due and payable. Upon the occurrence of any default or after maturity, all amounts outstanding under the Loan Agreement will at the option of the Lender bear interest at a rate which is 2.00% higher than the rate of interest otherwise provided under the Loan Agreement.

As of the date of this report, we have not borrowed under the 2024 Credit Facility.

Commitments and Obligations

Please refer to Note 7 to the condensed consolidated financial statements contained in this report for information regarding our contingent liabilities.

Critical Accounting Policies and Estimates

We prepare our financial statements in conformity with accounting principles generally accepted in the United States of America. As such, we are required to make certain estimates, judgments, and assumptions that we believe are reasonable based upon the information available. These estimates and assumptions affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the periods presented. Actual results could differ from these estimates. Our significant accounting policies are described in Note 2 to our consolidated financial statements. Certain of these significant accounting policies require us to make difficult, subjective, or complex judgments or estimates. We consider an accounting estimate to be critical if (1) the accounting estimate requires us to make assumptions about matters that were highly uncertain at the time the accounting estimate was made and (2) changes in the estimate that are reasonably likely to occur from period to period, or use of different estimates that we reasonably could have used in the current period, would have a material impact on our financial condition or results of operations.

There are other items within our financial statements that require estimation but are not deemed critical as defined above. Changes in estimates used in these and other items could have a material impact on our financial statements. Management has discussed the development and selection of these critical accounting estimates with our Board of Directors, and our audit committee has reviewed the disclosures noted below.

Inventory Valuation

We value our inventory at the lower of cost or net realizable value on a first-in first-out basis. Accordingly, we reduce our inventories for the diminution of value resulting from product obsolescence, damage or other issues affecting marketability equal to the difference between the cost of the inventory and its net realizable value. Factors utilized in the determination of net realizable value include: (i) current sales data and historical return rates, (ii) estimates of future demand, (iii) competitive pricing pressures, (iv) new production introductions, (v) product expiration dates, and (vi) component and packaging obsolescence.

Stock-Based Compensation

We use the fair value approach to account for stock-based compensation in accordance with current accounting guidance. We recognize compensation costs for awards with performance conditions when we conclude it is probable that the performance conditions will be achieved. We reassess the probability of vesting at each balance sheet date and adjust compensation costs based on our probability assessment.

Historically, our estimates and underlying assumptions have not materially deviated from our actual reported results and rates. However, we base the assumptions we use on our best estimates, which involves inherent uncertainties based on market conditions that are outside of our control. If actual results are not consistent with the assumptions we use, the stock-based compensation expense reported in our consolidated financial statements may not be representative of the actual economic cost of stock-based compensation. For example, if actual employee forfeitures significantly differ from our estimated forfeitures, we may be required to adjust our consolidated financial statements in future periods.

Income Taxes

The provision for income taxes includes income from U.S. and foreign subsidiaries taxed at statutory rates, the accrual or release of amounts for tax uncertainties, and U.S. tax impacts of foreign income in the U.S.

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the carrying amounts of assets and liabilities on the financial statements and their respective tax bases. Deferred tax assets also are recognized for net operating losses and credit carryforwards. Deferred tax assets and liabilities are measured using the enacted rates applicable to taxable income in the years in which the temporary differences are expected to reverse and the credits are expected to be used. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. An assessment is made as to whether or not a valuation allowance is required to offset deferred tax assets. This assessment requires estimates as to future operating results, as well as an evaluation of the effectiveness of our tax planning strategies. These estimates are made on an ongoing basis based upon our business plans and growth strategies in each market and consequently, future material changes in the valuation allowance are possible. The valuation allowance reduces the deferred tax assets to an amount that management determined is more-likely-than-not to be realized.

We operate in and file income tax returns in the U.S. and numerous foreign jurisdictions with complex tax laws and regulations, which are subject to examination by tax authorities. The complexity of our global structure requires specialized knowledge and judgment in determining the application of tax laws in various jurisdictions. Years open to examination contain matters that could be subject to differing interpretations of applicable tax laws and regulations related to the amount and/or timing of income, deductions, and tax credits. We account for uncertain tax positions in accordance with Accounting Standards Codification 740, Income Taxes. This guidance prescribes a minimum probability threshold that a tax position must meet before a financial statement benefit is recognized. The minimum threshold is defined as a tax position that is more likely than not to be sustained upon examination by the applicable taxing authority, including resolution of any related appeals or litigation processes, based on the technical merits of the position. The tax benefit to be recognized is measured as the largest amount of benefit that is greater than 50 percent likely of being realized upon ultimate settlement.

Interest and penalties related to tax contingency or settlement items are recorded as a component of the provision for income taxes in our Consolidated Statements of Operations and Comprehensive Income. We record accruals for tax contingencies as a component of accrued liabilities or other long-term liabilities on our Consolidated Balance Sheet.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

This item is not required for smaller reporting companies.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

We maintain disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act of 1934, as amended) that are designed to ensure that the information required to be disclosed in the reports we file or submit under the Exchange Act of 1934, as amended, is (a) recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC and (b) accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. As of the end of the period covered by this quarterly report on Form 10-Q, we carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness and design and operation of such disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act of 1934, as amended. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were designed and operating effectively as of September 30, 2024.

Changes in Internal Control over Financial Reporting

An evaluation required by paragraph (d) of Rules 13a-15 and 15d-15 of the Exchange Act of 1934, as amended, was also performed under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of any change in our internal control over financial reporting that occurred during our last fiscal quarter. That evaluation did not identify any changes in our internal control over financial reporting during the three months ended September 30, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitations of Internal Control Over Financial Reporting

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

PART II. Other Information

Item 1. Legal Proceedings

See Note 7 to our unaudited condensed consolidated financial statements contained within this quarterly report on Form 10-Q for a discussion of our legal proceedings.

Item 1A. Risk Factors

In addition to the other information set forth in this report, you should carefully consider the risk factors discussed in “Part I. Item 1A — Risk Factors” in our annual report on Form 10-K for the fiscal year ended June 30, 2024, filed on August 28, 2024. The risks and uncertainties described in such risk factors and elsewhere in this report have the potential to materially affect our business, financial condition, results of operations, cash flows, projected results and future prospects. We do not believe that there have been any material changes to the risk factors previously disclosed in our recent SEC filings, including our most recently filed Form 10-K, as referenced above.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The following table provides information with respect to all purchases of our common stock made by or on behalf of the Company or any “affiliated purchaser,” as defined in Rule 10b-18 under the Exchange Act, during the three months ended

September 30, 2024. All purchases listed below were made in the open market at prevailing market prices.

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs[(1)]	Maximum Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs[(1)]
July 1 - July 31	37,396	$ 7.04	37,396	$ 20,158,126
August 1 - August 31	54,180	$ 8.17	54,180	$ 19,715,233
September 1 - September 30	48,304	$ 8.44	48,304	$ 19,307,478
Total	139,880		139,880	

1. On November 27, 2017, our Board of Directors approved a stock repurchase program, as amended on February 1, 2019, August 27, 2020, February 17, 2022, and June 12, 2023. Under the program, we are authorized to repurchase up to $60.0 million of our outstanding shares through December 31, 2026. The repurchase program permits us to purchase shares from time to time through a variety of methods, including in the open market, through privately negotiated transactions or other means as determined by our management, in accordance with applicable securities laws. As part of the repurchase program, we have authorized a pre-arranged stock repurchase plan which operates in accordance with guidelines specified under Rule 10b5-1 of the Securities Exchange Act of 1934, as amended. Accordingly, any transactions under such stock repurchase plan will be completed in accordance with the terms of the plan, including specified price, volume and timing conditions. The authorization may be suspended or discontinued at any time.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

During the three months ended September 30, 2024, none of the Company’s directors or officers (as defined in Rule 16a-1(f) of the Exchange Act) informed the Company of adoption, modification or termination of a “Rule 10b5-1 trading arrangement” or non-Rule 10b5-1 trading arrangement,” as defined in Item 408 of Regulation S-K.

Item 6. Exhibits

Exhibit No.	Document Description	Filed Herewith or Incorporate by Reference From
3.1	Certificate of Incorporation, as filed with the Delaware Secretary of State on March 9, 2018	Exhibit 3.1 to the Current Report on Form 8-K filed with the SEC on March 13, 2018.
3.2	Amended and Restated Bylaws, dates as of August 9, 2019	Exhibit 3.1 to the Current Report on Form 8-K filed with the SEC on August 15, 2019.
3.3	Certificate of Designation of Series A Junior Participating Preferred Stock of Registrant	Exhibit 3.1 to the Current Report on Form 8-K filed with the SEC on August 31, 2023.
31.1	Certification of principal executive officer pursuant to Rule 13a-14(a)/15d-14(a)	Filed herewith.
31.2	Certification of principal financial officer pursuant to Rule 13a-14(a)/15d-14(a)	Filed herewith.
32.1*	Certification of principal executive officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Furnished herewith.
32.2*	Certification of principal financial officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Furnished herewith.
101	The following financial information from the Company's quarterly report on Form 10-Q for the quarter ended September 30, 2024 formatted in Inline XBRL (extensible Business Reporting Language): (i) Unaudited Condensed Consolidated Balance Sheets at September 30, 2024 and June 30, 2024; (ii) Unaudited Condensed Consolidated Statements of Operations and Other Comprehensive Income for the three months ended September 30, 2024 and 2023; (iii) Unaudited Condensed Consolidated Statement of Stockholders' Equity for the three months ended September 30, 2024 and 2023; (iv) Unaudited Condensed Consolidated Statements of Cash Flows for the three months ended September 30, 2024 and 2023; and (v) Notes to Unaudited Condensed Consolidated Financial Statements, tagged as blocks of text.	Filed herewith.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101	Filed herewith

* This certification is being furnished solely to accompany this report pursuant to 18 U.S.C. 1350, and is not being filed for purposes of Section 18 of the Exchange Act and is not to be incorporated by reference into any filing of the registrant, whether made before or after the date hereof, regardless of any general incorporation language in such filing

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 thereunto duly authorized.

		LIFEVANTAGE CORPORATION
Date:	October 29, 2024	/s/ Steven R. Fife
		Steven R. Fife President and Chief Executive Officer (Principal Executive Officer)
Date:	October 29, 2024	/s/ Carl A. Aure
		Carl A. Aure Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER

I, Steven R. Fife, certify that:

1. I have reviewed this quarterly report on Form 10-Q of LifeVantage Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Steven R. Fife

Steven R. Fife
President and Chief Executive Officer
(Principal Executive Officer)

Date: October 29, 2024

Exhibit 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER

I, Carl A. Aure, certify that:

1. I have reviewed this quarterly report on Form 10-Q of LifeVantage Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Carl A. Aure

Carl A. Aure
Chief Financial Officer
(Principal Financial Officer)

Date: October 29, 2024

Exhibit 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the filing of this quarterly report on Form 10-Q of LifeVantage Corporation (the "Company") for the period ended September 30, 2024, with the Securities and Exchange Commission on the date hereof (the "report"), I, Steven R. Fife, Principal Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1) The report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2) The information contained in the report fairly presents, in all material respects, the financial condition and results of operations of the Company.

The foregoing certification is being furnished solely pursuant to 18 U.S.C. § 1350 and is not being filed as part of the report or as a separate disclosure document.

	/s/ Steven R. Fife
	Steven R. Fife
	President and Chief Executive Officer
Date: October 29, 2024	(Principal Executive Officer)

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the filing of this quarterly report on Form 10-Q of LifeVantage Corporation (the "Company") for the period ended September 30, 2024, with the Securities and Exchange Commission on the date hereof (the "report"), I, Carl A. Aure, Principal Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1) The report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2) The information contained in the report fairly presents, in all material respects, the financial condition and results of operations of the Company.

The foregoing certification is being furnished solely pursuant to 18 U.S.C. § 1350 and is not being filed as part of the report or as a separate disclosure document.

/s/ Carl A. Aure
Carl A. Aure
Chief Financial Officer
(Principal Financial Officer)

Date: October 29, 2024

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.