UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 4, 2019

LIFEVANTAGE CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	001-35647	90-0224471
(State or other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

9785 S. Monroe Street, Suite 400, Sandy, UT 84070

(Address of Principal Executive Offices and Zip Code)

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

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. o

Item 1.01. Entry into a Material Definitive Agreement.

On February 1, 2019, LifeVantage Corporation (the "Company") entered into a Second Loan Modification Agreement ("Amendment No. 2") with Zions Bancorporation, N.A., dba Zions First National Bank ("Zions Bank"), which modifies the Loan Agreement dated March 30, 2016, as amended, between Zions Bank and the Company ("Credit Facility"). The Second Modification provides, in part, for an increase to the revolving line of credit under the Credit Facility to $5,000,000 and decreases in the required minimum working capital and fixed charge coverage ratio covenants.

The foregoing description of the terms of Amendment No. 2 does not purport to be complete and is qualified in its entirety by reference to the full text of the Second Loan Modification Agreement, a copy of which is attached hereto as Exhibit 10.1. The description of the terms of the Credit Facility are incorporated by reference herein from the Current Report on Form 8-K filed with the Securities and Exchange Commission on April 4, 2016.

Item 2.02. Results of Operations and Financial Condition.

On February 4, 2019, the Company issued a press release announcing its financial results for the three and six months ended December 31, 2018. A copy of the Company's press release is attached as Exhibit 99.1 to this report and incorporated by reference.

The information furnished in this Item 2.02 and the exhibit hereto shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, regardless of any general incorporation language in such filing.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

To the extent required by Item 2.03 of Form 8-K, the information regarding Amendment No. 2 set forth under Item 1.01 of this Current Report on Form 8-K is incorporated by reference in this Item 2.03.

Item 8.01. Other Events.

On February 4, 2019, the Company issued a press release that included an announcement that its board of directors has approved an increase in the amount available under the Company's previously announced repurchase authorization, from a total of $5 million to a total of up to $15 million in shares of the Company's common stock. A copy of the press release is attached as Exhibit 99.1 to this report.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
10.1	Second Loan Modification Agreement dated February 1, 2019 by and between Zions Bank and the Company.
99.1	Press Release issued by the Company on February 4, 2019, announcing its financial results for the three and six months ended December 31, 2018 and an increase in the amount available for repurchase under the Company's previously announced stock repurchase authorization.

SIGNATURE

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

Date:	February 4, 2019	LIFEVANTAGE CORPORATION
		By: /s/ Steven R. Fife
		Name: Steven R. Fife
		Title: Chief Financial Officer

SECOND LOAN MODIFICATION AGREEMENT

This Second Loan Modification Agreement (the "Agreement") is entered into as of February 1, 2019 (the "Effective Date") by and between Zions Bancorporation, N.A., dba Zions First National Bank ("Lender"); LifeVantage Corporation, a Delaware corporation ("LifeVantage"), and Lifeline Nutraceuticals Corporation, a Colorado corporation (together with LifeVantage, the "Borrower").

A. Lender and Borrower entered into a Loan Agreement dated March 30, 2016, as amended (the "Loan Agreement"), pursuant to which Lender agreed to make a loan to Borrower (the "Loan"), evidenced by a Facility 1 Promissory Note (RLOC) and a Facility 2 Promissory Note (Term Loan) (together the "Promissory Notes"). The Promissory Notes are secured by the Collateral described in that certain Security Agreement dated as of March 30, 2016 (the "Security Agreement"). The Loan Agreement, Promissory Notes, Security Agreement and all other documents defined as Loan Documents in the Loan Agreement are hereinafter collectively referred to as the "Loan Documents."

B. Lender and Borrower now desire to modify the Loan Documents on the terms set forth below.

In exchange for good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, Borrower and Lender agree as follows:

1. <u>Amendment to Loan Agreement</u>. The Loan Agreement shall be amended as follows:

1.1 Section 1.9 shall be deleted in its entirety and replaced with the following:

1.9 "Debt" of any Person means, without duplication, (a) all indebtedness of such Person for borrowed money; (b) all obligations issued, undertaken or assumed by such Person as the deferred purchase price of property or services (other than (i) trade payables and current operating liabilities not for borrowed money, entered into in the ordinary course of business on ordinary terms that are not more than one hundred twenty (120) days past due, unless contested in good faith and by appropriate proceedings and (ii) any obligations of such Person under any of its existing employee bonus or deferred compensation plans); (c) all obligations of such Person evidenced by notes, bonds, debentures or similar instruments; (d) all indebtedness created or arising under any conditional sale or other title retention agreement, or incurred as financing, in either case with respect to property acquired by such Person (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property); (e) all obligations of such Person with respect to capital leases; (f) all guaranties of such Person of any indebtedness of another Person; (g) net mark-to market exposure of such Person under interest rate swap, cap, collar, foreign exchange, or similar hedging arrangements; and (h) the sale, with recourse, of any of such Person's accounts. Notwithstanding the foregoing, to the extent operating leases become capital obligations due to changes in GAAP accounting rules, such operating leases shall not constitute Debt as defined herein.

1.2 Section 1.17 shall be deleted in its entirety and replaced with the following:

1.17 "Facility 1 Loan Commitment" means the obligation of Lender to make a revolving loan in an amount not to exceed Five Million Dollars ($5,000,000), as such amount may be reduced in accordance with Section 2.9 hereof.

1.3 Section 6.3(a) shall be deleted in its entirety and replaced with the following:

6.3(a) <u>Fixed Charge Coverage Ratio.</u> Borrower shall maintain a Fixed Charge Coverage Ratio of not less than 1.10: l, to be measured quarterly on the last day of each Fiscal Quarter on a trailing twelve months basis.

1.4 Section 6.3(b) shall be deleted in its entirety and replaced with the following:

6.3(b) <u>Minimum Working Capital</u>. Borrower shall maintain a minimum working capital each Fiscal Quarter of not less than Six Million Dollars ($6,000,000), measured quarterly on the last day of each Fiscal Quarter. For purposes of this Section, working capital shall be defined as current assets minus current liabilities, in each case calculated on a consolidated basis for the Borrower and its Subsidiaries.

1.5 Section 6.4 shall be deleted in its entirety and replaced with the following:

6.4. <u>Limitations on Debt</u>. Borrower shall not create, incur, assume or allow to exist any additional Debt in excess of Seven Hundred Fifty Thousand Dollars ($750,000) without Lender's written consent, measured annual at Fiscal Year-end, except (a) Debt of the Borrower owing to any Subsidiary and of any Subsidiary owing to the Borrower or any other Subsidiary, (b) Debt to Lender or its Affiliates and (c) Debt under currency and foreign exchange hedging arrangements entered into in the ordinary course of business and not for speculative purposes.

2. <u>No Stock Repurchases on Margin</u>. Borrower shall not repurchase any stock on margin without Lender's prior written consent.

3. <u>Non-Use Fee</u>. Borrower shall pay to Lender a non-use fee in an amount equal to 0.35% of the unused portion of the revolving loan, calculated on the average unused daily balance of the revolving loan for each calendar quarter or portion thereof based on a 360-day year and actual days elapsed. For purposes of calculating the unused portion of the revolving loan, outstanding letters of credit issued

hereunder shall be considered usage of the Loan. Such fee shall be payable quarterly, in arrears, and shall be due upon receipt by Borrower of a statement therefore from lender.

4. Amended and Restated Promissory Note. Borrower shall deliver to Lender the Amended and Restated Facility 1 Promissory Note (RLOC) in the form attached hereto and made part hereof as Exhibit "A".

5. Amendment to Loan Documents. To the extent not otherwise provided in this Agreement, the Loan Documents are hereby amended to be consistent with all of the terms and conditions of this Agreement

6. Conditions to Loan Modification. This Agreement shall become effective from and after the satisfaction of each of the following conditions to Lender's satisfaction:

6.1 Borrower shall have paid to Lender a loan modification fee in the amount of $10,000; and

6.2 Borrower shall have executed and delivered such documents as Lender shall reasonably request.

7. No Offsets, Defenses and Releases. The undersigned hereby (i) represents that neither the undersigned nor any affiliate or principal of the undersigned has any defenses to or setoffs against any Indebtedness or other obligations owing by the undersigned, or by the undersigned's affiliates or principals, to Lender or Lender's affiliates (the "Obligations"), nor any claims against Lender or Lender's affiliates for any matter whatsoever, related to the Obligations, and (ii) releases Lender and Lender's affiliates, officers, directors, employees and agents from all claims, causes of action, and costs, in law or equity, known or unknown, whether or not matured or contingent, existing as of the date hereof that the undersigned has or may have by reason of any matter of any conceivable kind or character whatsoever, related to the Obligations, including the subject matter of this Agreement. The foregoing release does not apply, however, to claims for future performance of express contractual obligations that mature after the date hereof that are owing to the undersigned by Lender or Lender's affiliates. As used in this paragraph, the word "undersigned" does not include Lender or any individual signing on behalf of Lender. The undersigned acknowledges that Lender has been induced to enter into or continue the Obligations by, among other things, the waivers and releases in this paragraph.

8. Conflicts. In the event of any conflict between the provisions of this Agreement and the provisions of the Loan Documents, the provisions of this Agreement shall control. Except as expressly amended or modified by this Agreement, the Loan Documents remain in full force and effect.

9. Further Assurances and Documentation. Borrower hereby agrees to execute such further and additional documents and instruments as Lender may reasonably require that give full effect to this Agreement and comply with all other conditions Lender imposes.

10. Final Expression, Modification, Assignment. This Agreement is the final expression of the understanding of the parties concerning the subject matter of this Agreement and may not be altered or amended except with the written consent of the parties and may not be contradicted by evidence of any alleged prior or contemporaneous oral agreement. Borrower shall not assign any of their rights or delegate any of its obligations under this Agreement or under the Loan Documents without Lender's written consent.

11. Enforcement. The failure of Lender to promptly enforce any right hereunder shall not operate as a waiver of such right or any other right. Any waiver by Lender must be in writing.

12. Survival. All agreements, representations, warranties, and covenants made herein by Borrower shall survive the execution and delivery of this Agreement and shall continue in effect so long as the Promissory Note or any portion thereof is outstanding and unpaid, notwithstanding any termination or substitution of this Agreement.

13. Successors and Assigns. All agreements, representations, warranties, and covenants in this Agreement shall bind each party making the same and their successors, assigns, heirs, and beneficiaries, and shall inure to the benefit of and be enforceable by each party for whom made and their respective successors and assigns.

14. Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall be ineffective to the extent of such prohibition or unenforceability in such jurisdiction only and shall not invalidate or render unenforceable any other provision of this Agreement.

15. Costs and Expenses. Lender shall be entitled to its costs and expenses, including reasonable attorney's fees, incurred in taking any action to enforce any term or condition of this Agreement.

16. Governing Law and Venue. This Agreement will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Utah without regard to its conflicts of law provisions.

17. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original for all purposes, but all of which taken together shall constitute only one agreement. The production of any executed counterpart of this Agreement shall be sufficient for all purposes without producing or accounting for any other counterpart. Copies of this Agreement, and fax signatures thereon, shall have the same force, effect and legal status as an original.

18. Document Imaging. Lender shall be entitled, in its sole discretion, to image or make copies of all or any selection of the agreements, instruments, documents, and items and records governing, arising from or relating to any of the Loan Documents, including, without limitation, this document and the Loan Documents, and Lender may destroy or archive the paper originals. The parties hereto (i) waive any right to insist or require that Lender produce paper originals, (ii) agree that such images shall be accorded the same force and effect as the paper originals, (iii) agree that Lender is entitled to use such images in lieu of destroyed or archived originals for any purpose, including as admissible evidence in any demand, presentment or other proceedings, and (iv) further agree that any executed facsimile (faxed), scanned, or other imaged copy of this document or any Related Document shall be deemed to be of the same force and effect as the original manually executed document.

19. Legal Capacity and Authority. The parties warrant to each other that they have the legal capacity to enter into this Agreement and perform the obligations it creates; and the individuals signing below have the requisite legal authority to execute this Agreement on their behalf.

[Signature Page Follows]

Dated as of the Effective Date.

LENDER:
Zions Bancorporation, N.A. dba Zions First National Bank

By:__________________________________
Its:__________________________________

BORROWER:
LifeVantage Corporation, a Delaware corporation

By:__________________________________
Its: CFO

Lifeline Nutraceuticals Corporation, a Colorado corporation

By:__________________________________
Its: President & CEO

EXHIBIT "A"
Amended and Restated Promissory Note

AMENDED AND RESTATED FACILITY 1 PROMISSORY NOTE
(RLOC)

February 1, 2019
(the "Effective Date")

Borrower: LifeVantage Corporation, a Delaware corporation
Lifeline Nutraceuticals Corporation, a Colorado corporation

Lender: Zions Bancorporation, N.A. dba Zions First National Bank

Amount: $5,000,000

Maturity: March 30, 2021

For value received, Borrower promises to pay to the Lender, at the address for Lender shown in the Loan Agreement, as defined below, the sum of Five Million Dollars ($5,000,000) or such other principal balance as may be outstanding under the Facility 1 Loan pursuant to the Loan Agreement in lawful money of the United States with interest thereon calculated and payable as provided in the Loan Agreement.

Terms used in the singular shall have the same meaning when used in the plural and vice versa. Terms not otherwise defined herein shall have the meanings assigned to such terms in the Loan Agreement. For purposes hereof, "Loan Agreement" means the Loan Agreement dated of even date herewith among Zions First National Bank and Borrower together with any exhibits, amendments, addenda, and modifications thereto.

Notwithstanding anything to the contrary, upon and during the continuance of an Event of Default, all outstanding principal hereon shall bear interest at a default rate, both before and after judgment, equal to two percent (2%) per annum above the rates otherwise applicable to the Facility I Loan set forth in the Loan Agreement, which default interest shall be due and payable upon demand.

This promissory note is made in accordance with the Loan Agreement and is secured by the Collateral. All disbursements under this promissory note shall be made in accordance with the Loan Agreement.

If any Event of Default occurs, time being the essence hereof, then the entire unpaid balance, with interest as aforesaid, shall, at the election of the holder hereof and without notice of such election, become immediately due and payable in full.

If this promissory note becomes in default or payment is accelerated, of if any Event of Default occurs, Borrower agrees to pay to the holder hereof all collection costs, including reasonable attorney fees and legal expenses, in addition to all other sums due hereunder.

This promissory note shall be governed by and construed in accordance with the laws of the State of Utah.

Borrower acknowledges that by execution and delivery of this promissory note Borrower has transacted business in the State of Utah and Borrower voluntarily submits to, consents to, and waives any defense to the jurisdiction of courts located in the State of Utah as to all matters relating to or arising from this promissory note. EXCEPT AS EXPRESSLY AGREED IN WRITING BY LENDER AND EXCEPT AS PROVIDED IN THE ARBITRATION PROVISIONS IN THE LOAN AGREEMENT, THE STATE AND FEDERAL COURTS LOCATED IN THE STATE OF UTAH SHALL HAVE SOLE AND EXCLUSIVE JURISDICTION OF ANY AND ALL CLAIMS, DISPUTES, AND CONTROVERSIES, ARISING OR RELATING TO THIS PROMISSORY NOTE. NO LAWSUIT, PROCEEDING, OR ANY OTHER ACTION RELATING TO OR ARISING THIS PROMISSORY NOTE MAY BE COMMENCED OR PROSECUTED IN ANY OTHER FORUM EXCEPT AS EXPRESSLY AGREED IN WRITING BY LENDER.

All obligations of Borrower under this promissory note shall be joint and several.

Borrower and all endorsers, sureties and guarantors hereof hereby jointly and severally waive presentment for payment, demand, protest, notice of protest, notice of protest and of nonpayment and of dishonor, and consent to extensions of time, renewal, waivers or modifications without notice and further consent to the release of any collateral or any part thereof with or without substitution.

This Amended and Restated Facility 1 Promissory Note amends and restates that certain note dated March 30, 2016 between Borrower and Lender.

BORROWER:
LifeVantage Corporation, a Delaware corporation

By:_________________________________
Its: CFO

Lifeline Nutraceuticals Corporation, a Colorado corporation

By:_________________________________
Its: President & CEO

LifeVantage Announces Financial Results for the Second Quarter of Fiscal 2019

Reports Highest Quarterly Revenue in Company History

Second Quarter Revenue of $58.2 Million Increased 17.6% YOY

Active Members Increased 8.2% YOY

Raising Fiscal 2019 Revenue Guidance

Board of Directors Increases Shares Repurchase Authorization to $15 Million

Salt Lake City, UT, February 4, 2019, LifeVantage Corporation (Nasdaq: LFVN) today reported financial results for its second quarter ended December 31, 2018.

Second Quarter Fiscal 2019 Summary:

- Revenue increased 17.6% to $58.2 million year over year and 4.6% sequentially;
- Revenue in the Americas increased 15.0% year over year and 3.3% sequentially. Revenue in Asia/Pacific & Europe increased 25.0% year over year and 8.2% sequentially;
- Active members increased 8.2%, including independent distributor growth of 6.5% and active customer growth of 9.3% year over year;
- Adjusted EBITDA was $3.3 million compared to $3.7 million in the prior year period;
- Earnings per diluted share were $0.06, up from $0.02 in the prior year period;
- Adjusted earnings per diluted share were $0.13, up from $0.11 in the prior year period; and
- Raising fiscal 2019 revenue guidance to a range of $222 million to $232 million, while adjusting fiscal 2019 diluted earnings per shares guidance to a range of $0.46 to $0.52 to reflect share price impact on non-cash stock-based compensation expense.

* All year over year growth rates compare the second quarter of fiscal 2019 to the second quarter of fiscal 2018. All sequential growth rates compare the second quarter of fiscal 2019 to the first quarter of fiscal 2019.

"We are very pleased with our record quarterly revenue generated during the second quarter, reflecting growth across nearly all of our markets and the positive impact of our product, geographical and member growth strategies. Given the strong sales trends through the first half of the year and our enhanced sales trajectory, we are increasing our fiscal 2019 revenue guidance," stated LifeVantage President and Chief Executive Officer Darren Jensen. "The launch of Taiwan at the beginning of fiscal 2019 has enhanced our Greater China region and was a key contributor to our distributor growth during the second quarter. We are on track for additional geographic expansions in Europe later this year, where our customer program across several markets is seeding the launch of our business opportunity. Additionally, we plan to continue to innovate and enhance our product portfolio. The True Science hair care launch at our Global Convention during the second quarter was highly successful and we are now broadening the markets where hair care is available. At our upcoming Elite Academy in Charleston, SC, we will introduce enhancements to our PhysIQ™ Weight Management System. This system has been updated to reflect the evolving demand of biohackers and to keep us at the forefront of smart weight management."

Second Quarter Fiscal 2019 Results

For the second fiscal quarter ended December 31, 2018, the Company reported revenue of $58.2 million, an increase of 17.6% as compared to $49.5 million in the second quarter of fiscal 2018. Revenue in the Americas for the second quarter increased 15.0% compared to the second quarter of fiscal 2018 and revenue in the Asia/Pacific & Europe region increased 25.0% compared to the second quarter of fiscal 2018. Revenue for the second quarter of fiscal 2019 was negatively impacted $0.3 million, or 0.6%, by foreign currency fluctuations associated with revenue generated in several international markets when compared to the second quarter of fiscal 2018.

Gross profit for the second quarter of fiscal 2019 was $48.4 million, or 83.2% of revenue, compared to $40.4 million, or 81.6% of revenue, for the same period in fiscal 2018. The increase in gross margin reflected the benefits of a price increase during the second half of fiscal 2018 and changes to product and market mix.

Commissions and incentives expense for the second quarter of fiscal 2019 was $28.2 million, or 48.4% of revenue, compared to $23.4 million, or 47.3% of revenue, for the same period in fiscal 2018. The year over year increase is due to the success of the Company's Red Carpet program and Pace Setter promotions, incentive events held during the second quarter, and typical variations that occur based on revenue mix each period.

Selling, general and administrative expense (SG&A) for the second quarter of fiscal 2019 was $19.6 million, or 33.7% of revenue, compared to $14.6 million, or 29.6% of revenue, for the same period in fiscal 2018. Adjusted for class-action action lawsuit expense of $0.4 million and nonrecurring legal and accounting expenses of $0.2 million, adjusted non-GAAP SG&A expenses for the second quarter of fiscal 2019 were $19.1 million or 32.8% of revenue. Adjusted for executive severance, recruiting and transition expenses of $0.2 million and class-action lawsuit expense of $20,000, adjusted non-GAAP SG&A expenses for the second quarter of fiscal 2018 were $14.5 million or 29.2% of revenue. The $4.6 million year over year increase in non-GAAP SG&A primarily reflects additional event expenses during the second quarter of fiscal 2019 due to the timing of the Company’s Global Convention, an increase in employee incentive compensation expenses and increased staffing levels that occurred in the second half of fiscal 2018.

Operating income for the second quarter of fiscal 2019 was $0.6 million, compared to $2.3 million for the second quarter of fiscal 2018. Accounting for non-GAAP adjustments noted previously, adjusted non-GAAP operating income for the second quarter of fiscal 2019 was $1.1 million compared to $2.5 million for the second quarter of fiscal 2018.

Adjusted EBITDA was $3.3 million for the second quarter of fiscal 2019, compared to $3.7 million for the comparable period in fiscal 2018.

Net income for the second quarter of fiscal 2019 was $0.8 million, or $0.06 per diluted share. This compares to net income for the second quarter of fiscal 2018 of $0.3 million, or $0.02 per diluted share. Accounting for the non-GAAP adjustments noted previously, and tax benefits of these adjustments of $0.5 million, adjusted non-GAAP net income for the second quarter of fiscal 2019 was $1.9 million, or $0.13 per diluted share, compared to adjusted non-GAAP net income of $1.6 million, or $0.11 per diluted share, for the comparable period of fiscal 2018. Non-GAAP adjustments to net income during the second quarter of fiscal 2018 included the SG&A expenses noted previously, net of $0.1 million of income tax expense associated with the adjustments and $1.2 million of one-time, non-cash tax expense associated with the re-valuation of deferred tax assets to the new federal corporate tax rate.

Fiscal 2019 First Six Months Results

For the first six months of fiscal 2019, the Company reported net revenue of $113.8 million, an increase of 15.4% compared to $98.6 million for the first six months of fiscal 2018. In the first six months of fiscal 2019, revenue in the Americas increased 14.3% and revenue in Asia/Pacific & Europe increased 18.5%. Revenue for the first six months of fiscal 2019 was negatively impacted $0.6 million, or 0.6%, by foreign currency fluctuations associated with revenue generated in several international markets.

Gross profit for the first six months of fiscal 2019 was $94.8 million, or 83.3% of revenue, compared to $80.8 million, or 81.9% of revenue, for the first six months of fiscal 2018.

Commissions and incentives expense for the first six months of fiscal 2019 was $56.0 million, or 49.2% of revenue, compared to $46.8 million, or 47.5% of revenue, for the first six months of fiscal 2018.

SG&A for the first six months of fiscal 2019 was $36.9 million, or 32.4% of revenue, compared to $30.2 million, or 30.7% of revenue, for the first six months of fiscal 2018. Adjusted for nonrecurring legal and accounting expenses $0.4 million and class-action lawsuit expense of $0.4 million, partially offset by a benefit associated with executive severance of $0.1 million, adjusted non-GAAP SG&A expenses for the first six months of fiscal 2019 were $36.2 million or 31.8% of revenue. Adjusted for class-action lawsuit expenses of $0.2 million, executive team recruiting and transition expenses of $0.2 million and other nonrecurring legal and accounting expenses of $0.1 million, adjusted non-GAAP SG&A expenses for the first six months of fiscal 2018 were $29.8 million or 30.2% of revenue. The $6.5 million year over year increase in non-GAAP SG&A primarily reflects additional event expenses during the first six months of fiscal 2019 due to the volume and timing of events, an increase in employee incentive compensation expenses and increased staffing levels that occurred in the second half of fiscal 2018.

Operating income for the first six months of fiscal 2019 was $1.9 million, compared to $3.7 million for the first six months of fiscal 2018. Accounting for non-GAAP adjustments noted previously, adjusted non-GAAP operating income for the first six months of fiscal 2019 was $2.6 million compared to $4.2 million for the first six months of fiscal 2018.

Adjusted EBITDA was $6.5 million for the first six months of fiscal 2019, compared to $6.3 million for the same period in fiscal 2018.

Net income for the first six months of fiscal 2019 was $1.7 million, or $0.12 per diluted share, compared to $1.1 million, or $0.08 per diluted share for the first six months of fiscal 2018. Accounting for the non-GAAP adjustments noted previously, and tax benefits of these adjustments of $0.5 million, adjusted non-GAAP net income for the first half of fiscal 2019 was $2.9 million, or $0.20 per diluted share, compared to adjusted non-GAAP net income of $2.6 million, or $0.19 per diluted share, for the comparable period of fiscal 2018. Non-GAAP adjustments to net income during the first half of fiscal 2018 included the SG&A expenses noted previously, net of $0.1 million of income tax expense associated with the adjustments and $1.2 million of one-time, non-cash tax expense associated with the re-valuation of deferred tax assets to the new federal corporate tax rate.

Balance Sheet & Liquidity

The Company generated $4.6 million of cash from operations during the second quarter of fiscal 2019 compared to $2.2 million in the comparable period of fiscal 2018. The Company's cash and cash equivalents at December 31, 2018 were $19.0 million, compared to $16.7 million at June 30, 2018. Total debt at December 31, 2018 was $4.4 million compared to $5.4 million at June 30, 2018. During the second quarter of fiscal 2019, the Company repurchased $1.5 million of common shares under its share repurchase plan. On February 1, 2019, the Board of Directors increased the Company's share repurchase authorization to $15 million from $5 million previously. On February 1, 2019, the Company made an additional principal payment of $2.0 million on its 2016 term loan and amended the 2016 credit facility to increase the revolving loan facility from $2.0 million to $5.0 million. As of February 1, 2019, no amounts were drawn on the revolving credit facility.

Fiscal Year 2019 Guidance

The Company is raising its revenue guidance for fiscal 2019 to a range of $222 million to $232 million, up from the prior range of $215 million to $225 million. Based upon the increased share price and significant relative outperformance of LifeVantage shares vs. the broader market since the beginning of the fiscal year, the Company has increased its forecast for non-cash stock-based compensation. As a result, the Company is adjusting its fiscal 2019 non-GAAP adjusted earnings per share guidance to a range of $0.46 to $0.52 from $0.54 to $0.58 previously. The significant increase in the Company's share price during fiscal 2019 has led to increases in the diluted share count and stock-based compensation expenses that are each directly correlated to the share price and difficult to forecast over the remainder of fiscal 2019. The impact of these items will not affect expected growth in adjusted EBITDA, which the Company expects will more closely correlate with anticipated revenue growth. The Company's adjusted non-GAAP earnings per diluted share guidance excludes any non-operating or non-recurring expenses that may materialize during the remainder of fiscal 2019. The Company is not providing GAAP earnings per diluted share guidance for fiscal 2019 due to the potential occurrence of one or more non-operating, one-time expenses, which the Company does not believe it can reliably predict.

Conference Call Information

The Company will hold an investor conference call today at 2:30 p.m. MST (4:30 p.m. EST). Investors interested in participating in the live call can dial (888) 394-8218 from the U.S. International callers can dial (323) 701-0225. A telephone replay will be available approximately two hours after the call concludes and will be available through Monday, February 11, 2019, by dialing (844) 512-2921 from the U.S. and entering confirmation code 1821596, or (412) 317-6671 from international locations, and entering confirmation code 1821596.

There will also be a simultaneous, live webcast available on the Investor Relations section of the Company's web site at http://investor.lifevantage.com/events.cfm. The webcast will be archived for approximately 30 days.

About LifeVantage Corporation

LifeVantage Corporation (Nasdaq: LFVN) is a pioneer in Nutrigenomics - a new science dedicated to biohacking the human aging code. The company is engaged in the identification, research, development and distribution of advanced nutraceutical dietary supplements and skin and hair care products, including Protandim®, a line of scientifically-validated dietary supplements; TrueScience®, a line of Nrf2 infused skin care and hair care products; Petandim™ for Dogs, a companion pet supplement formulated to combat oxidative stress in dogs; Axio® Smart Energy Drink mixes; PhysIQ™, a Smart Weight Management System; and Omega+, a 3-in-1 fish oil supplement. LifeVantage was founded in 2003 and is headquartered in Salt Lake City, Utah. For more information, visit www.lifevantage.com

Forward Looking Statements

This document contains forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Words and expressions reflecting optimism, satisfaction or disappointment with current prospects, as well as words such as "believe", "hopes", "intends", "estimates", "expects", "projects", "plans", "anticipates", "look forward to", "goal", "may be", and variations thereof, identify forward-looking statements, but their absence does not mean that a statement is not forward-looking. Examples of forward-looking statements include, but are not limited to, statements we make regarding the benefits of our key initiatives, future growth, including geographic and product expansion, and expected financial performance. Such forward-looking statements are not guarantees of performance and the Company's actual results could differ materially from those contained in such statements. These forward-looking statements are based on the Company's current expectations and beliefs concerning future events affecting the Company and involve known and unknown risks and uncertainties that may cause the Company's actual results or outcomes to be materially different from those anticipated and discussed herein. These risks and uncertainties include, among others, those discussed in greater detail in the Company's Annual Report on Form 10-K and the Company's Quarterly Report on Form 10-Q under the caption "Risk Factors," and in other documents filed by the Company from time to time with the Securities and Exchange Commission. The Company cautions investors not to place undue reliance on the forward-looking statements contained in this document. All forward-looking statements are based on information currently available to the Company on the date hereof, and the Company undertakes no obligation to revise or update these forward-looking statements to reflect events or circumstances after the date of this document, except as required by law.

About Non-GAAP Financial Measures

We define Non-GAAP EBITDA as earnings before interest expense, income taxes, depreciation and amortization and Non-GAAP Adjusted EBITDA as earnings before interest expense, income taxes, depreciation and amortization, stock compensation expense, other income, net, and certain other adjustments. Non-GAAP EBITDA and Non-GAAP Adjusted EBITDA may not be comparable to similarly titled measures reported by other companies. We define Non-GAAP Net Income as GAAP net income less certain tax adjusted non-recurring one-time expenses incurred during the period and Non-GAAP Earnings per Share as Non-GAAP Net Income divided by weighted-average shares outstanding.

We are presenting Non-GAAP EBITDA, Non-GAAP Adjusted EBITDA, Non-GAAP Net Income and Non-GAAP Earnings Per Share because management believes that they provide additional ways to view our operations when considered with both our GAAP results and the reconciliation to net income, which we believe provides a more complete understanding of our business than could be obtained absent this disclosure. Non-GAAP EBITDA, Non-GAAP Adjusted EBITDA, Non-GAAP Net Income and Non-GAAP Earnings Per Share are presented solely as supplemental disclosure because: (i) we believe these measures are a useful tool for investors to assess the operating performance of the business without the effect of these items; (ii) we believe that investors will find this data useful in assessing shareholder value; and (iii) we use Non-GAAP EBITDA, Non-GAAP Adjusted EBITDA, Non-GAAP Net Income and Non-GAAP Earnings Per Share internally as benchmarks to evaluate our operating performance or compare our performance to that of our competitors. The use of Non-GAAP EBITDA, Non-GAAP Adjusted EBITDA, Non-GAAP Net Income and Non-GAAP Earnings per Share has limitations and you should not consider these measures in isolation from or as an alternative to the relevant GAAP measure of net income prepared in accordance with GAAP, or as a measure of profitability or liquidity.

The tables set forth below present Non-GAAP EBITDA, Non-GAAP Adjusted EBITDA, Non-GAAP Net Income and Non-GAAP Earnings per Share which are non-GAAP financial measures to Net Income and Earnings per Share, our most directly comparable financial measures presented in accordance with GAAP.

Investor Relations Contacts:

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LIFEVANTAGE CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(unaudited)

(In thousands, except per share data)	**December 31, 2018**	**June 30, 2018**
ASSETS		
Current assets		
Cash and cash equivalents	$ 18,989	$ 16,652
Accounts receivable	2,376	2,067
Income tax receivable	2,866	451
Inventory, net	13,301	13,627
Prepaid expenses and other	6,126	6,141
Total current assets	43,658	38,938
Property and equipment, net	5,848	6,587
Intangible assets, net	1,049	1,115
Long-term deferred income tax asset	2,283	3,255
Other long-term assets	1,255	1,247
TOTAL ASSETS	$ 54,093	$ 51,142
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	$ 4,108	$ 3,813
Commissions payable	8,071	7,546
Income tax payable	162	39
Other accrued expenses	14,422	10,407
Current portion of long-term debt	2,000	2,000
Total current liabilities	28,763	23,805
Long-term debt		
Principal amount	2,500	3,500
Less: unamortized discount and deferred offering costs	(73)	(88)
Long-term debt, net of unamortized discount and deferred offering costs	2,427	3,412
Other long-term liabilities	1,885	1,978
Total liabilities	33,075	29,195
Commitments and contingencies		
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 14,267 and 14,073 issued and outstanding as of December 31, 2018 and June 30, 2018, respectively	1	1
Additional paid-in capital	123,501	124,663
Accumulated deficit	(102,494)	(102,731)
Accumulated other comprehensive income	10	14
Total stockholders’ equity	21,018	21,947
TOTAL LIABILITIES AND STOCKHOLDERS’ EQUITY	$ 54,093	$ 51,142

LIFEVANTAGE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)

	Three Months Ended December 31,		Six Months Ended December 31,	
(In thousands, except per share data)	**2018**	**2017**	**2018**	**2017**
Revenue, net	$ 58,167	$ 49,482	$ 113,776	$ 98,609
Cost of sales	9,794	9,117	18,994	17,856
Gross profit	48,373	40,365	94,782	80,753
Operating expenses:				
Commissions and incentives	28,176	23,395	55,961	46,804
Selling, general and administrative	19,616	14,643	36,918	30,224
Total operating expenses	47,792	38,038	92,879	77,028
Operating income	581	2,327	1,903	3,725
Other expense:				
Interest expense	(100)	(103)	(209)	(265)
Other expense, net	(72)	(169)	(120)	(147)
Total other expense	(172)	(272)	(329)	(412)
Income before income taxes	409	2,055	1,574	3,313
Income tax benefit (expense)	420	(1,738)	166	(2,179)
Net income	$ 829	$ 317	$ 1,740	$ 1,134
Net income per share:				
Basic	$ 0.06	$ 0.02	$ 0.12	$ 0.08
Diluted	$ 0.06	$ 0.02	$ 0.12	$ 0.08
Weighted-average shares outstanding:				
Basic	13,944	13,956	13,996	13,959
Diluted	14,963	14,153	14,996	14,117

LIFEVANTAGE CORPORATION AND SUBSIDIARIES

Revenue by Region

(unaudited)

(In thousands)	Three Months Ended December 31, 2018		Three Months Ended December 31, 2017		Six Months Ended December 31, 2018		Six Months Ended December 31, 2017	
Americas	$ 42,440	73%	$ 36,903	75%	$ 83,519	73%	$ 73,066	74%
Asia/Pacific & Europe	15,727	27%	12,579	25%	30,257	27%	25,543	26%
Total	$ 58,167	100%	$ 49,482	100%	$ 113,776	100%	$ 98,609	100%

Active Members

(unaudited)

	As of December 31, 2018		As of December 31, 2017	
Active Independent Distributors [(1)]				
Americas	45,000	68%	44,000	71%
Asia/Pacific & Europe	21,000	32%	18,000	29%
Total Active Independent Distributors	66,000	100%	62,000	100%
Active Customers [(2)]				
Americas	95,000	81%	86,000	80%
Asia/Pacific & Europe	23,000	19%	22,000	20%
Total Active Customers	118,000	100%	108,000	100%
Active Members [(3)]				
Americas	140,000	76%	130,000	76%
Asia/Pacific & Europe	44,000	24%	40,000	24%
Total Active Members	184,000	100%	170,000	100%

(1) Active Independent Distributors have purchased product in the prior three months for retail or personal consumption.

(2) Active Customers have purchased product in the prior three months for personal consumption only.

(3) Total Active Members is the sum of Active Independent Distributors and Active Customers.

LIFEVANTAGE CORPORATION AND SUBSIDIARIES

Reconciliation of GAAP Net Income to Non-GAAP EBITDA and Non-GAAP Adjusted EBITDA

(Unaudited)

	Three Months Ended December 31,		Six Months Ended December 31,	
(In thousands)	**2018**	**2017**	**2018**	**2017**
GAAP Net income	$ 829	$ 317	$ 1,740	$ 1,134
Interest Expense	100	103	209	265
Provision for income taxes	(420)	1,738	(166)	2,179
Depreciation and amortization	436	322	878	672
Non-GAAP EBITDA:	945	2,480	2,661	4,250
Adjustments:				
Stock compensation expense	1,721	830	3,053	1,453
Other expense, net	72	169	120	147
Other adjustments(1)	532	183	693	474
Total adjustments	2,325	1,182	3,866	2,074
Non-GAAP Adjusted EBITDA	$ 3,270	$ 3,662	$ 6,527	$ 6,324
(1) Other adjustments breakout:				
Class-action lawsuit expenses	$ 364	$ 20	$ 367	$ 216
Executive team severance expenses, net	—	—	(79)	—
Executive team recruiting and transition expenses	—	163	—	207
Other nonrecurring legal expenses	168	—	405	51
Total adjustments	$ 532	$ 183	$ 693	$ 474

LIFEVANTAGE CORPORATION AND SUBSIDIARIES

Reconciliation of GAAP Net Income to Non-GAAP Net Income and Non-GAAP Adjusted EPS

(Unaudited)

	Three Months Ended December 31,		Six Months Ended December 31,	
(In thousands)	**2018**	**2017**	**2018**	**2017**
GAAP Net income	$ 829	$ 317	$ 1,740	$ 1,134
Adjustments:				
Executive team severance expenses, net	—	—	(79)	—
Executive team recruiting and transition expenses	—	163	—	207
Class-action lawsuit expenses	364	20	367	216
Other nonrecurring legal and accounting expenses	168	—	405	51
Tax impact of adjustments(1)	547	(56)	512	(145)
Tax expense impact of revaluation of deferred tax assets(2)	—	1,166	—	1,166
Total adjustments, net of tax	1,079	1,293	1,205	1,495
Non-GAAP Net Income:	$ 1,908	$ 1,610	$ 2,945	$ 2,629

	Three Months Ended December 31,		Six Months Ended December 31,	
	2018	**2017**	**2018**	**2017**
Diluted earnings per share, as reported	$ 0.06	$ 0.02	$ 0.12	$ 0.08
Total adjustments, net of tax	0.07	0.09	0.08	0.11
Diluted earnings per share, as adjusted	$ 0.13	$ 0.11	$ 0.20	$ 0.19

(1) Tax impact of adjustments excludes the effect of the one-time deferred tax asset adjustment.

(2) Tax impact of the remeasurement of our deferred tax assets, pursuant to the 2017 tax reform legislation. Deferred tax assets were reduced as the reversal of the underlying transactions will be deductible at the lower corporate tax rates included in the 2017 legislation.