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): March 26, 2018

MANNATECH, INCORPORATED

(Exact Name of Registrant as Specified in its Charter)

Texas	000-24657	75-2508900							
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)							
	1410 Lakeside Parkway, Suite 200								
	Flower Mound, Texas 75028								
(Address o	f Principal Executive Offices, including Zip	p Code)							
Registrant's Telephone Number, including Area Code: (972) 471-7400									
(Former na	me or former address, if changed since la	ast report.)							
Check the appropriate box below if the Form 8-K filing is provisions (see General Instruction A.2. below):	intended to simultaneously satisfy the filing	ng obligation of the registrant under any of the following							
[] Written communications pursuant to $\underline{\text{Rule 425 under the}}$	e Securities Act (17 CFR 230.425)								
[] Soliciting material pursuant to Rule 14a-12 under the E	xchange Act (17 CFR 240.14a-12)								
[] Pre-commencement communications pursuant to Rule 2	14d-2(b) under the Exchange Act (17 CFR	240.14d-2(<u>b</u>))							
[] Pre-commencement communications pursuant to <u>Rule ?</u>	13e-4(c) under the Exchange Act (17 CFR 2	240.13e-4(c))							

Item 2.02 Results of Operations and Financial Condition.

On March 26, 2018, Mannatech, Incorporated issued a press release announcing financial and operating results for the fourth quarter and year ended December 31, 2017. A copy of the press release is attached as Exhibit 99.1 to this Current Report on Form 8-K.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits.

Exhibit Number Description

99.1* Press Release, dated March 26, 2018, titled "Mannatech Reports Fourth Quarter 2017 Financial Results."

*Furnished herewith.

SIGNATURES

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

Date: March 26, 2018

MANNATECH, INCORPORATED

By: /s/ David Johnson

David Johnson Chief Financial Officer

EXHIBIT INDEX

Exhibit Number Description

99.1* Press Release, dated March 26, 2018, titled "Mannatech Reports Fourth Quarter 2017 Financial Results."

*Furnished herewith.



Mannatech Reports Fourth Quarter 2017 Financial Results

(COPPELL, Texas) March 26, 2018 - <u>Mannatech, Incorporated</u> (NASDAQ: <u>MTEX</u>), a global health and wellness company committed to transforming lives to make a better world, today announced financial results for its fourth quarter of 2017.

Quarter End Results

Fourth quarter net sales for 2017 were \$46.4 million, an increase of \$3.8 million, or 8.9%, as compared to \$42.6 million in the fourth quarter of 2016. Income (loss) from operations increased to \$1.1 million for the fourth quarter 2017, from (\$0.2) million in the same period in 2016. Net (loss) was (\$3.7) million, or (\$1.37) per diluted share, for the fourth quarter 2017, as compared to (\$1.1) million, or (\$0.42) per diluted share, for the fourth quarter 2016.

On July 1, 2017, we revised our 2017 Associate Compensation Plan, which was designed to stimulate business growth and development for our active business building associates and to maximize the buying experience for our preferred customers. In doing so, the Company hopes to better utilize commission dollars to stimulate Company growth. The 2017 Associate Compensation Plan provides revised income streams, new leadership levels and titles, and modified various volume requirements for our associates. In addition, the 2017 Associate Compensation Plan re-designated members as preferred customers and modified their pricing structure.

For the three months ended December 31, 2017, Mannatech's operations outside of Americas accounted for approximately 67.5% of Mannatech's consolidated net sales.

For the three months ended December 31, 2017 and 2016, net sales for North America and South America ("the Americas") decreased by \$1.1 million, or 6.8%, to \$15.1 million, as compared to \$16.2 million for the same period in 2016. In constant dollars (a non-GAAP financial measure), fourth quarter 2017 net sales would have been remained the same at \$15.1 million.

For the three months ended December 31, 2017, Asia/Pacific net sales increased by \$4.8 million, or 20.9%, to \$27.8 million, as compared to \$23.0 million for the same period in 2016. Net sales comparisons for the fourth quarter were affected by the impact of fluctuations in foreign currency exchange rates. In constant dollars (a non-GAAP financial measure), fourth quarter 2017 net sales would have been \$0.8 million lower, or \$27.0 million. The currency impact was primarily due to the appreciation of the Korean Won and Australian Dollar, partially offset by the depreciation of the Japanese Yen.

For the three months ended December 31, 2017, net sales for Europe, the Middle East and Africa ("EMEA") increased by \$0.1 million, or 2.9%, to \$3.5 million, as compared to \$3.4 million for the same period in 2016. In constant dollars (a non-GAAP financial measure), net sales for the fourth quarter 2017 would have been \$0.2 million lower, or \$3.3 million. The currency impact was primarily due to the appreciation of the Euro and South African Rand.

As a result of higher sales, product mix and favorable exchange rates, gross profit increased by \$2.2 million to \$36.5 million for the three months ended December 31, 2017, as compared to \$34.3 million for the same period in 2016.

Due to transition costs associated with implementing the 2017 Associate Compensation Plan, commissions as a percentage of net sales were 40.6% for the three months ended December 31, 2017, as compared to 39.3% for the same period in the prior year. Incentive costs as a percentage of net sales were 2.8% for the three months ended December 31, 2017, as compared to 3.4% for the same period in 2016.

For the three months ended December 31, 2017, overall selling and administrative expenses decreased by \$0.3 million to \$8.7 million, as compared to \$9.0 million for the same period in 2016. The decrease in selling and administrative expenses consisted primarily of a \$0.8 million decrease in payroll related costs and a \$0.2 million decrease in stock based compensation expense, partially offset by a \$0.5 million increase in marketing costs and \$0.2 million increase in warehouse costs as we expand our non-direct selling business in China.

For the three months ended December 31, 2017, other operating costs decreased by \$0.7 million to \$6.2 million, as compared to \$6.9 million for the same period in 2016. The decrease in other operating costs was primarily due to a decrease in legal and consulting fees as well as office expenses.

On December 22, 2017, the U.S. enacted the Tax Cuts and Jobs Act ("Act"). Among other things, the Act changed the U.S. statutory rate to 21% effective January 1, 2018. The income tax provision for the three months ended December 31, 2017 was \$4.4 million. We remeasured certain deferred tax assets and liabilities based on the rates at which they are expected to reverse in the future, which is generally 21%. In addition, the one-time transition tax is based on our total unrepatriated earnings and profits not previously subject to U.S. income tax.

The approximate number of new and continuing independent associate and member positions held by individuals in Mannatech's network and associated with purchases of our packs or products as of December 31, 2017 and 2016 were approximately 215,000 and 222,000, respectively. Recruiting decreased 18.9% in the fourth quarter of 2017 as compared to the fourth quarter of 2016. The number of new independent associate and member positions in the company's network for the fourth quarter of 2017 was approximately 21,000 as compared to 25,900 in 2016.

Year End Results

Overall net sales decreased \$3.6 million, or 2.0%, for 2017, as compared to 2016. During 2017, fluctuations in foreign currency exchange rates had an overall favorable impact on our net sales. During 2017, our net sales declined 3.3% on a Constant dollar basis (a Non-GAAP financial measure); favorable foreign exchange during 2017 caused an increase of \$2.3 million. Net loss for 2017 was (\$1.8) million, or (\$0.66) per diluted share, as compared to (\$0.6) million, or (\$0.22) per diluted share, for 2016.

For the year ended December 31, 2017, our operations outside of the Americas accounted for approximately 63.7% of our consolidated net sales, whereas in the same period in 2016, our operations outside of the Americas accounted for approximately 61.1% of our consolidated net sales.

Sales for the Americas decreased by \$6.0 million, or 8.5%, to \$64.2 million for 2017 as compared to \$70.2 million for the same period in 2016. During 2017, Asia/Pacific sales increased by \$2.6 million, or 2.7%, to \$98.8 million, as compared to \$96.2 million for 2016. During 2017, EMEA sales decreased by \$0.2 million, or 1.4%, to \$13.7 million, as compared to \$13.9 million for 2016.

Gross profit as a percentage of net sales increased to 79.8% for 2017, as compared to 79.7% for 2016.

Commission expenses increased for the year ended December 31, 2017, by 1.1%, or \$0.8 million, to \$71.3 million, as compared to \$70.5 million for the same period in 2016. Commissions as a percentage of net sales were 40.4% for the year ending December 31, 2017 and 39.1% for the same period in the prior year due to transition costs as we transitioned from our legacy Associate Compensation Plan to the launch of our new Associate Compensation Plan on July 1, 2017.

Incentive costs decreased for the year ended December 31, 2017 by 13.5%, or \$0.5 million, to \$3.2 million, as compared to \$3.7 million, for the same period in 2016. The costs of incentives, as a percentage of net sales increased to 1.8% for the year ended December 31, 2017, as compared to 2.1% for the same period in 2016.

For the year ended December 31, 2017, overall selling and administrative expenses decreased by \$1.7 million, or 4.7%, to \$35.5 million, as compared to \$37.2 million for the same period in 2016. The decrease in selling and administrative expenses consisted of a \$1.5 million decrease in payroll related costs as we had a greater number of employees in the prior comparative period, a \$0.2 million decrease in marketing costs, and a \$0.4 million decrease in stock based compensation expense. These decreases were partially offset by a \$0.4 million increase in warehouse costs as we expand our non-direct selling business in China.

For the year ended December 31, 2017, other operating costs decreased by \$3.1 million, or 10.5%, to \$26.6 million, as compared to \$29.7 million for the same period in 2016. For the year ended December 31, 2017, other operating costs, as a percentage of net sales, were 15.1%, as compared to 16.5% for the same period in 2016. The decrease was due to a \$1.2 million decrease in travel and entertainment costs, a \$0.5 million decrease in legal and consulting fees, a \$0.3 million decrease in office expenses, and a \$0.2 million decrease in each of the following expense categories: bad debt expense, accounting and auditing fees, and research and development. In addition, the decrease was further caused by a \$0.4 million impairment of internally developed software during the third quarter of 2016.

As of December 31, 2017, our cash and cash equivalents increased by 31.4%, or \$9.0 million, to \$37.7 million from \$28.7 million as of December 31, 2016. Cash provided by operating activities increased by \$10.0 million for the year ended December 31, 2017 compared to the same period in 2016. During the year ended December 31, 2017, we invested \$1.1 million in computer hardware and software, \$0.1 million for leasehold improvements and \$0.1 million in office furniture and equipment. During this period, our financing activities included repayments of \$1.6 million for capital lease obligations, payments of \$1.4 million for dividends to shareholders, and repurchases of \$0.2 million in common stock.

Our accounts payable balance at December 31, 2017 increased to \$6.0 million, compared to \$5.2 million at December 31, 2016, primarily due to event costs. At December 31, 2017, our commissions and incentives payable increased to \$9.7 million from \$8.8 million at December 31, 2016, due to a new schedule of commission payments that was implemented with the rollout of the 2017 Compensation Plan.

Non-GAAP Measures

In addition to results presented in accordance with GAAP, this press release and related tables include certain non-GAAP financial measures, including a presentation of constant dollar measures. We disclose operating results that have been adjusted to exclude the impact of changes due to the translation of foreign currencies into U.S. dollars, including changes in: Net Sales, Gross Profit, and Income from Operations.

We believe that these non-GAAP financial measures provide useful information to investors because they are an indicator of the strength and performance of ongoing business operations. The constant currency figures are financial measures used by management to provide investors an additional perspective on trends. Although we believe the non-GAAP financial measures enhance investors' understanding of our business and performance, these non-GAAP financial measures should not be considered an exclusive alternative to accompanying GAAP financial measures. Please see the accompanying table entitled "Non-GAAP Financial Measures" for a reconciliation of these non-GAAP financial measures.

We have included a second non-GAAP measure, which reconciles net loss, as reported to net earnings, as adjusted. This presentation isolates the effects of some items that vary from period to period without any correlation to core operating performance and eliminates certain items that management believes do not reflect the Company's operations and underlying operational performance. Please see Schedule A: Reconciliation of Non-GAAP Financial Measures (Net Earnings, as Adjusted).

Conference Call

Mannatech will host a conference call to discuss the quarter's results with investors on Tuesday, March 27, 2018 at 9 a.m. CST, 10 a.m. EST. The live call will be webcast and can be accessed on Mannatech's website at http://ir.mannatech.com.

For those unable to listen to the live broadcast, a replay will be available shortly after the call. The toll-free replay number is (855) 859-2056 (International (404) 537-3406); the Conference ID to access the call is 2992948.

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

Contact Information:

Donna Giordano Manager, Executive Office Administration 972-471-6512 ir@mannatech.com www.mannatech.com

MANNATECH, INCORPORATED AND SUBSIDIARIES CONSOLIDATED BALANCE SHEETS

(in thousands, except share information)

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Commissions and incentives payable 9,658 8,799 Taxes payable 2,404 1,040 Current notes payable 815 801 Deferred revenue 8,561 8,156 Total current liabilities 33,445 29,981 Capital leases, excluding current portion 144 26 Cong-term deferred tax liabilities 1,265 1,665 Cong-term notes payable - 567 Other long-term liabilities 1,265 1,465 Total liabilities 36,001 32,304 Total liabilities 36,001 32,304 Commitments and contingencies (Note 11 and Note 12) 56 Treefered stock, \$0.01 par value, 1,000,000 shares authorized, 0,048,2742,875 shares issued and 2,702,940 shares unitstanding as of December 31, 2017 and 2,758,275 shares issued and 2,702,940 shares unitstanding as of December 31, 2017 and 2,758,275 shares issued and 2,702,940 shares unitstanding as of December 31, 2017 and 2,758,275 shares issued and 2,878,275 shares issued and 2,702,940 shares unitstanding as of December 31, 2017 and 2,758,275 shares issued and 2,702,940 shares unitstanding as of December 31, 2017 and 2,758,275 shares issued and 2,702,940 shares unitstanding as of December 31, 2017 and 2,758,275 shares issued and 2,702,940 shares unitstanding as of December 31, 2017 and 2,758,275 shares issued and 2,702,940 shares			5,771			
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Current notes payable 815 801 Deferred revenue 8,561 8,156 Total current liabilities 33,45 29,981 Capital leases, excluding current portion 144 261 Long-term deferred tax liabilities 1,147 29 Long-term notes payable 567 Other long-term liabilities 36,001 3,230 Total liabilities 36,001 32,303 Total liabilities 36,001 32,303 Commitments and contingencies (Note 11 and Note 12) 56 Shareholders' equity: 5 5 Preferred stock, \$0.01 par value, 1,000,000 shares authorized, no shares issued or outstanding Common stock, \$0.0001 par value, 9,000,000 shares authorized, 2,742,857 shares issued and 2,702,940 shares outstanding as of December 31, 2017 and 2,758,275 shares issued and 2,688,790 shares outstanding as of December 31, 2016 34,928 38,190 Additional paid-in capital 4,190 7,331 3,202 3,202 Retained earnings 5,984 1,834 3,849 3,840 3,840 3,840 3,840 3,840 3,8			2,404		1,040	
Deferred revenue 8,561 8,1561 Total current liabilities 33,445 29,981 Capital leases, excluding current portion 144 261 Long-term deferred tax liabilities 1,147 29 Long-term notes payable - 567 Other long-term liabilities 36,001 32,303 Total liabilities 36,001 32,303 Commitments and contingencies (Note 11 and Note 12) - - Shareholders' equity: - - - Preferred stock, \$0.01 par value, \$0,000,000 shares authorized, 2,742,857 shares issued and 2,702,940 shares outstanding as of December 31, 2017 and 2,758,275 shares issued and 2,702,940 shares outstanding as of December 31, 2017 and 2,758,275 shares issued and 2,888,790 shares outstanding as of December 31, 2017 and 2,758,275 shares issued and 2,888,790 shares outstanding as of December 31, 2017 and 2,758,275 shares issued and 2,888,790 shares outstanding as of December 31, 2017 and 2,758,275 shares issued and 2,888,790 shares outstanding as of December 31, 2016 are applied in capital 34,928 38,193 Accumulated other comprehensive income 5,984 1,834 Treasury stock, at average cost, 39,917 shares as of December 31, 2017 and 69,485 shares as of Decem			815		801	
Capital leases, excluding current portion 144 261 Long-term deferred tax liabilities 1,147 29 Long-term notes payable — 567 Other long-term liabilities 1,265 1,465 Total liabilities 36,001 32,303 Commitments and contingencies (Note 11 and Note 12) *** *** Shareholders' equity: Preferred stock, \$0.01 par value, 1,000,000 shares authorized, 2,742,857 shares issued and 2,702,940 shares outstanding as of December 31, 2017 and 2,758,275 shares issued and 2,688,790 shares outstanding as of December 31, 2017 and 2,758,275 shares issued and 2,688,790 shares outstanding as of December 31, 2016 and 2,758,275 shares issued and 2,688,790 shares outstanding as of December 31, 2016 and 2,731 — — Additional paid-in capital 34,928 38,190 Retained earnings 4,190 7,331 Accumulated other comprehensive income 5,984 1,834 Treasury stock, at average cost, 39,917 shares as of December 31, 2017 and 69,485 shares as of December 31, 2016, respectively (4,861) (8,470) Total shareholders' equity 40,241 38,885			8,561		8,156	
Long-term deferred tax liabilities 1,147 29 Long-term notes payable — 567 Other long-term liabilities 1,265 1,465 Total liabilities 36,001 32,303 Commitments and contingencies (Note 11 and Note 12) Shareholders' equity: Preferred stock, \$0.01 par value, 1,000,000 shares authorized, no shares issued or outstanding — — Common stock, \$0.0001 par value, 99,000,000 shares authorized, 2,742,857 shares issued and 2,702,940 shares outstanding as of December 31, 2017 and 2,758,275 shares issued and 2,888,790 shares outstanding as of December 31, 2016 — — Additional paid-in capital 34,928 38,190 Retained earnings 4,190 7,331 Accumulated other comprehensive income 5,984 1,834 Treasury stock, at average cost, 39,917 shares as of December 31, 2017 and 69,485 shares as of December 31, 2016, respectively (4,861) (8,470) Total shareholders' equity 40,241 38,885	Total current liabilities		33,445		29,981	
Long-term deferred tax liabilities 1,147 29 Long-term notes payable — 567 Other long-term liabilities 1,265 1,465 Total liabilities 36,001 32,303 Commitments and contingencies (Note 11 and Note 12) Shareholders' equity: Preferred stock, \$0.01 par value, 1,000,000 shares authorized, no shares issued or outstanding — — Common stock, \$0.0001 par value, 99,000,000 shares authorized, 2,742,857 shares issued and 2,702,940 shares outstanding as of December 31, 2017 and 2,758,275 shares issued and 2,888,790 shares outstanding as of December 31, 2016 — — Additional paid-in capital 34,928 38,190 Retained earnings 4,190 7,331 Accumulated other comprehensive income 5,984 1,834 Treasury stock, at average cost, 39,917 shares as of December 31, 2017 and 69,485 shares as of December 31, 2016, respectively (4,861) (8,470) Total shareholders' equity 40,241 38,885	Capital leases, excluding current portion		144		261	
Other long-term liabilities 1,265 1,465 Total liabilities 36,001 32,303 Commitments and contingencies (Note 11 and Note 12) Shareholders' equity: Preferred stock, \$0.01 par value, 1,000,000 shares authorized, no shares issued or outstanding 50 50 50 50 50 50 50 50 50 50 50 50 50			1,147		29	
Total liabilities36,00132,303Commitments and contingencies (Note 11 and Note 12)32,303Shareholders' equity:Preferred stock, \$0.01 par value, 1,000,000 shares authorized, no shares issued or outstanding——Common stock, \$0.0001 par value, 99,000,000 shares authorized, 2,742,857 shares issued and 2,702,940 shares outstanding as of December 31, 2017 and 2,758,275 shares issued and 2,688,790 shares outstanding as of December 31, 2016——Additional paid-in capital34,92838,190Retained earnings4,1907,331Accumulated other comprehensive income5,9841,834Treasury stock, at average cost, 39,917 shares as of December 31, 2017 and 69,485 shares as of December 31, 2016, respectively(4,861)(8,470)Total shareholders' equity40,24138,885	Long-term notes payable		_		567	
Commitments and contingencies (Note 11 and Note 12) Shareholders' equity: Preferred stock, \$0.01 par value, 1,000,000 shares authorized, no shares issued or outstanding Common stock, \$0.0001 par value, 99,000,000 shares authorized, 2,742,857 shares issued and 2,702,940 shares outstanding as of December 31, 2017 and 2,758,275 shares issued and 2,688,790 shares outstanding as of December 31, 2016 Additional paid-in capital Retained earnings 4,190 7,331 Accumulated other comprehensive income Treasury stock, at average cost, 39,917 shares as of December 31, 2017 and 69,485 shares as of December 31, 2016 Total shareholders' equity 40,241 38,885	Other long-term liabilities		1,265		1,465	
Commitments and contingencies (Note 11 and Note 12) Shareholders' equity: Preferred stock, \$0.01 par value, 1,000,000 shares authorized, no shares issued or outstanding Common stock, \$0.0001 par value, 99,000,000 shares authorized, 2,742,857 shares issued and 2,702,940 shares outstanding as of December 31, 2017 and 2,758,275 shares issued and 2,688,790 shares outstanding as of December 31, 2016 Additional paid-in capital Retained earnings Accumulated other comprehensive income Treasury stock, at average cost, 39,917 shares as of December 31, 2017 and 69,485 shares as of December 31, 2016 Total shareholders' equity Shareholders' equity Common stock, \$0.0001 par value, 1,000,000 shares authorized, 2,742,857 shares issued and 2,702,940 shares Shareholders' equity Adjust 34,928 Asjust 3			36,001		32,303	
Preferred stock, \$0.01 par value, 1,000,000 shares authorized, no shares issued or outstanding Common stock, \$0.0001 par value, 99,000,000 shares authorized, 2,742,857 shares issued and 2,702,940 shares outstanding as of December 31, 2017 and 2,758,275 shares issued and 2,688,790 shares outstanding as of December 31, 2016 Additional paid-in capital 34,928 38,190 Retained earnings 4,190 7,331 Accumulated other comprehensive income 5,984 1,834 Treasury stock, at average cost, 39,917 shares as of December 31, 2017 and 69,485 shares as of December 31, 2016, respectively (4,861) (8,470) Total shareholders' equity 40,241 38,885	Commitments and contingencies (Note 11 and Note 12)					
Common stock, \$0.0001 par value, 99,000,000 shares authorized, 2,742,857 shares issued and 2,702,940 shares outstanding as of December 31, 2017 and 2,758,275 shares issued and 2,688,790 shares outstanding as of December 31, 2016 Additional paid-in capital 34,928 38,190 Retained earnings 4,190 7,331 Accumulated other comprehensive income 5,984 1,834 Treasury stock, at average cost, 39,917 shares as of December 31, 2017 and 69,485 shares as of December 31, 2016, respectively (4,861) (8,470) Total shareholders' equity 40,241 38,885	Shareholders' equity:					
Common stock, \$0.0001 par value, 99,000,000 shares authorized, 2,742,857 shares issued and 2,702,940 shares outstanding as of December 31, 2017 and 2,758,275 shares issued and 2,688,790 shares outstanding as of December 31, 2016 Additional paid-in capital 34,928 38,190 Retained earnings 4,190 7,331 Accumulated other comprehensive income 5,984 1,834 Treasury stock, at average cost, 39,917 shares as of December 31, 2017 and 69,485 shares as of December 31, 2016, respectively (4,861) (8,470) Total shareholders' equity 40,241 38,885	Preferred stock, \$0.01 par value, 1,000,000 shares authorized, no shares issued or outstanding		_		_	
Additional paid-in capital 34,928 38,190 Retained earnings 4,190 7,331 Accumulated other comprehensive income 5,984 1,834 Treasury stock, at average cost, 39,917 shares as of December 31, 2017 and 69,485 shares as of December 31, 2016, respectively (4,861) (8,470) Total shareholders' equity 40,241 38,885	Common stock, \$0.0001 par value, 99,000,000 shares authorized, 2,742,857 shares issued and 2,702,940 shares outstanding as of December 31, 2017 and 2,758,275 shares issued and 2,688,790 shares outstanding as of		_		_	
Retained earnings 4,190 7,331 Accumulated other comprehensive income 5,984 1,834 Treasury stock, at average cost, 39,917 shares as of December 31, 2017 and 69,485 shares as of December 31, 2016, respectively (4,861) (8,470) Total shareholders' equity 40,241 38,885			34,928		38,190	
Accumulated other comprehensive income 5,984 1,834 Treasury stock, at average cost, 39,917 shares as of December 31, 2017 and 69,485 shares as of December 31, 2016, respectively (4,861) (8,470) Total shareholders' equity 40,241 38,885						
Treasury stock, at average cost, 39,917 shares as of December 31, 2017 and 69,485 shares as of December 31, 2016, respectively (4,861) (8,470) Total shareholders' equity 40,241 38,885					•	
2016, respectively (4,861) (8,470) Total shareholders' equity 40,241 38,885	-		2,501		1,001	
			(4,861)		(8,470)	
Total liabilities and shareholders' equity \$ 76,242 \$ 71,188	Total shareholders' equity		40,241		38,885	
	Total liabilities and shareholders' equity	\$	76,242	\$	71,188	

MANNATECH, INCORPORATED AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands, except per share information)

Net sales 2017 2016 2017 2018 Cost of sales 9,868 8,339 35,669 36,364 Coss profit 36,868 33,00 141,029 133,00 Operating expenses: 20,105 18,195 74,550 74,215 Solling and administratives 20,105 18,195 74,550 74,215 Selling and administratives 8,687 9,195 74,550 74,215 Selling and administratives 8,687 9,105 74,550 74,215 Selling and administratives expenses 8,687 9,105 74,215 74,215 Depreciation and amortization 4,687 4,176 1,886 1,889 Other operating costs 6,179 6,887 2,626 2,920 1,313,00 Tation operating expenses 3,135 1,315 1,313,00 1,313,00 1,313,00 1,417,00 1,417 1,417 1,417 1,417 1,417 1,417 1,417 1,417 1,417 1,417 1,417 1,417 1,4		For the three months ended December 31,			For the years ended December 31,				
Cost of sales 9,886 8,339 35,667 36,748 Gross profit 36,486 34,301 141,029 143,740 Operating expenses: 8,667 34,815 74,550 74,215 Selling and administrative expenses 8,667 9,018 35,470 37,217 Depreciation and amortization 485 471 1,864 1,898 Other operating costs 6,179 6,887 26,626 29,749 Total operating expenses 35,436 34,571 138,510 143,079 Income (loss) from operations 1,050 (270) 2,519 661 Interest income 216 180 274 174 Other expense, net 54 1,319 333 1,790 Income (loss) before income taxes 724 1,409 2,460 955 Income tax benefit (provision) 4,440 279 4,240 360 Net loss 3,371 1,131 1,131 3,131 1,131 Earnings per communo share: <t< th=""><th></th><th></th><th>2017</th><th></th><th>2016</th><th>2017</th><th></th><th>2016</th></t<>			2017		2016	2017		2016	
Gross profit 36,486 34,301 141,029 143,740 Operating expenses: Commissions and incentives 20,105 18,195 74,550 74,215 Selling and administrative expenses 8,667 9,018 35,470 37,217 Depreciation and amortization 485 471 1,864 1,898 Other operating costs 6,179 6,887 26,626 29,749 Total operating expenses 35,436 34,571 138,510 143,079 Income (loss) from operations 1,050 (270) 2,519 661 Interest income 216 180 274 174 Other expense, net (542) (1,319) 3333 (1,790) Income (loss) before income taxes 724 (1,409) 2,460 955 Net loss 3,716 1,130 1,1787 5,580 Net loss \$ (1,31) 1,1787 5,580 Earnings per common shares \$ (1,31) \$ (0,62) \$ (0,62) Basic	Net sales	\$	46,372	\$	42,640	\$ 176,696	\$	180,304	
Operating expenses: 20,105 18,195 74,550 74,215 Selling and administrative expenses 8,667 9,018 35,470 37,217 Depreciation and amortization 485 471 1,864 1,988 Other operating costs 6,179 6,887 26,626 29,749 Total operating expenses 35,436 34,571 138,510 143,079 Income (loss) from operations 1,050 (270) 2,519 661 Interest income 216 180 274 174 Other expense, net (542) (1,319) (333) (1,790) Income (loss) before income taxes 724 (1,409) 2,460 955 Income tax benefit (provision) (4,440) 279 (4,247) 369 Net loss 3,37,16 (1,130) (1,787) 5,586 Earnings per common shares \$ (1,37) (0,42) (0,60) 5,00,20 Diluted \$ (1,37) (0,42) (0,60) 5,00,20	Cost of sales		9,886		8,339	35,667		36,564	
Commissions and incentives 20,105 18,195 74,550 74,215 Selling and administrative expenses 8,667 9,018 35,470 37,217 Depreciation and amortization 485 471 1,864 1,898 Other operating costs 6,179 6,887 26,626 29,749 Total operating expenses 35,436 34,571 138,510 143,079 Income (loss) from operations 216 180 274 174 Other expense, net 54 1,319 333 1,790 Income (loss) before income taxes 724 1,409 2,460 955 Income tax benefit (provision) 4,440 279 4,247 369 Net loss 3,371 1,130 1,130 5,686 Earnings per common share: \$1,370 1,042 4,040 2,040 5,040 Basic \$1,371 1,042 4,040 2,040 5,040 5,042 Diluted \$1,371 1,040 1,040 1,040 1,040	Gross profit		36,486		34,301	141,029		143,740	
Selling and administrative expenses 8,667 9,018 35,470 37,217 Depreciation and amortization 485 471 1,864 1,898 Other operating costs 6,179 6,887 26,626 29,749 Total operating expenses 35,436 34,571 138,510 143,079 Income (loss) from operations 1,050 (270) 2,519 661 Interest income 216 180 274 174 Other expense, net (542) (1,319) (333) (1,790) Income (loss) before income taxes 724 (1,409) 2,460 (955) Income tax benefit (provision) (4,440) 279 (4,247) 369 Net loss \$ (3,716) (1,130) (1,787) (586) Earnings per common share: \$ (1,312) \$ (0,66) \$ (0,22) Diluted \$ (1,312) \$ (0,66) \$ (0,62) Weighted-average common shares outstanding: \$ (1,37) \$ (0,42) \$ (0,66) \$ (0,22)	Operating expenses:								
Depreciation and amortization 485 471 1,864 1,898 Other operating costs 6,179 6,887 26,626 29,749 Total operating expenses 35,436 34,571 138,510 143,079 Income (loss) from operations 1,050 (270) 2,519 661 Interest income 216 180 274 174 Other expense, net (542) (1,319) (333) (1,790) Income (loss) before income taxes 724 (1,409) 2,460 (955) Income tax benefit (provision) (4,440) 279 (4,247) 369 Net loss \$ (3,716) (1,130) \$ (1,787) (586) Earnings per common share: \$ (1.37) (0.42) (0.66) (0.22) Diluted \$ (1.37) (0.42) (0.66) (0.22)	Commissions and incentives		20,105		18,195	74,550		74,215	
Other operating costs 6,179 6,887 26,626 29,749 Total operating expenses 35,436 34,571 138,510 143,079 Income (loss) from operations 1,050 (270) 2,519 661 Interest income 216 180 274 174 Other expense, net (542) (1,319) (333) (1,790) Income (loss) before income taxes 724 (1,409) 2,460 (955) Income tax benefit (provision) (4,440) 279 (4,247) 369 Net loss \$ (3,716) (1,130) (1,787) (586) Earnings per common share: \$ (1,37) (0,42) (0,66) (0,22) Diluted \$ (1,37) (0,42) (0,66) (0,22)	Selling and administrative expenses		8,667		9,018	35,470		37,217	
Total operating expenses 35,436 34,571 138,510 143,079 Income (loss) from operations 1,050 (270) 2,519 661 Interest income 216 180 274 174 Other expense, net (542) (1,319) (333) (1,790) Income (loss) before income taxes 724 (1,409) 2,460 (955) Income tax benefit (provision) (4,440) 279 (4,247) 369 Net loss \$ (3,716) (1,130) \$ (1,787) \$ (586) Earnings per common shares \$ (1,37) (0.42) \$ (0.66) \$ (0.22) Diluted \$ (1,37) (0.42) \$ (0.66) \$ (0.22)	Depreciation and amortization		485		471	1,864		1,898	
Income (loss) from operations 1,050 (270) 2,519 661 Interest income 216 180 274 174 Other expense, net (542) (1,319) (333) (1,790) Income (loss) before income taxes 724 (1,409) 2,460 (955) Income tax benefit (provision) (4,440) 279 (4,247) 369 Net loss \$ (3,716) (1,130) (1,787) (586) Earnings per common shares \$ (1.37) (0.42) (0.66) (0.22) Diluted \$ (1.37) (0.42) (0.66) (0.22) Weighted-average common shares outstanding: \$ (1.37) (0.42) (0.66) (0.22)	Other operating costs		6,179		6,887	26,626		29,749	
Interest income 216 180 274 174 Other expense, net (542) (1,319) (333) (1,790) Income (loss) before income taxes 724 (1,409) 2,460 (955) Income tax benefit (provision) (4,440) 279 (4,247) 369 Net loss \$ (3,716) (1,130) (1,787) (586) Earnings per common shares \$ (1.37) (0.42) (0.66) (0.22) Diluted \$ (1.37) (0.42) (0.66) (0.22) Weighted-average common shares outstanding:	Total operating expenses		35,436		34,571	138,510		143,079	
Other expense, net (542) (1,319) (333) (1,790) Income (loss) before income taxes 724 (1,409) 2,460 (955) Income tax benefit (provision) (4,440) 279 (4,247) 369 Net loss \$ (3,716) (1,130) (1,787) (586) Earnings per common shares: \$ (1.37) (0.42) (0.66) (0.22) Diluted \$ (1.37) (0.42) (0.66) (0.22) Weighted-average common shares outstanding:	Income (loss) from operations		1,050		(270)	2,519		661	
Income (loss) before income taxes 724 (1,409) 2,460 (955) Income tax benefit (provision) (4,440) 279 (4,247) 369 Net loss \$ (3,716) \$ (1,130) \$ (1,787) \$ (586) Earnings per common share: \$ (1.37) \$ (0.42) \$ (0.66) \$ (0.22) Diluted \$ (1.37) \$ (0.42) \$ (0.66) \$ (0.22) Weighted-average common shares outstanding:	Interest income		216		180	274		174	
Income tax benefit (provision) (4,440) 279 (4,247) 369 Net loss (3,716) (1,130) (1,787) (586) Earnings per common share: (1.37) (0.42) (0.66) (0.22) Diluted (1.37) (0.42) (0.66) (0.22) Weighted-average common shares outstanding:	Other expense, net		(542)		(1,319)	(333)		(1,790)	
Net loss \$ (3,716) \$ (1,130) \$ (1,787) \$ (586) Earnings per common shares: Basic \$ (1.37) \$ (0.42) \$ (0.66) \$ (0.22) Diluted \$ (1.37) \$ (0.42) \$ (0.66) \$ (0.22) Weighted-average common shares outstanding:	Income (loss) before income taxes		724		(1,409)	2,460		(955)	
Earnings per common share: Basic \$ (1.37) \$ (0.42) \$ (0.66) \$ (0.22) Diluted \$ (1.37) \$ (0.42) \$ (0.66) \$ (0.22) Weighted-average common shares outstanding:	Income tax benefit (provision)		(4,440)		279	(4,247)		369	
Basic \$ (1.37) \$ (0.42) \$ (0.66) \$ (0.22) Diluted \$ (1.37) \$ (0.42) \$ (0.66) \$ (0.22) Weighted-average common shares outstanding:	Net loss	\$	(3,716)	\$	(1,130)	\$ (1,787)	\$	(586)	
Diluted \$ (1.37) \$ (0.42) \$ (0.66) \$ (0.22) Weighted-average common shares outstanding:	Earnings per common share:								
Weighted-average common shares outstanding:	Basic	\$	(1.37)	\$	(0.42)	\$ (0.66)	\$	(0.22)	
	Diluted	\$	(1.37)	\$	(0.42)	\$ (0.66)	\$	(0.22)	
Basic 2,707 2,687 2,708 2,688	Weighted-average common shares outstanding:								
	Basic		2,707		2,687	2,708		2,688	
Diluted 2,707 2,687 2,708 2,688	Diluted		2,707		2,687	2,708		2,688	

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

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

The table below reconciles fourth quarter 2017 constant dollar sales to GAAP sales.

	Sales - Q4 2017									
Americas		Me	n-GAAP easure: nstant \$	Constant \$ Change						
	\$	15.1	\$	15.1	\$	_				
Asia Pacific		27.8		27.0		(8.0)				
EMEA		3.5		3.3		(0.2)				
Total	\$	46.4	\$	45.4	\$	(1.0)				

The table below reconciles fiscal year 2016 and 2017 constant dollar net sales, gross profit and income from operations to GAAP net sales, gross profit and income from operations.

	20	2017		2016	Constant \$ Change			
	GAAP Measure: Total \$	Non-GAAP Measure: Constant \$	GAAP Measure: Total \$		Dollar	Percent		
Net sales	176.7	174.4	\$	180.3	(5.9)	(3.3)%		
Product	157.9	155.8		148.6	7.2	4.8 %		
Pack and associate fees ^(a)	14.2	14.0		26.7	(12.7)	(47.6)%		
Other	4.6	4.6		5.0	(0.4)	(8.0)%		
Gross profit	141.0	139.2		143.7	(4.5)	(3.1)%		
Income from operations	2.5	1.9		0.7	1.2	171.4 %		

^{a)}Coincident with the introduction of the 2017 Associate Compensation Plan, which was implemented on July 1, 2017, the Company collects associate fees, which each associate pays to the Company annually in order to be entitled to earn commissions, benefits and incentives for that year. The Company collected associate fees within the United States, Canada, South Africa, Japan, Australia, New Zealand, Singapore, Hong Kong, and Taiwan during the year ended December 31, 2017. Prior to the change, associates purchased packs that were bundles of products within these respective geographic markets. Since implementing the 2017 Associate Compensation Plan, total associate fees represented an immaterial amount of total sales.

Schedule A: Reconciliation of Non-GAAP Financial Measures (Net Earnings, as Adjusted)

(Unaudited and unreviewed), (Table provides Dollars in thousands)

In addition to its reported results and guidance calculated in accordance with GAAP, the Company has included in this release adjusted net earnings, a performance measure that the Securities and Exchange Commission defines as a "non-GAAP financial measure." Management believes that such non-GAAP financial measures, when read in conjunction with the Company's reported results, in each case calculated in accordance with GAAP, can provide useful supplemental information for investors because they facilitate a period to period comparative assessment of the Company's operating performance relative to its performance based on reported results under GAAP, while isolating the effects of some items that vary from period to period without any correlation to core operating performance and eliminate certain items that management believes do not reflect the Company's operations and underlying operational performance.

The following is a reconciliation of net loss, presented and reported in accordance with U.S. generally accepted accounting principles, to net earnings, as adjusted for certain items:

	 Three Months Ended				Twelve Months Ended					
	12/31/2017 12/31/2016				12/31/2017		12/31/2016			
Net loss, as reported	\$ (3,716)	\$	(1,130)	\$	(1,787)	\$	(586)			
Expenses related to moving the corporate headquarters	266		_		266					
Legal settlements	200		_		700					
Provisional tax impact ^(a)	3,381		_		3,381					
Net earnings, as adjusted	\$ 131	\$	(1,130)	\$	2,560	\$	(586)			

a) Relates to the estimated income tax effect of the Tax Cuts and Jobs Act on the Company's Consolidated Financial Statements as of December 31, 2017 as discussed in Note 7, *Income Taxes*, to the Consolidated Financial Statements included in the annual report on form 10-K for the year ended December 31, 2017.