

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549**

**FORM 8-K**

**CURRENT REPORT  
Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934**

May 5, 2021  
Date of Report (Date of earliest event reported)

**NATURAL HEALTH TRENDS CORP.**

Delaware (State or other jurisdiction of incorporation)	(Exact name of registrant as specified in its charter) 001-36849 (Commission File Number)	59-2705336 (IRS Employer Identification No.)
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Units 1205-07, 12F, Mira Place Tower A 132 Nathan Road, Tsimshatsui, Kowloon, Hong Kong  
(Address of principal executive offices, including zip code)

+852-3107-0800  
(Registrant's telephone number, including area code)

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

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

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

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

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.001 per share	NHTC	The NASDAQ Stock Market LLC

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

On May 5, 2021, Natural Health Trends Corp. issued an earnings release announcing its results for the quarter ended March 31, 2021. The press release is attached hereto as exhibit 99.1.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits.

99.1 [Press Release of Natural Health Trends Corp. dated May 5, 2021](#)  
104 Cover Page Interactive Data File (embedded within the Inline XBRL document).

**SIGNATURES**

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

Date: May 5, 2021

NATURAL HEALTH TRENDS CORP.

By: /s/ Timothy S. Davidson  
Timothy S. Davidson  
Senior Vice President and Chief Financial Officer

### Natural Health Trends Reports First Quarter 2021 Financial Results

- Fourth consecutive quarter of positive operating income and net income
- Strong balance sheet with ample liquidity and \$90.2 million in cash and cash equivalents
- Second consecutive quarter of positive cash flow from operations
- Achieved strong sales momentum in Japan, India, Peru, Europe and Malaysia
- Declared a quarterly cash dividend of \$0.20 per share

HONG KONG – May 5, 2021 – Natural Health Trends Corp. (NASDAQ: NHTC), a leading direct-selling and e-commerce company that markets premium quality personal care, wellness and “quality of life” products under the NHT Global brand, today announced its financial results for the quarter ended March 31, 2021.

#### First Quarter 2021 Financial Highlights

- Revenue of \$13.5 million decreased 10% compared to \$14.9 million in the first quarter of 2020 due to a \$1.1 million increase in deferred revenue which the Company expects to recognize as revenue in the second quarter of 2021. Orders taken were relatively consistent with the first quarter of 2020.
- Operating income was \$220,000 compared to an operating loss of \$1.4 million in the first quarter of 2020.
- Net income was \$153,000, or \$0.01 per diluted share, compared to a net loss of \$573,000, or \$0.05 per diluted share, in the first quarter of 2020.
- The number of Active Members<sup>1</sup> decreased 5% to 49,420 at March 31, 2021 compared to 52,230 at December 31, 2020, and decreased 13% compared to 56,490 at March 31, 2020.

<sup>1</sup> Natural Health Trends defines Active Members as those that have placed at least one product order with the Company during the preceding twelve-month period.

#### Management Commentary

“Following a highly productive January, severe government-mandated restrictions and limitations surrounding in-person events and the Chinese New Year holiday restricted our leaders from properly conducting business,” commented Chris Sharnq, President of Natural Health Trends Corp.

Mr. Sharnq continued, “That said, our first quarter order trends sustained positive momentum with order volume approaching levels achieved in the prior year quarter. A strong contributor to our order volume was our January in-person training event which attracted nearly 700 participants. We also saw notable progress in Japan, India, Peru, Europe and Malaysia which all experienced strong top-line growth year-over-year. In an effort to further boost sales, we began the implementation of social selling in select markets to raise awareness and knowledge of our product lines and business opportunity. In addition, our diligent expense management resulted in our fourth consecutive quarter of positive operating income and net income, in addition to our second consecutive quarter of positive cash flow generation.”

Mr. Sharnq concluded, “Despite having to delay our second Fly-High training to April, the event was successful and exceeded the attendance of our January event with follow-up marketing activities already well underway. Next, we expect to hold our first major in-person event since the beginning of the pandemic in Macau in June, where we intend to introduce a new wellness product, Time Release Ultra B Complex, to an audience of over 1,500. As we continue to emerge from the pandemic, we believe we are well-positioned to begin the process of safely resuming our normal business operations as the economy recovers.”

## Balance Sheet and Cash Flow

- Net cash provided by operating activities was \$414,000 in the first quarter of 2021, compared to cash used of \$990,000 in the first quarter of 2020.
- Total cash and cash equivalents were \$90.2 million at March 31, 2021, down slightly from \$92.4 million at December 31, 2020.
- On May 3, 2021, the Company's Board of Directors declared a quarterly cash dividend of \$0.20 on each share of common stock outstanding. The dividend will be payable on May 28, 2021 to stockholders of record as of May 18, 2021.

## First Quarter 2021 Financial Results Conference Call

Management will host a conference call to discuss the first quarter 2021 financial results today, Wednesday, May 5, 2021 at 11:30 a.m. Eastern Time. The conference call details are as follows:

**Date:** Wednesday, May 5, 2021  
**Time:** 11:30 a.m. Eastern Time / 8:30 a.m. Pacific Time  
**Dial-in:** 1-877-407-0789 (Domestic)  
1-201-689-8562 (International)  
**Conference ID:** 13718088  
**Webcast:** <http://public.viaavid.com/index.php?id=144114>

For those unable to participate during the live broadcast, a replay of the call will also be available from 2:30 p.m. Eastern Time on May 5, 2021 through 11:59 p.m. Eastern Time on May 19, 2021 by dialing 1-844-512-2921 (domestic) and 1-412-317-6671 (international) and referencing the replay pin number: 13718088.

## About Natural Health Trends Corp.

Natural Health Trends Corp. (NASDAQ: NHTC) is an international direct-selling and e-commerce company operating through its subsidiaries throughout Asia, the Americas, and Europe. The Company markets premium quality personal care products under the NHT Global brand. Additional information can be found on the Company's website at [www.naturalhealthtrends.com](http://www.naturalhealthtrends.com).

## Forward-Looking Statements

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995 -- Forward-looking statements in this press release do not constitute guarantees of future performance. Such forward-looking statements are subject to risks and uncertainties that could cause the Company's actual results to differ materially from those anticipated. Such risks and uncertainties include the risks and uncertainties detailed under the caption "Risk Factors" in Natural Health Trends Corp.'s Annual Report on Form 10-K filed on February 26, 2021 with the Securities and Exchange Commission (SEC), as well as in subsequent reports filed this year with the SEC. The Company assumes no obligation to update any forward-looking information contained in this press release or with respect to the announcements described herein.

**CONTACTS:**

**Company Contact:**

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**NATURAL HEALTH TRENDS CORP.**  
**CONSOLIDATED BALANCE SHEETS**  
(In thousands, except share data)

	March 31, 2021	December 31, 2020
	(Unaudited)	
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 90,214	\$ 92,367
Inventories	3,627	3,779
Other current assets	<u>3,393</u>	<u>3,595</u>
Total current assets	97,234	99,741
Property and equipment, net	521	539
Operating lease right-of-use assets	3,839	3,745
Restricted cash	522	525
Deferred tax asset	721	731
Other assets	648	661
Total assets	<u>\$ 103,485</u>	<u>\$ 105,942</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 756	\$ 580
Income taxes payable	1,547	1,481
Accrued commissions	3,116	3,496
Other accrued expenses	1,670	1,922
Deferred revenue	4,169	3,091
Amounts held in eWallets	7,754	8,503
Operating lease liabilities	1,252	1,163
Other current liabilities	<u>1,125</u>	<u>1,270</u>
Total current liabilities	21,389	21,506
Income taxes payable	13,748	13,748
Deferred tax liability	216	216
Operating lease liabilities	<u>2,756</u>	<u>2,775</u>
Total liabilities	38,109	38,245
Stockholders' equity:		
Preferred stock	—	—
Common stock	13	13
Additional paid-in capital	86,102	86,102
Retained earnings	5,690	7,822
Accumulated other comprehensive loss	(525)	(336)
Treasury stock, at cost	<u>(25,904)</u>	<u>(25,904)</u>
Total stockholders' equity	65,376	67,697
Total liabilities and stockholders' equity	<u>\$ 103,485</u>	<u>\$ 105,942</u>

**NATURAL HEALTH TRENDS CORP.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)**  
(In thousands, except per share data)

	Three Months Ended March 31,	
	2021	2020
Net sales	\$ 13,469	\$ 14,948
Cost of sales	3,255	4,514
Gross profit	10,214	10,434
Operating expenses:		
Commissions expense	5,514	6,603
Selling, general and administrative expenses	4,480	5,279
Total operating expenses	9,994	11,882
Income (loss) from operations	220	(1,448)
Other income, net	20	93
Income (loss) before income taxes	240	(1,355)
Income tax provision (benefit)	87	(782)
Net income (loss)	\$ 153	\$ (573)
Net income (loss) per common share:		
Basic	\$ 0.01	\$ (0.05)
Diluted	\$ 0.01	\$ (0.05)
Weighted average common shares outstanding:		
Basic	10,874	10,483
Diluted	11,424	10,483

**NATURAL HEALTH TRENDS CORP.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)**  
(In thousands)

	Three Months Ended March 31,	
	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net income (loss)	\$ 153	\$ (573)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	79	95
Noncash lease expense	294	418
Deferred income taxes	9	869
Changes in assets and liabilities:		
Inventories	123	1,001
Other current assets	195	(1,033)
Other assets	2	52
Accounts payable	176	168
Income taxes payable	67	(164)
Accrued commissions	(344)	(528)
Other accrued expenses	(245)	(398)
Deferred revenue	1,093	(521)
Amounts held in eWallets	(727)	(175)
Operating lease liabilities	(322)	(440)
Other current liabilities	(139)	239
Net cash provided by (used in) operating activities	414	(990)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of property and equipment	(63)	(12)
Net cash used in investing activities	(63)	(12)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Dividends paid	(2,285)	(2,285)
Net cash used in financing activities	(2,285)	(2,285)
Effect of exchange rates on cash, cash equivalents and restricted cash	(222)	(240)
Net decrease in cash, cash equivalents and restricted cash	(2,156)	(3,527)
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, beginning of period	92,892	99,425
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, end of period	\$ 90,736	\$ 95,898
<b>SUPPLEMENTAL DISCLOSURES OF OTHER CASH FLOW INFORMATION:</b>		
Right-of-use assets obtained in exchange for operating lease liabilities	\$ 400	\$ 194