

## Get to Know Your Community: Interview with Steve Wallach, CEO of Youngevity International

This month, we speak with Steve Wallach, CEO of Youngevity International ([OTCQX: YGYI](#)), a U.S. based nutritional products and coffee company. He discusses major milestones that the company has achieved this year, including becoming SEC reporting and joining OTCQX, and positioning the company for expansion in international markets.



**OTCM:** Tell us about Youngevity International Inc.

**Steve Wallach:** Youngevity International is a fast growing global direct marketer of nutritional and lifestyle products and a vertically-integrated producer of gourmet coffees for the commercial, retail and direct sales channels. The company has a unique business model and operates in two high growth business segments (direct selling and commercial coffee).

Through our direct selling division, we market a wide range of quality supplements, skin care and other wholesome consumer products that promote a healthy lifestyle. The company distributes its products through its large database of distributors and end user consumers as well as via the wholesale and retail channels.

CLR Roasters represents the traditional marketing side of the company and it is a wholly-owned subsidiary of Youngevity International. CLR Roasters is a mid-sized coffee roaster that produces coffees under its own boutique brands as well as manufactures a variety of private labels throughout various tiers of distribution.

**OTCM:** You upgraded to OTCQX in June this year. Why did you make that change?

**SW:** We made a concerted effort and significant investment in becoming a fully reporting public company in 2013. We felt this achievement and the effort and investment to make it happen would be best valued by trading on OTCQX, the Best Marketplace. We are proud to be trading on the OTCQX U.S., which enables us to provide our investors with timely news and information to help them better analyze, value and trade our securities.

**OTCM:** You went through a major rebranding this year changing your company name to Youngevity. Tell us more about that.

**SW:** The new corporate name is part of a larger rebranding effort intended to more clearly represent Youngevity International's focus on its commitment to operate as a multi-dimensional consumer products company. Our direct selling division of the company was established in 1997, and for 17 years now we have been delivering products that promote a healthy lifestyle for our customers. We have been marketing many of these consumer products under the brand Youngevity® with the tag line "Live Younger, Longer." Tying the name of our company to our product branding strategy streamlines our message and allows us to effectively market the name Youngevity to all the interested parties, that being our shareholders, distributors and customers. Also, our celebrity brand ambassadors truly exemplify what it means to live younger, longer and have always been passionate about inspiring and helping others to live healthier, more active lifestyles.

**OTCM:** What other highlights and milestones did Youngevity achieve this year?

**SW:** In the 3<sup>rd</sup> quarter of 2012 we announced our profitability improvement initiative with expected results of the initiative to be reflected in 2013. Through the first two quarters of this year we delivered \$1.7 million dollars of net income and \$3.9 million dollars of EBITDA. We expect those results to continue for the balance of the year and into the foreseeable future. We are optimistic about the scalability of our business model and the prospects of our continued growth both organically and through acquisition that will come from our growing financial strength. We are bullish about the recently completed acquisitions of Heritage Makers and GoFoods Global and we anticipate additional acquisitions to be completed prior to the end of the year.

Another milestone reached this year is YGYI becoming a fully reporting company. We cleared SEC comments at the end of May and shortly after that we moved up to the OTCQX. Our coffee roasting operations, CLR Roasters, recently earned its Safe Quality Food (SQF) Level 2 Certification, which opens up significant growth prospects and market opportunities for that business segment. CLR Roasters also just signed a direct supply contract, which will provide improved profitability for the next several years. We strongly feel we are well positioned for growth going into 2014.

**OTCM:** What is your growth strategy going forward?

**SW:** Our most significant growth opportunity will come from our launch into markets outside of the United States. Youngevity has been readying and positioning itself for global expansion. In the direct selling space those companies with significant sales volume typically derive 70% to 75% of their sales volume outside of the U.S. Youngevity ships its products to over 60 countries, but this only accounts for 8% of our revenue. The demand for our products in other markets is apparent and we are poised to make an impact internationally.

In 2014, we will accelerate our expansion into various international markets and we expect this will be a major growth driver for the next several years. Another part of our growth strategy will be our investment in technology. We are making significant investments in mobile applications, the direct to consumer shopping experience, database mining, and social media marketing to maximize sales to our growing data base of consumers. Finally, we will continue to grow through acquisitions with a strategic view of exploring vertical integration opportunities that will maximize the margins on some of our core products.

**OTCM:** What else do you want investors to know about Youngevity?

**SW:** Youngevity International is committed to growing aggressively through direct selling, traditional marketing, mergers and acquisitions, and organic growth. The company's direct sales model and international rollout strategy is ideally suited to fully leverage the significant upside potential in high growth emerging markets. Youngevity International is solid financially and we have strong growth prospects. Based on our current share prices we feel that we are both a value and a growth story. We are confident that by continuing to execute our business plan that ultimately more investors will take notice of our performance and all that we are accomplishing here at Youngevity. We have budgeted additional funds for 2014 to attend more investment conferences around the country where we can tell our exciting growth story to the investment community.