

# dōTERRA 2017 Opportunity and Earnings Disclosure Summary



## Global Aromatherapy and Essential Oils Market Verified Market Leadership Award\*

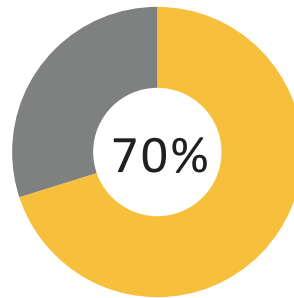
Independent market analyst, Verify Markets, determined that the Global Aromatherapy and Essential Oils Market is in a growth stage and that it will experience continued high growth for the next seven years. One of the three market drivers in creating awareness is direct selling. dōTERRA's Wellness Advocates, who are educated in CPTG Certified Pure Therapeutic Grade® oils, empower other individuals and families in their health and wellness decisions. dōTERRA was named as the market leader based on Verify Markets' research, which is validated by the high percentage of dōTERRA product consumers, known as Wholesale Customers or Retail Customers.

### Top Three Market Drivers



Wholesale Customers receive (along with Wellness Advocates), the lowest possible prices and access to the company's Loyalty Rewards Program. Retail Customers pay the listed retail prices with no discount for Company products and do not participate in the Loyalty Rewards Program. Wholesale Customers and Retail Customers are unable to recruit others or participate in the company's compensation plan. Wholesale Customers and Retail Customers, in the United States, account for approximately 70% percent of all new dōTERRA members. dōTERRA members include Wellness Advocates, Wholesale Customers, and Retail Customers.

The vast majority of the approximate three million United States' members and five million global members primarily focus on purchasing high quality essential oils and other products at the most reasonable price possible. dōTERRA supports this by offering a very generous Loyalty Rewards Program (LRP).



70% of all new dōTERRA members in the United States join as Wholesale Customers or Retail Customers. This provides an exceptionally stable customer base.

The rewards program has extremely high participation rates and a near 100% point redemption rate by loyal consumers. In 2017, dōTERRA awarded more than \$278 million (retail value) of products to dōTERRA members through its global loyalty program. The dōTERRA compensation plan provides a robust earnings opportunity for Wellness Advocates. Wellness Advocates may sign up others as Retail Customers, Wholesale Customers, or Wellness Advocates. They earn commissions based on product sales within their organizations and to their retail customers. During 2017, the company paid commissions to approximately 268 thousand Wellness Advocates within the United States. This is approximately 20% of all U.S. based dōTERRA members who made a purchase from dōTERRA. The majority of those Wellness Advocates earned enough to pay for a portion, if not all, of their own purchases of the Company's products.

### Market in 2017:

76% of all U.S. adults take dietary supplements to improve their health up from 64% ten years ago.

79% U.S. Adult Women  
73% U.S. Adult Men<sup>§</sup>

Market Leader:	dōTERRA
Market Size	\$5.1 Billion
Stage:	Growth
Market Growth:†	25.3%

### dōTERRA in 2017:

Experienced a 33% increase as the preferred essential oil brand when compared to all other essential oil companies.

Has the highest essential oils rating in therapeutic grade, purity, and effectiveness<sup>‡</sup>

\* "Global Aromatherapy and Essential Oils Market," Verify Markets, April 2018, <https://www.verifymarkets.com/collections/all-reports/products/2018-global-aromatherapy-and-essential-oils-market>.

† See prior note, Estimated Compound Annual Growth rate of Global Aromatherapy and Essential Oil mark from 2017 to 2024.

‡ 2017 dōTERRA Commissioned Survey.

§ "CRN 2017 Annual Survey on Dietary Supplements," Counsel for Responsible Nutrition, 2017, [www.crnusa.org/survey](http://www.crnusa.org/survey).

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## Wellness Advocates

### Entry-level Wellness Advocates

Many Wellness Advocates join dōTERRA to enjoy its Certified Pure Therapeutic Grade® oils at wholesale pricing, and do not earn commissions. Wellness Advocate earnings depend on many factors including effort, interpersonal skills, and leadership abilities. dōTERRA's entry rank represented 76% of all U.S. Wellness Advocates, and sixteen percent earned a commission. Those Consultant level distributors, who received a commission, averaged \$375 for the year.

### Builders

dōTERRA considers those that have begun to build a sales organization to be its Builders. Builders take in the Manager, Director, Executive, Elite, and Premier ranks of Wellness Advocates. Each Builder's work schedule is as varied as his or her lifestyle, but typically range from a few hours a month to several hours

each week. Builders make up approximately 23% of all active Wellness Advocates. Those reaching the Manager and Director ranks represented 42% and 25% of Builders, and averaged \$752 and \$1,250 respectively in annual part-time income. Executive rank Wellness Advocates are 12% of Builders, and earned an average of \$1,837 during the year. At the mid-level ranks of Elite and Premier (17% and 4% of Builders), average annual part-time earnings for these ranks range from \$4,370 to \$11,260 per year.

### Wellness Advocate Leaders

dōTERRA considers those in the Silver rank and above to be Leaders. Leaders are diverse and include individuals who are committed Wellness Advocates. They manage customer organizations, and support other dōTERRA members. These ranks are the highest levels in the commission plan, and

are approximately one percent of all dōTERRA Wellness Advocates. Within these ranks are those that conduct business on a full-time basis, as well as leaders who supplement their household income. The below chart shows the average earnings of these leadership ranks. More than 95% of those in leadership stay with dōTERRA year after year.

### Year-to-Year Leadership Growth.

Over the past three years, the number of dōTERRA Leaders has continued to increase. The chart below shows that from Silver to Presidential Diamond, the three-year average annual increase in the number of Wellness Advocates for each Leader rank. Over the past decade, the average annual earnings at each of these ranks stayed relatively consistent while the number of Wellness Advocates at each rank has continued to increase.

Rank	Average Annual Earnings	Percentage of Leaders	Leaders 3 Year Average Annual Increase
Silver	\$27,557	62%	14.9%
Gold	\$58,509	21%	15.6%
Platinum	\$112,965	7%	35.2%
Diamond	\$201,764	7%	21.3%
Blue Diamond	\$463,555	2%	23.0%
Presidential Diamond	\$1,259,587	<1%	51.4%

dōTERRA is the world leader in the Aromatherapy and Essential Oil market, and its business opportunities are exciting and robust. The vast majority of dōTERRA members focus on the use of dōTERRA's products to benefit their family and friends. Wellness Advocates enjoy a very high percentage (70%) of customers to whom they sell their products. dōTERRA's growing and diverse business opportunity offers a way to earn varying levels of part-time income, for many, significant supplemental income, and in the highest leadership ranks the annual income is significant.