



PRESS RELEASE

Malmö October 31, 2019

## New Nordic Healthbrands AB

### Six month report January - September 2019

#### NINE MONTHS 2019

- Net sales amounted to MSEK 338.2 (296.1), an increase of 14.2 percent. In local currencies, the increase was 9.5 percent.
- Gross margin increased to 70.4 percent (70.1).
- EBITDA increased to MSEK 29.8 (24.9).
- Operating profit increased to MSEK 29.3 (24.4).
- Profit after tax for the period increased to MSEK 23.4 (19.3).
- Earnings per share after tax increased to SEK 4.81 (4.02).

#### Q3 2019

- Net sales amounted to MSEK 118.1 (112.7), an increase of 4.8 percent. In local currencies, the increase was 1.6 percent.
- Gross margin increased to 70.7 percent (69.5).
- EBITDA increased to MSEK 14.5 (13.8).
- Operating profit increased to MSEK 14.3 (13.6).
- Profit after tax for the period increased to MSEK 11.4 (10.7).
- Earnings per share increased to SEK 2.35 (2.23).

#### COMMENTS BY KARL KRISTIAN BERGMAN JENSEN, CEO

We had a good 3 quarter with record revenue and record earnings. In the first 9 months of the year we achieved organic growth of 14.2%. In local currencies, growth was 9.5%. In the third quarter, the increase was 4.8% in Swedish kronor and 1.6% in local currencies.

The third quarter of last year, 2018, was a really good quarter which we were aware would be difficult to match in 2019, but we succeeded. Growth is driven by increased marketing efforts, product innovation and increased geographical distribution. In the first nine months we have seen growth in all geographical areas with particularly high growth in Europe.

In the third quarter we saw a slight decline in North America. This is due to structural changes in ownership and procurement among some of our largest customers in Canada as well as periodical shifts in purchase from our major US customers. We are confident that growth will continue in North America.

With a favorable product mix and focus on savings in raw material purchases and cheaper freight, we achieved a satisfactory gross profit of 70.4% in the first 9 months of the year. We have a good cost control even though during the year we have strengthened our organization in line with increased activity level.

EBITDA increased by 20% in the first nine months and 5% in the third quarter. Earnings per share after tax increased by 21% in the first nine months of the year. We have some markets that are new to us and where we are working to establish ourselves and create good profitability. Establishment in Hong Kong and China is progressing well, but they still do not contribute to positive earnings. The same is true of the situation in Switzerland, Slovakia, Romania and Kazakhstan. We have just re-established our sales company in Sydney, Australia, and hired a country manager there. We expect to start sales in Australia in the second quarter of 2020.

We have several markets where it might be relevant to establish New Nordic but we have concluded that we will have enough new geographical initiatives to handle at the moment. Our pace of innovation is also fine. At the end of the quarter, we introduced a few news for test marketing in Denmark.

Clear Brain™ Active Memory, is a further development of our popular Clear Brain™ tablet. As the first cognitive supplement in the world it contains broccoli sprouts. The tablet strengthens our strong position in the category for brain function supplements.

In addition, we have launched Cal Mag Bone Strong™ - the first calcium and magnesium supplement based on the highly absorbed calcium and magnesium sources; calcium citrate malate and magnesium malate. Of course with the addition of vitamins K2 and D plus herbs that work in synergy with the minerals. Together with our b-energy™ and magnesium malate™, the capsule strengthens our premium vitamin and mineral range.

We currently also have extraordinary product news that we are presenting to the trade in some selected markets for launch in the first quarter of 2020. It is still a secret what it is, but it represents huge opportunities for further growth for New Nordic many years to come.

In the quarter we have further fuelled the education of trade personnel. Several countries have initiated the highly popular New Nordic Herbal School.

Again, our international team has made a great effort and I am encouraged by the determination to create further growth and further establish New Nordic as an international brand with a Scandinavian heritage.

I look forward to the last months of the year and where we are also planning the actions to further develop New Nordic in 2020 - our 30th year anniversary.



Karl Kristian Bergman Jensen, CEO

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*The information in this press release is that which New Nordic Healthbrands AB (publ) is required to disclose under Sweden's Securities Market Act, and made public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out above, at 8:00 (CET) on October 31st 2019.*

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New Nordic Healthbrands AB (publ) was founded in 1990 and is quoted on Nasdaq First North Growth Market Sweden since 2007. The company's business concept is to offer the most effective and safe food supplements, natural medicines and cosmetic products for specific health and beauty concerns. New Nordic's branded products are now available in 34 countries in pharmacies and health stores. The New Nordic Group has its own small sales and marketing companies in most European Countries, Canada and the US, to organize local marketing campaigns, serve the pharmacy and health retailers and serve the end consumers. In 2018, sales were 394 MSEK. Nearly all New Nordic products sold worldwide are manufactured in Scandinavia. For further information, visit [www.newnordic.com](http://www.newnordic.com).