



New Nordic Healthbrands AB (publ) Three month report January - March 2015

	Q1 2015	Q1 2014	Full Year 2014
Net sales, kSEK	72 947	61 072	271 949
Change in local currencies, %	10.2	15.1	12.3
Gross profit, kSEK	48 696	39 514	173 728
Gross margin, %	66.8	64.7	63.9
EBITDA kSEK	4 725	3 752	19 118
EBITDA, %	6.5	6.1	7.0
Operating profit, kSEK	4 063	3 106	16 199
Operating margin, %	5.6	5.1	6.0
Profit for the period, kSEK	3 101	2 060	12 375
Resultat per aktie*, SEK	0.50	0.33	2.00
Earnings per share*, SEK	0.76	0.61	3.09

*There are no dilutive effects

Comments by Karl Kristian Bergman Jensen, CEO

We had a nice start to the year.

Revenues increased more than 10 percent in local currencies. After translation to Swedish kronor, sales increased more than 19 percent and amounted to 72.9 million SEK. Sales have increased satisfactorily in all geographical areas. EBITDA increased by 26 percent to 4.7 million SEK. Earnings per share after tax increased by 52 percent from SEK 0.33 to SEK 0.50. Gross margin amounted to 66.8 percent and was slightly higher than the same period last year. This is a combination of temporary changes in sales within our product range and results of our efforts to increase gross margin. We increased marketing expenses during the period to stimulate sales of existing products in existing markets and to help increase sales in "young" markets.

Our costs are under control. Staff and administrative expenses as a percentage of sales bear witness to the efficient administration and organization. Sales per employee increased to 1.8 million SEK, gross profit per employee to 1.2 million SEK and earnings per employee to 98,000 SEK for the quarter.

The internationalization of New Nordic is in good momentum. We take market share in the market for herbal supplements, which is expected to grow by 2.2 percent in the Nordic countries, 1.9 percent in Europe and 3.5 percent in North America during 2015. We want to increase our international sales hand in hand with increasing our profitability and earnings per share. The efficiency of our marketing and success of our new product launches will be crucial for our results.

During the first quarter we launched three new products. Coffee Diet™ and Raspberry Kick™ for weight loss. We also launched the worlds first certified organic fish oil capsule under the brand Dansk Ørred™ in Denmark and Nordic Fish Oil™ elsewhere. Unlike existing natural fish oils on the world market, our oil is cold pressed without the use of chemicals.

It is always gratifying when consumers appreciate our products. In Canada our Ear Tone™ received the consumer price as the "natural OTC product of the year 2015". Ear Tone was approved in 2014 by the Canadian health authorities to reduce the perception of tinnitus in the ears.

We have further exciting launches planned throughout the year.

During the quarter we also strengthened our organization with two new employees in order to establish cooperation with new distributors around the world. The entire organization is very committed and has a strong focus on making our marketing more effective and optimize future product launches. I am full of optimism and look forward to an exciting and rewarding year for New Nordic and our shareholders.

Sales

Sales in local currencies increased by 10.2 percent during the first quarter. Converted to SEK sales increased by 19.4 percent.

Results for the first quarter

Gross profit for the first quarter amounted to SEK 48.7 million (39.5). This corresponds to a gross margin of 66.8 percent (64.7). EBITDA amounted to SEK 4.7 M (3.8). This corresponds to an EBITDA margin of 6.5 percent (6.1). Operating profit amounted to SEK 4.1 million (3.1). This corresponds to an operating margin of 5.6 percent (5.1). Profit after financial items amounted to SEK 3.9 million (2.7). Profit after tax for the quarter reached 3.1 million (2.1).

Comments to the first quarter

The total sales growth was satisfactory. Sales growth by region was satisfactory for The Nordic area, other Europe and North America. Gross margin increased to 66.8 percent (64.7), which is primarily a result of changes in sales within the company's product range. Personnel and other external expenses increased by 23 percent and amounted to SEK 44.0 million (35.8). The largest increase was related to increased marketing costs. Depreciation was almost status quo and amounted to SEK 0.7 million (0.6) and financial items decreased by 52 percent to SEK -0.2 million (-0.4). Profit after financial items increased by 43 percent and amounted to SEK 3.7 M (2.7). Profit after tax increased by 51 percent and amounted to SEK 3.1 million (2.1).

Financial position and cash flow

The Group's total assets at 31 March 2015 amounted to 105.3 million (93.7), an increase of 13 percent from the same time last year. The increase is mainly related to the increase in inventories and receivables associated with increased activity. Operating activities generated a negative cash flow of -3.5 million (2.1) during the first three months. Cash and cash equivalents at end of period amounted to SEK 5.6 million (4.9). The Group's equity ratio was 26.2 percent (16.8). Equity apportioned on the outstanding 6,195,200 (6,195,200) shares stood at 31 March 2015 to 4.47 SEK (2.54).

Expansion

In 2015, the company will continue to focus on building a leading brand in specific market segments. Profitable products will be launched in the markets where New Nordic operate and efforts will be made to broaden the geographical spread through reputable national distributors who can market New Nordic brands for their own account and risk in their country. In the US, the company will only focus on a few brands for pharmacy distribution. At the same time New Nordic focuses to build their business in the American health food stores. New Nordic expects to increase sales and profit in all markets where it operates.

Parent Company

The parent company had during the operation first three months of 2015 net sales of SEK 33.3 million (25.3).

Comment on the current quarter

Sales during the first weeks of April has started well.

Transactions with related parties

There have been no material related party transactions during the period.

Accounting principles

This report has been prepared in accordance with the Annual Accounts Act (1995:1554) and BNFAR 2012:1 The Annual Report and Consolidated Group Report (K3).

Certified Adviser

New Nordic Healthcare Brands AB's Certified Adviser is Mangold Fondkommission.

Future reports

Annual General Meeting	29 April, 2015
Six Month Report 2015	31 July, 2015
Nine Month report 2015	30 October, 2015
Full Year Report 2015	7 March, 2016

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This report has not been audited.

Malmö April 29, 2015
New Nordic Healthbrands AB (publ)

Board of Directors
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Income Statement

(kSEK)	Q1 2015	Q1 2014	Full Year 2014
Sales	72 947	61 072	271 949
Cost of goods sold	-24 251	-21 558	-98 221
Gross profit	48 696	39 514	173 728
Personnel expenses	-8 083	-6 869	-28 387
Other external expenses	-35 888	-28 893	-126 223
EBITDA	4 725	3 752	19 118
Depreciations	-662	-646	-2 919
Operating profit (EBIT)	4 063	3 106	16 199
Interest and other financial items	-195	-403	326
Profit after financial items	3 868	2 703	16 525
Tax	-767	-643	-4 150
Profit for the period	3 101	2 060	12 375
Average number of shares	6 195 200	6 195 200	6 195 200
Number of shares by the end of the period*	6 195 200	6 195 200	6 195 200
Earnings per share, SEK	0.50	0.33	2.0
EBITDA per share, SEK	0.76	0.61	3.09

*There are no dilutive effects

Balance Sheet

(kSEK)	Q1 2015	Q1 2014	Full Year 2014
Assets			
FIXED ASSETS			
Intangible fixed assets	2 478	4 725	2 977
Tangible fixed assets	1 942	1 412	1 834
Financial assets	5 776	9 379	9 014
Total fixed assets	10 196	15 516	13 825
CURRENT ASSETS			
Inventories	38 691	30 438	34 995
Current receivables	51 264	42 817	45 847
Liquid funds	5 582	4 909	5 995
Total current assets	95 537	78 164	86 837
Total assets	105 733	93 680	100 662
Equity and liabilities			
EQUITY	27 694	15 713	25 059
Deffered tax	1 533	1 361	1 618
Long-term debt	1 455	708	1 198
Short term liabilities – interest bearing	8 528	9 317	9 439
Short term liabilities – non interest bearing	66 523	66 581	63 348
Current liabilities	75 051	75 898	72 787
TOTAL LIABILITIES AND EQUITY	105 733	93 680	100 662

Change in Equity

Q1 2015

(kSEK)	Share capital	Restricted reserves	Free equity	Total equity
Balance	6 195	5 248	13 616	25 059
Transfer between restricted and unrestricted reserves	0	0	-466	-466
Profit for the period	0	0	3 101	3 101
Balance	6 195	5 248	16 251	27 694

Q1 2014

(kSEK)	Share capital	Restricted reserves	Free equity	Total equity
Balance	6 195	3 935	3 419	13 549
Transfer between restricted and unrestricted reserves	0	0	104	104
Profit for the period	0	0	2 060	2 060
Balance	6 195	3 935	5 583	15 713

Full Year 2014

(kSEK)	Share capital	Restricted reserves	Free equity	Total equity
Balance	6 195	3 935	3 419	13 549
Transfer between restricted and unrestricted reserves	0	1 313	-1 313	0
Exchange rate differences	0	0	-865	-865
Profit for the period	0	0	12 375	12 375
Balance	6 195	5 248	13 616	25 059

Cash Flow Statements

(kSEK)	Q1 2015	Q1 2014	Full Year 2014
CURRENT OPERATIONS			
Profit after financial items	4 063	3 106	16 199
Adjustments for			
Depreciations	662	646	2 919
Other provisions	5	339	0
	4 730	4 091	19 118
Interest recieved	71	51	270
Interest expense	-380	-427	-1 740
Taxation paid	-626	-1 570	-2 489
Cash flow from current operations before changes in working capital	3 795	2 145	15 159
Cash flow from changes in working capital			
Inventories	-3 629	19	-3 064
Current receivables	-5 203	-992	-1 777
Current liabilities	1 513	950	-7 114
Cash flow from current operations	-3 524	2 122	3 204
INVESTMENT ACTIVITIES			
Investment in intangible fixed assets	-432	0	-1
Investments in tangible fixed assets	65	-29	-587
Long term receivables	3 304	-2 761	-1 588
Cash flow from investment activities	2 937	-2 790	-2 176
FINANCING ACTIVITIES			
Changes in long term debt	130	-535	-1 483
Cash flow from financing activities	130	-535	-1 483
Changes in liquid funds	-457	1 203	-455
Liquid funds at the beginning of the period	5 995	6 072	6 072
Exchange rate effect	44	40	378
Liquid funds at the end of the period	5 582	4 909	5 995

Key Figures

(kSEK)	Q1 2015	Q1 2014	Full Year 2014
Sales	72 947	61 072	271 949
Gross profit	48 696	39 514	173 728
EBITDA	4 725	3 752	19 118
Operating profit	4 063	3 106	16 199
Profit after financial items	3 868	2 703	16 525
Profit after tax	3 101	2 060	12 375
Total assets	105 733	93 680	100 662
Return on capital employed, %	10.97	12.27	46.1
Return on shareholders equity, %	11.2	13.1	49.4
Equity	27 694	15 713	25 059
Equity ratio, %	26.2	16.8	24.9
Debt ratio	2.82	4.96	3.02
Interest coverage ratio	10.88	6.94	9.5
Investments	432	29	588
Cash flow from current operations	-3 524	2 122	3 204
Cash flow from financing activities	130	-535	-1 483
Gross margin, %	66.8	64.7	63.9
EBITDA margin, %	6.5	6.1	7.0
Operation margin, %	5.6	5.1	6.0
Profit margin, %	5.3	4.4	6.1
Number of employees, average	40	37	37
Number of employees by the end of the period	41	37	38
Sales per employee	1 847	1 651	7 350
Gross margin per employee	1 233	1 068	4 695
Profit per employee	98	73	447
Average number of shares in the period	6 195 200	6 195 200	6 195 200
Number of shares by the end of the period*	6 195 200	6 195 200	6 195 200
EBITDA per share, SEK	0.76	0.61	3.09
Profit per share*, SEK	0.50	0.33	2.00
Equity per share, SEK	4.47	2.54	4.04

*There are no dilutive effects

New Nordic geographic and product segments

Sales divided by geographic, SEK	Q1 2015		Q1 2014		Full Year 2014	
	MSEK	PERCENT	MSEK	PERCENT	MSEK	PERCENT
Nordic	33	45	27	44	115	42
Other Europe	24	33	23	38	92	34
North America	14	19	9	15	59	22
Other World	2	3	2	3	6	2

Quarterly overview

	2015	2014				2013				2012			
	Q 1	Q1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4
Turnover MSEK	72.9	61.1	74.9	67.6	70.7	51.0	58.9	58.3	59.7	52.2	55.5	49.4	46.7
Change from last year, %	19.4	19.7	27.2	16.0	18.4	-2.2	6.1	18.0	28.0	10.2	6.1	-4.3	-3.2
EBITDA, MSEK	4.7	3.8	4.7	5.8	4.9	3.5	3.6	3.9	1.1	3.3	2.0	2.9	-2.7
EBITDA-margin, %	6.5	6.1	6.2	8.5	7.0	6.8	6.1	6.8	1.9	6.4	3.5	5.8	-5.7
Operating result, MSEK	4.1	3.1	4.0	5.1	4.0	2.7	2.9	3.2	0.4	1.4	0.0	1.0	-3.4
Operating margin, %	5.6	5.1	5.3	7.6	5.7	5.3	4.9	5.5	0.6	2.7	0.1	1.9	-7.4
Result before tax, MSEK	3.9	2.7	4.2	5.2	4.4	1.9	2.9	2.5	0.6	0.7	-1.0	-0.3	-4.1
Result after tax, MSEK	3.1	2.1	2.9	4.3	3.2	1.3	2.2	1.1	1.2	0.5	-0.8	-0.8	-3.0
Cash, MSEK	5.6	4.9	5.1	5.4	6.0	3.9	3.3	7.6	6.1	2.0	2.2	4.5	5.2
Stocks, MSEK	38.7	30.4	32.2	31.2	35.0	29.9	30.1	29.4	30.6	27.8	30.7	28.8	31.1
Equity, MSEK	27.7	15.7	18.2	22.2	25.1	9.7	11.8	12.7	13.5	12.2	11.3	11.4	8.5
Result per share, SEK	0.50	0.33	0.47	0.69	0.51	0.20	0.36	0.18	0.19	0.08	-0.12	-0.14	-0.49
Equity per share, SEK	4.47	2.54	2.95	3.59	4.04	1.57	1.90	2.06	2.19	1.96	1.82	1.85	1.37
Cash flow from current operations per share, SEK	-0.57	0.34	0.16	0.28	-0.03	-0.24	-0.13	0.53	-0.09	0.29	0.01	0.39	-0.10
Solidity, %	26.2	16.8	17.6	22.9	24.9	11.1	12.7	13.7	15.0	12.6	11.5	12.7	9.2

Gross profit: Net sales less cost of sold goods.

Equity: Equity as a percentage of total assets.

Leverage ratio: The ratio of total liabilities and equity.

Profit margin: Profit after financial items plus financial expenses divided by financial expenses.

Return on equity: Net income as a percentage of shareholders' equity at period end.

Capital employed: Total assets less non-interest-bearing provisions and liabilities.

Return on capital employed: Profit after financial items plus financial expenses divided by capital employed.

Investments: Investments in tangible and intangible assets.

Gross margin: Gross profit as a percentage of net sales.

EBITDA margin: Operating income before depreciation and amortization as a percentage of net sales.

Operating margin: Operating profit after depreciation and amortization as a percentage of net sales.

Profit margin: Profit after financial items as a percentage of net sales.

Revenue per employee: Net sales divided by the average number of employees.

Gross profit per employee: Gross profit divided by the average number of employees.

Profit per employee: Profit after financial items divided by the average number of employees.

Earnings per share: Profit after tax divided by the average number of shares.

Equity per share: Shareholders' equity divided by shares outstanding at period end.