



PRESS RELEASE

Malmö October 31, 2014

## New Nordic Healthbrands AB

### Nine months report January - September 2014

#### NINE MONTHS 2014

- Net sales amounted to MSEK 201.3 (168.3), an increase of 19 percent. In local currencies, the increase was 13 percent.
- Gross margin decreased to 64.0 percent (66.4).
- EBITDA increased to MSEK 14.2 (11.0).
- Operating profit improved to MSEK 12.2 (8.8).
- Profit after tax for the period improved to MSEK 9.2 (4.6).
- Earnings per share increased to SEK 1.49 (0.75).

#### Q3 2014

- Net sales amounted to MSEK 65.2 (58.3), an increase of 11.2 percent. In local currencies, the increase was 3 percent.
- Gross margin increased to 62.7 percent (61.8).
- EBITDA increased to MSEK 5.8 (3.9).
- Operating profit improved to MSEK 5.1 (3.2).
- Profit after tax for the period improved to MSEK 4.3 (1.1).
- Earnings per share increased to SEK 0.69 (0.18).

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

Sales and earnings continued to grow in the third quarter as we get more and more loyal consumers.

Revenues grew nearly 13 percent in local currencies during the first 9 months of the year. After translation to Swedish kronor, sales amounted to a record 201,3 million SEK. A growth of 19 percent.

The growth is fueled by increasing marketing efforts, a focus on close and dynamic cooperation with retailers and the introduction of new product innovations and variants. The biggest absolute growth has come from European countries outside the Nordic area, followed by North America and then the Nordic area.

The gross margin amounted to 64.0 percent in the first nine months. It is a decrease compared to same period last year. In the 3rd quarter the gross margin amounted to 62.7 percent which is an improvement compared with same quarter last year. The gross margin in the quarter has been influenced by unusual disposal of expired items on stock. During the year, the gross margin has been under pressure because of higher demands from retailers to give discounts. A trend that we will take efforts to change. We plan to reach a gross margin of minimum 65 percent in the next few years through different means.

The marketing efforts has been effective and the cost control satisfactory, with a further decrease of staff and administrative expenses as a percentage of sales. We therefore managed to increase the EBITDA by 28 percent to 14.2 million SEK in the nine months period. This is an EBITDA of 7 percent of sales.


Our ambitions are higher, but it is a fine improvement from same period last year and a step in the right direction. The sales of 5.4 million SEK and gross profit of 3.5 million SEK per employee in just nine months bear witness to an effective administration and organization. Several new products are in the pipeline for 2015 and we continue to build our herbal know how.

The internationalization of New Nordic continues in a good momentum. We are taking market share in the growing international food supplement market. We want to increase our international sales hand in hand with increasing our profitability and earnings per share. The efficacy of our marketing efforts, our capabilities of increasing the gross margin, and the success of our new product introductions will be crucial to our results.

We will continue to increase marketing spend for our established products and invest in new brands.

I am full of optimism and looking forward to an exciting and rewarding year for the New Nordic and our shareholders.

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. It will be released for publication at 9.00 (CET) on October 31st, 2014.*

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New Nordic Healthbrands AB (publ) was founded in 1990 and is quoted on NASDAQ OMX Stockholm since 2007. The company's business concept is to offer the most effective and safe food supplements and natural medicines for specific health conditions. New Nordic's branded products are now available in 30 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 2013, sales were 228 MSEK. All New Nordic products sold worldwide are manufactured in Scandinavia. For further information, visit [www.newnordic.com](http://www.newnordic.com).