



PRESS RELEASE

Malmö October 31, 2018

## New Nordic Healthbrands AB

### Nine month report January - September 2018

#### NINE MONTHS 2018

- Net sales amounted to MSEK 296.1 (258.1), an increase of 14.7 per cent. In local currencies, the increase was 10.0 per cent.
- Gross margin increased to 70.1 percent (69.5).
- EBITDA increased to MSEK 24.9 (18.6).
- Operating profit increased to MSEK 24.4 (18.0).
- Profit after tax for the period increased to MSEK 19.3 (13.7).
- Earnings per share after tax increased to SEK 3.11 (2.20).

#### Q3 2018

- Net sales amounted to MSEK 112.7 (88.3), an increase of 27.6 percent. In local currencies, the increase was 19.7 percent.
- Gross margin increased to 69.5 percent (66.8).
- EBITDA increased to MSEK 13.8 (9.2).
- Operating profit increased to MSEK 13.6 (9.0).
- Profit after tax for the period increased to MSEK 10.7 (7.0).
- Earnings per share increased to SEK 1.73 (1.13).

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

We had a very strong 3rd quarter with record sales and profit. Sales in the first 9 months of the year increased by nearly 15 per cent amounting to 296.1 MSEK and profit after tax amounted to 19.3 MSEK. This is equal to 3.11 SEK per share after tax for the first nine months of the year.

Sales increased in all geographical areas; The Nordic, Other Europe, North America and Asia. After years of preparations in the Asian markets, we are now seeing the results of our efforts. We managed to launch a range of New Nordic products in Watson's pharmacies in Hong Kong the last week of September. We also continued our marketing efforts and sales on Alibaba's Tmall online store. In North, America sales continue to grow and we continue to take market share in the Hair Skin and Nail supplement sector in the US. Step by step we are increasing our distribution here. Our 3 biggest retail partners in the US are Walgreens, CVS and Amazon. We are now present in 24 major retailer chains, online stores and wholesalers in the US with more coming into place. In Canada, we have an excellent distribution through pharmacies, health stores and groceries. Walmart, Shoppers Drug Mart and McKesson are our top 3 retail partners and also here we continue to take market share. We are more established with more products launched in the Nordic markets. Business increased in the Nordic markets both during the 3rd quarter and during the first nine months of the year. Sales also continue to grow in all the other European markets where we operate with particular fine growth in the UK and Germany. We have now also taken steps to prepare to enter the Southeast European markets and employed people in our organisation in Roskilde, Denmark to handle this. In the period we have introduced two new products to the market. A line extension to our Blue Berry range: Blue Berry™ Eye Stress, for people experiencing eye strain after spending too much time looking at mobile phone, tablet and computer screens. We have also introduced a Skin Care™ Beauty Oil to further strengthen our inner beauty skin care range.

Our research team has been busy continuing the work with natural micro-biome eco-systems and we have obtained some exciting results for future applications in our products. The Wild Biotic™ product based on natural lactic acid bacteria from honey and other bee-products has been very well received by the trade and consumers. Wild Biotic™ was awarded the Danish Health and Science Award 2018. That is not the only award that we have received recently. New Nordic in the UK won the Global Health & Pharma's International Life Sciences Awards 2018 as the best herbal food supplements manufacturer 2018.

Our costs are under control. The gross margin is satisfactory and the growth in the gross margin over the first nine months reflect that we have focused sales on high margin products. Cost of marketing, personnel and other costs has increased in the period with a higher percentage than sales. Particular in the US we have invested in marketing to lift sales of new product launches in an initial time period.

Our balance is well trimmed and we are very asset light. The inventory level of 61.4 MSEK is around 5 MSEK higher than our long term objective for the current sales level. It has increased nearly 20 million SEK since end October 2017 but at that time it was extraordinarily low and too low to properly service our customers.

Return on equity for the first nine months amounted to 26.1 per cent. The return on capital employed amounted to 28.2 per cent. The total net interest-bearing debt to EBITDA amounted to 0.5. Our financial situation is strong.

The growth is a result of our international team's great continued efforts and focus on execution of our strategy including increased marketing efforts to further build the sales, innovation to strengthen existing product brands and the launch new products to satisfy more consumer needs plus a geographical expansion to serve new consumers. Everybody at New Nordic is keen on continuing this excellent work to secure continued growth. This makes me very enthusiastic about our results in 2018 and I look forward to continuing our progress in 2019.



Karl Kristian Bergman Jensen, CEO

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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 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 2017, sales were 345 MSEK. All New Nordic products sold worldwide are manufactured in Scandinavia. For further information, visit [www.newnordic.com](http://www.newnordic.com).