



PRESS RELEASE

Malmö March 2, 2018

## New Nordic Healthbrands AB

### Full year report January - December 2017

#### TWELVE MONTHS 2017

- Net sales amounted to MSEK 344.8 (305.8), an increase of 12.7 percent. In local currencies, the increase was 12.3 percent.
- Gross margin increased to 67.4 percent (65.3).
- EBITDA increased to MSEK 28.5 (14.1).
- Operating profit increased to MSEK 27.7 (13.0).
- Profit after tax for the period increased to MSEK 20.3 (9.6).
- Earnings per share after tax increased to SEK 3.28 (1.55).

#### Q4 2017

- Net sales amounted to MSEK 86.6 (70.6), an increase of 22.8 percent. In local currencies, the increase was 27.9 percent.
- Gross margin increased to 68.2 percent (65.3).
- EBITDA increased to MSEK 9.9 (1.4).
- Operating profit increased to MSEK 9.7 (1.2).
- Profit after tax for the period increased to MSEK 6.6 (0.3).
- Earnings per share increased to SEK 1.07 (0.05).

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

2017 was another good year for New Nordic.

We increased revenue by 12 per cent in local currency, driven by product innovation and increased marketing. Transformed into Swedish Kronor the sales increased with nearly 13 per cent.

Fourth quarter showed a particularly strong growth in revenue with 27 per cent in local currencies and record earnings.

We increased in all geographical areas and I am particularly enthusiastic about the growth we have had in the US. Our cooperation with Walgreens, CVS and Amazon is expanding and our distribution in pharmacies, health food stores and online stores in general is moving forward as planned.

Our assortment consists of nearly 50 products grouped into four main categories, Vitality, Beauty, Diet and Sport. All but the sport category increased satisfactory. We redefined the tactics for the sport category and we will now focus on digital marketing, sports influencers and online sales for this category.

Gross profit has increased to more than 67 per cent as a result of focus on the most profitable products as well as increased economies of scale in procurement and production. We managed to keep the increase in fixed costs close to one per cent. All costs are well under control. Our profitability increased and profit after tax more than doubled to 20 million SEK. This is equivalent to earnings per share of 3,28 SEK. Our margins are strong and increasing but the net margin after tax which amounted to nearly 6 per cent is still a bit below

our long term ambitions. We had a net generation of cash with a positive cash flow from operations of 4.7 million SEK.

The balance sheet is very well trimmed and we are extremely asset light. By year end the total net interest bearing debt to EBITDA amounted to 0.3. Return on equity amounted to 33.4 per cent and return on capital employed to 39.8. per cent.

All employees have made a great effort to execute our strategy effectively and I am very grateful.

In 2018 we will focus on growth through continued product innovation, increase in marketing and increased distribution through specialty trade retailers. Online as well as offline and omni-channels. Our marketing will continue to be centered around traditional print media but with increasing use of TV advertising and digital marketing with a high one-to-one focus in order to establish digital brand experience for an increasing number of our end consumers. We will also continue our efforts to expand our geographical reach in Europe and Asia.

As we grow we will further strengthen our cooperation with existing and new manufacturing partners and we will be introducing new technologies and dispensing forms. We will continue to value manufacturing and material sourcing in Scandinavia but will look globally for the best manufacturing solutions.

New Nordic is one of the very few listed food supplement companies in the world with a global brand strategy. A unique global investment opportunity. We expect the global food supplement market to grow 5-8 per cent yearly over the coming years and we have a proven strategy which the whole New Nordic team is focused on executing effectively. I am very optimistic that we can increase revenue and profit in 2018 and further create value and earnings for our shareholders.



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 33 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).