



PRESS RELEASE

Malmö 28 February 2020

## New Nordic Healthbrands AB (publ) Full Year Report January - December 2019

### FULL YEAR 2019

- Net sales amounted to MSEK 452.6 (393.7), an increase of 15.0 percent. In local currencies, the increase was 10.2 percent.
- Gross margin decreased to 69.7 percent (70.5).
- EBITDA increased to MSEK 36.9 (34.9).
- Operating profit increased to MSEK 36.3 (34.2).
- Profit after tax for the period increased to MSEK 28.1 (26.5).
- Earnings per share after tax increased to SEK 4.53 (4.28).

### Q4 2019

- Net sales amounted to MSEK 114.4 (97.6), an increase of 17.2 percent. In local currencies, the increase was 10.9 percent.
- Gross margin decreased to 67.7 percent (71.7).
- EBITDA decreased to MSEK 7.1 (10.0).
- Operating profit decreased to MSEK 7.0 (9.8).
- Profit after tax for the period decreased to MSEK 4.7 (7.2).
- Earnings per share after tax decreased to SEK 0.75 (1.17).

### COMMENTS BY KARL KRISTIAN BERGMAN JENSEN, CEO

2019 was another record year for New Nordic.

Revenue increased organically by 15 percent to 453 million SEK. In local currencies, the increase was 10 percent. The growth in sales was driven by product innovation, geographical expansion, and an increase in marketing.

Our cost control is fine but a slight change in product mix has resulted in a reduction in gross margin from 70.5 to 69.7 percent and a reduction of net profit margin to 6 percent. However, earnings per share after tax still increased by nearly 6 percent to SEK 4.53.

The business as a whole has grown in all geographical areas. We are developing well and outperforming the local food supplement market in nearly all countries. The fastest growth comes from markets outside the Nordic region. Our revenue outside the Nordic countries now amounts to 63 percent and it is growing in share.

In some countries, we have been troubled by extraordinary external situations. Our business in Asia which mainly consists of sales in Hong Kong and cross border trade in China has been challenged by ongoing protests in Hong Kong and will continue to be so by the outbreak of the Covid-19 virus. We try to navigate the best possible while awaiting improved business conditions.

In Norway, we were affected by the fact that one of our key retail partners went into receivership in the last quarter of the year. However, we are now in cooperation with the new owner. In the UK we have not been affected by the Brexit turmoil. In fact, we have enjoyed tremendous growth in both revenue and profit in the UK during 2019. Our launch in Slovakia and re-launch in Romania has gone well and the development in the two countries looks promising. Our preparations for launch in Spain were made in 2019 and we are currently in the launch process here. I am also very pleased that we during the 4th quarter of 2019 re-activated our New Nordic com-

pany based in Sydney and that we managed to employ a Country Manager to launch New Nordic in Australia during first half of 2020.

The important markets like France, the UK, Germany, and the US have obtained very nice double-digit growth. Our business has become more internationally established during the year and the New Nordic brand is increasing in value day by day. In 2019 we focused on the execution of our strategy and we will continue to do so in 2020. We want to grow sales in all markets and focus on making our big products even bigger. "Bigger Markets" and "Bigger Products" is a winning plan and the best route to value creation for New Nordic.

In 2020 New Nordic will celebrate 30 years anniversary.

During the first 28 years of the company's existence, the strategy has remained unchanged. In 2018 we adjusted the strategy to include beauty products in our assortment: "New Nordic develop herbal food supplements and beauty products to satisfy specific health and beauty needs and market these under characteristic brands to a growing number of consumers all over the world. All with care for people and nature."

In 2019 we have spent great efforts in the development and testing of skincare products and hair care products for launch under our trademarked brand Beauty In & Out™ by New Nordic. Our retailers already have a huge number of satisfied loyal New Nordic inner beauty tablet customers. With the launch of Beauty In & Out™ these regular users will now be offered a whole beauty routine to go with their skin tablet or a haircare range to go with their hair tablet. The tablets will help treat the cause of skin aging from within while the creme will help treat the symptoms with a cosmetic effect on the outside. A game-changing approach to the skin- and hair care. Beauty In & Out™ will be launched in Denmark in March 2020. The products will be manufactured in Sweden. New Nordic is now entering a new era, spreading our activities. We will operate in 3 categories: Food Supplements, Skin Care and Hair Care - all connected through Beauty In & Out™ and our strong New Nordic brand recognised by the characteristic Silvertree Mark.

In 2019 we have allocated considerable resources to develop and prepare for the Beauty In & Out™ launch in 2020, we have been busy with launch preparations in 2020 in Australia and Spain and we have made plans for further growth in every market where we operate. I am glad that we are now so well prepared for the 2020 business both in relation to product innovation, geographical expansion and further penetration and strengthening of our business in existing markets. Our staff has again done an excellent job in 2019 and we are all well prepared for continued execution of our strategy to obtain continued growth in sales and earnings per share. The whole team is very focused on increasing the brand value of New Nordic.

I am very enthusiastic about the year 2020 and the future for New Nordic.



Karl Kristian Bergman Jensen, CEO

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Link to report on New Nordic's investor relation web page: <https://newnordic.se/se/investor/financial-reports.html>

*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 28 February 2020.*

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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 2019, sales were 453 MSEK. Nearly all New Nordic products sold worldwide are manufactured in Scandinavia. For further information, visit [www.newnordic.com](http://www.newnordic.com).