

FAO: News Editor

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ZINZINO AB (PUBL): YEAR-END REPORT 2018

STRONG IMPROVEMENT IN PROFIT POSSIBLE INCREASE SHARE DIVIDEND

Improved profit, strong balance sheet and good liquid assets results in the proposal of the board to pay out an ordinary dividend of SEK 0.50 (SEK 45) and an extra dividend of SEK 0.20 (-) to the shareholders for the past year.

The increased share of Zinzino Health in the product mix during the year combined with improved cost control resulted in a sharp increase in gross profit. In combination with scaling from other activities, it resulted that the EBITDA increased to SEK 2.2 M (-2.3) for the fourth quarter and doubled during the past year to SEK 22.2 M (11.1).

With the Hungarian and German markets at the top, sales growth continued in the fourth quarter. Those revenues increased by 6% to MSEK 163.9 (154.7). In total, revenues amounted to SEK 585.6 (540.3) million in 2018, which corresponded to a growth of 8% compared to the previous year.

The company's investments in IT systems and marketing tools generated positive effects and increased distributor activities, which among other things resulted in the important North American market turning to growth during the fourth quarter.

"In recent years, we have launched several new health products in a number of new countries to achieve a billion in turnover in the next few years. We have an extremely scalable business model and we will increase profitability in pace with expectations of growth", Dag Bergheim Pettersen, CEO, concludes his comment on the report.

JANUARY - DECEMBER

- Total revenues increased by 8% to SEK 585.6 (540.3) million
- Gross profit increased by 21% to SEK 191.7 (159.8) million
- Gross profit margin increased by 3.1 percentage points to 32.7% (29.6%).
- EBITDA increased by 100% and amounted to SEK 22.2 (11.1) million
- The EBITDA margin increased by 1.7 percentage points to 3.8% (2.1%)
- Cash flow from operating activities amounted to MSEK 20.4 (38.0)
- Liquid assets at the balance sheet date were SEK 45.4 (48.4) million

OCTOBER - DECEMBER

- Total revenues increased by 6% to SEK 163.9 (154.7) million
- Gross profit increased by 17% and amounted to SEK 52.7 (45.2) million
- Gross profit margin amounted to 32.2% (29.2%).
- EBITDA totalled SEK 2.0 (-2.3) million
- The EBITDA margin amounted to 1.2% (-1.5%)
- Continued strong growth in Europe; revenues rose by 158% during the quarter
- Zinzino develops Global Webshop that enables sales across the world

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