

# PRESS RELEASE

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## ZINZINO AB (PUBL): PRELIMINARY SALES REPORT FOR Q4 AND 2017 WITH PROPOSAL TO INCREASE DIVIDEND

### Growth according to forecast

As previously communicated for 2017 the total revenues amounted to 540.3 (478.9)\* MSEK, corresponding to sales growth of 13%. The total revenues for the fourth quarter 2017 amounted to 154.7 (144.5)\* MSEK corresponding to sales growth of 7% compared to the same period in 2016.

### Result Q4 affected by investments in market growth

In comparison with the forecast given by the company in the Q3 report, EBITDA developed slightly weaker than expected and looks preliminary to amount to 10.7 (23.1), which corresponds to a profit margin of 2.0% (4.8%) for the whole year. For Q4, EBITDA is estimated at - 2.5 (4.6) MSEK, which corresponds to a profit margin of -1.6% (3.1%).

The somewhat weaker profit margin can mainly be tracked back to extraordinary costs for campaigns and commissions to the company's sales force in the latter part of Q4. This has created a further enhanced momentum to generate accelerating growth in 2018.

At the beginning of 2018, the company returned to the normal cost level of sales commissions, which is expected to bring EBITDA up to previous levels and earn continued strong profitability in Zinzino at the level of previous quarters.

"We are planning a good growth on several markets in 2018 and there are potential breakthroughs on the volume markets such as Germany and Spain. We have taken action and will improve our profit margins during 2018. We have as a goal to reach 1 billion SEK revenue within 3-4 years, which will scale our business and with that have a strong improvement in profitability", says VD Dag Bergheim Pettersen.

### Increased dividend

Zinzinos daily operation continues to generate a positive cashflow in 2017, also during Q4. The board has done a strategic review and in conjunction with that came with a plan to work active with the balance sheet of the company group. In that way, among other things, room will be created for an increased share dividend in 2018. Therefore the Board will propose the Annual General Meeting 2018 a share dividend of 0.45 (0.25) SEK.

*\* Comparative figures adjusted per the new accounting policy regarding currency-related income and expenses.*

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Zinzino AB (publ) is obliged to publish this information in compliance with current EU regulations governing market abuse. The information was provided by the above contact person for publication at 18.00 on 19<sup>th</sup> of January, 2018.

Zinzino Nordic AB (publ.) is a direct sales company that operates throughout Europe and North America. Zinzino markets and sells products in two product lines: Zinzino Health, with a focus on long-term health, and Zinzino Coffee, consisting of espresso machines, coffee and tea. Zinzino owns the Norwegian company BioActive Foods AS and the research and production unit Faun Pharma AS. Zinzino has more than 120 employees and currently trades in 33 markets across Europe and North America. Zinzino is based in Gothenburg, with additional offices in Helsinki, Riga, and in Florida, USA. Zinzino is a public company and its shares are listed on Nasdaq First North. In 2016, Zinzino was recognized with the award "Superföretag 2015" by Veckans Affärer and the "Gazelle" award by Dagens Industri.