

## INTERIM REPORT, JANUARY-MARCH 2016

# Strong sales growth and improved profit

### JANUARY-MARCH 2016 (FIRST QUARTER)

- Net sales amounted to SEK 350 million (232).
- Operating profit before amortisation/depreciation and impairment, EBITDA, amounted to SEK 23 million (5). The comparison period included non-recurring items of a negative SEK 10 million.
- Profit for the period was SEK 11 million (loss: 1).
- Cash flow from continuing operations amounted to SEK 20 million (14).
- Ulrika Palm became the head of Business Area Sweden and is a member of Group Management.

### Comments by the CEO

#### Midsona shows strong growth

In the first quarter, Midsona's sales rose by 51 percent to SEK 350 million (232). Operating profit before depreciation and amortization (EBITDA) amounted to SEK 23



#### About Midsona

Midsona holds a strong position in the Nordic market with own strong brands within healthfoods, personal care and hygiene. Midsona also sells a number of licensed internationally established brands. Our products are sold through grocery and convenience stores, pharmacies, health stores and internet. Midsona's priority trademarks are: DALBLADS, FRIGGS, MIWANA, MYGGA, NATURDIET, SUPERNATURE, TRI TOLONEN and URTEKRAM. Midsona has annual sales of about MSEK 1,174 (2015). The Midsona share (MSON) is listed on NASDAQ OMX Stockholm, Small Cap. For further information: [www.midsona.com](http://www.midsona.com)

*For further information: MD and CEO  
Peter Åsberg, +46 (0)730 26 16 32*

million (5). Profit for the corresponding quarter last year was impacted by non-recurring costs totalling SEK 10 million related to the closure of Dalblads' production facility in Stenkullen.

### **Organic products driving growth**

With the acquisition of Urtekram, organic products account for about 40 percent of Midsona's sales for the quarter. Consequently, the company is well-positioned in both organic food and bodycare products. Urtekram developed strongly in the first quarter. The global market for organic food grew by about 10 percent in 2015. In many respects, the Nordic countries are leaders in this area. Market share in organic food is 8.3 percent in Denmark, which is the highest figure in the world, followed closely by Sweden at 7.7 percent. In Denmark, sales of organic food rose preliminarily by 10 percent in 2015 and in Sweden the increase was 39 percent. Norway and Finland also show good growth rates, but from lower levels.

### **Continued high launch rate**

Product launches relevant to consumers are important in generating organic growth. The pace has remained high in early 2016. Particularly important has been the launch of no less than 12 different corn cakes as a complement to rice cakes under the Friggs brand. The products have been well received in shops. The launch of Urtekram outside its home market, Denmark, continued in the first quarter, particularly in Sweden, and we have increased sales significantly.

### **Strong cash flow reduces debt**

Midsona's debt increased with the acquisition of Urtekram. The ambition was, and is, to generate strong cash flows from operating activities to reduce net debt and build scope for new acquisitions. Cash flow from operating activities amounted to SEK 20 million (14) in the quarter and, on a rolling 12-month basis, cash flow is SEK 93 million. The combination of strong cash flow and improved EBITDA means that the relationship net debt/EBITDA now amounts to a multiple of 2.8 compared to a multiple of 3.9 in the preceding quarter. Since this key figure affects our interest levels, with a certain delay, we will, all else being equal, have lower financial expenses in the future.



#### **About Midsona**

Midsona holds a strong position in the Nordic market with own strong brands within healthfoods, personal care and hygiene. Midsona also sells a number of licensed internationally established brands. Our products are sold through grocery and convenience stores, pharmacies, health stores and internet. Midsona's priority trademarks are: DALBLADS, FRIGGS, MIWANA, MYGGA, NATURDIET, SUPERNATURE, TRI TOLONEN and URTEKRAM. Midsona has annual sales of about MSEK 1,174 (2015). The Midsona share (MSON) is listed on NASDAQ OMX Stockholm, Small Cap. For further information: [www.midsona.com](http://www.midsona.com)

*For further information: MD and CEO  
Peter Åsberg, +46 (0)730 26 16 32*



### **Focus on customers and consumers**

During the first quarter, the integration of Urtekram was completed. The organisational structures of the various business areas have now been merged. The initial cost savings indicated have been realised and will start to give full effect from the second quarter. As the integration process, resulting in increased internal focus, is now over, we can again direct our full focus externally, towards customers and consumers. Our largest individual brand, Urtekram, provides us with considerable opportunities. The combination of a growing market for organic products and Midsona's market power paves the way for continued sales gains. We also have good growth opportunities with most of our prioritized brands. We are continuing on the journey towards our vision of becoming the leader in the health and well-being in the Nordic region.

Peter Åsberg, President and CEO

This is information of the type that Midsona AB is obligated to disclose in accordance with the Swedish Securities Exchange and Clearing Operations Act and/or the Financial Instruments Trading Act. The information was published on 27 April, 2016, 8 am.



#### **About Midsona**

Midsona holds a strong position in the Nordic market with own strong brands within healthfoods, personal care and hygiene. Midsona also sells a number of licensed internationally established brands. Our products are sold through grocery and convenience stores, pharmacies, health stores and internet. Midsona's priority trademarks are: DALBLADS, FRIGGS, MIWANA, MYGGA, NATURDIET, SUPERNATURE, TRI TOLONEN and URTEKRAM. Midsona has annual sales of about MSEK 1,174 (2015). The Midsona share (MSON) is listed on NASDAQ OMX Stockholm, Small Cap. For further information: [www.midsona.com](http://www.midsona.com)

*For further information: MD and CEO  
Peter Åsberg, +46 (0)730 26 16 32*