



PRESS RELEASE
February 28, 2019

STRAX: YEAR-END REPORT FOR THE FINANCIAL YEAR 2018

STRAX delivers a record year with sales of MEUR 107 and net income of MEUR 17

The Group's sales for the period January 1 – December 31, 2018, amounted to MEUR 107.0 (100.1), corresponding to a growth of 6.9 percent, with a gross margin of 24 (28) percent.

The Group's result for the period January 1 – December 31, 2018, amounted to MEUR 16.7 (1.8) corresponding to EUR 0.14 (0.02) per share. Equity as of December 31, 2018 amounted to MEUR 34.3 (21.0) corresponding to EUR 0.28 (0.18) per share.

EBITDA for the period January 1 – December 31, 2018, amounted to MEUR 6.7 (9.3).

On November 30, 2018, STRAX divested the mobile phone case protection brand Gear4 to ZAGG Inc, a global leader in mobile accessories for MEUR 33.5 corresponding to a sales multiple of 1, resulting in a capital gain of MEUR 26.3, with potential additional payments of up to MEUR 9 based on 2019 sales development.

STRAX does not expect sales to materially decline in 2019 despite the sale of Gear4 and gross margins are expected to remain stable in 2019 as compared to 2018.

STRAX proprietary and licensed brands continued to develop strongly in 2018 creating valuable assets for STRAX.

Urbanista grew by 18.8 percent (MEUR 14.6 in sales 2018) with improved margins and EBITDA, whilst the licensed brands adidas and bugatti, under TLF, reached a growth of 25.9 percent (sales of MEUR 12.8 in 2018) with significantly improved EBITDA.

STRAX board of directors called for an EGM on December 28, 2018, which resolved on a distribution of SEK 1.10 per share, corresponding to MEUR 12.8 in total value, with distribution to the shareholders completed on January 30, 2019.

“STRAX delivered a record year in both sales and net income in 2018. Sales growth came on the back of strong performance of our proprietary brands in North America, whilst net income was motivated by the successful divestment of Gear4 to ZAGG. More importantly, from a long-term perspective, we reduced our global headcount and operational cost base by 25% counted on FTE at year end. This was achieved through various measures, from straight job cuts to discontinuation of low impact proprietary brands and the connected devices product segment, as well as the sale of Gear4. All-in-all securing annualized cost savings of MEUR 7, thus directly improving our underlying profitability, without dependency on continued growth”.

Gudmundur Palmason, CEO

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This is information that Strax AB is obliged to make 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 08:55 CET on February 28 2019.

About STRAX

STRAX is a market-leading global company specializing in mobile accessories. STRAX has built a House of Brands to complement its value-added customer-specific solutions and services. STRAX House of Brands includes proprietary brands: XQISIT, Urbanista and THOR, and licensed brands: adidas and bugatti. In addition STRAX represents over 40 major mobile accessory brands. STRAX sells into all key channels ranging from telecom operators, mass merchants and consumer electronics to lifestyle retailers and direct to consumers online. STRAX was founded in Miami and Hong Kong in 1995 and has since grown across the world. Today, STRAX has approximately 200 employees across 13 countries with its operation HQ and logistics center based in Germany. STRAX is listed on the Nasdaq Stockholm stock exchange.