Zinzino AB

Website: www.zinzino.com

Industry: Direct selling, food supplements and cosmetics

Listing: Nasdaq First North Stockholm

Market cap: SEK 5,437m

Last updated research report: 26 Aug. 2026

Higher profitability amid slight growth moderation

According to preliminary sales figures, total revenue grew by 18 per cent in Q3 2026, compared with 18 per cent and 26 per cent in Q2 and Q1 2026, respectively. The revenue increase remains somewhat below our assumptions (we had been looking for 24 per cent). However, YTD growth remains in line with Zinzino's financial target of more than 20 per cent annual increase in revenue. Central Europe and North America remain growth drivers. We view the solid rebound of sales momentum in the Asia Pacific region to 48 per cent as the main positive surprise in Q3. At this point, we don't know the split between organic and structural growth components at the group level. However, the numbers suggest that the contribution from acquisitions such as It Works! is lower than previously expected. In addition, organic growth appears to have decelerated (admittedly, with a very strong comparison period in Q3 2025). However, we will have to wait for the final Q3 report to confirm that assumption. Regardless, whether Zinzino sticks to the full-year sales outlook (at least 20 per cent growth) will likely influence the share price reaction.

The gross margin has improved markedly in 2026. Needless to say, it is a key factor in improving profitability. We assume it will come down in the second half vs the first six months, as some raw materials and FX tailwinds fade. However, the timing is uncertain, and we have raised our short-term gross margin expectations.

Income statement, Q3 2026 estimates (SEKm)

	Q3, 26E	Q3, 25A	Est growth (%)
Net sales	881	743	18%
Total operating income	929	784	18%
Gross profit	342	277	23%
Gross margin	36.8%	35.4%	
EBITDA	142	110	30%
EBITDA margin	15.3%	14.0%	
EBIT	127	101	26%
EBIT margin	13.7%	12.9%	
EBT	128	113	13%
Basic EPS (SEK)	2.54	2.47	3%

Source: Company information and Carlsquare estimates

We raise our earnings estimates (EBITDA) by about 4 per cent on average for 2026-2028E, mainly because we assume gross margins can remain slightly higher for a somewhat longer period. However, higher interest rates since our latest update have negatively affected our DCF valuation. Combined with a subdued peer group valuation, this results in a downward adjustment of our base case valuation to SEK 210 per share (228). This corresponds to a P/E NTM ratio of around 18x based on our forecasts.

Estimates

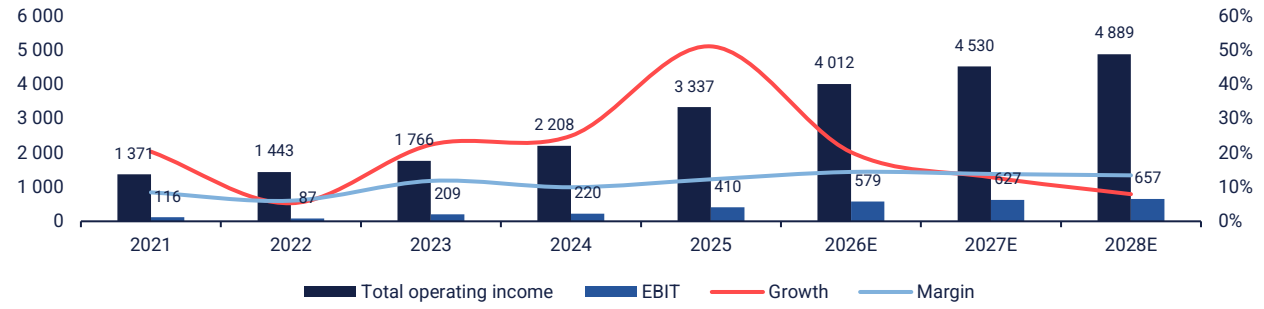
	New			Previous			Adjustment		
	2026E	2027E	2028E	2026E	2027E	2028E	2026E	2027E	2028E
Total operating income	4 012	4 530	4 889	4 036	4 544	4 888	-1%	0%	0%
Gross profit	1 476	1 611	1 714	1 474	1 593	1 689	0%	1%	1%
EBITDA	635	688	719	617	656	683	3%	5%	5%
EBIT	579	627	657	569	610	636	2%	3%	3%
Basic EPS	11.68	12.48	13.09	11.59	12.37	12.91	1%	1%	1%

Estimates in SEKm. Source: Carlsquare estimates

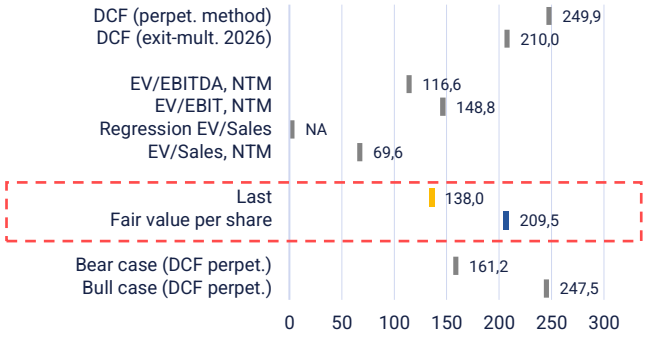
Strong growth should improve scalability

- **Proven growth strategy.** Over the past five years (2020-2025), Zinzino has achieved an average annual growth rate of 24 per cent. Efficient direct sales, an expanded product range, and strategic M&A have driven this impressive expansion. Simultaneously, the EBIT margin has improved significantly, rising from 1.9% in 2019 to 13.3% in 2025. This track record highlights the strength of the company's offerings, business model, and growth strategy. The business model is also highly scalable, as the cost increases associated with growth are mainly related to support functions. Investments related to the web platform are ongoing.
- **New markets and more distributors.** In terms of growth, 2025 is a tough comparison. In 2026, however, we expect continued expansion in new and existing markets, as well as contributions from M&A. An important driver is a more extensive distributor network, which can quickly expand through partnerships with ACN and acquisitions such as Zurvita, Truvy, and It Works!
- **The gross margin has strengthened.** The gross margin has fluctuated from 36.7% in 2023 to ~33% (2024) but has recovered markedly in recent quarters. The variation is attributed to raw material costs, price adjustments, changes in geographical sales mix, and modifications to the distributor remuneration model. In 2024-25, higher remuneration for distributors is linked to strong growth. Historically, the company has implemented measures related to pricing and the remuneration model, and we expect similar actions in the future, which should allow the gross margin to recover during periods of calmer growth.
- **Growth with scalability.** The company has historically demonstrated strong business scalability, thanks to an effective sales strategy. We expect the geographical expansion to initially increase costs. However, we model good scalability once operations are established in new markets.

Total operating income and EBIT (SEKm), base case scenario



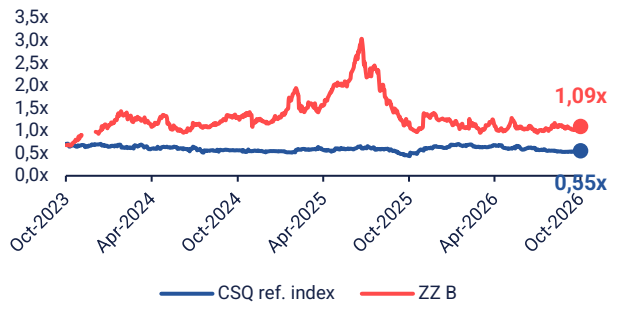
- **A fair value of SEK 210 per share** is calculated within the interval of SEK 161–248.
- Our fair value corresponds to an EV/Sales NTM of 1.8x.
- Our fair value corresponds to an EV/EBIT NTM at 12.9x.
- The ref. group trades at a median EV/Sales NTM of 0.5x.
- The ref. group trades at a median EV/EBIT NTM of 8.8x.



- **Risks and challenges:** After very strong years, the comparative figures (for 2023-2025) in terms of revenue are tough. Household consumption and sentiment are mixed. That means that the impact of growth initiatives may take longer than expected. Cost inflation and implemented price hikes increase the risk of subscription cancellations.
- Articles in financial media have highlighted criticism from authorities and consumer agencies regarding some marketing statements among distributors in the Swedish market. There is a risk that negative press could attract further media scrutiny.

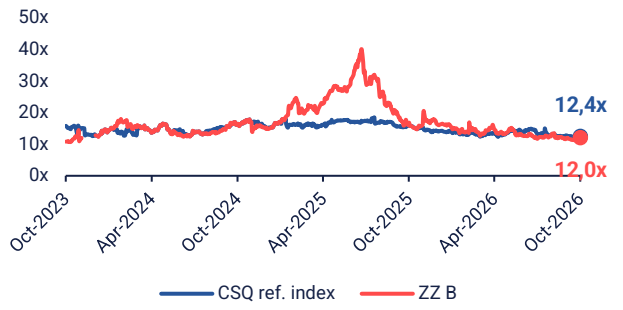
Valuation development

EV/Sales NTM



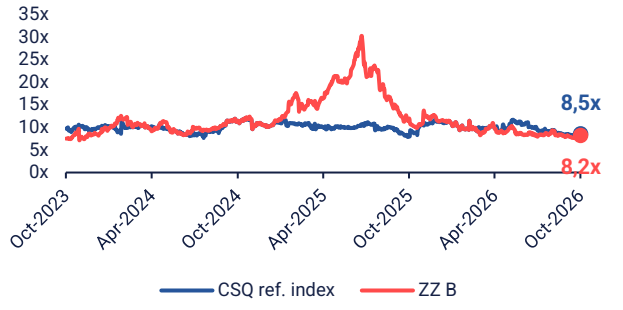
Source: S&P Capital IQ and Carlsquare

P/E NTM



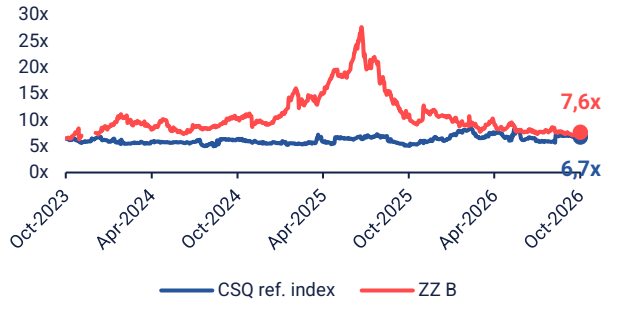
Source: S&P Capital IQ and Carlsquare

EV/EBIT NTM



NTM = Next twelve months. Source: S&P Capital IQ and Carlsquare

EV/EBITDA NTM



NTM = Next twelve months. Source: S&P Capital IQ and Carlsquare

Accounts and key figures

Income statement (SEKm), quarterly

	Q3, 25	Q4, 25	Q1, 26	Q2, 26	Q3, 26E	Q4, 26E	Q1, 27E	Q2, 27E
Net sales	743	986	869	882	881	1 165	981	995
Total revenue	784	1 035	922	937	929	1 224	1 041	1 057
Gross profit	277	370	342	351	342	441	366	372
EBITDA	110	175	142	153	142	197	147	155
EBIT	101	166	130	139	127	183	132	140
EBT	113	163	133	135	128	184	133	141
Net profit/loss	89	124	105	106	100	143	104	110
Adj. Net profit/loss	89	124	105	106	100	143	104	110
Basic EPS (SEK)	2.47	3.41	2.79	2.72	2.54	3.63	2.63	2.78
Growth	Q3, 25	Q4, 25	Q1, 26	Q2, 26	Q3, 26E	Q4, 26E	Q1, 27E	Q2, 27E
Net sales	47%	47%	26%	17%	18%	18%	13%	13%
Total revenue	47%	45%	27%	18%	18%	18%	13%	13%
Gross profit	55%	70%	53%	42%	23%	19%	7%	6%
EBITDA	74%	140%	81%	92%	30%	12%	3%	1%
EBIT	86%	156%	84%	94.5%	26%	10%	1%	1%
EBT	111%	169%	88%	87%	13%	13%	0%	4%
Net profit/loss	110%	186%	87%	91%	12%	16%	-1%	4%
Margins	Q3, 25	Q4, 25	Q1, 26	Q2, 26	Q3, 26E	Q4, 26E	Q1, 27E	Q2, 27E
Gross margin	35%	36%	37%	37%	36.8%	36%	35%	35%
EBITDA margin	14.0%	16.9%	15%	16.3%	15.3%	16.1%	14.1%	14.7%
EBIT margin	13%	16%	14%	14.8%	13.7%	14.9%	12.7%	13.2%
EBT margin	14%	16%	14%	14%	14%	15%	13%	13%
Profit margin	11%	12%	11%	11%	11%	12%	10%	10%
Adj. profit margin	11%	12%	11%	11%	11%	12%	10%	10%

Source: Company information and Carlsquare estimates

Income statement (SEKm)

	2021	2022	2023	2024	2025	2026E	2027E	2028E
Net sales	1 289	1 356	1 675	2 094	3 172	3 796	4 286	4 626
Total operating income	1 371	1 443	1 766	2 208	3 337	4 012	4 530	4 889
COGS	-943	-978	-1 118	-1 475	-2 218	-2 536	-2 919	-3 175
Gross profit	428	466	648	732	1 119	1 476	1 611	1 714
Tot. operating expenses less COGS and D&A	-290	-353	-406	-482	-676	-842	-923	-995
EBITDA	138	112	241	251	443	635	688	719
D&A	-22	-25	-32	-31	-33	-55	-61	-62
EBIT	116	87	209	220	410	579	627	657
Net finances	-1	2	1	-1	9	0	5	6
EBT	115	89	210	219	419	580	632	663
Tax	-25	-21	-46	-50	-94	-127	-140	-147
Net profit/loss	90	68	164	169	324	453	492	516
Tot. comp. PL attributed to parent company	86	76	161	173	308	469	491	515
Basic EPS	2.57	2.01	4.83	4.94	9.09	11.68	12.48	13.08
EPS fully diluted	2.46	1.97	4.73	4.59	8.64	11.48	12.36	12.96
No. of share, EoP	34	34	34	35	36	39	39	39
Avg. no. of shares	33	34	34	34	35	38	39	39
Growth	2021	2022	2023	2024	2025	2026E	2027E	2028E
Net sales	20%	5%	24%	25%	51%	19.7%	13%	8%
Total operating income	20%	5%	22%	25%	51%	20.2%	13%	8%
Gross profit	23%	9%	39%	13%	53%	32%	9%	6%
EBITDA	27%	-19%	115%	4%	77%	43%	8%	5%
EBIT	34%	-25%	140%	5%	86%	41%	8%	5%
EBT	35%	-22%	136%	4%	91%	38%	9%	5%
Net profit/loss	35%	-24%	140%	3%	92%	40%	8%	5%
Basic EPS	23%	-20%	140%	-3%	88%	33%	8%	5%
Adj. basic EPS	27%	-22%	140%	2%	84%	28%	7%	5%
Margins	2021	2022	2023	2024	2025	2026E	2027E	2028E
Gross profit	31%	32%	37%	33.2%	33.5%	36.8%	35.6%	35.1%
EBITDA	10%	8%	14%	11%	13.3%	15.8%	15%	15%
EBIT	8%	6%	12%	10%	12%	14%	14%	13%
EBT	8%	6%	12%	10%	13%	14%	14%	14%
Net profit/loss	7%	5%	9%	8%	10%	11%	11%	11%

Margins are calculated on net sales. Source: Company information and Carlsquare estimates

Balance sheet (SEKm)

	2021	2022	2023	2024	2025	2026E	2027E	2028E
Tot. intangible assets	64	121	119	176	372	625	603	579
Tot. tangible assets	11	17	15	15	18	18	15	11
Tot. other fixed assets	43	53	56	83	57	113	113	113
Total LT assets	118	191	191	274	446	756	731	704
Inventories	159	185	195	311	378	532	599	636
Accounts receivables	58	66	76	79	82	159	178	186
Other current assets	35	48	59	78	75	121	140	147
Cash & cash eqv.	236	162	321	463	771	1 032	1 328	1 625
Total current assets	487	461	651	931	1 306	1 844	2 245	2 594
Total assets	605	651	842	1 205	1 753	2 600	2 976	3 297
Total equity	152	160	264	386	707	1 323	1 558	1 798
Provisions	0	0	0	0	0	0	0	0
Tot. long-term liabilities	31	68	72	62	110	112	112	112
Accounts payable	44	35	50	88	73	122	141	153
Other current liabilities	389	401	470	672	861	1 056	1 177	1 247
Tot. short-term debt	423	422	506	757	936	1 165	1 305	1 387
Tot. equity and debt	605	651	842	1 205	1 753	2 600	2 976	3 297
Liquidity	2021	2022	2023	2024	2025	2026E	2027E	2028E
Current ratio	1.2x	1.1x	1.3x	1.2x	1.4x	1.6x	1.7x	1.9x
Quick ratio	0.7x	0.5x	0.8x	0.7x	0.9x	1.0x	1.2x	1.3x
CF operations/current liabs.	0.4x	0.1x	0.5x	0.4x	0.6x	0.4x	0.4x	0.4x
Leverage	2021	2022	2023	2024	2025	2026E	2027E	2028E
Net debt(+)/Net cash(-)	-178	-60	-212	-362	-621	-875	-1 171	-1 467
Net debt(+)/Net cash(-), excl. leasing	-230	-125	-283	-425	-681	-958	-1 253	-1 550
Net debt/EBITDA	NM	NM	NM	NM	NM	NM	NM	NM
Tot. debt/Equity	38%	64%	41%	26%	21%	12%	10%	9%
Tot. equity/tot. assets	25%	25%	31%	32%	40%	51%	52%	55%
Efficiency	2021	2022	2023	2024	2025	2026E	2027E	2028E
ROA	16%	11%	22%	17%	22%	21%	18%	16%
ROE	70%	48%	76%	53%	56%	46%	34%	31%
ROIC	26%	16%	33%	28%	38%	36%	31%	31%

Source: Company information and Carlsquare estimates

Cash flow (SEKm)

	2021	2022	2023	2024	2025	2026E	2027E	2028E
CFO b4 delta WC	110	84	227	203	420	494	552	578
Delta WC	43	-42	19	106	122	14	35	29
CF operations	153	43	246	309	542	509	587	607
CF investing	-12	-35	-12	-99	-92	-20	-11	-11
FCF	142	7	234	210	450	488	576	596
CF financing	-49	-81	-75	-69	-113	-245	-280	-300
Cash flow	93	-74	159	142	337	244	296	297
Cash, BoP	183	164	299	321	529	851	1 122	1 392
Cash, EoP	236	162	321	463	771	1 032	1 328	1 625
Key ratios	2021	2022	2023	2024	2025	2026E	2027E	2028E
Delta WC/Total operating income	3%	-3%	1%	5%	4%	0%	1%	1%
CF operations/Total operating income	11%	3%	14%	14%	16%	13%	13%	12%
CF operations/EBITDA	112%	38%	102%	123%	122%	80%	85%	84%
CF investing/Total operating income	-1%	-2%	-1%	-4%	-3%	-1%	0%	0%
FCF/EBITDA	103%	7%	97%	84%	101%	77%	84%	83%

Source: Company information and Carlsquare estimates

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