

New Wave Group AB

2021 *Interim Report*

January - March

Trademarks

Corporate



Sports & Leisure



Gifts & Home Furnishings



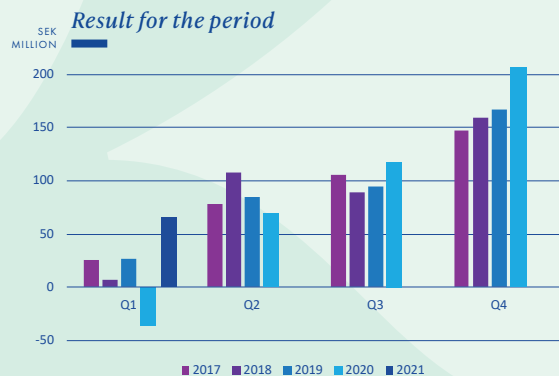
New Wave Group AB

Q1

Interim report

PERIOD 1 JANUARY - 31 MARCH 2021

- ✿ Net sales amounted to SEK **1,261.6** million, which was **12%** (7% in local currencies) lower than last year (SEK **1,440.9** million).
- ✿ Operating result amounted to SEK **100.1** (-24.1) million.
- ✿ Result for the period amounted to SEK **67.7** (-36.9) million.
- ✿ Earnings per share amounted to SEK **1.04** (-0.54).
- ✿ Cash flow from operating activities amounted to SEK **367.2** (114.6) million.
- ✿ Equity ratio amounted to **56.9** (46.8) %.
- ✿ Net debt to equity ratio amounted to **37.3** (74.6) %.



Torsten Jansson

CEO comments

"New all-time high for a first quarter."



Yet another record result

Despite that the pandemic has continued and that several countries have had hard restrictions, we deliver a new record result in the first quarter. COVID-19 means that several of our businesses keep experiencing problems due to cancelled events, basically no activities for clubs and associations, elite sports without an audience, lack of conferences and kick-offs etc. This led to decreased net sales, but we still delivered a fantastic result.

Sales

Net sales decreased by 7% in local currencies (12% in SEK) to SEK 1,261.6 million. We saw a continued recovery in the US and Canada. Sweden also had a strong development while the rest of Europe continued to lose sales, except Southern Europe which experienced growth.

Operating result

Thanks to a continued significantly lower cost level and a very strong gross profit, the operating result increased by SEK 124.2 million compared to the previous year and amounted to SEK 100.1 million. It is also interesting to compare with the first quarter of 2019, when the operating result amounted to SEK 46.0 million. This was the highest result we have ever had in a first quarter – and now we doubled it in the first quarter of 2021. The highest operating margin we previously had in a first quarter was 3.4% and this also more than doubled to 7.9%, a new all-time high for a first quarter. I am also glad that all our operating segments improved their results.

Operating margin rolling twelve months

The operating result for rolling twelve months' amounts to SEK 670.2 million and net sales to SEK 5,919.4 million, which shows a continuing rising operating margin now amounting to 11.3%.

Balance sheet and key figures

The balance sheet has continued to strengthen and is today very strong. The equity ratio amounts to 56.9% and the total equity of the Group exceeds SEK 4 billion.

Net debt to credit institutes has in one year decreased by SEK 1,369.6 million, from SEK 2,145.5 million to SEK 775.8 million.

Net debt/EBITDA, a key ratio I do not really think fits in at all with New Wave Group since we can always create large cash flows quickly, now amounts to 1.0 (excluding leasing). Net debt in relation to equity is down to 37.3%. These are all incredibly strong numbers that we are proud of and they give us great comfort and a large maneuvering space for the future.

The future

In the short term it is still hard to predict and much is dependent on the development of the pandemic, vaccination rates in different countries as well as, if and when restrictions and recommendations can be relaxed, for example, let audiences return to sports and events. However, we expect it to be more relaxed during the third and fourth quarters, but the second quarter is still hard to assess due to restrictions, lock-downs and recommendations.

When the pandemic has decreased, we will have a high organic growth and we enter that phase significantly more efficient and with lower costs. During the pandemic we have seen how strong our brands, products and companies are and the fact that we also have a strong balance sheet and management resources for new acquisitions, if the right object appears, does not make the future prospects worse.

A good example of the Group's strong brands is the fact that Craft, during April, has signed a five-year contract with the Norwegian Ski Federation, meaning that the skiers of the world's most successful national cross-country ski team will race and train in Craft apparel as of 2022.

Finally, I would like to both praise and thank our employees and organization that did a terrific job during 2020 – and have started 2021 even stronger! Thanks!

..... Q1


Torsten Jansson
 CEO

The period

Comments on the period

Summary of the quarter January - March

Demand for the Group's products and services is still lower than the previous year. COVID-19 had its start in the latter part of last year's first quarter and has continued to have a negative impact on the Group's net sales. The negative effects on net sales have been offset by an improved gross profit margin as well as cost savings.



CTM Ultra
Craft's running shoe CTM Ultra, now launched in new color combinations.

Net sales decreased by **12%** (decreased **7%** in local currencies). The Corporate segment decreased by **20%**, which is mainly related to the Other countries region where net sales for the trading business in Asia decreased. Decreases in net sales were also seen in the regions Central Europe, Nordic countries excluding Sweden and the US, while net sales increased in Sweden and Southern Europe. Sports & Leisure decreased by **9%**. The segment had lower net sales in the US, while other regions increased or were on par with the previous year. Gifts & Home Furnishings increased by **8%**, which is mainly related to Sweden.

The promo sales channel decreased by **18%** and retail sales decreased by **3%**. Both sales channels experienced lower net sales in the Corporate and Sports & Leisure segments, but in the Gifts & Home Furnishings segment sales increased.

The gross profit margin improved compared to the previous year and amounted to **48.0 (43.8)%**. The Group had a higher margin in all segments. The margin for the previous year was affected, among other things, by the fact that our trading business, with a lower percentage margin, accounted for a larger share of net sales than in the current quarter. The gross profit margin for this year is on par with the first quarters of 2019 and 2018.

The Group's external costs decreased by **28%** compared to the previous year, which is mainly related

to savings. Personnel costs decreased by **19%** due to a reduced number of employees.

Operating profit improved by SEK **124.2** million compared to the previous year and amounted to SEK **100.1 (-24.1)** million. Result for the period amounted to SEK **67.7 (-36.9)** million.

Cash flow from operating activities amounted to SEK **367.2 (114.6)** million. The higher cash flow is an effect of the improved operating result and reduced current receivables. Inventory increased by SEK **853.7** million and amounted to SEK **2,932.7 (3,786.4)** million, of which the exchange rate change when translated to SEK has decreased the value by SEK **158.0** million.

CHANGE IN NET SALES



January - March

Net sales

Net sales amounted to SEK **1,261.6** million, which was **12%** lower than last year (SEK **1,440.9** million). Exchange rate effects had a negative impact on sales of SEK **78.9** million, corresponding to **5%**.

Netsales in the US decreased by **28%**, with decreases in all segments. Sweden increased its net sales by **11%**. Sales increased in all segments. Sales in Central Europe decreased by **9%**, where the decrease occurred in Corporate and the increase was mainly in Sports & Leisure. The Nordic countries excluding Sweden had **10%** lower net sales than last year. The decrease was related to Corporate, while Sports & Leisure and Gifts & Home Furnishings increased. Southern Europe increased by **7%**, which was related to the Corporate and Sports & Leisure segments. Other countries decreased by **45%**, which was mainly related to the trading business in the Corporate segment.

Gross profit

The gross profit margin improved compared to the previous year and amounted to **48.0 (43.8) %**. All segments had a higher margin. The margin for the previous year was affected, among other things, by the fact that the Group's trading business, with a lower percentage margin, accounted for a larger share of net sales than in the current quarter.

Other operating income and other operating costs

Other operating income decreased by SEK **4.0** million to SEK **16.6 (20.6)** million. Other operating income is mainly attributable to the operating currency gains, but also other remunerations, and must be set against the income statement item other operating expenses, where primarily operating currency losses are reported. Other operating income for the quarter include COVID-19-related government support of SEK **5.6** million. Other operating expenses decreased by SEK **5.2** million and amounted to SEK **-5.2 (-10.4)** million. The net of the above mentioned items amounted to SEK **11.4 (10.2)** million.

Costs and depreciations

External expenses decreased by SEK **86.3** million and amounted to SEK **-224.8 (-311.1)** million. The decrease is mainly related to cost savings, but also volume-related costs. Personnel costs decreased by SEK **55.6** million and amounted to SEK **-237.2 (-292.8)** million.

The decrease is mainly related to a reduced number of employees.

Exchange rate changes decreased these costs by SEK **30.4** million.

Amortizations, depreciations and write-downs were lower compared to last year and amounted to SEK **-54.1 (-60.1)** million. The decrease is related to lower amortizations and depreciations of both intangible and tangible fixed assets and of right-of-use asset related to leasing.

Operating result

Operating result was SEK **124.2** million higher than last year and amounted to SEK **100.1 (-24.1)** million. The improved operating result is related to a higher gross profit margin and cost savings.

Net financial items and tax

Net financial items amounted to SEK **-12.8 (-17.9)** million. The Group's net debt has decreased, which has also contributed to lower interest expenses.

Tax on result for the period amounted to SEK **-19.7 (5.1)** million.

Result for the period

Result for the period improved by SEK **104.6** million and amounted to SEK **67.7 (-36.9)** million. Earnings per share amounted to SEK **1.04 (-0.54)**.



Limelight
Kosta Boda's
timeless classic
Limelight, designed by
Göran Wärff.

Reporting of operating segments

New Wave Group divides its operations into the segments Corporate, Sports & Leisure and Gifts & Home Furnishings. The Group monitors the segments' and brands' sales as well as operating result. The operating segments are based on the Group's operational management.



Sports & Leisure

Net sales during the period January-March decreased by 9% to SEK 533.1 (585.2) million. Sales decreased in both sales channels. The segment had lower net sales in the US, while other regions increased net sales or were on par with the previous year. Operating result improved by SEK 71.3 million and amounted to SEK 54.5 (-16.8) million. The higher result is related to an improved gross profit margin and cost savings.



Corporate

Net sales for the first quarter decreased by 20% to SEK 572.3 (711.1) million. Sales decreased mainly in the Other countries region, related to lower net sales for the Group's trading business, but sales also decreased in Central Europe, Nordic countries excluding Sweden and the US. Sales in Sweden and Southern Europe increased. Both sales channels reduced their sales. Operating result improved by SEK 26.4 million and amounted to SEK 51.3 (24.9) million. The higher result is related to an improved gross profit margin as well as cost savings.



Gifts & Home Furnishings

Net sales for the first quarter increased by 8% to SEK 156.1 (144.7) million. The improved net sales are mainly related to Sweden. Sales increased in both sales channels. Operating result improved by SEK 26.5 million compared to the previous year and amounted to SEK -5.7 (-32.2) million, which was related to higher net sales, higher gross profit margin and cost savings.

Capital tied up

Capital tied up in stock amounted to SEK 2,932.7 million and decreased by SEK 853.7 million compared to the previous year (SEK 3,786.4 million). The decrease is related to lower merchandise purchases and an adjustment to the lower net sales. When translated to SEK, inventory value decreased by SEK 158.0 million. Inventory turnover rates are in line with the previous year and amounted to 1.1 (1.0) times.

SEK million	31 Mar 2021	31 Mar 2020
Raw materials	31.6	37.8
Work in progress	1.3	8.0
Goods in transit	132.1	134.4
Finished goods	2,767.7	3,606.2
Total	2,932.7	3,786.4

As of 31 March 2021, the total obsolescence deductions, as an expression of the difference between the lower of cost and fair value, amounted to SEK 159.4 (151.0) million and the provision in relation to finished goods amounted to 5.4 (4.0) %.

Accounts receivable amounted to SEK 842.8 (941.8) million, where the decrease is mainly related to the lower net sales.

Investments, financing and liquidity

Cash flow from operating activities amounted to SEK 367.2 (114.6) million. The improved cash flow is mainly attributable to the higher operating result and reduced current receivables. Cash flow from investing activities amounted to SEK -15.2 (-30.6) million.

Net debt decreased by SEK 1,421.5 million, of which SEK 1,369.6 million is related to credit institutions, and amounted to SEK 1,518.1 (2,939.6) million. The net debt to equity ratio and net debt in relation to working capital amounted to 37.3 (74.6) % and 52.7 (76.9) %, respectively.

The equity ratio improved by 10.1 percentage points compared to the previous year and amounted to 56.9 (46.8) %.

As of March 31, the Group's total credit limit was SEK 2,831.6 million, of which SEK 2,150.0 million runs through March 2022, USD 16.9 million through January 2024 and SEK 284.4 million has maturities extending until August 2027. The remaining SEK 250.0 million has a maturity of between three months and six years. The credit limit is limited in amount to and dependent on the value of certain underlying assets. The financing agreement means that key ratios (covenants) must be met for maintenance of the credit limit.

Personnel and organization

The number of employees as of 31 March was **2,035 (2,428)**, of which **49%** were women and **51%** were men. Of the total number of employees, **401 (531)** work in production.

The production within New Wave Group is attributable to AHEAD (embroidery), Cutter & Buck (embroidery), Kosta Boda, Orrefors, Seger, Termo and Toppoint.

Related party transactions

Lease agreements exist with related companies. Associated companies to the CEO have purchased goods and received compensation for consultancy services performed. In addition, there are transactions with related parties at immaterial values. All transactions have been made on market terms.

The Parent company

Total revenue for the quarter amounted to SEK **20.8 (25.4)** million. Result before appropriations and tax amounted to SEK **1.6 (0.6)** million. Net debt amounted to SEK **1,002.6 (2,042.1)** million. The Parent company's net financing for subsidiaries amounted to SEK **1,141.5 (2,053.7)** million. Cash flow from investing activities amounted to SEK **0.1 (-1.6)** million. The total assets amounted to SEK **3,980.9 (4,788.1)** million and equity, including the equity portion of untaxed reserves, amounted to SEK **2,197.3 (2,099.9)** million.

Annual General Meeting

The Annual General Meeting will be held on May 19 (only postal voting). The annual report is available at the company's head office in Gothenburg and at www.nwg.se.

Dividend

The Group's dividend policy is that **40%** of the Group's net result will be distributed over a business cycle, but in light of the ongoing pandemic and its difficult-to-assess consequences in 2021, the Board has decided to propose to the AGM that no dividend shall be paid. With respect to the Group's continued strong financial position, the Board's assessment is that there are good opportunities for a dividend during the latter part of 2021 and the Board will return at the latest in the interim report for the third quarter, which is scheduled to be published on November 5 2021, with proposal on when a resumption of dividend can take place.

Nomination committee

Composition of the nomination committee for the Board election at the 2021 Annual General Meeting is:

- *Ulf Hedlundh, representative of Svolder and Chairman of the nomination committee*
- *Torsten Jansson, CEO and representative of Torsten Jansson Holding AB*
- *Arne Lööw, representative of the Fourth Swedish National Pension Fund*

For more information on the nomination committee and its work, please refer to www.nwg.se.

Subsequent events

Craft in new partnership with the Norwegian cross-country ski team!

Craft Sportswear has signed a five-year contract with the Norwegian Ski Federation. The partnership means that Craft will supply the Norwegian skiers with apparel for racing and training as well as with running shoes and training wear for the summer season. The partnership between Craft and the Norwegian Ski Federation begins in 2022 and will last for at least five years.



CRAFT



Calendar

19 MAY	Annual General Meeting 2021
17 AUG	Interim report for the second quarter
5 NOV	Interim report for the third quarter

The company's auditors have not performed any review of the report for the first quarter of 2021.

The Board of Directors and CEO declare that the interim report gives a true and fair overview of the company's and Group's operations, financial position and earnings, and describes the significant risks and uncertainty factors that the company and the companies included in the Group face.

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Gothenburg, April 27, 2021

New Wave Group AB (publ)

Olof Persson
Chairman of the Board

Magdalena Forsberg
Member of the Board

Jonas Eriksson
Member of the Board

M. Johan Widerberg
Member of the Board

Mats Arjes
Member of the Board

Christina Bellander
Member of the Board

Torsten Jansson
CEO and Group CEO

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This information is information that New Wave Group AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons detailed above, at 7.00 a.m. CET on April 27, 2021.

Consolidated income statement

SEK million	Note	3 months Jan - Mar 2021	3 months Jan - Mar 2020	12 months Jan - Dec 2020	12 months Jan - Dec 2019
Net sales	3, 4, 5	1 261.6	1 440.9	6 098.8	6 903.5
Goods for resale		-656.4	-810.2	-3 461.5	-3 701.0
Gross profit		605.2	630.7	2 637.3	3 202.4
Other operating income	8	16.6	20.6	146.2	77.9
External costs		-224.8	-311.1	-975.7	-1 312.7
Personnel costs		-237.2	-292.8	-982.6	-1 159.9
Amortizations, depreciations and write-downs of tangible and intangible fixed assets	3	-54.1	-60.1	-229.5	-233.1
Other operating costs		-5.2	-10.4	-48.3	-39.6
Share of associated companies' result		-0.4	-0.9	-1.4	-0.2
Operating result	3	100.1	-24.1	545.9	535.0
Financial income		0.8	0.5	4.1	8.8
Financial expenses		-13.5	-18.4	-69.0	-77.0
Net financial items		-12.8	-17.9	-64.9	-68.2
Result before tax		87.4	-42.1	481.0	466.7
Tax expense		-19.7	5.1	-118.0	-96.7
Result for the period		67.7	-36.9	363.0	370.1
Other comprehensive income:					
Items that can be reclassified into profit or loss:					
Translation differences		141.2	200.8	-274.5	99.6
Cash flow hedges		1.6	6.1	-4.7	-2.2
Sum		142.8	206.8	-279.2	97.5
Income tax related to components of other comprehensive income		-0.3	-1.3	1.0	0.5
Total other comprehensive for the period		142.5	205.5	-278.2	97.9
Total comprehensive income for the period		210.2	168.6	84.8	468.0
Result for the period attributable to:					
Shareholders of the Parent company		68.7	-35.8	365.5	375.5
Non-controlling interest		-1.0	-1.2	-2.5	-5.5
		67.7	-36.9	363.0	370.1
Total comprehensive income attributable to:					
Shareholders of the Parent company		210.6	168.1	88.9	472.1
Non-controlling interest		-0.4	0.5	-4.1	-4.1
		210.2	168.6	84.8	468.0
Earnings per share (SEK)*		1.04	-0.54	5.51	5.66
The average number of outstanding shares*		66 343 543	66 343 543	66 343 543	66 343 543

*Earnings per share and the average number of outstanding shares are the same before and after dilution.

Consolidated cash flow statement

SEK million	Note	3 months Jan - Mar 2021	3 months Jan - Mar 2020	12 months Jan - Dec 2020	12 months Jan - Dec 2019
Operating activities					
Operating result		100.1	-24.1	545.9	535.0
Adjustment for items not included in cash flow		43.8	54.1	264.5	231.9
Received interest		-0.5	-0.8	0.7	7.9
Paid interest		-12.3	-17.2	-65.7	-76.1
Paid income tax		-44.1	-75.1	-113.7	-93.6
Cash flow from operating activities before changes in working capital		87.1	-63.0	631.8	605.0
Changes in working capital					
Increase/decrease of inventories		30.6	-117.4	495.8	-241.7
Increase/decrease of current receivables		256.3	313.9	106.1	-51.5
Increase/decrease of current liabilities		-6.8	-19.0	-27.1	-212.3
Cash flow from changes in working capital		280.1	177.6	574.8	-505.6
Cash flow from operating activities		367.2	114.6	1 206.6	99.5
Investing activities					
Investments in tangible fixed assets		-14.5	-10.2	-44.7	-124.7
Sales of tangible fixed assets		1.5	0.5	6.7	6.9
Investments in intangible fixed assets		-1.5	-12.3	-11.3	-21.7
Investments in associated companies		0.0	0.0	0.0	-0.8
Business combinations		0.0	-8.6	-8.6	-8.5
Raised long-term receivables		-0.7	0.0	0.0	-1.6
Repayment of long-term receivables		0.0	0.0	0.3	1.6
Cash flow from investing activities	3	-15.2	-30.6	-57.5	-148.7
Cash flow after investing activities		352.0	84.0	1 149.1	-49.3
Financial activities					
Loans raised		0.0	0.0	62.9	386.2
Amortization of loans		-314.6	-160.1	-1 091.8	-71.3
Amortization of lease liabilities		-31.5	-35.1	-126.7	-103.0
New issue of shares in companies with non-controlling interest		0.0	0.0	0.0	1.2
Dividend paid to the shareholders of the Parent company		0.0	0.0	0.0	-132.7
Cash flow from financial activities		-346.1	-195.2	-1 155.6	80.4
Cash flow for the period		5.9	-111.2	-6.4	31.2
Liquid assets at the beginning of the period		325.1	351.3	351.3	312.2
Translation differences in liquid assets		13.8	17.6	-19.8	7.9
Liquid assets at the end of the period		344.8	257.6	325.1	351.3
Liquid assets					
Cash at bank and in hand		344.8	257.6	325.1	351.3

Consolidated balance sheet

SEK million	Note	31 mar 2021	31 Mar 2020	31 Dec 2020	31 Dec 2019
ASSETS					
Intangible fixed assets	3	1 447.1	1 607.3	1 380.9	1 501.0
Tangible fixed assets	3	1 286.8	1 435.8	1 289.5	1 436.5
Shares in associated companies		39.4	38.0	39.7	39.0
Other long-term receivables		14.9	15.1	14.0	14.7
Deferred tax assets	3, 5	105.4	123.0	106.7	112.8
Total non-current assets	5	2 893.6	3 219.2	2 830.8	3 103.9
Inventory		2 932.7	3 786.4	2 883.0	3 557.9
Current tax receivables		20.1	66.8	13.4	44.8
Accounts receivable		842.8	941.8	1 059.3	1 192.8
Other receivables		59.0	85.9	61.7	82.4
Prepaid expenses and accrued income		47.2	58.4	43.5	61.2
Liquid assets		344.8	257.6	325.1	351.3
Total current assets		4 246.6	5 196.9	4 385.9	5 290.4
TOTAL ASSETS	3, 6	7 140.2	8 416.2	7 216.7	8 394.3
EQUITY					
Share capital		199.0	199.0	199.0	199.0
Other capital contributions		219.4	219.4	219.4	219.4
Reserves		398.8	732.7	252.2	531.0
Retained earnings including result for the period		3 238.3	2 771.3	3 174.3	2 804.9
Equity attributable to shareholders of the Parent company		4 055.5	3 922.5	3 845.0	3 754.4
Non-controlling interest		10.1	16.8	10.5	16.3
Total equity		4 065.7	3 939.3	3 855.5	3 770.7
LIABILITIES					
Long-term interest-bearing liabilities	7, 8	1 620.4	2 723.7	1 933.3	2 818.3
Pension provisions		18.8	20.0	18.0	19.3
Other provisions		7.4	5.1	7.6	0.9
Deferred tax liabilities		143.3	162.3	140.1	144.8
Total non-current liabilities		1 789.9	2 911.1	2 099.1	2 983.3
Short-term interest-bearing liabilities	7, 8	242.5	473.6	209.4	497.8
Accounts payable		614.3	669.6	543.6	623.2
Current tax liabilities		40.0	42.3	58.6	94.6
Other liabilities	8	151.7	127.9	177.9	139.8
Accrued expenses and prepaid income		236.2	252.5	272.5	285.0
Total current liabilities		1 284.6	1 565.8	1 262.1	1 640.3
Total liabilities	3, 6	3 074.5	4 476.8	3 361.1	4 623.6
TOTAL EQUITY AND LIABILITIES		7 140.2	8 416.2	7 216.7	8 394.3

Consolidated statement of changes in equity

SEK million	Share capital	Other capital contributions	Reserves	Retained earnings incl. result for the period	Total	Non-controlling interest	Total equity
Opening balance 2020-01-01	199.0	219.4	531.0	2 804.9	3 754.4	16.3	3 770.7
Result for the period				-35.8	-35.8	-1.2	-36.9
Other comprehensive income							
Translation differences			199.1		199.1	1.6	200.8
Cash flow hedges for the period			6.1		6.1		6.1
Reclassification of previous years' cash flow hedge			-2.2	2.2	0.0		0.0
Income tax related to components of other comprehensive income			-1.3		-1.3		-1.3
Transactions with shareholders							
Dividends to shareholders of the Parent company				0.0	0.0		0.0
Closing balance 2020-03-31	199.0	219.4	732.7	2 771.3	3 922.5	16.8	3 939.3

SEK million	Share capital	Other capital contributions	Reserves	Retained earnings incl. result for the period	Total	Non-controlling interest	Total equity
Opening balance 2021-01-01	199.0	219.4	252.2	3 174.3	3 845.0	10.5	3 855.5
Result for the period				68.7	68.7	-1.0	67.7
Other comprehensive income							
Translation differences			140.6		140.6	0.6	141.2
Cash flow hedges for the period			1.6		1.6		1.6
Reclassification of previous years' cash flow hedge			4.7	-4.7	0.0		0.0
Income tax related to components of other comprehensive income			-0.3		-0.3		-0.3
Transactions with shareholders							
Dividends to shareholders of the Parent company				0.0	0.0		0.0
Closing balance 2021-03-31	199.0	219.4	398.8	3 238.3	4 055.6	10.1	4 065.7

	Jan - Mar 2021	Jan - Mar 2020
Accumulated translation differences in equity		
Accumulated translation differences at the beginning of the period	266.7	541.2
Translation differences in foreign Group companies for the period	141.2	200.8
Accumulated translation differences at the end of period	407.9	742.0

Financial key figures

	3 months Jan - Mar 2021	3 months Jan - Mar 2020	12 months Jan - Dec 2020	12 months Jan - Dec 2019
Net sales growth, %	-12.4	-4.2	-11.7	9.7
Organic growth, %	-7.0	-6.7	-9.9	5.4
Average number of employees	2 035	2 428	2 064	2 579
Gross profit margin, %	48.0	43.8	43.2	46.4
Operating margin before depreciations, %	12.2	2.5	12.7	11.1
Operating margin, %	7.9	-1.7	9.0	7.7
Profit margin, %	6.9	-2.9	7.9	6.8
Net margin, %	5.4	-2.6	6.0	5.4
Return on shareholders' equity, %	11.8	8.0	9.5	10.3
Return on capital employed, %	11.3	6.6	8.4	8.6
Equity ratio, %	56.9	46.8	53.4	44.9
Net debt, SEK million	1 518.1	2 939.6	1 817.6	2 964.8
Net debt to credit institutes, SEK million	775.8	2 145.5	1 075.9	2 161.0
Net debt to equity ratio, %	37.3	74.6	47.1	78.6
Net debt in relation to working capital, %	52.7	76.9	59.5	77.1
Interest coverage ratio, times	7.5	-1.3	8.0	7.1
Capital turnover, times	0.8	0.8	0.8	0.9
Inventory turnover, times	1.1	1.0	1.1	1.1
Cash flow before investments, SEK million	367.2	114.6	1 206.6	99.5
Net investments, SEK million	-15.2	-30.6	-57.5	-148.7
Cash flow after investments, SEK million	352.0	84.0	1 149.1	-49.3
Shareholders' equity per share, before and after dilution, SEK	61.13	59.12	57.96	56.59
Share price as of the balance sheet date, SEK	69.80	27.40	54.50	59.80
Dividend/share, SEK	-	-	-	2.00
P/E-ratio	9.85	5.81	9.89	10.56
P/S-ratio	0.78	0.27	0.59	0.57
Share price/Shareholders' equity	1.14	0.46	0.94	1.06

For definitions of alternative performance measures, see page 30.

Income statement

SEK million	3 months Jan - Mar 2021	3 months Jan - Mar 2020	12 months Jan - Dec 2020	12 months Jan - Dec 2019
Net sales	20.8	25.4	90.5	103.7
Other operating income	4.4	8.6	41.1	36.8
Total income	25.2	34.0	131.5	140.4
External costs	-11.8	-17.4	-55.4	-68.0
Personnel costs	-10.3	-10.9	-42.8	-38.7
Amortizations, depreciations and write-downs of tangible and intangible fixed assets	-1.4	-1.6	-6.2	-5.8
Other operating costs	-2.9	-6.7	-35.2	-27.1
Operating result	-1.3	-2.6	-8.0	0.9
Result from shares in Group companies	0.0	0.0	80.5	172.0
Changes in write-downs of financial assets	0.0	0.0	7.8	24.5
Financial income	9.5	14.5	56.6	55.2
Financial expenses	-6.6	-11.3	-42.4	-38.7
Net financial items	2.9	3.2	102.5	213.0
Result before appropriations and tax	1.6	0.6	94.6	213.9
Appropriations	0.0	0.0	7.6	55.7
Tax expense	-0.3	-0.2	0.0	-12.4
Result for the period	1.3	0.4	102.1	257.2

Total comprehensive income for the period corresponds with result for the period.

Cash flow statement

SEK million	3 months Jan - Mar 2021	3 months Jan - Mar 2020	12 months Jan - Dec 2020	12 months Jan - Dec 2019
Operating activities				
Operating result	-1.3	-2.6	-8.0	0.9
Adjustment for items not included in cash flow	-5.4	5.5	17.9	5.3
Received dividends	0.0	0.0	0.0	27.1
Received interest	9.5	14.5	56.6	55.2
Paid interest	-6.6	-11.3	-42.4	-38.7
Paid income tax	-2.6	-6.6	-4.6	-13.4
Cash flow from operating activities before changes in working capital	-6.4	-0.5	19.5	36.4
Changes in working capital				
Increase/decrease in current receivables	43.4	-44.0	743.9	-105.2
Increase/decrease in current liabilities	101.9	109.2	147.4	-124.8
Cash flow from changes in working capital	145.3	65.2	891.4	-229.9
Cash flow from operating activities	138.9	64.7	910.9	-193.5
Investing activities				
Shareholder contributions to Group companies	0.0	0.0	-6.5	0.0
Investments in associated companies	0.0	0.0	0.0	-0.8
Investments in tangible fixed assets	-0.3	0.0	-3.6	-0.7
Investments in intangible fixed assets	0.0	-2.5	-2.5	-2.0
Acquisition of shares	0.0	0.0	0.0	-18.6
Intra-Group sales of Group companies	0.0	0.0	14.5	0.0
Changes in long-term loans to Group companies	0.5	1.0	2.5	13.1
Raised long-term receivables	-0.1	0.0	0.9	-0.9
Cash flow from investing activities	0.1	-1.6	5.3	-9.9
Cash flow after investing activities	139.0	63.1	916.2	-203.4
Financial activities				
Loans raised	0.0	0.0	0.0	416.2
Amortization of loans	-139.2	-80.0	-936.4	-63.9
Dividend paid to shareholders of the Parent company	0.0	0.0	0.0	-132.7
Cash flow from financial activities	-139.2	-80.0	-936.4	219.6
Cash flow for the period	-0.2	-16.9	-20.2	16.2
Liquid assets at the beginning of the period	0.4	20.6	20.6	4.5
Liquid assets at the end of the period	0.2	3.7	0.4	20.6
Liquid assets				
Cash at bank and in hand	0.2	3.7	0.4	20.6

Balance sheet

SEK million	Note	31 Mar 2021	31 Mar 2020	31 Dec 2020	31 Dec 2019
ASSETS					
Intangible fixed assets		5.6	10.0	6.6	8.7
Tangible fixed assets		4.6	2.2	4.7	2.6
Shares in Group companies		2 236.1	2 275.7	2 236.1	2 275.7
Shares in associated companies		38.1	42.8	38.1	42.8
Receivables on Group companies		345.5	395.8	326.9	369.7
Other long-term receivables		5.5	6.3	5.4	6.3
Total non-current assets		2 635.4	2 732.9	2 617.8	2 705.7
Accounts receivable		0.5	0.5	0.5	0.3
Receivables on Group companies		1 308.1	2 011.6	1 351.8	1 959.5
Current tax receivables		3.4	3.0	1.2	0.0
Other receivables		23.6	29.8	24.5	35.0
Prepaid expenses and accrued income		9.6	6.6	8.4	9.6
Liquid assets		0.2	3.7	0.4	20.6
Total current assets		1 345.5	2 055.3	1 386.8	2 025.1
TOTAL ASSETS		3 980.9	4 788.1	4 004.6	4 730.8
EQUITY					
Share capital		199.0	199.0	199.0	199.0
Restricted reserves		249.4	249.4	249.4	249.4
Total restricted equity		448.4	448.4	448.4	448.4
Retained earnings		1 654.5	1 552.4	1 552.4	1 295.1
Share premium reserve		48.0	48.0	48.0	48.0
Result for the period		1.3	0.4	102.1	257.2
Total unrestricted equity		1 703.8	1 600.8	1 702.5	1 600.4
Total equity		2 152.3	2 049.3	2 151.0	2 048.8
Untaxed reserves		57.3	64.9	57.3	64.9
LIABILITIES					
Long-term interest-bearing liabilities	7	910.0	1 695.4	1 040.0	1 748.6
Total non-current liabilities		910.0	1 695.4	1 040.0	1 748.6
Short-term interest-bearing liabilities	7	92.8	350.4	89.8	346.2
Accounts payable		246.0	263.8	218.0	242.3
Liabilities to Group companies		512.1	353.7	437.2	268.3
Current tax liabilities		0.0	0.0	0.0	3.4
Other liabilities		1.2	1.2	1.3	1.1
Accrued expenses and prepaid income		9.2	9.5	10.1	7.3
Total current liabilities		861.3	978.6	756.4	868.5
Total liabilities		1 771.3	2 673.9	1 796.3	2 617.1
TOTAL EQUITY AND LIABILITIES		3 980.9	4 788.1	4 004.6	4 730.8

Statement of changes in equity

SEK million	Share capital	Restricted reserves	Retained earnings	Share premium reserve	Result for the period	Total equity
Opening balance 2020-01-01	199.0	249.4	1 295.1	48.0	257.2	2 048.8
Transfer according to decision at AGM			257.2		-257.2	0.0
Result for the period					0.4	0.4
Total changes excluding transactions with shareholders	0.0	0.0	0.0	0.0	0.4	0.4
Dividends			0.0			0.0
Closing balance 2020-03-31	199.0	249.4	1 552.4	48.0	0.4	2 049.3

SEK million	Share capital	Restricted reserves	Retained earnings	Share premium reserve	Result for the period	Total equity
Opening balance 2021-01-01	199.0	249.4	1 552.4	48.0	102.1	2 151.0
Transfer according to decision at AGM			102.1		-102.1	0.0
Result for the period					1.3	1.3
Total changes excluding transactions with shareholders	0.0	0.0	0.0	0.0	1.3	1.3
Dividends			0.0			0.0
Closing balance 2021-03-31	199.0	249.4	1 654.5	48.0	1.3	2 152.3



The Group and Parent company

Notes

Note 1 - Accounting policies

This report is prepared in accordance with IAS 34 Interim Financial Reporting and the Annual Accounts Act. The interim report for the Parent Company has been prepared according the Annual Accounts Act as well as RFR 2 Reporting for Legal Entities. Applied accounting policies are otherwise consistent with the 2020 Annual Report.

New accounting policies for 2021

A number of amendments of current accounting standards have been published and are effective from 2021 and later. None of these has a material impact on New Wave Group's financial statements.

Note 2 - Risks and risk control

New Wave Group's international operations mean that it is continuously exposed to various financial risks. The financial risks are interest rate risks, currency, liquidity and credit risks. In order to minimize the effect these risks may have on earnings, the Group has a risk policy. For a more detailed description of the Group's risk management please refer to the Annual Report 2020, note 16, p. 94-100. The Annual Report is available at the Group's headquarters in Gothenburg, Sweden, as well as at www.nwg.se.

The Group's policy is to have short fixed-rate interest periods, which means that fluctuating short-term interest rates have a rapid impact on the Group's net interest income.

During 2020, the world was hit by a pandemic caused by COVID-19. New Wave Group has been largely affected by the spread of COVID-19 and the demand for the Group's products and services was significantly reduced during the previous year. Net sales for the Group was negatively affected during the first quarter 2021 as well. It is still relatively hard to assess the development for the coming quarters. Measures taken include, among other things, that no dividend was paid during 2020, no dividend has been proposed for the 2021 Annual General Meeting and that the Group has received government support in several countries. The Group's customers also suffer from the negative effects of the pandemic, which leads to an increased credit risk. The companies within the Group attach great importance to monitoring the customers' ability to pay and continuously make assessments regarding adequate credit risk provisions.

Besides the above, the Group's reported risks are deemed to be essentially unchanged.

Note 3 - Reporting of operating segments

Net sales and operating result per operating segment

SEK million	3 months Jan - Mar 2021	3 months Jan - Mar 2020	12 months Jan - Dec 2020	12 months Jan - Dec 2019
Corporate				
Net sales	572.3	711.1	3 104.8	3 219.6
Operating result	51.3	24.9	349.0	325.4
Sports & Leisure				
Net sales	533.1	585.2	2 168.5	2 887.4
Operating result	54.5	-16.8	170.4	235.8
Gifts & Home Furnishings				
Net sales	156.1	144.7	825.5	796.5
Operating result	-5.7	-32.2	26.5	-26.2
Total net sales	1 261.6	1 440.9	6 098.8	6 903.5
Total operating result	100.1	-24.1	545.9	535.0
Total operating result	100.1	-24.1	545.9	535.0
Net financial items	-12.8	-17.9	-64.9	-68.2
Result before tax	87.4	-42.1	481.0	466.7

Assets and liabilities per operating segment

SEK million	Total assets	Fixed assets*	Deferred tax assets	Net investments	Amortizations, depreciations and write-downs	Total liabilities
31 Mar 2021						
Corporate	4 099.9	1 103.5	34.7	-8.1	-34.3	2 245.3
Sports & Leisure	2 654.6	1 296.3	45.8	-3.9	-16.0	635.9
Gifts & Home Furnishings	385.7	334.1	24.9	-3.2	-3.8	193.3
Total	7 140.2	2 733.9	105.4	-15.2	-54.1	3 074.5
31 Mar 2020						
Corporate	4 260.5	1 212.0	39.1	-13.3	-39.0	2 706.5
Sports & Leisure	3 421.4	1 501.3	60.0	-16.0	-18.5	1 227.5
Gifts & Home Furnishings	734.3	329.9	23.8	-1.3	-2.6	542.9
Total	8 416.2	3 043.1	123.0	-30.6	-60.1	4 476.8
31 Dec 2020						
Corporate	4 225.6	1 105.1	37.1	-29.1	-146.5	2 448.2
Sports & Leisure	2 571.2	1 233.4	44.7	-24.1	-66.4	697.9
Gifts & Home Furnishings	419.9	331.9	24.9	-4.3	-16.6	215.0
Total	7 216.7	2 670.4	106.7	-57.5	-229.5	3 361.1

* Financial fixed assets are not included

Note 4 - Net sales per sales channel and operating segment

SEK million	Corporate		Sports & Leisure		Gifts & Home Furnishings		Total	
	3 months	3 months	3 months	3 months	3 months	3 months	3 months	3 months
	Jan - Mar	Jan - Mar	Jan - Mar	Jan - Mar	Jan - Mar	Jan - Mar	Jan - Mar	Jan - Mar
	2021	2020	2021	2020	2021	2020	2021	2020
Promo	568.9	705.4	130.4	162.9	27.4	22.7	726.7	891.0
Retail	3.5	5.6	402.7	422.3	128.7	122.0	534.9	549.9
Total	572.3	711.1	533.1	585.2	156.1	144.7	1 261.6	1 440.9

SEK million	Corporate		Sports & Leisure		Gifts & Home Furnishings		Total	
	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months
	Jan - Dec	Jan - Dec	Jan - Dec	Jan - Dec	Jan - Dec	Jan - Dec	Jan - Dec	Jan - Dec
	2020	2019	2020	2019	2020	2019	2020	2019
Promo	3 084.6	3 152.7	568.3	762.5	236.7	197.7	3 889.6	4 113.0
Retail	20.2	66.8	1 600.2	2 124.9	588.8	598.8	2 209.2	2 790.6
Total	3 104.8	3 219.6	2 168.5	2 887.4	825.5	796.4	6 098.8	6 903.5



Note 5 - Reporting of geographic areas

Net sales per geographic area

SEK million	Corporate		Sports & Leisure		Gifts & Home Furnishings		Total		Change %
	3 months	3 months	3 months	3 months	3 months	3 months	3 months	3 months	
	Jan - Mar 2021	Jan - Mar 2020	Jan - Mar 2021	Jan - Mar 2020	Jan - Mar 2021	Jan - Mar 2020	Jan - Mar 2021	Jan - Mar 2020	
USA	45.9	53.4	200.1	292.8	11.1	12.5	257.1	358.7	-28%
Sweden	96.8	90.1	132.8	112.6	127.5	118.7	357.1	321.4	11%
Central Europe	124.3	158.4	79.7	69.2	4.8	2.9	208.7	230.5	-9%
Nordic countries excl. Sweden	72.3	92.3	75.0	72.5	7.7	7.1	154.9	171.9	-10%
Southern Europe	157.1	153.6	21.8	13.9	0.0	0.0	178.9	167.5	7%
Other countries	75.9	163.4	23.8	24.1	5.0	3.4	104.7	190.9	-45%
Total	572.3	711.1	533.0	585.2	156.1	144.7	1 261.6	1 440.9	-12%

SEK million	Corporate		Sports & Leisure		Gifts & Home Furnishings		Total		Change %
	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months	
	Jan - Dec 2020	Jan - Dec 2019	Jan - Dec 2020	Jan - Dec 2019	Jan - Dec 2020	Jan - Dec 2019	Jan - Dec 2020	Jan - Dec 2019	
USA	193.7	260.3	895.2	1 460.6	52.0	53.5	1 140.9	1 774.5	-36%
Sweden	387.8	438.2	480.3	511.2	689.8	661.1	1 558.0	1 610.5	-3%
Central Europe	592.4	742.9	300.8	317.7	20.2	17.5	913.4	1 078.1	-15%
Nordic countries excl. Sweden	358.5	433.2	306.1	375.6	45.7	52.2	710.3	861.0	-17%
Southern Europe	842.0	749.5	58.9	62.8	0.3	0.4	901.2	812.6	11%
Other countries	730.4	595.5	127.1	159.4	17.5	11.9	875.0	766.8	14%
Total	3 104.8	3 219.6	2 168.5	2 887.4	825.5	796.5	6 098.8	6 903.5	-12%

Fixed assets and deferred tax assets per geographic area

SEK million	31 Mar 2021		31 Mar 2020		31 Dec 2020	
	Fixed assets*	Deferred tax assets	Fixed assets*	Deferred tax assets	Fixed assets*	Deferred tax assets
USA	1 054.6	46.2	1 237.8	62.7	990.2	43.6
Sweden	721.4	22.4	701.0	20.1	737.9	26.9
Central Europe	338.0	5.7	391.5	11.3	339.0	5.5
Nordic countries excl. Sweden	254.2	3.6	287.0	4.4	245.8	3.6
Southern Europe	223.2	21.6	302.6	18.4	224.4	21.6
Other countries	142.6	5.9	123.3	6.1	133.0	5.5
Total	2 733.9	105.4	3 043.1	123.0	2 670.4	106.7

* Financial fixed assets are not included



Note 6 - Financial instruments

SEK million	31 Mar 2021	31 Mar 2020	31 Dec 2020	31 Dec 2019
Assets at fair value through other comprehensive income	1.6	0.0	0.0	0.0
Assets at amortized cost	1 254.4	1 291.9	1 454.7	1 634.6
Total financial assets	1 256.0	1 291.9	1 454.7	1 634.6
Liabilities at fair value through other comprehensive income	0.0	6.1	4.7	2.2
Liabilities at amortized cost	2 730.2	4 106.2	2 951.7	4 219.9
Total financial liabilities	2 730.2	4 112.3	2 956.4	4 222.0

Financial instruments are measured at fair value or amortized cost according to classification in the consolidated balance sheet.

Note 7 - Pledged assets and contingent liabilities

GROUP

Pledged assets SEK million	31 Mar 2021	31 Mar 2020	31 Dec 2020	31 Dec 2019
Floating charges	690.5	690.5	690.5	690.5
Property mortgages	173.3	191.9	172.0	178.0
Net assets in Group companies	3 361.0	3 319.6	3 201.5	3 143.5
Shares in associated companies	8.3	8.3	8.3	8.3
Stock and accounts receivable	285.6	548.5	321.7	613.5
Total	4 518.8	4 758.9	4 394.1	4 633.9
Contingent liabilities SEK million	31 Mar 2021	31 Mar 2020	31 Dec 2020	31 Dec 2019
Duty guarantees	12.4	12.8	12.2	11.4
Rent guarantees	154.3	171.0	151.5	177.7
Other guarantees	0.0	1.0	0.0	1.0
Guarantees for associated companies	6.0	6.0	6.0	6.0
Total	172.8	190.8	169.7	196.1
PARENT COMPANY				
Pledged assets SEK million	31 Mar 2021	31 Mar 2020	31 Dec 2020	31 Dec 2019
Floating charges	30.0	30.0	30.0	30.0
Shares in Group companies	1 744.3	1 751.4	1 744.3	1 751.4
Shares in associated companies	8.3	8.3	8.3	8.3
Total	1 782.6	1 789.7	1 782.6	1 789.7
Contingent liabilities SEK million	31 Mar 2021	31 Mar 2020	31 Dec 2020	31 Dec 2019
Guarantees for Group companies	591.5	728.9	555.7	820.9
Guarantees for associated companies	6.0	6.0	6.0	6.0
Total	597.5	734.9	561.7	826.9



Note 8 - Disclosures related to COVID-19

In connection with the COVID-19 crisis, companies within the Group have taken part of the support packages that governments around the world have issued. This note contains information about the government support that the Group has received and their financial impact. In several countries, the Group has also taken part in support packages where employees reduce their working hours and receive compensation directly from the government. The financial impact from this is reduced personnel costs, but is not defined as a government grant.

Government grants

The Group has received government grants, mainly related to temporary lay-offs, in several countries. Employees reduce their working hours, but can keep main part of their salary and the employer temporary receives government grants to cover main part of the personnel costs for the employees. The table below contains information on total received grants that are recorded as other operating income and grants that are received, but recorded as other liabilities as they relate to costs that have not yet occurred.

	3 months Jan - Mar 2021	12 months Jan - Dec 2020
Other operating income	5.6	75.7

	31 Mar 2021	31 Dec 2020
Other liabilities	0.5	1.3

Deferment of payment of taxes and social charges

In some countries, the Group has been granted a deferral of payment of taxes and social charges. The table below contains information on total liabilities for which the Group has been granted a deferral. All liabilities fall due within 12 months.

	31 Mar 2021	31 Dec 2020
Other liabilities	5.9	20.2

Government loans

The Group has chosen to use the opportunity to obtain government loans in the US (so-called PPP loans) and in France and UK. The table below contains information on the government loans received. The loans in the US, which accounts for SEK 47.0 million, can be forgiven if certain conditions are met.

	31 Mar 2021	31 Dec 2020
Long-term interest-bearing liabilities	9.3	36.8
Short-term interest-bearing liabilities	43.4	12.3
	52.7	49.1

Condensed quarterly consolidated income statements

SEK million

Quarter	2021					2020				2019			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	1 261.6	1 873.2	1 470.1	1 314.5	1 440.9	2 024.1	1 685.5	1 689.0	1 504.9				
Goods for resale	-656.4	-1 007.7	-843.9	-799.7	-810.2	-1 079.2	-923.2	-903.3	-795.3				
Gross profit	605.2	865.6	626.2	514.8	630.7	944.9	762.3	785.7	709.6				
Gross profit margin %	48.0	46.2	42.6	39.2	43.8	46.7	45.2	46.5	47.1				
Other operating income	16.6	29.6	34.7	61.4	20.6	32.3	12.9	15.5	17.2				
External costs	-224.8	-285.4	-191.6	-187.7	-311.1	-343.8	-300.3	-330.2	-338.4				
Personnel costs	-237.2	-259.9	-220.8	-209.1	-292.8	-307.6	-278.7	-290.5	-283.0				
Depreciations and write-downs	-54.1	-55.0	-56.6	-57.8	-60.1	-73.6	-55.7	-52.8	-51.0				
Other operating costs	-5.2	-11.4	-15.2	-11.4	-10.4	-12.4	-11.3	-7.7	-8.2				
Share of associated companies' result	-0.4	0.1	-0.4	-0.1	-0.9	0.6	-0.2	-0.3	-0.2				
Operating result	100.1	283.6	176.3	110.1	-24.1	240.3	129.1	119.6	46.0				
Financial income	0.8	0.1	0.6	2.9	0.5	2.8	2.5	2.2	1.3				
Financial expenses	-13.5	-14.6	-15.8	-20.2	-18.4	-24.1	-19.5	-18.1	-15.3				
Result before tax	87.4	269.2	161.1	92.8	-42.1	219.1	112.1	103.6	32.0				
Tax expense	-19.7	-61.0	-42.2	-19.9	5.1	-53.1	-17.6	-19.9	-6.0				
Result for the period	67.7	208.2	118.9	72.9	-36.9	165.9	94.4	83.7	26.0				
Total other comprehensive income for the period	142.5	-213.0	-58.3	-212.4	205.5	-131.5	126.9	16.2	86.3				
Total comprehensive income for the period	210.2	-4.9	60.6	-139.5	168.6	34.4	221.4	99.9	112.3				
Earnings per share before and after dilution (SEK)*	1.04	3.13	1.81	1.11	-0.54	2.53	1.45	1.28	0.41				

Quarter	2018				2017				2016			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	1 943.4	1 551.2	1 523.2	1 272.8	1 630.3	1 331.1	1 371.7	1 264.2	1 548.6	1 300.4	1 257.3	1 130.8
Goods for resale	-1 042.3	-835.3	-804.2	-677.5	-886.8	-692.8	-745.7	-692.8	-832.3	-693.3	-685.0	-616.3
Gross profit	901.1	715.8	719.0	595.4	743.5	638.2	626.0	571.4	716.3	607.1	572.3	514.5
Gross profit margin %	46.4	46.1	47.2	46.8	45.6	47.9	45.6	45.2	46.3	46.7	45.5	45.5
Other operating income	28.3	19.3	11.3	15.9	22.9	10.4	7.0	10.9	14.9	14.5	12.2	9.4
External costs	-390.6	-323.5	-305.1	-317.2	-304.9	-265.4	-270.1	-288.6	-300.1	-268.5	-249.6	-279.8
Personnel costs	-298.0	-257.7	-260.9	-246.4	-262.2	-217.1	-233.0	-228.1	-242.9	-208.3	-213.0	-217.4
Depreciations and write-downs	-21.6	-20.2	-18.5	-17.6	-18.2	-16.4	-15.7	-15.0	-15.2	-14.1	-13.4	-13.2
Other operating costs	-9.8	-15.0	-8.3	-11.8	-6.1	-7.4	-3.9	-7.8	-6.2	-5.8	-8.1	-5.6
Share of associated companies' result	0.1	-1.3	-0.3	0.4	-2.5	0.6	0.2	0.4	0.2	0.0	-0.2	0.2
Operating result	209.4	117.5	137.3	18.6	172.5	143.0	110.5	43.2	167.0	124.9	100.2	8.1
Financial income	1.5	0.7	1.8	1.5	1.3	1.6	1.0	1.3	0.0	1.0	0.9	1.2
Financial expenses	-14.2	-12.3	-8.2	-11.7	-14.3	-14.8	-14.1	-13.8	-15.9	-16.4	-15.7	-15.0
Result before tax	196.6	105.9	130.9	8.4	159.4	129.8	97.4	30.7	151.1	109.5	85.4	-5.7
Tax expense	-37.7	-17.5	-24.2	-2.4	-12.6	-24.5	-20.3	-5.8	-23.3	-23.0	-18.4	1.1
Result for the period	158.9	88.4	106.8	6.0	146.8	105.3	77.0	24.9	127.8	86.5	67.0	-4.6
Total other comprehensive income for the period	2.7	-37.8	121.1	71.7	45.3	-43.3	-42.4	-12.2	35.1	26.4	47.2	-15.5
Total comprehensive income for the period	161.6	50.5	227.9	77.7	192.1	62.0	34.7	12.7	162.9	112.9	114.2	-20.1
Earnings per share before and after dilution (SEK)*	2.42	1.36	1.60	0.10	2.20	1.60	1.16	0.38	1.90	1.31	1.01	-0.06

* The average number of outstanding shares, before and after dilution, has been 66,343,543 in all periods in the table.

Condensed quarterly consolidated cash flow statements

SEK million

Quarter	2021					2020			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Cash flow from operating activities before changes in working capital	87,1	300.0	218.9	176.0	-63.0	262.1	149.9	143.8	49.3
Increase/decrease of inventories	30,6	472.4	86.9	53.9	-117.4	180.9	-256.4	-108.0	-58.3
Increase/decrease of current receivables	256,3	-87.7	-207.6	87.4	313.9	-47.5	-34.3	-95.9	126.2
Increase/decrease of current liabilities	-6,8	-127.2	185.0	-65.9	-19.0	-108.8	9.7	69.1	-182.3
Changes in working capital	280,1	257.5	64.3	75.5	177.6	24.7	-281.0	-134.8	-114.4
Cash flow from operating activities	367,2	557.5	283.2	251.4	114.6	286.7	-131.1	9.0	-65.1
Investing activities	-15,2	-7.2	-8.6	-11.1	-30.6	-42.2	-32.6	-35.6	-38.3
Cash flow after investing activities	352,0	550.3	274.6	240.3	84.0	244.6	-163.8	-26.6	-103.4
Increase/decrease of interest-bearing liabilities	-346,1	-435.9	-322.9	-201.6	-195.2	-122.6	210.1	75.3	49.2
Transactions with owners	0,0	0.0	0.0	0.0	0.0	0.0	1.2	-132.7	0.0
Cash flow from financial activities	-346,1	-435.9	-322.9	-201.6	-195.2	-122.6	211.2	-57.4	49.2
Cash flow for the period	5,9	114.5	-48.4	38.7	-111.2	121.9	47.4	-84.0	-54.2
Liquid assets at the beginning of the period	325,1	226.8	277.8	257.6	351.3	238.4	182.5	265.0	312.2
Translation differences in liquid assets	13,8	-16.2	-2.7	-18.5	17.6	-9.1	8.5	1.5	7.0
Liquid assets at the end of the period	344,8	325.1	226.8	277.8	257.6	351.3	238.4	182.5	265.0

Quarter	2018				2017				2016			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Cash flow from operating activities before changes in working wcapital	184.1	116.1	128.3	1.2	154.9	153.3	105.0	37.8	132.0	116.2	89.4	-4.2
Increase/decrease of stock	44.6	-310.4	-110.8	-117.4	129.5	-200.4	-63.7	-73.9	151.2	-109.6	62.4	-49.7
Increase/decrease of current receivables	-3.6	-128.6	-36.2	140.9	-78.5	-113.8	-40.4	113.0	31.9	-106.8	-76.9	85.3
Increase/decrease of current liabilities	-50.7	239.9	143.2	-18.1	-71.4	150.5	49.2	-43.3	-34.2	115.7	13.7	32.5
Changes in working capital	-9.7	-199.1	-3.7	5.4	-20.4	-163.7	-54.9	-4.2	148.9	-100.7	-0.8	68.1
Cash flow from operating activities	174.4	-83.0	124.6	6.6	134.5	-10.4	50.1	33.6	280.9	15.5	88.6	63.9
Investing activities	-39.7	-42.1	-41.6	-39.8	-37.7	-36.9	-16.0	-19.9	-26.3	-25.8	-21.2	-16.3
Cash flow after investing activities	134.7	-125.1	83.0	-33.2	96.8	-47.3	34.1	13.7	254.6	-10.3	67.4	47.6
Increase/decrease of interest-bearing liabilities	-15.9	104.9	58.0	5.1	-54.6	30.2	47.1	-39.4	-211.4	22.9	16.1	-74.6
Transactions with owners	0.0	0.0	-112.8	0.0	0.0	0.0	-89.6	0.0	0.0	0.0	-66.3	0.0
Cash flow from financial activities	-15.9	104.9	-54.8	5.1	-54.6	30.2	-42.5	-39.4	-211.4	22.9	-50.2	-74.6
Cash flow for the period	118.8	-20.2	28.2	-28.1	42.2	-17.1	-8.4	-25.7	43.2	12.6	17.2	-27.0
Liquid assets at the beginning of the period	192.6	215.4	180.5	202.4	155.6	178.9	191.9	218.9	172.9	157.1	136.3	165.5
Translation differences in liquid assets	0.8	-2.6	6.7	6.2	4.6	-6.2	-4.6	-1.3	2.8	3.2	3.6	-2.2
Liquid assets at the end of the period	312.2	192.6	215.4	180.5	202.4	155.6	178.9	191.9	218.9	172.9	157.1	136.3

Definitions of alternative performance measures

Guidelines concerning non-IFRS performance measures for companies with securities listed on a regulated market in the EU have been issued by ESMA (The European Securities and Markets Authority). These guidelines are to be applied to alternative performance measures (APM) applied as of July 3, 2016. The Interim Report refers to a number of non-IFRS performance measures used to assist investors and company management to analyze the company's operations. Because not all companies calculate the financial measures in the same way, these are not

always comparable to measures used by other companies. These financial measures should not be seen as a substitute for measures defined under IFRS. A description of the various non-IFRS performance measures used as a complement to the financial information reported according to IFRS and how they are used, is presented below. A reconciliation of alternative performance measures is available on www.nwg.se/en/investor-relations/financial-reports/key-numbers.

PERFORMANCE MEASURES	DEFINITION/CALCULATION	PURPOSE
GROSS PROFIT MARGIN	Net sales less goods for resale in percent of net sales.	The measure is used for showing the Group's margins before the effect of costs such as selling and administrative costs.
OPERATING MARGIN	Operating result as a percentage of the period's net sales.	The measure is used to show operating profitability and how the Group meets its targets.
PROFIT MARGIN	Result before tax as a percentage of the period's net sales.	The measure enables the profitability to be compared across locations where corporate taxes differ.
NET MARGIN	Result after tax as a percentage of the period's net sales.	The measure is used to show net earnings in relation to income.
NET SALES GROWTH	Sales growth including currency effects.	The measure is used to show growth in the Group and to measure how the Group meets its targets.
ORGANIC GROWTH	Organic growth refers to sales growth from existing operations cleared from currency effects. The currency effect is calculated by recalculating this year's sales in local currencies to last year's rates and compared to previous year's sales.	The measure is used to show growth in existing business since currency effects are beyond the Group's control and to measure how the Group meets its targets.
OPERATING MARGIN BEFORE DEPRECIATIONS	Operating result before depreciation as a percentage of the period's net sales.	The measure is used to show operating profitability and how the Group meets its targets, regardless of depreciation, amortization and write-downs.
NET FINANCIAL ITEMS	The total of interest income, interest expenses, currency differences on borrowings and cash equivalents in foreign currencies, other financial income and other financial expenses.	The measure reflects the Group's total costs of the external financing.

RETURN MEASURES	DEFINITION/CALCULATION	PURPOSE
RETURN ON CAPITAL EMPLOYED	Rolling 12 month's result before tax plus financial expenses as a percentage of average capital employed. The average capital employed is calculated by taking the capital employed per period end and the capital employed at year-end for the previous year divided by two.	The measure is used to analyze profitability by putting result in relation to the capital needed to operate the business.
RETURN ON EQUITY	Rolling 12 month's result for the period according to the income statement as a percentage of average equity. The average equity is calculated by taking the equity per period end and the equity at year-end for the previous year divided by two. For the Parent company it is calculated as result after tax as a percentage of average adjusted equity. In adjusted equity, the equity part of untaxed reserves is included.	The measure is used to analyze profitability over time, given the resources available to the Parent company's owners.

DATA PER SHARE	DEFINITION/CALCULATION	PURPOSE
EQUITY PER SHARE	Equity at the end of the period divided by number of shares at the end of the period.	Equity per share measures the net asset value per share and determines if a company is increasing shareholder value over time.
CAPITAL MEASURES	DEFINITION/CALCULATION	PURPOSE
EQUITY	The equity reported in the consolidated balance sheet consists of taxed equity increased by the equity portion of the Group's untaxed reserves and non-controlling interests. Deferred tax liability in untaxed reserves has been calculated at the applicable tax rates for the companies in each country, as decided and communicated at the balance sheet date.	The measure is the difference between the Group's assets and liabilities, which corresponds to the Group's equity contributed by owners and the Group's accumulated profits.
CAPITAL EMPLOYED	Total assets less provisions and non-interest bearing liabilities, which consist of accounts payable, current tax liabilities, other liabilities and accrued expenses and prepaid income.	The measure indicates how much capital is needed to run the business, regardless of type of financing (borrowed or equity).
WORKING CAPITAL	Total current assets, excluding liquid assets and current tax receivables, less short-term non-interest bearing liabilities excluding current tax liabilities.	The measure is used to show how much capital is needed to finance operating activities.
NET DEBT	Interest-bearing liabilities (current and non-current) less cash and cash equivalents.	The measure shows financing from borrowings.
NET DEBT TO CREDIT INSTITUTES	Interest-bearing liabilities (current and non-current) less lease liabilities and less cash and cash equivalents.	The measure shows financing from borrowings excluding lease liabilities
CAPITAL TURNOVER	Rolling 12 month's net sales divided by average total assets. The average total assets is calculated by taking the total assets per period end and the total assets at year-end for the previous year divided by two.	The measure shows how efficiently the Group uses its total capital.
INVENTORY TURNOVER	Rolling 12 month's goods for resale in the income statement divided by average inventory. The average inventory is calculated by taking the inventory per period end and the inventory at year-end for the previous year divided by two.	The measure is used to show the inventory's turnover per year, since the stock is central for the Group to keep a good service level, i.e. to be able to deliver goods fast.
NET DEBT TO EQUITY RATIO	Net debt as a percentage of equity.	The measure helps show financial risk and is useful for management to monitor the level of the indebtedness.
NET DEBT IN RELATION TO WORKING CAPITAL	Net debt divided by working capital.	The measure is used to show how much of the working capital is financed through net debt.
INTEREST COVERAGE RATIO	Result before tax plus financial costs divided by financial costs.	The measure is used to calculate the Group's ability to pay interest costs.
EQUITY RATIO	Total equity as a percentage of total assets.	The measure shows how much of the Group's assets are financed by the shareholders through equity. An equity ratio is a measure of financial strength and how the Group meets its targets.
OTHER MEASURES	DEFINITION/CALCULATION	PURPOSE
EFFECTIVE TAX RATE	Tax on profit for the period as a percentage of result before tax.	This measure enables comparison of income tax across locations where corporate taxes differ.
EFFECTIVE INTEREST RATE	Net financial items in relation to average net debt.	The measure enables comparison of cost for the net debt.
CASH FLOW FROM OPERATIONS	Cash flow from operating activities including changes in working capital and before cash flows from investing and financing activities.	The measure is used to show the cash flow generated by the company's operations.
NET INVESTMENTS	Cash flow from investing activities according to the cash flow analysis which includes investments and divestments of buildings, acquisitions, investments in tangible and intangible assets and raised long-term debt.	The measure is used to regularly estimate how much cash is used for investments in operations and for expansion.

NewWave
G R O U P

New Wave Group is a growth group that designs, acquires and develops brands and products in the corporate, sports, gifts and home furnishings sectors. The Group shall achieve synergies by coordinating design, purchasing, marketing, warehousing and distribution of the assortment. The Group shall offer its products to the promo market and the retail market in order to achieve good risk diversification.

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