



# 2019

## INTERIM REPORT January - September

*NewWave*  
G R O U P

# TRADEMARKS IN FOCUS

## CORPORATE



## SPORTS & LEISURE



## GIFTS & HOME FURNISHINGS



# INTERIM REPORT NEW WAVE GROUP AB

## PERIOD 1 JULY – 30 SEPTEMBER 2019

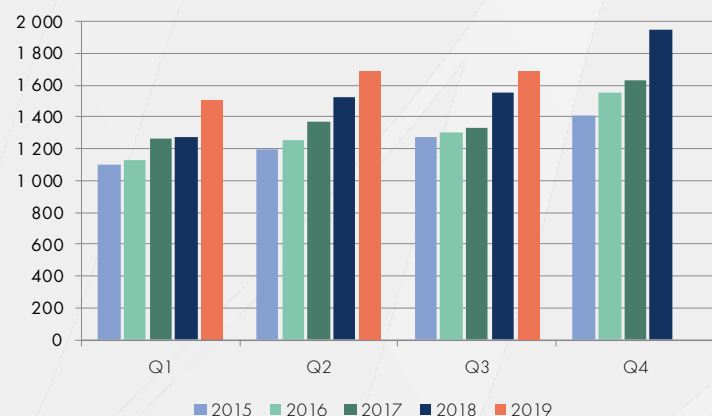
- Net sales amounted to SEK 1,685.5 million, which was 9 % (5 % in local currencies) higher than last year (SEK 1,551.2 million).
- Operating result amounted to SEK 129.1 (117.5) million.
- Result for the period amounted to SEK 94.4 (88.4) million.
- Earnings per share amounted to SEK 1.45 (1.36).
- Cash flow from operating activities amounted to SEK -131.1 (-83.0) million.

## PERIOD 1 JANUARY – 30 SEPTEMBER 2019

- Net sales amounted to SEK 4,879.3 million, which was 12 % (7 % in local currencies) higher than last year (SEK 4,347.2 million).
- Operating result amounted to SEK 294.6 (273.4) million.
- Result for the period amounted to SEK 204.1 (201.1) million.
- Earnings per share amounted to SEK 3.13 (3.06).
- Cash flow from operating activities amounted to SEK -187.3 (48.2) million.
- Equity ratio amounted to 44.0 (47.7) %.
- Net debt to equity ratio amounted to 82.8 (58.4) %.

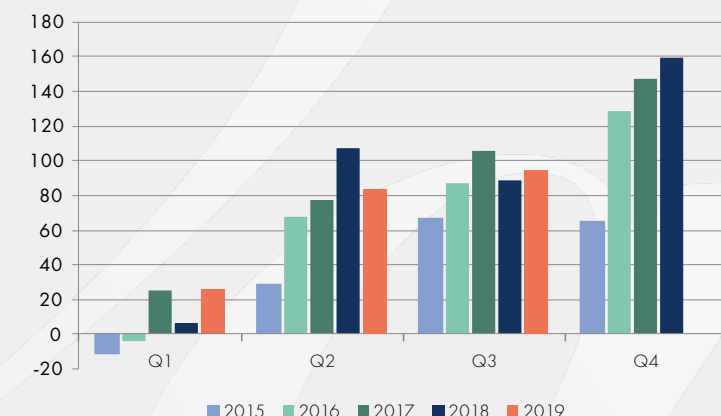
SEK  
MILLION

### NET SALES



SEK  
MILLION

### RESULT FOR THE PERIOD



"Net sales reached an all-time high for a third quarter and it was the 21st quarter in a row with sales growth."

## CEO COMMENTS

### JULY - SEPTEMBER

We now have another strong quarter behind us. Net sales increased by 9 % (5 % in local currencies) and amounted to SEK 1,685.5 million.

The sales channel promo increased by 7 %. At the beginning of the quarter we experienced a slowdown in demand which recovered at the end of the quarter. Retail increased by 11 %, which feels very good. Given everything that is written about the retail trade, e-commerce and so on, I would like to point out once again that we are growing with our customers on e-commerce and that e-commerce generally gives us new opportunities and is not a threat. Net sales reached an all-time high for a third quarter and it was the 21st quarter in a row with sales growth. Expenses increased during the quarter at a slower pace than previous quarters (excluding IFRS 16).

Operating result increased by 10 % to SEK 129.1 million and result for the period by 7 % to SEK 94.4 million.

### JANUARY - SEPTEMBER

Net sales increased by 12 % (7 % in local currencies) and amounted to SEK 4,879.3 million, which is also an all-time high. Operating result increased by 8 % and amounted to SEK 294.6 million. The result increased by 1.5 % and amounted to SEK 204.1 million.

### BALANCE SHEET

We maintain a strong balance sheet with equity of SEK 3,736.3 million and an equity ratio of 44 %, which gives us good security going forward. We will now try to keep stock increases at a lower rate than sales increases, which we should achieve. Remember however, that closing inventory value always reflects what we believe about sales ahead, not what we sold for in the past.

### IN A LONGER PERSPECTIVE...

We are proud of the developments in recent years! Companies and brands are not built in a day, month, quarter or even in a year, so how was our third quarter report 5 years ago?



Net sales increased by SEK 1,865.2 million from SEK 3,014.1 million to SEK 4,879.3 million and all quarters have had growth. At the same time, operating result increased by SEK 156.8 million from SEK 137.8 million to SEK 294.6 million and result for the period by SEK 119.1 million from SEK 85.0 million to SEK 204.1 million. Sales increased by 62 %, operating result by 114 % and result for the period by 140 %. Despite annual dividends, we have increased equity by SEK 1,514 million and kept the equity ratio almost intact. The return on equity has increased from 5.3 % to 7.6 % and on capital employed from 4.9 % to 6.3 %. The number of employees has increased by 18.6 % or 406 persons to 2,592 persons. This is a development we feel proud of!

### THE FUTURE

We stand strong going forward! We want to continue growing and we will grow even in 2020 – but we are changing the focus somewhat. Our main focus for 2020 is to increase the operating margin and to simultaneously strengthen the balance sheet further by focusing on a good cash flow.

I look with great delight and confidence on the future!

Finally, thank you to all employees, customers, shareholders, consumers and others who make this possible!

  
Torsten Jansson, CEO

# COMMENTS

## SUMMARY OF THE QUARTER JULY - SEPTEMBER

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Net sales increased by 9 % (5 % in local currencies). The Group experienced growth in all segments and regions. Sport & Leisure increased by 11%, mainly in Sweden and Southern Europe. Corporate increased by 6 %, mainly in the US and Southern Europe regions. Gifts & Home Furnishings increased by 8%, with Sweden accounting for most of the improvement.

The promo sales channel increased by 7 % and retail increased by 11 %. The improvement occurred in all segments.

The gross profit margin was slightly lower than in the previous year and amounted to 45.2 (46.1) %.

Excluding the new accounting standard IFRS 16, the Group's costs increased slightly. The increase in external costs is related to exchange rate fluctuations, while personnel costs increased due to more employees in primarily warehousing and sales. However, the Group's costs decreased as a proportion of net sales (also excluding IFRS 16).

Operating profit improved by SEK 11.6 million compared to the previous year and amounted to SEK 129.1 (117.5) million and result for the period amounted to SEK 94.4 (88.4) million.

Cash flow from operating activities amounted to SEK -131.1 (-83.0) million. The lower cash flow is primarily an effect of the timing of payments for goods purchased. Inventories increased by SEK 510.6 million and amounted to SEK 3,791.2 (3,280.6) million, of which the exchange rate change when translated to SEK has increased the value by SEK 146.1 million. Apart from currency changes, the increase is mainly attributable to new product ranges.





New Wave Group is one of eight companies that received full marks - six points out of six possible - when Dagens Industri, Aktuell Hållbarhet and the School of Economics and Management at Lund University ranked how over 170 listed companies related to Agenda 2030 and the UN Global Goals for Sustainable Development.



## JULY - SEPTEMBER

### NET SALES

Net sales amounted to SEK 1,685.5 million, which was 9 % higher than the previous year (SEK 1,551.2 million). Exchange rate effects had a positive impact on sales of SEK 54.3 million, corresponding to 4 %.

Netsales in Sweden increased by 9 %. Retail increased while promo decreased. The US increased by 10 % and both sales channels improved. The exchange rate change when translated to SEK had a positive impact on sales and sales in local currency increased by 3 %. The Nordic region excluding Sweden had growth of 6 % and both sales channels increased. Sales in Central Europe have increased by 3 %, which is related to promo. Southern Europe increased by 15 % and also here the promo sales channel improved. Both regions were positively affected by exchange rate changes and sales in local currencies improved by 1 % and 13 %, respectively. Other countries increased by 9 %, which is related to the operations in Canada and Asia and the promo sales channel.

### GROSS PROFIT

The gross profit margin was slightly lower than the previous year and amounted to 45.2 (46.1) %. Sports & Leisure as well as Gifts & Home Furnishings had a slightly lower margin while Corporate improved their margin compared to last year.

### OTHER OPERATING INCOME AND OTHER OPERATING EXPENSES

Other operating income decreased by SEK 6.4 million to SEK 12.9 (19.3) million. Other operating income is mainly attributable to the operating currency gains, but also other remunerations and should be compared to the result row Other operating expenses, where primarily the operating currency losses are reported. Other operating expenses decreased by SEK 3.7 million and amounted to SEK -11.3 (-15.0) million. The net of the above items amounted to SEK 1.6 (4.3) million.

### COSTS AND DEPRECIATIONS

External expenses decreased by SEK 23.2 million and amounted to SEK -300.3 (-323.5) million. The decrease is related to the new accounting standard IFRS 16, which reduced costs by

SEK 33.1 million. Excluding the effects of the new standard, costs increased, which is related to exchange rate changes. Personnel costs increased by SEK 21.0 million and amounted to SEK -278.7 (-257.7) million. In addition to an increase due to exchange rate fluctuations, the Group has more employees in primarily warehousing and sales, but also in areas such as marketing, product development and customer service.

Exchange rate changes have increased the above costs by SEK 21.9 million.

However, the Group's costs as a proportion of sales have decreased slightly (also excluding IFRS 16), which applies to both external costs and personnel costs.

Amortizations, depreciations and write-downs were higher compared to last year and amounted to SEK -55.7 (-20.2) million. The increase is primarily a result of IFRS 16, which affected depreciations by SEK -30.9 million.

### OPERATING RESULT

Operating result improved by SEK 11.6 million and amounted to SEK 129.1 (117.5) million. The operating margin was slightly higher compared to the previous year and amounted to 7.7 (7.6) %.

### NET FINANCIAL ITEMS AND TAX

Net financial items amounted to SEK -17.0 (-11.6) million. Accounting in accordance with IFRS 16 affected financial expenses by SEK -4.9 million. The Group's net debt has increased, which has also contributed to higher interest costs.

The tax expense for the period is on a par with the previous year and amounted to SEK -17.6 (-17.5) million.

### RESULT FOR THE PERIOD

Result for the period amounted to SEK 94.4 (88.4) million and earnings per share amounted to SEK 1.45 (1.36).



New Wave Group's first ever Capital Market Day, held at the showroom in Stockholm on August 21.



## JANUARY - SEPTEMBER

### NET SALES

Net sales amounted to SEK 4,879.3 million, which was 12 % higher than the previous year (SEK 4,347.2 million). Exchange rate effects had a positive impact on sales of SEK 212.4 million, corresponding to 5 %.

Net sales in Sweden increased by 8 % and the improvement was achieved in the retail sales channel. The US grew by 17 % and both sales channels had good growth. The exchange rate change when translated to SEK had a positive impact on sales and sales in local currency increased by 7 %. The Nordic region excluding Sweden increased by 8 % and both sales channels increased. Net sales in Central and Southern Europe increased by 9 % and 16 % respectively, which is related to both promo and retail sales channels. Again, exchange rate changes have had a positive impact and sales in local currencies have improved by 6 % and 13 %, respectively. Other countries increased by 16 %, which is related to operations in Asia and Canada as well as the promo sales channel.

### GROSS PROFIT

The gross profit margin was slightly lower than last year and amounted to 46.3 (46.7) %. Corporate as well as Gifts & Home Furnishings had a slightly lower margin than last year, while Sports & Leisure was at the same level.

### OTHER OPERATING INCOME AND OTHER OPERATING EXPENSES

Other operating income decreased by SEK 0.9 million to SEK 45.6 (46.5) million. Other operating income is mainly attributable to the operating currency gains, but also other remunerations and must be set against the result row Other operating expenses, where primarily the operating currency losses are reported. Other operating expenses decreased by SEK 7.9 million and amounted to SEK -27.2 (-35.1) million. The net of the above items amounted to SEK 18.4 (11.4) million and the improvement is attributable to other remunerations.

### COSTS AND DEPRECIATIONS

External expenses increased by SEK 23.2 million and amounted

to SEK -969.0 (-945.8) million. Accounting in accordance with IFRS 16 has reduced external costs by SEK 94.9 million. Excluding IFRS 16, costs have increased, which is mainly related to previously decided sales and marketing initiatives such as increased storage capacity and improved service level as well as marketing. The higher net sales have also increased volume-related costs. Personnel costs increased by SEK 87.2 million and amounted to SEK -852.2 (-765.0) million, which is related to more employees in primarily warehousing and sales, but also in areas such as marketing, product development and customer service. Exchange rate changes have increased the above costs by SEK 86.0 million.

Amortizations, depreciations and write-downs were higher compared to last year and amounted to SEK -159.5 (-56.3) million. The increase is primarily a result of IFRS 16, which affected depreciations by SEK -87.7 million.

### OPERATING RESULT

Operating result improved by SEK 21.2 million and amounted to SEK 294.6 (273.4) million. However, the operating margin decreased compared to the previous year and amounted to 6.0 (6.3) %. The decrease is related to the Group's higher costs due to sales and marketing activities.

### NET FINANCIAL ITEMS AND TAX

Net financial items amounted to SEK -46.9 (-28.2) million. Accounting in accordance with IFRS 16 affected financial expenses by SEK -13.9 million. The Group has slightly higher interest expenses due to a higher net debt.

The tax expense for the period is on a par with last year and amounted to SEK -43.5 (-44.1) million.

### RESULT FOR THE PERIOD

Result for the period amounted to SEK 204.1 (201.1) million and earnings per share amounted to SEK 3.13 (3.06).

## REPORTING OF OPERATING SEGMENTS

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

### CORPORATE

Net sales for the period July - September increased by 6 % to SEK 731.1 (687.6) million. Sales growth occurred mainly in the US and Southern Europe regions. Sweden had slightly lower net sales than last year. It was mainly the promo sales channel that increased its sales. EBITDA increased by SEK 17.2 million and amounted to SEK 72.6 (55.4) million. The improved result is related to IFRS 16 and excluding the effects from the new accounting standard, the result decreased slightly. This is due to higher costs in the form of increased sales and marketing activities and higher costs for distribution units. The cost increase for the distribution units was related to larger premises as well as other improvement measures to increase the service level. IFRS 16 had a positive impact on EBITDA of SEK 20.3 million.

Net sales for the first nine months of the year increased by 10 % to SEK 2,308.0 (2,091.5) million. All regions had growth, but the US, Southern Europe and Other countries had higher percentage growth than the segment as a whole. It was mainly within the promo sales channel that sales increased. EBITDA increased by SEK 67.2 million and amounted to SEK 275.3 (208.1) million. The improved result is related to the increased net sales, but the segment also had higher costs. The higher costs were in the form of increased sales and marketing activities and higher costs for distribution units. The cost increase for the distribution units was related to larger premises as well as other improvement measures to increase the service level. IFRS 16 had a positive impact on EBITDA of SEK 59.8 million.

### SPORTS & LEISURE

Net sales in the third quarter increased by 11 % to SEK 785.9 (707.9) million. Sales increased in both sales channels. The segment saw growth in all regions but mainly in Sweden and Southern Europe. EBITDA increased by SEK 29.6 million and amounted to SEK 107.9 (78.3) million. The improvement in earnings is related to higher net sales, but the segment had higher costs for sales, marketing and distribution units. IFRS 16 had a positive impact on EBITDA of SEK 10.8 million.

Net sales for the period January-September increased by 16 % to SEK 2,115.7 (1,823.6) million. Sales increased in both sales channels, where promo increased by 12 % and retail by 18 %. The segment experienced growth in all regions. EBITDA increased by SEK 60.0 million and amounted to SEK 193.9 (133.9) million. The improvement in earnings is related to higher net sales, but the segment also had higher costs for sales, marketing and distribution units. IFRS 16 had a positive impact on EBITDA of SEK 29.1 million.

### GIFTS & HOME FURNISHINGS

Net sales during the period July - September increased by 8 % to SEK 168.5 (155.6) million. The improvement is related to Sweden and the retail sales channel. EBITDA was slightly higher than last year and amounted to SEK 4.2 (3.9) million. IFRS 16 had a positive impact on EBITDA of SEK 2.1 million and excluding the effects from the new accounting standard, earnings decreased slightly. This is related to a lower gross profit margin.

Net sales for the period January - September increased by 5 % to SEK 455.6 (432.1) million. Sales increased in both sales channels. Growth is mainly in Sweden. EBITDA decreased slightly compared to last year and amounted to SEK -15.2 (-12.3) million, which is attributable to a slightly lower gross profit margin and higher costs in the form of more market activities. IFRS 16 had a positive impact on EBITDA of SEK 6.1 million.

## CAPITAL TIED UP

Capital tied up in goods amounted to SEK 3,791.2 million and increased by SEK 510.6 million compared with the previous year (SEK 3,280.6 million). The increase is mainly related to new product ranges and exchange rate changes. When translated to SEK, inventory value increased by SEK 146.1 million. The Group has a well-balanced stock and the level of service is good. Inventory value is expected to remain at a high level also in the coming quarters due to our expanded product range. Inventory turnover rates are on a par with the previous year and amounted to 1.0 (1.0) times.

SEK million	30 Sep 2019	30 Sep 2018
Raw materials	52.2	39.6
Work in progress	12.9	15.7
Goods in transit	189.3	227.9
Merchandise on stock	3 536.8	2 997.4
<b>Total</b>	<b>3 791.2</b>	<b>3 280.6</b>

Accumulated write-downs of inventories amounted to SEK 141.5 (120.2) million and write-downs related to merchandise in stock amounted to 3.8 (3.9) %.

Accounts receivable amounted to SEK 1,164.3 (1,089.1) million, where the increase is related to higher sales.





## INVESTMENTS, FINANCING AND LIQUIDITY

Cash flow from operating activities for the quarter amounted to SEK -131.1 (-83.0) million. The lower cash flow is mainly attributable to the timing of payments for goods purchased. Cash flow from investing activities amounted to SEK -32.6 (-42.1) million.

For the first nine months of the year, cash flow from operating activities was SEK -187.3 (48.2) million. The lower cash flow is mainly related to the timing of payments of the Group's merchandise purchases. Cash flow from investing activities was slightly lower than last year and amounted to SEK -106.5 (-123.5) million.

Net debt increased by SEK 1,183.0 million, of which SEK 692.0 million is related to IFRS 16, and amounted to SEK 3,093.5 (1,910.5) million. The remainder of the increase is mainly due to financing of our expanded product range and therefore higher inventory values. The net debt to equity ratio and net debt in relation to working capital amounted to 82.8 (58.4)% and 78.8 (59.4)% respectively, see also Note 8 regarding IFRS 16 on page 27.

The equity ratio decreased by 3.7 percentage points compared to the previous year and amounted to 44.0 (47.7) %. The decrease is attributable to IFRS 16, which reduced the equity ratio by 4.0 percentage points.

In September, the Group signed a supplement to the existing financing agreement and increased its total credit limit by an additional SEK 500 million. As of September 30, the Group's total credit limit thus amounted to SEK 3,248 million, of which SEK 2,150 million runs until March 2022, USD 25 million through January 2024 and SEK 350 million has a maturity extending until August 2027. The other SEK 500 million has a maturity 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.

Based on the current forecast, the management estimates that the Group will be able to meet these key figures with a satisfactory margin.

## PERSONNEL AND ORGANISATION

The number of employees as of 30 September was 2,592 (2,565), of which 52 % were women and 48 % were men. Of the number of employees, 592 (609) work in production.

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

## INTANGIBLE ASSETS

The Group's intangible assets with indefinite useful life consist of goodwill and trademarks. The useful lives are assessed to be indefinite because they are well established strategic brands in respective markets which the Group intends to maintain and develop further. The brands with greater value, listed at their acquisition values, are well-known brands such as Orrefors and Kosta Boda within Gifts & Home Furnishings as well as mainly Cutter & Buck within Sports & Leisure. The value of the Group's goodwill and trademarks, which are based on local currency and can give rise to currency translation effects in the consolidated financial statements, have been allocated between the cash-generating units they are considered to belong to. These units are also the Group's segments. The value of these intangible assets is reviewed annually to ensure that the value does not deviate negatively from book value, but can be tested more frequently if there are indications that the value has decreased. In order to assess whether there are indications of impairment, the recoverable amount needs to be determined by a calculation of the respective cash-generating unit's value in use. The value in use is based on established cash flow projections for the next five years, and a long-term growth rate, so-called terminal growth. The most important assumptions in determining the value in use include growth rate, operating margin and discount rate (WACC). When determining the discount rate, an assessment of financial factors such as interest rates, borrowing costs, market risk, beta values and tax rates will be carried out. As the cash generating units have different characteristics, each unit is assessed after its commercial factors. The estimated cost of capital (WACC) is considered to be representative of all cash generating units.

The cash-flow forecasts that are basis for the impairment test are based on the five year forecast adopted by the Board (2020-2024) and thereafter a terminal growth of 3.0 (3.0) %. In calculating the present value of expected future cash flows, a weighted average cost of capital (WACC) of 10.2 (10.3) % before tax is used.

Based on the tests and analyses carried out, there is, in the current situation, no need for impairment. Nor was there any need for impairment for the comparison year.

## RELATED PARTY TRANSACTIONS

Lease agreements exist with related companies. Associated companies to the CEO have purchased merchandise 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 income for the quarter amounted to SEK 30.2 (40.6) million. Result before appropriations and tax amounted to SEK 3.0 (7.6) million. Net debt amounted to SEK 2,187.9 (1,677.3) million. The Parent Company's net financing for Group companies amounted to SEK 2,087.1 (1,580.5) million. Cash flow from investing activities amounted to SEK -7.2 (-29.5) million, where last year included a net capital contribution to Group companies of SEK -27.9 million. The balance sheet total amounted to SEK 4,791.4 (4,142.7) million and equity, including the equity portion of untaxed reserves, amounted to SEK 1,993.8 (1,811.0) million.

Total income for the period January-September amounted to SEK 101.5 (103.6) million. Result before appropriations and tax amounted to SEK 168.3 (61.6) million. The improved result is attributable to dividends from Group companies. Cash flow from investing activities amounted to SEK -9.9 (-31.5) million. Last year included a net capital contribution to Group companies of SEK -27.9 million

## NOMINATION COMMITTEE

The nomination committee for the board election at the 2020 Annual General Meeting is:

- Arne Löw, representative for Fjärde AP-fonden
- Torsten Jansson, CEO and representative of Torsten Jansson Förvaltnings AB
- Ulf Hedlundh, representative for Svolder

For more information on the nomination committee and its work, please refer to [www.nwg.se](http://www.nwg.se).

## CALENDAR

- |               |                                       |
|---------------|---------------------------------------|
| <b>6 FEB</b>  | Year-end report 2019                  |
| <b>22 APR</b> | Interim report for the first quarter  |
| <b>13 MAY</b> | Annual General Meeting                |
| <b>20 AUG</b> | Interim report for the second quarter |
| <b>6 NOV</b>  | Interim report for the third quarter  |

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.

**GOTHENBURG, NOVEMBER 7, 2019**  
NEW WAVE GROUP AB (PUBL)



**OLOF PERSSON**  
Chairman of the Board



**CHRISTINA BELLANDER**  
Member of the Board



**JOHAN WIDERBERG**  
Member of the Board



**MATS ÅRJES**  
Member of the Board



**JONAS ERIKSSON**  
Member of the Board



**MAGDALENA FORSBERG**  
Member of the Board



**TORSTEN JANSSON**  
CEO and Group CEO

FOR MORE INFORMATION, PLEASE CONTACT:

### CEO AND GROUP CEO

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### CFO

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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 November 7, 2019.*

## REVIEW REPORT

New Wave Group AB, org.nr 556350-0916

### INTRODUCTION

We have reviewed the condensed interim report for New Wave Group AB (publ) as at September 30, 2019 and for the nine months period then ended. The Board of Directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

### SCOPE OF REVIEW

We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410 Review of Interim Financial Statements Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act regarding the Group, and in accordance with the Swedish Annual Accounts Act regarding the Parent Company.

GOTHENBURG, NOVEMBER 7, 2019

ERNST & YOUNG AB



NINA BERGMAN

Authorized Public Accountant



# CONSOLIDATED INCOME STATEMENT

SEK million	Note	3 months Jul - Sep 2019	3 months Jul - Sep 2018	9 months Jan - Sep 2019	9 months Jan - Sep 2018	12 months Jan - Dec 2018	12 months Jan - Dec 2017
Net sales	3, 4, 5	1 685.5	1 551.2	4 879.3	4 347.2	6 290.6	5 597.3
Goods for resale		-923.2	-835.3	-2 621.8	-2 317.0	-3 359.4	-3 018.1
<b>Gross profit</b>		<b>762.3</b>	<b>715.8</b>	<b>2 257.5</b>	<b>2 030.2</b>	<b>2 931.2</b>	<b>2 579.2</b>
Other operating income	8	12.9	19.3	45.6	46.5	74.8	51.2
External costs	8	-300.3	-323.5	-969.0	-945.8	-1 336.4	-1 128.9
Personnel costs		-278.7	-257.7	-852.2	-765.0	-1 063.0	-940.3
Amortizations, depreciations and write-downs of tangible and intangible fixed assets	3, 8	-55.7	-20.2	-159.5	-56.3	-77.9	-65.3
Other operating costs		-11.3	-15.0	-27.2	-35.1	-44.8	-25.2
Share of associated companies' result		-0.2	-1.3	-0.7	-1.2	-1.1	-1.6
<b>Operating result</b>	<b>3</b>	<b>129.1</b>	<b>117.5</b>	<b>294.6</b>	<b>273.4</b>	<b>482.8</b>	<b>469.1</b>
Financial income		2.5	0.7	6.0	4.0	5.5	5.1
Financial expenses	8	-19.5	-12.3	-52.9	-32.2	-46.4	-57.0
<b>Net financial items</b>		<b>-17.0</b>	<b>-11.6</b>	<b>-46.9</b>	<b>-28.2</b>	<b>-40.9</b>	<b>-51.9</b>
<b>Result before tax</b>		<b>112.1</b>	<b>105.9</b>	<b>247.7</b>	<b>245.2</b>	<b>441.8</b>	<b>417.2</b>
Tax expense	8	-17.6	-17.5	-43.5	-44.1	-81.8	-63.2
<b>Result for the period</b>		<b>94.4</b>	<b>88.4</b>	<b>204.1</b>	<b>201.1</b>	<b>360.0</b>	<b>354.0</b>
<b>Other comprehensive income:</b>							
<b>Items that can be reclassified into profit or loss:</b>							
Translation differences		123.3	-35.6	226.2	153.0	157.3	-54.2
Cash flow hedges		4.5	-2.9	4.2	2.5	0.5	2.2
<b>Sum</b>		<b>127.9</b>	<b>-38.5</b>	<b>230.4</b>	<b>155.5</b>	<b>157.8</b>	<b>-52.0</b>
Income tax related to components of other comprehensive income		-1.0	0.6	-0.9	-0.6	-0.1	-0.5
<b>Total other comprehensive for the period</b>		<b>126.9</b>	<b>-37.8</b>	<b>229.5</b>	<b>155.0</b>	<b>157.7</b>	<b>-52.5</b>
<b>Total comprehensive income for the period</b>		<b>221.4</b>	<b>50.6</b>	<b>433.6</b>	<b>356.1</b>	<b>517.6</b>	<b>301.5</b>
<b>Result for the period attributable to:</b>							
Shareholders of the Parent company		96.2	90.3	207.8	203.1	363.4	354.0
Non-controlling interest		-1.8	-1.9	-3.7	-2.0	-3.4	0.0
		<b>94.4</b>	<b>88.4</b>	<b>204.1</b>	<b>201.1</b>	<b>360.0</b>	<b>354.0</b>
<b>Total comprehensive income attributable to:</b>							
Shareholders of the Parent company		222.6	52.8	436.3	357.1	520.2	301.9
Non-controlling interest		-1.3	-2.2	-2.7	-1.0	-2.6	-0.4
		<b>221.4</b>	<b>50.5</b>	<b>433.6</b>	<b>356.1</b>	<b>517.6</b>	<b>301.5</b>
Earnings per share (SEK)*		1.45	1.36	3.13	3.06	5.48	5.34
The average number of outstanding shares*		66 343 543	66 343 543	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 Jul - Sep 2019	3 months Jul - Sep 2018	9 months Jan - Sep 2019	9 months Jan - Sep 2018	12 months Jan - Dec 2018	12 months Jan - Dec 2017
<b>Operating activities</b>							
Operating result		129.1	117.5	294.6	273.4	482.8	469.1
Adjustment for items not included in cash flow		60.8	26.1	166.3	57.5	74.4	76.4
Received interest		2.2	0.4	5.2	3.6	2.2	3.7
Paid interest		-19.2	-12.0	-52.2	-31.8	-43.2	-55.5
Paid income tax		-23.0	-15.9	-71.0	-57.1	-86.5	-42.7
<b>Cash flow from operating activities before changes in working capital</b>		<b>149.9</b>	<b>116.1</b>	<b>342.9</b>	<b>245.6</b>	<b>429.7</b>	<b>451.0</b>
<b>Changes in working capital</b>							
Increase/decrease of inventories		-256.4	-310.4	-422.7	-538.6	-494.0	-208.5
Increase/decrease of current receivables		-34.3	-128.6	-4.0	-23.9	-27.5	-119.7
Increase/decrease of current liabilities		9.7	239.9	-103.5	365.1	314.4	85.0
<b>Cash flow from changes in working capital</b>		<b>-281.0</b>	<b>-199.1</b>	<b>-530.2</b>	<b>-197.4</b>	<b>-207.1</b>	<b>-243.2</b>
<b>Cash flow from operating activities</b>		<b>-131.1</b>	<b>-83.0</b>	<b>-187.3</b>	<b>48.2</b>	<b>222.6</b>	<b>207.8</b>
<b>Investing activities</b>							
Investments in tangible fixed assets		-25.8	-39.9	-93.4	-110.1	-147.1	-86.9
Sales of tangible fixed assets		1.0	1.9	5.7	3.2	4.3	5.5
Investments in intangible fixed assets		-6.3	-4.0	-16.4	-12.5	-15.4	-29.4
Investments in associated companies		-0.4	0.0	-0.4	-1.5	-2.0	0.0
Raised long-term receivables		-1.2	-0.1	-2.1	-2.6	-2.9	0.0
Repayment of long-term receivables		0.0	0.0	0.0	0.0	0.0	0.2
<b>Cash flow from investing activities</b>	3	<b>-32.6</b>	<b>-42.1</b>	<b>-106.5</b>	<b>-123.5</b>	<b>-163.2</b>	<b>-110.6</b>
<b>Cash flow after investing activities</b>		<b>-163.8</b>	<b>-125.1</b>	<b>-293.8</b>	<b>-75.3</b>	<b>59.4</b>	<b>97.2</b>
<b>Financial activities</b>							
Loan raised		253.2	104.9	430.5	168.0	152.1	0.0
Amortization of loan		0.0	0.0	0.0	0.0	0.0	-16.7
Amortization of lease liabilities		-43.1	0.0	-95.9	0.0	0.0	0.0
New issue of shares in companies with non-controlling interest		1.2	0.0	1.2	0.0	0.0	0.0
Dividend paid to the shareholders of the Parent company		0.0	0.0	-132.7	-112.8	-112.8	-89.6
<b>Cash flow from financial activities</b>		<b>211.2</b>	<b>104.9</b>	<b>203.0</b>	<b>55.2</b>	<b>39.3</b>	<b>-106.3</b>
<b>Cash flow for the period</b>		<b>47.4</b>	<b>-20.2</b>	<b>-90.8</b>	<b>-20.1</b>	<b>98.7</b>	<b>-9.1</b>
Liquid assets at the beginning of the period		182.5	215.4	312.2	202.4	202.4	218.9
Translation differences in liquid assets		8.5	-2.6	17.0	10.3	11.1	-7.5
<b>Liquid assets at period-end</b>		<b>238.4</b>	<b>192.6</b>	<b>238.4</b>	<b>192.6</b>	<b>312.2</b>	<b>202.4</b>
<b>Liquid assets</b>							
Cash at bank and in hand		238.4	192.6	238.4	192.6	312.2	202.4



# CONSOLIDATED BALANCE SHEET

SEK million	Note	30 Sep 2019	30 Sep 2018	31 Dec 2018	31 Dec 2017
<b>ASSETS</b>					
Intangible fixed assets		1 565.6	1 463.1	1 469.4	1 393.9
Tangible fixed assets	8	1 333.4	487.2	587.4	415.5
Shares in associated companies		39.8	53.5	39.3	53.3
Other long-term receivables		16.0	13.1	13.5	10.2
Deferred tax assets	8	127.2	103.9	111.1	91.5
<b>Total non-current assets</b>	<b>5</b>	<b>3 082.1</b>	<b>2 121.0</b>	<b>2 220.6</b>	<b>1 964.5</b>
Inventory		3 791.2	3 280.6	3 230.9	2 643.4
Current tax receivables		49.6	25.0	38.1	21.2
Accounts receivable		1 164.3	1 089.1	1 084.1	982.8
Other receivables		88.3	83.5	90.3	62.3
Prepaid expenses and accrued income	8	72.3	75.1	85.2	76.5
Liquid assets		238.4	192.6	312.2	202.4
<b>Total current assets</b>		<b>5 404.0</b>	<b>4 745.9</b>	<b>4 840.8</b>	<b>3 988.6</b>
<b>TOTAL ASSETS</b>	<b>3, 6</b>	<b>8 486.1</b>	<b>6 866.9</b>	<b>7 061.4</b>	<b>5 953.1</b>
<b>EQUITY</b>					
Share capital		199.0	199.0	199.0	199.0
Other capital contributions		219.4	219.4	219.4	219.4
Reserves		663.9	432.1	434.9	279.4
Retained earnings including result for the period		2 637.2	2 401.2	2 561.6	2 308.7
<b>Equity attributable to shareholders of the Parent company</b>		<b>3 719.6</b>	<b>3 251.8</b>	<b>3 415.0</b>	<b>3 006.6</b>
Non-controlling interest		16.7	20.6	19.2	22.6
<b>Total equity</b>	<b>8</b>	<b>3 736.3</b>	<b>3 272.4</b>	<b>3 434.2</b>	<b>3 029.2</b>
<b>LIABILITIES</b>					
Long-term interest-bearing liabilities	7, 8	2 857.2	1 785.1	1 795.5	1 757.5
Pension provisions		19.3	18.2	18.3	16.5
Other provisions		5.0	3.7	3.1	2.0
Deferred tax liabilities		151.9	132.5	144.6	129.9
<b>Total non-current liabilities</b>		<b>3 033.3</b>	<b>1 939.4</b>	<b>1 961.6</b>	<b>1 905.9</b>
Short-term interest-bearing liabilities	7, 8	474.7	318.0	347.7	82.2
Accounts payable		735.0	871.7	752.2	536.7
Current tax liabilities		76.9	60.5	78.0	53.3
Other liabilities		161.2	149.8	172.3	108.7
Accrued expenses and prepaid income		268.6	255.1	315.4	237.1
<b>Total current liabilities</b>		<b>1 716.4</b>	<b>1 655.2</b>	<b>1 665.6</b>	<b>1 018.0</b>
<b>Total liabilities</b>	<b>3, 6</b>	<b>4 749.7</b>	<b>3 594.5</b>	<b>3 627.2</b>	<b>2 923.9</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>8 486.1</b>	<b>6 866.9</b>	<b>7 061.4</b>	<b>5 953.1</b>

# 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
<b>Opening balance 2018-01-01</b>	<b>199.0</b>	<b>219.4</b>	<b>279.4</b>	<b>2 308.7</b>	<b>3 006.6</b>	<b>22.6</b>	<b>3 029.2</b>
Result for the period				203.1	203.1	-2.0	201.1
<b>Other comprehensive income</b>							
Translation differences			153.0		153.0		153.0
Cash flow hedges for the period			2.5		2.5		2.5
Reclassification of previous years' cash flow hedge			-2.2	2.2	0.0		0.0
Income tax related to components of other comprehensive income			-0.6		-0.6		-0.6
<b>Transactions with shareholders</b>							
Dividends to shareholders of the Parent company				-112.8	-112.8		-112.8
<b>Closing balance 2018-09-30</b>	<b>199.0</b>	<b>219.4</b>	<b>432.1</b>	<b>2 401.2</b>	<b>3 251.8</b>	<b>20.6</b>	<b>3 272.4</b>

SEK million	Share capital	Other capital contributions	Reserves	Retained earnings incl. result for the period	Total	Non-controlling interest	Total equity
<b>Opening balance 2019-01-01</b>	<b>199.0</b>	<b>219.4</b>	<b>434.9</b>	<b>2 561.6</b>	<b>3 415.0</b>	<b>19.2</b>	<b>3 434.2</b>
Result for the period				207.8	207.8	-3.7	204.1
<b>Other comprehensive income</b>							
Translation differences			226.2		226.2		226.2
Cash flow hedges for the period			4.2		4.2		4.2
Reclassification of previous years' cash flow hedge			-0.5	0.5	0.0		0.0
Income tax related to components of other comprehensive income			-0.9		-0.9		-0.9
<b>Transactions with shareholders</b>							
Dividends to shareholders of the Parent company				-132.7	-132.7		-132.7
Non-controlling interest through new issue of shares						1.2	1.2
<b>Closing balance 2019-09-30</b>	<b>199.0</b>	<b>219.4</b>	<b>663.9</b>	<b>2 637.2</b>	<b>3 719.6</b>	<b>16.7</b>	<b>3 736.3</b>

	Jan - Sep 2019	Jan - Sep 2018
<b>Accumulated translation differences in equity</b>		
Accumulated translation differences at the beginning of the period	441.6	284.3
Translation differences in foreign Group companies for the period	226.2	153.0
<b>Accumulated translation differences at end of period</b>	<b>667.8</b>	<b>437.3</b>

## FINANCIAL KEY FIGURES

	9 months Jan - Sep 2019	9 months Jan - Sep 2018	12 months Jan - Dec 2018	12 months Jan - Dec 2017
Net sales growth, %	12.2	9.6	12.4	6.9
Number of employees	2 592	2 571	2 605	2 495
Gross profit margin, %	46.3	46.7	46.6	46.1
Operating margin before depreciation, %	9.3	7.6	8.9	9.5
Operating margin, %	6.0	6.3	7.7	8.4
Profit margin, %	5.1	5.6	7.0	7.5
Net margin, %	4.2	4.6	5.7	6.3
Return on shareholders' equity, %	7.6	8.6	11.2	12.2
Return on capital employed, %	6.3	7.2	9.4	9.8
Equity ratio, %	44.0	47.7	48.6	50.9
Net debt, SEK million	3 093.5	1 910.5	1 831.0	1 637.3
Net debt to equity ratio, %	82.8	58.4	53.3	54.1
Net debt in relation to working capital, %	78.8	59.4	57.0	54.7
Interest coverage ratio, times	5.7	8.6	10.5	8.3
Capital turnover, times	0.8	0.9	1.0	1.0
Stock turnover, times	1.0	1.0	1.1	1.2
Cash flow before investments, SEK million	-187.3	48.2	222.6	207.8
Net investments, SEK million	-106.5	-123.5	-163.2	-110.6
Cash flow after investments, SEK million	-293.8	-75.3	59.4	97.2
Shareholders' equity per share, before and after dilution, SEK	56.07	49.01	51.47	45.32
Share price as of the balance sheet date, SEK	56.10	65.80	47.40	54.50
Dividend/share, SEK	2.00	1.70	1.70	1.35
P/E-ratio	-	-	8.65	10.21
P/S-ratio	-	-	0.50	0.65
Share price/Shareholders' equity	1.00	1.33	0.92	1.19

For definitions of alternative performance measures, please go to p. 30.

For the effect of IFRS 16 on each financial key figure, please see note 8 on p.27

## INCOME STATEMENT

SEK million	3 months Jul - Sep 2019	3 months Jul - Sep 2018	9 months Jan - Sep 2019	9 months Jan - Sep 2018	12 months Jan - Dec 2018	12 months Jan - Dec 2017
Net sales	25.2	26.8	78.2	74.2	105.3	69.8
Other operating income	5.0	13.8	23.4	29.4	40.4	22.4
<b>Total income</b>	<b>30.2</b>	<b>40.6</b>	<b>101.5</b>	<b>103.6</b>	<b>145.6</b>	<b>92.2</b>
External costs	-15.5	-18.2	-50.9	-52.5	-77.1	-65.2
Personnel costs	-8.9	-8.1	-27.3	-25.8	-35.7	-29.3
Amortizations, depreciations and write-downs of tangible and intangible fixed assets	-1.4	-1.7	-4.2	-4.7	-6.4	-5.2
Other operating costs	-5.1	-11.7	-17.2	-25.7	-32.6	-19.2
<b>Operating result</b>	<b>-0.8</b>	<b>1.0</b>	<b>1.9</b>	<b>-5.2</b>	<b>-6.2</b>	<b>-26.7</b>
Net income from shares in Group companies	0.0	3.4	139.3	55.1	131.4	387.2
Changes in write-downs of financial assets	-0.8	0.0	13.2	0.0	9.9	-76.5
Financial income	14.1	11.0	41.2	37.1	49.4	66.5
Financial expenses	-9.5	-7.7	-27.3	-25.4	-33.5	-51.7
<b>Net financial items</b>	<b>3.8</b>	<b>6.7</b>	<b>166.4</b>	<b>66.8</b>	<b>157.3</b>	<b>325.6</b>
<b>Result before appropriations and tax</b>	<b>3.0</b>	<b>7.6</b>	<b>168.3</b>	<b>61.6</b>	<b>151.1</b>	<b>298.9</b>
Appropriations	0.0	0.0	0.0	0.0	56.9	61.0
Tax expense	-0.8	-1.4	-3.4	-1.4	-14.6	-9.9
<b>Result for the period</b>	<b>2.2</b>	<b>6.2</b>	<b>164.9</b>	<b>60.2</b>	<b>193.3</b>	<b>350.0</b>

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

## CASH FLOW STATEMENT

SEK million	3 months Jul - Sep 2019	3 months Jul - Sep 2018	9 months Jan - Sep 2019	9 months Jan - Sep 2018	12 months Jan - Dec 2018	12 months Jan - Dec 2017
<b>Operating activities</b>						
Operating result	-0.8	1.0	1.9	-5.2	-6.2	-26.7
Adjustment for items not included in cash flow	0.6	1.7	3.4	4.6	6.4	5.2
Received dividends	0.0	0.0	27.1	0.0	0.0	42.7
Received interest	14.1	11.0	41.2	37.1	49.4	66.5
Paid interest	-9.5	-7.7	-27.3	-25.4	-33.5	-51.7
Paid income tax	-3.3	-2.7	-9.4	-12.4	-16.0	-5.8
<b>Cash flow from operating activities before changes in working capital</b>	<b>1.1</b>	<b>3.3</b>	<b>36.9</b>	<b>-1.3</b>	<b>0.2</b>	<b>30.2</b>
<b>Changes in working capital</b>						
Increase/decrease in current receivables	-271.4	-289.3	-266.5	-274.3	-197.7	298.7
Increase/decrease in current liabilities	124.2	284.5	-56.7	329.7	271.8	-116.2
<b>Cash flow from changes in working capital</b>	<b>-147.2</b>	<b>-4.8</b>	<b>-323.1</b>	<b>55.4</b>	<b>74.1</b>	<b>182.5</b>
<b>Cash flow from operating activities</b>	<b>-146.1</b>	<b>-1.6</b>	<b>-286.2</b>	<b>54.1</b>	<b>74.3</b>	<b>212.8</b>
<b>Investing activities</b>						
Shareholder contributions to Group companies	0.0	-37.2	0.0	-37.2	-39.5	-56.4
Repayment of shareholder contributions from Group companies	0.0	9.4	0.0	9.4	9.4	0.0
Shareholder contributions to associated companies	-0.8	0.0	-0.8	-1.5	-2.0	0.0
Investments in tangible fixed assets	0.0	-1.4	-0.7	-1.8	-0.5	-0.7
Investments in intangible fixed assets	-1.0	-0.2	-1.0	-0.4	-1.8	-6.4
Acquisition of shares	-4.5	0.0	-18.6	0.0	0.0	0.0
Long-term loan given to Group companies	0.0	0.0	12.1	0.0	-50.1	0.0
Raised long-term receivables	-0.8	0.0	-0.9	0.0	-2.0	0.0
<b>Cash-flow from investing activities</b>	<b>-7.2</b>	<b>-29.5</b>	<b>-9.9</b>	<b>-31.5</b>	<b>-86.6</b>	<b>-63.5</b>
<b>Cash-flow after investing activities</b>	<b>-153.3</b>	<b>-31.0</b>	<b>-296.1</b>	<b>22.6</b>	<b>-12.3</b>	<b>149.3</b>
<b>Financial activities</b>						
Loan raised	156.5	31.2	427.7	89.4	128.3	0.0
Amortization of loan	0.0	0.0	0.0	0.0	0.0	-62.9
Dividend paid to shareholders of the Parent company	0.0	0.0	-132.7	-112.8	-112.8	-89.6
<b>Cash-flow from financial activities</b>	<b>156.5</b>	<b>31.2</b>	<b>295.0</b>	<b>-23.4</b>	<b>15.5</b>	<b>-152.5</b>
<b>Cash flow for the period</b>	<b>3.2</b>	<b>0.2</b>	<b>-1.0</b>	<b>-0.9</b>	<b>3.2</b>	<b>-3.2</b>
Liquid assets at the beginning of the period	0.2	0.3	4.5	1.3	1.3	4.5
<b>Liquid assets at period-end</b>	<b>3.4</b>	<b>0.4</b>	<b>3.4</b>	<b>0.4</b>	<b>4.5</b>	<b>1.3</b>
<b>Liquid assets</b>						
Cash at bank and in hand	3.4	0.4	3.4	0.4	4.5	1.3



## BALANCE SHEET

SEK million	Note	30 Sep 2019	30 Sep 2018	31 Dec 2018	31 Dec 2017
<b>ASSETS</b>					
Intangible fixed assets		8.9	12.2	11.0	14.2
Tangible fixed assets		2.9	3.6	3.3	4.1
Shares in Group companies		2 301.7	2 222.8	2 324.6	1 517.7
Shares in associated companies		43.8	56.0	43.0	54.5
Receivables on Group companies		388.1	316.3	370.4	903.2
Other long-term receivables		5.3	4.0	4.5	2.4
<b>Total non-current assets</b>		<b>2 750.6</b>	<b>2 614.8</b>	<b>2 756.8</b>	<b>2 496.1</b>
Accounts receivable		0.2	0.0	0.0	0.0
Receivables on Group companies		1 999.1	1 492.5	1 563.7	1 283.2
Current tax receivable		1.6	5.3	4.0	0.0
Other receivables		29.4	24.2	29.7	25.2
Prepaid expenses and accrued income		6.9	5.5	9.5	7.6
Liquid assets		3.4	0.4	4.5	1.3
<b>Total current assets</b>		<b>2 040.7</b>	<b>1 528.0</b>	<b>1 611.3</b>	<b>1 317.3</b>
<b>TOTAL ASSETS</b>		<b>4 791.4</b>	<b>4 142.7</b>	<b>4 368.0</b>	<b>3 813.5</b>
<b>EQUITY</b>					
Share capital		199.0	199.0	199.0	199.0
Restricted reserves		249.4	249.4	249.4	249.4
<b>Total restricted equity</b>		<b>448.4</b>	<b>448.4</b>	<b>448.4</b>	<b>448.4</b>
Retained earnings		1 295.1	1 234.5	1 234.5	997.3
Share premium reserve		48.0	48.0	48.0	48.0
Result for the period		164.9	60.2	193.3	350.0
<b>Total unrestricted equity</b>		<b>1 508.1</b>	<b>1 342.7</b>	<b>1 475.8</b>	<b>1 395.3</b>
<b>Total equity</b>		<b>1 956.5</b>	<b>1 791.1</b>	<b>1 924.3</b>	<b>1 843.7</b>
<b>Untaxed reserves</b>		<b>47.9</b>	<b>25.4</b>	<b>47.9</b>	<b>25.4</b>
<b>LIABILITIES</b>					
Long-term interest-bearing liabilities	7	1 842.4	1 377.8	1 429.3	1 506.5
<b>Total non-current liabilities</b>		<b>1 842.4</b>	<b>1 377.8</b>	<b>1 429.3</b>	<b>1 506.5</b>
Short-term interest-bearing liabilities	7	348.9	299.8	300.5	61.3
Accounts payable		287.8	410.9	366.5	217.1
Liabilities to Group companies		300.1	228.3	268.5	146.1
Current tax liability		0.0	0.0	8.3	5.7
Other liabilities		1.1	1.9	16.2	1.1
Accrued expenses and prepaid income		6.7	7.5	6.5	6.4
<b>Total current liabilities</b>		<b>944.6</b>	<b>948.4</b>	<b>966.6</b>	<b>437.8</b>
<b>Total liabilities</b>		<b>2 787.0</b>	<b>2 326.2</b>	<b>2 395.9</b>	<b>1 944.3</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4 791.4</b>	<b>4 142.7</b>	<b>4 368.0</b>	<b>3 813.5</b>

## STATEMENT OF CHANGES IN EQUITY

SEK million	Share capital	Restricted reserves	Retained earnings	Share premium reserve	Result for the period	Total equity
<b>Opening balance 2018-01-01</b>	<b>199.0</b>	<b>249.4</b>	<b>997.3</b>	<b>48.0</b>	<b>350.0</b>	<b>1 843.8</b>
Transfer according to decision at AGM			350.0		-350.0	0.0
Result for the period					60.2	60.2
<b>Total changes excluding transactions with shareholders</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>60.2</b>	<b>60.2</b>
Dividends			-112.8			-112.8
<b>Closing balance 2018-09-30</b>	<b>199.0</b>	<b>249.4</b>	<b>1 234.5</b>	<b>48.0</b>	<b>60.2</b>	<b>1 791.2</b>

SEK million	Share capital	Restricted reserves	Retained earnings	Share premium reserve	Result for the period	Total equity
<b>Opening balance 2019-01-01</b>	<b>199.0</b>	<b>249.4</b>	<b>1 234.5</b>	<b>48.0</b>	<b>193.3</b>	<b>1 924.3</b>
Transfer according to decision at AGM			193.3		-193.3	0.0
Result for the period					164.9	164.9
<b>Total changes excluding transactions with shareholders</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>164.9</b>	<b>164.9</b>
Dividends			-132.7			-132.7
<b>Closing balance 2019-09-30</b>	<b>199.0</b>	<b>249.4</b>	<b>1 295.1</b>	<b>48.0</b>	<b>164.9</b>	<b>1 956.5</b>

# 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 2018 Annual Report, with the exception for reporting of leases.

### NEW ACCOUNTING POLICIES FOR 2019

As of January 1, 2019, New Wave Group applies IFRS 16 Leases. The Group has applied the simplified transition method and has not recalculated the comparative figures. The simplification rule, that the right of use asset shall correspond to the lease liability, has been applied at the transition and no transition effect is therefore recorded in the equity of the Group. Complete accounting policies for leasing as well as information about transition and transition effects are presented in the 2018 Annual Report, Note 1 Accounting Policies under New and amended accounting policies, p. 70-71.

The Parent company has chosen to apply the exemption rules in RFR 2, which imply that the lease fees are recognized as a cost on a linear basis over the lease period and that no right of use assets or lease liabilities are reported in the balance sheet.

## 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 and liquidity and credit risks. In order to minimize the effect these risks may have on earnings, the Group has a financial policy. For a more detailed description of the Group's risk management please refer to the Annual Report 2018, Note 17, p. 92-98. The Annual Report is available at the Group's headquarters in Gothenburg, Sweden, as well as on [www.nwg.se](http://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.

The Group's reported risks are deemed to be essentially unchanged.

## NOTE 3 - REPORTING OF OPERATING SEGMENTS

### NET SALES AND EBITDA PER OPERATING SEGMENT

SEK million	3 months Jul - Sep 2019	3 months Jul - Sep 2018	9 months Jan - Sep 2019	9 months Jan - Sep 2018	12 months Jan - Dec 2018	12 months Jan - Dec 2017
<b>Corporate</b>						
Net sales	731.1	687.6	2 308.0	2 091.5	3 069.0	2 648.7
EBITDA	72.6	55.4	275.3	208.1	353.1	289.7
<b>Sports &amp; Leisure</b>						
Net sales	785.9	707.9	2 115.7	1 823.6	2 573.7	2 311.5
EBITDA	107.9	78.3	193.9	133.9	218.2	230.3
<b>Gifts &amp; Home Furnishings</b>						
Net sales	168.5	155.6	455.6	432.1	647.8	637.1
EBITDA	4.2	3.9	-15.2	-12.3	-10.6	14.4
<b>Total net sales</b>	<b>1 685.5</b>	<b>1 551.2</b>	<b>4 879.3</b>	<b>4 347.2</b>	<b>6 290.6</b>	<b>5 597.3</b>
<b>Total EBITDA</b>	<b>184.7</b>	<b>137.7</b>	<b>454.1</b>	<b>329.7</b>	<b>560.7</b>	<b>534.4</b>
<b>Total EBITDA</b>	<b>184.7</b>	<b>137.7</b>	<b>454.1</b>	<b>329.7</b>	<b>560.7</b>	<b>534.4</b>
Amortizations, depreciations and write-downs	-55.7	-20.2	-159.5	-56.3	-77.9	-65.3
Net financial items	-17.0	-11.6	-46.9	-28.2	-40.9	-51.9
<b>Result before tax</b>	<b>112.1</b>	<b>105.9</b>	<b>247.7</b>	<b>245.2</b>	<b>441.8</b>	<b>417.2</b>

### ASSETS AND LIABILITIES PER OPERATING SEGMENTS

SEK million	Total assets	Fixed assets*	Deferred tax assets	Net investments	Amortizations, depreciations and write-downs	Total liabilities
<b>30 Sep 2019</b>						
Corporate	4 208.4	1 131.8	40.5	-69.3	-98.4	2 878.2
Sports & Leisure	3 618.6	1 465.0	63.1	-27.7	-56.1	1 415.8
Gifts & Home Furnishings	659.1	302.2	23.6	-9.5	-5.0	455.7
<b>Total</b>	<b>8 486.1</b>	<b>2 899.0</b>	<b>127.2</b>	<b>-106.5</b>	<b>-159.5</b>	<b>4 749.7</b>
<b>30 Sep 2018</b>						
Corporate	3 425.5	644.7	38.0	-76.8	-28.6	2 143.0
Sports & Leisure	2 786.3	1 088.6	53.7	-24.7	-24.0	953.6
Gifts & Home Furnishings	655.0	217.0	12.2	-21.9	-3.7	497.9
<b>Total</b>	<b>6 866.9</b>	<b>1 950.3</b>	<b>103.9</b>	<b>-123.5</b>	<b>-56.3</b>	<b>3 594.5</b>
<b>31 Dec 2018</b>						
Corporate	3 564.8	682.9	38.4	-101.0	-40.4	2 274.8
Sports & Leisure	2 757.3	1 087.5	50.1	-33.9	-32.6	860.2
Gifts & Home Furnishings	739.3	286.4	22.5	-28.2	-4.9	492.2
<b>Total</b>	<b>7 061.4</b>	<b>2 056.8</b>	<b>111.1</b>	<b>-163.2</b>	<b>-77.9</b>	<b>3 627.2</b>

\* Financial fixed assets are not included

## NOTE 4 - NET SALES PER SALES CHANNEL

SEK million						
	3 months Jul - Sep 2019	3 months Jul - Sep 2018	9 months Jan - Sep 2019	9 months Jan - Sep 2018	12 months Jan - Dec 2018	12 months Jan - Dec 2017
<b>Sales channel promo</b>						
Corporate	707.5	665.8	2 244.1	2 029.4	2 981.4	2 575.6
Sports & Leisure	182.3	165.3	550.3	493.2	690.7	587.1
Gifts & Home Furnishings	17.3	16.9	54.4	52.8	85.6	84.1
<b>Total</b>	<b>907.0</b>	<b>847.9</b>	<b>2 848.9</b>	<b>2 575.4</b>	<b>3 757.7</b>	<b>3 246.8</b>
<b>Sales channel retail</b>						
Corporate	23.6	21.8	63.9	62.1	87.7	73.1
Sports & Leisure	603.6	542.7	1 565.4	1 330.4	1 883.0	1 724.4
Gifts & Home Furnishings	151.2	138.8	401.2	379.3	562.1	553.0
<b>Total</b>	<b>778.4</b>	<b>703.2</b>	<b>2 030.5</b>	<b>1 771.8</b>	<b>2 532.8</b>	<b>2 350.5</b>
<b>Total net sales</b>	<b>1 685.5</b>	<b>1 551.2</b>	<b>4 879.3</b>	<b>4 347.2</b>	<b>6 290.6</b>	<b>5 597.3</b>



## NOTE 5 - REPORTING OF GEOGRAPHIC AREAS

### NET SALES PER GEOGRAPHIC AREA

SEK million	3 months Jul - Sep 2019	Share of net sales	3 months Jul - Sep 2018	Share of net sales	Change SEK million	Change %
USA	451.4	27%	408.6	26%	42.8	10%
Sweden	382.4	23%	350.9	23%	31.4	9%
Central Europe	258.8	15%	250.1	16%	8.7	3%
Nordic countries excl. Sweden	206.1	12%	195.0	13%	11.1	6%
Southern Europe	171.7	10%	149.7	10%	22.0	15%
Other countries	215.1	13%	196.8	13%	18.3	9%
<b>Total</b>	<b>1 685.5</b>	<b>100%</b>	<b>1 551.2</b>	<b>100%</b>	<b>134.3</b>	<b>9%</b>

SEK million	9 months Jan - Sep 2019	Share of net sales	9 months Jan - Sep 2018	Share of net sales	Change SEK million	Change %
USA	1 286.4	26%	1 097.7	25%	188.6	17%
Sweden	1 105.9	23%	1 021.5	23%	84.4	8%
Central Europe	751.2	15%	689.1	16%	62.1	9%
Nordic countries excl. Sweden	624.5	13%	580.4	13%	44.1	8%
Southern Europe	570.0	12%	493.1	11%	76.9	16%
Other countries	541.3	11%	465.3	11%	76.0	16%
<b>Total</b>	<b>4 879.3</b>	<b>100%</b>	<b>4 347.2</b>	<b>100%</b>	<b>532.1</b>	<b>12%</b>

SEK million	12 months Jan - Dec 2018	Share of net sales	12 months Jan - Dec 2017	Share of net sales	Change SEK million	Change %
USA	1 579.7	25%	1 423.7	25%	156.0	11%
Sweden	1 529.9	24%	1 463.8	26%	66.1	5%
Central Europe	986.4	16%	891.1	16%	95.3	11%
Nordic countries excl. Sweden	807.1	13%	727.7	13%	79.4	11%
Southern Europe	716.5	11%	630.8	11%	85.7	14%
Other countries	670.9	11%	460.2	8%	210.7	46%
<b>Total</b>	<b>6 290.6</b>	<b>100%</b>	<b>5 597.3</b>	<b>100%</b>	<b>693.3</b>	<b>12%</b>

## FIXED ASSETS AND DEFERRED TAX ASSETS PER GEOGRAPHIC AREA

SEK million	30 Sep 2019 Fixed assets*	Deferred tax assets	30 Sep 2018 Fixed assets*	Deferred tax assets	31 Dec 2018 Fixed assets*	Deferred tax assets
USA	1 208.0	62.8	980.8	48.1	988.2	53.8
Sweden	669.0	21.0	506.2	15.1	593.0	16.8
Central Europe	390.6	13.9	227.8	24.2	230.7	12.9
Nordic countries excl. Sweden	303.3	4.5	57.1	4.9	63.1	4.8
Southern Europe	196.1	18.7	115.6	5.9	140.0	17.1
Other countries	131.9	6.4	62.8	5.8	41.9	5.7
<b>Total</b>	<b>2 899.0</b>	<b>127.2</b>	<b>1 950.3</b>	<b>103.9</b>	<b>2 056.8</b>	<b>111.1</b>

\* Fixed assets classified as financial assets are not included.

## NOTE 6 - FINANCIAL INSTRUMENTS

SEK million	30 Sep 2019	30 Sep 2018	31 Dec 2018	31 Dec 2017
Assets at fair value	4.2	2.5	0.0	2.5
Assets at amortized cost	1 486.6	1 372.7	1 485.2	1 254.8
<b>Total financial assets</b>	<b>1 490.7</b>	<b>1 375.2</b>	<b>1 485.2</b>	<b>1 257.3</b>
Liabilities at fair value	0.0	1.3	1.2	1.3
Liabilities at amortized cost	4 506.5	3 372.0	3 373.9	2 715.1
<b>Total financial liabilities</b>	<b>4 506.5</b>	<b>3 373.3</b>	<b>3 375.1</b>	<b>2 716.4</b>

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

Financial instruments include, in addition to financial net debt, also accounts receivable and accounts payable.

Financial instruments measured at fair value in the balance sheet belongs to level two or three in IFRS 13 hierarchy.

## NOTE 7 - PLEDGED ASSETS AND CONTINGENT LIABILITIES

## GROUP

<b>Pledged assets</b>	<b>30 Sep 2019</b>	<b>30 Sep 2018</b>	<b>31 Dec 2018</b>	<b>31 Dec 2017</b>
<b>SEK million</b>				
Floating charges	690.5	537.5	537.5	543.5
Property mortgages	183.3	159.1	171.8	183.2
Net assets in Group companies	3 248.9	3 105.3	3 158.1	2 152.0
Shares in associated companies	8.3	0.0	0.0	0.0
Stock and accounts receivable	623.1	543.9	521.0	465.9
<b>Total</b>	<b>4 754.1</b>	<b>4 345.8</b>	<b>4 388.5</b>	<b>3 344.7</b>

<b>Contingent liabilities</b>	<b>30 Sep 2019</b>	<b>30 Sep 2018</b>	<b>31 Dec 2018</b>	<b>31 Dec 2017</b>
<b>SEK million</b>				
Duty guarantees	11.4	9.6	10.0	16.3
Rent guarantees	186.8	100.3	189.1	104.8
PRI	0.0	2.0	2.0	2.0
Other guarantees	1.0	0.4	0.4	1.9
Guarantees for associated companies	6.0	6.0	6.0	6.0
<b>Total</b>	<b>205.2</b>	<b>118.2</b>	<b>207.5</b>	<b>131.0</b>

## PARENT COMPANY

<b>Pledged assets</b>	<b>30 Sep 2019</b>	<b>30 Sep 2018</b>	<b>31 Dec 2018</b>	<b>31 Dec 2017</b>
<b>SEK million</b>				
Floating charges	30.0	30.0	30.0	30.0
Shares in Group companies	1 771.4	1 772.9	1 771.4	1 152.3
Shares in associated companies	8.3	8.3	8.3	8.3
<b>Total</b>	<b>1 809.7</b>	<b>1 811.2</b>	<b>1 809.7</b>	<b>1 190.6</b>

<b>Contingent liabilities</b>	<b>30 Sep 2019</b>	<b>30 Sep 2018</b>	<b>31 Dec 2018</b>	<b>31 Dec 2017</b>
<b>SEK million</b>				
Guarantees for Group companies	892.5	866.5	940.1	671.5
Guarantees for associated companies	6.0	0.0	0.0	0.0
<b>Total</b>	<b>898.5</b>	<b>866.5</b>	<b>940.1</b>	<b>671.5</b>

## NOTE 8 - IFRS 16 LEASING

Presented below is the impact IFRS 16 has had on the financial reports for the period.

				30 Sep 2019	of which effect from IFRS 16	30 Sep 2019 excl. effect from IFRS 16
<b>Consolidated balance sheet</b>						
Tangible fixed assets*				1 333.4	700.5	632.9
Deferred tax assets				127.2	1.3	125.9
Prepaid expenses and accrued income				72.3	-14.9	87.2
Total equity				3 736.3	-5.1	3 741.5
Long-term interest-bearing liabilities*				2 857.2	588.9	2 268.3
Short-term interest-bearing liabilities*				474.7	103.1	371.5
	Jul - Sep 2019	of which effect from IFRS 16	Jul - Sep 2019 excl. effect from IFRS 16	Jan - Sep 2019	of which effect from IFRS 16	Jan - Sep 2019 excl. effect from IFRS 16
<b>Consolidated income statement</b>						
Other operating income	12.9	0.3	12.6	45.6	0.3	45.3
External costs	-300.3	33.1	-333.5	-969.0	94.9	-1 063.9
Amortizations, depreciations and write-downs of tangible and intangible fixed assets	-55.7	-30.9	-24.7	-159.5	-87.7	-71.8
Financial expenses	-19.5	-4.9	-14.6	-52.9	-13.9	-39.1
Tax expense	-17.6	0.5	-18.1	-43.5	1.3	-44.8
<b>Total</b>	<b>-380.2</b>	<b>-1.9</b>	<b>-378.3</b>	<b>-1 179.3</b>	<b>-5.1</b>	<b>-1 174.2</b>
	Jul - Sep 2019	of which effect from IFRS 16	Jul - Sep 2019 excl. effect from IFRS 16	Jan - Sep 2019	of which effect from IFRS 16	Jan - Sep 2019 excl. effect from IFRS 16
<b>EBITDA per operating segment</b>						
Corporate	72.6	20.3	52.3	275.3	59.8	215.6
Sports & Leisure	107.9	10.8	97.2	193.9	29.1	164.8
Gifts & Home Furnishings	4.2	2.1	2.1	-15.2	6.1	-21.2
<b>Total</b>	<b>184.7</b>	<b>33.1</b>	<b>151.6</b>	<b>454.1</b>	<b>94.9</b>	<b>359.2</b>
				Jan - Sep 2019	of which effect from IFRS 16	Jan - Sep 2019 excl. effect from IFRS 16
<b>Financial key figures</b>						
Operating margin before depreciations, %				9.3	1.9	7.4
Net debt, SEK million				3 093.5	692.0	2 401.5
Net debt to equity ratio, %				82.8	18.6	64.2
Net debt in relation to working capital, %				78.8	17.8	61.0
Interest coverage ratio, times				5.7	-1.8	7.5
Equity ratio, %				44.0	-4.0	48.0

\*The opening balance for the right of use assets and lease liabilities respectively was SEK 641 million under IFRS 16 as at January 1, 2019

# CONDENSED QUARTERLY CONSOLIDATED INCOME STATEMENTS

SEK million

SEK million		2019				2018				2017			
Quarter		Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	
Net sales		1 685.5	1 689.0	1 504.9	1 943.4	1 551.2	1 523.2	1 272.8	1 630.3	1 331.1	1 371.7	1 264.2	
Goods for resale		-923.2	-903.3	-795.3	-1 042.3	-835.3	-804.2	-677.5	-886.8	-692.8	-745.7	-692.8	
Gross profit		762.3	785.7	709.6	901.1	715.8	719.0	595.4	743.5	638.2	626.0	571.4	
Gross profit margin %		45.2	46.5	47.1	46.4	46.1	47.2	46.8	45.6	47.9	45.6	45.2	
Other operating income		12.9	15.5	17.2	28.3	19.3	11.3	15.9	22.9	10.4	7.0	10.9	
External costs		-300.3	-330.2	-338.4	-390.6	-323.5	-305.1	-317.2	-304.9	-265.4	-270.1	-288.6	
Personnel costs		-278.7	-290.5	-283.0	-298.0	-257.7	-260.9	-246.4	-262.2	-217.1	-233.0	-228.1	
Depreciations and write-downs		-55.7	-52.8	-51.0	-21.6	-20.2	-18.5	-17.6	-18.2	-16.4	-15.7	-15.0	
Other operating costs		-11.3	-7.7	-8.2	-9.8	-15.0	-8.3	-11.8	-6.1	-7.4	-3.9	-7.8	
Share of associated companies' result		-0.2	-0.3	-0.2	0.1	-1.3	-0.3	0.4	-2.5	0.6	0.2	0.4	
Operating result		129.1	119.6	46.0	209.4	117.5	137.3	18.6	172.5	143.0	110.5	43.2	
Financial income		2.5	2.2	1.3	1.5	0.7	1.8	1.5	1.3	1.6	1.0	1.3	
Financial expenses		-19.5	-18.1	-15.3	-14.2	-12.3	-8.2	-11.7	-14.3	-14.8	-14.1	-13.8	
Result before tax		-17.0	103.6	32.0	196.6	105.9	130.9	8.4	159.4	129.8	97.4	30.7	
Tax expense		-17.6	-19.9	-6.0	-37.7	-17.5	-24.2	-2.4	-12.6	-24.5	-20.3	-5.8	
Result for the period		94.4	83.7	26.0	158.9	88.4	106.8	6.0	146.8	105.3	77.0	24.9	
Total other comprehensive income for the period		126.9	16.2	86.3	2.7	-37.8	121.1	71.7	45.3	-43.3	-42.4	-12.2	
Total comprehensive income for the period		221.4	99.9	112.3	161.6	50.5	227.9	77.7	192.1	62.0	34.7	12.7	
Earnings per share before and after dilution (SEK)*		1.45	1.28	0.41	2.42	1.36	1.60	0.10	2.20	1.60	1.16	0.38	

	2016				2015				2014				
Quarter		Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales		1 548.6	1 300.4	1 257.3	1 130.8	1 405.3	1 272.0	1 191.3	1 096.1	1 259.5	1 122.3	983.3	908.5
Goods for resale		-832.3	-693.3	-685.0	-616.3	-773.5	-697.8	-659.1	-595.7	-669.6	-621.9	-531.8	-497.7
Gross profit		716.3	607.1	572.3	514.5	631.8	574.2	532.2	500.4	589.9	500.4	451.5	410.8
Gross profit margin %		46.3	46.7	45.5	45.5	45.0	45.1	44.7	45.7	46.8	44.6	45.9	45.2
Other operating income		14.9	14.5	12.2	9.4	8.0	22.1	7.8	9.3	10.1	5.1	5.4	7.1
External costs		-300.1	-268.5	-249.6	-279.8	-284.0	-273.0	-258.9	-270.1	-260.5	-216.6	-216.9	-229.5
Personnel costs		-242.9	-208.3	-213.0	-217.4	-231.5	-202.8	-212.0	-205.3	-204.7	-174.8	-176.7	-179.5
Depreciations and write-downs		-15.2	-14.1	-13.4	-13.2	-14.2	-13.7	-14.3	-14.9	-14.2	-14.4	-13.2	-12.4
Other operating costs		-6.2	-5.8	-8.1	-5.6	-1.7	-9.3	-6.7	-18.5	-7.4	-4.1	-2.6	-2.4
Share of associated companies' result		0.2	0.0	-0.2	0.2	0.0	-1.2	0.6	0.9	-1.0	0.1	0.5	0.0
Operating result		167.0	124.9	100.2	8.1	108.4	96.3	48.7	1.8	112.2	95.7	48.0	-5.9
Financial income		0.0	1.0	0.9	1.2	0.7	1.4	3.2	1.9	1.2	1.1	1.2	1.4
Financial expenses		-15.9	-16.4	-15.7	-15.0	-28.6	-19.0	-16.9	-17.0	-14.5	-12.1	-10.6	-9.7
Result before tax		151.1	109.5	85.4	-5.7	80.5	78.7	35.0	-13.3	98.9	84.7	38.6	-14.2
Tax expense		-23.3	-23.0	-18.4	1.1	-17.2	-13.6	-7.2	2.4	-7.0	-17.8	-9.2	2.9
Result for the period		127.8	86.5	67.0	-4.6	63.3	65.1	27.8	-10.9	91.9	66.9	29.4	-11.3
Total other comprehensive income for the period		35.1	26.4	47.2	-15.5	-36.9	7.1	-43.9	101.7	91.2	53.1	53.5	1.4
Total comprehensive income for the period		162.9	112.9	114.2	-20.1	26.4	72.2	-16.1	90.8	183.1	120.0	82.9	-9.9
Earnings per share before and after dilution (SEK)*		1.90	1.31	1.01	-0.06	0.94	0.98	0.41	-0.17	1.38	1.01	0.44	-0.17

\* 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	2019			2018				2017			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Cash flow from operating activities before changes in working capital	149.9	143.8	49.3	184.1	116.1	128.3	1.2	154.9	153.3	105.0	37.8
Increase/decrease of inventories	-256.4	-108.0	-58.3	44.6	-310.4	-110.8	-117.4	129.5	-200.4	-63.7	-73.9
Increase/decrease of current receivables	-34.3	-95.9	126.2	-3.6	-128.6	-36.2	140.9	-78.5	-113.8	-40.4	113.0
Increase/decrease of current liabilities	9.7	69.1	-182.3	-50.7	239.9	143.2	-18.1	-71.4	150.5	49.2	-43.3
Changes in working capital	-281.0	-134.8	-114.4	-9.7	-199.1	-3.7	5.4	-20.4	-163.7	-54.9	-4.2
Cash flow from operating activities	-131.1	9.0	-65.1	174.4	-83.0	124.6	6.6	134.5	-10.4	50.1	33.6
Investing activities	-32.6	-35.6	-38.3	-39.7	-42.1	-41.6	-39.8	-37.7	-36.9	-16.0	-19.9
Cash flow after investing activities	-163.8	-26.6	-103.4	134.7	-125.1	83.0	-33.2	96.8	-47.3	34.1	13.7
Increase/decrease of interest-bearing liabilities	210.1	75.3	49.2	-15.9	104.9	58.0	5.1	-54.6	30.2	47.1	-39.4
Transactions with owners	1.2	-132.7	0.0	0.0	0.0	-112.8	0.0	0.0	0.0	-89.6	0.0
Cash flow from financial activities	211.2	-57.4	49.2	-15.9	104.9	-54.8	5.1	-54.6	30.2	-42.5	-39.4
Cash flow for the period	47.4	-84.0	-54.2	118.8	-20.2	28.2	-28.1	42.2	-17.1	-8.4	-25.7
Liquid assets at the beginning of the period	182.5	265.0	312.2	192.6	215.4	180.5	202.4	155.6	178.9	191.9	218.9
Translation differences in liquid assets	8.5	1.5	7.0	0.8	-2.6	6.7	6.2	4.6	-6.2	-4.6	-1.3
Liquid assets at period-end	238.4	182.5	265.0	312.2	192.6	215.4	180.5	202.4	155.6	178.9	191.9

Quarter	2016				2015				2014			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Cash flow from operating activities before changes in working capital	132.0	116.2	89.4	-4.2	90.6	73.8	54.6	-9.2	129.1	93.1	38.8	-7.1
Increase/decrease of stock	151.2	-109.6	62.4	-49.7	175.6	-132.1	-88.5	-200.6	-126.1	-309.6	-86.8	-50.6
Increase/decrease of current receivables	31.9	-106.8	-76.9	85.3	85.2	-117.2	-23.0	129.5	-40.7	-124.2	-28.0	172.3
Increase/decrease of current liabilities	-34.2	115.7	13.7	32.5	24.1	14.3	1.0	51.4	-16.9	50.0	48.3	-25.8
Changes in working capital	148.9	-100.7	-0.8	68.1	284.9	-235.0	-110.5	-19.7	-183.7	-383.8	-66.5	95.9
Cash flow from operating activities	280.9	15.5	88.6	63.9	375.5	-161.2	-55.9	-28.9	-54.6	-290.7	-27.7	88.8
Investing activities	-26.3	-25.8	-21.2	-16.3	-24.1	-15.0	-40.7	-26.7	-29.4	-12.4	-17.5	-11.3
Cash flow after investing activities	254.6	-10.3	67.4	47.6	351.4	-176.2	-96.6	-55.6	-84.0	-303.1	-45.2	77.5
Increase/decrease of interest-bearing liabilities	-211.4	22.9	16.1	-74.6	-349.1	173.9	179.1	-13.9	121.3	289.8	129.6	-109.8
Transactions with owners	0.0	0.0	-66.3	0.0	0.0	-1.0	-66.3	0.0	0.0	0.0	-66.3	0.0
Cash flow from financial activities	-211.4	22.9	-50.2	-74.6	-349.1	172.9	112.8	-13.9	121.3	289.8	63.3	-109.8
Cash flow for the period	43.2	12.6	17.2	-27.0	2.3	-3.3	16.2	-69.5	37.3	-13.3	18.1	-32.3
Liquid assets at the beginning of the period	172.9	157.1	136.3	165.5	167.7	169.5	159.0	216.0	169.6	176.0	153.1	185.1
Translation differences in liquid assets	2.8	3.2	3.6	-2.2	-4.5	1.5	-5.7	12.5	9.1	6.9	4.8	0.3
Liquid assets at period-end	218.9	172.9	157.1	136.3	165.5	167.7	169.5	159.0	216.0	169.6	176.0	153.1

## 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.

### PERFORMANCE MEASURES

#### GROSS PROFIT MARGIN

### DEFINITION/CALCULATION

Net sales less goods for resale in percent of net sales.

### PURPOSE

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.

#### 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.

#### EBITDA

Operating result before depreciation, amortization and write-downs of tangible and intangible fixed assets.

The measure is used to show result from operating activities, 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

#### RETURN ON CAPITAL EMPLOYED

### DEFINITION/CALCULATION

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.

### PURPOSE

The measure is used to analyze profitability by putting result in relation to the capital needed to operate the business.

#### RETURN ON EQUITY

Result for the period according to the income statement as a percentage of average equity. For the Parent company it is calculated as result after tax as a percentage of average adjusted equity. In adjusted equity, 78 % of untaxed reserves are included.

The measure is used to analyze profitability over time, given the resources available to the Parent company's owners.

### DATA PER SHARE

#### EQUITY PER SHARE

### DEFINITION/CALCULATION

Equity at the end of the period excluding non-controlling interests divided by number of shares at the end of the period.

### PURPOSE

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, less short-term non-interest bearing 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.
STOCK TURNOVER	Goods for resale in the income statement divided by average stock.	The measure is used to show the stock'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	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 capital is used for investments in operations and for expansion.

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.

*NewWave*  
G R O U P

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