

# Financial outcome 2009

# This is New Wave Group

- New Wave Group is a **growth company**. We **create, acquire and develop brand articles** for the Corporate Promo- and Retail sales channels.
- We have three business areas: **Promo**; work wear, promo wear, and gifts & giveaways to independent promo companies, **Sports & Leisure** and **Gifts & Home Interior**, to consumers through resellers working with specialized stores.
- We operate through two sales channels; the **promo market** and the **retail market**. By being active on both these markets, the group achieves good **risk diversification**. We also achieve great **coordination advantages** since large portions of the assortment can be used for both sales channels.
- New Wave Group's competitive forces are **design, purchasing, logistics** and **marketing** of our brands.
- The products are mainly produced in Asia and to a lesser quantity in Europe.
- New Wave Group has since the start shown **strong growth** with **good margins**.

# Business Area - Corporate Promo



## Our vision is to

- Become Europe's leading supplier of Corporate Promo Products by offering
  - A unique and complete concept to our resellers
  - High quality products and strong brands
  - High competence and service

# Business Area - Sports & Leisure

ANNIKA  
CUTTER & BUCK.



CLIQUE

CUTTER  
& BUCK.

CRAFT



speedo



sköna  
marie

EASTON

## **Our vision is to**

- *Become the Nordic countries main supplier of Sports & Leisure Wear*
- *Develop Craft and Seger into international functional sportswear brands*
- *Develop Cutter & Buck into one of the world's leading brands within golf & leisure wear*

# Business Area - Gifts & Home Interior

KOSTA  
BODA  
SWEDEN 1742



KOSTA LINNEWÄFVERI

Orrefors 

Orrefors JERNVERK



***Our vision is to***

- Develop Orrefors and Kosta Boda into world leading brands within glass & crystal*

## Consolidated Q4, Oct-Dec 2009

- Sales amounted to MSEK 1 082 (1 227), -12%
- Profit after tax MSEK 61.3 (2.4)
- Cash flow from operating activities +376 to MSEK 430 (54)
- Equity ratio increased to 41.0 (34.1) %
- Net debt–equity ratio decreased considerably to 96.3 (140.5)%

# Comments Q4, Oct - Dec 2009

- **Sales -12% MSEK 1 082 (1 227)**
  - Currency effect MSEK -8
  - Weak market, both in Europe and USA
  - Sales channel Promo still weak, Retail has growth
- **Business areas:**
  - **Promo: -13% to MSEK 533 (614)**
  - General weak market.
  - **Sports & Leisure: -13% to MSEK 344 (395)**
  - Craft increasing, C&B affected by weak American economy
  - Sales channel Promo weak
  - **Gifts & Home Interior: -5% to MSEK 206 (217)**
  - Orrefors Kosta Boda export weak

# Geographical Allocation of Turnover

	<b>OCT-DEC 2009</b>	<b>Part of turnover</b>	<b>OCT-DEC 2008</b>	<b>Part of turnover</b>	<b>Change MKR</b>	<b>%</b>
Nordic countries	473	44%	500	41%	-27	-5
Central Europe	238	22%	260	21%	-23	-9
South Europe	148	14%	182	15%	-34	-19
North America	158	15%	214	17%	-56	-26
Other countries	64	6%	70	6%	-6	-9
<b>Total</b>	<b>1 082</b>	<b>100%</b>	<b>1 227</b>	<b>100%</b>	<b>-145</b>	<b>-12</b>



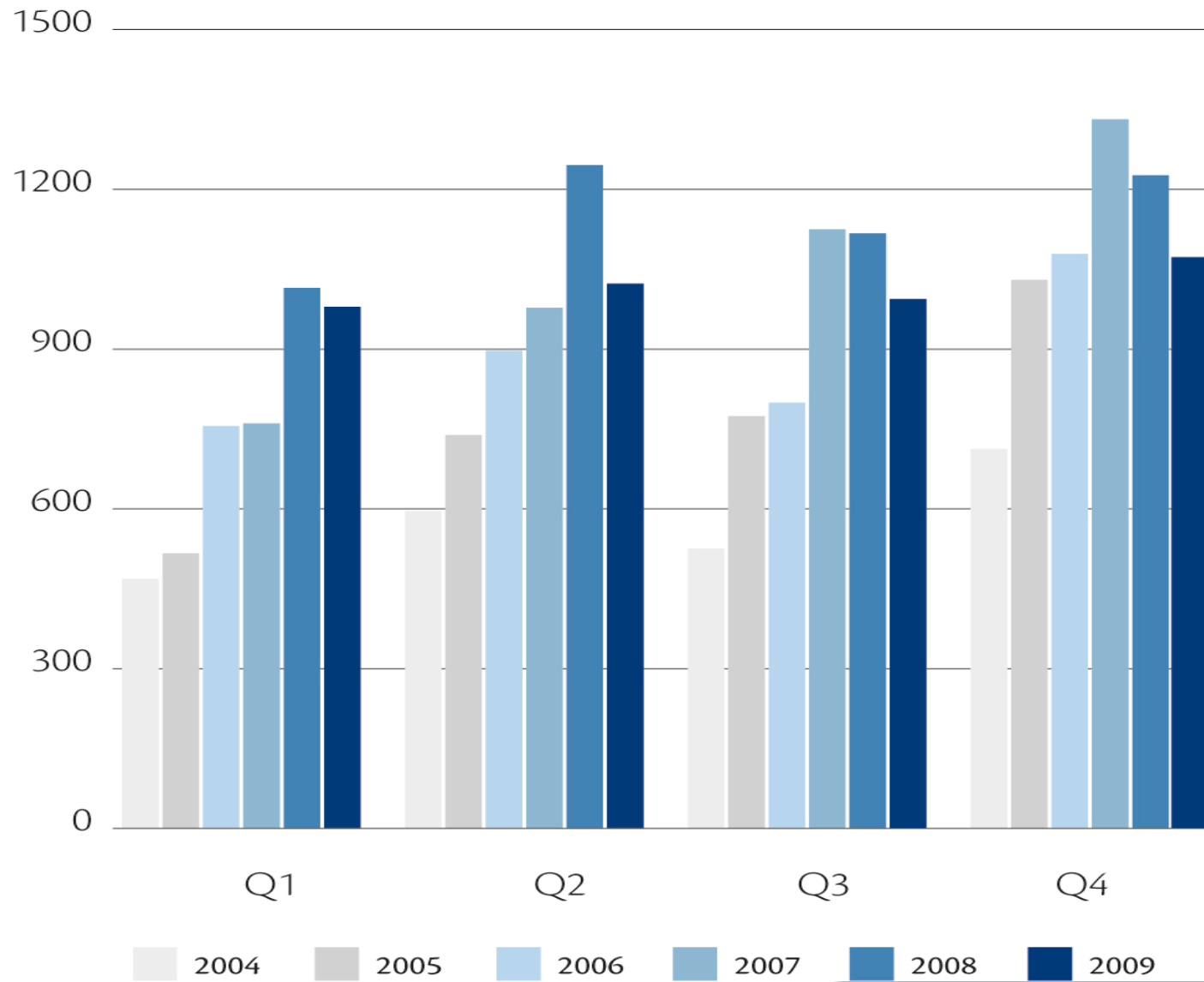
## Comments Q4, Oct - Dec 2009

- **Gross margin 46.2 (46.0) %**
  - Weak market in general
- **Operating margin 8.9 (5.0) %**
  - Savings and higher income from sale of OKB glass collection and properties
- **Profit after tax 61.3 (2.4)**
  - Lower volume, savings and sale of OKB glass collection and properties
  - Result per share SEK 0.90 (-0.01)

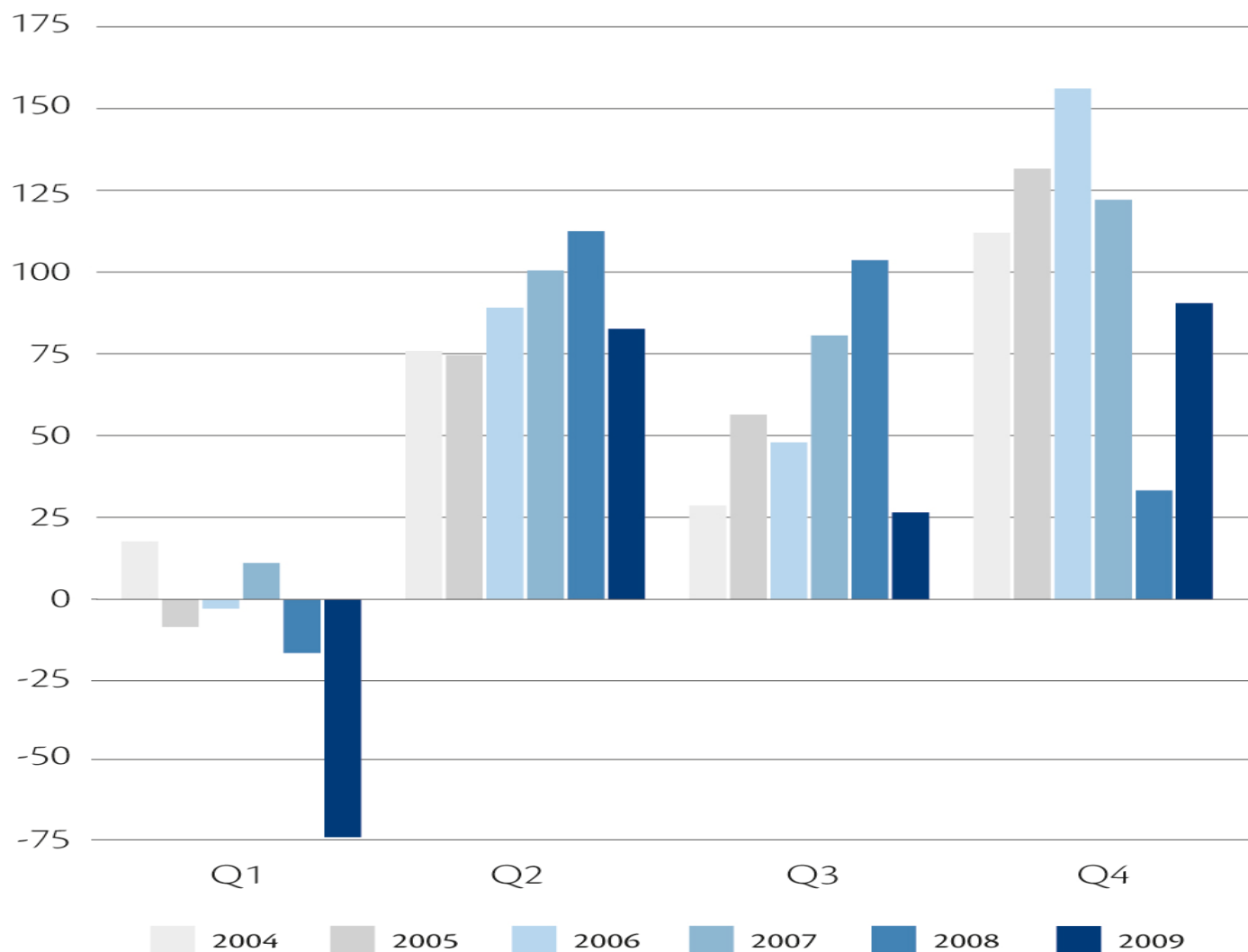
# Income Statement

SEK Mkr	3 mths OCT- DEC		3 mths OCT- DEC	
	2009		2008	
Net sales	1 082,4		1 226,5	
Goods for resale	-582,4		-662,9	
<b>Gross margin</b>	<b>500,0</b>	46,2%	<b>563,6</b>	46,0%
Other operating income	21,9		20,7	
External costs	-234,8		-297,7	
Personnel costs	-170,9		-198,0	
Depreciation and amortization	-16,0		-18,5	
Other costs	-3,6		-8,5	
<b>Operating profit</b>	<b>96,6</b>	8,9%	<b>61,6</b>	5,0%
Finansiella intäkter	1,2		4,6	
Finansiella kostnader	-7,7		-33,0	
<b>Net financial items</b>	<b>-6,5</b>		<b>-28,4</b>	
<b>Profit before tax</b>	<b>90,1</b>	8,3%	<b>33,2</b>	2,7%
Tax for the period	-28,8		-30,8	
<b>Net result</b>	<b>61,3</b>	5,7%	<b>2,4</b>	0,2%
<b>Net result / share bef dilution</b>	<b>0,90</b>		<b>-0,01</b>	

# Sales



# Result Before Tax



## Comments Q4, Oct - Dec 2009

- **Cash flow from operating act. +376 to MSEK 430 (54)**
  - Decrease in stock primarily but also accounts rec. and credit terms
- **Equity ratio amounted to 41.0 (34.1) %**
  - Debt repayment
- **Net debt-equity ratio amounted to 96.3 (140.5) %**
  - Debt repayment

## Cash flow - Q4 2009

- Cash flow from operating act. +376 to MSEK 430 (54)

MSE K	3 months oct - dec 2009	3 months oct - dec 2008
Cash flow before changes in working capital	71,4	-8,1
Change in working capital	358,9	61,6
<b>Cash flow from operation</b>	<b>430,3</b>	<b>53,5</b>
Investing activities	18,9	-6,4
<b>Cash flow after investing activities</b>	<b>449,2</b>	<b>47,1</b>
Financial activities	-423,6	-35,4
<b>Cash flow for the period</b>	<b>25,6</b>	<b>11,7</b>

# Comments, January - December 2009

- **Sales -11% MSEK 4 087 (4 604)**
  - Currency effect MSEK +270 or 6%
  - Weak market, primarily in Sweden and USA
  - Sales channel Promo weak, Retail has performed better.
- **Business areas**
  - **Promo: -15% to MSEK 1 876 (2 217)**
  - Nordic countries weak, especially Sweden and Finland.
  - **Sports & Leisure: -8% to MSEK 1 574 (1 714)**
  - Europe growth, USA weak
  - Craft increases, C&B affected by weak market in USA
  - Prior year's sale in connection with EC in football
  - **Gifts & Home Interior: -5% to MSEK 637 (674)**
  - OKB export markets weak

# Geographical Allocation of Turnover

	<b>JAN-DEC 2009</b>	<b>Part of turnover</b>	<b>JAN-DEC 2008</b>	<b>Part of turnover</b>	<b>Change MSEK</b>	<b>%</b>
Nordic countries	1 815	44%	2 075	45%	-260	-13
Central Europe	804	20%	859	19%	-56	-7
South Europe	501	12%	560	12%	-59	-11
North America	796	19%	929	20%	-133	-14
Other countries	170	4%	180	4%	-10	-6
<b>Totalt</b>	<b>4 087</b>	<b>100%</b>	<b>4 604</b>	<b>100%</b>	<b>-517</b>	<b>-11</b>



# Consolidated, January- December 2009

- **Gross margin 46.5 (48.5) %**
  - Restructuring cost and weak market in USA.
- **Operating margin 4.2 (8.0) %**
  - Savings and higher income from sale of OKB glass collection and properties
- **Profit after tax MSEK 87.8 (147.9)**
  - Restructuring costs affected MSEK -56.4
  - Externa & personel costs some 300 mkr lower then py (excl currency changes and restructuring costs)
  - Result per share SEK 1.29 (2.18)

# Income Statement

	12 mths JAN-DEC <b>2009</b>	12 mths JAN-DEC <b>2008</b>	
<b>SEK Mkr</b>			
Net sales	4 087,0	4 604,2	
Goods for resale	-2 185,3	-2 371,8	
<b>Gross margin</b>	<b>1 901,7</b> 46,5%	<b>2 232,4</b> 48,5%	
Other operating income	68,9	56,5	
External costs	-949,1	-1 105,6	
Personnel costs	-751,5	-731,0	
Depreciation and amortization	-70,6	-64,2	
Other costs	-27,0	-19,4	
<b>Operating profit</b>	<b>172,4</b> 4,2%	<b>368,8</b> 8,0%	
Finansiella intäkter	6,2	12,4	
Finansiella kostnader	-52,4	-148,4	
<b>Net financial items</b>	<b>-46,2</b>	<b>-136,0</b>	
<b>Profit before tax</b>	<b>126,2</b> 3,1%	<b>232,8</b> 5,1%	
Tax for the period	-38,4	-84,9	
<b>Net result</b>	<b>87,8</b> 2,1%	<b>147,9</b> 3,2%	
<b>Net result / share bef dilution</b>	<b>1,29</b>	<b>2,18</b>	

# Comments, January - December 2009

- Cash flow from operating act. +1 074 to MSEK 806 (-268)

MSE K	12 months jan - dec 2009	12 months jan-dec 2008
Cash flow before changes in working capital	138,9	163,1
Change in working capital	667,4	-431,1
<b>Cash flow from operation</b>	<b>806,3</b>	<b>-268,0</b>
Investing activities	-23,0	-65,2
<b>Cash flow after investing activities</b>	<b>783,3</b>	<b>-333,2</b>
Financial activities	-884,8	377,2
<b>Cash flow for the period</b>	<b>-101,5</b>	<b>44,0</b>

# Inventory

- Amounted to 1 625 per 31 dececember
  - Goods for resale 1 473 (2 001)
  - Raw materials etc 152 (199)
  - Provision for obsolete goods MSEK 74 (109)
- Inventory amount in balance - however...
  - Approximately 100 mkr to much in OKB, but we should have 100 mkr more in promo articles.

# Financial Highlights - summary

JAN - DEC

	2009	2008	2007	2006	2005	2004
Sales growth %	-11,2	9,8	18,8	15,4	32,9	22,3
Gross margin %	46,5	48,5	47,6	47,9	46,4	45,9
Operating margin bef depr %	6,1	9,4	11,0	10,9	10,7	12,7
Operating margin %	4,4	8,0	9,7	9,8	9,7	11,4
Net profit margin %	2,1	3,2	5,5	6,4	6,8	7,5
Return on equity %	4,9	9,2	17,1	18,7	20,3	22,7
Return on capital employed %	4,3	9,0	12,8	12,9	13,0	16,6
Equity ratio %	41,0	34,1	29,9	37,7	33,8	40,8
Net debt %	96,3	140,5	163,9	100,4	130,1	97,3
Net debt SEK Mkr	1 740,8	2 576,3	2 357,0	1 316,4	1 488,7	886,2
Stock turnover - times	1,1	1,2	1,3	1,2	1,5	1,5
Cash flow bef investments SEK Mkr	806,3	-268,0	83,0	281,3	-97,4	2,3
Net investments SEK Mkr	-23,0	-65,2	-1 165,7	-49,3	-220,2	-245,4
Cash flow after investments SEK Mkr	783,3	-333,2	-1 082,7	232,0	-317,6	-243,1
Equity per share SEK Kr	27,24	27,64	21,68	20,03	17,82	14,75

# Summary 2009

- New Wave has subsidiaries in 20 markets, 2 203 employees and selling 43 brands
- Financial crise during 2009
  - Actions taken to improve cash flow and costs
    - Cash flow from operations amounted to 806 (-268) MSEK
    - Number of employees -359 to 2 203 (2 562)
    - External- and personel costs some 300 MSEK lower (excl currency changes and restructuring costs)

## Summary 2009

New Wave has delivered positiv net profit for  
20 years in a row

.... and we have no other plans for the coming  
20 years...

# Views on 2010 - 2012

2010: We expect an increase in profit and a slightly higher turnover than 2009 years outcome.

Positive cash flow

2011, 2012: Growth in sales and result. Better focus on cash flow than historical numbers.



**We aim to make everyone who buys our products  
a happy customer.**

**If you choose to invest in New Wave Group,  
we want you to know that  
we promise to take care of your investment  
in the best possible way we know how —  
through long-term thinking, growth, stability, and hard work!**