



Orrefors Kosta Boda

NewWave

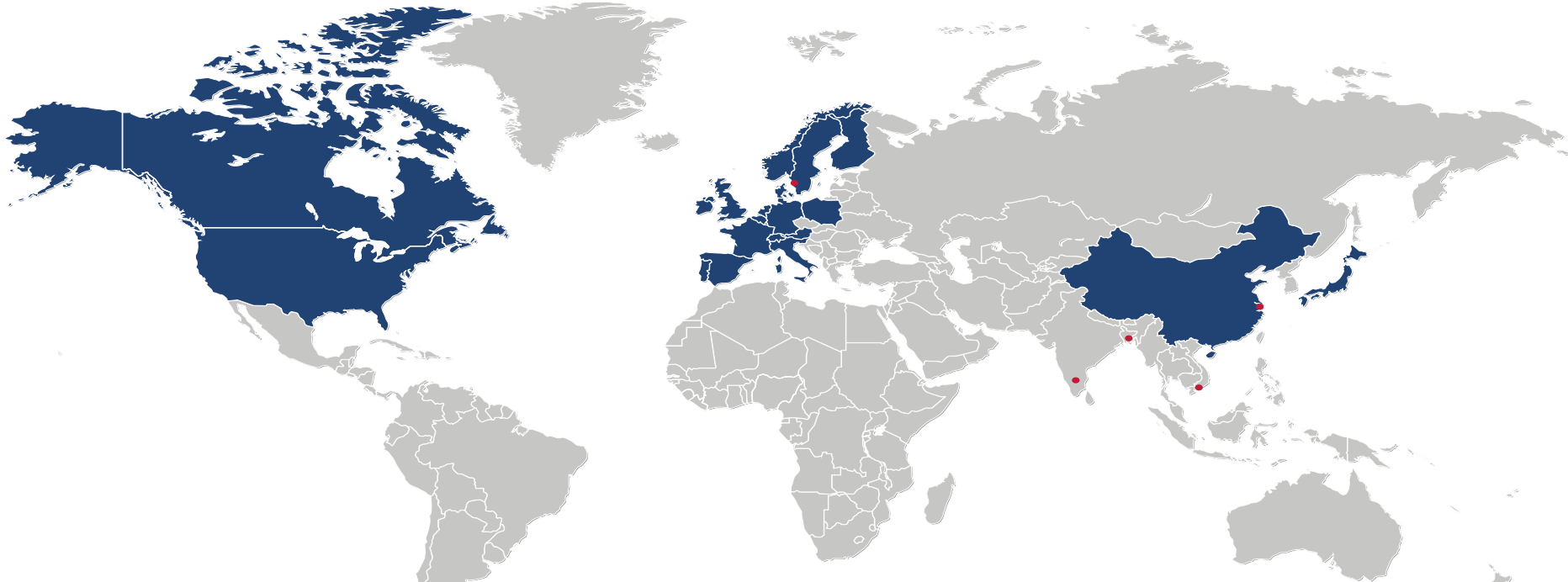
G R O U P

Interim Report

April - June

2015

This is New Wave Group



- ★ New Wave Group is a **growth company**. We **design, acquire and develop brands and products** in the **corporate promotion, gifts and home furnishings** sectors.
- ★ Our three operating segments are: **Corporate Promo**; promowear, promotional gifts and workwear, **Sports & Leisure** and **Gifts & Home Furnishings**.
- ★ We are active in two sales channels; the **promo market** and the **retail market**. By being active in both markets the Group achieves **good risk diversification**. We also achieve great **synergy advantages** since major parts of our product range can be used in both sales channels.
- ★ New Wave Group's strengths are **design, purchasing, logistics and marketing** of our brands.
- ★ The products are mainly produced in Asia and to a certain, lesser extent in Europe.
- ★ New Wave Group has since the start had **strong growth and good margins**.

Corporate Promo



Sport & Leisure



Gifts & Home Furnishings



Operating segments and markets

New Wave Group distributes more than 40 different brands, 3 of which are licensed brands. The rest are fully owned.

Each brand is categorised according to which of our three operating segments it belongs to; Corporate Promo, Sports & Leisure or Gifts & Home Furnishings.

The brands are distributed in both the promo market and the retail market to achieve good risk diversification.



Corporate Promo vision

The vision for the Corporate Promo operating segment is to become the leading supplier in Europe and one of the leading suppliers in the USA of promotional products by offering retailers a broad product range, strong brands, advanced expertise and service, and a superior all-inclusive concept.

Seeger

Sports & Leisure vision

The vision for the Sports & Leisure operating segment involves establishing the wholly owned brands Craft and Seeger as international functional sportswear brands, and making Cutter & Buck a world-leading golf apparel brand.

The vision also entails to strengthening Speedo in the Swedish, Norwegian and Danish markets.

With regards to our most recent acquisitions, we want to launch AHEAD in Europe and in time achieve the same market position as in the USA. The brand Auclair should take a leading position in Europe and we will also use Paris Glove's strong distribution platform to launch the Group's other brands in Canada.

All in all, we want to become the leading sports supplier in both Sweden and the other European countries, as well as in the USA.

Gifts & Home Furnishings vision

The vision for the Gifts & Home Furnishings operating segment area is to make Orrefors and Kosta Boda world-leading glass and crystal suppliers.

Part of the vision also involves utilising innovative and playful design to make Sagaform a prominent player in Northern Europe in both the promo and retail markets.

The Group's ambition is to become a prominent supplier in the North American promo market through its presence in the USA and Canada.



Orrefors Kosta Boda

Financial information



Ahead



April – June 2015

★ Sales SEK 1 191 (983) million

- ★ Sales increased 21% (10% in local currencies)
- ★ Corporate Promo 19%, Sports & Leisure 29%, Gifts & Home 2%
- ★ Improvements in all regions
- ★ Promo sales channel 24%, retail 17%

★ Operating segments

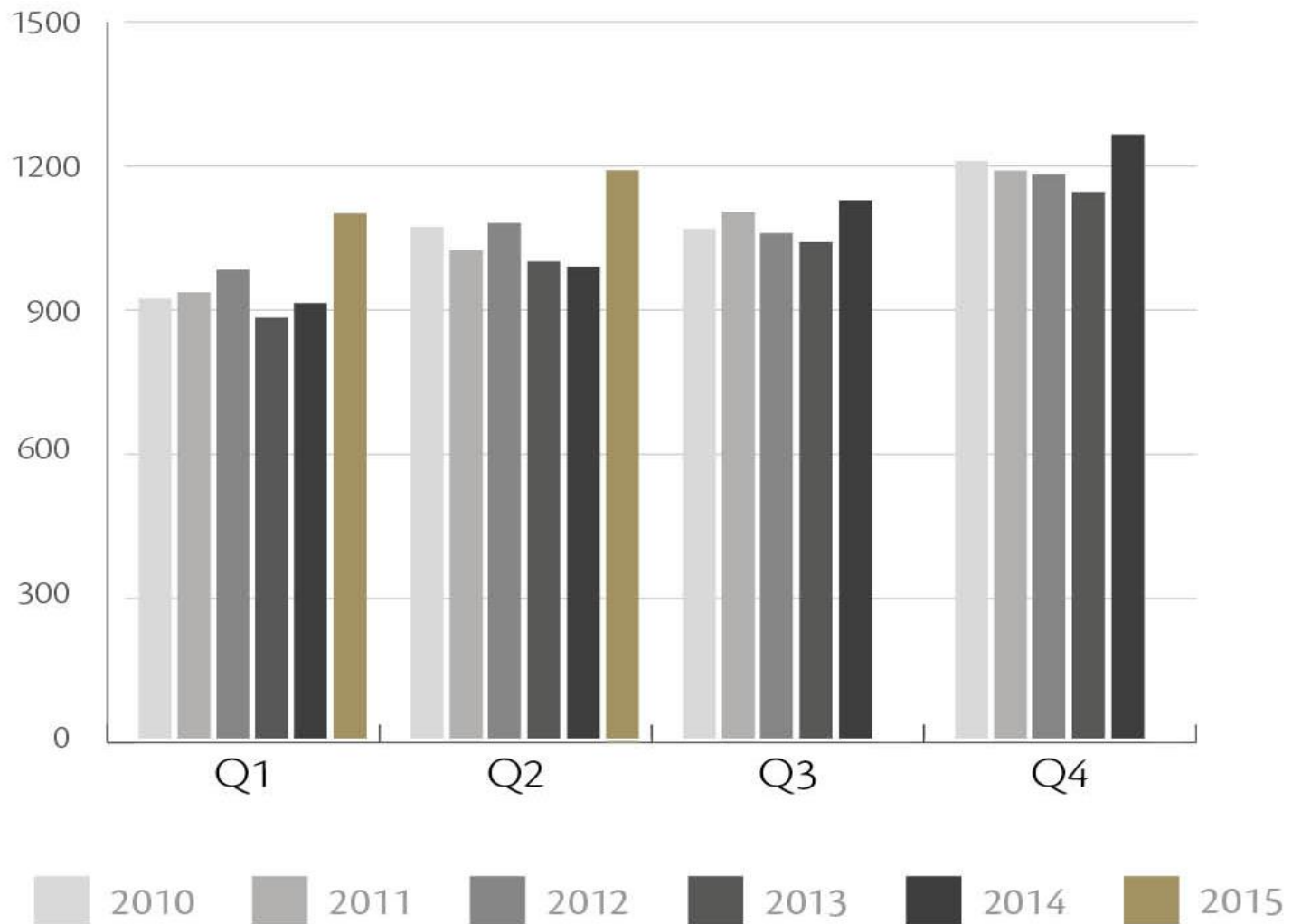
- ★ Corporate Promo 19% to SEK 540 (454) million
 - Increase in all regions
- ★ Sports & Leisure 29% to SEK 522 (404) million
 - Improvement primarily in USA and Europe
 - Increase primarily in promo sales channel
- ★ Gifts & Home 2% to SEK 129 (126) million
 - Improvement related to the retail sales channel

April – June 2015

Sales per area

	APR-JUN 2015	Part of turnover	APR-JUN 2014	Part of turnover	Change MKR	%
Sweden	269	23%	251	25%	18	7
USA	354	30%	261	27%	93	36
Nordic countries excl Sweden	170	14%	144	15%	26	18
Central Europe	194	16%	168	17%	26	15
Southern Europe	115	10%	86	9%	29	34
Other countries	89	7%	73	7%	16	22
Total	1 191	100%	983	100%	208	21

Sales



April – June 2015

- ★ Gross profit margin amounted to 44.7 (45.9)%
 - ★ *mix of products, countries and customers*
- ★ Total costs amounted to SEK -470.9 (-393.6) million
 - ★ *additional sales and marketing activities*
 - ★ *currency affected costs negatively with SEK 42 million*
- ★ Operating profit amounted to SEK 48.7 (48.0) million
 - ★ *higher turnover and gross margin*
 - ★ *more sales and marketing activities*
- ★ Result for the period amounted to SEK 27.8 (29.4) million

*Promowear brand James Harvest
Sportswear helps companies create a
winning team-spirit.*

April – June 2015

Income statement

SEK Million	Apr-Jun 2015		Apr-Jun 2014	
Income	1 191.3		983.3	
Goods for resale	-659.1		-531.8	
Gross profit	532.2	44.7%	451.5	45.9%
Other operating income	7.8		5.4	
External costs	-258.9		-216.9	
Personnel costs	-212.0		-176.7	
Depreciation/amortization	-14.3		-13.2	
Other operating costs	-6.7		-2.6	
Associated companies	0.6		0.5	
Operating profit	48.7	4.1%	48.0	4.9%
Financial income	3.2		1.2	
Financial costs	-16.9		-10.6	
Net financial items	-13.7		-9.4	
Result before tax	35.0		38.6	
Tax on profit for the period	-7.2		-9.2	
Result for the period	27.8		29.4	
Result per share	0.41		0.44	

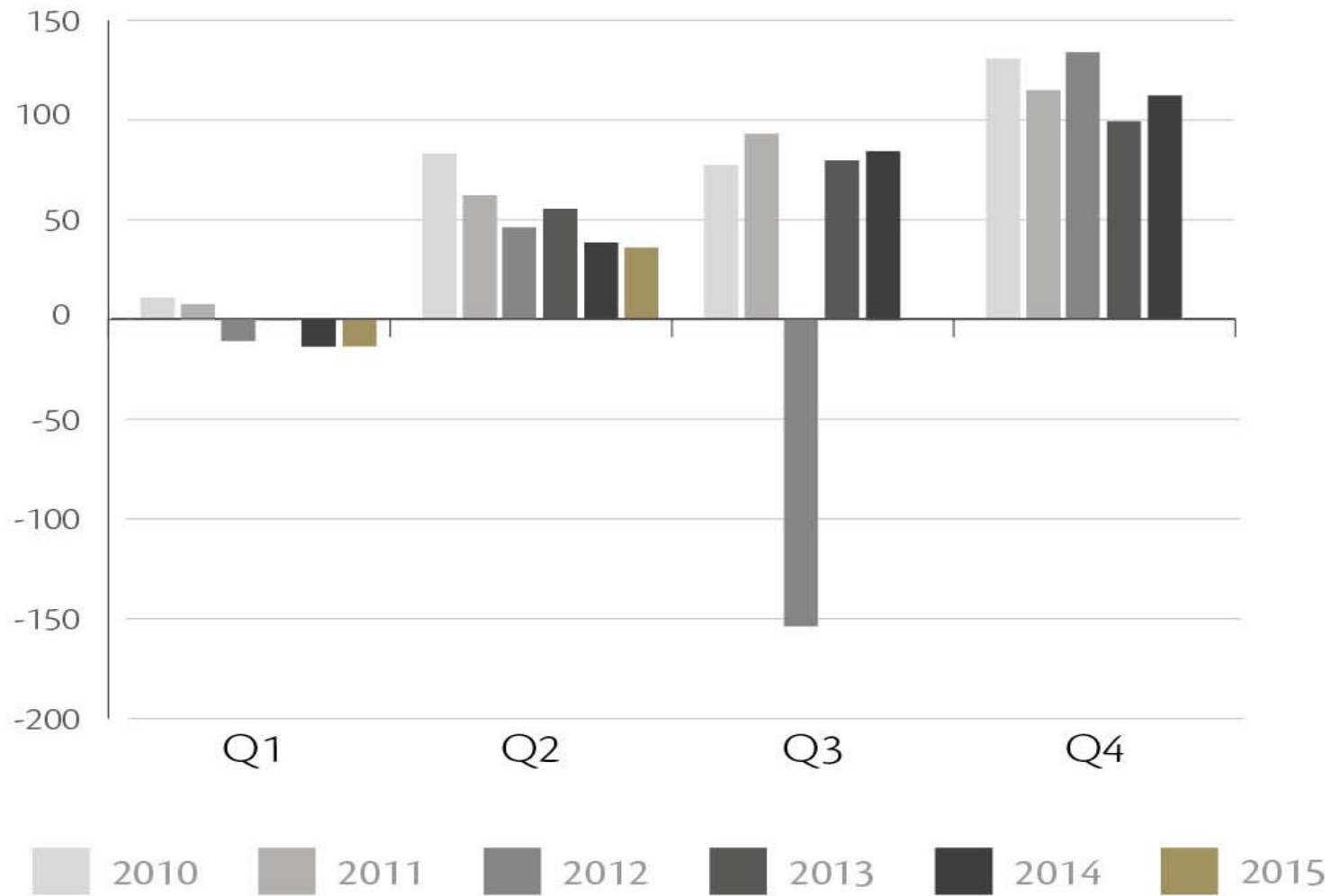


April – June 2015

EBITDA per operating segment

- ★ **Corporate Promo amounted to SEK 52.4 (54.7) million**
 - ★ Higher turnover
 - ★ Somewhat lower gross margin % (mix of products)
 - ★ Higher costs due to increased activity within sales and marketing
- ★ **Sports & Leisure amounted to SEK 10.9 (7.9) million**
 - ★ Higher turnover
 - ★ Higher costs due to increased activity within sales and marketing
- ★ **Gifts & Home amounted to SEK -0.3 (-1.4) million**
 - ★ Turnover related
 - ★ Higher costs due to increased activity within sales and marketing

Result before tax



April - June 2015

Cash flow

SEK Million	Apr-Jun 2015	Apr-Jun 2014
Cash flow from operating act. before changes in working capital	54.6	38.8
Changes in working capital	-110.5	-66.5
Cash flow from operations	-55.9	-27.7
Investing activities	-39.6	-17.5
Cash flow after investing activities	-95.5	-45.2
Financial activities	111.7	63.3
Cash flow for the period	16.2	18.1



January – June 2015

★ Sales SEK 2 287 (1 892) million

- ★ Sales increased 21% (10 % in local currencies)
- ★ Corporate Promo 23%, Sports & Leisure 24%, Gifts & Home 0%.
- ★ Improvements in all regions
- ★ Promo sales channel 27%, retail 15%

★ Sales per Operating segments

- ★ Corporate Promo 23% to SEK 1 007 (816) million
 - Increases in all regions
- ★ Sports & Leisure 24% to SEK 1 046 (842) million
 - Increases primarily in USA and Europe
 - Promo sales channel increased
- ★ Gifts & Home 0% to SEK 235 (234) million
 - Retail sales channel increased while promo decreased

January – June 2015

Sales per area

	JAN-JUN 2015	Part of turnover	JAN-JUN 2014	Part of turnover	Change MSEK	%
Sweden	505	22%	471	25%	34	7
USA	641	28%	482	25%	159	33
Nordic countries excl Sweden	333	15%	287	15%	46	16
Central Europe	416	18%	358	19%	58	16
South Europe	218	9%	162	9%	56	35
Other countries	174	8%	132	7%	42	32
Total	2 287	100%	1 892	100%	395	21



100% Organic cotton
CERES-0201



cottover
people & planet



January – June 2015

- ★ Gross profit margin amounted to 45.1 (45.6)%
 - ★ *improved service level, but also mix of products, countries and customers*

- ★ Total costs amounted to SEK -946.3 (-802.6) million
 - ★ *additional sales and marketing activities*
 - ★ *currency affected costs negatively with SEK 87 million*

- ★ Operating profit amounted to SEK 50.5 (42.1) million
 - ★ *higher turnover*
 - ★ *more sales and marketing activities*

- ★ Result for the period amounted to SEK 16.9 (18.1) million

January – June 2015

Income statement

SEK Million	Jan-Jun 2015	Jan-Jun 2014
Income	2 287.4	1 891.8
Goods for resale	-1 254.8	-1 029.5
Gross profit	1 032.6 45.1%	862.3 45.6%
Other operating income	17.1	12.5
External costs	-529.0	-446.4
Personnel costs	-417.3	-356.2
Depreciation/amortization	-29.2	-25.6
Other operating costs	-25.2	-5.0
Associated companies	1.5	0.5
Operating profit	50.5 2.2%	42.1 2.2%
Financial income	5.1	2.6
Financial costs	-33.9	-20.3
Net financial items	-28.8	-17.7
Result before tax	21.7	24.4
Tax on profit for the period	-4.8	-6.3
Result for the period	16.9	18.1
Result per share	0.24	0.27

January – June 2015

EBITDA per operating segment

- ★ **Corporate Promo amounted to SEK 61.5 (56.1) million**
 - ★ Higher turnover
 - ★ Higher costs due to increased activity within sales and marketing
- ★ **Sports & Leisure amounted to SEK 35.5 (26.8) million**
 - ★ Higher turnover
 - ★ Higher costs due to increased activity within sales and marketing
- ★ **Gifts & Home amounted to SEK -17.3 (-15.2) million**
 - ★ Higher costs due to increased activity within sales and marketing



January - June 2015

Cash flow

SEK Million	Jan-Jun 2015	Jan - Jun 2014
Cash flow from operating act. before changes in working capital	45.4	31.7
Changes in working capital	-130.2	29.4
Cash flow from operating activities	-84.8	61.1
Investing activities	-65.9	-32.5
Cash flow after investing activities	-150.7	28.6
Financial activities	97.4	-42.8
Cash flow for the period	-53.3	-14.2

Financial highlights - summary

	Jan-Jun 2015	Jan-Jun 2014	Jan-Dec 2014	Jan-Dec 2013	Jan-Dec 2012	Jan-Dec 2011	Jan-Dec 2010
Sales growth, %	20.9	1.0	5.6	-5.4	1.0	-0.2	3.8
Number of employees	2 308	2 185	2 212	2 123	2 258	2 470	2 196
Gross profit margin, %	45.1	45.6	45.7	46.2	43.6	47.7	47.1
Operating margin before depreciation, %	3.5	3.6	7.1	8.5	3.8	8.9	9.1
Operating margin, %	2.2	2.2	5.9	7.2	1.7	7.7	7.7
Profit margin, %	0.9	1.3	4.9	5.8	0.3	6.5	7.1
Return on shareholders' equity, %	1.4	1.7	7.9	9.3	0.4	9.9	12.1
Return on capital employed, %	2.4	2.4	6.4	8.2	2.0	8.9	9.4
Equity ratio, %	43.8	49.2	45.9	49.8	44.1	43.5	44.8
Net debt - Equity ratio, %	86.5	62.9	76.0	60.1	77.5	85.9	72.8
Net debt - working capital ratio, %	75.5	69.5	71.1	67.6	77.3	78.6	75.3
Net debt, SEK million	2 086.9	1 327.0	1 828.7	1 264.0	1 516.7	1 797.3	1 406.6
Stock turnover, times	1.1	1.3	1.3	1.4	1.3	1.2	1.4
Cash flow before investments, SEK million	-84.8	61.1	-284.2	358.5	341.1	66.0	343.6
Net investments, SEK million	-65.9	-32.5	-74.3	-46.8	-50.4	-326.5	-57.6
Cash flow after investments, SEK million	-150.7	28.6	-358.5	311.7	290.7	-260.5	286.0
Shareholders' equity per share, SEK	36.38	31.80	36.25	31.69	29.51	31.54	29.14

CEO summary

★ Sales and result

- ★ Growth increased 21% (10% in local currencies)
 - ★ *I am quite satisfied with the second quarter*
 - ★ *Cottover delayed*
- ★ Continue our “investment phase”, where we are increasing our sales and marketing costs which decreases our profit short term

★ Balance sheet and cash flow

- ★ Strong balance sheet with an equity ratio of 44%
- ★ Cash flow negatively affected by new products and marketing activities
- ★ Currency (USD) had a strong impact on stock and net debt

★ Future

- ★ We are taking market shares
- ★ Priorities investments in products, sales and marketing – above profitability

Marketing activities in Sweden

- ★ Harvest & Frost
 - ★ Cottover
 - ★ Cutter & Buck
 - ★ Orrefors Kosta Boda
 - ★ Jobman
 - ★ Projob
-
- ★ Evening press/magazine
 - ★ Social media
 - ★ Web
 - ★ Resellers



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Craft offers sports lovers at all levels underwear, insulating mid layer, and outerwear within running, cross country skiing, bicycling and alpine skiing.

We strive 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 can —

through long-term thinking, growth, stability and hard work!