

2015

INTERIM REPORT
JANUARY - SEPTEMBER



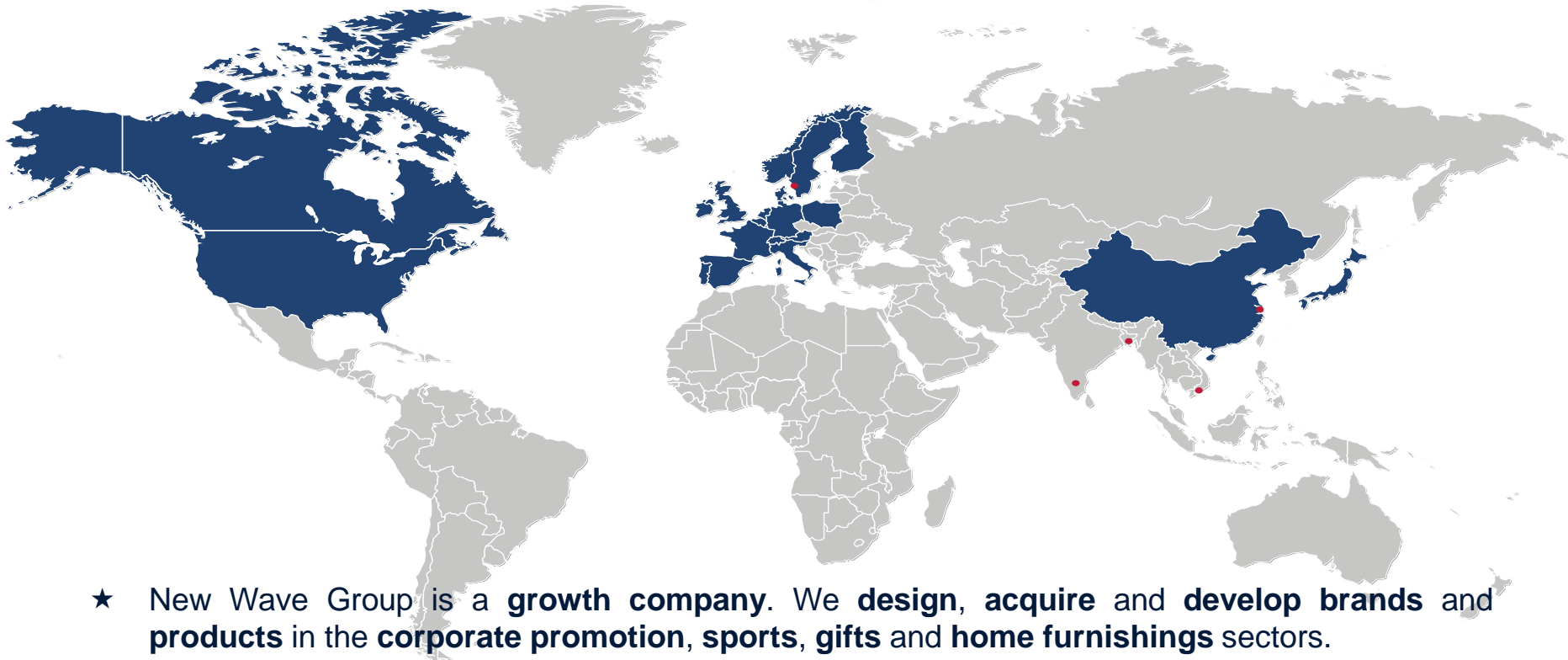
NewWave
GROUP

NewWave

G R O U P

Interim Report
January - September
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, sports, 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 48 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.

Seger

Sports & Leisure vision

The vision for the Sports & Leisure operating segment involves establishing the wholly owned brands Craft and Seger 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.



Cutter & Buck



Financial information

July - September 2015

★ Sales SEK 1 272 (1 122) million

- ★ Sales increased 13% (5% in local currencies)
- ★ Corporate Promo 17%, Sports & Leisure 11%, Gifts & Home 15%
- ★ Improvements in all regions, except Nordic region (excl Sweden)
- ★ Promo sales channel 19%, retail 9%

★ Operating segments

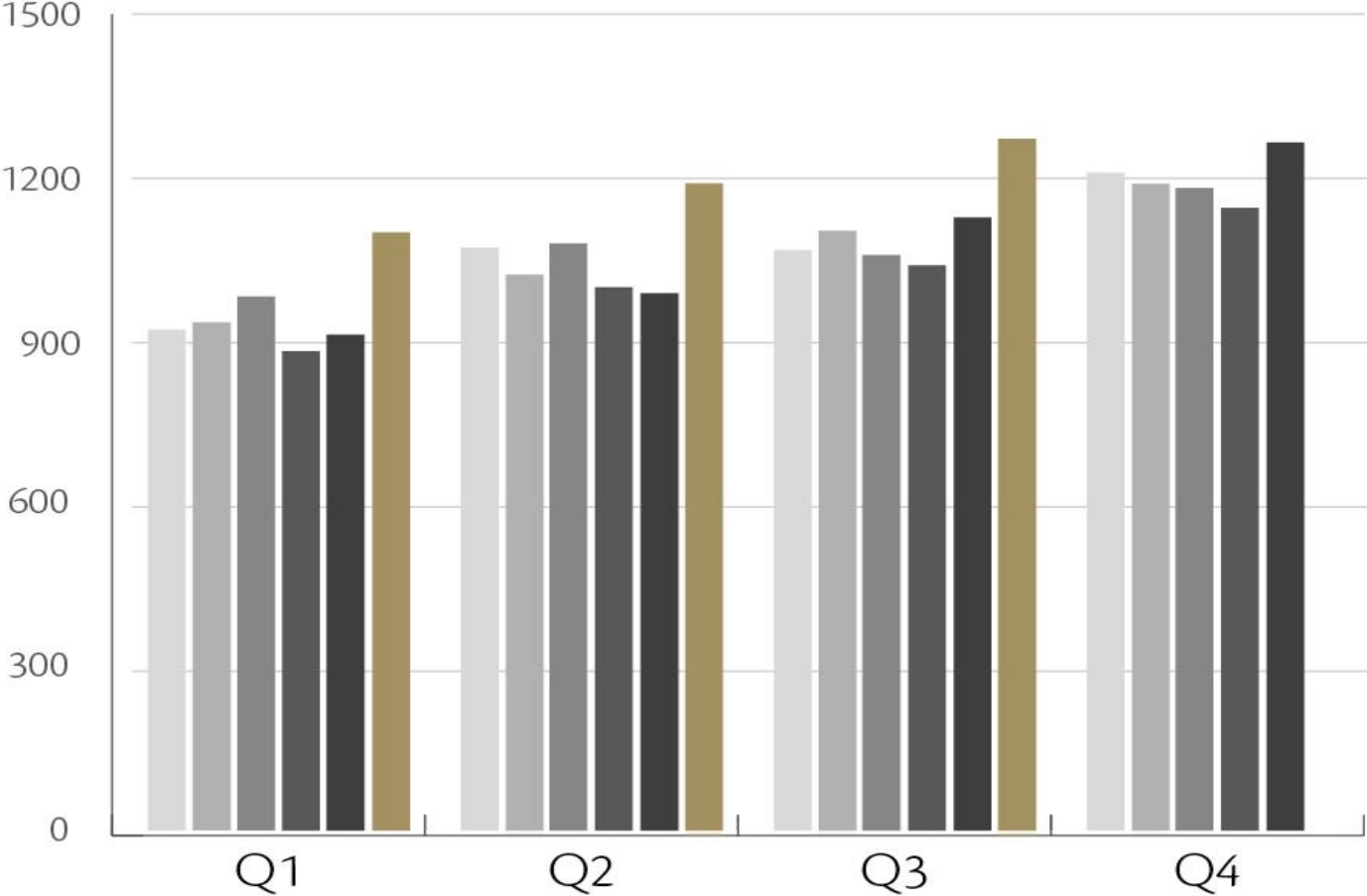
- ★ Corporate Promo 17% to SEK 457 (392) million
 - Growth mainly in Sweden, Europe and USA
- ★ Sports & Leisure 11% to SEK 674 (608) million
 - Positive currency effect
 - Promo sales channel increased
 - Retail sales channel decreased
- ★ Gifts & Home 15% to SEK 140 (123) million
 - Improvement related to both sales channels

July – September 2015

Sales per area

	JUL-SEP 2015	Part of turnover	JUL-SEP 2014	Part of turnover	Change MKR	%
Sweden	271.1	21%	251.5	23%	19.6	8
USA	403.4	32%	344.5	31%	58.9	17
Nordic countries excl Sweden	168.3	13%	169.3	15%	-1.0	-1
Central Europe	220.0	17%	183.3	16%	36.7	20
Southern Europe	101.3	8%	83.1	7%	18.2	22
Other countries	107.9	9%	90.6	8%	17.3	19
Total	1 272.0	100%	1 122.3	100%	149.7	13

Sales



2010 2011 2012 2013 2014 2015

Ahead



July – September 2015

- ★ Gross profit margin amounted to 45.1 (44.6)%
 - ★ *mix of products, countries and customers*
- ★ Total costs amounted to SEK -475.8 (-391.4) million
 - ★ *additional sales and marketing activities*
 - ★ *currency affected costs negatively with SEK 42 million*
- ★ Operating profit amounted to SEK 96.3 (95.7) million
 - ★ *higher turnover and gross margin*
 - ★ *more sales and marketing activities*
- ★ Result for the period amounted to SEK 65.1 (66.9) million
 - ★ *higher net debt / interest costs*

July – September 2015

Income statement

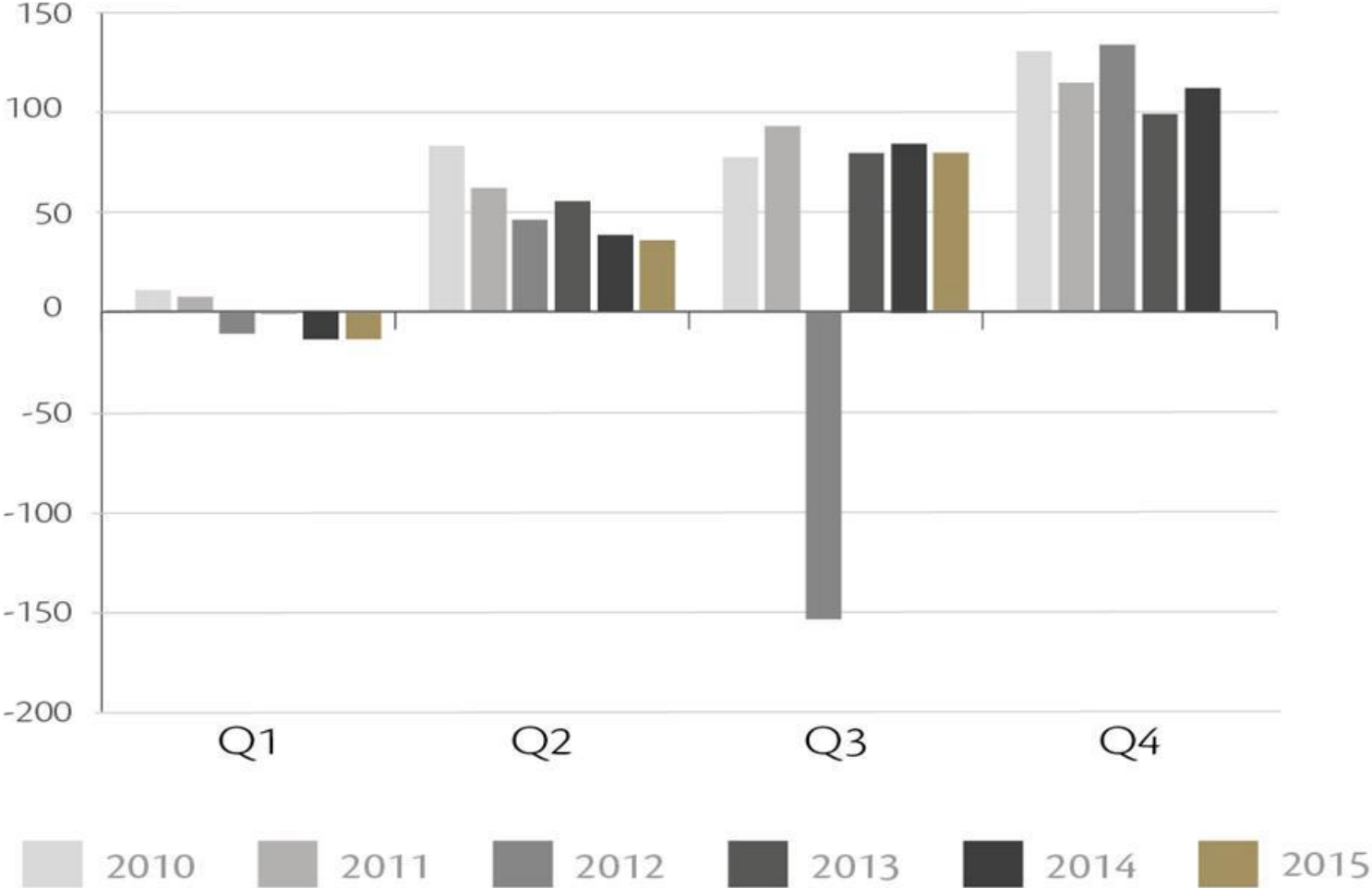
SEK Million	Jul-Sep 2015		Jul-Sep 2014	
Income	1 272.0		1 122.3	
Goods for resale	-697.8		-621.9	
Gross profit	574.2	45.1%	500.4	44.6%
Other operating income	22.1		5.1	
External costs	-273.0		-216.6	
Personnel costs	-202.8		-174.8	
Depreciation/amortization	-13.7		-14.4	
Other operating costs	-9.3		-4.1	
Associated companies	-1.2		0.1	
Operating profit	96.3	7.6%	95.7	8.5%
Financial income	1.4		1.1	
Financial costs	-19.0		-12.1	
Net financial items	-17.6		-11.0	
Result before tax	78.7		84.7	
Tax on profit for the period	-13.6		-17.8	
Result for the period	65.1		66.9	
Result per share	0.98		1.01	



July - September 2015 EBITDA per operating segment

- ★ **Corporate Promo amounted to SEK 26.6 (40.4) 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 77.8 (75.8) million**
 - ★ Higher turnover
 - ★ Higher costs due to increased activity within sales and marketing
- ★ **Gifts & Home amounted to SEK 5.6 (-6.1) million**
 - ★ Higher turnover
 - ★ Slightly higher gross margin %

Result before tax



July - September 2015

Cash flow

SEK Million	Jul-Sep 2015	Jul-Sep 2014
Cash flow from operating act. before changes in working capital	73.8	93.1
Changes in working capital	-235.0	-383.8
Cash flow from operations	-161.2	-290.7
Investing activities	-15.1	-12.2
Cash flow after investing activities	-176.3	-302.9
Financial activities	173.0	289.6
Cash flow for the period	-3.3	-13.3



January – September 2015

★ Sales SEK 3 559 (3 014) million

- ★ Sales increased 18% (8% in local currencies)
- ★ Corporate Promo 21%, Sports & Leisure 19%, Gifts & Home 5%.
- ★ Improvements in all regions
- ★ Promo sales channel 24%, retail 12%

★ Sales per Operating segments

- ★ Corporate Promo 21% to SEK 1 464 (1 208) million
 - Increases in all regions
- ★ Sports & Leisure 19% to SEK 1 720 (1 450) million
 - Increases primarily in USA and Europe
 - Promo sales channel increased
- ★ Gifts & Home 5% to SEK 375 (357) million
 - Improvements in both sales channels

January - September 2015

Sales per area

	JAN-SEP 2015	Part of turnover	JAN-SEP 2014	Part of turnover	Change MSEK	%
Sweden	776.1	22%	722.9	24%	53.2	7
USA	1 044.9	29%	826.2	28%	218.7	26
Nordic countries excl Sweden	501.5	14%	456.3	15%	45.2	10
Central Europe	636.2	18%	541.1	18%	95.1	18
Southern Europe	319.2	9%	245,0	8%	74.2	30
Other countries	281.5	8%	222.6	7%	58.9	26
Total	3 559.4	100%	3 014.1	100%	545.3	18



January - September 2015

- ★ Gross profit margin amounted to 45.1 (45.2)%
 - ★ *improved service level, but the mix of products, countries and customers have influenced gross margin % negatively*
- ★ Total costs amounted to SEK -1 422.1 (-1 194.0) million
 - ★ *additional sales and marketing activities*
 - ★ *currency affected costs negatively with SEK 129 million*
- ★ Operating profit amounted to SEK 146.8 (137.8) million
 - ★ *higher turnover*
 - ★ *more sales and marketing activities*
- ★ Result for the period amounted to SEK 82.0 (85.0) million

cottover
people & planet



100% Organic cotton
CERES-0201



January - September 2015

Income statement

SEK Million	Jan-Sep 2015		Jan-Sep 2014	
Income	3 559.4		3 014.1	
Goods for resale	-1 952.6		-1 651.4	
Gross profit	1 606.8	45.1%	1 362.7	45.2%
Other operating income	39.2		17.6	
External costs	-802.0		-663.0	
Personnel costs	-620.1		-531.0	
Depreciation/amortization	-42.9		-40.0	
Other operating costs	-34.5		-9.1	
Associated companies	0.3		0.6	
Operating profit	146.8	4.1%	137.8	4.6%
Financial income	6.5		3.7	
Financial costs	-52.9		-32.4	
Net financial items	-46.4		-28.7	
Result before tax	100.4		109.1	
Tax on profit for the period	-18.4		-24.1	
Result for the period	82.0		85.0	
Result per share	1.22		1.28	

January - September 2015

EBITDA per operating segment



- ★ **Corporate Promo amounted to SEK 88.1 (96.5) million**
 - ★ Higher turnover
 - ★ Higher costs due to increased activity within sales and marketing

- ★ **Sports & Leisure amounted to SEK 113.3 (102.6) million**
 - ★ Higher turnover
 - ★ Higher costs due to increased activity within sales and marketing

- ★ **Gifts & Home amounted to SEK -11.7 (-21.3) million**
 - ★ Higher costs due to increased activity within sales and marketing

January - September 2015

Cash flow

SEK Million	Jan-Sep 2015	Jan - Sep 2014
Cash flow from operating act. before changes in working capital	119.2	124.8
Changes in working capital	-365.2	-354.4
Cash flow from operating activities	-246.0	-229.6
Investing activities	-81.0	-44.7
Cash flow after investing activities	-327.0	-274.3
Financial activities	270.4	246.8
Cash flow for the period	-56.6	-27.5

Financial highlights - summary

	9 months Jan-Sep 2015	9 months Jan-Sep 2014	12 months Jan-Dec 2014	12 months Jan-Dec 2013	12 months Jan-Dec 2012	12 months Jan-Dec 2011	12 months Jan-Dec 2010
Sales growth, %	18.1	3.7	5.6	-5.4	1.0	-0.2	3.8
Number of employees	2 361	2 186	2 212	2 123	2 258	2 470	2 196
Gross profit margin, %	45.1	45.2	45.7	46.2	43.6	47.7	47.1
Operating margin before depreciation, %	5.3	5.9	7.1	8.5	3.8	8.9	9.1
Operating margin, %	4.1	4.6	5.9	7.2	1.7	7.7	7.7
Profit margin, %	2.8	3.6	4.9	5.8	0.3	6.5	7.1
Return on shareholders' equity, %	4.5	5.3	7.9	9.3	0.4	9.9	12.1
Return on capital employed, %	4.4	4.9	6.4	8.2	2.0	8.9	9.4
Equity ratio, %	42.8	45.9	45.9	49.8	44.1	43.5	44.8
Net debt - Equity ratio, %	92.1	76.0	76.0	60.1	77.5	85.9	72.8
Net debt - working capital ratio, %	76.0	72.6	71.1	67.6	77.3	78.6	75.3
Net debt, SEK million	2 290.3	1 689.8	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	-246.0	-229.6	-284.2	358.5	341.1	66.0	343.6
Net investments, SEK million	-81.0	-44.7	-74.3	-46.8	-50.4	-326.5	-57.6
Cash flow after investments, SEK million	-327.0	-274.3	-358.5	311.7	290.7	-260.5	286.0
Shareholders' equity per share, SEK	37.49	33.49	36.25	31.69	29.51	31.54	29.14

CEO summary

★ Sales and result

- ★ Growth increased 13% (5% in local currencies)
 - ★ *Promo sales channel 19% and Sweden 14%*
 - ★ *Growth started this quarter last year*
- ★ 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 42.8%
- ★ Cash flow negatively affected by new products and marketing activities

★ Future

- ★ We are in a strong position with a good service level
- ★ Warm October gives weak start on the forth quarter
- ★ Prioritizes investments in products, sales and marketing – above profitability

The marketing activities in Sweden continue...

- ★ Harvest & Frost
- ★ Cottover
- ★ Cutter & Buck
- ★ Orrefors Kosta Boda
- ★ Jobman
- ★ Projob

- ★ Evening press/magazine
- ★ Social media
- ★ Web

- ★ Resellers





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!