

2017

DELÅRSRAPPORT
JANUARI – MARS



NewWave
G R O U P

CRAFT
FUNCTIONAL FOOTWEAR

NewWave

G R O U P

Interim report

January – March

2017

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 49 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.



Clique

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.

Sports & Leisure vision

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

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

The brand Auclair should take a leading position on gloves in Europe and we will also use Paris Glove's strong distribution platform to launch the Group's other brands in Canada.

We want to become the leading sports supplier in both Sweden and the other European countries, as well as in the USA. All in all, our brands shall give us a position among the largest sport suppliers in the world.



Cutter & Buck



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.



James Harvest & Frost

Financial information



January – March 2017

- ★ **Sales SEK 1 264 million (1 131)**
 - ★ Sales increased 12 % (9 % in local currencies).
 - ★ Corporate Promo 17 %, Sports & Leisure 6 %, Gifts & Home 15 %.
 - ★ Growth in all geographical areas.
 - ★ Promo sales channel 16 %, retail 7 %.

- ★ **Sales per Operating segment**
 - ★ Corporate Promo 17 % to SEK 590 million (505).
 - Promo sales channel.
 - Growth in all areas.

 - ★ Sports & Leisure 6 % to SEK 553 million (520).
 - Growth in both sales channels.
 - Europe and USA.

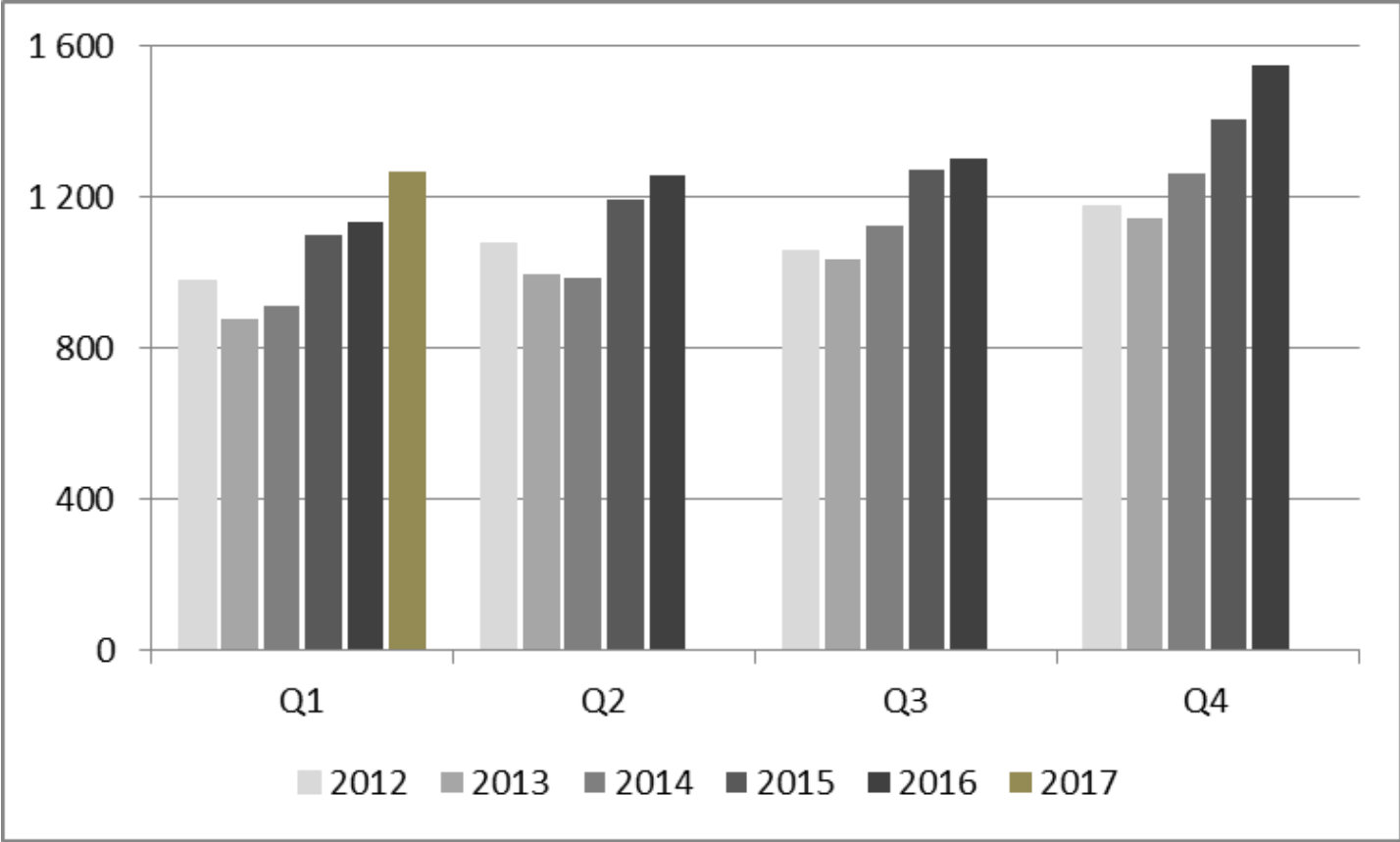
 - ★ Gifts & Home 15 % to SEK 122 million (106).
 - Retail sales channel.
 - Sweden.

January – March

Net income per area

	Jan-Mar 2017	Part of turnover	Jan-Mar 2016	Part of turnover	Change MSEK	%
Sweden	255.8	20%	236.7	21%	19.1	8
USA	314.4	25%	289.4	26%	25.0	9
Nordic countries excl Sweden	175.9	14%	163.0	14%	12.9	8
Central Europe	274.8	22%	250.2	22%	24.6	10
Southern Europe	129.3	10%	112.8	10%	16.5	15
Other countries	114.0	9%	78.7	7%	35.3	45
Total	1 264.2	100%	1 130.8	100%	133.4	12

Net income





January – March 2017

- ★ Gross profit margin amounted to 45.2 (45.5) %.
 - ★ *Improvement in all segments.*
- ★ Total costs amounted to SEK -516.7 million (-497.2)
 - ★ *Currency effect when translated into SEK.*
- ★ Operating profit amounted to SEK 43.2 million (8.1)
 - ★ *Higher turnover.*
- ★ Result for the period amounted to SEK 24.9 million (-4.6).

January – March 2017

Income statement

SEK Million	Jan-Mar 2017		Jan-Mar 2016	
Income	1 264.2		1 130.8	
Goods for resale	-692.8		-616.3	
Gross profit	571.4	45.2%	514.5	45.5%
Other operating income	10.9		9.4	
External costs	-288.6		-279.8	
Personnel costs	-228.1		-217.4	
Depreciation/amortization	-15,0		-13.2	
Other operating costs	-7.8		-5.6	
Associated companies	0.4		0.2	
Operating profit	43.2	3.4%	8.1	0.7%
Financial income	1.3		1.2	
Financial costs	-13.8		-15,0	
Net financial items	-12.5		-13.8	
Result before tax	30.7		-5.7	
Tax for the period	-5.8		1.1	
Result for the period	24.9		-4.6	
Result per share	0.38		-0.06	

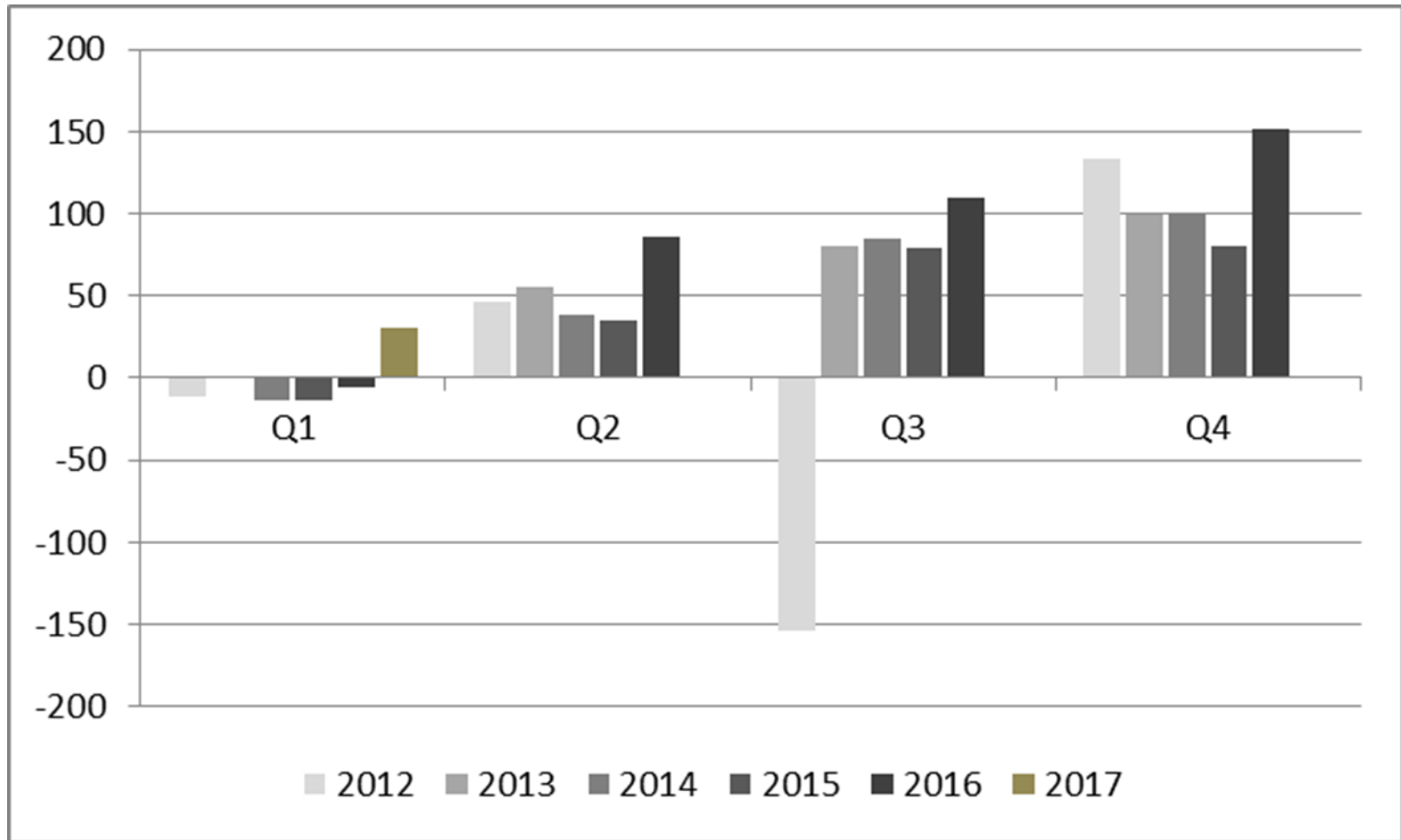


January – March 2017

EBITDA per operating segment

- ★ **Corporate Promo** amounted to **SEK 33.7 million (13.5)**.
 - ★ Higher turnover.
 - ★ Somewhat lower gross margin % .
 - ★ Higher costs for sales and marketing.
- ★ **Sports & Leisure** amounted to **SEK 32.8 million (22.0)**.
 - ★ Higher turnover.
 - ★ Improved gross margin %.
- ★ **Gifts & Home Furnishings** amounted to **SEK -8.3 million (-14.2)**.
 - ★ Higher turnover.
 - ★ Improved gross margin %.

Result before tax



January – March 2017

Cash flow

SEK Million	Jan-Mar 2017	Jan-Mar 2016
Cash flow from operating act. before changes in working capital	37.8	-4.2
Changes in working capital	-4.2	68.1
Cash flow from operations	33.6	63.9
Investing activities	-19.9	-16.3
Cash flow after investing activities	13.7	47.6
Financial activities	-39.4	-74.6
Cash flow for the period	-25.7	-27.0

Financial highlights

	Jan-Mar 2017	Jan-Mar 2016	Jan-Dec 2016	Jan-Dec 2015
Sales growth, %	11.8	3.2	5.5	16.2
Number of employees	2 419	2 398	2 396	2 358
Gross profit margin, %	45.2	45.5	46.0	45.1
Operating margin before depreciation, %	4.6	1.9	8.7	6.3
Operating margin, %	3.4	0.7	7.6	5.1
Profit margin, %	2.4	-0.5	6.5	3.6
Return on shareholders' equity, %	3.56	-0.6	10.4	6.0
Return on capital employed, %	3.6	0.8	8.6	5.8
Equity ratio, %	49.4	46.2	48.4	45.9
Net debt - Equity ratio, %	60.6	75.0	62.1	76.8
Net debt - working capital ratio, %	63.6	71.1	64.7	71.7
Net debt, SEK million	1714.3	1869.5	1 748.9	1 929.1
Stock turnover, times	1.1	1.0	1.1	1.2
Cash flow before investments, SEK million	33.6	70.6	448.9	129.5
Net investments, SEK million	-19.9	-23.2	-89.6	-106.5
Cash flow after investments, SEK million	13.7	47.4	359.3	23.0
Shareholders' equity per share, SEK	42.65	37.58	42.46	37.89

CEO - summary quarter

All time high in both sales and operating result

★ Sales

- ★ Growth 12 % (3 %). Growth in nearly all regions.
- ★ Positive calendar effect.

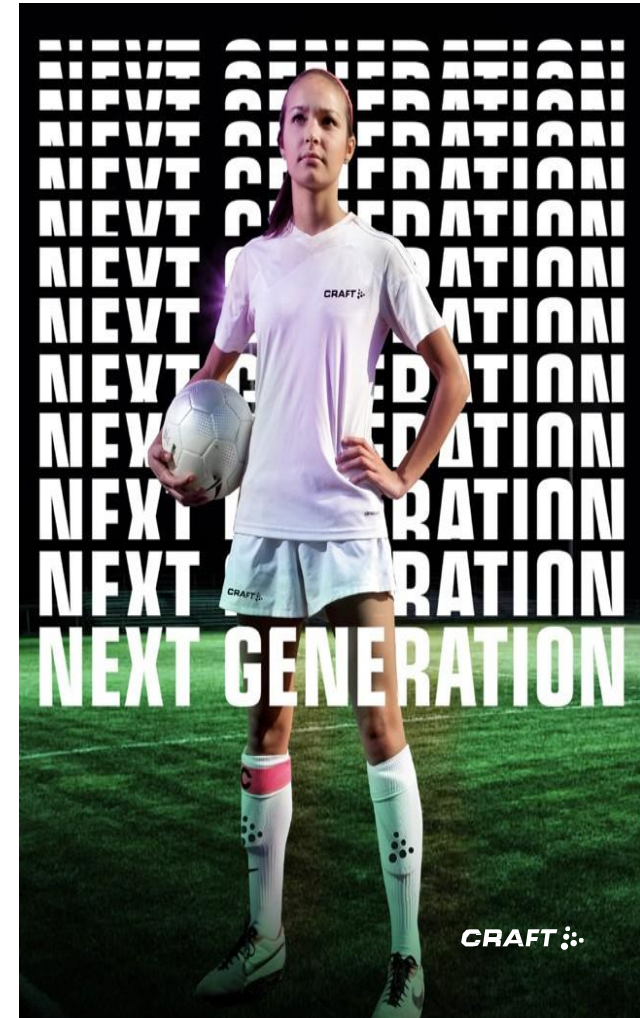
★ Result

- ★ The growth has positive impact on the result.
- ★ Operating result improved with SEK 35.1 million to SEK 43.2 million (8.1).
- ★ The periods result increases for the fifth quarter in a row.

★ The future

- ★ Investments in North America.
- ★ Craft Teamwear.

Ongoing activities and news





Kosta Boda
Mattias Stenberg

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!