

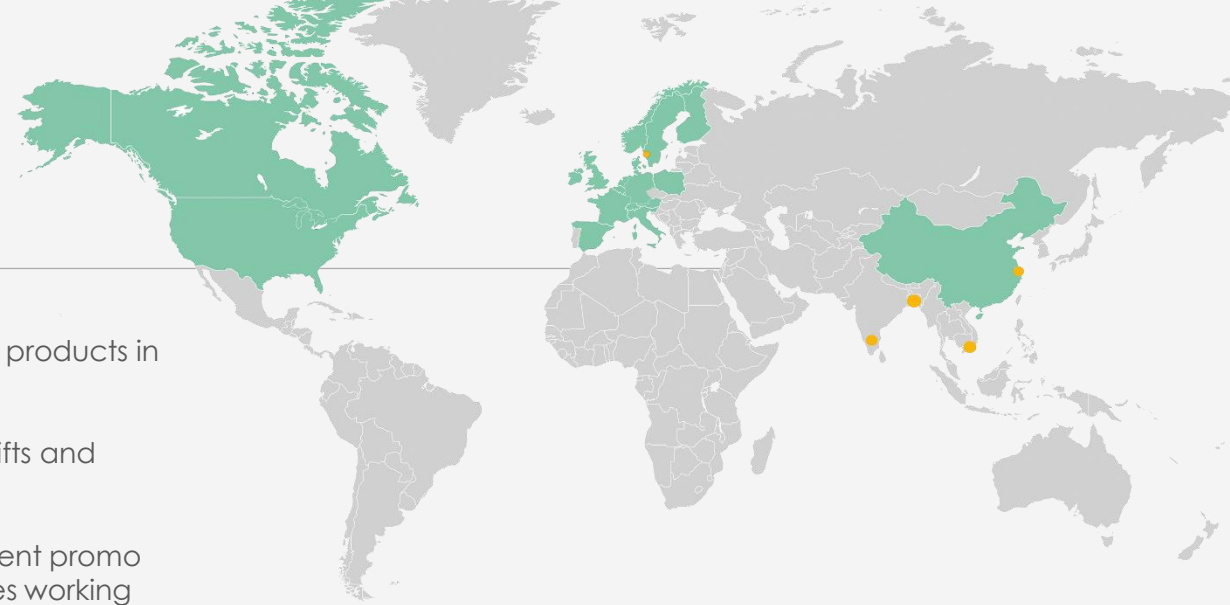


2018

INTERIM REPORT January - June

NewWave
G R O U P

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, with promowear, promotional gifts and workwear, Sports & Leisure and Gifts & Home Furnishings.

We are active in two sales channels: **the promo market**, with sales mainly to independent promo retailers, and **the retail market**, with sales mainly to consumers through retail companies working with specialized stores.

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.

OPERATING SEGMENTS AND MARKETS

PROMO



SPORTS & LEISURE



GIFTS & HOME FURNISHINGS



Our brands are 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.



SPORTS AND 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 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.

Overall, we want to be one of the leading sports suppliers, both in Sweden and in other European countries and in the United States. All in all, our brands shall give us a position among the largest sport suppliers in the world.



CRAFT 

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.



CRAFT TEAMWEAR

FUSEKNIT

CREATIVE PERFECTION

CRAFT ⚙️





TOTAL FANBASE

7.2 M

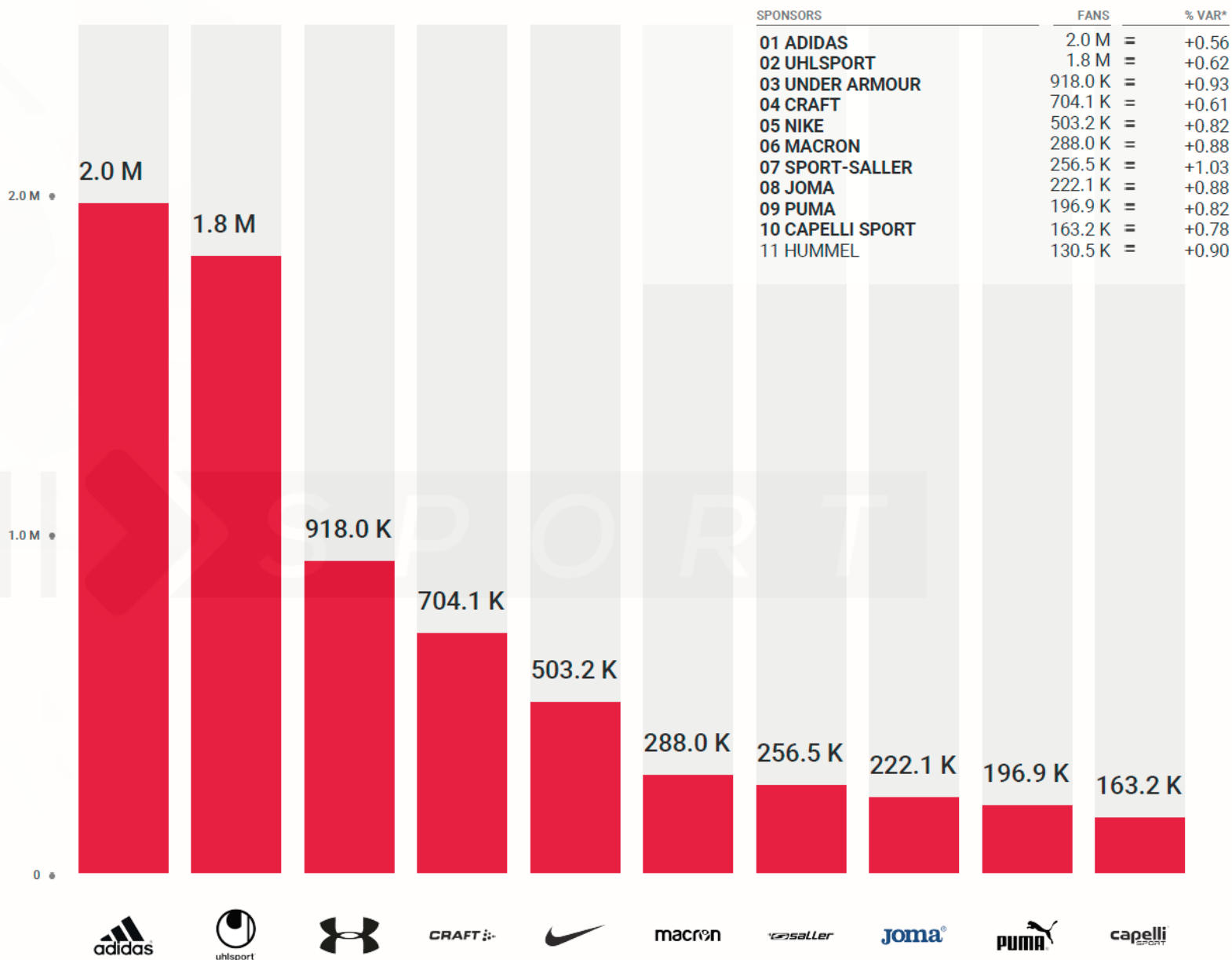


BUNDESLIGA

Potential Social Media exposition
of the **TECH BRANDS** on jerseys
in relation to the total fanbase of
the 18 sponsored 2.BUNDESLIGA
Football Clubs.

*[from September 15, 2018 to October 15, 2018]

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CLUBS

18

TECH BRANDS

11

TECH BRANDS on jersey coverage
in relation to the 18 sponsored
2.BUNDESLIGA Football Clubs.



*[from September 15, 2018 to October 15, 2018]

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FINANCIAL INFORMATION

JULY - SEPTEMBER

SALES

Sales SEK 1,551.2 (1,331.1) million

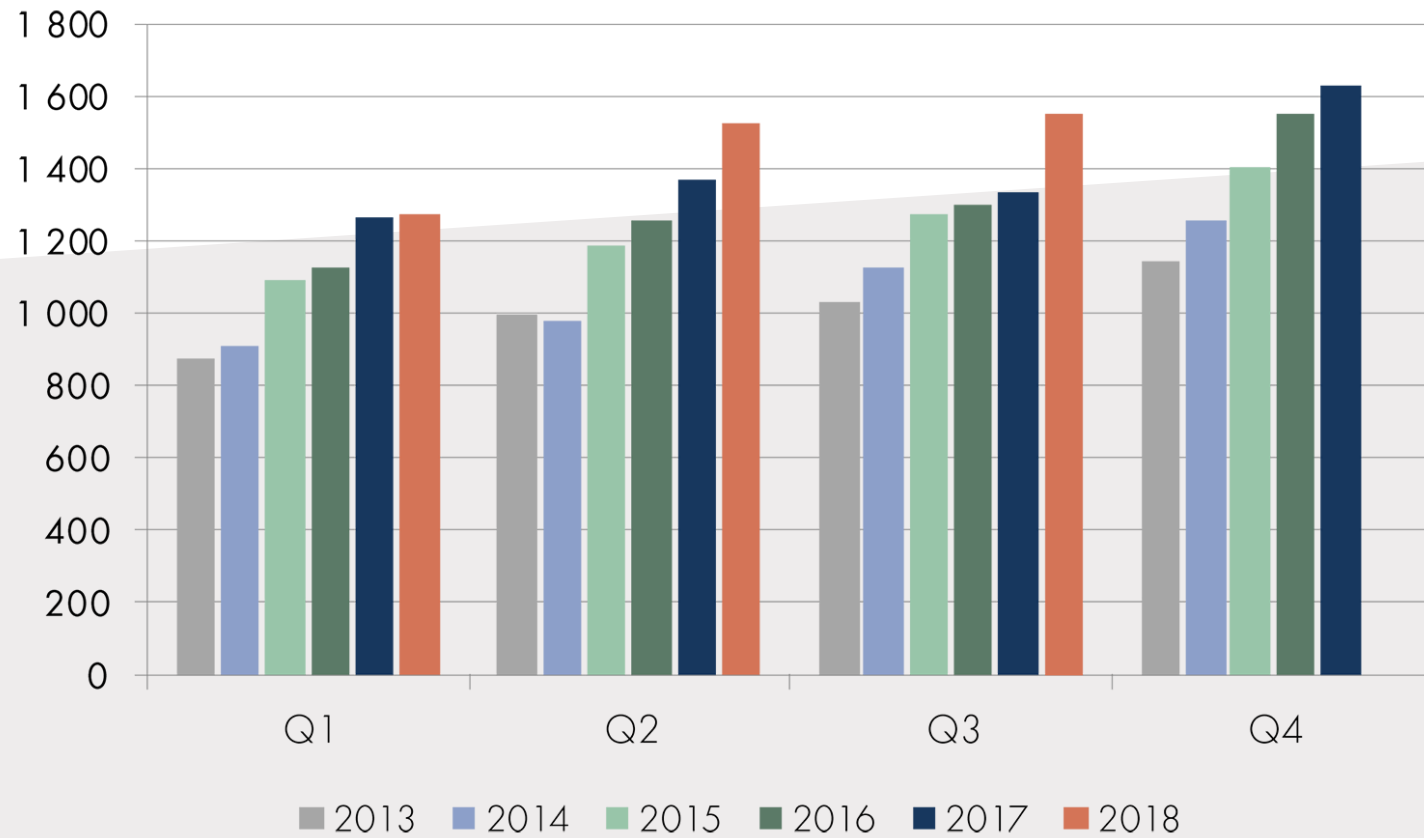
Sales increased by **17 %** (9 % in local currencies)

Corporate Promo 25 %, **Sports & Leisure** 15 %, **Gifts & Home Furnishings** -5 %

Growth in all regions

Promo sales channel 23 %, **retail** 10 %

NET SALES



JULY - SEPTEMBER

NET SALES PER GEOGRAPHIC AREA

SEK million	Jul - Sep 2018	Part of net sales	Jul - Sep 2017	Part of net sales	Change MSEK	Change %
Sweden	350.9	23%	342.2	26%	8.7	3%
USA	408.6	26%	359.5	27%	49.1	14%
Nordic countries excluding Sweden	195.0	13%	179.3	13%	15.6	9%
Central Europe	250.1	16%	208.4	16%	41.7	20%
Southern Europe	149.7	10%	132.9	10%	16.9	13%
Other countries	196.8	13%	108.7	8%	88.1	81%
Total	1 551.2	100%	1 331.1	100%	220.1	17%

JULY - SEPTEMBER

Gross profit margin amounted to 46.1 (47.9) %

External costs and personnel costs amounted to a total of SEK -581.2 (-482.5) million

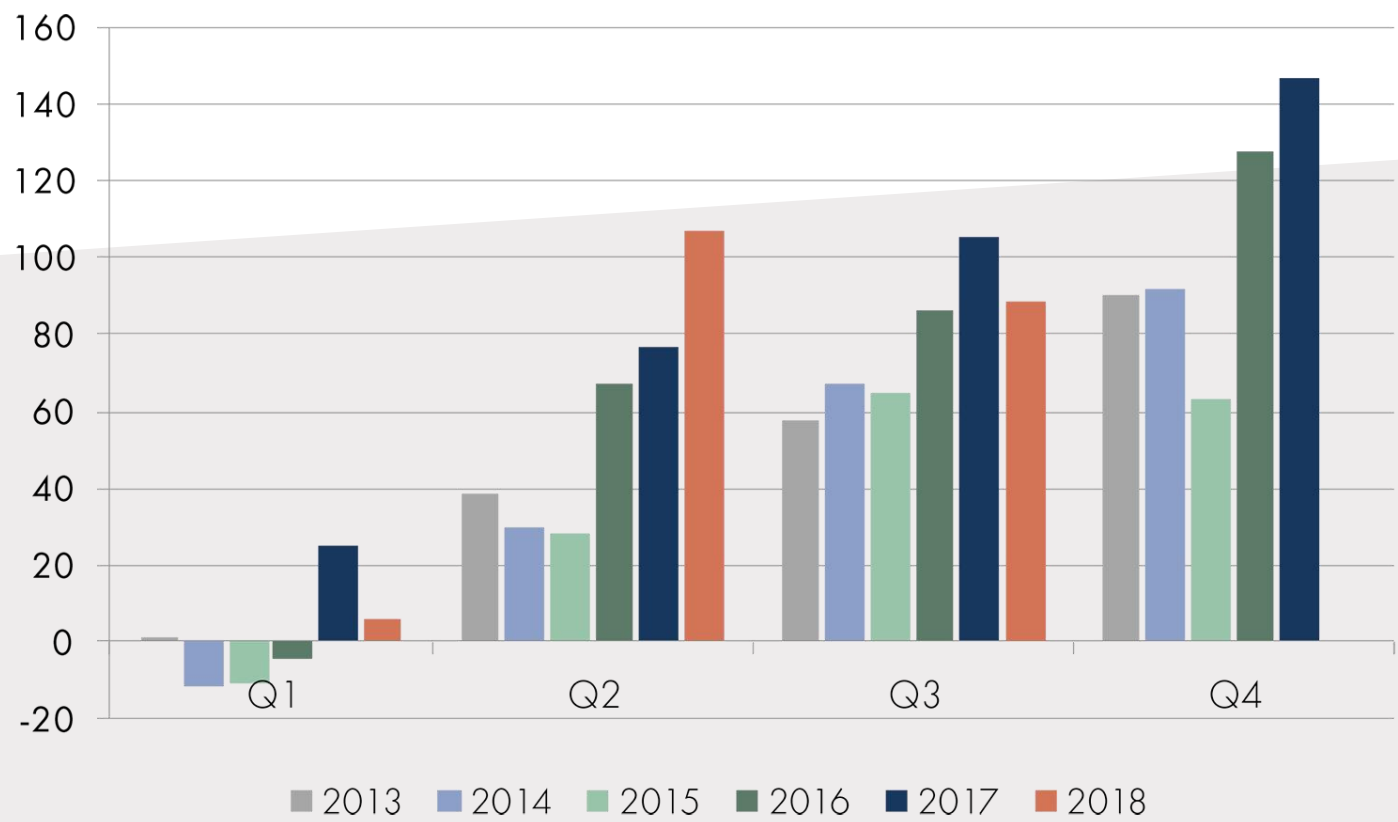
- More sales and service oriented activities
- More employees within sales, warehouse and customer service

Operating result amounted to SEK 117.5 (143.0) million

Result for the period amounted to SEK 88.4 (105.3) million

SEK million	Jul – Sep 2018		Jul – Sep 2017	
Net sales	1 551.2		1 331.1	
Goods for resale	-835.3		-692.8	
Gross profit	715.8	46.1%	638.2	47.9%
Other operating income	19.3		10.4	
External costs	-323.5		-265.4	
Personnel costs	-257.7		-217.1	
Depreciation and write-downs of tangible and intangible fixed assets	-20.2		-16.4	
Other operating costs	-15.0		-7.4	
Share of associated companies' result	-1.3		0.6	
Operating result	117.5	7.6%	143.0	10.7%
Net financial items	-11.6		-13.1	
Result before tax	105.9		129.8	
Tax on result for the period	-17.5		-24.5	
Result for the period	88.4		105.3	
Result per share (SEK)	1.36		1.60	

RESULT FOR THE PERIOD



JULY - SEPTEMBER

EBITDA PER OPERATING SEGMENT

Corporate Promo amounted to SEK 55.4 (49.9) million

- Higher turnover
- Increased marketing activities

Gifts & Home Furnishings amounted to SEK 3.9 (10.5) million

- Lower turnover

Sports & Leisure amounted to SEK 78.3 (98.9) million

- Higher turnover
- Improved gross profit margin
- Higher marketing costs



JULY - SEPTEMBER

CASH FLOW

SEK million

Jul - Sep
2018

Jul - Sep
2017

Cash flow from operating activities before
changes in working capital

116.1

153.3

Change in working capital

-199.1

-163.7

Cash flow from operating activities

-83.0

-10.4

Investing activities

-42.1

-36.9

Cash flow after investing activities

-125.1

-47.3

Financial activities

104.9

30.2

Cash flow for the period

-20.2

-17.1

CEO COMMENTS



Strong Sales – continued
investments gave us
high costs

- Torsten Jansson, CEO

The quarter

Strong growth of 17 % (9 % in local currency)

Promo sales channel 23 %, retail 10 %.

17th quarter in a row with growth. Our investments in marketing activities gave us high costs.

Operating result decreased and amounted to SEK 117.5 (143.0) million

Result for the period decreased to SEK 88.4 (105.3) million

JANUARY - SEPTEMBER

SALES

Sales amounted to SEK 4 347.2 (3 967.0) million

Sales increased by **10 %** (7 % in local currencies)

Corporate Promo 15 %, **Sports & Leisure** 6 %, **Gifts & Home Furnishings** 0 %

Growth in all regions

Promo sales channel 15 %, **retail** 3 %

JANUARY - SEPTEMBER

NET SALES PER GEOGRAPHIC AREA

SEK million	Jan - Sep 2018	Part of net sales	Jan - Sep 2017	Part of net sales	Change MSEK	Change %
Sweden	1 021.5	23%	988.1	25%	33.4	3%
USA	1 097.7	25%	1 061.2	27%	36.5	3%
Nordic countries excluding Sweden	580.4	13%	531.0	13%	49.4	9%
Central Europe	689.1	16%	619.7	19%	69.5	11%
Southern Europe	493.1	11%	439.9	11%	53.2	12%
Other countries	465.3	11%	327.2	8%	138.2	42%
Total	4 347.2	100%	3 967.0	100%	380.2	10%

JANUARY - SEPTEMBER

Gross profit margin amounted to 46.7 (46.3) %

External costs and personnel costs amounted to a total of SEK -1,710.8 (-1,502.3) million

- More sales and service oriented activities
- More employees within sales, warehouse and customer service

Operating result amounted to SEK 273.4 (296.6) million

Result for the period amounted to SEK 201.1 (207.2) million

SEK million	Jan – Sep 2018		Jan – Sep 2017	
Net sales	4 347.2		3 967.0	
Goods for resale	-2 317.0		-2 131.3	
Gross profit	2 030.2	46.7%	1 835.7	46.3%
Other operating income	46.5		28.3	
External costs	-945.8		-824.1	
Personnel costs	-765.0		-678.2	
Depreciation and write-downs of tangible and intangible fixed assets	-56.3		-47.1	
Other operating costs	-35.1		-19.1	
Share of associated companies' result	-1.2		1.1	
Operating result	273.4	6.3%	296.6	7.5%
Net financial items	-28.2		-38.8	
Result before tax	245.2		257.8	
Tax on result for the period	-44.1		-50.6	
Result for the period	201.1		207.2	
Result per share (SEK)	3.06		3.14	

JANUARY - SEPTEMBER

EBITDA PER OPERATING SEGMENT

Corporate Promo amounted to SEK 208.1 (179.1) million

- Higher turnover
- Increased marketing activities

Gifts & Home Furnishings amounted to SEK -12.3 (-4.0) million

- More marketing activities
- Somewhat lower gross profit margin

Sports & Leisure amounted to SEK 133.9 (160.6) million

- Improved gross profit margin
- Higher costs



JANUARY - SEPTEMBER

CASH FLOW

SEK million

Jan - Sep
2018

Jan - Sep
2017

Cash flow from operating activities before
changes in working capital

245.6

296.1

Change in working capital

-197.4

-222.8

Cash flow from operating activities

48.2

73.3

Investing activities

-123.5

-72.8

Cash flow after investing activities

-75.3

0.5

Financial activities

55.2

-51.7

Cash flow for the period

-20.1

-51.2

FINANCIAL HIGHLIGHTS

SEK million	Jan – Sep 2018	Jan – Sep 2017	Jan – Dec 2017	Jan – Dec 2016
Net sales growth, %	9.6	7.6	6.9	5.5
Number of employees	2 571	2 469	2 495	2 396
Gross profit margin, %	46.7	46.3	46.1	46.0
Operating margin before depreciation, %	7.6	8.7	9.5	8.7
Operating margin, %	6.3	7.5	8.4	7.6
Return on shareholders' equity, %	8.6	9.9	12.2	10.4
Return on capital employed, %	7.2	8.4	9.8	8.6
Equity ratio, %	47.7	48.0	50.9	48.4
Net debt to equity ratio, %	58.4	60.7	54.1	62.1
Net debt in relation to working capital, %	59.4	61.7	54.7	64.7
Net debt, SEK million	1 910.5	1 721.9	1 637.3	1 748.9
Stock turnover, times	1.0	1.1	1.2	1.1
Shareholders' equity per share, SEK	49.33	42.76	45.66	42.46

CEO COMMENTS



Crafts' sales orders +30 % for spring 2019

- Torsten Jansson, CEO

January - September

Sales increased by 10 % (7 % in local currencies)

Rolling 12 months SEK 5,977.5 million

Result for the period amounted to SEK 201.1 (207.2) mkr

Strong balance sheet gives room for continued expansion


The future

Crafts' sales orders for spring 2019 increased by over 30 % and we are continually contracting new clubs for Craft Teamwear

The Corporate Promo segment has a stunning growth

We have invested strongly in recent years

We head towards an exciting future!



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!

THANK YOU!

NewWave
G R O U P