



JOBMAN  
RECRUITMENT

PROJOB

cottoVer  
powered by planet

CRAFT  
OUTREACH

Orrefors



KOSTA  
BODA  
HÄLSÖ



TRIZZLY  
OFFICE & PARTY

DEBBY FOR SWEDEN

graphix

No Problem  
Sportswear

C.A.D.  
RENTAL

LORD NELSON  
nightingale

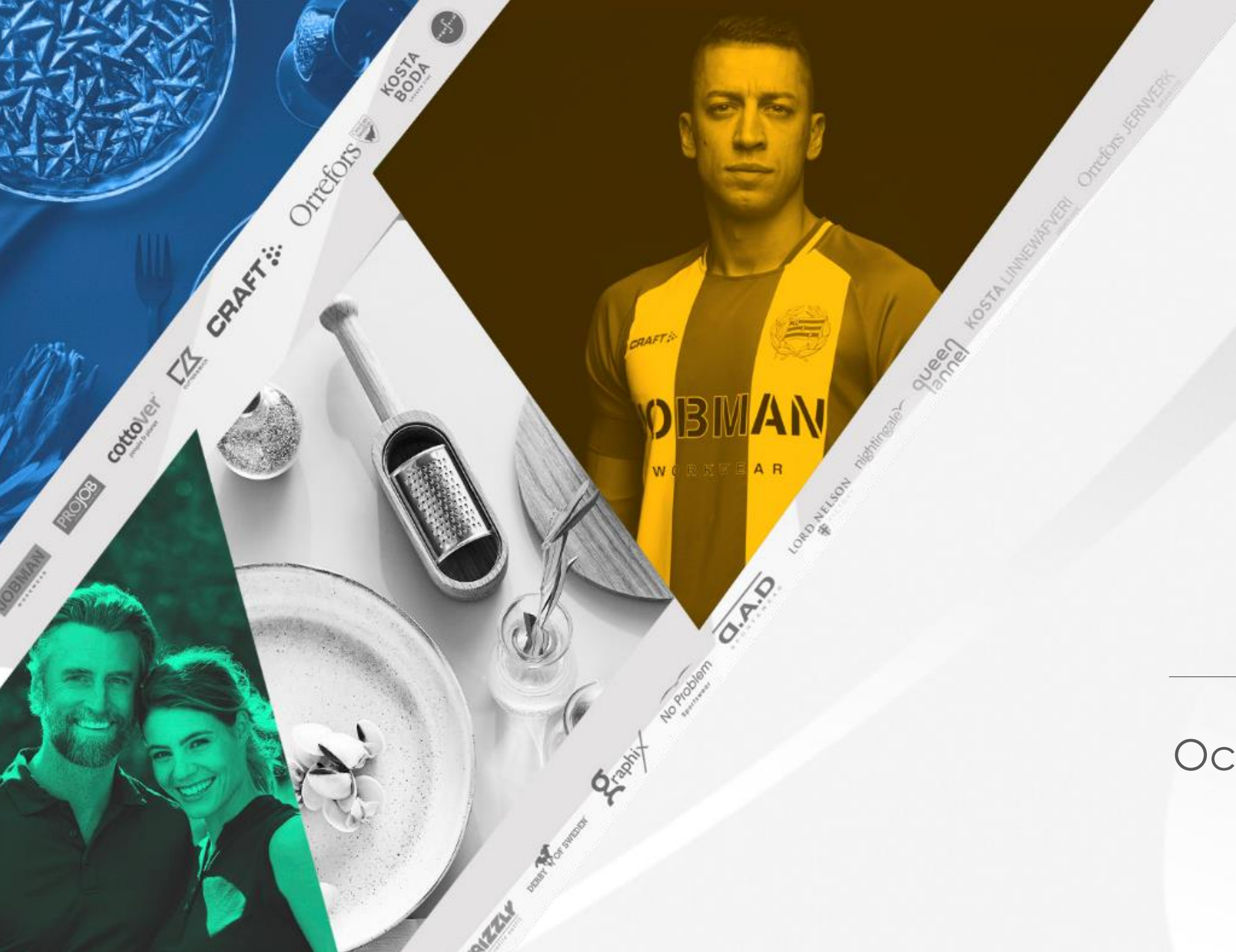
queen  
channel

KOSTA LINNEAVERI

Orrefors JERNVERK







# 2018

## YEAR-END REPORT October - December

*NewWave*  
GROUP

# THIS IS NEW WAVE GROUP

**New Wave Group** is a growth company that designs, acquires and develops brands. To ensure good risk diversification, the Group will market its products in the promo market and the retail market.

The Group's **growth target** is 10-20 % per year, of which 5-10 % is organic growth.

An **operating margin target** of 15 %.

New Wave Group aims for at least 30 % **equity ratio**.

Sweden

Dhaka

Bangalore

Shanghai

Ho Chi Min

# OPERATING SEGMENTS AND MARKETS

## Corporate\*



Our brands are categorised according to which of our three operating segments it belongs to: **Corporate\***, **Sports & Leisure** or **Gifts & Home Furnishings**.

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

## SPORTS & LEISURE



Close to or over SEK 1 billion in net sales

**CRAFT**



## GIFTS & HOME FURNISHINGS



\* The segment **Corporate Promo** has been renamed to **Corporate**.



# CORPORATE\*

## - VISION

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

\* The segment **Corporate Promo** has been renamed to **Corporate**.



**JOBMAN**

WORKWEAR



# 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.





# ACTIVITIES IN FOCUS...

The background features several broad, sweeping, light gray curved lines that create a sense of motion and depth. A solid yellow horizontal bar is positioned directly beneath the main title.

SPORTS & LEISURE



# CRAFT TEAMWEAR

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We're challenging the world's  
biggest brands –  
**And we are well equipped!**



**CRAFT** 

# Today I am strong!

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Hammarby



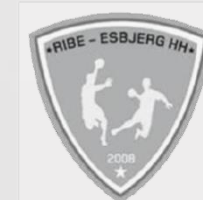


# CRAFT

## CLUBS



HAMMARBY  
FOTBOLL



# CUTTER & BUCK

Great growth opportunities!





# FINANCIAL INFORMATION


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# OCTOBER - DECEMBER

## SALES

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 Sales SEK 1,943.1 (1,630.3) million – All time high

 Sales increased by **19 %** (14 % in local currencies)

 **Corporate\*** 18 %, **Sports & Leisure** 26 %, **Gifts & Home Furnishings** 5 %

 Growth in all regions

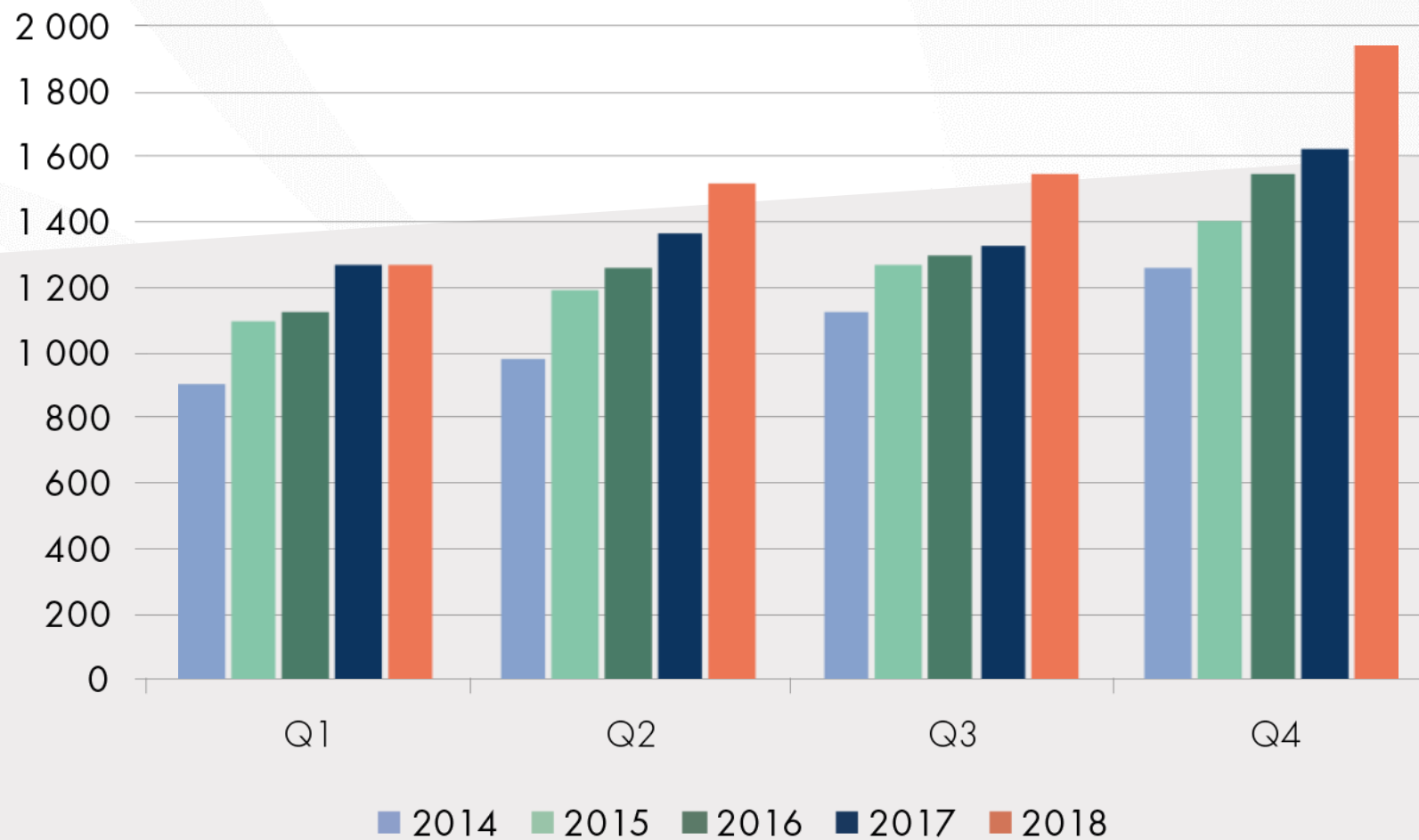
 **Promo** sales channel 18 %, **retail** 22 %

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\* The segment **Corporate Promo** has been renamed to **Corporate**.



# NET SALES



# OCTOBER - DECEMBER

## NET SALES PER GEOGRAPHIC AREA

SEK million	Oct - Dec 2018	Part of net sales	Oct - Dec 2017	Part of net sales	Change MSEK	Change %
Sweden	508.5	26%	475.7	2 %	32.7	7%
USA	482.0	25%	362.5	22%	119.5	33%
Nordic countries excl. Sweden	226.7	12%	196.7	12%	30.0	15%
Central Europe	297.3	15%	271.4	17%	25.8	10%
Southern Europe	223.3	11%	190.9	12%	32.5	17%
Other countries	205.6	11%	133.0	8%	72.6	55%
<b>Total</b>	<b>1943.4</b>	<b>100%</b>	<b>1630.3</b>	<b>100%</b>	<b>313.1</b>	<b>19%</b>



# OCTOBER - DECEMBER

**Gross profit margin amounted to 46.4 (45.6) %**

**External costs and personnel costs amounted to a total of SEK -688.6 (-567.1) million**

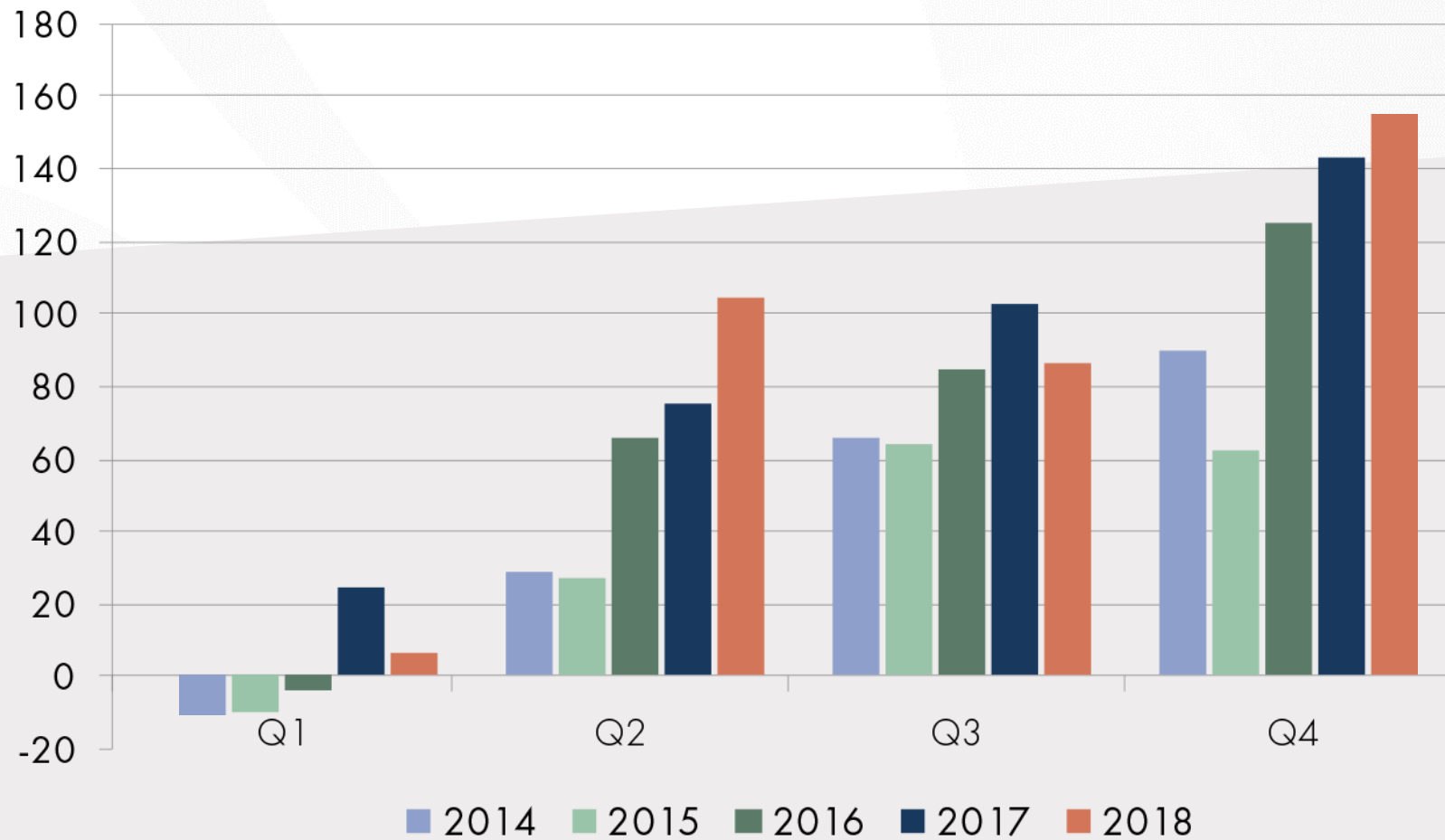
- More sales and service oriented activities
- More employees within sales, warehouse and customer service
- Currency exchange rates increased costs with SEK 30.7 million

**Operating result amounted to SEK 209.4 (172.5) million**

**Result for the period amounted to SEK 158.9 (146.8) million**

SEK million	Oct – Dec 2018		Oct – Dec 2017	
Net sales	1 943.4		1 630.3	
Goods for resale	-1 042.3		-886.8	
<b>Gross profit</b>	<b>901.1</b>	<b>46.4%</b>	<b>743.5</b>	<b>45.6%</b>
Other operating income	28.3		22.9	
External costs	-390.6		-304.9	
Personnel costs	-298.0		-262.2	
Depreciation and write-downs of tangible and intangible fixed assets	-21.6		-18.2	
Other operating costs	-9.8		-6.1	
Share of associated companies' result	0.1		-2.5	
<b>Operating result</b>	<b>209.4</b>	<b>10.8%</b>	<b>172.5</b>	<b>10.6%</b>
Net financial items	-12.8		-13.1	
<b>Result before tax</b>	<b>196.6</b>		<b>159.4</b>	
Tax on result for the period	-37.7		-12.6	
<b>Result for the period</b>	<b>158.9</b>		<b>146.8</b>	
Result per share (SEK)	2.42		2.20	

# RESULT FOR THE PERIOD



# OCTOBER - DECEMBER

## EBITDA PER OPERATING SEGMENT

**Corporate\*** amounted to SEK 145.0 (110.6) million

- Higher turnover
- Increased marketing activities
- Improvements in distribution centers

**Gifts & Home Furnishings** amounted to SEK 1.8 (10.4) million

- Higher turnover
- Higher costs

**Sports & Leisure** amounted to SEK 84.4 (69.7) million

- Higher turnover
- Higher marketing costs



\* The segment **Corporate Promo** has been renamed to **Corporate**.



# OCTOBER - DECEMBER

## CASH FLOW

SEK million	Oct - Dec 2018	Oct - Dec 2017
Cash flow from operating activities before changes in working capital	184.1	154.9
Change in working capital	-9.7	-20.4
<b>Cash flow from operating activities</b>	<b>174.4</b>	<b>134.5</b>
Investing activities	-39.7	-37.7
<b>Cash flow after investing activities</b>	<b>134.7</b>	<b>96.8</b>
Financial activities	-15.9	-54.6
<b>Cash flow for the period</b>	<b>118.8</b>	<b>42.2</b>

# CEO COMMENTS

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**The fourth quarter is  
so far the best one in  
New Wave Group's history**

- Torsten Jansson, CEO

## **The quarter**

**Strong growth** of 19 % (14 % in local currency). All time high sales.

Promo sales channel 18 %, retail 22 %.

**18th quarter** in a row with growth. Our investments in marketing activities continued.

Operating result increased and amounted to SEK 209.4 (172.5) million. All time high operating result for a quarter.

Result for the period increased to SEK 158.9 (146.8) million

# JANUARY - DECEMBER

## SALES

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**Sales amounted to SEK 6,290.6 (5,597,3) million**

Sales increased by **12 %** (9 % in local currencies)

**Corporate\*** 15 %, **Sports & Leisure** 11 %, **Gifts & Home Furnishings** 2 %

Growth in all regions

**Promo** sales channel 16 %, **retail** 8 %

All time high sales

All time high on all result lines

\* The segment **Corporate Promo** has been renamed to **Corporate**.



# JANUARY - DECEMBER

## NET SALES PER GEOGRAPHIC AREA

SEK million	Jan - Dec 2018	Part of net sales	Jan - Dec 2017	Part of net sales	Change MSEK	Change %
Sweden	1 529.9	24%	1 463.8	26%	66.1	5%
USA	1 579.7	25%	1 423.7	25%	156.0	11%
Nordic countries excluding Sweden	807.1	13%	727.7	13%	79.4	11%
Central Europe	986.4	16%	891.1	16%	95.3	11%
Southern Europe	716.5	11%	630.8	11%	85.7	14%
Other countries	670.9	11%	460.2	8%	210.7	46%
<b>Total</b>	<b>6 290.6</b>	<b>100%</b>	<b>5 597.3</b>	<b>100%</b>	<b>693.3</b>	<b>12%</b>

# JANUARY - DECEMBER

**Gross profit margin amounted to 46.6 (46.1) %**

**External costs and personnel costs amounted to a total of SEK -2,399.4 (-2,069.2) million**

- More sales and service oriented activities
- More employees within sales, warehouse and customer service
- Currency exchange rates increased costs with SEK 61.6 million

**Operating result amounted to SEK 482.8 (469.1) million**

**Result for the period amounted to SEK 360.0 (354.0) million**

SEK million	Jan – Dec 2018		Jan – Dec 2017	
Net sales	6 290.6		5 597.3	
Goods for resale	-3 359.4		-3 018.1	
<b>Gross profit</b>	<b>2 931.2</b>	<b>46.6%</b>	<b>2 579.2</b>	<b>46.1%</b>
Other operating income	74.8		51.2	
External costs	-1336.4		-1 128.9	
Personnel costs	-1 063.0		-940.3	
Depreciation and write-downs of tangible and intangible fixed assets	-77.9		-65.3	
Other operating costs	-44.8		-25.2	
Share of associated companies' result	-1.1		-1.6	
<b>Operating result</b>	<b>482.8</b>	<b>7.7%</b>	<b>469.1</b>	<b>8.4%</b>
Net financial items	-40.9		-51.9	
<b>Result before tax</b>	<b>441.8</b>		<b>417.2</b>	
Tax on result for the period	-81.8		-63.2	
<b>Result for the period</b>	<b>360.0</b>		<b>354.0</b>	
Result per share (SEK)	5.48		5.34	

# JANUARY - DECEMBER

## EBITDA PER OPERATING SEGMENT

**Corporate\*** amounted to SEK 353.1 (289.7) million

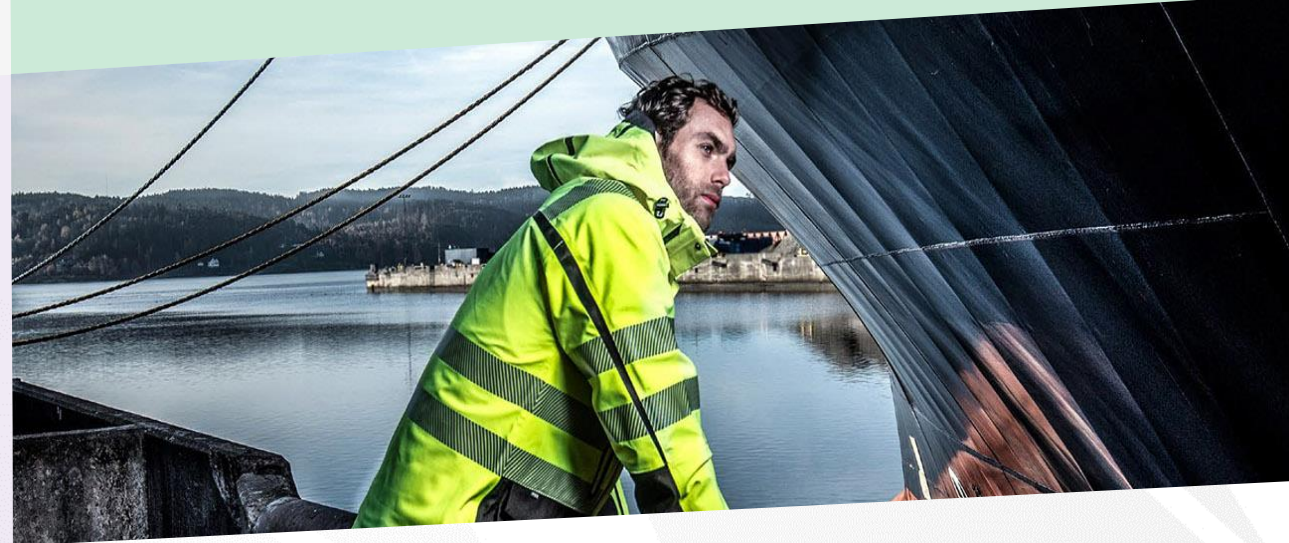
- Higher turnover
- Increased marketing activities

**Gifts & Home Furnishings** amounted to SEK -10.6 (14.4) million

- The warm summer affected net sales in Kosta
- More marketing activities
- Somewhat lower gross profit margin

**Sports & Leisure** amounted to SEK 218.2 (230.3) million

- Higher turnover
- Improved gross profit margin
- Higher costs



\* The segment **Corporate Promo** has been renamed to **Corporate**.



# JANUARY - DECEMBER

## CASH FLOW

SEK million	Jan - Dec 2018	Jan - Dec 2017
Cash flow from operating activities before changes in working capital	429.7	451.0
Change in working capital	-207.1	-243.2
<b>Cash flow from operating activities</b>	<b>222.6</b>	<b>207.8</b>
Investing activities	-163.2	-110.6
<b>Cash flow after investing activities</b>	<b>59.4</b>	<b>97.2</b>
Financial activities	39.3	-106.3
<b>Cash flow for the period</b>	<b>98.7</b>	<b>-9.1</b>

# FINANCIAL HIGHLIGHTS

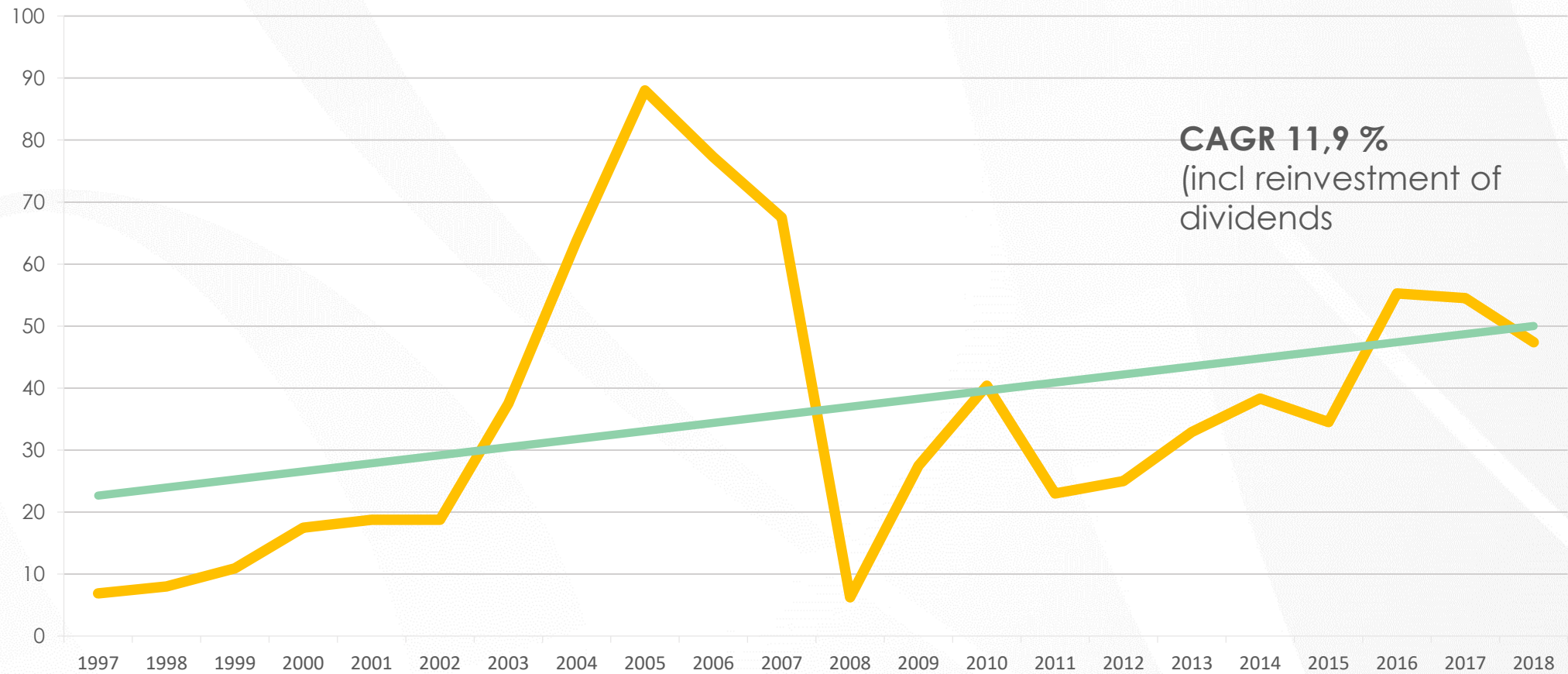
SEK million	Jan – Dec 2018	Jan – Dec 2017
Net sales growth, %	12.4	6.9
Number of employees	2 605	2 495
Gross profit margin, %	46.6	46.1
Operating margin before depreciation, %	8.9	9.5
Operating margin, %	7.7	8.4
Return on shareholders' equity, %	11.2	12.2
Return on capital employed, %	9.4	9.8
Equity ratio, %	48.6	50.9
Net debt to equity ratio, %	53.3	54.1
Net debt in relation to working capital, %	57.0	54.7
Net debt, SEK million	1 831.0	1 637.3
Stock turnover, times	1.1	1.2
Shareholders' equity per share, SEK	51.76	45.66

# FINANCIAL HIGHLIGHTS – 5 years

SEK million	Jan - Dec 2018	Jan - Dec 2017	Jan - Dec 2016	Jan - Dec 2015	Jan - Dec 2014
Net sales, SEK million	6 290.6	5 597.3	5 237,0	4 964.7	4 273.6
Net sales growth, SEK million	693.3	360.3	272.3	691.1	226.2
Net sales growth, %	12.4	6.9	5.5	16.2	5.6
Operating result, SEK million	482.8	469.1	400.2	255.2	250,0
Operating result, change in SEK million	13.7	68.9	145,0	5.2	-40.7
Operating result, change in %	2.9	17.2	56.8	2.1	-14.0
Result for the period, SEK million	360.0	354,0	276.7	145.3	176.9
Result for the period, change in SEK million	6.0	77.3	131.4	-31.6	-10.2
Result for the period, change in %	1.7	27.9	90.4	-17.9	-5.5
<b><u>2014-2018</u></b>					
Net sales growth, SEK million	2 017.0	or 47 %			
Operating result, change in SEK million	232.8	or 93 %			



# RETURN ON WAVE GROUP'S SHARE



Share development since the introduction on Stockholm stock exchange

Trend

# CEO COMMENTS

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**We have never been better,  
bigger or stronger!**

- Torsten Jansson, CEO

## January - December

Sales increased by 12 % (9 % in local currencies)

Sales of SEK 6,290.6 (5,597.3) million – **All time high**

Operating result amounted to SEK 482.8 (469.1) million – **All time high**

Result for the period amounted to SEK 360.0 (354.0) mkr  
– **All time high**

Strong balance sheet gives room for continued expansion

## The future

USA – Strong growth


The Corporate\* segment has a strong growth

Our powerful investments are expected to give results

Club/Teamwear are evolving

We have never been better, bigger or stronger!

\* The segment **Corporate Promo** has been renamed to **Corporate**.



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!



We're passing the ball to **Henrik Kindlund**,  
CEO of Hammarby Foboll.

Why did Hammarby choose **New Wave Group**  
and **Craft**?



**THANK YOU!**

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*NewWave*  
G R O U P