



# 2018

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INTERIM REPORT  
January - March

*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 specialised 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

## CORPORATE PROMO



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

## SPORTS & LEISURE



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

## GIFTS & HOME FURNISHINGS



# 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** ::  
FUNCTIONAL SPORTSWEAR



# GIFTS & HOME FURNISHINGS

## - VISION

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The vision for the Gifts & Home Furnishings operating segment area is to make Orrefors and Kosta Boda worldleading 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.





# FINANCIAL INFORMATION



# JANUARY - MARCH

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## NET SALES 1 272.8 MILLION (1 264,2)

- Sales increased with 1 % (3 % in local currencies)
- Corporate Promo 5 %, Sports & Leisure -4 %, Gifts & Home Furnishings 0 %
- Growth primarily in Central- och South Europe, Canada and Asia
- Promo sales channel 7 %, retail -7 %

## NET SALES PER OPERATING SEGMENT

- |   |  |   |
|---|--|---|
| ■ Corporate Promo 5 % to SEK 620.5 million (589.7) <ul style="list-style-type: none"><li>– Promo sales channel</li><li>– USA, Canada and Asia</li></ul> | ■ Sports & Leisure -4 % to SEK 530.5 million (553.0) <ul style="list-style-type: none"><li>– Growth in promo sales channel and decrease in retail sales</li><li>– Decrease in Sweden and Nordic countries (excl. Sweden)</li></ul> | ■ Gifts & Home furnishings 0 % to SEK 121.8 million (121.5) <ul style="list-style-type: none"><li>– Increase in promo sales channel and decrease in retail sales</li><li>– Sweden</li></ul> |
|---|--|---|



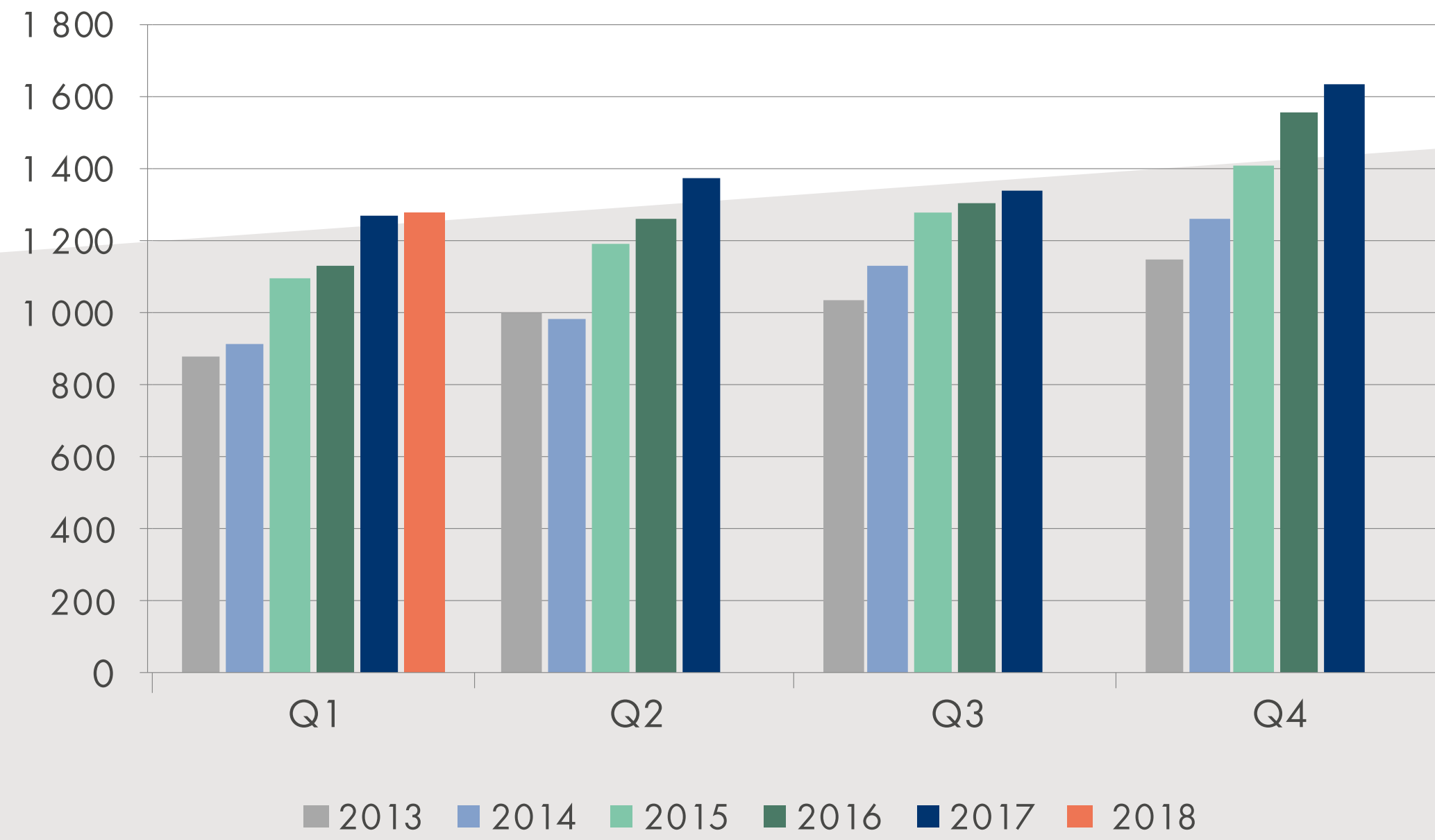
# JANUARY - MARCH

## NET SALES PER GEOGRAPHICAL AREA

SEK million	3 months Jan - Mar 2018	Part of net sales	3 months Jan - Mar 2017	Part of net sales	Change SEK million	Change %
Sweden	296.1	23%	304.2	24%	-8.1	-3%
USA	313.4	25%	326.2	26%	-12.9	-4%
Nordic countries excl. Sweden	163.5	13%	163.1	13%	0.4	0%
Central Europe	224.1	18%	218.2	17%	5.8	3%
Southern Europe	158.9	12%	147.3	12%	11.6	8%
Other countries	116.9	9%	105.2	8%	11.7	11%
<b>Total</b>	<b>1 272.8</b>	<b>100%</b>	<b>1 264.2</b>	<b>100%</b>	<b>8.6</b>	<b>1%</b>



# NET SALES





# JANUARY - MARCH

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- Gross profit margin amounted to 46.8 (45.2) %
- External costs and personnel costs amounted to a total of SEK –563.6 million (-516.7)
  - *More market activities*
  - *More employees, mainly within sales*
- Operating result amounted to SEK 18,6 million (43.2)
- Result for the period amounted to SEK 6.0 million (24.9)



# JANUARY - MARCH

## INCOME STATEMENT

SEK million	3 months Jan - Mar 2018	3 months Jan - Mar 2017
Net income	1 272.8	1 264.2
Goods for resale	-677.5	-692.8
<b>Gross profit</b>	<b>595.4</b>	<b>571.4</b>
Other operating income	15.9	10.9
External costs	-317.2	-288.6
Personnel costs	-246.4	-228.1
Depreciation and write-downs of tangible and intangible fixed assets	-17.6	-15.0
Other operating costs	-11.8	-7.8
Share of associated companies' result	0.4	0.4
<b>Operating result</b>	<b>18.6</b>	<b>43.2</b>
Financial income	1.5	1.3
Financial expenses	-11.7	-13.8
<b>Net financial items</b>	<b>-10.2</b>	<b>-12.5</b>
<b>Result before tax</b>	<b>8.4</b>	<b>30.7</b>
Tax on profit for the period	-2.4	-5.8
<b>Result for the period</b>	<b>6.0</b>	<b>24.9</b>
Result per share (SEK)	0.10	0.38



# JANUARY - MARCH

## EBITDA PER OPERATING SEGMENT

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**Corporate Promo** amounted to SEK 42.8 million (37.4)

- *Higher turnover*
- *Improved gross margin*
- *Higher marketing and sales costs*

**Sports & Leisure** amounted to SEK 13.3 million (29.2)

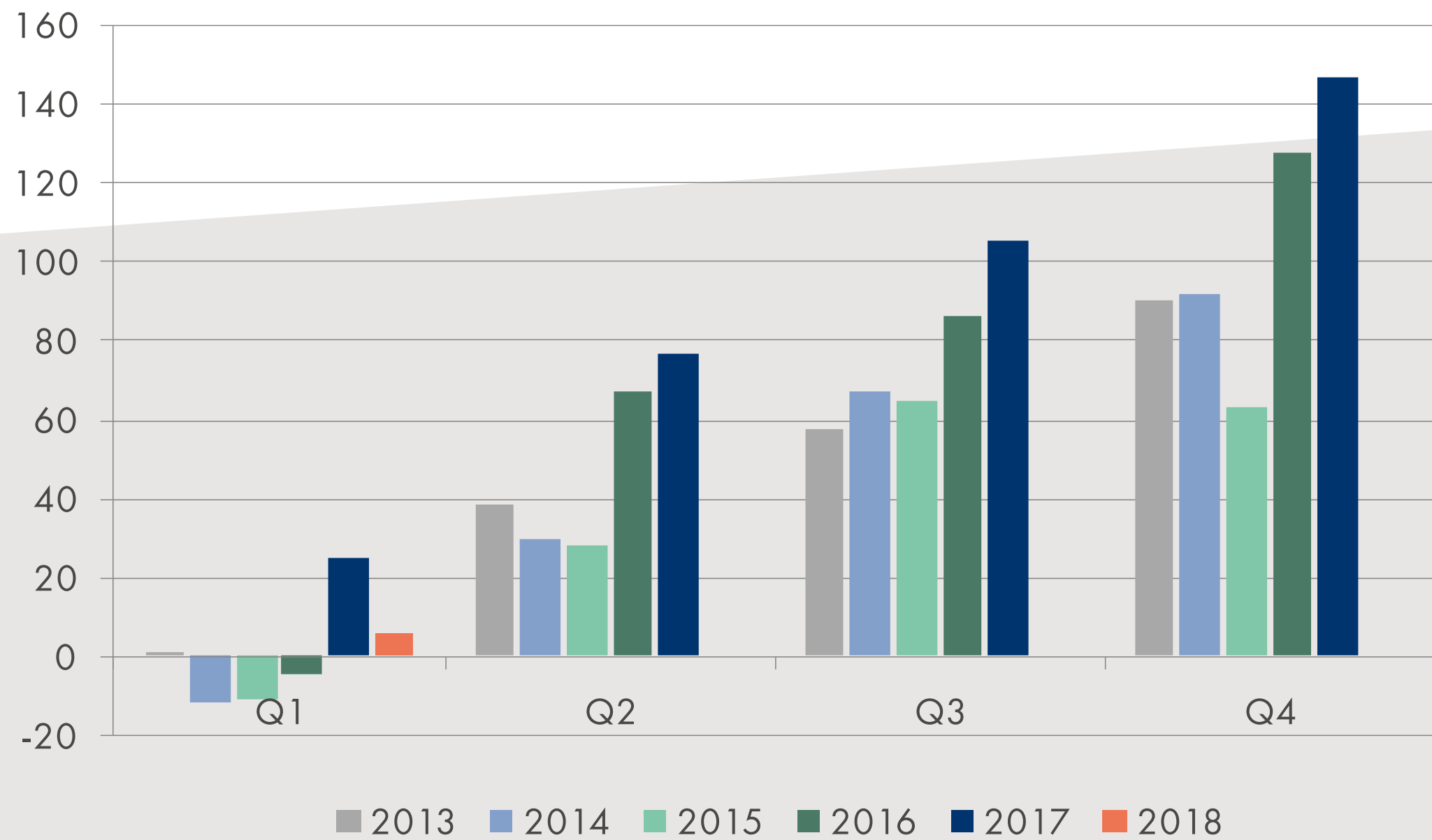
- *Lower turnover*
- *Improved gross profit margin*
- *Higher marketing costs*

**Gifts & Home Furnishings** amounted to SEK -19.9 million (-8.5)

- *Turnover unchanged*
- *Lower gross profit margin*
- *Higher marketing costs*



# RESULT FOR THE PERIOD





# JANUARY - MARCH

## CASH FLOW

SEK million

Cash flow from operating activities before changes in working capital

Jan - Mar  
2018

Jan - Mar  
2017

1.2

37.8

Change in working capital

5.4

-4.2

Cash flow from operating activities

6.6

33.6

Investing activities

-39.8

-19.9

Cash flow after investing activities

-33.2

13.7

Financial activities

5.1

-39.4

Cash flow for the period

-28.1

-25.7



# FINANCIAL HIGHLIGHTS

	Jan - Mar 2018	Jan - Mar 2017	Jan - Dec 2017	Jan - Dec 2016
Sales growth, %	0.7	11.8	6.9	5.5
Number of employees	2 527	2 419	2 495	2 396
Gross profit margin, %	46.8	45.2	46.1	46.0
Operating margin before depreciation, %	2.8	4.6	9.5	8.7
Operating margin, %	1.5	3.4	8.4	7.6
Return on shareholders' equity, %	0.8	3.6	12.2	10.4
Return on capital employed, %	1.6	3.6	9.8	8.6
Equity ratio, %	51.3	49.4	50.9	48.4
Net debt - Equity ratio, %	54.5	60.6	54.1	62.1
Net debt in relation to working capital, %	57.7	63.6	54.7	64.7
Net debt, SEK million	1 692.2	1 714.3	1 637.3	1 748.9
Stock turnover, times	1.0	1.1	1.2	1.1
Shareholders' equity per share, SEK	46.83	42.65	45.66	42.46

# CEO SUMMARY

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## ■ January - March

- *Net sales growth for 15 consecutive quarters*
- *Negative calendar effect*
- *Strong development within the sales channel promo and decrease in retail*
- *Sales and marketing efforts are impacting on the cost side*
- *Equity ratio 51.3 % and a decreased net debt to equity ratio which gave a positive capacity for continued organic growth and possible acquisitions*



# CEO SUMMARY

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## ■ Our new launches

- *Craft Teamwear is going strong*
- *Craft running shoes almost immediately sold out*

## ■ Future

- *Positive for 2018 and the upcoming years*
- *Expected continued growth*







# SOME OF OUR VENTURES RIGHT NOW

CRAFT TEAMWEAR

*Currently approximately 750 sport associations*

**CRAFT**   
FUNCTIONAL SPORTSWEAR

*NewWave*  
G R O U P



# SOME OF OUR VENTURES RIGHT NOW

CRAFT SHOES





# SOME OF OUR VENTURES RIGHT NOW

WORKWEAR



**PROJOB**  
SWEDISH WORKWEAR



**JOBMAN**  
WORKWEAR



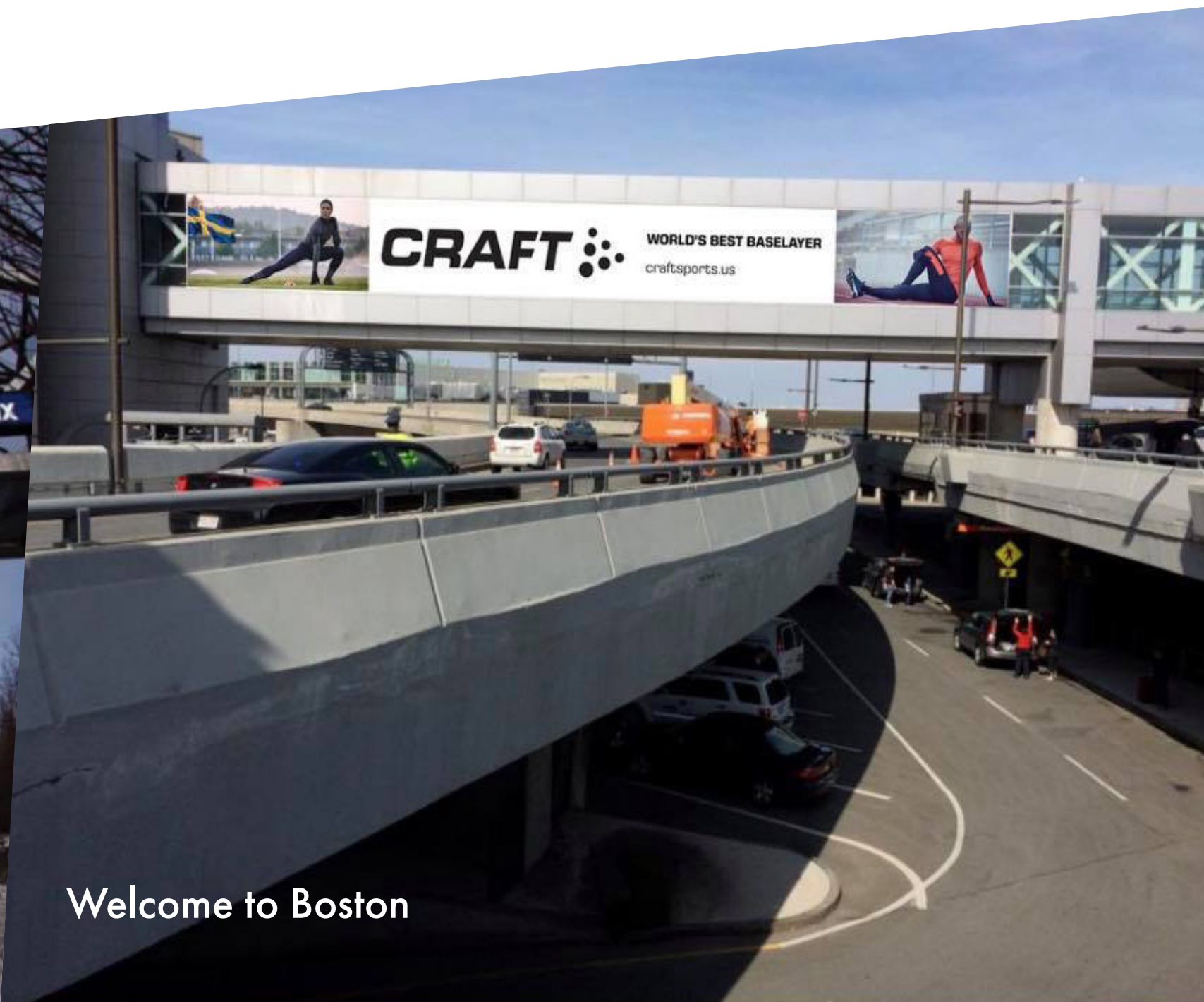
# SOME OF OUR VENTURES RIGHT NOW

ONGOING MARKET ACTIVITIES

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Welcome to New York



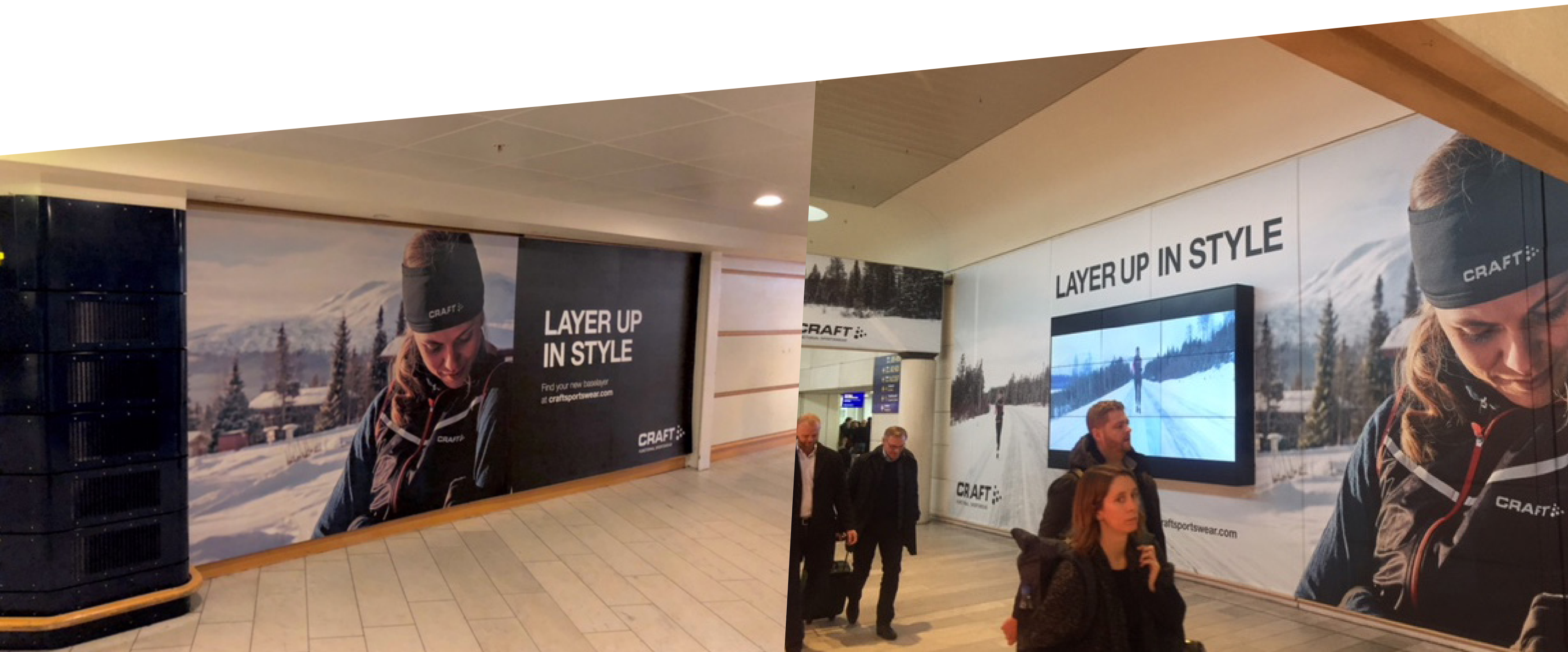
Welcome to Boston



# SOME OF OUR VENTURES RIGHT NOW

COPENHAGEN + OTHER

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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!

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