



2019

INTERIM REPORT
January - March

NewWave
G R O U P

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 SALES CHANNELS

Corporate



Our brands are categorized 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 annual net sales

CRAFT ::



GIFTS & HOME FURNISHINGS



NewWave
G R O U P

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.



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...

WORK WEAR

Our investments in the market continue!



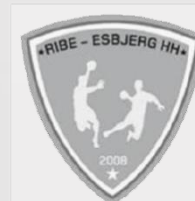
JOBMAN



PROJOB
SWEDISH WORKWEAR



HAMMARBY
FOTBOLL



CUTTER & BUCK

Great growth opportunities!



FINANCIAL INFORMATION

JANUARY - MARCH

NET SALES

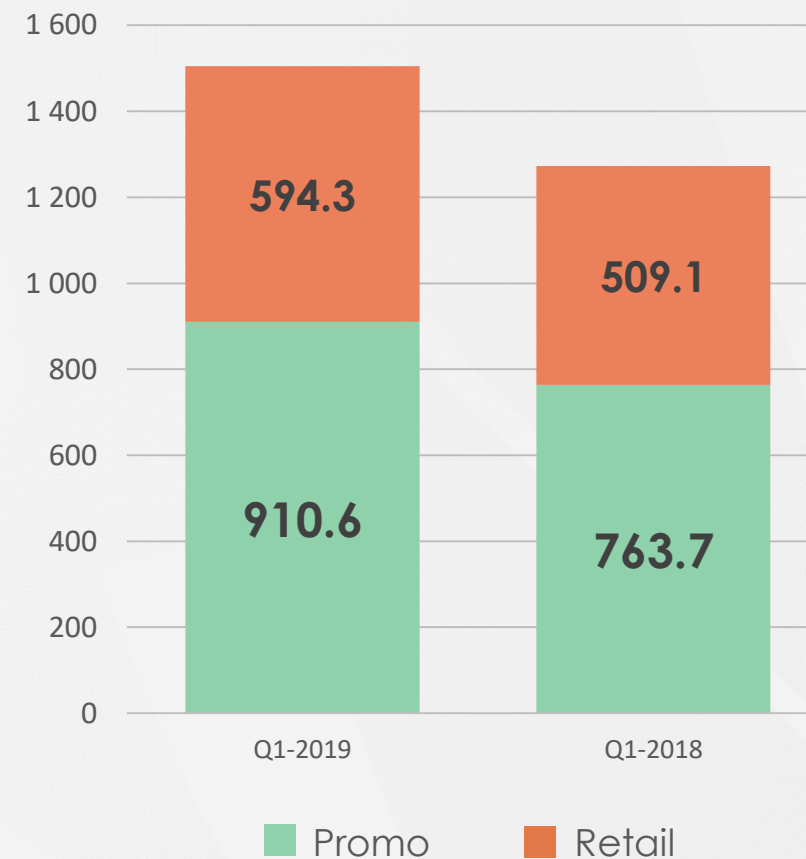
Sales amounted to SEK 1,504.9 (1,272.8) million

Sales increased by 18 % (11 % in local currencies)

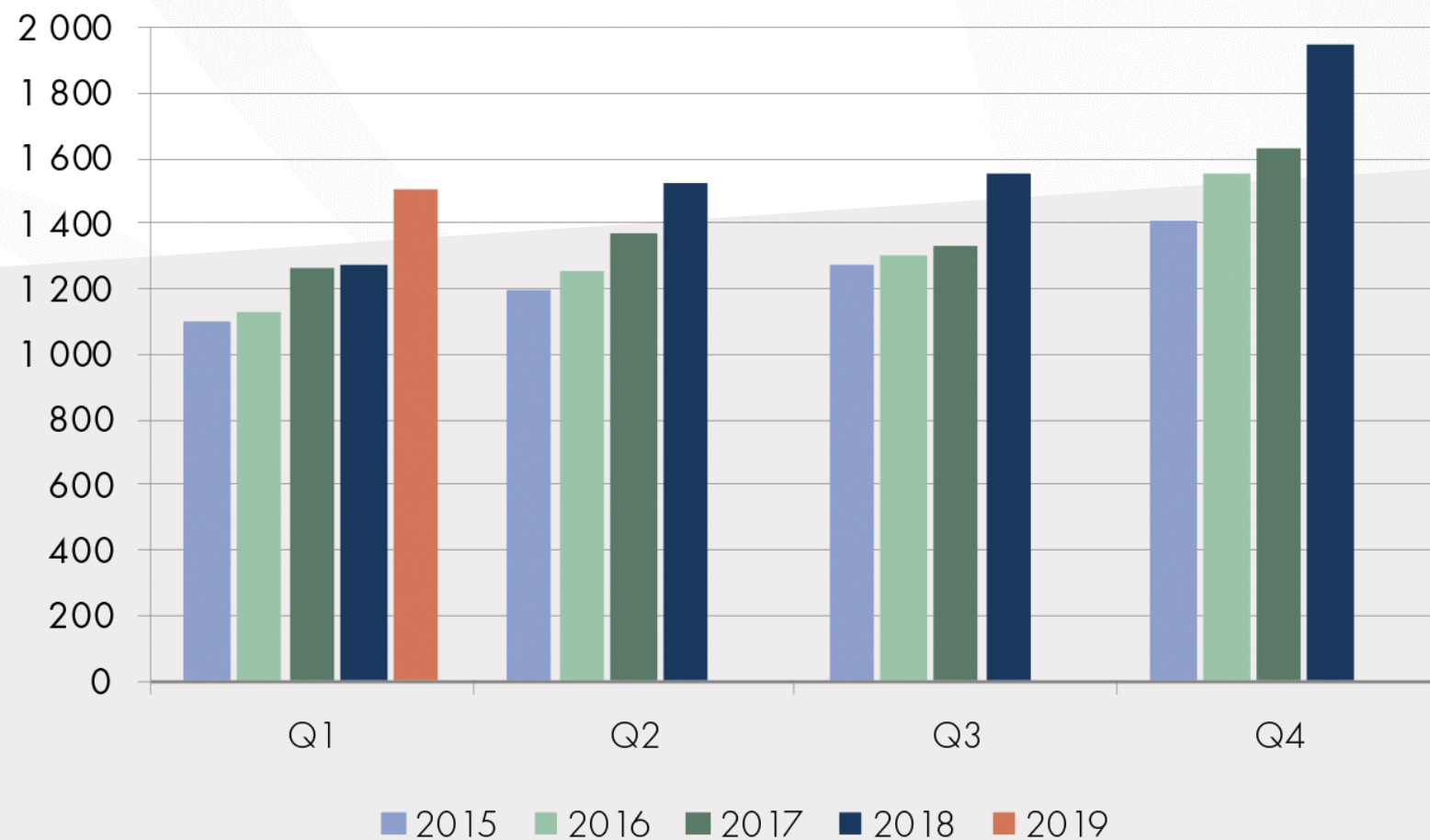
Promo sales channel 19 %, retail 17 %

Growth in all regions

All time high for net sales in a first quarter!



NET SALES

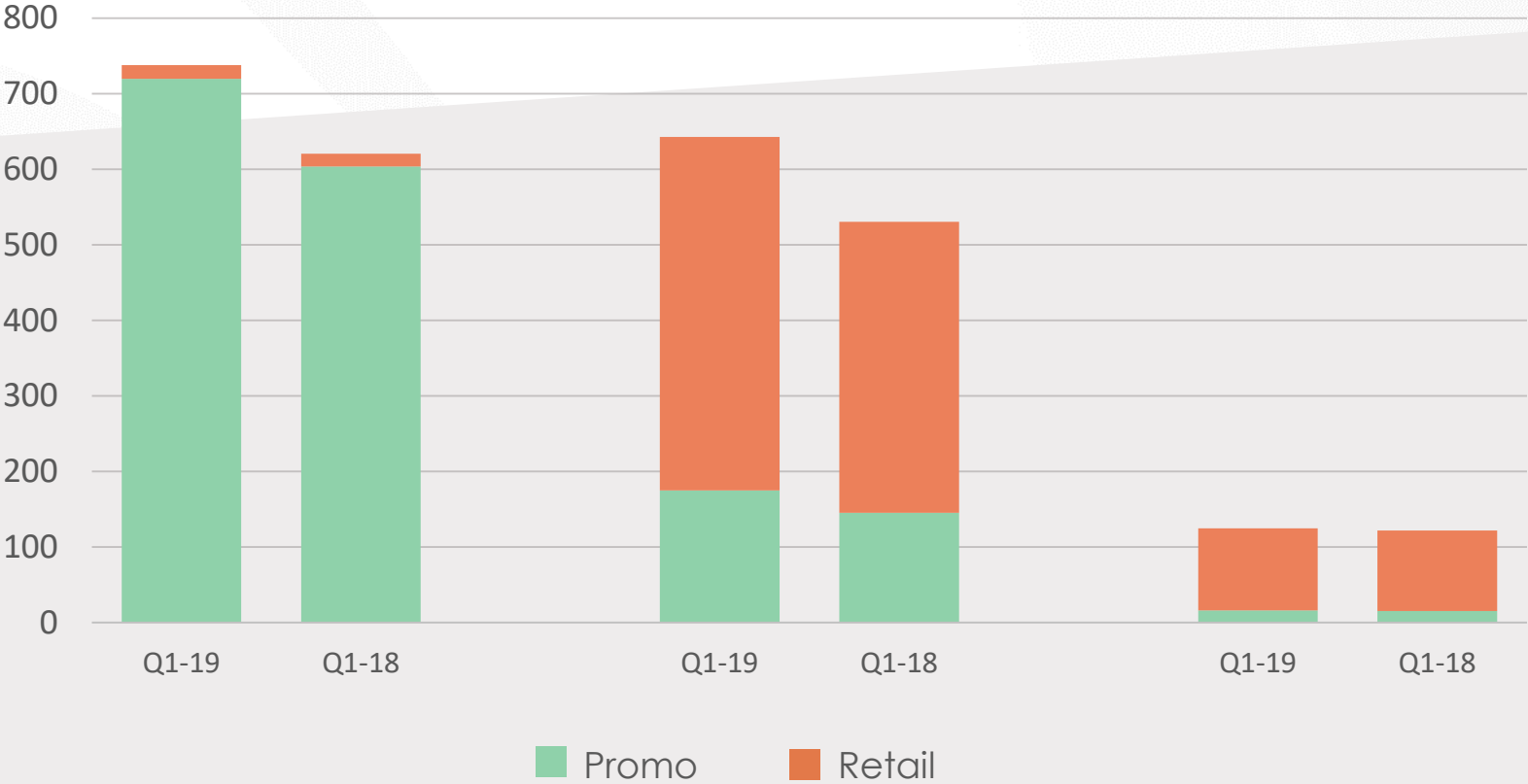


NET SALES PER OPERATING SEGMENT

Corporate 19 %

Sports & Leisure 21 %

Gifts & Home Furnishings 2 %



JANUARY - MARCH

NET SALES PER GEOGRAPHIC AREA

MSEK	Jan - Mar 2019	Share of net sales	Jan - Mar 2018	Share of net sales	Change MSEK	Change %
USA	375.7	25%	313.4	25%	62.3	20%
Sweden	328.4	22%	296.1	23%	32.3	11%
Central Europe	260.9	17%	224.1	18%	36.9	16%
Nordic countries excl. Sweden	195.2	13%	163.5	13%	31.7	19%
Southern Europe	190.1	13%	158.9	12%	31.2	20%
Other countries	154.5	10%	116.9	9%	37.6	32%
Total	1 504.9	100%	1 272.8	100%	232.1	18%

JANUARY - MARCH

Gross profit margin amounted to 47.1 (46.8) %

External costs and personnel costs amounted to a total of SEK -621.4 (-563.6) million

- More sales and service oriented activities
- More employees within sales, warehouse and customer service
- Currency exchange rates increased costs with SEK 37.2 million
- IFRS 16 affected external costs by SEK 30.6 million

Operating result amounted to SEK 46.0 (18.6) million

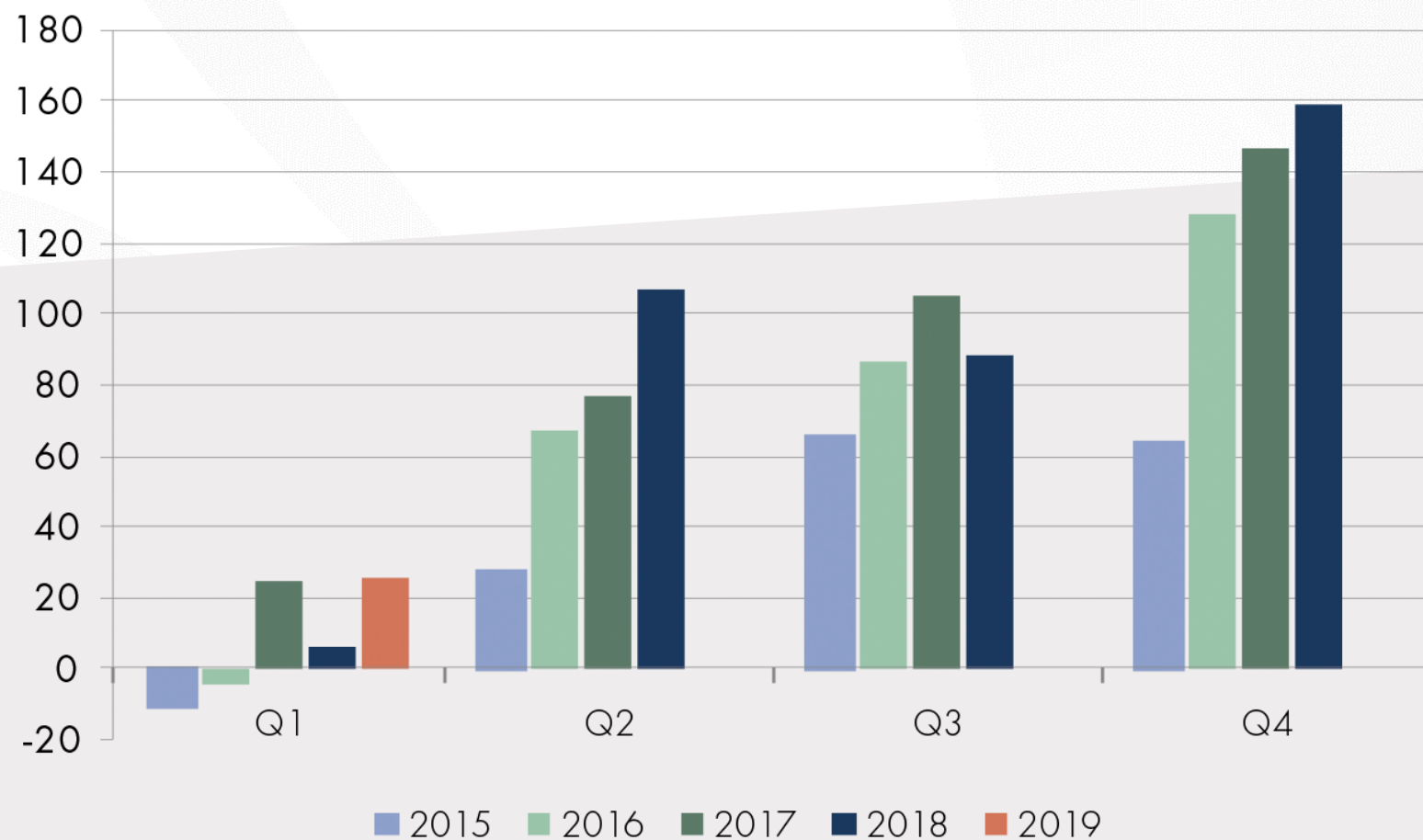
- Higher net sales and increased gross profit margin
- IFRS 16 had a net impact of SEK 2.5 million

Result for the period amounted to SEK 26.0 (6.0) million

- IFRS 16 had a net impact of SEK -2.0 million on result for the period

SEK million	Jan – Mar 2019		Jan – Mar 2018	
Net sales	1 504.9		1 272.8	
Goods for resale	-795.3		-677.5	
Gross profit	709.6	47.1%	595.4	46.8%
Other operating income	17.2		15.9	
External costs	-338.4		-317.2	
Personnel costs	-283.0		-246.4	
Amortizations, depreciations and write-downs of tangible and intangible fixed assets	-51.0		-17.6	
Other operating costs	-8.2		-11.8	
Share of associated companies' result	-0.2		0.4	
Operating result	46.0	3.1%	18.6	1.5%
Net financial items	-14.0		-10.2	
Result before tax	32.0		8.4	
Tax expense	-6.0		-2.4	
Result for the period	26.0		6.0	
Result per share (SEK)*	0.41		0.10	

RESULT FOR THE PERIOD



JANUARY - MARCH

EBITDA PER OPERATING SEGMENT

All segments had higher net sales but also higher costs due to more sales- and service oriented activities

Corporate

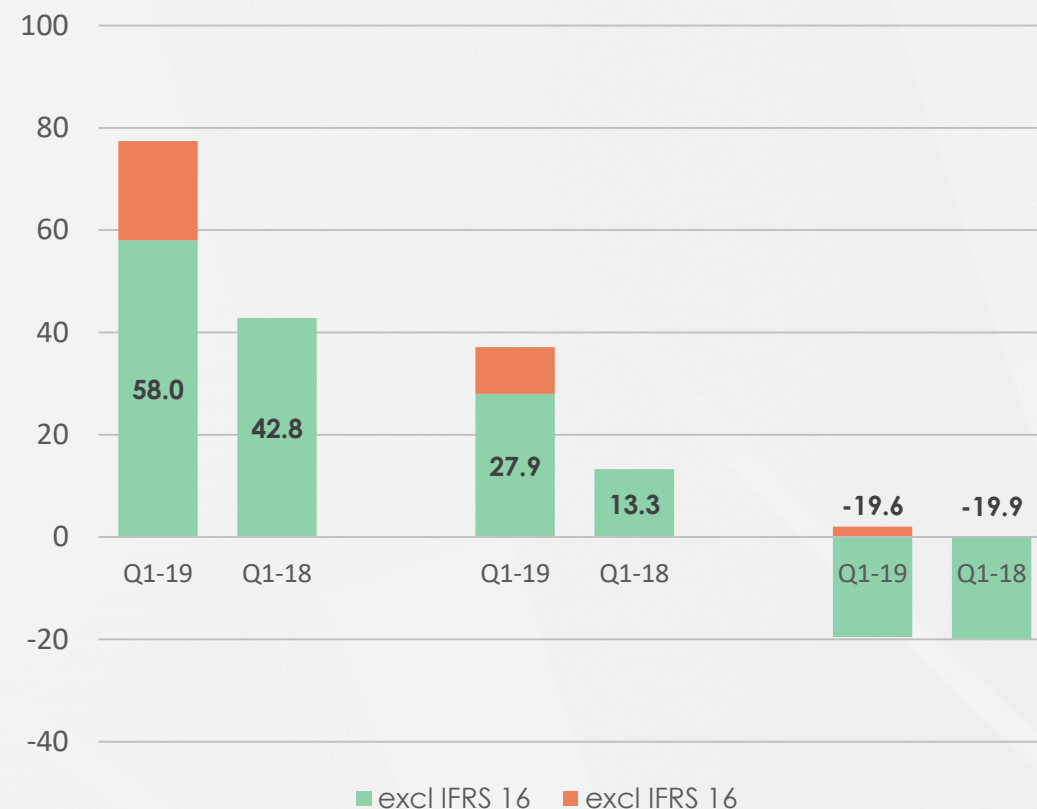
— IFRS 16 affected SEK 19.4 million

Sports & Leisure

— Higher gross profit margin
— IFRS 16 affected SEK 9.2 million

Gifts & Home Furnishings

— Higher gross profit margin
— IFRS 16 affected SEK 2.0 million



JANUARY - MARCH

CASH FLOW

SEK million

Jan - Mar
2019

Jan - Mar
2018

Cash flow from operating activities before
changes in working capital

49.3

1.2

Change in working capital

-114.4

5.4

Cash flow from operating activities

-65.1

6.6

Investing activities

-38.3

-39.8

Cash flow after investing activities

-103.4

-33.2

Financial activities

49.2

5.1

Cash flow for the period

-54.2

-28.1

FINANCIAL KEY FIGURES

	3 months Jan – Mar 2019	excl IFRS 16	3 months Jan – Mar 2018	12 months Jan – Dec 2018	12 months Jan – Dec 2017
Net sales growth, %	18.2		0.7	12.4	6.9
Number of employees	2 604		2 527	2 605	2 495
Gross profit margin, %	47.1		46.8	46.6	46.1
Operating margin before depreciation, %	6.4	4.4	2.8	8.9	9.5
Operating margin, %	3.1		1.5	7.7	8.4
Return on shareholders' equity, %	3.0		0.8	11.2	12.2
Return on capital employed, %	3.2		1.6	9.4	9.8
Equity ratio, %	45.9	50.0	51.3	48.6	50.9
Net debt to equity ratio, %	73.7	55.8	54.5	53.3	54.1
Net debt in relation to working capital, %	76.5	58.0	57.7	57.0	54.7
Net debt, SEK million	2 614.5	1 981.3	1 692.2	1 831.0	1 637.3
Stock turnover, times	1.0		1.0	1.1	1.2
Shareholders' equity per share, SEK	53.46		46.83	51.76	45.66

CEO COMMENTS



To achieve an operating result of SEK 46.0 million and a result for the period of SEK 26.0 million pleases me.

- Torsten Jansson, CEO

January - March


Strong growth of 18 % (11 % in local currencies). All time high sales.

19th quarter in a row with growth. **Rolling 12 months** have now exceeded SEK 6.5 billion. Our investments in marketing activities continued.

Operating result increased and amounted to SEK **46.0** (18.6) million. Rolling 12 months now passed SEK 500 million

Result for the period increased to SEK **26.0** (6.0) million

Both results are an "all time high" for a first quarter.



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!



NewWave
G R O U P