

*New Wave Group AB*

# *2020*

## *Interim Report*

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January - March

# *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.



Sales activity in own subsidiary



Own purchasing offices

# Our operating segments and sales channels

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.

## Corporate



## Sports & Leisure



## Gifts & Home Furnishings





# Corporate

*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 United States by offering companies a broad product range, strong brands, advanced expertise and service, and a superior all-inclusive concept.*





# *Sports & Leisure*

*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.*



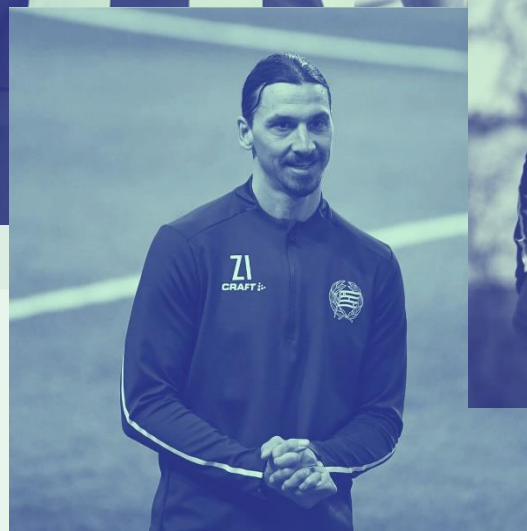


# *Gifts & Home Furnishings*

*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

- *Craft Teamwear*
- *IFK Göteborg*
- *Spartan*
- *Craft – shoes*

2020

**-2%**

Segment  
Corporate

**-9%**

Segment  
Sports & Leisure

**5%**

Segment Gifts &  
Home Furnishings

# *Financial information*





2020



## *Effects of the coronavirus*

### **Decreased demand resulted in lower net sales than previous year**

- Negative impact on almost all segments and regions

### **Negative effects on net sales resulted in lower gross result and operating result compared to the previous year**

- Cost savings limited the effects to some extent

## January - March

### Net sales

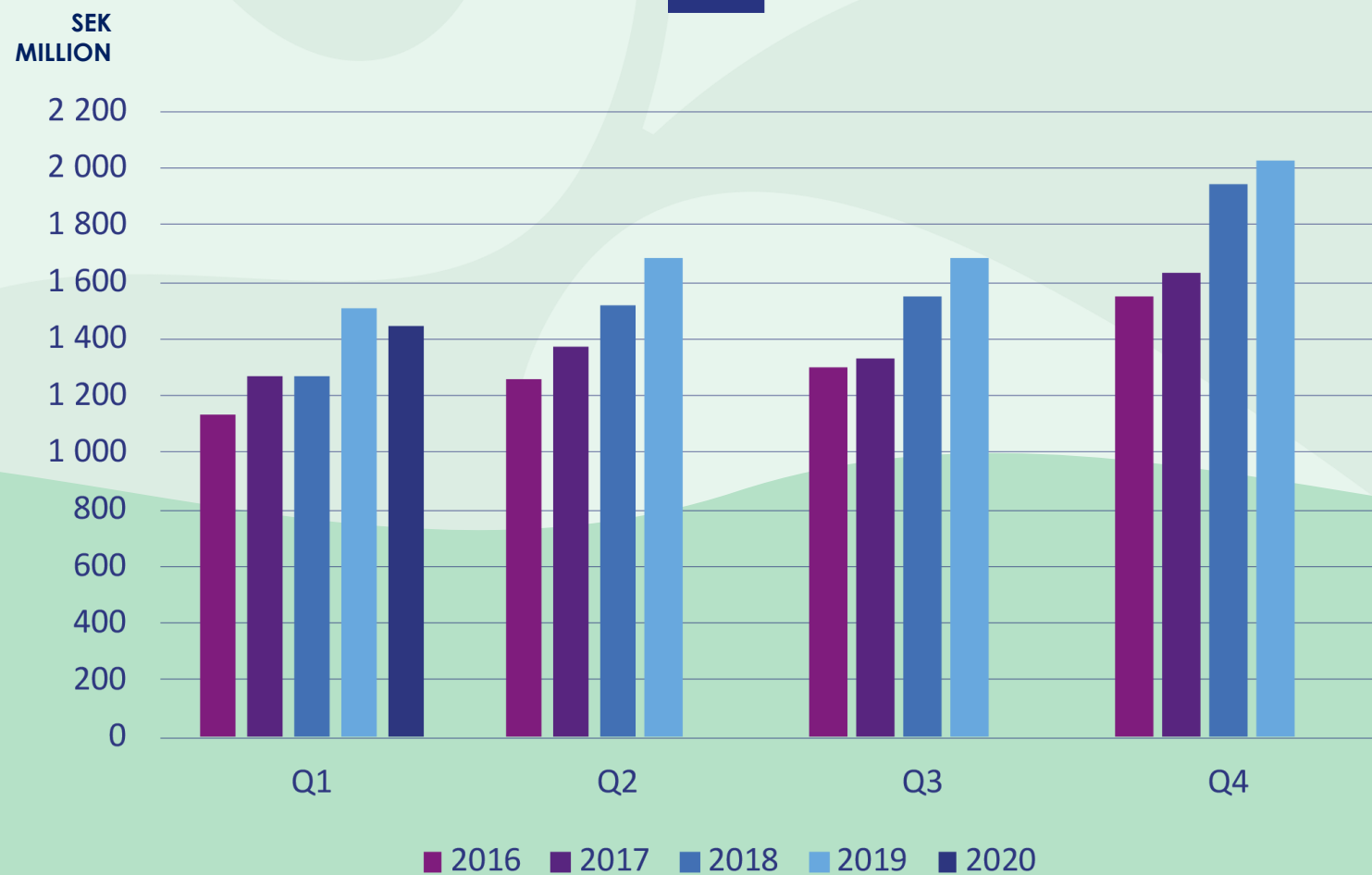
- Sales amounted to SEK 1,440.9 (1,504.9) million
- Sales **decreased by 4 %** (decreased 7 % in local currencies)
- **Promo** sales channel **decreased 2 %**, **retail 7 %**

2020





## *Net sales*

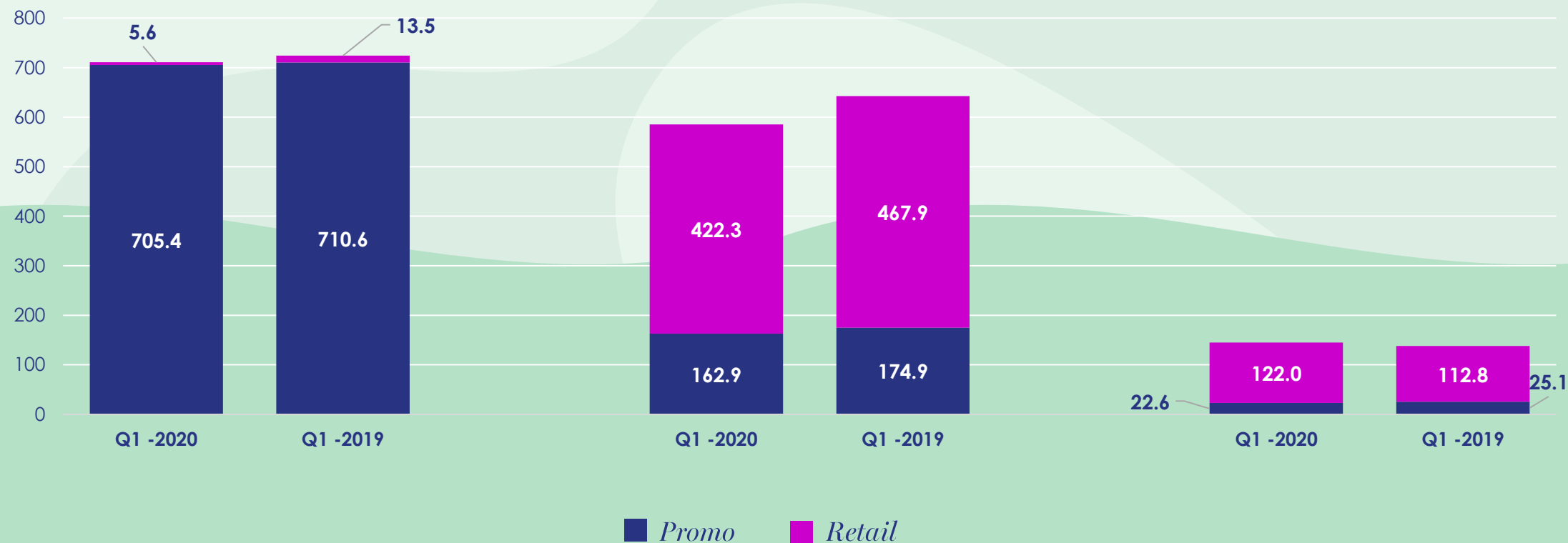


## Net sales per operating segment

*Corporate -2%*

*Sports & Leisure -9%*

*Gifts & Home Furnishings +5%*





# January - March

*Net sales per geographic area and operating segment*

SEK million	Corporate		Sports & Leisure		Gifts & Home Furnishings		Total		
	Jan - Mar 2020	Jan - Mar 2019	Jan - Mar 2020	Jan - Mar 2019	Jan - Mar 2020	Jan - Mar 2019	Jan - Mar 2020	Jan - Mar 2019	Change %
USA	53.4	52.7	292.8	312.2	12.5	10.8	358.7	375.7	-5%
Sweden	90.1	101.2	112.6	114.4	118.7	112.8	321.4	328.4	-2%
Central Europe	158.4	176.9	69.2	80.5	2.9	3.5	230.5	260.9	-12%
Nordic countries excl. Sweden	92.3	97.8	72.5	88.8	7.1	8.5	171.9	195.2	-12%
Southern Europe	153.6	171.5	13.9	18.8	0.0	0.0	167.5	190.3	-12%
Other countries	163.4	124.0	24.1	28.0	3.4	2.2	190.9	154.3	24%
<b>Total</b>	<b>711.1</b>	<b>724.0</b>	<b>585.2</b>	<b>642.8</b>	<b>144.7</b>	<b>137.9</b>	<b>1 440.9</b>	<b>1 504.9</b>	<b>-4%</b>

# January - March

2020

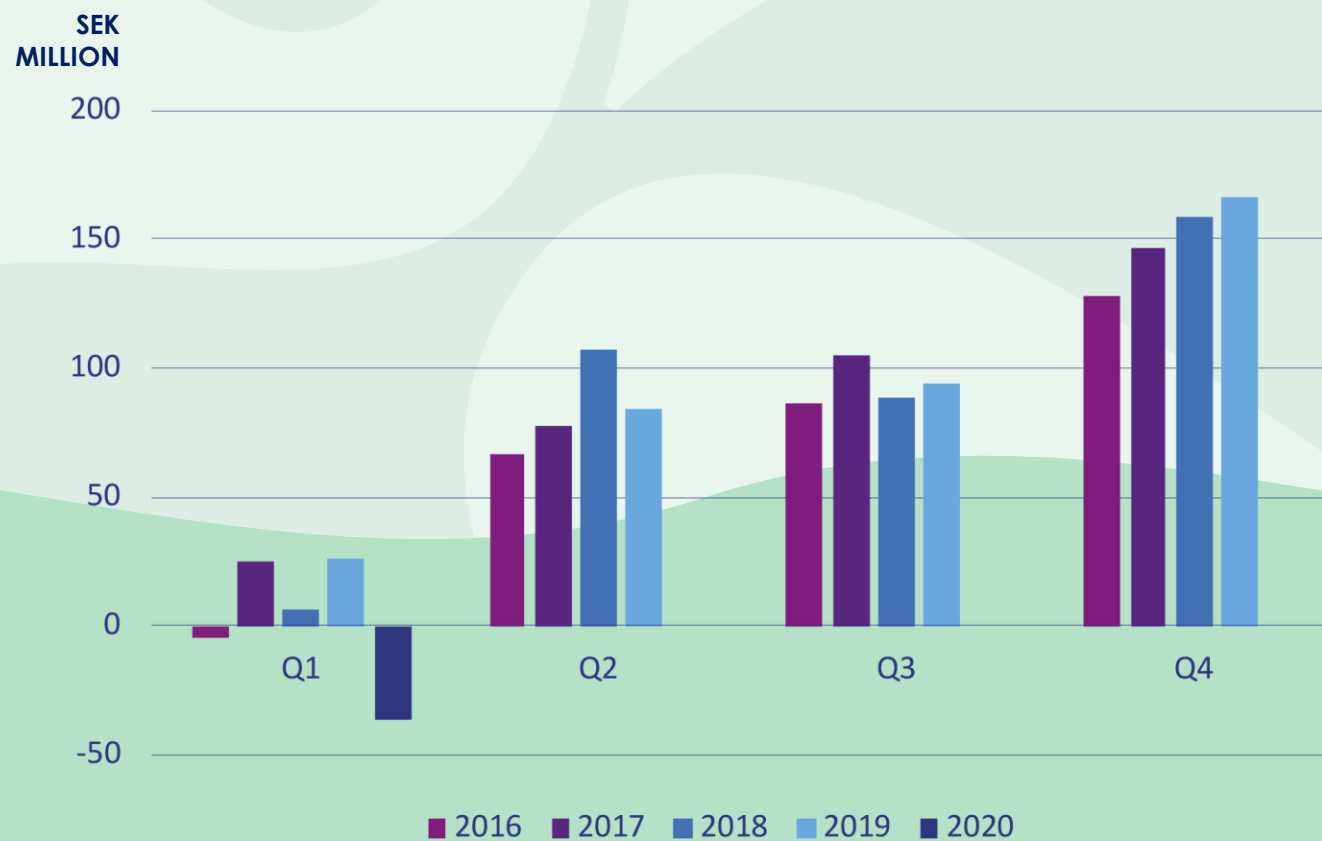
- **Gross profit margin amounted to 43.8 (47.1) %**
- **External costs and personnel costs amounted to a total of SEK -603.9 (-621.4) million**
  - Decrease mainly related to cost savings
  - Currency exchange rate effects increased costs with SEK 15.8 million
  - Provision for customer losses increased by SEK 9.9 million
- **Operating result amounted to SEK -24.1 (46.0) million**
  - Lower net sales
  - Lower gross profit margin
  - Cost savings
- **Result for the period amounted to SEK -36.9 (26.0) million**

## SEK million

	Jan – Mar 2020	Jan – Mar 2019
Net sales	1,440.9	1,504.9
Goods for resale	-810.2	-795.3
<b>Gross profit</b>	<b>630.7 43.8%</b>	<b>709.6 47.1%</b>
Other operating income	20.6	17.2
External costs	-311.1	-338.4
Personnel costs	-292.8	-283.0
Depreciation and write-downs of tangible and intangible fixed assets	-60.1	-51.0
Other operating costs	-10.4	-8.2
Share of associated companies' result	-0.9	-0.2
<b>Operating result</b>	<b>-24.1 -1.7%</b>	<b>46.0 3.1%</b>
Net financial items	-17.9	-14.0
<b>Result before tax</b>	<b>-42.1</b>	<b>32.0</b>
Tax on result for the period	5.1	-6.0
<b>Result for the period</b>	<b>-36.9</b>	<b>26.0</b>
Result per share (SEK)	-0.54	0.41



## *Result for the period*



# January - March

## Operating result per operating segment

### Corporate

- Lower net sales
- Lower gross profit margin
- Decreased sales in all regions, except Other countries

### Sports & Leisure

- Lower net sales
- Lower gross profit margin
- Decreased sales in all regions and sales channels
- Cost savings

### Gifts & Home Furnishings

- Higher net sales
- Lower gross profit margin

2020





# January - March

## Cash flow

SEK million

Cash flow from operating activities before  
changes in working capital

Change in working capital

**Cash flow from operating activities**

Investing activities

**Cash flow after investing activities**

Financial activities

**Cash flow for the period**

Jan - Mar  
2020

Jan - Mar  
2019

-63.0

49.3

177.6

-114.4

**114.6**

**-65.1**

-30.6

-38.3

**84.0**

**-103.4**

-195.2

49.2

**-111.2**

**-54.2**

# Financial key figures

	Jan – Mar 2020	Jan – Mar 2019
Net sales growth, %	-4.2	18.2
Number of employees	2,428	2,604
Gross profit margin, %	43.8	47.1
Operating margin before depreciations, %	2.5	6.4
Operating margin, %	-1.7	3.1
Return on shareholders' equity, %	8.0	10.9
Return on capital employed, %	6.6	8.6
Equity ratio, %	46.8	45.9
Net debt to equity ratio, %	74.6	73.7
Net debt in relation to working capital, %	76.9	76.2
Net debt, SEK million	2,939.6	2,614.5
Inventory turnover, times	1.0	1.1
Shareholders' equity per share, SEK	59.12	53.18



Torsten Jansson  
**CEO**  
*Comments*

*"We continue to have a very strong balance sheet."*



**Torsten Jansson**  
CEO

## January - March

- **Net sales decreased** by 4 % (decreased 7 % in local currencies), as a result of the corona crisis.
- **Operating result** decreased to SEK -24.1 (46.0) million, impacted by lower sales and gross profit margin.
- **Result for the period** decreased to SEK -36.9 (26.0) million.
- Strong brands, a good organization, a strong balance sheet.

*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!*



NWG //

*NewWave*  
G R O U P