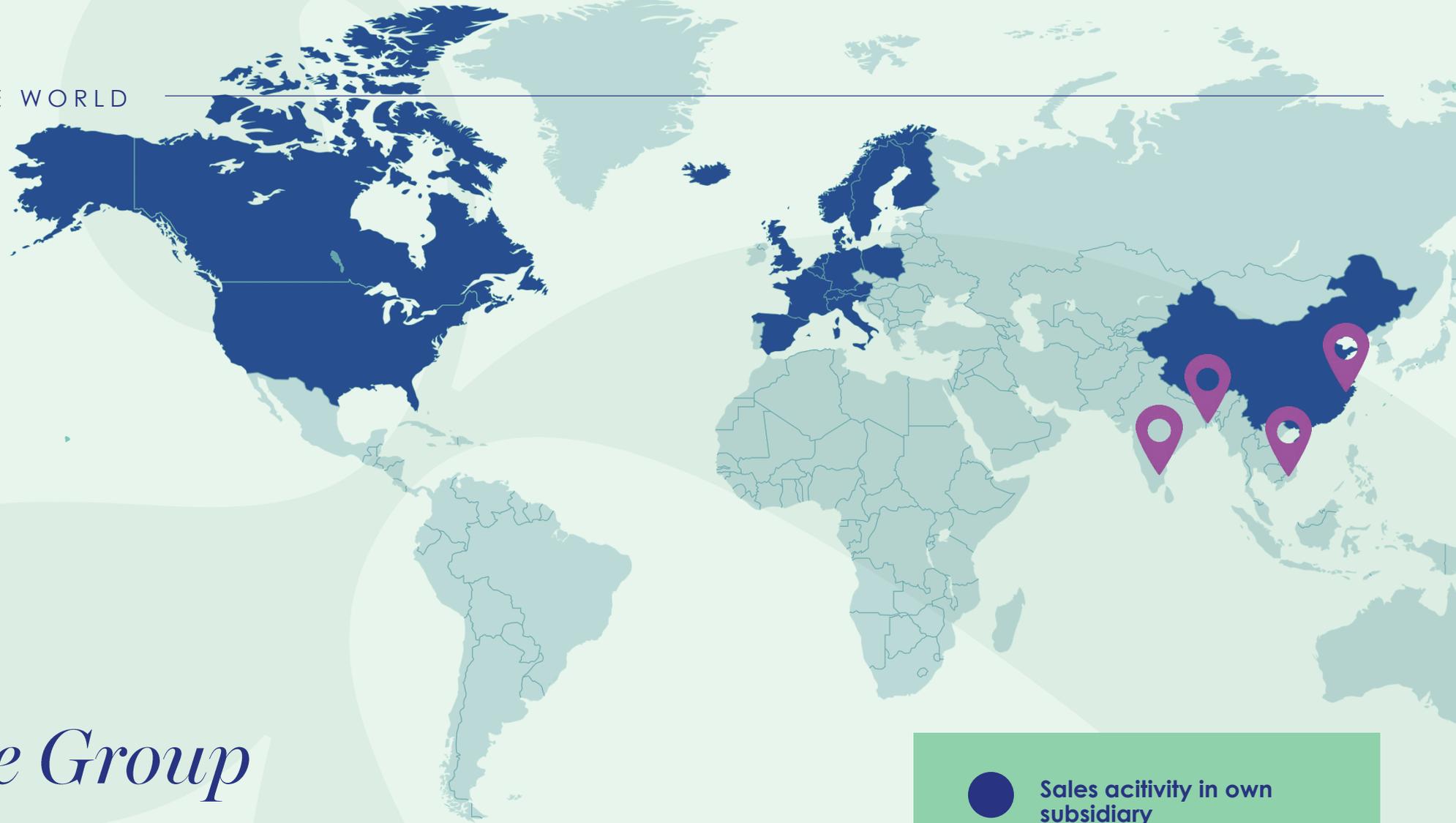


New Wave Group AB

2020

Year-end report

January - December



This is New Wave Group

New Wave Group is a growth group 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.



Mathias Bergeld/Bildbyrån



Gifts & Home Furnishings

The vision for the Gifts & Home Furnishings operating segment 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.



*The quarter
at a glance*



The quarter

- *Some recovery, but demand still lower – COVID-19. However, net sales in Gifts & Home Furnishings increased by 17% and Sports & Leisure had growth in the Nordic region*
- *Cost savings result in improved operating margin and the highest operating result ever*
- *Equity ratio 53.4%, strong cash flow and further decreased net debt*

2020

Financial information

October - December



October - December

Net sales

- Sales amounted to SEK 1,873.2 (2,024.1) million
- Sales **decreased by 7%** (3% in local currencies)
- **Promo** sales channel **decreased 6%**, **retail 11%**

2020



Net sales per operating segment

Corporate -12%

Sports & Leisure -11%

Gifts & Home Furnishings 17%



■ *Promo* ■ *Retail*

October - December

Net sales per geographic area and operating segment

SEK million	Corporate		Sports & Leisure		Gifts & Home Furnishings		Total		
	Oct - Dec 2020	Oct - Dec 2019	Oct - Dec 2020	Oct - Dec 2019	Oct - Dec 2020	Oct - Dec 2019	Oct - Dec 2020	Oct - Dec 2019	Change %
USA	67.6	96.2	263.7	373.5	19.0	18.3	350.2	488.1	-28%
Sweden	134.7	125.8	153.2	145.1	278.3	233.2	566.3	504.1	12%
Central Europe	201.6	227.6	88.4	92.3	9.6	6.9	299.7	326.9	-8%
Nordic countries excl. Sweden	115.2	117.2	103.1	94.3	24.5	25.0	242.9	236.5	3%
Southern Europe	194.3	228.0	17.1	14.1	0.1	0.1	211.5	242.1	-13%
Other countries	139.9	169.7	57.6	52.3	5.2	4.2	202.7	226.4	-10%
Total	853.4	964.7	683.1	771.7	336.7	287.7	1 873.2	2 024.1	-7%

October - December

2020

- **Gross profit margin amounted to 46.2 (46.7)%**
 - Slightly lower margin for all segments compared to the previous year
- **External costs and personnel costs amounted to a total of SEK -545.3 (-651.4) million**
 - Cost savings
 - Improved productivity per employee
 - Reduced number of employees
 - Positive currency effect of SEK 27.6 million
- **Operating result amounted to SEK 283.6 (240.3) million**
 - Lower net sales
 - Cost savings
- **Result for the period amounted to SEK 208.2 (165.9) million**

SEK million	Oct - Dec 2020		Oct - Dec 2019	
Net sales	1 873.2		2 024.1	
Goods for resale	-1 007.7		-1 079.2	
Gross profit	865.6	46.2%	944.9	46.7%
Other operating income	29.6		32.3	
External costs	-285.4		-343.8	
Personnel costs	-259.9		-307.6	
Depreciation and write-downs of tangible and intangible fixed assets	-55.0		-73.6	
Other operating costs	-11.4		-12.4	
Share of associated companies' result	0.1		0.6	
Operating result	283.6	15.1%	240.3	11.9%
Net financial items	-14.5		-21.3	
Result before tax	269.2		219.1	
Tax on result for the period	-61.0		-53.1	
Result for the period	208.2		165.9	
Result per share (SEK)	3.13		2.53	

October - December

Operating result per operating segment

Corporate

- Lower net sales
- Increased sales in Sweden, decreases in all other regions
- Slightly lower gross profit margin
- Cost savings

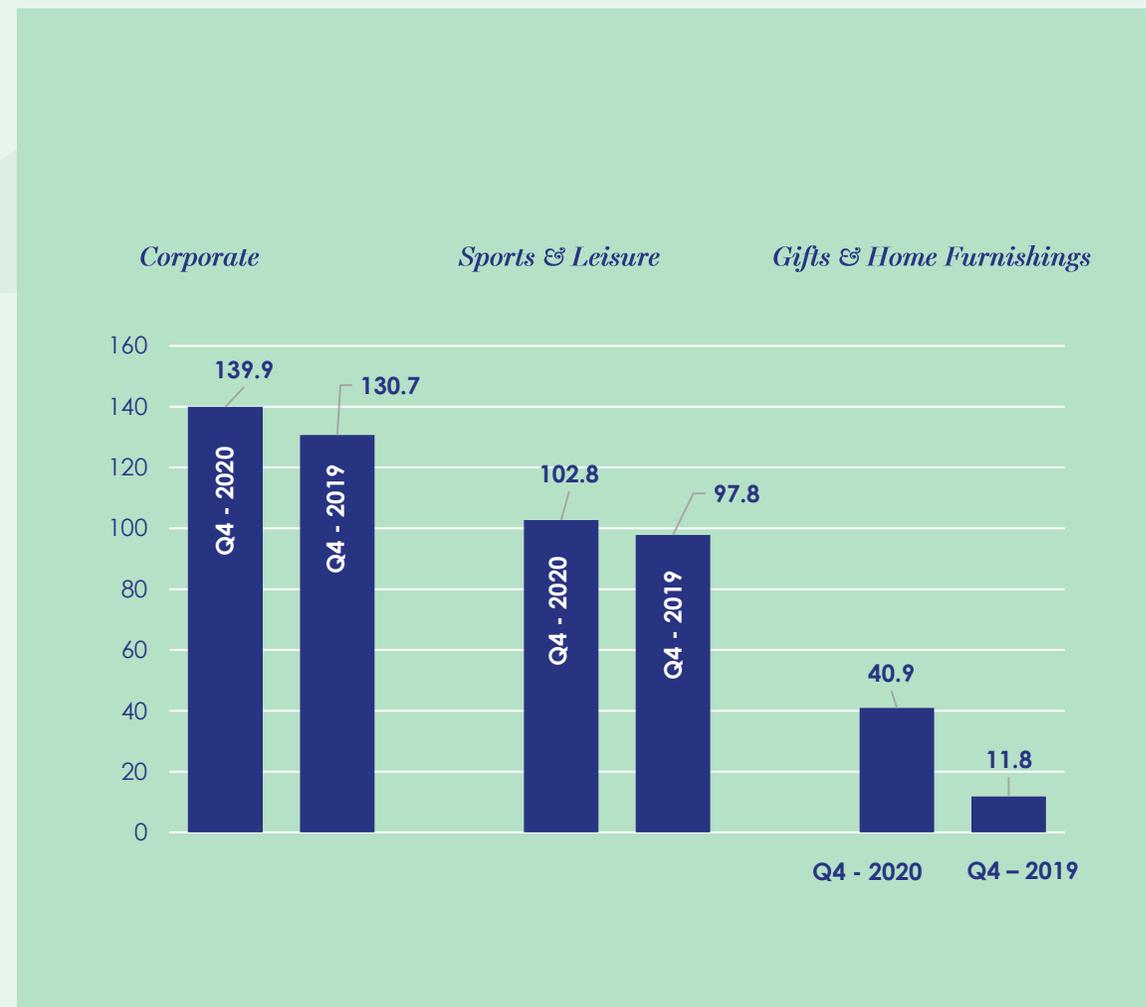
Sports & Leisure

- Lower net sales, mainly related to the US
- Cost savings

Gifts & Home Furnishings

- Higher net sales, mainly related to Sweden
- Cost savings

..... 2020



October - December

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

	Oct - Dec 2020	Oct - Dec 2019
	300.0	262.1
	257.5	24.7
	557.5	286.7
	-7.2	-42.2
	550.3	244.6
	-435.9	-122.6
	114.5	121.9

Strong balance sheet

SEK million

	Dec 2020	Dec 2019
Equity	3 855.5	3 770.7
Equity ratio, %	53.4	44.9
Net debt, SEK million	1 817.6	2 964.8
Net debt to credit institutes, SEK million	1 075.9	2 161.0
Available credit	1 769.1	1 050.9
Equity per share, SEK	57.96	56.59

Financial information

January - December



January - December

Net sales

- Sales amounted to SEK 6,098.8 (6,903.5) million
- Sales **decreased by 12 %** (10% in local currencies)
- **Promo** sales channel **decreased 5 %**, **retail 21 %**

..... 2020

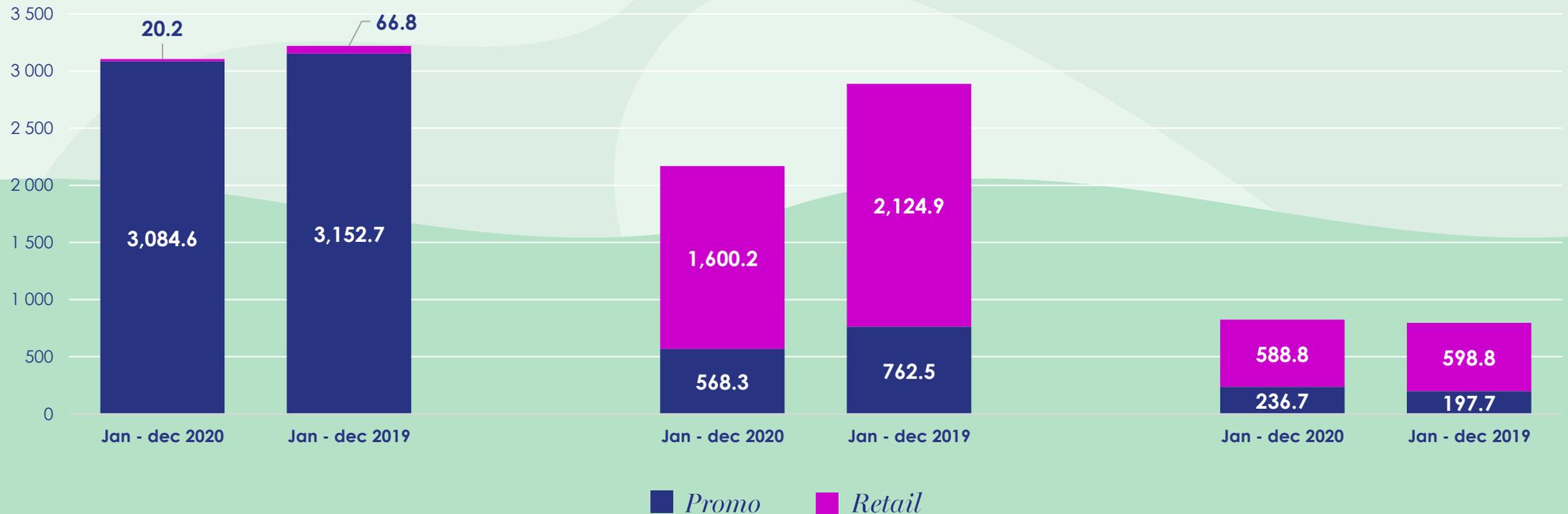


Net sales per operating segment

Corporate -4%

Sports & Leisure -25%

Gifts & Home Furnishings 4%



January - December

Net sales per geographic area and operating segment

SEK million	Corporate		Sports & Leisure		Gifts & Home Furnishings		Total		
	Jan - Dec 2020	Jan - Dec 2019	Jan - Dec 2020	Jan - Dec 2019	Jan - Dec 2020	Jan - Dec 2019	Jan - Dec 2020	Jan - Dec 2019	Change %
USA	193.7	260.3	895.2	1 460.6	52.0	53.5	1 140.9	1 774.5	-36%
Sweden	387.8	438.2	480.3	511.2	689.8	661.1	1 558.0	1 610.5	-3%
Central Europe	592.4	742.9	300.8	317.7	20.2	17.5	913.4	1 078.1	-15%
Nordic countries excl. Sweden	358.5	433.2	306.1	375.6	45.7	52.2	710.3	861.0	-17%
Southern Europe	842.0	749.5	58.9	62.8	0.3	0.4	901.2	812.6	11%
Other countries	730.4	595.5	127.1	159.4	17.5	11.9	875.0	766.8	14%
Total	3 104.8	3 219.6	2 168.5	2 887.4	825.5	796.5	6 098.8	6 903.5	-12%

January - December

2020

- **Gross profit margin amounted to 43.2 (46.4)%**
 - Larger share of trading shipments
 - Lower gross profit margin in all segments
- **External costs and personnel costs amounted to a total of SEK -1,958.3 (-2,472.6) million**
 - Cost savings
 - Improved productivity per employee
 - Reduced number of employees and temporary lay-offs
- **Operating result amounted to SEK 545.9 (535.0) million**
 - Lower net sales
 - Cost savings
 - Government support
- **Result for the period amounted to SEK 363.0 (370.1) million**

SEK million	Jan – Dec 2020		Jan – Dec 2019	
Net sales	6 098.8		6 903.5	
Goods for resale	-3 461.5		-3 701.0	
Gross profit	2 637.3	43.2%	3 202.4	46.4%
Other operating income	146.2		77.9	
External costs	-975.7		-1 312.7	
Personnel costs	-982.6		-1 159.9	
Depreciation and write-downs of tangible and intangible fixed assets	-229.5		-233.1	
Other operating costs	-48.3		-39.6	
Share of associated companies' result	-1.4		-0.2	
Operating result	545.9	9.0%	535.0	7.7%
Net financial items	-64.9		-68.2	
Result before tax	481.0		466.7	
Tax on result for the period	-118.0		-96.7	
Result for the period	363.0		370.1	
Result per share (SEK)	5.51		5.66	

January - December

Operating result per operating segment

Corporate

- Net sales slightly lower than the previous year
- Several major trading orders
- Increased sales in Southern Europe and Other countries, decreases in other regions
- Lower gross profit margin
- Cost savings

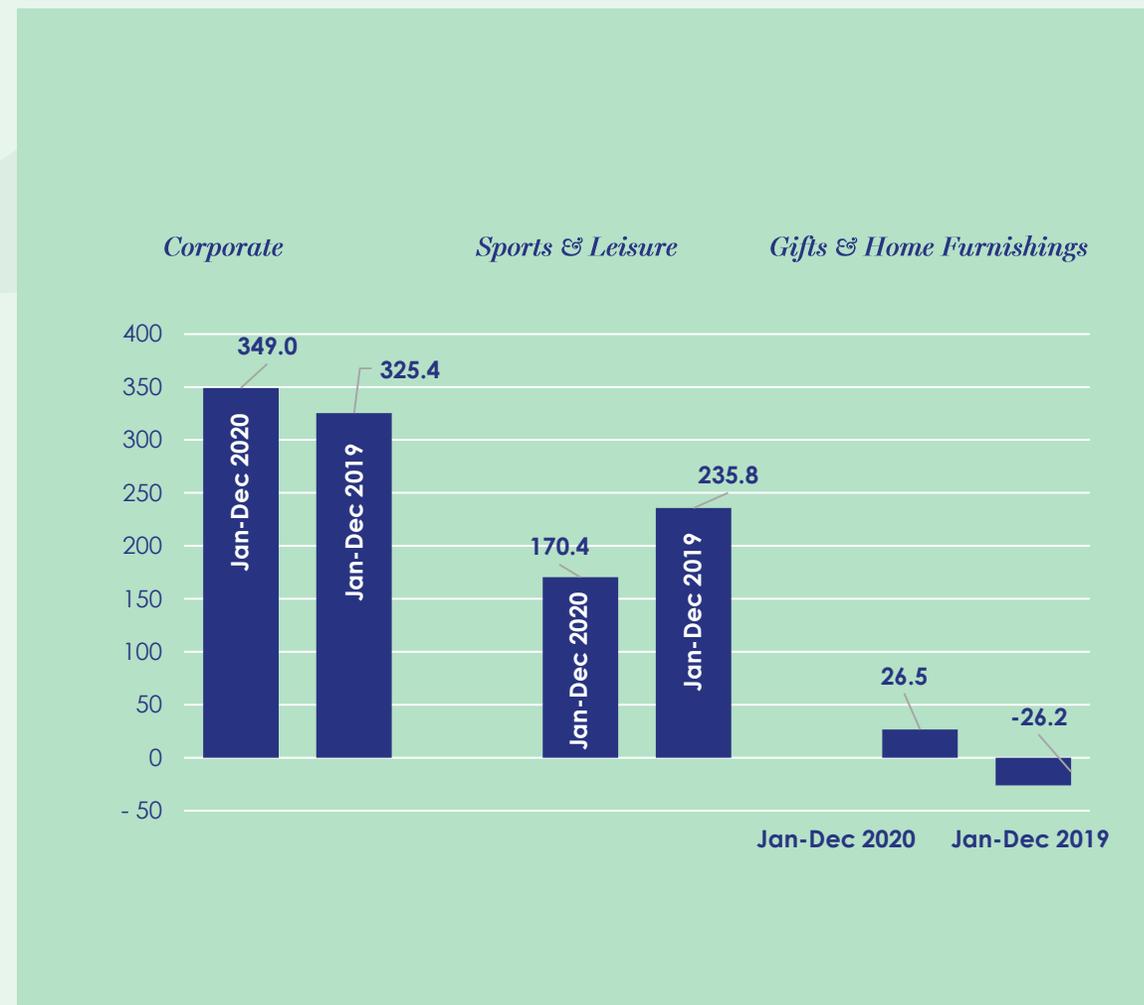
Sports & Leisure

- Lower net sales
- Decreased sales in both sales channels and all regions, mainly the US
- Cost savings

Gifts & Home Furnishings

- Higher net sales
- Cost savings

2020



January - December

Cash flow

SEK million

	Jan - Dec 2020	Jan - Dec 2019
Cash flow from operating activities before changes in working capital	631.8	605.0
Change in working capital	574.8	-505.6
Cash flow from operating activities	1 206.6	99.5
Investing activities	-57.5	-148.7
Cash flow after investing activities	1 149.1	-49.3
Financial activities	-1 155.6	80.4
Cash flow for the period	-6.4	31.2

Financial key figures

	Oct – Dec 2020	Oct – Dec 2019	Jan – Dec 2020	Jan – Dec 2019
Net sales growth, %	-7.5	4.2	-11.7	9.7
Average number of employees	2 064	2 579	2 064	2 579
Gross profit margin, %	46.2	46.7	43.2	46.4
Operating margin before depreciations, %	18.1	15.5	12.7	11.1
Operating margin, %	15.1	11.9	9.0	7.7
Return on shareholders' equity, %			9.5	10.3
Return on capital employed, %			8.4	8.6
Equity ratio, %			53.4	44.9
Net debt to equity ratio, %			47.1	78.6
Net debt in relation to working capital, %			59.5	77.1
Net debt, SEK million			1 817.6	2 964.8
Equity			3 855.5	3 770.7
Inventory turnover, times			1.1	1.1
Shareholders' equity per share, SEK			57.96	56.59

Torsten Jansson
CEO
comments

“Our brands are stronger than ever, our balance sheet is stronger than ever and our organization has, not least through its fantastic work in 2020, shown that it can tackle most scenarios in a good and flexible way.”



Torsten Jansson
CEO

October – December

- **Net sales decreased by only a marginal 3% in local currencies**, but good given the prevailing conditions.
- **Operating result** increased to SEK 283.6 (240.3) million, and the operating margin improved from 11.9% to 15.1%. We achieved our highest operating result ever in a quarter!
- **Strong cash flow** and **strong balance sheet**. Equity ratio amounts to 53.4%, the highest in over 20 years!

January – December

- **Net sales decreased** by 12%, where the US is the major challenge.
- **Quick recovery** by major work to lower costs and improve cash flow.
- **Improved operating result** compared to the previous year.
- **Strong cash flow** and **decreased net debt**. Net debt to credit institutes decreased by SEK 1,085.1 million.

Torsten Jansson
CEO
comments

“Our brands are stronger than ever, our balance sheet is stronger than ever and our organization has, not least through its fantastic work in 2020, shown that it can tackle most scenarios in a good and flexible way.”



Torsten Jansson
CEO

The Future

- In the short term it is incredibly hard to know due to current restrictions and lockdowns.
- The market will continue to be difficult during the first half of the year. In the second half of the year we plan for a strong growth and we will therefore, mainly during the second quarter, try to build up our stock again.

Dividend

- In light of the ongoing pandemic and its difficulty to assess consequences in 2021, the Board has decided to propose to the AGM that no dividend shall be paid at this moment.
- The Group has a strong financial position, and the Board's assessment is that there are good opportunities for a dividend later in 2021.
- The Board will return at the latest in the interim report for the third quarter, with proposal on when a resumption of dividend can take place.

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