

New Wave Group AB

2021

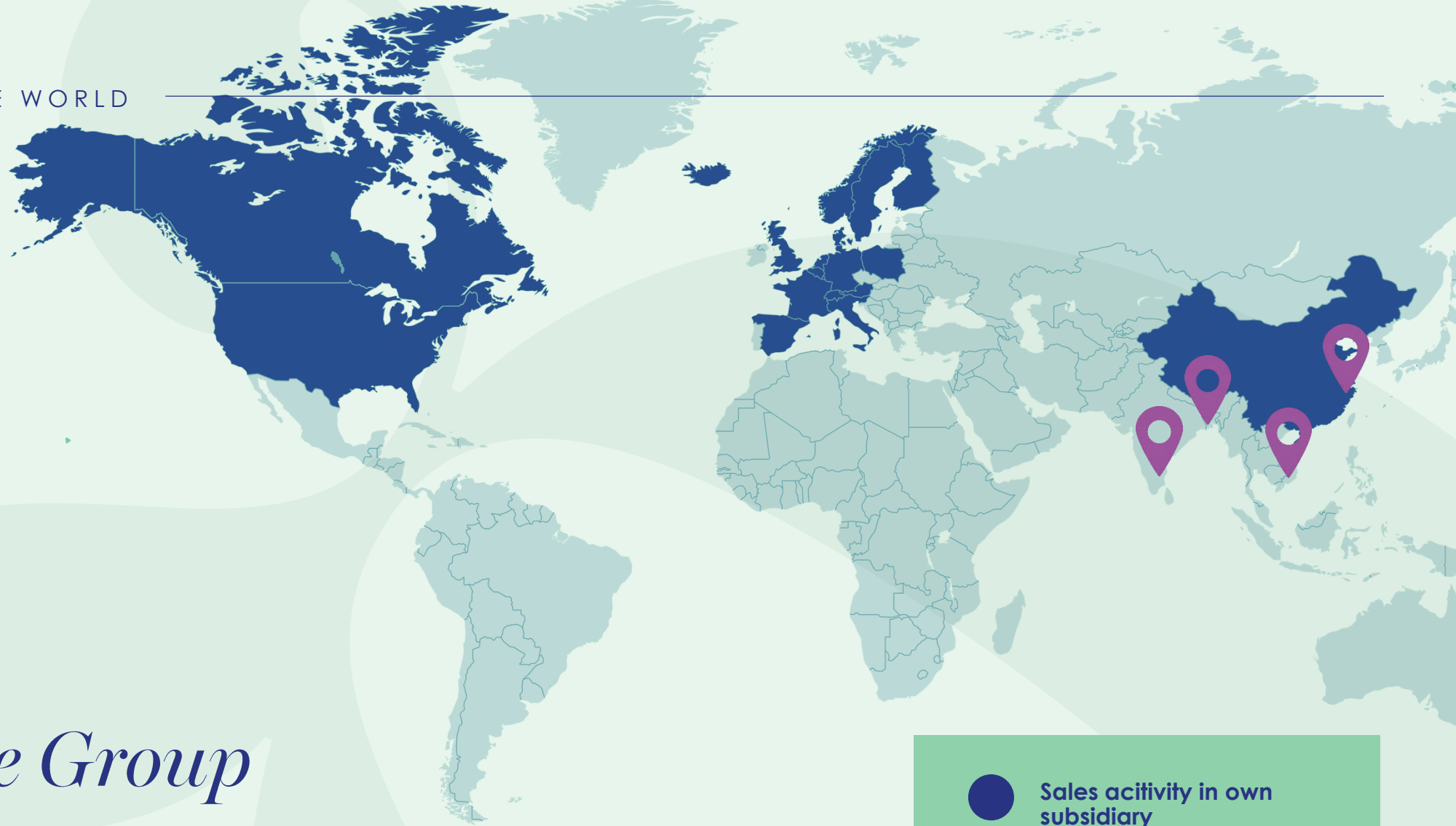
Year-end report

January – December

EUROPEAN CHAMPIONS 2022

EHF

WATCH GAMES.
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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.

Sweden's national team European champion in handball - plays in Craft.





Craft's preorders for the AW season increased by as much as 42%.

- We are pleased to see the growth is taking place in all markets and in all product segments.
- It is noteworthy that the more mature markets show very good growth, such as Sweden with 34% or Norway with as much as 71% and we are taking big steps forward in markets such as Spain, France, the USA and Canada

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

- *Continued positive development. All segments and regions had higher net sales.*
- *All time high for both net sales and results*
- *Operating result improved by SEK 119.7 million compared to the previous year and amounted to SEK 403.3 (283.6) million.*

2021

Financial information

October - December



October - December

Net sales

- Sales amounted to SEK 2,306.7 (1,873.2) million
- Sales increased by 23% (22% in local currencies)
- Promo sales channel increased by 16%, retail increased by 36%

2021

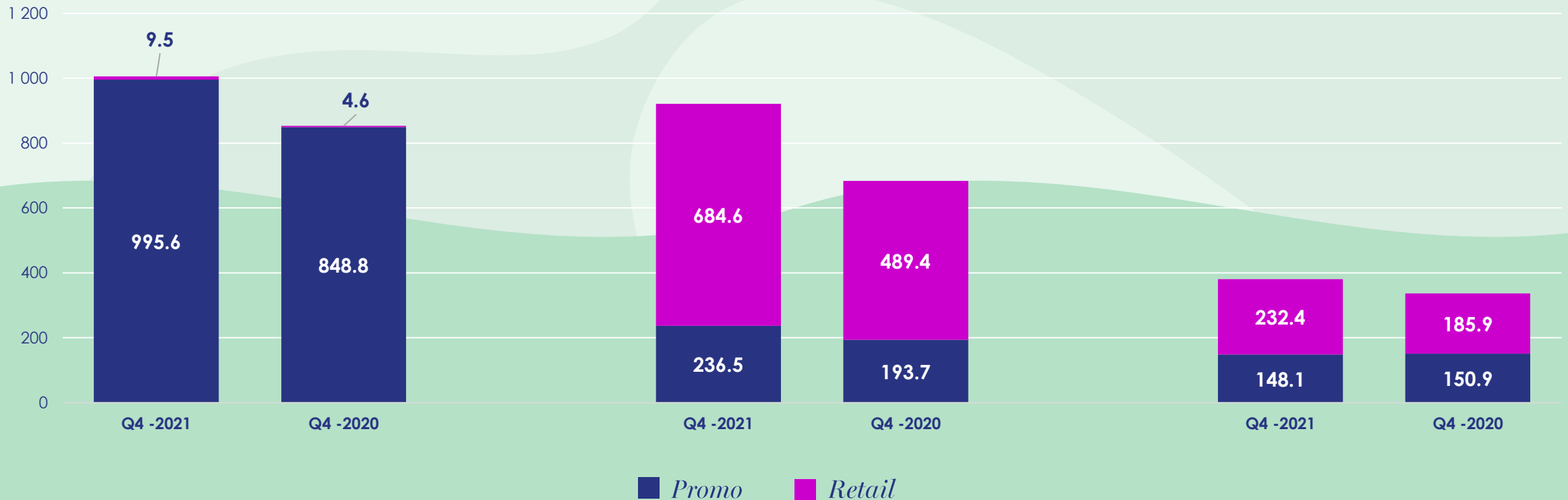


Net sales per operating segment

Corporate 18%

Sports & Leisure 35%

Gifts & Home Furnishings 13%



October - December

Net sales per geographic area and operating segment

SEK million	Corporate		Sports & Leisure		Gifts & Home Furnishings		Total		
	Oct-Dec 2021	Oct-Dec 2020	Oct-Dec 2021	Oct-Dec 2020	Oct-Dec 2021	Oct-Dec 2020	Oct-Dec 2021	Oct-Dec 2020	Change %
USA	73.5	67.6	347.3	263.7	23.9	19.0	444.7	350.2	27%
Sweden	154.5	134.7	225.1	153.2	317.6	278.3	697.2	566.3	23%
Central Europe	243.2	201.6	108.9	88.4	10.1	9.6	362.2	299.7	21%
Nordic countries excl. Sweden	127.4	115.2	132.6	103.1	23.4	24.5	283.4	242.9	17%
Southern Europe	267.3	194.3	28.3	17.1	0.2	0.1	295.8	211.5	40%
Other countries	139.2	139.9	78.9	57.6	5.3	5.2	223.4	202.7	10%
Total	1,005.1	853.3	921.1	683.1	380.5	336.7	2,306.7	1,873.2	23%

October - December

2021

- **Gross profit margin amounted to 47.8 (46.2)%**
 - Higher margin for all segments
- **External costs and personnel costs amounted to a total of SEK -652.3 (-545.3) million**
 - Increase of volume-related costs
 - Increased marketing expenses
 - Appropriately staffed for the current volumes
- **Operating result amounted to SEK 403.3 (283.6) million**
 - Higher net sales
 - Improved gross profit margin
- **Result for the period amounted to SEK 308.5 (208.2) million**

SEK million	Oct-Dec 2021	Oct-Dec 2020
Net sales	2,306.7	1,873.2
Goods for resale	-1,203.3	-1,007.7
Gross profit	1,103.4 47,8%	865.6 46,2%
Other operating income	23.9	29.6
External costs	-350.9	-285.4
Personnel costs	-301.4	-259.9
Depreciation and write-downs of tangible and intangible fixed assets	-61.5	-55.0
Other operating costs	-9.9	-11.4
Share of associated companies' result	-0.3	0.1
Operating result	403.3 17,5%	283.6 15,1%
Net financial items	-9.9	-14.4
Result before tax	393.4	269.2
Tax on result for the period	-84.9	-61.0
Result for the period	308.5	208,2
Result per share (SEK)	4.61	3.13

October - December

Operating result per operating segment

Corporate

- Higher sales in all regions except Other countries which were at the same level as py
- Improved gross profit margin

Sports & Leisure

- Increased sales in all regions
- Both sales channels increased
- Higher gross profit margin

Gifts & Home Furnishings

- Higher net sales, mainly related to Sweden and USA
- Retail sales increased while promo slightly lower than last year
- Improved gross profit margin

..... 2021



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 2021	Oct-Dec 2020
	404.1	300.0
	9.2	257.5
	413.3	557.5
	-42.1	-7.2
	371.2	550.3
	-360.5	-435.9
	10.7	114.5

Strong balance sheet

SEK million

	31 Dec 2021	31 Dec 2020
Equity	4,567.6	3,855.5
Equity ratio, %	59.6	53.4
Net debt, SEK million	1,068.8	1,817.6
Net debt to credit institutes, SEK million	375.1	1,075.9
Equity per share, SEK	68.83	57.96

2021

Financial information

January - December

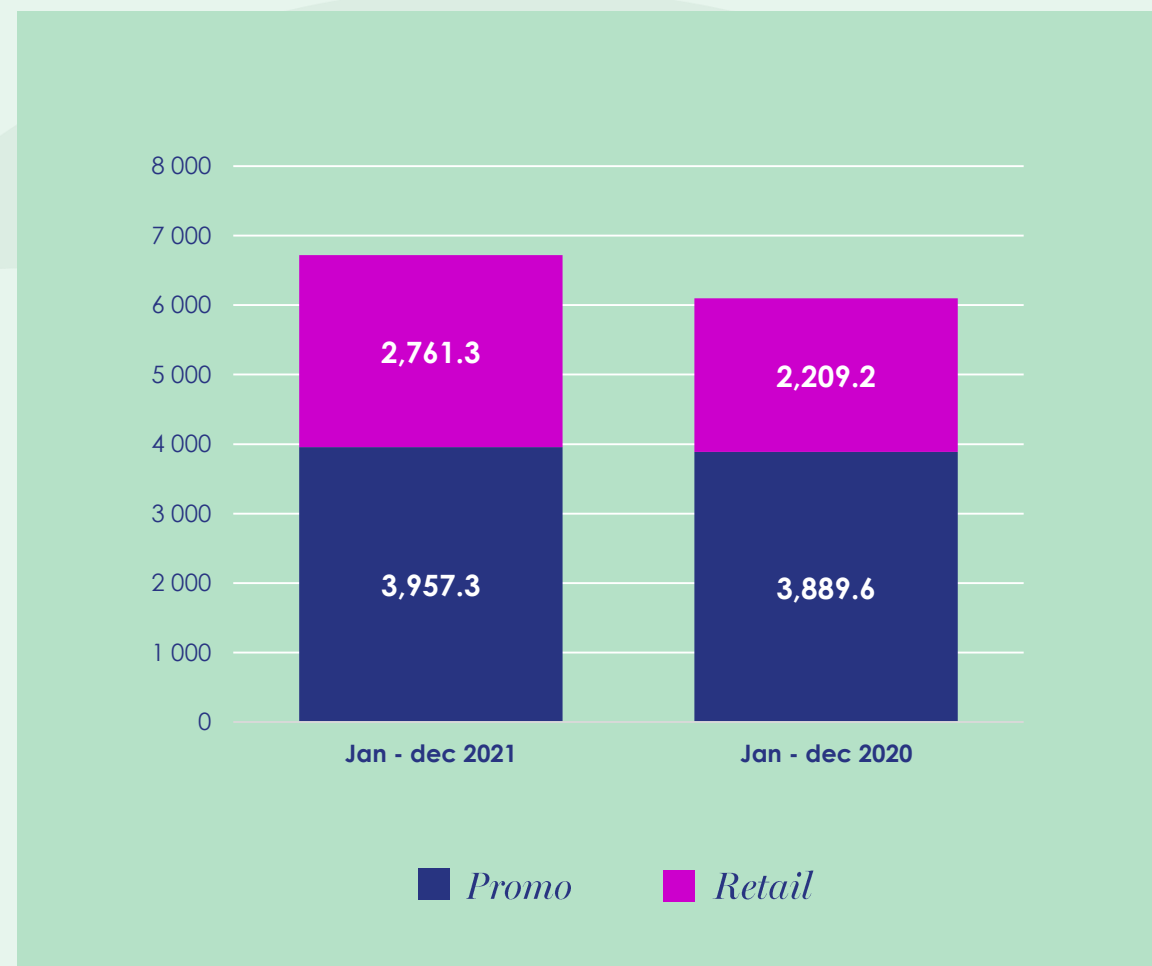


January - December

Net sales

- Sales amounted to SEK 6,718.6 (6,098.8) million
- Sales increased with 10% (13% in local currencies)
- Promo sales channel increased 2%, retail increased 25%

2021

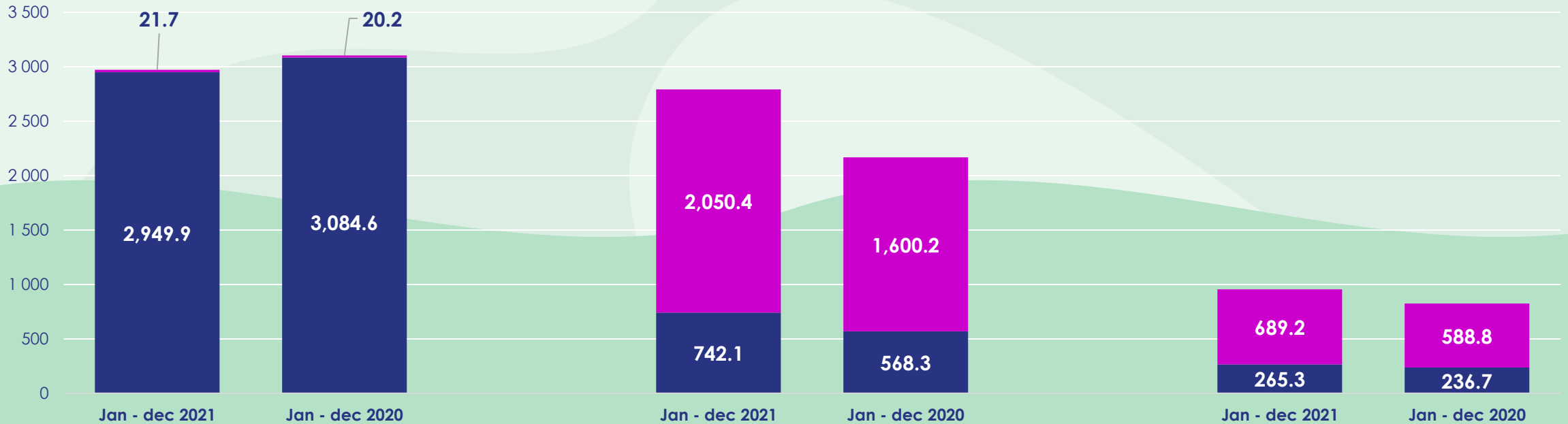


Net sales per operating segment

Corporate -4%

Sports & Leisure 29%

Gifts & Home Furnishings 16%



■ Promo ■ Retail

January - September

Net sales per geographic area and operating segment

SEK million	Corporate		Sports & Leisure		Gifts & Home Furnishings		Total		Change %
	Jan - Dec 2021	Jan - Dec 2020	Jan - Dec 2021	Jan - Dec 2020	Jan - Dec 2021	Jan - Dec 2020	Jan - Dec 2021	Jan - Dec 2020	
USA	203.6	193.7	1,145.0	895.2	60.4	52.0	1,409.0	1,140.9	23%
Sweden	476.1	387.8	637.6	480.3	799.4	689.8	1,913.1	1,558.0	23%
Central Europe	660.8	592.4	338.9	300.8	26.0	20.2	1,025.7	913.4	12%
Nordic countries excl. Sweden	401.3	358.5	411.4	306.1	49.8	45.7	862.5	710.3	21%
Southern Europe	779.3	842.0	83.2	58.9	0.4	0.3	862.9	901.2	-4%
Other countries	450.5	730.4	176.4	127.1	18.5	17.5	645.4	875.0	-26%
Total	2,971.6	3,104.8	2,792.5	2,168.5	954.5	825.5	6,718.6	6,098.8	10%

January - December

2021

- **Gross profit margin amounted to 48.1 (43.2)%**
 - Large share of trading shipments last year
- **External costs and personnel costs amounted to a total of SEK -2,084.8 (-1,958.4) million**
 - Volume related expenses increased
 - Significant savings in personnel last year
- **Operating result amounted to SEK 1,005.9 (545.9) million**
 - Higher net sales and improved gross profit margin
- **Result for the period amounted to SEK 760.0 (363.0) million**

SEK million	Jan – Dec 2021		Jan – Dec 2020	
Net sales	6,718.6		6,098.8	
Goods for resale	-3,489.3		-3,461.5	
Gross profit	3,229.3	48,1%	2,637.3	43,2%
Other operating income	111.5		146.2	
External costs	-1,067.9		-975.7	
Personnel costs	-1,016.9		-982.6	
Depreciation and write-downs of tangible and intangible fixed assets	-227.3		-229.5	
Other operating costs	-21.7		-48.3	
Share of associated companies' result	-1.1		-1.4	
Operating result	1,005.9	15,0%	545.9	9,0%
Net financial items	-43.0		-64.9	
Result before tax	962.9		481.0	
Tax on result for the period	-202.9		-118.0	
Result for the period	760.0		363.0	
Result per share (SEK)	11.46		5.51	

January - December

Operating result per operating segment

Corporate

- Decreased sales in Southern Europe and Other countries due to less trading business
- Higher gross profit margin

Sports & Leisure

- Increased sales in all regions and in both sales channels
- Higher gross profit margin

Gifts & Home Furnishings

- Higher net sales, mainly related to Sweden but all regions increased
- Improved gross profit margin

2021



January - 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

Jan - Dec
2021

Jan - Dec
2020

993.0

631.8

214.4

574.8

1,207.4

1,206.6

-114.2

-57.5

1,093.2

1,149.1

-1,110.9

-1,155.6

-17.7

-6.4

Torsten Jansson
CEO
comments

*”All figures for the quarter are
all time high.”*



Torsten Jansson
CEO

October - December

- **Net sales growth 23%** compared to last year and **14%** compared to 2019.
- **All time high on net sales and results**
- **The operating margin** amount to 17.5%. A fantastic result!
- Given the negative effects of the pandemic, the outcome of the quarter is **a very strong development.**

January – December

- **The operating result** increased to SEK 1,005.9 (545.9) million with an operating margin of 15.0%
- **Strong cash flow from operations** that amounted to SEK **1,207.4** million, even though larger inventories have been desirable

Torsten Jansson
CEO
comments

”Craft has a fantastic development.”



Torsten Jansson
CEO

Brands

- **Craft's preorders for AW increased by 42%**
- **Good growth also in** Orrefors, Kosta Boda, Sagaform and Cutter & Buck, Projob and Jobmans

The Future

- **We are entering 2022 stronger than ever** and all segments have a positive development
- We stand strong against our competitors in terms of product **quality, design and function**. We are far ahead of many competitors in terms of **sustainability** and we are among the absolute best in terms of **service**.
- **Some clouds of unrest remain even if it feels more stable than earlier.**
 - we need to increase our inventories in order to cope with the strong growth
 - price increases on shipping and energy
 - the pandemic is still a challenge
- Of course, there may be individual quarters that may be weaker, but over time I am convinced of **a continued very good development**

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