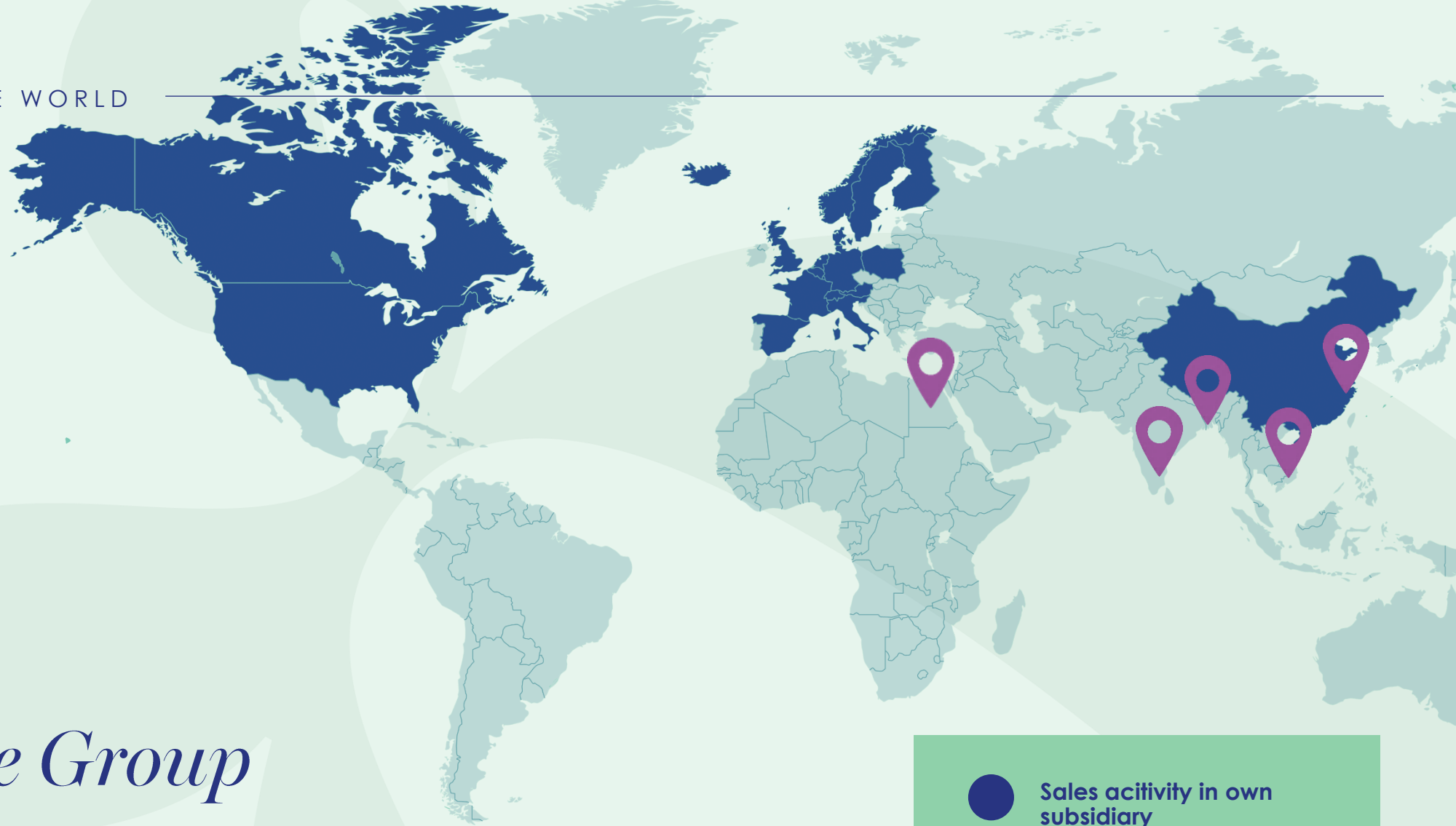


*New Wave Group AB*

*2023*  
*Interim Report*

January – September



# *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*

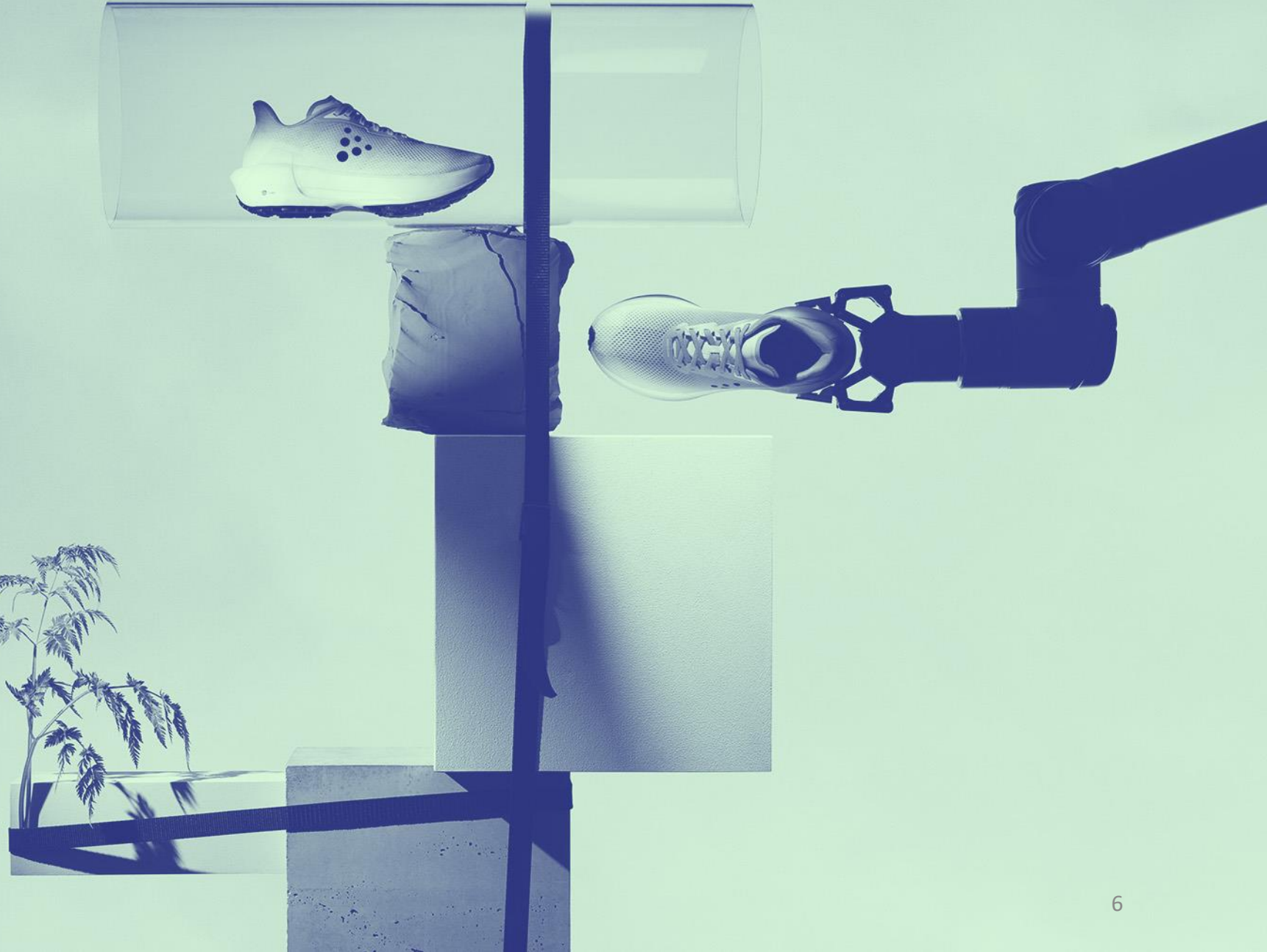
*The vision for the Sports & Leisure operating segment involves establishing Craft as a world-leading sportswear brand, and making Cutter & Buck a world-leading golf apparel brand.*

*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.*

## Craft Shoes

Craft continues to invest in the development of high quality shoes.



## *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.*

## Kosta Christmas Market

On November 11, the Kosta Christmas Market opens for the season.



*The quarter  
at a glance*



## *The quarter*

- *New all time high for net sales despite a very challenging market with price reductions on a number of basic goods*
- *Operating result decreased by SEK 16.7 million compared to the previous year and amounted to SEK 381.1 (397.8) million*
- *Operating margin amounted to 16.3 (17.8)%*

2023

# *Financial information*

July - September



# July - September

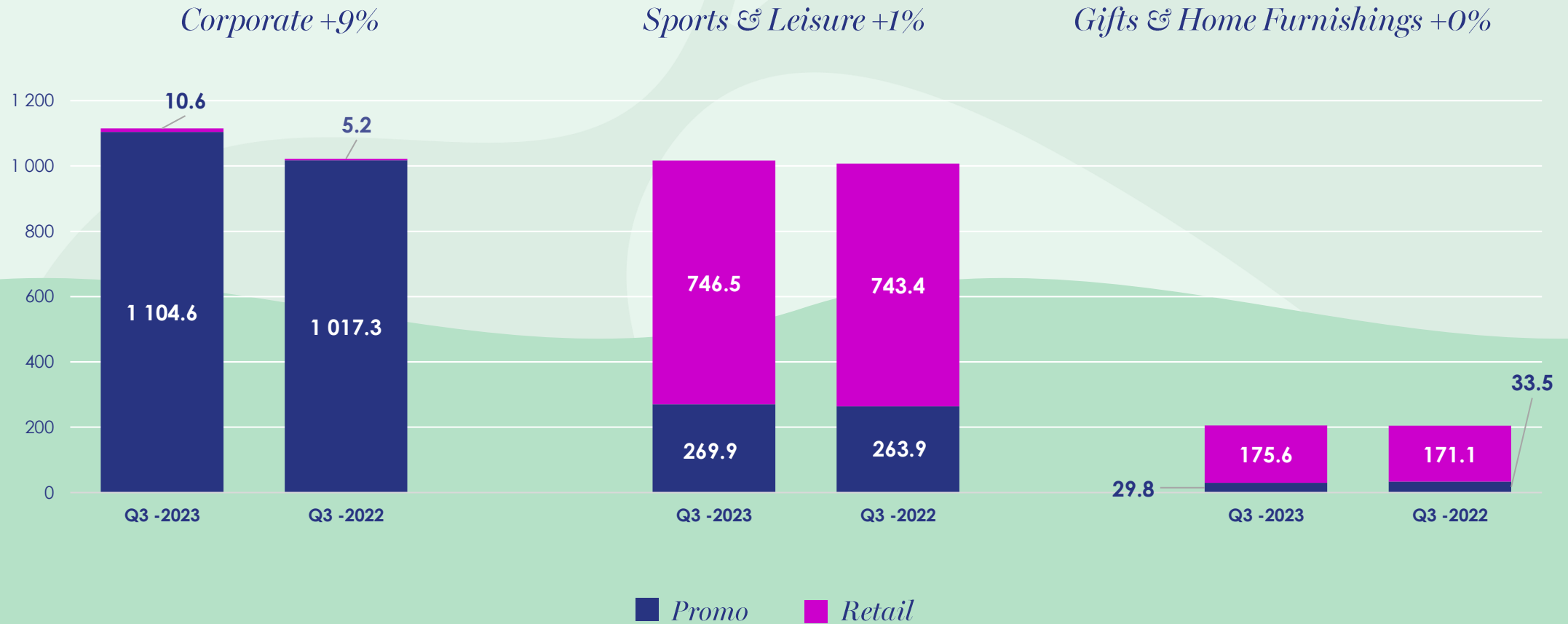
## Net sales

- Sales amounted to SEK 2.337.0 (2.234.4) million or +5%
- **Promo** sales channel increased by 7%. **retail** increased by 1%

2023



## Net sales per operating segment



# July - September

*Net sales per geographic area and operating segment*

SEK million	Corporate		Sports & Leisure		Gifts & Home Furnishings		Total		Change %
	Jul - Sep 2023	Jul - Sep 2022	Jul - Sep 2023	Jul - Sep 2022	Jul - Sep 2023	Jul - Sep 2022	Jul - Sep 2023	Jul - Sep 2022	
USA	59.3	72.6	433.3	485.8	14.3	13.5	506.9	571.9	-11%
Sweden	103.0	118.3	210.6	192.0	175.2	173.1	488.7	483.4	1%
Central Europe	420.4	288.4	123.2	105.0	5.6	5.9	549.2	399.3	38%
Nordic countries excl. Sweden	116.4	118.8	130.6	140.3	8.0	8.8	255.0	267.9	-5%
Southern Europe	248.0	227.2	41.4	28.8	0.1	0.1	289.5	256.1	13%
Other countries	168.1	197.2	77.3	55.4	2.3	3.2	247.7	255.8	-3%
<b>Total</b>	<b>1.115.2</b>	<b>1.022.5</b>	<b>1.016.4</b>	<b>1.007.3</b>	<b>205.4</b>	<b>204.6</b>	<b>2.337.0</b>	<b>2.234.4</b>	<b>5%</b>

## July - September

2023

- **Gross profit margin amounted to 48.6 (49.4)%**
  - The decrease was related to Corporate and last year's acquisition. Excluding the acquisition, the gross margin increased slightly
- **External costs and personnel costs amounted to a total of SEK -723.2 (-650.8) million**
  - Acquired business
  - Exchange rate changes
  - Increased marketing activity
- **Operating result amounted to SEK 381.1 (397.8) million**
  - Lower gross profit margin
  - Increased marketing activity
- **Result for the period amounted to SEK 270.9 (304.0) million**

SEK million	Jul - Sep 2023		Jul - Sep 2022	
Net sales	2.337.0		2.234.4	
Goods for resale	-1.200.5		-1.131.6	
<b>Gross profit</b>	<b>1.136.4</b>	<b>48.6%</b>	<b>1.102.8</b>	<b>49.4</b>
Other operating income	50.0		35.7	
External costs	-403.0		-359.3	
Personnel costs	-320.2		-291.5	
Depreciation and write-downs of tangible and intangible fixed assets	-65.6		-60.6	
Other operating costs	-14.6		-27.9	
Share of associated companies' result	-2.0		-1.4	
<b>Operating result</b>	<b>381.1</b>	<b>16.3%</b>	<b>397.8</b>	<b>17.8%</b>
Net financial items	-36.1		-13.0	
<b>Result before tax</b>	<b>345.0</b>		<b>384.8</b>	
Tax on result for the period	-74.2		-80.8	
<b>Result for the period</b>	<b>270.9</b>		<b>304.0</b>	
Result per share (SEK)	2.04		2.29	

# July - September

## Operating result per operating segment

### Corporate

- Higher sales in Central and Southern Europe but lower sales in other regions
- Lower gross profit margin due to acquired business
- Acquired business contributed SEK 7.3 million

### Sports & Leisure

- Sales on par with the previous year
- Acquired business affected sales by SEK 33.8 million
- More marketing activities, which affected the operating result during the quarter

### Gifts & Home Furnishings

- Sales on par with the previous year
- Sales channel promo decreased while retail increased
- During the quarter, the segment received government electricity support of SEK 9.6 million which had a positive effect on operating result.

2023





# July - September

## Cash flow

SEK million

	Jul - Sep 2023	Jul - Sep 2022
Cash flow from operating activities before changes in working capital	381.2	367.3
Change in working capital	-207.9	-567.7
<b>Cash flow from operating activities</b>	<b>173.3</b>	<b>-200.4</b>
Investing activities	-72.1	-433.4
<b>Cash flow after investing activities</b>	<b>101.2</b>	<b>-633.8</b>
Financial activities	-211.2	589.6
<b>Cash flow for the period</b>	<b>-110.0</b>	<b>-44.2</b>

## *Strong balance sheet*

### SEK million

	30 Sep 2023	30 Sep 2022
Equity	6,379.8	5,571.4
Equity ratio. %	55.8	54.0
Net debt. SEK million	2,567.2	2,011.5
Net debt to credit institutes. SEK million	1,940.5	1,353.4
Equity per share. SEK	48.07	41.98

## Rolling 12 months

- **Continuing rising sales and a operating margin**, which amounts to 16.7%

2023

SEK million	Rolling 12 months	
Net sales	9,592.1	
Goods for resale	-4,833.4	
<b>Gross profit</b>	<b>4,758.7</b>	<b>49.6%</b>
Other operating income	137.8	
External costs	-1,628.1	
Personnel costs	-1,338.0	
Depreciation and write-downs of tangible and intangible fixed assets	-271.3	
Other operating costs	-50.5	
Share of associated companies' result	-3.0	
<b>Operating result</b>	<b>1,605.6</b>	<b>16.7%</b>
Net financial items	-121.6	
<b>Result before tax</b>	<b>1,484.0</b>	
Tax on result for the period	-285.1	
<b>Result for the period</b>	<b>1,198.9</b>	
Result per share (SEK)	9.04	

2023

# *Financial information*

January - September

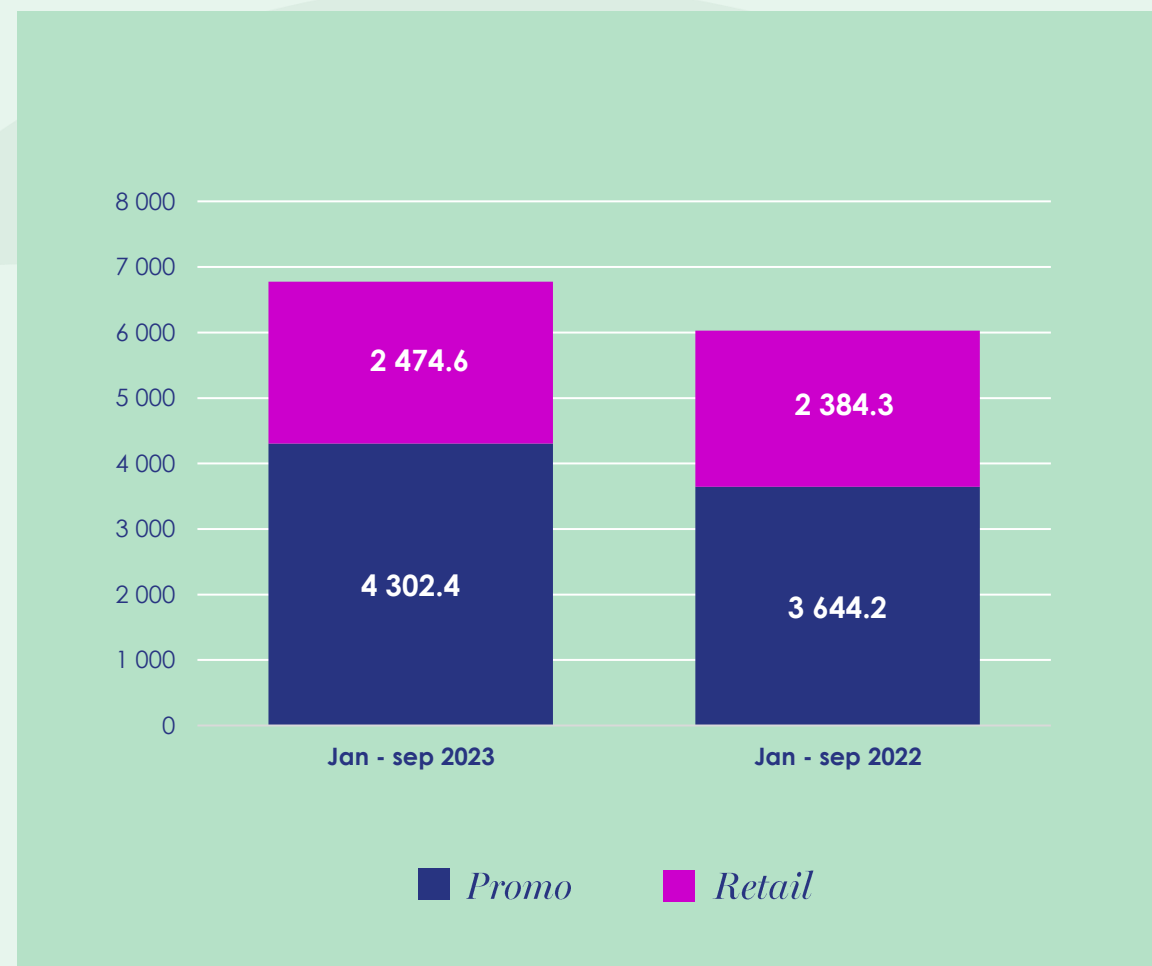


# January - September

## Net sales

- Sales amounted to SEK 6.777.0 (6.028.5) million
- Sales increased by 12% (of which currency 5% and acquisition 8%)
- Promo sales channel increased by 18%. retail increased by 4%

2023

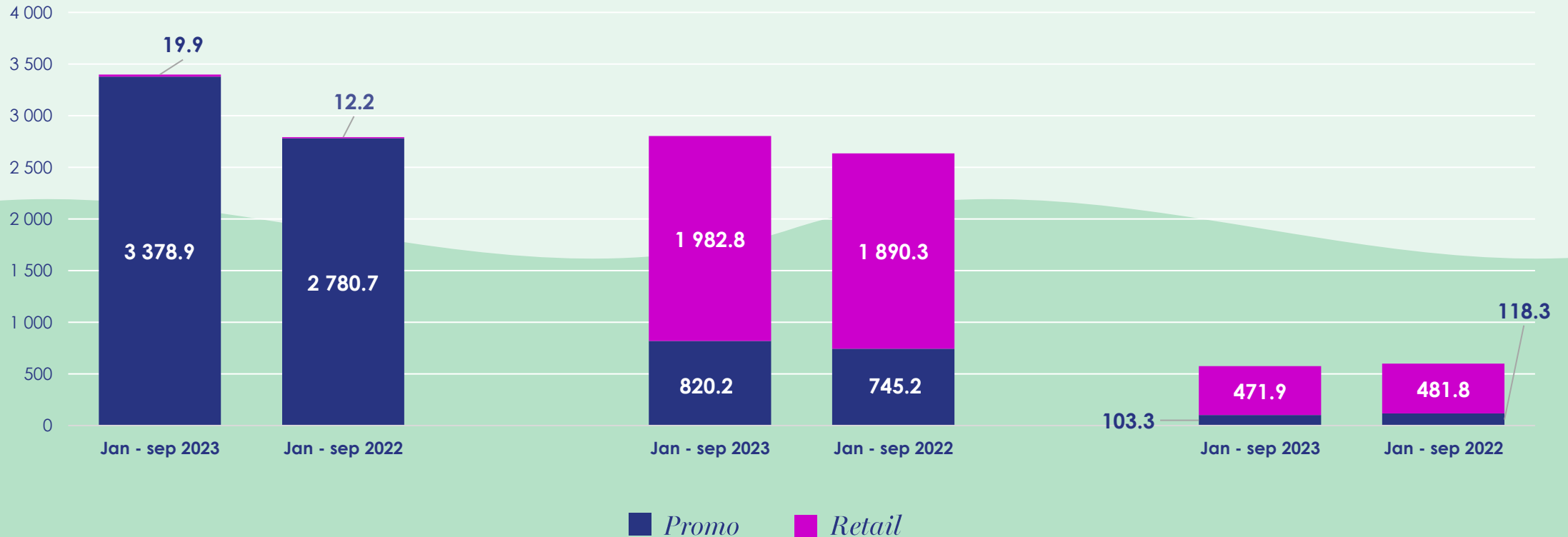


# Net sales per operating segment

Corporate +22%

Sports & Leisure +6%

Gifts & Home Furnishings -4%



# January - September

*Net sales per geographic area and operating segment*

SEK million	Corporate		Sports & Leisure		Gifts & Home Furnishings		Total		Change %
	Jan - Sep 2023	Jan - Sep 2022	Jan - Sep 2022	Jan - Sep 2022	Jan - Sep 2022	Jan - Sep 2022	Jan - Sep 2022	Jan - Sep 2022	
USA	184.8	204.4	1.317.6	1.268.7	40.6	42.4	1.543.0	1.515.5	2%
Sweden	350.8	373.0	551.7	505.5	482.5	494.6	1.385.0	1.373.1	1%
Central Europe	1.244.6	697.6	309.8	89.5	16.1	18.1	1.570.5	1.005.2	56%
Nordic countries excl. Sweden	371.3	354.3	373.1	369.3	27.8	33.5	772.2	757.1	2%
Southern Europe	821.9	721.5	99.9	76.9	0.3	0.3	922.1	789.7	17%
Other countries	425.4	451.1	150.8	125.6	8.0	11.2	584.2	587.9	-1%
<b>Total</b>	<b>3.398.8</b>	<b>2.792.9</b>	<b>2.803.0</b>	<b>2.635.5</b>	<b>575.2</b>	<b>600.1</b>	<b>6.770.0</b>	<b>6.028.5</b>	<b>12%</b>

# January - September

2023

- **Gross profit margin amounted to 49.6 (49.4)%**
  - Improvements in Sports & Leisure while the rest of the segments were slightly lower than previous year
- **External costs and personnel costs amounted to a total of SEK -2.161.3 (-1.870.9) million**
  - Acquired business and exchange rate changes affect
  - Increase of volume-related costs
  - Increased marketing activity
  - Workforce adapted to current volumes
- **Operating result amounted to SEK 1.085.4 (957.9) million**
  - Higher net sales and improved gross profit margin
- **Result for the period amounted to SEK 752.7 (722.6) million**

SEK million	Jan – Sep 2023	Jan – Sep 2022
Net sales	6.777.0	6.028.5
Goods for resale	-3.418.0	-3.053.0
<b>Gross profit</b>	<b>3.359.0</b> <b>49.6%</b>	<b>2.975.5</b> <b>49.4%</b>
Other operating income	101.1	87.2
External costs	-1.173.6	-1.015.9
Personnel costs	-987.7	-855.0
Depreciation and write-downs of tangible and intangible fixed assets	-199.8	-177.7
Other operating costs	-37.9	-54.8
Share of associated companies' result	-2.6	-1.4
<b>Operating result</b>	<b>1.058.4</b> <b>15.6%</b>	<b>957.9</b> <b>15.9%</b>
Net financial items	-99.6	-33.0
<b>Result before tax</b>	<b>958.8</b>	<b>924.9</b>
Tax on result for the period	-206.1	-202.3
<b>Result for the period</b>	<b>752.7</b>	<b>722.6</b>
Result per share (SEK)	5.67	5.45



# January - September

## Operating result per operating segment

2023

### Corporate

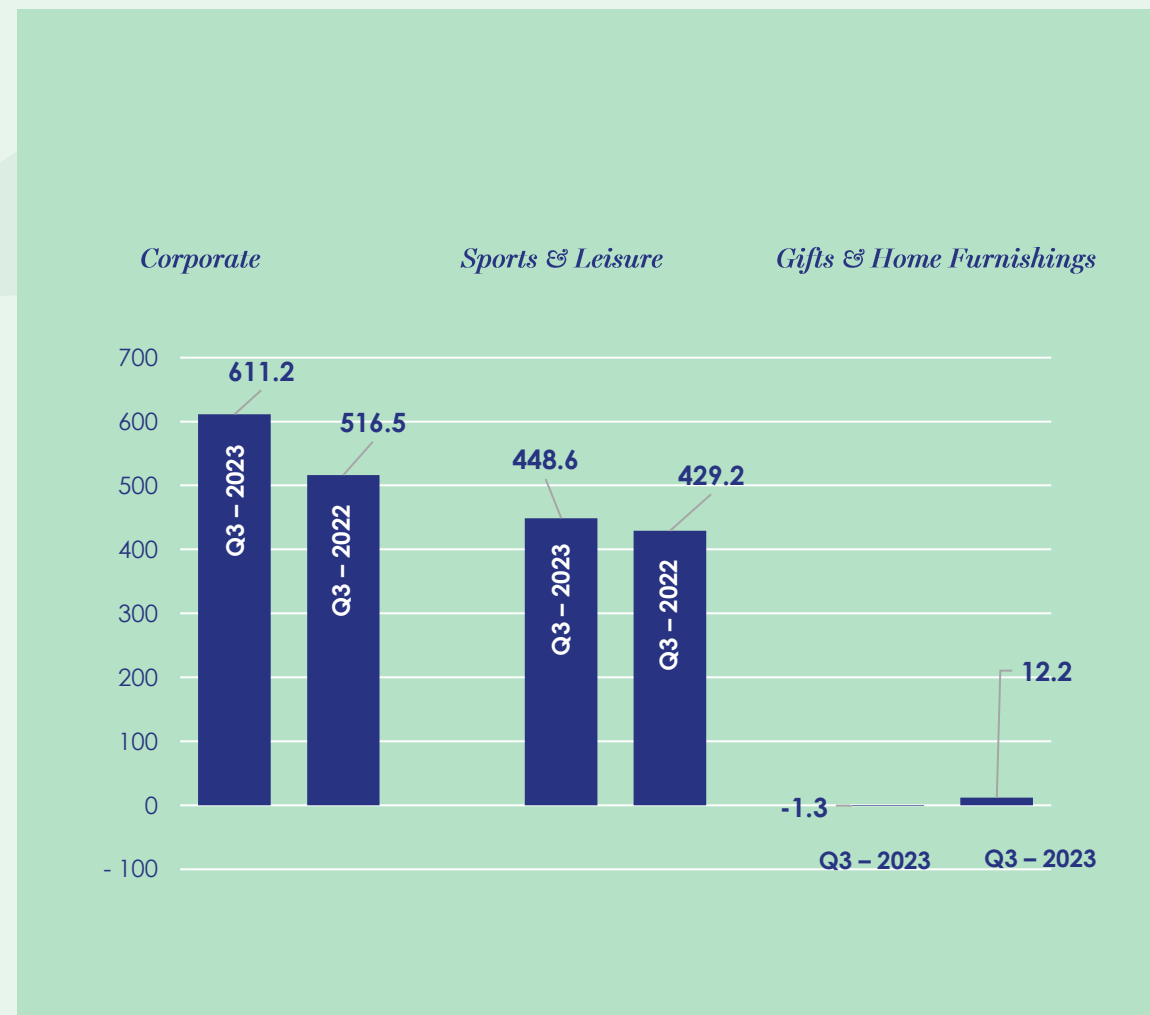
- Higher net sales in all regions except in USA and Sweden
- Both sales channels increased net sales
- Acquired business affected operating result with SEK 28.1 million

### Sports & Leisure

- Increased net sales in all regions and both sales channels
- Acquired business affected net sales with SEK 33.8 million
- Improved gross profit margin
- Higher costs

### Gifts & Home Furnishings

- Lower net sales in all regions and both sales channels
- Lower result mainly related to lower net sales but also marketing activity and more employees



# January - September

## 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 - Sep 2023	Jan - Sep 2022
Cash flow from operating activities before changes in working capital	938.7	916.9
Change in working capital	-728.4	-1 044.0
<b>Cash flow from operating activities</b>	<b>210.3</b>	<b>-127.1</b>
Investing activities	-195.6	-513.9
<b>Cash flow after investing activities</b>	<b>14.7</b>	<b>-641.0</b>
Financial activities	-149.4	544.9
<b>Cash flow for the period</b>	<b>-134.7</b>	<b>-96.1</b>

Torsten Jansson  
**CEO**  
*comments*

*”New all time high in net sales  
and a continuing good operating  
margin”*



**Torsten Jansson**  
CEO

## July - September

- **The growth in the quarter was 5%**
- We continue to gain **market share**
- **All time high** for sales – again!
- **Good cost control**
- **Operating margin** amount to 16.3% compared to 17.8% previous year

## January - September

- **Net sales increased by 12%** (of which currency 5% and acquisition 8%)
- **Operating margin in line with py** and amounted to 15.6 (15.9)%
- **Rolling 12-months has an operating margin of 16.7%**

Torsten Jansson  
**CEO**  
*comments*

*”In a short perspective, it is difficult to assess the market, but we should still be able to take market shares”*



**Torsten Jansson**  
CEO

## The future

- **Strong balance sheet**
- Continue to gain **market share**
- Continue looking at **acquisitions**

*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