




Q2

NEW WAVE GROUP AB

Interim report 1 January – 30 June 2025





Q2



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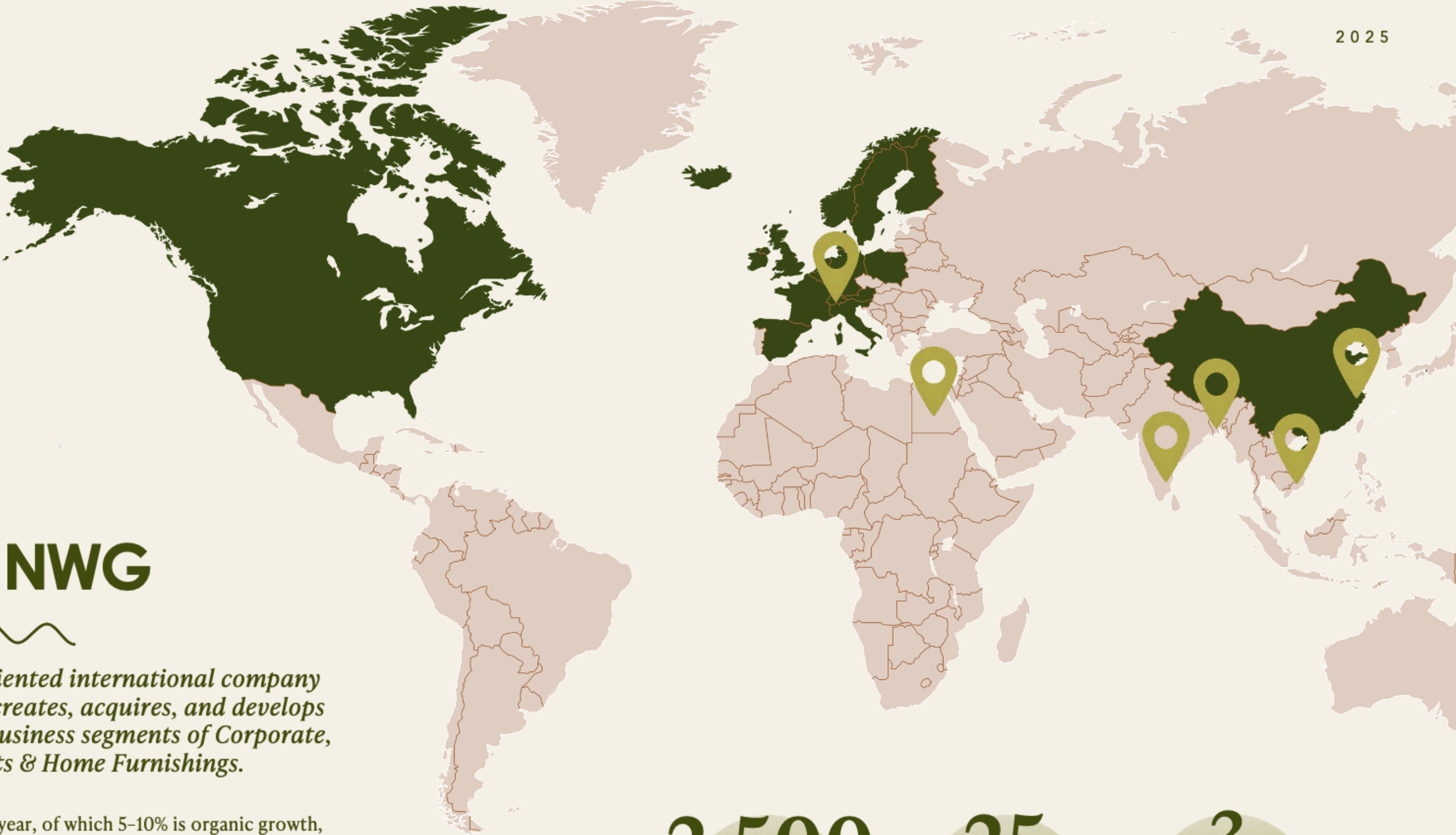
Interim report January 1 – June 30, 2025



"Despite a generally weaker market, we achieved organic growth in the second quarter. Although the performance was below our expectations, we continue to gain market share. During the quarter, we also maintained our investments in warehouse automation, IT, and marketing. We are also very pleased that the acquisition of Cotton Classics has now been finalized. Once the market rebounds, our increased market share and strategic acquisitions will prove highly valuable, and we feel well-positioned for the future."

- Torsten Jansson

-  Sales activity in own subsidiary
-  Own purchasing offices



THIS IS NWG

New Wave Group is a growth-oriented international company with high decentralization that creates, acquires, and develops brands and products within the business segments of Corporate, Sports & Leisure, and Gifts & Home Furnishings.

New Wave Group strives for sustainable and profitable sales growth through expansion within the three business segments. The growth target over an economic cycle is 10-20% per

year, of which 5-10% is organic growth, with an operating margin of 20%. In addition, New Wave Group has a solvency target of at least 40% over a business cycle.

2,500

EMPLOYEES

25

COUNTRIES

3

SEGMENTS

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 Europe's leading supplier of promotional products for businesses, as well as one of the leading suppliers in the United States. This will be achieved by offering customers a wide range of products, strong brands, excellent knowledge and service, and a superior comprehensive concept.



SPORTS & LEISURE



The vision for the Sports & Leisure operating segment is to establish Craft as a world-leading sportswear brand and Cutter & Buck as a world-leading golf apparel brand.

Auclair is envisioned to become a leading glove brand in Europe, while Paris Glove's robust distribution platform will be utilized to introduce the Group's other brands in Canada.

Overall, our goal is to be one of the foremost sports suppliers in Sweden, across European markets, and in the United States. Ultimately, our portfolio of brands aims to position us among the largest sports suppliers globally.







GIFTS & HOME FURNISHINGS



The vision for Gifts & Home Furnishing is to make Orrefors and Kosta Boda world-leading suppliers of glass and crystal.

Part of the vision also includes using innovative and playful designs to establish Sagaform as a prominent player in the Nordic profile and retail markets.





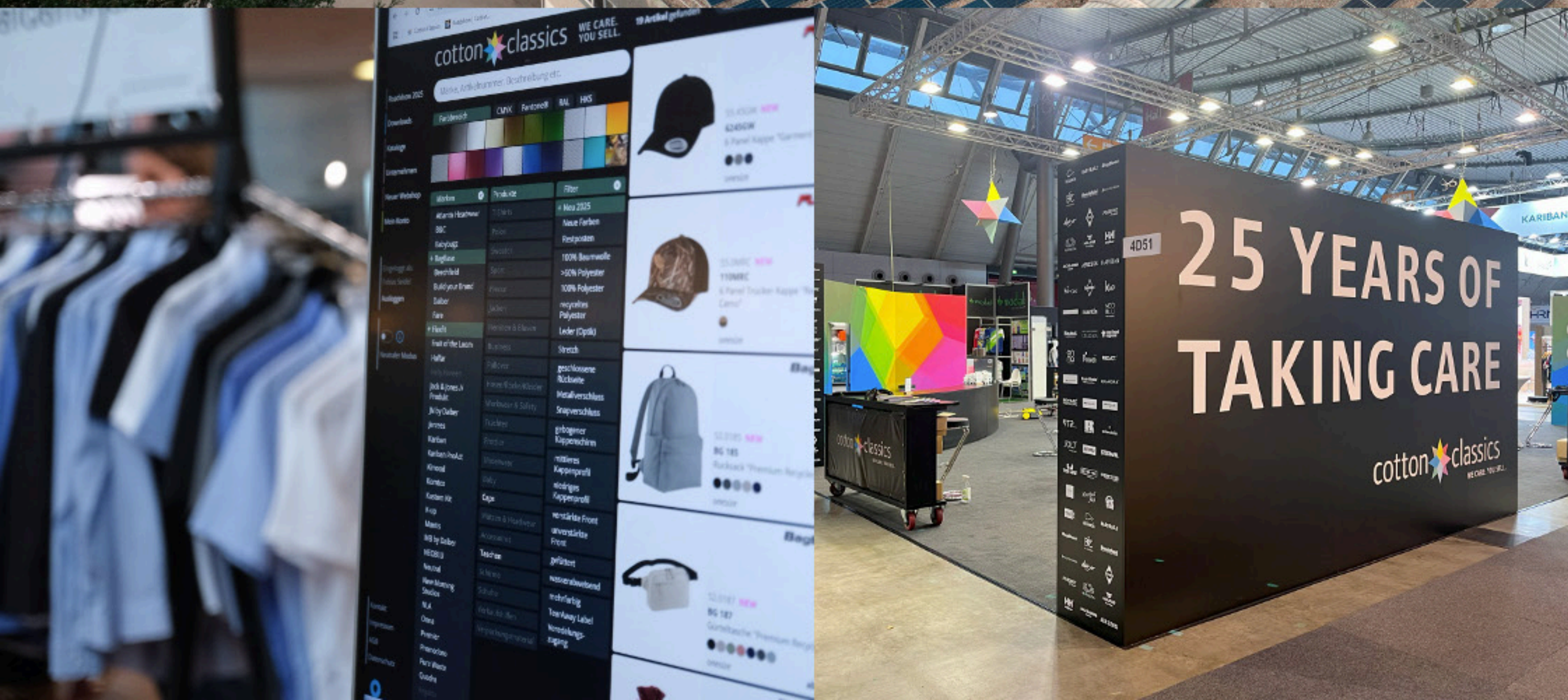
EVENTS SECOND QUARTER

- ⌚ **Macroeconomically, the second quarter was marked** by concerns about the United States' introduction of new tariffs and the potential effects this could have on international trade
- ⌚ In June, an agreement was reached for New Wave Group to acquire 100% of the shares in the Austrian textile wholesaler **Cotton Classics Handels GmbH**. The acquisition is subject to approval by the relevant competition authorities.
- ⌚ The U.S. Department of Justice has initiated a review of PPP loans totaling approximately **USD 5.4 million** that the Group's U.S. subsidiary received during the COVID-19 pandemic, questioning the company's eligibility for the loans. Although the loans have been forgiven, there is a risk that repayment may be required, in whole or in part, and that damages could be imposed. The obligation is considered possible but due to current uncertainty regarding both probability and scope, a reliable assessment cannot be made at this time. Accordingly, the full amount is reported as a contingent liability as of June 30, 2025
- ⌚ **The quarter was affected by currency fluctuations**, with the Swedish krona strengthening against other currencies compared to the same period previous year.



STRATEGIC ACQUISITION OF COTTON CLASSICS

- ⌚ **Strengthened presence in Central Europe**
 - Provides us with a strong position in markets such as Austria, Germany, Switzerland, Czech Republic and others.
- ⌚ **Access to an efficient B2B E-commerce platform**
 - Cotton Classics has one off the industry's most advanced B2B platforms, with approximately 90% of all sales conducted through their online store.
- ⌚ **Scalability through own brands**
 - By introducing New Wave Groups own brands into Cotton Classics' portfolio, there are opportunities to gradually increase gross and operating margins.
- ⌚ **Experience with similar business models**
 - Similar synergies as seen in the B.T.C. Activewear acquisition.





THE QUARTER IN BRIEF





THE QUARTER

- ⌚ An eventful quarter on the global market, where we **successfully increased net sales organically by 1.3 %** despite a continuing challenging market characterized by macroeconomic uncertainties and a negative impact from the timing of Easter.
- ⌚ Temporary earnings impact from major marketing activities as well as the implementation of a new ERP system and a new warehouse automation system in a larger subsidiary
- ⌚ A stronger Swedish krona results in negative currency translation effects.
- ⌚ The **Promo** sales channel decreased by **2%**, and **Retail** channel by **8%**.
- ⌚ **Operating profit** amounted to SEK **241** (301) million.
- ⌚ **Operating margin** amounted to **10.5%** (12.6%).



FINANCIAL INFORMATION



April – June



APRIL - JUNE NET SALES

- ⌚ **Total sales** amounted to **SEK 2,300 (2,398) million**
- ⌚ Sales decreased by **4.1 %**
- ⌚ Currency translation effects negatively impacted sales by 5.4%, leading to an **organic sales growth** of 1.3%.
- ⌚ **Promo** decreased its sales by **2 %**, **Retail** decreased sales by **8 %**.

CURRENCY
-5.4%

NET SALES PER OPERATING SEGMENT

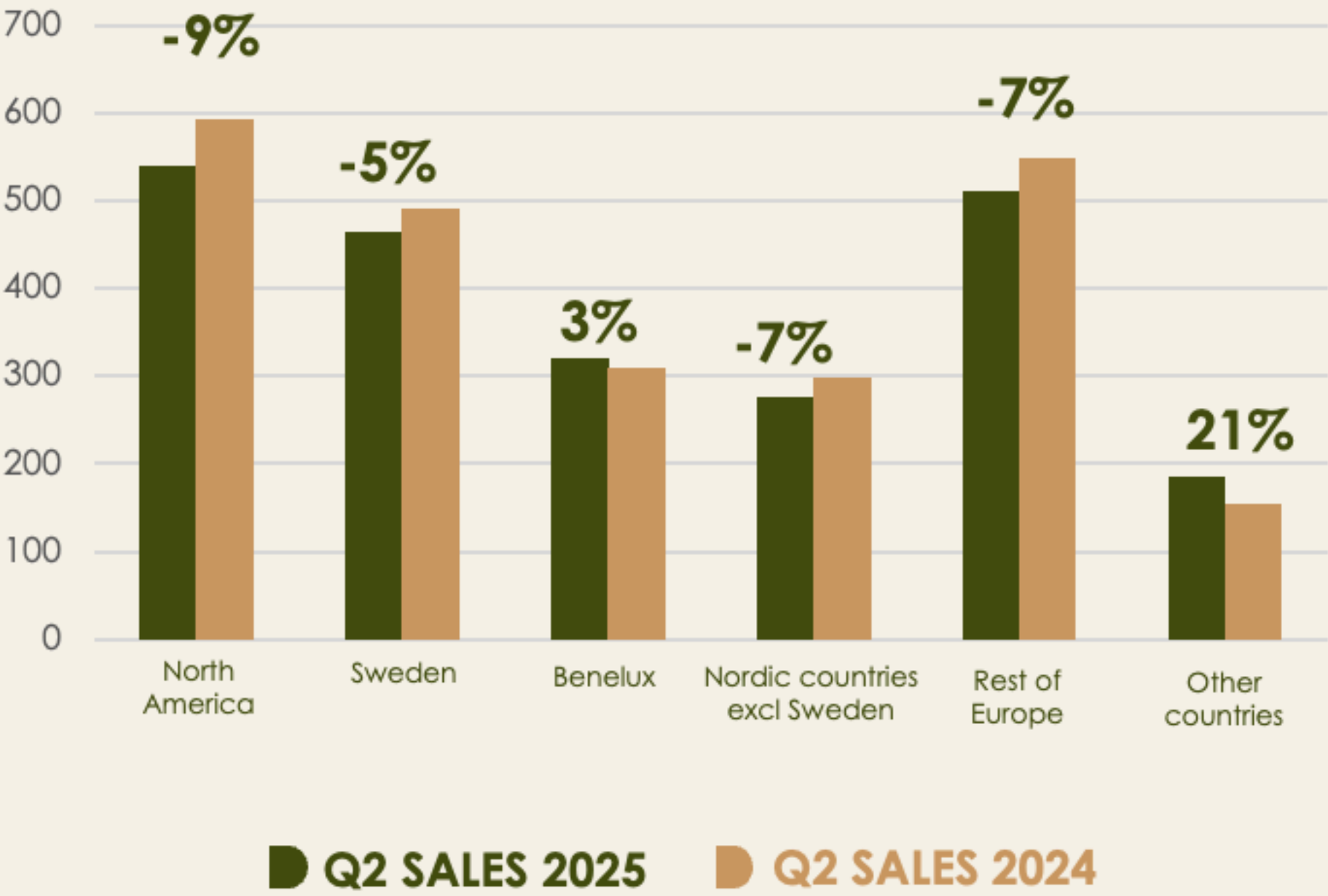




APRIL - JUNE

NET SALES PER GEOGRAPHIC AREA

| MSEK | Apr-Jun 2025 | Apr-Jun 2024 |
|-------------------------------|--------------|--------------|
| North America | 539 | 594 |
| Sweden | 466 | 492 |
| Benelux | 320 | 311 |
| Nordic countries excl. Sweden | 276 | 298 |
| Rest of Europe | 512 | 550 |
| Other countries | 186 | 153 |
| Group | 2,300 | 2,398 |

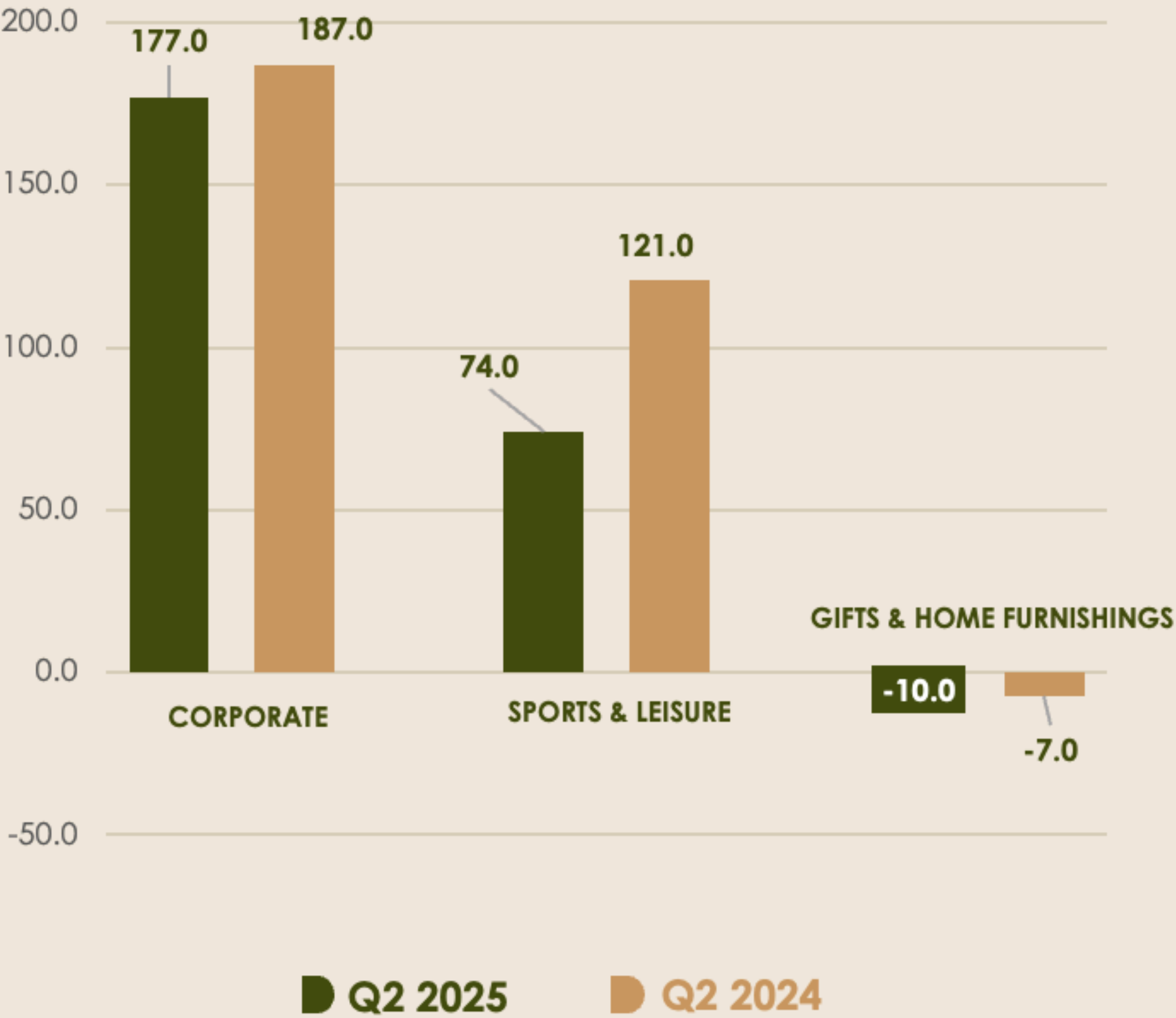




| MSEK | Apr - Jun 2025 | | Apr - Jun 2024 | |
|--|----------------|-------|----------------|-------|
| Net sales | 2,300 | | 2,398 | |
| Goods for resale | -1,196 | | -1,224 | |
| Gross profit | 1,104 | 48.0% | 1,174 | 49.0% |
| Other operating income | 26 | | 15 | |
| External costs | -427 | | -441 | |
| Personnel costs | -373 | | -363 | |
| Depreciation and write-downs of tangible and intangible fixed assets | -80 | | -72 | |
| Other operating costs | -10 | | -11 | |
| Share of associated companies' result | 0 | | -2 | |
| Operating result | 241 | 10.5% | 301 | 12.6% |
| Net financial items | -24 | | -33 | |
| Result before tax | 217 | | 268 | |
| Tax on result for the period | -50 | | -33 | |
| Result for the period | 167 | | 310 | |
| Result per share (SEK) | 1,26 | | 1,59 | |

APRIL - JUNE

- ⌚ **Gross profit margin amounted to 48.0% (49.0)**
 - Gifts & Home Furnishings increased compared to previous year. Corporate and Sports & Leisure had a lower margin compared to last year.
- ⌚ **External costs and personnel costs amounted to a total of SEK 800 (804) million.**
 - The decrease is related to currency exchange effects; excluding currency, the costs increased marginally. Includes targeted marketing campaigns.
- ⌚ **Operating profit amounted to SEK 241 (301) million**
 - The currency translation effect in the quarter had a negative impact on the operating margin.
- ⌚ **Net result amounted to SEK 167 (121) million.**



APRIL - JUNE

OPERATING RESULT PER OPERATING SEGMENT

- ⌚ **Corporate**
 - Sales decreased by 3% compared to last year.
 - It is primarily the trading operations, included in Other countries, along with our promo business for give away and technical products, that shows good growth.
 - Costs include one-time effects from the implementation of new systems
- ⌚ **Sports & Leisure**
 - Sales decreased by 5% compared to PY.
 - Sales through the Promo channel increased by 2% while Retail channel decreased by 9%
 - The costs include expenses for targeted one-time campaigns
- ⌚ **Gifts & Home Furnishings**
 - Sales decreased with 6% compared to last year
 - Higher sales in Rest of Europe, but decreased sales in all other regions
 - Both Sales channels decreased



| MSEK | Apr - Jun 2025 | Apr - Jun 2024 |
|---|----------------|----------------|
| Cash flow from operating activities before changes in working capital | 241 | 219 |
| Change in working capital | -92 | 118 |
| Cash flow from operating activities | 150 | 337 |
| Investing activities | -125 | -61 |
| Cash flow after investing activities | 25 | 276 |
| Financial activities | -42 | -256 |
| Cash flow for the period | -17 | 20 |

APRIL - JUNE
CASH FLOW



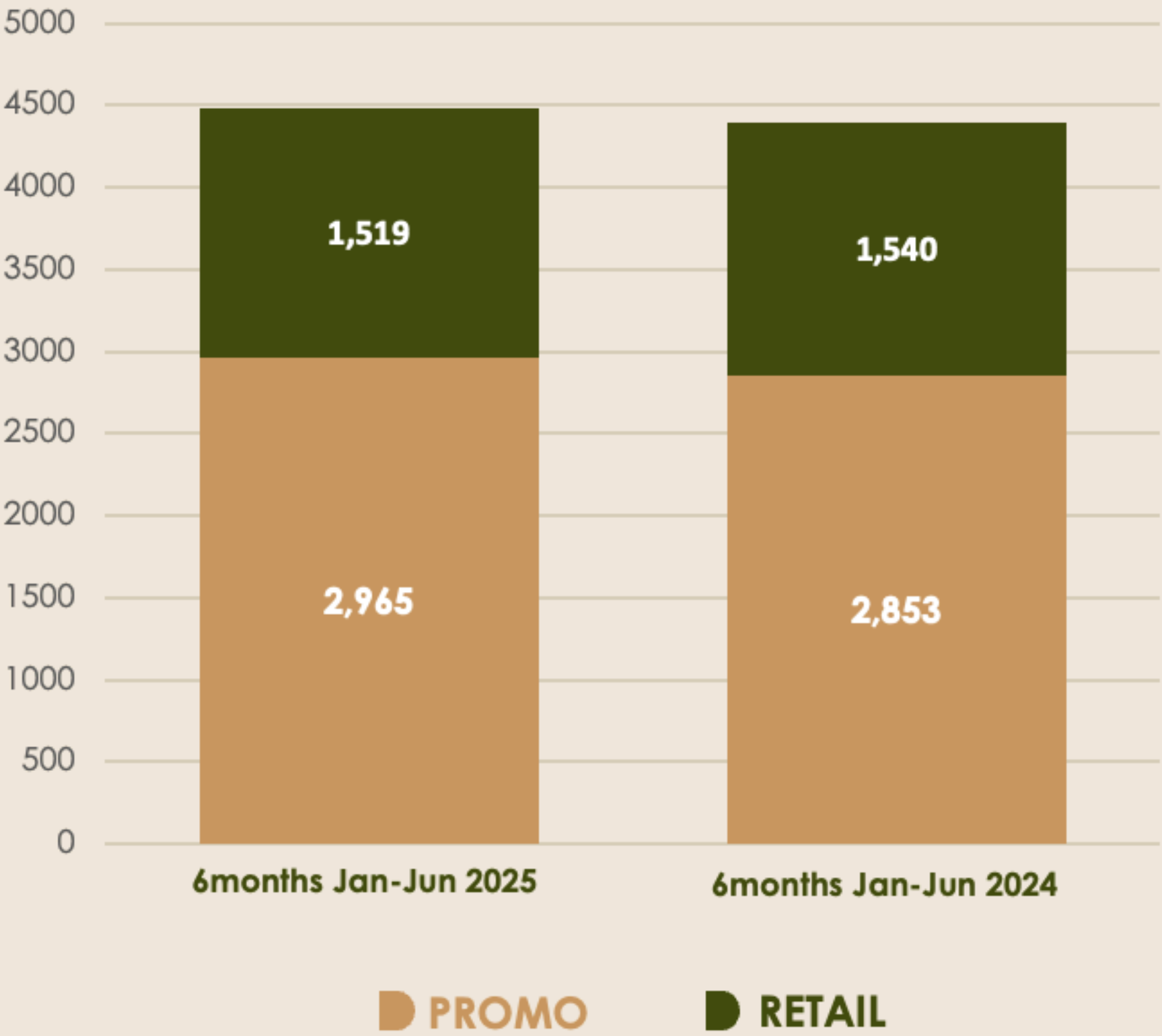
FINANCIAL INFORMATION



January - June



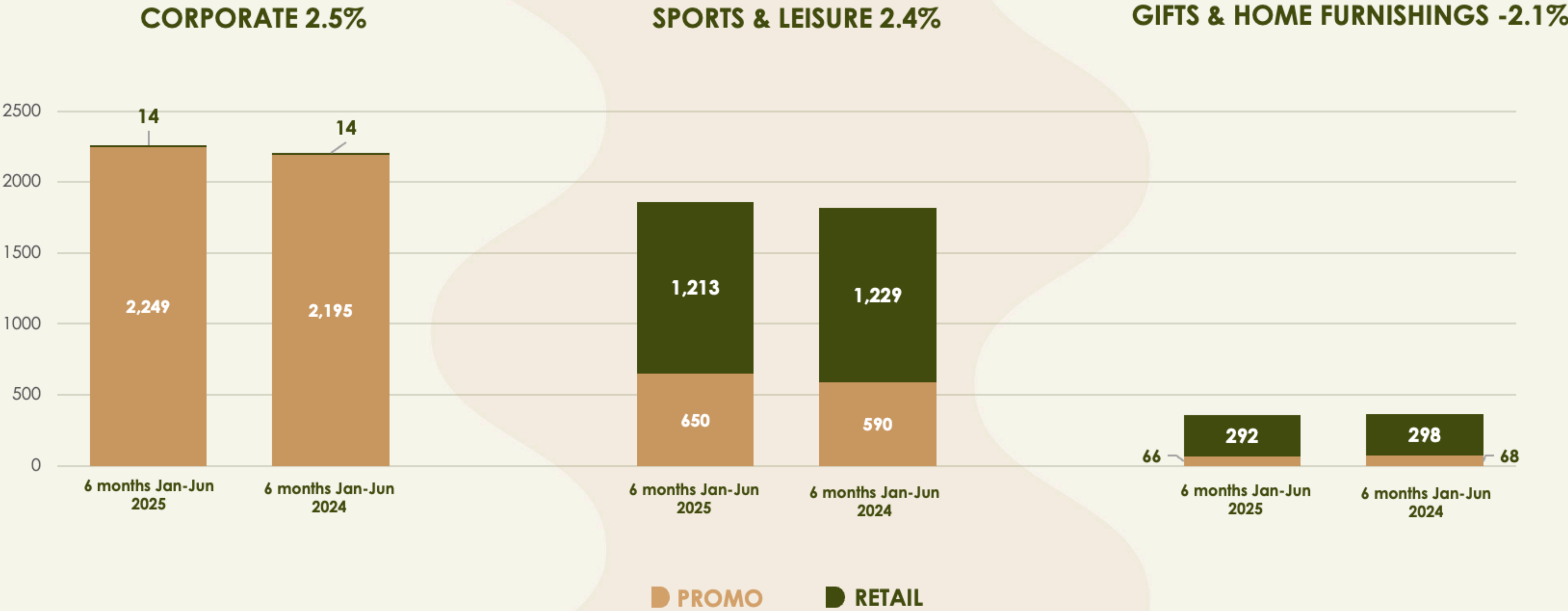
CURRENCY
-2,7%



JANUARY - JUNE
NET SALES

- ⌚ **Total sales amounted to SEK 4,484 (4,393) Million**
- ⌚ Sales increased by **2.1 %**
- ⌚ **Promo** increased sales by **3.9 %**, **Retail** decreased sales by **1.4 %**

NET SALES PER OPERATING SEGMENT



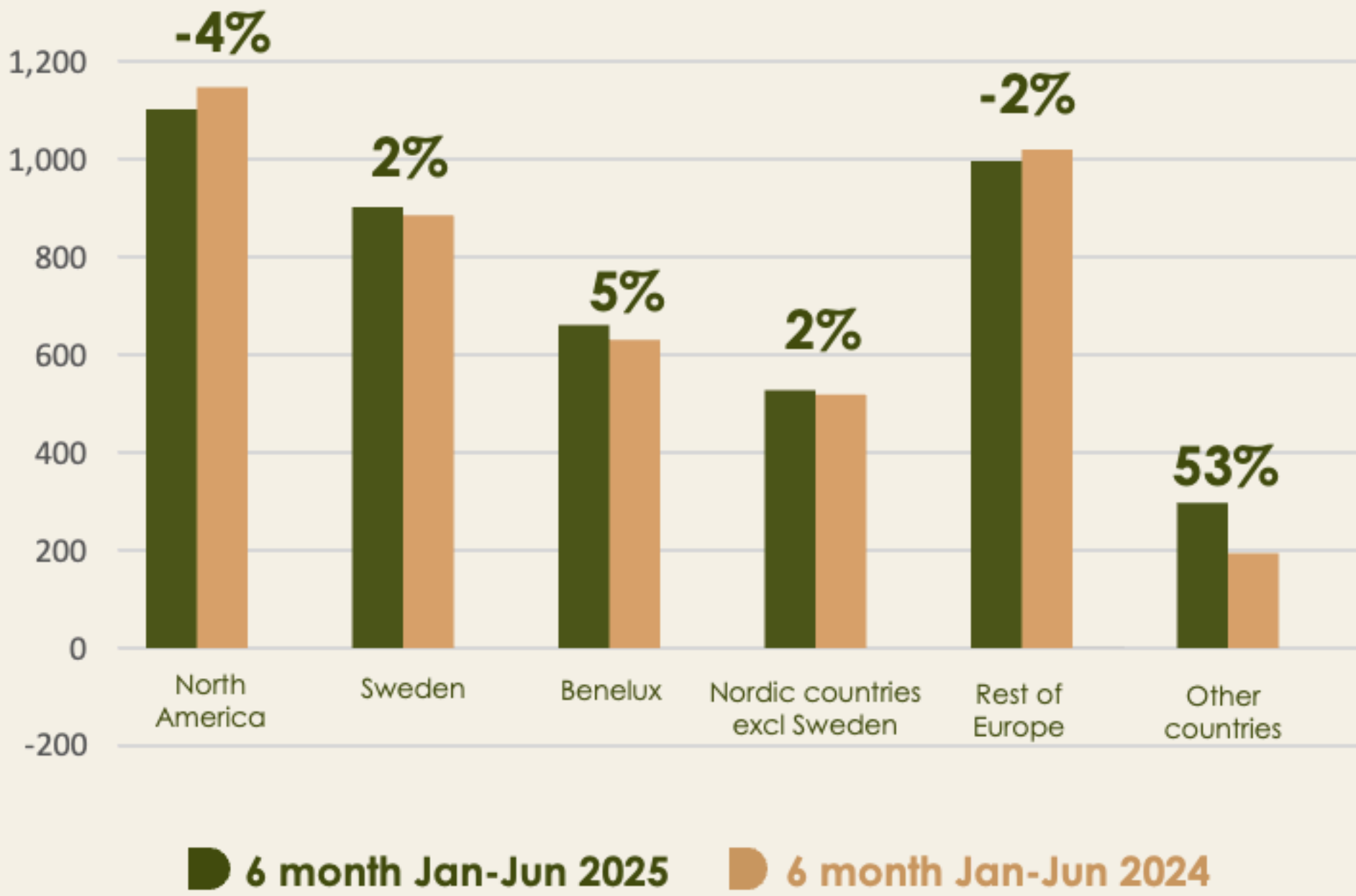


ORGANIC
GROWTH
in all regions

JANUARY - JUNE

NET SALES PER GEOGRAPHIC AREA

| MSEK | Jan-Jun 2025 | Jan-Jun 2024 |
|-------------------------------|--------------|--------------|
| North America | 1,102 | 1,147 |
| Sweden | 902 | 885 |
| Benelux | 661 | 630 |
| Norden countries excl. Sweden | 527 | 518 |
| Rest of Europe | 996 | 1 019 |
| Other Countries | 297 | 194 |
| Group | 4,484 | 4,393 |

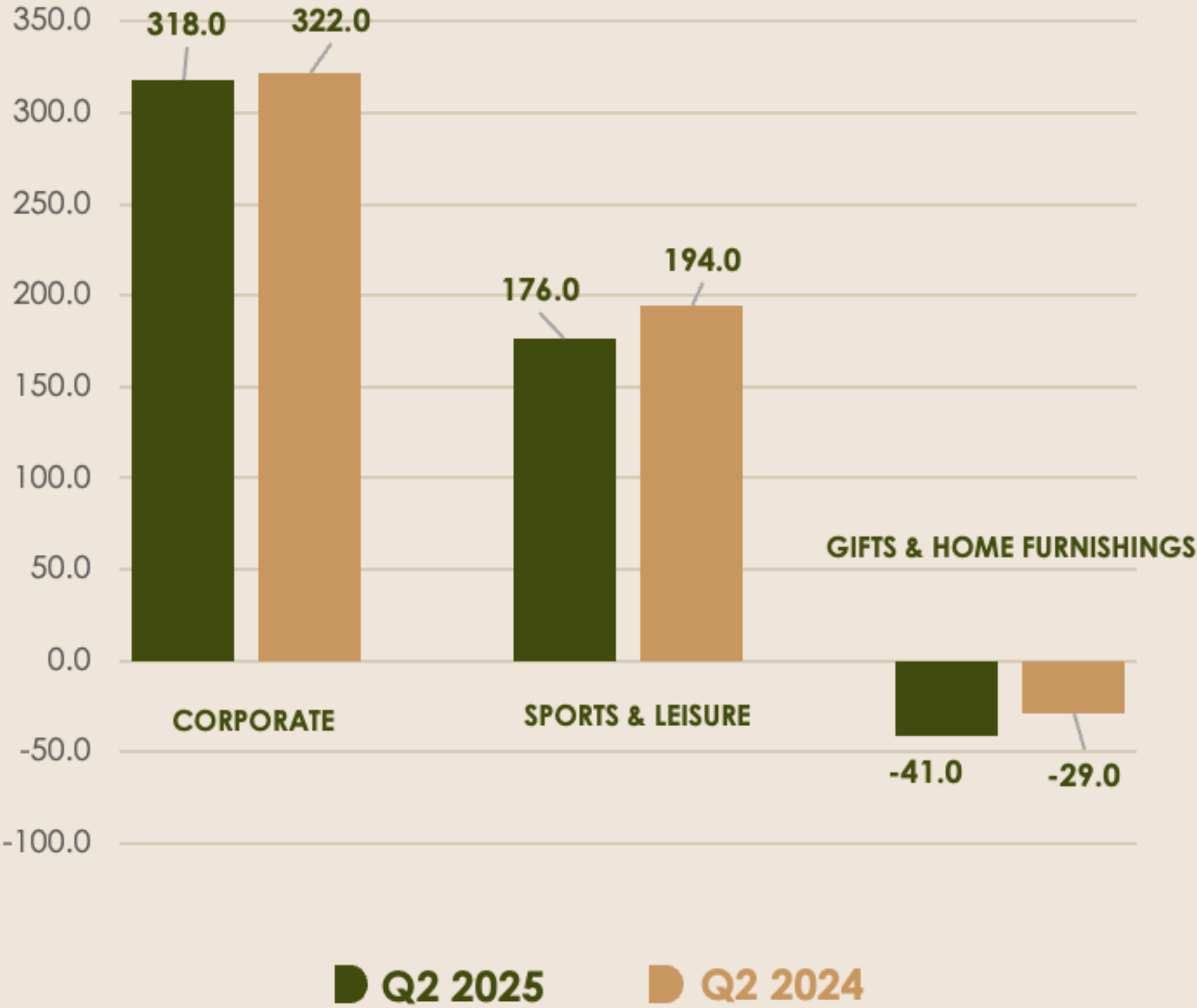




| MSEK | Jan - Jun 2025 | | Jan - Jun 2024 | |
|--|----------------|-------|----------------|-------|
| Net sales | 4,484 | | 4,394 | |
| Goods for resale | -2,293 | | -2,227 | |
| Gross profit | 2,191 | 48.9% | 2,166 | 49.3% |
| Other operating income | 57 | | 39 | |
| External costs | -855 | | -885 | |
| Personnel costs | -745 | | -703 | |
| Depreciation and write-downs of tangible and intangible fixed assets | -159 | | -144 | |
| Other operating costs | -36 | | -19 | |
| Share of associated companies' result | 0 | | -2 | |
| Operating result | 453 | 10.1% | 487 | 11.1% |
| Net financial items | -48 | | -65 | |
| Result before tax | 405 | | 422 | |
| Tax on result for the period | -94 | | -91 | |
| Result for the period | 311 | | 331 | |
| Result per share (SEK) | 2.34 | | 2.50 | |

JANUARY - JUNE

- ⌚ **Gross profit margin amounted to 48.9 % (49.3)**
 - Sports & Leisure saw a slight increase compared to previous year. Corporate and Gifts & Home Furnishings had a lower gross profit margin compared to last year.
- ⌚ **External costs and personnel costs amounted to a total of SEK 1,600 (1,553) million.**
 - The increase is primarily attributable to sales and marketing expenses, as well as general salary adjustment
- ⌚ **Operating profit amounted to SEK 453 (487) million**
 - Currency translation effects had a negative impact on the operating margin
- ⌚ **Net result amounted to SEK 311 (331) million**



JANUARY - JUNE

OPERATING PROFIT PER OPERATING SEGMENT

- ⌚ **Corporate**
 - Sales increased by **2.5%** compared to last year
 - It is primarily the trading operations, included in Other countries, along with our promo business for give away and technical products, that shows good growth.
- ⌚ **Sports & Leisure**
 - Sales increased by **2.4%** compared to PY.
 - Higher sales in all regions except for North America.
 - Growth was primarily driven by Craft and Cutter & Buck
- ⌚ **Gifts & Home Furnishings**
 - Sales decreased by **2.1%** compared to PY, decrease in all regions



CURRENCY
EFFECTS

Have impacted
the equity ratio by
-1.8 percentage
points

MSEK

| | 30 Jun 2025 | 30 Jun 2024 |
|--|----------------|----------------|
| Equity | 6,544 | 6,528 |
| Equity ratio. % | 59.3 | 60.2 |
| Net debt. SEK million | 2,089 | 1,977 |
| Net debt to credit institutes. SEK million | 1,306 | 1,353 |
| Equity per share. SEK | 49.32 | 49.19 |

STRONG BALANCE
SHEET



| MSEK | Jan - Jun 2025 | Jan - Jun 2024 |
|---|-------------------|-------------------|
| Cash flow from operating activities before changes in working capital | 425 | 381 |
| Change in working capital | -56 | 160 |
| Cash flow from operating activities | 368 | 541 |
| Investing activities | -223 | -125 |
| Cash flow after investing activities | 146 | 416 |
| Financial activities | -222 | -310 |
| Cash flow for the period | -76 | 106 |

JANUARY - JUNE
CASH FLOW



MSEK

Rolling
12 months

| | | |
|--|--------|-------|
| Net sales | 9,620 | |
| Goods for resale | -4,888 | |
| Gross profit | 4,731 | 49.2% |
| Other operating income | 112 | |
| External costs | -1,754 | |
| Personnel costs | -1,472 | |
| Depreciation and write-downs of tangible and intangible fixed assets | -323 | |
| Other operating costs | -65 | |
| Share of associated companies' result | -1 | |
| Operating result | 1,228 | 12.8% |
| Net financial items | -113 | |
| Result before tax | 1,166 | |
| Tax on result for the period | -256 | |
| Result for the period | 859 | |
| Result per share (SEK) | 6.47 | |

ROLLING 12 MONTHS

- ⌚ On a rolling 12-month basis, we reached net sales of SEK 9,620 million and an operating profit of SEK 1,228 million
- ⌚ The operating margin for the period amounts to 12.8%.

CEO COMMENTS



”Despite a generally weaker market, we achieved organic growth in the second quarter, and although the development was weaker than we had hoped, we continue to gain market share.”

- Torsten Jansson, CEO



CEO COMMENTS



"We continue to invest in warehouse automation, IT, and marketing. We are also very pleased that the agreement to acquire Cotton Classics has now been finalized. Once the market turns around, we will greatly benefit from our increased market share and strategic acquisitions, and we feel well-positioned for the future!"

- Torsten Jansson, CEO

THE FUTURE

- ③ **Well-equipped** for the future
- ③ **Continued significant growth opportunities** in both promo and retail
- ③ **Strong balance sheet**
- ③ Continue looking at **acquisitions**



A series of overlapping, stylized wave shapes in a light sage green color, set against a darker sage green background. The waves are smooth and rounded, creating a rhythmic pattern across the top half of the page.

NewWave

G R O U P