



2017

YEAR-END REPORT

January – December

NewWave

G R O U P

TRADEMARKS

CORPORATE PROMO



SPORT & LEISURE



GIFTS & HOME FURNISHINGS



YEAR-END REPORT NEW WAVE GROUP AB

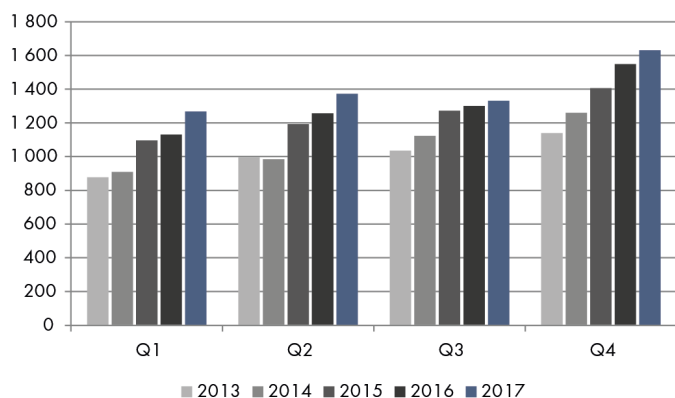
PERIOD 1 OCTOBER – 31 DECEMBER 2017

- Net sales amounted to SEK 1,630.3 million, which was 5 % higher than last year (SEK 1,548.6 million).
- Operating result amounted to SEK 172.5 (167.0) million.
- Result for the period amounted to SEK 146.8 (127.8) million.
- Earnings per share amounted to SEK 2.20 (1.90).
- Cash flow from operating activities amounted to SEK 134.5 (280.9) million.

DIVIDEND

The Board of Directors has decided to propose to the Annual General Meeting a dividend of 1.70 (1.35) SEK per share equal to SEK 112.8 (89.6) million.

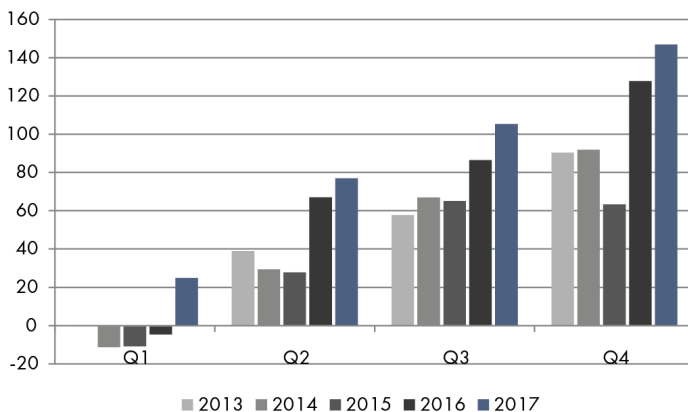
NET SALES



PERIOD 1 JANUARY – 31 DECEMBER 2017

- Net sales amounted to SEK 5,597.3 million, which was 7 % higher than last year (SEK 5,237.1 million).
- Operating result amounted to SEK 469.1 (400.2) million.
- Result for the period amounted to SEK 354.0 (276.7) million.
- Earnings per share amounted to SEK 5.34 (4.16).
- Cash flow from operating activities amounted to SEK 207.8 (448.9) million.
- Equity ratio amounted to 50.8 (48.4) %.
- Net debt to equity ratio amounted to 54.1 (62.1) %.

RESULT FOR THE PERIOD



d-vice PROMOTE



CEO COMMENTS

It is with great pleasure and pride that I look back at 2017!

OCTOBER - DECEMBER

The quarter offered continued growth and amounted to 5 % (8 % in local currency), and a further increase in operating result. An all-time high for both sales and operating result for a fourth quarter which is pleasing. It also feels stable and positive that we had growth in all our segments. Both external and personnel costs increased as planned and are mainly due to the increase in sales forces and marketing which are investments for future growth. Among other things, we launched our expanded marketing in the United States in the quarter, and our new warehouse in Toronto became fully operational which has been very well received by customers in Canada.

JANUARY - DECEMBER

2017 was yet another great year! Sales increased by 7 % to 5,597 MSEK which is a new all-time high. Operating result increased by 17 % to 469 MSEK and even this was an all-time high. If you look back, we have now delivered growth in 15 of the 16 most recent quarters and gone from 4,274 MSEK in sales 2014 to 5,597 MSEK in 2017. At the same time, operating result increased in 13 of the past 14 quarters and has gone from 250 to 469 MSEK – a development we should be proud of. During the year we have also strengthened the balance sheet and for the first time we have over 3 billion SEK in shareholders' equity and the equity ratio is the highest ever with 50.8 %. Gratifyingly, all key performance indicators presented in 2017 improved.

THE FUTURE

I look with great confidence and joy into the future. We are very strong in almost all areas and we are well prepared. We have invested, and continue to invest, intensively in our brands and continually take market shares for most brands. While not least the retail sector is going through a painful process and conversion, we continue our growth. We have good growth with those customers who are working with e-commerce, and continued growth in e-commerce will likely benefit us even more as consumers increasingly want strong brands which strengthen the product.

The promo sales channel has developed very well and it is a trend that has continued for several years. We now see the positive effects of past investments in inventories and thus a high level of service, new products and aggressive marketing.


There is a lot happening within the Group and therefore it is hard to choose what to include in the CEO comments. To name but a few of the initiatives that are now underway is of course Craft Teamwear which is incredibly exciting and has received a warm reception in all markets we have launched it in. Craft's running shoes reach consumers this spring. Our warm reception by customers at the warehouse in Toronto enables us to plan for more warehouses in North America and this of course makes our expanding marketing interesting to follow.

With the launch of new product lines in Jobman and ProJob we believe in good growth here.

In conclusion, I am convinced that our growth, both in profit and sales, has only just begun. As I usually write, any single quarter can be worse due to calendar effects, that several major investments coincide in the same quarter, etc.

However, I would like to end the CEO comments in the same way as 2016; Overall, we have never been in such a favourable position compared to our competitors, no matter if we are talking financial strength, brands, products, CSR or something else!

Thank you to our employees, customers, shareholders and the Board of Directors for 2017 and I look forward to 2018 together!


Torsten Jansson, CEO



Marketing at Boston Airport and JFK during spring 2018





**KOSTA
BODA**
SWEDEN 1742

COMMENTS

SUMMARY OF THE QUARTER OCTOBER–DECEMBER

The Group increased its sales by 5 % (8 % excluding currency fluctuations) compared with last year. All of our segments have growth. It is, among other things, new product launches, increased marketing activities, as well as security of supply which contributed to the sales increase. Corporate Promo increased by 6 % and the improvement occurred in Sweden, Southern Europe and Asia. Sports & Leisure improved its sales by 5 % and it is mainly in the regions of Sweden and Central Europe that the growth occurs. Sales growth for Gifts & Home Furnishings was 3 % and the improvement is attributable to the Swedish market.

We had growth in both our sales channels, promo increased by 7 % and retail by 5 %.

Gross profit margin was slightly lower than last year and amounted to 45.6 (46.3) %.

The Group's expenses increased compared to last year. The increase is mainly related to increased marketing activities, as well as more employees in sales, warehouses and customer service. We will maintain a high level of activity with regard to marketing during the coming quarter.

Operating result improved by SEK 5.5 million and amounted to SEK 172.5 (167.0) million, which is related to higher net sales.

Cash flow from operating activities amounted to SEK 134.5 (280.9) million. The lower cash flow is related to changes in working capital, primarily due to increased purchases compared to last year's quarter but also turnover related in the form of increased accounts receivable.

OCTOBER–DECEMBER

NET SALES

Net sales amounted to SEK 1,630.3 million, which was 5 % higher than last year (SEK 1,548.6 million). Exchange rates affected sales negatively by SEK 45 million, corresponding to 3 %.

Net sales in Sweden increased by 7 % and both sales channels had good growth. USA decreased by 1 %, mainly attributable to a negative currency exchange. Net sales in local currency is 6 % higher than last year and the increase occurred in both sales channels. The Nordic countries (excl. Sweden) decreased by 1 %. Growth in Central and Southern Europe was 6 % in both regions. Growth in Central Europe occurs in both sales channels, while Southern Europe increased in promo. Other countries increased by 31 %, which is related to Asia and the promo sales channel.

GROSS PROFIT

The gross profit margin decreased slightly and amounted to 45.6 (46.3) %. It is within Gifts & Home Furnishings that we have had a lower margin compared to last year.

OTHER OPERATING INCOME AND OTHER OPERATING EXPENSES

Other operating income increased by SEK 8.0 million to SEK 22.9 (14.9) million. Other operating income is mainly attributable to operating currency gains but also invoiced expense and should be compared to the result row "Other operating expenses" where mainly currency losses are reported. Other operating expenses decreased by SEK 0.1 million and amounted to SEK -6.1 (-6.2) million. The net total of above items amounted to SEK 16.8 (8.7) million. The improvement was mainly related to reimbursement of outlaid costs.

COSTS AND DEPRECIATION

External costs increased by SEK 5.0 million and amounted to SEK -304.9 (-299.9) million. The increase is related to higher sales and marketing costs.

Personnel costs amounted to SEK -262.2 million which is SEK 19.3 million higher than last year (SEK -242.9 million). The increase is due to an increase in the number of employees, mostly in sales, warehouses and customer service.

Exchange rates decreased costs by SEK 16 million.

Depreciation was slightly higher than last year and amounted to SEK -18.2 (-15.2) million.

OPERATING MARGIN

The operating margin was slightly lower than the previous year and amounted to 10.6 (10.8) %. The Group has increased marketing activities and has more employees.

NET FINANCIAL ITEMS AND TAXES

Net financial items improved by SEK 2.8 million and amounted to SEK -13.1 (-15.9) million. The improvement is attributable to lower interest expenses.

Income taxes in absolute terms amounted to SEK -12.6 (-23.2) million and the tax rate amounted to 7.9 (15.4) %. The tax expense for the quarter was positively affected by a change in deferred tax liabilities and tax assets, mainly related to the reduction of corporate income tax in the United States.

RESULT FOR THE PERIOD

Result for the period amounted to SEK 146.8 (127.8) million. Earnings per share amounted to SEK 2.20 (1.90).

SUMMARY OF 2017

The Group has continued its high level of marketing activities whereby we have increased the number of employees in sales, continued high activity in advertising and made a number of new product launches. We had growth of 7 % and sales increases in all quarters. Marketing investments are made in all operating segments, but mainly for the promo sales channel.

CRAFT 
FUNCTIONAL SPORTSWEAR



Operating segment Corporate Promo increased its sales by 11 %. We have growth in all regions and in both sales channels. Sports & Leisure turnover increased by 2 %, which mainly occurs in the regions of Central Europe and Sweden. It is mainly the promo sales channel that increased. Gifts & Home Furnishings increased its turnover by 8%, which is related to the Swedish market. We see an improvement in both sales channels.

Of the Group's sales channels, promo increased by 10 % and retail by 2 %.

The gross profit margin was on par with last year and amounted to 46.1 (46.0) %.

Our external expenses increased during the year as a result of the marketing investments that have been made. Even personnel costs have increased as the number of employees in sales, warehouses and customer service have increased. Total expenses are expected to increase next year as we expand our advertising in North America, hiring more salespeople, as well as the full cost effect occurring on the appointments made during this year.

Result for the period increased by SEK 77.3 million and amounted to SEK 354.0 (276.7) million. The improvement in profit is related to higher net sales.

Cash flow from operating activities decreased and amounted to SEK 207.8 (448.9) million. The lower cash flow is related to increased purchases of goods for product launches of basic collections and a new warehouse in Canada but even increased accounts receivable (turnover related). The Group's inventory as of 31 December 2017 amounted to SEK 2,643.4 (2,496.4) million. The turnover rate has improved slightly and amounted to 1.2 (1.1).

Our equity ratio improved by 2.4 percentage points to 50.8 (48.4) % and our net debt decreased by SEK 111.6 million to SEK 1,637.3 (1,748.9) million. Exchange rate changes have reduced net debt by SEK 88.9 million compared with last year. The net debt to equity ratio decreased and amounted to SEK 54.1 (62.1) %. Even our net debt in relation to working capital decreased and amounted to SEK 57.4 (64.7) %.

JANUARY–DECEMBER

NET SALES

Net sales amounted to SEK 5,597.3 million, which was 7 % higher than last year (SEK 5,237.1 million). Exchange rates have affected positively by SEK 23 million, corresponding to 1 %.

Sales in Sweden increased by 7 % compared with last year and the growth occurred in both sales channels. In the United States, sales increased by 1 %. Nordic countries (excl. Sweden) increased by 3 % of which the increase occurred in all countries, as well as in the promo sales channel. Central and Southern Europe have increased their sales by 7 % and 10 %, respectively. The increase is related to the promo sales channel. Other countries increased by 33 %, which is related to our operations in Asia and the promo sales channel.

GROSS PROFIT

The gross profit margin was at the same level as last year and amounted to 46.1 (46.0) %.

OTHER OPERATING INCOME AND OTHER OPERATING EXPENSES

Other operating income increased by SEK 0.2 million to SEK 51.2 (51.0) million. Other operating income is mainly attributable to operating currency gains but also invoiced expenses and should be compared to the result row "other operating expenses" where mainly currency losses are reported. Other operating expenses decreased by SEK 0.5 million to SEK -25.2 (-25.7) million. The net total of above items amounted to SEK 26.0 (25.3) million.

COSTS AND DEPRECIATION

External costs have increased by SEK 31.1 million and amounted to SEK -1,128.9 (-1,097.8) million. The cost increase is related to more sales orientated activities. Personnel costs increased by SEK 58.7 million and amounted to SEK -940.3 (-881.6) million. The increase is due to an increase in the number of employees, mostly in sales, warehouses and customer service.

Exchange rates have increased costs by SEK 10 million.

Depreciation and write-down losses increased and amounted to SEK -65.3 (-55.9) million. The increase is primarily related to investments in IT systems.

OPERATING MARGIN

The operating margin amounted to 8.4 (7.6) % where improvement was mainly related to the increase in net sales.

NET FINANCIAL ITEMS AND TAXES

Net financial items decreased by SEK 8.0 million and amounted to SEK -51.9 (-59.9) million, which is related to an improved net interest.

Income taxes in absolute terms amounted to SEK -63.2 (-63.6) million and the tax rate amounted to 15.1 (18.7) %. The lower tax rate for the current year is mainly due to a change in deferred tax liabilities, which is related to a lower corporate tax rate in the United States.

RESULT FOR THE PERIOD

Result for the period improved by SEK 77.3 million and amounted to SEK 354.0 (276.7) million. Earnings per share amounted to SEK 5.34 (4.16).

PROJOB

SWEDISH WORKWEAR



REPORTING OF OPERATING SEGMENTS

New Wave Group AB divides its operations into segments Corporate Promo, Sports & Leisure and Gifts & Home Furnishings. The Group monitors the segments' and brands' sales and EBITDA. The operating segments are based on the Group's operational management.

CORPORATE PROMO

Fourth-quarter turnover increased by SEK 48.9 million and amounted to SEK 828.8 (779.9) million. EBITDA amounted to SEK 110.6 (109.9) million. The increase in turnover is due to increased sales and marketing activities. Segment growth was in most regions as well as in the promo sales channel.

Net sales for the period January–December increased by 11 % to SEK 2,648.7 (2,388.6) million and EBITDA amounted to SEK 289.7 (250.8) million. The higher turnover was mainly due to increased marketing activities but also a good service level. Growth is occurring in all regions. The improved result is related to the increased turnover.

SPORTS & LEISURE

Net sales for the period October–December grew by 5 % and amounted to SEK 596.7 (570.6) million. EBITDA improved by SEK 14.7 million and amounted to SEK 69.7 (55.0) million. Sales growth was mainly in the regions of Sweden and Central Europe. We see growth in both sales channels. The improved result is related to the higher sales and improved gross profit margin.

Net sales January–December amounted to SEK 2,311.5 (2,260.8) million, resulting in a growth of 2 %. EBITDA improved by SEK 35.8 million to SEK 230.3 (194.5) million. Sales increased mainly in Sweden and Central Europe as well as the promo sales channel. The higher result is related to higher turnover but also a better gross profit margin contributed.

GIFTS & HOME FURNISHINGS

The segment increased its net sales for the period October–December by 3 % and amounted to SEK 204.7 (198.1) million. EBITDA decreased to SEK 10.4 million which was SEK 6.9 million lower than last year (SEK 17.3 million). The higher turnover is related to the retail sales channel and the Swedish operations. The lower profit is related to higher costs for marketing activities and a lower gross profit margin.

Turnover for the period January–December amounted to SEK 637.1 million, which was 8 % higher than last year (SEK 587.7 million). EBITDA improved by SEK 3.6 million to SEK 14.4 (10.8) million. Sales grew in the retail sales channel and mainly in the Swedish market. The improvement is mainly turnover related but the segment has also higher costs for sales and marketing investments, as well as a slightly lower gross profit margin.

CAPITAL TIED UP

The Group has during the year increased merchandise on stock in its basic range but also with new basic collections. Inventories are at a good level and we have had a good level of service throughout the year. Capital tied up in goods has increased by SEK 147.0 million and total inventories amounted to SEK 2,643.4 (2,496.4) million. The turnover rate in inventories was slightly higher compared to last year and amounted to 1.2 (1.1). The inventory value is expected to increase in the coming quarters which is primarily related to an extended product range within Craft and a new warehouse in Canada.

SEK million	2017-12	2016-12
Raw materials	34.9	28.9
Work in progress	8.7	9.7
Goods in transit	144.0	126.1
Merchandise on stock	2 455.8	2 331.7
Total	2 643.4	2 496.4

Inventories were written down by SEK 106.0 (115.1) million. Write-down related to merchandise on stock amounted to 4.1 (4.4) %.

Accounts receivable amounted to SEK 982.8 (906.2) million. The increase is turnover related.



INTANGIBLE ASSETS AND IMPAIRMENT TESTING

The Group's intangible assets with indefinite useful life consist partly of goodwill and partly of trademarks whose useful lives are assessed to be indefinite because they are well established strategic brands in respective markets which the Group intends to maintain and develop further. The brands with greater value are listed at their acquisition values and are well-known brands such as Orrefors Kosta Boda within Gifts and Home Furnishings as well as mainly Cutter & Buck within Sports & Leisure. The value of the group's goodwill and trademarks, which are based on local currency and can give rise to currency translation effects in the consolidated financial statements, have been allocated between the cash-generating units, they are considered to belong, which is also the Group's segments. The value of these intangible assets is reviewed annually to ensure that the value does not deviate negatively from book value, but can be tested more frequently if there are indications that the value has decreased. In order to assess whether there are indications of write-down requirement, the recoverable amount needs to be determined by a calculation of the respective cash-generating unit's useful value. The useful value is based on established cash flow projections for the next five years, and a long-term growth rate, so-called terminal period. The most important assumptions in determining the useful value include growth, operating margin and discount rate (WACC). When discounting, an assessment of financial factors such as interest rates, borrowing costs, market risk, beta values and tax rates will be carried out. As the cash generating units have different characteristics, each unit is assessed after its commercial factors. The estimated cost of capital (WACC) is considered to be representative of all cash generating units.

The cash-flow forecasts which are made in the examination are based on the five year forecast adopted by the Board (2018-2022) and thereafter a terminal growth of 3 (3) %. In calculating the present value of expected future cash flows, a weighted average cost of capital (WACC) of 10.3 (10.3) % before tax is used.

Based on the tests and analyses carried out, there is, in the current situation, no write-down requirement. Nor were there any write-down requirements for the comparison year. Sensitivity analyses have been carried out for all cash-generating units.

INVESTMENTS, FINANCING AND LIQUIDITY

Consolidated cash flow from operating activities for the quarter amounted to SEK 134.5 (280.9) million. The reason for the lower inflow is mainly that we have had higher purchases than for the same period last year as well as increased accounts receivable (turnover related). The net cash investments amounted to SEK -37.7 (-24.5) million. The increase is attributable to intangible assets and IT.

Consolidated cash flow from operating activities for January-December amounted to SEK 207.8 (448.9) million. The lower cash flow is related to higher purchases than last year and increased accounts receivable (turnover related). Hardware purchases related to the new basic collections and new warehouse in Canada. The net cash investments amounted to SEK -110.6 (-89.6) million. During the year, a number of investments were made in tangible fixed assets, among others in new warehouses as well as new facilities in Kosta. We have also made more investments in intangible assets, which are attributable to IT.

Net debt decreased during the year by SEK 111.6 million to 1,637.3 (1,748.9) million. The decrease is primarily related to changes in currency exchange rates, which reduced the debt by SEK 88.9 million. Our net debt to equity ratio and working capital has decreased and amounted to 54.1 (62.1) % and 57.4 (64.7) % respectively.

The equity ratio improved by 2.4 percentage points and amounted to 50.8 (48.4) % as of 31 December.

The Group's total credit facility as of 31 December amounted to SEK 2,539 million of which SEK 2,000 million runs until 10 February 2019, USD 35 million has a term that extends to 10 February 2024 and SEK 250 million has a term of between one and six years. The credit facility amount is limited to and dependent on the value of some underlying assets. The funding agreement means that financial ratios (covenants) must be fulfilled in order to maintain the credit facility.

Based on the present forecast, management estimates that the group will be able to meet these ratios with a satisfactory margin.

Work on a new financial agreement is being finalised and is expected to be completed during the first quarter of 2018.

PERSONNEL AND ORGANISATION

The number of employees as of 31 December 2017 amounted to 2,495 (2,396) of whom 52 % were female and 48 % were men. Of the total number of employees 631 (631) work in production. The production contained within New Wave group is attributable to Ahead (embroidery), Cutter & Buck (embroidery), Paris Glove, Orrefors Kosta Boda, Seger, Termo, Dahetra and Toppoint.



RELATED PARTY TRANSACTIONS

There are lease agreements with related companies. Related companies to the Managing Director have bought merchandise and received payments for consulting services performed. In addition, there are transactions with related parties to immaterial values. All transactions are on market terms.

THE PARENT COMPANY

Total income for the period January–December amounted to SEK 92.2 (123.3) million. Profit before appropriations and taxes amounted to SEK 298.9 (406.2) million. The result was negatively affected by SEK 76.5 million regarding impairment of financial fixed assets. This is attributable to capital injections in subsidiaries. Net borrowing amounted to SEK 1,566.5 (1,726,0) million. The parent company's financing to subsidiaries amounted to SEK 2,040.2 (1,887.0) million.

Net investments for the year amounted to SEK -63.5 (4.0) million. Last year included a repayment of share capital by subsidiaries of SEK 30.2 million and this year includes capital contributions to subsidiaries of SEK 56.4 million. The balance sheet total amounted to SEK 3,813.5 (3,753.1) million. Shareholders' equity, including 78% of untaxed reserves, amounted to SEK 1,863.6 (1,588.7) million.

ANNUAL GENERAL MEETING

The Annual General Meeting will be held on 16 May at 1 pm in Kosta. The annual report is scheduled to be available on 24 April at the company's headquarters in Gothenburg, Sweden.

DIVIDEND

The Group's dividend policy is that 40% of the Group's net profit will be distributed over a business cycle. The Board has decided to propose a dividend of SEK 1.70 (1.35) per share, amounting to SEK 112.8 (89.6) million. This proposal corresponds to 32 (32) % of the year's net result.

NOMINATION COMMITTEE

The nomination committee for the board election at the 2018 Annual General Meeting is:

- Arne Lööv, representative of Fjärde AP-fonden and Chairman of the Nomination Committee
- Torsten Jansson, CEO and representative of Torsten Jansson Förvaltnings AB
- Johan Ståhl, representative of Lannebo Fonder

The Nomination Committee's proposal will be presented at the Annual General Meeting.

For more information about the nomination committee and its work, please see www.nwg.se

CALENDAR

26 APRIL

Interim report for the first quarter

16 MAY

Annual General Meeting 2018

16 AUGUST

Interim report for the second quarter

8 NOVEMBER

Interim report for the third quarter



The company's auditors have not conducted any examination of the report for the fourth quarter of 2017.


The Board of Directors and CEO declare that the interim report gives a true and fair overview of the company's and group's operations, financial position and earnings, and describes the significant risks and uncertainty factors that the company and the companies included in the group face.

GOTHENBURG 8 FEBRUARY 2018


NEW WAVE GROUP AB (PUBL)


OLOF PERSSON
Chairman of the Board


CHRISTINA BELLANDER
Member of the Board


ELISABETH DAHLIN
Member of the Board


MATS ÅRJES
Member of the Board


M JOHAN WIDERBERG
Member of the Board

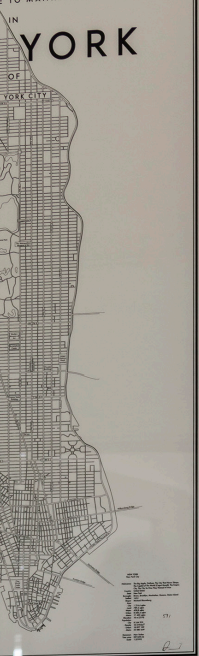

TORSTEN JANSSON
CEO

FOR MORE INFORMATION, PLEASE CONTACT:

CEO
Torsten Jansson
Phone: +4631 712 89 01
E-mail: torsten.jansson@nwg.se

CFO
Lars Jönsson
Phone: +4631 712 89 12
E-mail: lars.jonsson@nwg.se

The information in this report is that which New Wave Group is required to disclose under the Securities and Market Act and/or the Financial Trading Act. The information was released for publication at 7 am (CET) on 8 February 2018.



FINANCIAL INFORMATION



CONSOLIDATED INCOME STATEMENTS

	3 months Oct – Dec 2017	3 months Oct – Dec 2016	12 months Jan – Dec 2017	12 months Jan – Dec 2016
SEK million				
Net sales	1 630.3	1 548.6	5 597.3	5 237.1
Goods for resale	-886.8	-832.3	-3 018.1	-2 826.9
Gross profit	743.5	716.3	2 579.2	2 410.2
Other operating income	22.9	14.9	51.2	51.0
External costs	-304.9	-299.9	-1 128.9	-1 097.8
Personnel costs	-262.2	-242.9	-940.3	-881.6
Depreciation and write downs of tangible and intangible fixed assets	-18.2	-15.2	-65.3	-55.9
Other operating costs	-6.1	-6.2	-25.2	-25.7
Share of associated companies result	-2.5	0.0	-1.6	0.0
Operating result	172.5	167.0	469.1	400.2
Financial income	1.3	0.0	5.1	3.1
Financial expenses	-14.3	-15.9	-57.0	-63.0
Net financial items	-13.1	-15.9	-51.9	-59.9
Result before tax	159.4	151.1	417.2	340.3
Tax on profit for the period	-12.6	-23.3	-63.2	-63.6
Result for the period	146.8	127.8	354.0	276.7
Result attributable to:				
Shareholders of the parent company	145.6	126.3	354.0	276.1
Non-controlling interest	1.2	1.5	0.0	0.6
	146.8	127.8	354.0	276.7
<i>Other comprehensive income</i>				
Items that can be reclassified into profit or loss				
Translation differences	43.5	33.4	-54.2	88.9
Cash flow hedge	2.3	2.2	2.2	5.5
Sum	45.8	35.6	-52.0	94.4
Income tax related to components of other comprehensive income	-0.5	-0.5	-0.5	-1.2
Total other comprehensive income net after tax for the period	45.3	35.1	-52.5	93.2
Total comprehensive income for the period	192.1	162.9	301.5	369.9
Total comprehensive income attributable to:				
Shareholders of the parent company	190.5	161.1	301.9	368.6
Non-controlling interest	1.5	1.8	-0.4	1.3
	192.0	162.9	301.5	369.9
Earnings per share (SEK)	2.20	1.90	5.34	4.16
The average number of outstanding shares	66 343 543	66 343 543	66 343 543	66 343 543

Earnings per share and the average number of outstanding shares are the same before and after dilution

CONSOLIDATED CASH FLOW STATEMENT

SEK million	3 months Oct–Dec 2017	3 months Oct–Dec 2016	12 months Jan–Dec 2017	12 months Jan–Dec 2016
Operating activities				
Operating result	172.5	167.0	469.1	400.2
Adjustment for items not included in cash flow	20.2	18.7	76.4	56.2
Received interest	1.2	0.6	3.7	3.1
Paid interest	-14.2	-15.9	-55.5	-63.0
Paid income tax	-24.8	-38.4	-42.7	-63.1
Cash flow from operating activities before changes in working capital	154.9	132.0	451.0	333.4
Changes in working capital				
Increase/decrease of stock	129.5	151.2	-208.5	54.3
Increase/decrease of current receivables	-78.5	31.9	-119.7	-66.5
Increase/decrease of current liabilities	-71.4	-34.2	85.0	127.7
Cash flow from changes in working capital	-20.4	148.9	-243.2	115.5
Cash flow from operating activities	134.5	280.9	207.8	448.9
Investing activities				
Investments in tangible fixed assets	-16.9	-25.5	-86.9	-77.1
Sales of tangible fixed assets	3.8	0.0	5.5	0.9
Investments in intangible fixed assets	-25.5	-1.1	-29.4	-9.9
Acquisition of financial assets	0.0	0.4	0.0	-2.4
Raised long-term receivables	0.0	0.0	0.0	-1.1
Repayment of long-term receivables	0.9	1.7	0.2	0.0
Cash flow from investing activities	-37.7	-24.5	-110.6	-89.6
Cash flow after investing activities	96.8	256.4	97.2	359.3
Financial activities				
Amortization of loan	-54.6	-213.2	-16.7	-247.0
Dividend paid to the shareholders of the parent company	0.0	0.0	-89.6	-66.3
Cash flow from financial activities	-54.6	-213.2	-106.3	-313.3
Cash flow for the period	42.2	43.2	-9.1	46.0
Liquid assets at the beginning of the period	155.6	172.9	218.9	165.5
Translation differences in liquid assets	4.6	2.8	-7.5	7.4
Liquid assets at period-end	202.4	218.9	202.4	218.9
Liquid assets				
Cash at bank and in hand	202.4	218.9	202.4	218.9

CONSOLIDATED BALANCE SHEETS

SEK million	31 Dec 2017	31 Dec 2016
ASSETS		
Intangible fixed assets	1 393.9	1 469.4
Tangible fixed assets	415.5	399.2
Shares in associated companies	53.3	55.0
Long-term receivables	10.2	10.0
Deferred tax assets	91.5	114.1
Total non-current assets	1 964.5	2 047.7
Stock	2 643.4	2 496.4
Tax receivables	21.2	27.2
Accounts receivables	982.8	906.2
Prepaid expenses and accrued income	76.5	81.1
Other receivables	74.5	46.7
Liquid assets	202.4	218.9
Total current assets	4 000.8	3 776.5
TOTAL ASSETS	5 965.3	5 824.2
EQUITY		
Share capital	199.1	199.1
Other capital contributions	219.4	219.4
Reserves	279.4	337.4
Retained earnings including result for the year	2 308.7	2 038.7
Equity attributable to shareholders of the parent company	3 006.6	2 794.6
Non-controlling interest	22.6	22.6
Total equity	3 029.2	2 817.2
LIABILITIES		
Long-term interest-bearing liabilities	1 757.5	1 864.5
Pension provisions	16.5	15.1
Other provisions	2.0	6.0
Deferred tax liabilities	129.9	164.2
Total non-current liabilities	1 905.9	2 049.8
Short-term interest-bearing liabilities	82.2	103.3
Accounts payable	536.7	492.5
Current tax liabilities	53.3	32.2
Other liabilities	120.9	111.8
Accrued expenses and prepaid income	237.1	217.4
Total current liabilities	1 030.2	957.2
Total liabilities	2 936.1	3 007.0
TOTAL EQUITY AND LIABILITIES	5 965.3	5 824.2

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEK million	Share capital	Other capital contributions	Reserves	Retained earnings incl. result for the year	Total	Non-controlling interest	Total equity
Opening balance 2016-01-01	199.1	219.4	244.1	1 829.0	2 491.6	22.0	2 513.6
Result for the year				276.1	276.1	0.6	276.7
Other comprehensive income							
Translation difference			88.9		88.9		88.9
Cash flow hedge			5.5		5.5		5.5
Reclassification of previous years' cash flow hedge			0.1	-0.1	0.0		0.0
Income tax related to components of other comprehensive income			-1.2		-1.2		-1.2
Transactions with shareholders							
Dividends to shareholders of the parent company				-66.3	-66.3		-66.3
Closing balance 2016-12-31	199.1	219.4	337.4	2 038.7	2 794.6	22.6	2 817.2

MSEK	Share capital	Other capital contributions	Reserves	Retained earnings incl. result for the year	Total	Non-controlling interest	Total equity
Opening balance 2017-01-01	199.1	219.4	337.4	2 038.7	2 794.6	22.6	2 817.2
Result for the year				354.0	354.0	0.0	354.0
Other comprehensive income							
Translation difference			-54.2		-54.2		-54.2
Cash flow hedge			2.2		2.2		2.2
Reclassification of previous years' cash flow hedge			-5.5	5.5	0.0		0.0
Income tax related to components of other comprehensive income			-0.5		-0.5		-0.5
Transactions with shareholders							
Dividends to shareholders of the parent company				-89.6	-89.6		-89.6
Closing balance 2017-12-31	199.1	219.4	279.4	2 308.7	3 006.6	22.6	3 029.2

Accumulated translation differences in equity	Year 2017	Year 2016
Accumulated translation differences at the beginning of the year	338.5	249.6
Translation difference in foreign subsidiaries for the year	-54.2	88.9
Accumulated translation differences at end of year	284.3	338.5



d-vice PROMOTE

FINANCIAL HIGHLIGHTS

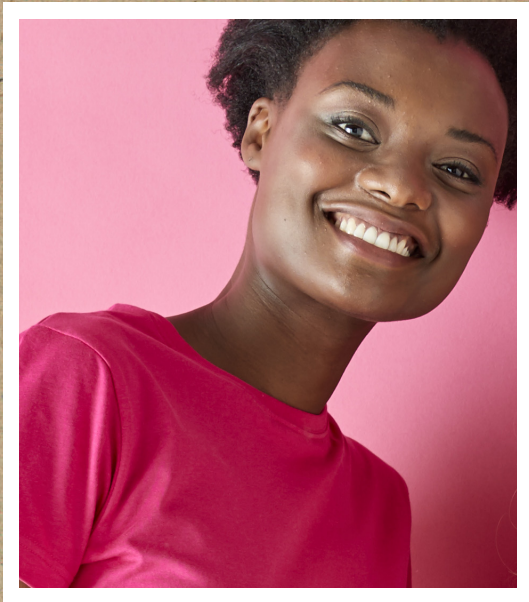
	12 months Jan-Dec 2017	12 months Jan-Dec 2016
Sales growth, %	6.9	5.5
Number of employees	2 495	2 396
Gross profit margin, %	46.1	46.0
Operating margin before depreciation, %	9.5	8.7
Operating margin, %	8.4	7.6
Profit margin, %	7.5	6.5
Net margin, %	6.3	5.3
Return on shareholders' equity, %	12.2	10.4
Return on capital employed, %	9.8	8.6
Equity ratio, %	50.8	48.4
Net debt to equity ratio, %	54.1	62.1
Net debt in relation to working capital	57.4	64.7
Net debt, SEK million	1 637.3	1 748.9
Interest cover ratio, times	8.3	6.5
Capital turnover, times	1.0	0.9
Stock turnover, times	1.2	1.1
Cash flow before investments, SEK million	207.8	448.9
Net investments, SEK million	-110.6	-89.6
Cash flow after investments, SEK million	97.2	359.3
Shareholders' equity per share, before and after dilution, SEK	45.66	42.46
Share price as at December 31, SEK	54.50	55.25
Dividend/share, SEK	1.35	1.00
P/E-ratio	10.20	13.30
P/S-ratio	0.60	0.70
Share price/Shareholders' equity	1.20	1.30

For definitions of alternative performance measures. please go to p. 31.



cottover[®]

people & planet



www.cottover.se

INCOME STATEMENT

	12 months Jan - Dec 2017	12 months Jan - Dec 2016
SEK million		
Net sales	69.8	101.2
Other operating income	22.4	22.1
Total income	92.2	123.3
Operating costs		
External costs	-65.2	-91.9
Personnel costs	-29.3	-23.5
Depreciation of tangible and intangible fixed assets	-5.2	-5.2
Other operating costs	-19.2	-19.5
Operating result	-26.7	-16.8
Net income from shares in Group companies	387.2	420.4
Write-downs of financial fixed assets	-76.5	-2.4
Financial income	66.5	66.6
Financial expenses	-51.7	-61.6
Net financial items	325.6	423.0
Result before appropriations and tax	298.9	406.2
Appropriations	61.0	33.9
Tax on result for the year	-9.9	-5.0
Result for the year	350.0	435.1

Total comprehensive income for the year correspond with result for the year



CASH FLOW STATEMENT

SEK million	12 months Jan - Dec 2017	12 months Jan - Dec 2016
Current operations		
Operating result	-26.7	-16.8
Adjustment for items not included in cash flow	5.2	5.2
Received dividends	42.7	0.0
Received interest	66.5	66.6
Paid interest	-51.7	-61.6
Paid income tax	-5.8	-2.8
Cash flow from current operations before changes in working capital	30.2	-9.4
Changes in working capital		
Decrease/increase in stock	0.0	0.8
Decrease/increase in current receivables	298.7	458.9
Decrease/increase on short-term liabilities	-116.2	-147.3
Cash flow from changes in working capital	182.5	312.4
Cash flow from operations	212.8	303.0
Investing activities		
Shareholders contribution to subsidiaries	-56.4	-19.0
Investments in tangible fixed assets	-0.7	-2.9
Investments in intangible fixed assets	-6.4	-0.2
Acquisition of shares	0.0	-2.2
Repayment of share capital from subsidiaries	0.0	30.2
Cash-flow from investing activities	-63.5	5.9
Cash-flow after investing activities	149.3	308.9
Financial activities		
Amortization of loan	-62.9	-241.3
Dividend paid to shareholders of the parent company	-89.6	-66.3
Cash-flow from financial activities	-152.5	-307.6
Cash flow for the year	-3.2	1.3
Liquid assets at the beginning of the year	4.5	3.2
Liquid assets at year-end	1.3	4.5
Liquid assets		
Cash at bank and in hand	1.3	4.5



BALANCE SHEETS

SEK million	31 Dec 2017	31 Dec 2016
ASSETS		
Fixed assets		
Intangible fixed assets	14.2	11.7
Tangible fixed assets	4.1	4.8
Financial assets		
Shares in Group companies	1 517.7	1 510.2
Shares in associated companies	54.6	54.6
Receivables on Group companies	903.1	998.0
Other long-term receivables	2.4	2.4
Total financial assets	2 477.8	2 565.2
Total fixed assets	2 496.1	2 581.7
Current assets		
Current receivables		
Stock	0.0	0.0
Accounts receivable	0.0	0.6
Receivables on Group companies	1 283.2	1 145.9
Tax receivables	0.0	0.2
Other receivables	25.2	8.4
Prepaid expenses and accrued income	7.6	11.8
Total current receivables	1 316.0	1 166.9
Cash at bank and in hand	1.3	4.5
Total current assets	1 317.3	1 171.4
TOTAL ASSETS	3 813.5	3 753.1
EQUITY AND LIABILITIES		
Equity		
Restricted equity		
Share capital	199.1	199.1
Restricted reserves	249.4	249.4
	448.5	448.5
Unrestricted equity		
Retained earnings	997.3	651.8
Share premium reserve	48.0	48.0
Result for the year	350.0	435.1
	1 395.3	1 134.9
Total equity	1 843.8	1 583.4
Untaxed reserves	25.4	6.8
Non-current liabilities		
Overdraft facilities	1 308.9	1 293.3
Bankloan	197.6	371.0
Total non-current liabilities	1 506.5	1 664.3
Current liabilities		
Short-term interest-bearing liabilities	61.3	66.2
Accounts payable	217.1	163.9
Liabilities to Group companies	146.1	256.9
Current tax liability	5.7	1.8
Other liabilities	1.1	2.4
Accrued expenses and prepaid income	6.4	7.4
Total current liabilities	437.8	498.6
TOTAL EQUITY AND LIABILITIES	3 813.5	3 753.1

CHANGES IN EQUITY

SEK million	Share capital	Restricted reserves	Retained earnings	Share premium reserve	Result for the year	Total equity
Opening balance 2016-01-01	199.1	249.4	748.8	48.0	-30.7	1 214.6
Transfer according to Annual General Meeting			-30.7		30.7	0.0
Result for the year					435.1	435.1
Total change in net assets excluding transactions with shareholders	0.0	0.0	0.0	0.0	435.1	435.1
Dividends			-66.3			-66.3
Closing balance 2016-12-31	199.1	249.4	651.8	48.0	435.1	1 583.4

SEK million	Share capital	Restricted reserves	Retained earnings	Share premium reserve	Result for the year	Total equity
Opening balance 2017-01-01	199.1	249.4	651.8	48.0	435.1	1 583.4
Transfer according to Annual General Meeting			435.1		-435.1	0.0
Result for the year					350.0	350.0
Total change in net assets excluding transactions with shareholders	0.0	0.0	0.0	0.0	350.0	350.0
Dividends			-89.6			-89.6
Closing balance 2017-12-31	199.1	249.4	997.3	48.0	350.0	1 843.8



NOTES

ACCOUNTING PRINCIPLES

This report is prepared in accordance with IAS 34 Interim Financial Reporting and the Annual Accounts Act.

The year-end report for the Parent Company has been prepared according the Annual Accounts Act as well as RFR 2 "Reporting for Legal Entities".

Applied accounting principles are in accordance with the Annual Report for 2016.

No new or revised IFRS, which came into force in 2017, had a significant impact on the Group.

NEW ACCOUNTING PRINCIPLES FOR 2018

As from January 1, 2018, IFRS 15 Revenue from contracts with customers and IFRS 9 Financial instruments will become effective.

IFRS 9 "Financial instruments" have a limited impact on the Group and will only impact the calculation of expected losses on accounts receivable. The transition will mean that credit losses are reported earlier, which will have an immaterial negative effect on equity at the time of transition.

IFRS 15 "Revenue from Contracts with Customers" is implemented with the Modified Retrospective Approach, which means that only contracts that have not yet been completed by January 1, 2018 is recalculated at the date of transition to the new standard. The implementation will have a certain impact on revenue recognition for contracts with repurchase agreements, where the revenue recognition will be postponed. However, only few contracts have been identified within the group that are completed after January 1, 2018 which means that the transition effect will be an immaterial negative effect on equity at the time of transition.

NEW ACCOUNTING PRINCIPLES FOR 2019

IFRS 16 "Leases" will replace IAS 17 "Leases" as of January 1, 2019. The management believes that the standard will impact the Group's reported assets and liabilities attributable to, inter alia, the Group's lease agreements, but has not yet quantified the effects thereof. The Group evaluates the full impact of IFRS 16.

RISKS AND RISK CONTROL

New Wave Group's international operations mean that it is continuously exposed to various financial risks. The financial risks are currency, borrowings and interest rate risks, as well as liquidity and credit risks. In order to minimize the impact these risks may have on earnings, the Group has established a financial policy. For a more detailed description of the Group's risk management please refer to the Annual Report 2016, note 17, p.98–103. www.nwg.se.

The Group's policy is to have short fixed-interest agreements resulting in quick effects on the Group's net interest as the short-term interest rate changes.

The Group's reported risks are deemed to be essentially unchanged.



NET SALES AND EBITDA PER OPERATING SEGMENT

SEK million	3 months Okt–Dec 2017	3 months Okt–Dec 2016	12 months Jan–Dec 2017	12 months Jan–Dec 2016
Corporate Promo				
Net sales	828.8	779.9	2 648.7	2 388.6
EBITDA	110.6	109.9	289.7	250.8
Sport & Leisure				
Net sales	596.8	570.6	2 311.5	2 260.8
EBITDA	69.7	55.0	230.3	194.5
Gifts & Home Furnishings				
Net sales	204.7	198.1	637.1	587.7
EBITDA	10.4	17.3	14.4	10.8
Total net sales	1 630.3	1 548.6	5 597.3	5 237.1
Total EBITDA	190.7	182.2	534.4	456.1
Total EBITDA	190.7	182.2	534.4	456.1
Depreciation and write down	-18.2	-15.2	-65.3	-55.9
Net financial items	-13.1	-15.9	-51.9	-59.9
Result before tax	159.4	151.1	417.2	340.3

ASSETS AND LIABILITIES PER OPERATING SEGMENTS

SEK million	Total assets	Fixed assets*	Deferred tax assets	Investments	Depreciation and write-downs	Total liabilities
31 Dec 2017						
Corporate Promo	3 074.0	585.0	35.2	-43.8	-32.6	1 902.3
Sport & Leisure	2 272.0	1 020.0	44.4	-42.4	-28.0	589.5
Gifts & Home Furnishings	619.3	204.4	11.9	-24.4	-4.8	444.3
Total	5 965.3	1 809.5	91.5	-110.6	-65.3	2 936.1
31 Dec 2016						
Corporate Promo	2 988.7	629.2	36.3	-16.6	-28.5	2 031.7
Sport & Leisure	2 261.9	1 045.9	62.6	-33.3	-23.3	582.9
Gifts & Home Furnishings	573.6	193.5	15.2	-39.7	-4.1	392.4
Total	5 824.2	1 868.6	114.1	-89.6	-55.9	3 007.0

* Fixed assets classified as financial assets are not included

NET SALES PER GEOGRAPHIC AREA

SEK million	3 months		3 months		Change SEK million	Change %
	Oct–Dec 2017	Part of net sales	Oct–Dec 2016	Part of net sales		
Sweden	449.3	28%	419.0	27%	30.3	7%
USA	370.5	23%	373.1	24%	-2.6	-1%
Nordic countries excluding Sweden	184.4	11%	186.9	12%	-2.5	-1%
Central Europe	323.2	20%	306.3	20%	16.9	6%
Southern Europe	177.3	11%	167.3	11%	10.0	6%
Other countries	125.6	8%	96.0	6%	29.6	31%
Total	1 630.3	100%	1 548.6	100%	81.7	5%

SEK million	12 months		12 months		Change SEK million	Change %
	Jan–Dec 2017	Part of net sales	Jan–Dec 2016	Part of net sales		
Sweden	1 317.0	24%	1 236.4	24%	80.6	7%
USA	1 400.5	25%	1 381.1	26%	19.4	1%
Nordic countries excluding Sweden	760.5	14%	739.5	14%	21.0	3%
Central Europe	1 062.5	19%	996.8	19%	65.7	7%
Southern Europe	577.6	10%	524.4	10%	53.2	10%
Other countries	479.1	9%	358.9	7%	120.2	33%
Total	5 597.3	100%	5 237.1	100%	360.2	7%

FIXED ASSETS AND DEFERRED TAX ASSETS PER AREA

SEK million	31 Dec 2017		31 Dec 2016	
	Fixed assets*	Deferred tax assets	Fixed assets*	Deferred tax assets
Sweden	496.2	14.3	477.9	15.9
USA	916.0	39.4	996.1	59.2
Nordic countries excluding Sweden	34.2	4.1	27.7	8.4
Central Europe	208.5	23.2	202.5	22.7
Southern Europe	94.4	4.9	158.8	2.8
Other countries	60.1	5.6	5.6	5.1
Total	1 809.4	91.5	1 868.6	114.1

* Fixed assets classified as financial assets are not included



FINANCIAL INSTRUMENTS

GROUP

SEK million	31 Dec 2017	31 Dec 2016
Assets at fair value (derivatives)	2.5	6.4
Assets at amortised cost	1 268.6	1 178.5
Total financial assets	1 271.1	1 184.9
Liabilities at fair value (derivatives)	1.3	5.0
Liabilities at amortised cost	2 715.1	2 780.5
Total financial liabilities	2 716.4	2 785.5

Financial instruments are measured at fair value or amortised cost according to classification in the balance sheet. Financial instruments include in addition to financial net debt, also accounts receivable and accounts payable. Financial instruments at fair value in the balance sheet belongs to level 2 in IFRS 13 hierarchy.

PLEGGED ASSETS AND CONTINGENT LIABILITIES

GROUP

<i>Pledged assets</i> SEK million	31 Dec 2017	31 Dec 2016
Floating charges	543.5	663.5
Property mortgages	183.2	147.6
Net assets in subsidiaries	2 152.0	2323.0
Stocks and accounts receivable	465.9	368.1
Total	3 344.7	3 502.2

<i>Contingent liabilities</i> SEK million	31 Dec 2017	31 Dec 2016
Duty guarantee	16.3	15.6
Rent guarantee	104.8	0.0
PRI	2.0	2.0
Other guarantees	1.9	0.4
Guarantees for associated companies	6.0	6.0
Total	131.0	24.1

PARENT COMPANY

<i>Pledged assets</i> SEK million	31 Dec 2017	31 Dec 2016
Floating charges	30.0	30.0
Shares in subsidiaries	1 152.3	1183.8
Shares in related companies	8.3	8.3
Total	1 190.6	1 222.1

<i>Contingent liabilities</i> SEK million	31 Dec 2017	31 Dec 2016
Guarantees for subsidiaries	671.5	471.2
Total	671.5	471.2



QUARTERLY CONSOLIDATED INCOME STATEMENTS

SEK million	2017				2016				2015			
Quarter	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net sales	1 264.2	1 371.7	1 331.1	1 630.3	1 130.8	1 257.3	1 300.4	1 548.6	1 096.1	1 191.3	1 272.0	1 405.3
Goods for resale	-692.8	-745.7	-692.8	-886.8	-616.3	-685.0	-693.3	-832.3	-595.7	-659.1	-697.8	-773.5
Gross profit	571.4	626.0	638.2	743.5	514.5	572.3	607.1	716.3	500.4	532.2	574.2	631.8
Gross profit %	45.2	45.6	47.9	45.6	45.5	45.5	46.7	46.3	45.7	44.7	45.1	45.0
Other operating income	10.9	7.0	10.4	22.9	9.4	12.2	14.5	14.9	9.3	7.8	22.1	8.0
External costs	-288.6	-270.1	-265.4	-304.9	-279.8	-249.6	-268.5	-300.1	-270.1	-258.9	-273.0	-284.0
Personnel costs	-228.1	-233.0	-217.1	-262.2	-217.4	-213.0	-208.3	-242.9	-205.3	-212.0	-202.8	-231.5
Depreciations and write-downs	-15.0	-15.7	-16.4	-18.2	-13.2	-13.4	-14.1	-15.2	-14.9	-14.3	-13.7	-14.2
Other operating costs	-7.8	-3.9	-7.4	-6.1	-5.6	-8.1	-5.8	-6.2	-18.5	-6.7	-9.3	-1.7
Share of associated companies' result	0.4	0.2	0.6	-2.5	0.2	-0.2	0.0	0.2	0.9	0.6	-1.2	0.0
Operating result	43.2	110.5	143.0	172.5	8.1	100.2	124.9	167.0	1.8	48.7	96.3	108.4
Financial income	1.3	1.0	1.6	1.3	1.2	0.9	1.0	0.0	1.9	3.2	1.4	0.7
Financial expenses	-13.8	-14.1	-14.8	-14.3	-15.0	-15.7	-16.4	-15.9	-17.0	-16.9	-19.0	-28.6
Result before tax	30.7	97.4	129.8	159.4	-5.7	85.4	109.5	151.1	-13.3	35.0	78.7	80.5
Tax	-5.8	-20.3	-24.5	-12.6	1.1	-18.4	-23.0	-23.3	2.4	-7.2	-13.6	-17.2
Result for the period	24.9	77.0	105.3	146.8	-4.6	67.0	86.5	127.8	-10.9	27.8	65.1	63.3
<i>Total other comprehensive income net after tax for the period</i>	-12.2	-42.4	-43.3	45.3	-15.5	47.2	26.4	35.1	101.7	-43.9	7.1	-36.9
Total comprehensive income for the period	12.7	34.7	62.0	192.1	-20.1	114.2	112.9	162.9	90.8	-16.1	72.2	26.4
Earnings per share												
before dilution (SEK)	0.38	1.16	1.60	2.20	-0.06	1.01	1.31	1.90	-0.17	0.41	0.98	0.94
after dilution (SEK)	0.38	1.16	1.60	2.20	-0.06	1.01	1.31	1.90	-0.17	0.41	0.98	0.94
The average number of outstanding shares before dilution	66 343 543	66 343 543	66 343 543	66 343 543	66 343 543	66 343 543	66 343 543	66 343 543	66 343 543	66 343 543	66 343 543	66 343 543
The average number of outstanding shares after dilution	66 343 543	66 343 543	66 343 543	66 343 543	66 343 543	66 343 543	66 343 543	66 343 543	66 343 543	66 343 543	66 343 543	66 343 543
SEK million	2014				2013				2012			
Quarter	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net sales	908.5	983.3	1 122.3	1 259.5	877.3	995.3	1 035.0	1 139.8	975.4	1 074.9	1 053.8	1 176.1
Goods for resale	-497.7	-531.8	-621.9	-669.6	-456.8	-529.1	-564.9	-626.2	-531.2	-580.0	-688.9	-615.7
Gross profit	410.8	451.5	500.4	589.9	420.5	466.2	470.1	513.6	444.2	494.9	364.9	560.4
Gross profit %	45.2	45.9	44.6	46.8	47.9	46.8	45.4	45.1	45.5	46.0	34.6	47.6
Other operating income	7.1	5.4	5.1	10.1	8.6	7.7	7.7	9.3	8.5	9.5	7.4	9.7
External costs	-229.5	-216.9	-216.6	-260.5	-222.9	-209.7	-205.4	-215.2	-247.2	-238.3	-245.5	-223.0
Personnel costs	-179.5	-176.7	-174.8	-204.7	-174.7	-177.9	-162.5	-182.7	-186.3	-189.2	-208.1	-181.9
Depreciations and write-downs	-12.4	-13.2	-14.4	-14.2	-11.8	-14.6	-13.9	-11.9	-11.9	-13.0	-53.1	-11.9
Other operating costs	-2.4	-2.6	-4.1	-7.4	-3.8	-1.9	-2.9	-2.3	-3.8	-5.9	-5.9	-3.1
Share of associated companies' result	0.0	0.5	0.1	-1.0	0.2	0.4	-0.3	0.8	-0.9	0.7	0.4	1.5
Operating result	-5.9	48.0	95.7	112.2	16.1	70.2	92.8	111.6	2.6	58.7	-139.9	151.7
Financial income	1.4	1.2	1.1	1.2	1.8	1.4	1.8	1.8	1.4	0.5	2.2	0.9
Financial expenses	-9.7	-10.6	-12.1	-14.5	-17.8	-16.1	-14.9	-14.2	-15.4	-13.0	-16.1	-18.7
Result before tax	-14.2	38.6	84.7	98.9	0.1	55.5	79.7	99.2	-11.4	46.2	-153.8	133.9
Tax	2.9	-9.2	-17.8	-7.0	0.0	-16.6	-21.9	-8.9	3.2	-12.9	33.8	-33.2
Result for the period	-11.3	29.4	66.9	91.9	0.1	38.9	57.8	90.3	-8.2	33.3	-120.0	100.7
<i>Total other comprehensive income net after tax for the period</i>	1.4	53.5	53.1	91.2	-38.9	57.8	-31.5	36.6	-24.1	21.9	-95.6	21.8
Total comprehensive income for the period	-9.9	82.9	120.0	183.1	-38.8	96.7	26.3	126.9	-32.3	55.2	-215.6	122.5
Earnings per share												
before dilution (SEK)	-0.17	0.44	1.01	1.38	0.00	0.60	0.87	1.35	-0.13	0.50	-1.81	1.51
after dilution (SEK)	-0.17	0.44	1.01	1.38	0.00	0.60	0.87	1.35	-0.12	0.50	-1.81	1.51
The average number of outstanding shares before dilution	66 343 543	66 343 543	66 343 543	66 343 543	66 343 543	66 343 543	66 343 543	66 343 543	66 343 543	66 343 543	66 343 543	66 343 543
The average number of outstanding shares after dilution	66 343 543	66 343 543	66 343 543	66 343 543	66 343 543	66 343 543	66 343 543	66 343 543	67 343 543	66 343 543	66 343 543	66 343 543

QUARTERLY CONSOLIDATED CASH FLOW STATEMENTS

SEK million	2017				2016				2015			
Quarter	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Cash flow from operating activities before changes in working capital	37.8	105.0	153.3	154.9	-4.2	89.4	116.2	132.0	-9.2	54.6	73.8	90.6
Increase/decrease of stock	-73.9	-63.7	-200.4	129.5	-49.7	62.4	-109.6	151.2	-200.6	-88.5	-132.1	175.6
Increase/decrease of current receivables	113.0	-40.4	-113.8	-78.5	85.3	-76.9	-106.8	31.9	129.5	-23.0	-117.2	85.2
Increase/decrease of current liabilities	-43.3	49.2	150.5	-71.4	32.5	13.7	115.7	-34.2	51.4	1.0	14.3	24.1
Changes in working capital	-4.2	-54.9	-163.7	-20.4	68.1	-0.8	-100.7	148.9	-19.7	-110.5	-235.0	284.9
Cash flow from operating activities	33.6	50.1	-10.4	134.5	63.9	88.6	15.5	280.9	-28.9	-55.9	-161.2	375.5
Investing activities	-19.9	-16.0	-36.9	-37.7	-16.3	-21.2	-25.8	-26.3	-26.7	-40.7	-15.0	-24.1
Cash flow after investing activities	13.7	34.1	-47.3	96.8	47.6	67.4	-10.3	254.6	-55.6	-96.6	-176.2	351.4
Loan raised	0.0	47.1	30.2	0.0	0.0	16.1	22.9	0.0	0.0	179.1	173.9	0.0
Amortization of loan	-39.4	0.0	0.0	-54.6	-74.6	0.0	0.0	-211.4	-13.9	0.0	0.0	-349.1
Dividend paid to non-controlling interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1.0	0.0
Dividend paid to the shareholders of the parent company	0.0	-89.6	0.0	0.0	0.0	-66.3	0.0	0.0	0.0	-66.3	0.0	0.0
Cash flow from financial activities	-39.4	-42.5	30.2	-54.6	-74.6	-50.2	22.9	-211.4	-13.9	112.8	172.9	-349.1
Cash flow for the period	-25.7	-8.4	-17.1	42.2	-27.0	17.2	12.6	43.2	-69.5	16.2	-3.3	2.3
Liquid assets at the beginning of the period	218.9	191.9	178.9	155.6	165.5	136.3	157.1	172.9	216.0	159.0	169.5	167.7
Adjustment liquid assets at the beginning of the period	0	0	0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Translation differences in liquid assets	-1.3	-4.6	-6.2	4.6	-2.2	3.6	3.2	2.8	12.5	-5.7	1.5	-4.5
Liquid assets at period-end	191.9	178.9	155.6	202.4	136.3	157.1	172.9	218.9	159.0	169.5	167.7	165.5

SEK million	2014				2013				2012			
Quarter	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Cash flow from operating activities before changes in working capital	-7.1	38.8	93.1	129.1	-18.7	55.3	86.7	103.3	-12.8	43.8	66.7	83.7
Increase/decrease of stock	-50.6	-86.8	-309.6	-126.1	27.8	28.2	-3.1	145.3	-44.9	34.3	-1.6	205.8
Increase/decrease of current receivables	172.3	-28.0	-124.2	-40.7	131.1	-44.0	-84.8	-32.7	77.1	19.6	-69.9	-14.1
Increase/decrease of current liabilities	-25.8	48.3	50.0	-16.9	-34.1	2.3	-1.3	-2.8	25.6	35.1	-108.0	0.7
Changes in working capital	95.9	-66.5	-383.8	-183.7	124.8	-13.5	-89.2	109.8	57.8	89.0	-179.5	192.4
Cash flow from operating activities	88.8	-27.7	-290.7	-54.6	106.1	41.8	-2.5	213.1	45.0	132.8	-112.8	276.1
Investing activities	-11.3	-17.5	-12.4	-29.4	-8.8	-8.8	-21.2	-7.2	-10.8	-15.1	-17.2	-7.3
Cash flow after investing activities	77.5	-45.2	-303.1	-84.0	97.3	33.0	-23.7	205.9	34.2	117.7	-130.0	268.8
Loan raised	0.0	129.6	289.8	121.3	0.0	0.0	0.0	0.0	0.0	0.0	123.0	0.0
Amortization of loan	-109.8	0.0	0.0	0.0	-157.3	24.2	-12.0	-146.7	-79.0	-5.1	0.0	-196.1
Dividend paid to non-controlling interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dividend paid to the shareholders of the parent company	0.0	-66.3	0.0	0.0	0.0	-66.3	0.0	0.0	0.0	-66.3	0.0	0.0
Cash flow from financial activities	-109.8	63.3	289.8	121.3	-157.3	-42.1	-12.0	-146.7	-79.0	-71.4	123.0	-196.1
Cash flow for the period	-32.3	18.1	-13.3	37.3	-60.0	-9.1	-35.7	59.2	-44.8	46.3	-7.0	72.7
Liquid assets at the beginning of the period	185.1	153.1	176.0	169.6	229.7	168.0	163.0	123.7	117.7	70.4	119.5	107.6
Adjustment liquid assets at the beginning of the period	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	48.8
Translation differences in liquid assets	0.3	4.8	6.9	9.1	-1.7	4.1	-3.6	2.2	-2.5	2.8	-4.9	0.6
Liquid assets at period-end	153.1	176.0	169.6	216.0	168.0	163.0	123.7	185.1	70.4	119.5	107.6	229.7

NEW WAVE GROUP'S

SHARE

The share capital in New Wave Group amounted to SEK 199.030.629 distributed among a total of 66.343.543 shares. Each with a quota value of SEK 3,00. The shares carry identical rights to the Company's assets and profits. Each Series A share is entitled to ten votes and each Series B is entitled to one vote. New Wave's Series B shares are listed at OMX Stockholm Mid Cap.

DIVIDEND POLICY

The Board's aim is that the dividend will account for 40 % of the Group's result after taxes over a business cycle.

SHAREHOLDERS

The number of shareholders amount to 14.509 (11.655) on December 31, 2017. Institutional investors accounted for 47 % of the capital and 13 % of the votes. At the same time the ten largest shareholders held 63 % of the capital and 90 % of the votes. Non-Swedish shareholders accounted for 14 % of the capital and 4 % of the votes.

NEW WAVE GROUP'S TEN MAJOR SHAREHOLDERS 2017-12-31

Shareholder	Number of shares	Number of votes	Capital %	Votes %
Torsten Jansson through companies	21 653 277	199 022 397	32.6	81.7
Avanza Pension	4 698 534	4 698 534	7.1	1.9
Fjärde AP-Fonden	3 842 993	3 842 993	5.8	1.6
Unionen	2 400 000	2 400 000	3.6	1.0
City Bank New York	2 087 911	2 087 911	3.1	0.9
Svolder AB	1 987 997	1 987 997	3.0	0.8
Spiltan Aktiefonder	1 622 463	1 622 463	2.4	0.7
Hans Diding	1 356 300	1 356 300	2.0	0.6
State Street Bank	1 183 866	1 183 866	1.8	0.5
Lannebo fonder	1 138 540	1 138 540	1.7	0.5
Total	41 971 881	219 341 001	63.3	90.0

SHAREHOLDER DISTRIBUTION IN NEW WAVE GROUP 2017-12-31

	Number of shares	Number of votes	Capital %	Votes %
Sweden	56 950 511	234 319 631	85.8	96.1
Shareholders outside Sweden, excl.USA	4 726 935	4 726 935	7.1	1.9
USA	4 666 097	4 666 097	7.0	1.9
Total	66 343 543	243 712 663	100.0	100.0

DEFINITIONS OF ALTERNATIVE PERFORMANCE MEASURES

Guidelines concerning non-IFRS performance measures for companies with securities listed on a regulated market in the EU have been issued by ESMA (The European Securities and Markets Authority). These guidelines are to be applied to alternative performance measures (APM) applied as of July 3, 2016. The Annual Report refers to a number of non-IFRS performance measures used to assist investors and company management to analyze the company's operations. Because not all companies calculate the financial measures in the same way, these are not always comparable to measures used by other companies. These financial measures should not be seen as a substitute for measures defined under IFRS. A description of the various non-IFRS performance measures used as a complement to the financial information reported according to IFRS and how they are used, is presented below.

PERFORMANCE MEASURES	DEFINITION/CALCULATION	PURPOSE
GROSS PROFIT MARGIN	Net sales less goods for resale in percent of net sales.	The measure is used for showing the company's margins before the effect of costs such as selling and administrative costs.
OPERATING MARGIN	Operating result as a percentage of the period's net sales.	The measure is used to estimate operating profitability.
PROFIT MARGIN	Result before tax as a percentage of the period's net sales.	The measure enables the profitability to be compared across locations where corporate taxes differ.
NET MARGIN	Result after tax as a percentage of the period's net sales.	The measure is used to show net earnings in relation to income
EBITDA	Operating result before depreciation/amortization and impairment of non-current assets.	The measure is used to show profit (loss) from operating activities, regardless of depreciation/amortization.
NET FINANCIAL ITEMS	The total of interest incomes, interest expenses, exchange differences on borrowings and cash equivalents in foreign currencies, other financial income and other financial expenses.	The measure reflects the company's total costs of the external financing.
RETURN MEASURES	DEFINITION/CALCULATION	PURPOSE
RETURN ON CAPITAL EMPLOYED	Operating result plus financial income as a percentage of average capital employed. The average capital employed is calculated by taking the capital employed per period end and the capital employed by period end of the Comparative period in the previous year divided by two.	The measure is used to analyze profitability by putting result in relation to the capital needed to operate the business.
RETURN ON EQUITY	Result for the period according to the income statement as a percentage of average equity. For the parent company it is calculated as result after tax as a percentage of average adjusted equity. In adjusted equity, 78 % of untaxed reserves are included.	The measure is used to analyze profitability over time, given the resources available to the parent company's owners.

CAPITAL MEASURES	DEFINITION/CALCULATION	PURPOSE
EQUITY	The equity reported in the consolidated balance sheet consists of taxed equity increased by the equity portion of the Group's untaxed reserves and noncontrolling interests. Deferred tax liability in untaxed reserves has been calculated at a 22.0 % rate for Swedish companies and at the applicable tax rate for foreign companies in each country outside Sweden.	The measure is the difference between the Group's assets and liabilities, which corresponds to the Group's equity contributed by owners and the Group's accumulated profits.
CAPITAL EMPLOYED	Total assets less provisions and non-interest bearing liabilities, which consist of accounts payable, current tax liabilities, other liabilities and accrued expenses and prepaid income.	The measure indicates how much capital is needed to run the business, regardless of type of financing (borrowed or equity).
WORKING CAPITAL	Total current assets, excluding liquid assets, less shortterm non-interest bearing liabilities.	The measure is used to show how much capital is needed to finance day to day operations.
NET DEBT	Interest-bearing debt (current and non-current) less cash and cash equivalents.	The measure shows financing from borrowings.
STOCK TURNOVER	Goods for resale in the income statement divided by average stock.	The measure is used to show the inventory's turnover per year.
NET DEBT TO EQUITY RATIO	Net debt as a percentage of equity.	The measure helps show financial risk and is useful for management to monitor the level of the company's indebtedness.
NET DEBT IN RELATION TO WORKING CAPITAL	Net debt divided by working capital.	The measure is used to show how much of the working capital is financed through net debt.
INTEREST COVERAGE RATIO	Result before tax plus financial costs divided by financial costs.	The measure is used to calculate the company's ability to pay interest costs.
EQUITY RATIO	Equity as a percentage of total assets.	The measure shows how much of the company's assets are financed by the shareholders through equity. An equity ratio is a measure of financial strenght.
DATA PER SHARE	DEFINITION/CALCULATION	PURPOSE
EQUITY PER SHARE	Equity at the end of the period divided by number of shares at the end of the period.	Equity per share measures the net asset value backing up each share of the company's equity and determines if a company is increasing shareholder value over time.
OTHER MEASURES	DEFINITION/CALCULATION	PURPOSE
EFFECTIVE TAX RATE	Tax on profit for the period as a percentage of result before tax.	This measure enables comparison of income tax across locations where corporate taxes differ.
CASH FLOW FROM OPERATIONS	Cash flow from operating activities including changes in working capital and before cash flows from investing and financing activities.	The measure is used to show the cash flow generated by the company's operations.
NET INVESTMENTS	Cash flow from investing activities according to the cash flow analysis which includes investments and divestments of buildings, acquisitions, investments in tangible and intangible assets and raised long-term debt.	The measure is used to regularly estimate how much cash is used to maintain operations and for expansion.

NewWave

G R O U P

New Wave Group is a growth company creating, acquiring and developing promo, sports, gift and interior design trademarks and products. The group shall achieve synergies by coordinating design, purchasing, marketing, logistics and distribution of the assortment.

The group shall offer its products to the promo market and the retail market in order to achieve good risk diversification.

NEW WAVE GROUP AB (publ)

Company number 556350-0916
Kungsporsavenyen 10, SE-411 36 Göteborg
Phone +46 (0)31 712 89 00 | info@nwg.se
www.nwg.se