

2017

INTERIM REPORT
JANUARY – MARCH



NewWave
G R O U P

CRAFT 
FUNCTIONAL SPORTSWEAR

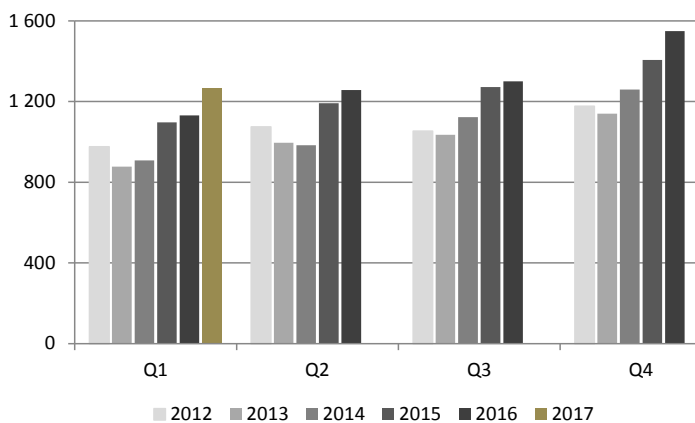
INTERIM REPORT

NEW WAVE GROUP AB

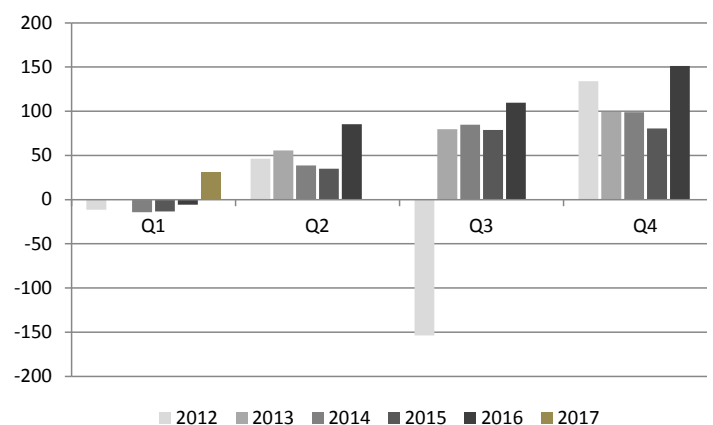
PERIOD 1 JANUARY – 31 MARCH 2017

- Sales amounted to SEK 1,264 million, which was 12 % higher than last year (SEK 1,131 million).
- Operating profit amounted to SEK 43.2 (8.1) million.
- The periods result amounted to SEK 24.9 (-4.6) million.
- Earnings per share amounted to SEK 0.38 (-0.06).
- Cash flow from operating activities amounted to SEK 33.6 (70.6) million.
- Equity ratio amounted to 49.4 (46.2) %.
- Net debt to equity ratio amounted to 60.6 (75.0) %.

TURNOVER



RESULT BEFORE TAX





CEO COMMENTS

IT IS WITH PLEASURE THAT WE CLOSE THE FIRST QUARTER WITH A SALES INCREASE OF 12 %, RESULTING IN SALES FOR SEK 1,264 MILLION. THIS IS AN ALL-TIME HIGH FOR A FIRST QUARTER.

In addition, the operating profit increased from SEK 8.1 million to SEK 43.2 million, an improvement of SEK 35.1 million. This is also the best result for a first quarter ever, which makes it even more gratifying. The average operating profit over the past five years is SEK 4.5 million – so SEK 43.2 million is a really strong start to the year.

If you look at sales, we have growth in virtually all regions. Within the segments, Corporate Promo increased by 17 %, Gifts & Home Furnishings by 15 % and Sports & Leisure by 6 %. Of our sales channels, promo increased by 16 % and retail by 7 %.

We have now had growth in 11 consecutive quarters which is incredibly satisfying.

If we look at the result for the period, it is now the fifth quarter in a row it has improved and we see in the last 11 quarters that operating income improved in ten of them.

If we look at a rolling full year, sales are now SEK 5,370 million, EBITDA SEK 493.0 million, operating profit SEK 435.3 million and net profit SEK 306.2 million – an all-time high.

THE BALANCE SHEET

The equity ratio at 49.4 % is a very strong figure. Net debt was cut during the quarter to SEK 1,714 million and the net debt to equity ratio is now down to 60.6 %.

Financially, we have never been stronger. This allows for both acquisitions and continued investments for organic growth.

THE FUTURE

In the short term, I would firstly like to point out that we had a positive calendar effect in the quarter which is difficult to assess but can be estimated to be 3-4 % which affects us negatively in the next quarter.

We are going to invest even more heavily in continued expansion of sales forces, mainly in the United States and Canada, but also in marketing and in October we will open a new large warehouse in Toronto, Canada. Further investments will also be made during the coming quarters.

We are also in the midst of several large projects, where the largest is Craft Teamwear. Although this launch received a better reception than we had hoped for, it is not yet paired in terms of earnings. The first year's gross profit does not even cover the marketing costs, if one is thinking in the short term, and even with better and better results, we will continue investing in the future.

These investments taken together make it very difficult to assess the earnings trend in the coming quarters but are investments which will give an even bigger, more profitable and stronger New Wave in the future.

In the longer term (+ 12 months) I am extremely positive, but in the short term, there may be one or more quarters that are affected by the high investment costs.

My coworkers and I are working tirelessly to further improve the operating margin.

TORSTEN JANSSON
CEO

COMMENTS

SUMMARY OF THE QUARTER JANUARY – MARCH

The Group increased sales in the first quarter by 12 % (9 % excluding currency fluctuations) compared with last year. It is mainly in the promo sales channel that we still see increased turnover where most of our marketing efforts have so far been made.

The Corporate Promo segment increased its sales by 17 %. The improvement occurs in all regions and in the promo sales channel. Sports & Leisure sales increased by 6 % compared to last year and the improvement occurs mainly in Europe and the United States. Both sales channels increased their sales. Gifts & Home Furnishings increased its sales by 15 % compared to last year. It is the retail sales channel which increased its sales in the Swedish market.

Both our sales channels increased their sales, promo by 16 % and retail by 7 %.

Our gross profit margin was at the same level as last year and amounted to 45.2 (45.5) %. We continue to have a good level of service, and the margin for each segment shows slight improvement in Sports & Leisure and Gifts & Home Furnishings and a slightly lower margin in Corporate Promo (due to changes in the product mix).

The Group's costs have increased compared to last year, which is mainly related to exchange rate fluctuations when converted into SEK. Personnel costs will however increase in the coming quarters as we get the full-year effect of earlier employment within sales.

Operating profit increased by SEK 35.1 million compared to last year and amounted to SEK 43.2 (8.1) million. The improvement is attributable to the higher turnover. Financial expenses have decreased which is attributable to the decrease in net debt.

Cash flow from operating activities amounted to SEK 33.6 (70.6) million. The lower cash flow is an effect of the timing in inventory purchases. Inventories increased by SEK 59 million to SEK 2,554 (2,495) million. The increase is related to the exchange rate fluctuations when converted into SEK which has increased the value by 93 million. Net debt decreased by SEK 156 million to SEK 1,714 (1,870) million. Changes in exchange rates increased net debt by SEK 108 million. The debt to equity ratio decreased and as of March 31 amounted to 60.6 (75.0) %.

JANUARY – MARCH

TURNOVER

Turnover amounted to SEK 1,264 million, which was 12 % higher than last year (SEK 1,131 million). Exchange rates affected sales positively by SEK 37 million (3 %).

Sales in Sweden increased by 8 % compared with last year and the growth is taking place in both sales channels. The United States increased by 9 %, the majority of which is related to foreign exchange fluctuations when converted into SEK. The improvement occurs in both sales channels. The Nordic countries (excl. Sweden) increased its turnover by 8 %, and even here it is the promo sales channel where growth is taking place. Sales in Central and Southern Europe increased by 10 % and 15 % respectively. Growth occurs primarily in the promo sales channel, even though retail also had good growth. Other countries increased with 45 %, which is related to the sales channel promo and the Asian market.

GROSS PROFIT

Gross profit margin was slightly lower than last year and amounted to 45.2 (45.5) %. The slightly lower margin is related to changes in the product mix within the Corporate Promo segment. Other segments increased their margin slightly.

OTHER OPERATING INCOME AND OTHER OPERATING EXPENSES

Other operating income increased by SEK 1.5 million to SEK 10.9 (9.4) 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 operating losses are reported. Other operating expenses increased by SEK 2.2 million to SEK -7.8 (-5.6) million. The net total of above items amounted to SEK 3.1 (3.8) million.

COSTS AND DEPRECIATION

External costs increased by SEK 8.8 million to SEK -288.6 (-279.8) million. The increase is mainly related to exchange rate fluctuations when converted into SEK.

Personnel costs amounted to SEK 228.1 million which is SEK 10.7 million higher than last year (SEK -217.4 million). Even here, the increase is mainly related to exchange rate fluctuations when converted into SEK.

Depreciation was slightly higher compared to last year and amounted to SEK -15.0 (-13.2) million.

Currency exchange rates increased costs by SEK 14.7 million.

OPERATING MARGIN

Operating margin amounted to 3.4 (0.7) % where the improvement is related to higher turnover.

NET FINANCIAL ITEMS AND TAXES

Net financial items amounted to SEK -12.5 (-13.8 million). The improvement related to lower interest expenses due to lower net debt.

Tax on profit for the period amounted to SEK -5.8 (1.1) million. The effective tax rate amounted to -18.9 (19.3) %.

RESULT FOR THE PERIOD

Net income amounted to SEK 24.9 (-4.6) million and earnings per share amounted to SEK 0.38 (-0.06).

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

Turnover increased by SEK 85 million to SEK 590 (505) million. The increase in turnover is due to increased sales and marketing activities, as well as improved inventory structure and level of service. It is the promo sales channel which increased and growth occurred in all regions. EBITDA amounted to SEK 33.7 (13.5) million. The improvement in EBITDA is related to the increased turnover but has also been adversely affected by increased costs for sales and marketing, as well as a slightly lower gross profit margin (product mix).

SPORTS & LEISURE

Sales for the first quarter of the year amounted to SEK 553 (520) million. Sales increased in both sales channels. It is mainly in the regions of Europe and the United States that the increase occurs. EBITDA amounted to SEK 32.8 (22.0) million. The improvement in EBITDA is primarily related to turnover but also a slightly improved gross profit margin has affected positively.

GIFTS & HOME FURNISHINGS

Sales in the segment increased by SEK 16 million compared with last year and amounted to SEK 122 (106) million. It is within the Swedish market and retail sales channel that the improvement occurred. Even EBITDA improved and amounted to SEK -8.3 million which is SEK 5.9 million better than last year (SEK -14.2 million). The improvement is due to increased sales and improved gross profit margin.

CAPITAL TIED UP

Capital tied up in inventories has increased by SEK 59 million compared to last year's first quarter and amounted to SEK 2,554 (2,495) million. The increase is related to changes in foreign exchange rates when converted into SEK, which has increased inventories by SEK 93 million. The turnover rate in inventories has improved slightly and amounts to 1.1 (1.0). The inventory value is expected to be at a slightly higher level than before even in the coming quarters, mainly because of our extended Corporate Promo range as well as the construction of our new warehouse in Canada.

SEK million	03-2017	03-2016
Raw materials	27.3	29.0
Work in progress	7.0	5.0
Goods in transit	116.2	109.9
Merchandise on stock	<u>2 403.7</u>	<u>2 351.0</u>
Total	2 554.2	2 494.9

Accumulated write-down of inventories amounted to SEK 113 (112) million, of which SEK 7 (8) million relates to raw materials. Accumulated write-down related to merchandise on stock amounted to 4.2 (4.2) %.

Accounts receivable amounted to SEK 800 (729) million and the increase is related to higher turnover.

INVESTMENTS, FINANCING AND LIQUIDITY

Consolidated cash flow from operating activities amounted to SEK 33.6 (70.6) million. The lower cash flow is an effect of the timing in inventory purchases. The cash flow from investing activities amounted to SEK -19.9 (-16.3) million.

Net debt decreased by SEK 156 million and amounted to SEK 1,714 (1,870) million, which is related to improved cash flow both in terms of results and working capital. Exchange rates have increased the debt by SEK 108 million. Our net debt in relation to equity and working capital have decreased and amount to 60.6 (75.0) % and 63.3 (71.1) % respectively.

The equity ratio has improved by 3.2 percentage points in relation to last year and as of 31 March 2017 amounted to 49.4 (46.2) %.

The Group's total credit facility as of 31 March amounted to SEK 2,602 million of which SEK 2,000 million runs until January 2019, USD 39 million has a term that extends to January 2024, and SEK 250 million has terms of between three and seven 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.

PERSONNEL AND ORGANISATION

The number of employees as of 31 March 2017 amounted to 2,419 (2,398), of whom 51 % were female and 49 % male. Of the total number of employees 658 (630) work in production. The production contained within the New Group is attributable to Ahead (embroidery), Cutter & Buck (embroidery), Dahetra, Orrefors Kosta Boda, Paris Glove, Victory, Thermo 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 in the first quarter of the year amounted to SEK 28.0 (24.5) million. Profit before appropriations and taxes amounted to SEK -0.4 (25.3) million. The decline in earnings is related to repayment of previously written-down shares in Group companies amounting to SEK 30.2 million. Net borrowing amounted to SEK 1,671 (1,753) million. The parent company's net financing to subsidiaries amounted to SEK 1,847 (1,547) million. Net investments amounted to SEK -0.4 (30.0) million. The balance sheet total amounted to SEK 3,753 (3,627) million and shareholders' equity, including 78 % of untaxed reserves, SEK 1,590 (1,241) million.

RISKS AND RISK CONTROL

New Wave Group's international operations mean that it is continuously exposed to various financial risks. The financial risks are interest rate risks, currency risks as well as liquidity and credit risks. In order to minimize the effect 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; 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.

ACCOUNTING PRINCIPLES

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

No new or revised IFRS which came into force 2017 has had any significant impact on the Group.

The interim report for the parent company has been prepared according to the Annual Accounts Act as well as the Swedish Financial Accounting Standards Council's recommendation RFR2 - Accounting for Legal Entities. Applied accounting policies are in accordance with the Annual Report for 2016.

ANNUAL GENERAL MEETING

The Annual General Meeting will be held on 10 May at 13.00 in Kosta. The annual report is available at the company's head office in Gothenburg and on its website www.nwg.se

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 1.35 (1.00) per share, amounting to SEK 89.6 (66.3) million. This proposal corresponds to 32 (46) % of the year's net result.

NOMINATION COMMITTEE

The nomination committee for the board election at the 2017 annual general meeting is:

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

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

CALENDAR

- 10 May: Annual General Meeting 2017
- 17 August: Interim report for Q2
- 9 November: Interim report for Q3

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 26 APRIL 2017
NEW WAVE GROUP AB (PUBL)



OLOF PERSSON
Chairman of the Board



CHRISTINA BELLANDER
Member of the Board



M JOHAN WIDERBERG
Member of the Board



ELISABETH DAHLIN
Member of the Board



MATS ÅRJÉS
Member of the Board



TORSTEN JANSSON
CEO

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The information in this report is that which New Wave Group is required to disclose under the Securities Exchange and Clearing Operations Act and/or the Financial Trading Act. The information was released for publication at 7 am (CET) 26 April 2017.



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KOSTA BODA
SWEDEN 1742



PROJOB
SWEDISH WORKWEAR

CONSOLIDATED INCOME STATEMENTS

SEK million	3 months	3 months	12 months	12 months
	Jan – Mar 2017	Jan – Mar 2016	Jan – Dec 2016	Jan – Dec 2015
Net income	1 264.2	1 130.8	5 237.1	4 964.7
Goods for resale	-692.8	-616.3	-2 826.9	-2 726.1
Gross profit	571.4	514.5	2 410.2	2 238.6
Other operating income*	10.9	9.4	51.0	47.2
External costs	-288.6	-279.8	-1 098.0	-1 086.0
Personnel costs	-228.1	217.4	-881.6	-851.6
Depreciation and write-downs of tangible and intangible fixed assets	-15.0	-13.2	-55.9	-57.1
Other operating costs **	-7.8	-5.6	-25.7	-36.2
Share of associated companies' result	0.4	0.2	0.2	0.3
Operating profit	43.2	8.1	400.2	255.2
Financial income	1.3	1.2	3.1	7.2
Financial expenses	-13.8	15.0	-63.0	-81.5
Net financial items	-12.5	-13.8	-59.9	-74.3
Result before tax	30.7	-5.7	340.3	180.9
Tax on profit for the period	-5.8	1.1	-63.6	-35.6
Result for the period	24.9	-4.6	276.7	145.3
<i>Other comprehensive income</i>				
Items that can be reclassified into profit or loss				
Translation differences	-14.0	-13.5	88.9	28.1
Cash flow hedge	2.4	-2.5	5.5	-0.1
Sum	-11.7	-16.0	94.4	28.0
Income tax related to components of other comprehensive income	-0.5	0.5	-1.2	0.0
<i>Total other comprehensive income net after tax for the period</i>	-12.2	-15.5	93.2	28.0
Total comprehensive income for the period	12.7	-20.1	369.9	173.3
Result for the period attributable to:				
Shareholders of the parent company	25.4	-4.1	276.1	143.6
Non-controlling interest	-0.5	-0.5	0.6	1.7
	24.9	-4.6	276.7	145.3
Total comprehensive income attributable to:				
Shareholders of the parent company	13.4	-19.5	368.6	171.4
Non-controlling interest	-0.6	-0.6	1.3	1.9
	12.7	-20.1	369.9	173.3
Result per share (SEK)	0.38	-0.06	4.16	2.16
The average number of outstanding shares	66 343 543	66 343 543	66 343 543	66 343 543

* Mainly rate of exchange profit and capital gain

** Mainly rate of exchange loss and capital loss

CONSOLIDATED CASH FLOW STATEMENT

SEK million	3 months Jan – Mar 2017	3 months Jan – Mar 2016	12 months Jan – Dec 2016	12 months Jan – Dec 2015
Current operation				
Operating profit	43.2	8.1	400.2	255.3
Adjustment for items not included in cash flow	17.0	18.3	56.2	67.7
Received interest	1.3	1.2	3.1	5.4
Paid interest	-13.8	-15.0	-63.0	-68.4
Paid income tax	-9.9	-16.8	-63.1	-50.2
Cash flow from current operations before changes in working capital	37.8	-4.2	333.4	209.8
Changes in working capital				
Increase/decrease of stock	-73.9	-49.7	54.3	-245.6
Increase/decrease of current receivables	113.0	85.3	-66.5	74.5
Increase/decrease of current liabilities	-43.3	32.5	127.7	90.8
Cash flow from changes in working capital	-4.2	68.1	115.5	-80.3
Cash flow from operations	33.6	63.9	448.9	129.5
Investing activities				
Investments in tangible fixed assets	-20.5	-16.8	-77.1	-108.7
Sales of tangible fixed assets	1.0	0.6	0.9	1.9
Investments in intangible fixed assets	-0.3	-0.3	-9.9	-4.4
Acquisition of subsidiaries	0.0	0.0	0.0	-1.7
Sales of subsidiaries	0.0	0.0	0.0	7.4
Acquisition of shares in associated companies	0.0	0.0	-2.4	0.0
Raised long-term receivables	-0.1	0.0	-1.1	-1.0
Repayment of long-term receivables	0.0	0.2	0.0	0.0
Cash flow from investing activities	-19.9	-16.3	-89.6	-106.5
Cash flow after investing activities	13.7	47.6	359.3	23.0
Financial activities				
Amortization of loan	-39.4	-74.6	-247.0	-10.0
Dividend paid to non-controlling interest	0.0	0.0	0.0	-1.0
Dividend paid to the shareholders of the parent company	0.0	0.0	-66.3	-66.3
Cash flow from financial activities	-39.4	-74.6	-313.3	-77.3
Cash flow for the period	-25.7	-27.0	46.0	-54.3
Liquid assets at the beginning of the period	218.9	165.5	165.5	216.0
Translation differences in liquid assets	-1.3	-2.2	7.4	3.8
Liquid assets at period-end	191.9	136.3	218.9	165.5
Liquid assets				
Cash at bank and in hand	191.9	136.3	218.9	165.5

CONDENSED CONSOLIDATED BALANCE SHEETS

SEK million	31- Mar 2017	31- Mar 2016	31-Dec 2016	31-Dec 2015
ASSETS				
Intangible fixed assets	1 449.6	1 365.2	1 469.4	1 387.4
Tangible fixed assets	403.6	362.1	399.2	361.9
Shares in associated companies	55.1	52.8	55.0	52.5
Long-term receivables	10.4	8.7	10.0	8.8
Deferred tax assets	113.4	112.0	114.1	112.2
Total non-current assets	2 032.2	1 900.8	2 047.7	1 922.8
Stock	2 554.1	2 494.9	2 496.4	2 447.8
Tax receivables	33.6	26.5	27.2	12.7
Accounts receivable	800.4	729.0	906.2	821.5
Prepaid expenses and accrued income	64.0	70.3	81.1	69.3
Other receivables	53.9	41.6	46.7	39.1
Liquid assets	191.9	136.3	218.9	165.5
Total current assets	3 697.9	3 498.6	3 776.5	3 555.9
TOTAL ASSETS	5 730.1	5 399.4	5 824.2	5 478.7
EQUITY				
Share capital	199.1	199.1	199.1	199.1
Other capital contributions	219.4	219.4	219.4	219.4
Reserves	319.5	228.8	337.4	244.1
Retained earnings including result for the period	2 069.7	1 824.8	2 038.7	1 829.0
Equity attributable to shareholders of the parent company	2 807.8	2 472.1	2 794.6	2 491.6
Non-controlling interest	22.1	21.4	22.6	22.0
Total equity	2 829.9	2 493.5	2 817.2	2 513.6
LIABILITIES				
Long-term interest-bearing liabilities	1 826.4	1 934.7	1 864.5	1 805.2
Pension provisions	15.6	13.9	15.1	13.5
Other provisions	4.2	6.6	6.0	6.4
Deferred tax liabilities	161.7	148.6	164.2	150.8
Total non-current liabilities	2 008.0	2 103.8	2 049.8	1 975.9
Short-term interest-bearing liabilities	79.8	71.1	103.3	289.4
Accounts payable	460.1	420.7	492.5	368.6
Current tax liabilities	36.1	8.3	32.2	11.8
Other liabilities	127.4	120.5	111.8	125.2
Accrued expenses and prepaid income	188.7	181.5	217.4	194.2
Total current liabilities	892.1	802.1	957.2	989.2
Total liabilities	2 900.2	2 905.9	3 007.0	2 965.1
TOTAL EQUITY AND LIABILITIES	5 730.1	5 399.4	5 824.2	5 478.7
Memorandum items				
Pledged assets	3 452.2	3 430.5	3 502.2	3 460.8
Contingent liabilities	37.3	23.9	24.1	23.8

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEK million	Share capital	Other capital contributions	Reserves	Retained earnings incl. result for the year	Total	Non-controlling (minority) 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

SEK million	Share capital	Other capital contributions	Reserves	Retained earnings incl. result for the period	Total	Non-controlling (minority) 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 period				25.4	25.4	-0.5	24.9
Other comprehensive income							
Translation difference			-14.0		-14.0		-14.0
Cash flow hedge			2.4		2.4		2.4
Reclassification of previous years' cash flow			-5.6	5.6	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				0.0	0.0		0.0
Closing balance 2017-03-31	199.1	219.4	319.6	2 069.7	2 807.9	22.1	2 829.9

Accumulated translation differences in equity	3 months 2017	3 months 2016	Year 2016	Year 2015
Accumulated translation differences at the beginning of the period	338.5	249.6	249.6	221.5
Translation difference in foreign subsidiaries for the period	-14.0	-13.5	88.9	28.1
Accumulated translation differences at end of period	324.5	236.1	338.5	249.6

FINANCIAL INSTRUMENTS

SEK million	31 Mar 2017	31 Mar 2016	31 Dec 2016	31 Dec 2015
Assets at fair value *	3.3	0.0	6.4	0.0
Assets at amortized cost	1 062.7	906.9	1 178.5	1 032.3
Total financial assets	1 066.0	906.9	1 184.9	1 032.3
Liabilities at fair value *	3.6	4.7	5.0	10.8
Liabilities at amortized cost	2 673.5	2 721.8	2 780.5	2 759.5
Total financial liabilities	2 677.1	2 726.5	2 785.5	2 770.3

Financial instruments are measured at fair value or amortized 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.

* Refer to derivatives

FINANCIAL HIGHLIGHTS - GROUP

	3 months Jan – Mar 2017	3 months Jan – Mar 2016	12 months Jan – Dec 2016	12 months Jan – Dec 2015
Sales growth, %	11.8	3.2	5.5	16.2
Number of employees	2 419	2 398	2 396	2 358
Gross profit margin, %	45.2	45.5	46.0	45.1
Operating margin before depreciation, %	4.6	1.9	8.7	6.3
Operating margin, %	3.4	0.7	7.6	5.1
Profit margin, %	2.4	-0.5	6.5	3.6
Net margin, %	2.0	-0.4	5.3	2.9
Return on shareholders' equity, %	3.6	-0.6	10.4	6.0
Return on capital employed, %	3.6	0.8	8.6	5.8
Equity ratio, %	49.4	46.2	48.4	45.9
Net debt to Equity ratio, %	60.6	75.0	62.1	76.8
Net debt in relation to working capital	63.6	71.1	64.7	71.7
Net debt, SEK million	1 714.3	1 869.5	1 748.9	1 929.1
Interest cover ratio, times	3.2	0.6	6.5	3.2
Capital turnover, times	0.9	0.8	0.9	0.9
Stock turnover, times	1.1	1.0	1.1	1.2
Cash flow before investments, SEK million	33.6	63.9	448.9	129.5
Net investments, SEK million	-19.9	-16.5	-89.6	-106.5
Cash flow after investments, SEK million	13.7	47.4	359.3	24.0
Shareholders' equity per share, SEK	42.65	37.58	42.46	37.89
Shareholders' equity per share after dilution, SEK	42.65	37.58	42.46	37.89
Share price as at December 31, SEK	-	-	55.25	34.50
Dividend/share, SEK	-	-	1.00	1.00
P/E-ratio	-	-	13.30	15.75
P/S-ratio	-	-	0.7	0.46
Share price/Shareholders' equity	-	-	1.30	0.91

INCOME STATEMENTS - PARENT COMPANY

SEK million	3 months Jan – Mar 2017	3 months Jan – Mar 2016	12 months Jan – Dec 2016	12 months Jan – Dec 2015
Net income	21.1	20.2	101.2	94.7
Other operating income*	6.8	4.3	22.1	27.9
Total income	28.0	24.5	123.3	122.6
External costs	-18.4	-18.4	-91.9	-79.7
Personnel costs	-5.4	-5.8	-23.5	-26.6
Depreciation of tangible and intangible fixed assets	-1.3	-1.3	-5.2	-5.8
Other operating costs**	-6.4	-3.8	-19.5	-26.1
Operating profit/loss	-3.5	-4.8	-16.8	-15.6
Net income from shares in Group companies	0.0	30.2	420.4	77.3
Write-downs of financial fixed assets	0.0	0.0	-2.4	-93.2
Financial income	16.8	15.8	66.6	57.1
Financial expenses	-13.8	-15.9	-61.6	-64.3
Net financial items	3.1	30.1	423.0	-23.1
Result before appropriations and tax	-0.4	25.3	406.2	-38.7
Appropriations	0.0	0.0	33.9	8.0
Tax on result for the year	1.2	1.1	-5.0	0.0
Result for the year	0.8	26.4	435.1	-30.7

Total comprehensive income for the year correspond with profit for the year.

* Rate of exchange profit and capital gain

** Rate of exchange loss

CASH FLOW STATEMENT – PARENT COMPANY

SEK million	3 months Jan – Mar 2017	3 months Jan – Mar 2016	12 months Jan – Dec 2016	12 months Jan – Dec 2015
Current operations				
Operating profit/loss	-3.5	-4.8	-16.8	-15.6
Adjustment for items not included in cash flow	1.3	1.3	5.2	5.8
Received interest	16.8	15.8	66.6	57.1
Paid interest	-13.7	-15.9	-61.6	-64.3
Paid income tax	1.1	0.4	-2.8	-0.4
Cash flow from current operations before changes in working capital	2.0	-3.2	-9.4	-17.4
Changes in working capital				
Decrease/increase in stock	-0.5	0.8	0.8	-0.2
Decrease/increase in current receivables	-22.2	-2.9	458.9	-199.9
Decrease/increase on current liabilities	57.4	70.7	-147.3	235.5
Cash flow from changes in working capital	34.7	68.6	312.4	35.4
Cash flow from operations	36.7	65.4	303.0	18.0
Investing activities				
Shareholders contribution to subsidiaries	0.0	0.0	-19.0	-9.6
Investments in tangible fixed assets	-0.4	-0.2	-2.9	-2.5
Investments in intangible fixed assets	0.0	0.0	-0.2	-1.5
Acquisition of shares	0.0	0.0	-2.2	-9.2
Repayment of share capital from subsidiary	0.0	30.2	30.2	0.0
Cash-flow from investing activities	-0.4	30.0	5.9	-22.8
Cash-flow after investing activities	36.3	95.4	308.9	-4.8
Financial activities				
Loan raised	0.0	0.0	0.0	61.5
Amortization of loan	-40.6	-98.3	-241.3	0.0
Dividend paid to shareholders of the parent company	0.0	0.0	-66.3	-66.3
Cash-flow from financial activities	-40.6	-98.3	-307.6	-4.8
Cash flow for the period	-4.3	-2.9	1.3	-9.6
Liquid assets at the beginning of the year	4.5	3.2	3.2	12.8
Liquid assets at period-end	0.2	0.3	4.5	3.2

BALANCE SHEETS - PARENT COMPANY

SEK million	31 Mar 2017	31 Mar 2016	31 Dec 2016	31 Dec 2015
ASSETS				
Fixed assets				
Intangible fixed assets	10.8	14.7	11.7	15.7
Tangible fixed assets	4.9	2.9	4.8	2.9
Financial fixed assets				
Shares in Group companies	1 510.2	1 488.1	1 510.2	1 488.1
Shares in associated companies	54.6	52.2	54.6	52.2
Receivables on Group companies	980.0	893.8	998.0	916.3
Other long-term receivables	2.4	2.0	2.4	2.0
Total financial fixed assets	2 547.2	2 436.1	2 565.2	2 458.6
Total fixed assets	2 562.9	2 453.7	2 581.7	2 477.2
Current assets				
Current receivables				
Stock	0.5	0.0	0.0	0.8
Accounts receivable	0.2	0.5	0.6	0.3
Receivables on Group companies	1 167.8	1 152.5	1 145.9	1 156.2
Tax receivables	0.0	1.4	0.2	0.6
Other receivables	10.3	6.3	8.4	7.0
Prepaid expenses and accrued income	11.1	12.4	11.8	5.4
Total current receivables	1 189.9	1 173.1	1 166.9	1 170.3
Cash at bank and in hand	0.2	0.3	4.5	3.2
Total current assets	1 190.1	1 173.4	1 171.4	1 173.5
TOTAL ASSETS	3 753.0	3 627.1	3 753.1	3 650.7
EQUITY AND LIABILITIES				
Equity				
Restricted equity				
Share capital	199.1	199.1	199.1	199.1
Restricted reserves	249.4	249.4	249.4	249.4
	448.5	448.5	448.5	448.5
Unrestricted equity				
Retained profits	1 086.9	718.1	651.8	748.8
Share premium reserve	48.0	48.0	48.0	48.0
Result for the period	0.8	26.4	435.1	-30.7
	1 135.7	792.5	1 134.9	766.1
Total equity	1 584.2	1 241.0	1 583.4	1 214.6
Untaxed reserves	6.8	0.0	6.8	0.0
Non-current liabilities				
Overdraft facilities	1 304.3	1 417.3	1 293.3	1 329.6
Bankloan	301.5	285.8	371.0	294.2
Total non-current liabilities	1 605.8	1 703.1	1 664.3	1 623.8
Current liabilities				
Short-term interest-bearing liabilities	65.3	50.0	66.2	250.0
Accounts payable	182.9	126.1	163.9	99.4
Liabilities to Group companies	300.4	499.7	256.9	449.8
Current tax liability	1.9	0.0	1.8	0.0
Other liabilities	0.8	3.0	2.4	7.2
Accrued expenses and prepaid income	5.0	4.2	7.4	5.9
Total current liabilities	556.2	683.0	498.6	812.3
TOTAL EQUITY AND LIABILITIES	3 753.0	3 627.1	3 753.1	3 650.7
Pledged assets and contingent liabilities for the parent company				
Pledged assets	1 222.1	1 198.8	1 222.1	1 198.8
Contingent liabilities	460.9	372.4	471.2	334.0

CHANGES IN EQUITY - PARENT COMPANY

SEK million	Share capital	Restricted reserves	Retained profits	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 profits	Share premium reserve	Result for the period	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 period					0.8	0.8
Total change in net assets excluding transactions with shareholders	0.0	0.0	0.0	0.0	0.8	0.8
Dividends			0.0			0.0
Closing balance 2017-03-31	199.1	249.4	1 086.9	48.0	0.8	1 584.2

NET INCOME AND EBITDA PER OPERATING SEGMENT

SEK million	3 months Jan – Mar 2017	3 months Jan – Mar 2016	12 months Jan – Dec 2016	12 months Jan – Dec 2015
Corporate Promo				
Net income	589.7	505.1	2 388.6	2 152.0
EBITDA	37.4	13.5	250.8	166.4
Sports & Leisure				
Net income	553.0	519.9	2 260.8	2 258.4
EBITDA	29.2	22.0	194.5	143.1
Gifts & Home furnishings				
Net income	121.5	105.8	587.7	554.3
EBITDA	-8.5	-14.2	10.8	2.8
Total net income	1 264.2	1 130.8	5 237.1	4 964.7
Total EBITDA	58.2	21.3	456.1	312.3
Total EBITDA	58.2	21.3	456.1	312.3
Depreciation and write downs	-15.0	-13.2	-55.9	-57.1
Net financial items	-12.5	-13.8	-59.9	-74.3
Result before tax	30.7	-5.7	180.9	180.9

ASSETS/LIABILITIES PER OPERATING SEGMENT

SEK million	Total assets	Fixed assets *	Deferred tax assets	Net investments	Depreciation and write downs	Total liabilities
31 March 2017						
Corporate Promo	2 951.2	626.0	36.3	-4.8	-6.9	1 900.3
Sports & Leisure	2 227.9	1 034.5	62.4	-3.0	-6.9	616.0
Gifts & Home Furnishings	551.0	192.7	14.7	-6.5	-1.2	384.2
Total	5 730.1	1 853.3	113.4	-14.3	-15.0	2 900.5
31 March 2016						
Corporate Promo	2 857.6	621.0	30.3	-3.5	-6.8	2 006.5
Sports & Leisure	2 033.4	935.1	50.7	-7.6	-5.5	581.3
Gifts & Home Furnishings	508.4	171.2	31.0	-5.4	-0.9	318.1
Total	5 399.4	1 727.3	112.0	-16.5	-13.2	2 905.9

NET INCOME PER GEOGRAFIC AREA

SEK million	3 months	Part of net income	3 months	Part of net income	Change SEK million	Change %
	Jan – Mar 2017		Jan – Mar 2016			
Sweden	255.8	20%	236.7	21%	19.1	8%
USA	314.4	25%	289.4	26%	25.0	9%
Nordic countries excluding Sweden	175.9	14%	163.0	14%	12.9	8%
Central Europe	274.8	22%	250.2	22%	24.6	10%
Southern Europe	129.3	10%	112.8	10%	16.5	15%
Other countries	114.0	9%	78.7	7%	35.3	45%
Total	1 264.2	100%	1 130.8	100%	133.4	12%

SEK million	12 months	Part of net income	12 months	Part of net income	Change SEK million	Change %
	Jan-Dec 2016		Jan-Dec 2015			
Sweden	1 236.4	24%	1 145.6	23%	90.8	8%
USA	1 381.1	26%	1 389.1	28%	-8.0	-1%
Nordic countries excluding Sweden	739.5	14%	660.2	13%	79.3	12%
Central Europe	996.8	19%	927.3	19%	69.5	7%
Southern Europe	524.4	10%	471.5	10%	52.9	11%
Other countries	358.9	7%	371.0	7%	-12.1	-3%
Total	5 237.1	100%	4 964.7	100%	272.4	5%

FIXED ASSETS AND DEFERRED TAX ASSETS PER AREA

SEK million	31 Mar 2017	Deferred tax assets	31 Mar 2016	Deferred tax assets	31 Dec 2016	Deferred tax assets
	Fixed assets*		Fixed assets*		Fixed assets*	
Sweden	476.8	15.9	458.3	20.6	477.9	15.9
USA	983.8	58.8	882.5	62.1	996.1	59.2
Nordic countries excluding Sweden	27.8	8.4	28.9	11.3	27.7	8.4
Central Europe	201.1	22.7	195.6	11.9	202.5	22.7
Southern Europe	158.0	2.9	154.8	3.2	158.8	2.8
Other countries	5.8	4.8	7.2	2.9	5.6	5.1
Total	1 853.3	113.4	1 727.3	112.2	1 868.6	114.1

* Fixed assets classified as financial assets are not included

QUARTERLY CONSOLIDATED INCOME STATEMENTS

SEK million	2017		2016				2015					
Quarter	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net income	1 264.2	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	-616.3	-685.0	-693.3	-832.3	-595.7	-659.1	-697.8	-773.5			
Gross profit	571.4	514.5	572.3	607.1	716.3	500.4	532.2	574.2	631.8			
Gross profit %	45.2	45.5	45.5	46.7	46.3	45.7	44.7	45.1	45.0			
Other operating income	10.9	9.4	12.2	14.5	14.9	9.3	7.8	22.1	8.0			
External costs	-288.6	-279.8	-249.6	-268.5	-300.1	-270.1	-258.9	-273.0	-284.0			
Personnel costs	-228.1	-217.4	-213.0	-208.3	-242.9	-205.3	-212.0	-202.8	-231.5			
Depreciations and write-downs	-15.0	-13.2	-13.4	-14.1	-15.2	-14.9	-14.3	-13.7	-14.2			
Other operating costs	-7.8	-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	-0.2	0.0	0.2	0.9	0.6	-1.2	0.0			
Operating profit/loss	43.2	8.1	100.2	124.9	167.0	1.8	48.7	96.3	108.4			
Financial income	1.3	1.2	0.9	1.0	0.0	1.9	3.2	1.4	0.7			
Financial expenses	-13.8	-15.0	-15.7	-16.4	-15.0	-17.0	-16.9	-19.0	-28.6			
Result before tax	30.7	-5.7	85.4	109.5	151.9	-13.3	35.0	78.7	80.5			
Tax	-5.8	1.1	-18.4	-23.0	-23.3	2.4	-7.2	-13.6	-17.2			
Result for the period	24.9	-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	-15.5	47.2	26.4	35.1	101.7	-43.9	7.1	-36.9			
Total comprehensive income for the period	12.7	-20.1	114.2	112.9	162.9	90.8	-16.1	72.2	26.4			
Profit per share												
before dilution (SEK)	0.38	-0.06	1.01	1.31	1.9	-0.17	0.41	0.98	0.94			
after dilution (SEK)	0.38	-0.06	1.01	1.31	1.9	-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			
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			

SEK million	2014				2013				2012			
Quarter	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net income	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 profit/loss	-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
Profit 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	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Cash flow from current operations before changes in working capital	37.8	-4.2	89.4	116.2	132.0	-9.2	54.6	73.8	90.6
Increase/decrease of stock	-73.9	-49.7	62.4	-109.6	151.2	-200.6	-88.5	-132.1	175.6
Increase/decrease of current receivables	113.0	85.3	-76.9	-106.8	31.9	129.5	-23.0	-117.2	85.2
Increase/decrease of current liabilities	-43.3	32.5	13.7	115.7	-34.2	51.4	1.0	14.3	24.1
Changes in working capital	-4.2	68.1	-0.8	-100.7	148.9	-19.7	-110.5	-235.0	284.9
Cash flow from operations	33.6	63.9	88.6	15.5	280.9	-28.9	-55.9	-161.2	375.5
Investing activities	-19.9	-16.3	-21.2	-25.8	-26.3	-26.7	-40.7	-15.0	-24.1
Cash flow after investing activities	13.7	47.6	67.4	-10.3	254.6	-55.6	-96.6	-176.2	351.4
Loan raised	0.0	0.0	16.1	22.9	0.0	0.0	179.1	173.9	0.0
Amortization of loan	-39.4	-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	-1.0	0.0
Dividend paid to the shareholders of the parent company	0.0	0.0	-66.3	0.0	0.0	0.0	-66.3	0.0	0.0
Financial activities	-39.4	-74.6	-50.2	22.9	-211.4	-13.9	112.8	172.9	-349.1
Cash flow for the period	-25.7	-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	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
Translation differences in liquid assets	-1.3	-2.2	3.6	3.2	2.8	12.5	-5.7	1.5	-4.5
Liquid assets at period-end	191.9	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 current operations 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 operations	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
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

* As of 2012 gross accounting of cash in bank is applied.

NEW WAVE GROUP

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 nominal 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 profit after taxes over a business cycle.

SHAREHOLDERS

The number of shareholders amount to 12 095 (11 806) on March 31 2017. Institutional investors accounted for 48 % of the capital and 13% of the votes. At the same time the ten largest shareholders held 66 % of the capital and 91% of the votes. Non-Swedish shareholders accounted for 16 % of the capital and 4 % of the votes.

NEW WAVE GROUP'S TEN MAJOR SHAREHOLDERS 2017-03-31

SHAREHOLDER	Number of shares	Number of votes	Capital %	Votes %
Torsten Jansson through companies	21 303 377	198 672 497	32,1%	81,5%
Avanza Pension	4 330 765	4 330 765	6,5%	1,8%
Lannebo fonder	4 293 649	4 293 649	6,5%	1,8%
Fjärde AP-Fonden	4 215 717	4 215 717	6,4%	1,7%
City Bank New York	1 929 199	1 924 153	2,9%	0,8%
Svolder AB	1 832 738	1 832 738	2,8%	0,8%
JP Morgan	1 626 186	1 630 119	2,5%	0,7%
Spiltan Aktiefonder	1 575 551	1 575 551	2,4%	0,6%
Bank of New York Mellon	1 513 091	1 513 091	2,3%	0,6%
Hans Diding	1 219 402	1 219 402	1,8%	0,5%
	43 839 675	221 207 682	66,1%	90,8%

SHAREHOLDER DISTRIBUTION IN NEW WAVE GROUP 2017-03-31

	Number of shares	Number of votes	Capital %	Votes %
Sweden	55 538 263	232 907 383	83,7%	95,6%
Shareholders outside Sweden, excl. USA	6 056 745	6 056 745	9,1%	2,5%
USA	4 748 535	4 748 535	7,2%	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	Income less goods for resale in percent of income.	The measure is used for showing the company's margins before the effect of costs such as selling and administrative costs.
Operating margin	Operating profit/loss as a percentage of the period's income.	The measure is used to estimate operating profitability
Profit margin	Result before tax as a percentage of the period's income	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 income.	The measure is used to show net earnings in relation to income.
EBITDA	Operating profit/loss 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 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 profit 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 measures, cont.	Definition/calculation	Purpose
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 short-term 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 the company's assets are financed by the shareholders through equity. An equity ratio is a measure of financial strength.
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 netasset 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 profit before tax	This measure enables comparison of income tax across locations where corporate taxes differ.
Cash flow from operations	Cash flow from operations 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 measures is used to regularly estimate how much cash is used to maintain operations and for expansion.

NEW WAVE GROUP BRANDS

CORPORATE PROMO



SPORT & LEISURE



GIFTS AND HOME FURNISHINGS





Lord
NELSON



New Wave Group is a growth company creating, acquiring and developing promo, sports, gifts 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.

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