

# INTERIM REPORT FOR THE FIRST QUARTER 2025

## NEW WAVE GROUP AB

### PERIOD 1 JANUARY – 31 MARCH 2025

- Net sales increased by 9.5% and amounted to SEK 2,184 (1,995) million. In local currencies, net sales increased by 9.0%.
- Operating result amounted to SEK 212 (186) million.
- Profit for the period amounted to SEK 144 (121) million.
- Earnings per share amounted to SEK 1.09 (0.91).
- Cash flow from operating activities amounted to SEK 219 (204) million.

### CEO COMMENTS

#### Stable Start with Organic Growth

We have had a strong and stable start to 2025 despite a continuously challenging market and turbulent global conditions. This year, we achieved organic growth of 9.0%, the highest in a long time. Sales have benefited from a positive calendar effect, but even without it, the growth is strong. It is also gratifying to see that all three segments are growing: Corporate grew by 9%, Sports & Leisure by 11%, and Gifts & Home Furnishings by 3%. Growth is also seen across both distribution channels – Promo by 12% and Retail by 6%.

#### Maintained Gross Profit and Improved Operating Profit

Despite being in an intensive investment phase, we continue to deliver strong numbers. The gross profit margin remains stable at 49.8%, and operating profit increased by 14% to SEK 212 million, with an improved operating margin of 9.7% (9.3).

On a rolling full-year basis, we achieved a turnover of SEK 9,717 million and an operating profit of SEK 1,289 million, resulting in a margin of 13.3%. Considering we are in a phase of intense investments, I am very pleased that we have still managed to improve the results.

#### Cash Flow, Currency, and equity ratio

Cash flow from operating activities remains stable, increasing to SEK 219 million. At the end of the first quarter, the Swedish krona strengthened significantly against other currencies, which mainly impacted our balance sheet negatively, resulting in a substantial negative translation effect on equity of SEK 440 million. Despite this, we increased equity ratio by 0.1% to 63.8%.

#### Bright Future with Expansion and Continued Investments

The future feels solid and positive despite a challenging market and global uncertainty. We are gaining market share and are well-equipped in every way. A common question recently has been about U.S. tariffs and increased trade barriers, and their impact on us. The only significant risk I foresee in the longer term is an economic downturn or recession. In the short term, we may face increased costs if new tariffs are implemented quickly with short lead times, but with production in many countries across several continents, we are well prepared. From a perspective of six months or longer, this doesn't concern me.

We are continuing our investments in warehouse automation, new markets, and existing concepts in new countries. The launch of Craft Teamwear in the U.S. is in full swing, and soon we will also launch Craft Teamwear in Canada. Additionally, we plan to establish another warehouse in southern USA to improve customer service in that region. By late 2025 or early 2026, we also plan to launch Projob, J. Harvest & Frost, Printer, and Harvest in Canada. In

Ireland, we are actively searching for warehouse facilities to establish a new warehouse that will sell the majority of the group's brands on the Irish market. Last but not least, we are preparing to launch Craft Teamwear in both England and Spain. As previously communicated, these expansions will have a short-term negative impact on results but will yield good returns in the longer term.

It has been a long time since we've operated at such a high pace to create an even larger and stronger New Wave. I am delighted that we have good profitability and a strong balance sheet, which allows us to continue expanding while others must take a step back due to uncertain times.

I am pleased with our stable and skilled organization, full of fantastic employees who are highly motivated to work for continuous growth. I am also pleased that our brands continue to grow stronger and gain market share, and that many customers appreciate our high service levels and stability. It is delightful to note that at 62 years of age and after nearly 27 years as a listed company, work feels more enjoyable, and the opportunities feel greater than ever! A big thank you to all staff, customers, the board and shareholders, and to all consumers who choose our brands!

Torsten Jansson, CEO

If you want to sign up for, or unregister from, future messages from New Wave Group, please send an email to [info@nwg.se](mailto:info@nwg.se).