

# YEAR-END REPORT 2025

## NEW WAVE GROUP AB

### PERIOD 1 OCTOBER – 31 DECEMBER 2025

- Net sales increased by 11.2% and amounted to SEK 3,145 million (2,827). In local currencies, net sales increased by 17.7%.
- Operating profit amounted to SEK 435 million (463).
- Profits for the period amounted to SEK 306 million (344).
- Earnings per share amounted to SEK 2.31 (2.60).
- Cash flow from operating activities amounted to SEK 534 million (546).

### PERIOD 1 JANUARY – 31 DECEMBER 2025

- Net sales increased by 5.1% and amounted to SEK 10,019 million (9,529). In local currencies, net sales increased by 9.5%.
- Operating profit amounted to SEK 1,141 million (1,262).
- Profits for the period amounted to SEK 783 million (880).
- Earnings per share amounted to SEK 5.90 (6.63).
- Cash flow from operating activities amounted to SEK 653 million (1,278).

### ANNUAL GENERAL MEETING

The Board of Directors proposes that the General Meeting resolve on a dividend of SEK 3.00 per share (3,50), with semiannual payments of SEK 1.50 per share.

### CEO COMMENTS

#### A Strong Year End Performance Despite Considerable Currency Effects

In my opinion, we delivered a strong sales performance in the fourth quarter. The organic growth amounted to 6.0 % in local currencies and acquisitions contributed with 11.7 %, which resulted in total growth with 17.7 %. Currency effects were nevertheless considerable, and in SEK the growth amounted to 11.2 %. The appreciation of the Swedish krona is now significantly impacting all reported figures, particularly those from the U.S. operations when translated into SEK.

A particularly positive highlight of the quarter is that both the profile- and retail divisions, as well as all other business segments, achieved growth.

#### Gross Profit Remained Stable Despite the Impact of Lower Margin Acquisitions

Gross profit remains very stable and amounted to 48.5 % in the fourth quarter, which is slightly lower than in the previous year. It is important to note that Cotton Classics is included for a full quarter for the first time and operates with a lower gross margin. On a comparable basis, excluding acquisitions, gross profit increased compared to prior year, by 1.3 percentage points to 51.3 %.

The operating income amounted to SEK 435 million, which is SEK 27 million lower compared to the same quarter previous year. The operating margin amounted to 13.8 %. Considering our continued high level of investment, I am pleased with the performance.

#### Growth in a Challenging Market – Exceeding SEK 10 billion in Revenue

Sales for the year increased by 5.1 %, with currency effects contributing with -4.3 %. In local currencies revenue grew by a total of 9.5 % of which organic growth amounted to 5.0 % and acquisitions contributed with additional 4.5 %. Given the current market conditions, this is a positive performance, and we are continuously gaining market

share in most business areas. For the first time, our revenue exceeded SEK 10 billion, which is encouraging - and we intend to continue our growth journey for many years ahead.

### **Reduced Earnings Impacted by Non Recurring Costs and a High Level of Investments**

Operating profit for the full year amounted to SEK 1,141, a reduction of SEK 121 million compared to previous year. Earnings were burdened by a non-recurring cost of SEK 66 million, which was reported in Q3. The operating margin for the full year amounted to 11.4%, which is below our targets, but considering the non-recurring costs, challenging market conditions, continued high investment pace as well as the reduced margin impact from acquisitions, I remain reasonably pleased with the outcome.

### **Strong Balance Sheet Ensures Continued Strategic Flexibility**

Cash flow for the year before investments amounted to SEK 653 million. Throughout the year, we have increased our inventory levels to meet higher demand, which is a positive development. The balance sheet remains strong, and the equity ratio amounted to 53.0 %, which provides us with a strong foundation for additional acquisitions and continuous organic growth.

### **A strong Position, Expanding Brands, and Substantial Opportunities Ahead**

I am very optimistic about the future. We are stronger than ever and have managed to maintain profitability despite an exceptionally volatile period, a challenging market, and a high level of investment. For several years, we have consistently gained market share – and we still have substantial growth ahead of us.

We have recently launched a new collection, Untagged Movement, in which we have strong confidence. Craft is experiencing exceptional growth in club and team sports and now collaborates with clubs in more than 50 different sports in Sweden alone. We are also growing rapidly in the major team sports such as football, handball, basketball, and volleyball. By the end of 2026, or early 2027 at the latest, we will broaden Craft's footwear offering with shoes for various indoor sports. We have continued to automate our warehouses, and in 2026 we will open new facilities in Ireland and the United States to further strengthen our delivery capabilities. Within the profile business, we offer the market's very best textile product range and are also seeing strong growth in hard promotional merchandise, footwear, and more.

The integration of Cotton Classics has had a positive start. In the UK, we have merged two subsidiaries while simultaneously establishing our presence in Ireland. Through the acquisition of Cotton Classics, we have strengthened our position in several markets, including Germany, Austria, the Czech Republic, and Slovenia.

We continue to strengthen our brands and deliver exceptional service to our customers. In parallel, we have invested years of dedicated work in sustainability, and today our collections and products are more sustainable than they have ever been!

In summary, we have substantial opportunities ahead!

I would like to extend my sincere thanks to all clubs, companies and consumers who place their trust in our products and brands. I also want to express my deep appreciation to our dedicated employees across New Wave, to the Board of Directors, and to our shareholders. Together, we will continue to build an even stronger and better New Wave

Torsten Jansson, CEO

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