

INTERIM REPORT FOR THE SECOND QUARTER 2025

NEW WAVE GROUP AB

PERIOD 1 APRIL – 30 JUNE 2025

- Net sales decreased by 4,1% and amounted to SEK 2,300 (2,398) million. In local currencies, net sales increased by 1.3%.
- Operating profit amounted to SEK 241 (301) million.
- Profit for the period amounted to SEK 167 (210) million.
- Earnings per share amounted to SEK 1.26 (1.59).
- Cash flow from operating activities amounted to SEK 150 (337) million.

PERIOD 1 JANUARY – 30 JUNE 2025

- Net sales increased by 2,1% and amounted to SEK 4,484 (4,393) million. In local currencies, net sales increased by 4.8%.
- Operating profit amounted to SEK 453 (487) million.
- Profit for the period amounted to SEK 311 (331) million.
- Earnings per share amounted to SEK 2.34 (2.50).
- Cash flow from operating activities amounted to SEK 368 (541) million.

CEO COMMENTS

Continued Organic Growth, Strategic Acquisition, and Strong Confidence in the Future

The second quarter continued to deliver organic growth in local currencies of 1.3%, which was below our expectations. In Swedish kronor, sales decreased by 4.1%, mainly due to negative currency effects of -5.4%. This year's occurrence of Easter caused a negative calendar effect during the quarter, which instead gave a positive effect in Q1. Despite a generally weaker market, we continue to gain market share – a clear sign of strength.

Investments & Technological Development

During the quarter, we continued to invest in warehouse automation, IT, and marketing. One of our major Dutch companies became the first in the group to implement a new warehouse automation system, HAI Robotics, while also introducing a new ERP system, temporarily impacted both sales and earnings negatively.

Strategic Acquisition

A significant part of the quarter was dedicated to our strategic acquisition of Cotton Classics – the second largest in the group's history. The acquisition is an important step in our long-term growth strategy and further strengthens our market position.

Quarterly Results

Operating profit (EBIT) decreased from SEK 301 million to SEK 241 million, which we are not satisfied with, but it still demonstrates good stability and strong earning capacity in a challenging market. Profit after tax amounted to SEK 167 million, compared to SEK 210 million last year.

What has been essential and what brings me the most joy during this quarter is that we continue to gain market share and that the agreement to acquire Cotton Classics has now been finalized. These are two important milestones for our future development.

First Half-Year Summary

Currency effects negatively impacted sales by 2.7%, but despite this, sales increased by 2.1%. In local currencies, growth amounted to 4.8%, and total sales reached SEK 4,484 million.

Cash Flow and Financial Position

Cash flow for the first half of the year amounted to SEK -76 million, mainly due to a planned investment in inventory build-up, in order to prepare to meet an increased demand in a more optimistic market, alongside continued investments in warehouse automation and IT. The equity ratio amounted to solid 59.3%.

Market Development

The market was generally weak during the second quarter. However, we see signs that a turnaround may be coming, although the timing is difficult to predict. Uncertainties around tariffs in the U.S. and the global situation need to stabilize before a broader recovery can occur.

Looking Ahead

We are very well positioned for the future and are confident that we will outperform our competitors. Once the market turns, we will greatly benefit from our increased market share and strategic acquisitions. We will continue to focus on the development of our existing brands such as Craft, Clique, and Cutter & Buck while we also continue pursuing strategic acquisitions, such as the recent purchase of Cotton Classics, which presents strong growth opportunities. We will also maintain our investments in marketing, warehouse automation, and actively explore further acquisition opportunities. It is in times like these that we can lay the foundation for a future New Wave Group, one that is even larger, stronger, and more profitable!

Thank you all for the first six months of 2025!

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.